

ICA-C09 - Indemnity and Guarantee

Indian Contract Act, 1872 - 24 provisions

Purpose Translate this chapter into transaction, evidence, performance and remedy controls.	Who is covered Parties, firms, partners, buyers, sellers, principals, agents or litigants affected by this chapter.
Main control Classify the relationship, map every statutory condition and preserve authority, execution and performance evidence.	Top risk Using a template or label without testing event-date law, consent, title, authority, limitation and State overlays.
Remedy Quantify breach and loss, mitigate, issue a valid notice and select the correct substantive relief and forum.	State alert Stamp duty, registration, court fee, civil procedure and State amendments must be checked for the instrument and forum.

Provision map

s.124 “Contract of indemnity” defined; s.125 Rights of indemnity-holder when sued; s.126 “Contract of guarantee”, “surety”, “principal debtor” and “creditor”; s.127 Consideration for guarantee; s.128 Surety’s liability; s.129 “Continuing guarantee”; s.130 Revocation of continuing guarantee; plus 17 more

Five-point professional checklist

1. Freeze event date, parties and transaction.
2. Map statutory limbs and exceptions.
3. Verify authority, consent, stamp, registration and evidence.
4. Calculate price, loss, partner accounts or relief and limitation.
5. Select notice, remedy, forum and settlement path.

Finin2min takeaway: Law - trigger - procedure - evidence - remedy. No step may be assumed.