

NORTHERN RAILWAY

Headquarters Office,
Baroda House,
New Delhi.

No. 63-W/0/Policy/Pt X/Court Case/WA

Dated:- 11-12-2013.

Sr. Divisional Engineer (Co-ord.), N.Rly – DLI, FZR, LKO, MB & UMB,
Dy. CE/TMC/Line N.Rly. Shivaji Bridge, New Delhi,
Dy. CE's/ Bridge Workshop, N.Rly. Jalandhar & (CB) Lucknow,
Dy. CE/TPP N.Rly Lucknow,
Dy. CE/Br. Line N.Rly, Tilak Bridge, New Delhi,
XEN/Butt Welding Plant, N.Rly, Meerut.

Sub:- Check Points for Examination of Bank Guarantee.

Ref:- Dy. GM/Law/Northern Railway/Baroda House/New Delhi's letter No.
NR/HQ/Lit/Check Points/BG/201 dated 28-11-2013.

Please find enclosed herewith Dy. GM/Law/Northern Railway/Baroda House/New Delhi's letter No. NR/HQ/Lit/Check Points/BG/201 dated 28-11-2013 on the above noted subject matter for information and necessary action.

You are requested to look into the matter personally and follow the instructions as contained in said letter.

Encls:- as above.


(BRIJ BHAN)
Dy. Chief Engineer/General

Copy to:- CTE, CBE, CE/TSP, CE/P&D, CE/MRTS, CE/TMC, CE/HQ, CE/TMS & CE/RC.

Copy to Dy. CE's:- TM, TMC, TP, TS, P&D, Br.HQ, Br.D, ROB, Safety & Land

B. The Bank Guarantee should cover the period required under the agreement and should provide for six months overlapping period over and above the period required under the agreement to enable the Railway to lodge its claim and to safeguard the interest of Railway Administration.

C. The Bank Guarantee should be executed in the name of President of India through the authority/concerned Railway Officer who has executed the agreement on behalf of President of India.

3. General Verification:

A. Each and every page of Bank Guarantee should be signed by the authority of the bank executing it and the Bank Guarantee should be duly numbered. Date of execution and place should be clearly mentioned on the BG.

B. All corrections/alterations if any made in the Bank Guarantee should be duly attested by the executants Bank and the notary public as well.

C. The Bank Guarantee should be in the prescribed format and completely in the typed form.

D. The concerned branch should invariably obtain the confirmation certificate/letter from the concerned banks independently about the genuineness of the BG issued by them.

E. For speedy process of verification of the genuineness of the BG, the name, designation and code numbers of the officers signing the BG should also be incorporated under their signature.

F. The correctness of factual position given in Bank Guarantee should be checked and ensured in conformity with the terms and conditions of agreement.

4. Examination of Extensions of Bank Guarantee:

While examining the extensions of Bank Guarantee following additional safeguards be exercised:

- A. Extension of BG should be executed on the Non Judicial Stamp Paper of appropriate value.
- B. Extension of Bank Guarantee should invariably be read with Original Bank Guarantee and Original agreement and extension if any thereof.
- C. Extension of BG should be executed well in time before the expiry of validity of original BG.
- D. If a new agreement is signed after the expiry of original agreement, a fresh Bank Guarantee should invariably be obtained even if the new agreement is on the same terms and conditions.

All concerned officials may please be directed to prepare a check list for above and place on the file before sending the same to Law Branch for legal vetting.


(Rakesh Tyagi)
Dy.GM/Law

Copy to: Secy. to AGM for information