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Contract Act, 1872

Section 27 - AGREEMENT IN RESTRAINT OF TRADE VOID Every agreement by which anyone is restrained from exercising a lawful profession,

SECTION 27: AGREEMENT IN RESTRAINT OF TRADE VOID Every agreement by which anyone is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void. Saving of agreement not to carry on business of which goodwill is sold.- Exception 1.-One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business, within specified local limits, so long as the buyer, or any person deriving title to the goodwill from him, carries on a like business, therein : Provided that such limits appear to the Court reasonable, regard being had to the nature of the business.