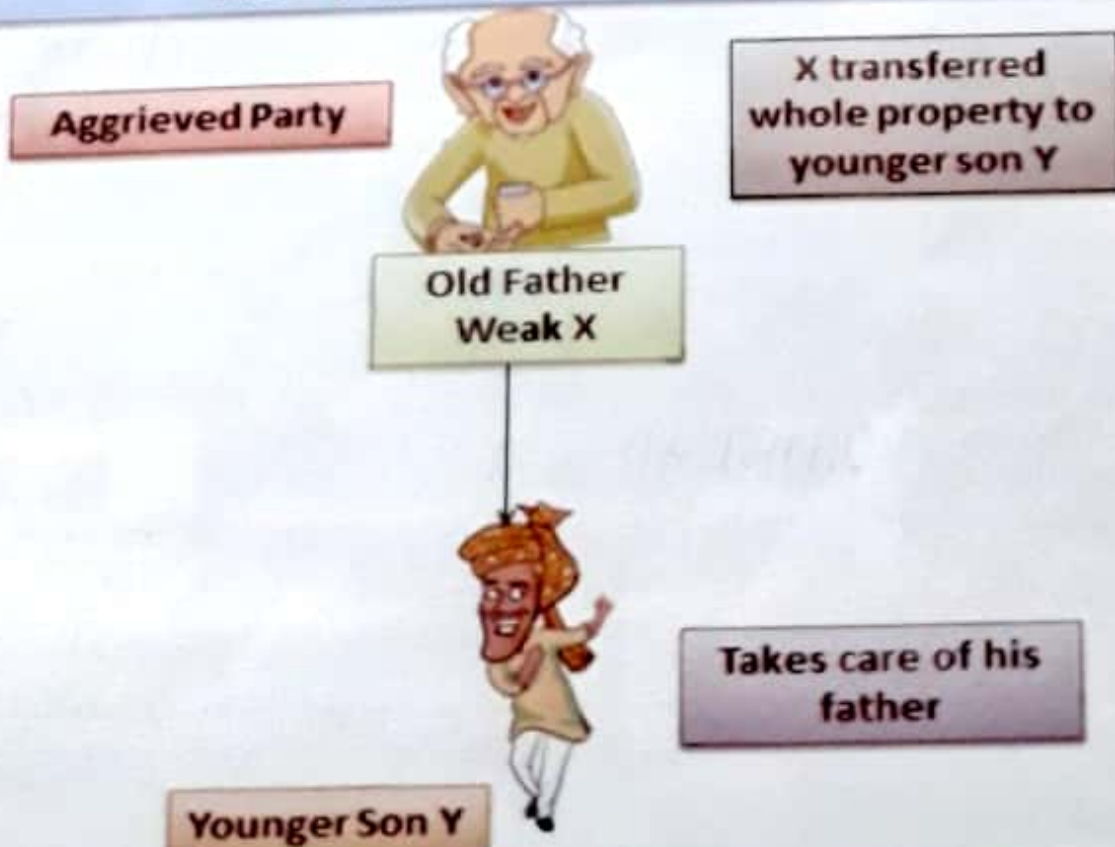


UNDUE INFLUENCE – Moral Pressure



Undue Influence

Weak physical/ mental capacity



Fraud and Misrepresentation



10 Benefits

Purchased this product

Aware of Misstatement

Not Aware of Misstatement

Intentional

Innocent

Fraud

Misrepresentation



After use came to know that it has only 4 Benefits

Mistake

Mistake of Law

Law of Land

Foreign Law

- A. Ignorantia juris non-excusat, i.e. Ignorance of law of land is no excuse.
- B. Such mistake will not affect the validity of the Contract.
- C. Sec. 21: Contract is not voidable. (Valid)
- D. But, Contract is voidable when one party was induced by another.
- D. Example : A and B make a Contract on erroneous belief that a particular debt is time-barred by Indian Law of Limitation. Contract is valid & not voidable.

- A. Sec 21: Treated as a mistake of Fact
- B. Agreement is void.

Mistake

Mistake of Fact

Unilateral

void-ab-initio

Bilateral

A. Only one party is under a mistake about-

- Subject matter, or
- Expressing or understanding terms or legal effect of agreement.

C. Unilateral mistake is **not allowed** as a defence to avoid a Contract. (Valid)

D. However, Contracts under unilateral mistake are **void** in certain cases

A. Sec 21: Both parties are under a mistake as to a matter of fact essential to agreement.

B. There is no agreement as there is absence of consensus. Hence, the agreement is void.

C. Bilateral mistake may relate to-

- A. Subject Matter -
- Existence
 - Identity
 - Quantity
 - Quality wine old
 - Price
 - Title
- B. Possibility of Performance -
- Physical Impossibility
 - Legal Impossibility

D. But erroneous opinion as to value of subject matter is not a Mistake of Fact.



If there is a mistake as to identity of a party.

Consensus ad idem



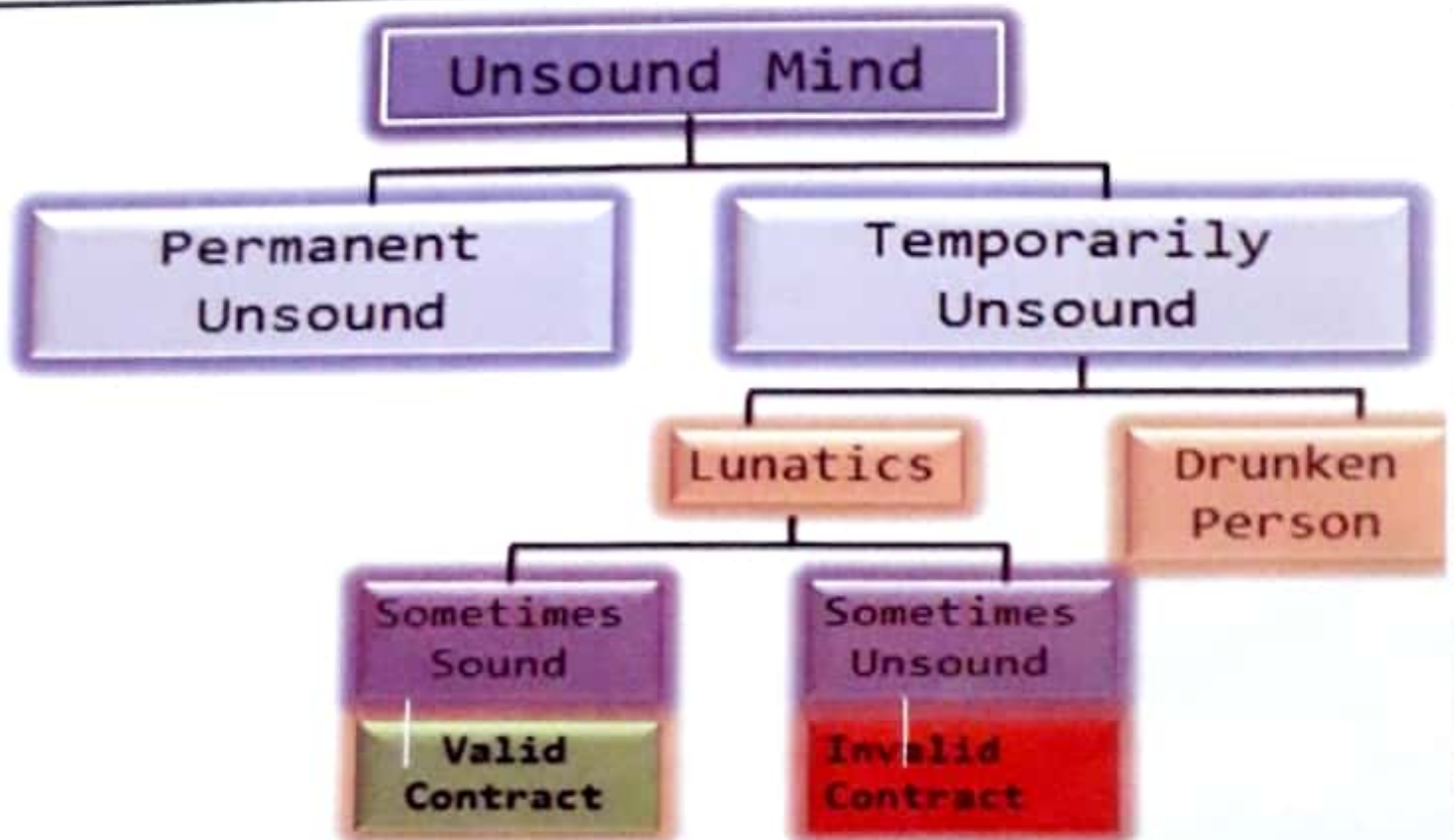
Shopkeeper heard Ranveer and wrongly gave her Ranveer instead of Ranbir

Here, they are not thinking about the same thing, in the same sense, at the same time Therefore, there is no Consensus ad idem



Capacity to Contract

Capacity to Contract	
Yes	No
Contract Valid	Contract Invalid
Major	Minor
Sound Mind	Unsound Mind
Not disqualified by Law	Disqualified by Law



Lawful Object

1. To make a valid contract, objective of contract must be lawful

2. In the following cases agreement will be unlawful because object is illegal

1. Act forbidden by Law	Eg. Murder, dacoity
2. Any Act if permitted will defeat the provisions of any other law.	Eg. Medicines without bill
3. Agreement which are opposed to public policy	Eg. Bribery to become ISO
4. Agreement which is immoral in nature	Eg. Renting house for Gambling

Void Contract

Buyer



01/01/2019



Seller



A contract which ceases to be enforceable by Law

On 01/01/2019 Possible to perform contract

Advance : Rs. 2 Lakhs

Possession : 10/01/2019

Valid Contract

Enforceable by Law

On 07/01/2019 Impossible to perform contract

Not enforceable by Law

Void Contract

Void Agreement	Void Contract
It is void-ab-initio	It is not void-ab-initio. Initially a valid contract comes into existence but it becomes void and unenforceable later on due to reason like impossibility of performance, illegality
No restitution of benefit is allowed	Restitution of benefit is allowed

Voidable Contract



Unilateral Contracts

One Sided Contracts

I lost my Dog



Find the lost Dog



Found the lost Dog



Promise to give reward of Rs. 15,000

Later on denies to give the reward

Servant filed a suit against Arjun Kapoor

Bilateral Contracts

Two Sided Contracts



I will give Rs 15,000 as reward to that servant who finds lost Dog



One of the servant finds the lost Dog

	Obligations	Executed Contract	Executory Contract
Unilateral Contract	Arjun - 15,000 reward ✓	Arjun - 15,000 reward ✓	Arjun - 15,000 reward ✗
Bilateral Contract	Servant - Finds Dog	Servant - Finds Dog ✓	Case 1 Servant - Finds Dog ✓
	Arjun - 15000 reward	Arjun - 15,000 reward ✓	Arjun - 15,000 reward ✗
			Case 2 Servant - Finds Dog ✗
			Arjun - 15,000 reward ✗

Offer – Section 2(a)

Act : To do something



Will You Marry Me???

Offer



Offeree

Promisee

Acceptor

Offeror

Promisor

Act : To abstain from doing something

Mr. Tom



Creditor

Mr. Tom demands his money back from Mr. Jerry on the due date

Mr. Tom threatens to sue Mr. Jerry

Loan of Rs. 1 Lakh

Mr. Jerry

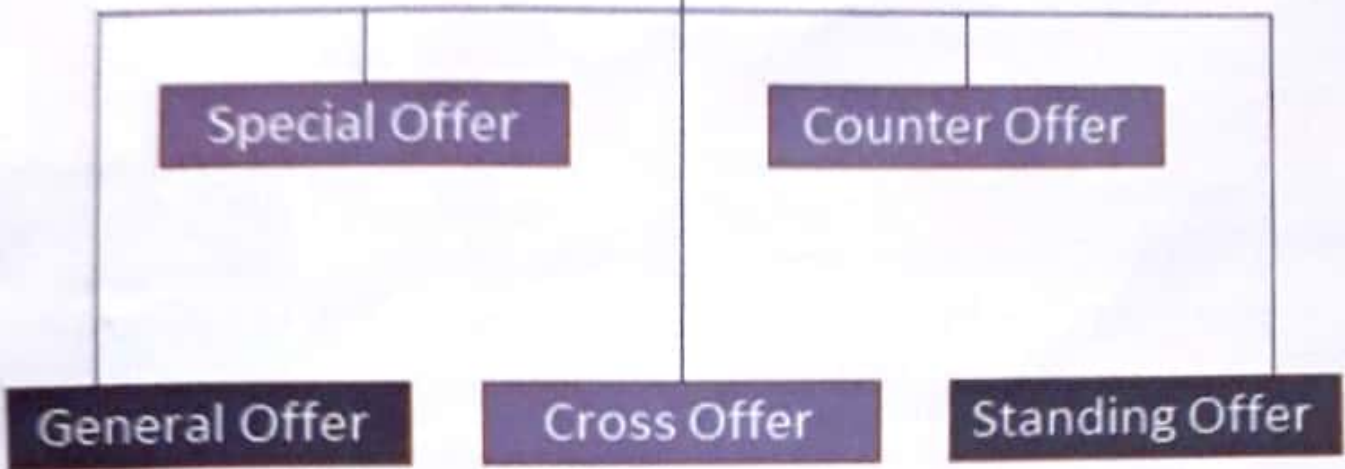


Debtor

Mr. Jerry denies to pay

Mr. Jerry asks Mr. Tom not to file case & offered extra Rs. 10,000 for giving him more time of 6 months

Types of Offer



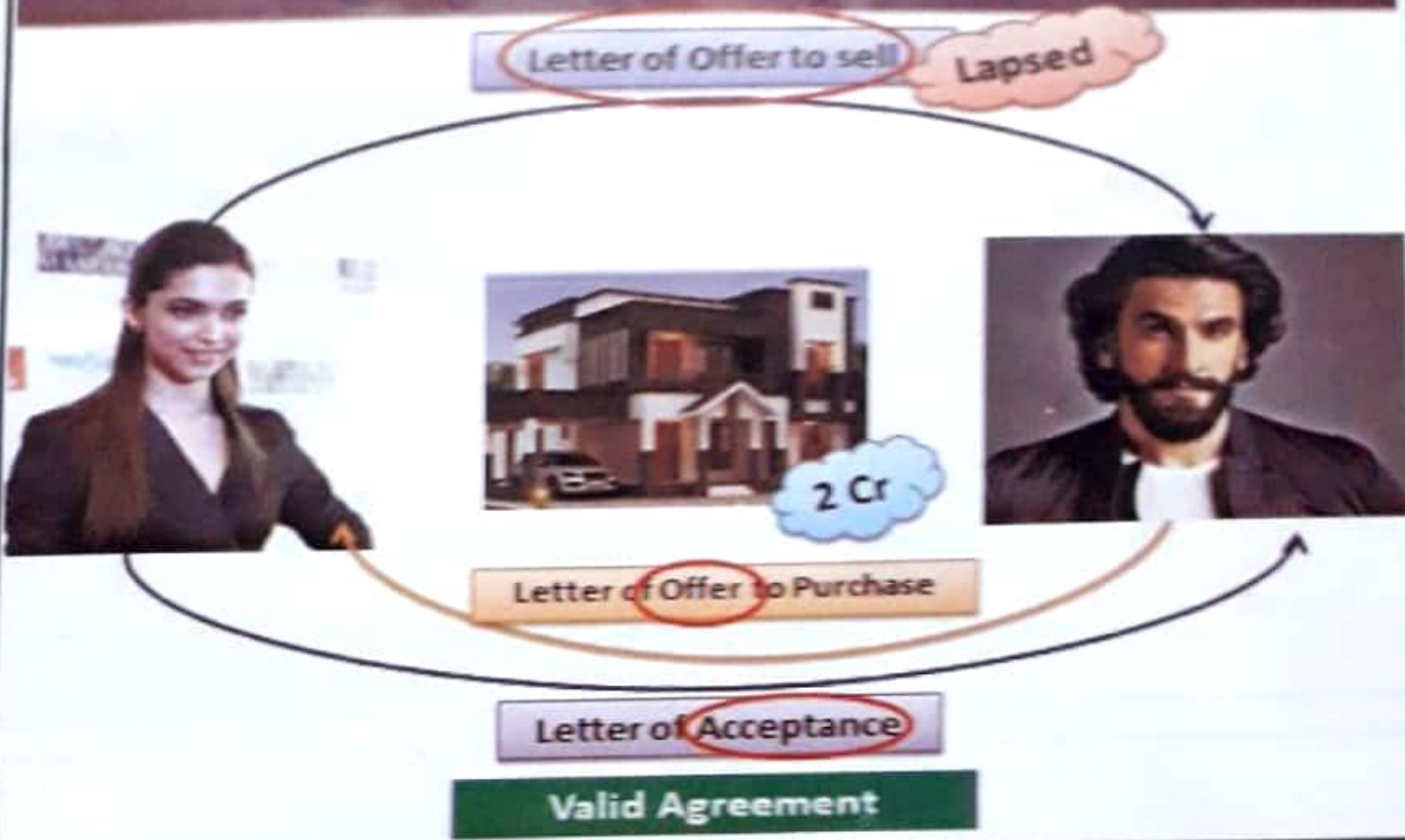
Counter Offer

Bargaining



Therefore, Valid agreement will not be formed

Cross Offer



OFFER	INVITATION TO OFFER
<p>An offer is an indication by one person that he is prepared to enter into a contract on certain terms.</p>	<p>An invitation to offer is a statement made by a person with a view to elicit response and to negotiate a deal, W/O expressing final willingness to contract</p>
<p>When an offer is accepted it becomes a promise.</p>	<p>An invitation to offer when responded generates and offer.</p>

Exception (A stranger to a contract can sue)

Beneficiary



Grandfather

Appoints him as trustee of property



Solicitor

Expired



Minor Grand daughter

Beneficiary of Trust

Has to give property to Minor on attaining majority

Hands over only 90% property when he turns major

Here Grandson can sue Solicitor to recover the rest of the property as he is a beneficiary of trust

Marriage Settlement



Amitabh Bachchan

Contract

Marriage



Krishnaraj Rai

Expired

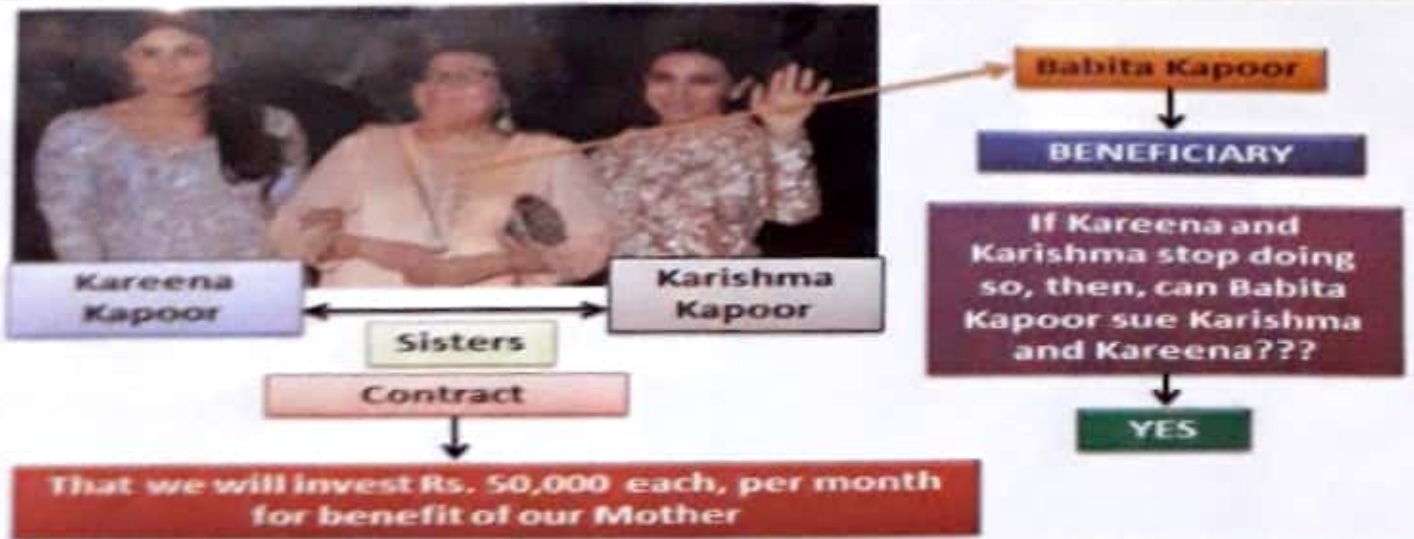
After Marriage, we will give Rs. 100,000 per month to Aishwarya for her personal expenses



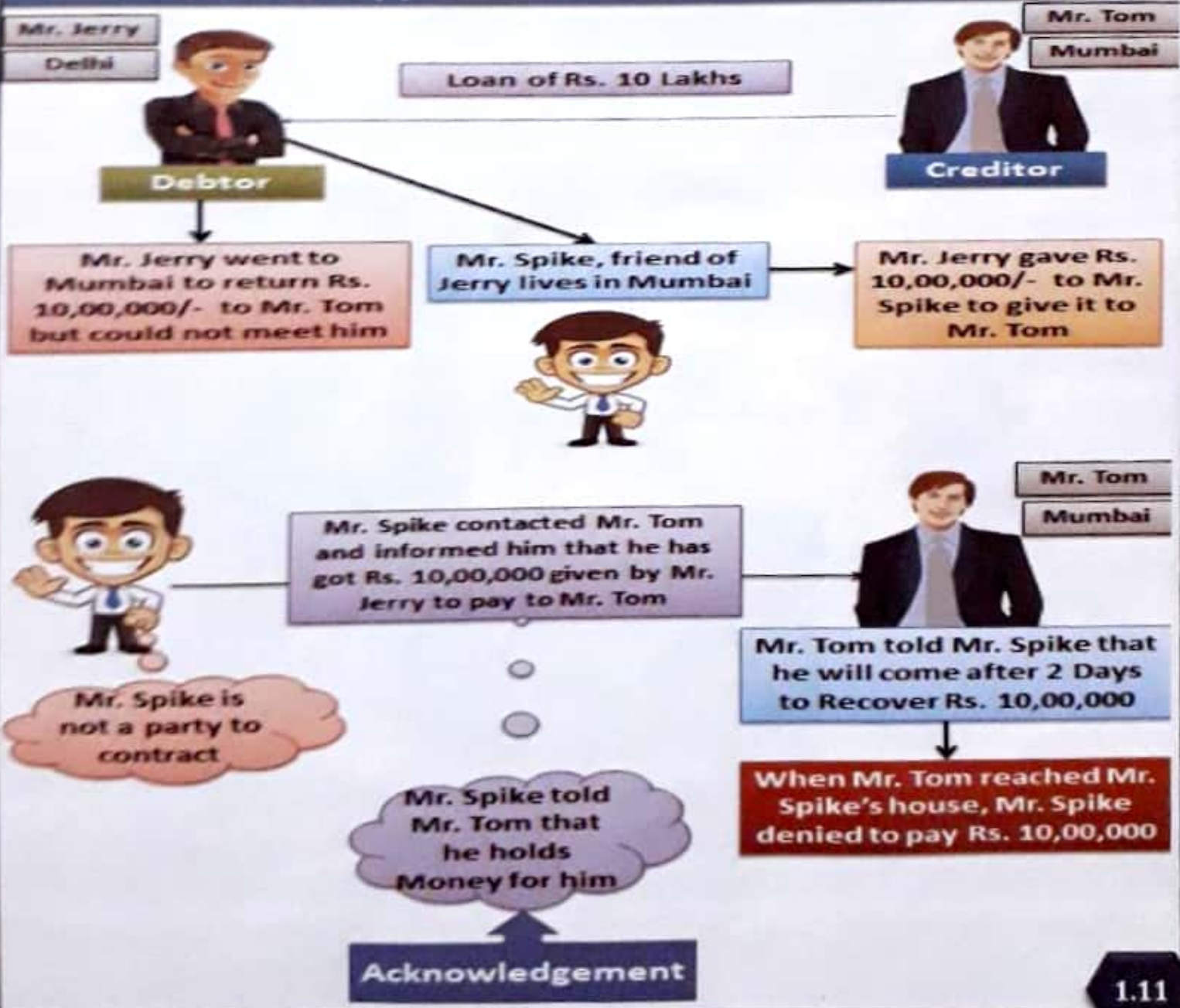
Amitabh Bachchan denied to pay Rs. 100,000 per month

Can Aishwarya sue Amitabh Bachchan???

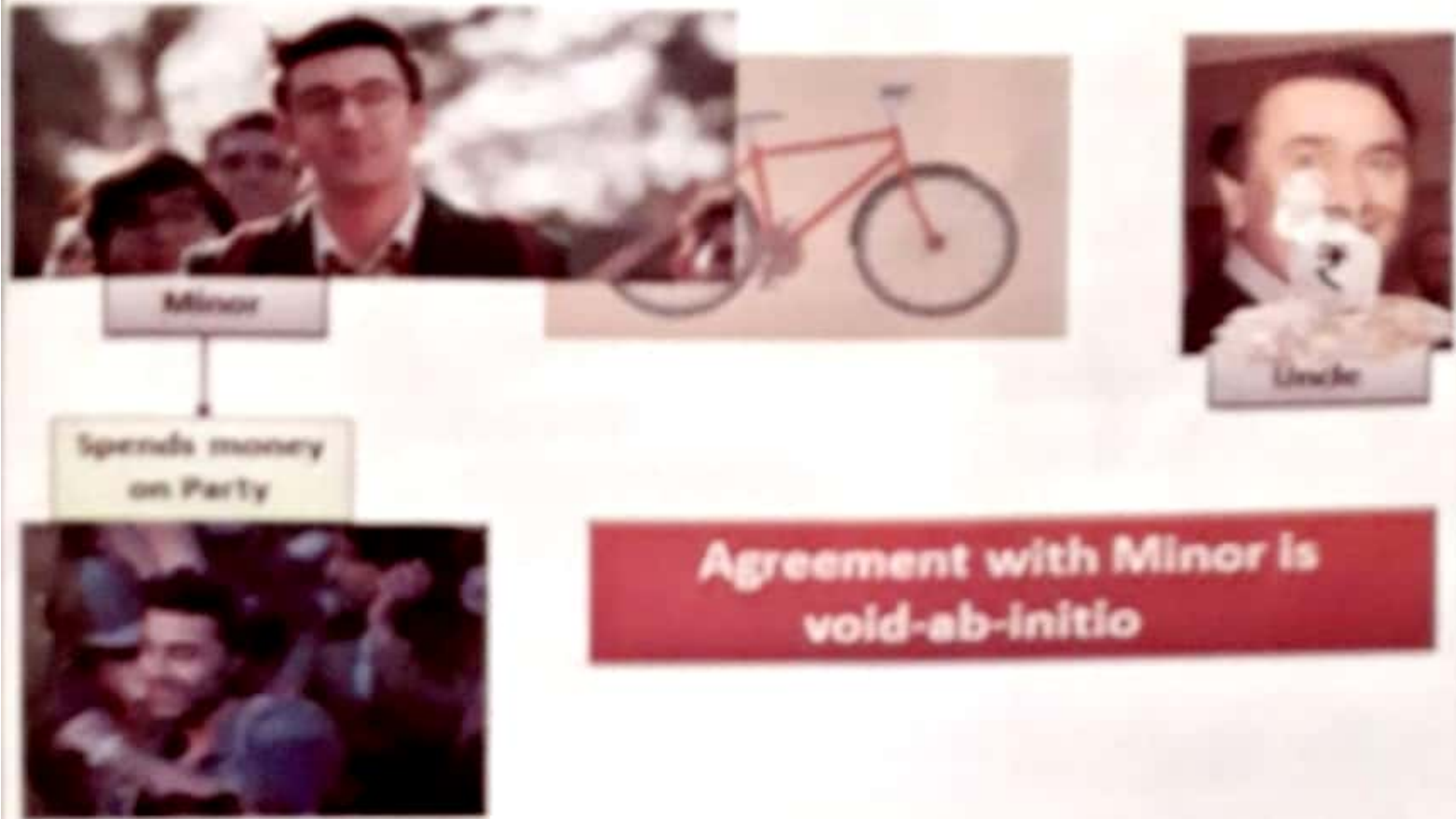
Other Family Arrangements



Estoppel to Acknowledgement

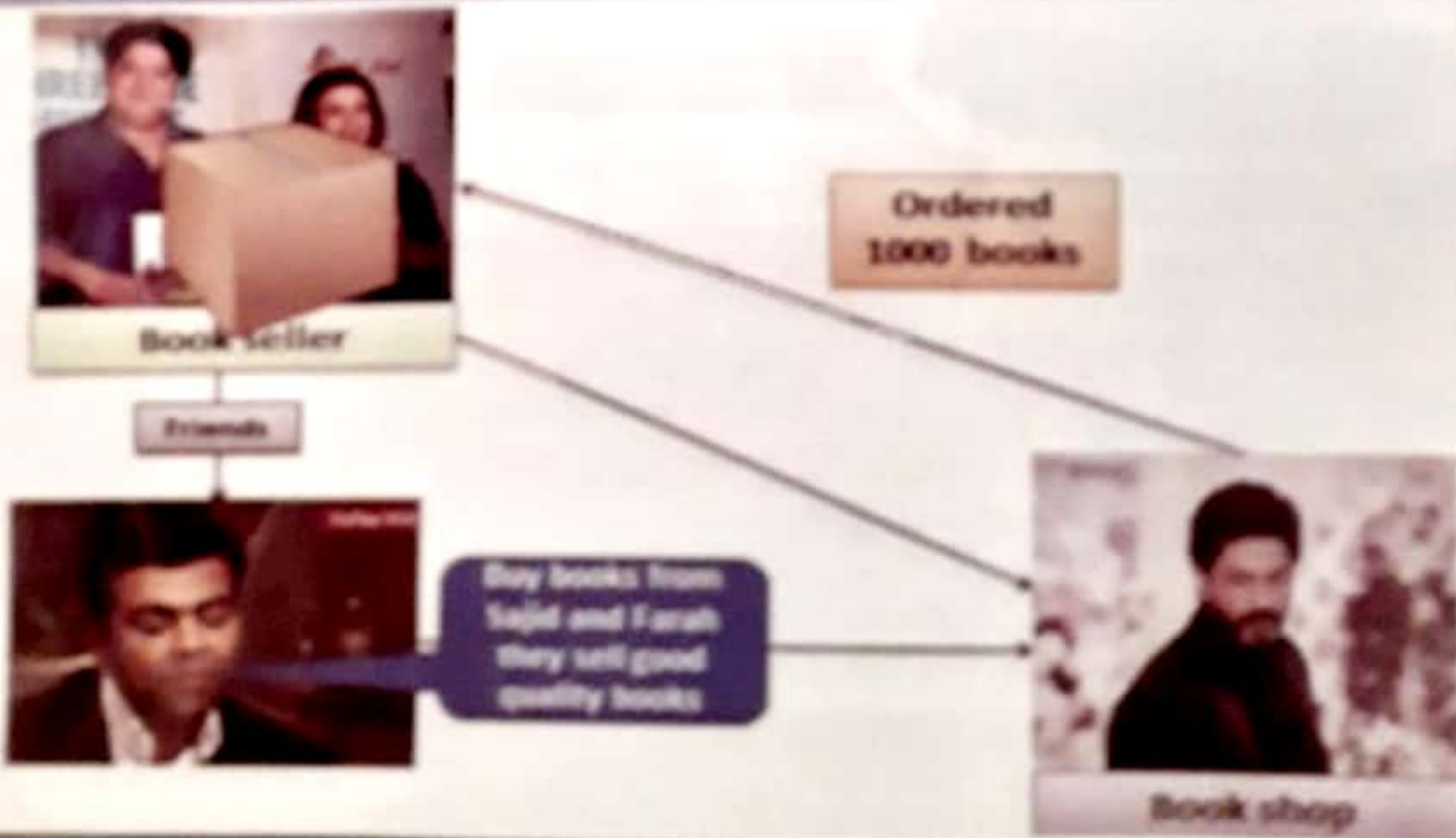


Nature & Effects of Agreements with Minor



Nature and effects of agreements with minor

Partner by estoppel





Received Defective books



SRK Wants to sue Karan... Can he do so?



Partner by estoppel

YES, SRK can sue Karan because Karan is regarded as Partner by estoppel

Rule of estoppel does not apply to Minor



Fraudulently "I am a Major"



Uncle

Uncle wants to apply rule of Estoppel against minor

It cannot be done

No ratification on attaining majority

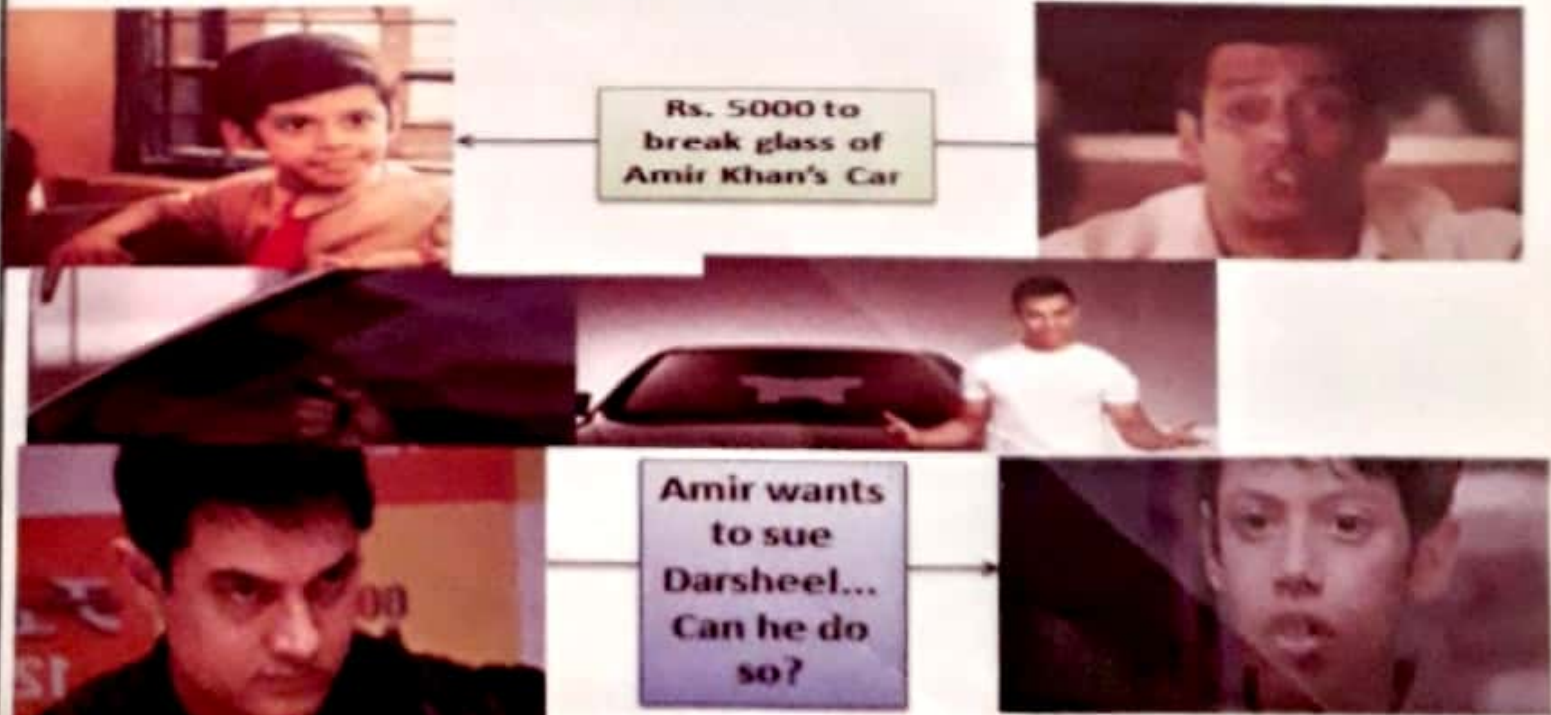


As on the date of agreement, age of minor is 17 yrs 360 days

Minor approves documents from back date after 10 days

Minor's agreement being a nullity and void-ab-initio, has no existence in the eyes of law. Therefore, cannot be made valid on subsequent ratification.

Minor cannot be sued in an agreement of tort/ deceit



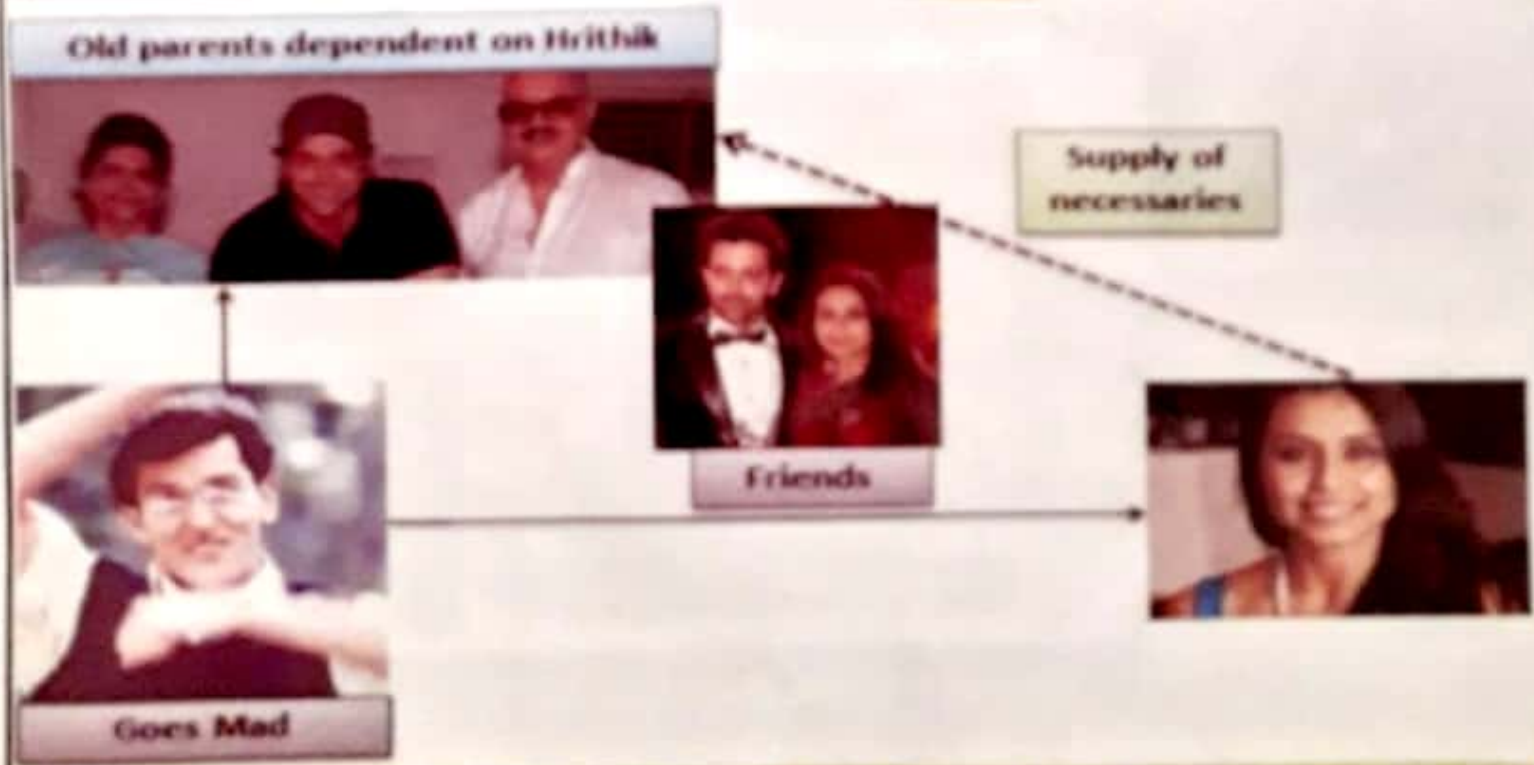
Minor cannot be sued,
case against minor is not maintainable

Case can be filed against major

Unsound Mind person may enforce contract for his benefit

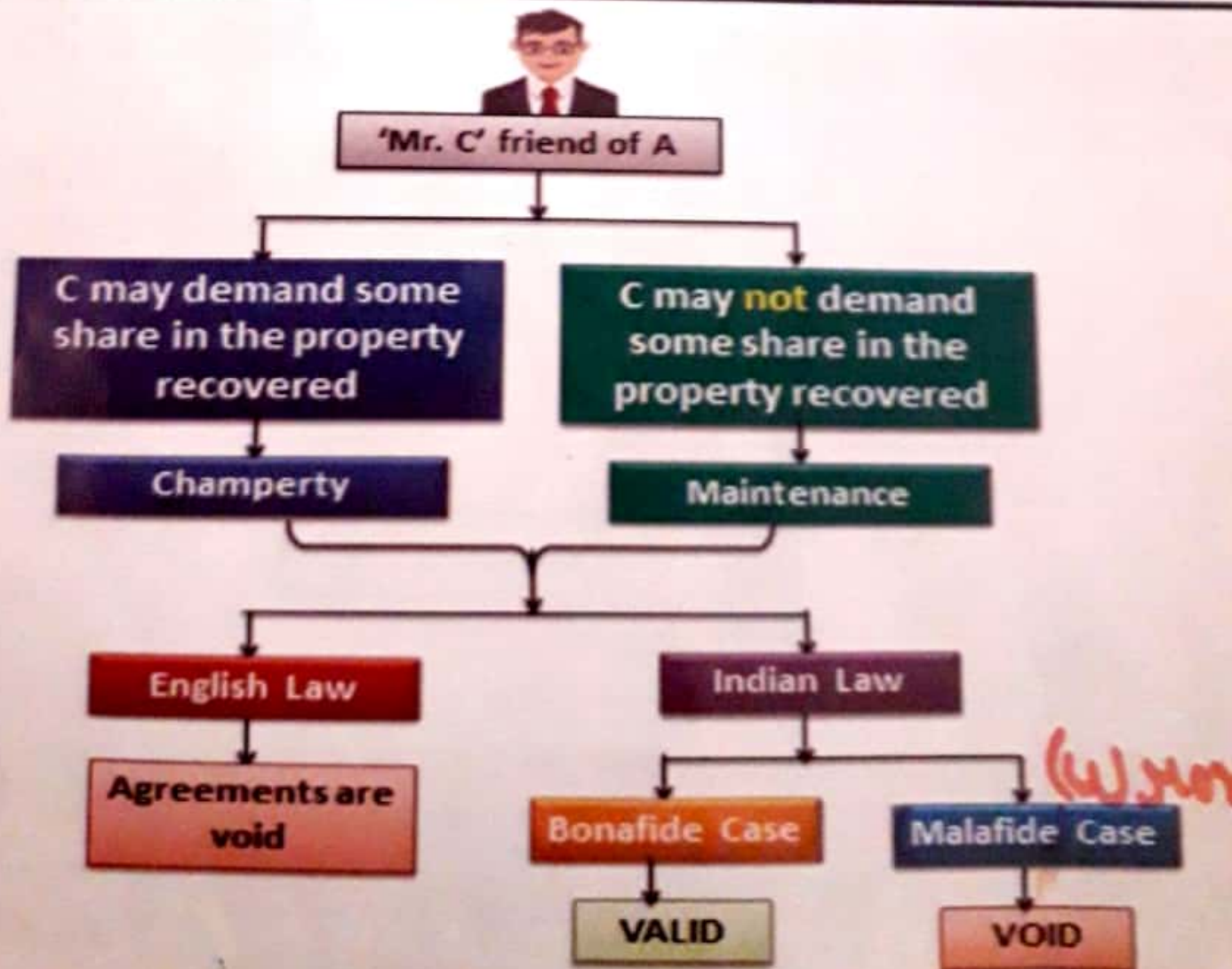
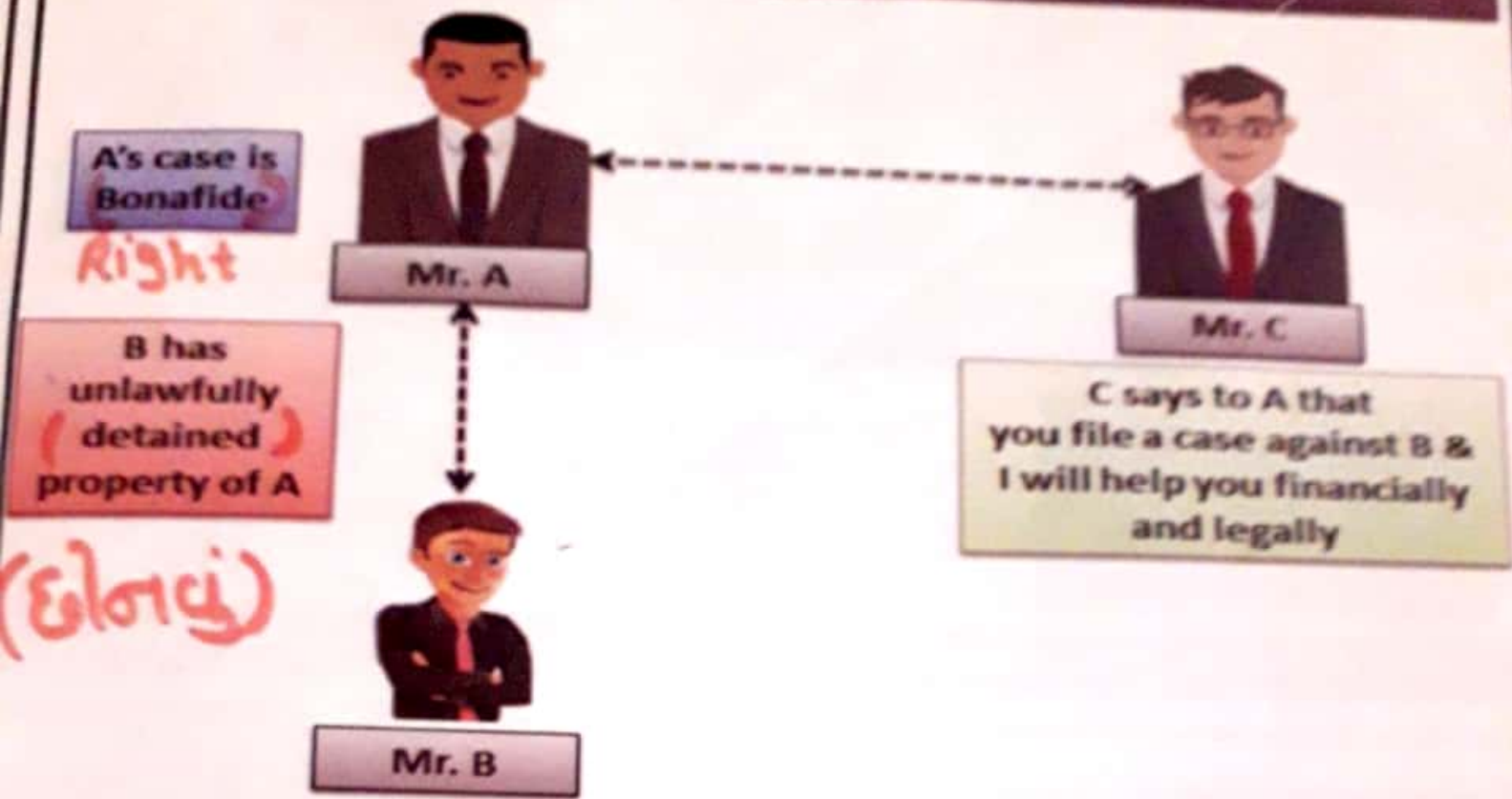


Supply of necessaries to unsound mind person or his dependents



May be recovered from the estate of unsound mind

Champerty & Maintenance



Gift – Valid Agreement



Alia Bhat



Alia Bhat's Dad

You marry to Alia,
I will give you
Rs. 50,00,000/-



Ranbir Kapoor

Agreement to give gift
Valid and allowed in India

Dowry - Illegal



Alia Bhat



₹₹₹



Alia Bhat's Dad

Give me
Rs. 50,00,000/-
then I will marry her



Ranbir Kapoor

Dowry
Illegal
Not allowed in India

Marriage Brokerage Agreement



Alia Bhat



Ask Alia to marry me,
I will give you
Rs. 50,00,000/-



Alia Bhat's Dad

Marriage Brokerage Agreement
between Alia's dad and Ranbir

Opposed to Public Policy
Void in India – Not allowed



Ranbir Kapoor

Exceptions of Restraint in Trade

Sale of Goodwill

Mr. Chitale

CHITALE BANDHU

Sold brand name

CHANDUBHAI VIRANI
Owner of Babli Wadai

Seller

Buyer

Consideration

Owner of CHITALE BANDHU
MATHAIWALE, Manufactures
and sells Bhakarwadi in Pune

Agreement

Restraint in Trade

Not to manufacture and
sell Bhakarwadi in Pune
for next 5 years

Valid

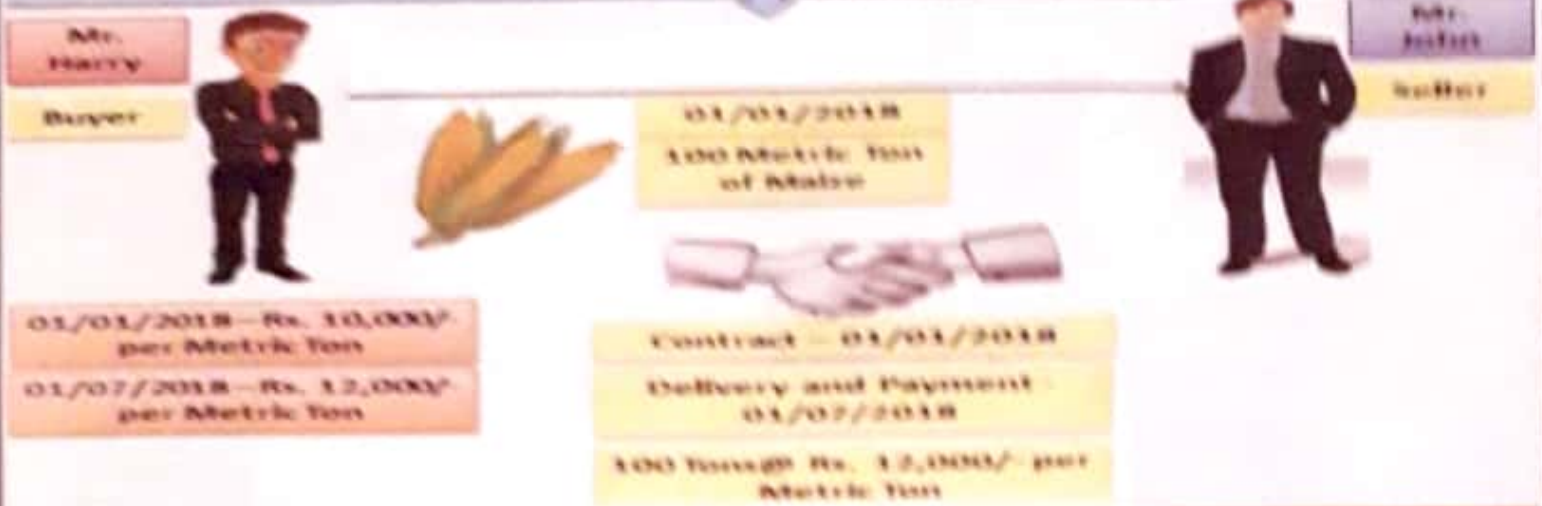


CHITALE BANDHU



Speculative Transactions – Generally Valid

Intention of Delivery of Goods



On 01/07/2018
Market Price per Metric Ton = Rs. 18,000/-

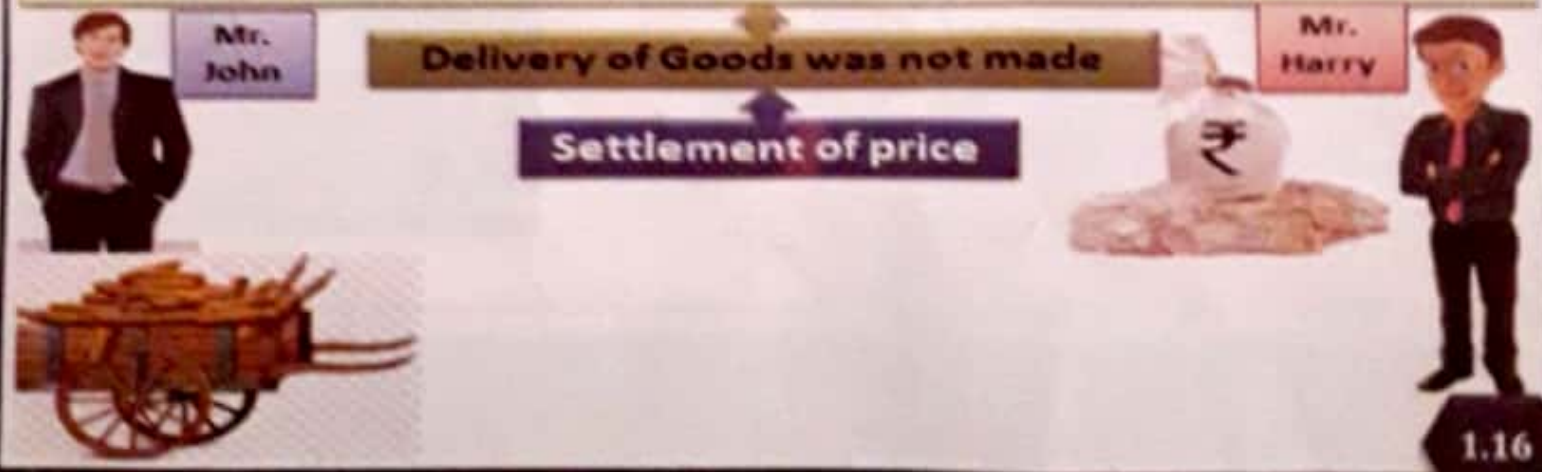
Option 1
Mr. John fulfills the terms of contract
Mr. John gave 100 Metric Ton of Maize @ Rs. 12,000 per Metric Ton



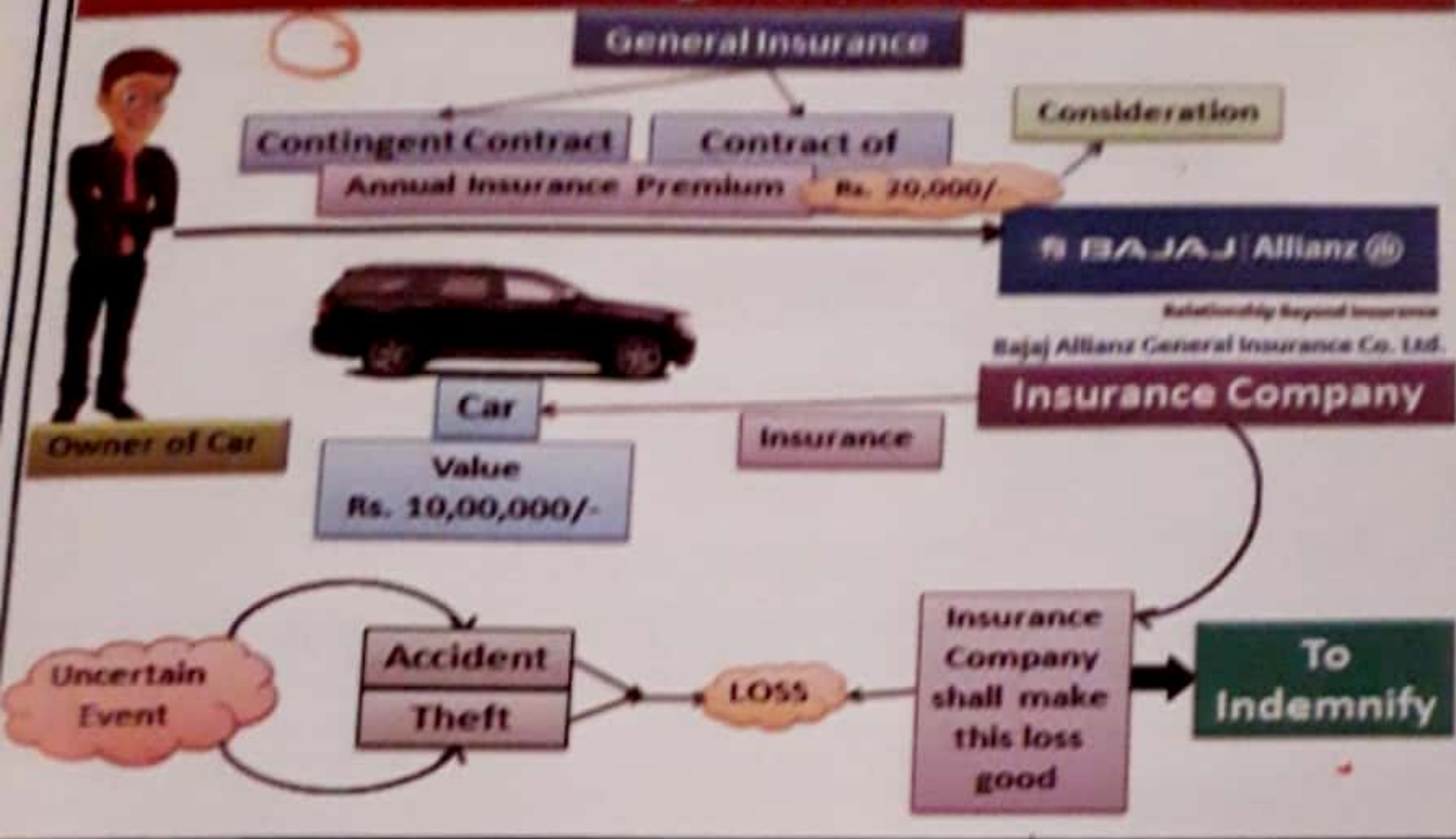
Option 2
Mr. John kept 100 Metric Ton of Maize with him

Market price : 100 Metric Ton * Rs. 15,000	= Rs. 15,00,000/-
Contract price : 100 Metric Ton * Rs. 12,000	= Rs. 12,00,000/-
Profits (Rs. 15,00,000 - Rs. 12,00,000)	= Rs. 3,00,000/-

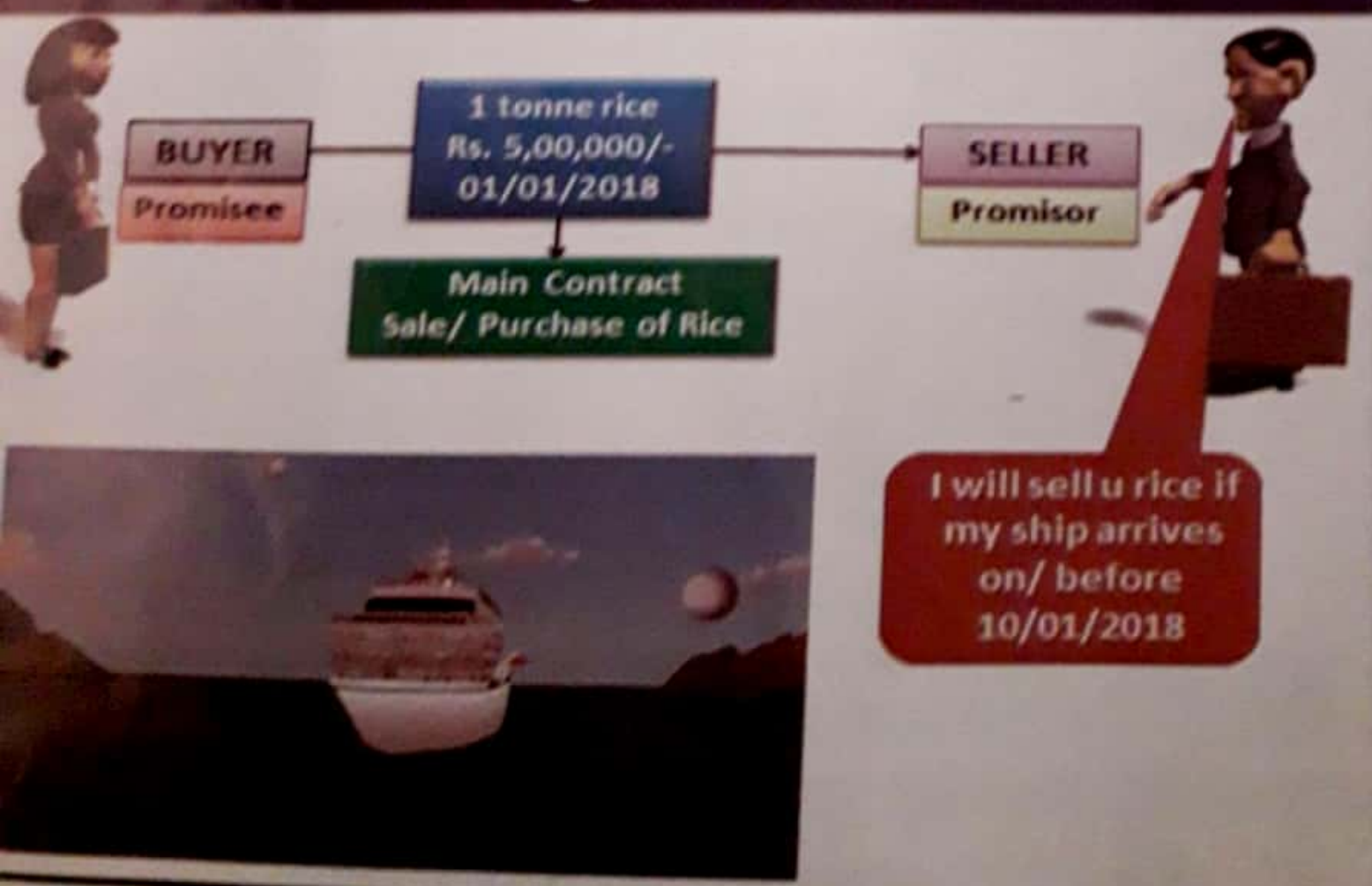
Difference = Rs. 3,00,000/- paid to Mr. Harry



Contingent Contracts



Contingent Contracts





Arrival of ship

It is not the main contract

Uncertain event

Independent event

Collateral / Incidental to Main Contract

Contingent Contracts should not depend on mere will of the promisor

Free consent of promisee is also required

Sale on Approval Basis



Mr. A

Manufacturer of Chairs

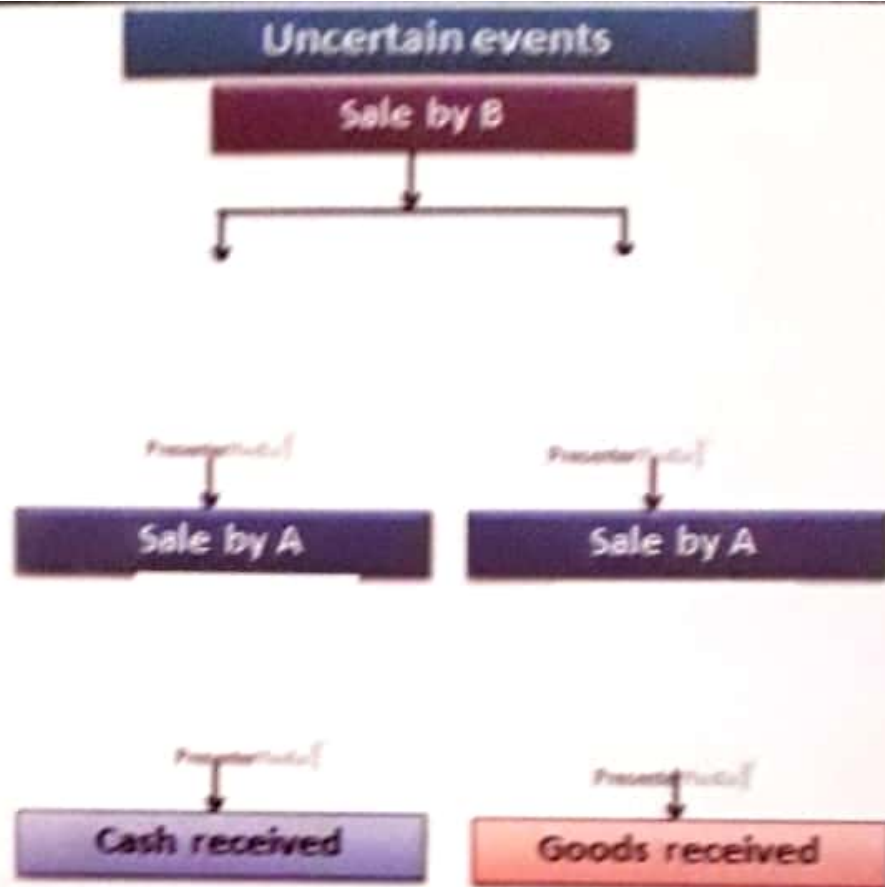


Mr. B

Chair Dealer

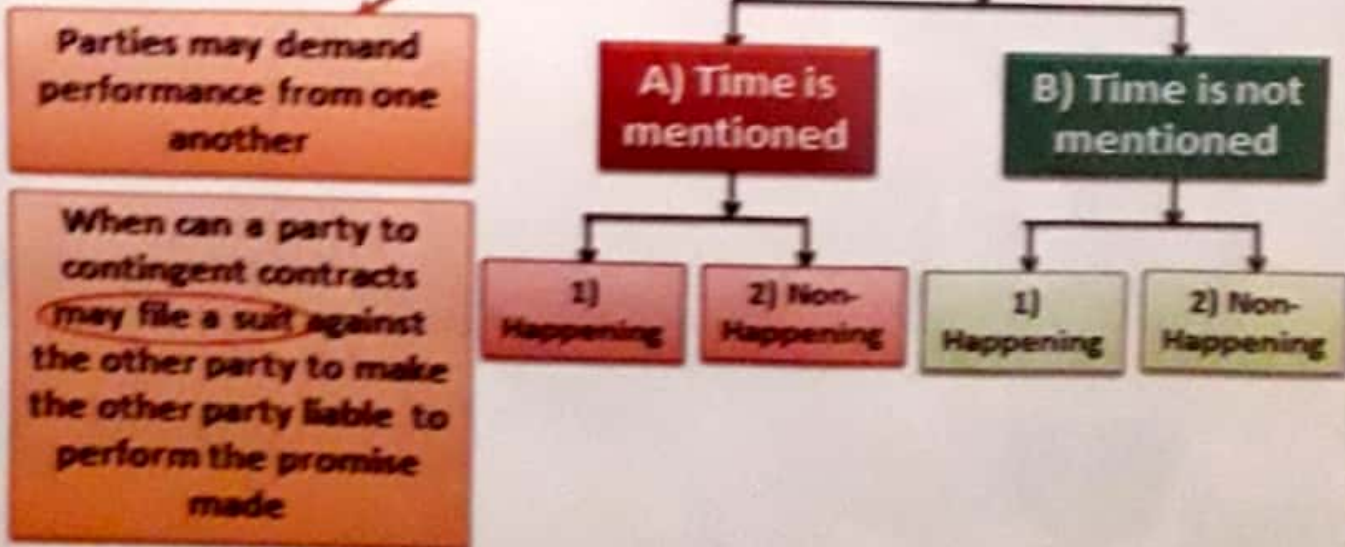


Possession transferred - 100 chairs
For next 1 month

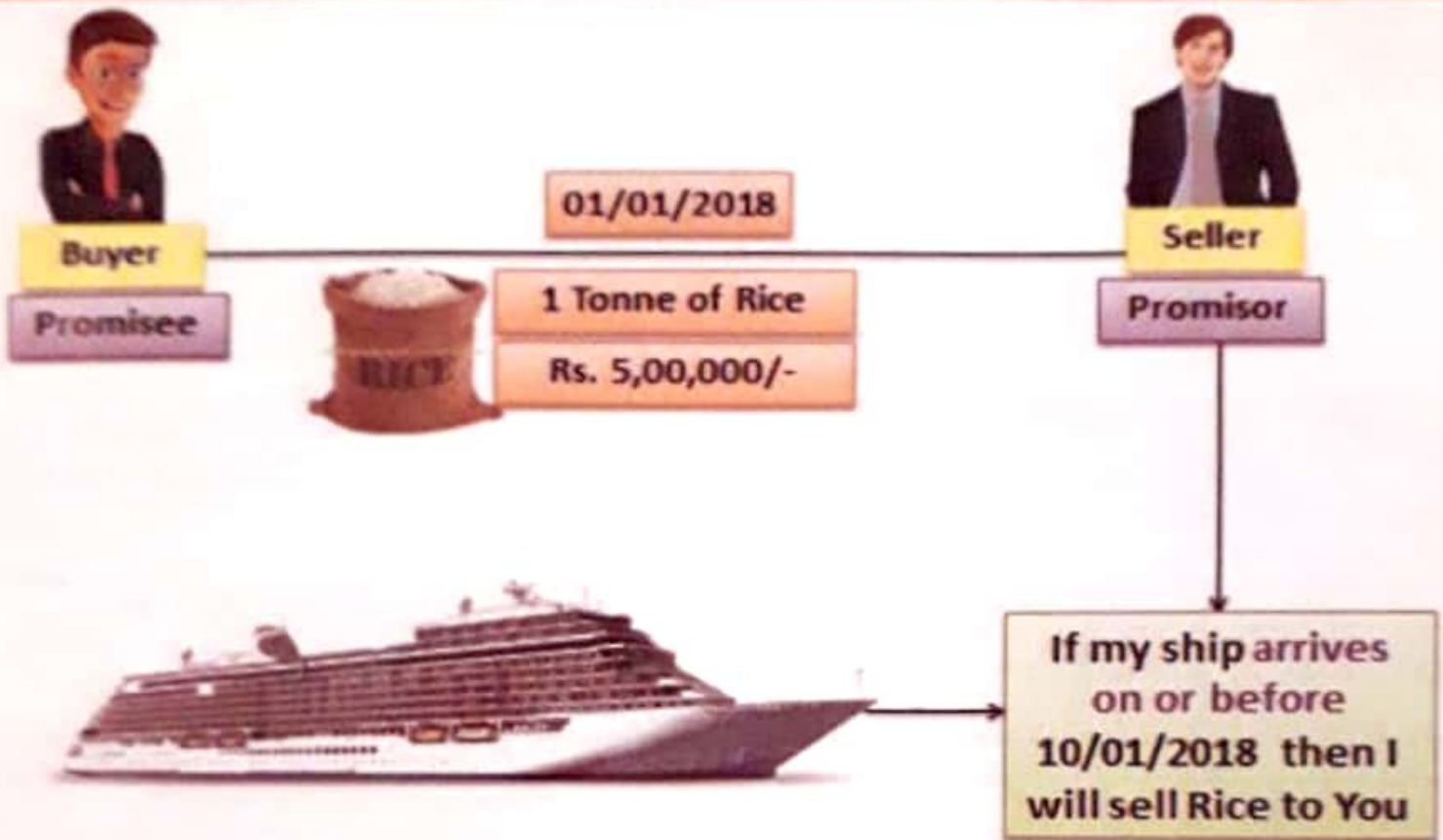


Sale by A to B, is dependent on sale by B to third parties

Rules regarding Enforcement of Contingent Contracts



A) 1) Time is mentioned + Dependent on Happening



Valid Contract

Enforce



Text 1) When the event happens within fixed time

Eg) When ship arrives on or before 10/01/2018

Enforce



Void Contract

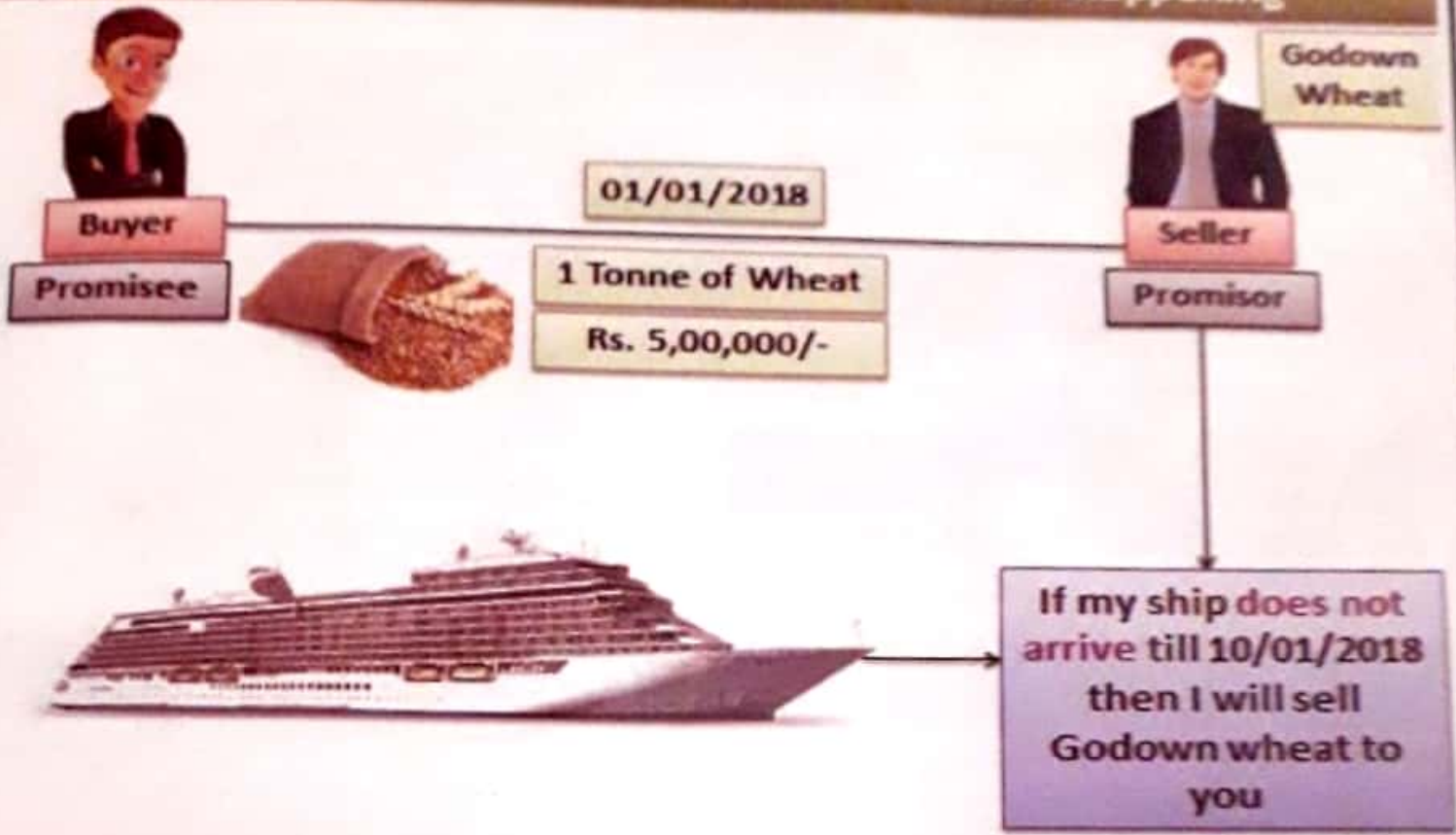
Text 1) When the event does not happen within fixed time

Eg) When ship arrives after 10/01/2018

Text 2) When the event becomes impossible before fixed time

Eg) If ship sinks on or before 10/01/2018

A) 2) Time is mentioned + Dependent on non-happening



Valid Contract

Enforce



Text 1) If the event does not happen within fixed time

Eg) When ship does not arrive till 10/01/2018

Text 2) If the event becomes impossible before fixed time

Eg) Ship sinks on or before 10/01/2018

Enforce

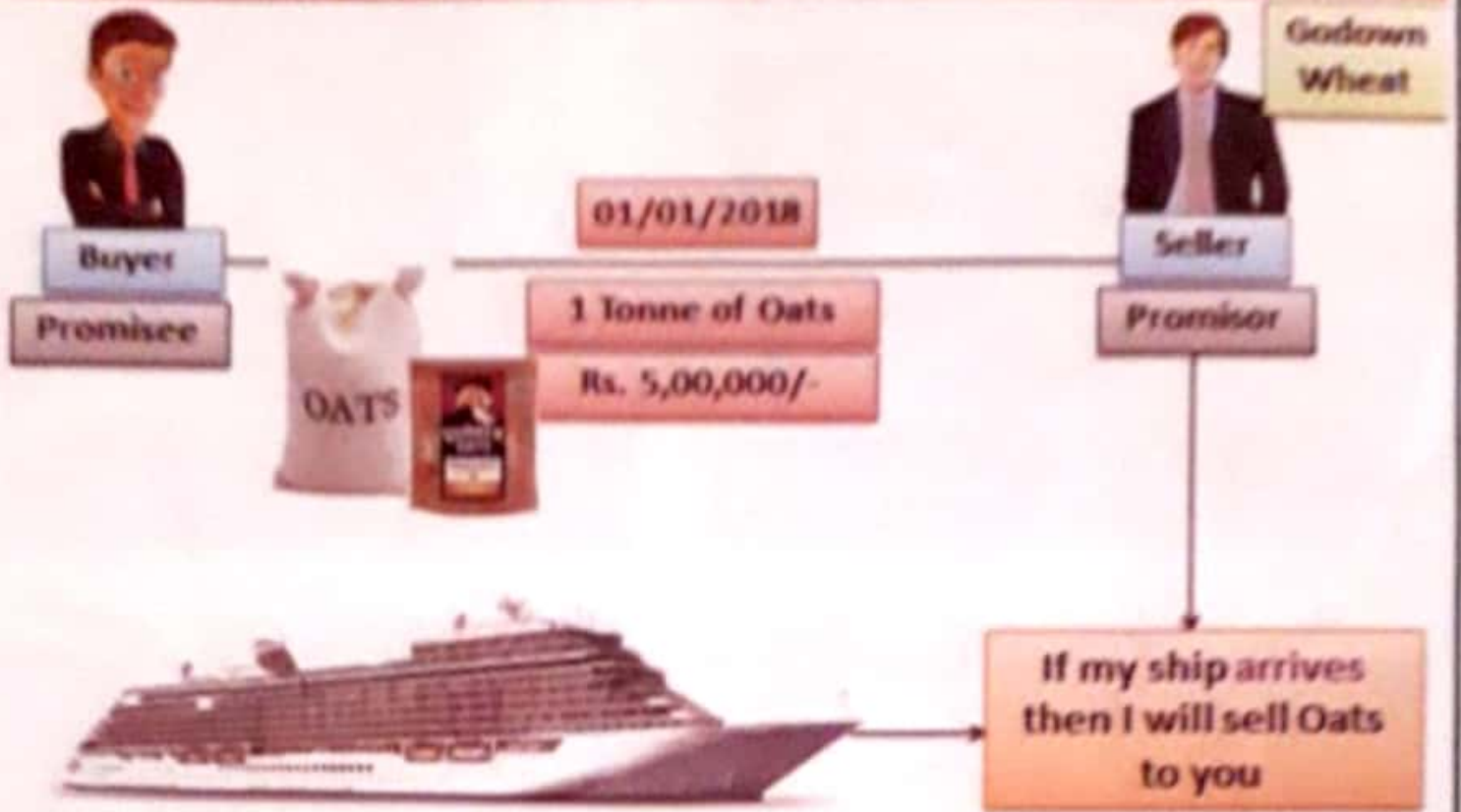


Void Contract

Text 1) If the event happens within fixed time

Eg) If ship arrives after 10/01/2018

B) 1) Time is not mentioned + Dependent on happening



Valid Contract

Enforce ✓

Text 1) When the event happens

Eg) If ship arrives

Enforce ✗

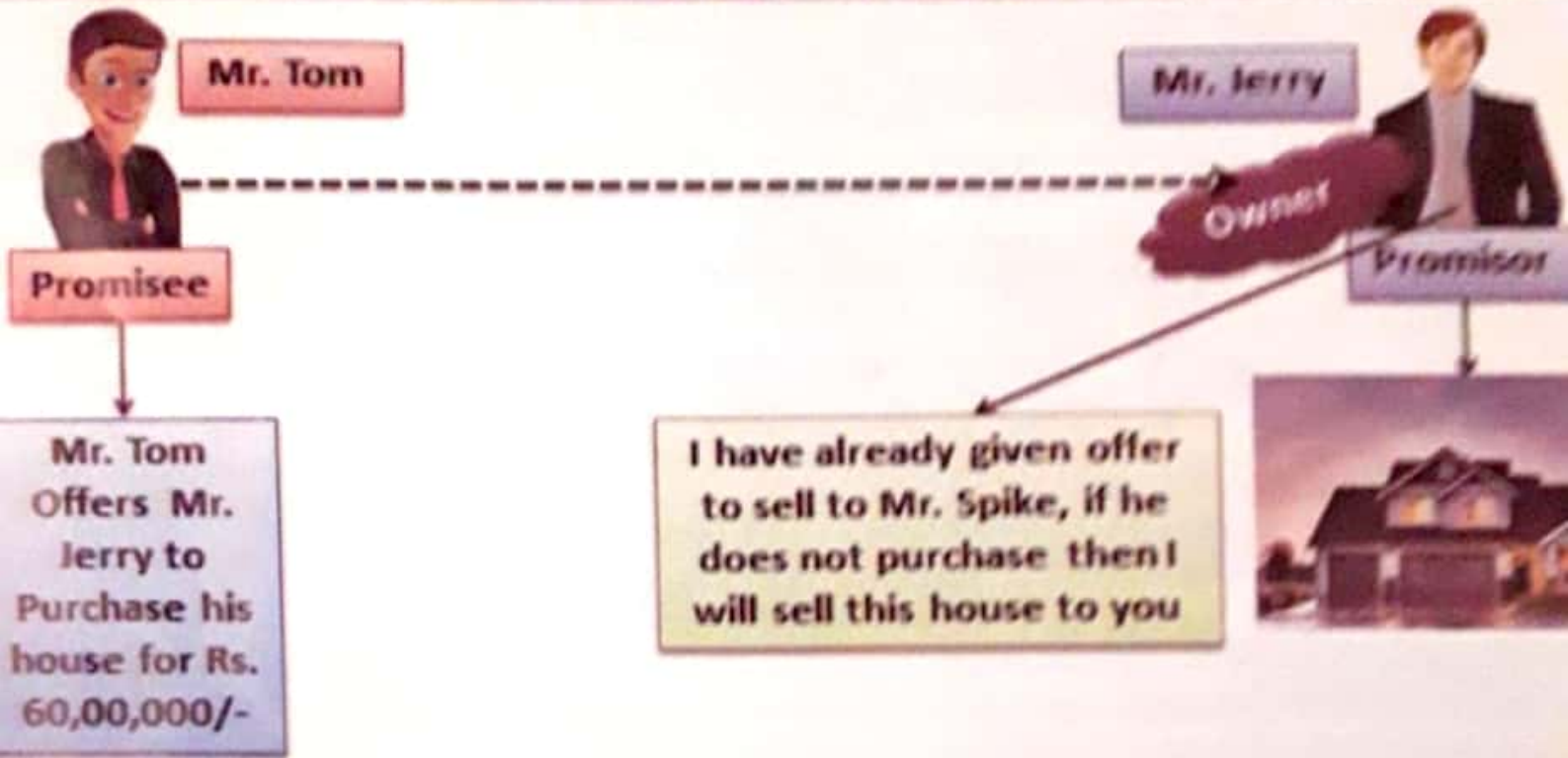
Void Contract

Text 1) When the event becomes impossible

Eg) If ship sinks

(Text 1)
If the event doesn't happen within fixed time.

B) 2) Time is not mentioned + Dependent on Non-happening



Valid Contract

Enforce



Text 1) If the event becomes impossible

Eg) i) Mr. Spike denies to Purchase so that it becomes impossible to sell this house to him
ii) Death of Mr. Spike

Enforce



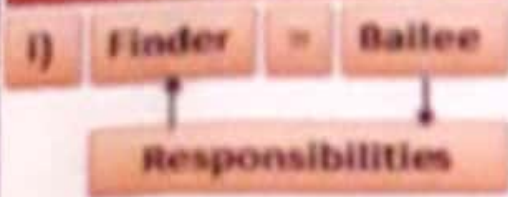
Void Contract

Text 1) If event happens

Eg) If Mr. Spike purchases this house

Responsibility of finder of Lost Goods

A) Duties of Finder of Lost Goods



- ii) To take reasonable care of Goods
- iii) To find the original owner of Goods
- iv) Not to use those Goods for his personal purpose
- v) Return the goods to owner when he is found
- vi) Duty not to mix the Goods found with his own goods
- vii) Duty to give back accretion in Goods

↳ Addition

Responsibility of finder of Lost Goods

B) Rights of finder of Lost Goods

