



VIT[®]

Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

Legal Aspects of Business

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Recapitulate

Bailment

- Introduction
- Requisites of Bailment
- Classification of bailment
- Rights and duties of Bailor
- Rights and duties of Bailee
- Finder of goods
- Termination of Bailment

Bailment and Pledge

Pledge

The bailment of goods as security for payment of a debt or performance of a promise is called 'pledge'. The bailor is, in the case, called as 'pledger' or 'pawnor' and the bailee is called the 'pledgee' or 'pawnee'

A pledge is a bailment for security. It is a special kind of bailment.

Bailment and Pledge

Rights of Pawnee and Pawnor

Rights of Pawnee

Right of retainer

Right to extraordinary expenses

Right to sell the goods

Right to file suit

Right to recover deficiency

Rights of Pawnor

Right to get back goods

Right to receive the increase

Preservation and
maintenance of the goods

Bailment and Pledge

Pledge by Non-Owners

Pledge by mercantile agent

Pledge by seller or buyer in possession after sale

Pledge where pawnor has a limited interest

Pledge by co-owner in possession

Pledge by person to possession under a voidable contract

Review Questions

1. Pledge is a special kind of bailment. **True or False**
2. The bailment of goods as security for payment of a debt or performance of a promise is called
 - a. Indemnity
 - b. Bailment
 - c. Pledge
 - d. Surety
3. A person having a lien over the goods or a finder of goods may pledge them to the extent of his interest. **True or False**

Answer

1. Pledge is a special kind of bailment.

Answer: True

2. The bailment of goods as security for payment of a debt or performance of a promise is called

Answer: c. Pledge

3. A person having alien over the goods or a finder of goods may pledge them to the extent of his interest.

Answer: True

Thank You