

## **Moot Court Exercise**

### **II Semester**

#### **MOOT PROPOSITION-2**

1. Sidd Malhar, a sixteen-year prodigy, citizen of Indiana was the recipient of the “Sensational Voice of the Nation” award. He was an astounding singer, extremely talented not only in Rap, Rock, Hip-Hop and Jazz but also in Classical and Folk. He wanted to develop his musical career by releasing fusion albums combining different genres and by engaging himself on world music tours. So, he wanted a multi-purpose, ultra-modern architectural marvel where he could have his recording studio, theatre - for live musical performances and a roof top pool for hosting parties. He misrepresented himself as a major and put the task out to tender.

2. M/s. Senghal & Senghal was a leading building constructor and infrastructure provider. They offered to do the entire work for Rs.10,00,000/-. Both the parties knew that this was an unrealistically low-price contract and the amount will be paid in installments in order of the completion of different phases of the assigned work.

3. Sidd accepted their offer and entered into a contract for construction of the multi-purpose building and for providing all amenities therein. According to the contract, the ground floor was for parking, the first floor was for the music theatre, the second floor was for the recording studio and the last floor for the roof top pool.

4. M/s. Senghal & Senghal completed the construction of the ground floor and first floor and ran out of money and materials for further construction. They informed Sidd that they could not complete the construction unless further capital was made available to them.

5. Sidd had arranged a poolside party to which he had invited top music directors, producers and other renowned individuals in the music industry whom he believed would fund for his dream music albums and music tours. So he was desperate to have the construction of the roof top pool completed as stipulated. He had requested for the continuance of the construction work and further requested to spend the remaining amount of Rs.7,00,000/- on the work out of their own funds and assured them that the money would be paid to them as soon as his album is released.

6. The roof top pool was completed and the party was a success. Sidd entered into a contract with Veenaghaana Producers who agreed to fund for the fusion albums and world tours. Sidd told Ms. Asha Senghal, the Manager of M/s. Senghal & Senghal “Madam, you have saved my career. Don’t worry about Rs.7,00,000/-.” Having this as a promise, M/s. Senghal & Senghal started a new project. However, Sidd’s new fusion music album was a disastrous flop. Social media enthusiasts and meme pages massively trolled him for his raucous and

bizarre fusion music. He then found himself unable to pay the amount of Rs.7,00,000/- to M/s. Senghal & Senghal.

7. Ms. Asha Senghal compelled Sidd to render a music performance in her daughter's birthday party. Apart from relatives and friends she had also invited rich people, in order to secure contracts regarding building, construction etc. and in return she agreed to release Sidd from paying the debts of Rs.7,00,000/-. Sidd agreed on this point and was ready for the music performance in the party. He also wanted to get back his lost reputation and start his career afresh. However before the party, he suffered from a severe sore throat due to over-repetition of rehearsals. Then he did not perform in Ms. Asha's party on the advice of his doctor.

8. On Sidd's eighteenth birthday, both the parties, on grounds of humanity, decided to alter the contract. Sidd acknowledged the debt taken from M/s. Senghal & Senghal for rendering past services and further both agreed on the same point that Sidd would pay the debt through easy monthly installments (EMIs) of Rs. 20,000/- per month till the repayment of the amount of Rs.7,00,000/-.

9. Sidd, later on, felt that the work done by M/s. Senghal & Senghal was not performed as he had specified. He further pointed out that the material used for constructing was substandard and not satisfactory. He estimated that this would have cost them Rs.3,00,000/- only. He claimed that he had paid the money already.

10. Sidd then decided to dispose off his property, without paying a single dime to M/s. Senghal & Senghal. When all this foul play came to their knowledge, they tried to restrain him by putting enormous pressure in order to recover their money amounting to a total sum of Rs.7,00,000/- which they spent on the construction and amenities. Even after such prolonged period and altered mode of payment, M/s. Senghal & Senghal could not recover the debt from Sidd. As a last resort, they sent him a legal notice, stating that the money shall be repaid within 15 days. However, Sidd did not send any correspondence or reply to the said notice.

11. In this context, M/s. Senghal & Senghal finally decided to seek remedy from the Court of Law in this regard. The suit was filed by M/s. Senghal & Senghal before the Civil Court of Sardam, in the State of Indiana on the ground that they had constructed the building as per the terms of the contract and had taken all the diligent steps to recover the loan made available to Sidd Malhar for Rs.7,00,000/- but now he refused to pay the said amount and alleged fraud against him. They also prayed for injunction restraining Sidd from selling the property until the suit was disposed off.

12. The Civil Court of Sardam heard the matter and held that a minor's contract is void ab inito and thus set Sidd free from all his liabilities towards M/s. Senghal & Senghal by upholding the judgment passed in Mohori Bibee v. Dharmodas Ghose. The plea of restitution raised by the Plaintiff was rejected and injunction was not granted. 13. M/s. Senghal & Senghal preferred an appeal before the High Court of Sardam. The High Court granted injunction and decided to hear the case on merits. The following are the issues framed for consideration :

- i. Whether there is a valid contract between M/s. Senghal and Senghal and Mr. Sidd Malhar?
- ii. Whether the judgment passed in Mohori Bibee v. Dharmodas Ghose needs reconsideration?
- iii. Whether the Civil Court of Sardam was correct in rejecting the plea of restitution?

**Note:**

\*Any other relevant issue that the mooters find appropriate can be raised, subject to a maximum of four issues in total.

\*The principles of supply of 'necessaries', frustration of contract, estoppel, ratification and novation may be relied upon.

\*Laws of Indiana are *pari materia* to laws in India.

\*Common Law judgments and other foreign judgments hold high persuasive value in Indiana.