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Indian Contract Act, 1872

Section 19A - Power to Set Aside Contract Induced by Undue Influence

1 [Power to set aside contract induced by undue influence]

When consent to an agreement is caused by undue influence, the agreement is a contract voidable at the option of the party whose consent was so caused.

Any such contract may be set aside either absolutely or, if the party who was entitled to avoid it has received any benefit thereunder, upon such terms and conditions as to the Court may seem just.

Illustrations

- (a) A's son has forged B's name to a promissory note. B, under threat of prosecuting A's son, obtains a bond from A for the amount of the forged note. If B sues on this bond, the Court may set the bond aside.
- (b) A, a money-lender, advances Rs.100 to B, an agriculturist, and, by undue influence, induces B to execute a bond for Rs. 200 with interest at 6 percent per month. The Court may set the bond aside, ordering B to repay the Rs.100 with such interest as may seem just.]

1. Inserted by Act 6 of 1899, section 3.
