

Conditional Indemnity Bond

This Conditional Indemnity Bond (â€œBondâ€) is made on this _____ day of _____, 20____, at _____.

BY: **Mr./Ms.** _____, S/o/D/o _____, residing at _____ (hereinafter referred to as the â€œIndemnifierâ€).

IN FAVOUR OF: **[Bank/Financial Institution Name]**, with its registered office at _____ (hereinafter referred to as the â€œLenderâ€).

WHEREAS

1. The Lender has agreed to grant a loan facility (â€œLoanâ€) of INR _____ to **Mr./Ms.** _____ (Borrower) under the Loan Agreement dated _____ (â€œLoan Agreementâ€), subject to certain terms and conditions.
2. One of the conditions of the Loan is that the Indemnifier executes a Conditional Indemnity Bond in favor of the Lender to secure the repayment obligations of the Borrower.

NOW THIS BOND WITNESSETH AS UNDER:

1. In consideration of the Lender granting the Loan to the Borrower, the Indemnifier irrevocably and unconditionally undertakes to indemnify and keep the Lender indemnified against any default in repayment of the Loan or any part thereof, along with interest, costs, and expenses as per the terms of the Loan Agreement.
2. This Indemnity shall remain valid until the full and final repayment of the Loan by the Borrower or unless otherwise released by the Lender in writing.
3. Upon the Borrower committing any default in repayment or other obligations under the Loan Agreement, the Lender shall be entitled to demand payment from the Indemnifier, who shall, within ___ days of such demand, make payment of all dues as required by the Lender.
4. The liability of the Indemnifier under this Bond shall be joint and several with the Borrower, and shall not be impaired or discharged by any time, indulgence, or concession granted to the Borrower by the Lender.
5. This Bond is a continuing security and shall remain in force until the Lender certifies in writing that all obligations under the Loan Agreement have been discharged.

IN WITNESS WHEREOF, the Indemnifier has executed this Conditional Indemnity Bond on the date first written above.

Signature of Indemnifier

Name:
Address:

Signature of Witness 1

Name:
Address:

Signature of Witness 2

Name:

Address:

Important Notes

- This is a sample format and should be customized as per the specific requirements of the parties and the Lender.
- Legal advice should be obtained before execution of this Bond.
- All blanks should be duly filled and the document properly signed by all parties and witnesses.
- The Indemnity Bond may require stamping as per applicable state stamp laws.
- This Bond creates a legal obligation for the Indemnifier to fulfill the repayment in event of Borrower's default.