

DIFFERENCE BETWEEN VOID CONTRACT AND VOIDABLE CONTRACT

Basis	Void contract	Voidable contract
Meaning	A void contract means a contract which cease to be enforceable	Voidable contract means a contract enforceable by law by one or more parties
Reason	A contract may be void due to change in law or circumstances	A contract is said to be voidable contract when consent of a party to the contract is not obtained freely
Legality	A void contract is without any legal effect and hence cannot be enforced by either party	Avoidable contract can be enforced by the party at whose option it is voidable
Compensation	The question of compensation in the event of non performance of a void agreement does not arise as it is unenforceable from the very beginning	Under a voidable contract any person who has received any benefit must compensate or restore it to other party
Effect on Collateral transaction	If a contract is void on account of its object or consideration being illegal or unlawful the Collateral agreement will also become void	Voidable contract does not affect the collateral agreements.

DIFFERENCE BETWEEN ILLEGAL AGREEMENT AND VOID AGREEMENT

Basis	Illegal Agreement	Void Agreement
Legality	All illegal agreements are void	All void agreements need not be illegal
Collateral Agreements	Agreements collateral to illegal agreements are void	Agreements collateral to void agreements are illegal.
Nature	Illegal agreements are void abinitio.	Void agreements are not void abinitio.
Penalty	Illegal agreements are liable to punishments.	There is no punishment for void agreements
Restitution Of Money	No restitution of money is granted in case of Illegal agreements	The court may grant restitution of money advanced in case of void agreements.