

ACT No. IV OF 1930.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 15th
March, 1930.)

An Act to amend the Indian Contract Act, 1872.

IX of 1872: **W**HEREAS it is expedient to amend the Indian Contract Act, 1872, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. (1) This Act may be called the Indian Contract (Amendment) Act, 1930. Short title and commencement.

(2) It shall come into force on the first day of July, 1930.

IX of 1872: **2.** For section 178 of the Indian Contract Act, 1872, the following sections shall be substituted, namely:— Amendment of section 178, Act IX of 1872.

“178: Where a mercantile agent is, with the consent of the owner, in possession of goods or the documents of title to goods, any pledge made by him, when acting in the ordinary course of business of a mercantile agent, shall be as valid as if he were expressly authorised by the owner of the goods to make the same; provided that the pawnee acts in good faith and has not at the time of the pledge notice that the pawnor has not authority to pledge. Pledge by mercantile agent.”

Explanation.—In this section, the expressions ‘mercantile agent’ and ‘documents of title’ shall have the meanings assigned to them in the Indian Sale of Goods Act, 1930.

IX of 1872: **178A.** When the pawnor has obtained possession of the goods pledged by him under a contract voidable under section 19 or section 19A, but the contract has not been rescinded at the time of the pledge, the pawnee acquires a good title to the goods, provided he acts in good faith and without notice of the pawnor’s defect of title.” Pledge by person in possession under voidable contract.

Price 1 anna or 1½d.