



K R E D L

ಕರ್ನಾಟಕ ನವೀಕರಿಸಬಹುದಾದ ಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿ ನಿಯಮಿತ

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

A Government of Karnataka Enterprise

KREDL/RE/021/130MWs/RPO/LOA/2013-14/1952

Date: 23.08.2013

Letter of Award

M/s Azure Power (Karnataka) Pvt Ltd  
No.8, LSC Madangir, Puship Vihar,  
New Delhi-110062



Dear Sir,

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

1. 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" ("the Project").
2. We are pleased to inform that the Discount in Tariff of 7.03/- Rupees (Seven Rupees Three Paise) kWh on the KERC Approved Applicable Tariff of Rs 14.50 /kWh, offered by you for developing a 10 MW Solar PV Power Plant at **Bangarpet Taluk , Kolar District, Karnataka** has been accepted (Tariff after discount is **Rs 7.47 /Kwh**) and you have been declared as one of the Selected Bidders for the Project. **(The location is tentative)**
3. Please note that our acceptance of your Bid is subject to the following terms and conditions:
  - (a) In terms of Clause 2.1.16 of the volume - I RFP, you are required to set up a Special Purpose Vehicle (SPV)<sup>1</sup> duly incorporated under the Companies Act 1956. The constitution of such company should comply with the conditions of shareholder commitments mentioned in the RFP.  
(Where the Bidder is a Single Business Entity, it may at its option, form an appropriate Special Purpose Vehicle under the Companies Act, 1956 (the "SPV") Where the Bidder is a Consortium it shall incorporate an appropriate "SPV" as per the terms of the RFP.)
  - (b) You are required to execute **Power Purchase Agreement within 30days from the date of issue of allotment Letter**
  - (c) You are required to furnish the following payment/document **on or before September 6<sup>th</sup>, 2013:**

M.D.  
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AZURE SOLAR  
Pvt Ltd

(i) Processing fee of Rs.10,00,000/MW in favour of Managing Director, KREDL in form of DD.



- b) To furnish extension of Bank guarantee (Bid security) for additional period of 6 months. On failure to furnish the extended Bank Guarantee (Bid Security) within the specified time limit, the Bid Security shall be forfeited and appropriated by KREDL.
- (d) In terms of the RFP and Power Purchase Agreement, you are required to make/furnish following documents to KREDL prior to signing of Power Purchase Agreement.
- a) A copy of the Certificate of Incorporation of the SPV
  - b) Details of promoters and their shareholding in the SPV, duly certified by the Company Secretary in original
  - c) Performance Security, by way of irrevocable bank guarantees for a total value of Rs 7.75/- (**Rupees Seven Crore Seventy Five Lakhs Only**) in the form and manner as per the provisions of Clause 3.11 of the RFP, in favour of Managing Directors of concerned ESCOMs (after allotment of projects to ESCOMs from KREDL and performance guarantee shall be valid for a period of 1 year from COD)
  - d) 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 **Rupees 1.55 Crores** /- (Rupees One Crore Fifty Five Lakhs Only)
    - b) PBG II- 40% of the total value equivalent of **Rupees 3.1 Crores** /- (Rupees Three Crore Ten Lakhs Only)
    - c) PBG III- 40% of the total value equivalent of **Rupees 3.1 Crores** /- (Rupees Three Crore Ten Lakhs Only)
  - e) 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 after allocation of particular ESCOM.

LA Accepted

For Azare Power India Private Limited

Girish Narang  
Legal Counsel



Yours faithfully

Managing Director