Indian Contract Act, 1872

Section 126 - Contract of Guarantee, Surety, Principal Debtor and Creditor

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A contract of guarantee is a contract to perform the promise, or discharge the liability, of a third person in case of his default. The person who gives the guarantee is called the surety; the person in respect of whose default the guarantee is given is called the principal debtor, and the person to whom the guarantee is given is called the creditor. A guarantee may be either oral or written.
