

A Simple Silence as to Case isn't a Fraud

Section 17 of the Indian Contract Act, 1872 characterizes extortion as any act committed by a party to a contract with an expectation to betray another party there to or to actuate him to enter into the contract.

Fraud implies and incorporates any of the taking after acts committed by a party to a contract or with his conspiracy, or by his operators, with expectation to hoodwink another party or to initiate him to enter into the contract:

- The recommendation, of that which isn't genuine, by one who does not be true.
- The active concealment of a reality by one having knowledge.
- A guarantee made without any intention of performing it.
- Any other exercises implied to deceive.
- Any such act or exclusion as the law is uncommonly pronounced to be false. The common run of the show is that an individual requires not unveil to the other party the fabric truths which he knows but he must abstain from dynamic mis-statements. This implies unimportant quiet isn't an extortion. Clarification to **Section 17** moreover lays down that simple quiet as to the truths likely to influence the readiness of an individual to enter into a contract isn't a fraud.

There are In any Case Two Exemptions to this Rule

1.Where the circumstances of the case are such that, respect being had to them, it is the obligation of the individual to keep silent to speak.

Example. A sells by auction to B. His girl, who has just gotten to be a major, a horse which A knows to be unsound. Here A's quiet would sum to extortion, respect being had to the relationship between the parties.

2.Where the quiet is, in itself, identical to speech.

Example. B says to A, "In case you are not denying it, I might accept that the horse is sound." A says nothing. Here A's silence is equivalent to speech.