

Bill No. XIII of 2022

THE INDIAN CONTRACT (AMENDMENT) BILL, 2022

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BILL

further to amend the Indian Contract Act, 1872.

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

1. (1) This Act may be called the Indian Contract (Amendment) Act, 2022.

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. (1) In section 15 of the Indian Contract Act, 1872 (*hereinafter referred to as the principal Act*) for the words "forbidden by the Indian Penal Code", the words "when the committing, or threatening to commit such act is punishable by any law for the time being in force" be substituted.

Amendment of section 15.

45 of 1860. 10

(2) In the *Explanation* to section 15 of the principal Act, for the words "the Indian Penal Code" the words "the law violated" be substituted.

STATEMENT OF OBJECTS AND REASONS

The definition of 'Coercion' provided for in the Indian Contract Act 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 is to create offences and not merely forbid them. There are laws other than the Indian Penal Code 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 Indian Penal Code only declares offences "punishable" and not "forbidden" and secondly, in the present context, the Indian Penal Code is not the only law that defines and punishes 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.

DR. SASMIT PATRA

ANNEXURE

EXTRACTS 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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further to amend the Indian Contract Act, 1872.

(Dr. Sasmit Patra, M.P.)