

Date 16.9.25 period 4 time 1.30 pm by ela Aggarwal

Test regarding contract.

Date 18.9.25 period 2 time 10.30 am

Capacity of contract.

According to section 11 every person is competent to contract who is of the age of majority according to the law to which he has subject and who is of sound mind and not disqualified from contracting by an law to which he is subject.

A major 18+ (section 3 Indian majority act 1875)

B sound mind section 12

C not disqualify by law

Definition of (A) major

A person who has not attain the age of majority is the minor section 3 of Indian majority act 1875 provide age of majority. it says that a person is deem to have attain the age of majority. When he completes the age of 18 years. Except in case of a person of who's person or property are guardian has been appointed by the court. In this case the age of majority is 21 years.

Sub section (a)-1

Nature of minor agreement – a minor is not competent to contract so in the general sense the agreement is void.

Case

Mohori Bibee v. Dharmodas Ghose (1903)

The landmark case of Mohori Bibee v. Dharmodas Ghose (1903) established a crucial principle in Indian contract law: a contract or agreement entered into by a minor is **void ab initio**, meaning it is void from the very beginning.

Rule of estoppel is not apply on minor.

What is the mean of rule of estopple?

कानून में एस्टोपल का अर्थ है विबंधन या विबंध का नियम।

सरल शब्दों में, इसका मतलब है:

जब कोई व्यक्ति अपने किसी बयान, कार्य या आचरण से किसी दूसरे व्यक्ति को किसी बात पर विश्वास कराता है, और वह दूसरा व्यक्ति उस विश्वास के आधार पर कोई काम करता है, तो बाद में पहला व्यक्ति अपनी बात से मुकर नहीं सकता।

विबंधन के लिए आवश्यक शर्तें

1. प्रतिनिधित्व: एक व्यक्ति किसी दूसरे व्यक्ति के सामने कोई बात कहता है, कार्य करता है, या कोई बात कहने से चूक जाता है।
2. विश्वास: दूसरा व्यक्ति पहले व्यक्ति की बात को सच मान लेता है।
3. कार्यवाही: दूसरा व्यक्ति उसी विश्वास के आधार पर कोई कार्य करता है, जिससे उसकी स्थिति में बदलाव आता है।
4. नुकसान: यदि पहला व्यक्ति अपनी बात से मुकर जाता है, तो दूसरे व्यक्ति को नुकसान होता है।

एक उदाहरण

मान लीजिए कि व्यक्ति 'क' जानबूझकर व्यक्ति 'ख' को बताता है कि एक ज़मीन 'क' की है। 'ख', 'क' की बात पर विश्वास करके उस ज़मीन को खरीद लेता है। बाद में, 'क' को उस ज़मीन का असली मालिक होने का हक मिल जाता है, लेकिन वह उस सौदे को रद्द करना चाहता है, यह कहकर कि जब उसने ज़मीन बेची थी तब वह उसका मालिक नहीं था।

इस मामले में, विबंधन का नियम लागू होता है। न्यायालय 'क' को अपनी पिछली बात से मुकरने नहीं देगा, क्योंकि 'ख' ने 'क' की बात पर भरोसा करके अपनी स्थिति बदली और उसे नुकसान होगा।

You are the responsible for your own work.

Effect to minor's agreement. No estoppel against minor.

Sub section (a)-2

Liability for tort based in contract

Case

Johnson vs pye

The 1665 English case of *Johnson v. Pye* established an important principle of contract law relating to minors: a minor cannot be held liable in tort for a deceit that is directly connected to and is an indirect means of enforcing a contract, which is void from the beginning.

Legal principle established

The case established the principle that a minor cannot be held liable for a tort that is directly connected to and serves as a means of enforcing a void contract. While minors are generally liable for their torts, this liability does not apply when the tort is inextricably linked to a contract that is unenforceable against them. The case serves as a foundation for protecting minors from contractual obligations, even when they engage in misrepresentation.

Sub section (a)-3

Doctrine of (equitable restitution) To reverse all the thing in original position. (or convert all in its original position)

Equitable restitution in Indian law

In India, equitable restitution is supported by statutes, precedents, and the courts' inherent powers.

- The Indian Contract Act, 1872, particularly Section 65, addresses restitution for agreements discovered or becoming void, requiring restoration of any advantage received. Case law like *Mohori Bibee v. Dharmodas Ghose* (1903) illustrates this, showing that while agreements with minors are void, a minor who fraudulently misrepresents age may be compelled to return benefits if the goods are still held.
- Section 33 of the Specific Relief Act, 1963, allows courts to order restitution when cancelling or declaring an instrument void.
- Section 144 of the Code of Civil Procedure, 1908, specifically covers restitution when a court's order is reversed on appeal, allowing restoration to the original position. Indian courts also possess inherent powers to order restitution to prevent injustice, independent of Section 144.
- Beyond codified law, Indian courts apply common law principles to address unjust enrichment without a valid legal reason.

Limitations and exceptions

Equitable restitution has limitations. If both parties knew an agreement was void from the start, restitution may not be granted. The principle of *in pari delicto* ("in equal fault") may lead courts to refuse restitution if both parties are equally

culpable. A defendant may also have a defense if they changed their position in good faith, believing they were entitled to the benefit.

साम्यिक प्रत्यास्थापन (equitable restitution) का अर्थ है **न्याय और निष्पक्षता के आधार पर किसी व्यक्ति को उसकी मूल स्थिति में वापस लाना, ताकि उसे हुए अन्याय या अनुचित लाभ को दूर किया जा सके।**

यह एक कानूनी सिद्धांत है जिसका उद्देश्य किसी व्यक्ति को दूसरे व्यक्ति की कीमत पर अनुचित रूप से समृद्ध होने से रोकना है। यह वहाँ लागू होता है जहाँ कानूनी उपचार (जैसे मौद्रिक हर्जाना) पर्याप्त नहीं होते।

मुख्य सिद्धांत

- **अनुचित लाभ को रोकना:** यह सुनिश्चित करता है कि कोई भी पक्ष किसी समझौते या परिस्थिति से अनुचित लाभ न उठाए, खासकर जब वह समझौता शून्य हो।
- **मूल स्थिति की बहाली:** इसका लक्ष्य है कि पार्टियों को उस स्थिति में लौटा दिया जाए, जिसमें वे अनुचित कार्यवाही से पहले थे।
- **न्यायालय का विवेक:** चूंकि यह एक साम्यिक उपाय है, न्यायालय के पास इसे लागू करने का विवेक होता है। न्यायालय परिस्थितियों के आधार पर निर्णय लेता है।
- **उदाहरण:** *मोहोरी बीबी बनाम धर्मोदास घोष* (1903) के मामले में यह तय हुआ कि नाबालिग के साथ किया गया अनुबंध शुरू से ही शून्य होता है। हालांकि, अगर नाबालिग ने धोखाधड़ी से अपनी उम्र गलत बताई हो और उसके पास अभी भी वह संपत्ति या लाभ है, तो उसे उसे वापस करने के लिए कहा जा सकता है, ताकि अनुचित लाभ को रोका जा सके।

भारतीय कानून में प्रावधान

- **भारतीय संविदा अधिनियम, 1872 की धारा 65:** यह उस व्यक्ति पर दायित्व डालती है जिसने किसी शून्य समझौते के तहत कुछ लाभ प्राप्त किए हों।
- **विनिर्दिष्ट अनुतोष अधिनियम, 1963 की धारा 33:** यह न्यायालय को किसी लिखत को रद्द करने पर प्रत्यास्थापन का आदेश देने की अनुमति देती है।
- **सिविल प्रक्रिया संहिता, 1908 की धारा 144:** यह विशेष रूप से उन मामलों में प्रत्यास्थापन के बारे में बताती है, जहाँ एक निचली अदालत का आदेश अपील में पलट दिया जाता है।

Definition of B Sound mind

A person while making a contract should be of a sound mind. Otherwise, the contract is void. According to section 12 of Indian contract act a person is said to be of sound mind for the purpose of making a contract if at the time when he makes a he is capable of understanding if and of forming a relational judgment as to its effect upon his interest.

Position of agreement

- By person of unsound mind
- Lunatic person (mirgi ka attack type problem)

"idiot". An idiot is a rude and informal term used to describe a person who is foolish or has done something stupid.

Dunked person

Definition of C not disqualified by law.

Sub section c(1)

Allean enemy enemy country like Pakistan

Insolvent company diwaliya bank crupt

*** where act word is used that means this is codified.

***** ***** **

Ela aggarwal contract 16.9.25 to 30.9.25

Date 19.9.25 period 3 time 11.30 am contract

Subject origin of contract of law

The concept of contract law has roots in ancient civilizations but evolved significantly over time, particularly through Roman, English, and Islamic legal systems. It transformed from being tied to custom, morality, and formalistic rituals to becoming a framework for regulating market-based commercial transactions.

Ancient origins

Early forms of contract were rooted in tradition, sacred vows, and personal integrity rather than codified laws.

- **Vedic India:** Before the Common Era, principles similar to contract law appeared in texts like the Vedas and Dharmashastras. They contained moral and legal principles governing debt, deposits, and pledges, emphasizing consent, fairness, and the importance of fulfilling promises.
- **Babylon:** The Code of Hammurabi (c. 1754 BCE) is one of the oldest known legal codes and included clauses on commerce, property, and debt. These were often non-negotiable, or "adhesion," contracts with a formal structure.
- **Rome:** Roman law established discrete categories of contractual transactions, each with specific requirements for enforcement. These included formal verbal agreements (*stipulatio*) and consensual contracts for common transactions like sales, hire, and partnerships.
- **Islamic Law:** Islamic jurisprudence introduced a sophisticated body of commercial law, with detailed rules on mutual consent (*ijab-o-qubul*), lawful object, and equitable consideration. It also widely recognized the concept of agency, which influenced European commercial law.

English common law tradition

In England, a general theory of contract law developed slowly through the common law courts.

- **Medieval England:** For centuries, formal agreements required a seal to be enforced through an "action on covenant." Informal agreements could be pursued through actions like "debt," but this came with the archaic and often unjust procedure of *wager of law*.
- **The rise of *assumpsit*:** Beginning in the 15th century, courts developed the "action on the case," which evolved into *assumpsit* (from the Latin for "he has undertaken"). It was originally a tort action for causing harm by failing to perform a duty, but it eventually expanded to enforce general breaches of promise.
- **The doctrine of consideration:** As *assumpsit* grew, courts needed a way to limit which promises were enforceable. They developed the doctrine of "consideration," which required a promise to be supported by something of value given or promised in exchange.
- **The Law Merchant:** The practices of merchants (*lex mercatoria*) were influential in coastal trading ports. In the 17th and 18th centuries, judges like Lord Mansfield incorporated commercial principles like good faith and fairness into the common law.

The modern era

The Industrial Revolution and growth of global trade standardized and formalized contract law further.

- **Codification:** In the 19th and 20th centuries, many jurisdictions codified their contract laws to establish uniform, modern frameworks. The Indian Contract Act of 1872 is a prominent example, which drew on English common law but was codified for the colonial context.
- **Freedom of contract:** The 19th century saw a rise in the idea of "freedom of contract," rooted in laissez-faire and utilitarian economic ideas. This held that contract law should interfere as little as possible with private bargaining.
- **Social regulation:** Over the 20th century, this idea was balanced by reforms aimed at protecting vulnerable parties from unfair terms imposed by larger businesses. This led to specific protections in consumer and employment contracts.

- **Technology's impact:** The late 20th and 21st centuries saw the emergence of electronic contracts, smart contracts using blockchain, and online dispute resolution, reflecting ongoing adaptations to modern technology and e-commerce

अनुबंध कानून की अवधारणा की जड़ें प्राचीन सभ्यताओं में हैं, लेकिन यह समय के साथ, विशेष रूप से रोमन, अंग्रेजी और इस्लामी कानूनी प्रणालियों के माध्यम से काफी विकसित हुई। यह प्रथा, नैतिकता और औपचारिक अनुष्ठानों से जुड़ा होने के बजाय, बाजार-आधारित वाणिज्यिक लेनदेन को विनियमित करने के लिए एक ढाँचा बन गया।

प्राचीन उत्पत्ति

अनुबंध के शुरुआती रूप कानून के नियमों के बजाय परंपरा, पवित्र प्रतिज्ञा और व्यक्तिगत ईमानदारी पर आधारित थे।

- **वैदिक भारत:** ईसा पूर्व, अनुबंध कानून के समान सिद्धांत वेदों और धर्मशास्त्र जैसे ग्रंथों में मिलते थे। इनमें ऋण, जमा और गिरवी को नियंत्रित करने वाले नैतिक और कानूनी सिद्धांत थे, जो सहमति, निष्पक्षता और वादे निभाने के महत्व पर जोर देते थे।
- **बेबीलोन:** हम्मुराबी की संहिता (लगभग 1754 ईसा पूर्व) सबसे पुराने ज्ञात कानूनी संहिताओं में से एक है और इसमें वाणिज्य, संपत्ति और ऋण से संबंधित खंड शामिल थे। ये अक्सर एक औपचारिक संरचना वाले गैर-परक्राम्य, या "एडहेसन", अनुबंध होते थे।
- **रोम:** रोमन कानून ने संविदात्मक लेनदेन की अलग-अलग श्रेणियाँ स्थापित कीं, जिनमें से प्रत्येक के प्रवर्तन के लिए विशिष्ट आवश्यकताएँ थीं। इनमें औपचारिक मौखिक समझौते (*स्टिपुलैटियो*) और बिक्री, किराए और साझेदारी जैसे सामान्य लेनदेन के लिए सर्वसम्मत अनुबंध शामिल थे।
- **इस्लामी कानून:** इस्लामी न्यायशास्त्र ने आपसी सहमति (*इजाब-ओ-कुबूल*), वैध उद्देश्य और न्यायसंगत प्रतिफल के विस्तृत नियमों के साथ वाणिज्यिक कानून का एक परिष्कृत निकाय पेश किया। इसने एजेंसी की अवधारणा को भी व्यापक रूप से मान्यता दी, जिसने यूरोपीय वाणिज्यिक कानून को प्रभावित किया।

अंग्रेजी सामान्य कानून परंपरा

इंग्लैंड में, सामान्य कानून न्यायालयों के माध्यम से अनुबंध कानून का एक सामान्य सिद्धांत धीरे-धीरे विकसित हुआ।

- **मध्यकालीन इंग्लैंड:** सदियों तक, औपचारिक समझौतों को "कार्रवाई पर वाचा" के माध्यम से लागू करने के लिए एक मुहर की आवश्यकता होती थी। अनौपचारिक समझौतों को "ऋण" जैसी कार्रवाइयों के माध्यम से चलाया जा सकता था, लेकिन यह *वेजर ऑफ लॉ* की पुरातन और अक्सर अन्यायपूर्ण प्रक्रिया के साथ आता था।
- **अजॉप्सिट का उदय:** 15वीं शताब्दी से शुरू होकर, अदालतों ने "मामले पर कार्रवाई" विकसित की, जो *अजॉप्सिट* (लैटिन से "उसने कार्य किया है") में विकसित हुई। यह मूल रूप से एक कर्तव्य का पालन करने में विफल रहने से हुए नुकसान के लिए एक अपकृत्य कार्रवाई थी, लेकिन अंततः यह सामान्य वादे के उल्लंघन को लागू करने के लिए विस्तारित हुई।
- **प्रतिफल का सिद्धांत:** जैसे-जैसे अजॉप्सिट का विकास हुआ, अदालतों को यह सीमित करने के लिए एक तरीका चाहिए था कि कौन से वादे लागू करने योग्य थे। उन्होंने "प्रतिफल" का सिद्धांत विकसित किया, जिसके लिए एक वादे को बदले में दी गई या वादा की गई किसी मूल्यवान वस्तु द्वारा समर्थित करने की आवश्यकता होती थी।
- **व्यापारियों का कानून (*द लॉ मर्चेंट*):** तटीय व्यापारिक बंदरगाहों में व्यापारियों की प्रथाओं (*लेक्स मर्कैटोरिया*) का प्रभाव था। 17वीं और 18वीं शताब्दी में, लॉर्ड मैन्सफील्ड जैसे न्यायाधीशों ने सद्भाव और निष्पक्षता जैसे वाणिज्यिक सिद्धांतों को सामान्य कानून में शामिल किया।

आधुनिक युग

औद्योगिक क्रांति और वैश्विक व्यापार के विकास ने अनुबंध कानून को और अधिक मानकीकृत और औपचारिक बना दिया।

- **संहिताकरण:** 19वीं और 20वीं शताब्दी में, कई न्यायालयों ने एक समान, आधुनिक ढाँचा स्थापित करने के लिए अपने अनुबंध कानूनों को संहिताबद्ध किया। 1872 का भारतीय अनुबंध अधिनियम एक प्रमुख उदाहरण है, जो अंग्रेजी सामान्य कानून पर आधारित था लेकिन औपनिवेशिक संदर्भ के लिए संहिताबद्ध किया गया था।
- **अनुबंध की स्वतंत्रता:** 19वीं शताब्दी में, *लेससेज़ फेयर* और उपयोगितावादी आर्थिक विचारों में निहित "अनुबंध की स्वतंत्रता" के विचार में वृद्धि हुई। इसमें कहा गया था कि अनुबंध कानून को निजी सौदेबाजी में यथासंभव कम हस्तक्षेप करना चाहिए।
- **सामाजिक विनियमन:** 20वीं शताब्दी में, बड़े व्यवसायों द्वारा लगाए गए अनुचित नियमों से कमजोर पक्षों की रक्षा के उद्देश्य से सुधारों से इस विचार को संतुलित किया गया था। इससे उपभोक्ता और रोजगार अनुबंधों में विशिष्ट सुरक्षाएँ मिलीं।

- **प्रौद्योगिकी का प्रभाव:** 20वीं और 21वीं शताब्दी के अंत में इलेक्ट्रॉनिक अनुबंधों, ब्लॉकचेन का उपयोग करने वाले स्मार्ट अनुबंधों और ऑनलाइन विवाद समाधान का उदय हुआ, जो आधुनिक प्रौद्योगिकी और ई-कॉमर्स के लिए चल रहे अनुकूलन को दर्शाता है।

- ज़रूर, यहाँ अनुबंध कानून की उत्पत्ति के बारे में जानकारी हिंदी और अंग्रेजी दोनों में एक तालिका में दी गई है:

पहलू	प्राचीन उत्पत्ति (Ancient Origins)	अंग्रेजी सामान्य कानून परंपरा (English Common Law Tradition)	आधुनिक युग (Modern Era)
अवधारणा	रीति-रिवाजों, पवित्र प्रतिज्ञाओं और व्यक्तिगत ईमानदारी पर आधारित।	सामयिक विवादों को निपटाने के लिए सामान्य कानून अदालतों द्वारा विकसित।	मानकीकृत, औपचारिक और वैश्विक व्यापार के लिए अनुकूलित।
भाषा	हिन्दी: वैदिक भारत (ऋण, गिरवी), बेबीलोन (हम्मुराबी की संहिता), रोमन कानून (<i>स्टिपुलैटियो</i>), इस्लामी कानून (<i>इजाब-ओ-कुबूल</i>)। अंग्रेजी: Vedic India (debts, pledges), Babylon (Code of Hammurabi), Roman law (<i>stipulatio</i>), Islamic law (<i>ijab-o-qabul</i>).	हिन्दी: मध्यकालीन इंग्लैंड (<i>वचन</i>) के बाद अजप्सिट का उदय; प्रतिफल का सिद्धांत; व्यापारियों के कानून (<i>लेक्स मर्कैटोरिया</i>) का प्रभाव। अंग्रेजी: Emergence of Assumpsit after medieval England (covenant); Doctrine of Consideration ; Influence of Law Merchant (<i>lex mercatoria</i>).	हिन्दी: 19वीं-20वीं सदी में संहिताकरण (जैसे, भारतीय अनुबंध अधिनियम, 1872); "अनुबंध की स्वतंत्रता"; सामाजिक विनियमन; प्रौद्योगिकी का प्रभाव (ई-अनुबंध, स्मार्ट अनुबंध)। अंग्रेजी: Codification in the 19th-20th century (e.g., Indian Contract Act, 1872); "Freedom of contract"; Social regulation; Impact of technology (e-contracts, smart contracts).
मुख्य तत्व	हिन्दी: सहमति, निष्पक्षता, विशिष्ट लेन-देन के लिए औपचारिक नियम। अंग्रेजी: Consent, fairness, formal rules for specific transactions.	हिन्दी: वादा, प्रतिफल, और दायित्व का उल्लंघन करने पर हर्जाना वसूलने की क्षमता। अंग्रेजी: Promise, consideration, and the ability to recover damages for breach of obligation.	हिन्दी: मानक रूप, विशिष्ट प्रावधान (जैसे, उपभोक्ता सुरक्षा), और इलेक्ट्रॉनिक लेनदेन के लिए नए नियम। अंग्रेजी: Standard forms, specific provisions (e.g., consumer protection), and new rules for electronic transactions.
उदाहरण	हिन्दी: ऋग्वेद में ऋण और गिरवी; हम्मुराबी की संहिता में वाणिज्यिक नियम। अंग्रेजी: Debts and pledges in the Rigveda; Commercial rules in the Code of Hammurabi.	हिन्दी: <i>स्लेड बनाम मॉर्ले</i> जैसे मामले, जहाँ अजप्सिट का उपयोग किया गया। अंग्रेजी: Cases like <i>Slade v Morley</i> , where assumpsit was used.	हिन्दी: भारतीय अनुबंध अधिनियम, 1872; आधुनिक उपभोक्ता सुरक्षा कानून। अंग्रेजी: Indian Contract Act, 1872; Modern consumer protection laws.

***midwell period bilection transection meansbarter system.

Contract origin

1	vedic or medval period
2	roman
3	islamic
4	hindu
5	before independence (british)
6	after independence

1 a Vedas > Smriti > Shruti > Digest & Commentaries > custom.

- **Śruti (श्रुति)** → Primary source of Hindu law (Vedas, Upanishads).
 - **Smṛti (स्मृति)** → Secondary source (Manusmṛiti, Yajñavalkya Smṛiti, etc.).
 - **Digests & Commentaries** → Explanations and interpretations of Smṛiti (e.g., Mitakshara, Dayabhaga).
 - **Custom (Āchāra)** → Local customs and usages, recognized if not against morality or law.
-
-

✓ So the correct hierarchy is:

Shruti → Smriti → Digest & Commentaries → Custom

Date 22.09.25 period 3 time 11.30 am

Question essential element offer valid offer. For 20 marks

Answer

Definition of offer.>contract definition.>an agreement enforceable by law is a contract define under section 2 H.

Essential element.

A offer (2a) and acceptance (2b) case lal man Shukla vs gouri dutt. And carli vs carbolic.

B law full consideration (2d) (past, present and future)

Section 25 total 3 exception (relatives)

Natural love, exceptions relative, past voluntary service, and time bar.

C party must be capable or sufficient to contract. Sect 11 and 12. (minor and unsound person, drunk and lunatic person disqualified by law.

D free consent of the party. (separate question) section 14.

E lawful object.

F

G possible of performance sec 56

H

I not expressly declared void.

Agreement in restraint to marriage sec 26

Agreement in restraint of trade sect 27 in constitution. Article 19 1(G)

Agreement in restraint of legal proceeding section 28.

Agreement heaving uncertain meaning sec 29.

Wagering agreement sect 30 (satta baji etc.)

Offer or acceptance question 20 marks

Minor 20 marks

Free consent 20 marks

Acceptance 20 marks

Date 23.09.2025 time 1.30 pm period 4

Topic > consent sect 13 of Indian contract act.

According to sect 13 of Indian contract act "two or more person are said to consent when they agree upon the same thing in the same sense".

Section 14> free consent

According to section 14 of the Indian contract act a consent is set to be free if it is not caused by

- A coercion
- B undue influence
- C fraud
- D mis representation
- E mistake

This lecture is incomplete.....

Date 25.09.2025 time 10.30 am period 2

Free consent sect 14 which item is the free consent

- A coercion
- B undue influence
- C fraud
- D mis representation
- E mistake

A coercion defined - Section 15 (a) according to section 15 coercion is the committing or threatening to commit of any act forbidden by the Indian Penal Code or the unlawful detaining, or threatening to detain, any property, to the prejudice of any person whatever, with the intention of causing any person to enter into an agreement.

Essential of the coercion

1 the committing of any act forbidden by IPC.

Ref case **Ranganayakamma v. Alwar Setti**,

The 1890 case you are referring to is actually **Ranganayakamma v. Alwar Setti**, decided by the Madras High Court in 1889, but commonly cited in 1890. The case involved a 13-year-old Hindu **widow who was coerced into adopting a boy**. It is a landmark judgment in Indian contract law regarding the concept of "free consent".

B undue influence the retaining to commit any act forbidden by IPC.

Ref case:- The case **Chikkam Ammiraju v. Chikkam Seshamma (1917)** is a landmark decision by the Madras High Court on the definition of "coercion" under Section 15 of the Indian Contract Act, 1872. The court ruled that a **threat to commit suicide** amounts to coercion, making any agreement obtained under such a threat voidable.

C fraud the unlawful detaining of any property.

Ref case :- The 1771 case you are likely referring to is **Astley v Reynolds**. It is a foundational English case in contract law regarding the concept of "duress of goods." The case established that money paid under compulsion to **recover unlawfully detained goods** is not a voluntary payment and can be recovered.

D mis representation threatening to detain any property.

Ref case :- The case you are referring to is **S.P.M. Muthiah Chetti and Ors. v. Muthu K.R.A.R. Karuppan Chetti**, a 1927 decision by the Madras High Court. The case centered on a dispute between principals and their agent regarding a release deed that the principals claimed was obtained under coercion. **(refused to hand over the account books, documents)**

E mistake to prejudice guy to any person.

Ref case :- **to effect on any person decision making power effective.**

***** ***** ***** ***** ***** ***** *****

Date 30.09.2025 period 4 time 01.30 pm

Contract undue influence

Essential of undue influence

The violation between the party are such they are party has ability to dominate the will of another.

Case case of Mannu Singh v. Umadat Pande is a historic 1890

The case of *Mannu Singh v. Umadat Pande* is a historic 1890 Indian contract law case decided by the Allahabad High Court. The ruling is a significant precedent on the legal concept of undue influence, as defined under Section 16 of the Indian Contract Act, 1872.

- **Facts:** An elderly devotee, Mannu Singh, gave all his property to his spiritual guru, Umadat Pande. Mannu Singh was in poor health and had an overbearing dependency on Umadat Pande, who exploited this position of trust and dominance to secure the gift deed.
 - **Position of dominance:** The court held that the relationship between a spiritual guru and their devotee is a fiduciary one, meaning a relationship of trust and confidence. This gives the guru a position of power and authority over the devotee, and Umadat Pande was in a position to dominate Mannu Singh's will.
 - **Unfair advantage:** The guru used his dominant position to gain an unfair advantage by inducing Mannu Singh to transfer all his property to him.
 - **Unconscionable transaction:** The court deemed the transaction unconscionable, as it was not a reasonable action for the devotee to give away all his possessions in exchange for spiritual benefits. The guru, therefore, had the burden of proving that the consent was given freely, which he failed to do.
-

Person having real or apparent authority over the other.

Person standing in fiduciary relationship.

Like

Advocate client

Trusty beneficiary

Spiritual guru his devotee

Doctor patient

Guardian child

Person making a contract with the person whose mental capacity is affected.

Case

case is **Ranee Annapurni Nachiar v. Swaminatha Chettiar (1910)**,

The case is **Ranee Annapurni Nachiar v. Swaminatha Chettiar (1910)**, a landmark decision by the Madras High Court concerning undue influence under Section 16 of the Indian Contract Act, 1872.

Facts of the case

- Ranee Annapurni was a Hindu widow in dire financial straits and needed money to pursue a claim for her right to maintenance from her late husband's estate.

- She took a loan from the moneylender Swaminatha Chettiar at an exorbitant interest rate of 100%.
- The moneylender obtained a mortgage over her right to future maintenance as security for the loan.

Court's decision and reasoning

The court delivered a significant judgment addressing both issues:

- **Undue influence:** The court found that the moneylender had exploited the widow's urgent financial needs and mental distress to secure an unfair and unconscionable bargain. It ruled that her consent was not freely given but was a result of undue influence.
 - The extremely high interest rate of 100% was seen as shocking to the conscience and served as strong evidence of the moneylender's dominant position and the unfair advantage he gained.

Normally, the burden of proof lies on the person who alleges undue influence. But if the transaction looks suspicious or unconscionable and one party clearly had a dominant position (e.g., doctor-patient, lawyer-client, parent-child, spiritual guru-disciple), then **the law presumes undue influence**. The stronger party must then prove that the weaker party entered the contract freely, without pressure.

Fraud section 17 contract act

You are quoting **Section 17 of the Indian Contract Act, 1872**, which defines *Fraud*. Let me give you the **complete definition** in a clean exam-style note, including your points and the missing one:

Section 17 – Fraud under the Indian Contract Act, 1872

According to Section 17, *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 the intent to deceive another party or his agent, or to induce him to enter into the contract:

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

Explanation:

- Mere silence as to facts likely to affect the willingness of a person to enter into a contract is not fraud, unless the circumstances impose a duty to speak, or unless silence itself is equivalent to speech (e.g., fiduciary relationship).

- The essence of fraud is *intentional deception* to secure an unfair or unlawful gain, or to cause loss to another.

Case law example:

In *Derry v. Peek (1889)*, it was held that fraud is proved when it is shown that a false representation was made knowingly, without belief in its truth, or recklessly, without caring whether it was true or false.

Essentials of Fraud – Section 17, Indian Contract Act, 1872

For an act to amount to fraud under Section 17, the following essentials must be present:

1. **Representation must be false** – There must be a false statement of fact (not opinion or mere puffery).
2. **Knowledge of falsity** – The party making the representation must know it is false, or must not believe it to be true, or must act recklessly without caring whether it is true or false.
3. **Intention to deceive** – The act must be done with the intention to mislead or induce the other party into entering the contract.
4. **Active concealment** – Mere silence is not fraud, but if a party actively conceals a material fact, or remains silent where there is a duty to disclose (fiduciary relationships, insurance contracts), it amounts to fraud.
5. **Inducement of the other party** – The false representation or concealment must actually induce the other party to enter into the contract.
6. **Resulting loss or damage** – The party deceived must suffer some loss, damage, or prejudice due to relying on the fraudulent act.

Case law:

- *Derry v. Peek (1889)* – Fraud exists when a false representation is made knowingly, without belief in its truth, or recklessly.

Case: Derry v. Peek (1889) 14 App. Cas. 337 (House of Lords)

Facts:

A tramway company issued a prospectus stating that they had authority to use steam power instead of horses, subject to approval of the Board of Trade. The approval was later refused. As a result, the company had to wind up, and the investors who bought shares sued the directors for fraud, claiming they had been deceived.

Issue:

Whether the directors' false statement in the prospectus amounted to *fraudulent misrepresentation* under law.

Held:

The House of Lords held that there was **no fraud**, because the directors honestly believed that the approval was a mere formality. Their belief, though mistaken, was genuine.

Principle Laid Down:

Fraud is proved when it is shown that a false representation has been made:

1. Knowingly, or
2. Without belief in its truth, or
3. Recklessly, careless whether it be true or false.

Mere negligence or honest mistake does not amount to fraud.

Significance:

This case established the **classic definition of fraud**, distinguishing it from innocent or negligent misrepresentation. In India, Section 17 of the Contract Act adopts a similar principle.

Case: Peek v. Gurney (1873) LR 6 HL 377

Facts:

The directors of a company issued a prospectus to invite the public to subscribe for shares. The prospectus contained certain statements but deliberately omitted material facts about the company's financial difficulties. Relying on the prospectus, investors purchased shares and later suffered losses when the company collapsed. The investors sued, alleging fraud.

Issue:

Whether suppression of material facts in a prospectus amounts to fraud when there is a duty to disclose.

Held:

The House of Lords held that the directors were liable. Suppression of material facts, where there is an obligation to disclose, amounts to fraudulent misrepresentation. The court emphasized that silence can amount to fraud if it is intended to mislead or if the circumstances impose a duty to speak.

Principle Laid Down:

- *Suppression or concealment of material facts is fraud when there exists a duty to disclose.*
- *In contracts such as insurance, fiduciary relationships, or public invitations like prospectuses, non-disclosure itself may be fraudulent.*

Significance:

This case clarified that fraud is not limited to false statements; deliberate concealment of important facts also constitutes fraud under Section 17 of the Indian Contract Act.

Thus, fraud under Section 17 requires **false representation, knowledge, intention, inducement, and resulting damage.**

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Ela aggarwal contract 16.9.25 to 30.9.25