

**KARNATAKA POWER TRANSMISSION CORPORATION LIMITED**

CIN : U40109KA1999SGC025521

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Corporate Office

Kaveri Bhavan, K.G. Road

Bengaluru - 560 009

No: KPTCL/B25/CEE(T&amp;P)/66075/25-26

Date: 9 JUL 2025

E.O.No.:219883

**CIRCULAR**

**Sub: Adoption of Insurance Surety Bonds for Bid Security towards EMD, Contract Performance Guarantees and Extension of Bid Securities / Performance Guarantees in the Tender Documents as per GoK Order.**

**Ref:** 1. Government of Karnataka Notification No.FD944 Exp-12/2024 dated: 03.04.2025  
2. E.O.Note no.219883 of the Chief Engineer(Ele), T&P, KPTCL, Bengaluru approved by the Managing Director, KPTCL on 08.07.2025.

Government of Karnataka vide Notification No.FD944 Exp-12/2024 dtd:03.04.2025 (Flag-A) has made the following amendment to Rule 12 of Karnataka Transparency in Public Procurement Rules, 2000:

- (i) In sub-rule(1), after the words "irrevocable bank guarantee", the words "including e-Bank Guarantee, Insurance Surety Bonds issued by Insurance Company authorized by Insurance Regulatory and Development Authority of India" shall be inserted and.
- (ii) In sub-rule(3), after the words "tenderer as per departmental rules", the words, letter and brackets "in the form as specified in sub-rule(1) shall be inserted..

In view of the above, the aforementioned amendment for considering Insurance Surety Bonds issued by Insurance Company authorized by Insurance Regulatory and Development Authority of India against Bid Security towards EMD/ Contract Performance Guarantees / Extension of Bid Securities/ Performance Guarantees, together with the enclosed following approved formats shall be incorporated in the relevant clauses of the standard tender documents of KPTCL with immediate effect by all the tender inviting authorities.

- Insurance Surety Bond towards Performance Security.
- Insurance Surety Bond towards EMD.
- Extension of bank guarantee / insurance surety bond.

The above instructions shall be followed scrupulously.

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ರವರ ಕಛೇರಿ	
ಇ.ಸಂಖ್ಯೆ:	
ದಿನಾಂಕ:	
1. ಅ.ಇಂ. (ಎ)-1	✓
2. ಅ.ಇಂ. (ಎ)-2	✓
3. ಲೆಕ್ಕ ನಿಯಂತ್ರಣಾಧಿಕಾರಿ	✓
EE(ಸು) & EE(ಎ)	
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Chief General Manager (Tech)

KPTCL

Copy to:

- All Chief Engineers (Ele), KPTCL.

2. All Financial Advisors, KPTCL.
3. All Superintending Engineers (Ele), Operations/Projects, KPTCL.
4. All Controllers of Accounts, KPTCL.
5. All Executive Engineers (Ele), Operations/Projects, KPTCL.
6. All Deputy Controllers of Accounts, KPTCL.
7. EA to Director (Operations) /(Projects), KPTCL, Kaveri Bhavan, Bengaluru.
8. SPS to the Managing Director / Director (Finance), KPTCL, Kaveri Bhavan, Bengaluru.

**Copy to:**

The Superintending Engineer (Ele), IT, KPTCL with a request to arrange to upload this Circular in KPTCL website.

Side

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

Insurance Surety Bond No:

Date:

**To**

The Chief Engineer, Electricity,  
Tendering & Procurement,  
3rd Floor, KPTCL, Kaveri Bhavan,...  
Bengaluru - 560009

Dear Sirs,

In consideration of the Karnataka Power Transmission Corporation Limited, (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..... with its Registered/Head Office at ..... (hereinafter referred to as the 'Contractor' 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 Letter of Intent to Award the Contract No.....dated..... and the same having been unequivocally accepted by the Contractor, resulting in a Contract bearing No.....dated .....valued at.....for .....(Scope of Contract) and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful Performance of the entire Contract equivalent to **5% (Five Percent)** of the **Amount put to tender (Excluding GST)** plus additional security for unbalanced tenders in accordance with Clause 25.5 of ITT and Clause 43 of the CC (Conditions of Contract).

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 Contractor 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 Contractor. Any such demand made by the Owner on the Insurer shall be conclusive and binding notwithstanding any difference between the Owner and the Contractor 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 Contractor 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 Contractor, 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 Contractor 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 Contractor and notwithstanding any security or other guarantee that the Owner may have in relation to the Contractor's liabilities.

Notwithstanding anything contained hereinabove our liability under this Insurance Surety Bond is restricted to .....(\*).. and it shall remain inforce 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. .... { Contractor's Name}on whose behalf this Insurance Surety Bond has been given.

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

WITNESS :

1. ....  
.....

(Signature)

.....

(Signature)

.....

...

(Name)

.....

(Name)

.....

...

(Official Address)  
Vide Power of Attorney

(Designation with Insurer Stamp) Authorised

No.....

Date.....

2. ....  
(Signature)

.....

(Name)

.....

(Official Address)

Notes :(\*) This sum shall be five percent (05%) of the Contract Price.

1. The Insurance Surety Bond shall be from an Insurer as per guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI).
2. The Owner shall be the Creditor, the Contractor 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.
3. 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 Contractor Insurer issuing the Insurance Surety Bond.

4. While getting the Insurance Surety Bond issued, the Contractor is required to ensure compliance to the points mentioned in Form of Bank Guarantee/ Insurance Surety Bond Verification Check List. Further, the Contractor 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. **Contractor Reference** :  
Name  
.....  
Address  
.....  
Telephone  
.....  
Email .....
7. **Bank / Insurance Agency Reference**  
Name  
.....  
Address .....
- Telephone  
.....
- Email .....

<b>Sl. No.</b>	<b>Details of Checks</b>	<b>Yes/No</b>
1.	Is the BG/ Insurance Surety Bond (ISB) 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/ Insurance Surety Bond (ISB) and the stamp paper should be purchased either in the name of the executing Bank or Insurance Agency or the Contractor on whose behalf the BG/ Insurance Surety Bond (ISB) has been issued. The Stamp Papers (other than e-stamp paper) should be duly signed by the stamp vendor).	
3.	Has the executing officer of BG/ Insurance Surety Bond (ISB) indicated his name, designation and Power of Attorney No. / Signing Power No. etc., on the BG/ Insurance Surety Bond (ISB) ?	
4.	Is each page of BG duly signed / initialed by executant and whether stamp of Bank or Insurance Agency is affixed thereon?	
5.	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?	
6.	Does the Bank Guarantee/ Insurance Surety Bond (ISB) compare verbatim with the Proforma prescribed in the Bidding Documents?	
7.	Are the factual details such as NIT no. / Tender Enquiry no. / Bidding Documents No. / Specification No., Amount of BG/ Insurance Surety Bond (ISB) , validity of BG/ Insurance Surety Bond (ISB) correctly mentioned in the BG/ Insurance Surety Bond (ISB) ?	



8.	Whether overwriting / cutting, if any on the BG/ Insurance Surety Bond (ISB) have been properly authenticated under signature & seal of executants?	
9.	Whether BG/ Insurance Surety Bond (ISB) has been issued by a Bank or Insurance Agency in line with the provisions of Bidding Documents?	

**Signature of Contractor .....**

**Name .....**

**Designation .....**

**Seal**

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

Insurance Surety Bond  
No.: Date:

To  
The Chief Engineer, Electricity,  
Tendering & Procurement,  
3rd Floor, KPTCL, Kaveri Bhavan,  
Bengaluru – 560009

Dear Sirs,

In accordance with Invitation for Bids under your Bid Document No. **{Tender Reference No.}**, M/s **{Contractor's Name}** having its Registered/Head Office at **{address}** (hereinafter called the 'Contractor') wish to participate in the said bid for **{Tender Title}**.

As an irrevocable Insurance Surety Bond against Bid Security for an amount of

.....(\*)..... valid for ..... days  
from .....(\*\*) required to be submitted by the Contractor as a condition precedent for participation in the said bid which amount is liable to be forfeited on the happening of any contingencies as mentioned under the Bidding Documents.

We, the **{Name of the Insurer}** having our Head Office at **{address of the Insurer}** guarantee and undertake to pay immediately on demand by Karnataka Power Transmission Corporation Limited, (hereinafter called the 'Owner') the amount of .....(\*)..... without any reservation, protest, demand and recourse. Any such demand made by the 'Owner' shall be conclusive and binding on us irrespective of any dispute or difference raised by the Contractor and/or any right/remedy available to the Contractor in terms thereof.

This Insurance Surety Bond shall be unconditional as well as irrevocable and

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shall remain valid upto.....(@) If any further extension of this Insurance Surety Bond is required, the same shall be extended to such required period (not exceeding one year) on receiving instructions from M/s { **Contractor's Name**} on whose behalf this Insurance Surety Bond is issued.

In witness where of the Insurer, through its authorised officer, has set its hand and stamp on this ..... day of ..... 20..... at .....

.....  
(Signature)

.....  
(Name)

.....  
(Designation with  
Insurer Stamp)

Authorised Vide Power of Attorney PoA No.....

Date.....

**NOTE:**

1. (\*) The amount shall be as specified in the SPC.  
(\*\*) This shall be the last date of bid submission deadline.  
(@) This date shall be Forty Five (45) days after the last date for which the bid is valid.
2. The Insurance Surety Bond shall be from an Insurer as per guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI) as amended from time to time.
3. The Owner shall be the Creditor, the Contractor 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 Contractor /Insurer issuing the Insurance Surety Bond.
5. While getting the Insurance Surety Bond issued, Contractors are required to ensure compliance to the points mentioned in Form of Bank Guarantee/Insurance Surety Bond Verification Check List enclosed in this Section of Bidding Documents. Further, Contractors are required to fill up this Form and enclose the same with the Insurance Surety Bond.

**FORM OF EXTENSION OF BANK GUARANTEE/INSURANCE SURETY BOND**

**(On Non-judicial stamp paper of same value on which original BG was executed)**

Ref. No.:

Date:

To,  
The Chief Engineer, Electricity,  
Tendering & Procurement,  
3rd Floor, KPTCL, Kaveri Bhavan,  
Bengaluru – 560009

Dear Sirs,

Subject: Extension of Bank Guarantee No. .... dated ..... for  
..... [indicate value of bank guarantee]  
.....  
favouring yourselves .....  
expiring .....  
on  
.....  
on .....  
account .....  
of .....  
M/s  
.....  
(Name of Contractor).....in respect of Contract for  
.....  
(Insert Tender name) .....  
(hereinafter .....  
called .....  
original .....  
Bank Guarantee/ Insurance Surety Bond)

At the request of M/s ..... we.....Insurer /Bank branch  
office at and

having its Head Office at ..... do hereby extend our liability

under the abovementioned Guarantee No. .... dated for a further period of ..... year/months from----- to expire on.....

Except as provided above, all other terms and conditions of original Bank Guarantee/ Insurance Surety Bond No. .... dated ..... shall remain unaltered and binding.

Please treat this as an integral part of the original guarantee to which it would be deemed to have been attached.

Signature .....

Name .....

Designation .....

Authorised Vide Power of Attorney No. ....

Dated .....

SEAL OF BANK/INSURANCE COMPANY

Note:

1. The extension of BG/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 BG/Insurance Surety Bond is submitted or is to be acted upon or the rate prevailing in the State where the BG is executed, whichever is higher. The Stamp Paper/e-Stamp paper shall be purchased in the name of Insurance Surety Bond /Bank issuing the guarantee.