



KREDL

ಕರ್ನಾಟಕ ನವೀಕರಿಸಬಹುದಾದ ಶಕ್ತಿ ಅಭಿವೃದ್ಧಿ ನಿಗಮ

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 Welspun Solar AP Pvt Ltd
3rd Floor, Press Trust of India Building,
4 Parliament Street,
New Delhi-110001.

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 **600 paise (six hundred paise) /kWh** on the KERC Approved Applicable Tariff of **1450 paise/kWh**, offered by you for developing a **7MW Solar PV Power Plant** located at **District: Chitradurga, Taluk: Hiriyyur, Village: Rangenahalli** has been accepted (Tariff after discount is Rs 8.50 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 30 days 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 17.395 crores/- (Rupees seventeen crores thirty nine 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, infavour 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 3.479 crores ./- (Rupees three crores forty seven lakh and ninety thousand Only)
 - b) PBG II- 40% of the total value equivalent of 6.958 crores /- (Rupees six crores ninety five lakhs and eighty thousand Only)
 - c) PBG III- 40% of the total value equivalent of 6.958 crores/- (Rupees six crores ninety five lakhs and eighty thousand 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,


8/6/2012
Managing Director

Copy to:

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