

Form of Insurance Surety Bond towards Bid Security
(To be stamped in accordance with Stamp Act of India)

Insurance Surety Bond No. **[Insert Bond Number]**

Date **[Insert Date]**

To
(Employer's Name and Address)

.....

Dear Sirs,

In accordance with the terms and conditions of Invitation for Bids/Notice Inviting Tender No..... (Tender Conditions), M/s. having its registered office at (hereinafter referred to as the 'Tenderer'), is submitting its bid for the work of invited by (name of the Employer, hereinafter referred to as the 'Employer') through its Unit at The Tender Conditions provide that the Tenderer shall pay a sum of Rs as Earnest Money Deposit/ Bid Security in the form therein mentioned. The form of payment of Earnest Money Deposit/ Bid Security includes Insurance Surety Bond from an Insurer as per the extant guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI).

In lieu of the stipulations contained in the aforesaid Tender Conditions that an irrevocable and unconditional Insurance Surety Bond against Earnest Money Deposit for an amount of is required to be submitted by the Tenderer as a condition precedent for participation in the said Tender and the Tenderer having approached us for giving the said Bond, we, the[Name & address of the Insurer] having our Registered Office at(hereinafter referred to as the Insurer) under this Bond, hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer without any demur, merely on your first demand any sum or sums upto the maximum of Rs.....(in words Rupees.....) without any reservation, protest, and recourse and without the Employer needing to prove or demonstrate reasons for its such demand.

Any such demand made on the Insurer shall be conclusive as regards the amount due and payable by the Insurer under this Surety Bond. However, our liability under this Bond shall be restricted to an amount not exceeding Rs. _____.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the tenderer in any suit or proceeding pending before any Court or Tribunal, Arbitrator or any other authority, our liability under this present being absolute and unequivocal.

The payment so made by us under this Bond shall be a valid discharge of our liability for payment hereunder.

We Insurer further agree that the Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Tender or to extend the time of

submission from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said Tenderer and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Tenderer or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Tenderer or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Insurer also agrees that the Employer at its option shall be entitled to enforce this Surety Bond against the Insurer as a principal debtor, in the first instance without proceeding against the Tenderer and notwithstanding any security or other guarantee that the Employer may have in relation to the Tenderer's liabilities.

This Surety Bond shall be irrevocable and shall remain in force upto and including..... and shall be extended from time to time for such period as may be desired by the Employer.

This Surety Bond shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Tenderer but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms hereof. However, unless a demand or claim under this Surety Bond is made on us in writing on or before the or the extended date in accordance with the preceding para, we shall be discharged from all liabilities under this Bond.

We, Insurer lastly undertake not to revoke this Surety Bond during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Insurer under this Surety Bond shall not exceed.....
- b) This Surety Bond shall be valid up to or the extended date, if any.
- c) Unless the Insurer is served a written claim or demand on or before _____ or the extended date, if any, all rights under this Surety Bond shall be forfeited and the Insurer shall be relieved and discharged from all liabilities under this Surety Bond irrespective of whether or not the original Insurance Surety Bond is returned to the Insurer. We, _____ Insurer, have power to issue this Surety Bond under law and the undersigned as a duly authorized person has full powers to sign this Surety Bond on behalf of the Insurer.

For and on behalf of

[Signature]

[(Name of the Insurer)]

[Official Address]

[Designation of Insurer Stamp]

Authorized vide Power of Attorney No./Staff Authority No. [Insert POA Number]

Date.....

Place of Issue.....

2 Name and Address of the Tenderer

3 Details of the Work

4 Name of the Employer

5 Insurance Surety Bond Amount in words and Figures

6 Validity Date

7 Date of Expiry of Claim Period

Notes:

1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.

2. The Insurance Surety Bond should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the Insurance Surety Bond is submitted or is to be acted upon or the rate prevailing in the State where the Insurance Surety Bond was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Contractor/sub-contractor /vendor/ Insurer issuing the Insurance Surety Bond.

3. The Insurance Surety Bond shall be from an Insurer as per guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI) as amended from time to time.

4. Insurance Surety Bond for Bid security in original shall be submitted along with the Bid. However, the issuing Insurance Company shall submit an unstamped duplicate copy of Insurance Surety Bond directly by registered post to the Employer (authority inviting tenders) with a forwarding letter. Same can also be sent through official email.

5. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard Insurance Surety Bond Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

6. Insurance Surety Bond issued by Branches in India can be accepted subject to the condition that the Insurance Surety Bond should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.

Form of Insurance Surety Bond towards Performance Security

(To be stamped in accordance with Stamp Act of India)

Insurance Surety Bond No. **[Insert Bond Number]**

Date **[Insert Date]**

To
NAME & ADDRESSES OF THE BENEFICIARY

Dear Sirs,

In consideration of Bharat Heavy Electricals Limited (hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 1956 and having its registered office at _____ through its Unit at.....(name of the Unit) having awarded to (Name of the Vendor / Contractor / Supplier) with its registered office at_____ hereinafter referred to as the ' Vendor / Contractor / Supplier ', which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns), a contract Ref No.....dated valued at Rs..... (Rupees -----)/FC.....(in words.....) for (hereinafter called the 'Contract') and the Vendor / Contractor / Supplier having agreed to provide an Insurance Surety Bond towards Performance Security, equivalent to% (.... Percent) of the said value of the Contract to the Employer for the faithful performance of the Contract, we, (hereinafter referred to as the Insurer), having registered/Head office at and inter alia a branch at under this Surety Bond, hereby, irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer any sum or sums upto a maximum amount of Rs ----- (Rupees -----) without any demur, immediately on first demand from the Employer and without any reservation, protest, and recourse and without the Employer needing to prove or demonstrate reasons for its such demand.

Any such demand made on the Insurer shall be conclusive as regards the amount due and payable by the Insurer under this Surety Bond. However, our liability under this Surety Bond shall be restricted to an amount not exceeding Rs. _____.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Vendor / Contractor / Supplier in any suit or proceeding pending before any Court or Tribunal, Arbitrator or any other authority, our liability under this present being absolute and unequivocal.

The payment so made by us under this Surety Bond shall be a valid discharge of our liability for payment thereunder.

We theInsurer further agree that the Surety Bond herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract/satisfactory completion of the performance guarantee period as per the terms of the Contract and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged.

WeInsurer further agree with the Employer that the Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said Vendor / Contractor / Supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said Vendor / Contractor / Supplier and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Vendor / Contractor / Supplier or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Vendor / Contractor / Supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Insurer also agrees that the Employer at its option shall be entitled to enforce this Surety Bond against the Insurer as a principal debtor, in the first instance without proceeding against the Vendor / Contractor / Supplier and notwithstanding any security or other guarantee that the Employer may have in relation to the Vendor / Contractor / Supplier's liabilities.

This Surety Bond shall remain in force upto and including..... and shall be extended from time to time for such period as may be desired by Employer.

This Surety Bond shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Vendor / Contractor / Supplier but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms thereof.

Unless a demand or claim under this guarantee is made on us in writing on or before theor the extended date in accordance with the preceding para, we shall be discharged from all liabilities under this Surety Bond thereafter.

We, Insurer lastly undertake not to revoke this Surety Bond during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

a) The liability of the Insurer under this Surety Bond shall not exceed.....

b) This Surety Bond shall be valid up toor the extended date, if any.

c) Unless the Insurer is served a written claim or demand on or before _____ or the extended date, if any, all rights under this guarantee shall be forfeited and the Insurer shall be relieved and discharged from all liabilities under this Surety Bond irrespective of whether or not the original Surety Bond is returned to the Insurer.

We, _____ Insurer, have power to issue this Surety Bond under law and the undersigned as a duly authorized person has full powers to sign this Surety Bond on behalf of the Insurer.

For and on behalf of

[Signature]

[(Name of the Insurer)]

[Official Address]

[Designation of Insurer Stamp]

Authorized vide Power of Attorney No./Staff Authority No. [Insert POA Number]

Dated.....

Place of Issue.....

1 NAME AND ADDRESS OF EMPLOYER i.e. Bharat Heavy Electricals Limited

2 NAME AND ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER.

3 DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE

4 CONTRACT VALUE

5 PROJECT/SUPPLY DETAILS

6 AMOUNT IN FIGURES AND WORDS

7 VALIDITY DATE

8 DATE OF EXPIRY OF CLAIM PERIOD

Note:

1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.

2. The Insurance Surety Bond shall be from an Insurer as per guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI) as amended from time to time.

3. Insurance Surety Bond for Performance security in original shall be submitted by the Contractor. However, the issuing Insurance Company shall submit an unstamped duplicate copy of Insurance Surety Bond directly by registered post to the Employer (authority inviting tenders) with a forwarding letter. Same can also be sent through official email.

4. The Surety Bond should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the Surety Bond is submitted or is to be acted upon or the rate prevailing in the State where the Bond was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Insurer issuing the Surety Bond.

5. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard Surety Bond Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

6. Insurance Surety Bond issued by Branches in India can be accepted subject to the condition that the Surety Bond should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.