



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

KREDL: RE: 021: 50MWs: RPO: LOA: 2014-15: 2499

Date: 24.07.2014

Letter of Award

M/s Bhadresh Trading Corporation Limited
101-104,'A' Tower , Peninsula Corporate Park,
G.K. Road, Lower Parel (W), Mumbai 400 013

Reg. Post Ack. Due

Dear Sir,

**Sub: Letter of Award (LOA) for Development of Solar Power Project in
the State of Karnataka (as per clause 3.4.6 of RFP).**

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”).

We are pleased to inform you that the tariff of Rs. 7.37/- (Rupees seven and paise
thirty seven only)/kWh offered by you for developing a 10MW Solar PV Power Plant in
Karnataka, has been accepted and you have been declared as one of the Selected Bidders
for the Project.

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)¹ duly incorporated under the Companies Act
1956. The constitution of such company should comply with the conditions of
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 (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 with BESCO
within 60days from the date of receipt of this Letter of Award.**
- c) In terms of the RFP and Power Purchase Agreement, you are required to
furnish the following documents **within 40 days from the date of receipt of
this Letter of Award** as a pre-requisite to sign 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 in original



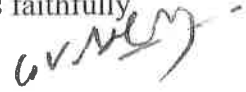
- iii. Performance Security, by way of irrevocable bank guarantees for a total value of **Rs 4.15 crores (Rupees Four crores fifteen lakhs only)** in the form and manner as per the provisions of Clause 3.9 of the RFP, in favour of Managing Director of BESCOM shall be valid for a period of 1 year from COD.
- iv. The total value of the Performance Bank Guarantee (PBG) shall be split into three Performance Bank Guarantees as detailed hereunder:
 1. PBG I- 20% of the total value equivalent of Rupees **83,00,000** ./- (Rupees Eighty Three Lakhs Only)
 2. PBG II- 40% of the total value equivalent of Rupees **1,66,00,000** ./- (Rupees One crore sixty six lakhs Only)
 3. PBG III- 40% of the total value equivalent of Rupees **1,66,00,000** ./- (Rupees One crore sixty six 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 BESCOM. 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 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,



Managing Director

Copy to

The Managing Director, BESCOM, Bangalore, for information.

The PS to ACS, Energy Department, GoK, with a request to place it before the ACS for kind perusal.