

B. Com. Sem. III

Subject - Business ^{Law} ~~Maths~~

Topic - Free Consent (Part-3)

Undue Influence

According to Sec. 16(1) of the Indian Contract Act - Undue Influence is said to be induced by undue influence where the relations subsisting between the parties are such that one of the parties is in a position to dominate the will of the other and uses that position to obtain an unfair advantage over the other.

Sec. 16(2) of the Indian Contract Act defines the relations that may induce influence as under the following -

In particular and without prejudice to the generality of the foregoing principle, a person is deemed to be in a position to dominate the will of another.

In other words, undue influence is the use of a position

of power or authority to pressure another person into making a decision that they would not otherwise make often for the benefit of the influence. This is distinct from coercion, which involves physical force and threats, whereas undue influence relies more on manipulation or psychological pressure. It can occur in relationships where one party dominates the other, such as with a fiduciary relationship or when a person's mental capacity is compromised.

On the basis of above definition and meaning of undue influence, there are following aspects -

- i. Undue advantage
- ii. relationships based on
- iii. vulnerability and domination of will,

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