

File No D(R&D)/DGTM/01/10048/M/C/10 /1474/D(R&D)

Government of India, Ministry of Defence,
Deptt. of Defence Research & Development

DRDO Bhawan, Rajaji Marg,

New Delhi -110011

Dated Aug 2018

To,

The Chairman,
Defence Research & Development Organisation (DRDO),
DRDO Bhawan,
New Delhi -110011,

Subject: Bond form to be signed between Government of India and Indian Industry under TDF Scheme

Sir,

I am directed to convey the sanction of the President of India for adoption of Bond Form enclosed at Annexure 'A' to be executed between Government of India and Indian Industry under Technology Development Fund Scheme before release of the first instalment of the grant to the Selected Industry for the TDF Scheme project as per rule 231(2) and 231(3) of GFR-2017.

2. This issues with the concurrence of Ministry of Defence/Finance (R&D) vide their Dy No. 475/MOD/FIN (R&D) dated 24 Aug 2018.

Yours Faithfully

Harsha
28/8/18

(Harsha Rani)

Under Secretary to the Govt of India

Copy signed in ink to:

- i. The DG ADS, L-IIBlock, Brassey Avenue New Delhi
- ii. The PCDA (R&D), West Block-V, R K Puram, New Delhi

Copy to:

- i. The CGDA, Ulan Batar Road, Palam, Delhi Cantt
- ii. DG (TM), DRDO Hqrs
- iii. Addl FA (SM) & JS, DRDO Hqrs
- iv. IFA (R&D), DRDO Hqrs
- v. DFMM, DRDO Hqrs

Bond Form

● KNOW ALL ME BY THOSE PRESENTS THAT we the _____ (name of the organization as in registration certificates), a company/ partnership firm/ sole proprietorship registered under the applicable Indian law vide registration number _____ dated _____ office at _____ in the state, having its registered office at _____

_____ (herein after called the Development Agency) (i) _____ son of _____ resident of _____ (ii) _____ son of _____ resident of _____

_____ (herein after called sureties) are held and firmly bound to the President of India (herein after called the Government) in the sum of Rs. _____ (in words Rs. _____ only) with interest therein @ 10% per annum well and truly to be paid to the President on demand and without demur, for which payment we bind ourselves and our successors and assigns by these present.

2. Signed this _____ day of _____ in the year Two thousand and _____

3. Whereas the Development Agency had submitted a proposal for a Project titled “ _____ ” under Technology Development Fund Scheme to Government, through the DRDO, Ministry of Defence for Grant of Rs _____ vide Letter No. _____ dated _____; the Development Agency has agreed to execute this bond in advance, in favour of DRDO, Ministry of Defence for an amount of Rs. _____ as requested in the proposal sent to Government. The Development Agency is willingly executing this bond of proposed amount along with two sureties with stipulation that Development Agency will be bound upto this amount or by the actual amount approved/ sanctioned by the Government, whichever is less. The Development Agency is also willing to accept all terms and conditions mentioned in the “Letter of Sanction” issued by the Government and “Agreement” titled “Technology Development Fund Scheme (TDF)” signed between Government and Development Agency.

4. Now the condition of the above written obligation is such that if the Development Agency duly fulfil and comply with all the conditions mentioned in the “Letter of Sanction” issued by the Government and “Agreement” titled

“Technology Development Fund Scheme (TDF)” signed between Government and Development Agency, then above written bond or obligation shall be void and of no effect. But otherwise it shall remain in full force for the project duration +2 Months. These presents further witness that:-

- a) The liabilities of sureties here under shall not be impaired or discharged by reason of time being granted by the Government of any forbearance, act or omission by or on the part of the Government whether with or without the knowledge or consent of the sureties in respect or in relation to obligations or conditions to be performed or discharged by Development Agency or by reason of any of the matter or thing whatsoever which under the law relating to the sureties shall but for this provision have the effect of so releasing the sureties from such liability, nor shall it be necessary for the Government, to pursue the Development Agency before using the sureties or either of them for the amount due here under.
- b) The Development Agency agrees and undertakes to surrender/ pay to Government the monetary value of all such pecuniary or other benefits which it may receive or derive/ have received or derived through / upon unauthorized use of grants for any purpose other than that for which the grants was intended or the assets/ purchases largely from/out of the above grants. The decision of Secretary Department of Defence Research and Development as regards the monetary value of aforementioned to be surrendered/ paid to the Government will be final and binding on the Development Agency.
- c) If a part of the grant is left unspent after expiry of the milestone period within which it is required to be spent, the obligors agree to refund the unspent balance unless it is agreed by the sanctioning authority to be carried over to next milestone.
- d) The Development Agency will
 - i. Abide by the conditions of the grant in aid by the target dates, mentioned in the “Letter of Sanction” issued by the Government and “Agreement” titled “Technology Development Fund Scheme (TDF)” signed between Government and Development Agency
 - ii. Not divert the grant or entrust the implementation of project to another agency except agreed to in the “Letter of Sanction” issued by the Government and “Agreement” titled “Technology Development Fund Scheme (TDF)” signed between Government and Development Agency

- iii. Abide by any other conditions mentioned in the "Letter of Sanction" issued by the Government and "Agreement" titled "Technology Development Fund Scheme (TDF)" signed between Government and Development Agency
- e) The Development Agency or the sureties shall in the event of breach or violation of any of the terms and conditions mentioned in the "Letter of Sanction" issued by the Government and "Agreement" titled "Technology Development Fund Scheme (TDF)" signed between Government, refund to the Government along with penal interest of 10% per annum from date of receipt of the said grant by the Development Agency upto date of refund thereof to the Government.
- f) The Government has agreed to bear the stamp duty, if any, chargeable on these presents.

5. In witness thereof these presents have been executed on behalf of the Development Agency and the sureties the day and year here in above written and accepted for (Name and designation) on the day and year appearing against his signature:

Signed for and on behalf of _____

_____ by Shri _____

_____ (Name and Designation)_____

Signature of two independent sureties as on page (i)

(i)

(ii)

(in the presence of) witness name, address and signature

(i)

(ii)

Accepted for and on behalf of the President of India

Annexure –I

1. The grantee will execute a bond in favour of the President of India in the prescribed form. The bond shall be supported by two sureties if the grantee is not a legal entity.
2. The grant shall be utilized for the purpose for which it is sanctioned and in the stipulated time schedule. The grantee shall not divert any portion of the grant received by him for any other purpose or organization or individual.
3. Any portion of the grant that remains unutilized for the purpose granted shall be refunded to the Govt. by the grantee except where it is adjusted against subsequent releases.
4. When the Government of India have reasons to believe that the grant is not being utilized for the purpose for which it sanctioned, the amount paid to the grantee are liable to be refunded to the Government of India.
5. The Government reserves the right to nominate a representative in the management of any grantee institution which receives grant-in-aid from Government of India amounting to more than 50% of its annual recurring expenditure.
6. Government may direct a grantee institution, to make suitable changes in the Byelaws and Articles of Association of the institutions concerned before release of grant-in-aid, if the purpose of the grant requires so.
7. Ownership of any building, or immovable property constructed wholly or partly out of to grant-in-aid, may vest with the grantee so long as it is utilized for the purpose for which the grant has been sanctioned. The responsibility for the maintenance of such buildings, etc. will also be that of the grantee institution concerned. If the organization ceases to exist, or the breach of the terms and conditions of the grant is not utilized for the purpose for which the grant was given, the ownership of the building which shall vest wholly or partly with the Govt.