

PARTNERSHIP INDEMNITY BOND FOR LOAN AGREEMENT

This Indemnity Bond is executed on this ____ day of _____, 20__ at _____.

BY

M/s. _____, a partnership firm, registered under the Indian Partnership Act, 1932, having its registered office at _____, through its partners:

1. **Shri/Smt.** _____

2. **Shri/Smt.** _____

(hereinafter referred to as the "Indemnifiers" or "Partners", which term shall, unless repugnant to the context or meaning thereof, include their heirs, successors, legal representatives, and permitted assigns)

IN FAVOUR OF

_____ (hereinafter referred to as the "Lender").

WHEREAS:

1. The Indemnifiers have approached the Lender for the grant of a loan facility of Rs. _____ (Rupees _____ only) for the business needs of the partnership firm.
2. The Lender has agreed to extend the said loan facility upon execution of this Indemnity Bond by all partners of the firm, indemnifying the Lender against any loss suffered on account of misrepresentation, fraud, default, or breach by the firm or any of its partners.

NOW THIS INDEMNITY BOND WITNESSETH AS UNDER:

1. The Indemnifiers jointly and severally undertake to pay to the Lender all sums, including interest, costs, charges, and expenses, due under the loan in the event of any default or breach of the loan agreement or terms thereof by the partnership firm or any of its partners.
2. The Indemnifiers agree to indemnify and keep harmless the Lender from and against all losses, damages, claims, actions, costs or expenses which may arise or be incurred by reason of any misstatement, misrepresentation, breach, or default in respect of the said loan facility or in respect of any terms contained in the loan agreement.
3. This Indemnity Bond shall be irrevocable, continuing, and binding on all the partners, their heirs, successors, representatives, and assigns, irrespective of any changes in the constitution of the firm, retirement, or death of any partner.

IN WITNESS WHEREOF, the Indemnifiers have executed this Indemnity Bond at the place and on the day, month, and year first written above.

For and on behalf of

M/s. _____

1. _____

(Partner's Signature & Name)

2. _____

(Partner's Signature & Name)

Witnesses:

1. _____

Name & Address

2. _____

Name & Address

Important Notes:

- This format is indicative and should be tailored to the specific requirements of the loan and the lender.
- It is important that all active partners of the firm sign this bond.
- The Indemnity Bond must be executed on a non-judicial stamp paper of required value, as per local law.
- Legal consultation is advised before finalizing and executing this document.
- Witness signatures are mandatory for the validity of this document.