

Date 06.10.25 time 11.30 am period 3

Subject mis representation which means and include.

A “The positive 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.”

Case

Mohan lal vs shriganga ji cotton mills

In this case a inform to b that x will become director than share price will be jump.

Case

**Curry vs rellick ?????**

B “Any breach of duty which, without an intent to deceive, gains an advantage to the person committing it or anyone claiming under him, by misleading another to his prejudice or to the prejudice of anyone claiming under him.”

Case: Oriental Bank Corporation v John Fleming (ILR 1879 Bom 242)

**Facts:**

- John Fleming, a businessman, was negotiating a contract with the Oriental Bank Corporation. [nalsarpro.org](https://nalsarpro.org)
- Fleming and the bank manager agreed on certain terms verbally, and Fleming asked the manager to prepare a formal written deed (contract) reflecting what they had verbally agreed.

**Principle of Law:**

- This case is an example of **misrepresentation under Section 18(2)** of the Indian Contract Act, 1872:

*“Any breach of duty which, without an intent to deceive, gains an advantage to the person committing it or to anyone under him, by misleading another to his prejudice ...”* [nalsarpro.org](https://nalsarpro.org)

- Even though the bank manager didn't form explicit fraudulent intent, the duty to be honest or clear in representing what the document contained (especially given Fleming's reliance) was violated.
- Silence or failure to point out the extraneous “release” clause when asked to prepare the agreement according to prior discussions can amount to misrepresentation if it misleads the other party.

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Case 2 phake vs mauric ????

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C **Section 18 (3) – Misrepresentation**

“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.”

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 **Meaning (in simple terms):**

This means that if **one party**, even **without bad intention**, causes the **other party** to make a **mistake about the essential nature (substance)** of the contract’s subject matter, then it is **misrepresentation**.

Example:

A seller sells a ring to a buyer, both believing it to be an imitation ring (artificial).

Later it turns out to be a real diamond ring.

→ Here both parties were mistaken about the substance of the thing (the ring).

This is misrepresentation, because the buyer’s consent was based on a false understanding of what he was buying.

 **Another example (common in animal cases):**

Suppose a seller sells a horse, believing it to be healthy, and tells the buyer so.

Later, it turns out the horse was suffering from a disease at the time of sale.

Even though the seller did not know about the disease, his statement misled the buyer about the substance of the contract (the horse’s condition).

→ That’s misrepresentation under Section 18(3).

 **Key Point:**

There is no intention to deceive (so it’s not fraud).

But the buyer’s consent was obtained under a mistaken belief caused by the seller.

Hence, the contract becomes voidable at the option of the party misled (Section 19).

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**Case Name:**

**Ocean Steam Navigation Co. v. Sunder Das (1890) ILR 14 Bom 241**

 **Facts:**

- The **plaintiffs (Ocean Steam Navigation Co.)** agreed to sell a **ship** to the **defendants (Sunder Das)**.
- At the time of making the contract, **both parties believed** that the ship was **at sea and on her way to Bombay**.
- However, **unknown to both**, the ship had already **sunk before the agreement was made**.

 **Judgment:**

The **Bombay High Court** held that:

- The contract was **void**, because the subject matter (the ship) **did not exist** at the time of the agreement.
- Both parties were under a **common mistake** regarding a **fact essential to the contract** (existence of the ship).
- Therefore, there could be **no contract at all**.

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\*\*\* in the matter of **Misrepresentation** contract will be avoidable.

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 **Section 19 – Effect of coercion, fraud, or misrepresentation on agreement**

**Text (simplified):**

When consent to an agreement is caused by **coercion, fraud, or misrepresentation**, the contract is **voidable** at the option of the party whose consent was so caused.

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 **Meaning:**

If one party agrees to a contract because the other used **force (coercion)** or made **false statements (fraud or misrepresentation)**, then the agreement is **not automatically void**, but it is **voidable** — meaning the **affected party can choose**:

- either to **rescind (cancel)** the contract, or
  - to **affirm (continue)** it if they wish.
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 **Important Explanation:**

- “**Voidable**” means the contract is **valid until the aggrieved party cancels it**.
  - The party who was **deceived or forced** has the **right to decide** whether to continue or cancel.
  - The **other party (wrongdoer)** has **no right** to enforce it.
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 **Example:**

A tells B, "This land is free from all encumbrances," though A knows it's mortgaged.

B buys the land relying on that statement.

Later, B finds out the truth.

→ B's consent was obtained by **misrepresentation**,  
so under **Section 19**, the contract is **voidable at B's option**.

 **Exception:**

If the party whose consent was caused by **misrepresentation or silence** still had the **means of discovering the truth** with ordinary diligence,  
then they **cannot avoid the contract**.

For example:

If the buyer could have easily verified the facts but didn't, they **can't later claim misrepresentation**.

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 **Essence of Section 19:**

A contract formed under **coercion, fraud, or misrepresentation** gives the **injured party** the power to **rescind** it — but not the wrongdoer.

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Mistake

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Mistake of fact 20,22

mistake of law 21

Bilateral mistake 20

Unilateral mistake 22

A      bilateral mistake (20)

According to section (20) where both the parties to an agreement are under state as to matter of fact essential to the agreement the agreement void.

**Smith v Hughes (1871) LR 6 QB 597**

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 **Facts:**

- The **plaintiff, Smith**, was a **farmer** who offered to sell **oats** to the **defendant, Hughes**, a **racehorse trainer**.
  - Hughes believed that the oats being sold were **old oats**, which are suitable for feeding racehorses.
  - However, the oats were actually **new oats**, which horses usually do not eat.
  - Smith never claimed that they were old oats — he simply sold them as "oats."
  - After delivery, Hughes discovered the truth and **refused to pay**, arguing that he had been misled.
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 **Issue:**

Was Hughes entitled to cancel the contract on the ground of **mistake or misrepresentation**?

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 **Judgment:**

- The **Court of Queen's Bench** held that the contract was **valid**, and Hughes was **bound to pay**.
  - There was **no misrepresentation**, because Smith never said the oats were old.
  - The **mistake** was **unilateral** — only Hughes was mistaken, not both parties.
  - The seller is **not bound** to correct the buyer's mistaken assumption if he did **not cause** it.
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B unilateral mistake

According to section (22) a contract is not voidable merely because it was force by one of the parties to it being under a mistake as to matter of fact.

**1. *Tapling v. Jones (1865)* and tort law**

This is a prominent English case concerning the tort of nuisance, specifically the infringement of an easement known as "ancient lights".

- **Case facts:** A plaintiff had a building with established rights to natural light through its windows. The plaintiff renovated the building, changing the size and position of the old windows and adding new ones. The neighbor (defendant) then built a wall that blocked all the plaintiff's windows, including the old "ancient lights."
  - **Principle established:** The House of Lords held that a person does not lose their right to an ancient light by making alterations to their property, even if those alterations involve opening new windows. The court found that the defendant's act of building a wall that obstructed the ancient lights was unlawful.
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**Section 21 – Effect of Mistake as to Law**

**Text (simplified):**

A contract is **not voidable** because it was caused by a **mistake as to any law in force in India**; but a **mistake as to a law not in force in India** has the same effect as a **mistake of fact**.

Maxim used here

 **Maxim:**

**Ignoratio juris non excusat**

*(Pronunciation: Ig-nor-a-sheo joo-ris non eks-koo-sat)*

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 **Meaning:**

**"Ignorance of the law is no excuse."**

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In mistake ignorance of law is not excuse.

Free consent chapter finish.

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**Chart: Sections 13 to 22 – Consent & Free Consent**

**(Indian Contract Act, 1872)**

Section	Title / Subject	Meaning / Explanation (Simplified)	Effect / Example
13	<b>Consent defined</b>	Two or more persons are said to consent when they agree upon the same thing in the same sense.	Meeting of minds ( <i>consensus ad idem</i> ). Example: A agrees to sell his car and B agrees to buy that same car — consent.
14	<b>Free consent defined</b>	Consent is free when not caused by coercion, undue influence, fraud, misrepresentation, or mistake.	If caused by any of these → not free → contract voidable.
15	<b>Coercion</b>	Committing or threatening to commit any act forbidden by the IPC, or unlawfully detaining property, to make a person enter into a contract.	Contract is voidable at the option of the coerced party. Example: Forcing someone to sign a deed under threat.
16	<b>Undue Influence</b>	When one party dominates the will of another and uses that position to gain an unfair advantage.	Voidable at the option of the influenced party. Example: Spiritual guru pressuring disciple to gift property.
17	<b>Fraud</b>	False representation made knowingly, without belief in its truth, or recklessly, to deceive another.	Contract voidable + damages claim. Example: Selling fake gold as real gold.
18	<b>Misrepresentation</b>	False statement made innocently, without intent to deceive, causing another to enter contract.	Contract voidable but no damages. Example: Selling horse as healthy, unaware it's sick.
19	<b>Effect of coercion, fraud, misrepresentation</b>	Contract is voidable at the option of the party whose consent was caused by any of these.	Aggrieved party may rescind the contract.
19A	<b>Effect of undue influence</b>	Contract induced by undue influence is voidable at the option of the party whose consent was so caused.	Court may set aside or modify the contract.

Section Title / Subject	Meaning / Explanation (Simplified)	Effect / Example
20 Mistake of fact (both parties)	If both are mistaken about a fact essential to agreement, the contract is void.	Example: Selling a ship believed to exist, but it had sunk.
21 Mistake of law (Indian and foreign)	Mistake of Indian law → no excuse; Mistake of foreign law → treated as mistake of fact.	Ignorantia juris non excusat.
22 Mistake of one party (unilateral)	If only one party is mistaken, the contract is valid.	Example: One party assumes oats are old; other never said so (Smith v Hughes).

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बिलकुल 👍 यहाँ दिया गया है भारतीय संविदा अधिनियम, 1872 की धारा 13 से 22 तक का चार्ट — सरल हिंदी भाषा में, LLB नोट्स के लिए तैयार प्रारूप में 📄

■ चार्ट : धारा 13 से 22 — सहमति (Consent) एवं स्वतंत्र सहमति (Free Consent)

धारा विषय / शीर्षक	सरल अर्थ / व्याख्या	प्रभाव / उदाहरण
13 सहमति की परिभाषा	जब दो या दो से अधिक व्यक्ति किसी बात पर एक ही अर्थ में सहमत होते हैं, तो कहा जाता है कि सहमति हुई।	इसे <i>Consensus ad idem</i> (मन की समानता) कहते हैं। उदाहरण: A अपनी कार बेचने को तैयार है और B उसी कार को खरीदने को तैयार है।
14 स्वतंत्र सहमति (Free Consent)	सहमति स्वतंत्र तब कही जाती है जब वह बल, अनुचित प्रभाव, धोखा, मिथ्याप्रस्तुति या भूल से प्राप्त न की गई हो।	यदि इन कारणों से प्राप्त हुई हो तो संविदा विलोपनीय (voidable) होती है।
15 बल प्रयोग (Coercion)	किसी व्यक्ति को संविदा में लाने के लिए IPC द्वारा निषिद्ध कार्य करने या करने की धमकी देने, या किसी की संपत्ति को अवैध रूप से रोकने का कार्य।	संविदा पीड़ित पक्ष की इच्छा से विलोपनीय। उदाहरण: किसी को धमकाकर दस्तखत करवाना।
16 अनुचित प्रभाव (Undue Influence)	जब एक पक्ष दूसरे पर प्रभुत्व रखकर अनुचित लाभ उठाए।	संविदा विलोपनीय। उदाहरण: गुरु द्वारा शिष्य से संपत्ति लिखवा लेना।
17 धोखा (Fraud)	जानबूझकर या लापरवाही से असत्य बात कहना जिससे दूसरे को भ्रम हो और वह संविदा करे।	संविदा विलोपनीय + हर्जाने का दावा। उदाहरण: नकली सोना असली बताकर बेचना।

धारा विषय / शीर्षक	सरल अर्थ / व्याख्या	प्रभाव / उदाहरण
18 मिथ्याप्रस्तुति (Misrepresentation)	किसी तथ्य को सच्चा मानकर निर्दोष रूप से गलत बात कहना जिससे दूसरा व्यक्ति संविदा में आए।	संविदा विलोपनीय, पर हर्जाना नहीं। उदाहरण: बीमार घोड़े को स्वस्थ बताना, बिना जानबूझे।
19 बल, धोखा, मिथ्याप्रस्तुति के प्रभाव	यदि सहमति इनसे प्राप्त हुई है तो संविदा पीड़ित पक्ष की इच्छा से विलोपनीय है।	पीड़ित चाहे तो संविदा रद्द कर सकता है।
19A अनुचित प्रभाव का प्रभाव	अनुचित प्रभाव से बनी संविदा विलोपनीय है।	न्यायालय उसे रद्द या संशोधित कर सकता है।
20 तथ्य की भूल (दोनों पक्षों द्वारा)	जब दोनों पक्ष किसी आवश्यक तथ्य के संबंध में भूल में हों तो संविदा शून्य (void) होती है।	उदाहरण: दोनों मानते हैं कि जहाज़ मौजूद है पर वह डूब चुका है।
21 कानून की भूल	भारतीय कानून की भूल – कोई माफी नहीं; विदेशी कानून की भूल – तथ्य की भूल मानी जाएगी।	<i>Ignorantia juris non excusat</i> (कानून की अज्ञानता क्षम्य नहीं)।
22 एक पक्ष की भूल (Unilateral Mistake)	यदि केवल एक पक्ष भूल में है, तो संविदा वैध रहती है।	उदाहरण: खरीदार सोचता है जई पुरानी है, विक्रेता ने कुछ नहीं कहा (Smith v. Hughes)।

### 📌 संक्षिप्त सारांश:

सहमति (धारा 13) → होनी चाहिए स्वतंत्र (धारा 14) → यदि बल (15), अनुचित प्रभाव (16), धोखा (17), मिथ्याप्रस्तुति (18) या भूल (20–22) से प्राप्त हुई हो → संविदा विलोपनीय (धारा 19/19A) होगी।

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Lawful object and lawful consideration.

यह विषय भारतीय संविदा अधिनियम, 1872 की धारा 23 से संबंधित है। नीचे इसका संक्षिप्त और स्पष्ट हिंदी सारांश दिया गया है —

### ■ धारा 23 — वैध वस्तु (Lawful Object) और वैध प्रतिफल (Lawful Consideration)

#### ◆ 1. परिभाषा:

किसी संविदा का प्रतिफल (Consideration) और उद्देश्य (Object) वैध होना चाहिए। यदि वे अवैध (Unlawful) हैं, तो संविदा अवैध (Void) मानी जाएगी।

◆ **2. वैध प्रतिफल (Lawful Consideration):**

प्रतिफल का अर्थ है — किसी कार्य या वचन के बदले मिलने वाला मूल्य, लाभ, या वादा। यह वैध तब है जब:

1. वह कानून द्वारा प्रतिबंधित न हो।
2. वह कानून का उल्लंघन न करता हो।
3. वह किसी व्यक्ति या संपत्ति को हानि न पहुँचाता हो।
4. वह अनैतिक (Immoral) न हो।
5. वह सार्वजनिक नीति (Public Policy) के विरुद्ध न हो।

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◆ **3. वैध वस्तु (Lawful Object):**

वह उद्देश्य जिसके लिए संविदा की जा रही है, वैध (Legal) होना चाहिए। यदि उद्देश्य अवैध है, तो पूरी संविदा शून्य (Void) हो जाएगी।

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◆ **4. जब प्रतिफल या वस्तु अवैध मानी जाती है:**

क्रम अवैधता का कारण	उदाहरण
1 यदि कानून द्वारा निषिद्ध है	किसी को रिश्वत देकर काम करवाने का अनुबंध — अवैध
2 यदि यह अपराध का कारण बनता है	चोरी या हत्या के लिए पैसे देना — अवैध
3 यदि यह अनैतिक है	किसी को वेश्यावृत्ति के लिए पैसे देना — अवैध
4 यदि यह सार्वजनिक नीति के विरुद्ध है	सरकारी पद बेचने का अनुबंध — अवैध

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