

GOVERNMENT OF KERALA
ABSTRACT

Bank guarantee in lieu of security deposit- prescribed form-Amendment – Ordered.

Stores Purchase ‘A’ Department.

G.O.Ms. 260.

Trivandrum, dated 3-4-1959

- Read:- 1. Letter No.P2-960/58/AMS. Dated 18-2-59 from the Director of Health Services.
2. U.O.No.1658/59/Law (G) 2 dated 2-3-1959.

ORDER

A bank Guarantee from a Scheduled Bank in India is usually accepted in lieu of security deposit for contracts for the supply of stores to Government Departments. In Clause 4 of the form prescribed for the purpose, there is a provision making the bank responsible for the fulfillment of the contract by the Contractor for whom the Bank is a surety. It has been brought to the notice of Government that some Banks are not prepared to issue guarantees subject to the above provision. The position was therefore re-examined. Government consider that as the Bank guarantee is only for the amount of Security deposit required of a contractor it is no necessary that the Bank should be made responsible for the conduct of the firm. The following portion occurring in Clause 4 of the prescribed form is therefore deleted:-

“hereby guarantee the due fulfillment by the said M/s..... of the said contract and we also”.

A copy of the revised form is appended.

(By order of the Governor)
K. Velayudha perumal Nadar,
Assistant Secretary.

To

All Heads of Departments and Offices.
Endt. on F.Dis 2685/59 dated 2/11-5-59.

1. Copy with copy of revised form forward to all Conservator of Forests, Divisional Forest Officers, Working Plan Officers, Forest Utilisation Officer, State Silviculturist, Tramway Engineer and Game Warden for information and guidance.

Copy to C1 to C4 sections.

- „ G1 section.
 - „ A section superintendents.
 - „ F.A
 - „ Head draftsman.
- Stock file.

Sd/- For Chief Conservator of Forests.

