(3) Consideration may be Past, Present (Executed) or Future (Executory)

Indian contract Act recognises three kinds of consideration, viz;

(i) → Past consideration,
(ii) → Present or Executed consideration, &
(iii) → Future or Executory consideration.

(i) Past consideration :=>

when in return for the promise, the promisee or any other person, has done or abstained from doing something, the consideration is called past consideration.

Indian contract Act recognises past consideration. It means that the consideration for any promise was given earlier and the promise is made thereafter. It is, of course, necessary that at the time the consideration was given that must have been done at the desire of the promisor.

e.g; I request you to find out my lost cow. After you have done the same, I

⇒ Past services voluntarily Rendered

Indian contract Act, does not recognise the consideration which has been given voluntarily.

e.g; If my cow has been lost and without any request from me to find the same, you voluntarily find out the cow and deliver the same to me. This is a case of past services rendered voluntarily. In case I promise to pay Rs 500/= to you after you have rendered these services, the question which arises in such a case is that can an agreement be enforced. It has been held that it does not constitute a valid consideration to support the promise.

Consideration is required to be given at the promisor's request. A valid contract is, however, created in such a case also because the situation is covered by sec. 25(2) of the Indian contract Act, which contains an exception to the rule that an agreement made without consideration is void.

Sec. 25(2) says that

→ Section 25(2) may be explained by the following illustration;

A finds B's purse and gives it to him. B promises to give A Rs 100/=. This is a contract.

⇒ English Law regarding Past consideration

According to English Law, past consideration is no consideration. A promise in lieu of a past act is deemed to be only expression of gratitude for the benefit already received rather than any ~~past~~ consideration motivating the other side to make the promise.

⇒ Past consideration at the promisor's Request

If past consideration is given at the request of the promisor, it is deemed to be good consideration for the promise.

(ii) Present or Executed consideration :⇒

when in return for the promise, the promisee or any other person, does or abstains from doing something, the consideration is present or executed consideration.

e-g;

A makes an offer of reward of Rs 500/= to anyone who finds out his lost cow and brings the same to him. B finds out the lost cow and delivers the same to A. when B does so, that amounts to both the acceptance of the offer, which results in a binding contract under ≤ A is bound to pay 500/= rupees, and also simultaneously giving consideration for the contract. This consideration is present or executed.

In case of executed consideration, the consideration is provided simultaneously alongwith the making of the contract.

(c) Future or executory consideration :=)

when in return for the promise, the promisee or any other person, promises to do or to abstain from doing something, the consideration is future or executory consideration

e-g; A agrees to supply certain goods to B, and B agrees to pay for them on a future date,