

(vii) Liability of Principal and Agents to 3rd parties:

(a) Liability of Principal:

- (i) For the acts of agent which are within the authority of agent (Sec. 226)
- (ii) For the acts of agent when agent exceeds authority (Sec. 227 and 228)
 - (a) separable acts: Principal is liable only for the part which is agent authority.
 - (b) Non-separable act: Principal is not liable unless ratified.
- (iii) For the Notice given to agents (Sec. 229):
- (iv) For the agent's fraud, misrepresentation or torts (Sec. 238)

(b) Personal liability of Agent to 3rd parties:

- (i) Sec. 230: In the absence of any contract to contrary, an agent cannot personally enforce contracts entered into by him on behalf of his Principal, nor he is personally bound by them.

(ii) Personal liability of Agents:

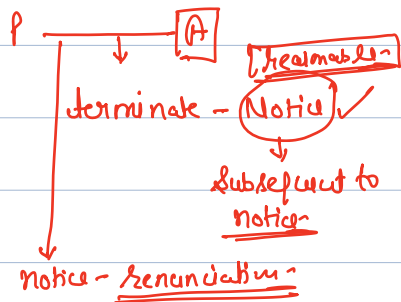
- (a) In case of foreign Principal.
- (b) " " " Undisclosed "
- (c) " " " non-existent or incompetent Principal
- (d) " " " pretended agency.
- (e) If agent exceeds his authority.

(c) Rights of 3rd parties:

- (i) Rights of parties to a contract made by undisclosed agent (Sec. 231)
- (ii) Performance of contracts with agents supposed to be principal (Sec. 232)
- (iii) Option to sue agent or the Principal (Sec. 233 and 234)

(viii) Termination of Agency: putting an end to the legal relationship between principal and agent.

(a) Modes of Termination: Agency contract may be terminated on various aspects:



(i) Termination by revocation of authority
(Sec. 203 to 207)

(ii) Termination by renunciation of agency by agent
(Sec. 205 and 206)

(iii) Completion of business.

(iv) Death of Principal or Agent

(v) Termination due to incapacity of Principal or Agent.

(vi) Insolvency of Principal.

(vii) Expiry of time.

(b) When agency is irrevocable: Sec. 202

Agency becomes irrevocable when the agent is personally interested in subject matter of agency.

Ex: Mr. P → Mr. A to sell his land and out of sales value pay himself for the debts due to him from P

(c) Effects of termination: (Sec. 208 - 210)

(i) Effective date of termination (Sec. 208)

(ii) Agent's duty on termination of agency due to death of Principal (Sec. 209)

(iii) Termination of Sub-Agent's authority (Sec. 210).