Surety Bond for Bid Security

(Reference RFP Clause 15.2)

S.B. No. Dated:

1. In consideration of you, *****, having its office at ****, (hereinafter referred to as "NREDCAP", 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) (a Company registered under Companies Act, 1956/2013) 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 the Name of the Project. (Hereinafter referred to as "the Project") pursuant to the RFP Document no……..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 …….. one of its branches at ……. and (hereinafter referred to as the Surety Insurer "), at the request of the Bidder, do hereby in terms of Clause 15.2 read with Clause 15 of the RFP Document, 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 NREDCAP an amount of **Rs XX Crore (Rupees XXX 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 NREDCAP 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 NREDCAP is disputed by the Bidder or not, merely on the first demand from NREDCAP stating that the amount claimed is due to NREDCAP by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including 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. Any such demand made on the Surety Insurer 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 XX Crore (Rupees XXX only)**.

4. This Surety Bond shall be irrevocable and remain in full force for a period of **210 (two hundred and ten) days from the Bid Due Date inclusive of a claim period of 30 (thirty) days** or for such extended period as may be mutually agreed between NREDCAP and the Bidder and agreed to by the Surety Insurer.

5. We, the Surety Insurer, further agree that NREDCAP 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 NREDCAP that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between NREDCAP and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority.

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 of the Bidder or the Surety Insurer with any other person.

7. In order to give full effect to this Surety Bond, NREDCAP shall be entitled to treat the Surety Insurer as the principal debtor. NREDCAP 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 NREDCAP, and the Surety insurer shall not be released from its liability under these presents by any exercise by NREDCAP 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 NREDCAP or any Indulgence by NREDCAP to the said Bidder or by any change in the constitution of NREDCAP 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 authorised to receive the said notice of claim.

10. It shall not be necessary for NREDCAP 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 NREDCAP 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 NREDCAP 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 authorised 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 XX Crore (Rupees XXX only)**. The Surety Insurer shall be liable to pay the said amount or any part thereof only if NREDCAP serves a written claim on the Surety Insurer in accordance with paragraph 9 hereof, on or before [** (indicate date falling 180 days after the Bid Due Date)].

14. The Insurance Surety Bond shall be verified from the specific portal created for this purpose.

Signed and Delivered by …… Company

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

(Signature of the Authorised Signatory)
(Official Seal)_

FORM OF SURETY BOND
Performance Security

To
---------- (name of the authority)
----------[address of Authority]
WHEREAS:

(A) ---------- (the "**Concessionaire**") and the Name of the Authority (the "**Authority**") have entered into a Concession Agreement dated……. (the "**Agreement**") whereby the Authority has agreed to the Concessionaire undertaking "Project Name" on design, build, finance, operate and transfer ("DBFOT") basis, subject to and in accordance with the provision of the Agreement.

(B) The Agreement requires the Concessionaire to furnish a Performance Security to the Authority in a sum of Rs *** Crore (Rupees *** Crore) (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 herby 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 to the Authority, 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 upto an aggregate sum of the Surety Bond Amount as the Authority shall claim, without the Authority 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 Authority, under the hand of an officer not below the rank of Municipal Commissioner in the Authority, 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 Authority 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 Authority and the Concessionaire, or any dispute between them pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of the Contractor for any reason whatsoever.

3. In order to give effect to this Surety Bond, the Authority 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 Authority to proceed against the Concessionaire before presenting to the Surety Insurer its demand under this Surety Bond.

5. The Authority 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 Authority 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 Authority, and the Surety Insurer shall not be released from its liability and obligation under these presents by any exercise by the Authority 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 Authority 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 Authority in respect of or relating to the Agreement or for the fulfilment, 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 the earlier of the 2nd (Second) anniversary of the Appointed Date or compliance of the conditions specified in paragraph 8 below and unless a demand or claim in writing is made by the Authority 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 Authority under this Surety Bond shall be forfeited and the Surety Insurer shall be relieved from its liabilities hereunder.

8. The Performance Security shall cease to be in force and effect when the Concessionaire shall have expended on Project construction an aggregate sum not less than 100% (one hundred per cent) of the Total Project cost which is deemed to be Rs. ** cr. (Rupees *** crore) for the purposes of this Surety Bond, and provided the Concessionaire is not in breach of this Agreement. Upon request made by the Concessionaire for release of the Performance Security alongwith the particulars required hereunder, duly certified by a statutory auditor of the Concessionaire, the Authority shall release the Performance Security forthwith.

9. The Surety Insurer undertakes not to revoke this Surety Bond during its currency, except with the previous express consent of the Authority 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 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 the 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 Authority 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 a period of two years and six months or until it is released earlier by the Authority pursuant to the provisions of the Agreement.

12. This Surety Bond shall also be operatable at our……. Branch at Vijayawada / Tirupati, 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.

13. 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…….....at.....

SIGNED, SEALED AND DELIVERED

For and on behalf of the surety insurer by:

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