

KREDL

ಕರ್ನಾಟಕ ನವೀಕರಿಸಬಹುದಾದ ಇಂಧನ ಅಭಿವೃದ್ಧಿ ನಿಯಮಿತ
KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED
(A Government of Karnataka Enterprise)

No: KREDL: RE: 021: RFP: 2011-12:

Date: 08.06.2012

Letter of Award

M/s SaiSudhir Energy Limited
401, G.P Elite, 8-2-283/4,
Road no 14, Banjara Hills,
Hyderbad-560034.

Dear Sir,

Sub: Letter of Award (LOA) for Development of Solar Power Project in the State of Karnataka.

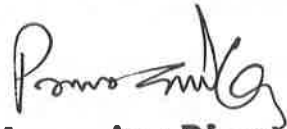
1. We refer to your Bid dated November 24, 2011 in response to our Request for Proposal (RFP) for the "Development of Solar Power Projects in the State of Karnataka" ("the Project").
2. We are pleased to inform that the Discount in Tariff of **601 paise (six hundred and one paise)** /kWh on the KERC Approved Applicable Tariff of **1450 paise/kWh**, offered by you for developing a **10MW Solar PV Power Plant** located at **District: Bellary, Taluk: HB Halli, Village: Varadapura** has been accepted (Tariff after discount is Rs 8.49 paise /Kwh) and you have been declared as one of the Selected Bidders for the Project. (the locations are tentative)
3. Please note that our acceptance of your Bid is subject to the following terms and conditions:
 - (a) In terms of Clause 1.1.1 of the RFP, you are required to set up a Special Purpose Vehicle (SPV) duly incorporated under the Companies Act 1956. The constitution of such company should comply with the conditions of shareholder commitments mentioned in the RFP.
 - (b) The company is required to sign PPA within 30days from the date of communication of allocation of ESCOMs for the purpose. However the companies are required to communicate the change in location of the project if any as early as possible.
 - (c) In terms of the RFP and Power Purchase Agreement, you are required to make/furnish following payments/documents to KREDL prior to or at the time of signing of Power Purchase Agreement.
 - i. A copy of the Certificate of Incorporation of the SPV
 - ii. Details of promoters and their shareholding in the SPV, duly certified by the Company Secretary as on June 30, 2012, in original

- iii. Performance Security, by way of irrevocable bank guarantees for a total value of Rs 24.9 crores/- (Rupees twenty four crores and ninety lakhs and fifty thousand Only) (including Performance Guarantee calculated at Rs. 30 Lakhs/ MW and the Bid Security & Bid Bond already submitted by you) the form and manner as per the provisions of Clause 3.11 of the RFP, in favour of Managing Directors of concerned ESCOMs.
- iv. The total value of the Performance Bank Guarantee (PBG) shall be split into three Performance Bank Guarantees as detailed hereunder:
- a) PBG I- 20% of the total value equivalent of 4.98 crores ./- (Rupees four crore and ninety eight lakhs Only)
 - b) PBG II- 40% of the total value equivalent of 9.96 crores /- (Rupees nine crores and ninety six lakhs Only)
 - c) PBG III- 40% of the total value equivalent of 9.96 crores/- (Rupees nine crores and ninety six lakhs Only)
 - Shall be valid for a period of 1 year from COD
- v. 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 Electricity Supply Companies. Any such right or relationship shall come into effect only on your fulfilling the above said conditions and execution of the Power Purchase Agreement.

You are also requested to indicate a suitable date for execution of the Power Purchase Agreement.

Yours faithfully,


Managing Director


Copy to:

1. **Principal Secretary, Energy Department, Government of Karnataka**
2. **Managing Director, KPTCL, Kaveri Bhavan, Bangalore**