

# The Indian Contract Act, 1872

## Nature of Contract

### 1 MEANING OF CERTAIN TERMS

(Sec. 2)

<b>Proposal / Offer</b> Sec 2(a)	When one person signifies to another His willingness To do or to abstain from doing anything, With a view to obtaining the <b>assent</b> of that – <ul style="list-style-type: none"> <li>To such act; or</li> <li>Abstinence,</li> </ul> He is said to make a proposal (i.e., offer) ( <b>Legal obligation</b> )
<b>Promise</b>	When the person to whom the proposal is made, Signifies his assent thereto, The proposal is said to be accepted, A <b>proposal</b> , when <b>accepted</b> , becomes a <b>promise</b>
<b>Agreement</b> Sec 2(e)	Every promise And Every set of promises, forming the consideration for each other, Is an agreement
<b>Contract</b> Sec 2(h)	An agreement enforceable by law is a contract.
<b>Promisor &amp; Promisee</b>	When a proposal is accepted – <ul style="list-style-type: none"> <li>The person making the proposal is called as ‘<b>promisor</b>’; and</li> <li>The person accepting the proposal is called as ‘<b>promisee</b>’.</li> </ul>
<b>Consideration</b>	When, at the desire of the promisor, The promisee or any other person Has <ul style="list-style-type: none"> <li>done/abstained from doing something; or</li> <li>does/abstains from doing something; or</li> <li>promises to do/abstain from doing something,</li> </ul> Such act/abstinence/promise is called a consideration for the promise.
<b>Void agreement</b>	An agreement <b>not enforceable</b> by law is said to be void.
<b>Voidable contract</b>	An agreement is a voidable contract if – <ul style="list-style-type: none"> <li>It is enforceable by law at the option of one or more of the parties thereto,</li> <li>It is not enforceable by law at the option of the other or others.</li> </ul>
<b>Void contract</b>	A contract Which ceases to be enforceable by law Becomes void when it ceases to be enforceable.

### 2 MEANING OF CONTRACT

(Sec. 2 &amp; 10)

<b>Definition [Sec. 2 (h)]</b>	<ul style="list-style-type: none"> <li>An agreement enforceable by law is a contract.</li> </ul>
<b>Essentials of a contract</b>	<ul style="list-style-type: none"> <li>Following are the two basic elements of a contract. <ul style="list-style-type: none"> <li>(a) There must be an <b>agreement</b></li> <li>(b) The agreement must be <b>enforceable by law</b>.</li> </ul> </li> <li>In other words, Contract = agreement + enforceability of agreement.</li> </ul>

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<b>What agreements are contracts</b> [Sec. 10]	<ul style="list-style-type: none"> <li>• There must be an <b>agreement</b> between the parties</li> <li>• The parties must have an <b>intention</b> to create legal relations.</li> <li>• The parties must freely <b>consent</b> to enter into the agreement.</li> <li>• The parties must be <b>competent</b> to contract.</li> <li>• There must be <b>consideration</b>.</li> <li>• The consideration must be <b>lawful</b>.</li> <li>• The <b>object</b> of the contract must be lawful.</li> <li>• The agreement is not expressly declared to be <b>void</b>.</li> <li>• The legal formalities for <b>entering</b> into such a contract are completed.</li> <li>• It is possible to <b>perform</b> the agreement (Sec. 56)</li> <li>• The terms of the agreement are <b>certain</b> or are <b>capable</b> of being made certain (Sec. 29)</li> </ul>
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### 3 DISTINCTION BETWEEN AN AGREEMENT AND A CONTRACT

Basic of difference	Agreement	Contract
<b>Meaning</b>	Agreement = offer + acceptance	Contract = agreement + enforceability
<b>Creation of legal obligation</b>	An agreement does not create a legal obligation unless it satisfies the requirements of various provisions of law.	A contract necessarily creates legal obligations.
<b>One in other</b>	The term agreement is wider than contract. An unenforceable agreement is not a contract.	Every contract is an agreement.

### 4 AGREEMENT TO DO IMPOSSIBLE ACT (Sec. 56)

<b>Agreement to do an impossible act</b>	If - An agreement is made to do a particular act; - At the time of making of agreement, it is certain that such an act is <b>impossible</b> ; Then - <b>The agreement is void.</b>
<b>Agreement to do an act which subsequently becomes impossible</b>	If - A contract is made to do a particular act; - At the time of making of contract, such an act is not impossible; - After the contract is made, such an act becomes impossible; Then - <b>The contract has become void.</b>

#### Illustrative cases

Situation	Result
A agrees with B to discover treasure by magic	The agreement is void.-
A and B contract to marry each other. Before the time fixed for the marriage, A becomes mad.	The contract has become void.
A contract to marry B, being already married to C, and being forbidden by the law to which he is subject to practice polygamy.	The agreement is void. A must make compensation to B for the loss caused to her by non-performance of his promise.
A contract to take in cargo for B at an American port. A's Government afterwards declares war against America.	The contract has become void.
A contract to act at a theatre for 6 months in a consideration of a sum paid in advance by B. On several occasions A is too ill to act.	The contract to act on such occasions, on which A is unable to act because he is ill, becomes void.

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### 5. AGREEMENT VOID FOR UNCERTAINTY - (Sec. 29) ILLUSTRATIVE CASES

An agreement is void, if the meaning of such agreement is –

**Not certain;** or

**Not capable** of being made **certain.**

Illustrative cases

Situation	Result
A agrees to sell B 'a hundred tons of oil'	The agreement is void for uncertainty since the description of oil is not specified.
A agrees to sell B 100 tons of oil of a specified description, known as an article of commerce.	There is no uncertainty and therefore the agreement is not void.
Mr. A, who is a dealer in coconut oil only, agrees to sell to B '100 tons of oil'	The nature of A's trade implies that intends to sell 100 tons of coconut oil. So, there is no uncertainty.
A agrees to sell to B all the grain in his granary at Laxmi Nagar.	There is no uncertainty since it is possible to determine the quantity of grain lying at B's granary at Laxmi Nagar.
A agrees to sell to B 1000 Kgs. Of rice at a price to be fixed by C.	As the price is capable of being made certain, there is no uncertainty to make the agreement void.
A agrees to sell to B his white horse for Rs. 500 or Rs. 1000	There is nothing to show which of the two prices was to be given. Therefore, the agreement is void.

### 6 CLASSIFICATION OF CONTRACTS (Sec. 2&9)

<b>On the basis of creation</b>	<b>Express contract</b>	A contract made by words <b>spoken or written.</b>
	<b>Implied contract</b>	A contract inferred by – - The conduct of a person; or - The circumstances of the case.
<b>On the basis of execution</b>	<b>Executed contract</b>	A contract in which both the parties have fulfilled their obligations under the contract.
	<b>Executory contract</b>	A contract in which both the parties have still to fulfill their obligations.
	<b>Partly executed and partly executory</b>	A contract in which one of the parties has fulfilled his obligation but the other party is yet to fulfill his obligation.
<b>On the basis of enforceability</b>	<b>Valid contract</b>	An agreement which satisfies all the requirements prescribed by law.
	<b>Void contract</b>	A contract Which ceases to be enforceable by law Becomes void when it ceases to be enforceable.
	<b>Void agreement</b>	An agreement not enforceable by law is said to be void.
	<b>Voidable contract</b>	An agreement is a voidable contract if – - It is enforceable by law at the option of one or more of the parties thereto, - It is not enforceable by law at the option of the other or others.
	<b>Illegal agreement</b>	An agreement the object of which is unlawful.
	<b>Unenforceable contract</b>	A contract which fulfils all requirements of a contract except some technical requirements. It becomes enforceable when the defect is subsequently removed.

**Offer / Proposal**

**7 MEANING OF OFFER**

[Sec.2 (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 –  
 To such act; or  
 Abstinence,  
 He is said to make a proposal (i.e., offer).

**8 HOW TO MAKE AN OFFER? / MODE OF MAKING OFFER (Sec. 9)**

<b>Express offer</b>	It means an offer made by words <b>spoken</b> or <b>written</b> .
<b>Implied offer</b>	It means an offer inferred by – <ul style="list-style-type: none"> <li>• The conduct of a person; or</li> <li>• The circumstances of the case.</li> </ul>

**9 TO WHOM AN OFFER IS MADE?**

<b>Specific Offer</b>	It means an offer made to – <ul style="list-style-type: none"> <li>(a) A particular person; or</li> <li>(b) A particular group of persons.</li> </ul>
<b>General Offer</b>	<ul style="list-style-type: none"> <li>• It means an offer which is made to the public in general.</li> </ul>

**10 LEGAL RULES AS TO VALID OFFER**

<b>Offer must be communicated</b>	<p><b>Boulton v Jones</b></p> <ul style="list-style-type: none"> <li>• J offered to purchase 50 feet of leather from Z.</li> <li>• Z in the meantime sold his business to B.</li> <li>• Therefore, instead of Z, B supplied the leather to J.</li> <li>• J refused to accept the leather.</li> <li>• <b><u>It was held that the offer was not communicated to B, and so B had no legal right to accept the offer made by J.</u></b></li> <li>• Therefore, no contract had concluded between J and B.</li> </ul> <p><b>Carlill v Carbolic Smoke Ball Co.</b></p> <ul style="list-style-type: none"> <li>• A pharmaceutical company advertised that it would give 100 Pounds to anyone who contracted influenza after using their smoke balls for a certain period.</li> <li>• Mrs. Carlill purchased smoke balls and used them as directed.</li> <li>• Shortly afterwards, she contracted influenza. She claimed the 100 Pounds.</li> <li>• The Court held that the advertisement issued by the pharmaceutical company was a general offer made to the public at large.</li> <li>• <b>[Mrs. Carlill, being a member of the public, had received the offer and had acted upon it by using the smoke balls as directed.]</b></li> <li>• Therefore, a contract was formed between the pharmaceutical company and Mrs. Carlill, and so Mrs. Carlill could claim 100 Pounds.</li> </ul> <p><b>Lalman Shukla v Gauri Dutt.</b></p> <ul style="list-style-type: none"> <li>• G’s nephew was missing.</li> <li>• L, who was munim of G, went in search of the missing boy.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Meanwhile G issued handbills offering reward of Rs. 501 to anyone who would trace the boy.</li> <li>• L found the boy and brought him home.</li> <li>• Since L had no knowledge of the offer made by G, he could not accept such offer.</li> <li>• Since there was no acceptance, there could be no contract, and therefore, it was held that L was not eligible to receive the reward.</li> </ul>
<b>Communication of complete offer</b>	<p><b>Handerson v Stevenson</b></p> <ul style="list-style-type: none"> <li>• X purchased a steamer ticket for traveling from Dablin to White Haven.</li> <li>• On the back of the ticket, certain conditions were printed. One of the conditions excluded the liability of the company for any loss, injury or delay to the passengers or their luggage.</li> <li>• X never looked at the back of the ticket and there was nothing to draw his attention to the conditions printed on the back side.</li> <li>• X's luggage was lost due to the negligence of the servants of the shipping company.</li> <li>• Since the steamer company had not taken any steps to ensure that the conditions printed on the back of the ticket were brought to the knowledge of the passengers, such conditions do not form part of the contract.</li> <li>• <b>Therefore, X was entitled to recover the damages for loss of his luggage.</b></li> </ul> <p><b>Parker v S.E. Rail Co.</b></p> <ul style="list-style-type: none"> <li>• P deposited his bags in the cloakroom at a railway station.</li> <li>• On the face of the receipt, the words 'see back' were printed. One of the conditions printed on the back was —the liability of the railway company shall be limited to \$ 10 for any packagel.</li> <li>• P's bag was lost. He claimed the actual value of bag amounting to \$ 24.</li> <li>• It was held that the disclaimer clause was binding on P since the railway company had taken all reasonable steps to ensure that the conditions printed on the back were brought to the knowledge of P.</li> </ul>
<b>An offer must not thrust the burden of acceptance on the transferee</b>	<p>An offer must not contain any term the non-compliance of which amounts to acceptance.</p> <p><b>Felthouse v Bindley</b></p> <ul style="list-style-type: none"> <li>• A wrote to B —I will sell you my horse for Rs. 500. If I do not receive a reply by Sunday next, I shall assume that you have accepted the offer.!</li> <li>• B did not reply.</li> <li>• It was held that an offer can not impose the burden on the offeree to reply. Acceptance is valid only if it is communicated to the offeror.</li> <li>• Since B had not communicated his acceptance to A, there was no contract between A and B, and therefore A could not sue B.</li> </ul>
<b>Cross offers do not conclude a contract</b>	<ul style="list-style-type: none"> <li>• Two offers which are similar in all respects made by two parties to each other, in ignorance of each other's offer are known as 'cross offers'. Cross offers do not conclude a contract.</li> </ul>
<b>Counter offer</b>	<p>A counter offer amounts to rejection of the original offer.</p>
<b>Offer must be distinguished from invitation to offer</b>	<ul style="list-style-type: none"> <li>• An invitation to offer does not imply a valid offer.</li> </ul>

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<b>Offer must be distinguished from a declaration of intention.</b>	A declaration or a statement merely indicates that an offer will be made or invited in future.
<b>An offer must be certain.</b>	The terms of the offer must be – (a) <b>Definite;</b> (b) <b>Unambiguous; and</b> (c) <b>Certain.</b>

### 11 LAPSE OF AN OFFER

<b>Notice by offeror, i.e., Revocation</b>	<ul style="list-style-type: none"> <li>Revocation of offer means withdrawal or cancellation of the offer.</li> <li>An offer can be revoked by the offeror anytime. However, <b><u>revocation is effective only if it is made before the offer is accepted.</u></b></li> </ul>
<b>Lapse of time</b>	An offer lapses if it is not accepted – <ul style="list-style-type: none"> <li>Within the time specified in the offer;</li> <li>Within reasonable time, if no time is specified in the offer.</li> </ul>
<b>Non-fulfillment of condition precedent.</b>	If an offer requires fulfillment of some condition before the offer can be accepted, the offer shall lapse if such condition is not fulfilled.
<b>Counter offer</b>	A counter offer results in rejection of the original offer.
<b>Acceptance is not made in prescribed mode</b>	If the offeree accepts the offer in a manner which is different from the manner specified by the offeror, the offeror may refuse to treat such acceptance as valid, and consequently the offer shall lapse.
<b>Death or insanity of the offeror or offeree</b>	An offer shall lapse in the following cases: <ol style="list-style-type: none"> <li>Where the offeror dies or becomes insolvent and such fact comes to the knowledge of the offeree before acceptance of the offer.</li> <li>Where the offeree dies or becomes insolvent before acceptance of the offer.</li> </ol>
<b>Rejection by the offeree</b>	An offer comes to an end if the offeree rejects the offer and <b><u>communicates his refusal to the offeror.</u></b>
<b>Subsequent illegality etc.</b>	If, after making of an offer, the subject matter of the offer is destroyed or the performance becomes impossible or unlawful, the offer shall lapse.

### Acceptance

### 12 INTRODUCTION TO ACCEPTANCE

(Sec. 2 (b))

<b>Definition of acceptance</b>	When the person to whom the proposal is made signifies his assent thereto. The proposal is said to be accepted.	
<b>Promise</b>	<b>In case of a specific offer</b>	<b>In case of a general offer</b>
	Only that particular person/group of persons to whom the specific offer has been made and none else.	Any person if – <ul style="list-style-type: none"> <li>He has the <b>knowledge of the offer;</b> and</li> <li>He fulfils the terms and conditions of the offer.</li> </ul>
<b>Mode of acceptance</b>	<ol style="list-style-type: none"> <li>Express acceptance</li> <li>Implied acceptance</li> </ol>	

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**13 LEGAL RULES FOR A VALID ACCEPTANCE**

**(Sec. 7)**

<b>Absolute &amp; unqualified</b>	<ul style="list-style-type: none"> <li>The offeree should <b>assent</b> to all the terms of the offer.</li> <li>There must be no variation/reservation, i.e., acceptance must be unconditional.</li> </ul>	
<b>Acceptance must be communicated</b>	Acceptance cannot be made in ignorance of the offer. <b>Mere mental acceptance is no acceptance.</b>	
<b>Acceptance to whom?</b>	<ul style="list-style-type: none"> <li>The acceptance must be communicated to the offeror.</li> </ul> <b>Felthouse v Bindley</b> <ul style="list-style-type: none"> <li>F made an offer to his nephew to buy the nephew's horse for Rs. 500.</li> <li>The offer stated that if the nephew failed to reply to the offer of F within 10 days, F shall consider that the horse had been sold to him.</li> <li>The nephew directed his manager not to sell that horse to anybody since he wanted to sell that horse to F. But, the nephew did not send any reply to F.</li> <li>By mistake, the manager sold that horse to some other person.</li> <li>It was held that nephew was not bound to send notice of refusal to F. Therefore, failure to send the letter of refusal within 10 days did not amount to acceptance.</li> <li>Also, nephew's communication of decision to sell the horse of F did not result in a valid acceptance since such decision was not communicated to F, the offeror.</li> <li>Since there was no contract between F and the nephew, F had no right against the nephew.</li> </ul>	
<b>Acceptance by whom?</b>	Acceptance must be given by the person who has the authority to accept the offer.	
<b>Manner of acceptance.</b>	<b>Situation (A) : The offer does not prescribe the manner of acceptance</b>	<b>Situation (B): The offer prescribes the manner of acceptance.</b>
	The offer must be accepted in some usual and reasonable manner.	<ul style="list-style-type: none"> <li>The offer must be accepted in the prescribed manner.</li> <li>If the offer is not accepted in the prescribed manner, the offeror may approve or reject such acceptance.</li> </ul>
<b>Time limit for acceptance</b>	<b>Situation (A): The offer does not prescribe the time limit</b>	<b>Situation (B): The offer prescribes the time limit.</b>
	The offer must be accepted within reasonable time.	The offer must be accepted within the prescribed time limit.
<b>Acceptance must be given before the offer lapses or revoked</b>	<ul style="list-style-type: none"> <li>Acceptance can be given only to an existing offer.</li> <li>An offer open for a limited period can be accepted only before the expiry of such specified period.</li> <li>An offer can be revoked before acceptance.</li> </ul>	
<b>Mode of acceptance</b>	Acceptance may be given by – <ul style="list-style-type: none"> <li>Performance of conditions, or</li> <li>Acceptance of consideration.</li> </ul>	

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**14 COMMUNICATION WHEN COMPLETE**

(Sec. 4)

Communication of	Communication when complete?	
<b>Offer</b>	When the offer comes to the knowledge of the offers.	
<b>Acceptance</b>	<b>Communication is complete against the offer</b>	When acceptance is put in a course of transmission so as to be out of the power of the offeree.
	<b>Communication is complete against the offeree</b>	When acceptance to the knowledge of the offeror.
<b>Revocation</b>	<b>Communication is complete against the person who makes it -</b>	When revocation is put in a course of transmission So as to be out of the power of the person who makes it.
	<b>Communication is complete against the person to whom it is made -</b>	When revocation comes to the knowledge of the person to whom it is made.

**15 TIME LIMIT FOR REVOCATION**

(Sec. 5)

Revocation of ...	Time limit for revocation
<b>Offer</b>	Before communication of acceptance is complete against the offeror.
<b>Acceptance</b>	Before communication of acceptance is complete against the offeree.

**Consideration**

**16 MEANING OF CONSIDERATION**

(Sec. 2 (d))

When, at the desire of the promisor,

The promisee or any other person

Has done/abstained from doing, or does/abstains from doing, or promises to do/to abstain from doing, something,

Such act/abstinence/promise is called a consideration for the promise.

**17 ESSENTIALS OF A VALID CONSIDERATION**

<b>Consideration must move at the desire of the promisor.</b>	An act or abstinence shall constitute a good consideration only if it is done at the desire of the promisor.
<b>Consideration may move from promisee or any other person.</b>	<ul style="list-style-type: none"> <li>• So long as there is consideration for promise, it is immaterial as to who has furnished it.</li> <li>• If a party receives consideration, the contract is valid, even though the person furnishing the consideration is not a party to the contract.</li> <li>• Where a third party furnishes the consideration, it is valid consideration.</li> <li>• As long as there is consideration in a contract, it is immaterial as to who has given this consideration. This rule is generally stated as '<b>Privity of consideration is not required</b>'.</li> </ul>
<b>No adequacy of consideration required.</b>	<ul style="list-style-type: none"> <li>• The law requires that there must be consideration in every contract.</li> <li>• However, <b>adequacy of consideration is not required</b>. Even if it is proved that such consideration is inadequate, the contract is not void.</li> <li>• The fact of inadequacy of consideration shall be given due weightage while determining whether the consent of the promisor was freely given or not.</li> </ul>

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<b>It must be different from promisor's existing obligation</b>	Consideration received by a party must be something more than the other party's contractual and legal obligation.
<b>Consideration must be lawful</b>	An agreement is void if the consideration furnished by any of the parties is unlawful.
<b>It must be real, and not illusory</b>	<ul style="list-style-type: none"> <li>• Consideration received by a party must be of some value.</li> <li>• Consideration must not be illusory (i.e., existing in name)</li> </ul>

### 18 EXCEPTIONS TO THE RULE: NO CONSIDERATION (Sec. 25) NO CONTRACT

<b>Agreements made on account of natural love and affection Conditions</b>	<ul style="list-style-type: none"> <li>• The agreement is made in <b>writing</b>.</li> <li>• The agreement must be <b>registered</b>.</li> <li>• The agreement must be made between the parties standing in <b>immediate relation</b> to each other.</li> <li>• There must be <b>natural love</b> and <b>affection</b> between the parties. However, mere nearness of relationship does not imply natural love and affection.</li> </ul>	
<b>Compensation for past voluntary services - conditions</b>	<ul style="list-style-type: none"> <li>• A party renders some services to the other party or performs the legal obligation of the other party.</li> <li>• The services are rendered without any desire of the other party, i.e., the services are rendered voluntarily.</li> <li>• The other party afterwards promises to compensate the former party for the services rendered to him.</li> </ul>	
<b>Promise to pay a time-barred debt</b>	<b>Meaning of time barred debt</b>	A creditor can sue the debtor for recovery of his money by going to the Court of law. However, if the creditor fails to institute the suit within <b>3 years</b> of debt becoming due for payment, the debt is said to be time barred debt, i.e., the creditor cannot institute the suit after the expiry of said period of 3 years.
	<b>General rule</b>	The general rule is that an agreement to pay a <b>time barred debt is void</b> .
	<b>Exception</b>	An agreement to pay a time barred debt is enforceable if the following conditions are satisfied: <ul style="list-style-type: none"> <li>• The debt is a time barred debt.</li> <li>• The debtor promises to pay the time barred debt.</li> <li>• The promise is made in <b>writing</b>.</li> <li>• The promise is signed by the debtor.</li> </ul>
<b>Completed gift</b>	<ul style="list-style-type: none"> <li>• Agreement to make a gift is not enforceable.</li> <li>• However, once a gift has actually been made, the donor cannot demand it back on the ground that there was no consideration.</li> </ul>	
<b>Agency</b>	No consideration is necessary to create an agency.	
<b>Remission</b>	No consideration is necessary for an agreement to receive less than what is due.	
<b>Guarantee</b>	In a contract of guarantee, consideration received by the principal debtor shall be sufficient consideration for the surety.	

19 PRIVITY OF CONTRACT

(Sec. 25)

<p><b>Privity of consideration</b></p>	<ul style="list-style-type: none"> <li>• It is well established that privity of consideration is not required.</li> <li>• Consideration may move from promisee or any other person.</li> <li>• So long as there is consideration for promise, it is immaterial who has furnished it.</li> </ul>	
<p><b>Privity of contract – Meaning</b></p>	<ul style="list-style-type: none"> <li>• The general rule is that only the parties to a contract can sue.</li> <li>• In other words, if a person is not a party to the contract (i.e., a stranger to contract), he cannot sue.</li> </ul>	
<p><b>Privity of contract Example</b></p>	<p>Dunlop Pneumatic Tyre Co. V Selfridge and Co.</p> <ul style="list-style-type: none"> <li>• D entered into a contract of sale of certain tyres to P.</li> <li>• The contract provided that P shall not sell the tyres below the list price. Also, the contract provided that P shall, at time of resale, impose a condition on the retailer that sale by retailer shall not be made below the list price.</li> <li>• P sold certain tyres to S.S. resold certain tyres below the list price.</li> <li>• In a suit instituted by D against S, the Court held that such suit was not maintainable since there was no privity of contract between S and D.</li> </ul>	
<p><b>Privity of contract Exceptions</b></p>	<p><b>Creation of a trust.</b></p>	<p>Beneficiary is not a party to the agreement creating a trust. However, the beneficiary is allowed to sue the trustee for enforcement of trustee's duties.</p>
	<p><b>Marriage / Family arrangements</b></p>	<p>Where a marriage or family settlement is made, the person who is a beneficiary under such settlement is entitled to sue even though he may not be a party to sue settlement.</p>
	<p><b>Acknowledgement</b></p>	<p>The person, who becomes an agent of a third party by acknowledgement, can be sued by such third party.</p>
	<p><b>Assignment of a contract.</b></p>	<p>An assignee is entitled to exercise all the rights which could have been exercised by the assignor previously, even though the assignee was not a party to the contract as originally made.</p>