



Government of Jammu and Kashmir  
Public Works(R&B) Department  
Civil Secretariat, J&K Jammu/Srinagar

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## Circular

### Subject: Safe Custody and Monitoring of Securities.

A suitable mechanism for safe custody and monitoring of EMDs and performance securities/additional performance securities and other instruments required to be evolved and implemented by each procuring entity/unit of the department. It has been observed that the bank guarantees submitted by the contractors as Performance security/additional performance security against the works allotted to them, have been expired in a few cases as pointed out by the audit making the contracts unsecured in the absence of proper monitoring mechanism. This has been viewed seriously by the authorities.

It is therefore, enjoined upon all the procuring entities to initiate following actions/corrective measures/mechanism for safe custody and monitoring of securities:

- i. Proper arrangements for taking all necessary actions on time for extension or encashment or refund of EMDs and performance securities, as the case may be.
- ii. Monitoring should also include a monthly review of all bank guarantees and other instruments expiring in next three months, along with a review of the progress of the corresponding contracts.
- iii. Extension of bank guarantees and other instruments, where warranted, should be sought immediately and implemented within their validity period. Bank Guarantee should never be handed over to the contractor for purpose of extension of validity. The Chief Accounts Officer/ Accounts Officer posted in the Chief Engineers Offices shall review the status of Bank Guarantee fortnightly and issue notice to the contractor for revalidation of the Bank Guarantee one month before the expiry of BGs. In case of the failure of the contractor to revalidate the BG, the same be got encashed 15 days before its expiry.
- iv. For release of BGs, the proposal shall be forwarded by the executing agency with its recommendations in accordance with the contract conditions, for approval with the agreement of the CAO/AO/AAO as the case may be.
- v. Engineer-in-Chief shall introduce/develop a system of monitoring of securities and other instruments on JKPWDOMS portal with automatic alerts about lapse of validity of security instrument.

The above instructions be implemented in letter and spirit and it shall be the personal responsibility of concerned Chief Engineer, Superintending Engineer, Executive Engineers and Chief Accounts Officer/Accounts Officers posted in the Office of Chief Engineer, for monitoring, safe custody and timely revalidation of Bank Guarantees.

Action taken report on above shall be submitted to Administrative Department by both the Chief Engineers on monthly basis.

Director Finance  
PW(R&B) Department

Dated: 18-10-2023.

No: PWD-ACCT/217/2021-05

Copy to the: -

1. Engineer-in-Chief PW (R&B) Department
2. Chief Engineer PW (R&B) Department (Civil/Mechanical) Jammu/Kashmir
3. All Superintending Engineers PW (R&B) Circles (Civil/Mechanical) Jammu/Kashmir
4. Executive Engineers PW (R&B) Divisions (Civil/Mechanical) Jammu/Kashmir
5. Chief Accounts Officer/Accounts Officer of PW (R&B) Department (Civil/Mechanical) Jammu/Kashmir
6. Private Secretary to Principal Secretary PW (R&B) Department.
7. Office Record file