

Bill No. IV of 2024

THE INDIAN CONTRACT (AMENDMENT) BILL, 2024

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BILL

further to amend the Indian Contract Act, 1872.

BE it enacted by Parliament in the Seventy-fifth Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Contract (Amendment) Act, 2024.

Short title and
commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

9 of 1872

2. In Section 15 of the Indian Contract Act, 1872:—

Amendment of
section 15.

- 10 (i) for the words “any act forbidden by the Indian Penal Code”, the words “any act, the committing of which or threatening to commit which is punishable by any law for the time being in force”, be substituted.
- (ii) the marginal entry “45 of 1860” shall be omitted.
- (iii) in the *Explanation*:—
- (a) for the words “the Indian Penal Code”, the words “the law violated”, be substituted.
- (b) the marginal entry “45 of 1860” shall be omitted.

STATEMENT OF OBJECTS AND REASONS

The definition of ‘Coercion’ provided for in the Indian Contract Act, 1872 is not exhaustive. It does not apply to situations in modern times where coercion can be induced through numerous ways. The 13th Report of the Law Commission of India, which was chaired by Shri M. C. Setalvad, also suggested amending the current definition under Section 15 to make it comprehensive.

2. Currently, the definition focuses on the words “any act forbidden by the Indian Penal Code”. The purpose of the Indian Penal Code, 1860, which has now been repealed and replaced by the Bharatiya Nyaya Sanhita, 2023 is to create offences and not merely forbid them. There are laws other than the Bharatiya Nyaya Sanhita performing the same function. So far it has been up to the courts to interpret the meaning of the phrase in question and differentiate between “forbidden by the Indian Penal Code” and “punishable by the Indian Penal Code”. This kind of interpretation varies from court to court thereby creating discrepancies.

3. The current definition is problematic as *firstly*, the Bharatiya Nyaya Sanhita only declares offences “punishable” and not “forbidden” and *secondly*, in the present context, there are many laws that define and punish offences in India. The present definition must be replaced with a wider expression covering all the offences forbidden by law in India.

Hence this bill.

SASMIT PATRA

ANNEXURE

EXTRACT FROM THE INDIAN CONTRACT ACT, 1872
(9 OF 1872)

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45 of 1860 “15. ‘Coercion’ is the committing, or threatening to commit, any act forbidden by the Indian Penal Code or the unlawful detaining, or threatening to detain, any property, to the prejudice of any person whatever, with the intention of causing any person to enter into an agreement.” ‘Coercion’ defined

45 of 1860 *Explanation.*—It is immaterial whether the Indian Penal Code is or is not in force in the place where the coercion is employed.”

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RAJYA SABHA

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further to amend the Indian Contract Act, 1872.

(Dr. Sasmit Patra, M.P.)