



KREDL/07/GC/500MW-LOA/KIL/2014-15/4547

Date: 18.11.2014
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Letter of Award

M/s. Kavit Industries Limited
 9th Floor, Galav Chamber,
 Sayajigunj, Vadodra,
 Gujrat, INDIA

Dear Sir,

Sub: Letter of Award (LOA) for Development of Solar Power Project in the State of Karnataka.
Ref: KRED/07/GC/RFP/2014-15 Dated: 30.05.2014.

We refer to your Bid in response to our Request for Proposal (RFP) for the "Development of Solar Power Projects in the State of Karnataka".

We are pleased to inform you that your tariff submitted for the below mentioned project has been accepted and you have been declared as one of the selected bidders for the Project. The details of the project are as below:

Sr. No.	Tentative Location	Proposed Technology	Capacity (in MW)	Tariff (in Rs./kWh)	
				In figures	In words
1	Near Mallapura, Nayakanahatti, Challakere Tehsil, Chitradurga District	Solar PV	5.	Rs. 7.10/-	Seven Rupees & Paise Ten Only

Please note that the acceptance of your Bid is subject to the following terms and conditions:

- a) In terms of the clause 2.1.16 of RFP, you are required to set up a Special Purpose Vehicle (SPV)¹ duly incorporated under the Companies Act 1956. The constitution of such company should comply with the conditions of the shareholder commitments mentioned in the RFP.

¹ (Where the Bidder is a Single Business Entity, it may at its option, form an appropriate Special Purpose Vehicle under the Companies Act, 1956. Where the bidder is a consortium it has to incorporate an appropriate "SPV" as per the terms of the RFP)

- b) You are required to execute the Power Purchase Agreement with GESCOM, corporate office, Station Main Road, Station Road, Gulbarga- 585102, within 30 days (Thirty Days) from the date of receipt of this Letter of Award.
- c) In terms of the RFP and Power Purchase Agreement, you are requested to furnish the following documents within 15 days (Fifteen Days) from the date of receipt of this Letter of Award, as a pre-requisite to sign the Power Purchase Agreement.
- i. A copy of the Certificate of incorporation of the SPV
 - ii. Details of the promoters and their shareholding in the SPV, duly certified by the Company Secretary in original.
 - iii. Performance security, by the way of irrevocable bank guarantee for a total value of Rs. 5,000,000/- (Rupees Fifty Lakhs Only) in the form and manner as per the provisions of Clause 3.9 of the RFP, in favour of the Managing Director GESCOM, and shall be valid for a period of One year from COD.
 - iv. The total value of the Performance Bank Guarantee (PBG) shall be split into three Performance Bank Guarantees as detailed hereunder:

PBG I – 20% of the total value	PBG II – 40% of the total value	PBG III – 40% of the total value
Rs.1,000,000/- (Rupees Ten Lakhs Only)	Rs.2,000,000/- (Rupees Twenty Lakhs Only)	Rs.2,000,000/- (Rupees Twenty Lakhs Only)

- d) Information on the technology proposed to be used in case of advanced technology, and commit the average CUF for the Project.

Kindly note that this communication by itself does not create any right or contractual relationship with KREDL or GESCOM, any such right or relationship shall come into effect only on your fulfilling the above conditions and execution of the Power Purchase Agreement.

You are requested to acknowledge this LoA within 7 Days of receipt of this letter and also requested to indicate a suitable date for execution of the Power Purchase Agreement.

Yours faithfully,

[Handwritten Signature]

Managing Director

Copy to:

1. The Managing Director, GESCOM, Gulbarga, for information.
2. The PS to ACS, Energy Development, GoK, with a request to place it before the ACS for kind perusal.