



एन टी पी सी लिमिटेड
(भारत सरकार का उद्यम)

NTPC Limited
(A Govt. of India Enterprise)

केन्द्रीय कार्यालय/Corporate Centre

Date : 03rd September 2014

Ref. No.: NTPC/FC/CS/BG/01

Deputy General Manager,
State Bank of India,
CAG Branch,
12 th floor, Jawahar Vyapar Bhavan, 1, Tolstoy Marg,
New Delhi 110 001

Kind Atten: Sh. Sandeep Mishra

Sub: Format of the Bank Guarantee (BG) issued by State Bank of India – reg.

Dear Sir,

NTPC Limited is India's largest Power Company and a 'Maharatna PSU' with a significant presence in the entire value chain of power generation business. The procurement process of NTPC requires its participating Bidders to submit Bank Guarantees (BGs) as Bid security/other securities in a fixed format provided by NTPC.

It has been observed recently that BGs issued by various branches of State Bank of India are inserting the following additional clause.

QUOTE

Notwithstanding anything contrary contained in any law for the time being in force or banking practice, this guarantee shall not be assignable or transferable by the beneficiary. Notice or invocation by any person such as assignee, transferee of agent of beneficiary shall not be entertained by the bank. Any invocation of guarantee can be made only by the beneficiary directly.

UNQUOTE

The inclusion of the aforesaid clause in the BGs restricts the rights of NTPC under the BG and it may not be possible for NTPC to accept the aforesaid clause in the BGs submitted to us by our Bidders. It may also be mentioned that incorporation of the above additional clause in the BG results in the BG being returned by NTPC and consequently rejection of the bids of parties that have submitted such BGs.

In view of the above, it is requested that please take up at appropriate levels so that suitable instructions are issued to all your branches not to incorporate any such additional clause and henceforth BGs may be issued strictly as per NTPC format only.

Kindly acknowledge the receipt of this letter

Yours faithfully,

(K.P.Gupta)
General Manager (Finance)

Copy for Kind information: ED(CC&M) for kind info of u.s.

एन टी पी सी भवन स्कोप कॉम्प्लेक्स, 7, इंस्टीट्यूशनल एरिया, लोधी रोड, नई दिल्ली-110003 टेल/Tel.: 24360100, फैक्स/Fax: 011-24361018
NTPC Bhawan, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003, वेबसाइट/Website: www.ntpc.co.in



भारतीय स्टेट बैंक
State Bank of India

कॉर्पोरेट लेखा समूह शाखा, जवाहर व्यापार भवन,
11-12 वां तल, 1, टॉलस्टोय मार्ग, नई दिल्ली-110 001
Corporate Accounts Group Branch, Jawahar Vyapar Bhawan,
11th & 12th Floor, 1, Tolstoy Marg, New Delhi-110 001

Tel. : 23374525, 23374505, 23374541 (AMT-1), 23353022 (DGM & COO), 23701043, 23359506 (A & A), 23352995 (CS), 23352968 (IB)
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Shri K.P. Gupta,
General Manager (Finance),
NTPC Limited
Scope Complex, 7, Institutional Area,
Lodhi Road,
New Delhi: 110 003.

CAG-I/AMT-1/2014-15/370

04.09.2014

Dear Sir,

Format of the Bank Guarantee (BG) issued by State Bank of India

We refer to your letter dated 3rd September 2014 wherein you have requested for excluding bidders/vendors of NTPC from insertion of additional Clause restraining assignment/transferability of BG.

Looking at our relationship with NTPC, as a very special case, we have since obtained waiver from our Authorities for excluding NTPC from insertion of the referred clause for BGs issued in your favour.

We are taking steps to issue suitable instructions to our offices for exclusion of this clause for BGs issued in favour of NTPC. In case any bidder or vendor submits to you a Bank Guarantee issued by any of our Branches containing the additional clause as mentioned above, request you to please bring it to our notice and advise us so that we can take-up with the concerned Branch for excluding it.

This is for your information and necessary action please.

Yours faithfully,


(Sandeep Mishra)

Deputy General Manager &
Relationship Manager, AMT-1