

Indian Contract Act, 1872

Section 27 - Agreement in Restraint of Trade Void

(1) Every agreement by which any one is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void.

Exception 1.-Saving of agreement not to carry on business of which good-will is sold.--One who sells the good-will 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 good-will 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.

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1. Exceptions 2 and 3 rep. by Act 9 of 1932, section 73 and Schedule II.
