



राष्ट्रीय ग्रामीण अवसंरचना विकास एजेंसी
(ग्रामीण विकास मंत्रालय, भारत सरकार)

National Rural Infrastructure Development Agency

(Ministry of Rural Development, Govt. of India)

5th Floor, 15-NBCC Tower, Bhikaji Cama Place, New Delhi-110066

NRRDA-A021(11)/11/2020-Dir(FA)-373299

Date: 15.02.2021

To,

The CEO/EO /CE of Nodal Departments of PMGSY of all States.

Subject: Signing of new PMGSY Tripartite agreement between SRRDAs, Bank & NRIDA.

Sir/Madam,

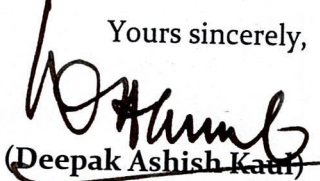
It was observed on scrutiny of the existing Tripartite banking agreements of various States that certain provisions of the PMGSY "Operation Manual" are not being followed properly by many of the banks. Certain states have also not kept the threshold limit uniformly for keeping PMGSY funds in saving account.

2. It has therefore been decided to have a uniform Tripartite Agreement /MoU as per the provisions of PMGSY "Operational Manual" in all the states to avoid any loss of interest due to non investment of funds above the threshold limit of Rs. 50 lakhs in the bank accounts of PMGSY funds. In addition to this, there were many clauses in the earlier version of agreement which have become redundant with time. Hence a copy of updated Tripartite Agreement is enclosed for reference.

3. All SRRDAs are therefore, requested to enter into a fresh Tripartite Agreement /MoU with the bank in the standardized format (copy enclosed) by 28th Feb 2021. Three copies of Tripartite Agreement in original may be prepared and the same may be sent to this office after getting it signed by the Bank and the SRRDA, so that the authorized officer from NRIDA may sign the three copies of the agreement. One copy of the agreement will be retained in NRIDA and the two copies of it will be sent back to your office. Kindly ensure that the new banking agreement is finalised by the due date mentioned above.

Encl: (As above)

Yours sincerely,

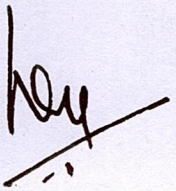

(Deepak Ashish Kaul)
Director (F&A) 15/2/21

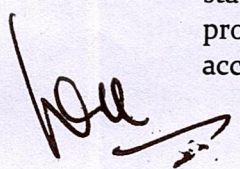
Copy to:

1. Financial Controller of Nodal Deptt. of PMGSY of all states.
2. PPS to JS (RC) & DG, NRIDA, New Delhi.

Memorandum of Understanding of Banking arrangement of Funds of the
Pradhan Mantri Gram Sadak Yojana

1. This Memorandum of Understanding is among the following three parties:-
 - A. The National Rural Infrastructure Development Agency (NRIDA), an Agency of the Ministry of Rural Development, Government of India acting through its Director General, having its office at 5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi-110066, hereinafter referred to as "MoRD/NRIDA" (Which expression shall, unless repugnant to the context or meaning thereof, include its successors and assign) of First Party".
 - B. _____ Rural Roads Development Agency (hereinafter called the State Agency) with registered office at _____ acting through its Empowered Officer (**Designation of the Empowered officer**).
 - C. **Name of the Bank** with its registered office at _____ acting through its Authorised signatory of the branch (hereinafter called the Bank).
2. The purpose of this Memorandum of Understanding is to define the responsibilities, obligations, rights and duties of the three parties in respect of the banking arrangements for the funds (Programme Fund; Administrative Expenses Fund & Maintenance Fund) (hereinafter called the funds) released by the Ministry of Rural Development, Government of India, directly or through the NRIDA for the construction; up-gradation and Maintenance of rural roads under the Scheme and Guidelines of the Pradhan Mantri Gram Sadak Yojana (PMGSY), a Scheme of the Ministry of Rural Development.
3. The State Agency hereby undertakes that:-
 - i. It will keep the funds for the PMGSY works and interest earned thereon in their entirety in three saving Accounts namely Programme Fund Account, Administrative Expenses Fund Account and Maintenance Fund Account with the Bank. The details of these 3 Bank accounts are given in the Annexure attached to this agreement. It will keep any other incidental income of PMGSY also with the Bank in these bank accounts.
 - ii. Undertakes to ensure that the funds released by MoRD/NRIDA shall be utilized for the purposes the fund is given and for no other purpose(s).
 - iii. It will not withdraw or apply or utilize any funds from the Accounts except in a manner permitted under the PMGSY as per the Guidelines, Orders and Instructions issued from time to time by the Ministry of Rural Development or the NRIDA.
 - iv. It will render a complete, faithful, true, and fair account of the funds to the NRIDA at monthly intervals and allow MoRD/NRIDA to verify its books of accounts, vouchers papers, documents, etc. and any other financial document(s) pertaining to the said fund. It shall open Saving Account with the Bank and shall comply with all the Know Your Customer (KYC) norms of the Bank while opening the said account.
 - v. It will designate an "**Empowered Officer**" and intimate his name, designation and such other details, as may be required, to the Bank.
 - vi. It will communicate, through the Empowered Officer, the names, designations and other details of authorized signatories and authorized payees to the Bank (Contractors' and suppliers with whom Agreements have been duly entered into, as well as Statutory Authorities such as ITO etc.) and their designated payee accounts, and also the amounts that are admissible against each of the Contractors' and Suppliers. This will be in conformity with the work agreements. The Empowered Officer shall also intimate to bank about subsequent change in the designated officer, if any and forward the particulars and specimen signatures of the new incumbent.



- vii. The Empowered officer shall lay down suitable limits on monthly payments in line with agreed works programme for the respective packages. Standing instruction will be issued to the Bank Branch by the Empowered Officer in this regard.
 - viii. It will not seek any overdraft facility from the bank.
4. The Bank undertakes that notwithstanding any general agreement or any statutory provision in this regard:-
- i. It will keep funds for the PMGSY only in three savings accounts hereinafter called Programme Fund Account, Administrative Expenses Fund Account and Maintenance Fund Account, the details of which are given in the Annexure enclosed with this agreement.
 - ii. It will follow the Guidelines of Government of India for payments from the PMGSY funds.
 - iii. All payments from the Programme Fund/Administrative Expenses Fund/ Maintenance Fund Accounts would only be by way of online mode as per standing instructions and communication issued by the Empowered Officer from time to time. Any wrong payment made in violation of the standing instructions and communication will be borne by the Bank without demur.
 - iv. At the end of each financial year, complete details as per the format provided by MoRD/NRIDA on the total amount withdrawn shall be provided to SRRDA within 15 days after the closing of the financial year.
 - v. The Bank will issue free of charge, separate cheque books to each of the Authorized signatories under intimation of the Empowered Officer and will keep their signatures on record.
 - vi. On receipt of epayment advice, the bank will follow necessary checks before releasing the payment.
 - vii. The Bank and its nominated branches in the *State/UT* shall not take more than 24 hours to make the necessary inquires and honour at par, the cheques issued against the account by the Authorised Signatory subjects to the instructions issued by the Empowered Officer.
 - viii. The bank shall automatically transfer all funds in excess of Rs. 50 (fifty) lacs, to Fixed Deposits (MoD), at an interest rate not below that of Treasury Bills for 91 days, in all the three Bank accounts viz, Programme, Administrative Expenses and Maintenance Funds. Bank may encash the fixed deposits in tranches of Rs. 25 lacs or as mutually agreed upon, whenever required for making payments, by following the last in first out (LIFO) method paying the interest for the days of the FDRs without any reduction in the rate of interest or penalty.
 - ix. It accepts its responsibility to pay interest for any omission to make investment, as per the provisions of this MoU and will submit an Audit Certificate each year that the investments were made as per the Memorandum of Understanding.
 - x. It will not levy any Bank charges in Programme Fund, Administrative Fund and Maintenance Fund account fund deposit.
 - xi. It will send to the State Agency and each Authorised Signatory a weekly and monthly statement of receipts and payments, the balance of the authorized limit. It will also provide a detailed calculation of interest credited in both the MoD and savings bank account to the State agency on quarterly basis.
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- xii. It will forthwith inform the Empowered Officer of any unusual transactions involving any Authorised Signatory.
 - xiii. It will send to the Ministry of Rural Development/NRIDA a Certificate of Balance at such intervals as the Ministry/NRIDA may direct.
 - xiv. It will promptly carry out the correction in the accounts of the State Agency as and when noticed or brought to its notice by the State Agency or any Authorised Signatory.
 - xv. It will promptly bring to the notice of the NRIDA any discrepancies that may come to light in Audit Report etc.
 - xvi. It will promptly, and without demur, stop payment on the direction of the "Empowered Officer", State Agency, or the Ministry of Rural Development/NRIDA.
 - xvii. It will maintain confidentiality of the accounts and the transactions as per the law.
 - xviii. It will abide by the PMGSY Guidelines and orders issued by the Ministry of Rural Development/NRIDA regarding the implementations of the transaction of the PMGSY.
5. The Ministry/NRIDA undertakes that:-
- i. It will promptly issue necessary clarification to the Bank and the State Agency regarding any doubts that may arise in implementing this system.
 - ii. It will inform the State Agency the purpose and the manner of using funds as decided by the Ministry of Rural Development, Government of India.
 - iii. It will advise the State Agency and/or the bank to suspend payments in order to investigate frauds and serious irregularities in the use of the funds.
6. Each party understands the rights of one another and their obligations and responsibilities. Each party solemnly promises to fulfill its obligations under this Memorandum of Understanding.
7. This Memorandum of Understanding comes into force from the date of signing and will remain in force till it is rescinded. All the parties may jointly agree to change any of its clauses, and such changes will take effect from such date as is specified in the agreement.
8. Notwithstanding anything contained in this Memorandum of Understanding, the State Agency may terminate this MOU, with the concurrence of the Ministry of Rural Development/NRIDA after giving one month's notice. However, no notice would be given without giving the bank an opportunity to place their views before the State Agency in respect of the proposed termination.
9. The decision of the Joint Secretary (RC), Ministry of Rural Development and DG, NRIDA will be final in case of any dispute among the parties.

Signed this day of 2021.

Authorised signatory of Bank

Name :
 Designation :
 Address :

Signature :

Authorised signatory of (State Name) Rural Roads Development Agency

Name :
Designation :
Address :

Signature :

Authorised Signatory National Rural Infrastructure Development Agency

Name :
Designation :
Address :

Signature :

Witness :

Witness :

Signature :
Name :

Signature :
Name :

Designation :
Address :

Designation :
Address

