

INDEMNITY BOND WITH SURETY

This indemnity is made and executed at (place) _____ on this ____ day of _____
20____ by Mr. /Ms. _____ S/o / D/o Mr. / Ms.
_____ a permanent resident of (full address)

_____ hereinafter called **“Employee”**, the party of the first part,

AND

Mr./Ms. _____ S/o / D/o Mr. /
Ms. _____ a permanent resident of (full address)

_____ hereinafter called **“Surety”**, the party of the
second part, IN FAVOUR OF Indian Bank, a body corporate constituted under the
provisions of Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970,
having its Head Office at 66 Rajaji Salai, Chennai 600001 hereinafter called **“Employer
Bank”**.

Signature of Employee

Signature of Surety

The terms '**Employee**', '**Surety**' and the '**Employer Bank**' unless repugnant to the context shall mean and include their heirs, legal representatives, successors, executors and administrators.

WHEREAS the Employee has been selected for appointment as (post)_____ in (scale)_____ in the service of the Employer Bank.

WHEREAS an Offer of Appointment containing the terms and conditions of the appointment has already been issued to the Employee vide appointment letter No. _____ dated _____ of the employer Bank.

WHEREAS the acceptance of the terms and conditions of the appointment has already been communicated to the Employer Bank on (date of signing acceptance letter)_____ by the Employee.

WHEREAS one of the terms and conditions of the appointment is that the Employee has to serve the Employer Bank viz. Indian Bank for a minimum period of 2 years after appointment and has to execute an indemnity with surety in favour of Employer Bank for the due compliance of the above conditions.

NOW THIS INDENTURE WITNESSETH as under:

1. In compliance of the aforesaid condition in the Offer of Appointment subject to which the Employer Bank has agreed to give appointment to the Employee, the Employee here by undertakes to serve the Employer Bank for a minimum period of two years and shall not leave the services of the Bank during the aforesaid minimum period without the written consent of the Employer Bank.

2. The party of the second part i.e., (name),_____ agrees to stand as Surety for the due performance of the obligation of the Employee under this agreement of indemnity. **In case of breach of terms of the appointment by the Employee and** failure to indemnify the Bank, the Surety shall be jointly and severally liable to pay **Rs. _____ (Rupees _____ Lakh)** to Employer-Bank with interest at **12 %** per annum, immediately on demand.

3. The Employee further agrees and undertakes that in case he/she commits breach of the above condition and resigns from or leaves / abandons the service and/or neglects in performance of the duty assigned to him/her leading to termination of his/her service as per rules / regulations by the Employer Bank, he/she will indemnify the Bank for all losses, costs, charges and expenses up to an extent of **Rs. _____ (Rupees _____ lakh only)** with the interest thereon @ **12 %** per annum from the date of breach of the above till payment as liquidated damages, the expenses which the bank has incurred / may have to incur in recruiting another employee at his / her place and also on account of business loss suffered / to be suffered by Employer Bank during intervening period.

Signature of Employee

Signature of Surety

In case of Employee's failure to indemnify the Bank as above, the Surety shall indemnify the Bank of above sum with interest etc. Both the Employee and Surety agree that assessment of liquidated damages as **Rs._____/-** are reasonable, which they both agree to pay jointly and severally in case demand is made by the Employer Bank. In addition to the liquidated damages as specified above, the Employee further agrees to pay salary for the un-served notice period and the cost incurred by the Bank for imparting training.

4. Notwithstanding anything contained herein above, furnishing of this indemnity will not create any right in favour of the Employee to continue in the service of Employer Bank for the aforesaid term of **two years**, and the Employer Bank shall always have the right to take appropriate action against the Employee as per terms of the appointment letter and/or the rules and regulations of the Employer Bank as applicable, in case of commission of any misconduct by the Employee.

5. The amount specified above shall constitute a debt owing to the Employer Bank and shall be recoverable from the Employee and the Surety jointly and severally with interest thereon at the rate specified above till payment.

IN WITNESS whereof, the EMPLOYEE and the SURETY have put their signatures in the presence of the witnesses.

Signed and delivered by the Party of the first part i.e. the Employee having read and understood the contents terms of this Agreement

(Signature of the Employee)

Signed and delivered by the Party of the second part i.e. the Surety having read and understood the contents terms of this Agreement

(Signature of the Surety)

1. SIGNATURE OF WITNESS _____

NAME:
TELEPHONE NUMBER:
FULL ADDRESS:

2. SIGNATURE OF WITNESS _____

NAME:
TELEPHONE NUMBER:
FULL ADDRESS: