सत्यमेव जयते

भारतीय राष्ट्रीय राजमार्ग प्राधिकरण
(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)
National Highways Authority of India
(Ministry of Road Transport and Highways, Government of India)
जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली - 110 075 • G-5 & 6, Sector-10, Dwarka, New Delhi-110075
दूरभाष/Phone : 91-11-25074100 / 25074200

NHAI/ Policy Guidelines/ Miscellaneous/ 2025
Policy Circular No.18.105/2025 dated 09th July, 2025

{Decision taken on E-Office File No. FINDIV-22014(18)/10/2024-O/o GM (Finance-II) (Comp. No. 260098)}

Sub: Inclusion of Provisions regarding acceptance of Insurance Surety Bonds (ISB) as Performance Security in Consultancy Contracts of Authority Engineer/ Independent Engineer -reg.

In Supersession of Policy Circular No. 18.88/2023 dated 13.06.2023 and in Compliance to Ministry of Road Transport & Highways Letter No. NH-24028/14/2014-H(Vol-II) (E-134863) dated 31.05.2023 forwarded the amendments done by Department of Expenditure in GFR.2017 relating to inclusion of e-Bank Guarantee and Insurance Surety Bonds as mean to accept 'Bid Security' and 'Performance Security'. MoRTH has already approved the changes in necessary clauses in the Standard Documents (RFP and CA) of EPC HAM and BOT (Toll) modes which are already circulated by NHAI vide Policy Circular No. 18.88/ 2023 dated 13th June, 2023.

2. It is also pointed out that Highways Section of Ministry of Road Transport & Highways vide Letter NH-24028/ 14/2014-H(Vo\-II) (E-134863) dated 31.05.2023 has mentioned that 'For all the existing Contracts including Road Development, Toll Contracts, Ropeways and any **Other Contract** wherein Ministry has prescribed a BG- any instrument of Bid Security/ Performance Security may be replaced by 'Insurance Surety Bond' as per availability.'

3. In light of above, it has now been decided to accept the 'Insurance Surety Bonds' as "Performance Security" pertaining to Consultancy Contracts of Authority Engineer/ Independent Engineer with immediate effect. The relevant existing clauses vis-à-vis amended clauses of the Standard Documents will also change accordingly for necessary compliance by all Concerned.

4. Copy of formats of "Insurance Surety Bond" as Performance Security for Consultancy Contracts of Authority Engineer and Independent Engineer is attached at **Annexure-A** & **Annexure-B** respectively for implementation.

5. This issue with the approval of Competent Authority.

Encl.: As stated above.

09/07/25

(CS. Sanjay Kumar Patel)
I/c Chief General Manager (Coord.)

To:

All Officers of NHAI HQ/ ROs/ PIUs/ CMUs/ Site Offices

Copy to:

1. Hindi Division for translation in Hindi.
2. Library for hosting the circular on library site.
3. Web Admin for circulation.

Annexure – A

Format of Insurance Surety Bond for Authority Engineer services

FORM OF SURETY BOND

[Performance Security/ Additional Performance Security]

To,
National Highways Authority of India,
G-5 & 6, Sector-10, Dwarka,
New Delhi-110075

WHEREAS:

(A) _____[1] (the "**Consultant**") and the Chairman, National Highways Authority of India (the "**Authority**") have to execute and enter into a consultancy agreement (the "**Agreement**") in pursuance of the LOA issued to the Consultant *vide* ref no._____ dated _____ whereby the Authority has agreed to the Consultant rendering consultancy services for _____[2], subject to and in accordance with the provision of the Agreement.

(B) The Consultant is required to furnish a performance security to the Authority for a sum of Rs. _____/- (Rupees _____ only) (the "**Surety Bond Amount**") as security for due and faithful performance of its obligations, under and in accordance with the Agreement, during the Agreement Period (as defined in the Agreement).

(C) We, _____[3] having registered office at _____[4] through our branch at _____[5] (hereinafter referred to as the 'Surety Insurer', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) 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 Consultant's obligations during the Agreement 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,

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[1] Name and registered address of the Consultant to be mentioned.
[2] Name of the project to be mentioned.
[3] Name of the Surety Insurer to be mentioned.
[4] Registered Address of the Surety Insurer to be provided.
[5] Address of the issuing branch of the Surety Insurer to be mentioned.

KSSM & CO. CHARTERED ACCOUNTANTS

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and without any reference to the Consultant, such sum or sums up to 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 General Manager in the National Highways Authority of India, that the Consultant 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 Consultant is in default in due and faithful performance of its obligations during the Agreement Period under the Agreement and its decision that the Consultant is in default shall be final, and binding on the Surety Insurer, notwithstanding any differences between the Authority and the Consultant, or any dispute between them pending before any court. tribunal, arbitrators or any other authority or body, or by the discharge of the Consultant 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 or winding up of the Consultant or the Surety Insurer, whether by their absorption, merger or amalgamation with any other entity 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 Consultant 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 Consultant 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 Consultant, 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 Consultant 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.

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6. This Surety bond is issued by the Insurer and held by the Authority towards performance security of the Consultant as required under clause _____ of the Agreement[6] and is in addition to and not in substitution of any other surety bond or security which may hereafter be held by the Authority in respect of or relating to this Agreement.

7. Notwithstanding anything contained hereinbefore, the liability of the Surety Insurer under the 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 Authority on the Surety Insurer under 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 Surety Bond shall cease to be in force and effect on "_____"[7]. Unless a demand or claim under this Surety Bond is made in writing before the 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 Authority in writing and declares and warrants that it has the power to issue this Surety Bond and the undersigned is duly authorised and has full powers to do so on behalf of the Surety Insurer.

10. The Surety Insurer agrees that it will not assign its obligation under this Surety Bond without the prior written consent of the Authority. The Authority will not unreasonably withhold its consent if the proposed assignee is of at least equal financial standing to the Surety Insurer and the assignee assumes in writing the obligations of the Surety Insurer under this Surety Bond at the same time or before the assignment.

11. 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.

12. The Surety Bond shall cover all the liabilities arising out of the Agreement from the date of its commencement 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 Authority pursuant to the provisions of the Agreement.

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[6] Reference of RFQ clause can be mentioned here as the issuance of Insurance Surety Bond is a pre-condition for execution of the Agreement.

[7] (Date of issue)+ [_____] months (As per Agreement)

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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.

14. This Surety Bond shall also be operatable at our _____[8] Branch at New Delhi, 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 being invoked and payment thereunder claimed, the said branch shall also accept such invocation on 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.

Signed and Sealed this _____Day of _____, _____at_____.

SIGNED, SEALED AND DELIVERD

For and on behalf of the Surety insurer by:

(Signature)

(Name) _____

(Designation) _____

(Code Number) _____

(Address)_____

Note:
The address, telephone number, email and other details of the Head Office of the Surety Insurer as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.

[8] If Surety Bond is being issued from any other branch, any branch from New Delhi to be mentioned for operational purpose.

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Annexure - B

Format of Insurance Surety Bond for Independent Engineer services

FORM OF SURETY BOND
[Performance Security/ Additional Performance Security]

To,
National Highways Authority of India,
G-5 & 6, Sector-10, Dwarka,
New Delhi-110075

WHEREAS:

(A) _____[1] (the "**Consultant**") and the Chairman, National Highways Authority of India (the "**Authority**") have to execute and enter into a consultancy contract agreement (the "**Agreement**") in pursuance of the LOA issued to the Consultant *vide* ref no._____ dated _____ whereby the Authority has agreed to the Consultant rendering Independent Engineer services for _____[2], subject to and in accordance with the provision of the Agreement.

(B) The Consultant is required to furnish a performance security to the Authority[3] for a sum of Rs. _____/- (Rupees _____ only) (the "**Surety Bond Amount**") as security for due and faithful performance of its obligations, under and in accordance with the Agreement, during the Agreement Period (as defined in the Agreement).

(C) We, _____[4] having registered office at _____[5] through our branch at _____[6] (hereinafter referred to as the "**Surety Insurer**", which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) 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 Consultant's obligations during the Agreement 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,

[1] Name and registered address of the Consultant to be mentioned.
[2] Name of the project to be mentioned.
[3] In case, Surety Bond is not mentioned as mode of performance security in RFQ/ Agreement, it can be mentioned that "by way of Insurance Surety Bond instead of Bank Guarantee."
[4] Name of the Surety Insurer to be mentioned.
[5] Registered Address of the Surety Insurer to be provided.
[6] Address of the issuing branch of the Surety Insurer to be mentioned.

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and without any reference to the Consultant, such sum or sums up to 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 General Manager in the National Highways Authority of India, that the Consultant 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 Consultant is in default in due and faithful performance of its obligations during the Agreement Period under the Agreement and its decision that the Consultant is in default shall be final, and binding on the Surety Insurer, notwithstanding any differences between the Authority and the Consultant, or any dispute between them pending before any court. tribunal, arbitrators or any other authority or body, or by the discharge of the Consultant 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 or winding up of the Consultant or the Surety Insurer, whether by their absorption, merger or amalgamation with any other entity 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 Consultant 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 Consultant 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 Consultant, 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 Consultant 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.

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6. This Surety bond is issued by the Insurer and held by the Authority towards performance security of the Consultant as required under clause _____ of the Agreement[7] and is in addition to and not in substitution of any other surety bond or security which may hereafter be held by the Authority in respect of or relating to this Agreement.

7. Notwithstanding anything contained hereinbefore, the liability of the Surety Insurer under the 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 Authority on the Surety Insurer under 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 Surety Bond shall cease to be in force and effect on "_____"[8]. Unless a demand or claim under this Surety Bond is made in writing before the 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 Authority in writing and declares and warrants that it has the power to issue this Surety Bond and the undersigned is duly authorised and has full powers to do so on behalf of the Surety Insurer.

10. The Surety Insurer agrees that it will not assign its obligation under this Surety Bond without the prior written consent of the Authority. The Authority will not unreasonably withhold its consent if the proposed assignee is of at least equal financial standing to the Surety Insurer and the assignee assumes in writing the obligations of the Surety Insurer under this Surety Bond at the same time or before the assignment.

11. 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.

12. The Surety Bond shall cover all the liabilities arising out of the Agreement from the date of its commencement 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 Authority pursuant to the provisions of the Agreement.

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[7] Reference of RFQ clause can be mentioned here as the issuance of Insurance Surety Bond is a pre-condition for execution of the Agreement.

[8] (Date of issue)+ [_____] months (As per Agreement)

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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.

14. This Surety Bond shall also be operatable at our _____[9] Branch at New Delhi, 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 being invoked and payment thereunder claimed, the said branch shall also accept such invocation on 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.

Signed and Sealed this _____Day of _____, _____at_____.

SIGNED, SEALED AND DELIVERD

For and on behalf of the Surety insurer by:

(Signature)

(Name) _____

(Designation) _____

(Code Number) _____

(Address)_____

Note:
The address, telephone number, email and other details of the Head Office of the Surety Insurer as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.

KSSM & CO. CHARTERED ACCOUNTANTS

[9] If Surety Bond is being issued from any other branch, any branch from New Delhi to be mentioned for operational purpose.

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