

FORM AAS-3

FORM OF AGREEMENT

PERSONAL SURETIES

For Individuals only

ARTICLE OF AGREEMENT made atthis day of One thousand nine hundred and seventy between the President of India hereinafter called the 'Government' (which expression shall be deemed to include his successors and assigns wherever the context so admits or requires) of the one part.

AND party of the second part consisting of (A) Son of by occupation of hereinafter called the 'Agent' (which expression shall include heirs, executors and administrators wherever the context so admits or requires), and (B) son of by occupation and/(C) son of by occupation / and* (B-1) hereinafter called the Sureties (which expression shall include their heirs, executors and administrators. successors and assigns wherever the context so admits or requires).

WHERE AS the Government under their Small Savings Scheme issue various types of Savings certificates for sale to the investing public and various kinds of savings accounts for receiving deposit from public.

AND WHEREAS the Government of India are desirous of appointing authorised agents with a view to improving collections in such savings certificates and such savings Accounts (hereinafter referred to as the "securities" as the Government of India may by a notification throw open to authorised agents for the aforesaid purpose:

AND WHEREAS the Agent has agreed to act as such Authorised Agents on the term and conditions hereinafter appearing:

AND WHEREAS the said (B) and (C)* (B1) the sureties aforesaid have agreed to secure and indemnify the Government against all loss, injury, damage, cost or expenses which the Government may, in any way, suffer by reason of the misconduct, neglect, oversight or any other act or omission of the said Agent in the manner hereinafter appearing.

NOW IT IS HEREBY AGREED BY and between the parties hereto as follows:-

1. The agent is hereby appointed as an authorised agent for effecting sales of 7-year National Savings Certificates (II, III, IV and V) issues and for obtaining deposits in two years. Three year, Five-year, Post office Time Deposits, National Savings Annuity Certificate and such other schemes of savings hereinafter collectively referred to as "Securities" as may be introduced by the Government as may be thrown open for securing sales and deposit through the Agents. Subject as herein otherwise provided, the agent shall be entitled to receive commission on certificates or deposit (sold and procured by him) at the rates notified by the Government from time to time in this official Gazette in respect of the securities which are subject matter of this agreement.

2. The Agent shall sell the securities referred to in clause (1) above in the state of Orissa;

3. The Agent shall on behalf of the Government receive from the prospective investors monies for investment in securities and pass appropriate receipts for the same in the prescribed form, from the printed receipt books, which the Government shall at their own cost supply to the Agent for the purpose. In no case shall the Agent accept money for which he is not able immediately to issue a proper valid receipt or receipts from the printed receipt Book (s).

4. The Agent shall within ten days from the receipt of the monies as aforesaid deposit the same in the Post Office (s) or such other office (s) as maybe specified in this behalf by the Government to which he may be attached for the purpose and pending such deposit, the Agent shall hold the said monies in trust for and on behalf of the Government.

5. The Agent shall obtain from the investors such documents or writing as may from time to time prescribed by the Government in regard to investment of such securities.

6. The Government shall through the Post Office (s) or other office (s) concerned issue and deliver to the Agent the "Securities" in the name or names of such person or persons and for such amounts as the investors shall have applied for. The Agent shall on obtaining such securities deliver the same to the investor or investors in exchange for then original receipt or receipts that may have been passed to them duly discharged by the investors.

7. Subject as herein otherwise provided the Agent shall be entitled to receive a commission at such rate as may be notified by the Government from time to time in respect of "Securities" which is allowed through the Agent under the terms of this agreement. The commission shall be payable on production of the receipts duly discharged by the investor or investors to the paying Authority appointed in this behalf. Save as aforesaid the Agent shall not be entitled to any other commission, remuneration or payment whatsoever for the work done under these presents not withstanding any costs, Charges or expenses the agent may incur for the purpose. No commission shall in any event be payable to agents on investment of Provident Fund money, Funds of Co- operative societies including Co-operative Banks. Compensation money paid to displaced persons in the form of any 'Securities' cash securities already pledged to Government officials by contractors and other persons. Court funds, funds in the control of Government officials or local or statutory authorities, investments required to be made in the 'Securities' under any enactment or by an express order or the Government or investments made or secured by or on behalf or persons residing abroad or such other investments as from time to time may be notified by the Government in this behalf.

8. The agent hereby undertakes to carry out such directions and instructions as may from time to time be issued by the Government or persons duly authorised by the Government and to comply with all rules and regulations pertaining to the issue of the securities from time to time and orders and regulations issued by the Government together with any modifications or additions thereof and to keep himself/herself acquainted with the aforesaid rules, orders and regulations and in particular undertakes:-

(a) to follow all instructions printed on the cover of the official Receipt Books issued by the Government.

(b) never under any circumstances to exceed the amounts up to which a receipt from is valid for an investment or investments nor to make any alteration in the matter printed on the receipt on the receipt forms and counterfoils.

- (c) to ascertain from the investors before accepting any moneys that the “Securities” for which applies, will, if issued not render his total holding of such securities of all types in excess of the limit laid down in the rules governing such securities for the time being in force;
- (d) to forthwith refund to the Government any commission that may have been paid in respect of such securities as may have been sold to the investor or investors in excess of the limits of holdings laid down in the said rules for investment by investor or investors, or otherwise received by him/her in excess of any amounts due to him/her;
- (e) to keep the certificate (s) of authority and Receipt Books issued to him/her with care and in case of loss, immediately report the same to the Appointing/Issuing authority and the post office (s) or other office (s) to which he/she is attach;
- (f) in case of loss of any Receipt Book not to claim any commission on sales of the securities recorded therein;
- (g) to produce the Receipt Book (s) to the paying authority for the purpose of checking of payment of commission as herein provided and claim commission within four months from the date of receipt of money for investment in the “Securities” failing which such commission shall be forfeited.
- (h) notwithstanding the provisions of sub-clause (g) above, to produce the Receipt Book (s) to the checking authority for the purpose of checking whenever demanded by the said authority;
- (i) to deliver the “Securities” purchased by the Agent on behalf of the investor (s) to the investor (s) without undue delay and in any case within 30 days of the date of receipt of the money failing which the agent shall forfeit the commission earned on the business transacted in such securities and if the same may have been paid will forthwith refund to the Government;
- (j) to carry out this Agreement faithfully and diligently and to best of his/her ability to promote the said scheme ; and
- (k) not to assign or otherwise transfer the benefit of this agreement or part thereof to a third party.

9. Subject to the provision for earlier termination hereinafter contained, the period of the agency shall be initially for three years from the date given in the preamble to this agreement and thereafter the agency may be renewed at the option of the Government for further periods not exceeding three years at a time.

10. The agency would be liable to be terminated by the Government, without notice if the work or conduct of the Agent is adversely commented upon by the supervising authorities or if he/she is in the opinion of the Government which shall be final and binding, guilty of breach of any provision of this Agreement, or if he/she becomes insolvent or if it is discovered that a part or the whole of the business was secured by him/her with the Organisation or an official of the State Bank of India or its subsidiary Banks in India. The commission earned on such business shall also be liable to forfeiture and if the commission on such business has already been paid, the Agent must refund it to the Government.

11. This Agreement may be terminated by either party by giving three months' notice to the other, provided however the Government shall be at liberty to terminate the agency at any time without notice and without assigning any reason for the same. The agency shall automatically stand terminated if the Government of India announces by Notifications, the abolition of Agency System.

12. The stamp duty on this Agreement will be payable by the Government.

13. On termination of this Agreement howsoever occasioned, the Agent shall forthwith deliver to the Government all monies and papers including the Certificate (s) of Authority, used partially used and unused Receipt Books ,documents and securities which may have come to his/her possession or custody under the terms of this Agreement.

14. The Agent hereby agrees to well and sufficiently protect and keep harmless and indemnify the Government against all manner of embezzlement, misappropriation or misapplication of monies, and the "Securities" which may from time to time during the continuance of this Agreement come into his/her possession or control belonging either to the Government or to the investor or investors and also against the carrying away loss, destruction or otherwise of any writing, evidence, books or papers belonging to the Government or to any of the investors without directions and authority of the Government or person or persons duly authorised by the Government and against all costs charges and expenses in relation thereto. The Agent shall also indemnify fully, the Government against all losses or claims that may arise on account of his/her defaults and any amounts received by him/her ad which are not legally due to him/her and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

15. The said (B) and (C) sureties of the aforesaid Agent (A)and their heirs, executors and administrators hold themselves bound unto the Government jointly and severally for the due performance of the duties of the said Agent and faithful observance and performance by him of the terms and conditions of this Agreement and shall indemnify and keep indemnified the Government against all and every losses, damages and claims which during the time of the said (A) shall act as Authorised Agent happen to be or be sustained by or may arise against the Government or any servant of the Government but so that the liability of each of the said (B) and (C) shall in no event exceed the sum of rupees two thousand/one thousand and should the amount of the common liability be less than rupees five thousand/four thousand/two thousand, the maximum sum hereby guaranteed, then the liability of each of the said (B) and (C) shall be reduced proportionately. After termination of the agency, however occasioned, the liability of the said (B) and (C) shall continue till the Agent has returned all documents, monies, etc..referred to in paragraph 13 hereof.

15.A.** The said (B1) sureties of the aforesaid Agent (A) and its successors and assigns hold themselves bound unto the Government for the due performance of the duties of the said Agent and faithful observance and performance by him/her of the terms and conditions of this Agreement and shall indemnify and keep indemnified the Government against all every losses, damages and claims which during the time the said (A) shall act as Authorised Agent happen to be or be sustained by or may arise against the Government or any servant of the Government so that the liability of the said sureties shall in no event exceed the sum of rupees five thousand/four thousand/ two thousand which is maximum sum hereby guaranteed. After termination of the agency, howsoever occasioned, the liability of the said (B1) shall continue till the Agent has returned all documents, monies, etc, referred to in paragraph 13 hereof.

16. It is hereby agreed and declared that neither of them he said (B) and (C)**the said (B1) shall be at liberty to terminate his/her suretyship and that the liability of each of them ** the said sureties shall within the aforesaid limits of liability extend and be applicable to the whole indebtedness or liability of the said (A) to the Government at any time and not merely to so much thereof as shall be co-extensive with the aforesaid maximum guaranteed liability of rupees five thousand/four thousand/ two thousand herein and is hereby expressly agreed and declared that the Government shall be entitled without notice to either of the

said (B) and (C)/ the said (B1) to vary or alter or supersede the terms of employment , instruction, directions, and rules and regulations as the Government may think fit and without reference to them or either of them the Government, may grant any time or other indulgence to the said (A) without thereby in any way affecting the liability of any of the said sureties (B) and (C)/* the said sureties (B1) (and each of them shall be treated as a principal debtor to the Government for all liability hereunder).

17. And it is hereby further agreed and declared that the Government shall be under no liability to take any action, either civil or criminal, against the Agent (A) or any other person before making the said (B) and (C) or either of them /** (B1) liable hereunder and if the Government does take any action as aforesaid, the same shall not in any way affect their liability (and the liability of each of them), hereunder and notice of dishonest act on the part of the said (A) shall not in any way affect their liability.

18. The Appointing Authority, the issuing Authority, the paying Authority and the checking Authority, shall be such authorities as may be appointed from time to time by the state Government in the matter.

19. The Agent or sureties shall pay all such sums as shall be due to the Government within the time herein before specified. If the agent or sureties fail to pay such sums as shall be due to the Government from time to time within the specified period then and in such event all sums due to the Government (as to which the decision of shall be final) shall at the option of the Government be recoverable In the same manner as an arrear of land revenue.

IN WITNESS WHEREOF the parties hereto have set their respective hands here unto the day, month and year first here in above written.

Signed and delivered by (A)
(B)
and (C)/ (B1)

In the presence of (I)
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(II)
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Signed and delivered by the

for and on behalf of president of India in the presence of
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*Applies in cases in which two personal sureties are furnished

*Applies in cases in which one Consolidated Surety of a bank is furnished.