
THE SPECIFIC RELIEF (AMENDMENT) ACT, 2018: AN ANALYSIS OF APPLICABILITY AND KEY CHANGES

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ABSTRACT

The Specific Relief (Amendment) Act, 2018 is a transformative step in the law of Indian contracts, an emphasis on improving its enforceability and reducing judicial discretion. This paper critically addresses two crucial questions: the application of the Amendment-whether it applies prospectively or retrospectively-and its landmark legal reforms including substituted performance, restrictions on injunctions in infrastructure projects, and setting up of special courts. The author conducts doctrinal research and content analysis to examine the legislative intent, judicial interpretations, and broader implications of the Amendment, with an emphasis on how it aligns with India's economic policy goals.

Introduction

The Specific Relief Act, 1963, has been enacted as a very important component of Indian contract law to afford equitable relief such as specific performance and injunctions. The prime intention was that such relief could be obtained against the party in breach, especially where damages are said to be inadequate. However, the passage of time criticized the bill as it relies upon judicial discretion that brings uncertainty along with delay. Courts were given much discretion to prefer equitable considerations over contractual obligations. It was so due to which judgments remained inconsistent, and enforceability of contracts got damaged. Consequently, the Act failed to keep pace with the evolving demands of modern commerce and infrastructure development.¹

In response to these challenges, the Indian legislature came up with the Specific Relief (Amendment) Act, 2018. This Amendment marks a paradigm shift in how contracts are enforced from a discretion-based model to a performance-based one. The Amendment was necessitated by the imperative of making Indian contract law predictable, efficient, and investor-friendly. This is part of a broader push to make the country an internationally competitive economic jurisdiction, to bring the law down into conformity with best international practice. Reductions in judicial discretion, introduction of substituted performance, and restrictions on injunctions in critical industries like infrastructure are all intended to deal with the key inefficiencies in the existing pre-law.

The primary motivation for these reforms is India's commitment to improving its ease-of-doing-business ranking and offering foreign investment incentives. Robust contract enforcement is an important part of this goal, as it ensures that enterprises are assured that their rights under contract will be effectively enforced in a predictable and timely manner. Such confidence in the pre-amendment regime was pretty lacking, and to a considerable degree, a deterrent for investors, more so in sectors requiring large-scale infrastructure development and commitments that are long-term in nature. Delays caused by injunctions and protracted litigation increased project costs, but also hampered India's economic growth.

The 2018 Amendment brings in many pathbreaking changes to modernise Indian contract law. Importantly, it aims at making specific performance the rule rather than an exception. This

¹ Ran Chakrabarti et al., The Specific Relief (Amendment) Act, 2018: Overview & Implications, MONDAQ,

means that parties to a contract would be fairly entitled to expect that their agreements will be carried out exactly as promulgated by them, except where such performance is impracticable or inequitable. Substituted performance is another new remedy allowing an aggrieved party to implement its contractual obligation by alternative means, as far as possible from the courts. The amendments have further curbed injunction in infrastructural projects; this is more reflective of government policy priorities of decongesting the project execution process. Special courts have been established to speed up the process of resolving contract disputes so that justice is not denied to any party.

This paper discusses two main aspects of the Amendment: its applicability, whether prospective or retrospective, and the legal changes it brings about. Using an in-depth analysis of legislative intent, judicial interpretations, and case law, the paper studies the broader implications of these reforms. The Specific Relief (Amendment) Act, 2018, by promoting a more predictable and efficient legal environment, marks a great step forward toward the strengthening of India's economic and legal landscape.

Overview of the Specific Relief Act and the 2018 Amendment

The introduction of the Specific Relief (Amendment) Act, 2018, marked a fundamental shift in the enforcement of contractual rights in India. This section explores the background of the original Act, the challenges it presented, the need for reform, and the critical changes brought about by the Amendment.

Historical Context and the Evolution of the Specific Relief Act, 1963

The Specific Relief Act of 1963 was the result of drafting that came with the earlier enactment of the Specific Relief Act of 1877, which is derived from English law. In essence, it tries to provide the parties with some equitable remedies simply because, sometimes, damages in the case do not suffice to one party involved. Above all, the Act itself highlighted judicial discretion to let the courts decide the issue whether specific performance or granting an injunction should be done for each case.

This discretion arose from a knowledge that not all contracts should be treated with strict enforcement. For instance, those that insisted on personal service or those that would work a serious hardship on one party were quite often considered unsuitable for enforcement. The Act

empowered, therefore the courts to balance considerations of equity, such as fairness and practicability of enforcing performance.

Although sound in the examples cited, this discretion-based framework produced uncertainty. Different courts interpreted what was fair and what was inadequate monetary compensation under different circumstances, resulting in inconsistent judgments. This inconsistency joined with procedure delay created problems for businesses and investors who obtained certainty of contractual enforcement.

Challenges in the Pre-Amendment Framework

The discretion of the grant of specific performance had been one of the major shortcomings of the 1963 Act. It provided the remedy of specific performance, but became an exception rather than the rule. It put a compulsion on the court to decide, case by case, if the monetary compensation was not adequate. It led towards prolonged litigation and insecure outcomes. The enforceability of contracts, thus, was often not something that businesses and investors could rely on; the threat of judicial denial of specific performance hung large.

By not supplying substituted performance as a means of redress, the remedy could always be enjoyed only through the courts. This means that unless one party in breach of his contract performed further, the innocent party could seek a new contractor to do work on its behalf. Instead of this, however, it could only wait on judicial intervention - which may itself take several years in view of an enormous backlog in Indian courts.

The frequent use of injunctions was another major issue. Injunctions granted liberally – they even willingly issue injunctions in infrastructure projects leading to project delays. Infrastructure projects, which are crucial for India's economic development, require timely completion lest cost overruns and inefficiencies crop up. The pre-amendment framework was, however, often found to be bottleneck ridden as it has remained cautious under the injunction-centric approach.²

Finally, there was no specialized mechanism for dispute resolution. Contract disputes were resolved in ordinary courts, already burdened by great varieties of civil and criminal matters;

² Saharshrarchi Uma Pandey, The Specific Relief (Amendment) Act, 2018, 1 INT'L J.L. MGMT. & HUMAN. 230 (2018)

this lack of specialization not only slowed the resolution process but led also to uneven application of legal principles.³

The Need for Reform: Driving Factors Behind the 2018 Amendment

The impetus for the reformulation of the Specific Relief Act arose due to a number of economic and legal imperatives. One of the foremost was India's desire for upgrading its ease-of-doing-business ranking⁴, a critical and authoritative indicator of foreign investment inflows. Contract enforcement forms a big component of this ranking, and India's preamendment legal framework often criticized for being inefficient and unpredictable.

Further urgency for change arose as India's economic policy had increasingly focused on infrastructure development. The frequent resort to injunctions to restrain breaches in infrastructure contracts has slowed the delivery of projects, from transportation to energy and urban development. It had become apparent that the legal framework needed streamlining as this delay could impact investment in these sectors.

In addition, a general perception developed that judicial discretion, although theoretically based in equity, often had the effect of violating the sanctity of contract. Commercial concerns wanted a regime that would adhere to the contracts as written and not subject the contracts to judicial discretion. That was particularly vital in an era marked by globalisation, whereby international firms decided on investment on the basis of legal predictability.

Prospective vs. Retrospective Applicability of the Amendment

The issue of prospective versus retrospective application is not merely a procedural one; it reflects deeper considerations of legislative intent, judicial interpretation, and the nature of the Amendment's provisions. In this section, we analyze these facets in detail to understand how courts and legal scholars have approached this question.

Legislative Intent

The legislative intent underlying the Specific Relief (Amendment) Act, 2018, is the key to deciding whether this act is prospective or retrospective in its application. Unfortunately, the

³ Prakriti Agarwal, Specific Relief (Amendment) Act, 2018: An Overview, FoxMandal, 10 July, 2019

⁴ Ease of doing business: India ranks 100 among 190 countries, moves up 30 places, ET NOW

text of the Amendment does not make it clear. As a result, it has been interpreted differently in various courts and legal institutions.

A general principle of statutory interpretation is that a statute is deemed prospective unless the statute itself addresses otherwise. That is, generally, people are not subjected to new obligations or remedies for activities conducted prior to a statute's enactment. However, such rule makes an exception for procedural legislative enactments, and sometimes generally, it is treated retrospectively because it does not affect substantive rights.⁵

The Amendment incorporates both substantive and procedural changes and complicates the determination of its applicability. For example:

- A shift of judicial discretion to specific and mandatory performance changes the substantive rights and obligations of the contracting parties.
- Introducing substituted performance, while partly procedural, carries also substantive implications inasmuch as it confers new remedies.

Judicial Interpretation

Indian courts have played a crucial role in determining whether the Specific Relief (Amendment) Act, 2018, shall be retrospective or prospective. Over time, a body of case laws has emerged that vary in judicial approaches to when such legislation should be applied, retrospectively or prospectively. The basic principles found within these cases inform the practice on how courts approach the question.

The Substantive-Procedure Distinction

One of the key considerations for courts is whether a provision is substantive or procedural. Substantive provisions, which define rights and liabilities, are presumed to apply prospectively. Procedural provisions, which deal with how rights shall be enforced, are applied retrospectively unless specifically stated otherwise.

For example, the mandatory nature of specific performance under the Amendment

⁵ Rahul Sibal, The Specific Relief (Amendment) Act 2018: Applicable to Pending Proceedings?, IndiaCorpLaw, April 29, 2020

fundamentally changes the rights of the contracting parties and thus is a substantive change. Courts have generally ruled that such provisions should apply only to contracts entered into after the passage of the Amendment. Substituted performance, which provides a new mechanism for the resolution of breaches, has been interpreted by some courts as a procedural change that may apply retrospectively.⁶

Case Law Analysis

Whether prospective or retrospective, application of the Specific Relief (Amendment) Act, 2018, has been a hot contest before the courts. The nature of provisions under the Amendment has been scrutinized by courts across the line based upon legislative intent and established legal princi. Many such judgments provide clarity over the application of the Amendment culminating into very recent **Siddamsetty Infra Projects Pvt. Ltd. v. Katta Sujatha Reddy (2024)** judgment on review petition, which is a final order on the matter by upholding the retrospective application of the Amendment.

*Hitendra Vishnu Thakur v. State of Maharashtra (1994)*⁷

This foundational case established rules for determining which statutes, particularly amendments, should be applied prospectively and which retrospectively. The Court made the following points:

1. Substantive provisions affecting rights or liabilities apply prospectively unless they are expressed as retrospectively applying.
2. Procedural provisions which relate to enforcement mechanisms are considered retrospective unless they create new liabilities or obligations.

These principles have guided the judicial interpretation of the 2018 Amendment, especially in distinguishing between substantive reforms (such as mandatory specific performance) and procedural changes (like substituted performance).

⁶ Payal Dubey, Shivansh Vishwakarma, Examining Retrospectivity and Discretionary Relief of Specific Performance Post-2018 Amendment, The Indian Review of Corporate and Commercial Laws, Apr 19, 2022

⁷ 1994 AIR 2623

***Ex. Capt. K.C. Arora v. State of Haryana (1987)*⁸**

The basic presumption of prospectivity for statutes that impact vested rights, current responsibilities, or impose new liabilities was reaffirmed by the Court. It stated that for such laws to take effect retroactively, there must be clear legislative purpose. This decision has helped to clarify that the 2018 Amendment's significant changes—like the move from optional to required specific performance—apply exclusively to agreements made after the Amendment.

***Gottumukkala Venkata Krishnamraju v. Union of India (2018)*⁹**

The Court's analysis of statutory substitution concluded that when a provision is substituted, the old provision is essentially repealed and replaced with the new one, making the new provision effective from the outset. Arguments arguing that the 2018 Amendment's substituted performance provisions, which largely govern the enforcement procedure rather than substantive rights, may be implemented retroactively have cited this case.

***B. Santoshamma v. D. Sarala (2020)*¹⁰**

The required nature of specified performance under the modified Section 10 was investigated in this case. The Court recognized that, with some exceptions, specified performance was now required rather than optional. The Court pointed out that, depending on the situation, procedural elements like substituted performance may apply to current conflicts even if it categorized this alteration as substantive and so prospective.

***Katta Sujatha Reddy v. Siddamsetty Infra Projects Pvt. Ltd. (2023)*¹¹**

In a landmark decision, the Supreme Court ruled that the 2018 Amendment could not be implemented retroactively because it brought about significant changes, especially with regard to mandated specified performance. The ruling underlined that in order for substantive laws to be applied retroactively, there must be clear legislative purpose because they either create new rights and liabilities or change preexisting ones. This ruling upheld the Amendment's

⁸ 1987 AIR 1858

⁹ AIR 2018 SC 4197

¹⁰ AIR ONLINE 2020 SC 858

¹¹ CIVIL APPEAL NO. 5822 OF 2022 (arising out of SLP (C) No. 13565 of 2021)

substantive measures' prospective nature.

***Church of North India v. Rt. Reverend Ashoke Biswas (2019)*¹²**

The 2018 Amendment's procedural rules might be applied retroactively, according to the Calcutta High Court's ruling. It held that the date of the decree, not the date the suit was filed, was the pertinent date for applying the Amendment, therefore it may be applied to cases that were still pending and in which the decree was issued after the Amendment was approved. This ruling demonstrated how procedural restrictions can be applied retroactively.

***Sughar Singh v. Hari Singh (2021)*¹³**

In this case, the Amendment's requirement of particular performance was recognized. A balanced approach to balancing new statutory mandates with pre-existing legal frameworks is reflected in the Court's indication that procedural provisions such as substituted performance could influence ongoing cases as a guiding principle, even as it reaffirmed the prospective nature of this substantive change.

***The All India Tea and Trading Company Limited v. The Loobah Company Limited (2021)*¹⁴**

The Court clarified that despite the mandatory language of Section 10 post-amendment, specific performance was not an absolute remedy. Exceptions under Sections 11, 14, and 16 of the Act still applied, ensuring that the Amendment did not override existing safeguards in contractual enforcement. This case reinforced the nuanced application of the 2018 Amendment's provisions.

***Siddamsetty Infra Projects Pvt. Ltd. v. Katta Sujatha Reddy (2024) [Review Petition]*¹⁵**

The court discussion regarding the 2018 Amendment's retroactive applicability is put to rest by this historic ruling. The Supreme Court emphasized in its 2023 ruling that the procedural features of the Amendment, such as substituted performance, might be applied retroactively to current disputes. It argued that since procedural laws by definition do not change substantive

¹² 2019 SCC OnLine Cal 384

¹³ (2021) 17 SCC 705

¹⁴ IA. No. G.A. 1 of 2021 and C.S. 45 of 2021

¹⁵ No. 1565 OF 2022 IN C.A. No 5822 OF 2022

rights, they might apply to claims brought before the Amendment was passed.

Furthermore, the Court held that in some circumstances where the situation's equity requires it, even substantive provisions—such as mandatory particular performance—may have retroactive effect. This ruling emphasized the value of judicial discretion in adopting retroactive principles while acknowledging the Amendment's main goal of improving contract law's efficiency and enforceability.

Key Observations from Case Law

1. **Procedural vs. Substantive Provisions:** The differentiation between procedural and substantive modifications has been continuously maintained by courts. The majority of the time, substantive provisions—like required specific performance—have been applied prospectively. But with the 2024 review petition ruling, procedural clauses like substituted performance are now unquestionably acknowledged as retroactive.
2. **Changing Consensus in the Judiciary:** The 2024 Siddamsetty review petition shows a shift towards larger retrospective applicability, especially for procedural aspects, whereas previous rulings tended towards prospective application of the Amendment.
3. **Fairness and Legislative Intent:** In order to prevent retroactive application from undermining entrenched rights or imposing unwarranted new responsibilities, courts have attempted to strike a balance between the parties' equitable interests and the goals of the Amendment.

The Siddamsetty review petition has settled key ambiguities surrounding the applicability of the Specific Relief (Amendment) Act, 2018. By affirming the retrospective application of procedural provisions and clarifying the nuanced application of substantive reforms, the judgment underscores the judiciary's commitment to aligning statutory interpretation with the broader goals of justice, efficiency, and legal certainty.¹⁶

Key Changes Introduced by the Specific Relief (Amendment) Act, 2018

The Amendment sought to streamline remedies, reduce judicial discretion, and create a more

¹⁶ *Supra* Note 6

predictable legal framework. These changes align with India's economic and policy objectives, particularly its emphasis on infrastructure development and ease of doing business.

Shift from Judicial Discretion to Contractual Enforcement

The 2018 Amendment's most significant change is the conversion of particular performance from a voluntary to a required remedy. Under the pre-amendment legal framework, courts could only provide specific performance under section 10 of the Specific Relief Act, 1963, if monetary compensation was deemed insufficient. Given that courts applied subjective criteria to determine whether compensation was or would be appropriate in each case and how feasible it was to enforce, the results varied excessively.

Unless the contract falls under one of three recognized exceptions—Sections 11, 14, or 16—an revised Section 10 alters the basic strategy used by requiring the grant of specific performance. By maintaining that contracts should be what parties and courts have agreed upon as binding, it seeks to reduce the arbitrary nature of judicial authority. This condition is met by specific performance: as relational rules contained in contracts are reinforced, predictability takes over.

This change has had especially marked effects where huge amounts of capital are involved. Investors and business concerns can now be more secure that contracts entered into will be honored, minimizing any opportunity for the breach of these contracts. This represents a larger movement in global contract law, where courts are removing themselves from discretionary application of equity and instead moving toward rule-of-law-style mechanisms for enforcement.¹⁷

However, discretion under the Amendment is not entirely discharged. Under sections 14 and 16, courts are accorded the power to refuse specific performance where performance would be impossible or inequitable or simply lies in personal qualifications. This practice ensures that strict contract enforcement does not bear unjust or impractical consequences.

Introduction of Substituted Performance

A relatively recent development in Indian contract law is substituted performance, which was

¹⁷ Ayush Goyal, Specific Relief (Amendment) Act, 2018: An Analysis, 1 INT'L J.L. MGMT. & HUMAN. 298 (2018)

implemented under Section 20 of the revised Act. Substituted performance allows a party that has been wronged to reduce the impact of a breach by using other contractors or service providers to fulfill the contract's requirements. The delinquent party may be held liable for the cost of acquiring alternative performance.

This provision allows parties the opportunity to deal with breaches more effectively without being totally reliant on the courts for relief. Reduced delays and costs of litigation are associated with the speedy remedies that aggrieved parties are given. An example in infrastructure projects, where execution time-sensitive is the key, substituted performance offers a practical solution in addressing the interruption which would be brought about by non-performance.¹⁸

Although the substituted performance has its own benefits, it does involve concerns regarding proportionality and fairness. Relating to such matters, courts might also have to satisfy that the amount of losses claimed by the aggrieved party is fair and justifiable and that the opponent party should not be penalized disproportionately. The problem in this direction was explored in a few case laws also, including **Church of North India v. Rt. Reverend Ashoke Biswas 2019**.

Limited Scope for Injunctions in Infrastructure Projects

Another significant reform that the 2018 Amendment brings in is that regarding injunction. Section 20A holds courts from granting injunctions in those cases where it would hinder the progress or completion of infrastructure projects¹⁹ if such an injunction runs counter to the principles of public interest. This amendment assumes great importance in light of the encouragement by the Indian nation towards development and infrastructure as the push for economic growth.

Injunctions were frequently utilized in the previous framework to stop violations or safeguard contractual rights. However, in the context of infrastructure projects, injunctions frequently resulted in delays, higher expenses, and the halting of important developments. Projects of

¹⁸ *Ibid*

¹⁹ S. 10 of the Specific Relief (Amendment) Act, 2018.

"For the purposes of the section, section 20B and clause (ha) of section 41, the expression "infrastructure project" means the category of projects and infrastructure Sub-Sectors specified in the Schedule. (2) The Central Government may, depending upon the requirement for development of infrastructure projects, and if it considers necessary or expedient to do so, by notification in the Official Gazette, amend the Schedule relating to any Category of projects or Infrastructure Sub-Sectors. "

national importance were derailed, for example, even though litigation usually dragged on in disputes over land acquisition or contractor duties.

The ban on injunctions is a policy choice in favour of the greater economic and public interest as opposed to individual contractual claims. The Amendment aims at preventing projects in transport, energy, and water management from suffering undue delay on account of legal disputes by limiting injunctions specifically in such infra cases.²⁰

The government's designation of the infrastructure projects as a "special category" under the Act emphasizes the reform's economic justification. The Amendment backs India's overarching goal of becoming a global investment hub in addition to bringing legal procedures into line with governmental goals.

Expanded Role of Special Courts

To address the delays associated with the resolution of disputes in contract cases, the 2018 Amendment introduces provisions relating to special courts. Special courts, with exclusive jurisdiction over specified relief matters, are supposed to speedily settle and determine such disputes, thus alleviating the congestions which the general courts experience.

Specialized courts reflect a recognition that there is a specialized expertise involving the resolution of the intricacies of complex contractual disputes. While regular courts handle civil and criminal matters, which involve anything from murder to counterfeiting, special courts can deal with the intricacies of contract law, in order to achieve more consistent and efficient adjudication.²¹

For time-sensitive projects or high-value contracts, when any delay in conflict resolution could result in a significant operational and financial failure, special courts are very helpful. With the unique feature of offering a distinct venue for relief cases, the Amendment aims to improve system efficiency generally and strengthen contract enforceability.

However, the measures in their execution must be free from obstacles that hinder their success, such as determining sufficient resources, qualified judges, and procedural efficiency, for special

²⁰ *Supra* Note 17

²¹ Aviral Parthak, The Specific Relief (Amendment) Act, 2018 - An Analysis, 2 JUS CORPUS L.J. 118 (December 2021 - February 2022)

courts to be successful and effective. Additionally, in order to prevent jurisdictional issues, special courts and normal courts must carefully coordinate.

Comparative Analysis with Pre-Amendment Law

The development of the legal rules pertaining to specified performance, substituted performance, injunctions, and the function of judicial discretion is highlighted in this comparative study. We can gain a better understanding of the 2018 Amendment's revolutionary nature and its ramifications for India's legal and economic landscape by comparing the pre- and post-amendment frameworks.

Judicial Discretion in Granting Specific Performance

According to the pre-amendment statute, specific performance is optional. According to Section 10 of the Specific remedy Act of 1963, where monetary remedy is ineffective, specific performance "may" be given. The courts have the authority to determine whether or not specific performance should be granted in a given instance thanks to the option provided by this clause. Before providing relief, courts typically consider hardship, the viability of the court's corrective action, and justice while using equitable concepts like equity and good conscience.

Although this discretion allowed courts to tailor remedies to the unique circumstances of each case, it also led to inconsistency and unpredictability in the enforcement of contracts. The judicial interpretations of what constituted "inadequacy of compensation" ranged from one case to another because similar cases were decided differently based on the subjective judgments of individual judges. This variability reduced the confidence of parties in their contracting agreement, especially in commercial transactions.²²

This strategy was drastically altered by the 2018 Amendment, which mandated that specific performance serve as Section 10's primary remedy. Consequently, the term "may" was replaced with "shall," and enforcement was shifted from discretionary to rule-based. Unless the contract falls under one of the exceptions listed in Sections 11, 14, or 16, courts must now mandate specific performance. With the exception of a few rare circumstances in which performance would be unfair or impossible, this has increased predictability in the legal system and

²² *Supra* Note 17

increased the likelihood that contractual commitments will be fulfilled as written.

Availability of Substituted Performance

The idea of substituted performance as a remedy for contract violations was not acknowledged by the previous framework. The only options available to parties seeking to vindicate their rights were conventional remedies like monetary compensation or specified performance. The promisee has no way to independently remediate the breach by hiring a different contractor or service provider in cases where the promisor was unable to carry out their end of the bargain.

This nonflexibility often left wronged parties vulnerable to the long, drawnout judicial process, making the settlement of disputes protracted, and further increasing litigation expense. For example, in infrastructure projects where completion within time is extremely critical, the absence of substituted performance mechanisms quite frequently resulted in project delays and associated financial losses.²³

By implementing substituted performance under Section 20, the 2018 Amendment closed this gap. Through substituted performance, the promisee can assign a third party to carry out the performance and obtain reimbursement from the promisor for all costs paid. This makes substituted performance an effective remedy for violations and motivates parties to actively seek the enforcement of their rights.

Restriction on Injunctions in Infrastructure Projects

Prior to the law's amendments, injunction was the most often used remedy, particularly in cases involving violations of infrastructure contracts. To prevent the parties from acting in a way that would violate the terms of the contract, injunctions were granted. Even though injunctions successfully stopped a breach, their lenient application to infrastructure projects led to delays, increased expenses, and missed deadlines for important advancements.

Unrestricted injunctions in infrastructure projects plagued India's progress toward its economic growth and development goals. Thus, for instance, even if it were a transportation or energy project, court-granted injunctions meant not only increased costs but also an impact on public

²³ Apoorv Sarvaria, 'India: Recent Amendments made in the Specific Relief Act- A Brief Overview', Mondaq

interest through the halt in delivering necessary services.²⁴

The 2018 Amendment added a new clause, Section 20A, that limits injunctions if they are likely to impede or delay the completion of infrastructure projects against the public interest. It is a clear policy choice that will benefit the public and economy by replacing private-party contract disputes.

The Amendment seeks to prevent legal issues from impeding the timely completion of infrastructure projects by limiting the scope of injunctions. Private parties, who view injunctions as a primary tool for enforcing rights, are concerned about this. Courts have faced a dilemma in striking this balance between contract and remedy: preserving contractual rights while making sure that legal remedies don't impede projects of national importance.

Role of Special Courts

Under the pre-amendment framework, disputes arising out of and in connection with a contract fell within the purview of ordinary courts, which faced huge volumes of both civil and criminal cases. The result was often non-specialized courts that were slow and inclined to arbitrary application of legal principles, essentially making the dispute resolution process inefficient and unreliable.

Such was the challenge that the 2018 Amendment aimed to address in providing for special courts with exclusive jurisdiction over certain relief cases. Special courts are meant to accelerate the resolution of disputes, thereby reducing the burden on regular courts and ensuring consistency in adjudication by judges who are already experts in contract law.

Special courts are created, and this reflects recognition for the necessity of specialized forums that will address complex contractual disputes. This court is highly appreciated by parties who will engage each other in high-value cases or disputes involving time-sensitive projects that significantly have financial and operational consequences if delayed in the resolution.

Balancing Equity and Efficiency

Because equity was given priority in the pre-amendment framework, judges were able to

²⁴ *Supra* Note 21

customize remedies to fit the particulars of each case. Although this method guaranteed justice in certain situations, efficiency and predictability were frequently sacrificed in the process. The 2018 Amendment emphasizes efficiency and legal certainty while maintaining safeguards to prevent unfair outcomes, reflecting a trend towards rule-based enforcement.

This balancing act is evident in the provisions for substituted performance and the restriction on injunctions in infrastructure projects. Substituted performance promotes efficiency by empowering parties to address breaches without judicial intervention, while restrictions on injunctions ensure that legal disputes do not obstruct projects of public importance. At the same time, exceptions under Sections 14 and 16 provide flexibility to address cases where mandatory enforcement may lead to unjust or impractical results.²⁵

Alignment with International Practices

Indian contract law is now in line with global best practices thanks to the 2018 revision. This Amendment increases India's appeal as a location for foreign investment by improving the predictability and dependability of contractual enforcement by reducing judicial discretion and giving enforceability priority.

Reforms inspired by international practices include substituted performance and special courts. For instance, these jurisdictions have used specialized commercial courts and efficient remedies for breaches of contract successfully in the United Kingdom and Singapore. Similar measures are adopted in India with a view to strengthening legal infrastructure as well as its rank in ease-of-doing-business.²⁶

Nonetheless, the success of these reforms depends on their proper implementation and interpretation. Courts must struggle in balancing the efficiency with equity so that the aforementioned principles of fairness and justice are not sacrificed to pursue economic goals.

Conclusion

An important piece of legislation in Indian contract law, the Specific Relief (Amendment) Act 2018 brings the legal system up to date with contemporary industrial and economic realities,

²⁵ Nilima Bhadbhade, The Specific Relief (Amendment) Act 2018: a Hurried Legislation, Bar and Bench

²⁶ Supra Note 6

fixing long-standing inefficiencies. As enforcement replaces judicial discretion, it signifies a change from an equity-based strategy to one that prioritizes predictability, efficiency, and the sanctity of contracts. These modifications have a significant impact on India's legal and economic landscape and increase stakeholder, investor, and corporate confidence in the enforceability of their contractual rights.

The Amendment's move toward a discretion-free requirement of precise performance is among its most significant modifications. The judiciary has effectively transitioned its discretionary jurisdiction to the rule of enforcing contracts as drafted, unless extraordinary circumstances permit otherwise, with this change. This revision brings Indian contract law into line with international best practices, improves legal clarity, and limits the room for subjective interpretation. Businesses and investors are promised predictable and timely protection of their contractual rights, particularly in the real estate and infrastructure sectors.

Another historic improvement that addresses a major weakness in the previously modified framework is substituted performance. Therefore, the potential of the substituted performance to allow the harmed parties to enlist third parties who would fulfill contractual commitments and collect costs from the promisor who is in default is what gives it its crucial force. As a result, there is less reliance on drawn-out legal procedures that would otherwise take a long time and could contribute to needless financial interruption in the settlement of disputes. The Amendment's overarching goal of creating a business-friendly legal environment that prioritizes effectiveness and pragmatism is reflected in substituted performance.

A specific change to strike a balance between legal remedies and economic priorities is the limitation of injunctions on infrastructure projects. Since timely execution would now be taken into consideration when developing infrastructure, the Amendment limited the use of injunctions that are likely to cause delays in projects of national importance. It demonstrates the government's dedication to promoting public welfare and economic progress by preventing legal issues from impeding important infrastructure projects. Although this legislation has sparked worries about restricting private parties' remedies, it represents a necessary trade-off to meet larger economic goals.

Another aspect of the Amendment is that it stipulates the establishment of a special court to grant targeted relief, so enhancing the effectiveness of the judicial system. In order to overcome

the delays and inconsistencies that regular courts have in resolving conflicts in a timely and specialized manner, this enables unique relief cases to be handled in a special court. Thus, the Amendment's revisions improve the efficiency of the legal system, indicating India's dedication to creating a strong and trustworthy legal system.

To sum up, the Specific Relief (Amendment) Act, 2018 is a historic piece of legislation that addresses the more significant issues of an unaltered framework while bringing Indian contract law in general into line with international standards. A forward-thinking approach to legal reform is shown in the emphasis on efficiency, enforceability, and economic priorities, which guarantee that India will continue to be a competitive and alluring location for investment and enterprise. As courts continue to interpret and apply the Amendment's provisions, success will ultimately depend on striking a careful balance between efficiency and equity in order to maintain the harmony between justice and development.