



BAILMENT AND PLEDGE (INDIAN CONTRACT ACT, 1872)

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Abstract :

¹Bailment & Pledge are examples of specific contracts. Indian Contract Act 1872 is not a comprehensive Act, dealing with all types of specific contracts. There are various other Acts which deal with specific contracts e.g., ²The Railways Act 1890, Carriers Act 1865 etc. The word bailment is derived from French word 'bailer' means "to deliver"

In law we use the term bailment in its technical sense which means change in possession of goods from one person to another. Pledge, on the other hand is bailment of goods whereby the goods are transferred from one person to another as security for payment about debt or performance about a promise. Pledge is different from bailment.

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MEANING OF BAILMENT

Section 148 of the Indian Contract Act states: A bailment is the delivery of goods by one person to another for some purpose, upon a contract they shall, when the purpose is completed, be returned or otherwise disposed of according to the directions of the person delivering them. The person delivering the goods is called the "bailor". The person to whom they are delivered is called the "bailee". For example, you deliver some gold to a jeweler B to make bangles for your sister. In this case you are bailor & B is bailee & by delivering gold to B, a relationship of bailment is created between you & the jeweler.

KINDS OF BAILMENT

³Bailment may be classified on two bases, i.e., reward & benefit.

On the Basis of Reward

Bailment can be classified as gratuitous & non-gratuitous bailment on the basis of whether the parties are getting or not getting some value out of the contract of bailment. When there is no consideration involved in the contract of bailment it is called a gratuitous bailment. For example, when you lend your cycle to your friend so he can ride or when you borrow his books to read, it is a case of gratuitous bailment because no exchange of money or any other consideration is involved. Neither you nor your friend would be entitled to any remuneration here.

On the Basis of Benefit

On the basis of the benefits accruing to the parties, the contract of bailment may be divided into the following types:

- i) **Bailment for the exclusive benefit of the bailor:** This is the case where a contract of bailment is executed only for the benefit of the bailor, & bailee does not derive any benefit from it. For example, if you are going out of station & leave your valuable goods with your neighbour for safety, it is you as bailor, who alone is being benefited by this contract.
- ii) **Bailment for the exclusive benefit of the bailee:** This is the case where the contract of bailment is executed only for the benefit of the bailee & the bailor does not derive any benefit from the contract. For example, if you lend your books to a friend, without charge, so he can study for his exams, it is your friend as the bailee, who alone is going to be benefited by this contract.
- iii) **Bailment for the mutual benefit of bailor & bailee:** In this case both the bailor & the bailee derive some benefit from the contract of bailment. For example, if you give your shirt to be stitched by the tailor, both of you are going to be benefited by this contract, while you get a stitched shirt, the tailor gets the stitching charges.

Essentials of ⁴Valid Bailment

¹ Indian Contract Act 1872

² The Railways Act 1890

³ Sec.151, Indian Contract Act, 1872.