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MEDICAL CONTRACTS IN INDIA: AN ANALYSIS UNDER THE INDIAN CONTRACT ACT, 1872

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INTRODUCTION

The legal rules that guide Medical Contract in India are an important part of healthcare law. They help regulate the doctor patient relationship and balance the rights, duties and responsibilities of both sides. A medical contract is basically an agreement between a doctor or hospitals and a patient, which sets out the terms of medical care like diagnosis, treatment, confidentiality, and ethical duties. With healthcare becoming more commercial, patients becoming more aware of their rights, and the rise in medico-legal disputes, having a clear legal framework is essential to maintain trust in the system. In India, Medical Contract are mainly governed by the Indian Contract Act, 1872 which provides the general rules of contracts like offer, acceptance, consideration, and lawful purpose. But unlike regular commercial contracts, Medical Contract also involve trust, ethics, and duties that come from medical laws and professional responsibilities.

Patient rights have become stronger under the Consumer Protection Act, 2019, which treats medical services as a consumer service. This means patients can file cases for medical negligence or breach of contract. Other laws, like the Clinical Establishments Act, the Drugs and Cosmetics Act, and the National Medical Commission Act, also play a role in regulating medical practice.¹⁶²⁵ One of the most important aspects of Medical Contract is informed consent, which ensures that patients fully understand and agree to the treatment before it starts. Negligence and breach of duty are also key issues, especially when it comes to cases of medical malpractice. Indian courts have given many important judgments in this area, shaping how liability is decided.¹⁶²⁶

This paper will look closely at the laws, court rulings, and ethical principles that define Medical Contract in India. It will study the nature of these contracts, the responsibilities of doctors, the rights of patients, the importance of consent, and the effect of new legal reforms. The aim is to give clear picture of the legal protections available to both doctors and patients. This research is especially relevant today, with growing focus on medical ethics, consumer protection, and digital healthcare, all of which are changing the future of Medical Contract in India.

¹⁶²⁵ Consumer Protection Act, 2019, Act No. 35 of 2019

¹⁶²⁶What is Informed Consent and How Does it Affected Medical Procedures https://saspublishers.com/media/articles/SJAMS15455-463_ZPY7XBW.pdf Last seen on 18/01/2026

INDIAN CONTRACT ACT, 1872

The relationship between a doctor and patient in India is not merely social or humanitarian; it is fundamentally legal and contractual in nature. Whenever a patient approaches a medical practitioner for diagnosis or treatment and the petitioner agrees to provide medical service a medical contract is formed. This contract may be expressed such as signing a consent form or implied from the conduct of the parties. Unlike commercial contracts, however, medical contracts are grounded in trust, professional ethics, and the duty to preserve life. The law recognizes that patients approach doctors in vulnerable conditions, and therefore the obligations imposed on the medical professionals are higher than those in ordinary service contracts.

Historically, the concept of medical liability in India evolved from English common law principles during the colonial period, where medical negligence was treated as a tort rather than a contractual breach. Over time, especially after the expansion of consumer protection laws in the late twentieth and early twenty-first centuries, medical services began to be viewed through both contractual and consumer rights frameworks. Judicial decisions in the 2000s clarified that the doctor-patient relationship involves implied promises such as exercising reasonable skill, obtaining informed consent, and acting in the patient's best interest while not guaranteeing a cure. Thus, modern Indian jurisprudence treats medical contracts as special contracts shaped by both private law principles and public welfare considerations.¹⁶²⁷

The nature of a medical contract is therefore fiduciary, service-oriented, and duty-based. It imposes obligations on the doctor to provide competent care, maintain confidentiality, disclose risks, and respect patient autonomy. At the same time, the patient

has duties to provide accurate medical history, follow prescribed treatment, and pay reasonable fees. Because medical science involves uncertainty, the law evaluates a doctor's conduct based on the standard of a reasonably competent practitioner rather than the outcome of treatment. This distinguishes medical contracts from result-oriented commercial agreements.¹⁶²⁸

The primary objective of recognizing medical contracts in India is to balance two crucial interests: protecting patients from negligence and ensuring that medical professionals can perform their duties without fear of unfair liability. Legal regulation also promotes accountability, transparency, and ethical practice in healthcare delivery. In the twenty-first century, with rapid technological advancement, corporate hospitals, telemedicine, and increased patient awareness, the concept of medical contracts has gained even greater significance. It now serves as a foundation for patient rights, professional responsibility, and the overall integrity of the healthcare system.¹⁶²⁹

NATURE AND FORMATION OF THE DOCTOR PATIENT CONTRACT

The doctor patient relationship in India is legally recognised as a contractual relationship governed by the principles of Indian contract act 1872. Although it may not always appear like a formal commercial agreement the essential ingredients of a valid contract are present when a patient approaches a doctor for treatment and the doctor agrees to provide medical care.

1. Definition of Agreement and Contract

Under Section 2(e) of the Indian Contract Act, an "agreement" is defined as every promise and every set of promises forming the consideration for each other. Section 2(b) states that when a proposal is accepted, it

¹⁶²⁷ Indian Med. Council (Pro. Conduct, Etiquette & Ethics) Reguls., 2002, Gazette of India, Apr. 6, 2002

¹⁶²⁸ N.M. Veerabhadraiah, Medical Negligence and Liability in India: Emerging Trends, 3 Indian J. Med. Ethics 12 (2006)

¹⁶²⁹ R.K. Nayak & S. Singh, Doctor-Patient Relationship and Informed Consent in India, 52 J. Indian L. Inst. 201 (2010)

becomes a promise. Further, Section 2(h) provides that an agreement enforceable by law is a “contract.”¹⁶³⁰ in simple terms when two parties agrees on certain terms and the law recognises that agreement as binding, it becomes a contract.

In medical context, when a patient seeks consultation or treatment and the doctor agrees to examine or treat the patient for a fee (or other lawful consideration), a legally enforceable agreement is formed. This means the doctor is under a legal duty to exercise reasonable care and skill, and the patient is obliged to cooperate and pay the agreed charges.

2. Offer and Acceptance in Medical Practice

The formation of a doctor–patient contract follows the classic structure of offer and acceptance. When a patient approaches a clinic, books an appointment, registers at a hospital, or requests medical advice, this act can be treated as an offer to receive medical services. The doctor’s agreement to examine, admit, or treat the patient amounts to acceptance of that offer. Once this acceptance takes place, the contractual relationship begins.¹⁶³¹

For example, when a hospital admits a patient after registration and payment of initial charges, a Contract is formed. Similarly, when a doctor agrees to treat a patient during an outpatient consultation, even without a return agreement, and implied contract arises from the conduct of both parties. Modern practices such as online appointment bookings or telemedicine consultation also create contractual relationship once the doctor agrees to provide professional advice.

3. Formation in Emergency Situations

Emergency situations are slightly different but still legally recognised. In cases where a patient is unconscious or incapable of giving consent, the law implies a contract

based on necessity. Although there may not be express communication of offer and acceptance, the doctor’s act of providing urgent medical care is supported by quasi-contractual principles under the Indian Contract Act. Courts have emphasised that preservation of life takes priority, and doctors are expected to provide immediate care without waiting for formalities.¹⁶³²

4. Nature of the Doctor– Patient Contract

The nature of the doctor–patient contract is special and fiduciary. Unlike commercial contracts that guarantee specific results, a medical contract does not promise a cure. Instead, it obligates the doctor to exercise reasonable skill, competence, and diligence consistent with accepted medical standards. The Supreme Court has clarified that a medical professional is expected to bring a reasonable degree of care and knowledge to the task but is not an insurer of successful outcomes.¹⁶³³

The relationship is also built on trust, confidentiality, and good faith. Because patients often seek treatment in vulnerable conditions, the law imposes a higher standard of responsibility on healthcare providers. At the same time, patients are expected to provide truthful medical history and follow prescribe advice.

CONSIDERATION IN MEDICAL SERVICES

In contract law, consideration is the value exchanged between parties that makes an agreement legally binding. Section 2(d) of the Indian Contract Act, 1872 defines consideration as something done, abstained from doing, or promised to be done at the desire of the promisor.¹⁶³⁴

In simple terms, it is the “price” paid for the promise. Without consideration, most agreements cannot be enforced as a contract.

¹⁶³⁰ Indian Contract Act, 1872, Section 2(b), 2(c), 2(h)

¹⁶³¹ R.K. Bangia, *Law of Contract* 34–37 Allahabad Law Agency 2022.

¹⁶³² Law Comm’n of India, 201st Report on Emergency Medical Care to Victims of Accidents (2006), <https://lawcommissionofindia.nic.in> last visited Feb. 10, 2026

¹⁶³³ Indian J. Med. Ethics, The Doctor–Patient Relationship in Contemporary India, <https://ijme.in> last visited Feb. 10, 2026.

¹⁶³⁴ Indian Contract Act, 1872, Section 2(d).

In the medical context, consideration refers to what the patient (or someone on the patient's behalf) gives in return for the doctor's professional services. Although Healthcare is rooted in compassion and ethics, it is also recognised in law as a service rendered for value, thereby creating enforceable rights and obligations.

1. Consultation Fees and Professional Charges

The most common form of consideration in medical services is the payment of consultation fees. When a patient pays a doctor for examination, diagnosis, or advice, this payment constitutes lawful consideration. Even if the fee is modest or paid after the consultation, the contractual relationship remains valid because the service is provided in expectation of payment.¹⁶³⁵

Hospital charges such as room rent, nursing fees, investigation cost, surgical charges, and medicines expenses also form part of consideration. Once a patient agrees to be admitted and the hospital undertakes treatment, this financial obligation supports the medical contract.

2. Insurance Payments as Consideration

In modern healthcare systems, patients often do not pay directly. Instead, health insurance companies settle the expenses. Legally, this does not affect the existence of consideration. Payment by a third party on behalf of the patient is still valid consideration under contract law.¹⁶³⁶

Thus, in health treatment schemes the insurer's payment to the hospital fulfills the patient's obligation, and the contractual obligation remains intact between the patient and the healthcare provider.

3. State Funded and Public Healthcare

A more complex situation arises when treatment is provided in government hospitals

where patients may receive services free of charge or at highly subsidised rates. Even in such cases, the law recognises that consideration may exist in indirect forms. Public funds, taxes, or statutory schemes support these services, and the hospital still undertakes legal and professional duties toward patients.¹⁶³⁷

Indian courts have acknowledged that the medical services rendered by the government institutions are not purely charitable in nature; they are part of the state's obligation to protect life and health. Therefore, the absence of direct payment does not neglect the duty of care owed to patients.

4. Charitable and Gratuitous Services

If a doctor provides treatment entirely free of cost without expectation of payment, the issue of consideration becomes nuanced. In such fairly charitable situations, a strict contractual relationship may not arise. However, doctors are still bound by the professional standards and may incur liability under tort law of negligence. Thus, even without consideration, legal accountability does not disappear.

For consideration to be valid under Section 2(d), it must be lawful. Agreements for illegal procedures or unethical practices would not be enforceable. Medical treatment must therefore comply with legal and professional regulations. Lawful consideration ensures that the medical contract operates within the framework of public policy and patient welfare.¹⁶³⁸

Consideration in medical services can take many forms: direct payment by the patient, insurance reimbursement, government funding, or other lawful benefits. Regardless of the source, it represents the value exchange for the professional healthcare services and is a crucial element in forming a valid medical contract under the Indian Contract Act, 1872.

¹⁶³⁵ Avtar Singh, *Law of Contract and Specific Relief* 78–80 Eastern Book Co. 2021

¹⁶³⁶ Pollock & Mulla, *Indian Contract and Specific Relief Acts* 215–17 LexisNexis 2022

¹⁶³⁷ Indian Medical Association v. V.P. Shantha, (1995) 6 S.C.C. 651

¹⁶³⁸ Law Comm'n of India, 201st Report on Emergency Medical Care to Victims of Accidents (2006), <https://lawcommissionofindia.nic.in> last visited Feb. 12, 2026

Understanding the concept helps clarify that healthcare, while humanitarian in nature, also operates within a structure legal framework that protects both patient and medical professionals.

CAPACITY AND COMPETENCY OF PARTIES

For any contract to be legally valid, the parties entering into it must be competent to contract. Section 11 of the Indian Contract Act, 1872 states that a person is competent if they (1) are of the age of majority, (2) are of sound mind, and (3) are not disqualified by any law.¹⁶³⁹ In the medical contract this principle determines whether a patient can legally consent to treatment and enter into doctor patient contract.

1. Adults of Sound Mind

An adult patient who understands the nature and consequences of medical treatment is fully competent to contract. When such a patient consults a doctor, agrees to treatment, and pays for services, a valid medical contract is formed. The patient can also give legally binding informed consent for procedures, surgeries and investigations.

Indian courts emphasise that consent must come from a person capable of understanding the risks, benefits, and alternatives. A competent adult therefore has the right to accept or refuse treatment, even if refusal may harm their health.¹⁶⁴⁰ This principle protected personal autonomy and bodily integrity.

2. Minors (Persons Below 18 years)

Under Indian law, a minor cannot enter into binding contract. agreements with minors are generally void from the beginning in healthcare, this creates special challenges because minors often require medical treatment but lack legal capacity to consent. Therefore, consent is usually obtained from the parents or legal guardians. Guardians act in the

best interest of the child and can authorise treatment surgery, hospital admission, and related procedures. However, doctors must still consider the child's welfare and, where possible, explain the procedure in age-appropriate language. In emergency, treatment proceed even without guardian consent if delay would endanger the child's life. This reflects the legal doctrine of necessity and the duty of doctors to save life.

3. Persons of Unsound Mind

A person suffering from mental illness or cognitive impairment may lack the ability to understand medical decisions. Under Section 11, such persons are not competent to contract if they cannot comprehend the nature of the agreement at the time it is made.¹⁶⁴¹

In medical practice, consent is then obtained from a legally authorised representative, such as a guardian, family member, or court-appointed caregiver. Indian mental health law also recognises supported decision-making, emphasising the rights and dignity of persons with mental illness while ensuring necessary care.¹⁶⁴²

4. Unconscious or Incapacitated Parties

Patients who are unconscious, severely injured, or otherwise incapable of communication cannot provide consent at all. In such situations, waiting for consent may risk death or serious harm.

The law recognises that doctors may proceed with necessary treatment under the doctrine of implied consent or necessity. This creates a quasi-contractual obligation, allowing medical intervention to preserve life even without express agreement.¹⁶⁴³ Courts have repeatedly affirmed that saving life is a paramount duty of healthcare providers.

¹⁶⁴¹ Mental Healthcare Act, 2017, No. 10 of 2017, India; see also Ministry of Health & Family Welfare, Government of India, <https://www.mohfw.gov.in> last visited Feb. 15, 2026

¹⁶⁴² Pt. Parmanand Katara v. Union of India, (1989) 4 S.C.C. 286

¹⁶⁴³ Law Comm'n of India, 201st Report on Emergency Medical Care to Victims of Accidents (2006), <https://lawcommissionofindia.nic.in> last visited Feb. 15, 2026

¹⁶³⁹ Indian Contract Act, 1872, Section 11.

¹⁶⁴⁰ Samira Kohli v. Dr. Prabha Manchanda, (2008) 2 S.C.C. 1

5. Role of Guardians and Representatives

Guardians, patients, or legally authorised representatives play a crucial role when the patients lack capacity. They provide consent, make treatment decisions, and assume contractual responsibilities such as payment of medical expenses. Their decisions made must be guided by the patient's best interest and welfare. However, healthcare providers must still exercise independent professional judgment. They are not bound to follow requests that are medically inappropriate, illegal, or harmful.

Competency rules ensure that consent in the medical contract is meaningful, voluntary, and legally valid. The balance two important objectives: protecting vulnerable patients who cannot decide for themselves and presenting the autonomy of those who can. In modern healthcare, assessing capacity is therefore a critical step before undertaking sufficient medical procedures.

CONSENT IN MEDICAL CONTRACT

Consent is the foundation of any valid contract, including medical contracts. In healthcare, consent represents the patient's voluntary agreement to receive examination, diagnosis, or treatment from a doctor. Under Section 13 of the Indian Contract Act, consent is said to exist when two or more persons agree upon the same thing in the same sense.¹⁶⁴⁴ In simple terms both the doctor and the patient must clearly understand and agree to what treatment will be given and under what conditions. Without consent, medical treatment may amount to unlawful interference with a person's body.

However, the law goes further by requiring free consent, as defined under Section 14. Consent is considered free only when it is not caused by coercion, undue influence, fraud, misrepresentation, or mistake.¹⁶⁴⁵ These rules are extremely important in medical practice because patients are often vulnerable, anxious,

or dependent on the expertise of doctors. If consent is not free, the medical contract may become voidable, meaning the patient can challenge it legally.

1. Informed Consent as a Contractual Requirement

In medical law consent must not only be free but also informed. This means the patient should be given adequate information about the nature of illness, the proposed treatment, possible risk, alternatives, and expected outcomes. The purpose is to enable the patient to make an intelligent and voluntary decision about their own body and health.

The Supreme Court of India clarified this principle in *Samira Kohli v. Dr. Prabha Manchanda*, holding that consent for one procedure does not automatically imply consent for another, especially if it involves significant risk or invasion. The Court emphasised that consent must be real, specific, and based on proper disclosure. Thus, informed consent links contract law with medical ethics, patient rights, and negligence law.¹⁶⁴⁶

2. Absence of Coercion

Consent obtained through coercion such as threats, intimidation, or pressure is not valid. In healthcare, coercion may occur if a patient is forced to undergo treatment against their will or is told that services will be denied unless they agree to an unnecessary procedure. The law protects patients from such situations by declaring contracts formed under coercion as voidable.¹⁶⁴⁷

3. Undue Influence in Doctor-patient Relationship

Undue influence occurs when one party dominates the will of another and uses that position to obtain consent. The doctor-patient relationship is inherently unequal because patients rely heavily on the knowledge and authority of medical professionals. If a doctor

¹⁶⁴⁴ Indian Contract Act, 1872, section 13

¹⁶⁴⁵ Indian Contract Act, 1872, section 14

¹⁶⁴⁶ *Samira Kohli v. Dr. Prabha Manchanda*, (2008) 2 S.C.C. 1

¹⁶⁴⁷ Indian Med. Council (Pro. Conduct, Etiquette & Ethics) Reguls., 2002, Gazette of India, Apr. 6, 2002

exploits this dependence for example, by persuading a patient to undergo costly or risky treatment without genuine medical necessity the consent may not be considered free. Courts recognise that trust should not be misused or personal or financial gain.

4. Fraud and Misrepresentation

Fraud involves intentional deception, while misrepresentation involves false statements made without intent to deceive but which still mislead the patient. In medical practice, this may occur if a doctor hides known risks, exaggerates success rates, or provides incorrect information about treatment benefits.¹⁶⁴⁸ Consent based on such misinformation is legally defective because the patient's decision was not truly informed.

5. Mistake

Consent may also be affected by mistake, such as misunderstanding the nature of the procedure or the identity of the doctor performing it. If the patient agrees under a fundamental misunderstanding, the agreement may be invalid. For instance, consenting to a minor procedure but receiving a major surgery would constitute a serious violation of consent principles.¹⁶⁴⁹

Free and informed consent protects patient autonomy, dignity, and boundary integrity. It ensures that medical decisions are made collaboratively rather than imposed. At the same time, proper consent protects doctors from the allegations of assault, negligence, or professional misconduct. Modern healthcare law therefore treats consent not as a mayor formally or signature on a form but as an ongoing process of communication between doctor and patient. In the 21st century, with increasing awareness of patient rights and the legal accountability, consent has become a central element of medical contract in India. It reflects the shift from pattern nationalistic

medicine where doctors made decision unilaterally to patient centre care, where individuals actively participate in decision affecting their health.

LAWFUL OBJECT IN MEDICAL CONTRACTS

For any contract to be legally valid, not only must the parties consent and be competent, but the purpose of the agreement (object) must also be lawful. Section 23 of the Indian Contract Act, 1872 states that the object of an agreement is lawful unless it is forbidden by law, defeats the provisions of any law, is fraudulent, involves injury to a person or property, or is immoral or opposed to public policy.¹⁶⁵⁰ In simple terms, even if a patient and a doctor agree to something, the agreement will not be valid if the treatment or purpose itself is illegal or unethical.

1. Lawful Medical Treatment as Valid Object

Most medical contracts involve lawful objectives such as diagnosis, treatment, surgery, preventive care, or rehabilitation. These purposes aim to preserve life, relieve suffering, or improve health, and therefore fall squarely within legal and ethical boundaries. When a doctor provides medically accepted treatment for a genuine health condition, the contract is considered valid and enforceable. Indian courts recognise that medical services serve a public welfare function. Therefore, agreements for legitimate healthcare services whether in private hospitals, government institutions, or charitable settings generally satisfy the requirement of lawful object.¹⁶⁵¹

2. Illegal or Prohibited Procedures

A medical contract becomes void if its object involves an act prohibited by law. For example, agreements for illegal organ trade, unlawful medical termination of pregnancy, sex-selective procedures, or unlicensed medical practice would not be enforceable because they violate statutory provisions. Even

¹⁶⁴⁸ Law Comm'n of India, 241st Report on Passive Euthanasia and Living Will (2012), <https://lawcommissionofindia.nic.in> last visited Feb. 15, 2026

¹⁶⁴⁹ N. K. Ganguly, Informed Consent and Medical Ethics in India, 4 Indian J. Med. Ethics 1 (2007)

¹⁶⁵⁰ Indian Contract Act, 1872, section 23.

¹⁶⁵¹ Transplantation of Human Organs and Tissues Act, 1994, No. 42 of 1994, India.

if both parties voluntarily agree, the law will refuse to recognise such contracts. This principle ensures that healthcare cannot be used as a cover for unlawful activities.¹⁶⁵² It also protects vulnerable patients from exploitation and prevents commercialization of human body part or unethical experimentation.

3. Immoral or Against Public Policy

Section 23 also invalidates agreements that are immoral or opposed to public policy. In the medical context, this may include arrangements that compromise patient dignity, violate ethical standards, or undermine public health interests. Courts interpret “public policy” cautiously, but in healthcare it often includes safeguarding human rights, bodily integrity, and professional ethics. For instance, a contract requiring a doctor to perform treatment that violates established medical standards or ethical guidelines would likely be considered void. The law expects medical professionals to act in accordance with both legal rules and professional codes of conduct.¹⁶⁵³

4. Fraudulent or Harmful Objectives

If the purpose of treatment is fraudulent or intended to cause harm such as falsifying medical records, issuing fake disability certificates, or administering substances to injure another person the agreement is unlawful. Medical knowledge cannot legally be used to facilitate wrongdoing. Healthcare professionals may face not only civil liability but also criminal consequences for participating in such activities. Thus, Section 23 acts as a safeguard against misuse of medical expertise.¹⁶⁵⁴

The requirement of lawful object ultimately protects patients and society. It ensures that medical contracts promote health and safety rather than exploitation or harm.

Courts have repeatedly emphasised that the primary duty of doctors is to preserve life and act in the patient’s best interests. In *Pt. Parmanand Katara v. Union of India*, the Supreme Court highlighted that preservation of human life is of paramount importance and that every doctor has a professional obligation to extend medical aid.¹⁶⁵⁵ This reinforces the idea that lawful medical practice is grounded in humanitarian as well as legal principles.

In the 21st century, advances such as reproductive technologies, genetic interventions, organ transplantation, and cosmetic procedures have raised new questions about lawful objectives in medicine. Legislature and courts continuously regulate these areas to ensure that innovations do not compromise ethics or public welfare. Consequently, the concept of lawful object remains central or determine the valid validity of medical contracts in modern India.

PERFORMANCE, BREACH AND TERMINATION OF MEDICAL CONTRACTS

Once a medical contract is formed between a doctor (or hospitals) and a patient, both parties must perform their respective obligations. In simple terms performance means fulfilling the promises made providing treatment on one side and cooperating with treatment and payment on the other medical contracts are unique because they involve not just financial exchange but also trust, professionals’ skill, and the protection of life and health.

1. Duties of Doctors

Doctors are expected to exercise reasonable skill, knowledge, and care while treating patients. They must diagnose properly, recommend appropriate treatment, obtain informed consent, maintain confidentiality, and act in the patient’s best interest. However, the law does not require doctors to guarantee a cure. Their duty is to provide competent medical care according to accepted standards

¹⁶⁵² Medical Termination of Pregnancy Act, 1971, No. 34 of 1971, India (as amended 2021).

¹⁶⁵³ Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994, No. 57 of 1994, India.

¹⁶⁵⁴ Law Comm’n of India, 196th Report on Medical Treatment to Terminally Ill Patients (2006), <https://lawcommissionofindia.nic.in> last visited Feb. 15, 2026.

¹⁶⁵⁵ *Pt. Parmanand Katara v. Union of India*, (1989) 4 S.C.C. 286

of the profession. The Supreme Court in *Jacob Mathew v. State of Punjab* clarified that negligence arises only when a doctor's conduct falls below the standard of a reasonably competent practitioner.¹⁶⁵⁶ Thus, performance is judged by professional standards rather than treatment outcomes.

2. Duties of Patients

Patients also have obligations under the medical contract. They must provide accurate medical history, follow medical advice, cooperate during a treatment, and pay agreed fees or charges. Failure to disclose relevant information such as allergies, prior illness, or medicine medication use may affect treatment and can awaken weaken legal claims against doctors. Patients are not, however, compared to continue treatment against their will. They retain the right to refuse or discontinue treatment, subject to certain legal and ethical safeguards.

3. Quasi Contracts in Emergency Situations (Sections 68 to 72)

Medical emergencies often arise when no prior agreement exists and the patient may be unconscious or incapable of consent. Sections 68–72 of the Indian Contract Act recognise quasi-contractual obligations situations where the law imposes duties even without a formal contract to prevent injustice.¹⁶⁵⁷

The doctors who provide lifesaving treatment in emergencies are entitled to reasonable compensation and the law protects them from liability for acting without prior consent. In *Pt Permanand Katra versus Union of India* the Supreme Court held that preservation of human life is of paramount importance and that every doctor has a professional obligation provide immediate medical aid to accident victims. This principle ensures that legal technicalities do not delay urgent care.

4. Breach of Medical Contract

A breach occurs when either party fails to fulfil contractual obligations. On the doctor's side, breach may include refusal to treat without valid reason, abandonment of a patient mid-treatment, failure to exercise reasonable care, or violation of confidentiality. Such breaches may also amount to medical negligence or professional misconduct. On the patient's side, breach may involve non-payment of fees, refusal to follow treatment instructions, disruptive behaviour, or leaving the hospital without completing necessary procedures. These actions may justify termination of the treatment relationship by the healthcare provider.¹⁶⁵⁸

5. Remedies for Breach

When a medical contract is breached, the affected party may seek legal remedies. Patients may claim compensation for negligence, deficiency in service, or harm caused by improper treatment. Healthcare providers may recover unpaid charges or damages for loss caused by the patient's breach. Indian law allows remedies through civil courts, consumer forums, or professional disciplinary bodies, depending on the nature of the dispute. Compensation aims to restore the injured party rather than punish the other side.¹⁶⁵⁹

6. Standard Hospital Forms and Contracts

Modern healthcare institutions rely heavily on standard form contracts, such as admission forms, consent forms, treatment agreements, and billing documents. These firms formalize the doctor patient relationship and clarify rights and responsibilities. However, patients often sign them under stressed or without fully understanding the terms, which arises concerns about the fairness and transparency Courts may scrutinise such forms to ensure they do not contain unfair or

¹⁶⁵⁸ Indian Med. Council (Pro. Conduct, Etiquette & Ethics) Reguls., 2002, Gazette of India, Apr. 6, 2002.

¹⁶⁵⁹ Law Comm'n of India, 201st Report on Emergency Medical Care to Victims of Accidents (2006), <https://lawcommissionofindia.nic.in> last visited Feb. 15, 2026.

¹⁶⁵⁶ *Jacob Mathew v. State of Punjab*, (2005) 6 S.C.C. 1
¹⁶⁵⁷ Indian Contract Act, 1872, Section 68–72.

unconscionable conditions, especially when dealing with vulnerable patients.

A patient may choose to leave the hospital before the doctor recommends discharge. This is known as discharge against medical advice. While patients have their right to refuse treatment, hospitals typically require them to sign the discharge against medical advice form acknowledging the risk of leaving early. DAMA protects healthcare providers from liability if complications arise due to premature discharge provided that Patient watch properly informed. However, doctors must still ensure that the patient is mentally competent to make such a decision and is not under coercion.

Termination of the Treatment Relationship

A medical Contract may end is several ways:

1. completion of treatment
2. mutual agreement between doctor and patient
3. withdrawal by the patient
4. transfer to another healthcare provider
5. justified refusal or termination by doctor
6. death of the patient

Doctors cannot arbitrarily abdomen a patient, especially when continue carries necessary. Ethical guidelines require reasonable notice and arrangement for alternative care before termination, except in emergencies or cases of serious misconduct by the patient.

Performance, breach, and termination rules ensure accountability and balance in the doctor–patient relationship. They protect patients from neglect while also safeguarding doctors from unfair liability and non-cooperation. In contemporary healthcare systems characterized by complex treatments, corporate hospitals, and increased patient awareness these legal principles play a crucial role in maintaining trust, fairness, and professional integrity.¹⁶⁶⁰

CONCLUSION

The study of medical contracts in India demonstrates that the relationship between a doctor and a patient is not only ethical and humanitarian but also legally structured through the principles of the Indian Contract Act, 1872. The essential elements of a valid contract such as offer, and acceptance, consideration, competency of parties, free consent, and lawful object are clearly present in the provision of medical services. However, unlike ordinary commercial agreements, medical contracts are shaped by trust, professional responsibility, and the duty to protect human life. The analysis of consent, capacity, and lawful objectives highlights that the law seeks to ensure that medical decisions are made voluntarily, ethically, and in the best interests of patients. At the same time, the concept of consideration and the rules governing performance establish that healthcare services, although humanitarian in nature, operate within a structured legal framework that creates enforceable rights and obligations for both doctors and patients.

Furthermore, the discussion on performance, breach, and termination of medical contracts shows that the law aims to maintain a balanced relationship between patient protection and professional autonomy. Doctors are required to exercise reasonable skill and care, while patients are expected to cooperate with treatment and fulfil their responsibilities. Judicial interpretations, including decisions such as Jacob Mathew v. State of Punjab and Pt. Parmanand Katara v. Union of India, have played a crucial role in clarifying the standard of medical negligence and reinforcing the duty of preserve human life. In the modern healthcare environment characterized by technological advancements, corporate hospitals, and greater awareness of patient rights the legal principles governing medical contracts continue to evolve. Ultimately, the contractual framework under Indian law serves to promote accountability, transparency and ethical medical practice, thereby strengthening trust in the healthcare system.

¹⁶⁶⁰ S. Chatterjee, Medical Negligence and Consumer Protection in India, 2 Nat'l L. Sch. India Rev. 45 (2011)