AILET

# Contract of Bailment And Contract of Pledge for CLAT

Aparna Shukla · 27 Apr 2021

Section 124 to Section 238 of the Indian Contract Act 1872 lay down the provision concerning the special contracts. In this article, we will be dealing with the Contract of Bailment and Contract of Pledge.

There are following special contracts in the Act:

1. Contract of Guarantee
2. Contract of Indemnity
3. Contract of Bailment
4. Contract of PledgeTo read briefly about Contract of Guarantee and Contract of Pledge, click here.

### Contract of Bailment

The Indian Contract Act 1872 defines bailment in section 148 as *'A bailment is the delivery of goods by one person to another for some purpose upon a contract that they shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivering them.'* There are two parties involved i.e. Bailor and Bailee. The person who is delivering the goods is called Bailor and the person to whom the goods are delivered i.e. receiver is the bailee. It is a prerequisite that such delivery must be made for a specific purpose and the good must be given back after the purpose is achieved. It is the responsibility of the bailor to disclose the defect in the goods and Bailee is expected to take care of the goods bailed.

Bailment is usually made for the exclusive benefit of bailor, an exclusive benefit of bailee or the mutual benefits of bailor and bailee.  Another categorisation of bailment can be done based on reward as – Gratuitous and Non-Gratuitous Bailment. In the case of the Gratuitous Bailment, there is no reward involved whereas, in the case of Non-Gratuitous bailment, a consideration passes between the bailor and the bailee.

Illustration: Akhil bailed his watch to a repair shop owner, Anu and in return promised to pay Anu Rs. 100. Here Akhil is the bailor and Anu is the Bailee. The purpose of the bailment is the repairing of the watch and since there is consideration involved, it is a non-gratuitous bailment.

### Contract of Pledge

Section 172 of the Indian Contract Act 1872 defines Pledge as '*The bailment of goods as security for payment of a debt or performance of a promise*.' There are two parties involved – Pawner/ Pledger and Pawnee/ Pledgee. Since it is a type of bailment, the bailor in the case of Pledge is called as Pledger and the bailee in the case of the pledge is called Pledgee. The essential elements of the Contract of Pledge:

- Delivery of goods
- Return of goods
- Possession of the goods
- Movable goods only

Illustration: Prasun borrows a sum of Rs.1000 from Ishan and keeps his phone as security for repayment of the debt. This bailment is called pledge or pawn. Here, Prasun is the pledger and Ishan the pledgee.