

Contract Act, 1872

Section 2 - INTERPRETATION CLAUSE. In this Act the following words and expressions are used in the following senses, unless a

a) 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: (b) When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. A proposal, when accepted, becomes a promise: (c) The person making the proposal is called the "promisor", and the person accepting the proposal is called the "promisee": (d) When, at the desire of the promisor, the promisee or any other person has done or abstained from doing, or does or abstains from doing, or promises to do or to abstain from doing, something, such act or abstinence or promise is called a consideration for the promise: (e) Every promise and every set of promises, forming the consideration for each other, is an agreement: (f) Promises which form the consideration or part of the consideration for each other are called reciprocal promises: (g) An agreement not enforceable by law is said to be void: (h) An agreement enforceable by law is a contract: (i) An agreement which is enforceable by law at the option of one or more of the parties thereto, but not at the option of the other or others, is a voidable contract: (j) A contract which ceases to be enforceable by law becomes void when it ceases to be enforceable