The Madhya Pradesh Indian Contract (Amendment) Act, 1938

Act 15 of 1938

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THE MADHYA PRADESH INDIAN CONTRACT (AMENDMENT) ACT, 1938

No. 15 of 1938

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THE MADHYA PRADESH INDIAN CONTRACT (AMENDMENT) ACT, 1938

(No. 15 OF 1938)†

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An Act to amend the Indian Contract Act, 1972, in its application to the [Madhya Pradesh.]

WHEREAS it is expedient to provide for the setting aside of champertous agreements and to amend the Indian Contract Act, 1872 (IX of 1872) for that purpose;

It hereby enacted as follows:—

1. This Act may be cited as the [Madhya Pradesh]* Indian Contract (Amendment) Act, 1938.

2. After section 19-A of the Indian Contract Act, 1872 (IX of 1872), the following section shall be deemed to be inserted, namely:—

"19-B. (a) ‘Maintainer’ means a person, who gives assistance or encouragement to one of the parties to a suit or proceeding and who has neither an interest in such suit or proceeding nor any other motive recognised by law as justifying his interference.

(b) ‘Champertous agreement’ means an agreement whereby the nominal plaintiff agrees with the maintainer to share with or give to him a part of whatever is gained as the result of the suit maintained.

19-C. A champertous agreement may be set aside upon such terms and conditions as the court may deem fit to impose."

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2. Subs. by M. P. Act 23 of 1958, S. 3 (4) for “Central Provinces and Berar”