

**B.A.LL.B. III Semester**  
**Contract -I (General Principles of Contract)**  
**BL-3004**

**Proposal - Definition & Essentials**

**Sec. 2 (a) of Indian Contract Act, 1872** - 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.

For Example – Vishvnath offer to sell his car to Muskan for Rs. 4 Lakh. This is a proposal. Vishvnath is the Offeror and Muskan is the Offeree.

Proposal is first step towards formulation of Contract.

**Essentials of Proposal/ Offer**

- Minimum Two Parties –  
Proposer or offeror - the person who makes the proposal.  
  
Proposee or offeree - the person to whom the proposal is made.
- Every Proposal must be communicated.  
Lalman Shukla v/s Gauri dutt (1913)  
Govt of Rajasthan v/s V.V. Raman (1984)
- Intention to create legal relationship.  
Balfour v/s Balfour (1919) 2K.B.571
- The Proposal must be certain and definite. (Sec.29 of Indian Contract Act)
- Proposal is signifying of willingness to do or to abstain from doing anything.
- To obtain the assent of the offeree.
- Proposal may be express or implied. It may be specific or general.
- A valid, duly Communicated and an existing proposal can be accepted.

## **Kinds of Proposal**

(1) General Proposal – When proposal is made to public at large.

- (i) Continuing Proposal
- (ii) Discontinuing Proposal

(2) Specific Proposal – when proposal is made to a specific or an ascertained person

## **Offer & Invitation to Offer**

When one person expresses his will to another person to do or not to do something to take his approval is known as an offer.

When a person expresses something to another person, to invite him to make an offer, it is known as invitation to offer.

In an offer, there is an intention to enter in to a contract. On the other hand, an invitation to offer is an act which leads to the offer. It is also an indication of a person's willingness to negotiate a contract.

For example- a tender notice is an invitation to contractors to make offers.

A quotation of process is not an offer but simply an invitation to offer.

Menu Card of Hotel showing the prices of food items.

Display of goods was an invitation to offer

Railway Timetables.

Harvey v/s Facie (1893)

Mac Pherson v/s Appauna (1951)

Pharmaceutical Society of Great Britain v/s Boots Chemists Ltd (1953)

## **Imp. Case Laws**

- Taylor v/s Portington (1855)
- Felt house v/s Bindley (1863)
- Henderson v/s Stevenson (1875)
- Carlill v/s Carbolic Smoke Ball Co. (1893) 1 Q.B. 256
- Balfour v/s Balfour (1919) 2K.B.571
- Rose & Frank com. v/s Crompton & Brothers (1923) 2 K.B. 261
- Lalman Shukla v/s Gauri dutt (1913)
- Bhagvan Das v/s Girdhari Lal & Co. (1966)
- Govt of Rajsthan v/s V.V. Raman (1984)
- Esso Petroleum Ltd. v/s Commissioner of Customs & Excise (1976)
- Sultan sadik v/s Sanjay Raj subba AIR 2004 SC

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