



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore – 641 107

An Autonomous Institution

Accredited by NBA – AICTE and Accredited by NAAC – UGC with ‘A’ Grade

Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai



DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA104- LEGAL ASPECTS OF BUSINESS

I YEAR / I SEMESTER

Unit 1 – THE INDIAN CONTRACT ACT 1872

Topics : Quasi Contract and Contingent Contract



COERCION

Coercion consists of the following acts: - (SEC 15)

- (1) Committing or threatening to commit an act forbidden under the Indian Penal Code, and
- 2) The unlawful detaining or threatening to detain any property.

One party with a view to obtain the consent of the other party to a contract does the above acts. The acts complained of need not be directed against a party to the contract. The acts may be directed against a third party with a view to obtain the consent of the party to the contract

Example A is the father of B. C may threaten B to get the consent of A to a contract.



UNDUE INFLUENCE

Section 16 Undue Influence is a subtle form of coercion. Coercion is directed against the body of a person. Undue Influence is directed against the mind of a person.

In simple Words, Undue Influence may exist between any two parties so long one person is in a position to dominate the will of another.



UNLAWFUL AGREEMENTS



Section 23

An unlawful agreement is an agreement the object or the consideration of which is unlawful. An unlawful agreement is void.

An object or consideration is unlawful-

- (1) If it is forbidden by law, or
- (2) If it is of such a nature that, if permitted it would defeat the provisions of law, or
- (3) If it is fraudulent, or
- (4) If it involves or implies injury to the person or property of another.
- (5) If the Court regards it as immoral, or opposed to public policy.

The following agreements are opposed to public policy:-

- (1) Marriage brokerage agreements. These are agreements to procure marriage for a reward
- (2) Trading with enemy.
- (3) Stifling prosecution. This is agreement not to prosecute a party who has committed a crime.

(4) Champerty and maintenance.

Interference with the course of justice

Agreements which tend to create interest against duty

Sale of public office



CONTINGENT CONTRACTS

Section 31 to 36

A contingent contract is a contract to do or not to do something, if some event, **COLLATERAL** to such contract, does or does not happen

In a contingent contract, the event upon which the performance of the contract depends shall be collateral to the contract.

RULES RELATING TO CONTINGENT CONTRACTS

1. Event happening
2. Event NOT happening
3. Happening within a specified time
4. NOT happening within a specified time
5. Event is behaviour of a person within an unspecified time
6. Impossible event

SEC 34

A agrees to pay B a sum of money if B marries C. C marries D. The marriage of B to C is now impossible. The contract becomes void. It is possible that D may die and that C may afterwards marry B. Even then the contract becomes void because it is a further contingency.



QUASI - CONTRACT



Example 1 :

A and B are twin brothers who look alike. C owes money to A. By mistake C pays the money to B. A can recover the money from B. This is a quasi-contractual obligation upon B.

Example : 2

A and B jointly owe money to C. A pays the money to C. Not knowing this B over again pays the money to C. C is bound to repay the money to B. A quasi-contractual right is a right to receive money.



RECAP

QUESTIONS???

THANK YOU