

INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 7 | Issue 4

2024

© 2024 *International Journal of Law Management & Humanities*

Follow this and additional works at: <https://www.ijlmh.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com/>)

This article is brought to you for “free” and “open access” by the International Journal of Law Management & Humanities at VidhiAagaz. It has been accepted for inclusion in the International Journal of Law Management & Humanities after due review.

In case of **any suggestions or complaints**, kindly contact Gyan@vidhiaagaz.com.

To submit your Manuscript for Publication in the **International Journal of Law Management & Humanities**, kindly email your Manuscript to submission@ijlmh.com.

Case Related to Undue Influence under Law of Contracts: Lakshmi Amma Vs. T Narayana Bhatta

RISHITA RAJ¹

ABSTRACT

In contract law, the principle of free consent is crucial because it safeguards agreements against coercion, duress, or misrepresentation, ensuring justice and equity. The legal matter of Lakshmi Amma v. T Narayana Bhatta provides an illustration of this principle's critical nature. With poor health and diminished mental ability, Narasimha Bhatta was purportedly persuaded to sign a settlement deed that was disputed for undue influence by his grandson, T Narayana Bhatta. The deed gave the grandson full ownership of Narasimha's holdings, but Lakshmi Amma, Narasimha's wife, filed legal challenges, claiming her husband signed the deed under duress and incompetence. Due to respondent's undue influence and Narasimha's mental state being compromised, the trial court initially declared the deed and will to be invalid. The Supreme Court affirmed this ruling, emphasizing that the deed was voidable due to the lack of free consent, as mandated by the Indian Contract Act of 1872. The respondent used his dominant position over the mentally and physically weak Narasimha to exert undue influence, as noted by the court.

The case serves as a reminder of the court's examination of consent in contract law and the safeguards it provides against improper influence. It illustrates how the legal system keeps contracts equitable and keeps weaker parties from being taken advantage of. In order to maintain the integrity of legal agreements, this ruling upholds the idea that contracts must be entered into voluntarily and free from coercion or manipulation.

Keywords: *undue influence, settlement deed.*

I. INTRODUCTION

In the realm of contract law, the principle of free consent is fundamental to ensuring a fair and equitable exchange between parties. It protects against any compulsion, duress, or misrepresentation that would void the contract. Lakshmi Amma v. T Narayana Bhatta, is a well-known case of undue influence and highlights the significance of free consent. The court's ruling in this instance emphasized the importance of free consent in the context of contract law.

¹ Author is a student at Symbiosis Law School, Noida, Uttar Pradesh, India.

(A) Issue

- Was the settlement deed EXT.B-3 issued under conditions that made it void and invalid?
- Was this a situation involving undue influence?

II. FACTS

The complainant, Narasimha Bhatta, had long-term diabetes and was in poor physical and mental health. He was transported to Mangalore in December 1955 by the respondent, who was his grandson, T. Narayana Bhatta, along with his wife Lakshmi Amma. He was then admitted to the Ramakrishna Nursing Home. Later the respondent was successful in obtaining Plaintiff's Exhibit B-3 by exerting undue influence. By way of this deed of settlement, the plaintiff gave the respondent all the properties in which he was holding only life interests for himself while also making some sizeable provisions for his wife upkeep. The respondent was then sued by the appellant Lakshmi Amma, who claimed that the settlement deed and will were invalid because they were signed under duress and when plaintiff's mental capacity was impaired. By its ruling on March 31, 1959, the Trial court dismissed the case, concluding that both the deed of settlement Ext. B-3 and the will were unlawful. It was determined that the plaintiff was of weak mental capacity at the time of the execution and was unable to properly care for himself and manage his affairs. The respondent then filed an appeal with the High court. The plaintiff passed away on October 8, 1959, while the appeal was pending. As a result, by decision of the court dated November 30, 1959, his widow Lakshmi Amma, and their daughters Adithiamma and Parameshwariamma were appointed as legal representatives.

III. RULES

Under The Indian Contract Act of 1872, Chapter 2 of Contracts, Voidable Contracts and Void Agreements Section 16 Undue Influence is defined as an equitable principle that prohibits taking advantage of another person's position. It is applicable when there is an existing relationship between the parties. One party exerts influence over the other side's will. The individual controlling the other person will gains an unfair edge over them.

Section 17 Free Consent is defined as "Consent" is deemed free when it is not brought about by Coercion (Section 15), Undue influence (Section 16), fraud (Section 17), misrepresentation (Section 18), mistake (Section 20, 21 and 22).

IV. ANALYSIS

Hon'ble Judges/Coram: A.N. Grover, J.C. Shah and K.S. Hegde, JJ.

Appellant: Lakshmi Amma

Respondent: Talengalanarayana Bhatta

Judgement Date: 10 March ,1970

This case is based upon undue influence between Narasimha Bhatt, plaintiff and T. N Bhatta, respondent. Respondent No. 1 had been monitoring and caring for the executant and was granted complete permission to use properties and to profit from them for the rest of his life. After Narayana Bhatta passed away, permission was granted to take control of his property. Narayana Bhatta was to provide for his ongoing maintenance. The executant was supposed to pay off some debts that were listed, but if they were not, Narayana Bhatta was supposed to discharge them. Since his first two wives passed away before he married her, Narasimha Bhatta made very little provision for his third wife. She was primarily at responder No. 1 mercy. Although there was a residential house, no provisions were made for her to have the right to live there until she passed away. Evidently, there was no justification for him to leave neither for his two daughters or to his other grandchildren, but rather leave his entire inheritance to respondent No. 1, one of his grandsons. On December 16, 1955², it was later entered into the Joint Sub-Registrar's book. In the subject of having Ext. B-3 executed and registered, which contained, according to the trial court, Upendra Naik was the driving force behind respondent favour. As an attesting witness, he testified that respondent No. 1 was not even present when the draft was created or the document was registered, and that it was Narasimha Bhatta who gave the directions on how to draft the document. A draft was created and read over to him, and Ext. B-3 was only written after the draft had been approved by him. At first, the trial Court had not questioned the scribe. His statement was recorded in accordance with the High Court's instructions. He claimed that the document Ext. B-3 was written by him at his home without any drafts being made, he added his own signature as a witness to the attestation. When specific documents of title were given to him, he testified that he wrote the document Ext. B-3. He was approached by Respondent No. 1 and another person, his friend Adakala Ramayya Naik, who instructed him to fill up Exhibit B-3. He added that he only met Narasimha Bhatta on the day of registration, not when he completed Ext. B-3. He used to draft documents for Narasimha Bhatta because they were longtime friends and colleagues. He was informed that Narasimha Bhatta was at the nursing home by the person on whose behalf the document was to be made, in this case Ramayya Naik, and he gave instructions for writing the paper himself and would

² Lakshmi Amma vs T Narayana Bhatta (1970) Narayana Bhatta v. Lakshmi Amma | Kerala High Court | Judgment | Law | CaseMine

provide instructions. Narasimha Bhatta was in a nursing home and the document was created. The scribe did not even speak with Narasimha Bhatta, nor was any draft created with his approval and submitted to the scribe from which to create Ext. B-3. We believe that the trial judge acted correctly by not relying on the testimony of Mangalore's Joint Sub-Registrar K. Shaik Ummar, as his claim was not trustworthy³. He said that Lakshmi Amma was there throughout the registration process but did not raise any concerns about the paper being registered. He acknowledged that the executor's hands were trembling when he signed the document, diabetic Narasimha Bhatta fell and could not move his left arm or left leg for the rest of the day. His brain functions were also compromised. Then, his condition got worse and Respondent No. 1 was able to complete a will that was primarily in his favour five or six months prior to his passing. Dr. K.P. Ganesan, took first place. He was a very skilled physician, and in accordance with his account, he and Dr. Vishwanath Shetty were taken to the house of Narasimha Bhatta in the Sodhankur village to inspect him. Dr. Ganesan asserted that he was not suffering from partial paralysis and could understand the questions that were put to him and was judged to be mentally sound and Ext. B-3 was likewise a document he had attested to. However, the trial court disregarded this evidence's assertion that doctors are not required to vouch for a will or other documents of the kind in Exhibit B3⁴. Plaintiff is represented by Dr. Kambali. According to him, the plaintiff received care from him between March 6 and March 12, 1956. He also provided certificate Ex. A -1⁵, which claimed that the plaintiff was frail and suffering from memory loss.

V. JUDGEMENT

By overturning the ruling of the Kerala High Court, the Supreme Court maintained the judgment of the trial court. Trial court ruled that plaintiff was mute and unable to respond when the court inquired about his name. The court ruled that neither a draft nor any instructions supplied to the scribe about the deed were created at Narishma Bhatta's request. The highest court ruled that the plaintiff had a close relationship to the way the document was executed by applying pressure to the plaintiff while he was mentally ill and unable to grasp what he was doing. It was decided that the defendant did not present any records or authenticated material to back up their testimony. Exhibit B3's deposition was unnatural and unconscionable because the defendant was unable to demonstrate why the plaintiff had given all his property to the defendant, only

³ Lakshmi Amma v. T Narayana Bhatta (1970) <https://lawplanet.in/lakshmi-amma-vs-t-narayana-bhatta-case-summary-1970>

⁴ Lakshmi Amma v. T Narayana Bhatta (1970) <https://www-sconline-com.eu1.proxy.openathens.net/>

⁵ Lakshmi Amma v. T Narayana Bhatta Manupatra <<https://www.manupatrafast.com/>>

depriving him of the right to use it. As a result, the appeal was successful, and the execution of the sale deed was declared invalid due to the absence of free consent.

VI. CONCLUSION

I am in favour of judgement of honourable Supreme Court in this case where the court determined that the absence of the free consent required by the Indian Contract Act of 1872 rendered the making deed voidable due to their mental state, the defendant has a dominant position over the grandpa and is therefore subject to undue influence. Since there is a fiduciary connection between the parties, the defendant employs dominant position to enforce the deed. Since all conditions for undue influence have been met, the defendant must be held accountable. The plaintiff does not specify any right to live in a home until his wife passes away, and the defendant is unable to show why the plaintiff does not transfer the entire state to the plaintiff's other children. This instance serves as a reminder of the significance of free consent in contracts, which protects weaker parties from exploitation. This decision upheld the significance of consent in maintaining the fairness of legal agreements. The deed was deemed voidable at the discretion of the parties due to improper influence by the court. It also emphasizes how important insights into how laws and principles are applied can come from judicial cases, illuminating the complexity of the legal system. This case aids in the analysis of how the law safeguards the weak against exploitation by ensuring that contracts are entered into voluntarily. It demonstrates that one cannot get into a contract by preying on another person's weakness.
