

(V) Discharge of Surety:

A surety is said to be discharged when his liability as surety comes to an end.

Modes of discharge of surety:

(a) Revocation of Contract of guarantee

- (i) Notice of Revocation in case of continuing Guarantee (Sec. 130)
- (ii) Death of surety in case of continuing guarantee (Sec. 131)
- (iii) Novation

(b) Conduct of Creditor

- (i) Variance in terms of contract (Sec. 133)
- (ii) Release or discharge of principal debtor (Sec. 134)
- (iii) Compounding with, or give time or agree not to sue the principal debtor (Sec. 135)
- (iv) Creditors act that is inconsistent with rights of surety (Sec. 139)

(c) Invalidation of Contract of guarantee

- (i) Misrepresentation by creditor (Sec. 141)
- (ii) Concealment of facts by creditor while obtaining guarantee (Sec. 143)
- (iii) Co-surety not joined (Sec. 144)

(vi) Rights of a surety:

(a) Rights against Principal debtor

(b) Rights against Creditor

(c) Rights against Co-sureties

(i) Right of Subrogation (Sec. 140)

(i) Benefit of Creditor's securities (Sec. 141)

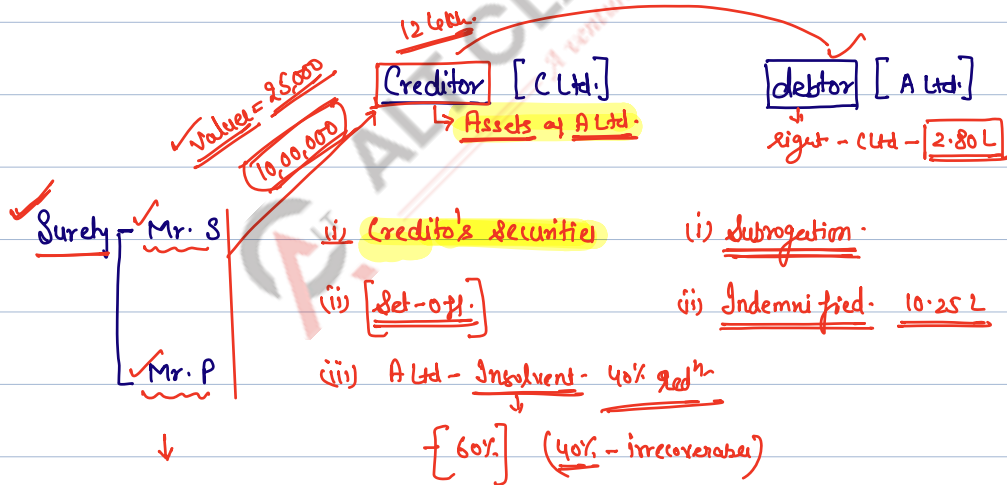
(i) Equal contribution (Sec. 146)

(ii) Right to be indemnified (Sec. 145)

(iii) Right to set-off
(iii) Right to share redⁿ

(ii) Co-sureties bound in different sums (Sec. 147)

Ex:



S - full payment -

↓ Entitled 50% recovery from Mr. P

	(1L)	(2L)	(4L)
	S ₁	S ₂	S ₃
dift sum			
S - 5.00 lakh.	5		
P - 10.00 lakh.	5		
S - 4.00 lakh.	4		
P - 11.00 lakh.	6		
	L-1.50	L-3.00	L-5.00
	50000	1,00,000	1,00,000
	50000	1,00,000	2,00,000
	50000	1,50,000	1,50,000

How - Do written Prachid of 2-3 Questions.