

FORM 31

INDENTURE FOR SECURED ADVANCES

(Referred to in paragraphs 10.2.20 and 10.2.22)

(For use in cases in which the contract is for finished work and the contractor has entered into an agreement for the execution of a certain specified quantity of work in a given time)

THIS INDENTURE made the..... day of20.....
BETWEEN(hereinafter called the Contractor which expression shall where the context so admits or implies be deemed to include his executors administrators and assigns) of the one part and the PRESIDENT OF INDIA (hereinafter called the President which expression shall where the context so admits or implies be deemed to include his successors in office and assigns) of the other part.

WHEREAS by an agreement dated..... (hereinafter called the said agreement) the Contractor has agreed AND WHEREAS the Contractor has applied to the President that he may be allowed advances on the security of materials absolutely belonging to him and brought by him to the site of the works the subject of the said agreement for use in the construction of such of the works as he has undertaken to execute at rates fixed for the finished work (inclusive of the cost of materials and labour and other charges) AND WHEREAS the President has agreed to advance to the Contractor the sum of Rupees on the security of materials the quantities and other particulars of which are detailed in Accounts of Secured Advances attached to the Running Account Bill for the said works signed by the Contractor onand the President has reserved to himself the option of making any further advance or advances on the security of other materials brought by the Contractor to the site of the said works. Now THIS INDENTURE WITNESSETH that in pursuance of the said agreement and in consideration of the sum of Rupeeson or before the execution of these presents paid to the Contractor by the President (the receipt whereof the Contractor doth hereby acknowledge) and of such further advances (if any) as may be made to him as aforesaid the Contractor doth hereby covenant and agree with the President and declare as follows: -

- (1) That the said sum of Rupeesso advanced by the President to the Contractor as aforesaid and all or any further sum or sums advanced as aforesaid shall be employed by the Contractor in or towards expediting the execution of the said works and for no other purpose whatsoever.
- (2) That the materials detailed in the said Account of Secured Advances which have been offered to and accepted by the President as security are absolutely the Contractor's own property and free from encumbrances of any kind and the contractor will not make any application for or receive a further advance on the security of materials which are not absolutely his own property and free from encumbrances of any kind and the Contractor indemnifies the President against all claims to any materials in respect of which an advance has been made to him as aforesaid.
- (3) That the materials detailed in the said Account of Secured Advances and all other materials on the security of which any further advance or advances may hereafter be made as aforesaid (hereinafter called the said materials) shall be used by the Contractor solely in the execution of the said works in accordance with the

directions of the Divisional Officer Division (hereinafter called the Divisional Officer) and in the term of the said agreement.

(4) That the Contractor shall make at his own cost all necessary and adequate arrangements for the proper watch, safe custody and protection against all risks of the said materials and that until used in construction as aforesaid the said materials shall remain at the site of the said works in the Contractor's custody and on his own responsibility and shall at all times be open to inspection by the Divisional Officer or any officer authorised by him. In the event of the said materials or any part thereof being stolen, destroyed or damaged or becoming deteriorated in a greater degree than is due to reasonable use and wear thereof the Contractor will forthwith replace the same with other materials of like quality or repair and make good the same as required by the Divisional Officer.

(5) That the said materials shall not on any account be removed from the site of the said works except with the written permission of the Divisional Officer or an officer authorised by him on that behalf.

(6) That the advances shall be repayable in full when or before the Contractor receives payment from the President of the price payable to him for the said works under the terms and provisions of the said agreement. Provided that if any intermediate payments are made to the Contractor on account of work done than on the occasion of each such payment the President will be at liberty to make a recovery from the Contractor's bill for such payment by deducting therefrom the value of the said materials then actually used in the construction and in respect of which recovery has not been made previously, the value for this purpose being determined in respect of each description of materials at the rates at which the amounts of the advances made under these presents were calculated.

(7) That if the Contractor shall at any time make any default in the performance or observance in any respect of any of the terms and provisions of the said agreement or of these presents the total amount of the advance or advances that may still be owing to the President shall immediately on the happening of such default be repayable by the Contractor to the President together with interest thereon at twelve per cent per annum from the date or respective dates of such advance or advances to the date of repayment and with all costs charges, damages and expenses incurred by the President in or for the recovery thereof or the enforcement of this security or otherwise by reason of the default of the Contractor and the Contractor hereby covenants and agrees with the President to repay and pay the same respectively to him accordingly.

(8) That the Contractor hereby charges all the said materials with the repayment to the President of the said sum of Rupeesand any further sum or sums advanced as aforesaid and all costs charges, damages and expenses payable under these presents PROVIDED ALWAYS and it is hereby agreed and declared that notwithstanding anything in the said agreement and without prejudice to the powers contained therein if and whenever the covenant for payment and repayment herein before contained shall become enforceable and the money owing shall not be paid in accordance therewith the President may at any time thereafter adopt all or any of the following courses as he may deem best :-

(a) Seize and utilise the said materials or any part thereof in the completion of the said works on behalf of the Contractor in accordance with the provisions in

that behalf contained in the said agreement debiting the Contractor with the actual cost of effecting such completion and the amount due in respect of advances under these presents and crediting the Contractor with the value of work done as if he had carried it out in accordance with the said agreement and at the rates thereby provided. If the balance is against the Contractor he is to pay same to the President on demand.

(b) Remove and sell by public auction the seized materials or any part thereof and out of the moneys arising from the sale retain all the sums aforesaid repayable or payable to the President under these presents and pay over the surplus (if any) to the Contractor.

(c) Deduct all or any part of the moneys owing out of the security deposit or any sum due to the Contractor under the said agreement.

(9) That except in the event of such default on the part of the Contractor as aforesaid interest on the said advance shall not be payable.

(10) That in the event of any conflict between the provisions of these presents and the said agreement the provisions of these presents shall prevail and in the event of any dispute or difference arising over the construction or effect of these presents the settlement of which has not been herein before expressly provided for the same shall be referred to the Superintending EngineerCircle whose decision shall be final and the provision of the Indian Arbitration Act for the time being in force shall apply to any such reference.

In witness whereof the saidandby the order and under the direction of the President have hereunto set their respective hands the day and year first above written.

Signed, sealed and delivered by.....
the said contractor in the presence of

Witness { Signature }
 { Name }
 { Address }

Signed by.....
by the order and direction of the President
in the presence of

Witness { Signature }
 { Name }
 { Address }