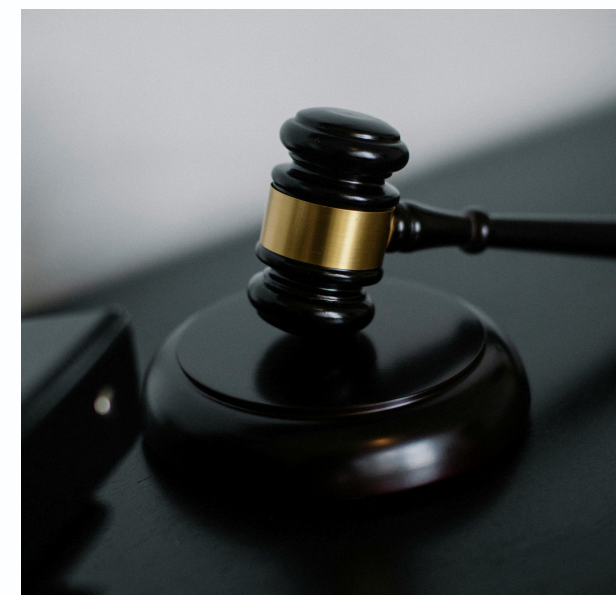
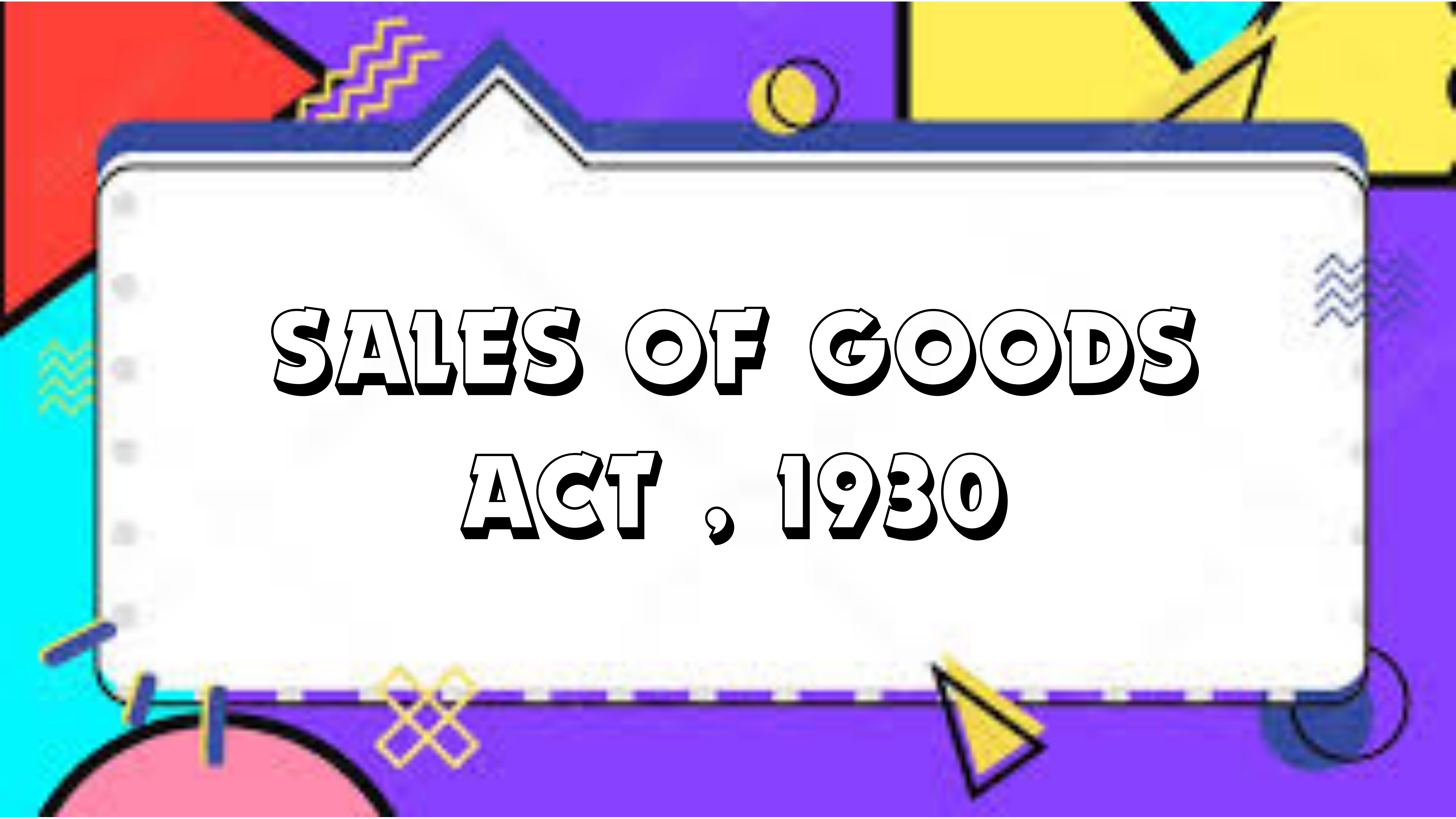




DIFFERENCE BETWEEN





SALES OF GOODS ACT , 1930



SALE VS. AGREEMENT TO SELL

*Property
Policies*

**ACRONYM :-
PNR hai NRI ke Rights**

BASIS

SALE

AGREEMENT TO SELL

Transfer of property

The property in the goods passes to the buyer immediately

Property in the goods passes to the buyer on future date or on fulfilment of some condition.

Nature of contract

It is an executed contract i.e. contract for which consideration has been paid.

It is an executory contract i.e. contract for which consideration is to be paid at a future date.

Remedies for breach

The seller can sue the buyer for the price of the goods because of the passing of the property therein to the buyer.

The aggrieved party can sue for damages only and not for the price, unless the price was payable at a stated date.

Liability of parties

A subsequent loss or destruction of the goods is the liability of the buyer.

Such loss or destruction is the liability of the seller.

Nature of rights

Creates jus in rem

Creates jus in personam

Right of resale

The seller cannot resell the goods.

Sale

O-B ✓

Seller

In case of insolvency of seller

The official assignee will not be able to take over the goods but will recover the price from the buyer.

Goods X

In case of insolvency of buyer

The official assignee will have control over the goods.

OA — Good ✓

The seller may sell the goods since ownership is with the seller.

O — (S) ✓
OA — Goods ✓

The official assignee will acquire control over the goods but the price will not be recoverable.

The official assignee will not have any control over the goods.

OA → X Goods



CONDITION VS. WARRANTY

BASIS	CONDITION	WARRANTY
Meaning	A condition is a stipulation essential to the main purpose of the contract.	A warranty is a stipulation collateral to the main purpose of the contract.
Right in case of breach	The aggrieved party can repudiate the contract or claim damages or both in the case of breach of condition.	The aggrieved party can claim only damages in case of breach of warranty.
Conversion of stipulations	A breach of condition may be treated as a breach of warranty.	A breach of warranty cannot be treated as a breach of condition.

MRB



SALE VS. HIRE PURCHASE

**ACRONYM :-
PPT mein paper from RTI**

BASIS	SALE	HIRE - PURCHASE
Time of passing property	Property in goods is transferred to the buyer immediately at the time of contract.	The property in goods passes to the hirer upon payment of the last installment.
Position of the party	The position of the buyer is that of the owner of the goods.	The position of the hirer is that of a bailee till he pays the last installment.
Termination of contract	The buyer cannot terminate the contract & is bound to pay the price of the goods.	The hirer may, if he so likes, terminate the contract by returning the goods to its owner without any liability to pay the remaining installments.
Burden of risk of insolvency of buyer	The seller takes the risk of any loss resulting from the insolvency of the buyer.	The owner takes no such risk, if the hirer fails to pay an installment, the owner has right to take back the goods.

Transfer of title

Resale

The buyer can pass a good title to a bonafide purchaser from him.

→ honest

The buyer in sales can resell the goods.

~~27~~
The hirer cannot pass any title even to a bonafide purchaser.

The hire purchaser cannot resell unless he has paid all the installment.



SALE VS. BAILMENT

BASIS

~~CONDITION~~

Sale

~~WARRANTY~~

Bailment

Transfer of property

The property in goods is transferred from the seller to the buyer. So, it is transfer of general property.

There is only transfer of possession of goods from the bailor to the bailee for any of the reasons like safe custody, carriage, etc. So, it is transfer of special property.

Return of goods

The return of goods in contract of sale is not possible.

The bailee must return the goods to the bailor on the accomplishment of the purpose for which the bailment was made

Consideration

The consideration is the price in terms of money.

The consideration may be gratuitous or non gratuitous.

CPR dena

free



INDIAN PARTNERSHIP ACT, 1930

3 5
6 6
6 8



PATNERSHIP VS. JOINT STOCK COMPANY

~~MD PPL of LA eats WoRMS~~

ACRONYM :- ✓

~~MD of LA PPL eats WoRMS~~

BASIS	PARTNERSHIP	JOINT STOCK COMPANY
Legal status	A firm is not legal entity i.e. it has no legal personality distinct from the personalities of its constituent members.	A company is a separate legal entity distinct from its members (Salomon v. Salomon).
Agency	In a firm, every partner is an agent of the other partners as well as of the firm.	In a company, a member is not an agent of the other members or of the company, his actions do not bind either.
Distribution of profit	The profits of the firm must be distributed among the partners according to the terms of the partnership deed.	There is no such compulsion to distribute its profits among its members. Some portion of the profits, but generally not the entire profit become distributable among the shareholders only when dividends are declared.



Extent of liability

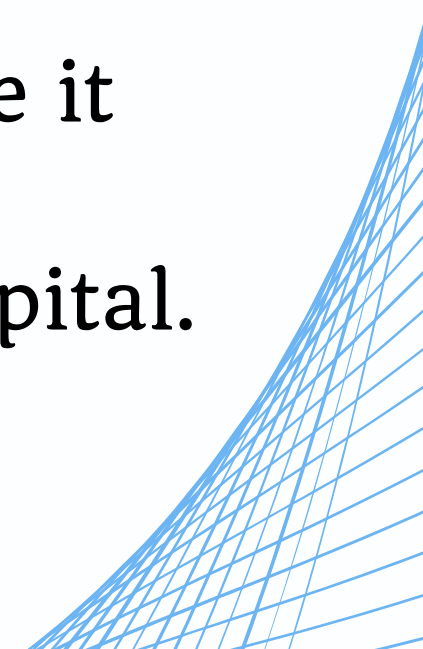
In a partnership, the liability of the partners is unlimited. This means that each partner is liable for debts of a firm incurred in the course of the business of the firm and these debts can be recovered from his private property, if the joint estate is insufficient to meet them wholly

In a company limited by shares, the liability of a shareholder is limited to the amount, if any, unpaid on his shares, but in the case of a guarantee company, the liability is limited to the amount for which he has agreed to be liable. However, there may be companies where the liability of members is unlimited.

Property

The firm's property is that which is the "joint estate" of all the partners as distinguished from the 'separate' estate of any of them and it does not belong to a body distinct in law from its members.

In a company, its property is separate from that of its members who can receive it back only in the form of dividends or refund of capital.



Transfer of shares

A share in a partnership cannot be transferred without the consent of all the partners.

In a company a shareholder may transfer his shares, subject to the provisions contained in its Articles. In the case of public limited companies whose shares are quoted on the stock exchange, the transfer is usually unrestricted.

Management

In the absence of an express agreement to the contrary, all the partners are entitled to participate in the management.

Members of a company are not entitled to take part in the management unless they are appointed as directors, in which case they may participate. Members, however, enjoy the right of attending general meeting and voting where they can decide certain questions such as election of directors, appointment of auditors, etc.



Registration

Registration is not compulsory in the case of partnership.

A company cannot come into existence unless it is registered under the Companies Act, 2013.

Winding up


A partnership firm can be dissolved at any time if all the partners agree.

A company, being a legal person is either wind up by the National Company Law Tribunal or its name is struck off by the Registrar of Companies.

Number of membership

According to section 464 of the Companies Act, 2013, the number of partners in any association shall not exceed 100. However, the Rule given under the Companies (Miscellaneous) Rules, 2014 restrict the present limit to 50.

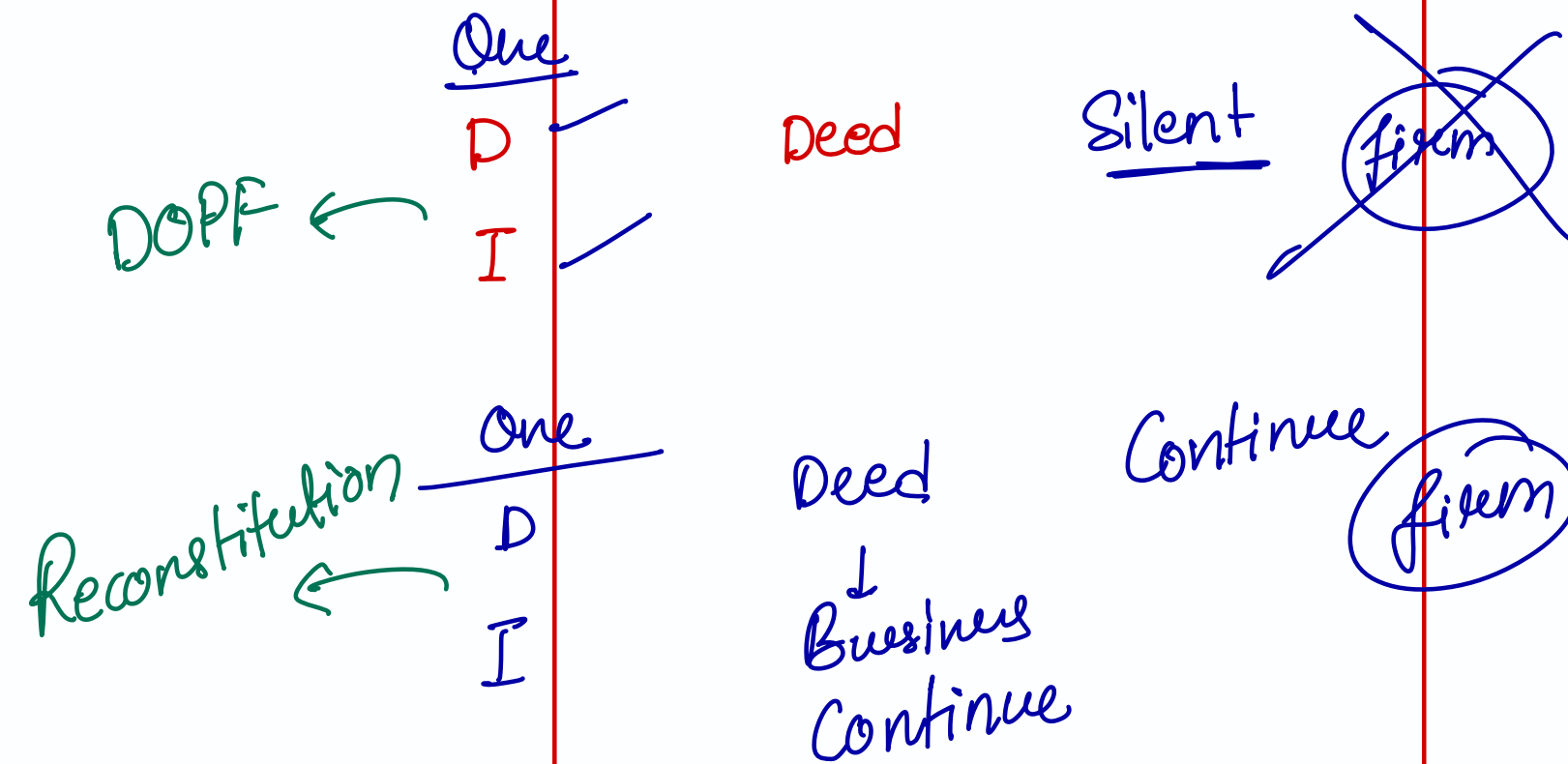
A private company may have as many as 200 members but not less than two and a public company may have any number of members but not less than seven. A private Company can also be formed by one person known as one person Company.



Duration of
existence

Unless there is a contract to the
contrary, death, ~~retirement~~ or
insolvency of a partner results
in the dissolution of the firm.

A company enjoys a perpetual
succession.



Most Excepted

End



PATNERSHIP VS. CLUB

**ACRONYM :-
DRleD**

BASIS	PARTNERSHIP	JOINT HINDU FAMILY
Mode of <u>creation</u>	Partnership is created necessarily by an agreement .	The right in the joint family is created by status means its creation by birth in the family.
Death of a member	Death of a partner ordinarily leads to the dissolution of partnership.	The death of a member in the Hindu undivided family does not give rise to dissolution of the family business.
Management	All the partners are equally entitled to take part in the partnership business.	The right of management of joint family business generally vests in the Karta , the governing male member or female member of the family.
Authority to bind	Every partner can, by his act, bind the firm .	The Karta or the manager , has the authority to contract for the family business and the other members in the family.

Liability

In a partnership, the liability of a partner is unlimited.

In a Hindu undivided family, only the liability of the Karta is unlimited, and the other coparcener are liable only to the extent of their share in the profits of the family business.

Calling for accounts on closure

A partner can bring a suit against the firm for accounts, provided he also seeks the dissolution of the firm.

On the separation of the joint family, a member is not entitled to ask for account of the family business.

Governing Law

A partnership is governed by the Indian Partnership Act, 1932.

A Joint Hindu Family business is governed by the Hindu Law.

Continuity

A firm subject to a contract between the partners gets dissolved by death or insolvency of a partner.

A Joint Hindu family has the continuity till it is divided. The status of Joint Hindu family is not thereby affected by the death of a member.

Minor's capacity

In a partnership, a minor cannot become a partner, though he can be admitted to the benefits of partnership, only with the consent of all the partners.

Profit

Share in the business

In a partnership, each partner has a defined share by virtue of an agreement between the partners.

In Hindu undivided family business, a minor becomes a member of the ancestral business by the incidence of birth. He does not have to wait for attaining majority.

In a HUF, no coparceners has a definite share. His interest is a fluctuating one. It is capable of being enlarged by deaths in the family diminished by births in the family.

Handwritten calculations:

$$\begin{array}{r} 100 \\ 6 \\ \hline \end{array}$$

Annotations: A circled '4' with an arrow pointing to the '1' in the fraction $\frac{1}{4}$. Another circled '4' is shown below the fraction. To the right, the expression $5 + 1$ is written with a diagonal line through it.

Expected



PATNERSHIP VS. CO- OWNERSHIP

ACRONYM :-

FLINT

~~FINT~~ STONE

BASIS

PARTNERSHIP

CO - OWNERSHIP

Formation

Partnership always, arises out of a contract express or implied.

Co-ownership may arise either from agreement or by the operation of law, such as by inheritance.

Implied agency

A partner is the agent of the other partners.

A co-owner is not the agent of other co- owners.

Nature of interest

There is community of interest which means that profits and losses must have to be shared.

Co-ownership does not necessarily involve sharing of profits and losses.

Transfer of interest

A share in the partnership is transferred only by the consent of other partners.

A Co - owner may transfer his interest or rights in the property without the consent of other co-owners.

29



**ACRONYM :-
COW banayegi FSt**

Partnership

BASIS

DISSOLUTION OF FIRM

DISSOLUTION OF PARTNERSHIP

Continuation of business

It involves discontinuation of business in partnership.

It does not affect continuation of business. It involves only reconstitution of the firm.

A/R/E

Winding up

It involves winding up of the firm and requires realization of assets and settlement of liabilities.

It involves only reconstitution & requires only revaluation of assets and liabilities of the firm.

Order of court

A firm may be dissolved by the order of the court.

Dissolution of partnership is not ordered by the court.

Scope

Dec 2023
June 2024
Sept-2024
Jan 2025

It necessarily involves dissolution of partnership.

It may or may not involve dissolution of firm.

Final closure of books

It involves final closure of books of the firm.

It does not involve final closure of the books of the firm.



LIMITED LIABILITY PARTNERSHIP ACT, 2008



LLP VS. LLC

ACRONYM :-

Manojjo hai MD has been Named ~~for~~ MRI ke Liye

BASIS	LLP	LLC
Regulating act	The LLP Act, 2008.	The Companies Act, 2013.
Members/Partners	The persons who contribute to LLP are known as partners of the LLP.	The persons who invest the money in the shares are known as as members of the company.
Internal governance. Structure.	The internal governance. structure of LLP is goverened. by contract agreement between. the partners.	The internal governance structure of a company is regulated by statute.
Name	Name of the LLP to contain the word "Limited Liability partnership" or "LLP" as suffix.	Name of the public company to contain the word "limited" and Pvt. Co. to contain the word "Private limited" as suffix.
Minimum number directors/designated partners of	Minimum 2 designated partners	Pvt. Co. - 2 directors Public co. - 3 directors

BASIS	LLP	LLC
No. of members / partners	<p>Minimum - 2 members</p> <p>Maximum - No such limit on the members in the Act. The members of the LLP can be individuals/or body corporate through the nominees.</p>	<p><u>Private company:</u></p> <p>Minimum - 2 members</p> <p>Maximum 200 members</p> <p><u>Public company:</u></p> <p>Minimum -7 members</p> <p>Maximum - No such limit on the members.</p> <p>Members can be organizations, trusts, another business form or individuals.</p>
Management	<p>The business of the company managed by the partners including the designated partners authorized in the agreement.</p>	<p>The affairs of the company are managed by board of directors elected by the shareholders.</p>



LLP VS. PARTNERSHIP FIRM

BASIS	LLP	PARTNERSHIP FIRM
Regulating act	The LLP Act, 2008.	The Indian Partnership Act, 1932.
Body corporate	It is a body corporate.	It is not a body corporate.
Separate legal entity	It is a legal entity separate from its members.	It is a group of persons with no separate legal entity.
Creation	It is created by a legal process called registration under the LLP Act, 2008.	It is created by an agreement between the partners.
Registration	Registration is mandatory. LLP can sue and be sued in its own name.	Registration is voluntary. Only the registered partnership firm can sue the third parties.
Name	Name of the LLP to contain the word limited liability partners (LLP) as suffix.	No guidelines. The partners can have any name as per their choice.

BASIS	LLP	PARTNERSHIP FIRM
Perpetual succession	The death, insanity, retirement or insolvency of the partner(s) does not affect its existence of LLP. Members may join or leave but its existence continues forever.	The death, insanity, retirement or insolvency of the partner(s) may affect its existence. It has no perpetual succession.
Liability	Liability of each partner limited to the extent to agreed contribution except in case of willful fraud.	Liability of each partner is unlimited. It can be extended upto the personal assets of the partners.
Designated partners	At least two <u>designated</u> partners and atleast one of them shall be resident in India.	There is no provision for such partners under the Partnership Act, 1932.
Common seal	It may have its common seal as official signatures.	There is no such concept in partnership

BASIS	LLP	PARTNERSHIP FIRM
Legal compliances	Only designated partners are responsible for all the compliances and penalties under the act. <i>//</i>	All partners are responsible for all the compliances and penalties under the Act.
Annual filing of documents <i>PI/L PC 24 25</i>	LLP is required to file: <i>SOA</i> (i) Annual statement of accounts (ii) Statement of solvency <i>SOS</i> (iii) Annual return with the registration of LLP every year.	Partnership firm is not required to file any annual document with the registrar of firms.
Minor as partner	Minor cannot be admitted to the <u>benefits</u> of LLP.	Minor can be admitted <i>Partner</i> to the <i>Benefit</i> of the partnership with the prior consent of the existing partners.
Foreign partnership	Foreign nationals can become a partner in a LLP.	Foreign nationals cannot become a partner in a partnership firm.



NEGOTIABLE INSTRUMENTS ACT, 1881



PROMISSORY VS. BILL OF NOTE EXCHANGE

ACRONYM :-

Do Not Panic, Act Peacefully

BASIS

PROMISSORY NOTE

BILLS OF EXCHANGE

Definition

"A Promissory Note" is an instrument in writing (not being a banknote or a currency currency-note) containing an unconditional undertaking signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.

"A bill of exchange" is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money to , or to the order of a certain person or to the bearer of the instruments.

Nature of Instrument

In a promissory note, there is a promise to pay money.

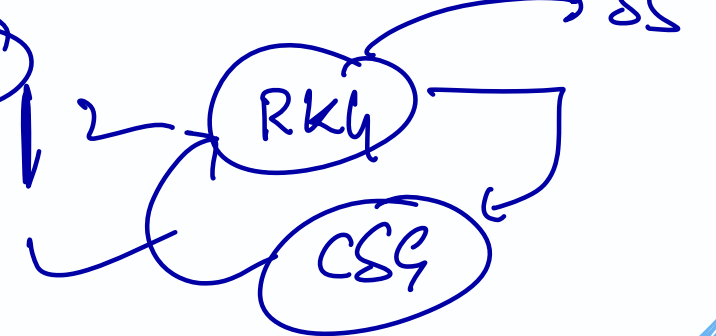
In a bill of exchange, ~~there is an~~ order to pay payment.

Parties

In a promissory note, there are 2 parties namely :-
i. the maker and
ii. the payee

In a bill of exchange, there are 3 parties which are as under :-

- i. the drawer
- ii. the drawee
- iii. the payee



BASIS

PROMISSORY NOTE

BILLS OF EXCHANGE

Acceptance

A promissory note does not require any acceptance, as it is signed by the person who is liable to pay.

A bills of exchange needs acceptance from the drawee



Payable to bearer

A promissory note cannot be made payable to bearer.

On the other hand, a bill of exchange can be drawn payable to bearer. However, it cannot be payable to bearer on demand.



INDIAN CONTRACT

ACT, 1872



AGREEMENT VS. CONTRACT

**ACRONYM :-
Nakul teaches SLM**

BASIS

AGREEMENT

CONTRACT

Meaning

Every promise and every set of promises forming the consideration for each other.
(Offer + Acceptance)

Agreement enforceable by law.
(Agreement + Legal enforceability)

Scope

It's a wider term including both legal and social agreement.

It is used in a narrow sense with the specification that contract is only legally enforceable agreement.

Legal obligation

It may not create legal obligation
An agreement does not always grant rights to the parties

Necessarily creates a legal obligation. A contract always grants certain rights to every party.

Nature

All agreement are not contracts.

All contracts are agreements.



VOID VS. VOIDABLE

ACRONYM :-
ME is giving CPR ✓

BASIS

VOID

VOIDABLE

① Meaning

A Contract ceases to be enforceable by law becomes void when it ceases to be enforceable.

An agreement which is enforceable by law at the option of one or more of the parties thereto, but not at the option of the other or others, is a voidable contract.

② Enforceability

A void contract cannot be enforced at all.

It is enforceable only at the option of aggrieved party and not at the option of other party.

③ Cause ✓

A contract becomes void due to change in law or change in circumstances beyond the contemplation of parties.

↓
contract

A contract becomes a voidable contract if the consent of a party was not free.

Unit 3

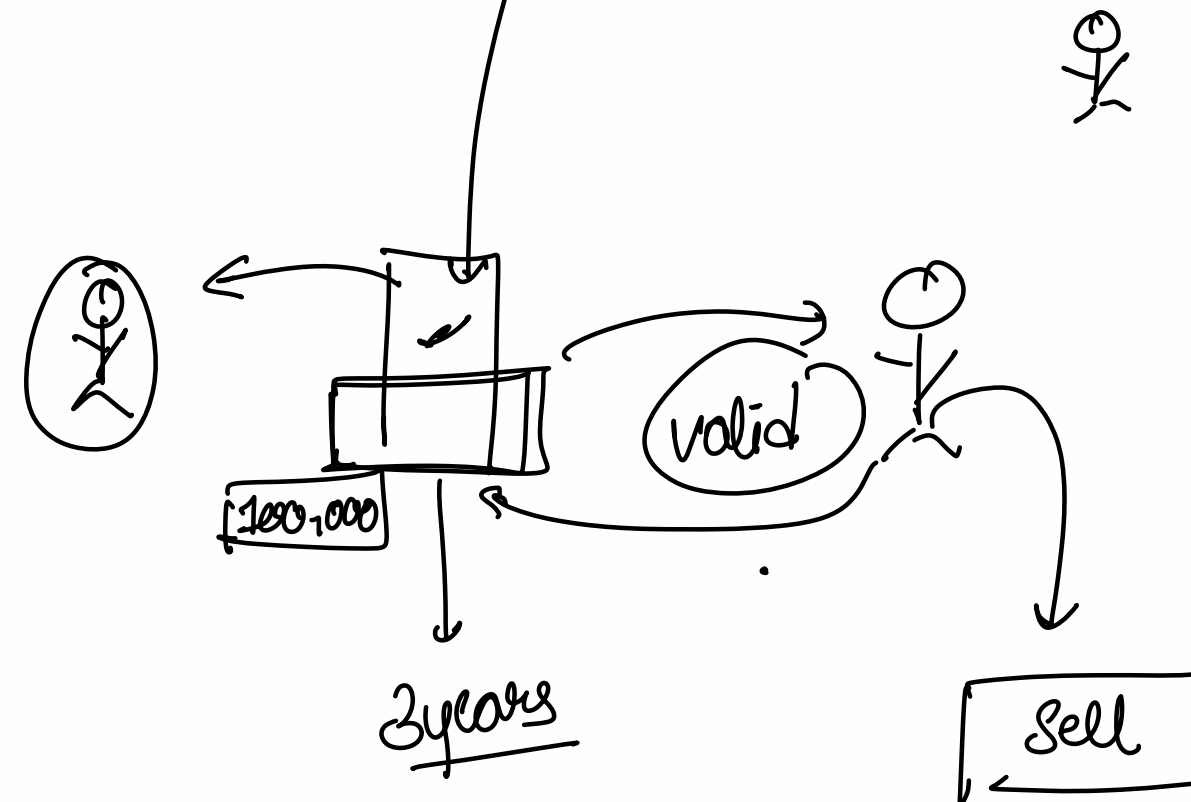
F/C/M/M/U

Performance of contract

Rights

A void contract cannot be performed =

A void contract does not grant any legal remedy to any party.



If the aggrieved party does not, within reasonable time, exercise his right to avoid the contract, any party can sue the other for claiming the performance of the the contract.

The party whose consent was not free has the right to rescind the contract within a reasonable time. If so rescinded it becomes a void contract. If it is not rescinded it becomes a valid contract!

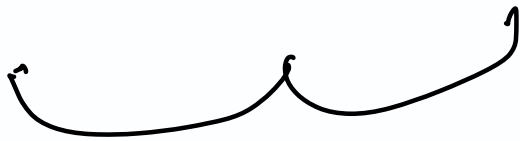
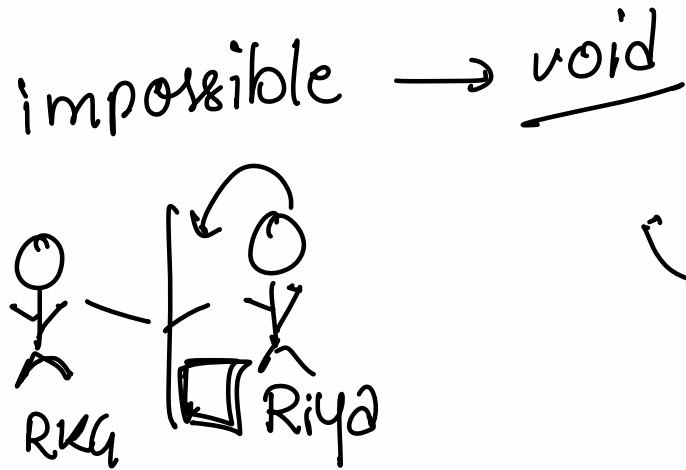


VOID VS. ILLEGAL

**ACRONYM :-
SAPNa**

BASIS	VOID	ILLEGAL
Scope 2	A void agreement is not necessarily illegal.	An illegal agreement is always void.
Nature	Not forbidden under law.	Are forbidden under law.
Punishment	Parties are not liable for any punishment under the law.	Parties to illegal agreements are liable for punishment
Collateral Agreement	It's not necessary that agreements collateral to void agreements may also be void. It may be valid also.	<div>63006 26</div> <div>Agreements collateral to illegal agreements are always void.</div> <div> <div>weapons illegal</div> <div>void</div> </div>

Pandi ji





OFFER VS. INVITATION TO OFFER

ACRONYM :-

SIM

BASIS	OFFER	INVITATION TO OFFER
Meaning	Section 2(a) of the Act, an offer is the final expression of willingness by the offeror to be bound by the offer should the other party chooses to accept it.	Where a party without expressing his final willingness proposes certain terms on which he IS willing to negotiate he does not make an offer, but only invites the other party to make an offer on those terms.
Intention of the parties	If a person who makes the statement has the intention to be bound by it as soon as the other accepts, he is making an offer.	If a person has the intention of negotiating on terms it is called invitation to offer. <div><div>IPO</div><div></div></div>
Sequence	An offer cannot be an act precedent to invitation to offer.	An invitation to offer is always an act precedent to offer.



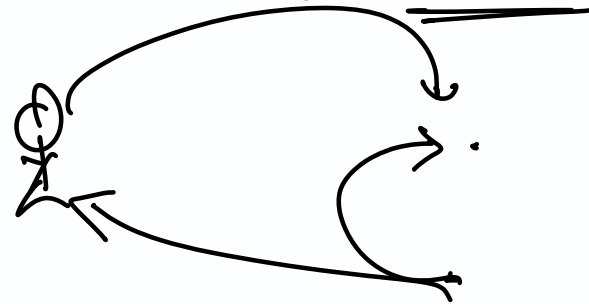
COERCION VS. UNDUE INFLUENCE

ACRONYM :-

England aur West indies se ane wale NRI ko milta hai benefit

BASIS	COERCION ✓	UNDUE INFLUENCE ✓
<u>Nature of action</u>	It involves the physical force or threat. The aggrieved party is compelled to make the contract against its will.	It involves moral or mental pressure
<u>Involvement of criminal action</u>	It involves committing or threatening to commit and act forbidden by Indian Penal Code or detaining or threatening to detain property unlawfully.	No such illegal act is committed or a threat is given.
<u>Relationship between</u>	It is not necessary that there must be some sort of relationship between the parties.	Some sort of relationship between the parties is absolutely necessary.

Exercised by whom



Enforceability

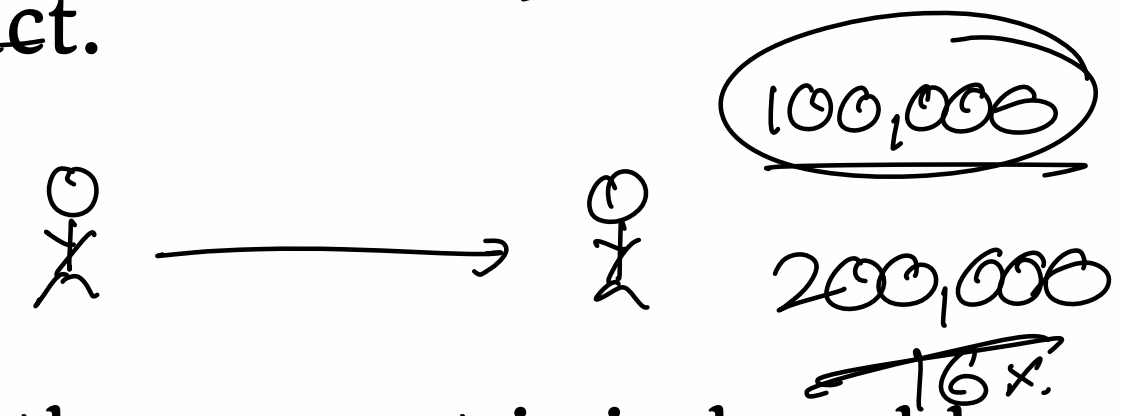
Position of benefits received

Coercion need not proceed from the promisor nor need it be the directed against the promisor. It can be used even by a stranger to the contract.

The contract is voidable at the option of the party whose consent has been obtained by the coercion

In case of coercion where the contract is rescinded by the aggrieved party, as per Section 64, any benefit received has to be restored back to the other party.

Undue influence is always exercised between parties to the contract.



Where the consent is induced by undue influence, the contract is either voidable) or the court may set it aside or enforce it in a modified form. 6%

The court has the discretion to direct the aggrieved party to return the benefit in whole or in part or not to give any such directions.



FRAUD VS. MISREPRESENTATION

**ACRONYM :-
KaRIM**

BASIS

FRAUD

MISREPRESENTATION

Intention

To deceive the other party by hiding the truth.

There is no such intention to deceive the other party.

falsity X

Knowledge of truth

The person making the suggestion believes that the statement as untrue.

The person making the statement believes it to be true, although it is not true.

Rescission of the contract and claim for damages

The injured party can repudiate the contract and claim damages.

R + D

The injured party is entitled to repudiate the contract or sue for restitution but cannot claim the damages.

R

Means to discover the truth

The party using the fraudulent act cannot secure or protect himself by saying that the injured party had means to discover the truth.

Party can always plead that the injured party had the means to discover the truth.



**CONTRACTS
OF
INSURANCE**

**WAGERING
VS. AGREEMENT**

ACRONYM :-

MC² ko Public ne di PltaE

BASIS	CONTRACTS OF INSURANCE	WAGERING AGREEMENT
<u>Meaning</u>	It is a contract to <u>indemnify</u> the loss. <div>Kind</div>	It is a promise to pay money or <u>money's worth</u> on the <u>happening</u> or non- <u>happening</u> of an uncertain event.
<u>Consideration</u>	The crux of insurance contract is the <u>mutual consideration</u> (premium and compensation amount).	There is no <u>consideration</u> between the two parties. There is just gambling for money.
<u>Insurable Interest</u>	Insured party has insurable interest in the life or property sought to be insured.	There is no property <u>in case</u> of wagering agreement. There is <u>betting on other's life and properties</u> .
<u>Enforceability</u>	It is <u>valid and enforceable</u>	It is <u>void and unenforceable agreement</u> .

Contract of indemnity

Except life insurance, the contract of insurance indemnifies the insured person against loss.

Premium

Calculation of premium is based on scientific and actuarial calculation of risks

Public Welfare

They are beneficial to the society

Loser has to pay the fixed amount on the happening of uncertain event

No such logical calculations are required in case of wagering agreement.

They have been regarded as against the public welfare.



CONTINGENT VS. WAGERING CONTRACT AGREEMENT

**ACRONYM :-
RUN in DIM light Effects**

BASIS	CONINGENT CONTRACT	WAGERING AGREEMENT
Meaning	A contingent contract is a contract to do or not to do something with reference to a collateral event happening or not happening.	It is a promise to pay money or money's worth on the happening or non- happening of an uncertain event.
Reciprocal promises	Contingent contract may not contain reciprocal promises	A wagering agreement consists of reciprocal promises.
Uncertain event	In a contingent contract, the event is collateral.	In a wagering contract, the uncertain event is the core factor.
Nature of contract	Contingent contract may not be wagering in nature.	A wagering agreement is essentially contingent in nature.
Effect of contract	Contingent contract is valid.	A wagering agreement is void



Doctrine of mutuality
of lose and gain

Contingent contract is not based
on doctrine of mutuality of lose
and gain.

A wagering contract is a game,
losing and gaining alone matters.





INDEMNITY VS. GUARANTEE

ACRONYM :-

The Real Artists Create Perfect Thoughtful Note

BASIS

INDEMNITY

GUARANTEE

Number of party /
parties to the
contract

There are only two parties
namely the indemnifier
[promisor] and the indemnified
[promisee]

There are three parties - creditor ,
principal debtor and surety

Nature of liability

The liability of the indemnifier
is primary and unconditional.

The liability of the surety is
secondary and conditional as the
primary liability is that of the
principal debtor.

Time of liability

The liability of the indemnifier
arises only on the happening of
a contingency.

The liability arises only on the
non-performance of an existing
promise or non-payment of an
existing debt.

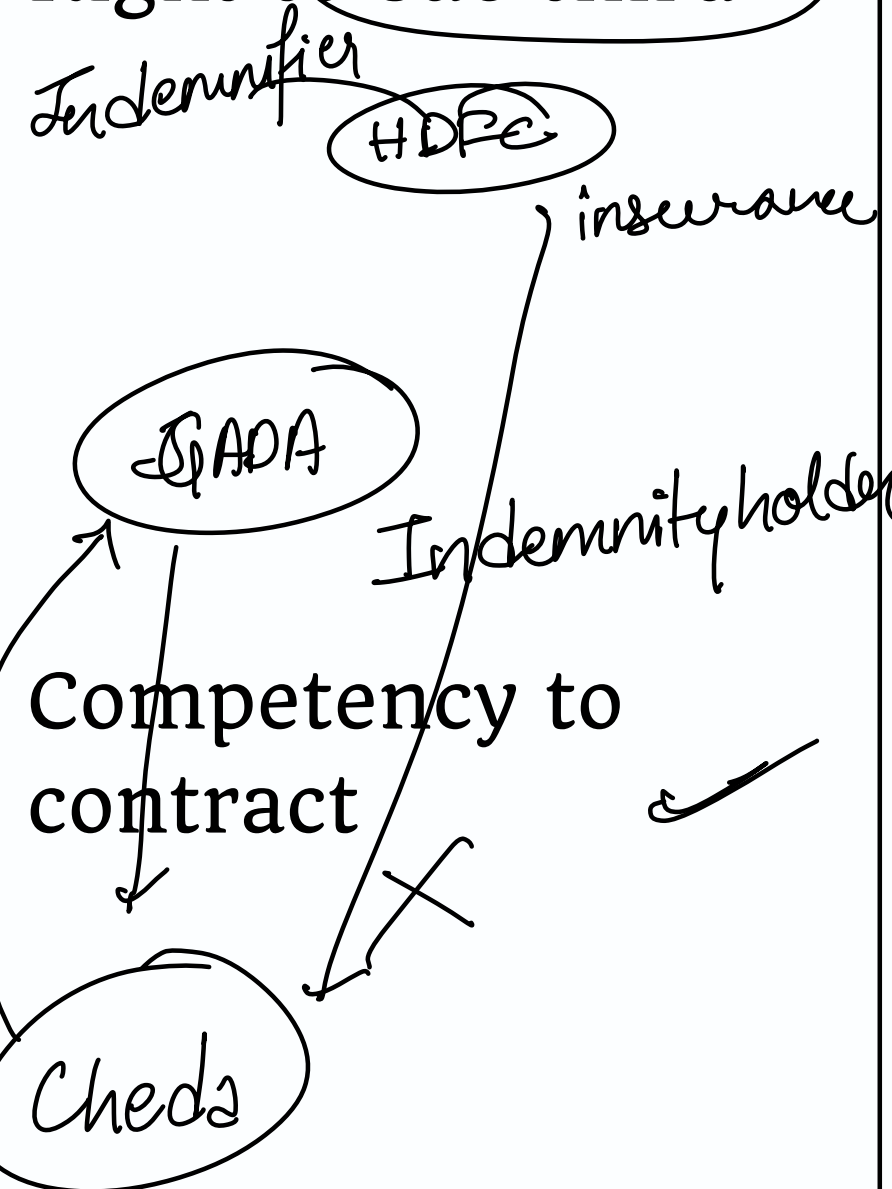
Purpose

Reimbursement of loss

For the security of the creditor

Time of act

Right to sue third



The indemnifier need not act at request of indemnity holder.

Indemnifier cannot sue a third party for loss in his own name as there is no privity of contract. Such a right would arise only if there is an assignment in his favour.

All parties must be competent to contract.

The surety acts at the request of principal debtor.

Surety can proceed against principal debtor in his own right because he gets all the right of a creditor after discharging the debts.

In the case of a contract of guarantee, where a minor is a principal debtor, the contract is still valid



GENERAL VS. PARTICULAR LIEN

GENERAL LIEN

Section 171 of the Indian Contract Act, 1872 confer on Bailee the right of General lien.

General lien alludes to the right to keep possession of goods belonging to other against general balance of account.

A general lien is not automatic but is recognized through on agreement. It is exercised by the bailee only by name.

It can be exercised against goods even without involvement of labor or skill

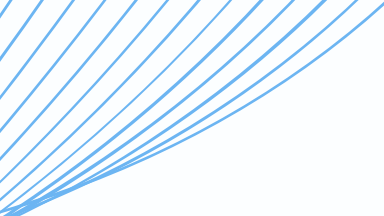
PARTICULAR LIEN

Section 170 of the Indian Contract Act, 1872 confers on the Bailee, the right of particular lien.

Particular lien implies a right of the bailee to retain specific goods bailed for non-payment of amount.


It is automatic.

It comes into play only when some labour or skill is involved has been expended on the goods, resulting in an increase in value of goods.



Only such persons as are specified under section 171, e.g., Bankers, factors, wharfingers, policy brokers etc. are entitled to general lien.

Bailee, finder of goods, pledgee, unpaid seller agent, partner etc. are entitled to particular lien.





BAILMENT VS. PLEDGE

ACRONYM :-

Many People Really Can Play Rugby Regularly

BASIS	BAILMENT	PLEDGE
Meaning —	Transfer of <u>goods</u> by one person to <u>another</u> for some <u>specific purpose</u> is known as bailment.	Transfer of goods from one person to another as <u>security</u> for repayment of debt is known as pledge.
Parties —	The person delivering the goods under a contract of bailment is called as ' <u>Bailor</u> '. The person to whom the goods are delivered under a contract of bailment is called as "Bailee".	The person who delivers the goods as security is called the ' pawnor ' The person to whom the goods are delivered as security is called the "pawnee".
<u>Right to use of goods</u>	Bailee can use the goods only for a purpose specified in the contract of bailment and not otherwise.	Pledgee or Pawnee cannot use the goods pledged.
<u>Consideration</u>	The bailment may be made for consideration or <u>w/o consideration</u> .	Pledge is always made for a consideration.

③

① Partnership vs Club

② " vs Co ownership

③ DOPF vs DOP

④ void vs Voidable

⑤ offer vs Invitation

⑥ Contingent vs Wagering

⑦ GL vs PL

⑧ P vs B

⑨ Extra Sub vs Substituted Agent

⑩ LLP vs Partnership

⑪ PN vs BOE

⑫ Sale vs Bailment

Purpose

Bailment may be made for any purpose (as specified in the contract of bailment, eg: for safe custody, for repairs, for processing of goods).

Pledge is made for the purpose of delivering the goods as security for payment of a debt or performance of a promise.

Right to sell the good

The bailee has no right to sell the goods even if the charges of bailment are not paid to him. The bailee's rights are limited to suing the bailor for his dues or to exercise lien on the goods bailed.

The pawnee has right to sell the goods if the pawnor fails to redeem the goods.

Right to use of goods

Bailee can use the goods only for a purpose specified in the contract of bailment and not otherwise.

Pledgee or Pawnee cannot use the goods pledged.