20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **Bailment is defined in Section 148 of the Indian Contract Act, 1872.**
   This section defines bailment as the delivery of goods for a purpose, to be returned once that purpose is fulfilled.

2. **The word bailment comes from the French word bailler, meaning to deliver.**
   This is the etymological origin of the term bailment.

3. **In a bailment, only possession of goods passes, not ownership.**
   The bailor retains legal title while the bailee temporarily holds the goods.

4. **The bailor is the person who delivers the goods in a bailment.**
   The bailor is usually the owner and retains legal title to the goods.

5. **The bailee is the person who receives the goods in a bailment.**
   The bailee holds the goods temporarily for the agreed purpose.

6 **In a pledge of securities to a bank, the bank acts as the bailee and the borrower as the bailor.**
The customer delivers the security to the bank, making the customer the bailor and the bank the bailee.

7 **Banks commonly act as bailees when holding gold jewellery against a gold loan.**
Physical custody of pledged gold makes the bank the bailee and the customer the bailor.

8 **Bailment requires the bailee to both intend to possess the goods and actually possess them.**
Both intention and actual possession are necessary to create a valid bailment.

9 **There are three broad types of bailment, classified by who benefits from the arrangement.**
The types are mutual benefit, bailor-only benefit, and bailee-only benefit.

10 **A bailment for the mutual benefit of both parties is also called a service-agreement bailment.**
An example is giving goods for repair or handing them to a courier.

11 **A gratuitous bailment benefits only the bailor and involves a lower standard of care from the bailee.**
The bailee is generally liable only for gross negligence or bad faith in this type.

12 **A bailment for the benefit of the bailee only carries the highest standard of care.**
An example is borrowing a friend's tool free of charge, where the bailee is liable for almost any harm.

13 **Leaving a car with a valet is a classic example of bailment.**
The car owner is the bailor and the valet is the bailee who must return the car.

14 **Parking in an unattended self-park garage is usually not considered a bailment.**
It is typically treated as a lease or licence of space since there is no intention to take possession of the vehicle.

15 **A bailment can end when the bailee returns the goods to the bailor.**
This is the most common way a bailment terminates once its purpose is fulfilled.

16 **A bailment can end upon the expiry of a fixed time period.**
A certificate of deposit is cited as a financial example where the bank returns funds at the end of a set term.

17 **A bailment may end early if the bailed property is destroyed or damaged.**
Destruction or damage to the goods can terminate the bailment before its intended purpose is completed.

18 **A bailment can be terminated by written notice from either party.**
Either the bailor or bailee can end the arrangement early by giving written notice.

19 **Warehousing of goods is cited as a financial and commercial application of bailment.**
Storage arrangements where goods are held for a party are a practical example of bailment.

20 **Bailment is a frequently tested topic in JAIIB, CAIIB and other IIBF examinations.**
The concept is central to Legal and Regulatory Aspects of Banking due to its role in collateral handling.