

44. — A voidable contract may be cancelled on the application of, or ratified by, such persons only as are specified by law, and within the time provided by law.

ILLUSTRATION. — Five thousand tons of ice are made annually at A's ice factory. A falsely represents to B that the annual output of the factory is ten thousand tons, and thereby induces B to buy the factory. B would not have bought the factory if he had known that the output was five thousand tons only. B's consent to the contract of sale is defective and the contract is voidable. It may be ratified by B or B's heirs. Its cancellation may be claimed by B or B's heirs as long as prescription (under Sections 76 to 78) is not completed.

45. — Whenever a voidable contract is ratified, or the time allowed by law for claiming its cancellation has expired, it becomes valid as from the date of its making.

46. — A void contract may be cancelled at any time on the application of any interested person.

47. — A void contract cannot be ratified. If the parties purport to ratify it with knowledge of its invalidity, they are deemed to have made a new contract.

48. — In the event of the cancellation of a contract, the parties must be replaced in the same position as they were at the time when the contract was made or became void.

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Each party is bound to restore to the other party the prestation which he received **[as a performance]** ~~in execution~~ of the contract. or to make compensation for it, according to the provisions of this Code concerning restitution for undue enrichment.

ILLUSTRATION.—A sells to B for 1,000 baht an ingot which both parties thought to be of pure gold. Later on B discovers that the ingot contained lead inside. The sale is voidable on account of mistake. B is entitled to claim for the return of the 1,000 baht paid to A. A is entitled to claim for the return of the ingot.

If the ingot has been lost or stolen, restitution becomes impossible. But B has no compensation to pay since he is liable only for such part of his enrichment as still exists (see Section 112): when the ingot was lost or stolen, the enrichment totally disappeared. Nevertheless, B is still entitled to claim for the return of the 1,000 baht paid to A.

If B sold the ingot, he is only bound to restore to A the price which he received from the purchaser, because such price represents B's actual enrichment (see section 112). But he is still entitled to claim for the return of the 1,000 baht paid to A.

[PART] I. — CAPACITY OF PARTIES.

49. — Every person who is not declared by law or custom to be incapacitated can enter into a contract.

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