

NATIONAL LAW UNIVERSITY JODHPUR

End Term Examination May- 2025
Semester - VIII (Criminal Law Hons.)
Subject: Socio-Economic Offences

Time: 3 hours

Mark: 100 marks

Instructions:

- i. All the questions carry equal marks.
- ii. The students are required to attempt five questions.
- iii. The question paper comprises two pages.

Q.1). Mr. K is a prominent businessman engaged in real estate development across several Indian states. He also holds a significant stake in multiple infrastructure companies that regularly bid for government contracts. An investigation by the Income Tax Department revealed that Mr. K had routed large sums of unaccounted money through a complex web of shell companies registered in the names of his employees, drivers, and domestic help. The investigation found that these companies, while showing minimal or no operational activity, had received substantial funds from Mr. K's main business accounts. These funds were later used to purchase luxury real estate and high-end vehicles, which were then shown in the books as legitimate assets of these shell entities. Some of the properties were later transferred to Mr. K's family members. The Enforcement Directorate (ED) initiated proceedings under the Prevention of Money Laundering Act, 2002, on the ground that the assets acquired through these shell companies were "proceeds of crime" arising from fraudulent billing and over-invoicing in public infrastructure projects acts falling under scheduled offences under the Act. Mr. K argues that he had no personal involvement in the shell companies and that the funds were all part of legitimate business transactions. He further claims that the properties were lawfully acquired and disclosed in tax filings.

You are required to:

- a) Identify the legal issues arising from the above facts.
- b) Discuss the scope of the offence of money-laundering under Section 3 of the Prevention of Money Laundering Act, 2002.
- c) Examine whether Mr. K's acts amount to concealment, possession, acquisition, or projection of proceeds of crime as untainted property.
- d) Assess the relevance of the doctrine of continuing offence in the context of this case.

Note: Support your analysis with statutory provisions and relevant case law.

(Marks 5x4=20)

Q.2). Dr. A is the Dean of Infrastructure at PQR University, a private university established under a State Act, which has been granted land on concessional terms by the State Government and regularly receives research grants and infrastructure subsidies from various government agencies. The university is subject to regulatory oversight by statutory authorities including the State Higher Education Council and the UGC. An internal complaint is filed alleging that Dr. A accepted an expensive car from a private construction company, XYZ Builders, which was recently awarded a major contract for the construction of a new research centre on campus. It is further alleged that Dr. A had influenced the tender committee to ensure XYZ Builders qualified, despite discrepancies in their documents. A vigilance inquiry also reveals that Dr. A had over the years acquired multiple high-value assets disproportionate to his known sources of income, some of which were traced back to entities that had ongoing business relationships with the university. Upon receiving the inquiry report, the State Anti-Corruption Bureau registered a case under Sections 7, 11, and 13 of the Prevention of Corruption Act, 1988. Dr. A challenges the proceedings, claiming that as an employee of a private university, he does

not fall within the scope of a "public servant" under the Act, and that his functions do not amount to the performance of a "public duty."

Based on the given factual matrix, identify the legal issues involved and examine the applicability of Sections 7, 11, and 13 of the Prevention of Corruption Act, 1988. Assess whether Dr. A, in the circumstances presented, can be prosecuted under the provisions of the Act. Support your analysis with relevant statutory provisions and judicial precedents.

(Marks 20)

Q.3). The Essential Commodities Act, 1955 and the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 were enacted with the objective of ensuring the availability of essential commodities and preventing their hoarding, profiteering, and blackmarketing. Discuss the major differences in the scope, objective, and enforcement mechanisms of the two Acts. How far do you agree that these legislations are complementary and supplementary to each other in achieving the goal of ensuring fair distribution and availability of essential commodities in India? Support your answer with relevant provisions and policy rationale.

(Marks 20)

Q.4). Discuss the legislative intent behind its enactment of the Fugitive economic offender Act 2018, the criteria and procedure for declaring an individual as a fugitive economic offender, and the mechanism for attachment and confiscation of property. Analyze how the Act seeks to uphold the rule of law by deterring economic offenders from evading prosecution, and assess its effectiveness in light of recent judicial pronouncements and practical enforcement challenges.

(Marks 20)

Q.5). The management of a luxury spa and wellness resort offers complimentary bottled water and herbal drinks to its clients as part of its premium wellness package. However, upon closer inspection, it is found that the bottles are pre-packaged with MRP labels, but the prices charged to non-resident clients who request additional bottles far exceed the printed MRP. Additionally, the labels on some of the pre-packaged wellness drinks only mention "medium" or "large" sizes without any standard unit of weight or measure. A public interest litigation is filed questioning (i) the legality of charging prices exceeding the MRP under the Legal Metrology Act, 2009, and (ii) the legality of using vague, non-standard descriptions like "medium" or "large" on the pre-packaged goods. Examine and analyze both issues in light of the Legal Metrology Act, 2009, including the definition of "sale", Section 11, and relevant judicial interpretations.

(Marks 20)

Q.6). Write note on the following:

- Salient features of socio economic offences and Edwin Sutherland differential association theory
- Causes and Consequences of corruption in India

(Marks 10x2=20)

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Q.1). 1. ABC University is a prominent private university established under a State Act and receives various forms of support from the State Government, including subsidized land and periodic grants for infrastructure development. The university is also governed by regulations issued by the State Education Department and the University Grants Commission. Dr. Y, the Registrar of ABC University, was accused of accepting a bribe from a contractor in exchange for manipulating the tender process for the construction of a new hostel block. A First Information Report (FIR) was lodged under the Prevention of Corruption Act, 1988. In his defense, Dr. Y contended that he could not be prosecuted under the Act as he was neither employed in a government capacity nor performing public functions, and therefore did not fall under the definition of a “public servant.” The matter was taken up by the Anti-Corruption Bureau, which proceeded with an investigation under the provisions of the Act. The question arose whether officials of such private universities can be considered “public servants” and whether their administrative actions fall within the realm of “public duty” as contemplated under the law.

You are required to address the following points:

- a) Identify the legal issues arising from the facts.
- b) Analyze the relevant statutory provisions and judicial interpretations of the terms “public servant” and “public duty” under the Prevention of Corruption Act, 1988.
- c) Apply the law to the facts and decide whether Dr. Y can be prosecuted under the Act.

(Marks 5+7.5+7.5=20)

Q2. In light of the recent judgment, Critically examine the gist of ECIR, section 5 and section 45 of PMLA Act, 2002 and its constitutional validity. Also, provide a reasoned conclusion on whether these provisions withstand constitutional scrutiny.

(Marks 20)

Q3. Mr. X, a high-profile businessman, is accused of committing financial fraud and defaulting on loans from several public sector banks, amounting to over ₹1,200 crores. Shortly before charges were formally filed against him under scheduled offences listed in the Fugitive Economic Offenders Act, 2018, Mr. X left India and has since refused to return, despite multiple summons by Indian authorities. The Enforcement Directorate (ED), suspecting that Mr. X is deliberately evading prosecution, files an application before the Special Court to declare him a fugitive economic offender under Section 4 of the Act.

The application contains a detailed list of properties suspected to be proceeds of crime, including assets held in offshore trusts and benami properties in India. The ED also seeks to attach and confiscate these properties. Meanwhile, Mr. X’s legal representatives argue that:

- The procedure followed by the ED does not comply with the Code of Criminal Procedure and that the non-supply of supporting affidavits renders the application invalid.
- Mr. X should be allowed to participate in civil proceedings regarding a contractual dispute, despite the pending application to declare him a fugitive economic offender.
- The powers of search and seizure exercised by the Director exceed the limits of procedural fairness and due process. Further, the ED insists that the burden of proof rests on them, and they are following the procedure laid down under the Fugitive Economic Offenders Act, which has overriding effect over the CrPC under Section 21.

In light of the above facts:

- Examine whether Mr. X qualifies as a fugitive economic offender under the Act.
- Discuss the legality of the attachment and confiscation proceedings initiated by the ED.
- Evaluate the scope and effect of Section 21 and whether the challenge based on CrPC holds merit.
- Analyze the consequences of being declared a fugitive economic offender, including the bar on civil claims and the role of the Administrator.

(Marks 5x4=20)

Q4. The Food Safety and Standards Act, 2006 was enacted to consolidate multiple food laws and establish a single regulatory framework to ensure the availability of safe and wholesome food for human consumption. It marked a paradigm shift from multi-departmental control to an integrated food safety mechanism based on science, self-compliance, and transparency. With reference to the Statement of Objects and Reasons and relevant statutory provisions, critically examine the legislative intent behind the enactment of the Act. Discuss how the Act addresses issues of food safety, standard-setting, and regulatory uniformity, citing relevant case law and examples where necessary.

(Marks 20)

Q 5. Vikas Enterprises operates a chain of organic grocery stores across three states. During a surprise inspection, the Legal Metrology Department found that the store was selling pre-packaged food items labeled only with terms such as "family pack" and "jumbo size," without specifying standard units of weight or measure. Additionally, the store published advertisements and posters displaying prices of these items without mentioning quantities in standard units. Furthermore, several weighing scales used at the store had been recently repaired by a local technician who did not hold a valid repairer's licence under the Legal Metrology Act, 2009. The technician also failed to submit the repaired scales for official verification but charged the store verification fees. In light of the above facts, discuss the legal implications and possible violations of the Legal Metrology Act, 2009. Support your answer with relevant legal provisions and case law.

(Marks 20)

Q.6 Write a comparative note on the following:

- Black marketing vs Hoarding
- Socio economic offences vs White collar crimes

(Marks 10x2=20)