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

Letter of Award and Allotment Letter

Date: 23/3/16

Letter no.:KREDL/07/RPO/GC/1200MWs-269/2016/ 12/15

To,

M/s. Hero Solar Energy Pvt Ltd
202, 3rd floor,
Okhla Industrial Phase – III,
New Delhi - 110020

Dear Sir/ Madam,

Subject : Letter of Award and Allotment Letter for Development of 1,200 MW (AC) Solar Power Projects in the State of Karnataka to be implemented in 60 Taluks (as per the clause 3.4.6 of RfP dated 20 November 2015)

We refer to your Bid in response to our Request for Proposal (RfP) for the "Development of 1,200 MW (AC) Solar Power Projects in the State of Karnataka to be implemented in 60 Taluks" (hereinafter shall be referred as "the Project").

We are pleased to inform you that your tariff submitted for the below mentioned project has been accepted and you have been declared as one of the Selected Bidders for the Project.

The details of the project are as below:

Sr. No.	Tentative Location	Proposed Technology	Capacity (in MW)	Tariff (in INR/kWh)	
				In figures	In words
1	Taluk: Chittapura District: Kalburgi	Solar PV	20 MW	INR 4.83	Indian Rupees Four Paise Eighty Three Only

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Please note that the acceptance of your Bid is subject to the following terms and conditions:

- a) In terms of the clause 2.1.16 of the RfP, you are required to set up a Special Purpose Vehicle (SPV)¹duly incorporated under the Companies Act 1956/ 2013. The constitution of such company should comply with the conditions of the shareholder commitments mentioned in the RfP.
- b) You are required to execute the Power Purchase Agreement (PPA) with Gulbarga Electricity Supply Company Limited (GESCOM) within 30 days (Thirty Days) from the date of receipt of this Letter of Award, as per clause 3.4.7 of the RfP.
- c) In terms of the RfP and PPA, you are requested to furnish the following documents within 15days (Fifteen Days) from the date of receipt of this Letter of Award, as a pre-requisite to sign the Power Purchase Agreement.
 - i. A copy of the Certificate of incorporation of the SPV
 - ii. Details of the promoters and their shareholding in the SPV, duly certified by the Company Secretary in original.
 - iii. Performance Security, by the way of irrevocable Bank Guarantees for a total value of INR 2,00,00,000 (Indian Rupees Two Crore Only) calculated as INR 10,00,000 (Indian Rupees Ten Lakh Only) per MW in the form and manner as per the provisions of Clause 3.9 of the RfP, in favour of the Managing Director GESCOM, and shall be valid for a period of Twelve (12) months from Scheduled Commissioning Date.

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/ 2013 (the "SPV") to execute the PPA and implement the Project. In case foreign company bids as a Single Business Entity, it shall, prior to execution of the PPA, incorporate an appropriate "SPV" in India only to execute the PPA and implement the Project. In case the Bidder is a Consortium, it shall, prior to execution of the PPA, incorporate as per the terms of the RfP, an appropriate "SPV" in India only to execute the PPA and implement the Project.

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- iv. The total value of the Performance Bank Guarantee (PBG) shall be split into three (3) Performance Bank Guarantees as detailed hereunder:

PBG I – 20% of the total value	PBG II – 40% of the total value	PBG III – 40% of the total value
INR 40,00,000	INR 80,00,000	INR 80,00,000
Indian Rupees Fourty Lakh Only	Indian Rupees Eighty Lakh Only	Indian Rupees Eighty Lakh Only

- v. No deviation certificate on the letter head of the Bidding Entity stating that the selected Bidder shall not be entitled to seek any deviation in the PPA, as per clause 3.4.7 of the RfP.
- vi. Information on the technology proposed to be used in case of advanced technology, as applicable.
- vii. Information on commitment on the energy generation in Million kWh (MU) for the Project and the maximum CUF as per the clause 5.6 of the draft PPA.

Kindly note, that this communication by itself does not create any right or contractual relationship with Karnataka Renewable Energy Development Limited (KREDL) or Gulbarga Electricity Supply Company Limited (GESCOM), any such right or relationship shall come into effect only on your fulfilling the above conditions and execution of the Power Purchase Agreement.

You are requested to acknowledge this LoA within seven (7) Days of receipt of this LoA and also requested to indicate a suitable date for execution of the Power Purchase Agreement.

Yours faithfully,

[Signature]
Managing Director 23/3/16

Copy to:

The Managing Director, Gulbarga Electricity Supply Company Limited, for kind information and needful.

The PS to Additional Chief Secretary to Government (Energy), Government of Karnataka, with a request to place it before the Additional Chief Secretary to Government (Energy), Government of Karnataka for kind perusal.