

# BAILMENT

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# BAILMENT



- According to sec 148 of the Indian Contract Act:

“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.”

- ❖ The term bailment is derived from a French word “bailler” which means to deliver a thing under a contract for return at a specified time or under specified conditions.
- ❖ The contract of bailment and pledge are special type of contracts.. The legal provisions relating to the bailment and pledge are contained in sections 148 to 181 of the Indian Contract Act.

# BAILMENT

The delivery of goods by one person to another for some purpose and also for some specified period, is known as bailment. The goods are shall be returned back on fulfilment of the specific purpose. The two parties to a contract of bailment are –

1. Bailor: The person who delivers the goods is known as the bailor.
2. Bailee : The person to whom the goods are delivered for specific purpose is known as the bailee .

Example –

- ⦿ A deposited his luggage in a cloak room at the railway station. This is the contract of bailment between A and the Railways.
- ⦿ A gave his T.V. to B, a mechanic, for repair. This is a contract of bailment between A and B.

# ESSENTIAL FEATURES OF A VALID CONTRACT

(Section 148 of the Indian Contract Act)

## 1. The delivery of possession

Actual Delivery

Constructive Delivery

Case Laws:

Kaliaperumal v. visalakshmi, 1938

N.R. Srinivasa Iyer v. New India Ins. Co. Ltd, 1983.



2. The delivery should be on the basis of some contract
3. The delivery should be for some purpose
4. The delivery should be upon a condition to return.

# CLASSIFICATION OF BAILMENT

1. Bailment on the basis of charges:
  - (a) Gratuitous bailment
  - (b) Non-gratuitous bailment
2. Bailment on the basis of benefits
  - (a) Bailment for the exclusive benefit of the bailor.
  - (b) Bailment for the exclusive benefit of the bailee
  - (c) Bailment for the mutual benefit of both bailor and bailee.

# DUTIES OF A BAILOR

1. Duty to disclose faults in the goods bailed.
  - (a) Duty of a gratuitous bailor
  - (b) Duty of Non-Gratuitous Bailor
2. Duty to bear extra- ordinary expenses
3. Duty of indemnifying the bailee
4. Duty to receive back the goods.

# DUTIES OF A BAILEE

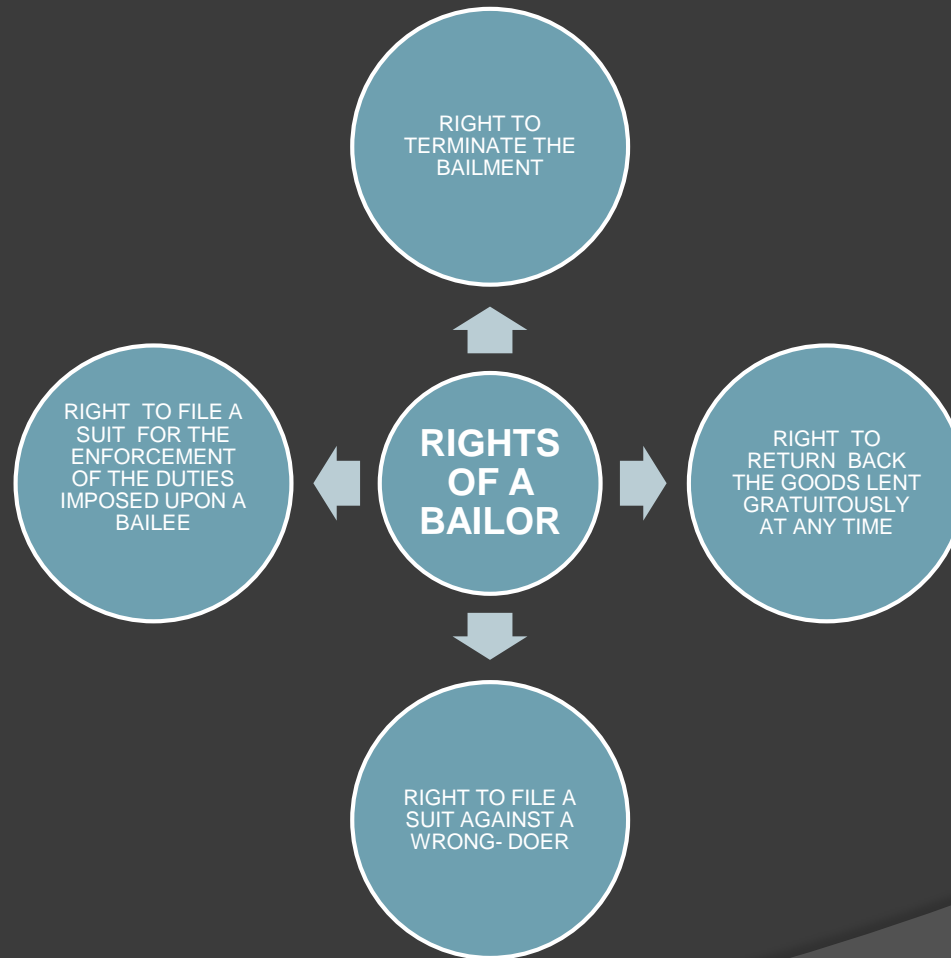
1. Duty to take reasonable care of the goods bailed.
2. Duty not to make unauthorised use of the bailed goods.
3. Duty not to mix the bailed goods with his own goods.
  - (a) mixing the goods with the bailors consent
  - (b) mixing the goods without the bailor's consent and the goods are separable
  - (c) mixing the goods without the bailor's consent and goods are not separable.
4. Duty to return the goods
5. Duty to return the increase in the goods bailed.
6. Duty not to set up an adverse title against the bailor.

# RIGHTS OF A BAILOR

1. Right to terminate the bailment
2. Right to demand back the goods lent gratuitously at any time.
3. Right to file a suit against the wrongdoer
4. Right to file a suit for the enforcement of the duties imposed upon a bailee.



# Rights of a Bailor



# RIGHTS OF A BAILEE

1. Right to compensation
2. Right to return the goods to anyone of the joint bailors.
3. Right to recover the agreed charges.
4. Right to file a suit to decide the title of the goods bailed.
5. Right to file a suit against a wrong-doer
6. Right of lien.

# TERMINATION OF BAILMENT

1. Expiry of the specified period.
2. Achievement of the object
3. Inconsistent use of goods
4. Death of the bailor or bailee.
5. Termination by the bailor.

# TERMINATION OF BAILMENT

Expiry of the  
specified  
period

Achievement  
of the object

Inconsistent  
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Death of the  
bailor and  
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Termination by  
the bailor

A hand is shown from the bottom right, palm up, holding a glowing, translucent white sphere. The sphere has a bright center and a soft glow. Inside the sphere, the words "THANK YOU" are written in a bold, black, sans-serif font, stacked on two lines. The background is a plain, light gray.

**THANK  
YOU**