



M.P Madhya Kshetra Vidyut Vitaran Company Limited
Nishtha Parisar, Bijalee Nagar, Govindpura, Bhopal – 462023
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CIN Number : U40109MP2002SGC015119

No. MD/MK/05/1068

Bhopal, Dated 13.5.16

CIRCULAR

Circular regarding acceptance of Bank Guarantee received from various contractors / vendors / suppliers of MPMKVVCL .

There are various guidelines issued with regard to bank guarantee by RBI /REC. Also there are certain doubts regarding applicability of stamp duty on bank guarantees. In order to streamline the process and to bring uniformity ,these guidelines need to be followed for acceptance of bank guarantee from various contractors / vendors / suppliers of MPMKVVCL . The guidelines can be divided into general guidelines and those guidelines specific to stamp paper and stamp duty.

1. General guidelines :

- i. The amount of the bank guarantee should be mentioned in figures as well as words and must tally.
- ii. Bank guarantee should be signed by at least two authorized signatories at the Bank.
- iii. Each page of the Bank Guarantee is to be duly signed/ initialed by the authorized signatories , last page of the same must be signed with full particulars under the seal of the bank and must carry the signatures of two witnesses alongside the signature of the authorized signatories.
- iv. The issuing officer of BG should mention his/her name , designation & power of attorney Number / Signing power Number on the BG.
- v. In case of overwriting/ cutting, if any on the BG, then it must be authenticated under signature & seal of authorized signatories.
- vi. In the covering letter issued by the bank it should certify that the BG is issued by the authorized individuals.
- vii. The bank guarantee should be issued preferably by nationalized banks .
- viii. In case the BG is issued from Non- nationalized bank , it should be acceptable to the MPMKVVCL. The bank must be a Scheduled bank in India (the applicability of the bank should be in line with the provision of bidding/ tender documents).
- ix. The factual details mentioned in the BG such as Bid specification No., LOA No, contract price, etc must be correct and the BG must be in the standard Performa of BGs as per the tender , if provided.
- x. The amount and validity of BG should be in line with the contract provisions.

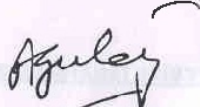
2. Guidelines regarding stamp paper/ stamp duty : These guidelines are applicable to bank guarantees issued within the state of MP as well as those issued by banks/ bank branches located outside the state of Madhya Pradesh.

- i. BG should be issued on non-judicial stamp paper, it must be ensured that the date of issue of stamp paper must not be more than six months prior to the date of execution of BG.
- ii. The stamp duty on the bank guarantee must be 0.25 % of the amount of the BG subject to a maximum of Rs 25,000 (subject to revision).

- iii. Regarding renewal/ extension of bank guarantee: The renewal/extension of bank guarantee be treated as a fresh bank guarantee and therefore stamp duty as per prevailing rates as applicable to fresh bank guarantee will be applicable.

Note : Suitable changes be made in the tender document to incorporate these conditions for tenders issued in the future. Further the said guideline be communicated to all concerned so that delay in acceptance of BG may be avoided.

(Approved by Honorable MD with prospective effect)

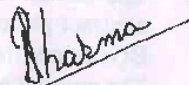

Arun Kumar Geetey
Chief Financial Officer
MPMKVVCL , BHOPAL

Bhopal, Dated 13-5-06

MD/MK/05/1069

Copy to:-

1. PS to MD, MPMKVVCL , Bhopal
2. CGM (HR), O/o MD, MPMKVVCL, Bhopal.
3. CGM (BR) / CGM (GR) M.P.M.K.V.V.C.L.
4. Director (Comm and Rural Projects), O/o MD, MPMKVVCL, Bhopal
5. CGM(Procurement) O/o MD, MPMKVVCL , Bhopal.
6. Dy CGM (Urban Projects) O/o MD, MPMKVVCL , Bhopal.
7. GM (Estt) O/o Md, MPMKVVCL , Bhopal
8. General Manager (City Circle / O&M), MPMKVVCL Bhopal/ Gwalior/ H'bad/ Guna/ Morena/ Sehore/ Vidisha/ Betul/ Rajgarh/ Shivpuri/ Sheopur/Bhind.
9. GM (Store/STC), MPMKVVCL
10. Joint Director (BR/ GR), MPMKVVCL , Bhopal
11. DD (Bills) , DGM (Accounts & Revenue) , DGM(Tax and EM), DGM (FRM & Budget), O/o MD, MPMKVVCL , Bhopal.
12. DGM (IT), O/o MD, MPMKVVCL, Bhopal.
13. DGM /AO (Regional/City Circle / O&M), MPMKVVCL, Bhopal/ Gwalior/ H'bad/ Guna/ Morena/ Sehore/ Vidisha/ Betul/ Rajgarh/ Shivpuri/ Sheopur/Bhind.
4. Accounts Officer, H.O.A.U., O/o MD, MPMKVVCL, Bhopal.
6. Webmaster , MPMKVVCL , Bhopal with instructions that the circular be uploaded on the website of MPMKVVCL , Bhopal.
5. KPIT -Finance Lead, data Center, MP MK VV CL, Bhopal.
7. Record Room, O/o MD, MPMKVVCL, Bhopal.


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