BLOGS

Landmark Judgements on Contract Law for CLAT PG

Ruchika Mohapatra · 10 Dec 2022

Here's a post on landmark judgments in Contract Law to help you prepare better for CLAT 2023!

- Banwari Lal v. Sukhdarshan Dayal : In this case, the SC held that intention to create a legal relationship is essential in order to create a contract.
- CWT v. Abdul Hussain : The test to see if there's an intention to create legal relations is objective and not subjective in nature.
- Carlill v. Carbolic Smoke Ball Company Ltd.: The Court in this case observed the following with respect to general offers– Offers can be made with respect to the world at large – Contract is made with the person who accepts the offer – Communication of acceptance is not necessary in case of general offers. – Performance of conditions is sufficient as acceptance. – General offer is continuing in nature till it is retracted.
- Harvey v. Facey : Mere statement of the lowest price at which the offeror would sell does not amount to contract.
- Lalman Shukla v. Gauri Dutt : A proposal cannot be accepted unless it comes to the knowledge of the person accepting it.
- Hyde v. Wrench: Counter offer puts an end to the original offer.
- Brogden v. Metropolitan Railway Co. : Essentially there has to be intimation to the other party for acceptance to be completed.
- Powell v. Lee : Communication must be made only by the person who has the authority to do so officially.
- Felthouse v. Bindely : Acceptance needs to be communicated to the offeror only and communication to any other person is no communication in the eyes of law. Silence doesn't amount to acceptance either.

- Food Corporation Of India v. Ram Kesh Yadav : SC held that when an offer is conditional, the offeree has the choice of accepting the offer, rejecting it or making a counter offer. Offeree can't accept the part of the offer that is beneficial to him and reject the rest.
- Bhagwandas Goverdhandas Kedia v. M/S. Girdharilal Parshottamdas : In case contract is concluded by postal communication, the place of contract is where the letter of acceptance is dispatched. In case of instantaneous communications, place of contract is where the acceptance is heard.
- Durga Prasad v. Baldeo : If an act is done at the desire of the promisor, it will be considered to be consideration.
- Kedarnath v. Gorie Mohamed : A promise to pay is enforceable if the party to whom the promise has been made has incurred liability on the basis of the promise.
- Tweedle v. Atkinson : It is necessary that consideration must move from the promisee. Stranger to consideration cannot sue [Doctrine of Privity of Contract]
- M.C. Chacko v. State of Travancore : Supreme Court held that the doctrine of privity of contract is applicable in India as well. A stranger to the contract cannot sue.
- Mohori Bibee v Dharmodas Ghose : A minor cannot make a promise enforceable by law and therefore, a minor's agreement is not enforceable by law.

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