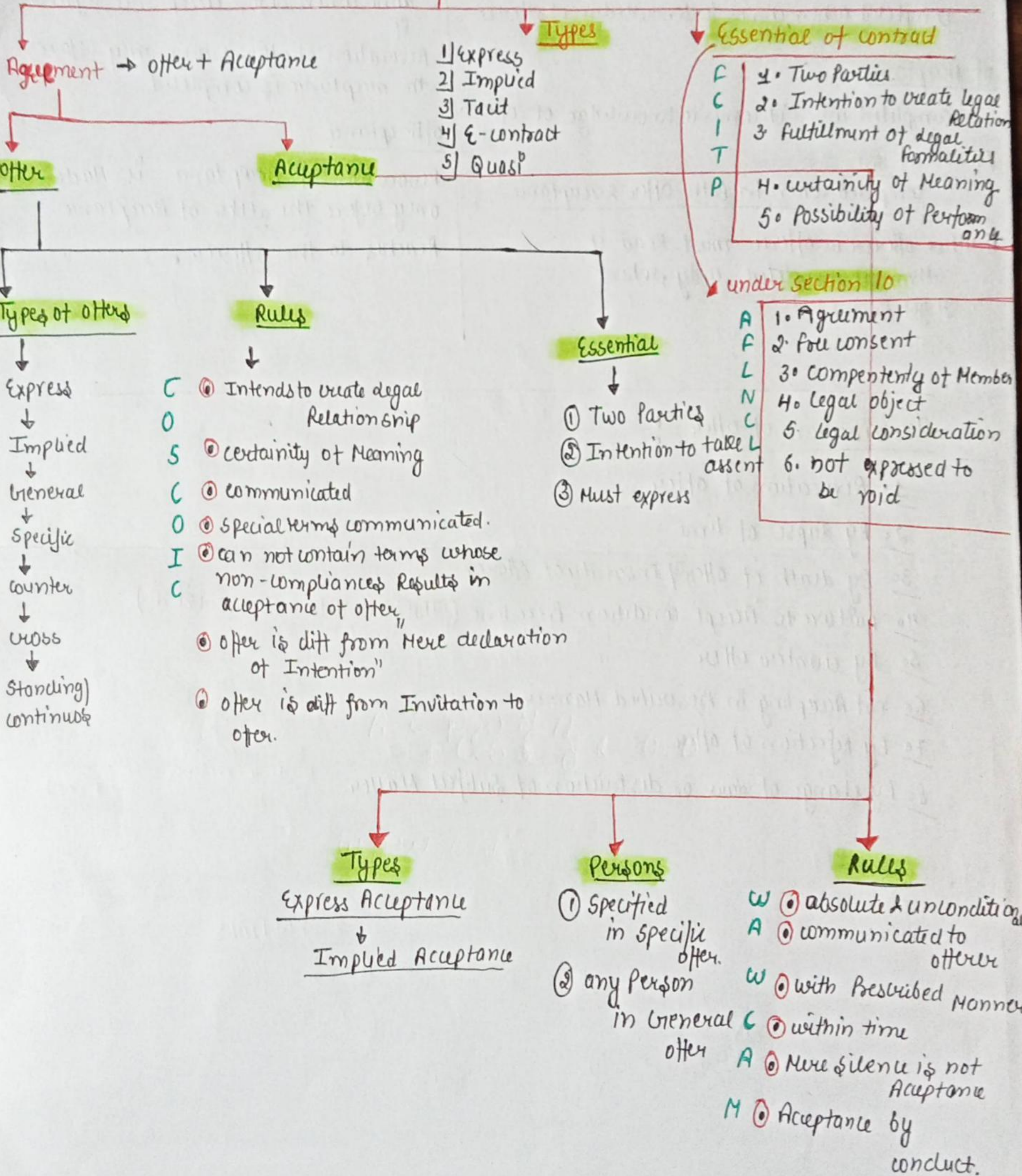


The Indian contract Act 1872

contract = Agreement + enforceability



Communication

of offer

Completed when comes to knowledge of offeree

of Acceptance

Completed when it comes to knowledge of offerer

In case of Post

Completed when in both offer & acceptance

* When offerer or offeree must read it than it completed only, when it got read.

Revocation

of offer

done when before acceptance against it.
Revocation of offer is done only before the acceptance is completed.

of Acceptance

Revocation of Acceptance is made only before the letter of Acceptance reaches to the offerer,

Termination of offer :-

- 1° Revocation of offer
- 2° By lapse of time
- 3° By death of offerer / Insanity of offerer
- 4° Failure to Accept condition precedent (अगर condition fulfil नहीं है)
- 5° By counter offer
- 6° not Accepting in Prescribed Manner
- 7° By Rejection of offer
- 8° By change of law or destruction of Subject Matter

Unit - 3 CONSIDERATION

General Rule

:- No contract without consideration

Rules

- ① Move at desire of Promisor
- ② Flow either from Promisee or other Person
- ③ May be past/Present/Future.
- ④ May not be adequate.
- ⑤ Must be Real not illusory
- ⑥ Must for lawful Purpose
- ⑦ Must different from Promisee's existing obligation

Exceptions

- ① Promise to pay Past Rent services
- ② Promise to pay Time barred debt.
↳ Must be written & signed by debtor.
- ③ Agreement based on Natural love & affection
↳ Natural love
↳ close Relation
↳ Must be written
↳ Must be Registered.
- ④ completed gifts.
- ⑤ Gratuitous Bailment
- ⑥ contract of Guarantee.
- ⑦ Agency.

PRIVITY OF CONTRACT

↳ only Person involving in contract & Parties to contract sue and can be sued by others

Exceptions

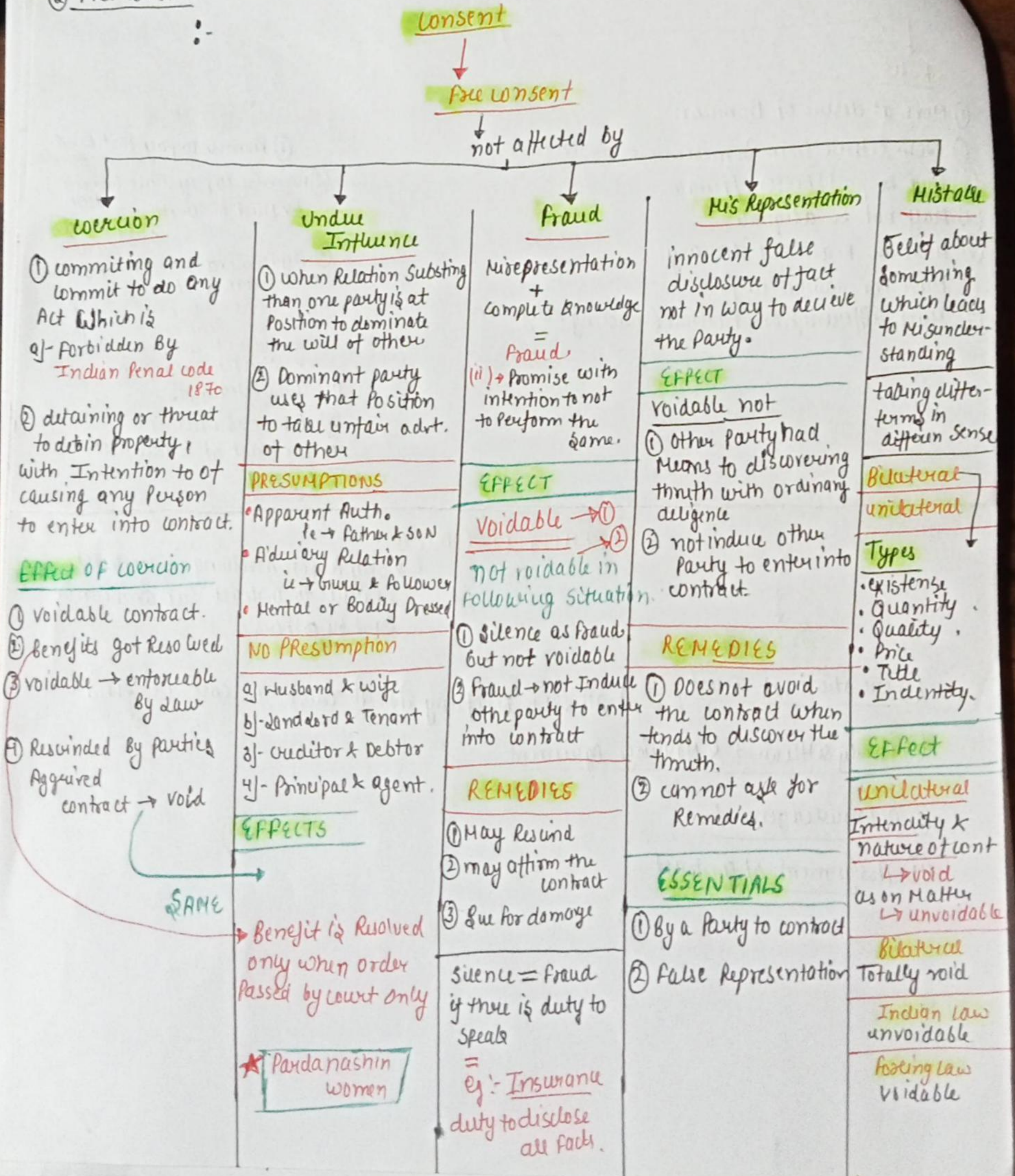
- ① creation of Trust ↳ जी भी इसके Beneficiary होंगे वी Trust पर case कर सकते हैं!
- ② Family Settlement & Marriage Agreement
- ③ Acknowledgement
- ④ Assignment of contract

Unit 4 Other Essentials of Contract-

① consent :- when two parties agree on some thing in some sense is called consent

② Free consent

:-



unit 5 capacity of contract

Any person is competent to do contract who is

- of age of Majority → ①
- having sound mind → ②
- should not be restricted by any law from contracting → ③

① Minor

- Age of 18 years = Major (Indian Minority Act 1875)
- ↳ Age of 21 years = Major (when guardian appointed)

Agreement with minor → Totally void, void-ab-initio

Exceptions

- (1) - Agreement for benefits of minor = valid
- (2) - No rule of estoppel
- (3) - No ratification
- (4) - liability for necessities
- (5) - Plead of minority
- (6) - contract by guardian

- ↳ valid for only when guardian having the authority to do so.
- ↳ guardian is not liable for the act of minor.

Minor liability is void tort

② Unsound Mind

sound mind means

- he is capable of understanding the term of Agreement
- Make rational judgement as its effects upon his interest.

usually unsound
or sound

Usually sound
Rare unsound

↳ Agreement when it is in unsound mind agreement is totally void.

↳ when it is in sound mind agreement is valid

Exception

∴ can be sued the party of the agreement
★ is for benefit of unsound person

★ his properties can be attached for Realisation of Money due against it for the supply of necessities.

Restriction By Law

- ↳ (i) - enemy friend (Alien enemy) -
- ↳ (ii) - company/ Body corporate -
- ↳ (iii) - Foreign diplomats -
- ↳ (iv) - convict
- ↳ (v) - Insolvents

existing agreement

↳ Suspended till completion of war

New agreement

↳ X

only done when permission is taken from central govt.

UNL Awful Object & consideration

- ① Acts forbidden by law or defeating the provision of law
- ② Acts to causing injury to any person and property
- ③ Immoral
- ④ Fraudulently
- ⑤ Against Public Policy

I
I
M
I
S
A
M
A
A
C
S

- ↳ Trading with alien enemy
- ↳ involving/interfering with course of court.
- ↳ Marriage Brokerage Agreement.
- ↳ interest against obligation
- ↳ Sale of public offices/titles
- ↳ Agreement for creation of Monopolies
- ↳ Maintenance & champerty
 - ↳ Pay Money for assistance
 - ↳ Give share in Proceeds
- ↳ ~~Agreement in Restrain of Trade~~
 - ↳ ~~Exception to Sale of goods etc~~
- ↳ Agreement in Restrain of ~~Marriage~~ Personnel liberty
- ↳ Agreement In Restrain of Parental Rights
- ↳ creating an interest opposed to duty
- ↳ Stifling Prosecution

↳ Invalid in England but valid in India

Void Agreements

- (1) In Restrain of Marriage
- (2) In Restrain of Trade

Exception

- ① Sale of Goodwill of Business
- ② Restriction on existing partner
- ③ Restriction on outgoing partners
- ④ Trade combinations

- (3) In Restrain of Legal Proceedings

Exception


When they want to Arbitrate in Arbitration (मंचायत)

- (4) In limitation of Period of limitation

Expressly void

- (1) Unlawful consideration
- (2) Meaning is not certain

- (3) Wagering Agreement

 **BAN** \hookrightarrow शर्त लगाव, सरुवा, जुआ
★ Ban in Gujarat, Maharashtra

Essential of wagering Agreement

- (1) Promise to pay
- (2) Based on uncertain event
- (3) Mutual chance of loss/gain
- (4) No control of any party on event
- (5) No other interest of party

Exception

- (1) Speculative Transaction
- (2) Insurance policy

Unit - 1 Performance of contract and Breach of contract

Performance of contract

Actual Performance

Attempted Performance / Tender

Tender of Goods (Seller)

Tender of Money (Debtor / Creditor)

Essential

- ① unconditional
- ② at proper / place & Time
- ③ Must give proper opportunity to check goods
- ④ Must be of whole promise
- ⑤ must be to Promisee or his Auth. agent
- ⑥ must himself be able & willing to perform his obligation.

Effect

- ↳ Need not to perform again
- ↳ discharged from his liability and also sue the — for damages

Who demand Performance

- ① Promisee
- ② Legal Representative
- ③ Joint Promisee
- ④ Third party

By whom performance demanded:

- ① Promisor
- ② Auth. Agent
- ③ Third Party
- ④ Joint Promisor
- ⑤ Legal Representative

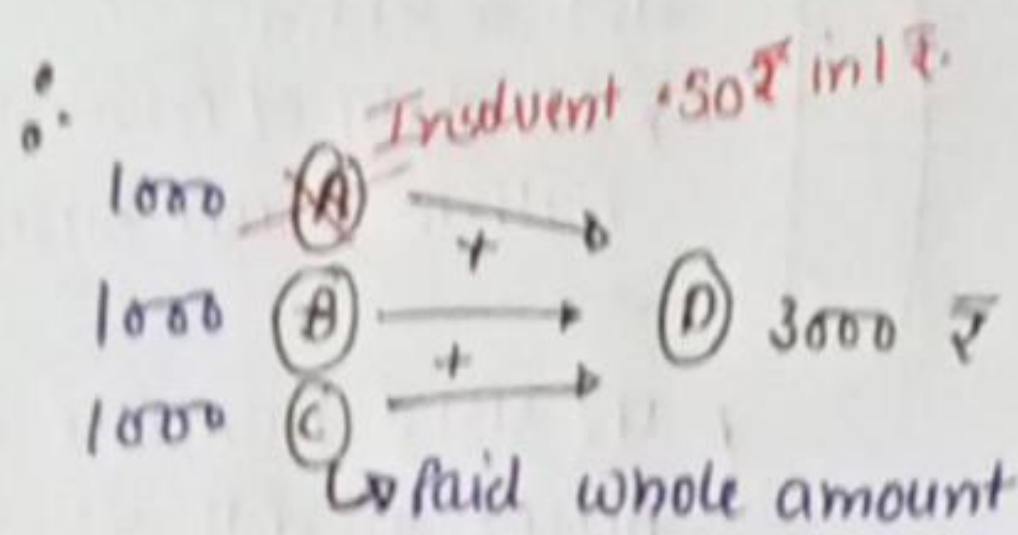
Rules

- ① Jointly & severally liable
- ② Right to claim contribution
- ③ Jointly contributed to the loss.
- ④ Effect of Release from contract

Joint & Several liability

∴ A, B, C are entitled to pay debt of D of ₹ 3000
 ती D किसी भी व्यक्ति से आकर अपने पैसे ले सकता है।
 और जैसे C ने पैसे दे दिए हारे तो C अपने पैसे जी उसने A, B
 के भरे हैं तो न सकता है।

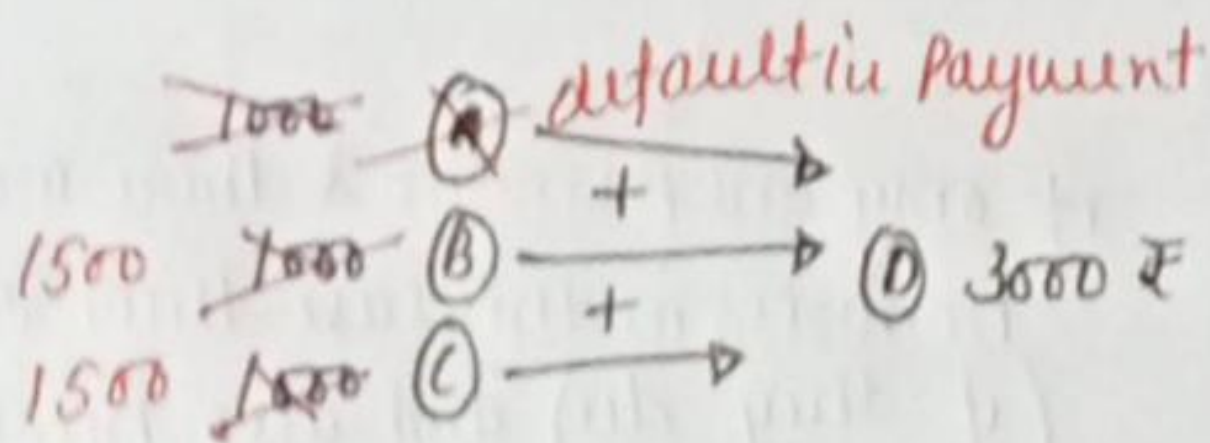
(2) - Joint Promisor Right to claim contributions



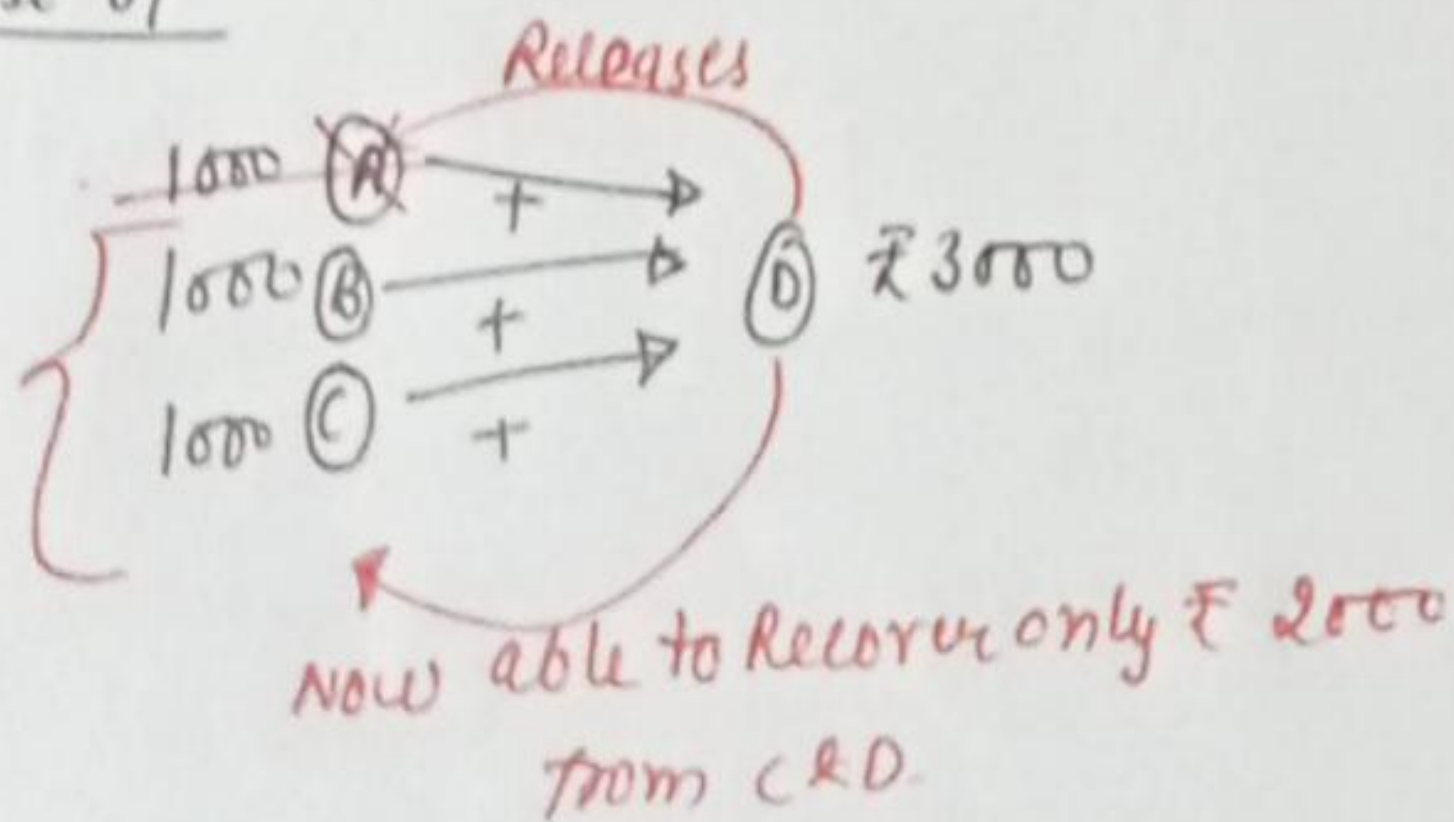
can claim ₹ 500 from A = $\frac{1}{3} \times 1500$

₹ 1250 from B = $\frac{1}{2} \times 1500 + \frac{1}{2} \times 500$ (of A)

(3) - Joint promisor duty's to share loss from default in contribution



(4) - Effect of Release of joint promisor



Time

Mentioned in contract

Then according to time at proper time & place

⊗ not mentioned

↳ Then according to reasonable time

Failure :- May Rescind only contract is voidable

* अगर बिना Promisee के कहे एन Performance नहीं दे सकता
↳ its duty of Promisee to apply for performance within usual Business hours.

Failure effect

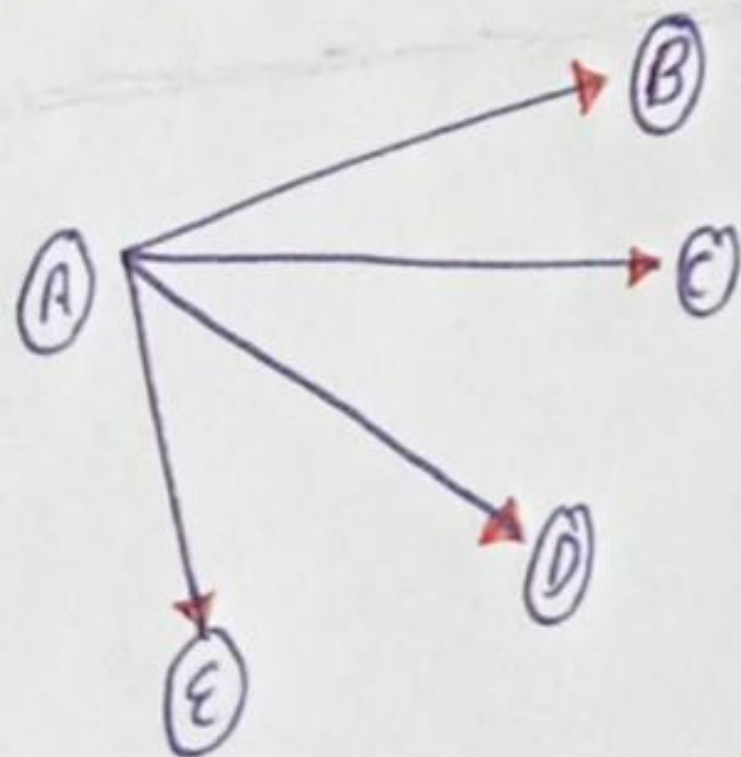
→ Promisee Rescind the contract & sue for damages

पर अगर Promisee delayed performance की Accept कर लेता है

तो वह द्वारा voidable नहीं करवा सकता

Devolution

Means passing over from one person to another



if only one promisor & there are large no. of promisees in this case their legal responsibilities (if they die) and also himself demand performance from (A)

Performance of Reciprocal Promises

Simultaneous & concurrent
जस साथ दे / उस साथ ले

conditionally dependent
फरक से करेगा फरक से

Mutually Independent
एक से अलग से करेगा

Rules

- 1) Simultaneously Performance
- 2) order by parties (fixed)
- 3) order by implications
- 4) order default performed by the promisee first
- 5) one party prevents other party
- 6) promise to do legal things & other illegal things
- 7) in which one → legal other → illegal.

(i) - existing at time of contract Impossibility of Performance

Known to all parties

VOID

Not known to parties

VOID

only known to seller + promisee

VOID, also seller damaged

(ii) - Supervening Impossibility

Impossibility occurs due to

Conditions

- (i) - not at the time of contract
- (ii) - occurs subsequently
- (iii) - makes performance illegal

change in law or change in subject matter effect the completion of parties

Cases

- (1) Destruction / Accidently of subject matter
- (2) - existence of subject matter Not exist
- (3) - impossible due to incapacity by person
- (4) - outbreak of war
- (5) - change in law

Not grounds of Supervening

- (1) - Self generated impossibility
- (2) - fault by 3rd party
- (3) - Commercial impossibility
- (4) - Strikes / Civil disobedience
- (5) - Partial failure of object.

Appropriation of Payment → use of Money to discharge

- (1) - if discharge is indicated ∴ Then discharged According to guidance
- (2) - if discharge is not indicated ∴ Then discharged Independently and discharged even Time Barred Debt
- (3) - Neither Party appropriate ∴ According to order of time

Contracts Need not to be Performed
(Discharged By Mutual Agreement)

- (1) Novation
- (2) - Alteration
- (3) - Remission
- (4) - Rescission
- (5) - Waiver

Discharge of contract

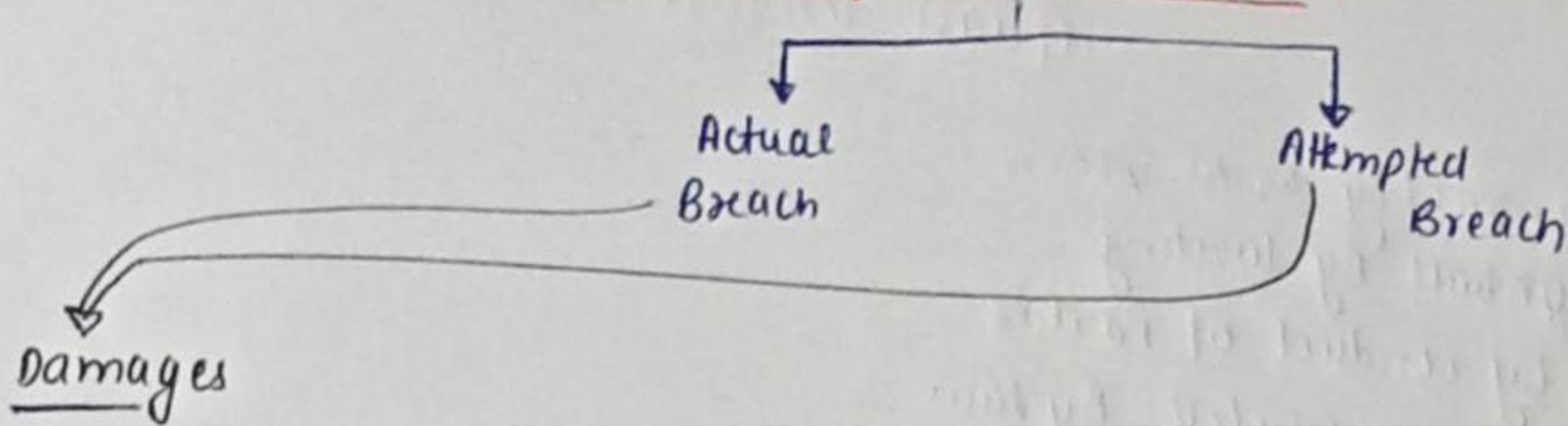
अपनी-अपनी duties की पूरा करना
और contract को खत्म करना।

Modes of discharge of contract

- (1) - By Performance
- (2) - By Mutual agreement
- (3) - By Impossibility
- (4) - By lapse of Time
- (5) - By operation of Law
- (6) - By Breach of contract.

- ① Insolvency
- ② Death
- ③ Authorised Material alteration
- ④ When Promisor become promisee.
- ⑤ Failure to give opportunity to Promisor to perform his promise.

Discharge By Breach of Contract



- (1) - ORDINARY → Normal
- (2) - Special → Normal + special
- (3) - Nominal Damage → a little damage
- (4) - Exemplary / Punitive → Damage of feeling & emotion
- (5) - Damages By deterioration caused by Delay → Damages occur due to late delivery.
- (6) - Liquidated damages and Penalty.

Remedies to Breach of Contract

- (1) - Suit for actual Performance / Specified Performance
- (2) - Rescission of contract
- (3) - Suit for Quantum Meruit.
- (4) - Suit for injunction order
- (5) - Suit for damages.

Unit - 7 Contingent Contract & Other Special Contract

Contingent agreement. Means to do, or not to do contract dependent upon an independent factor (that's are depend to be happen or Run).

50

Rules

- happening of certain event
- " " " " in specified time
- " " non certain events
- " " " " non certain events in specified of time
- depend future conduct of a living person
- upon impossible event

Quasi contract

- (1) - No contract by words spoken
- (2) - No contract by writing
- (3) - No by conduct of parties
- (4) - But these are related by law (created).

Basix :- Rest upon the equitable "Doctrine of Unjust Enrichment" which declares that a person shall not be allowed to enrich unjustly the expense of another.

Types

- (1) - Claim for supplied to me A, I with A, खीगयं वदा कर.
- (2) - Right to contract for any section
Recover Money
- (3) - Right to recover non gratuitous act.
- (4) - Finder of goods
- (5) - Money paid under void bad title coercion/mistake