

Unit -> 2

Consideration :- [Quid Pro Quo]
↳ something in Return

• "When at the desire of the promisor, the promisee or any other person has done or abstained from doing, or does or abstains from doing, or promises to do or abstain from doing something, such an act or abstinence or promise called consideration for the promise."

has done

* Consideration is an act - doing something.

* Consideration is abstinence - abstain from doing something

* Consideration must be at the desire of the promisor.

* Consideration may move from promisee or any other person

* Consideration may be past, present or future

↓

↓

↓

Saved a

Cash Sales

Credit Sales

Child from

Water in Goa. Now, his father giving a reward

It is an essential element for a valid contract

• It is a price that is to be paid by the promisee for the obligation of the promisee.

• Consideration = Promise/ Performance that Parties exchange with each other.

violated at the time of the contract

copy of the contract

abstinence → not doing something (अनादाना)
voluntary → स्वयं से किया है

~~Legal Rules Regarding Consideration~~

Exceptions :- [validity of an agreement without consideration]

Trick → Past में जो time Pass के लिए love किया था, ~~उस~~ जिसे आपको gift में Bail मिला था, usko agent के द्वारा charity में दे दो.

These point given below are valid without consideration also.

① **Natural Love and Affection** :-

• Conditions to be fulfilled :-

- (i) It must be made out of Natural Love and affection between the parties
- (ii) Parties must stand in near relationship to each other.
- (iii) It must be in writing.
- (iv) It must also be registered under law.

visat & anushka or jobhi
at that written में
& registered एतए them
still it will be valid

② **Compensation for past voluntary services** :-

• A person to compensate, wholly or in part, a person who has already voluntarily done something for the promisor, is enforceable. In order that a promise to pay for the past voluntary services be binding.

eggs →
Sethji and
Goa wala
example

the following essential factors must exist :-

debtors Creditor की Rashtra → after 3 yrs → not settled

legal rights ended to sue, → Become Time Based debt.

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But you are promising that debt can be by limitation in writing & it is signed & stamped. Here it is valid without consideration.

- (i) The services should have been rendered voluntarily.
- (ii) The services must have been rendered for the promisee.
- (iii) The promisee must be in existence at the time when services are rendered.
- (iv) The promisee must have intended to compensate the promisee.

③ Promise to pay time based debt :->

- When promise in writing signed by person making it or by his authorised agent, is made to pay debt based by limitation, it is valid without consideration.

④ Agency :->

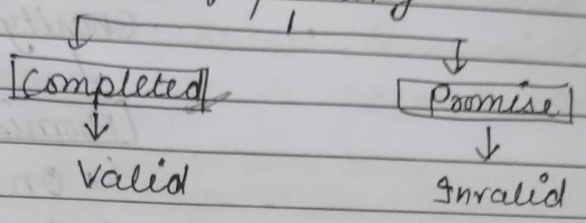
- no consideration is necessary to create Agency.
- means → when an agent works on behalf of his principle.

However, Later on consideration flows from the agent to the principle in the form of services & from the principle to the agent in the form of commission.

eg:-> Broker

⑤ **Completed gift :-**

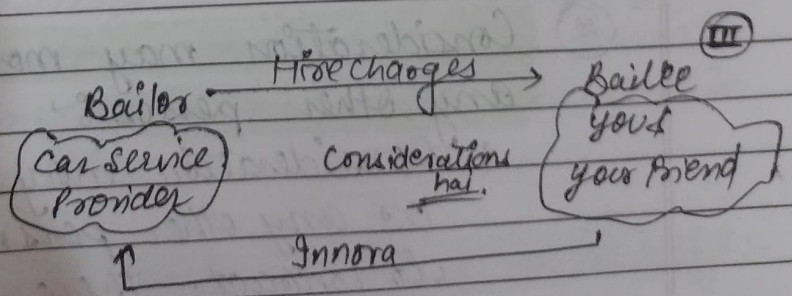
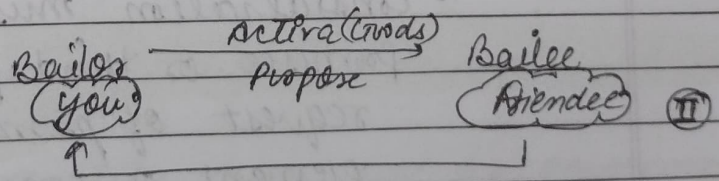
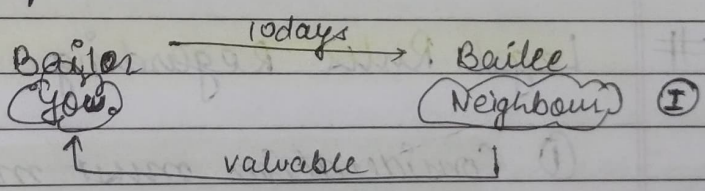
- Gifts do not require any consideration.
Gift / Charity



⑥ **Bailment :-**

- When one party transferring the possession of the goods to somebody else for a particular purpose, called Bailment.

and as soon as the purpose is over the possession is acquired back by the bailor.



④ **Charity** :->

- Charity given doesnot require any consideration.

Charity
↓

[Promise]

↳ On behalf of this the party had done some expense.

↓

So, you are liable to repay (recover) upto that amount.

Legal Rules Regarding Consideration :->

① **Consideration must move at the desire of the promisor** :->

- Consideration must be offered by promisee or third party at desire or request of promisor. This implies "return" element of consideration.

e.g. -> to save Maam Raiphone

e.g. -> file a ca

② **Consideration may move from promisee or any other person** :->

- Consideration may proceed from promisee or any other person who is not party to contract. There can be strangers to consideration but not strangers to contract

e.g. -> Come Siming P Good

Chimmayya vs Ramayya

adequate \rightarrow sufficient [at least]
A It can be more equal or less than Market Price.

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③ Executed & Executory Consideration \rightarrow

- Consideration which consists in performance of act is said to be executed. When it consists in promise, it is said to be executory.

④ Consideration may be past, present or future \rightarrow

- In order to support promise, past consideration must move by previous request. It is general principle that consideration is given & accepted in exchange for promise.

⑤ Consideration need not be adequate \rightarrow

- Consideration need not to be any particular value. Something in return need not be equal to something given.

e.g. \rightarrow
to take Maham
Kaiphane

⑥ Performance of what one is legally bound to perform \rightarrow

- Consideration must not be performance of existing duty. Performance of act by person who is legally bound to perform same cannot be consideration for contract.

e.g. \rightarrow Police to
file a case.

⑦ Consideration must be real & not illusory \rightarrow

- It must be something to which law attaches some value. If it is legally or physically impossible it is not considered

e.g. \rightarrow Come
Jinning Room
Go to
Mumbai

immoral - Patni Pati or w/h.

Breach - तोड़ना

valid Consideration

⑧ Consideration must not be unlawful, immoral, or opposed to public policy.

immoral - Patni, Pati or w/h.

Unlawful - Drugs (injection)

opposed to Public Policy - Payment to acquire public govt. jobs

Suit by a Third Party to a Contract :->

General rule -> Only a person who is party to a contract can sue on it; hence called Privity of Contract

• Stranger to a contract cannot sue, is known as a doctrine of privity of contract.

Exceptions:- ^{doctrine of} Privity of Contract. [Third Party can Sue]

① In the case of trust :->

• Beneficiary can enforce his right under trust, though he was not party to contract between settler & trustee.

dadaji trust
After mother's son, now, he can enforce.

② In the case of family settlement :->

• If terms of settlement are reduced into writing, members of family who originally had not been parties to settlement may enforce agreement.

a provision be made the Bene a person. file the sue

eg -> ankita & Sima ex

eg -> land in exist at a off state hange

Acknowledgement → approval dena [acceptance of the truth]
Covenant → Condition

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③ In the case of certain marriage contracts/arrangements: →

provision may be made for the benefit of a person. he may file the suit.

- female member can enforce provision for marriage expenses made on the partition of Hindu Undivided family.

④ In the case of assignment of a contract: →

- Provision may be made for the benefits of a person. He may file the suit though he is not a party to the agreement.

⑤ Acknowledgement or estoppel: →

- Where promisor by his conduct acknowledges himself as agent of third party, it would result into binding obligation towards third party.

⑥ In case of Covenant running with land: →

- Person who purchases land with notice, that owner of land is bound by certain duties affecting land, covenant affecting land may be enforced by successor of seller.

⑦ Contracts entered into through agent: →

- Principal can enforce contracts entered by his agent where agent has acted within scope of his authority in name of principal.

eg → transfers land with condition
off after transfer
honge