

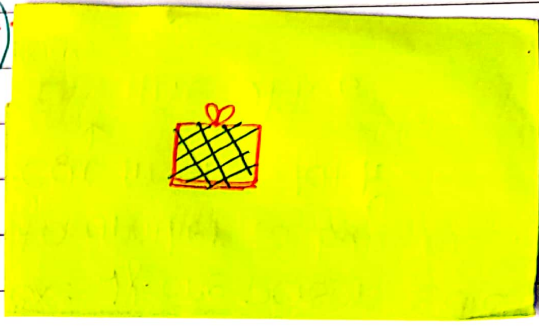
The Indian Contract ACT 1872

Intro of TICA

- * Applicable to whole of India
- * Came into force on 1st September 1872
- * Section 1-75 General Contracts.
- * Section 124-238 -> special contracts

What IS 'CONTRACT'

- 1- offer / proposal
- 2- Acceptance
- 3- promise
- 4- Consideration
- 5- Agreement
- 6- Legally
- 7 -> Contract.



Person communicate
Other person ko Apni
karni ki chahat taki
hum uski acceptance le sake
act ki or na karne ki acceptance
that is called make an offer.

Section 2 (a) offer / proposal ✓

"When one person signifies to another His Willingness to do or abstain from doing anything with a view to obtaining assent of other to such act or abstinence he is said to make proposal"

offer Willingness + with intention = offer.

to obtain assent

To do something

To abstain from doing something

positive offer

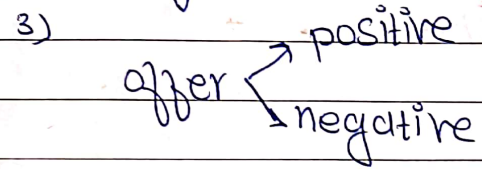
Negative offer.

Essentials of a proposal / offer are -

- → offeror - offeree
- ↳ promiser - promisee
- ↳ proposer - Acceptor

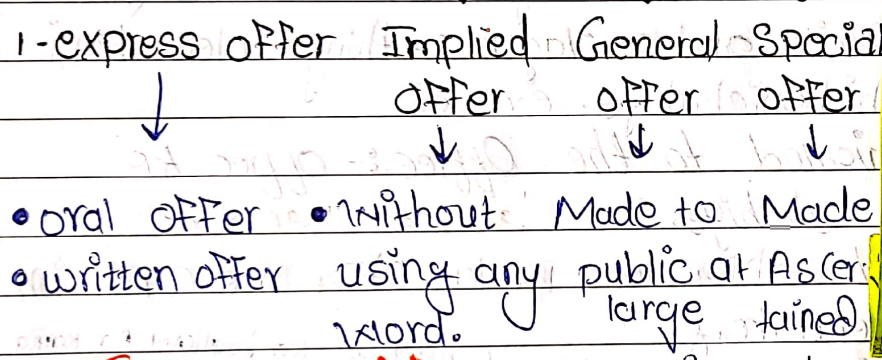
• Advertisement are not offer. but we can say that invitation to offer.

2- Party must express his willingness to do or not to do something.



4) offer must be made to with intension to obtain assent.

* Types OF Offer



Specific offer :- made for specific person

Counter offer :- ek offer ke badle diya gaya dusra offer.

General Offer :- offer is made to public at large & any person who is aware about the offer accept it.

Case law :- **Carlill Vs. Carbolic Smoke Ball Co. (1893).**

Special / Specific offer :- offer is made to specific person & only that person to whom the offer is made can accept it.

• Specific person or ascertained person. **(Bolton vs Jones)**

Cross Offer

- When two parties exchange.
- Identical offer → same offer
- In ignorance of time of each other
- No contract comes into picture.

Counter Offer

↳ When a person to whom offer is made accepts offer by modifying it

Open offer:- Jo kuch samay ke liye hi offer hota hai
• Generally General offer can say open offer too.

↳ also known as conditional acceptance

Standing Or Continuing or Open Offer:-

↳ which remains offer open.

↳ over a period of time.

Essential Of a Valid offer:-

- 1 → Capable of creating legal obligation:- offer accept hojaye to usse legal relation create hona chahiye. ex:- Noora & gurpreet
- 2 → It must be certain, definite and not vague:- things clear honi chahiye vague (mix) nahi honi chahiye. ex:- oil
- 3 → It must be communicated to the Offeree:- offree ke knowledge me ana chahiye. *man shukla*
- 4 → It may be conditional:- offer dene wala offer me condition laga sakta hai → not mandatory. *condition ko follow na karna.*
- 5 → Offer should not contain a term the non-compliance of which would amount to acceptance:- offer me agar tum eisi baat (condition) likh diye aur agar offree to accept ne kuch nahi kaha aur man liya to valid nahi hai.
- 6 → It must be made with a view to obtaining the assent of the other party.
- 7 The Offer may be either Specific or general
- 8 The Offer may be express or implied.
- 9. → offer is different from
 - Here Statement of intension
 - prospectus and Advertisement
 - Invitation to offer

Offer Vs Invitation to offer

	Offer	invitation to offer
meaning	Section 2 (a) of the act an offer is the final expression of willingness by the offerer. Should the other party choose to accept it.	where a party without expressing his final willingness process certain terms on which he is willing to negotiate. he does not make an offer, but only invites the other party to make an offer on those terms.
Intention of the parties	If a person who makes the statement has intention to be bound by it as soon as the other accepts he is making an offer.	If a person has the intention of negotiating for terms it is called invitation to offer.
Sequence	An offer can't be an act precedent to invitation to offer	An invitation to offer is always an act precedent to offer.

ACCEPTANCE

Sec. 2 [b]

William Anson:- agar ek bar offer ko acceptance mil jati hai aur wo promise ban jata hai to usko promise nibhana hi padenga.

Def:- "When the person to whom the proposal is made signifies (communicate) his assent thereto proposal is said to be accepted, proposal when accepted becomes a promise"

According to Sir William Anson:- "An acceptance to an offer is what a lighted match is to a train of gun powder."

Like otherwise, once acceptance is given to an offer, only a contract can happen and thus offer cannot be revoked subsequently.

↓
Offer ko acceptance mil jaye to offer cancel (revoked) nahi kiya jaskta.

Essential Of a Valid Acceptance:-

1- Acceptance can be given only by the person to whom the offer is made.

Time:- acceptance me time offer diya ho to uske hisab se hi acceptance deni chahiye
6- silence acceptance nahi mani jati.

↳ Case law:- Boulton vs. Jones (1857)

2-

2- Acceptance must be absolute and unqualified.

↳ Case law:- Neale vs Merret

↳ Case law:- [UNION] of india vs Bahulal AIR 1968 Bombay

3- The acceptance must be communicated.

↳ Case law:- Broyden vs. Metropolitan Railway co.

4- Acceptance must be in prescribed Mode

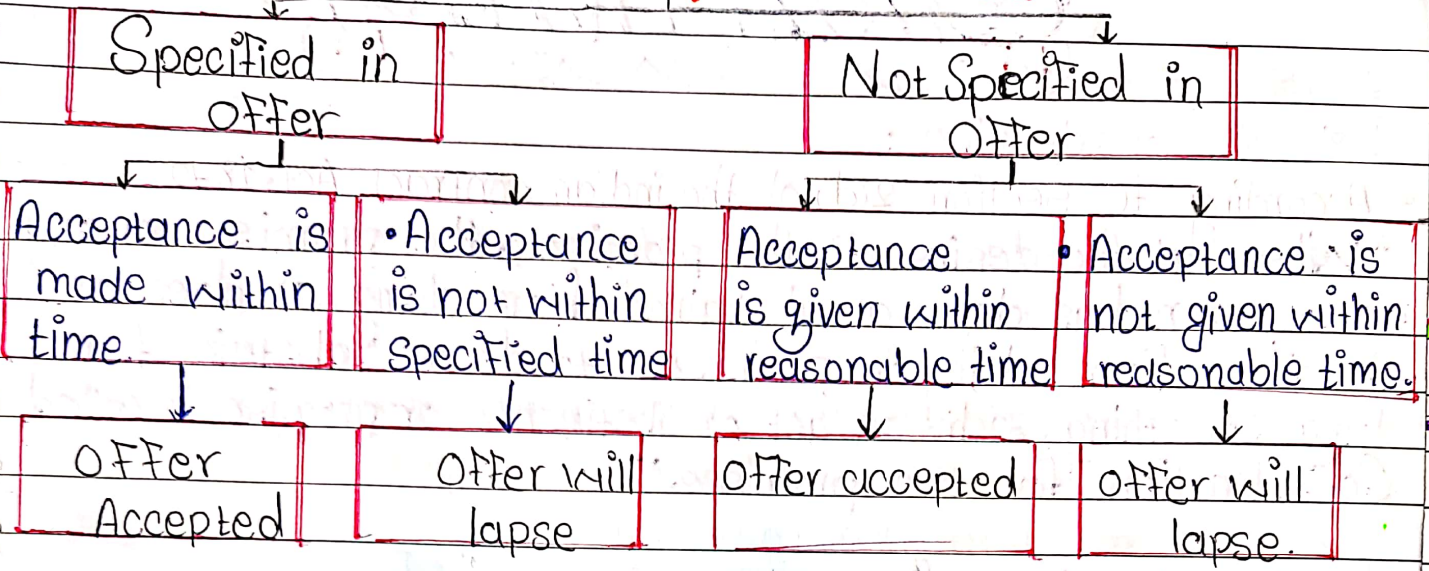
offer

offer

Mode prescribe

No Mode prescribe.

Time to accept an offer



6 - Mere Silence is not acceptance

Case law: - **Helthouse vs. Bindley (1862)**

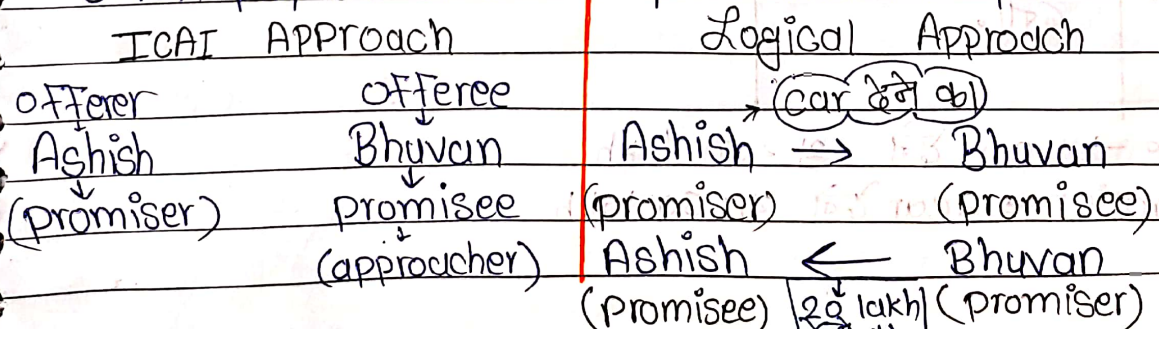
- The acceptance of an offer cannot be implied from the silence of the offeree or his failure to answer unless the offeree has in any previous conduct indicated that his silence is the evidence of acceptance.

7 - Acceptance by Conduct / Implied Acceptance

- When a person performs the act intended by the proposer as the consideration for the promise offered by him, the performance of the act constitutes acceptance.

☀️ PROMISE ☀️

• offer/proposal once accepted become promise



* CONSIDERATION *

Def of consideration :

According to Section 2(d) of the Indian Contract Act, 1872
 "When at the desire of the promiser, 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 is called **Consideration** for the promisee."



↳ Consideration → "Something in return"

↳ Consideration is for → "promise"

↳ Consideration can be an **act** (doing something) or **abstain** from doing something

↳ Consideration may be → "past, present, future."

↳ consideration can be → **positive** or **Negative**



Hi carry,
 I want to sell
 my yellow car
 for Rs. 50 lacs
 Will you buy it?



Carry

Harsh

party	promise	Consideration
1 Harsh	car देना	₹ 50 lakhs
2) carry	₹ 50 ल॥ देना.	car लेना

• 2 promise → 1 car देने < 2 ₹ 50 lakh

• 2 Consideration → 1 car देने < 2 ₹ 50 lakh

• Who is promiser & promisee?

promise	promiser	promisee
1 car देना	Harsh	carry
250 lakh	carry	Harsh

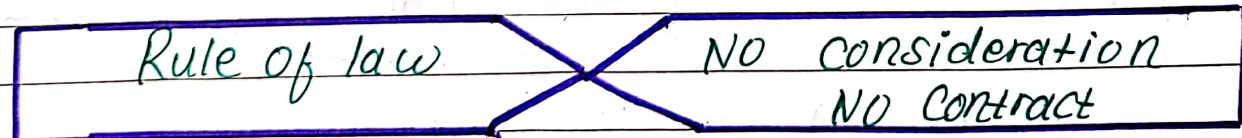
Consideration ki definition wo contract wise nahi promise wise padhi jati hai. Kyunki consideration hamesha promise ke liye hoti hai.

• Analyse of def in hindi:-

जब Harsh को मजरी से Carry car को और Person कुछ कर चुका है & कुछ नहीं करने वाला है (past, present, future) या कुछ कर रहा होता है या कुछ करने वाला होता है OR future में कुछ नहीं करने से मजरी को us act को (करने को) या उस Na karne ko us promise ko hum kehte hai **consideration** for promise.

Analysis Of Def of consideration.

- Consideration is an act - doing something (positive)
- Consideration is abstinence - abstain from doing something (neg)
- Consideration must be at the desire of the promiser.
- Consideration may move from promisee or any other person
- Consideration may be past, present or future.



Contract without Consideration.

- Where conditions where contract without consideration is enforceable
 - Agreements made on account of natural love and affection.
 - promise to pay time barred debt
 - promise to compensate
 - completed gift • Bailment • charity
 - दानधन -

Executed :- हो वाकि
executory :- जो हो रही है या होने वाला है।

Legal Rules Regarding Valid Consideration :-

↳ Must move at the desire of the promiser:

Case law :- *Durga parasad v. Baldeo*

↳ Move from promisee or any other person :-

Case law :- *Chinayya Vs Ramaya (imp)*

↳ Executed and Executory Consideration

↳ Can be past, present or future

↳ Nee Not to be Adequete (promise 1 \neq promise 2)

↳ Consideration must not something which he is legally bound to perform.

↳ Must be real and not illusory

↳ Must not be unlawful, immoral or opposed to public policy.

AGREEMENT

Page No.: _____

ICAI :- Agreement = offer + Acceptance.
 STR :- Agreement = promise + consideration.

Section 2(b) defines promise as-

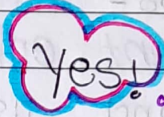
Every promise or set of promises Forming Consideration For Each other.



Suzuki

Hi! Nobita will you purchase my new car for ₹20 lakh

offer



Nobita

Yes! → acceptance

? kya Suzuki aur Nobita mein agreement huwa hai?

Party	promise	consideration
Suzuki	car देना	₹ 20 lakh
Nobita	₹ 20 lakh	Car

Law से अब अगर Suzuki & Nobita भी आपस में promise के लिए एक दुसरे को consideration देना So we say that Nobita & Suzuki make an agreement

Note:- Tab unke kiye gaye promise ek dusre ki liye consideration bante hai

AGREEMENT

Enforcable by law

Not Enforcable by law

CONTRACT

Not a CONTRACT

ex:-

Q:- I will give u a new car after if you pass ur foundation exam.

A:- Reject

Q:- After passing foundation come to dad & says that give me my new car.

Note:- this is not enforcable by law So son cannot file case again father.

CONTRACT

The term contract is defined under section 2(h) of the Indian Contract Act, 1872 as -

“an agreement enforceable by law.”

- an agreement, and its enforceable by law.

Contract = Agreement + Enforceable by law.

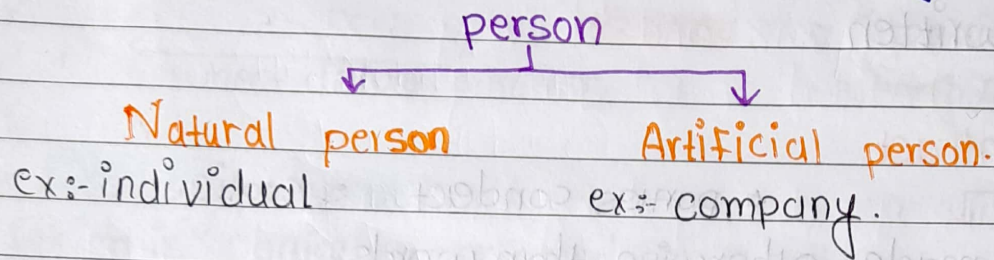
↳ **Enforceability by law** - An agreement becomes a contract must give rise to a legal obligation which means a duty enforceable by law.

Contract = Agreement + Enforceability by law.

Basis of difference	Agreement	Contract
Meaning	Every promise and every set of promises, forming the consideration for each other. (offer + Acceptance)	Agreement enforceable by law. [Agreement + legal enforceability.]
Scope	It's a wider term including both legal & social agreement	It is used in a narrow sense with the specification that contract is only legally enforceable agreement
Legal obligation	It may not create legal obligation. An agreement does not always grant right to the parties.	Necessarily creates a legal obligation. A contract always grants certain rights to every party
Nature.	All agreement are not contracts.	All contracts are agreement

Essential Of A Valid Contract

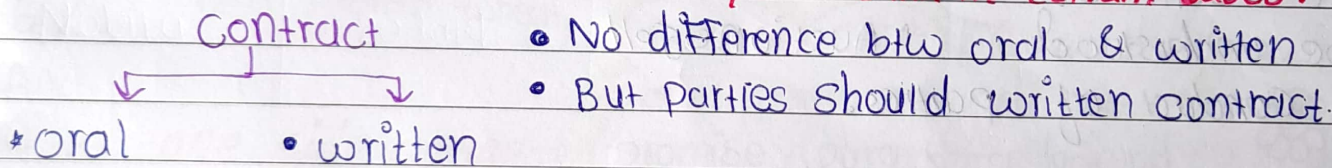
- 1- Two parties:-** One cannot contract with himself.
- agar contract karna ho to minimum two parties ka hona Zaruri hai ek Jo offer deti hai aur dusri Jo offer accept karti hai.



- 2- parties must intend to create legal obligation.**
- Parties ki intension honi chahiye legal relation create karne ki.

Case law:- (Balfour vs Balfour)

3- Other Formalities to be Complied with in certain cases:



4- Certainty of meaning :-

The agreement must be certain and not vague or indefinite.

5- possibility of performance of an agreement.

- :- terms of agreement should be capable of performance.
- :- An agreement to do an act impossible in itself cannot be enforced.

6- Expression of willingness of parties to do 'or' 'not to do something'

Types Of Contract

on the basis of formation:-

1- Express Contract

- oral
- written

2- Implied Contract

never intended made otherwise than words.
 * parties conduct ex coolie.

3- Tacit Contracts

↳ Tacit means "silent".

* it is a situation where a contract has to be understood from conduct of parties.

Implied contract

Tacit Contract

Not a Tacit Contract

- * ATM
- * Auctioneers

4- Quasi Contract

- not an actual contract
- created by law and enforces legal right and obligations when no real contract exists.

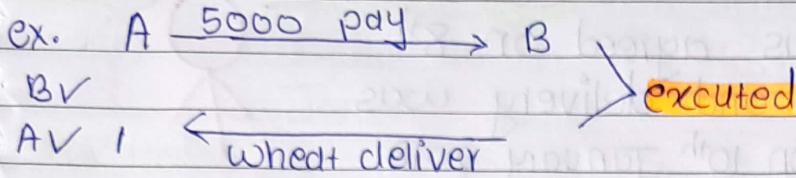
4- E-contracts

- contracts entered into by two or more parties using electronics means, such as e-mails is known as e-commerce contracts.

• on the basis of performance.

1- Executed Contracts

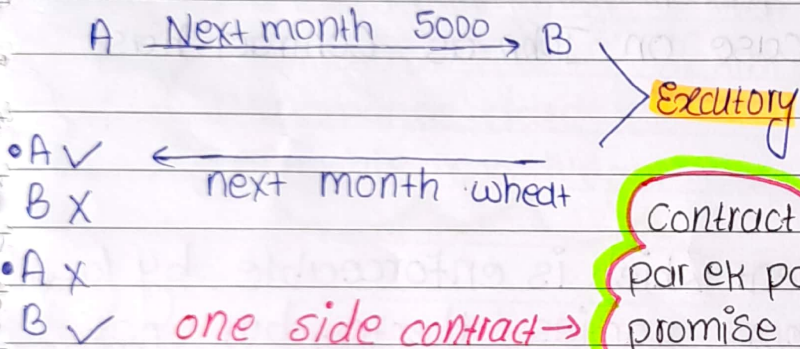
• Contract which is wholly performed.



Contract Jaha dono parties apna promise pura karti hai

2- Executory Contract

• Which is partially performed, or wholly unperformed



Jaha par abhi tak dono parties ne apna promise perform nahi kara hai. aur ise Bilateral

Contract Jaha Contract.

par ek party ne apna promise pura kara hai nd ek ne nahi use kehte hai Unilateral cont.

• on the basis of the validity

1- Valid Contracts

• It has all essential elements of contract
• enforceable by law.

"I want to sell my Dhoom bike. will you it For Rs. 10,000?"

yes! I agree to buy your bike for Rs. 10000.



Abhishek

John

Note:- it is a valid contract and any party can go in court if other party refuses to perform his promise.

Note:-

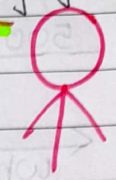
2- Void Contracts

- Does not have any legal effect
- Not enforceable by law.

aisa contract jo pehle legally enforceable tha But bad me wo not legally enforceable hogaya.



- Contract was agreed on 8th January 2018 and delivery was scheduled on 10th January 2018



Abhishek

John

- Bike got destroyed by fire on 9th January 2018. on 9th January 2022, valid contract becomes void contract due to impossibility.

- Abhishek cannot file case on John as Contract has become void.

3- Voidable Contract

- Section 2(i) - An Agreement which is enforceable by law at the option of one or more parties thereto, but not at the option of other or others is a voidable contract

→ अग्रीव पार्ट Agreement को Court me enforce कराना है या नहीं karana hai Agar wo aggrieved party ki marzi par hai (jiske sath galat huwa) aur dusri party (jiske galat kiya hai) uski marzi par nahi hai to is contract ko voidable contract bola jata hai

Example:-

X promise to sell his new car to y However the consent of x not has been procured by y at a gun point So contract is voidable.

X is aggrieved party so contract is voidable at the option of x but not y.

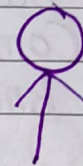
Void-ab-initio = void Since the very beginning

4 - Illegal Contract

• Section 2(d) - it is a contract which law forbids to be made.



• Mr. Honey Singh agreed to sell 4 liquor bottles for RS. 10000 on 5 January 2022.



Mr. Honey

Mr. Rahul

• Delivery of liquor was scheduled on 10 January 2022.

Govt. Bans liquor on 7 January 2022.

Jab contract tab wo illegal
performance date se pehle wo illegal hogaya.
Lekin

Forbidden by law
Not enforceable.

illegal agreement

starting se illegal hota hai

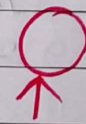
5 - Unenforceable Contract

Good in substance

But suffer from technical defect.



- Mrs. Gopal has taken goods of RS. 2 lakhs from Vasooli Bhai in 2015 on credit



Gopal

Vasooli

- But no payment has been received since 2015 by Vasooli Bhai. # In 2015, Vasooli bhai wants to file case against Mr. Gopal for recovery of money.

As per limitation act due date se 3 years ke under case file kar sakte hai iske bad case file Nahi hoga.

→ unenforceable Contract.

Time barred → only 3 years. Limitation

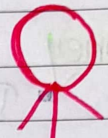
* Communication Of offer And Acceptance *

As per Section 4,

"The Communication of offer is complete when it comes to the knowledge of the person to whom it is made."



* JK send offer to V on 1.1.2023



* letter of offer received by offeree on 3-1-23

* Letter of offer read by offeree on 4-1-23

* Communication of offer will be is completed when offer comes to knowledge of the offeree (i.e on 4-1-2023)

Note:- If date of reading is not given in question. Then assume it is read on the same day it is received.

Revocation of Offer :- offer ko wapas lena..



:- letter of revocation of offer posted by JK on 02-01-2023.



:- letter of revocation of offer reached Jyer on 5-1-23

Is Revocation valid ?

• law says that agar JK jis din v letter bhej raha hai us din ya us firikh se pehle apna letter revoke karsakta hai.

Yaha par offer cancel mana Jayega kyunki V JK ke letter se pehle revocation ka letter pahunch gaya tha!

Communication of Acceptance.

Mya ap mera
Calculator 50
me kharidenge kya

Yes

Gurpreet sir

- * letter of offer posting date 18 may 2023
- * letter of offer reached Rahul sir on 22 may 2023.
- * Rahul sir Sends letter of Acceptance on 25 May 2023.
- * letter of Acceptance reached Gurpreet sir on 28 may 2023

Rahul sir

Letter Of Acceptance is

* completed when it comes to the knowledge of offerer (28 May).
↳ 28 May tak Rahul sir apni acceptance wapas le sakte.

letter of Acceptance reached on 20th April.

Case 1:- letter of acceptance revocation of Acceptance - 19 April
↳ Acceptance cancel mani jayegi.

Case 2:- letter of revocation of acceptance - 21 April.
↳ Acceptance valid mani jayegi.

Case 3:- letter of revocation of acceptance - 20 April

Practical Answer

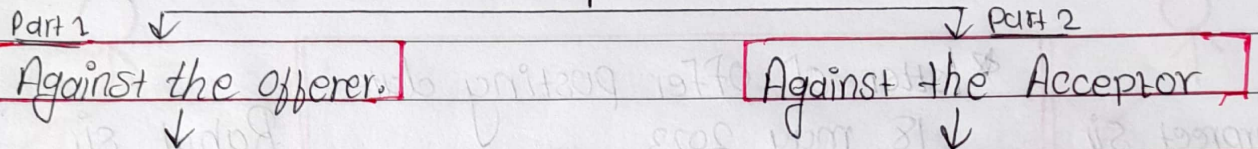
konsa pehle padha
wo mana jayega.

✓ ICAT answer (Imp)

• Acceptance ko Cancel
Mana jayega.

- **Revocation of offer:-** Jab tak offer ke letter post nahi kar deta.
- **Revocation of Acceptance:-** Jab tak offer ki knowledge me acceptance Nahi deti

Communication of Acceptance (secn)



When acceptor puts his acceptance in process of communication and loses his control over it

letter ko acceptor post kar deta hai • iske bad offeror offer ko revoke nahi kar sakta.

When it comes to knowledge of offeror.

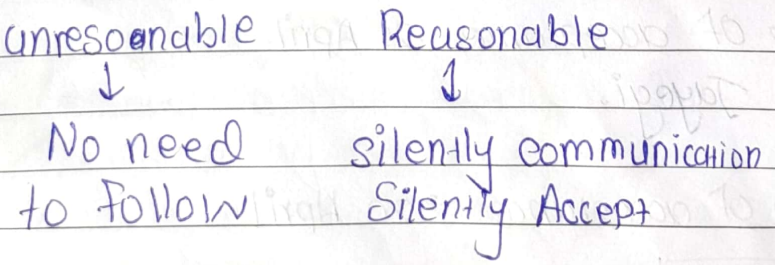
iske baad acceptor Acceptance ko revoke Nahi kar sakta.

• Acceptance over telephone or fax :

• **Special Conditions:-**

Case law:- Lilly White vs. Mannuswamy

Special condition



• **Standard forms of contract**

condition / notice must be reasonable and notice on its face (Front Page) that is certain certain special conditions.

* Questions from last slide?

• **What is contract** :- Agreement Enforceable by law.

• **General Contract** :-

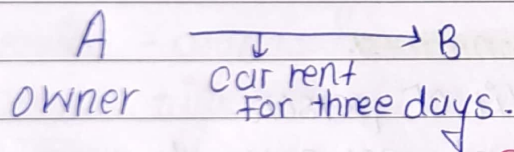
• **Special Contract** :-

• **Contract of Indemnity** :- Jis meek party dusri party ko promise karti hai ke hum tumhare loss ko compensate kar lenge.

• **Contract of Guarantee** :- Agar koi person kisi third person ki guaranty deta hai to use bolenge Contract of guarantee.

• **Contract of bailment** :- Owner apne Goods kisi aur person ko kisi bhi purpose ke liye deta hai & wo purpose complete hone ke baad Goods Owner ko return hojate.

ex:-



• **Contract of pledge** → (गीरवी रखना)

• goods ko girvi rakhna means contract of pledge.

• **What is agency** :-

• Agar aap Apna kaam kisi aur se karwa rahe hai (agent)

• **What is Sale of Goods** :-

• **What is partnership** :-

Doctrine of privity of Contract:

Stranger to contract cannot sue parties

Exceptions:- ^{उपेक्षित} stranger to contract
bhi parties to contract ^{उपेक्षित} case
kar sakta.

Doctrine:- Aise Rule
Jo Normally Court
ka decision Mein
Follow hota hai

Exception to Doctrine of privity of Contract.

1- In the case of trust

↳ beneficiary can enforce his right.

2- In the case of a family Settlement

↳ If terms of contract is [✓]writtning

↳ member of family who was not a party to contract can enforce the same.

3- In Case of certain marriage contracts.

↳ provision may be made for benefit of person

↳ He/she may file suit even though, not party to contract.

4- In the case of assignment of a Contract.

↳ when benefit assigned under contract

↳ Assignee can enforce it

assignment:-

Apne right ko kisi
aur ko transfer
karne.

5- Acknowledgement or estoppel.

↳ When a person represent himself as an agent of third party.

↳ It would result into binding obligation towards third party.

6- Covenant / condition running with land.

↳ person who purchase land with notice that owner of land is bound by certain duties

covenant may be enforced by successor of seller.

Validity Of An Agreement without Consideration.

General Rule

Agreement without consideration is void agreement.

Exception

Agar consideration nahi bhi hogi to bhi valid contract Mand Jayega.

1- Natural love and affection.

- ↳ Must be made by Natural love and Affection.
- ↳ parties → Near Relation
- ↳ Writting
- ↳ Registered.

2- Compensation for past voluntary services. (sec 25(e))

- ↳ Service - voluntary
- ↳ Service - promissor
- ↳ promiser - inteded to compensate.

3- promise to pay time barred debt

- ↳ promise → writting
- ↳ Signed → by person or his authorised agent.
- ↳ to pay time barred debt / valid.

4- Agency

- ↳ As per Section 185 of ICA, 1872
- ↳ No Consideration is necessary for agency.

5- Completed Gift

Rules → No Consideration

No Contract

Does not apply to completed Gift.

6- Bailment Sec 148

↳ No consideration is required

7- Charity

↳ If promisee takes liability

↳ on promise of person

↳ to contribute the charity * contract will be valid.

Unit-3 Essential of valid contract.

CAPACITY OF CONTRACT

* Competence of the party to make contract.

* Who is competent:- (Sec 11)

↳ Major [sec 11]

Minor < 18

↳ Sound Mind [sec 12]

Major > 18

↳ Not disqualified by law

Law relating to minor's agreement

1- Contract made with or by Minor is ab void-ab-initio.

Minor ke sath kiya gaya contract kabhi bhi valid nahi hota use void kehte hai

Case law:- Mohori Bibi vs. Dharmo Das Ghose (1903).

2- No ratification for attaining majority

* Jab aapne koii agreement kiya tha tab vo void tha bad me aap bhale hi major ban jaye aapke approval se void contract valid nahi ban sakta...

3- Minor can be beneficiary or take benefit out of a contract.

↳ Minor ke sath kiya gaya agreement to void hota hai lekin minor benefit le sakta hai contract ka.

agar minor ne kisi ko promisory note diya to wo person minor pe case nahi kar sakta but minor ko kisi ne promisory notes diya wo uspar case karke usko wo promisory note Relise kar sakta hai.

3- Minor can always plead minority.

↳ minor hamesha bol sakta hai court me aakar ke mai minor hu bhale hi usne pehle jab contract kiya tha to usko major dikhaye tha.

5- Liability for necessities:-

person $\xrightarrow{\text{- Necessary or loan for necessary.}}$ Minor or any other person.

agar koi person minor ko zarurat ki chize deta hai to ye person minor ki property se legally recover karsakta hai lekin minor personally liable nahi hoga.

• only necessary thing not luxury.

6- contract by guardian

Minor $\xrightarrow{\text{agreement}} \Rightarrow$ void

↓
behalf

↓

legal guardian

↓

agreement • otherwise
for benefit not valid.
of minor

7- No specific performance.

Meaning:- waade ko pura karne ke liye promise karna.

Minor ke sath kiya hawa contract void rehta so there is no meaning of specific performance.

8- No Insolvency.

Minor never declared Insolvency.

9- partnership:

Minor contract nahi karsakta so wo partner nahi ban sakta bhi beneficiary ban sakta hai.

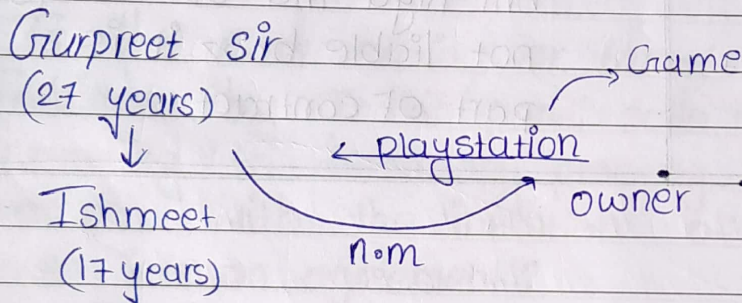
10 - Minor Can be agent

↳ Minor can be agent. but wo liable nahi rahega principle ko if he made any mistake.

11 - Minor cannot bind parent or guardian

↳ agar bacha cycle lekar aajata hai to kya uske parents se paisa nahi manga jaskta. but agar parent ke confirmation de rakhi thi pehle se to aap mang sakte ho.

12 - Joint Contract by minor & adult.



agar adult and minor joint promise karte to liable sirf major rahega not minor.

14 - Minor as Shareholder

* General Rule → Minor cannot become shareholder in company.
 → exception →

company me shareholders banne ka method.

Allotment	Transfer	Transmission
Person Apply Co ← Shares	Kal sale → Man (100 share) voluntary	Mr. A — Tata motors Ltd (100 shares) ↳ legal heir (Mr. B)

exception :- Minor Legal Guardian ke through fully paid share ko hold kar sakta hai only in case of
 1) Transfer & Transmission.

* Free Consent

Consent → Section 13

"Two or more persons are said to consent when they agree upon the same thing in same manner"

Def of Free Consent

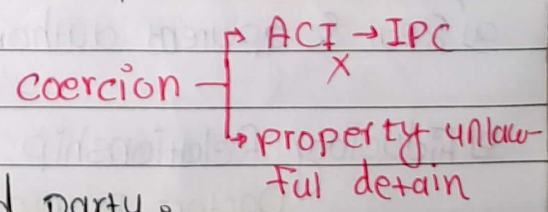
Jisme 5 cheizen nahi hoti

- 1-coercion 2-undue Influence 3-Fraud 4-Misrepresentation
- 5-Mistake → all voidable contract.

1- Coercion (sec 15)

"Is the committing or threatening to commit Any act forbidden by Indian penal code or unlawful detaining or threatening to detain any property To the prejudice of any person with the intention of causing any person to enter into an agreement."

Meaning :- कोई भी काम करनेवाला और कहना दो कर देता जो कि Indian penal court me mana kiya है. अगर 314 किसी और की property illegal tarike se apne pas rakhte ho to ye bhi coercion hai. against any person. aur apki intention thi ke party अितक agreement karle.



Effects

- voidable at the option of the aggrieved party.
- Repay money or thing obtained under Coercion.

• Fraud

2) Under Influence (sec 16) - Mental pressure

"A contract is said to be induced by 'undue influence' Where the relations subsisting between the parties are such that one of the parties is in a position to dominate the will of the other and he uses that position to obtain an unfair advantage over the other."

• detaining :- kisi ki property apne pas rakhna

Mean :- Dono parties के बीच Relation होनी चाहिए जिसमें एक party dusri party की Marji को control करे. 324 position ka galat इस्तेमाल करे hona chahiye.

एक पार्टी → dusri party की will ko dominate karne ki position में होनी chahiye

ex :-

Sell me your new car at less price if you want to score good marks in exam.

yes sir!

Teacher

Student

* The consent is not free due to undue influence.
Hence the contract is voidable at the option of student.

• Essential Elements :-

1- Relation between the parties

2- position to dominate the will.

a) Real & aparent authority :- ex :- father-son, Doctor-patient.

b) Fiduciary Relationship :- Trust ka relation ex :- father-son, Doctor-patient, Master-servant, Baba-follower.

c) Mental distress :- disease, Medical Attendant.

d) Unconscionable bargains :- Money lending Transaction.

3- The object must be to take undue advantage.

Dominating party ↓

- undue advantage लेती है → undue influence माना जाएगा
- undue advantage नहीं लेती है → undue influence नहीं माना जाएगा.

proof करना पड़ता है कि उसने undue advantage Nahi liya

4- Burden proof

* dominating party ko proof karna hota hai ki usne koi undue Advantage Nahi liya. agar wo court me ye proof nahi kar pata to contract voidable declare kar diya Jayega aur cancel kar diya Jayega.

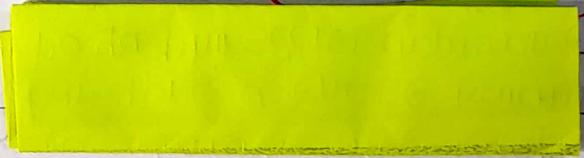
• Power to aside contract induced by undue influence - (sec 14)

• Agar kisi contract me undue influence hai to kya hoga ?

is voidable

↓
Court set aside (cancel) on application of aggrieved party

Court has power to change the terms & condition of contract & enforce it



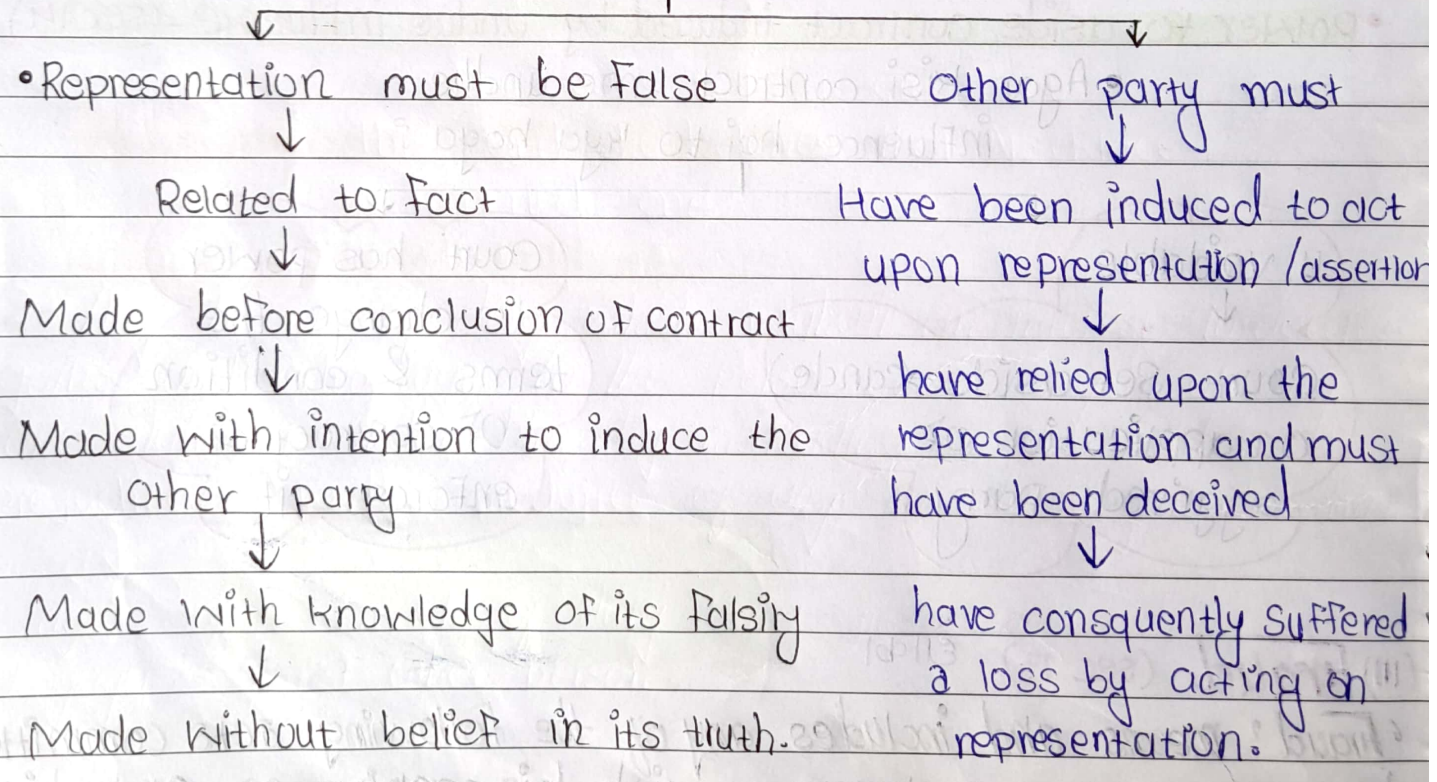
(iii) Fraud (sec 17) धोका

'Fraud' means and includes any of the following acts committed by a party to a contract, or with his connivance, or by his agent, with an intent to deceive another party thereto or his agent, or to induce him to enter into the contract.

- 1- the suggestion, as a fact, of that which is not true, by one who does not believe it to be true.
- 2- The active concealment of a fact by one having knowledge or belief of the fact.
- 3- A promise made without any intention of performing it.
- 4- Any other act fitted to deceive.
- 5- Any such act or omission as the law specially declares to be fraudulent.

• **Essential Of Fraud** :-

essential elements of fraud



Misrepresentation (Sec 18)

means and includes -

checked

1- The positive ^{statement} assertion, in a manner not warranted by the information of the person making it, of that which is not true, though he believes it to be true.

↓
Koi bhi statement agar bolne wala sahi se check kare bind bol deta hai ~~in the~~ we called this is Misrepresentation.

Ex:-

I want to sell a necklace which I have imported from London. will you buy it for Rs 1. crores

ohk.. I was looking for the imported necklace since long.



Fact:- Necklace was not a imported one



Sanu

Case 1:-

Sanu was not aware about

Tanu

this and she believes that Necklace is imported one

2- Any breach of duty which, without an interest to deceive, gains and advantage to the person committing it or any one claiming under him, by misleading another to his prejudice or to the prejudice of any one claiming under him.

↓ innocents

agar apne breach of duty karta jisse apko advantage hogaya against other person.

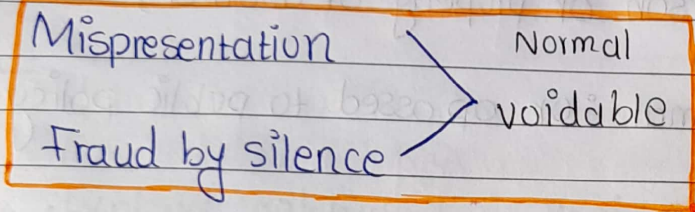
3- Causing, however, innocently, a party to an agreement to make a mistake as to the substance of the thing which is the subject of the agreement:- innocently agar ap kisi party ko mistak karate hai related to subject matter.

Legal effects of agreements without free - (Sec-19)

agreement - Contract - Coercion, Fraud, Misrepresentation
 undue influence → voidable contract

Restitution :- aisi party jiski consent fraud ya Misrepresentation wale case se hui to cancel karane ki jagah ye bol sakti hai ke ap mujhe us position me le jaye jaha apki representation jhut nahi sachchi hoti.

↳ exception
 ↓



↳ exception :- contract voidable nahi mana jayega agar party Normal checking se sach ka pata kar sakti thi

Mistake

Mistake of Both parties

Mistake of one party

'Bilateral Mistake'

'Unilateral Mistake'

void contract

valid contract

Mistake

Mistake of Indian law

Mistake of Foreign law

excuse maaf nahi kiya jayega

treat :- mistake of fact.

Mistake:- Mistake may be defined as innocent or erroneous belief which leads the others. Mistake may be either Bilateral or

* Legality Of Object and Consideration:-

- 1- It is forbidden by law; or
- 2- is of such a nature that, if permitted, it would defeat the provisions of an law; or
- 3- is fraudulent; or
- 4- Involves injury to the person or property of another; or
- 5- The court regards it is normal; or opposed to public policy.

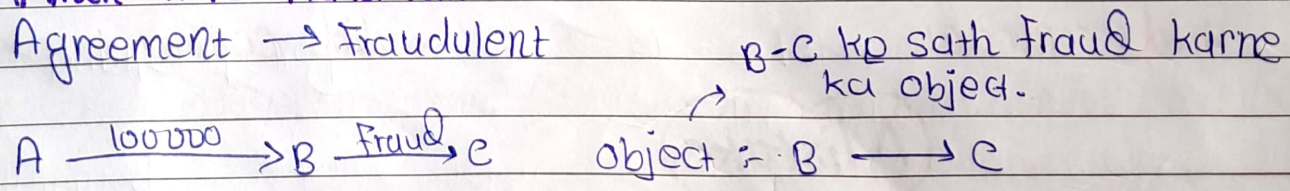
i) When Consideration or object is forbidden by law.

• agar law me koi condition admin purpose ke liye lagai jati hai. only for the control purpose then us wajah se contract void nahi hota it is valid.

ii) When Consideration and object defeats the provision of law.

* Jo apne agreement kiya hai wo aisa nahi hona chahiye jisse law ki intention ya provision defeat hojaye.

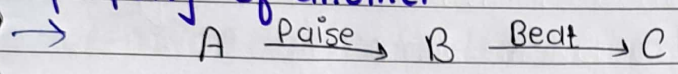
iii) When it is Fraudulent:-



iv) When consideration defeats any rule for the time being in force in india.

Act → provision Same as point (ii)
Rule-

V- When Consideration involves injury to the person or property of another



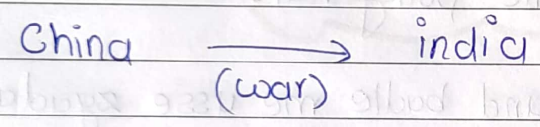
• agar apke agreement ki wajah se kisi party ko injury pahunch rahi hai to wo allowed nahi hai → void agreement

(vi) When Consideration is Immoral

→

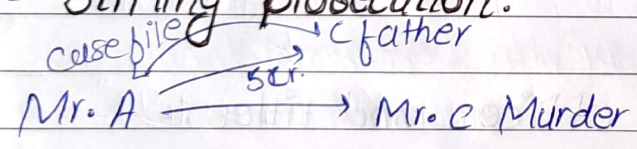
(vii) When Consideration opposed to public policy.

1- Trading with Enemy.



Tab other country se india ki war hori ho then contract void honga.

2- Stifling prosecution.



prosecution:- process of law to decide against crime

Stifling:- koi process Jo start ho gayi hai usko rokna

• Serious Crimes ki proceedings ki compromise Nahi kiya jaisakta.

offence

Compoundable offence

uncompoundable offence

Not opposed to public policy.
 ↓
 Valid

(Normally crime in nature)
 ↓
 opposed to public policy
 ↓
 Void.

7 - Interference with the court of Justice

3- Maintenance & Champerty.

Maintenance → Not opposed to public policy

Exception cases →

oppose to public policy mana jayega

agar koi person kisi attention koi person ko case me help karne ki nahi balki jispar usne case kiya hai use pareshan karne ki hai to ye oppose to public policy hai.

Champerty :- kisi ki help karna and badle me usse zyada paisa mangna.

like use 5 cr ka case karna ladne ke liye 15 lakh dena and bad me (after case winning) half amount lena this is oppose to public policy.

4- Trafficking relating to public offices and titles :-

public policy

Please take 150000 and give my daughter Job in Forest Department of India

Talented

• paisa dekar kharidna

on future failure to provide Job, kumar Khan cannot sue officer as the agreement was opposed to public policy

exam conduct

list
Not opposed to public policy

public title → public award

Arma bhushan → cant

5- Agreements tending to create monopolies.

- 1) Indian oil corp. Ltd 2) HP 3) Bharat petroleum

All three companies signed Agreement to create monopoly for petrol and diesel prices in the country and increase the price drastically.

↓
 agreements having for their object the establishment of monopolies are opposed to public policy and therefore void.

6- Marriage Brokerage Agreement

• paise lekar kisi ko shadi karwane ko lekar ready karwana that's called Marriage Brokerage aur ye public policy ko against hota hai. isliye ye void agreement hai.

8- Interest against Obligation (duty)

Pw
 ↓ 3500

Gurpreet sir → duty / obligation → Best tarike se padhane ko.
 ↑ scr. → Bekar padha do.

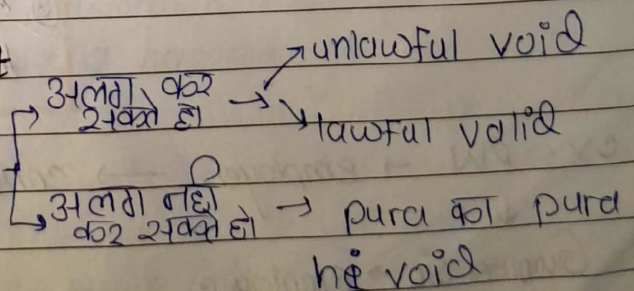
Z academy

• Gurpreet sir and Z academy ke bich huwa agreement void hoga becoz ye oppose to public policy hai ke ap apni duty ke against kaam kare ha.

9- Consideration Unlawful in part

↳

Consideration - partly unlawful



6 - Agreement in restraint of Marriage. (sec 26)

- Minor ko chhod ke agar ap kisi or ki shadi ko rokne ki baat karte ho major ki to wo void mana jata hai.

7 - Agreements - the meaning of which is uncertain:- (sec 29)

- Meaning not certain → void

- Abdul agreed to sell 1 bottle of oil to Jethalal

- The agreement is void as type of oil is not specified

Jethalal

- If Abdul is dealer of only coconut oil, then this agreement is valid.

Abdul

2 - Agreement In restraint Of Trade (sec 27)

General Rule

Exception

Agreement in restraint of Trade

↓
Void

provide Conditions then reasonable

- ① Sales of Goodwill
- ② Agreement between Retiring partner & continuing partner.
- ③ Agreement Amongst partner not to carry any business

ex. PW → employer

→ contract → PW

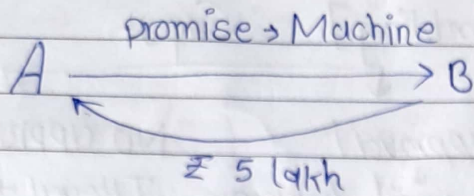
↓
Gurpreet sir → employee

platform

न उर नई
किसी और
पढ़ाये.

valid

3- Agreement in Restraint of legal process



• Court m

arbitration → ?

No of contract → Infinite

Breach → 2+12

(दिली दिसती) → Court → cases

Agreement :- koi bhi party ~~ex~~ dusi party par case nahi karenge

void agreement

• Agreement in Restraint of legal proceedings

absolute → void

partial → valid

Exception → Arbitration process valid.

4- Wagering Agreement (sec 30)

• An agreement by way of wager is void

ex:-

GT vs CSK ♥

GT Jeetengi → 3 lakh denge

CSK Jeetengi → 3500 denge

Gurpreet sir Rishab sir

Uncertain Event → GS → Jeet/har

GT Jeetengi CSK Jeetengi → Jeet gaye

RS → Jeet/har

• agar gurpreet sir ne paisa nahi diye to case nahi kar sakte SR
booz it is void agreement

• Short lagana

• Essential of a wager

1- promise to pay money or money's worth

2- promise → conditional → happening/not happening

3- Uncertainty of an event

4- two parties → chance → win/loss.

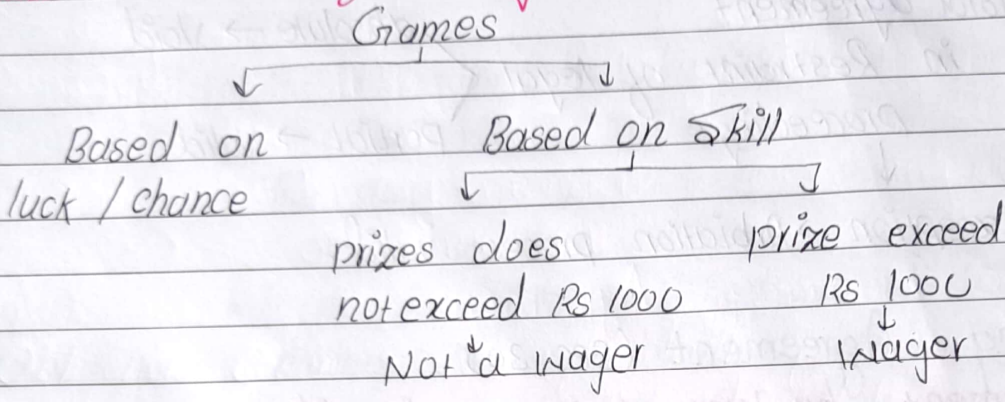
5- Common Intension

6- NO interest in a event except of stake (dao)

• Transaction Similar to Wager [Gambling] Govt
 1- Lottery Transactions :- void
 approval only void Wager
 No approval Illegal → IPC + void.

2-Crossword puzzles and Competitions.

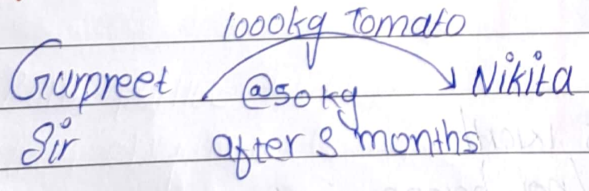
♦ Case law :- State of Bombay Vs R.M.D Chamarbongwala AIR (1957)



3- Horse Race Transactions

- Prize amount in Race Horse
 - Rs 100 → Wager & hence void
 - Rs 1000 → Wager & hence void
 - Rs 500 → Not a Wager & hence valid
 - Rs 100000 → Not a Wager & hence valid.
- Types of Agreement

Spectulative transaction → Intension gambling set off.



• yaha parties ki intension goods khariDna nahi balki paisa dekar set off karna hota hai.

After 3 months

- Case 1 :- Market Rate → 60/kg (Nikita → 1000kg × (60-50) → 10000
- Case 2 :- Market Rate → 20/kg → (G-N) → 1000 kg × (50-20) = 30000
- Case 3 :- Market Rate → 50/kg → ×

• Transaction resembling with wagering transaction but are not void → Transaction jo wager jaise lagte hai lekin wager nahi hai

1- Chit Funds → bissi

2- Commercial Transaction or Share market transactions.

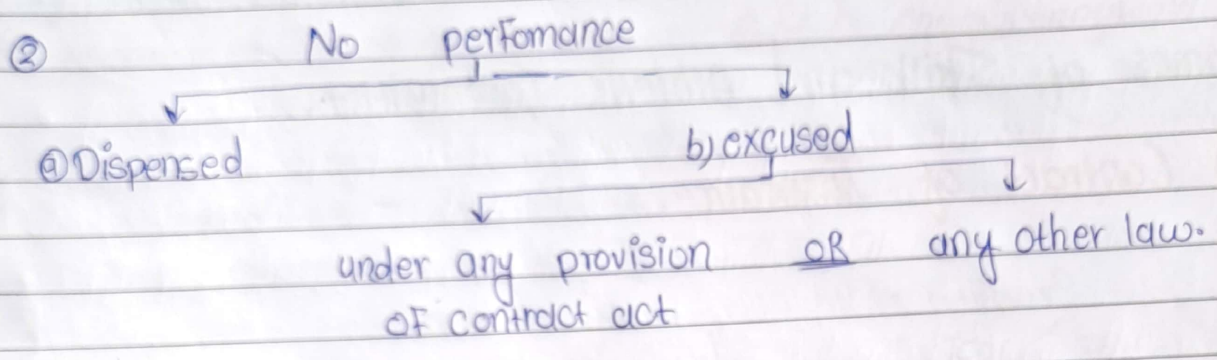
3- Games of Skill and Athletic Competition.

4- A Contract of Insurance.

U7A1

* Obligation Of parties to Contract (sec 37)

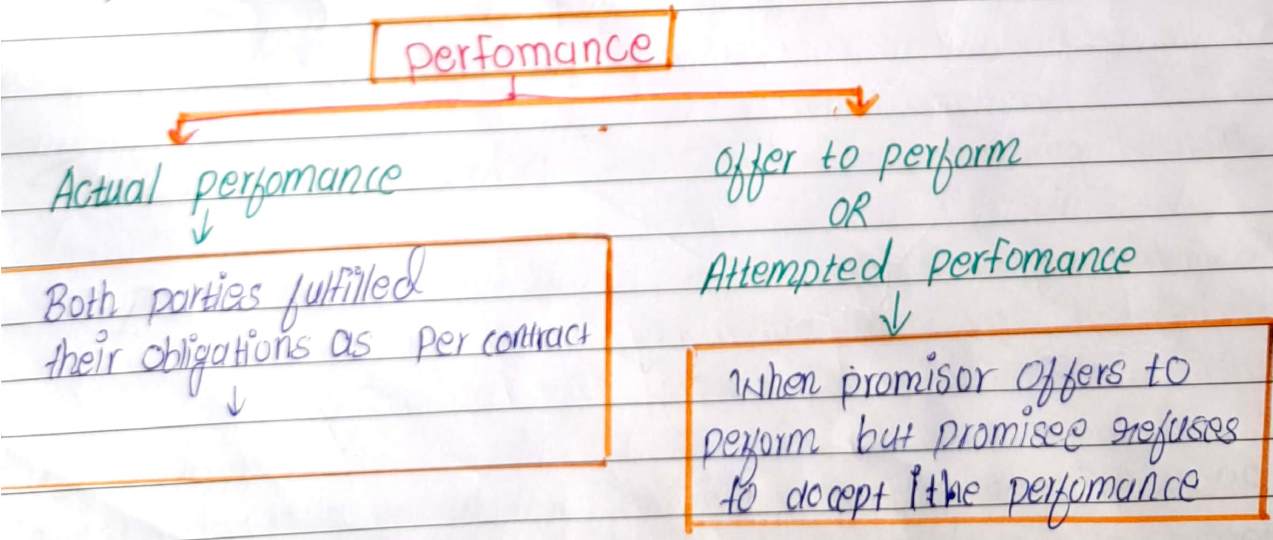
- ↳ parties to contract must either
- a) perform or
 - b) offer to perform
- } Respective promise.



- 3) Obligation Continuous even after death of promisor.
- ↳ Representative of promiser will be bound by promise.
 - ↳ Unless otherwise agreed.

Exception:-

- a) Involves personal skills of promisor
- b) No provision in contract



Actual performance ex:-

- Gurpreet sir orderd kadhai paneer, Dal Makhani and Tandoori Roti From Zomato app and paid online
- Restaurant accepted the offer and started preparing the order.
- Delivery guy reached Gurpreet sir's home and handed over the order to Gurpreet sir [actual performance]

Offer of performance / attempted performance.

ex.

- Gurpreet sir orderd kadhi paneer, Dal Makhni and Tandoori Roti from Zomato app and paid online
- Delivery guy reached Gurpreet sir's home but Gurpreet sir denied to accept the delivery.
- Restaurant Accepted the offer and started preparing the order
- Zomato is not available for non performance and does not loses his rights to the contract.

* Effect of Refusal to accept offer of performance (sec 38)

• According to Section 38 of the act - Where a promiser has made an offer of performance to the promisee, and the offer has not been accepted, then the promiser is not responsible for non performance, nor does he thereby lose his rights under the contract.

* Effect of Refusal of party to perform wholly [sec 39]

according to section 39 provides that when a party to a contract has refused to perform or disabled himself from performing his promise in its entirety the promise may put an end to a contract unless he had signified, by words or conduct his acquiescence in its continuance

Contract
By whom performance may be performed.
[sec 40, 41, 42]

2* By the promisor or others

Case other than 1

- ↳ promiser himself 091
- ↳ His representative 091
- ↳ other competent person employed by promiser i.e representative or agent.

1* only by promisor.

- If contract shows the intention of the parties that any promise contained in it should be performed by promiser himself.
- In most cases → It involves personal Skill
- Where promise is based on personal confidence between the parties.

3* performance of promise by third party [sec 41]

↳ promise may accept performance by third party.

↳ In such case, promisee cannot afterwards enforce the performance against the promiser.

Note :- performance by stranger if accepted by promisee produces the result of discharging the promiser even through promiser neither authorised nor ratified act of third party.

* Succession

- operation of law
- property / ~~law~~ Assets / law
- Liabilities

* Assignment

- voluntary
- Liability / burden cannot be assigned

* Liability OF joint promisor & promisee.

↳ more than one promise

1) Devolution OF joint Liabilities [sec 42]

2) Demanding performance from any of the joint promisors [sec 43]

- Unless otherwise promise may compel. force any one or more joint promisor to perform the whole of promise.
- Liability - Joint promises - Joint & Several.

3) Rights and Duties of joint promisors [sec 43]

a) Unless otherwise each joint promisor may compel every other joint promisor to contribute equally with himself to performance of promise

b) If any of them make default remaining joint promisors must equally share the loss arising to such default.

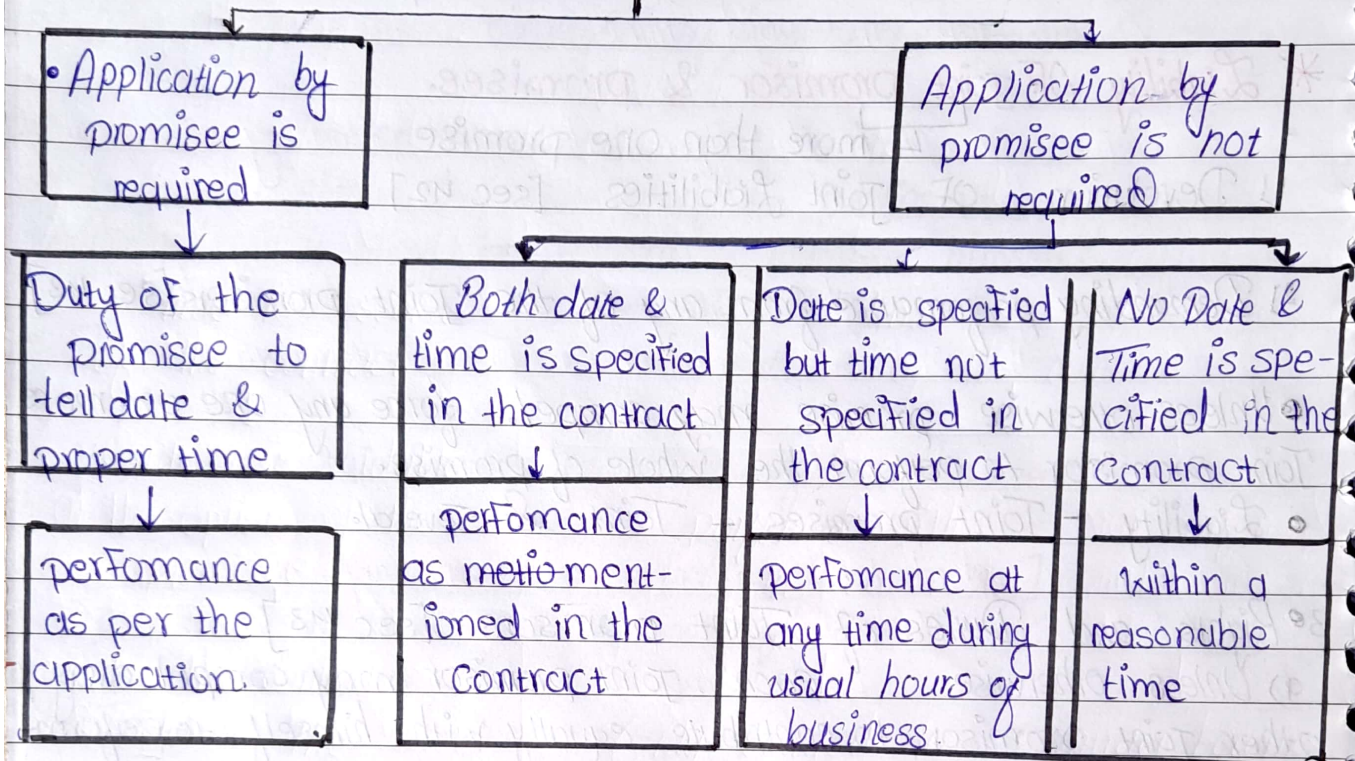
4) Release of joint promisors. [sec 44]

a) In joint promise, release of one of joint promisors by the promisee does not discharge the other joint promisors.

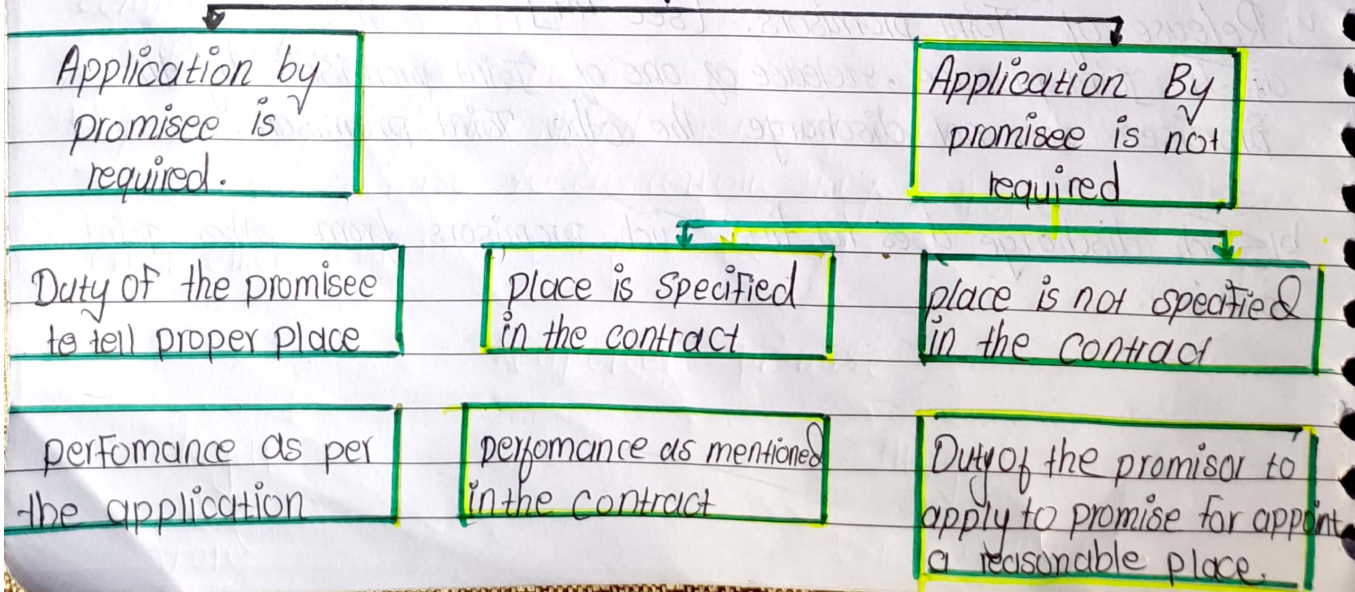
b) Such discharge does not free such promisors from other joint promisor.

* Time and place for performance of the promise.

Time for performance



place of performance



* performance of Reciprocal PROMISE *

• What IS RECIPROCAL PROMISE:-

Section 2(F):- promise which form the consideration or part of the consideration.

* promiser not bound to perform unless promise ready and willing to perform - section 51

[जब तक B अपना वादा पुरा करने के लिये Ready नहीं है तब तक A को अपना वादा perform करने की जरूरत नहीं है]

* Order of performance of Reciprocal promise - sec 52

1) A contract में ही Mention होया → as per contract

2) Agar Contract me order of performance नहीं likha to Nature of Transaction / custom.

* Liability of party preventing event on which the contract is to take effect - section 53.

*

* Effects of Failure to perform at a Time Fixed in a Contract in which Time is Essential (Sec-55)

Time is Fixed Under Contract

promiser Failed to perform within the fixed time

Time is essence of the contract

Time is not essence of the contract

Contract is voidable at the option of the promisee

performed with in Reasonable time

Not performed within reasonable time

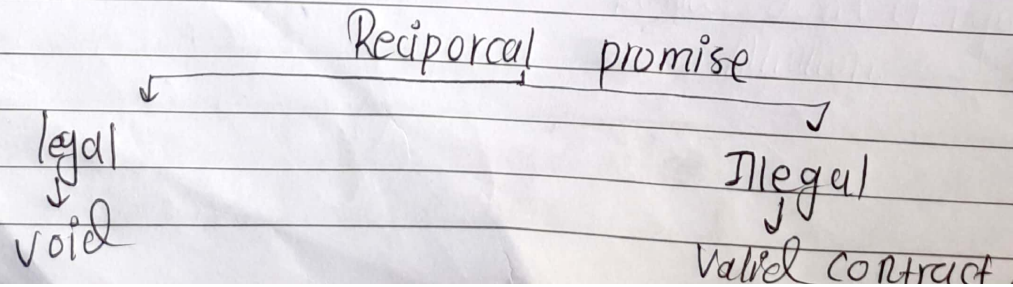
Cancel the contract & claim the compensation

Only entitled to compensation but cannot cancel the contract

Contract becomes voidable at the option of the promisee

Continue the contract & claim compensation

vii) position of legal and illegal parts of Reciprocal promise:-
 → Reciprocal promise to do certain things that are legal and certain others that are not legal. Sec 57)



vii) Agreement to do Impossible Act

Types Of Impossibility

Initial Impossibility

impossibility at the time of entering contract

Subsequent Impossibility

Impossibility after entering into contract.

If known to the both the parties

B promise to pay a sum of Rs 5 lacs if A drink Indian Ocean within a week by swimming

if unknown to the both the parties

A contracted B to sell his horse for Rs. 10,000 Both are unaware that horse is died.

If known to the promisor only

A contracted B to sell his horse for Rs 10000 A is unaware that horse has died

Agreement is void

performance becomes impossible

performance becomes Illegal

change in circumstances.

contract become void....!

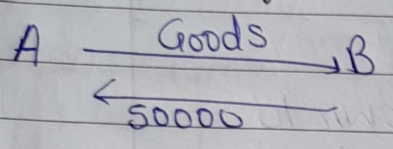
viii) Alternative promise on branch being illegal.

branch :- illegal → legal → legal branch alone can be enforced.

* CONTRACT WHICH NEED NOT BE PERFORMED.

• effect of novation, rescission, and alteration of contract (62)
 → If the parties to a contract agree to substitute a new contract for it. or to rescind or alter it, the original contract need to be performed.

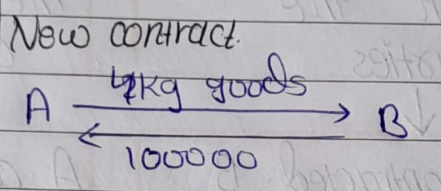
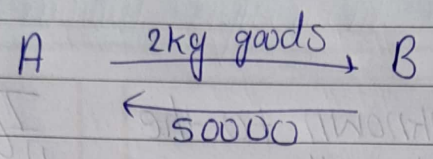
• Rescission
 cancellation by both parties



General rule :- Both parties perform / Attempted performance.

- C1 → A ✓ B X → A can sue
- C2 → A X B ✓ → B can sue
- C3 → A X B X → Rescission.

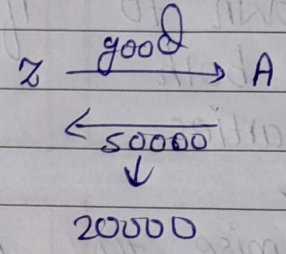
• Novation ^{नव}
 old contract → cancel



Type 2 :- change in party.

• Alteration

↓
 change in old contract

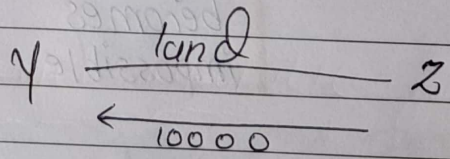


• Term change

Novation vs Alteration

• New contract
 * parties may be can change.

• old contract main change karni.



↓
 60000
 minor change in old contract

parties don't change in Alteration.

ii) promisee may waive or remit performance of promise (sec 63)

a) Acceptance of lesser sum instead of what was contract for.
or
Lesser fulfillment of payment made.

b) Sec 63 promisee may → remit the whole or part of promise or
• extend time of performance or
accept other satisfaction

iv) Obligation of person who has received Advantage under void Agreement or contract that becomes void.

* Restoration of benefit [sec 65]

→ benefit → Advantage
→ under
→ void agreement or

contract that becomes void [sec 65]

provision:-

When an agreement
→ discovered to be void
OR

→ when a contract becomes void.

- Any person who has received an advantage
- under such agreement or contract
 - Is bound to restore it
 - to the person from whom he received it

* Discharge Of Contract :-

i) Discharge by performance

A) Actual } contract
b) Attempted }

2) Discharge by mutual agreement.

a) Novation

b) Alteration

c) Remission

d) Rescission

ii) Discharge by Impossibility of performance (sec 56)

iv) Discharge by lapse of time

v) Discharge by operation of law
e.g. death, Insolvency etc.

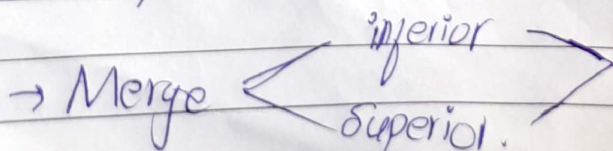
vi) Discharge By breach of contract

vii) promise may waive or remit performance of promise

viii) Negligence of promise to provide reasonable facilities for performance.

ix) Merge of Right

→ When inferior right and superior right meet in one and the same person.



unit-5 # BREACH OF CONTRACT

- Breach means failure of a party to perform his promise / obligation under a contract.

guilty party :- who broke promise
 aggrieved party :- who didn't do anything.

Right Remedies

BREACH OF CONTRACT

ACTUAL

ANTICIPATORY

promise date ke baad
 shedule date ke baad
 Tata hai
 • Express
 • Implied

promise date ke pehle
 shedule date ke pehle
 Tata hai
 • Express
 • Implied.

aggrieved party has a right of action against promisee.

opt 1
 • treat the contract as rescinded & sue for damages

opt 2
 • keep the contract alive & wait for shedule.

At the time when the performance of the contract due

During the performance of the contract

Select opt 2 => wait for SD

case 1
 party pura karde

case 2
 party ni bhayega

Case cannot be filed

Reason
 Superevining Impossibility
 wilfully.

ii Ordinary / General

★ The aggrieved party can recover by way of compensation only the actual loss suffered by him arising naturally in the usual course of things from the breach itself.

Case law :- HADLEY VS BAXENDALE → Foundry

Mr. Hadley — Crankshaft, Mr. Baxendale
 (owner of Flour mill) (Transporter)

↓
 7 days delay

Case file against Mr. Baxendale for.

- a) delay ✓
- b) loss of profit ✗

Decision :- Mr. Baxendale was not liable for the loss of profits suffered by Mr. Hadley because He was not aware of the special circumstances of the case and did not know that Mr. Hadley would suffer loss of profits if the crankshaft was not delivered on time.

Special Damages.

Damages which are not the natural and probable consequence of the breach are usually not allowed until they are within the knowledge of both the parties at the time of entering the contract.

5-Nominal Damages

* When no real loss arises from the breach of contract, only Nominal damages are awarded.

pre-fixed Damages

If the party fixe-up in advance the sum payable as damages in case of breach of contract, the court will allow only reasonable compensation so as to cover actual loss sustained not exceeding the amount so named in the contract.

• Exemplary Damages

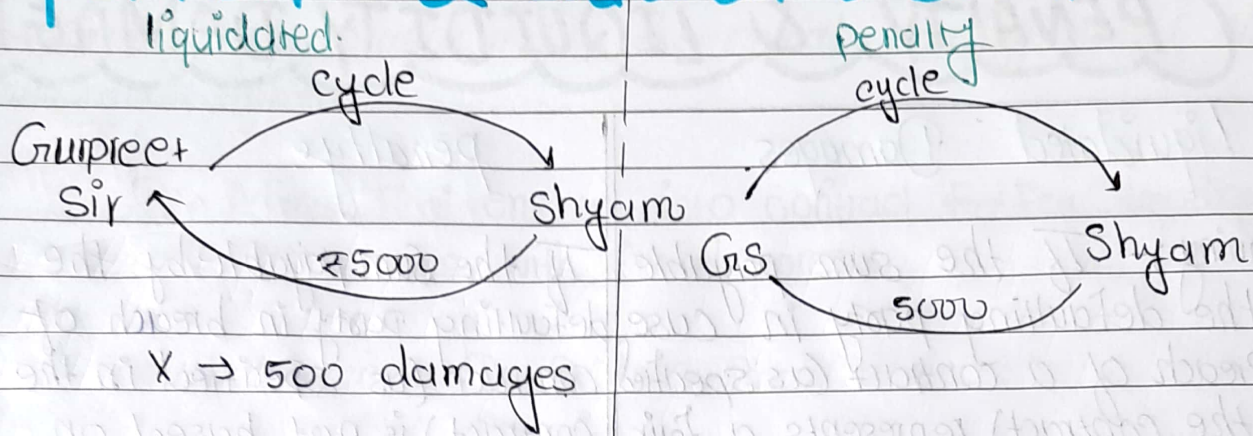
only in two cases:-

- 1) breach of promise to marry someone.
- 2) wrongful refusal by the bank to honour the customer's Cheque.

• Damages for deterioration caused by delay.

* The injured party is entitled to get the costs of goods getting the decree for damages from the defaulter party.

PENALTY & LIQUIDATED DAMAGES



Case 1 → GS → 3000 sale - Mex. Indian law Prefixed damage → 4000

Actual loss → 2000
or
prefixed → 500

Case 1 :- GS → 3000 - sale English law
Indian law & English same
Actual loss → 2000
or
penalty → 4000

Which one is lower: 500.

→ 2000

Indian law

↓
prefixed damages

↓
No difference between liquidated damage & penalty

↓
Actual loss
or
prefixed damage

↓
which one is lower.

English law

↓
prefix damages

↓
court Identity

↓
liquidated damages

↓
To contract me
amt likha hota
hai wo party
ko de diya
Jata ha.

↓
penalty

↓
Actual loss
or
prefixed
damages

↓
which one is lower

PENALTY & LIQUIDITY DAMAGES

Liquidated Damages

Meaning:- If the sum payable by the defaulting party in case of breach of a contract (as specified in the contract) represents a fair and genuine pre-estimate of the damages likely to result due to breach, such specified sum is called as liquidated damages. Thus, liquidated damages are based on probable loss.

2-purpose: Liquidated damages are imposed by way of compensation to the aggrieved party.

3-Validity in: In England, liquidated damages are awarded in full (disregarding the actual damages suffered by the aggrieved party).

validity in:- In India, the court do not differentiate between liquidated damages and penalty. Indian courts restrict the damages to reasonable compensation so as to cover the actual loss suffered by aggrieved party (it is immaterial as to whether the specified sum is in the nature of liquidated damages or penalty).

penalty

If the sum payable by the defaulting party in breach of contract (as specified in the contract) is not based on probable loss, and is disproportionate to the damages which are likely to result as a result of a breach, such specified sum is called as penalty.

• penalty is imposed by way of punishment, so as to prevent a party from committing a breach.

• In India no amount is awarded to any party, where a contract requires payment of penalty.

Suit for Specific performance.

* Specific performance means the actual carrying out of the contract as agreed.

Dr. Munna Bhai enters into contract for treating Anand for Rs. 5 crores with Anand parents.

But later on Dr. Munna Bhai denied to treat Mr. Anand.

Parents of Anand filed case on Munna Bhai for non-performance of his promise/obligation.

Court held that the damages are not enough to compensate and directed Munna for specific performance of his promise.

* Suit for Injunction

"Injunction" is an order of a court restraining from doing a particular act.

Quantum Meruit :-

Where one person rendered service to another in circumstances which indicate an understanding between them that it is to be paid of. Although no particular remuneration has been fixed, the law will infer a promise to pay.

→ Jitna kaam kar diya utne kaam ka paisa to milna chahiye
→ Jitna kaam deserve/earn kiya hai wo mujhe do.

Types Of Contract

Absolute Contract

Contingent Contract

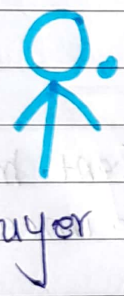
perform promise w/o any condition

Condition

Definition:-

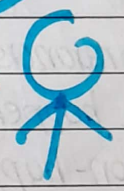
Contingent :- "A Contract to do or not to do something. if some event, collateral to such contract, does or does not happen"

ex:-



I want to buy 1 tone rice for Rs:-500000

I will sell you rice if my ship carrying rice arrives in india



:- This is contingent as contract as contract depends on happening of uncertain event.

Main Contract :- Sale of Rice

Collateral event :- Ship Arrival In India.

Case will happen In this contract

Case 1:-

Ship reach India :- Seller has to give rice & Buyer has to make payment.

Case 2:-

Ship Sink (dubna) :- Void contract.

Contingent Contract

Uncertain Event

Certain event

नहीं हुआ तो मैं अपना दाय
पूरा करवाँ !

Ship को India में आना

Collateral Event :- An Event which is a righter a performance directly promised as part of contract. Nor the whole of consideration for promise.

Essential of Contingent Contract

Contracts depend on happening or non-happening of event

Event collateral to contract

Event not mere will of the promiser

Event must be uncertain

The performance of a contingent contract is made dependent upon the happening or non-happening of some event

The event on which the performance is made to depend is an event collateral to the contract.

A contract may be subject to a condition precedent or subsequent

* Rules relating To Enforcement

Rule-1

Happening of Event

Cannot enforced until event happens

If the event become Impossible contract becomes void.

Rule-3

Future conduct of living person

event shall be considered to have become impossible when such person does anything which renders it Impossible that he

Should act with definite time.

Rule-5

Non-happening of an uncertain Specified event within a fixed time.

• Can be enforced by law if before the expiry of fixed time -

• Such event does not

• It become certain that such event will not happen

Rule 2

Not Happening of Event

can Enforced only Happening of that event becomes impossible. and Not before.

Rule-4

Happening of an uncertain Specified event within a fixed time.

becomes void before an expiry of fixed time

• Such event does not Happen

• Such events becomes Impossible

Rule-6

Contigent on an Impossible event

• If an impossible event happens, is void.

• The impossibility of the event may be or may not be known to the parties to the agreement at the time when they entered into it

Quasi-Contract

Meaning

An obligation imposed by law upon a person in the absence of a contract for the benefit of another.

2- Features of a Quasi-Contract

- # Imposed by law
- # obligation is a duty and not the promise of a party.
- # The right is always a right to money.
- # Right is available against specific person.
- # Suit for breach may be filed same as of a complete contract.

a) Types of Quasi-Contract

1) Claim for Necessaries supplied to persons incapable of Contracting - Sec (68)

- If necessaries are supplied to a person who is incapable of contracting or anyone whom he is legally bound to support
e.g. minor or a person of unsound mind.

2) payment by an interested person (sec 69)

- A person who has paid a sum of money which another is obliged to pay -
- Such person is entitled to be reimbursed by that other person.

c) Obligation Of person enjoying benefits of non-gratuitous act (sec 70)

- Such an obligation/right to recover arises "where a person lawfully does anything for another person, or delivers anything to him not intending to do so gratuitously and such other person enjoys the benefit thereof,"

- the latter is bound to make compensation to the former in respect of, or to restore, the thing so done or delivered.

Case law:- [Shyam Lal vs. State of U.P. A.I.R (1968) 130]

d) Responsibility Of finder of goods (sec 71)

- A person who finds goods belonging to another, and takes them into his custody

- there such person is subject to the same responsibility as a bailee.

Case law:- Hollins vs. Howler L.R & H.L.

e) Money paid by mistake or under coercion (se 72)

- A person to whom money has been paid, or anything delivered by mistake, or

- under coercion

- must repay or return it.

Case law:- Shivprasad Vs Srish Chandra A.I.R. 1949 P.C297]

Khtm hogaya —! Jaan leli isne.

THE — X — END.