

**No. G-35/1/2025-BUDGET NMCG**

भारत सरकार  
जल शक्ति मंत्रालय  
जल संसाधन, नदी विमिवकास एवं गंगा संरक्षण विमिवभाग  
राष्ट्रीय स्वच्छ गंगा मिमिमशन (एनएमसीजी)  
\*\*\*\*\*

पहली मंजिजिल, मेजर ध्यान चंद नेशनल स्टेडि यम,  
निकट इंडिया गेट, नई दिमिदल्ली - 110002

दिनांक: 13 फ़रवरी 2025

**CIRCULAR**

**Sub: Acceptance of Insurance Surety Bonds (ISB) as 'Bid Security', 'Performance Security' and 'Mobilization Advance' for DBOT and HAM Projects under Namami Gange Programme**

Pursuant to amendments in the General Financial Rules (GFR) 2017 vide Department of Expenditure OM No. F1/1/2022-PPD dated 2 February 2022 introducing Insurance Surety Bonds (ISBs) as an acceptable form of 'Bid Security' and 'Performance Security', it has been decided to accept ISBs as Bid Security, Performance Security, and security against Mobilization Advance in respect of DBOT and HAM projects under the Namami Gange Programme, effective immediately.

2. For all existing contracts under the Namami Gange Programme too, the Contractors/Concessionaires may be permitted to replace existing Bank Guarantees with Insurance Surety Bonds.
3. Formats for furnishing Insurance Surety Bonds as Bid Security, Performance Security, as well as security against Mobilization Advance, both for HAM and DBOT projects, are attached.
4. Relevant clauses in the tender documents will be updated to reflect these changes. Updated Model Bid Documents will be circulated separately.
5. All concerned agencies are requested to adhere to the above instructions.

This issues with approval of the Director General, NMCG.



(भास्कर दाशगुप्ता)  
कार्यकारी निदेशक (वित्त)

To

1. The Programme Director, State Mission for Clean Ganga-Uttarakhand, 105, Rajpur Road, Near RTO Office, Dehradun 248001, Uttarakhand
2. The Project Director, State Mission for Clean Ganga-Uttar Pradesh, Plot No-18, Sector-7, Gomti Nagar Extension, Lucknow, - 226010

3. The Project Director, State Mission for Clean Ganga-Bihar,  
Government of Bihar, Vikash Bhawan, Bailey Road, Patna, Bihar – 800001
4. The Project Director, State Mission for Clean Ganga-Jharkhand,  
Urban Development & Housing Department,  
Room no. 403, 4th Floor, Project Bhawan, Dhurwa, Ranchi, Jharkhand-834004
5. The Project Director, State Mission for Clean Ganga-West Bengal  
Unnayan Bhawan (3rd Floor), DJ-11, Sector-II, BLOCK-A, KMDA,  
Kolkata – 700091

Copy to

1. Managing Director, Uttarakhand Pey Jal Nigam, Dehradun
2. Managing Director, Uttar Pradesh Jal Nigam, Lucknow
3. Managing Director, Bihar Urban Infrastructure Development Corporation
4. Managing Director, Jharkhand Urban Infrastructure Development Corporation
5. Chief Executive Officer, Kolkata Metropolitan Development Authority
6. Municipal Commissioner, Kolkata Municipal Corporation

For Internal Circulation

1. PS to DG, NMCG
2. ED (Admin)/ED (Projects)/ED (Technical)/DDG/ PS to ED (Finance)
3. Dir(Technical), SWMS

**Form of Surety Bond**  
**[Bid Security – DBOT]**

S.Bo. No. ....

Dated: .....

1. In consideration of you, .....[*Name of the Executing Agency*], having its office at ....., (hereinafter referred to as the “Owner”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of ..... [*Name of the Bidder, including names of all Joint Venture Participants/ Lead Partner*] and having its registered office at ..... (hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for the ..... Project on DBOT basis (hereinafter referred to as “the Project”) pursuant to the tender document dated ..... issued in respect of the Project and other related documents including without limitation the draft contract agreement (hereinafter collectively referred to as “Bidding Documents”), we ..... [*Name of the Surety Insurer*] having our registered office at ..... and one of its branches at ..... (hereinafter referred to as the “Surety Insurer”), at the request of the Bidder, do hereby in terms of Clause 3.4 of the Bidding Documents, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Owner and amount of Rs. .... (Rupees ..... only) (hereinafter referred to as the “Surety Bond”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder, if the Bidder shall fail to fulfil or comply with all or any of the terms and conditions contained in the said Bidding Documents.
2. Any such written demand made by the Owner stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Surety Insurer.
3. We, the Surety Insurer, do hereby unconditionally undertake to pay the amounts due and payable under this Surety Bond without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of the Owner is disputed by the Bidder or not, merely on the first demand from the Owner stating that the amount claimed is due to the Owner by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including the following:
  - a. failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said Bidding Documents for any reason whatsoever.
  - b. if the said Bidder, having been notified of the acceptance on its Bid by the Owner during the period of Bid Validity;
    - i. fails to sign the Form of Contract in accordance with and when required by ITB Section 6.4; or

- ii. fails to provide the performance security to the Owner in accordance with and when required by ITB Section 6.5

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

4. This Surety Bond shall be irrevocable and remain in full force for a period of 45 (forty-five) days beyond the Bid Validity Period and a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the Owner and the Bidder, and agreed to by the Surety Insurer, and shall continue to be enforceable till all amount under this Surety Bond have been paid.
5. We, the Surety Insurer, further agree that the Owner shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents including, inter alia, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Bidding Documents, and the decision of the Owner that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Owner and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Owner.
6. The Surety Bond shall not be affected by any change in the constitution or winding up of the Bidder or the Surety Insurer or any absorption, merger or amalgamation or the Bidder or the Surety Insurer with any other person.
7. In order to give full effect to this Surety Bond, the Owner shall be entitled to treat the Surety Insurer as the principal debtor. The Owner shall have the fullest liberty without affecting in any way the liability of the Surety Insurer under this Surety Bond from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid Validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfillment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to the Owner, and the Surety Insurer shall not be released from its liability under these presents by any exercise by the Owner of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Owner or any indulgence by the Owner to the said Bidder or by any change in the constitution of the Owner or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Surety Insurer from its such liability.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given in writing or made if addressed to the Surety Insurer and sent by courier or by registered post or by certified e-mail to the Surety Insurer at the address or e-mail set forth herein.

9. We undertake to make the payment on receipt of your notice of claim on us addressed to name of Surety Insurer along with branch address and delivered at our above branch who shall be deemed to have been duly authorized to receive the said notice of claim.
10. It shall not be necessary for the Owner to proceed against the said Bidder before proceeding against the Surety Insurer and the Surety Bond herein contained shall be enforceable against the Surety Insurer, notwithstanding any other security which the Owner may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Surety Insurer hereunder, be outstanding or unrealised.
11. We, the Surety Insurer, further undertake not to revoke this Surety Bond during its currency except with the previous express consent of the Owner in writing.
12. The Surety Insurer declares that it has power to issue this Surety Bond and discharge the obligations contemplated herein, the undersigned is duly authorized and has full power to execute this Surety Bond for and on behalf of the Surety Insurer.
13. For the avoidance of doubt, the Surety Insurer’s liability under this Surety Bond shall be restricted to Rs..... (Rupees..... only). The Surety Insurer shall be liable to pay the said amount or any part thereof only if the Owner serves a written claim on the Surety Insurer in accordance with paragraph 9 hereof, on or before.....[*indicate date falling 45 days beyond the bid validity period*].
14. This Surety Bond shall also be operatable at our ....., branch at ....., from whom, confirmation regarding the issue of this Surety Bond or extension/renewal thereof shall be made available on demand. In the contingency of this Surety Bond being invoked and payment hereunder claimed, the said branch shall accept such invocation letter and make payment of amounts so demanded under the said invocation.
15. The Insurance Surety Bond shall be verified from the specific portal created for this purpose (portal address.....).

Signed Delivered by ..... Company

By the hand of Mr./Ms....., its ..... and authorised official.

(Signature of the Authorised Signatory)

(Official Seal)

*Notes:*

- (i) *The Insurance Surety Bond should contain the name, designation and code number of the Authorised Signatory signing the Insurance Surety Bond.*
- (ii) *The Address, telephone number, email ID and other details of the head office of the Insurance Company as well as issuing branch should be mentioned on the covering letter of issuing branch.*

**Form of Surety Bond**  
**[Bid Security – HAM]**

S.B. No.: .....

Dated: .....

1. In consideration of you, .....[*Name of the Executing Agency*], having its office at ....., (hereinafter referred to as the “Owner”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of .....[*Name of the Bidder, including names of all Joint Venture Participants/ Lead Partner*] and having its registered office at ..... (and acting on behalf of its Consortium) (hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for ..... [*Name of the Project*] on Hybrid Annuity Model (hereinafter referred to as “the Project”) pursuant to the RFP document dated ..... issued in respect of the Project and other related documents including without limitation the draft concession agreement (hereinafter collectively referred to as “Bidding Documents”), we ..... [*Name of the Surety Insurer*] having our registered office at ..... and one of its branches at ..... (hereinafter referred to as the “Surety Insurer”), at the request of the Bidder, do hereby in terms of Clause 15 of the Bidding Documents, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Owner and amount of Rs..... (Rupees ..... only) (hereinafter referred to as the “Surety Bond”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder, if the Bidder shall fail to fulfil or comply with all or any of the terms and conditions contained in the said Bidding Documents.
2. Any such written demand made by the Owner stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Surety Insurer.
3. We, the Surety Insurer, do hereby unconditionally undertake to pay the amounts due and payable under this Surety Bond without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of the Owner is disputed by the Bidder or not, merely on the first demand from the Owner stating that the amount claimed is due to the Owner by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including the following:
  - a. failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said Bidding Documents for any reason whatsoever.
  - b. if the said Bidder, having been notified of the acceptance on its Bid by the Owner during the period of Bid Validity;

- (i) fails to sign the Form of Concession Agreement in accordance with and when required by Clause 31; or
- (ii) fails to provide the performance security to the Owner in accordance with and when required by Clause 16.

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

4. This Surety Bond shall be irrevocable and remain in full force for a period of 45 (forty-five) days beyond the Bid Validity Period and a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the Owner and the Bidder, and agreed to by the Surety Insurer, and shall continue to be enforceable till all amount under this Surety Bond have been paid.
5. We, the Surety Insurer, further agree that the Owner shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents including, inter alia, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Bidding Documents, and the decision of the Owner that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Owner and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Owner.
6. The Surety Bond shall not be affected by any change in the constitution or winding up of the Bidder or the Surety Insurer or any absorption, merger or amalgamation or the Bidder or the Surety Insurer with any other person.
7. In order to give full effect to this Surety Bond, the Owner shall be entitled to treat the Surety Insurer as the principal debtor. The Owner shall have the fullest liberty without affecting in any way the liability of the Surety Insurer under this Surety Bond from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid Validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfillment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to the Owner, and the Surety Insurer shall not be released from its liability under these presents by any exercise by the Owner of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Owner or any indulgence by the Owner to the said Bidder or by any change in the constitution of the Owner or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Surety Insurer from its such liability.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given in writing or made if addressed to the Surety Insurer and sent by courier or by

registered post or by certified e-mail to the Surety Insurer at the address or e-mail set forth herein.

9. We undertake to make the payment on receipt of your notice of claim on us addressed to name of Surety Insurer along with branch address and delivered at our above branch who shall be deemed to have been duly authorized to receive the said notice of claim.
10. It shall not be necessary for the Owner to proceed against the said Bidder before proceeding against the Surety Insurer and the Surety Bond herein contained shall be enforceable against the Surety Insurer, notwithstanding any other security which the Owner may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Surety Insurer hereunder, be outstanding or unrealised.
11. We, the Surety Insurer, further undertake not to revoke this Surety Bond during its currency except with the previous express consent of the Owner in writing.
12. The Surety Insurer declares that it has power to issue this Surety Bond and discharge the obligations contemplated herein, the undersigned is duly authorized and has full power to execute this Surety Bond for and on behalf of the Surety Insurer.
13. For the avoidance of doubt, the Surety Insurer's liability under this Surety Bond shall be restricted to Rs..... (Rupees..... only). The Surety Insurer shall be liable to pay the said amount or any part thereof only if the Owner serves a written claim on the Surety Insurer in accordance with paragraph 9 hereof, on or before.....[*indicate date falling 45 days beyond the bid validity period*].
14. This Surety Bond shall also be operatable at our ....., branch at New Delhi, from whom, confirmation regarding the issue of this Surety Bond or extension/renewal thereof shall be made available on demand. In the contingency of this Surety Bond being invoked and payment hereunder claimed, the said branch shall accept such invocation letter and make payment of amounts so demanded under the said invocation.
15. The Insurance Surety Bond shall be verified from the specific portal created for this purpose (portal address.....).

Signed Delivered by ..... Company

By the hand of Mr./Ms....., its ..... and authorized official.

(Signature of the Authorised Signatory)

(official seal)

*Notes:*

- (i) *The Insurance Surety Bond should contain the name, designation and code number of the Authorised Signatory signing the Insurance Surety Bond.*
- (ii) *The Address, telephone number, email ID and other details of the head office of the Insurance Company as well as issuing branch should be mentioned on the covering letter of issuing branch.*



**Form of Insurance Surety Bond**  
**[Advance Payment – DBOT]**

S.B. No.  
Dated: .....

To,

\_\_\_\_\_Name of the Owner

\_\_\_\_\_Address of Owner

**WHEREAS:**

- (A) .....[Name and address of contractor] (hereinafter called the “Operator/Contractor”) has executed an agreement (hereinafter called the “Contract”) with the .....[name and address of the Executing Agency], (hereinafter called the “Owner”) for the construction of the ..... on Design, Build, Operate and Transfer (the “DBOT”) basis, subject to and in accordance with the provisions of the Agreement.
- (B) In accordance with Clause 1.1 of Schedule 6 of the Contract, the Owner shall make to the Contractor an interest free advance payment (hereinafter called “Advance Payment”) equal to 10% (ten percent) of the Contract for Design-Build Price; and that the Advance Payment shall be made in two equal installments subject to the Contractor furnishing an irrevocable and unconditional Insurance Surety Bond by Insurance Company for an amount equivalent to such installment to remain effective till the complete and full repayment of the installment of the Advance Payment as security for compliance with its obligations in accordance with the Contract. The amount of {first/second} installment of the Advance Payment is Rs..... (Rupees.....) and the amount of this Insurance Surety Bond is Rs..... (Rupees.....) (the “Guarantee Amount”).
- (C) We, ....., through our branch at ..... (the “Insurance Company”), have agreed to furnish this Insurance Surety Bond (hereinafter called the “Guarantee”) for the Guarantee Amount.

NOW, THEREFORE, the Insurance Company hereby, unconditionally and irrevocably guarantees and affirms as follows:

- 1. The Insurance Company hereby unconditionally and irrevocably guarantees the due and faithful repayment on time of the aforesaid instalment of the Advance Payment under and in accordance with the Contract, and agrees and undertakes to pay to the Owner, upon its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Contractor, such sum or sums up to an aggregate sum of the Guarantee Amount as the Owner shall claim, without the Owner being required to prove or to show

grounds or reasons for its demand and/or for the sum specified therein.

A letter from the Owner, under the hand of an officer not below the rank of [.....], that the Contractor has committed default in the due and faithful performance of all or any of its obligations for the repayment of the instalment of the Advance Payment under and in accordance with the Contract shall be conclusive, final and binding on the Insurance Company. The Insurance Company further agrees that the Owner shall be the sole judge as to whether the Contractor is in default in due and faithful performance of its obligations during and under the Contract and its decision that the Contractor is in default shall be final and binding on the Insurance Company, notwithstanding any differences between the Owner and the Contractor, or any dispute between them pending before any Court, Tribunal, Arbitrators or any other Owner or body, or by the discharge of the Contractor for any reason whatsoever.

2. In order to give effect to this Insurance Surety Bond, the Owner shall be entitled to act as if the Insurance Company were the principal debtor and any change in the constitution of the Contractor and/or the Insurance Company, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Insurance Company under this Guarantee.
3. It shall not be necessary, and the Insurance Company hereby waives any necessity, for the Owner to proceed against the Contractor before presenting to the Insurance Company its demand under this Guarantee.
4. The Owner shall have the liberty, without affecting in any manner the liability of the Insurance Company under this Guarantee, to vary at any time, the terms and conditions of the Advance Payment or to extend the time or period of its repayment or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Owner against the Contractor, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Contract and/or the securities available to the Owner, and the Insurance Company shall not be released from its liability and obligation under these presents by any exercise by the Owner of the liberty with reference to the matters aforesaid or by reason of time being given to the Contractor or any other forbearance, indulgence, act or omission on the part of the Owner or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Insurance Surety Bond from its liability and obligation under this Guarantee and the Insurance Company hereby waives all of its rights under any such law.
5. This Insurance Surety Bond is in addition to and not in substitution of any other guarantee or security now or which may hereafter be held by the Owner in respect of or relating to the Advance Payment.
6. Notwithstanding anything contained herein before, the liability of the Insurance Company under this Guarantee is restricted to the Guarantee Amount and this Guarantee will remain in force for the period specified in paragraph 8 below and

unless a demand or claim in writing is made by the Owner on the Insurance Company under this Guarantee, all rights of the Owner under this Insurance Surety Bond shall be forfeited and the Insurance Company shall be relieved from its liabilities hereunder.

7. The Insurance Surety Bond shall cease to be in force and effect on..... Unless a demand or claim under this Guarantee is made in writing on or before the aforesaid date, the Insurance Company shall be discharged from its liabilities hereunder.
8. The Insurance Company undertakes not to revoke this Guarantee during its currency, except with the previous express consent of the Owner in writing, and declares and warrants that it has the power to issue this Guarantee and the undersigned has full powers to do so on behalf of the Insurance Company.
9. Any notice by way of request, demand or otherwise hereunder may be sent by post or email addressed to the Insurance Company at its above referred branch, which shall be deemed to have been duly authorized to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at that time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Owner that the envelope was so posted shall be conclusive.
10. This Insurance Surety Bond shall come into force with immediate effect and shall remain in force and effect for up to the date specified in paragraph 7 above or until it is released earlier by the Owner pursuant to the provisions of the Contract.

Signed and sealed this ..... day of ....., 20..... at .....

SIGNED, SEALED AND DELIVERED

For and on behalf of Insurance Company by:

- (Signature)
- (Name)
- (Designation)
- (Code Number)
- (Address)
- (Email)

*Notes:*

- (i) *The Insurance Surety Bond should contain the name, designation and code number of the officer(s) signing the Insurance Surety Bond.*
- (ii) *The Address, telephone number, email ID and other detail of the head of the Insurance Company as well as issuing branch should be mentioned on the covering letter of issuing branch.*

**Form of Insurance Surety Bond**  
**[Mobilization Advance – HAM]**

S.B. No.  
Dated: .....

To,

\_\_\_\_\_Name of the Owner

\_\_\_\_\_Address of Owner

**WHEREAS:**

- (A) .....[Name and address of contractor] (hereinafter called the “Concessionaire”) has executed an agreement (hereinafter called the “Concession Agreement”) with the .....[name and address of the Executing Agency], (hereinafter called the “Owner”) for the construction of the ..... on Hybrid Annuity Model (the “HAM”) basis, subject to and in accordance with the provisions of the Concession Agreement.
- (B) In accordance with Clause 5.21 of the Concession Agreement, the Owner shall make to the Concessionaire an interest free advance payment (hereinafter called “Mobilization Advance”) equal to 10% (ten percent) of the Bid Project Cost; subject to the Concessionaire furnishing an irrevocable and unconditional Insurance Surety Bond by Insurance Company for an amount equivalent to 110% (one hundred and ten percent) of the Mobilization Advance as security for compliance with its obligations in accordance with the Concession Agreement. The amount of the Mobilization Advance is Rs..... (Rupees.....) and the amount of this Insurance Surety Bond is Rs..... (Rupees.....) (the “Guarantee Amount”).
- (C) We, ....., through our branch at ..... (the “Insurance Company”), have agreed to furnish this Insurance Surety Bond (hereinafter called the “Guarantee”) for the Guarantee Amount.

NOW, THEREFORE, the Insurance Company hereby, unconditionally and irrevocably guarantees and affirms as follows:

1. The Insurance Company hereby unconditionally and irrevocably guarantees the due and faithful repayment on time of the aforesaid instalment of the Mobilization Advance under and in accordance with the Contract, and agrees and undertakes to pay to the Owner, upon its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Concessionaire, such sum or sums up to an aggregate sum of the Guarantee Amount as the Owner shall claim, without the Owner being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.

## Form of Insurance Surety Bond [Mobilization Advance – HAM]

A letter from the Owner, under the hand of an officer not below the rank of [.....], that the Concessionaire has committed default in the due and faithful performance of all or any of its obligations for the repayment of the instalment of the Mobilization Advance under and in accordance with the Concession Agreement shall be conclusive, final and binding on the Insurance Company. The Insurance Company further agrees that the Owner shall be the sole judge as to whether the Concessionaire is in default in due and faithful performance of its obligations during and under the Concession Agreement and its decision that the Concessionaire is in default shall be final and binding on the Insurance Company, notwithstanding any differences between the Owner and the Concessionaire, or any dispute between them pending before any Court, Tribunal, Arbitrators or any other Owner or body, or by the discharge of the Concessionaire for any reason whatsoever.

2. In order to give effect to this Insurance Surety Bond, the Owner shall be entitled to act as if the Insurance Company were the principal debtor and any change in the constitution of the Concessionaire and/or the Insurance Company, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Insurance Company under this Guarantee.
3. It shall not be necessary, and the Insurance Company hereby waives any necessity, for the Owner to proceed against the Concessionaire before presenting to the Insurance Company its demand under this Guarantee.
4. The Owner shall have the liberty, without affecting in any manner the liability of the Insurance Company under this Guarantee, to vary at any time, the terms and conditions of the Mobilization Advance or to extend the time or period of its repayment or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Owner against the Concessionaire, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Concession Agreement and/or the securities available to the Owner, and the Insurance Company shall not be released from its liability and obligation under these presents by any exercise by the Owner of the liberty with reference to the matters aforesaid or by reason of time being given to the Concessionaire or any other forbearance, indulgence, act or omission on the part of the Owner or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Insurance Surety Bond from its liability and obligation under this Guarantee and the Insurance Company hereby waives all of its rights under any such law.
5. This Insurance Surety Bond is in addition to and not in substitution of any other guarantee or security now or which may hereafter be held by the Owner in respect of or relating to the Advance Payment.
6. Notwithstanding anything contained herein before, the liability of the Insurance Company under this Guarantee is restricted to the Guarantee Amount and this Guarantee will remain in force for the period specified in paragraph 8 below and unless a demand or claim in writing is made by the Owner on the Insurance Company under this Guarantee, all rights of the Owner under this Insurance

**Form of Insurance Surety Bond [Mobilization Advance – HAM]**

Surety Bond shall be forfeited and the Insurance Company shall be relieved from its liabilities hereunder.

7. The Insurance Surety Bond shall cease to be in force and effect on..... Unless a demand or claim under this Guarantee is made in writing on or before the aforesaid date, the Insurance Company shall be discharged from its liabilities hereunder.
8. The Insurance Company undertakes not to revoke this Guarantee during its currency, except with the previous express consent of the Owner in writing, and declares and warrants that it has the power to issue this Guarantee and the undersigned has full powers to do so on behalf of the Insurance Company.
9. Any notice by way of request, demand or otherwise hereunder may be sent by post/or email addressed to the Insurance Company at its above referred branch, which shall be deemed to have been duly authorized to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at that time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Owner that the envelope was so posted shall be conclusive.
10. This Insurance Surety Bond shall come into force with immediate effect and shall remain in force and effect for up to the date specified in paragraph 7 above or until it is released earlier by the Owner pursuant to the provisions of the Contract.

Signed and sealed this ..... day of ....., 20..... at .....

**SIGNED, SEALED AND DELIVERED**

For and on behalf of Insurance Company by:

(Signature)  
(Name)  
(Designation)  
(Code Number)  
(Address)  
(Email)

*Notes:*

- (i) *The Insurance Surety Bond should contain the name, designation and code number of the officer(s) signing the Insurance Surety Bond.*
- (ii) *The Address, telephone number, email ID and other detail of the head of the Insurance Company as well as issuing branch should be mentioned on the covering letter of issuing branch.*

**Form of Surety Bond**  
**[Performance Security/ Additional Performance Security - DBOT]**

S.B.No.

Dated:

To,

\_\_\_\_\_Name of the Owner

\_\_\_\_\_Address of Owner

WHEREAS \_\_\_\_\_ [*Name and address of contractor*] (hereinafter called the "Operator/Contractor") has undertaken, in pursuance of Letter of Award (LoA) No..... dated ..... for construction of ..... [*Name of the Project*] on DBOT (hereinafter called the "Contract").

AND WHEREAS the Contract requires the Contractor to furnish an [*Performance Security/Additional Performance Security*] for due and faithful performance of its obligations, under and in accordance with the Contract, during the [*Construction Period/Operation and Maintenance Period*] in a sum of Rs..... (Rupees.....) (the "Surety Bond Amount").

AND WHEREAS, we, ..... through our branch at ..... (the "Surety Insurer"), have agreed to furnish this Surety Bond by way of Performance Security.

NOW, THEREFORE, the Surety Insurer hereby, unconditionally and irrevocably, guarantees and affirms as follows:

1. The Surety Insurer hereby unconditionally and irrevocably guarantees the due and faithful performance of the Contractor's obligations during the [*Construction Period/Operation and Maintenance Period*] under and in accordance with the Contract, and agrees and undertakes to pay the Owner, upon its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Contractor, such sum or sums up to an aggregate sum of the Surety Bond Amount as the Owner shall claim without the Owner being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.
2. A letter from the Owner, under the hand of an officer not below the rank of [.....], that the Contractor has committed default in the due and faithful performance of all or any of its obligations under and in accordance with the Contract shall be conclusive, final and binding on the Surety Insurer. The Surety Insurer further agrees that the Owner shall be the sole judge as to whether the Contractor is in default in due and faithful performance of its obligations during and under the Contract and its decision that the Contractor is in default shall be final and binding on the Surety Insurer, notwithstanding any differences between the Owner and the Contractor, or any dispute

**Form of Surety Bond**  
**[Performance Security/ Additional Performance Security - DBOT]**

between them pending before any Court, Tribunal, Arbitrators or any other Owner or body, or by the discharge of the Contractor for any reason whatsoever.

3. In order to give effect to this Surety Bond, the Owner shall be entitled to act as if the Surety Insurer were the principal debtor and any change in the constitution of the Contractor and/or the Surety Insurer, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Surety Insurer under this Surety Bond.
4. It shall not be necessary, and the Surety Insurer hereby waives any necessity, for the Owner to proceed against the Contractor before presenting to the Surety Insurer its demand under this Surety Bond.
5. The Owner shall have the liberty, without affecting in any manner the liability of the Surety Insurer under this Surety Bond, to vary at any time, the terms and conditions of the Contract or to extend the time or period for the compliance with, fulfillment and/ or performance of all or any of the obligations of the Contractor contained in the Contract or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Owner against the Contractor, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Contract and/or the securities available to the Owner, and the Surety Insurer shall not be released from its liability and obligation under these presents by any exercise by the Owner of the liberty with reference to the matters aforesaid or by reason of time being given to the Contractor or any other forbearance, indulgence, act or omission on the part of the Owner or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Surety Insurer from its liability and obligation under this Surety Bond and the Surety Insurer hereby waives all of its rights under any such law.
6. This Surety Bond is in addition to and not in substitution of any other Surety Bond or security now or which may hereafter be held by the Owner in respect of or relating to the Contract or for the fulfillment, compliance and/ or performance of all or any of the obligations of the Contractor under the Contract.
7. Notwithstanding anything contained hereinbefore, the liability of the Surety Insurer under this Surety Bond is restricted to the Surety Bond Amount and this Surety Bond will remain in force for the period specified in paragraph 8 below and unless a demand or claim in writing is made by the Owner on the Surety Insurer under this Surety Bond all rights of the Owner under this Surety Bond shall be forfeited and the Surety Insurer shall be relieved from its liabilities hereunder.
8. The Surety Bond shall cease to be in force and effect on..... Unless a demand or claim under this Surety Bond is made in writing before expiry of the Surety Bond, the Surety Insurer shall be discharged from its liabilities hereunder.
9. The Surety Insurer undertakes not to revoke this Surety Bond during its currency, except with the previous express consent of the Owner in writing, and declares and warrants that it has the power to issue this Surety Bond and the undersigned has full powers to do so on behalf of the Surety Insurer.



10. Any notice by way of request, demand or otherwise hereunder may be sent by post or email addressed to the Surety Insurer at its above referred branch, which shall be deemed to have been duly authorized to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at that time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Owner that the envelope was so posted shall be conclusive.
11. This Surety Bond shall come into force with immediate effect and shall remain in force and effect for up to the date specified in paragraph 8 above or until it is released earlier by the Owner pursuant to the provisions of the Contract.
12. This Surety Bond is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No.758, except that the supporting statement under Article 15(a) is hereby excluded.

Signed and sealed this ..... day of ....., 20..... at .....

SIGNED, SEALED AND DELIVERED

For and on behalf of the bank by:

(Signature)  
(Name)  
(Designation)  
(Code Number)  
(Address)  
(Email)

*Notes:*

- (i) *The Insurance Surety Bond should contain the name, designation and code number of the Authorised Signatory signing the Insurance Surety Bond.*
- (ii) *The Address, telephone number, email ID and other details of the head office of the Insurance Company as well as issuing branch should be mentioned on the covering letter of issuing branch.*

**Form of Surety Bond**  
**[Performance Security/ Additional Performance Security - HAM]**

S.B.No.:

Dated:

To,

\_\_\_\_\_Name of the Owner

\_\_\_\_\_Address of Owner

**WHEREAS:**

- (A) .....(the “**Concessionaire**”) and the.....[*Name of the Executing Agency*] (the “**Owner**”) have entered into a Concession Agreement dated..... (the “**Agreement**”) whereby the Owner has agreed to the Concessionaire undertaking development and operation of ..... on Hybrid Annuity Model, subject to and in accordance with the provision of the Agreement.
- (B) The Agreement requires the Concessionaire to furnish a performance security to the Owner in a sum of Rs..... (Rupees.....) (the “**Surety Bond Amount**”) as security for due and faithful performance of its obligations, under and in accordance with the Agreement, during the Construction Period (as defined in the Agreement).
- (C) We, ....., through our branch at ..... (the “**Surety Insurer**”), have agreed to furnish this Surety Bond by way of Performance Security.

NOW, THEREFORE, the Surety Insurer hereby, unconditionally and irrevocably guarantees and affirms as follows:

1. The Surety Insurer hereby unconditionally and irrevocably guarantees the due and faithful performance of the Concessionaire’s obligations during the Construction Period under and in accordance with the Agreement, and agrees and undertakes to pay the Owner, upon its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Concessionaire, such sum or sums up to an aggregate sum of the Surety Bond Amount as the Owner shall claim, without the Owner being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.
2. A letter from the Owner, under the hand of an officer not below the rank of [.....], that the Concessionaire has committed default in the due and faithful performance of all or any of its obligations under and in accordance with the Agreement shall be conclusive, final and binding on the Surety Insurer. The Surety Insurer further agrees that the Owner shall be the sole judge as to whether the Concessionaire is in default in due and faithful performance of its obligations during the Construction Period under the Agreement and its decision that the Concessionaire is in default shall be final and binding on the Surety Insurer, notwithstanding any differences between the Owner and the Concessionaire, or

**Form of Surety Bond**  
**[Performance Security/ Additional Performance Security - HAM]**

any dispute between them pending before any Court, Tribunal, Arbitrators or any other Owner or body, or by the discharge of the Concessionaire for any reason whatsoever.

3. In order to give effect to this Surety Bond, the Owner shall be entitled to act as if the Surety Insurer were the principal debtor and any change in the constitution of the Concessionaire and/or the Surety Insurer, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Surety Insurer under this Surety Bond.
4. It shall not be necessary, and the Surety Insurer hereby waives any necessity, for the Owner to proceed against the Concessionaire before presenting to the Surety Insurer its demand under this Surety Bond.
5. The Owner shall have the liberty, without affecting in any manner the liability of the Surety Insurer under this Surety Bond, to vary at any time, the terms and conditions of the Agreement or to extend the time or period for the compliance with, fulfillment and/ or performance of all or any of the obligations of the Concessionaire contained in the Agreement or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Owner against the Concessionaire, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Agreement and/or the securities available to the Owner, and the Surety Insurer shall not be released from its liability and obligation under these presents by any exercise by the Owner of the liberty with reference to the matters aforesaid or by reason of time being given to the Concessionaire or any other forbearance, indulgence, act or omission on the part of the Owner or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Surety Insurer from its liability and obligation under this Surety Bond and the Surety Insurer hereby waives all of its rights under any such law.
6. This Surety Bond is in addition to and not in substitution of any other Surety Bond or security now or which may hereafter be held by the Owner in respect of or relating to the Agreement or for the fulfillment, compliance and/ or performance of all or any of the obligations of the Concessionaire under the Agreement.
7. Notwithstanding anything contained hereinbefore, the liability of the Surety Insurer under this Surety Bond is restricted to the Surety Bond Amount and this Surety Bond will remain in force until 1 (one) month from the Commercial Operation Date (COD) and unless a demand or claim in writing is made by the Owner on the Surety Insurer under this Surety Bond, no later than 6 (six) months from the date of expiry of this Surety Bond, all rights of the Owner under this Surety Bond shall be forfeited and the Surety Insurer shall be relieved from its liabilities hereunder.
8. The Surety Insurer undertakes not to revoke this Surety Bond during its currency, except with the previous express consent of the Owner in writing, and declares and warrants that it has the power to issue this Surety Bond and the undersigned has full powers to do so on behalf of the Surety Insurer.

9. Any notice by way of request, demand or otherwise hereunder may be sent by post or email addressed to the Surety Insurer at its above referred branch, which shall be deemed to have been duly authorized to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at that time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Owner that the envelope was so posted shall be conclusive.
10. This Surety Bond shall come into force with immediate effect and shall remain in force and effect for a period of one year and six months or until it is released earlier by the Owner pursuant to the provisions of the Agreement.
11. This Surety Bond shall also be operatable at our ..... branch at ....., from whom, confirmation regarding the issue of this bond or extension/renewal thereof shall be made available on demand in the contingency of this bond been invoked and payment thereunder claimed, the said branch shall accept such invocation on letter and make payment of amounts so demanded under the said invocation.
12. This Insurance Surety Bond is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No.758, except that the supporting statement under Article 15(a) is hereby excluded.

Signed and sealed this ..... day of ....., 20..... at .....

**SIGNED, SEALED AND DELIVERED**

For and on behalf of Insurance Company by:

- (Signature)
- (Name)
- (Designation)
- (Code Number)
- (Address)
- (Email)

*Notes:*

- (i) *The Insurance Surety Bond should contain the name, designation and code number of the Authorised Signatory signing the Insurance Surety Bond.*
- (ii) *The Address, telephone number, email ID and other details of the head office of the Insurance Company as well as issuing branch should be mentioned on the covering letter of issuing branch.*