

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

Insurance Surety Bond No.:

Date:

To
{Owner's Name
and
Address}

Dear Sirs,

In consideration of the SECI (Hereinafter referred to as the 'Owner' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and assigns) having awarded to M/s..... [Supplier's Name]..... with its Registered/Head Office at (Hereinafter referred to as the 'Supplier', which expression shall unless repugnant to the context or meaning thereof, include its successors administrators, executors and assigns), a Contract by issue of Owner's Purchase Order No..... dated. and the same having been unequivocally accepted by the Supplier, resulting into a Contract bearing No..... dated, valued at for and the Supplier having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire Contract equivalent to(*).....% (percent) of the said value of the **Contract to the Owner.**

We[Name & Address of the Insurer] having its Head Office at (hereinafter referred to as the 'Insurer', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Owner, on demand any and all amount payable by the Supplier to the extent of(*)..... as aforesaid at any time up

to [days/month/year] without any condition, demur, reservation, contest, recourse or protest and/or without any reference to the Supplier. Any such demand made by the Owner on the Insurer shall be conclusive and binding notwithstanding any difference between the Owner and the Supplier or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Insurer undertakes not to revoke this Insurance Surety Bond during its currency and or any period extended under the contract, without prior consent of the Owner and further agrees that the guarantee herein contained shall be enforceable till the Owner discharges this guarantee.

The Owner shall have the fullest liberty, without affecting in any way the liability of the Insurer under this Insurance Surety Bond, from time to time to extend the performance of the Contract by the Supplier for the purpose of which, the Insurer shall be liable to extend the validity of the present Insurance Surety Bond without any demur, condition, protest and the Insurer shall at no point in time have an option of revoking the same, The Owner shall have the fullest liberty, without affecting this Insurance Surety Bond, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Supplier, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Owner and the Supplier or any other course or remedy or security available to the Owner. The Insurer shall not be released of its obligations under these presents by any exercise by the Owner of its liberty with reference to the aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the Owner or any other indulgence shown by the Owner or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Insurer.

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

Notwithstanding anything contained hereinabove our liability under this Insurance Surety Bond is restricted to(*)..... and it shall remain in force upto and including(@)..... and shall be extended from

time to time for such period (not exceeding one year), as may be desired by M/s
.....{ Supplier's Name } on whose behalf this Insurance Surety Bond has been given.

Dated this day of 20.....
at.....

WITNESS :

1.

.....
(Signature)

.....

.....
(Name)

.....

.....
(Official Address)

.....

(Signature)

.....

(Name)

.....

(Designation with
Insurer

Stamp) Authorised

Vide Power of

Attorney

No.....

Date.....

2.

(Signature)

.....

(Name)

.....

(Official Address)

Notes :

1. (*) This sum shall be five percent (05%) of the Contract Price.
2. The Insurance Surety Bond shall be from an Insurer as per guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI).
3. The Owner shall be the Creditor, the Supplier shall be the Principal debtor and the

Insurance company/Insurer shall be the Surety in respect of the Insurance Surety Bond to be issued by the Insurer.

4.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 State where the Insurance Surety Bond is executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Supplier/Insurer issuing the Insurance Surety Bond.

5.While getting the Insurance Surety Bond issued, the Supplier is required to ensure compliance to the points mentioned in Form of Bank Guarantee/ Insurance Surety Bond Verification Check List. Further, the Supplier is required to fill up this Form and enclose the same with the Insurance Surety Bond.

**BANK GUARANTEE/INSURANCE SURETY BOND VERIFICATION
CHECK LIST**

(To be submitted with EMD and CPG)

1. **Bank Guarantee/Insurance Surety Bond (ISB) No. & Date:**

2. **Name of Issuing Bank/Branch/Insurance Agency :**

.....

3. **Amount :**

4. **Nature of BG/ISB & No. of Pages :**

5. **Validity of BG/SIB :**

6. **Vendor Reference :**

Name

.....

Address

.....

Telephone

.....

Fax

.....

Email

.....

7. **Bank / Insurance Agency Reference**

Name

.....

Address

.....

Telephone

.....

Fax

.....

Email

.....

Sl. No.	<i>Details of Checks</i>	Yes/No
1.	Is the BG on Non-judicial stamp paper of appropriate value, as per Stamp Act?	
2.	Whether date, purpose of purchase of stamp paper and name of the Owner indicated on the back of stamp paper under the Signature of Stamp Vendor? (The date of purchase of stamp paper should be of any date on or before the date of execution of BG and the stamp paper should be purchased either in the name of the executing Bank or Insurance Agency or the Supplier on whose behalf the BG has been issued. The Stamp Papers (other than e-stamp paper) should be duly signed by the stamp vendor).	
3.	In case the BGs from abroad, has the BG been executed on Letter Head of the Bank or Insurance Agency?	
4.	Has the executing officer of BG indicated his name, designation and Power of Attorney No. / Signing Power No. etc., on the BG?	
5.	Is each page of BG duly signed / initialed by executant and whether stamp of Bank or Insurance Agency is affixed thereon?	
6.	Whether the last page is signed with full particulars including two witnesses under seal of Bank or Insurance Agency as required in the prescribed proforma?	
7.	Does the Bank Guarantee compare verbatim with the Proforma prescribed in the Bidding Documents?	
8.	Are the factual details such as NIT no. / Tender Enquiry no. / Bidding Documents No. / Specification No., Amount of BG, validity of BG correctly mentioned in the BG?	
9.	Whether overwriting / cutting, if any on the BG have been properly authenticated under signature & seal of executants?	
10.	Whether BG has been issued by a Bank or Insurance Agency in line with the provisions of Bidding Documents?	
11.	In case BG has been issued by a Bank or Insurance Agency other than those specified in Bidding Document, is the BG confirmed by a Bank in India or Insurance Agency acceptable as per Bidding Document?	

Signature of Supplier.....
Name
Designation
Seal