

# JAIIB

## Principles and Practices of Banking (PPB)

### Contract of Bailment

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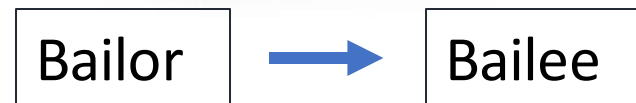
4<sup>TH</sup> SEP TO 9<sup>TH</sup> SEP 2023

S. NO	TOPIC OF THE SESSION	COMPONENT	CHAPTER NUMBER	MODULE	DAY	FACULTY	TIME
1	Contract of Bailment	PPB	Ch-26 Different Modes of Charging Securities	B	Monday	Megha Mam	7:00 PM
2	Internal Audit	AFM	Ch 11 - Bank Audit & Inspection	A	Tuesday	Nishant Sir	7:00 PM
3	International Monetary Fund (IMF)	IEIFS	Ch 9 - International Economic Organisations	A	Wednesday	Surender Sir	7:00 PM
4	Mortgage	PPB	Ch-26 Different Modes of Charging Securities	B	Thursday	Megha Mam	7:00 PM
5	Statutory Audit	AFM	Ch 11 - Bank Audit & Inspection	A	Friday	Nishant Sir	7:00 PM
6	World Bank (WB)	IEIFS	Ch 9 - International Economic Organisations	A	Saturday	Surender Sir	7:00 PM



# Contract of Bailment

- **Indian Contract Act**
- A contract of bailment can be valid without consideration.
- **Gratuitous Bailment:** Bailment without any consideration.
- **Non-Gratuitous Bailment:** Bailment with consideration.
- The Bailor is bound to disclose the Bailee faults in the goods bailed-
  - a) Of which the Bailor is aware
  - b) and which materially interfere with the use of them
  - c) or expose the Bailee to extraordinary risk



# Contract of Bailment

- And if it does not make such disclosure, he is responsible for damage arising to the Bailee directly from such faults
- If the goods are bailed for hire, the bailor is responsible for any damage whether he was aware of the existence of such faults in the goods bailed or not.
- Taking care of goods
- Mixing goods or expenses with consent
- Mixing goods or expenses without consent
- Mixing goods without consent which are not possible to separate

# Duties of the Bailee with regards to Goods

- It is the duty of the Bailee to return the goods bailed as soon as the time for which they were bailed has expired.
- The Bailee is responsible to the bailor for any loss, destruction or deterioration of the goods if the goods are not returned on time.
- In the absence of any contract to the contrary the Bailee is bound to deliver the bailor any increase or profit which may have arisen from the goods bailed.

# Rights of Bailee with regards to Goods

- The Bailor is responsible to the Bailee for any loss which the Bailee may sustain because by reason that the Bailor was not entitled to make the bailment or to receive back the goods
- If the **bailor has No title to the goods** and the Bailee in good faith delivers them to the Bailor or according to the directions of the Bailor the Bailee is not responsible to the owner in respect of such delivery
- If the goods are to be kept or to be carried or to have work done upon them by the Bailee for the Bailor and the Bailee is to receive no remuneration the Bailor shall repay to the bail either necessary expenses incurred by him for the purpose of the bailment

# Bailee's Lien

- If the Bailee has rendered any service involving the exercise of labour or skill in respect of the goods bailed to him, he has right to retain such goods until he receives the due remuneration for the services rendered.



# Practice Question

**Q1. A hires a carriage of B which is unsafe, though B is not aware of it. A is injured. What will be the course of action?**

- a. B is responsible to A for the injury.
- b. B is not responsible as he was unaware of the fault
- c. A and B will divide the loss
- d. None of the above



# Practice Question

## Q2. Which of the following statement(s) is/are correct regarding Bailment?

1. If the goods are bailed for hire, the bailor will be responsible for damages only if he is aware of the defects.
2. The bailee is responsible to the bailor for any loss of goods if goods are not returned on time?

Choose the correct code-

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

# Practice Question

**Q3. If the bailee has rendered any service involving the exercise of labour or skill in respect of the goods bailed to him, he has right to retain such goods until he receives remuneration due to\_\_\_\_\_.**

- a. Negative Lien
- b. Bailee's Lien
- c. Bailor's Lien
- d. No such right

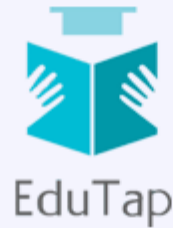
# Homework Question

**Q4. Under the contract of bailment the person delivering the goods is called the \_\_\_\_\_ and the person to whom they are delivered is called the \_\_\_\_\_.**

- a) Consignor, Consignee
- b) Principal, Agent
- c) Bailor, Bailee
- d) Bailee, Bailor

*Thank  
You!*

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