



Helicopter View - Indian Contract Act - Unit 9

Agency

- Agent and Principal
- Test of Agency
- Who Can Employ an Agent
- Who Can be Agent
- Consideration for Agency

Extent of Agent's Authority

Ratification
7 Points

Duties and Obligations of an Agent

Sub Agents

- Who are Sub Agents
- What is Sub Agency
- When Agent Cannot Delegate
- When Agent Can appoint Sub Agent

Substituted Agent

Meaning of Substituted Agent

Relation between Principal and Substituted Agent to act in business of Agency

Agent's duty Naming such Person

Creation of Agency

Express Authority

Implied Authority

Agency by Estoppel

Agency by Necessity

Meaning

Condition

Rights of an Agent

Right to Retain out of Sum's Received on Principal's Account

Right to Remuneration

Agent's Lien on Principal Property

Right to Indemnity

Right of Indemnification of lawful Acts

Right of Indemnification against act done in Good faith

Non-liability of Employee of Agent to do Criminal Act

Personal liability of Agent to Third Parties [Sec-230]

Agents Cannot Personally enforce nor be bound by Contracts on behalf of Principal [Section -230]

Exceptions to Section- 230:

Where Contract is made by Agent with Merchant Resident Abroad/ Foreign Principal

When Agent do not disclose Name of Principal/ Undisclosed Principal

Non-Existent or Incompetent Principal

Pretended Agent

When Agent Excludes Authority

Rights of Third Party [Section 231 to 234]

Right of Parties to Contract made by Undisclosed Agent [Sec-231]

Performance of Contract with Agent supposed to be Principal [Sec-232]

Option of Third Person - Sue Agent or Principal

Consequences of Inducing Agent (or) Principal to Act on behalf that Principal (or) Agent will be held Exclusively Liable [Sec-234]

When Agency is Irrevocable

Termination of Sub Agent's Authority.

Principal liability to third Parties

Revocation of Authority

- Mode 1 → Revocation
- Mode 2 → Renunciation by Agent
- Mode 3 → Completion of Business
- Mode-4 → Death or Insanity
- Mode-5 → Principals Insolvency
- Mode-6 → Expiry of Time

Agent's duty on termination of Agency by Principal death/ Insanity.

When Termination of Agent's Authority takes effect as to Agent/ Third Person [Sec-208]

Introduction

Principal liability for Acts of Agent [Sec- 226]

Principal liability when Agent exceeds Authority [Sec-227]

When Principal Not bound by Acts of Agent

Exception Section 228

Exception Section 237

Consequences of Notice Given to Agent [Section 229]

Principal's liability for the Agent's Fraud/Misrepresentation/ torts [Section 238]

