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.

LIST APPROVED FROM OF BANK GUARANTEE.

GUARANTEE No.

(Here enter designation of Head of Department)

- 2. AND WHERERAS the said government have called upon the said Company to furnish a sum of Rs. as security for the due fulfillment of the said contract.
- 3. AND WHEREAS the said Government have in lieu of the said security deposit agreed to accept guarantee from us the Bankers of the said Company.
- 4. WE the said Banker of the said Comp[any hereby guarantee payment to the Government of Kerala State upto and not exceeding altogether a sum of the amount of any breach on the part of the Company in the performance of the said contract:
- 5. This guarantee shall not be avoided declared or affected by the Government giving time to the contractor for the performance of his part of the contract or granting him any indulgence by the Government making any variations in the contract. This guarantee shall remain in full force and effect not with standing any neglect or forbearance or delay in the enforcement or any of the terms of the contract between the Government And the Contractor.
- 6. THIS Guarantee will remain in force for a period of one year from the date of its issue upto and including and will be renewed for a further period of one year if necessary,

IN WITNESS whereof we have hereunto set our hand and seal this day of one thousand Nine hundred

Signed and delivered by the above named Bank in the presented of 2.

Countersigned by the above named Witness: 1

In the presence of.

Witness: 1

Witness: 2

T. I. O. I. D. 1000/50 1 . 110 5 1050

Endt. On L.Dis. 1299/59 dated 19-5-1959. Divisional Forest Office Chalakudy

Copy to sections CC2, CC3, CC4, CD and CA2, Stock file, circular file and Manager.

Sd/- G. Moni Divisional Forest Officer

Forwarded/By Order

Manager