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**Contract Act, 1872**

**Section 176 - PAWNEE'S RIGHT WHERE PAWNOR MAKES DEFAULT If the pawnor makes default in payment of the debt, or performance, at the**

SECTION 176: PAWNEE'S RIGHT WHERE PAWNOR MAKES DEFAULT If the pawnor makes default in payment of the debt, or performance, at the stipulated time of the promise, in respect of which the goods were pledged, the pawnee may bring a suit against the pawnor upon the debt or promise, and retain the goods pledged as a collateral security; or he may sell the thing pledged on giving the pawnor reasonable notice of the sale. If the proceeds of such sale are less than the amount due in respect of the debt or promise, the pawnor is still liable to pay the balance. If the proceeds of the sale are greater than the amount so due, the pawnee shall pay over the surplus to the pawnor.