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Amrit Mahotsav



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



No. CWC CO-FD0CASH/27/2020-FIN

03rd March, 2023

Cash & Bank Circular # 7

Sub: Guidelines for Acceptance and safe custody of Contractor's security received in the form of FDRs in favor of the Corporation

Central Warehousing Corporation accepts Fixed Deposits Receipt (FDR) issued by scheduled banks from various Works Contractors as per the terms of contract.

In order to ensure uniform practice in reference to the acceptance of Fixed Deposits as well as its safe custody, the following guidelines shall be adhered to by all the regional offices and HODs in the Corporate Office.

S.No.	Particulars	Description/Activity	Action & Responsibility
1	Acceptance of Fixed Deposits	<p>a. On receipt of the Fixed Deposit, it should be ensured that the same is signed and issued by a scheduled bank only.</p> <p>b. The amount of FDR should be compared with the amount as referred in the tender/contract and it should be accepted only if it matches with the value as mentioned in the Tender/Contract.</p> <p>c. The FDR with restricted period of validity, i.e. not covering the period stipulated in tender/contract should not be entertained.</p>	Concerned officer/HOD of the operating division of RO/CO



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2	Confirmation of FDR & Lien	<p>a. The concerned office/ Division is required to confirm the correctness/ genuineness/ authenticity of the FDR received from the contractor/ supplier directly from the authority one level higher than the issuing authority of the bank under registered acknowledgement cover. It must be confirmed from the bank that the FDR has lien marked in favour of CWC and cannot be encashed without the consent of CWC.</p> <p>b. Bank's confirmation of genuineness of the FDR submitted by the tenderer/ contractor himself shall not be accepted.</p> <p>c. Confirmation of FDR from Bank should be availed only in hard copy and not in electronic format/ email etc.</p> <p>d. If the confirmation is delayed, the confirmation shall be obtained by deputing an official from RO/CO.</p> <p>e. Necessary entry with respect to the receipt of confirmation in e-office must be made immediately by operating division concerned.</p>	Official /Officer of the Operating Division of RO/CO
3.	Safe Custody of FDR	<p>a. The FDR at all times must be kept in safe custody. All FDRs received shall be handed over by the operating division under proper acknowledgement to the Cash & Bank Section (RO/CO) who shall keep the same in iron-safe. A copy of the FDR should be kept in the appropriate e-office file of the concerned division /Section for timely action on renewal / release/ encashment etc.</p> <p>b. The Cash & Bank Section shall maintain a FDR Register in format prescribed at Annexure – I (enclosed) for handing over and taking over the FDR from/to the concerned operating division. The cashier and the concerned officer of operating division shall authenticate the FDR register at the time of the handing over/ taking over of the Fixed Deposit Receipts.</p>	Concerned officer of the operating division and Cashier of RO/CO

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		<p>c. The cash & bank section of RO/CO shall circulate a list of all FDRs on monthly basis in the first week of the month to all the HODs in Regional offices and Corporate Office respectively. (The format of list to be circulated shall be the same as is for FDR register except for signature column).</p> <p>d. In case any addendum is received towards renewal / extension of any FDR, a new entry shall be made for the addendum and it shall be kept alongwith the original FDR in safe custody.</p> <p>e. In case no action is taken by the operating division for release or renew/extension of the FDR within validity period of the FDR, the original FDR on expiry shall be handed over to the respective operative division and matter shall be reported to the competent authority for appropriate action.</p> <p>f. A physical verification of the Fixed Deposit Receipt held should be made on quarterly basis w.r.t the FDR register. RM/HOD of the Cash Section in CO shall nominate an officer for the physical verification.</p>	
4.	Release of FDR	<p>a. The operating division shall review the FDR received periodically and on satisfactory completion/ performance of the contract, release the Fixed Deposit Receipt after obtaining “No Claim Certificate” from the contractor and issuing “No Dues Certificate” by the operating division.</p> <p>b. The operating division shall ensure that the FDR is not allowed to expire in any case and it is either released or renewed/extended before expiry of the FDR.</p> <p>c. In case any FDR expires without appropriate action for release or renew/extension, appropriate action for fixation of responsibility shall be initiated.</p>	Concerned officer/ HOD of the operating division of RO/CO

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5.	Extension of the FDR	<p>a. There could be occasions where extension of the FDR period becomes necessary. The party who has submitted the FDR shall be intimated to submit renewal/extension of the FDR at least two months before the expiry of the FDR. Whenever extension is required, the party should inform the issuing bank well in time for extension in validity period of FDR. The extended FDR or, Communication about the extension from Bank should be received by Operating Division/Section well within the validity period of FDR.</p> <p>b. In case of refusal by the party/ contractor to extend the FDR/ non-receipt of extension in time, the FDR should be encashed within the validity period of the FDR by lodging the claim with the bank with respect to the Fixed Deposit Receipt.</p>	Concerned officer/ HOD of the operating division of RO/CO
6.	Encashment of FDR	<p>a. In the event of breach of contract, if it becomes necessary to encash the FDR, a notice of Encashment of the FDR intimating the claim of the Corporation shall be issued and served to the bank within the validity period of the Fixed Deposit Receipt.</p> <p>b. The notice of encashment/ claim should be sent for lodging the claim by deputing an officer with due authorization of the Competent Authority.</p> <p>c. The person so deputed shall have to serve the notice of claim under due acknowledgement for encashment with the demand for payment of FDR proceeds to the Corporation's Bank Account.</p> <p>d. No intimation either written or oral of such encashment shall be sent to the party/contractor who has submitted the FDR and utmost confidentiality shall be maintained in this regard.</p> <p>e. If the contractor who furnishes the FDR obtains a stay order from any court against the encashment of FDR, RM/ concerned HOD should engage the lawyer for getting the injunction restraining CWC from</p>	Concerned officer/ HOD of the operating division of RO/CO

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		<p>encashing the FDR vacated. If the court does not vacate the stay order, an appeal shall be filed in the next higher court.</p> <p>f. If FDR is subject matter of a suit, for litigation, injunction and the validity of the Fixed Deposit Receipt is about to expire due to any injunction or stay order of the court, an application should be filed in the respective court for issuing a direction to the bank and the contractor for renewal/extension of the FDR. The bank issuing the Fixed Deposit should also be impleaded as a party in the suit in such cases.</p> <p>g. If there is any difficulty in encashing the FDR immediately, the matter should be brought to the attention of the Regional Manager and HOD of concerned operating division and Cash Section of Corporate Office.</p>	
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(Amit Puri)
General Manager (F&A)

Copy to:

1. All Regional Managers/ Accounts-Incharge,
 2. All HoDs, CWC, C.O., New Delhi,
 3. Supdt. (MIS), for placing the circular on CWC's website.
 4. Manager (Rajbhasha), CWC, CO, New Delhi, with a request to arrange Hindi version of this circular.
- } for compliance

Copy for information to:

1. Dir.(Pers.), CWC, CO, New Delhi.
2. Dir.(Fin.), CWC, CO, New Delhi
3. MD, CWC, CO, New Delhi.

General Manager (F&A)

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