



Discuss the validity of contracts by minors?

According to the Indian Majority Act, 1875, a minor is a person who has not completed 18 years of his age on the date of the contract. But in the following two cases the minority of a person would continue up to the completion of 21 years of age:

- where a guardian to the person or property of a minor is appointed by the court.
- when the minor is under the guardianship of the Court of Wards, i.e. minor's property is looked after by the Court of Wards.

Validity of contracts by Minors:

1. Minor's contract is absolutely void

In **Mohori Bibi vs. Dharmodas Ghose** Privy Council held that a minor's contract is **void ab initio** and not merely voidable. A minor's agreement being absolutely void, neither the minor nor the other party acquires any right or incurs any liability under the agreement. So a minor is neither liable to perform what he has promised to do under an agreement, nor is he liable to repay money that he has received under it. The reason underlying this rule is that a minor is incapable of making a rational judgment of the effects of a contract in his own interest, i.e., he is not supposed to have the experience of judging what is good or bad for him.

However, **Section 68** of the Contract Act lays down "If a person, incapable of entering into a contract or anyone whom he is legally bound to support, is supplied by another person with necessaries suited to his condition in life, the person, who has furnished such supplies, is entitled to be reimbursed from the property of such incapable person."

2. Minor can be promised

An agreement is void as against a minor but a minor can derive benefit under a contract. The privilege of the minority is available to the minor only. Other people cannot avoid the contract because the promisee is a minor.

3. A minor's agreement cannot be ratified

Since an agreement with a minor is void ab initio, i.e., it does not exist in the eyes of law, it cannot be ratified by a minor after completing the age of majority.

4. A minor can always plead his infancy

So even if a minor has induced the other party by misrepresenting his age, he cannot be sued either in contract or in tort i.e., common law for fraud. But where a loan etc. is obtained by a minor by fraudulent representation and is set aside, the court may ask the minor to restore the property

purchased out of such money to the other party. This may be allowed by the court on equitable considerations.

5. Minor's parents.

Agreements made by a minor are not enforceable against his parents, even though they are for the necessities supplied to the minor. However, if the minor is acting as an agent for his/her parents, then the parents would be bound by the obligations agreed to by the minor.

The position of a minor as regards his agreements may be summed up as follows:

- An agreement with or by a minor is **void ab-initio**.
Example. A minor executed a mortgage for 20,000 and received 8,000 from the mortgagee. Then he sued for setting aside the mortgage. The mortgagee claimed a refund of 8,000 which he had paid. **Held**, an agreement by the minor was void and the mortgagee could not recover the amount of 8,000.
- An agreement with a minor cannot be ratified or approved by the minor on attaining the age of majority.
- If a minor has received any benefit under a void agreement, he cannot be asked to compensate or pay for it, as it would be an indirect method to enforce an otherwise void agreement.
- Estoppel does not apply to minors. A minor cannot be estopped to set up minority even when he enters into a transaction by falsely misrepresenting his age.
- There can be no specific performance of the agreements entered into by a minor as they are **void ab-initio**.
- A minor is liable for "necessaries" supplied or necessary services rendered to him or anyone whom he is legally bound to support.