

Indian Contract Act, 1872

An Introduction

Fundamental Terminology [आधारशृंखला परिभ्राष्ट]

1. Proposal - sec. 2(a)
2. Acceptance - sec. 2(b)
3. Promisor & Promisee - sec. 2(c)
4. Consideration - sec. 2(d)
5. Agreement - sec. 2(e)
6. Reciprocal Promises - sec. 2(f)
7. Void Agreement - sec. 2(g)
8. Contract - sec. 2(h)
9. Voidable Contract - sec. 2(i)
10. Void Contract - sec. 2(j)

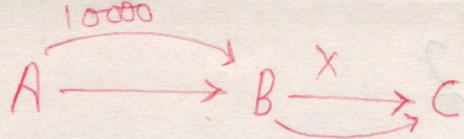
All above terms are very important to understand the contract law.

1. Proposal or Offer [प्रस्ताव] [sec. 2(a)]

When one person signifies to another his willingness to do or to abstain from doing anything with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal.

- Willingness
- to do
- abstain from doing anything [कुछ करने से बोकना]
- assent [सहमति]

A $\xrightarrow[\text{₹}5000]{\text{Bike}}$ B A कहता है B से की मेरी बाईक ₹ 5000 में ले लो। तो यह offer है।



यदौ A B C तीन दोस्त हैं।
B और C के बीच में किसी वाल को
लोकड़ झगड़ा होता है। तो A
होता है B से की तुम 10000 रुपये
तो आज C के 342 कैस (वाद) दायर
मत करो। अतः यह उक्त रुपया
को लिया।

Types of Offer :

1. Express offer
2. Implied offer
3. Specific offer
4. General offer
5. Positive offer
6. Negative offer
7. Continuous offer
8. Counter offer
9. Cross offer.

(1) Express offer : [एक्सप्रेस ऑफर]

An offer which is made by words whether spoken or written is known as an express offer.

¹⁸⁷²
Section 9 of the contract Act lays down that "In so far as the proposal of any promise is made in words, the promise is said to be express."

e.g.: Mr. X says to Y, "I am willing to sell you a bike for ₹ 10,000.

(2) Implied Offer: [गठित रणनीति]

- An offer which is not made by spoken or written words but is inferred from the conduct of a person or the circumstances of a particular case is called an implied offer.
- It takes birth by implication because some behaviour or a gesture of a person is taken to mean an offer.

Section 9 of the Contract Act contains that "In so far as the proposal is made otherwise than in words, the promise is said to be Implied."

Eg.: Public telephone and weighing machines installed on some place public place are implied offers by their respective owners. If somebody puts a required coin in the slot of the tell telephone or the machine, it means he has accepted the offer.

(3) Specific Offer: [टाईटेड रणनीति]

An offer can be accepted by only by the person to whom it is made. In other words, If an offer is made to a definite person or to a particular group of persons or to a government, it is called a specific offer because it can be accepted by only by them respectively and no one else.

Note :- If an offer is made to a definite group of persons, a member of this group can accept the offer.

(4) General Offer: [सामान्य प्र०फर]

An offer made to the public in general or to the world at large, is called general offer. A general offer can be accepted by any person by fulfilling the terms of the offer.

Eg.: IPO (Initial Public Offer) Shares

(5) Positive Offer: [सकारात्मक प्र०फर]

When an offer is made to do something, it is called a positive offer.

Eg.: Mr. X want (offer) to sell his iPhone to Mr. Y for Rs. 30,000.

(6) Negative Offer: [नकारात्मक प्र०फर]

If an offer is made ~~to~~ not to do something, it is known as negative offer.

Eg.: Ram offered Shyam Rs. 1000 for not cutting the tree.

(7) Continuous Offer:

An offer remain open for acceptance over a period of time is known as standing, open or continuous offer.

Eg.: 50% off on all product from 10 act. to 15 act.

- Flipkart or Amazon's Independence sell from 14 Aug to 16 Aug.
- Tender

Note: It is a general offer with a specific period of time.

(8) Counter-Offer: [प्रति-प्र०प्तव / जवाबी-प्र०प्तव]

A counter-offer is an answer given to an initial offer. A counter-offer means that the original offer has been refused and replaced by another offer. The counter-offer offers three choices to the original offerer; accept, refuse or make another offer.

Eg.: Negotiation [मॉल मार्केट]

- If A offers B to sell his car for 5 Lakh and B agrees to buy it for 3 Lakh only, to which A agrees.
Here, the old offer is rejected and a new offer is placed, this offer will be called a counter offer.

(9) Cross Offer / Identical Offer:

An offer made to another in ignorance that the offeree has made the same offer to the offeror. In a cross offer both parties state to each other the same proposal.

Eg.: A and B both send letters to each other offering to sell and buy B's house at the same time. This is the cross offer made where one party needs to accept the offer of another.

2. Acceptance or Promise [२-वीकृति] [sec. 2 (b)]

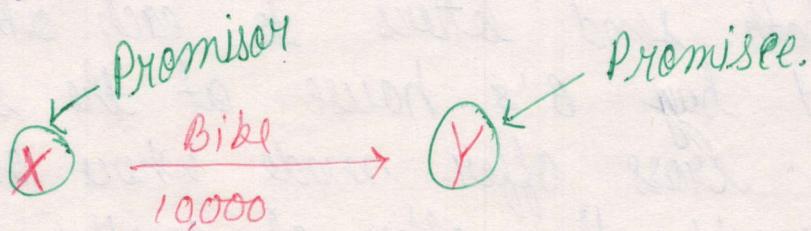
When the person to whom the proposal is made signifies his assent thereto, (इस के अतिरिक्त) the proposal is said to be accepted.
A proposal when accepted become promise.

Eg. : Mr. X offers to sell an AC to Mr. Y for for Rs. 30,000. Mr. Y accepts his offer and express to buy the AC for Rs. 30,000. It is an acceptance of the offer by Mr. Y.

3. Promiser and Promisee [sec. 2 (c)] [वचनदाता तथा वचनग्रहीता]

The person making the proposal is called the Promisor and the person accepting the proposal is called the Promisee.

Eg. : Mr. X says to Y, "I am willing to sell you a bike for Rs. 10000.



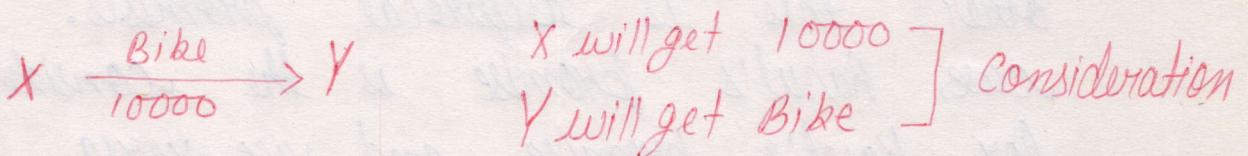
4. Consideration [sec. 2(d)]

[प्रीति वात]

When at the desire of the promisor; the promisee or any other person has done or abstained from doing, or does or abstains from doing, or promises to do or to abstain from doing something, such act or abstinence or promise is called a Consideration for the promise.

We can call it exchange

Eg.: Mr. X says to Y, "I am willing to sell you a bike for Rs. 10000."



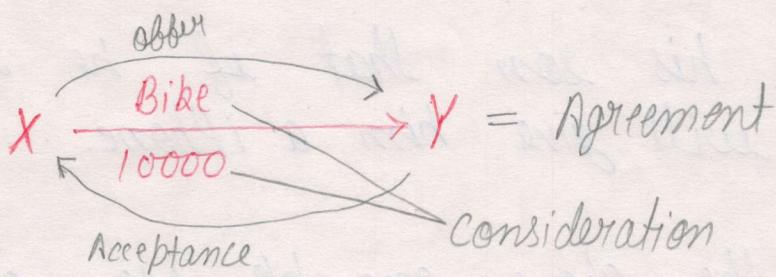
5. Agreement [sec. 2(e)]

[समझौता / अनुबंध / ठहराव]

Every promise and every set of promises, forming & the consideration of each-other; is an agreement.

Agreement = Offer + Acceptance + Consideration

Eg.: Mr. X says to Y, "I am willing to sell you a bike for Rs. 10000."



6. Reciprocal Promises [sec 2(f)]

[प्रिव्युक्ति के बारे में]

Promises which form the consideration or part of the consideration for each other are called reciprocal promises.

In other words, it is a promise in exchange for a promise.

In such case, each party to the contract is a promisor as well as a promisee.

दोनों पक्षों की प्रमिता एवं वापर के लिए दोनों पक्षों द्वारा प्रत्यक्ष वापर करना है।

Eg.: Rahul and Kajol promised to marry each other; this is reciprocal promises. In this case, Rahul's promise is the consideration for Kajol's promise and vice-versa.

A promise which are to be performed simultaneously is known as Reciprocal Promises.

7. Void Agreement [sec. 2(g)]

[वैध नहीं हो सकता]

An agreement not enforceable by law is said to be void.

Eg.: Mr. X offers Mr. Y to kill Mr. Z for Rs. 100000.

The father tells his son that if he cleared his exam, he will give him a iPhone.

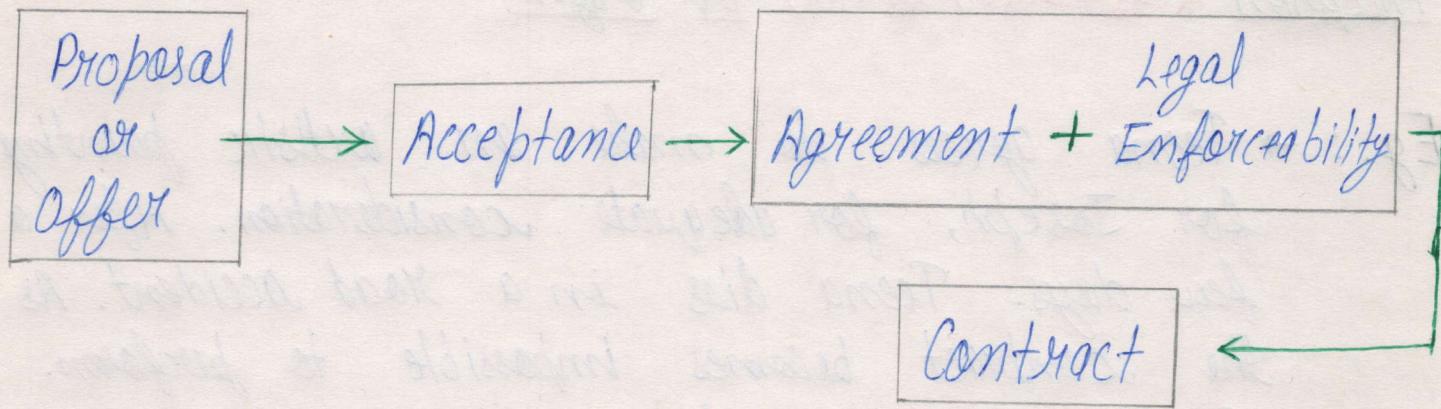
In both of the above example we can't go to the court.

8. Contract [sec. 2(h)]

[संविदा]

An agreement enforceable by law is a Contract.

Contract = Agreement + Enforceability by law



9. Voidable Contract [sec 2(i)]

[बुन्य करोन्य संविदा]

An agreement which is enforceable by law at the option of one or more of the parties hereto, (सात ही/ इस के साथ साथ) but not at the option of the other or others, is a voidable contract.

- Eg.:
- A contract signed by misleading the other party.
 - A contract signed by due to acts of fraud.
 - Ram sold a horse to Shyam and while selling it, Ram said that the horse is perfectly healthy. And Shyam comes to know that the horse is not well. On this, Shyam can go to court and void this contract.

10. Void Contract [sec 2(j)]

8

[वैध या शुल्य संविदा]

A contract which ceases (रोकना / बंद करना) to be enforceable by law becomes void when it ceases to be enforceable. It is to be noted that a contract cannot be void from its inception (शुरूआत / प्रारंभ) or origin.

Eg.: → Teena + agrees to make an artistic painting for Joseph, for adequate consideration. After a few days. Teena dies in a road accident. As the contract becomes impossible to perform. It becomes a void contract.

→ Suppose Ram agrees to supply 10 quintal rice to Shyam, but after the formation of the contract, the government makes a change in the law and prohibits the trade of grains to retail suppliers. In such a case, the contract becomes void due to subsequent illegality.