

CONTRACT OF BAILMENT

Subrogation

BY –

SURBHI WADHWA

Assistant Professor (Law)

Jiwaji University,

Gwalior



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.

