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New Maritime Law passed by Lok Sabha- The Bills of Lading Act, 2025

Introduction

The Bills of Lading Act, 2025, as passed by the Lok Sabha in March 2025 and Rajya Sabha in July 2025, marks a significant legislative reform in the arena of maritime and shipping laws in India. Repealing the colonial-era Indian Bills of Lading Act, 1856, the new law aligns India's legal framework with modern international trade practices, particularly concerning the rights and obligations of parties under a bill of lading.

This article unpacks the key provisions of the Act, its objectives, implications for trade and shipping stakeholders, and how it enhances legal certainty in international and domestic carriage of goods by sea.

Objective of the Act

The core objective of the Bills of Lading Act, 2025 is:

- To formalize and legally vest the rights of suit and obligations under a bill of lading in the consignee or endorsee.
- To ensure that title to goods and associated contractual rights transfer effectively upon endorsement or consignment.
- To protect bonafide holders of bills of lading, especially in cases where goods may not have actually been loaded.

Key Provisions of the Act

1. Short Title and Commencement [Section 1]

- The Act is titled the *Bills of Lading Act, 2025*.
- It shall come into force on a date notified by the Central Government.

2. Rights and Liabilities Vest in Consignee or Endorsee [Section 2]

- Every consignee or lawful endorsee of a bill of lading, to whom the property in the goods passes, shall:
 - Have all rights of suit,
 - Be subject to all liabilities under the contract of carriage, as if they were an original party to the contract.

3. Preservation of Certain Rights [Section 3]

- The Act does not affect:
 - The right of stoppage in transit,
 - The right to claim freight from the original shipper,
 - Any liabilities arising from receipt of goods by consignee or endorsee.

4. Conclusive Evidence of Shipment [Section 4]

- A bill of lading in the hands of a bonafide holder for value, stating that goods were shipped on board, shall be conclusive evidence of shipment against the master or signatory, even if goods were not actually shipped.
- Exception: If the holder had actual notice at the time of receipt that the goods were not loaded, this protection will not apply.
- The signatory (e.g., master) can exonerate themselves if misrepresentation was due to fraud by the shipper or holder, without any fault of their own.

5. Powers of the Central Government [Section 5]

- The Central Government is empowered to issue directions for effective implementation of the Act.

6. Repeal and Savings [Section 6]

- The Indian Bills of Lading Act, 1856 stands repealed.
- However, the repeal does not affect:
 - Any previous actions, rights, liabilities, penalties, or ongoing legal proceedings under the repealed Act.
 - References in other laws to the repealed Act shall be construed as references to the new Act, unless inconsistent.

Legal and Commercial Implications

For Importers and Exporters

- Greater legal clarity and protection for parties dealing in endorsed bills of lading.
- Enables smooth transfer of title and contractual rights through endorsements.

For Shipping Lines and Carriers

- Clarity on who bears liability under the contract of carriage.
- Possibility to exonerate themselves from false statements if done without fault.

For Banks and Insurers

- Reinforces the evidentiary value of bills of lading in documentary credit transactions.
- Promotes reliance on documentary integrity in financing and insuring shipments.

Repeal of the 1856 Act: A Historic Move

The repeal of the Indian Bills of Lading Act, 1856, a relic of colonial maritime trade regulation, is a landmark reform. The 2025 Act introduces modern legal constructs to support digitalization, international trade norms, and stakeholder protection in logistics and maritime transport.

Conclusion

The Bills of Lading Act, 2025 is a commendable effort to modernize India's maritime trade law. By legally aligning the transfer of rights, liabilities, and title to goods under bills of lading, the Act reduces ambiguity and promotes confidence in international and coastal shipping operations.

As global trade becomes more complex and digitized, this law lays a firm legal foundation to support India's aspirations as a global maritime and logistics hub.

This Article has been written by Shri Ravi Shekhar Jha, Advocate Delhi High Court based on his interpretation of the law. He can be reached at his email id intelconsul@gmail.com or on his Mobile +91-9999005379.

Source: Lok Sabha Secretariat, Govt of India

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Bill No. 111-C of 2024

THE BILLS OF LADING BILL, 2025

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BILL

to make provisions for the transfer of rights of suit and all liabilities to the consignee named in a bill of lading and every endorsee of a bill of lading, to whom the property in the goods mentioned in the bill of lading shall pass, upon or by reason of a consignment or an endorsement, and for matters connected therewith or related thereto.

WHEREAS by the custom of merchants, a bill of lading of goods being transferable by endorsement, the property in the goods may thereby pass to the endorsee, but nevertheless all rights in respect of the contract contained in the bill of lading continue in the original shipper or owner;

AND WHEREAS it is expedient that such rights should pass with the property;

AND WHEREAS it frequently happens that the goods in respect of which bills of lading purport to be signed have not been laden on board;

AND WHEREAS it is proper that such bills of lading in the hands of a *bona fide* holder for value should not be questioned by the master or other person signing the same, on the ground of the goods not having been laden as aforesaid.

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

Short title and commencement

1. (1) This Act may be called the Bills of Lading Act, 2025.

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

Rights under bills of lading to vest in consignee or endorsee.

2. Every consignee of goods named in a bill of lading and every endorsee of a bill of lading, to whom the property in the goods therein mentioned shall pass, upon or by reason of such consignment or endorsement, shall have transferred to and vested in him all rights of suit, and be subject to the same liabilities in respect of such goods as if the contract contained in the bill of lading had been made with such consignee or endorsee. 10

Right of stoppage in transit or claims for freight not to be affected

3. Nothing contained in this Act shall prejudice or affect—

(a) any right of stoppage in transit; or

(b) any right to claim freight against the original shipper or owner; or

(c) any liability of the consignee or endorsee by reason or in consequence of his being such consignee or endorsee, or of his receipt of the goods by reason or in consequence of such consignment or endorsement. 15

Bill of lading in hands of consignee etc., conclusive evidence of shipment as against master etc.

4. (1) Every bill of lading in the hands of a consignee or endorsee for valuable consideration, representing goods to have been shipped on board a vessel, shall be conclusive evidence of such shipment as against the master or other person signing the same, notwithstanding that such goods or some part thereof may not have been so shipped: 20

Provided that the master or other person so signing may exonerate himself in respect of such misrepresentation, by showing that it was caused without any default on his part, and wholly by the fraud of the shipper, or of the holder, or some person under whom the holder claims. 25

(2) Nothing in sub-section (1) shall apply where the holder of the bill of lading shall have had actual notice at the time of receiving such bill of lading that the goods had not been laden on board.

Power of Central Government to give directions

5. The Central Government may give such directions, as it may deem necessary, for carrying out all or any of the provisions of this Act. 30

Repeal and savings.

6. (1) The Indian Bills of Lading Act, 1856 is hereby repealed. 9 of 1856

(2) Notwithstanding the repeal of the Act referred to in sub-section (1), it shall not affect,—

(a) the previous operation of the Act so repealed or anything done or any action taken or purported to have been or taken or suffered thereunder under the Act so repealed; or 35

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the Act so repealed; or

(c) the operation of any rule, notification, order, notice or direction issued, or exemption granted thereunder, in so far as it is not inconsistent with the provisions of this Act, and shall be in force until it is repealed or superseded under the corresponding provisions of this Act; or

5 (d) any penalty incurred in respect of any contravention under the Act so repealed; or

(e) any proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, and any such proceeding or remedy may be instituted, continued or enforced, and any such penalty may
10 be imposed as if that Act had not been repealed;

(f) the reference made to the repealed Act under any other legislation, rule, order, or any other legal instrument and any such reference shall, in so far as it is not inconsistent with the provisions of this Act, be construed as a reference to this Act or its corresponding provisions.

15 (3) Without prejudice to the provisions of sub-section (2), the provisions of
10 of 1897. section 6 of the General Clauses Act, 1897 shall apply with regard to the effect of repeal.

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BILL

to make provisions for the transfer of rights of suit and all liabilities to the consignee named in a bill of lading and every endorsee of a bill of lading, to whom the property in the goods mentioned in the bill of lading shall pass, upon or by reason of a consignment or an endorsement, and for matters connected therewith or related thereto.

(As passed by Lok Sabha)