



**MINISTRY OF RURAL DEVELOPMENT, DEPARTMENT OF RURAL DEVELOPMENT
(MAHATMA GANDHI NREGA DIVISION)**

**QUALITY AUDIT OF MAHATMA GANDHI NREGA WORKS
TERMS OF REFERENCE (TOR)**

1. Background

1.1 The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) notified on September 7, 2005, aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult member's volunteers to do unskilled manual work. The Act covered all 619 rural districts of the country (up to 2009-10), 200 districts in its first phase and 330 additional districts in second phase. All the remaining rural districts were notified with effect from 1st April 2008 marking Phase III of the Act.

1.2 In Schedule - I of the National Rural Employment Guarantee Act 2005, it is mentioned that

1.2.1 The focus of the scheme shall be on the following works in their order of priority:-

- (i) Water conservation and water harvesting;
- (ii) Drought proofing (including afforestation and tree plantation);
- (iii) Irrigation canals including micro and minor irrigation works;
- (iv) Provision of irrigation facility, horticulture plantation and land development facilities on land owned by households belonging to the Scheduled Castes and Scheduled Tribes or to Below Poverty Line families or to beneficiaries of land reforms or to the beneficiaries under the Indira Awas Yojana of the Government of India;
- (v) Renovation of traditional water bodies including Desilting of tanks;
- (vi) Land development;
- (vii) Flood control and protection works including drainage in water logged areas;
- (viii) Rural connectivity to provide all-weather access; and
- (ix) Any other work which may be notified by the Central Government in consultation with the State Government.

1.2.2 Creation of durable assets and strengthening the livelihood resource base of the rural poor shall be an important objective of the Scheme.

1.2.3 The works taken up under the scheme shall be in rural areas.

1.2.4 The scheme shall be subject to appropriate arrangements as may be laid down by the State Government under the rules issued by it for proper maintenance of the public assets created under the scheme.

1.2.5 The cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the scheme shall not exceed forty percent of the total project costs.

1.2.6 The Scheme shall not permit engaging any contractor for implementation of the projects under it.

1.2.7 As far as practicable, a task funded under the scheme shall be performed by using manual labour and not machines.

1.2.8 Provision of regular inspection and supervision of works taken up under the scheme shall be made to ensure proper quality of work as well as to ensure that the total wages paid for the completion of the work is commensurate with the quality and quantity of work done.

1.3 Panchayat Raj Institutions are principal planning, implementing and monitoring authorities. The Gram Sabha must monitor the execution of projects and conduct social audit of all projects executed within its territorial jurisdiction.

1.4 Under MAHATMA GANDHI NREGA, during the year 2006-07, 2007-08, 2008-09, and 2009-10, nearly 70 lakh works were taken up, out of these works 45.17 lakh works have been completed and remaining works are in progress.

1.5 This work is related to quality audit of rural development works; therefore it has been decided to outsource this work to local Government engineering institutes/ Government engineering colleges with graduate courses in agricultural engineering or civil engineering and who has their man power technically competent to carry out this work.

2. Need for the Quality Audit

The Ministry of Rural Development regularly monitors the implementation of Mahatma Gandhi NREGA through the progress reports (Physical & Financial) received from the states on regular basis. The government has estimated expenditure of Rs. 40100 crore in 2010-11 and the benefits of such expenditure need to be measured and the implementation problems need to be identified for undertaking mid-course corrections. Important objective of the scheme i.e. creation of durable assets and strengthening the livelihood resource base of the rural poor will be possible only when the assets created are of good quality. Good quality is possible only when before executing the works, required survey, design and layout are made and execution is carried out as per design and technical norms.

3. Objectives of the Quality Audit

3.1 The main objective of the quality audit of Mahatma Gandhi MAHATMA GANDHI NREGA works is to ensure that works carried out are properly planned, designed and executed, so that the assets created are of good quality, economical, productive and durable and strengthen the livelihood resource base of the rural poor.

3.2 To assess whether, in execution of these work, selection of work sites, required survey, design, layout and technical norms have been followed or not, so that required corrections/ improvements in completed and ongoing works can be made in time and taken care of in new works.

The quality audit would thus involve the following:

a) The institutes after going through the Act, concept of quality audit, format developed and methodology will submit their detailed proposal for quality audit of works, to the ministry of Rural Development.

b) An analysis should be made of the action plan approved by the Zila Panchayat on the basis of which works were taken up under MAHATMA GANDHI NREGA in all the districts covered under MAHATMA GANDHI NREGA for the year 2006-2007, 2007-2008, 2008-09, 2009-10 and 2010-11.

c) The works taken up should be classified into categories as provided in the Act and elaborated above at para-1.2.1. They may be further grouped into smaller categories, where ever required.

d) Persons/ auditor selected for quality audit will be given one day intensive orientation/training at district Level or block level. In this training, the concept of quality audit and how to fill up the format developed for audit will be made clear.

e) The visit programme of the auditor will be sent to the District Programme Coordinator in advance with the instruction to ensure availability of index map, relevant record, concerned technical person, Gram/ Rozgar Sahayak and beneficiaries to the auditor.

f) The auditor with index map, relevant record, concerned technical person, Gram/ Rozgar Sahayak and beneficiaries will go to each work site and fill up the format. After visit to work sites of a village, the auditor will come in the village and verify the data filled up and record their views on individual work.

4. Targeted Stakeholders

- The Ministry of Rural Development,
- State Governments,
- District Programme Coordinator,
- Programme Officers,
- Panchayat Raj Institutions,
- The MAHATMA GANDHI NREGA workers and
- Members of the Gram Sabha are important stake holders.

The quality audit will be conducted by having detailed interaction with all the stake holders. States, Districts, blocks and Gram Panchayat where quality audit is proposed should be visited with prior consultation of the local authorities. The visits and interactions will be planned in consultation with the Ministry.

5. Reference Period

The reference period for the audit will be since inception of the Mahatma Gandhi NREGA in the district till current year; however background data to be generated from secondary sources to the extent possible may be gathered for analysis.

6. Sampling Procedure

To start with the quality audit would cover all the States. The number of sample districts in bigger states would be two and in smaller state one. Districts has been selected on random basis i.e. one good and one bad w.r.t. the total person days generated, house hold completed 100 days, average person days per house hold, % women participation, and % of house hold completed 100 days.

S.No.	State	District
1	Andhra Pradesh	Vizianagaram & Guntur
2	Andmann & Nicobar	North & middle Andamann
3	Arunachal Pradesh	Changlang
4	Assam	Kokrajhar & Nagaon
5	Bihar	Saharsa & Madhubani
6	Chhattisgarh	Kawardha & Bastar
7	Dadar & Nagar Haveli	Dadar & Nagar Haveli
8	Gujarat	Rajkot & Vadodara
9	Goa	North Goa
10	Haryana	Sirsa & Palwal
11	Himachal Pradesh	Kangra & Lahul and Spiti
12	Jammu & Kashmir	Kishtwar & Badgam
13	Jharkhand	Chatra & Jamtara
14	Karnataka	Tumkur & Chamaraja Nagara
15	Kerala	Idukki & Ernakulam
16	Lakshadweep	Lakshadweep
17	Madhya Pradesh	Barwani & Morena
18	Maharashtra	Bhandara & Thane
19	Manipur	Senapati & Imphal East
20	Meghalaya	East Garo Hills & Jaintia Hills
21	Mizoram	Aizawl
22	Nagaland	Zunheboto
23	Orissa	Ganjam & Jagatsinghapur
24	Pondicherry	Pondicherry

25	Punjab	Amritsar & Ferozpur
26	Rajasthan	Ajmer & Sawai Madhopur
27	Sikkim	East District
28	Tamil Nadu	Salem & Thanjavur
29	Tripura	West Tripura
30	Uttar Pradesh	Mahoba & Meerut
31	Uttranchal	Tehri Garhwal & Pauri Garhwal
32	West Bengal	Jalpaiguri & Murshidabad

In each district 4 sample blocks, from each sample block 2 Gram Panchayat and from each sample Gram Panchayat 1 village will be selected based on stratified random sampling technique.

Like this there will be $4 \times 2 \times 1 = 8$ village per district.

In every selected village 1 work of each type (from 8 types of works as per schedule I of MAHATAMA GANDHI NREGA) 1 just/ recently completed and 1 ongoing. On an average if we consider 6 type of work in a village, than the total number of works in a district for quality audit comes to $8 \times 6 \times 2 = 96$ works.

7. Study Tools

The study will explore both Secondary and Primary data sources.

Secondary Data Sources:

- Policy documents on the scheme – MORD, GOI, State & District level
- Records at State & District level– Physical & Financial
- Record at Intermediate & Gram Panchayat Level –AS&FS, TS, MB, Physical & Financial
- Execution, Monitoring & Supervision – records & proofs.

Primary Data Sources:

- Inspection/ Measurement w.r.t. Technical sanction, selection of site, survey, design and execution on the work site. A typical format for quality audit is enclosed at **Enclosure-A**, which can further be modified as per requirement by the Nodal Agency in consultation with the Ministry. Questionnaire Survey and In-depth Interview of stake holders.

8. Organization of the Quality Audit (Inspection/ Measurement w.r.t. Technical aspects)

The Inspection/ Measurement and Analysis of works w.r.t. Technical aspects will be done by engaging separate engineering institutes/ engineering college's agencies for eight states. These **Quality Audit Agencies (QAAs)** would be selected through the process of Tender (Technical & Financial Bids). There will be a **Nodal Agency (NA)** for the audit work and same will be selected through the process of Tender (Financial Bids alone) from amongst the QAAs. For selecting the NA and the QAAs, their financial status, proven track record, past experience, technical competence and other factors will be the main criteria of selection.

8.1. Nodal Agency (NA) would perform following functions (deliverables):

1. Develop and prepare all the Data Collection Instruments (including questionnaires and structured Quality Audit format, tabulation plan & format for report writing, and finalise it in consultation with Ministry and make them available to the QAAs;
2. Finalize the Chapterisation-plan and make them available to the QAAs;
3. Draw the samples till Village level as per sampling plan/method with substitutes and make them available to the QAAs;
4. Cross/back check of the work to be done by QAAs in order to ensure that data collection is truthful and verifiable. It should be based on random selection of 3% of the sample on 8 to 10 quantifiable questions/ observations administered to the same sample. Before start of the Quality Audit/ field survey, an agreed mechanism is to be finalized in consultation with the Ministry and QAAs;
5. The Nodal Agency will be required to develop a Data Entry and Analysis Software and make it available to the QAAs. The Software shall have the following deliverables:
 - (i) The software will be developed using 'Microsoft Visual Basic 6.0' as front end and 'MS-Access 2007' as the database.
 - (ii) The software shall have provision for Reports to be created in the Tabulation Plan approved by the Ministry and tables shall be generated in 'MS-Excel 2007' format.
 - (iii) The Software shall have provision for entry of data for all the schedules finalized for the study.
 - (iv) The Data Entry application shall have all the necessary validations so as to ensure that only valid responses are entered and minimal data cleaning is required by the field agencies.
 - (v) The Software shall have feature for entry from multiple computers and provision to merge multiple database files and create a consolidated database for report generation.
 - (vi) The Software will be delivered in a CD format and the Nodal Agency will have to prepare required number of copies of the software for all the field agencies.
 - (vii) The Nodal agency shall also be required to prepare a detailed user manual clearly explaining the process of installation, data entry and report generation.
6. Organize at least three workshops and/or meetings in convenient location in the respective districts, in consultation with the Ministry, for the QAAs (two participants for each QAAS) & the Ministry officials (5 participants) at their own expenses;
7. Create and manage an ideas exchange discussion group on the internet and invite Quality Audit Agencies to become members of the group and participate actively in the group. Load all materials/instructions and any other material as directed by the Ministry;
8. Coordinate and guide the Quality audit agencies to prepare individual 'State Report' and give suggestions to the QAAs on the draft reports of each states;
9. Submit a preliminary All India report based on a numbers of State Reports, even without all the sample states covered. The Ministry would intimate the timing of such report in consultation with the NA and the QAAs;
10. Prepare All India (Country) reports (state specific report will be prepared by individual Quality audit agencies) on the basis of individual State reports;
11. The authorship of the All-India report would rest with the NA, but, names of all the QAAs would be printed in the cover of the All-India report.
12. Submit 100 hard copies of the final report and 5 Compact Disks.

8.2. Quality audit agencies (QAAs) would perform following functions (deliverables):

1. Extend cooperation to the Nodal Agency so that it can perform the assigned duties;
2. Undertake quality audit works in the allotted States, Districts, GPs and villages as per the methods, sampling and other quality audit requirements. The samples till GP and Village level as per sampling plan/method with substitutes would be made available by the NA;
3. Pre-test the Data Collection Instruments as per a plan of action approved by the Ministry and give feed back to the NA before finalization of the Data Collection;
4. Attend and participate in three workshops and/or meetings of the QAAs & the Ministry on their own expenses;
5. Make available a list of the sample village and works within one month of start of the Quality Audit to the NA so that the later perform cross/back check as per Para 8.1.4 of the TOR. On the basis of cross/back check, with the advice of the Ministry, the QAAs would take necessary actions (including re-audit) to improve the quality of data with their own cost.
6. Utilize the standard data management software to process the audit data to generate reports, etc.;
7. Become a member of an idea exchange discussion group created by the NA in the internet and besides exchanging ideas, would also load all required materials;
8. Prepare Quality Audit report(s) for each state, whose basic framework/chapter-plan/core tables and structured format would be made available by the NA;
9. Submit 20 hard copies of the final report and 5 Compact Disks for each state

Time frame for the study

The fieldwork of the study and report submission would have to be **completed within eight months from the date of release of 1st instalment for the Study.** 1st month will be for sampling and other preparatory activities by NA as stated above. For the QAAs, the total time allotted is seven months, but the quality audit and report writing/submitting is to be done within six months from the date of dispatch of instructions and materials by the NA. There will be two rounds of audit/ visit to every sample work i.e. 1st round in first 3 months and second round in next 3 months. The detail time frame of the quality audit is given below.

S. No.	ACTIVITIES	Duty	Month I st		Month II nd		Month III rd		Month IV th		Month V th		Month VI th		Month VII th		Month VIII th	
			1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2

12. Cost of the Study

Cost would depend on the technical and financial bids submitted by the Nodal and Quality audit agencies.

13. Others

1. As the duration of the quality audit is short, the quality audit agency must have skill base of large expert manpower (permanent as well as temporarily hired) for conducting quality audit and coordinating data collection (simultaneously in sample state), data filtering and data analysis simultaneously from different States concerned.
2. No requirement of manpower and transportation will be met by the Ministry of Rural Development.
3. **Performance security** is to be made available for an amount of 5% of the value of the project/contract. The Performance Security may be furnished in the form of an account payee demand draft/fixed deposit receipt from a commercial bank/ bank guarantee from a commercial bank in an acceptable form safeguarding the Government in all respect. The Performance Security would remain valid for a period of 60 days beyond the date of completion of all contractual obligations.
4. Submit letters in original from the top three key professional (team leader plus two), (i) one before the start of the project indicating their willingness to work for this audit from start to end with duties/responsibilities and (ii) 2nd letter after the completion of the project indicating that they have worked in the audit continuously from start to end.
5. Payments to the QAAs will be made in four instalments as follows:

(a)	Ist instalment of 10%of the total amount	On submission of the acceptance letter, bond and pre-receipt, etc.
(b)	IIInd instalment of 40% of the total amount	On completion of field work and computerization of all types of data. A certificate is to be given by the NA / QAAS to the Ministry.
(c)	IIIrd instalment of 30% of total amount	Acceptance of Ist draft of the Report by the Ministry
(d)	IVth & final instalment of 20% of the total amount or the balance amount	On acceptance of the Final Quality Audit Reports and Recommendations to the satisfaction of the Ministry.

5. The data generated from the study would be the sole property of the Ministry of Rural Development.

6. Neither any capital cost would be incurred under the fee money for the quality audit nor would any liability be created for the Ministry, Government of India, beyond the original fee sanctioned for the job.

7. The Quality Audit Agency(s) would enter in to an agreement with the Government and write a bond on Non-judicial Stamp Paper of Rs.100/- (format in Annexure IV) and submit Pre-receipt of the amount due for instalment (s).

8. The Ministry reserves the right to terminate the Quality Audit Agency's contract at any point of time without assigning any reasons. In such eventuality, the agency shall have to refund the amount released by the government together with a penal interest of 12% per annum.

14. Arbitration Clause

(a) In the event of any question, dispute or difference arising under or out of or in connection with the conditions mentioned in TOR and sanction letter, the same shall be referred for the Sole Arbitration of any person appointed by the Secretary to the government of India in the Department of Rural Development. There shall be no objection if the person so appointed is a Government Servant.

(b) In the event of the Arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason or his award being set aside by the Court for any reason, it shall be lawful for the said Secretary to appoint an Arbitrator in the place of the outgoing Arbitrator in the manner aforesaid and the persons so appointed will proceed with the references from the stage at which it was left by his predecessor. It is also a term of this contract that no persons, other than a person appointed by the Secretary in the Ministry as aforesaid shall act as Arbitrator and if for any reason that is not possible the matter shall not be referred to arbitration at all.

(c) Subject as aforesaid the Arbitration and Conciliation Act, 1996 and the Rules there under any statutory modification thereof for the time being in force shall apply to the arbitration proceedings under this clause.

(d) Upon every and any reference as aforesaid the assessment of costs of the incidental to the reference and award respectively shall be in discretion of the Sole Arbitrator.

(e) The venue of the arbitration proceedings will be premises of the Government of India, Ministry of Rural Development, New Delhi or such other place as the Sole Arbitrator may decide.

(f) If no request in writing for arbitration is made the Auditor(s) within a period of one year from the date of completion of job, all claims of the agency shall be deemed to be waived and absolutely barred, the President of India shall be discharged and released of all the liabilities under the subject contract.

TECHNICAL BID

To

Shri J.S. Audhkhasi,
Mahatma Gandhi NREGA Division
Ministry of Rural Development, Government of India,
Krishi Bhawan, Room No 378-A, New Delhi-110001.

Subject:Quality audit of Mahatma Gandhi NREGA works

State:.....

A: ENGINEERING INSTITUTE/ ENGINEERING COLLEGE PROFILE

1	Name of institute/ college	
2	Name and Designation of Contact Person	
3	Postal Address of the Institute/College (with PIN CODE)	
4	Physical Address, if different from postal address (With PIN CODE)	
5	Telephone with STD Code	
6	FAX No. with STD Code	
7	Mobile No. of Contact Person	
8	E-mail Address of Contact Person	
9	Name and Designation of Head of the Institute/ College responsible for the Quality Audit Contract	
10	Establishment Details	
a.	Year Established	
b.	Type of Institute/ College imparting graduate courses in-	
c.	Name of University Affiliated with	(Attach attested photocopy of Affiliation Certificate)

B. EXPERIENCE

Experience in conducting quality audit/ executing rural development works / evaluation studies in the field of rural development programmes/schemes/projects by the institute/ college in the past 3 years (2007 to 2010 calendar years) that are relevant for demonstrating its expertise in the area of proposed audit:

B.1: Completed quality audit/ rural development projects/ evaluation studies (s)

(Extra-sheet may be used if activities are more than 5 in number)

Sl. No.	Title of the assignment	Name & Address of Client	Completion time/date (Month & Year)	Duration of the Assignment completion (in Months)		Value (Rs. Lakh)	(s)Name of Sample State
				As per TOR/ Agreements	Actual		
1	2	4	5	6	7	8	9
(i)							
(ii)							
(iii)							
(iv)							
(v)							

B.2: On-going assignments

Sl.	Title of the	Name &	Project	Project	Value	Name of
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No.	assignment	Address of Client	starting date/time (Month & Year)	completion time as per ToR/ Agreement (in Months)	(Rs. Lakh)	Sample State (s)
1	2	4	5	6	7	8
(i)						
(ii)						
(iii)						
(iv)						
(v)						

C: HUMAN RESOURCE

C. 1 Human Resources of the engineering institute/ college: (Do not attach CVs)

Sl. No.	Official Station (name of place)	Professional/Technical (numbers)		Supporting Staff (numbers)	
		Full-time	Part-time	Full-time	Part-time
	All				

C2: To be deployed for the proposed audit

(a)- KEY PROFESSIONALS ** (Do not attach CVs)

Sl. No	Name	Area of key expertise	Highest academic/ professional qualification in the area of key expertise	Length of experience (years) in the area of key expertise	No. of man-months deployed for this study
1	2	3	4	5	7
1	(Team Leader)				
2					
3					
4					
5					

** Note: Care may be taken to demonstrate that each area of expertise required for the study is covered by different key professionals in above table.

(b)- SUPPORT AND FIELD STAFF

Sl. No.	Job profile (e.g. field investigator, data entry operator, analyst, etc.)	No. of personnel	Total number of man-months to be deployed.
1	2	3	4
1			
2			
3			

4			
5			

D: Reasons for applying for this State:

Give in detail the capability of the institute/college and the experience etc. to support the claim

E: Methodology and Organization of Audit:

The sample procedure, sample size and study tools are given in Para 6, 7 and in other portions of the TOR. Please suggest:

- (i) sample selections in detail;
- (ii) study tools refinements;
- (iii) How you would complete the study in time? and
- (iv) How to achieve quality?

F: Do you wish to act as the Nodal Agency for this study- Yes/ No (if 'yes', give the following details)

F.1: Name of the quality audit/ rural development projects/ evaluation studies where your institute/ college have performed NA's duty/role or similar duty/role.

F.2: Capability of the institute/ college to perform the function mentioned in Para 8.1.5 (i to vii) of the TOR.

F.3: Suggestions on 'cross/back check' mentioned in the Para 8.1.4 of the TOR and the capability to perform the function.

G: ANY OTHER DETAIL WHICH IS RELEVANT TO THE BID

CERTIFICATE

It is certified that:

1. The information given above is TRUE to the best of my knowledge. The institute/ college shall stand liable for any information given above which is later found to be FALSE, including the forfeiture of any payment due to it.
2. The information given above is COMPLETE to the best of my knowledge and I have not willingly suppressed any material information that might lead to misjudgements while Quality Audit this Technical Bid.

3. The professionals, staff, equipment and all requisite infrastructural facilities mentioned in this bid shall be made available for this study in due time.
4. Our institute/ college are interested to undertake the proposed quality audit.
5. I am competent to sign this Certificate.

Date:

Place:

Seal of the Organization:

Authorized Signatory

Name:

Designation:

FINANCIAL BID

To

Shri **J. S. Audhkhasi**,
 Under Secretary(MGNREGA)
 Ministry of Rural Development, Government of India,
 Krishi Bhawan, Room No378-A,
 New Delhi-110001.

Subject: Quality audit of Mahatma Gandhi NREGA works

State:-----

Name of Bidder Engineering Institute/ Engineering College with address: _ _ _ _ _

SI. No.	Head	Total Cost (Rs.)
1	Salary of key professionals	
2	Salary of field staff and support staff	
3	Travel for key person	
4	Travel for Field & Secretariat staff	
5	Contingent expenses	
6	Office expenses**	
7	Total (1+2+3+4+5+6)	
8	Institutional Overheads if any, and basis of charge	
9	Service Tax, if any to be charged	
10	Grand Total (7+8+9)	
(In words_____)		
** Office expenses: Include expenses for required numbers of final report and 5 Compact Disks.		

Date:

Place:

Authorized Signatory

Name:

Seal of the Organization:

Designation: _____

Annexure III

DRAFT FORMAT OF THE BOND (to be submitted after the job is assigned)

KNOW ALL MEN BY THESE PRESENTS THAT , Wean Institute/ College (Government/Affiliated with University -----) and having its office at in the State of(hereinafter called sureties jointly and severally bond) and our respective heirs executors administrators legal the obligor hereinafter called representatives and assignees by these presents, are held and firmly bound to the President of India (hereinafter called the Government) a sum of Rs. together with all other sums (including interests thereon) due and payable to the Government.

And whereas the obligor is an implementing Agency for the programme/ scheme of rural development as approved by the Government and described in the letter No. of the Government, subject to the Terms and conditions contained therein (hereinafter collectively referred to as "Sanction Letter")

And whereas the Government, for the due implementation of the said approved Scheme, has agreed to extend to the obligor as such implementing Agency as aforesaid financial assistance by way of fee of the order of Rs. Out of which of Rs have already been said to the obligor (the receipt where of the obligor does hereby admit and acknowledge) upon the obligor irrevocably promising to and assuring the Government that the said Sum of Rs. shall be utilized solely and exclusively for the purpose of implementation for the said approved programme/ project and for no other purpose in strict compliance of the stipulations and reservations contained in the sanction letter including executions of the Bond by the obligor and sureties which/who shall always remain bound to the Government for due fulfilment of the terms and conditions in the sanction letter. Now condition of the above written obligation is such that if the obligor shall duly implement the said approved programme in compliance of all the conditions, stipulations and reservations in the sanction letter, then the above written Bond obligation shall be void and of no effect but otherwise it shall remain fully enforceable, effective and operative against the obligor and the sureties and their respective assignees by these presents, against each of them.

These presents further witness that

(a) The decision of the Secretary to the Government of India, Ministry of Rural Development or the Administrative Head of the Ministry or Department of the Government of India administratively concerned with the matter of the questions whether has been breach or violation on the part of the obligor of any of the terms

conditions mentioned in the letter of sanction shall be final and binding on the obligor.

(b) The Obligor shall in the event of breach or violation of any of terms and conditions mentioned in the letter of sanction refund to the Government of its own or on demand and without demur the entire amount of or such part thereof as the Government along with the borrowing rate interest of Government of India (interest therein at the rate of 12% (Twelve percent) per annum from the date of receipt of said amount by the obligor up to the date of refund thereof to the Government failing which the impugned amount would be recoverable as arrears of land revenue.

(c) The obligor or the Sureties shall, in the event of breach or violation of any of the terms and conditions contained in the letter of sanction, refund to the Government on demand and without demur the entire amount of Rs. of such part thereof as may be mentioned in the notice of demand issued by the Government along with the interest thereon at the prevailing borrowing rate of the Government of India from the date of receipt of the said amount by the obligor/sureties till the date of payment therefore is received by the Government.

(d) Without prejudice to (c) above, the Government shall have the right, without any demur on the part of the obligor or the Sureties, to revoke the said financial grant wholly or partially and/ or to take over such assets or to call upon and complete the obligor to transfer all such assets to a State Government, Panchayati Raj Institution or any other institutions associations, if the obligor commits any breach of the conditions and stipulations contained in the sanction letter.

IN WITNESS WHEREOF THESE presents have been executed on behalf of the obligor and the sureties the day and the year herein above written and accepted for and on behalf of Government by-----, Ministry of Rural Development Government of India (name and designation) on the day year appearing against his/her signature.

Signature (for and on behalf of obligor)

(The Obligor)

Sureties

(i)

(ii)

Signature and Name in Block Letters, Designation and Office Seal of the Institute/ College.

In the presence of Witness.

(1) Name and address:

(2) Name and address:

Bond accepted for and on behalf of the President of India.