

Consideration

- According to Section 2(d) of the Indian Contract Act
- When at the desire of the Promisor, the promisee or any other person has done or abstained from doing or promises to do or abstain from doing something, such act or abstinence or promise is called a Consideration for the promise.

Elements of Consideration

- The Consideration is an act or abstinence
- Such act or abstinence should be done at the desire of the Promisor
- Such act or abstinence may be done by the Promisee or any other Person
- Such act or abstinence is either already executed or in the process of execution or may be still executory.

Legal Rules Regarding Consideration

- Consideration is required both for formation and discharge of an agreement or Contract
- Consideration may be past, present or future
- Consideration may be either Positive or Negative
- Consideration must move at the desire of the Promisor

- Consideration may be furnished by the Promisee or any other Person
- Consideration must be lawful
- Consideration must be real and not illusory
- Consideration must be of some value in the eyes of law
- Consideration need not be adequate
- Consideration must not be the performance of existing duties

CASE STUDY

Gauri Dutta Vs. Lalman Shukla

Allahabad High Court (1913)

There are three main Characters in this case.

Gauri Dutt



Nephew



Servant
(Lalman Shukla)



One Fine Day

Gauri Dutt



Nephew Went Missing



Lalman Shukla was sent for the search
Gauri Dutt Called servant
with railway and other expenses.

Gauri Dutt



Gauri Dutt Announced.

Who so ever finds the missing
nephew will be rewarded with
Rs.500.

Gauri Dutt



She refuses to give reward money of Rs. 500 to Lalman Shukla.

Now Question Arises

- 1) Does it become contract?
- 2) Is he liable to get money from Gauri Dutt or not?

What is contract

u/s 2 (h) CONTRACT: An agreement enforceable by law is a contract.

Offer + Acceptance = Agreement

Agreement + Enforceable by law = Contract

Essential of Offer & Acceptance

• OFFER

- Existence of two parties.
- Offer must be made to create legal obligation.
- Offer may be express or implied.
- Offer must be communicated.

• ACCEPTANCE

- Acceptance must be Made within a Reasonable Time .
- Acceptance may be express or implied .
- Acceptance must be communicated to the Offeror.

Judgment

According to Indian contract Act 1872, Lalman shukla is not liable to get award money because, offer given by the Gauri dutt was not accepted by the Lalman Shukla, So Gauri Dutt bound to refuse the claim made by Lalman.