

Essential Elements of a valid Contract:



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1. Offer and Acceptance: There must be a “lawful offer” and a “lawful acceptance” of the offer, thus resulting in an agreement.

2. Intention to create legal relation: There must be an intention among the parties that the agreement should be attached by legal consequences and create legal obligations. Social not give rise to a contract.

3. Lawful Considerations: An agreement is legally enforceable only when each of the parties to it, give something and get something. This something is the price for the promise and is called “Consideration”. Only those considerations are valid which ‘Lawful’

4. Capacity of parties: The parties to an agreement must be competent to contract, otherwise it cannot be enforced by a court. To be competent, the parties must be on majority age and of sound mind and must not be disqualified from contracting by any law to which they are subject.

5. Free Consent: “Consent “means that the parties must have agreed upon the same thing in the same sense. Consent is not enough for making a contract. That to must be free. It is said to be free when it is not caused by1. Coercion, or (i) undue influence, or (iii) fraud, or (IV) misrepresentation, or (v) mistake.

6. Lawful object: For the formation of a valid contract, it is also necessary that the parties to an agreement must agree for a lawful object. The object must not be fraud or illegal or immoral or must not imply injury to the person or property of other.

7. Writing and Registration: Generally, the contracts may be oral or written. But in special cases, it lays down that the agreement must be in writing or registered to be valid.

8. Certainty: Any agreement can be enforced if its meaning is certain or capable of being made certain agreements the meaning of which is not certain, are void.

9. Possibility of performance: The terms of the agreement must also be capable of performance physically as well as legally.

10. Not expressly declared void: The agreement must not have been expressly declared void under the act. There are some types of agreements which have been expressly declared to be void.