

**GOVERNMENT OF ANDHRA PRADESH
FINANCIAL ADVISER'S WING (PROJECTS)
SECRETARIAT-HYDERABAD**

Memo.No.385/F.VIII(P)/79-2

Dated: 04.07.1979

Sub:- P.W.D – Contracts – Security Deposit – Guarantee Bonds executed by the Scheduled Banks – Acceptance – Regarding.

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It has been brought to the notice of Government by the Accountant General, Andhra Pradesh that the Security Deposit in the form of Guarantee Bonds executed by the Scheduled Banks have not been renewed till completion of works/ expiry of observation period, partly due to the omission on the part of the Departmental Officers to have them renewed in time and also partly due to Contractors avoiding renewal, in either case resulting in avoidable loss to the Government for want of sufficient security.

2. The Director of Accounts are informed that in respect of securities covered by Bank Guarantees, every payment should be made only after verifying the currency of the Bank Guarantees, and if on the date of payment a valid Bank Guarantee is not in force, amount to the extent covered by the Bank Guarantee, should be recovered from the bill on hand with the Department. The Directors of Accounts are therefore requested to issue suitable instructions to all the Pay and Accounts Officers under their control under intimation to Government in Project Wing and Financial Adviser.

K. CHAKRAVARTHY,
Financial Adviser (Projects) & E.O.,
Secretary to Government,
Finance & Planning Department.

To
All Directors of Accounts.