

Government replaces the Indian Bills of Lading Act, 1856, with the Bills of Lading Act, 2025, to strengthen the Consignee Rights

The President of India gave assent to the Bills of Lading Act, 2025, which has now been officially published in the Gazette of India. The Act aims to modernize and codify legal provisions related to bills of lading, a critical document in the shipping and logistics industry.

Replacing the Indian Bills of Lading Act, 1856, this new law provides that all rights of suit and liabilities under a bill of lading shall vest in the consignee or any endorsee to whom property in the goods has passed, whether by consignment or endorsement. This aligns statutory law with long-standing mercantile custom.

Its key provisions include:

Section 2 – Transfers rights and liabilities from the original shipper to the consignee or lawful endorsee: The consignee of goods and endorsee as per bill of lading shall acquire all the rights & liabilities of the suit.

Section 3 – Preserves the right of stoppage in transit and the right to claim freight from the original shipper: There will be no change in the right of stoppage in transit, or the right to claim freight against the original shipper or owner, or the liability of the consignee or endorsee by reason or in consequence of his being such consignee or endorsee.

Section 4 – Makes bills of lading conclusive evidence of shipment in the hands of a bona fide consignee or endorsee, even if the goods were not actually shipped, subject to exceptions for fraud or notice.

Section 5 – Empowers the Central Government to issue directions for the implementation of the Act.

Section 6 – Repeals the 1856 Act but safeguards actions, rights, and proceedings under it through detailed saving provisions.

Link

https://prsindia.org/files/bills_acts/bills_parliament/2024/Bills_of_Lading_Bill_2024_Bill_Text.pdf