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## **“Transmission and Withdrawal of Offer and Acceptance”**

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### **Introduction:**

A contract, as defined by Section 2(h) of the Indian Contract Act, 1872, is a legally enforceable agreement. It may take the form of a written or oral agreement. For a contract to hold legal weight, it must involve a lawful object that binds the parties involved. Examples of valid contracts include lease deeds, employment agreements, loan agreements, sale deeds, and insurance policies.

Additionally, a contract is deemed valid when it encompasses three crucial elements: offer, acceptance, and consideration.

### **Understanding an Offer**

Section 2(a) of the Indian Contract Act, 1872, defines an offer as a proposal made when a person expresses their willingness to perform or abstain from an action with the intent of gaining another person's consent. The individual making the proposal, the offeror or promisor, extends this offer to the offeree or promisee, who is the recipient of the proposal.

In simpler terms, an offer is a proposition made by the offeror or promisor to the offeree or promisee, aiming to initiate a valid contract between the parties. For instance, if person X proposes to sell their car to person Y for Rs. 5,00,000, this proposition constitutes an offer.

### **Types of Offers**

Offers can fall into four categories:

1. Expressed Offer: When an offer, initially made in writing, is later conveyed orally.
2. Implied Offer: When an offer is not communicated in either written or oral form, but the conduct of the offeror indicates a willingness to fulfill the obligation.

3. Specific Offer: An offer directed at a particular individual or a specific public.
4. General Offer: An offer made to the public at large, where only the person accepting the offer forms a contract.

### **Understanding Acceptance**

Acceptance, as defined in Section 2(b) of the Indian Contract Act, 1872, occurs when the person to whom an offer is made gives their consent. Once a proposal is accepted, it transforms into a promise.

In everyday terms, acceptance takes place when the offeree or promisee agrees to the offer or proposal extended by the offeror or promisor. For example, if person Y accepts person X's offer to buy the car for Rs. 5,00,000, this consent constitutes acceptance. Thus, by accepting X's proposal, both parties are entering into a valid contract.

Acceptance can be expressed in written or oral form. Expressed acceptance occurs when the offeree clearly communicates their willingness to accept. If the offeree's actions imply their acceptance, it is termed implied acceptance.

### **Elements of a Valid Acceptance**

For an acceptance by the offeree or promisee to be valid, certain key elements must be met:

1. The proposal must be unconditionally accepted for it to become a promise (Section 7(1) of the Indian Contract Act).
2. Acceptance must be given freely, without coercion, undue influence, or threat.
3. The offeree must demonstrate the intention to enter into a contract.

4. Acceptance must be communicated to the offeror in a proper manner, either expressed or implied.
5. If a specific time frame is stipulated for accepting the offer, the offeree must comply within that period.
6. The offer should be accepted without any alterations or additional conditions, i.e., unconditionally.
7. Silence from the offeree after receiving the offer does not constitute acceptance; proper communication is necessary.

### **Communication of Offer and Acceptance**

In order for a contract to be valid, both the offer and acceptance must be communicated. Without such communication, no legal relationship is established between the parties.

1. **Communication of Offer:** As per Section 4 of the Indian Contract Act, the communication of an offer is considered complete when the intended recipient becomes aware of it and acknowledges it. For example, if person X in Agra mails an offer to sell their property to person Y in Lucknow, the communication is deemed complete when Y receives the letter containing the offer.

2. **Communication of Acceptance:** Acceptance is considered complete when it comes to the knowledge of the offeror. The acceptor is bound by their acceptance only when the offeror receives the letter of acceptance. The offeror becomes bound by the acceptance once the acceptor gives their acceptance and sends the letter to the offeror. The letter of acceptance should be correctly addressed, properly stamped, and genuinely posted to be binding.

### **Revocation of Offer and Acceptance**

Both offers and acceptances can be revoked or withdrawn, but only up to a certain point.

1. Revocation of Offer: A proposal can be withdrawn at any time before the complete communication of its acceptance as against the proposer, but not after (Section 5 of the Indian Contract Act). In other words, an offer can be revoked before the offeree posts their letter of acceptance.

2. Revocation of Acceptance: As per Section 5 of the Indian Contract Act, acceptance can be revoked before the letter of acceptance has been communicated, but not afterwards. This means the acceptor has the right to revoke their acceptance any time before the offeror receives their acceptance letter.

The revocation of contracts refers to the legal process of cancelling or annulling an existing contract, rendering it void and no longer legally binding. This can occur under specific circumstances outlined in contract law. One such circumstance is the mutual agreement of both parties involved to terminate the contract. This agreement can be formalized through an addendum or a new contract that explicitly nullifies the previous agreement. Additionally, a contract can be revoked if one party can demonstrate that the other has failed to fulfill their contractual obligations.

This breach of contract provides legal grounds for revocation. Another scenario for contract revocation is the presence of fraudulent or deceptive practices during the formation of the contract. If one party can prove that they were misled or coerced into the contract, a court may deem the contract void.

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Furthermore, contracts may be revoked if they are found to be illegal or against public policy. In such cases, the contract is considered void ab initio, meaning it is invalid from the outset. For instance, contracts related to illegal activities like drug trafficking or gambling are automatically void. Additionally, contracts that violate public policy, such as those promoting discrimination or harm to the environment, can be subject to revocation.

In conclusion, contract revocation is a legal mechanism that allows parties to cancel an existing contract. This process is governed by specific circumstances outlined in contract law, including mutual agreement, breach of contract, fraud, illegality, and public policy violations. Understanding these grounds for revocation is essential for ensuring the integrity and

enforceability of contracts in various legal contexts. Moreover, both offers and acceptances can be revoked before a contract is formed. A proposal can be revoked before its acceptance, and acceptance can be revoked before its communication is complete. However, with the advent of modern forms of communication like e-contracts and smart contracts, the provisions of the Indian Contract Act may need to be updated to accommodate these contemporary modes of interaction.

