

## INDENTURE FOR SECURED ADVANCES.

This INDENTURE made the ..... day of .....  
20..... BETWEEN (hereinafter called "the Contractor" which  
expression shall where the context so admits or implied be deemed to include his heirs,  
executors, administrators and assigns) of the one part and THE GOVERNMENT OF  
SINDH (hereinafter called "the Government" of the other part).

WHEREAS by an agreement, dated (hereinafter called the said agreement), the  
Contractor has agreed to perform the under-mentioned works (hereinafter referred to as  
the said work):-

**Widening/ Improvement of Road from Wazirpur More To Thar Coal Field  
Area Via Mithi, Islamkot (Phase-II) 1 Km.**

**Package - 1: Km 0+000 to Km 29+000**

AND WHEREAS the Contractor has applied to the .....  
.....for an advance of him of Rupees .....  
(Rs. ....) on the security of materials absolutely belonging to him and brought  
by him to the site of the said works the subject of the said agreement for use in the  
construction of such of the said works as he has undertaken to execute at rates fixed  
for the finished work (inclusive of the cost of materials and labour and other charge) AND  
WHEREAS the Government has agreed to advance to the Contractor the sum of Rupees,  
(Rs. ....) on security of materials the quantities and other particulars of which  
are detailed in Part II of Running Account Bill (B), the said works signed by the Contractor  
Fin R.Form (A)  
On ..... and on such covenants and conditions as are hereinafter  
contained and the Government has reserved to itself the option of marking any further  
advances on the security of other materials brought by the Contractor to the  
site of the said works.

NOW THIS INDENTURE WTTNESSETH that in pursuance of the said  
agreement and in consideration of the sum of Rupees.....  
(Rs. ....) on or before the execution of these presents paid to the  
Contractor by the Government (the receipt whereof the Contractor doth hereby  
acknowledge) and of such further advances (if any) as may be made to him as aforesaid  
(all of which advances are hereinafter collectively referred to as the said amount) the  
Contractor doth hereby assign unto the Government the said materials by way of security  
for the said amount

And doth hereby covenant and agree with the Government and declare ay follow :-

- (1) That the said sum of Rupees. .... Rs. .... ) so advanced by the Government to the Contractor aforesaid and all or any further sum or sums which may be advanced as aforesaid shall be employed by the contractor in or towards expending the execution of the said works and for no other purpose whatsoever.
- (2) That the materials detailed in the said Running Account Bill (A) which have been offered to and accepted by (he Government as security for the said amount are absolutely by the Contractors own property, 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 hereby agrees, at all times, to indemnify and save harmless the Government against all claims whatsoever on any materials in respect of which an advance has been made to him as aforesaid.
- (3) That the said materials detailed in the said Running Account Bill (B) and all other materials on the security of which a 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 (hereinafter called the Divisional Officer) in the terms of the said agreement.
- (4) That the Contractor shall make at his own cost all necessary and adequate arrangement 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 at his own risk and on his own responsibility and shall at all times be open to inspection by (he Divisional Officer or any officer authorized by him). In the event of the said materials or any part hereof being stolen, destroyed or damaged or becoming deteriorated in a greater degree than is due to reasonable use and wear thereof Contractor will be bound to replace the same with other materials of like quality or repair and make good the same as required by the Divisional Officer and the materials so brought to replace the said materials so repaired and made good shall also be considered as security for the said amount.
- (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 authorized by him in that behalf

(6) That the said amount shall be payable in full when or before the Contractor receives payment, from the Government 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 then on the occasion of each such payment the Government will be at liberty to make a recovery from the Contractors Bill for such payment by deducting there from in the value of the said materials (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 material at the rates at which the amount of the advances made under these presents were calculated.

(7) That if the Contractor shall at any time make a default in the performance or observation 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 Government shall immediately on the happening of such default be repayable by the Contractor to the Government together with interest thereon at twelve percent 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 Government in or for the recovery thereof the enforcement of this security or otherwise by reason of the default. The Contractor and any moneys so becoming due and payable shall constitute a debt due from the Contractor to the Government and the Contractor hereby covenants and agrees with the Government to repay and the Contractor respectively to it accordingly.

(8) That the Contractor hereby charges all the said materials with the repayment to the Government of the said sum of Rupees.....

(Rs. .... ) and any further sum or sums which may be advanced as aforesaid and all costs charges damages and expenses payable under these present PROVIDED ALWAYS and it is hereby agreed and declared that not, withstanding anything in the said agreement and without prejudice to the powers contained therein if and when the covenant for payment and repayment hereinbefore contained shall become enforceable and the money owing shall not be paid to the Contractor accordingly.

Once there with the Government may at any time thereafter adopt all or any of following courses as it may deem best :-

(a) Seize and utilize 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 the amount due in respect of advances under these presents and

crediting the Contractor with the value of work done as 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 the same to the Government 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 to the Government 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 as is expressly provided by the presents 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 been hereinbefore expressly provided for the same shall be referred to the Superintending Engineer/Executive District Officer/Officer of grade higher to officer signed the agreement. Circle whose..... decision shall be final and the provisions of the Arbitration Act, 1940 for the time being in force so far as they are applicable shall apply to any such reference.

Singed, sealed and delivered  
In the presence of

witness  
2<sup>nd</sup> witness

Signed, sealed and delivered by  
In the presence of

1<sup>st</sup> witness  
2<sup>nd</sup> witness