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Azadi Ka
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



CWC CO-FD0CASH/27/2020-FIN

22nd July, 2022

Cash & Bank Circular # 3

Sub: Standard Operating procedure (SOP) /Guidelines for bank Guarantees to be issued by CWC to Customers as per terms of the Contract /Tender

1. As part of the contract agreement/tender requirements, CWC is required to give Security Deposit to various Departments/organizations who are customers of CWC. Most of the times, Security Deposit is to be given by way of submission of “**Bank Guarantee**” (BG). Bank Guarantee is to be issued by the bankers of CWC by keeping the Fixed Deposit of CWC under lien as ‘**Collateral**’.
2. Though there are guidelines in place for the receipt of “Bank Guarantee” by CWC, there are no standard guidelines/SOP which is to be followed PAN India for issuance of “Bank Guarantee” against FDR lien.
3. Henceforth, Bank Guarantees shall only be issued “**Centrally**” by the Corporate Office, Finance Division through the Cash & Bank Section. No “Bank Guarantee” is to be made and issued by ROs on their own by keeping the funds under lien. This is necessary as the bank Guarantee amount against FDR lien is a contingent liability to the Corporation and requires to be controlled centrally from Corporate Office.
4. Following SOP/guidelines are to be followed by the Regional Offices/C.O. for the issuance of ‘Bank Guarantee’.

S. No.	Particulars	Description/Activity	Action & Responsibility
A.	Initiating the requirement of BG	(i) Concerned RM/HoD of Operating Division shall initiate the requirement of Bank Guarantee to be submitted as per the Contract/Terms as Security Deposit(In Eoffice).	Concerned officer/HOD of the operating division of RO/CO
B.	Administrative Approval	(i) The concerned operating Division of RO/CO shall examine the requirement of submission of BG as Security Deposit & ensure that same is as per the contract terms. (ii) After analysing the requirement, the RM concerned shall forward the same to concerned HoD of Operating Division, C.O. who shall recommend the same for further approval.	Concerned officer/HOD of the operating division of RO/CO

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		<p>(iii) Administrative Approval of concerned Functional Director is to be obtained. In case Functional Director is not available, Managing Director is the CA to accord administrative approval for issuance of BG.</p> <p>(iv) After administrative approval, operating division shall forward the file to Finance Division for arranging the bank guarantee.</p>	
C.	Place of issue of Bank Guarantee & Ceiling limit	<p>(i) Irrespective of the amount, tenure and nature, all Bank Guarantees shall be issued from Corporate Office, Finance Division only.</p> <p>(ii) No Bank Guarantee to be issued from any Regional Office.</p> <p>(iii) Only in exceptional circumstances, the bank guarantee may be issued from Regional Office, that too after obtaining administrative approval from concerned Function Director-Corporate Office & recording the reasons .</p>	Finance Division, Corporate Office
D.	Arrangement of BG	<p>(i) File must be sent to Finance at least 7 days in advance so that necessary procedure i.e. inviting quotation from banks, placing Funds under lien can be completed.</p> <p>(ii) Consequent upon administrative approval Cash & Bank Section of CO shall arrange to issue the Bank Guarantee.</p>	Finance Division, Corporate Office
E.	Handing over of physical Bank Guarantee and maintenance of Statement of Bank Guarantees issued	<p>(i) Upon issuance of the Bank Guarantee, Finance Division shall hand-over the same to Operating Division at CO who shall further sent the same to the concerned RO for further action.</p> <p>(ii) Concerned official of operating division shall acknowledge the receipt of BG to Finance, Division at time of handing over/ taking over of the Bank Guarantee.</p> <p>(iii) As the issuance of BG is not accounted ,cash & bank section shall maintain a regular Statement of Bank Guarantees issued as per Annex-I.</p>	Concerned officer of the operating Division and Cash & Bank section, CO

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		<p>(iv) Cash & Bank section at CO shall circulate a list of all Bank Guarantees on monthly basis in the first week of the month to all the HODs of CO.</p> <p>(v) The HODs of the operating division shall review the list of Bank Guarantees and take appropriate action for release or renew or extension as per contract terms.</p>	
F.	Release of the BG	<p>(i) The operating division shall review the BG issued periodically and on expiry of the contract and on satisfactory completion/performance of the contract shall arrange to get the bank guarantee released after obtaining “No Dues Certificate” from the beneficiary.</p> <p>(iii) In case any BG expires without appropriate action for release or renew/extension, this shall result in loss of FDR under lien to CWC. Appropriate action for fixation of responsibility shall be initiated against the responsible officers of the operating division.</p>	Concerned officer/HOD of the operating Division of RO/CO and Cash & Bank section, CO
G.	Extension of the Bank Guarantee	<p>(i) There could be occasions where extension of the guarantee period becomes necessary. For extension of the Bank Guarantee the full process as in case of Fresh Bank Guarantee shall be followed.</p> <p>(ii) Extension request should reach well in time and the request for extension of BG to be made to the issuing bank well before the expiry of the BG.</p> <p>(iii) The Extended BG or Communication about the extension should reach the beneficiary well within the validity period of BG.</p> <p>(iv) Timely action must be initiated for extension/renewal of the BG issued by CWC.</p>	Concerned officer/HOD of the operating Division of RO/CO
H.	Invocation/ Encashment of BG	<p>(i) It should be ensured that in any case the Bank Guarantee should not be allowed to be encashed.</p> <p>(ii) If a bank guarantee is subject matter of a suit, for litigation, injunction and the validity of</p>	Concerned officer/HOD of the operating Division of RO/CO

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		the Bank guarantee is about to expire, such matter should be brought to the attention of the Regional Manager /HOD of concerned operating division and Finance Division of Corporate Office for decision.	
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5. For any related issue, Manager (Cash & Bank) may be contacted at Corporate office at the e mail id: neeraj.garg@cewacor.nic.in

(Amit Puri)
General Manager (F & A)

Distribution to:

1. All Regional Managers of CWC
2. All HoDs, C.O.
3. All DGMs/AGMs/Managers/ (Sr.) Asstt.Managers /Accountants in Finance, Accounts & Internal Audit Wings of all ROs.

Copy for information to:

1. MD, CWC, CO, New Delhi.
2. Dir. (Fin.)/Dir.Pers./Dir.(M&CP), CWC, CO, New Delhi
3. GGM(F&A), CWC, Corporate Office, New Delhi
4. All DGMs/AGMs/Managers/(Sr.) Asstt.Managers /Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi.
5. Supdt. (MIS), CWC, CO, New Delhi –with a request to place this Circular on CWC’s website.
6. Manager (Rajbhasha), CWC, CO, New Delhi, with a request to arrange Hindi version of this circular.

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Statement of Bank Guarantees issued by CWC to Customers/Depositors against FDR lien

S.No.	Particulars	
1	Bank Guarantee Number	
2.	Bank Guarantee issue Date	
3	Bank Guarantee issue Name	
4	Validity Period	
5	Date of Expiry of Bank Guarantee	
6	Claim Expiry Date	
7	Amount of BG	
8	Name of Beneficiary to BG	
9	FDR Pledged amount	
10	FDR No.	
11	Tender no. for which BG is issued	
12	Tender name	
13	Date of receipt of Bank Guarantee from bank	
14	Date of handing over Bank Guarantee to concerned Division/Region	

(Signature of Cashier)
Date:

Signature of Manager (Cash & Bank)
Date

Signature of Dealing Official(Operating Division)
Date