The purpose of this piece of mental callisthenics is to discuss the position of the "doctrine of privity of contract" and exceptions to the doctrine. The credit for emergence of the doctrine is, although, attributed to the common law courts, it is applied in India as well. The doctrine, being one of the basic principles of the law of contract, is of great utility. It ensures that a stranger to a contract can neither sue nor be sued by the parties to the contract. However, in course of time it was realised that the doctrine is too rigid to cope with social demands, for a contract affects not only the parties to it but society at large as well. Consequently, certain limitations (or exceptions) were evolved and recognised to the doctrine by both legislature and judiciary. It has, therefore, become inevitable to explore the feasibility of the doctrine in the present age and also to examine those circumstances where the doctrine does not apply strictly i.e. where a stranger's action on a contract can be allowed and he can be held liable under the contract.

For the purpose, the Thesis has been spread over Eight Chapters. Chapter I which presents 'Introduction' has been divided into three parts. In the First part the 'meaning' of the doctrine of privity of contract has been
explained. As the Indian Contract Act, 1872 does not embody any specific provision defining the doctrine, the definition given by the English Court in the case of Price v. Easton, (1833) 4 B. & Ad. 433 and dictionary connotation of the doctrine have been taken together to give correct exposition of the doctrine. In the Second part of the Chapter 'Historical development' of the doctrine has been examined both under the English law and the Indian law. It has been found the English law that the doctrine which was established in Tweddle v. Atkinson, (1861) 1 B.&S. 393 and reaffirmed in Dunlop Pneumatic Tyre Co. Ltd. v. Selfridge and Co. Ltd., (1915) A.C. 847 is still applied in England with certain exceptions. In India also the doctrine is applied with certain limitations. The Third part explains the 'Difference' between the doctrine of 'privity of contract' and the doctrine of 'privity of consideration.'

In the Second Chapter certain "Theories of contract" and their jurisprudential aspects have been discussed and the extent to which they support the doctrine of privity of contract has been examined. The landmark judgments of the apex court of India in the two recent cases of Central Inland Water Transport Corporation Ltd. v. Brojo Nath Ganguly, A.I.R. (1986) S.C. 1571 and Delhi Transport Corporation v. D.T.C. Mazdoor Congress, A.I.R. (1991) S.C. 101 which have a special bearing on the
'Reasonableness theory' and the 'Theory of Distributive Justice' have been critically examined.

From Chapter III to Chapter VII those circumstances have been analysed where exceptions to the doctrine can be allowed. In Chapter III an effort has been made to examine under what circumstances 'benefit of a contract' can be transferred to a stranger by mutual consent of parties to the contract. The Chapter has been divided in two sub-heads. The first sub-head, 'Position under English Law', discusses certain exceptions to the doctrine in the context of the English Law; the second sub-head, 'Position under Indian Law,' examines the same phenomenon in the context of the India Law. The exceptions both under English Law and Indian Law cover statutory and judicial exceptions. In the aspect of 'Judicial exceptions', in India, the judgment of the Supreme Court in *M.C. Chacko v. State Bank of Travancore*, A.I.R. (1970) S.C. 504, which describes those cases where a stranger to a contract can sue and which was reaffirmed in *P.R. Subramanian Iyer v. Lakshmi Ammal and others*, (1973) 2 S.C.C. 54, has been studied carefully.

Chapter IV deals with those exceptional circumstances when parties to a contract mutually transfer 'burden of the contract' on a stranger i.e. 'when a stranger can be sued'. The point has been examined both
under Indian law and English law.

In Chapter V it has been my endeavour to analyse the 'law of agency' as exception to the doctrine of privity of contract.

Chapter VI deals with mainly those circumstances where 'contractual rights can be assigned to a stranger by a party to the contract voluntarily' and also by 'operation of law'.

In the Chapter VII the effect of an assignment of contractual liabilities to a stranger both 'by voluntary act of a party' to the contract and 'by the operation of law' has been examined in some detail.

Chapter VIII deals with 'Conclusion' in which the whole discussion has been summed up and possible suggestions have been submitted.

It is to be noted that the present study is, especially, based on the provisions of the Indian Contract Act, 1872 and the judicial verdicts on the point. But, in order to achieve greater thoroughness and objectivity in the discussion relevant provisions of certain other statutes have also been examined. These statutes are mainly, the Negotiable Instruments Act, 1881; the Indian Trusts Act, 1882; the Transfer of property Act, 1882; the
Indian Partnership Act, 1932; the Life Insurance Corporation Act, 1956; the Motor Vehicles Act, 1988 etc. Wherever it is expedient, the English law has also been suitably discussed.

It may be mentioned that the circumstance when the promisee can sue the promisor for damages for loss sustained by him on account of failure of the promisor to perform the promise in favour of the stranger is a distinct aspect and has not been examined here, as it does not have a direct connection with the Thesis. Further, another aspect of exception to the doctrine of privity of contract may be acknowledged in the case when a stranger to a contract can sue that party to the contract for damages, whose breach of duty to take care towards the stranger has resulted in loss to the stranger. This aspect has been discussed in the leading English case of Donoghue v. Stevenson, (1932) 1 A.C. 532 by the House of Lords and is entirely a different aspect. It is more closely related to the 'tort of negligence' rather than merely to the breach of a contract. Therefore, it has not been chosen for examination in the Thesis.

It has been my endeavour to discuss all the important judicial pronouncements but at the same time to avoid such cases which would rather repeat what has already been examined than enrich the discussion.

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