Subject Name: Contract Act
Topic Name: Acceptance- Mode and Validity

Table of Content:-

Modes of Acceptance..... 1
Who Can Accept an Offer?..... 2
Essential Elements of a Valid Acceptance..... 2

What constitutes acceptance of an offer or proposal? As per Section 2(b), "When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted." Put simply, acceptance is the expression of consent to an offer, and upon acceptance by the offeree, it transforms into a contract.

Modes of Acceptance

The offeree can signify his agreement to a proposal, or accept it, either verbally or in writing, which is straightforward. However, acceptance can also be implied, indicating consent through actions. Here are some examples:

(i) Gopal announces a reward of Rs 1,00,000 for whoever brings back his missing son. Raghunath learns of the offer and successfully finds the boy, whom he returns to Gopal. This scenario constitutes a general offer, where individuals are not required to formally convey acceptance. Raghunath's act of finding and returning the boy implies his acceptance of Gopal's offer by performing the act of restoring Gopal's son. Consequently, a contract is formed, entitling Raghunath to receive the reward.

It's worth noting the difference between this case, where Raghunath knew about the reward, and the case of Lalman Shukla vs Gauri Dutt, where Lalman Shukla was unaware of the reward at the time of finding the missing boy and only learned about it later.

(ii) Macmillan India Limited, New Delhi, receives an order from IIM, Lucknow, for some books. The company dispatches the required books, thereby implying acceptance of the offer through its actions. In this instance, acceptance occurs implicitly, not through express written or verbal communication, but through the company's conduct of dispatching the ordered books.

(iii) Avinash's car encounters mechanical issues on his way home. Saurabh, a passerby, offers to fix the problem and begins inspecting the car. Avinash does not object and allows him to proceed. Given the circumstances, Avinash can be considered to have accepted Saurabh's offer to repair his car by his acquiescence and allowing Saurabh to inspect the vehicle.

Who Can Accept an Offer?

A specific offer, directed towards a particular individual, can only be accepted by that exact person unless the offeror explicitly permits otherwise.

For instance, if IIM, Lucknow, places an order with Macmillan India Limited, New Delhi, for book supply, and another publishing house delivers the books, IIM, Lucknow, can rightfully refuse the delivery. This refusal is justified because the offer was tailored to Macmillan India Limited, New Delhi, and no one else can be considered to have accepted it without explicit authorization from the offeror.

The case of Boulton vs Jones serves as a fitting example. Boulton, serving as the Manager of ABC Company, purchased the company's business. Jones, owed a debt by ABC Company, placed an order with them for certain goods to settle the debt. Despite the order being placed with ABC Company, Boulton supplied the goods. Jones refused payment, arguing that the offer was directed at ABC Company, and only they could accept it through performance, i.e., supplying the goods. The court agreed, stating that Boulton lacked the authority to accept the offer, as it was directed specifically to ABC Company.

Contrarily, in the case of a general offer, anyone can accept it by adhering to the offeror's terms. The case of Carlill vs Carbolic Smoke Ball Company exemplifies this principle well.

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Essential Elements of a Valid Acceptance

For an acceptance to hold legal weight and form a valid contract, it must adhere to certain legal principles. These key components of a valid acceptance are outlined below:

(i) The acceptance must be absolute and unconditional.

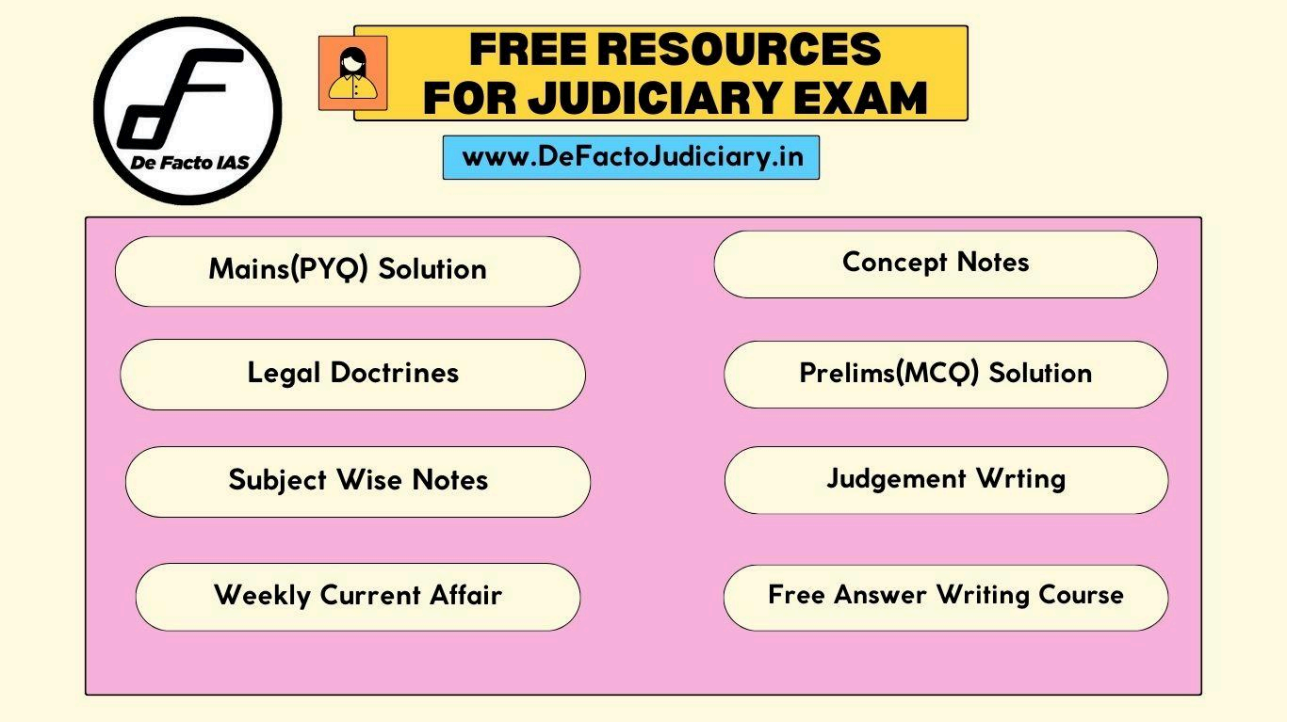
In accordance with Section 7, a legally valid acceptance of an offer must be absolute and without any conditions. This implies that all terms and conditions of the offer must be accepted exactly as stated, without introducing any alterations or conditions. Failure to do so may not be considered acceptance but rather a counteroffer, leaving the original offeror with the choice to accept or reject it.

It's worth noting that minor variations in language, not altering the substance of the offer, do not invalidate the acceptance. Additionally, if certain conditions are implied in the offer and the offeree accepts with these conditions, it's still considered a valid acceptance.

(ii) The acceptance must be communicated to the offeror.

Communication of acceptance to the offeror is essential for a valid contract. Silence or failure to respond does not imply acceptance unless it's specified beforehand.

In **Felthouse v. Bindley**, Bindley's silence regarding the purchase of a horse did not constitute acceptance, as there was no explicit communication of acceptance to Felthouse, the offeror.



(iii) The acceptance must comply with the prescribed mode.

If the offeror specifies a particular mode of acceptance, it must be strictly adhered to. Deviating from this specified mode renders the acceptance invalid unless the offeror accepts it despite the deviation.

(iv) The acceptance must be given within the specified time or within a reasonable time.

Acceptance should be tendered within the time frame specified in the offer or within a reasonable time if no specific timeframe is mentioned. What constitutes a reasonable time depends on the circumstances of each case.

In **Ramsgate Victoria Hotel Co. v. Montefiore**, Montefiore's failure to accept the offer within a reasonable time resulted in the lapse of the offer.

(v) The acceptance must be in response to an offer.

Acceptance can only be given in response to a valid offer. Without an offer, there can be no acceptance.

vi) The acceptance must precede the lapse, termination, revocation, or withdrawal of the offer.

Acceptance must occur before the offer ceases to be valid. If the offer lapses or is terminated, revoked, or withdrawn by the offeror, acceptance becomes impossible.

(vii) The acceptance must be made by the specific person to whom the offer is addressed.

Only the person to whom the offer is directed can accept it. In the case of a general offer, anyone can accept it.

In **Boulton v. Jones**, Boulton's supply of goods to Jones, though not the intended recipient of the offer, did not constitute acceptance as the offer was specifically made to ABC Company.