

b) when Consent to an agreement is given by Coercion.

* Essential element of a valid contract :-

a) There must be an agreement

b) Parties to a contract must be competent.

c) There should be an intention to create a legal relationship

d) There must be free consent of parties to the agreement

e) Lawful consideration.

- (H) legal or lawfull object
- (g) Agreement not expressly declared void by law.
- (n) Compliance with legal formalities.
- (i) Certainty and possibility of performance.
- (a) There must be an agreement
- An agreement is very essential condition of a contract. Every promise and every set of promise forming, the consideration for each other, is an agreement. At least, there must be two parties to an agreement. One party make a proposal or an offer and the other party accept or reject the same
- b) Parties to a contract must be competent:-
- As already mentioned that there must be at least two parties for every valid contract and parties to a valid contract must be competent. Every person is competent to contract
- (i) who is of the age of majority according to law to which he is subject, and,
- (ii) who is of sound mind and

(iii) who is not disqualified from contracting by any law to which he is subject.

There should be an intention to create a legal relationship.

This is very important condition of a valid contract. If there is no intention to create any legal relationship that contract is not valid. Agreements of social, moral, religious nature do not contemplate legal relation.

There should be free consent of parties to the agreement.

For the purpose of creating a valid contract the agreement consent of the parties of the agreement must be free.

The term 'consent' is defined in section 13 which states that two or more persons are said to have consent when they agree upon the same thing in the same sense. Thus, the parties to an agreement must be of the same mind upon the same subject.

The consent is said to be free when it is not caused by:

Coercion

undue influence

- (iii) Fraud
- (iv) Misrepresentation
- (v) Mistake

(e) Lawful Consideration:
 For a valid contract, such consideration must be lawful, consideration is really an essence of a bargain. The agreement is enforceable legally only when both the parties to it give something and receive something in return.

(f) Legal or lawful object:
 The object of the agreement must essentially be legal. The agreement to be entered into, must relate to a thing which must not be contrary to the provision of any law in existence.

(g) Agreement not expressly declared void by law:
 The agreement to be entered into must not have been expressly declared void by law in force in the country. Under the Indian Contract Act there are certain categories of agreement which are expressly

declared to be void e.g. agreement in restraint of marriage (Section 26) agreement in restraint of trade.

Compliance with legal formalities
It is not necessary that a contract must be in writing. It can be made by word in mouth. However, in the interest of the parties to a contract, it should be in writing of course. There are certain formalities to be complied with in order to make an agreement legally enforceable.

Certainty and possibility of performance.

(a) Certainty of performance
Section 29 of the act

State that "Agreement, the meaning of which is not certain or capable of being made certain and void." Suppose, I Mr. X agree to sell to Mr. Y a few

• mails is intended and therefore such agreement is void for uncertainty.

b) Possibility of performance:
- section 56 state that an agreement to do an act impossible is itself is void. Even the contract to do an act which after the contract is entered into become impossible or by reason of some event which the promisor could not prevent become void when the said act become unlawful or impossible. Thus, an agreement must be such so that it become capable of being performed.