

CASE COMMENTARY - LALMAN SHUKLA V. GAURI DAT*Siri Prasad*

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The Indian Contract Act 1872, is very vast and diverse in nature with several peculiarities and exceptions. It is immensely important for not only the Law Students and Academicians to have profound knowledge about the same but the entire society should have a general idea since Contracts play an integral role in our day to day life and Contracts are omnipresent and cannot be warded off easily. Among the many interesting things comprising in this act, the Author here wishes to focus on one of the very significant feature covered in the Sec.3 of the Act which explains us about the importance of acceptance of offer as compared to the acceptance in Ignorance of offer. The author wishes to explain this through the landmark judgement of Lalman Shukla v. Gauri Dat.

Case Facts

Lalman Shukla is the Plaintiff and Gauri Dat is the Defendant. The facts of the case go as follows- Gauri Dat belongs to the town of Cawnpore. His nephew goes missing all of a sudden. Gauri Dat is really worried about the same and hence he asks all his Munibs to go and search for his nephew. Amongst his many Munibs one of them happen to be Lalman Shukla. He is designated to search in Haridwar and places surrounding Haridwar. He kindly obliges by starting off his journey with the money given to him for his travelling and other expenses. Subsequently the defendant displays handbills all over the town of Cawnpore stating that whoever finds his nephew will be rewarded with an amount of Rs. 501. In the meanwhile Lalman Shukla traces the boy in Hrishikesh and gets him back to Cawnpore. Gauri Dat who is immensely happy with the arrival of the Nephew, gives Lalman Shukla an amount of Rs. 20 as stated earlier along with 2 sovereigns. The plaintiff did not ask for any further payment and continued in the defendant's service for about six months when he was dismissed. Once he is dismissed he gets to know about the other offer made which was a sum of Rs 501, quite perplexed about the same he returns back to Gauri Dat asking for his reward as he was the one who traced the boy, but he is denied of the reward on the grounds that he was not aware at the time when the offer was made.

Issues

1. Is Lalman Shukla entitled to get the reward?
2. Is acceptance of the offer mandatory to make the contract binding?
3. Is the contract valid?

Judgement

It was decided by the Allahabad High Court that Lalman Shukla had no knowledge about the offer being made and hence he would not come under the ambit of acceptor so therefore he cannot claim the reward of Rs.501 as he was merely rendering the services assigned to him and on completing the service he has received the amount promised to be paid.

Case Comments

The author is for the decision of the Allahabad High Court. The author feels that the Plaintiff is not entitled for the reward based on the following grounds:

- **An offer must be definite and certain:** Since there was the clashing of two offers here, it was not very clear in nature and this raised a lot of confusion and ambiguity.
- **An offer must be communicated:** As communication holds a very significant role, the offer should always be communicated from the offeror to the acceptor. In cases of general offer where the communication might not be direct in nature, at least everyone involved should be aware and have some basic knowledge of the Contract. This has been clearly stated in Section 3 of the act. Likewise, Lalman Shukla had no idea about the offer at all.
- **Motive is not essential however intention is essential:** If the acceptor knows of the offer, but is inspired to perform by a motive other than that of a claiming the reward, such a motive is immaterial. ¹ This was accepted in Williams v. Cowardice² where a reward was offered for supply of information relating to a case of murder. The plaintiff was aware of the reward but supplied the information only to “ease her conscience”. This was held immaterial and she was entitled to claim the reward.
- **Subsisting Obligation:** Lalman Shukla was already obligated to find the nephew as he was working under Gauri Dat, he agreed to do the same for a remuneration of Rs 20, when there is already one Contract in hand, a claim cannot be made for another contract. This is not valid. The claim for the second contract could have been made only if there was no 1st Contract.
- **The sequence:** For any contract to be enforceable a specific order should be followed, all the steps should be executed in a systematic and orderly manner in order to make it a valid contract. The order has been displayed here under which is really easy to comprehend and to remember:

PROPOSAL → KNOWLEDGE → ACCEPTANCE → ACTION

¹ ANSON'S LAW OF CONTRACT (29TH edn. 2010)

² (1833) 4B & Ad. 621 : 1833 5C&P 566.

But if we consider the above case with respect to the 2nd offer being made i.e the general offer, the action was executed before the acceptance was made. (Lalman Shukla went in search of the Nephew before accepting or knowing the offer of the reward of Rs 501.

These have been the arguments of the Author in order to justify the judgement of the Allahabad High Court and the author is of the full belief that the judgement has been according to the provisions of the Indian Contract Act of 1872.