

CONTRACT OF BAILMENT Subrogation

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Subrogation

- Section 140 of the Indian Contract Act, 1872 provides for the rights of surety on payment or performance. It states that where a guaranteed debt has become due, or default of the principal debtor to perform a guaranteed duty has taken place,



- the surety upon payment or performance of all that he is liable for, is invested with all the rights which the creditor had against the principal debtor.
- The surety is invested with all the rights which the creditor has against the principal debtor, after he has paid the guaranteed debt,



- or performed whatever he was liable for, upon the guaranteed debt becoming due or the principal debtor defaulting in the duty guaranteed.
- As soon as the guarantor has paid to the creditor, what is due to the creditor, under the guarantee,



- he is entitled to be subrogated too all the rights possessed by the creditor in respect of the debt or default to which the guarantee relates.



Finder of goods

- Section 71 of the Act provides that a person who comes by an article is not obliged to pick it up or take charge of it. But if he does that, he becomes a bailee.
- A finder of goods occupies the position of a bailee of the goods against the true owner.



- His duty of care and other responsibilities are the same as those of a bailee.
- Section 168 of the Act It states that the finder of goods has no right to sue the owner for compensation for trouble and expense voluntarily incurred by him to preserve the goods and to find out the owner.



- However, he may retain the goods against the owner until he receives such compensation; and, where the owner has offered a specific reward for the return of goods lost, the finder may sue for such reward, and may retain the goods until he receives it.



- Section 169 of the Act provides that when finder of thing commonly on sale may sell it. It states that when a thing which is commonly the subject of sale is lost, if the owner cannot with reasonable diligence be found,



- or if he refuses, upon demand, to pay the lawful charges of the finder, the finder may sell it –
 - When the thing is in danger of perishing or of losing the greater part of its value, or,
 - When the lawful charges of the finder, in respect of the thing found, amount to two-thirds of its value.





THANK
YOU

