

RESCISSION (SECTIONS 27-30)

Section 27 of the Specific Relief Act, 1963 deals with the circumstances in which a contract may be rescinded or refused to be rescinded. The section provides the following provisions:

• **Grounds for Rescission:** Any person with a vested interest in a contract can sue for its rescission. The court may adjudicate the rescission of the contract in the following cases:

- The contract is voidable or terminable by the plaintiff.
- The contract is unlawful for reasons not apparent on its face, and the defendant is more responsible for the unlawfulness than the plaintiff.

• **Grounds for Refusal of Rescission:** Notwithstanding the provisions in sub-section (1), the court may refuse to rescind the contract in the following situations:

- The plaintiff has expressly or implicitly ratified the contract.
- Due to circumstances that have occurred since the contract was made (not due to any act of the defendant), the parties cannot be substantially restored to their original positions.
- Third parties have acquired rights in good faith and for value during the existence of the contract.
- Only a part of the contract is sought to be rescinded, and such part is inseparable from the rest of the contract.

Section 28 addresses the rescission of contracts for the sale or lease of immovable property when a decree for specific performance has been granted but the purchaser or lessee fails to pay the required amount within the specified time. The provisions state that the vendor or lessor may apply for rescission of the contract, either partially or entirely, and the court may order such rescission as it deems just. The court may also direct the restoration of possession to the vendor or lessor and the payment of accrued rents and profits. If the purchaser or lessee pays the required amount within the given period, the court may award further relief, including the execution of a conveyance or lease and delivery of possession.

Section 29 allows a plaintiff in a suit for specific performance to pray alternatively for rescission and cancellation of the contract if specific enforcement is not possible. If the court refuses to enforce the contract specifically, it may order the contract to be rescinded and delivered up for cancellation.

Section 30 empowers the court, upon granting rescission of a contract, to require the party receiving such relief to restore any benefit received from the other party and make any compensation deemed just by the court.

These sections provide a legal framework for the rescission of contracts and outline the circumstances under which rescission may be granted or refused. The court's discretion plays a significant role in determining whether rescission is appropriate and the subsequent equitable actions to be taken.