**LOAN BOND WITH SURETY**

This Loan Bond is executed on this \_\_\_\_\_\_\_\_\_\_\_\_\_\_[[date]] day of \_\_\_\_\_\_\_\_\_\_\_\_[[Month]] at\_\_\_\_\_\_\_\_\_\_\_\_\_\_[[Place]].

**BETWEEN:** [[Entity: Choice(“company”, "corporation", "limited liability partnership", "limited partnership", "proprietorship firm")]], a company, duly incorporated and registered under the Companies Act, 2013, with its principal place of business located at [[Company Address]], (the “Company”), through its [[Authorised signatory: Name of the Person]], ( the debtor) on the First Part.

**AND:** [[Entity: Choice(“company”, "corporation", "limited liability partnership", "limited partnership", "proprietorship firm")]], (the "Agency"), a company, duly incorporated and registered under the Companies Act, 2013, with its principal place of business located at [[Company Address]], (the “Company”), through its [[Authorised signatory: Name of the Person]], (the “surety”) on the Second part, and

**AND:** [[Entity: Choice(“company”, "corporation", "limited liability partnership", "limited partnership", "proprietorship firm")]], (the "Agency"), a company, duly incorporated and registered under the Companies Act, 2013, with its principal place of business located at [[Company Address]], (the “Company”), through its [[Authorised signatory: Name of the Person]], (the creditor) on the Third part.

**PREAMBLE**

Whereas the debtor has applied for a loan of Rs[[Amount]] which shall be repayable in installments as specified hereunder with interest at the rate of [[Percent]]% per annum.

AND WHEREAS the surety has agreed to give security for the above loan and the creditor has agreed to advance the loan on such security.

NOW THIS BOND WITNESSES AS UNDER:

1. That in pursuance of the said agreement the creditor has advanced a sum of Rs[[Amount]] to the debtor. The debtor and surety have jointly and severally agree with the creditor as under.

2. That the debtor and the surety are jointly and severally responsible for repayment of the above amount in four equal installments with interest on half yearly basis as under.

|  |  |  |  |
| --- | --- | --- | --- |
| INSTALMENTS  | DUE DATE  | PRINCIPAL AMOUNT   | INTEREST |
| 1st installment  |  |  |  |
| 2nd installment |  |  |  |
| 3rd installment |  |  |  |
| 4th installment |  |  |  |

3. That in case of failure to pay any installment or part thereof with interest, the debt amount along with interest shall become payable at once and the debtor and the surety shall be jointly and severally liable to pay the same.

4. That for the consideration aforesaid and in further pursuance of the aforesaid agreement the debtor and the surety grant and transfer by way of simple mortgage to the creditor. All that property described in the bond shall remain and be charged by way of simple mortgage as security for the payment to the creditor of the said principal amount along with interest in accordance with the covenants herein contained.

5. The debtor and the surety hereby declare that the said property is free from all encumbrances.

6. That it is hereby agreed and declared that in cases of failure on the part of debtor to pay the installment in time, the creditor shall be entitled to dispose of the mortgage property in part or full to recover the principal amount and interest.

We the above noted parties have signed this deed on the date and place mentioned above, after fully understanding the contents of this deed in the presence of the following witnesses:

WITNESSES

1. [[Name of the Witness: Witness A]] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Address of the Witness A]] [[Witness A Signatory Email: Identity | Signature]]

[[Passport Size Photo: Image]]

1. [[Name of the Witness: Witness B]] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Address of the Witness B]] [[Witness B Signatory Email: Identity | Signature]]

[[Passport Size Photo: Image]]

SURETY

1. [[Name of the SURETY : Witness A]] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Address of the SURETY A]] [[SURETY A Signatory Email: Identity | Signature]]

[[Passport Size Photo: Image]]