

124. “Contract of indemnity” defined.—

A contract by which one party promises to save the other from loss caused to him by the contract of the promisor himself, or by the conduct of any other person, is called a “**contract of indemnity**”.

126. “Contract of guarantee”, “surety”, “principal debtor” and “creditor”.—

A “**contract of guarantee**” is a contract to perform the promise, or discharge the liability, of a third person in case of his default.

The person who gives the guarantee is called the “**surety**”;

the person in respect of whose default the guarantee is given is called the “**principal debtor**”

the person to whom the guarantee is given is called the “**creditor**”.

A guarantee may be either **oral** or **written**.

148. “Bailment” “bailor” and “bailee” defined.—

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 person delivering the goods is called the “**bailor**”.

The person to whom they are delivered is called, the “**bailee**”.

172. “Pledge” “pawnor”, and “pawnee” defined.—

The bailment of goods as security for payment of a debt or performance of a promise is called “**pledge**”.

The bailor is in this case called the “**pawnor**”.

The bailee is called the “**pawnee**”.

182. “Agent” and “principal” defined.—

An “**agent**” is a person employed to do any act for another, or to represent another in dealings with third persons.

The person for whom such act is done, or who is so represented, is called the “**principal**”.

Rights & Duties of Bailor & Bailee:

Rights of Bailor	Duties of Bailor
<ol style="list-style-type: none"> 1. Right to receive back the goods 2. Right to compensation. 3. Right to rescind contract. (Inconsistency) 4. Right to terminate bailment (Gratuitously) 5. Right to receive the increase 6. Right to separate his goods from mixture 	<ol style="list-style-type: none"> 1. Duty to deliver goods 2. Duty to disclose defects 3. Duty to bear expenses 4. Duty to compensate

Rights of Bailee	Duties of Bailee
<ol style="list-style-type: none"> 1. Right to use the goods 2. Right to know the defects in goods 3. Right to mix goods 4. Right to reimbursement of expenses. 5. Right to compensation 6. Right to return goods to co-owner 7. Right to stop delivery 	<ol style="list-style-type: none"> 1. To take reasonable care of goods 2. Duty to compensate 3. Duty to not to make unauthorised use of goods. 4. Duty to not to mix the goods 5. Duty to return the goods 6. Duty to return increase