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Contract Act, 1872

Section 237 - LIABILITY OF PRINCIPAL INDUCING BELIEF THAT AGENT'S UNAUTHORIZED ACTS WERE AUTHORIZED When an agent has, without

SECTION 237: LIABILITY OF PRINCIPAL INDUCING BELIEF THAT AGENT'S UNAUTHORIZED ACTS WERE AUTHORIZED When an agent has, without authority, done acts or incurred obligations to third persons on behalf of his principal, the principal is bound by such acts or obligations, if he has by his words or conduct induced such third persons to believe that such acts and obligations were within the scope of the agent's authority.