

FROM PROTECTIVE DOCTRINE TO MODERN COMPLEXITIES: THE EVOLUTION OF MINOR'S AGREEMENT IN INDIAN CONTRACT LAW

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Mohori Bibi vs Dharmodas Ghose is a landmark in the Indian contract law on the status of the agreement of a minor. Before 1903, it remained undecided whether a minor could enter into a contract and the legal validity of a contract with a minor was purely unclear. This case gave the Privy Council an opportunity to eliminate all the doubts that had existed over the years regarding the status of the agreement of the minor. The current paper has attempted to examine the instant case in the context of the relevant clauses of the Indian Contract Act, 1872 and the Indian Majority Act, 1875 with the view to the various legal consequences and problems that remain unaddressed.

Introduction

The Privy Council decision in *Mohori Bibi v. Dharmodas Ghose* stands as one of the most significant judicial-pronouncement that has shaped a major aspect of the Indian contract law¹. This judgement is not merely an extended interpretation of section 11 of the Indian Contract Act but it's about the safeguarding approach and welfare-oriented rationale embedded in the Indian Contract Act, 1872, for the minors who are, being the most vulnerable segment of society. This Judgement explores various equitable doctrines such as restitution and specific relief, which emphasise the need for legislative clarity in the context of a minor's agreement status².

The present study has analysed the factual matrix, and the legal issues, reasoning, and implications of the judgment, which highlights its grey areas as the decision fails to address and answer emerging modern complexities of the society.

Facts of the Case

The dispute originated between two parties, Dharmodas Ghose- the plaintiff and Brahmo Dutt- the defendant. Dharmodas Ghose, was a minor who despite not attaining the age of majority obtained a loan from Brahmo Dutt, a money lender in Calcutta, by mortgaging his family's immovable property. After having initiated the agreement on 20th July 1895, Brahmo Dutt was out of station therefore, the contract, was further taken ahead through his attorney, Kedarnath. The mortgage was for an amount of Rs 20,000 at an interest of 12% however, the amount actually advanced was less than Rs 20,000¹.

Prior to the execution of mortgage deed, Brahmo Dutt's attorney Kedarnath had been informed by the mother of Dharmodas that he was still a minor and so not eligible to execute the deed but despite this, the attorney proceeded with the transaction.

Eventually, Dharmodas Ghose, along with his mother filed a suit on 10th September 1895 seeking mortgage deed to be cancelled and set aside owing to his minority.

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During the pendency of the petition, Brahma Dutt died and the suit was further indicted by his wife- Mohori Bibi in whose name the property was transferred. The defendants contended that the minor, having misrepresented his age, should be bound by the contract and even if the contract was void, he should be made to restore the amount already lent under this transaction.

The trial court held in favour of the minor which was further affirmed by the Calcutta High Court. The matter eventually went to the Privy Council^{1,3}.

Issues Before the Privy Council

The Privy Council considered three major issues:

1. Was the instant contract entered into by a minor absolutely void or merely voidable as per sections 10 & 11 of the Indian Contract Act, 1872?
2. Can the minor be compelled to restore the benefit (money) received under the doctrine of restitution?
3. Will the minor be bound by the doctrine of estoppel for misrepresenting his age⁴?

Contentions Raised by Both the Parties

Brahma Dutt- the Appellant:

1. The respondents fraudulently misrepresented his age and therefore is estopped from denying his majority under section 115(2) of the Indian Evidence Act.
2. The respondent shall be made to repay the lent amount under section 64(3) & 38(4) of the Indian Contract Act, 1872 and section 41 of the Specific Relief Act 1877

Dharmadas Ghose-the Respondent:

1. The respondent contended that the fact of his minority was communicated to the appellant's attorney-Kedarnath and then knowingly the deed was executed.
2. The respondent being minor at the time of contract formation, so the contract is void.

Detailed Judgment

The trial court held in favour of the respondents which was further affirmed by the Calcutta High Court. The matter eventually went to the Privy Council. and the privy council stated that the agreement made with a minor

is void ab initio or void from the very beginning based on following reasoning-

1. The Privy Council clarified that that estoppel cannot override a statutory incapacity. Allowing estoppel would otherwise cause validating a void contract, defeating the purpose of Section 11 of The Indian Contract Act, 1872¹.
2. The Privy Council moved further by stating that the provisions of sections 64 and 65 of the Indian Contract Act, 1872 cannot be invoked in the instant case because these sections are only applicable in case of valid agreement between the competent parties⁵.
3. The Privy Council also concluded that any amount lent in the instant case is not to be returned under section 41 of Specific Relief Act 1877 as this section provides for the restoration of benefits other than money.
4. Based on these reasonings, The Privy Council conclusively laid a precedent that any agreement with minor is void ab-initio- void from the very inception.

Critical Analysis

This judgement continues to be a cornerstone of contractual jurisprudence in India with both appreciation and critique. This judgement reflects Privy Council's respect and commitment for legislative intent in prioritising the minor's interest over contractual autonomy⁶. It anchors itself to safeguard exploitation of minors in contractual dealings by not making them liable for any sort of commitments made by them for which they were not capable legally under Section 11 of The Indian Contract Act, 1872. By denying the enforceability to any sort of minor's agreement, the judiciary undoubtedly succeeded in putting an end to all the loopholes likely to invoke a minor's liability but on the other side it has also limited the required pliability in modern commercial landscape. The precedent has failed to notice the situations where minors engage themselves in beneficial or other necessary transactions—such as educational loans, scholarships, apprenticeships, and other digital transactions. Moreover, the absolute restriction has also invited lot of operational challenges in e- commerce, where minors do exploit the available veil of incapacity to evade contractual liabilities after enjoying benefits^{1,5}.

Conclusion

Mohori Bibi vs Dharmodas Ghose¹ still happens to be a foundational case on agreement of minor's status under The Indian Contract Act, 1872. This judgement has strongly laid down this status as void ab initio protecting the welfare- centric framework of Contractual Law in India. The relevance and influence of this landmark continues even today but as the precedent was laid down in pre-digital age, the ruling fails to provide the comprehensive coverage to digital age challenges. □

References

1. Mohori Bibee v. Dharmodas Ghose, 30 Indian Appeals 114 (1903).
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3. Avtar Singh v. State of Punjab, AIR 1965 SC 666 (1965).
4. V. Shrivastava, *J. Indian Legal Stud.*, **15**, 45–58 (2021).
5. K. Vyas, *Indian Bar Rev.* **47**, 112–130 (2020).
6. S. Kumari, *Int. J. Law Policy Stud.*, **7**, 35–49 (2019).