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**Contract Act, 1872**

**Section 178 - PLEDGE BY MERCANTILE AGENT Where a mercantile agent is, with the consent of the owner, in possession of goods or the**

SECTION 178: PLEDGE BY MERCANTILE AGENT Where a mercantile agent is, with the consent of the owner, in possession of goods or the documents of title to goods, any pledge made by him, when acting in the ordinary course of business of a mercantile agent, shall be as valid as if he were expressly authorised by the owner of the goods to make the same; provided that the pawnee acts in good faith and has not at the time of the pledge notice that the pawnor has no authority to pledge. Explanation: In this section, the expressions 'mercantile agent' and 'documents of title' shall have the meanings assigned to them in the Indian Sale of Goods Act, 1930