

महानदी कोलफील्ड्स लिमिटेड  
ମହାନଦୀ କୋଲଫିଲ୍ଡ୍‌ସ୍ ଲିମିଟେଡ୍  
Mahanadi Coalfields Limited

(A Subsidiary of Coal India Limited)

A/P.O. JAGRITI VIHAR, Burla, Dist-Sambalpur-768020 (Orissa)

Gram : SAMBCOAL, Telex : 0634-219, Fax : 0663- 431770, 431880

Phone : PBX-431461 to 431470

Ref. No. **MCL/SAMB/CIVIL/03-04/1783**

Date 11/11/03

Date.....

To

The CGM/G.M

Jagannath/Lingaraj/Lakhanpur/Kalinga/Talcher/Hingula/CWS(X),TA / CWS(X)IB

IB Valley/Orient / Basundhar Area & CGM/CMS, NSCH Talcher

RPT : Staff Officer (Civil)

Jagannath/Lingaraj/Lakhanpur/Kalinga/Talcher/Hingula/CWS(X),TA/IB

IB Valley/Orient & Basundhar Area

Sub : Legal / Financial vetting of agreement for civil works based on standard format.

Dear Sir,

As per 23rd CMDs Meet held on 11.04.2003 at Kolkata on the subject "Agreement with outsiders" following decisions were made.

" An agreement to be entered into with any suppliers/contractors/transporters etc. , must be legally and financially vetted by the appropriate authority "

I am to convey sanction of CMD, MCL and concurrence of D(F), MCL for legal / financial vetting of agreement for civil works based on standard format applicable. Extract is re-produced below :-

" So long as, there is no change in standard terms and conditions of the agreement as approved by CIL board and there is no change in the agreement format to be executed on non-judicial stamp paper, there is no need for legal/financial vetting separately each time if the standard documents are vetted once.

Since standard document has now been vetted and approved by Director(Tech), Director(Fin) & CMD, MCL, there is no need for legal / financial vetting separately each time.

In this regard following points also to be taken care of :-

- (i) There should be no arbitration clause in the tender documents and so in agreements because arbitration clause was subsequently withdrawn as per the order of CIL, as per the decision of 12th CMD, s Meet held on 06.01.1996 which was also circulated vide letter no. MCL/Samb/G.M.(C)/96/F-12/1925 dtd. 15.2.1996 (copy enclosed for reference( Annex-A).

Contd. P/2



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- (ii) There should be no clause for issue of construction materials to contractors by department on chargeable basis or free of cost. The relevant clause in the standard document be deleted While preparing tender documents and executing agreements based on accepted tenders.
- (iii) Agreement format on non-judicial stamp paper should be standard one as prevalent in the HQ and a sample copy is enclosed for reference( Annex-B).
- (iv) Format of Indemnity Bond for payment of secured advance to contractors duly approved by competent authority is also enclosed for reference. This was already circulated to Area vide letter no. MCL/Samb/G.M(C)/01-02/1144 dtd. 09.10.2001 copy enclosed (Annex-C).
- (v) Format of Bank Guarantee should also be as per the approved format of MCL or else the bank guarantee format must be approved by the competent authority before acceptance of the bank guarantee from contractors.
- (vi) There should be no escalation clause in any tender for the work having completion time for six months or less.

Encl: A, B & C

Yours faithfully ,

*P. S. S. Prasad*

( P. S. S. Prasad ) 11.11.2003

General Manager(Constr)

Copy to :-

1. CMD, MCL
2. Director(Tech), MCL
3. Director(Pers), MCL
4. Director(Fin), MCL
5. CVO, MCL
6. CGM(E&M)/G.M(CP&P)/G.M(Prodn)/G.M(TC), MCL, HQ.
7. General Manager(Fin), MCL, HQ
8. Chief Engr.(Civil)- I & II, MCL, HQ.
9. Dy. CLM, MCL, HQ
10. PA ( NIT file ) . : with original sanction copy.

Reddys

SAMBALPUR

MCL SAMBALPUR (A Subsidiary of Coal India Limited)

Ambedkar, P.O. - U. C. E. Burla, Dist. Sambalpur - 752018, ORISSA  
Gram - SAMBECOL, Telex-6634-213, Fax-6633-31230, 26654, 20443, PBX-31371, 31372, 31373

Ref. No. MCL/SAMBALPUR/1996/12/11/25  
Date 12/7/96

Dated

CIRCULAR

Subject: Arbitration Clause in Civil Engineering Contracts

A decision has been taken in 11th JMDA meet held on 03.01.96 not to have Arbitration Clause in Civil Engineering Contracts. The extracts of the decision is given below:

"Executive Director, (Legal) explained the pros and cons of incorporating Arbitration Clause in Civil Engineering Contracts. In view of the disadvantages, it was decided not to have Arbitration Clause in Contracts with Private parties".

Therefore the Arbitration Clause in Civil Engineering Contracts shall be deleted in the Tender Documents with immediate effect.

*[Handwritten Signature]*

GENERAL MANAGER (CONSTR.),  
MCL/SAMBALPUR.

- 1. CGI (P), MCL/SAMB:
- 2. CTS to CMD, MCL/SAMB:
- 3. CE (C), MCL/SAMB:
- 4. STAFF OFFICER (CIVIL),  
IS/IA/KALINGA/TAL BARD/ORENT/CW(X), TAL.
- 5. SE (C), MCL/SAMB:
- 6. o/c.

Copy - 1. AFM, K for info  
2. SE (C), Sambalpur/Kalanga  
3. SE (C), B & R Cell

**NON-JUDICIAL STAMP PAPER  
VALUE OF Rs.50/-(Rs.20+Rs.20+Rs.10)**

**ARTICLES OF AGREEMENT**

Articles of Agreement make this \_\_\_\_\_ day of \_\_\_\_\_ 2003 between the Mahanadi Coalfields Limited (A Subsidiary of Coal India Limited), Sambalpur of one part (hereinafter referred to the Coalfields which expression where the context so admits shall include its successors in interest and assigns) and Shri/Messers \_\_\_\_\_ of the other part (hereinafter referred to as the contractor/contractors which expression where the context so admits shall include its heirs, executors, administrators, legal representatives, successors in business and assigns.

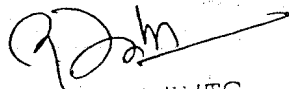
Where as the Coalfields invited tender of the work " \_\_\_\_\_ ". And where as contractor/contractors submitted tender and deposited Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) only in the form of \_\_\_\_\_ vide No. \_\_\_\_\_ dtd. \_\_\_\_\_ issued by \_\_\_\_\_ as earnest money.

And where as the tender of contractor/contractors has been accepted by the Coalfields and the earnest money has been treated as part of the security deposit, the contractor/contractors has/have agreed to the retention by the coalfields the security of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) only (including earnest money) as the security for the due fulfillment of the contract to the satisfaction of coalfields.

And where the contractor/contractors has/have agreed to execute upon and subject to the condition set forth in the contract document which is part of the agreement and such other conditions as are contained in and set forth in the Annexures and schedules and comply with the proportionate rate of progress noted at the end of this agreement for the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) only or such other sum as may be arrived at under the clause of the specification relating to payment by item measurements at unit prices.

(Contd. ....Page-2)

CERTIFIED COPY

  
Sr. Executive (Contract)  
Mahanadi Coalfields Limited  
Sambalpur

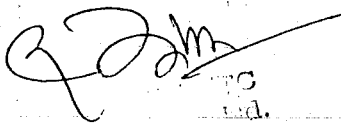
:: 2 ::

Now this agreement witnesseth and it is hereby agreed as follows :-

1. In consideration for the payment of the said sum of Rs. \_\_\_\_\_ only or such other sum as may be arrived at under the clause of the specification relating to payments by items measurement at unit prices the contractor shall upon and subject to the said terms & conditions execute and as described in the said specification (Schedule 'C') and to the extent of probable quantities shown in Schedule 'A' with such variation by way of alteration of addition to or deduction from the said works and method of payment therefore as provided for in the said condition.
2. Time shall be considered as one of the essence of the contract and the time for the completion of the contract shall be counted from the 10<sup>th</sup> day of issue of the letter of acceptance of the tender to which terms the contractor agreed at the time when his tender was accepted and contract shall be completed within \_\_\_\_\_ ( ) months/years from the date mentioned above.
3. The parties hereto shall respectively abide by and submit themselves to terms and conditions and stipulations contained in this agreement and perform and discharge their part of the contract accordingly.
4. Upon the terms and condition of this agreement being fulfilled and performed to the satisfaction of Mahanadi Coalfields Limited, the security deposited by the contractor(s) as herein before recited or such portion thereof as they/he may be entitled to shall be returned to the contractor(s) subject to the terms and conditions laid down in clause 5 of Annexure 'A', General Terms and Conditions, which is a part of this agreement.

In \_\_\_\_\_ witness \_\_\_\_\_ where \_\_\_\_\_ of the contractor/contractors  
\_\_\_\_\_ has/have hereunto set and on behalf of  
Mahanadi Coalfields Limited the \_\_\_\_\_, MCL, Sambalpur has  
hereunto set his hands the date and year first above written.

(Contd. ....Page-3)

  
MCL  
Sd.

Signed by the contractor/contractors

Address:

In the presence of witness

Address:

Signed on behalf of the Coalfields

Designation

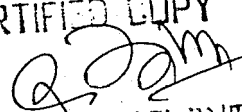
In the presence of witness

Designation

Annexure to the deed of agreement which are part of agreement.

1. Annexure 'A' - General terms and conditions of contract and additional safety measures to be taken by the contractor.
2. Schedule 'A' - The probable quantities, rate and amount.
3. Schedule 'C' - Specification.

CERTIFIED COPY

  
Sr. Eng. (Civil)/TC  
Maharashtra State Coalfields Ltd.

ମହାନଦୀ କୋଲଫିଲ୍ଡ୍‌ସ୍ ଲିମିଟେଡ୍  
ମହାନଦୀ କୋଲଫିଲ୍ଡ୍‌ସ୍ ଲିମିଟେଡ୍  
Mahanadi Coalfields Limited

(A Subsidiary of Coal India Limited)

Jagriti Vihar, P.O.- U.C.E., Burla, Dist-Sambalpur-768018 (Orissa)

Gram : SAMBCOAL, Telex: 0634-219, Fax: 0663-431770, 431880

Phone: PBX :- 431461 to 431470

MGL/SAMB/G.M.(C)/01-02/1144

Ref. No. DA.....

Date 09/10/2001

1. The Chief General Managers/General Managers,
  2. The Staff Officer(Civil),
  3. Area Finance Manager,
- Jagannath/Talcher/Kalinga/Lingaraj/Hingula/CWS(Talcher)  
Chhendipada/IB Valley/Orient/Lakhanpur/Basundhara Area/ Garjanbahal/CWS(IBV).

Sub: Indemnity Bond on non-judicial stamp paper of prescribed value vide Clause No. 9.7.07 of general terms and conditions of Civil Engg. Manual to be executed for payment of secured advance against materials brought at site as per the provision of the contract.


Ref.: Our Lr. No. MCL/Samb/GM(C)/01-02/762 dtd. 16.08.2001.

Dear Sir,

This is in continuation to above referred letter where in areas were asked not to execute supplementary agreement/indemnity bond having defective clauses. For the purpose of payment of secured advance wherever such clause exist in the agreement, proforma for executing indemnity bond duly vetted by legal and finance and approved by D(T), D(F) & CMD, MCL is enclosed herewith for immediate implementation. Now onwards indemnity bond shall be executed as per approved enclosed proforma only.

This has the concurrence of finance vide Diary No. FC/5BP/R. Diary No./R-308/S-20/2001-02 dtd. 08.10.2001.

Yours faithfully,

  
09/10/2001  
(P.S.S. Prasad)  
General Manager (Constn.)

Encl: As above.

Cc to:

1. CMD, MCL.
2. D(T), MCL.
3. D(F), MCL.
4. D(F), MCL.
5. CVO, MCL.
6. GM(F), MCL.
7. CE(C)-I, II & III, MCL.
8. Dy. CE(C), MCL.
9. SE(C), MCL.
10. FM(Bills), MCL.

## INDEMNITY BOND

This Deed of Indemnity made this ..... day of ..... 2001 between  
M/s. \_\_\_\_\_ hereinafter called the  
Contractors (which expression shall unless excluded by or repugnant to the subject  
or context be deemed to include their respective heirs, executors, administrators,  
representatives and assigns its successors and assigns in case of company on the one  
part) and Mahanadi Coalfields Limited (A Subsidiary of Coal India Limited) a  
company incorporated under the Companies Act 1956 having its registered office at  
Sambalpur (Which expression shall unless exclude by or repugnant to the subject or  
context be deemed to include its successors and assigns) of the other part.

Whereas,

(A) By Agreement No. \_\_\_\_\_ conveyed vide  
reference No. \_\_\_\_\_ made between the  
said Contractors of the one part and the said Company of the other part  
(hereinafter referred to as the said Agreement) the contractors agreed to for the  
work " \_\_\_\_\_ " on the terms and  
conditions mentioned therein.

(B) The contractors requested the company to advance money for the purpose of  
carrying out the work under the said agreement on security of the  
goods/materials absolutely belonging to the contractors and brought by the  
contractors at the site of the construction work.

(C) The company has agreed to advance the contractors a maximum sum of Rs.  
\_\_\_\_\_ ( Rupees \_\_\_\_\_ ) only on  
security of the goods/materials belonging to the contractors and brought to the  
site on the following terms and conditions incorporated in the agreement.

Now this indenture witnesseth and it is hereby agreed by and between the parties  
as follows -

1. The company will advance to the contractors the maximum sum of Rs.  
\_\_\_\_\_ ( Rupees \_\_\_\_\_ ) only  
on the security of the materials brought by the contractors to the site of the work  
mentioned under the agreement and required for the purpose of contract and also  
on production of the bills for purchase of the said materials have been purchased  
and/or belong to the contractors.
2. Payment of the said advance will be made by the company only after the  
Enginee-In-Charge of the company gives a clear certificate that the materials are  
of approved quality and in good conditions and will not be deteriorate with  
storage and are required for the use of subject construction work.

*Handwritten notes:*  
M/s. \_\_\_\_\_  
S. E. 2001/22

*Handwritten notes:*  
09/10/2001



3. Upon the payment of money to the contractors on the goods/materials brought to the site of the work by the contractors, the said goods/materials shall become immediately charged for to the company, towards repayment and/or adjustment with the company and the contractors will not be entitled to remove and/or utilize the same for any of the work except with the written permission of the Engineer-in-Charge (Civil) or any officer authorised by him on their behalf and/or except for the work covered under the said agreement. These goods and materials shall be used by the contractors in accordance with the direction of the company in terms of the said agreement.

The contractors shall be held responsible in case the materials are claimed by the other as their property and shall indemnify the company for all losses incurred or sustained.

4. The contractors hereby agreed and declare that the goods/materials which will be offered as security for receiving the money are free from all encumbrance and the contractors alone have the right to receive money against the goods/materials.

5. The contractors shall made at their own costs, all necessary and adequate arrangements for proper safe custody and protection against all risk of the said goods materials that will be brought by them at the site of the work and shall be fully responsible for the same.

6. The company through its representative will be entitled to inspect the said goods materials at any time in the event of the said goods/materials or any part thereof is stolen, destroyed or damaged or if found deteriorated, the contractors shall be responsible to make good the same forthwith as may be required by the company.

7. The company will be entitled to deduct the amount of advance made by it by such amount as may be deemed expedient by the company out of the running bills submitted by the contractors for intermediate payments on account of work done. Any amount due and payable by the contractors after such deduction shall be adjusted and or deducted out of the final bills submitted by the contractors under the said agreement and also out of any security deposit of the contractors with the company either under this agreement or any other agreement.

8. The company reserves the right to realise the advance made thereunder out of any other money payable by the company under any other agreement to the said contractors.

If the contractors shall at any time made default in performance and observance of any of the terms and conditions of the said agreement or in the terms and conditions of the said agreement or in the terms and conditions of these presents, the total amount of the advance made by the company to the contractors shall be immediately payable by the contractors together with the interest at the rate of 12% per annum from the date of the respective advance until the date of recovery.

Checked with  
ml  
on 11/11/2019  
Director

D  
27/11/2019

10. The contractors hereby authorised the company that in the event of their failure to make payment to the company the said advance only or any part thereof with the interest at the rate aforesaid, the company shall be entitled to the following -

- (i) To utilize these goods/materials lying at the site either by itself or through other contractors, in which event the value of the goods/materials so utilized should be given credit to the contractors and in the event of any surplus after deducting all amounts including costs charges and expenses the same will be paid by the company to the contractors.
- (ii) To remove and sale the goods/materials lying at the site of the work by public auction or by private treaty and after satisfying all the claims including all costs charges and expenses of the company refund the balance, if any, to the contractors.

In witness whereof the parties have hereunto execute these present month and year first above written.

Signed & delivered on behalf of the Contractor by

Address :

In presence of :

Address:

Signed and delivered on behalf of the Company by :

In presence of :

Address:

✓  
✓  
Checked with  
ms. 8/10/07  
S.E. 2007

2007/11/20