

Sl. No.	Essentials of Acceptance	Legal Authority
1.	Acceptance should be communicated.	<i>Felthouse v. Bindley</i> (Black horse case) <i>Powell v. Lee</i> (Teacher appointment case)
2.	Acceptance should be absolute and unqualified.	Section 7 of the Contract Act
3.	Acceptance should be in usual and prescribed manner.	Section 7 of the Contract Act
4.	Acceptance should be made while the offer is subsisting.	Section 6 of the Contract Act
5.	Acceptance may be by conduct also.	Section 8 of the Contract Act

### Communication of Acceptance

Indirect communication<sup>4</sup> (e.g. by Post)

- > Communication of acceptance is complete against proposer
  - i. When put into transmission
  - ii. Out of power of acceptor
- > Communication of acceptance is complete against acceptor
  - i. When comes to the knowledge of proposer

It may be added that the place of contract is the place of acceptance by post or the place where words of acceptance are heard (phone). Revocation<sup>5</sup> of offer can be done before the acceptance of offer is complete against the proposer.

Modes of revocation<sup>6</sup> of a contract are as follows:

- by notice
- by lapse of time
- by failure to fulfill condition precedent
- by death or insanity of offerer

### LANDMARK CASES (Offer, Acceptance and Revocation)

1.	<i>Carlill v. Carbolic Smoke Ball Co.</i> , (1983) QB 256
2.	<i>Pharmaceutical Society of Great Britain v. Boots Cash Chemicals (Southern) Ltd.</i> , (1952) 2 QB 795 (Invitation to offer)
3.	<i>Lalman Shukla v. Gauri Datt</i> , (1913) II AQLJ 489 (Communication of offer necessary)
4.	<i>Felthouse v. Bindley</i> , (1862) 6 LT157 (Acceptance should be communicated)
5.	<i>Bhagwan Das Goverdhan Das Kedia v. Girdharilal &amp; Company</i> , AIR 1966 SC 543
6.	<i>Union of India v. Meddala Thathiah</i> , (1964) 3 SCR 774
7.	<i>Haridwar Singh v. Begam Sumbrui</i> , AIR 1972 SC 1942

### 2. Standard Form Contract

Such contracts are pre-drafted and have unequal bargaining. Some Rules of the Standard form contract are:

- Contractual documents
- No misrepresentation
- Reasonable notice of contractual terms
- Notice should be contemporaneous with contract
- Terms of contract should be reasonable
- Strict interpretation of exemption clause
- Fundamental breach of contract
- Non-contractual liability
- Liability towards third party
- Statutory protection

### 3. Contract by Promissory Estoppel

Such contracts are formed by doctrine of estoppel and contractual obligation. In the case of *Pournami Oil Mills v. State of Kerala* the Hon'ble Supreme Court has held that estoppel also applies against the government.

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<sup>4</sup> Section 4 of the Contract Act, 1872 <sup>5</sup> Section 5 of the Contract Act, 1872 <sup>6</sup> Section 6 of the Contract Act, 1872