

ICA, 1872

Unit 2: Consideration

Section: 2(d)

Greek: 'Quid Pro Quo' which means 'Something in return'

'When at the desire of 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 promise or abstinence is called consideration for the promise.'

Characteristics

Must move at the desire of promisor

Case law
↓
Durga Prasad vs Baldeo

May move from promisor or any other person

Case law
↓
Chinnayya vs Ramayya

Can be executed or executory

Can be past, present or future

Need not to be adequate

Performance of what one is legally bound to ~~perform~~ perform

→ Must be real & not illusory

→ Must not be unlawful, immoral, or opposed to public policy

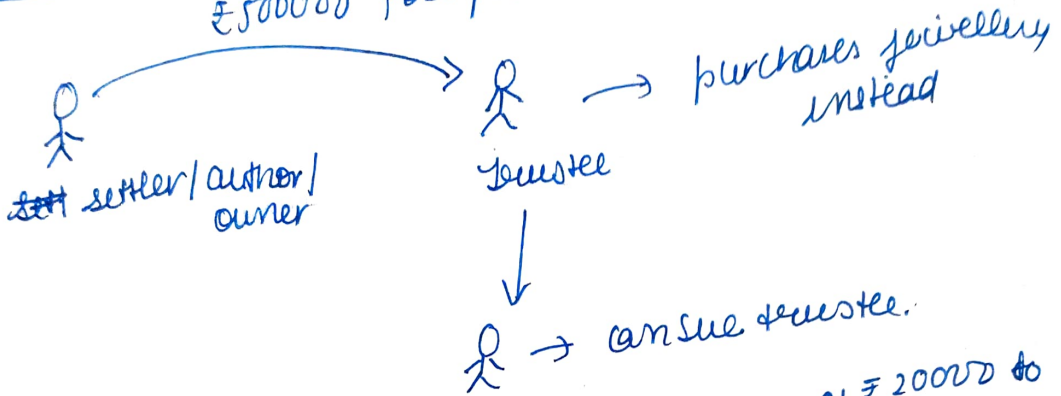
DOCTRINE OF PRIVITY OF CONTRACT

There can be stranger to consideration but not a stranger to contract.

Third party cannot sue

EXCEPTIONS

1) Trust: A beneficiary can enforce his right under the trust
 £50000 for orphan education



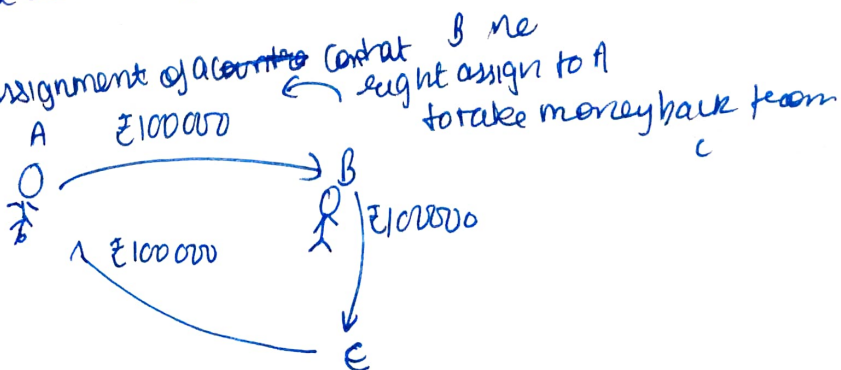
2) Family settlement

Two brothers & 24 agreed to pay an allowance of £20000 to mother on partition of joint properties. But later they denied to abide by it. Although the mother was stranger to contract but she can sue her sons for such allowance in the court of law.

3) Harriage contract

Mr. X's wife deserted him for ill-treating her. Mr. X promised his wife's father Mr. Puri that he will treat her properly or else pay her allowance. But she was again ill-treated by her husband. Here, Mr. X's wife can file a suit against him although she was stranger to contract.

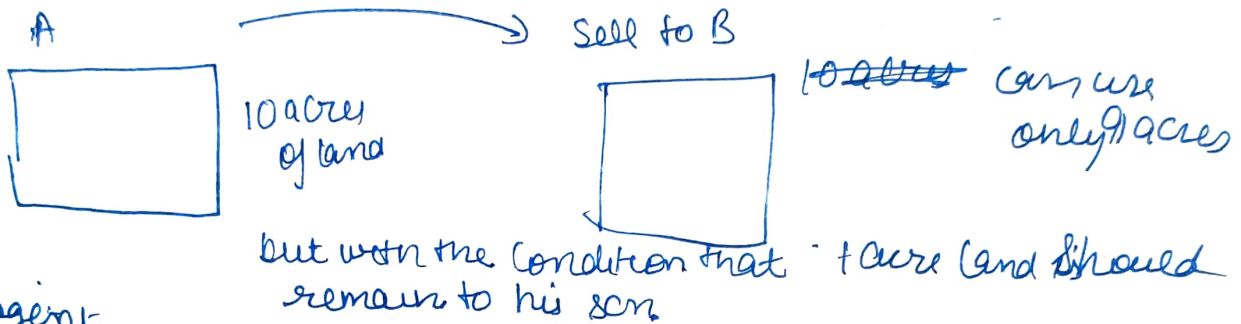
4) Assignment of account



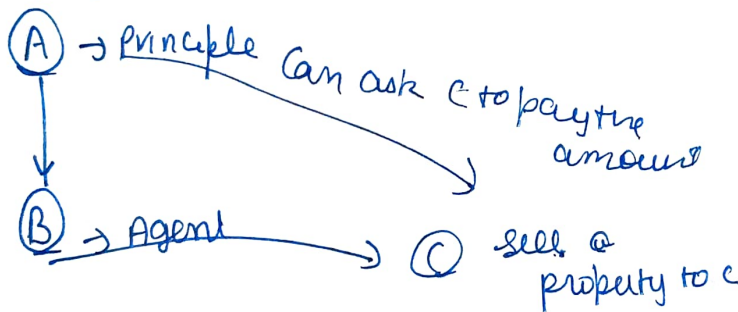
5) Acknowledgement or Estoppel

A gives to B £10k to be given to C & B informs C that he is holding the money for him, but afterwards B refuses to pay the money. C will be entitled to recover the same from B

6) Covenant → document related to land



7) Agent



WITHOUT CONSIDERATION

1) Natural love & affection

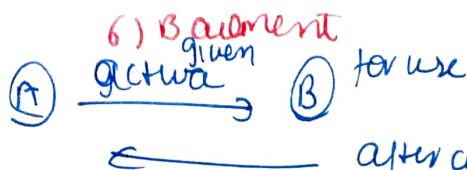
near relationship + writing + registered under law

2) Compensation for past voluntary service

Services should be rendered voluntarily + rendered for the promisor + Promisor must be present at the time when services were rendered.
→ which has been expired

3) Promise to pay time barred debt

Promise in writing + sign



after completion B should return back the actual

4) Agency

5) Completed gift

4) Charity