INDEMNITY BOND WITH SURETY

This Indemnity is made and executed at_________ on this ________ Day of ________ 20__ by Shri/Smt/Ms ________________________________ son/daughter of Shri ____________________________ a permanent resident of ____ hereinafter called "Employee", the party of the first part,

AND

Shri/Smt/Ms _________________________ son/daughter of Shri ______________ a permanent resident of ____ _______________________________hereinafter called **"Surety",** the party of the second part, IN FAVOUR OF Punjab National Bank, a body corporate constituted under the provisions of Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, having its Head Office at Plot No. 4, Sector 10, Dwarka, New Delhi – 110075 hereinafter called **"Employer Bank".**

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 _____________________________ in _____________ 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 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 through acknowledgement letter dtd. _________by the Employee.

WHEREAS one of the terms and conditions of the appointment is that Employee has to serve the Employer Bank viz. **Punjab National Bank for a minimum period of _____ years after appointment and has to execute an indemnity with surety in favour of Employer Bank.**

SIGNATURE OF EMPLOYEE	SIGNATURE OF SURETY

NOW THIS INDENTURE WITNESSETH as under:

1. In compliance of the aforesaid condition in Offer of Appointment subject to which the Employer Bank has agreed to give appointment to the Employee, the Employee hereby undertakes to serve the Employer Bank for a minimum period of ____ years.

2. The party of the second part 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 the terms of this indemnity by the Employee and** failure to indemnify the Bank, the Surety shall be jointly and severally liable to pay Rs.__________(Rupees _________________________________) to Employer-Bank with interest at 12% p.a. 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 upto extent of Rs.___ lacs and pay an amount of Rs.________(Rupees____________________________) only with the interest thereon @ 12% per annum from the date of breach of the above till payment as liquidated damages/cost of training including on the job training, 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. The employee and surety agree that assessment of liquidated damages as assessed as Rs.__________ are reasonable, which they both agree to pay jointly and severally in case demand is made by the employer bank.

4. Nothwithstanding 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 _____ 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.

SIGNATURE OF EMPLOYEE SIGNATURE OF SURETY

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 & 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____________________________________

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

1. SIGNATURE OF WITNESS:

   NAME OF WITNESS:

   ADDRESS OF WITNESS:

2. SIGNATURE OF WITNESS:

   NAME OF WITNESS:

   NAME & ADDRESS: