

**Agency:** It is such contract in which a person authorised by employer make the employer liable towards third person.

A contract of Agency is the employment of person by another in order to bring the latter into legal relation with the third person.

[UTI vs Ravindra Kumar Shukla {Postoffice}]

Sec 185: **No consideration for Agency** [Southern Roadways vs Krishna {fiduciary (trust) relation is enough}]

Sec 186: Method of creation of agency. [Express or implied]

Sec 187: Express & Implied agency defined.

Delegation of authority [Moon vs Withey Union] - In some case Agent can delegate his authority.

Right of agents: 217 to 225	Duties: 190 to 218
<ol style="list-style-type: none"><li>1. Right to retain amount of sums</li><li>2. Right to Receive remuneration (217)</li><li>3. Right of Lien (221)</li><li>4. Right to Indemnity (s 222) [lawful act]</li><li>5. Right to Indemnification against the consequences of act done in good faith (223)</li><li>6. Right of Compensation for injury caused by principal neglect (225)</li><li>7. Right of stoppage of goods in transit</li></ol>	<ol style="list-style-type: none"><li>1. To work according to directions given by principal (211)</li><li>2. Act with reasonable care (212)</li><li>3. To render proper accounts (213)</li><li>4. To communicate with principal (214)</li><li>5. Not to deal on his own account (215)</li><li>6. Not to disclose secret profit (216)</li><li>7. To pay sums received (218)</li><li>8. Duty on death or unsoundness of the principal (209)</li><li>9. Duty to appoint sub-agent (193)</li></ol>

**Sec 230** - In the absence of contract, an agent can't personally enforce contract entered into by him on behalf of his principal not he is personally bound by them.

**Three exception of sec 230:**

1. For the sale or purchase of goods for a merchant residing abroad.
2. Where agent does not disclose the name of his principal.
3. Where a suit cannot be filed against the principal, even though his name is disclosed.

**Types of Bailment: [Do Haath Char Pawn Char Muh]**

1. **Deposit** — Bank locker
2. **Hire** — rent
3. **Commodatum** — gratuitously (for specific purpose)
4. **Pawn** — pledge
5. **Carrier** — transport
6. **Mandatum deposit** — repair & service (OLA is on service centre)

Other bailment types:			
- Voluntary Bailment	- In-Voluntary Bailment	- Gratuitous bailment	- Non-Gratuitous bailment

**Continuing Guarantee:**

Discharge of Liability of Surety: [No Delhi Video Companies Make Fake DSLR]

1. By **notice**
2. By **death** of surety
3. By **variance** in terms of contract
4. By guarantee obtained by **concealment** (hiding of facts)
5. By guarantee obtained by **misrepresentation**
6. By **failure** of joining of co-surety
7. By **discharge** of principal debtor
8. By **settlement** or increase in time
9. By **loss** of security by creditor
10. By impairing surety's eventual **remedy**

<b>Guarantee</b>	<b>Continuing Guarantee</b>
<ol style="list-style-type: none"> <li>1. For single, particular transaction.</li> <li>2. Can not be cancelled (rescinded).</li> <li>3. Comes to an end on the completion of specific transaction.</li> <li>4. The liability arises when the principle debtor make a default of any one specific transaction.</li> </ol>	<ol style="list-style-type: none"> <li>1. Extends to series of transaction.</li> <li>2. Can be cancelled.</li> <li>3. Comes to an end on the death of surety.</li> <li>4. The liability of surety arises when the principle debtor makes default of any one in a series of transaction.</li> </ol>

<b>Rights of Indemnity holder (125)</b>	<b>Rights of Indemnifier</b>
<p>To compele:</p> <ol style="list-style-type: none"> <li>1. Damages</li> <li>2. Expenses</li> <li>3. Sums</li> </ol>	<p>Right is not given in ICA, 1872</p> <ol style="list-style-type: none"> <li>1. Indemnifier has all the rights possessed by the Indemnity holder.</li> <li>2. File suit against third party in name of indemnity holder.</li> <li>3. Entitle to receive the amount of compensation from he third party.</li> </ol>