

**KARNATAKA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD.**

29/1, RACE COURSE ROAD, BANGALORE -560 001, Tel No:- 080-2226 2203, 080-2220 0169 Fax No:- 080-2220 0165

Ref: KEONICS/IDC/IT-P/05-2010

Date: 04-02-2010

EXPRESSION OF INTEREST (EoI)**Co-Developers for Development of IT-Special Economic Zone (IT-SEZ) in Shimoga**

KEONICS has developed the 332 Acre Electronic City in Bangalore, which has become the main hub of IT activity in Bangalore. KEONICS on behalf of Government of Karnataka intends to develop IT SEZ (as notified by the board of approvals, Govt. of India) along with a Co-developer/(s) where in about 25 Acres have been identified in the prime location between Shimoga and Bhadravathi, KEONICS invites proposals from reputed real estate firms / Industrial firms / developers / investors / Consortiums / IT Firms to participate in a two level system of selection of the bidder. KEONICS seeks to select a Co-developer/(s) who shall Design, Finance, Build, Market, Operate, and Transfer the asset created, at the end of the 99 years lease term, **Bidders can bid for minimum of 1 Acre or 5 Acres or total 25 Acres.** The EoI documents can be bought from the office of KEONICS during office hours.

Location of Site : Situated at KIADB Industrial Area (Nidige-Machenahalli) and has excellent road access from Bhadravathi-Shimoga National Highway-206.

Proposals: KEONICS invites expression of Interest along with the supporting pre-qualification documents for the mentioned project from national or international firms, or Joint Ventures. Those bidders shortlisted through this EoI shall be issued an RFP at a later date. Based on the responses received, KEONICS will have the discretion to modify the minimum qualifying criteria. The EoI should be accompanied by the audited financial statements of the last three consecutive financial years ending March 31, 2009, information on relevant experience to suitably demonstrate their ability to successfully implement this project, and a legally executed Memorandum of Understanding (MoU) between the consortium partners (In case the financial criteria of consortium is to be considered). The EoI document can be bought by sending a demand draft of Rs.10,000 (Ten Thousand only) drawn in favour of "Karnataka State Electronics Development Corporation Ltd" payable at Bangalore. For more details visit www.keonics.com or Contact Sri. Maruthi M. at 9731560711. The last date for submission of EoI shall **before 17.00 hrs. on 22nd February, 2010** at the above address,

Sd/- Director - Operations

Expression of Interest from Co-developers for the Development of IT-SEZ in Shimoga –

PROPOSED PROJECT STRUCTURE

1. KEONICS shall lease the land to the Project SPV to be incorporated by Preferred Bidder (CONFIRMING PARTY) for a 99 year lease period, subject to the Preferred Bidder/Project SPV making the requisite payment of up-front 10% premium to KEONICS on issue of Letter of Intent and on meeting the other terms and conditions of the Lease.
2. The Preferred Bidder shall be responsible for development, operation & maintenance of common area infrastructure of the IT SEZ as a whole during the Lease period, Common area infrastructure shall include, but not limited to, roads, storm water drains, street lighting, common area greenery, potable & non-potable water infrastructure, sewerage infrastructure and rain water harvesting in common areas, solid waste management with requisite tie-up with authorized agencies.
3. The Preferred Bidder shall obtain necessary connections for power & water supply from competent authorities and obtain requisite approvals for development, operation & management of around the 25 acres portion of the SEZ and common area infrastructure of the IT SEZ as a whole during the lease period.

EXPRESSION OF INTEREST :

1. KEONICS now invites Expressions of Interest (EoI) in the prescribed form enclosed herewith from interested large IT/ ITES/ Electronic Hardware firms AND/OR Real Estate/ Construction companies for Planning, Design, Final Development, Construction, Marketing, Operation and Maintenance of the SEZ.
2. Developers can contact the following persons for additional information/clarifications of the Project:

Mr. Mauthi M. Assistant Manager – 09731560711

Mr. Bandu, General Manager- Infrastructure
KEONICS, #29/1, Race Course Road,
BANGALORE . 560001
KARNATAKA STATE, INDIA
Tel: +91-80- 2226 2203, 2220 0169
Fax: 91-80-2220 0165
E-MAIL: keonics_it_SEZ@yahoo.com

ELIGIBILITY CRITERIA :

Firms or Consortium of Firms (not exceeding 3 members) should fulfill the following Eligibility Criteria for submitting the EoI for the Project to KEONICS:

A. Financial Criteria:

1. Minimum Average Networth (Paid-up Capital + Free Reserves & Surplus . Provisions of Deferred payment obligations) of Rs. 100 Crores over the last three years AND minimum average cash accruals (Profit After Tax + Depreciation) of Rs. 80 Crores over the last three years
OR
1. Minimum Assets/Funds under Management of at least Rs. 200 Crores as at 31.03.2009
2. Lead Member of the Consortium should meet at least 50% of the above mentioned Eligibility Criteria. For the purpose of evaluation, the financials and experience of the Consortium Members who shall hold at least 10% (ten percent) of equity share capital in the Special Purpose Company (SPC) to be formed for developing the Project (if the Consortium becomes the Preferred Bidder of the Project at the end of the bidding process) for a minimum period of 10 years, shall be considered and added together to evaluate the Financial and Experience Criteria. Selection of the Preferred Bidder shall be through transparent & competitive bidding process. Request For Proposals (RFP) shall be invited only from those firms/consortia who get shortlisted on evaluation of EoIs received by KEONICS on the basis of the Eligibility Criteria mentioned herein.

EOI SUBMISSION :

1. Bidders shall submit their EoIs as per the prescribed forms in Triplicate (1 .ORIGINAL. and 2 .COPIES.) in 3 separate envelopes clearly marked as ORIGINAL or COPY (as the case may be) at the top right corner of each envelope. Each envelope will be clearly marked as EXPRESSION OF INTEREST FOR DEVELOPMENT OF IT SEZ in Shimoga. Authorised representative of the Bidder is required to sign and stamp on each page of the EoI submitted by the Bidder. In the event of any discrepancy between the ORIGINAL and any COPY of the EOI submitted, the ORIGINAL shall be considered for evaluation and all other purposes. All the 3 envelopes (ORIGINAL and 2 COPIES) shall be kept inside an outer envelope clearly marked as EXPRESSION OF INTEREST FOR DEVELOPMENT OF IT SEZ IN SHIMOGA.
2. EOI must be delivered to the office of The Director-Operations, Karnataka State Electronics Development Corporation Ltd (KEONICS), #29/1, Race Course Road, BANGALORE . 560001 on or before **22.02.2010 at 1700 hours (5 PM)** .

EOIs received after the date and time mentioned herein shall not be accepted and returned unopened.

3. Submission of EOI by fax, e-mail or other electronic means will not be accepted. It is the responsibility of the Bidder alone to ensure that its EOI is delivered at the above-mentioned address on or before the above-mentioned date and time.
4. A Bidder can be disqualified if the Bidder:
 - (a) Does not meet the Eligibility Criteria of the Project
 - (b) Does not submit the EOI in the prescribed forms provided in the EOI Invitation document
 - (c) Makes misleading or false representations in the forms, statements and attachments submitted in the EOI
 - (d) Has record of poor performance such as abandoning the works, not properly completing the contract, litigation history, or financial failures, etc.
 - (e) EOI Submitted is not accompanied with the requisite documentation or is non-responsive
5. KEONICS reserves the right to accept or reject any EOI and to annul the EOI invitation process and reject all EOI, at any time during the process, without assigning any reason and without thereby incurring any liability to the affected Bidder or Bidders and /or any obligation to inform the affected Bidder or Bidders of the grounds for its action. Based on the responses received, KEONICS will have the discretion to modify the minimum pre-qualifying criteria for short listing if required, and only those short listed entities would be awarded the RFP document.
6. Costs, risks and efforts to visit the Project site and carry out any study shall be borne by the Bidder. Such Bidder shall be responsible for death or personal injury, loss or damage to property and any other loss, damage, costs and expenses incurred as a result of the inspection. Further, the Bidder and any of its personnel or agents will release and indemnify KEONICS, IL&FS ETS and its personnel and agents from and against all liability in respect thereof.
7. EOI submitted by the Bidder shall be valid for a period of 6 months from the Due Date of submission.
8. EOI documents can be bought from the office of KEONICS on submission of a DD of Rs.10,000 (Rupees Ten Thousand only) drawn in favour of Karnataka State Electronics Development Corporation, payable at Bangalore, **OR** downloaded from the website www.keonics.com and shall be accompanied by a DD of Rs.10,000 drawn in favour of Karnataka State Electronics Development Corporation, payable at Bangalore.

Master site plan showing IT SEZ & SEZ area under consideration :

