



K.R.E.D.L

ಕರ್ನಾಟಕ ನವೀಕರಿಸಬಹುದಾದ ಇಂಧನ ಅಭಿವೃದ್ಧಿ ನಿಯಮಿತ

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

(Government of Karnataka Undertaking)

KREDL: RE: 021: 50MWs: RPO: LOA: 2014-15: 3500

Date:24.07.2014

Letter of Award

M/s Interocean Shipping India Private Limited
75 Link Road, Lajpat Nagar III
New Delhi, 110024, India

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. 7.39/- (**Rupees seven and paisa thirty nine only**)/kWh offered by you for developing a 3MW 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 MESCOM 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



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iii. Performance Security, by way of irrevocable bank guarantees for a total value of **Rs 1.245 crores (Rupees one crore twenty four lakhs fifty thousand only)** in the form and manner as per the provisions of Clause 3.9 of the RFP, in favour of Managing Director of MESCOM 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 **24,90,000/-** (Rupees twenty four lakhs ninty thousand Only)
2. PBG II- 40% of the total value equivalent of Rupees **49,80,000/-** (Rupees forty nine lakhs eighty thousand Only)
3. PBG III- 40% of the total value equivalent of Rupees **49,80,000/-** (Rupees forty nine lakhs eighty thousand 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 MESCOM. 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, MESCOM, Mangalore, for information.

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