

The case of Mohori Bibi v. Dharmodas Ghosh- a landmark case in Indian contract law

The case of Mohori Bibi v. Dharmodas Ghosh is a landmark case in Indian contract law, which established that a contract entered into by a minor is void and not merely voidable. It also held that the minor is not liable to restore any benefit received under a void contract, as per section 65 of the Indian Contract Act, 1872

The facts of the case are as follows:

1. Dharmodas Ghose, a minor, mortgaged his property in favour of Brahmo Dutt, a money-lender, for a loan of Rs. 20,000 at 12% interest per annum.
2. The mortgage was executed through Kedar Nath, an agent of Brahmo Dutt, who knew that Dharmodas Ghose was a minor.
3. Dharmodas Ghose's mother sent a letter to Brahmo Dutt, informing him of her son's minority and requesting him to cancel the mortgage.
4. Dharmodas Ghose and his mother filed a suit to declare the mortgage void and to recover the title deeds of the property.
5. Brahmo Dutt died during the pendency of the suit, and his executors continued the litigation.
6. The executors contended that the mortgage was valid and enforceable, and that Dharmodas Ghose was bound to repay the loan with interest or to forfeit the property.

The main issues before the court were:

Whether the mortgage by a minor was void or voidable?

Whether the minor was liable to return the loan amount or any benefit received under the mortgage?

The court decided in favour of Dharmodas Ghose and held that:

1. The mortgage by a minor was void ab initio, as per section 11 of the Indian Contract Act, 1872, which states that a minor is not competent to contract.
2. The minor was not liable to return the loan amount or any benefit received under the mortgage, as per section 65 of the Indian Contract Act, 1872, which applies only to voidable contracts and not to void contracts.

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3. The principle of restitution or equity does not apply to a void contract, as there is no valid obligation between the parties.
4. The minor cannot be estopped from pleading his minority, as fraud or misrepresentation does not affect the validity of the contract.
5. The case of Mohari Bibi v. Dharmodas Ghosh is significant because it clarified the legal position of minors in contract law and protected them from being exploited by unscrupulous parties.
6. It also highlighted the difference between void and voidable contracts and the consequences of each. The case is still relevant and cited in many judgments and textbooks on contract law.

