

No.F-43/Vol-4

Before the Karnataka Electricity Regulatory Commission, Bangalore

Dated 16th June, 2015

Present:

- | | | |
|----|------------------|----------|
| 1. | H.D.ARUN KUMAR | - Member |
| 2. | D.B.MANIVAL RAJU | - Member |

In the matter of standard format of Power Purchase Agreements in respect of Solar Power Plants of 1-3 MW projects of land owners and Institutions

1. Preamble:

The Karnataka Renewable Energy Development Limited (KREDL) a nodal agency of the Government of Karnataka for facilitating the development of Renewable Energy within the State, vide its letter No. KREDL/07/GC/KERC/Farmer-1 to 3/2014-15/1472 dated 18.05.2015, has submitted a Format of Power Purchase Agreement (PPA) in respect of Solar Power Projects, for purchase of Solar Power by ESCOMs from Solar Power Developers holding lands, for approval of the Commission.

2. Statutory Provisions:

Section 86 of the Electricity Act 2003, specifies the following functions of the State Commission, in the matter of regulating the purchase of power:

Section 86(1) (b): *Regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the Generating Companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the state;*

Section 86(1) (e): *Promote Co-generation and generation of electricity from Renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also to specify for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;*

3. Public consultations:

After examining the PPA format submitted, the Commission considered that some modifications in the format were necessary, and the Format as modified by the Commission were hosted on the KERC website "www.karnataka.gov.in/kercc and comments thereon were invited from the stakeholders/ interested persons by publishing a notice in the newspapers on 30.05.2015 in the following newspapers:

Kannada : 1. Samayukta Karnata 2. Vijay Karnataka 3. Vijayavani

English : 1. Deccan Herald 2. The New Indian Express

The last date for receiving the comments/suggestions on the PPA format was 05.06.2015. In the same Notice, the stakeholders/ interested persons were also informed that a Public Hearing was scheduled on 08.06.2015 in the matter.

The Commission held a public hearing on 08.06.2015 in the KERC Court Hall to elicit oral/written views/ suggestions in the matter from the interested persons and stakeholders. The Commission has considered the suggestions, views and comments from the interested persons and stakeholders and has finalised the Standard Format of the PPA in respect of Solar Power Plants to be developed by land owners and institution. The suggestions/ objections etc. submitted by the stakeholders/individual persons and the Commission's views/decision thereon are indicated in the Annexure-1 enclosed to this Order.

4. Commission's Order:

In exercise of the powers conferred on the Commission, under the aforesaid provisions of Act and all the other powers enabling it in that behalf, the Karnataka Electricity Regulatory Commission hereby approves the Standard Format of the Power Purchase Agreement of the aforementioned Solar Power Plants as per Annexure-2, enclosed to this order.

Sd/-

**(H.D.ARUN KUMAR)
MEMBER**

Sd/-

**(D.B.MANIVAL RAJU)
MEMBER**

ANNEXURE-1

Objections, Comments/suggestions and Commission's decisions

1. In response to the Commission's notification No: KERC/S/F-43/VOI-4/2015-16/319 dated 29.05.2015, following stakeholders/ interested persons have submitted written objections on the draft PPA:

- 1) Ravindra Energy Limited
- 2) Shri Ramesh Babu, Janata Dal (Secular) Karnataka.
- 3) M/s JUWI India Renewable Energy Private Limited
- 4) Shri P. Sudhakar
- 5) M/s Sun Edison Energy India Private Limited
- 6) M/s AVI Solar Energy Private Limited
- 7) Bangalore Electricity Supply Company Ltd., (BESCOM) and
- 8) Chamundeshwari Electricity Supply Corporation (CESC)
- 9) Hubli Electricity Supply Company Ltd., (HESCOM)
- 10) Shri Gopala Reddy, Kerekondapur village, Chitradurga District.
- 11) Shri Srinivas Shetty, Halady village, Kundapura taluk.

2. The Following persons have participated in the public hearing held on 08.06.2015 and submitted their written/oral comments/ suggestions in the matter:

Sriyuths:

- 1) G.Nagaraju, Consultant
- 2) M.P.Raju, Sahakara Nagar
- 3) B.Anil Kumar, Siraguppa on behalf of Sri P. Sudhakar Land Owner.
- 4) K.B. Shivakumar, Advocate on behalf of Sri Chauhan and Jyothi Chauhan.
- 5) Kirti Kant Dihanth, "Mallige Education Foundation"
- 6) Kuldeep Kulkarni, M/s Ravindra Energy Limited
- 7) V.Hariharan, C B PUR Renewable Energy Projects Private Limited
- 8) Ramesh Babu, JD (s), Sheshadripuram, Bangalore-20

- 9) T. Yattiraju, Madanayakanahalli, ChitradurgaTaluk
- 10) M.R.C. Chouhan, Solar Project Allottee
- 11) N. Srinivasu, Sira
- 12) Rohit.P, Silvergen HVAC Projects Private Limited
- 13) Chandrashekhar, Kudlagi
- 14) Ashok, M/s AVI Solar Energy Private Limited.

3. The comments and the suggestion in brief on the specific portions, articles and clauses of the proposed PPA format are:

(1) Recital

(i) Sri P. Sudhakar, has submitted that, the allottees are in the process of having a tie up with Developers (SPVs), in the form of partnership firm or Limited Liability Partnership (LLP), wherein the allottees will be partners. With this arrangement, he has suggested that:

- There should be a Tripartite agreement involving the SPD (Original Allottee), the SPV and the ESCOM, and accordingly the SPV should be brought in, as another party to the agreement.
- The SPV's entry as a party to the PPA is enabled through a separate letter of authorization to the ESCOM and the same may be brought into the documentation.
- The SPD (Original Allottee) and the SPV should be combined for any obligations. This widens the responsibility through two entities viz., SPD & SPV and would be in favour of the ESCOMs as well SPV.

(ii) Sri B.Anil kumar Shiraguppa submitted that the SPV should be allowed at the initial stage of the Project.

(iii) Sri M.P.Raju and Sri Ethiraju have submitted that there should be clarity as to whether SPV is permitted or not.

Commission's Views:

As the project is allotted to a single entity/person, and the agreement is between the allottee and the ESCOM, the question of including a third person to the agreement does not arise. In case, the allottee requires a special purpose Vehicle (SPV) for assignment of the tasks, clause-12.11 provides for that. Hence the suggestion for making SPV a party in the PPA is not accepted by the Commission.

(2) Article-1: Definitions

(i) BESCO has suggested to include the following definitions for clarity.

- (a) BESCO
- (b) Billing Period
- (c) Billing Date
- (d) BESCO's Electrical System
- (e) SPD
- (f) Fiscal Year
- (g) G.O.K
- (h) Government Instrumentality
- (i) Law
- (j) Metering Point
- (k) Metering Date
- (l) MW
- (m) System Constraints
- (n) Units
- (o) Voltage of Delivery etc

Commission's Views:

Grid code, Tariff Regulations, NCE PPA format issued by the Commission and the Electricity Act, 2003 provides for these definitions. Hence, the Commission has not considered the suggested definitions for their inclusion.

(ii) BESCO has suggested modifications to the following definitions

- (a) Commercial Operation Date
- (b) Corporation
- (c) Contract Year
- (d) Delivery Point
- (e) Due date
- (f) Financial Closure
- (g) Letter of Credit

Commission's Views:

As the suggestions made by BESCO have been otherwise considered in the relevant provisions of the PPA, the Commission considers that, the modifications to the definitions are not required.

(iii) M/s JUWI Indra Renewable Energy Private Limited has suggested modifications to the definitions of the term "Scheduled Commissioning Date", specifying 12 months period against the existing 18 months.

Commission's Views:

As the developer needs more than a year to finance, build and operate any project, the Commission favours retention of the period of 18 months required for commissioning of the project. Hence the suggested modification is not accepted.

(3) Article - 2 : Conditions Precedent

Clause 2.1

(i) BESCO has suggested modifying Clause 2.1 as: *"the obligations of ESCOM and the SPD under this Agreement are conditional upon the occurrence of*

the following in full within 365 days from the effective date, unless such completion is affected by any Force Majeure event, or if any of the activities is specifically waived in writing by ESCOM” as against the existing terms: “the obligations of ESCOM and the SPD under this Agreement are conditional upon the occurrence of the following in full within 365 days from the effective date”.

Commission's Views:

In general, the terms of the PPA are in force unless such terms are affected by any force majeure event, or if any of the conditions/obligations are specifically waived in writing by ESCOM. Hence, the proposal for modifying the above clause is not accepted.

(ii) Clause 2.3.1

Sri B. Anil Kumar has suggested to consider 20 months as the validity of the performance security in the form of Bank Guarantee, against the existing period of 24 months.

Commission's Views:

Based on the time required for execution of project and the time required to achieve commercial operation, the Commission has considered 24 months as the validity period for Bank Guaranty and hence does not find the suggestion acceptable.

(iii) Clause 2.3.2

BESCOM has suggested that it should be allowed to encash and appropriate the relevant amount from the performance security, as damages from the developer towards any default or non-achievement of conditions precedent, without intimation to the developer.

Commission's Views:

Commission is of the view that, enforcement of any of the terms and conditions shall be done with the knowledge of both the parties to the agreement and hence, the proposal of BESCO is not accepted.

(iv) Clause 2.4.1

BESCO has suggested for the release of performance security, if any, after 12 months from the actual COD.

Commission's Views:

As the COD may normally occur within the scheduled commissioning date, BESCO's proposal is not accepted.

(v) Clause 2.5.3 & 2.5.4

BESCO has suggested that, the extension occurring due to reason specified in clause 2.5.1 (a) should be without levy of penalty.

Commission's Views:

Since the clauses pertaining to extension of time due to the events under clause 2.5.1(a) to (c) do not mention about the levy of any penalty for the delay due to extension of time , the question of including the term 'without levy of penalty' does not arise.

- (vi) CESC and M/s JUWI India Renewable Energy Private Limited have suggested to provide for the validity of performance security up to 12 months against the existing 24 months.

Commission's Views:

As the "Scheduled Commissioning Date" of the project is 18 months, the existing provision for 24 months validity period is required for the performance security. Hence, the above proposal is not accepted.

(4) Article-3 : Operation of the Solar Power Plant

(i) BESCO has suggested modification to clause 3.3 to the effect that the SPD need not claim revenue loss on account of occurrence of an emergency in the State.

Commission's Views:

As the emergency situation is not under the control of the parties to the agreement, the question of any claims on account of occurrence of emergency does not arise. Hence, the suggestion of BESCO is considered as not relevant.

(ii) BESCO has suggested that the clauses 3.4 & 3.6 regarding Minimum and Maximum energy generation be deleted.

Commission's Views:

The Commission considers that to have a control/check on the generation of electricity having regard to the capacity allotted by KREDL/GOK, the Maximum and Minimum level of Generation are indicated. Hence, the proposal of BESCO is not accepted.

(iii) Sri M.J.Raju and Sri Ethiraju have suggested that the minimum CUF may fixed at 18.3% and maximum at 21% per annum. However, Sri K.B.Shivakumar and

Sri Sreenivasa, Sira have suggested to fix the maximum CUF of 21% against the existing 19%.

Commission's Views:

The present proceedings pertain to approval of the PPA. The matters relating to fixing of CUF, therefore, are outside scope of the present proceedings.

(5) Article-4:

(i) BESCOM has suggested to delete the words "or by any other person acting on its behalf" in clauses 4.1 (b) and 4.1 (d).

Commission's Views:

As the Interconnection facilities / transmission lines etc., may be got executed through any other person by the SPD, inclusion of the third party needs to be retained to fix the responsibility on the SPD.

(ii) CESC has suggested for charging the start-up power required for the plant.

Commission's Views:

As the project may require start-up power as well as power for the operation and maintenance of the project (during night also) after the COD, the consumed energy may have to be charged for the power used by the solar generators, at appropriate rates. Hence CESC's proposal is accepted and clause 4.2 (d) has been modified accordingly.

(iii) M/s JUWI Indra Renewable Energy Private Limited has suggested to waive the third party verification for the project.

Commission's Views:

To maintain the prudent utility practices, third party verification is required. Hence, the suggestion is not accepted.

(6) Article-5: Rates and Charges:

(i) Sri Ramesh Babu, Janata Dal (Secular), Karnataka, has submitted that, the tariff is not indicated in clause 5.1 of the PPA. Comparing the cost of power projects and the rates of Solar power obtaining elsewhere in the country, he suggested that the rates could be fixed between Rs.5.50 to Rs.6.90 per unit.

M/s JUWI India Renewable Energy Private Limited, Sri G. Nagaraj, Raj Consultants, Sri M.P.Raju, Sri B.Anil Kumar, Sri Chandrashekar, Sri K.B.Shivakumar, Sri Keerthikumar and Sri Ethiraju have suggested to indicate the tariff of Rs.8.40 per unit, which is applicable until 2018.

Sri Ashok of AV Solar EPC Solution Provider and Chandrashekar submitted that the cost of small solar projects of 1-3 MW is Rs.6 Crores excluding land cost and hence tariff of less than Rs.7 per unit would not be viable.

Sri K.B.Shivakumar suggested to exclude the land owners (signing the PPA now) from tariff revision, if any

In the public hearing, M/s AVI Solar Energy Private Limited, has furnished the details of breakup for capital Cost and indicated that, a unit price of less than Rs.7 per unit is financially not viable.

Commission's Views:

As these proceedings relate to approval of standard format of PPA, the question of varying the tariff as sought by the above stakeholders does not fall under the

scope of present proceedings. Further it is for the parties to the PPA to fill the prevailing tariff as on the date of execution of PPA.

(ii) BESCO and CESC have suggested modifications to the Clause 5.1 so as to limit the prevailing tariff only to the first 10 years.

Commission's Views:

The suggestion to limit the period of tariff cannot be entertained in the present proceedings. However, the Commission considers to make certain modifications to Clause 5.1 to bring in more clarity.

(iii) BESCO has suggested additional clauses specifying the tariff for 11th year onwards, payment for KVARH, drawn, and payment for auxiliary consumption.

Commission's Views:

As per clause 5.1, the tariff is for the period between COD and the expiry date of agreement. The expiry date is 25 years from the COD. Hence the question of having a provision for payment of tariff after 11th year, does not arise.

Regarding the issue of payment for KVARH drawn and auxiliary consumption, the same is addressed in 4.2 (d). Hence, BESCO's suggestion is not accepted.

(7) Article-6:

BESCO and CESC have suggested modification to clauses 6.1, 6.2 (ii), 6.3.1, 6.4, 6.5 and 6.6.2, regarding billing and payment to have clarity.

Commission's Views:

As the existing terms provide adequate clarity, the suggestion made by BESCOM and CESC is not accepted.

(8) Article-7:

CESC has suggested that the report of metered data and parameters should be submitted by the SPD directly to KREDL and copy of the report should be marked to the ESCOM.

Commission's Views:

As the Agreement is between ESCOM and SPD and the obligation in respect of the term of the agreement is on these parties, the above suggestion is not acceptable.

(9) Article-9:

(i) Sri Ramesh Babu of Janata Dal (Secular), Karnataka, submitted that the term of the agreement which is 25 years is too long and it should be limited to 10 years.

Commission's Views:

As the tariff determined by the Commission is for the entire life of the project, the project cost shall have to be recovered over the life of the project. Hence, term of the Agreement is considered as 25 years.

(ii) BESCOM has suggested extension of the term beyond 25 years subject to the approval of the Commission.

Commission's Views:

The continuation/extension of the term of PPA after the expiry of the initial period depends upon the mutual agreement between the parties. Approval of the Commission for the same would be even otherwise required if not so mentioned in the PPA. Hence, the suggestion is not acceptable.

(10) Article -10.3

Sri B. Anil Kumar and Sri P.Sudhakar submitted that dispute resolution should be referred to a third party instead of KERC, since KERC is a part of ESCOMs/Government.

Sri K.B. Shiva Kumar suggested to fix a time limit of three months for dispute resolution by KERC

Commission's Views:

As per Section 86(1)(f) of the Electricity Act, 2003, the adjudication of disputes is vested with the State Commission and it is empowered to refer any dispute for arbitration. Hence the suggestion is not relevant.

As regards fixing the time for resolution of disputes, the Commission is of the view that resolution of disputes depends on the issues involved and the time taken differs from case to case. Hence the suggestion is not practicable.

(11) Article-12:

(i)(a)) Sri A.B. Shivkumar, BEL Road, has suggested to retain clause No.12.11 in its original form.

(b) Sri. G. Nagaraj has suggested to allow 24 months for assignment of PPA instead of 12 months in clause 12.11(i)

Commission's Views:

Commission considers it fit to retain the period as per the draft PPA submitted by KREDL and does not find the suggestion to revise the period as being justifiable.

(ii)(a) Sri Ramesh Babu of Janata Dal (Secular) submitted that the land owners should not be allowed to alienate the property to others, during the term of the PPA.

(b) Sri Kuldeep Kulkarni and M/s Ravindra Energy Limited have suggested to modify clause 12.11(ii) as:

"The SPD may create any encumbrance over all or part of the Immovable Properties, Project Assets, Receivable, Payment Mechanism and any other asset/right as may be required by the Project Lenders, in favour of the Lenders or the Lender's Representative on their behalf, as security for:

- (i) Amounts payable under the financing agreements; and*
- (ii) Any other amounts agreed by the Parties."* in place of the existing clause:

"The SPD may create any encumbrance over all or part of the receivables, Payment Mechanism in favour of the Lenders or the Lender's Representative on their behalf, as security for:

- (i) Amounts payable under the Financing Agreements; and*
- (ii) Any other amounts agreed by the Parties"*

Commission's Views:

The PPA is between the SPD and ESCOM and any term in the PPA regarding creation of encumbrance in favour of any lender to the SPD can rightly be restructured only to the receivables from ESCOM to SPD.

(12) Other Issues:

- (i) Sri G. Nagaraj has suggested specifying the statutory and non-statutory clearances in schedule-3. Sri M.P.Raju and Sri Yethiraju have suggested that the responsibility for obtaining statutory clearances should be vested with KREDL or ESCOMs.

Commission's Views:

The Commission notes that, in the draft PPA submitted by KREDL, the Schedule-3 showing the clearances to be obtained was not included. The Commission had included this in the draft PPA based on the model PPAs of other Renewable Energy sources in which the clearances which are generally required are indicated. As the present PPA is in respect of solar power plants of land owners and institutions pursuant to a special policy of the State Government, it is considered proper that it shall be the responsibility of the Nodal Agency / KREDL to guide the project developers for obtaining required clearances. Hence, the Commission does not consider inclusion of Schedule – 3 in the PPA.

- (ii) Sri Ramesh Babu of Janata Dal (Secular) has suggested to insist on production of certificate issued by Revenue Authorities to substantiate the claim of the ownership of land by SPDs.

Commission's Views:

The Commission notes that KREDL has on record stated that the eligibility of SPDs as land owners has been scrutinised / examined by a committee. Therefore there are no grounds to add any term relating to land ownership in the PPA.

ANNEXURE - 2

POWER PURCHASE AGREEMENT

FOR

**SUPPLY OF POWER FROM
..... MW SOLAR POWER PLANT**

AT

.....
.....

ENTERED BETWEEN

_____ **ELECTRICITY SUPPLY COMPANY LIMITED.**
(.....ESCOM)

AND

Sri/Smt/.....

(Solar Power Developer)

This Power Purchase Agreement is made aton2015, between.....ELECTRICITY SUPPLY COMPANY LIMITED, a Government Company formed and incorporated in India under the Companies Act, 1956, with its registered office located at, Karnataka State, hereinafter referred to as the "...ESCOM" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) as party of the first part,

AND

Sri/Smt...../ with permanent address / Office/ hereinafter referred to as the "Solar Power Developer (SPD)" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) as party of the second part.

The ...ESCOM and the SPD will be jointly known as the parties and will be individually known as party.

WHEREAS,

(a) Karnataka Renewable Energy Development Limited. ("KREDL") incorporated under the companies Act, 1956 is a nodal agency of the Government of Karnataka for facilitating the development of renewable energy in Karnataka. This project is allotted under segment 1, category 1, of solar policy of GoK and in compliance of Government Order EN62 VSC 2014, Bangalore dated 26.08.2014.

(b) Pursuant to GO thereto, KREDL had invited applications online on 09.10.2014.

(c) After evaluation of the applications received, the Committee has accepted the proposal of the applicant for allotment of solar project.

(d) KREDL has issued letter of Award in its letter No:.....Dated :.....to Sri/Smt and instructed to execute the PPA withESCOM within.....

- (e)** The board of directors ofESCOM, in their meeting dated agreed and gave consent for purchase of solar power from the solar power project developed by the SPD.
- (f)** The SPD requestedESCOM vide letter datedto facilitate signing of Power Purchase Agreement for the purpose of undertaking and performing the obligations under this Agreement.
- (g)** Pursuant to above paras (a) to (e), the SPD plans to develop, design, engineer, procure finance, construct, own, operate and maintain a Solar Power project, hereinafter defined as the Project, with a gross capacity of MW and Net capacity of..... MW atVillage,District, Karnataka State as detailed in Schedule – 1 and desires to sell electricity generated in the said project toESCOM andESCOM, which is at present engaged in the purchase, supply and distribution of electricity and has agreed to purchase electricity generated in the said project (as hereinafter defined) from the SPD on the conditions set forth herein.

NOW THEREFORE IN VIEW OF THE FOREGOING PREMISES AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREINAFTER SET FORTHESCOM AND THE SPD, HEREBY AGREE AS FOLLOWS:

Article-1

Definitions

1.1 For all purposes of this Agreement, unless the context otherwise requires the following words and expressions shall have the respective meanings set forth below:

(i) **“Act” or “Electricity Act, 2003”** shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time;

(ii) **“Agreement” or “Power Purchase Agreement” or “PPA”** shall mean this Power Purchase Agreement including its recitals and Schedules, amended or modified from time to time in accordance with the terms hereof;

(iii) **“Bill Dispute Notice”** shall mean the notice issued by a party raising a dispute regarding a monthly bill or a Supplementary Bill issued by the other Party;

(iv) **“Business Day”** means any day on which commercial banks are not authorized or not required by Law to remain closed in the State of Karnataka;

(v) **“Capacity Utilization Factor” or “CUF”** Shall have the same meaning as provided in the Tariff Orders of the Commission issued from time to time;

(vi) **“Change in Law”** shall have the meaning ascribed thereto in Article 13 of this Agreement;

(vii) **“Commission”/ “KERC”** means the Karnataka Electricity Regulatory Commission;

(viii) **“Commercial Operation Date”** with respect to the Project shall mean the date on which the Project is available for commercial operation as certified by ...ESCOM/KPTCL as the case may be;

- (ix) **“Corporation”** means Karnataka Power Transmission Corporation Limited (KPTCL) or its successor entity;
- (x) **“Contract Year”** shall mean the period beginning from the Effective Date and ending on the immediately succeeding 31st March and thereafter each period of 12 months beginning on April 1 and ending on 31st March provided that the last Contract Year of this Agreement shall end on the last day of the Term of this Agreement;
- (xi) **“Delivered Energy”** means the kilowatt hours of Electricity actually fed and measured by the energy meters at the Delivery Point in a Billing Period;
- (xii) **“Delivery Point” or “Interconnection Point”** shall be the point at which the power is injected into the substation bus of theESCOM/Corporation;
- (xiii) **“Due Date”** shall have the same meaning ascribed thereto in Clause 6.3. of this Agreement;
- (xiv) **“Effective Date”** shall mean date of signing of this Agreement by the parties;
- (xv) **“Electricity Laws”** shall mean the Electricity Act, 2003 and the relevant rules, notifications, and amendments issued thereunder and all other Laws in effect from time to time and applicable to the development, financing, construction, ownership, operation or maintenance or regulation of electricity generating companies in India;
- (xvi) **“Emergency”** means a condition or situation affecting either the Corporation's / ...ESCOM's electrical system or the Grid System, including without limitation, voltage/frequency variations beyond the Technical Limits, which threatens the safe and reliable operation of such system or which is likely to result in disruption of safe, adequate and continuous electric supply by Corporation or the Grid System or could endanger life or property;
- (xvii) **“Encumbrances”** means any encumbrance such as mortgage, charge, pledge, lien, hypothecation , security interest, assignment, privilege or priority

of any kind having the effect of security or other such obligations and claims for any amounts due on account of taxes, cess, electricity, water and other utility charges and encroachments on the Project Site / Project Facilities;

(xviii) “Energy Accounts” shall mean the regional energy accounts/state energy accounts as specified in the Grid Code issued by the appropriate agency for each Month (as per their prescribed methodology), including the revisions and amendments thereof;

(xix) “Expiry Date” shall mean the date occurring twenty five (25) years from the Commercial Operation Date;

(xx) “Financial Closure” shall mean the execution of all the Financing Agreements required for the Power Project and fulfillment of conditions precedents and waiver, if any, of any of the conditions precedent for the initial draw down of funds there under.

(xxi) “Grid Code” means the Karnataka Electricity Grid Code 2005, as amended from time to time or subsequent re-enactment thereof; and Indian Electricity Grid Code, 2010, issued by the Central Electricity Regulatory Commission, as amended from time to time or subsequent re-enactment thereof;

(xxii) “Grid System” means the Corporation's/.....ESCOM's power transmission/distribution system through which Delivered Energy is evacuated and distributed;

(xxiii) “Interconnection Facilities” in respect of the SPD shall mean all the facilities installed by the SPD or by any other person acting on its behalf to enableESCOM to receive the Delivered Energy from the Project at the Delivery Point, including transformers, and associated equipments, relay and switching equipment, protective devices and safety equipments and transmission lines from the Project to Corporations/.....ESCOM's nearest sub-station;

- (xxiv) "Invoice" or "Bill"** shall mean a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by any of the Parties;
- (xxv) "Late Payment Surcharge"** shall have the meaning ascribed thereto in Clause 6.4 of this Agreement;
- (xxvi) "Letter of Credit" or "LoC"** shall have the meaning ascribed thereto in Clause 6.6 of this Agreement;
- (xxvii) "Month"** shall mean a period of thirty (30) days from (and excluding) the date of the event, where applicable, else a calendar month;
- (xxviii) "O&M"** means the operation and maintenance of the Project and includes all matters connected with or incidental to such operation and maintenance, provision of services and facilities in accordance with the provisions of this Agreement;
- (xxix) "Project"** means a Solar power generating station established by the SPD atVillage, District, in Karnataka State with a total installed capacity ofMW and shall include land, buildings, plant, machinery, ancillary equipment, material, switch-gear, transformers, protection equipment and such other necessary equipments to deliver the Electricity generated by the Project to the ...ESCOM at the Delivery Point;
- (xxx) "Prudent Utility Practices"** means those practices, methods, techniques and standards, as changed from time to time, that are generally accepted for use in electric utility industries taking into account conditions in India, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to power stations of the size, service and type of the Project, and that generally conform to the manufacturers' operation and maintenance guidelines;

(xxxi) "Scheduled Commissioning Date" shall mean 18 (Eighteen) months from the Effective Date;

(xxxii) "State Load Despatch Centre" means the State Load Despatch Centre established as per the Act;

(xxxiii) "State Transmission Utility" or "STU" shall mean Karnataka Power Transmission Corporation Limited or KPTCL;

(xxxiv) "Tariff Payment" shall mean the payments to be made under Monthly Bills as referred to in Clause 6.3 and the relevant Supplementary Bills;

1.2 Interpretation:

(a) Unless otherwise stated, all references made in this Agreement to "Articles" and "Performance Security" shall refer, respectively, to Articles and Performance Bank Guarantee furnished along with this Agreement. The performance Bank Guarantee to this Agreement shall form part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement.

(b) In this Agreement, unless the context otherwise requires:

- (i) the singular shall include plural and vice versa;
- (ii) words denoting persons shall include partnerships, firms, companies and ...ESCOs;
- (iii) the words "include" and "including" are to be construed without limitation; and
- (iv) a reference to any Party includes that Party's successors and permitted assigns;

1.3 Scope of the Project

The scope of the Project (the "Scope of the Project") shall mean and include, during the term of this Agreement:

- (a) Build, Own, Operate and delivery of energy from theMW solar PV project;
- (b) Performance and fulfillment of all other obligations of the SPD in accordance with the provisions of this Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the SPD under this Agreement.

Article-2

CONDITIONS PRECEDENT

2.1 Conditions Precedent:

The obligations of ...ESCOM and the SPD under this Agreement are conditional upon the occurrence of the following in full within 365 days from the effective date.

2.1.1 (i) The SPD shall obtain all permits, clearances and approvals (whether statutory or otherwise) as required to execute and operate the Project (hereinafter referred to as "Approvals"):

(ii) The Conditions Precedent required to be satisfied by the SPD shall be deemed to have been fulfilled when the SPD shall submit:

(a) The DPR to ...ESCOM and achieve financial closure and provide a certificate to ...ESCOM from the lead banker to this effect;

(b) All Consents, Clearances and Permits required for supply of power toESCOM as per the terms of this Agreement; and

(c) Power evacuation approval from Karnataka Power Transmission Company Limited or ...ESCOM, as the case may be.

2.1.2 SPD shall make all reasonable endeavours to satisfy the Conditions Precedent within the time stipulated and ...ESCOM shall provide to the SPD all the reasonable cooperation as may be required to the SPD for satisfying the Conditions Precedent.

2.1.3 The SPD shall notify ...ESCOM in writing at least once a month on the progress made in satisfying the Conditions Precedent. The date, on which the SPD fulfills any of the Conditions Precedent pursuant to Clause 2.1.1, it shall promptly notify ...ESCOM of the same.

2.2 Damages for delay by the SPD

2.2.1 In the event that the SPD does not fulfill any or all of the Conditions Precedent set forth in Clause 2.1 within the period of 365 days and the delay has not occurred for any reasons attributable to ...ESCOM or due to Force Majeure, the SPD shall pay to ...ESCOM damages in an amount calculated at the rate of 0.2% (zero point two per cent) of the Performance Security for each day's delay until the fulfillment of such Conditions Precedent, subject to a maximum period of 60 (Sixty) days. On expiry of the said 60 (Sixty) days, ...ESCOM at its discretion may terminate this Agreement

2.3 Performance Security

2.3.1 For due and punctual performance of its obligations relating to the Project under this Agreement, the SPD has delivered to ...ESCOM, simultaneously with the execution of this Agreement, an irrevocable and revolving bank guarantee from a scheduled bank acceptable to ...ESCOM for an amount of Rs. 10,00,000/- per MW (Rupees Ten Lakhs per Mega Watt only)("Performance Security). The Performance Security is furnished to ...ESCOM in the form of bank guarantees in favor of Managing Director of the ...ESCOM as per the format provided in Schedule 2 and having validity up to 24 months from the date of signing of this agreement. The details of the bank guarantee furnished towards the Performance Security is given below:

Bank Guarantee No. _____ dated _____ for an amount of Rs. _____ (Rupees _____)

2.3.2 Appropriation of Performance Security

Upon occurrence of delay in commencement of supply of power toESCOM as provided in clause 2.5.7, or failure to meet the Conditions Precedent by the SPD, ...ESCOM shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to encash and appropriate the relevant amounts from the Performance Security as Damages. Upon such encashment and appropriation

from the Performance Security, the SPD shall, within 30 (thirty) days thereof, replenish, in case of partial appropriation, to its original level the Performance Security, and in case of appropriation of the entire Performance Security provide a fresh Performance Security, as the case may be, and the SPD shall, within the time so granted, replenish or furnish fresh Performance Security as aforesaid failing which ...ESCOM shall be entitled to terminate this Agreement in accordance with Article 9.

2.4 Release of Performance Security

2.4.1 Subject to other provisions of this Agreement, ...ESCOM shall release the Performance Security, if any after scheduled commissioning of the project.

2.4.2 The release of the Performance Security shall be without prejudice to other rights of ...ESCOM under this Agreement.

2.5 Extensions of Time

2.5.1 In the event that the SPD is prevented from performing its obligations under Clause 4.1 by the Scheduled Commissioning Date due to:

- (a) Any ...ESCOM Event of Default; or
- (b) Force Majeure Events affecting ...ESCOM; or
- (c) Force Majeure Events affecting the SPD.

2.5.2 The Scheduled Commissioning Date and the Expiry Date shall be deferred, subject to the reasons and limits prescribed in Clause 2.5.1 and Clause 2.5.3 for a reasonable period but not less than 'day for day' basis, to permit the SPD or ...ESCOM through the use of due diligence, to overcome the effects of the Force Majeure Events affecting the SPD or ...ESCOM, or till such time such Event of Default is rectified by ...ESCOM.

2.5.3 In case of extension occurring due to reasons specified in clause 2.5.1 (a), any of the dates specified therein can be extended, subject to the condition that the

Scheduled Commissioning Date would not be extended by more than 6(six) months.

2.5.4 In case of extension due to reasons specified in Article 2.5.1(b) and (c), and if such Force Majeure Event continues even after a maximum period of 3(three) months, any of the Parties may choose to terminate the Agreement as per the provisions of Article 9.

2.5.5 If the Parties have not agreed, within 30 (thirty) days after the affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by which the Scheduled Commissioning Date or the Expiry Date should be deferred by, any Party may raise the Dispute to be resolved in accordance with Article 10.

2.5.6 As a result of such extension, the Scheduled Commissioning Date and the Expiry Date newly determined date shall be deemed to be the Scheduled Commissioning Date and the Expiry Date for the purposes of this Agreement.

2.5.7 Liquidated damages for delay in commencement of supply of power toESCOMs. Subject to the other provisions of this agreement, if the SPD is unable to commence supply of power toESCOM by the scheduled commissioning date, the SPD shall pay toESCOM, liquidated damages for the delay in such commencement of supply of power as follows:

(a) For the delay up to one month- amount equivalent to 20 % of the performance security.

(b) For the delay of more than one month up to three months - amount equivalent to 40 % of the performance security.

(c) For the delay of more than three month up to six months - amount equivalent to 100 % of the performance security.

For avoidance of doubt, in the event of failure to pay the above mentioned damages by the SPD, theESCOM entitled to encash the performance security.

Article-3

OPERATION OF SOLAR POWER PLANT

- 3.1** If the SPD commits an O&M Default other than due to Force Majeure Events, ...ESCOM shall give notice of 60 days in writing to the SPD, calling upon the SPD to remedy such default and if the SPD fails to take steps to remedy such default within the aforesaid period theESCOM may terminate the Agreement.
- 3.2** The SPD shall provide to the State Load Dispatch Centre and Transmission Zone Chief Engineer of the Corporation or Chief Engineer, ...ESCOM, information regarding Electricity pumped into the grid every month for the entire period of PPA.
- 3.3** Upon the occurrence of an "Emergency" in State Transmission Utility (STU) /...ESCOM's evacuation system for safe operation of its Grid, STU / ...ESCOM or its authorized representative reserves the right to shut down the line and has no obligation to either evacuate the Electricity or pay any compensation during such period. ...ESCOM will, however, make reasonable endeavours to remedy such Emergency, and bring back normalcy at the earliest.
- 3.4** **Minimum generation:** The SPD shall ensure net energy of not less than 1.051 million units/MW/annum (CUF of 12%) during the tenure of the Agreement.
- 3.5** **Maximum generation:** The SPD is allowed maximum CUF of 19% (1.664 MU/MW/annum) in case of fixed axis without tracking and up to 24% (2.10 MU/MW/annum) with tracking. Excess energy pumped into the grid will be treated by ...ESCOM as inadvertent. The SPD would be allowed to install additional DC capacity of not more than 10% of the capacity approved to compensate losses on DC side including for any auxiliary consumption.

Example: A SPD allotted with 1 MW capacity may install not more than 1.1MW of panels in aggregate on DC side.

Article-4

UNDERTAKINGS

4.1 Obligations of the SPD:

- (a) The SPD shall construct the Project including the pooling station, the interconnection facilities and metering arrangements at the point of delivery of power as approved by STU / ...ESCOM.
- (b) The SPD shall undertake by itself or by any other person acting on its behalf, at its own cost, construction/up-gradation of (a) the interconnection Facilities, (b) the transmission lines; and (c) metering arrangements with protective gear as per the specifications and requirements of STU/...ESCOM, as notified to the SPD.
- (c) The SPD shall achieve scheduled date of completion and the commercial operation within 18 months from the effective date.
- (d) The SPD shall by itself or by any other person acting on its behalf undertake at its own cost maintenance of the interconnection facilities and the metering arrangements, including the dedicated transmission line up to the delivery point as per the specifications and requirements of STU/...ESCOM, as notified to the SPD, in accordance with Prudent Utility Practices. The transmission / distribution line so constructed shall remain as dedicated transmission / distribution line without provision for any tapping.
- (e) The SPD shall operate and maintain the Project in accordance with Prudent Utility Practices, for the entire term of this agreement.
- (f) The SPD shall be responsible for all payments on account of any taxes, cesses, duties or levies imposed by the GoK or its competent statutory authority on the land, equipment, material or works of the Project or on the Electricity generated or consumed by the Project or by itself or on the income or assets owned by it.
- (g) The benefits accruing on account of carbon credit shall be shared between the SPD and the ...ESCOM as per Clause 5.2.

4.2 Obligations of ...ESCOM:

...ESCOM agrees:

- (a) To allow SPD to the extent possible to operate the Project as a **must run** generating station subject to system constraints.
- (b) Subject to system constraints to off-take and purchase the Electricity generated by the SPD at the Delivery Point as per Clause 3.4 and Clause 3.5 of this agreement.
- (c) To make tariff payments to the SPD as set out in Clause 5.1.
- (d) ...ESCOM agrees to provide support to the SPD and undertakes to observe, comply with and perform, subject to and in accordance with the provisions of this Agreement and the Applicable Laws, the following:
 - (i) support, cooperate with and facilitate the SPD in the implementation and operation of the Project in accordance with the provisions of this Agreement;
 - (ii) not do or omit to do any act, deed or thing which may in any manner be volatile of any of the provisions of this Agreement;
 - (iii) act reasonably, while exercising its discretionary power under this Agreement;

4.2 Third Party Verification

- (a) The SPD shall be further required to provide entry to the site of the Power Project, free of all encumbrances at all times during the Term of the Agreement to ...ESCOM, its authorized representatives including representatives from KREDL and a third Party nominated by anyESCOM for inspection and verification of the works being carried out by the SPD at

the site of the Power Project. The SPD shall bear the cost of appointment of Third Party verification.

(b) The Third Party may verify the construction works/operation of the Power Project being carried out by the SPD and if it is found that the construction works/operation of the Power Project is not as per the Prudent Utility Practices, it may seek clarifications from SPD or require the works to be stopped or to comply with the instructions of such Third Party.

Article-5

RATES AND CHARGES

5.1 Tariff payable:

The SPD shall be entitled to receive the Tariff of Rs..... per kWh based on the KERC tariff order dated..... in respect of SPD's solar PV projects in terms of this agreement for the period between COD and the Expiry Date. However, subject to Clause 2.5, if there is a delay in commissioning of the project beyond the Scheduled Commissioning Date and during such period there is a variation in the KERC Tariff, then the applicable Tariff for the projects shall be the lower of the following:

- (i) Rs..... per kWh
- (ii) Varied tariff applicable as on the date of commercial operation

5.2 The SPD shall be allowed to draw the energy from the ...ESCOM's grid for use in the Project, as and when required and 115% of such energy shall be deducted from the Delivered Energy for determining the amount payable by theESCOM to the SPD.

5.3 Sharing of Clean Development Mechanism (CDM) Benefits:

The Power Project shall be compatible to CDM claims and all such CDM claims shall be reported to ...ESCOM periodically by the SPD. The proceeds of carbon credit from approved CDM project shall be shared between the Parties in the following manner:

- (i) 100% of the gross proceeds of CDM benefit accrued in the first year following the date of Commercial Operation Date shall be retained by the SPD;

- (ii) In the second year following the Commercial Operation Date, the SPD shall give 10% share in the gross proceeds of the CDM benefit to the ...ESCOM and the share of benefit to ...ESCOM shall be progressively increased by 10% every year thereafter till it reaches 50%, where after the proceeds shall be shared in equal proportion between the Parties.

Article-6

BILLING AND PAYMENT

6.1 General:

On achievement of COD and commencement of supply of power thereon, ...ESCOM shall pay to the SPD the monthly Tariff Payments, on or before the Due Date, in accordance with Clause 5.1 and Clause 6.3. All Tariff Payments by ...ESCOM shall be in Indian Rupees.

6.2 Delivery and Content of Monthly Bills/Supplementary Bills

- (i) The SPD shall issue to ...ESCOM a signed monthly bill/supplementary bill between the 5th day up to the 15th day of a Month for the immediately preceding Month. In case the monthly bill / supplementary bill for the immediately preceding Month is issued after the 15th day of a Month, the Due Date for payment of such monthly bill/supplementary bill shall be as detailed in Clause 6.3 below.
- (ii) Each monthly bill shall include all charges as per this Agreement for the energy supplied for the relevant Month based on Energy Accounts issued by SLDC or any other competent authority which shall be binding on both the Parties. The monthly bill amount shall be the product of the Delivered Energy minus 115% of the energy used for the project from the ...ESCOM's Grid and the applicable Tariff.

6.3 Payment of monthly bills:

- 6.3.1 ...ESCOM shall pay the amount payable under the monthly bill / supplementary bill by the (fifth) 5th day of the month immediately succeeding Month (the Due Date) in which the monthly bill/ supplementary bill is issued by the SPD to the ...ESCOM, to such account of the SPD, as shall have been previously notified by the SPD in accordance with Clause 6.3.2 (c) below. In case the monthly bill or any other bill, including a Supplementary Bill is issued after the 15th (fifteenth)

day of a month, the Due Date for payment would be 30th day from the date of presentation of the bill.

6.3.2 All payments required to be made byESCOM under this Agreement shall be subject to any deduction or set off for:

- a. deductions required by Law; and
- b. Amounts claimed by ...ESCOM, if any, from the SPD, through an invoice and not paid within fifteen (15) days of receipt of the said Invoice.
- c. The SPD shall open a bank account at [Insert name of place] (the "SPD's Designated Account") for all Tariff Payments (including supplementary bills) to be made by ...ESCOM to the SPD, and notify ...ESCOM of the details of such account at least 90 (ninety) days before the dispatch of the first monthly bill.

Provided further the SPD shall be obligated to open a new "Designated Account" in the name of the Special Purpose Vehicle if such conditions occur as per Clause 12.11(i).

6.4 Late Payment surcharge:

In the event of payment of the monthly bill being made by ...ESCOM after the due date, a late payment surcharge shall be payable to the SPD at the rate of 1.0% per month on the bill amount (being "Late Payment Surcharge"), computed on a pro rata basis on the number of days of the delay in payment. The Late Payment Surcharge shall be claimed by the SPD through the Supplementary Bill.

6.5 Rebate

For payment of any Bill on or before Due Date, Rebate shall be paid by the SPD to ...ESCOM at the following rates:

- (a) A Rebate of 4% shall be payable to the ...ESCOM for the payments made on the date of presentation of the bill. For this purpose the date of presentation of the bill shall be the same day in case the bill is delivered on or before 12 noon, else the next Business Day.
- (b) A Rebate of 2% shall be payable to the ...ESCOM for the payments made within 5 Business Days of the presentation of the bill.
- (c) A Rebate of 1% shall be payable to the ...ESCOM for the payments made beyond five business Days of presentation of the bill but on or before the due date.
- (d) No Rebate shall be payable on the Bills raised on account of Change in Law relating to taxes, duties and cess.

6.6 Payment Security Mechanism - Letter of Credit:

6.6.1 ...ESCOM shall provide to the SPD, in respect of payment of its Monthly Bills and/or Supplementary Bills, a monthly unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained which may be drawn upon by the SPD in accordance with this Article.

6.6.2 Not later than 1 (one) Month before the start of supply, ...ESCOM through a scheduled bank at [Identified Place] open a Letter of Credit in favour of the SPD, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of twelve (12) Months and shall be renewed annually, for an amount equal to:

- (i) the estimated average monthly billing for the first Contract Year;
- (ii) the average of the monthly billing of the previous Contract Year for each subsequent Contract Year.

Provided that the SPD shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill, and shall not make more than one drawal in a Month.

Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Clauses above due to any reason whatsoever, ...ESCOM shall restore such shortfall within seven (7) days.

6.6.3 ...ESCOM shall cause the scheduled bank issuing the Letter of Credit to intimate the SPD, in writing regarding establishing of such irrevocable Letter of Credit.

6.6.4 ...ESCOM shall ensure that the Letter of Credit shall be renewed not later than 30(thirty) days prior to its expiry.

6.6.5 All costs relating to opening and maintenance of the Letter of Credit shall be borne equally by the SPD and theESCOM.

6.6.6 If ...ESCOM fails to pay a Monthly Bill or Supplementary Bill or part thereof within and on the Due Date, then, the SPD may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from ...ESCOM, an amount equal to such Monthly Bill or Supplementary Bill or part thereof, if applicable, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

(a) a copy of the Monthly Bill or Supplementary Bill which has remained unpaid to SPD and;

(b) a certificate from the SPD to the effect that the bill at item (i) of Clause 6.2 above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date;

6.7 Disputed Bill:

(i) If the ...ESCOM does not dispute a Monthly Bill or a Supplementary Bill raised by the SPD by the Due Date, such Bill shall be taken as conclusive subject to reconciliation as per Clause 6.8.

- (ii) If the ...ESCOM disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, it shall pay 95% of the disputed amount and it shall within fifteen (15) days of receiving such Bill, issue a notice (the "Bill Dispute Notice") to the SPD setting out:
 - (a) the details of the disputed amount;
 - (b) its estimate of what the correct amount should be; and
 - (c) all written material in support of its claim.

- (iii) If the SPD agrees to the claim raised in the Bill Dispute Notice issued pursuant to Clause 6.7 (ii), the SPD shall revise such Bill and present it along with the next Monthly Bill. In such a case, excess amount shall be refunded along with interest at the same rate as Late Payment Surcharge, which shall be applied from the date on which such excess payment was made by the ...ESCOM to the SPD and up to and including the date on which such payment has been received as refund.

- (iv) If the SPD does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Clause 6.7 (ii), it shall, within fifteen (15) days of receiving the Bill Dispute Notice, furnish a notice (the "Bill Disagreement Notice") to the ...ESCOM providing:
 - (a) Reasons for its disagreement;
 - (b) Its estimate of what the correct amount should be; and
 - (c) All written material in support of its counter-claim.

- (v) Upon receipt of the Bill Disagreement Notice by the ...ESCOM under Clause 6.7 (iv), authorized representative(s) or a director of the board of directors/ member of board of the ...ESCOM and SPD shall meet and make best endeavours to amicably resolve such dispute within fifteen (15) days of receipt of the Bill Disagreement Notice.

(vi) If the Parties do not amicably resolve the Dispute within fifteen (15) days of receipt of Bill Disagreement Notice pursuant to Clause 6.7 (iv), the matter shall be referred to Dispute Resolution in accordance with Article 10.

(vii) For the avoidance of doubt, it is clarified that despite a Dispute regarding a Bill, ...ESCOM shall, without prejudice to its right to Dispute, be under an obligation to make payment of 95% of the Disputed Amount in the Monthly Bill.

6.8 Quarterly and Annual Reconciliation:

(i) The Parties acknowledge that all payments made against Monthly Bills and Supplementary Bills shall be subject to quarterly reconciliation within 30 days of the end of the quarter at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year within 30 days to take into account the Energy Accounts, Tariff adjustment payments, Tariff rebate, Late Payment Surcharge, or any other reasonable circumstance provided under this Agreement.

(ii) The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the SPD and ...ESCOM shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the SPD shall make appropriate adjustments in the next Monthly Bill. Late Payment Surcharge/ interest shall be payable in such a case from the date on which such payment had been made to the SPD or the date on which any payment was originally due, as may be applicable. Any Dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of Article 10.

6.9 Payment of Supplementary Bill:

(i) SPD may raise a ("Supplementary Bill") for payment on account of:

- (a) Adjustments required by the Energy Accounts (if applicable); or
- (b) Tariff payment for change in parameters, or
- (c) Change in Law as provided in Article 13, or

(ii) ...ESCOM shall remit all amounts due under a Supplementary Bill raised by the SPD to the SPD's Designated Account by the Due Date. For such payments by ...ESCOM, Rebate as applicable to Monthly Bills pursuant to Clause 6.5 shall equally apply.

(iii) In the event of delay in payment of a Supplementary Bill by ...ESCOM beyond its Due Date, a Late Payment Surcharge shall be payable at the same terms applicable to the Monthly Bill in Clause 6.4.

Article-7

METERING AND COMMUNICATION

7.1 For installation of meters, meter testing, meter calibration and meter reading and all matters incidental thereto, the SPD and ...ESCOM shall follow and be bound by the Applicable Laws including Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, and the Grid Code, as amended and revised from time to time.

7.2 The SPD shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at SPD's side of Delivery Point.

7.3 Measurement of Energy:

Measurement of electrical energy shall be done at the delivery point as approved by the STU / ...ESCOM.

7.4 Reporting of Metered Data and parameters:

- (i) The SPD's solar power project will install necessary equipment for regular monitoring of solar irradiance (including DNI), ambient air temperature, wind speed and other weather parameters and simultaneously for monitoring of the electric power generated from the plant.
- (ii) Online arrangement would have to be made by the SPD for submission of above data regularly for the entire period of this Power Purchase Agreement to ...ESCOM/KREDL.
- (iii) Reports on the above parameters on monthly basis shall be submitted by the SPD to ...ESCOM/KREDL through ...ESCOM for the entire period of this Agreement.

Article-8

FORCE MAJEURE

8.1 Definitions:

In this Article, the following terms shall have the following meanings:

8.2 Affected Party:

An Affected Party means ...ESCOM or the SPD whose performance has been affected by an event of Force Majeure.

8.3 Force Majeure Events:

(a) Neither Party shall be responsible or liable for or deemed in breach hereof because of any delay or failure in the performance of its obligations hereunder (except for obligations to pay money due prior to occurrence of Force Majeure events under this Agreement) or failure to meet milestone dates due to any event or circumstance (a "Force Majeure Event") beyond the reasonable control of the Party affected by such delay or failure, including the occurrence of any of the following:

- (i) Acts of God;
- (ii) Typhoons, floods, lightning, cyclone, hurricane, drought, famine, epidemic, plague or other natural calamities;
- (iii) Strikes, work stoppages, work slowdowns or other labour dispute which affects a Party's ability to perform under this Agreement;
- (iv) Acts of war (whether declared or undeclared), invasion or civil unrest;
- (v) Any requirement, action or omission to act pursuant to any judgment or order of any court or judicial authority in India (provided such requirement, action or omission to act is not due to the breach by the SPD or ...ESCOM of any Law or any of their respective obligations under this Agreement);

- (vi) Inability despite complying with all legal requirements to obtain, renew or maintain required licenses or Legal Approvals;
 - (vii) Fire, Earthquakes, explosions, accidents, landslides;
 - (viii) Expropriation and/or compulsory acquisition of the Project in whole or in part;
 - (ix) Chemical or radioactive contamination or ionizing radiation; or
 - (x) Damage to or breakdown of transmission facilities of either Party;
- (b) The availability of the above item (a) to excuse a Party's obligations under this Agreement due to a Force Majeure Event shall be subject to the following limitations and restrictions:
- (i) The non-performing Party gives the other Party written notice describing the particulars of the Force Majeure Event as soon as practicable after its occurrence;
 - (ii) The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure Event.
 - (iii) The non-performing Party is able to resume performance of its obligations under this Agreement, it shall give the other Party written notice to that effect;
 - (iv) The Force Majeure Event was not caused by the non-performing Party's negligent or intentional acts, errors or omissions, or by its negligence/failure to comply with any material Law, or by any material breach or default under this Agreement;
 - (v) In no event shall a Force Majeure Event excuse the obligations of a Party that are required to be completely performed prior to the occurrence of a Force Majeure Event.

8.4 Payment Obligations:

For avoidance of doubt, neither Party's obligation to make payments of money due nor payable prior to occurrence of Force Majeure events under this Agreement shall be suspended or excused due to the occurrence of a Force Majeure Event in respect of such Party.

Article-9

TERM, TERMINATION AND DEFAULT

9.1 Term of the Agreement: This Agreement shall become effective upon the execution and delivery thereof by the Parties hereto and unless terminated pursuant to other provisions of the Agreement, shall continue to be in force for such time until the completion of a period of twenty five (25) years from the Commercial Operation Date. Thereafter, the Agreement may be renewed for such further period on the terms and conditions mutually agreed upon between the parties ninety (90) days prior to the expiry of the said period of twenty five (25) years.

9.2 Events of Default:

9.2.1 SPD's Default:

The occurrence of any of the following events at any time during the Term of this Agreement shall constitute an Event of Default by SPD:

- (a) O&M Default on part of SPD;
- (b) Failure or refusal by SPD to perform any of its material obligations under this Agreement.

9.2.2 ...ESCOM's Default:

The occurrence of any of the following at any time during the Term of this Agreement shall constitute an Event of Default by ...ESCOM:

- a. Failure or refusal by ...ESCOM to perform its financial and other material obligations under this Agreement.
- b. In the event of any payment default of monthly tariff bills by the ...ESCOM for a continuous period of three months, the SPD shall be permitted to sell

Electricity to third parties by entering into a Wheeling & Banking agreement with the ...ESCOM for which it shall pay transmission and any other charges to the ...ESCOM at the rates applicable from time to time as approved by the Commission.

9.3 Termination:

9.3.1 Termination for SPD's Default:

Upon the occurrence of an event of default as set out in sub-clause 9.2.1 above, ...ESCOM may deliver a Default Notice to the SPD in writing which shall specify in reasonable detail the Event of Default giving rise to the default notice, and calling upon the SPD to remedy the same.

At the expiry of 60 (sixty) days from the delivery of this default notice and unless the Parties have agreed otherwise, or the Event of Default giving rise to the default notice has been remedied, ...ESCOM may deliver a Termination Notice to the SPD, ...ESCOM may terminate this Agreement by delivering such a Termination Notice to the SPD and intimate the same to the Commission. Upon delivery of the Termination Notice this Agreement shall stand terminated and ...ESCOM shall stand discharged of all its obligations. However, all payment obligations as per the Article 6 prior to the date of termination of the Agreement shall be met by the Parties.

Where a Default Notice has been issued with respect to an Event of Default, which requires the co-operation of both ...ESCOM and the SPD to remedy, ...ESCOM shall render all reasonable co-operations to enable the Event of Default to be remedied.

9.3.2 Termination for ...ESCOM's Default:

Upon the occurrence of an Event of Default as set out in sub-clause 9.2.2 above, the SPD may deliver a Default Notice to ...ESCOM in writing which shall specify in

reasonable detail the Event of Default giving rise to the Default Notice, and calling upon ...ESCOM to remedy the same.

At the expiry of 60 (Sixty) days from the delivery of this default notice and unless the Parties have agreed otherwise, or the Event of Default giving rise to the Default Notice has been remedied, SPD may deliver a Termination Notice to the ...ESCOM. SPD may terminate this Agreement by delivering such a Termination Notice to ...ESCOM and intimate the same to the Commission. Upon delivery of the Termination Notice this Agreement shall stand terminated and SPD shall stand discharged of all its obligations.

Where a Default Notice has been issued with respect to an Event of Default, which requires the co-operation of both SPD and ...ESCOM, to remedy, SPD shall render all reasonable co-operations to enable the Event of Default to be remedied.

Article-10

DISPUTE RESOLUTION AND ARBITRATION

10.1 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in Bangalore.

10.2 Amicable Settlement and Dispute Resolution

(a) Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement ("Dispute") by giving a written notice (Dispute Notice) to the other Party, which shall contain:

- (i) a description of the Dispute;
- (ii) the grounds for such Dispute; and
- (iii) all written material in support of its claim.

(b) The other Party shall, within thirty (30) days of issue of Dispute Notice issued under Clause 10.2(a), furnish:

- (i) counter-claim and defences, if any, regarding the Dispute; and
- (ii) all written material in support of its defences and counter-claim.

(c) Within thirty (30) days of issue of Dispute Notice by any Party pursuant to Clause 10.2(a) if the other Party does not furnish any counter claim or defense under Clause 10.2 (b) or thirty (30) days from the date of furnishing counter claims or defense by the other Party, both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days from the later of the dates mentioned

in this Clause 10.2 (c), the Dispute shall be referred for dispute resolution in accordance with Clause 10.3.

10.3 Dispute Resolution:

10.3.1 If any dispute is not settled amicably under clause 10.2 the same shall be referred by any of the parties to the KERC for dispute resolution in accordance with the provisions of the Electricity Act, 2003.

10.3.2 Pending the submission of and/ or decision on a dispute by KERC, the parties shall continue to perform their respective obligations under this agreement, subject to any interim order that may be passed KERC without prejudice to a final adjustment in accordance with such decision by the KERC.

Article-11

LIABILITY AND INDEMNIFICATION

11.1 Indemnity:

11.1.1 The SPD shall indemnify, defend and hold ...ESCOM harmless against:

- (a) any and all third party claims against ...ESCOM for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the SPD of any of its obligations under this Agreement; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by ...ESCOM from third party claims arising by reason of a breach by the SPD of any of its obligations under this Agreement, (provided that this Article 11 shall not apply to such breaches by the SPD, for which specific remedies have been provided for under this Agreement).

11.1.2 ...ESCOM shall indemnify, defend and hold the SPD harmless against:

- (a) any and all third party claims against the SPD, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of breach by ...ESCOM of any of their obligations under this Agreement; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest ('Indemnifiable Losses') actually suffered or incurred by the SPD from third party claims arising by reason of a breach by ...ESCOM of any of its obligations.

11.2.1 Procedure for claiming Indemnity:

11.2.1 (a) Where the indemnified party is entitled to indemnification from the indemnifying party pursuant to Clause 11.1.1(a) or 11.1.2(a), the indemnified

party shall promptly notify the indemnifying party of such claim referred to in Clause 11.1.1(a) or 11.1.2(a) in respect of which it is entitled to be indemnified. Such notice shall be given as soon as reasonably practicable after the indemnified party becomes aware of such claim. The indemnifying party shall be liable to settle the indemnification claim within thirty (30) days of receipt of the above notice. Provided however that, if:

- (i) the Parties choose to contest the claim of the third party; and
 - (ii) the claim amount is not required to be paid/ deposited to such third party pending the resolution of the Dispute, the indemnifying party shall become liable to pay the claim amount to the indemnified party or to the third party, as the case may be, promptly following the resolution of the Dispute, if such Dispute is not settled in favour of the indemnified party.
- (b) The indemnified party may contest the claim of the third party for which it is entitled to be indemnified under Clause 11.1.1(a) or 11.1.2(a) and the indemnifying party shall reimburse to the indemnified party all reasonable costs and expenses incurred by the indemnified party. However, such indemnified party shall not settle or compromise such claim without first getting the consent of the indemnifying party, which consent shall not be unreasonably withheld or delayed.

An indemnifying party may, at its own expense, assume control of the defence of any proceedings brought against the indemnified party if it acknowledges its obligation to indemnify such indemnified party and gives such indemnified party prompt notice of its intention to assume control of the defence, and employs an independent legal counsel at its own cost that is reasonably satisfactory to the indemnified party.

11.3 Indemnifiable Losses:

Where an indemnified party is entitled to indemnifiable losses from the indemnifying party, pursuant to Clause 11.1.1(b) or 11.1.2(b), the indemnified party shall promptly notify the indemnifying party of the indemnifiable losses actually incurred by the indemnified party. The indemnifiable losses shall be reimbursed by the indemnifying party within thirty (30) days of receipt of the notice seeking indemnifiable losses by the indemnified party. In case of non-payment of such losses after a valid notice under this Article 11, such event shall constitute a payment default under Clause 9.2.

11.4 Limitation on Liability:

11.4.1 Except as expressly provided in this Agreement, neither the SPD nor ...ESCOM nor its/their respective officers, directors, agents, employees or affiliates (or their officers, directors, agents or employees), shall be liable or responsible to the other Party or its affiliates, officers, directors, agents, employees, successors or permitted assigns or their respective insurers for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of power generation or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of ...ESCOM, the SPD or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.

11.4.2 ...ESCOM shall have no recourse against any officer, director or shareholder (partner) of the SPD or any Affiliate of the SPD or any of its officers, directors or shareholders for such claims excluded under this Article. The SPD shall have no recourse against any officer, director or shareholder of ...ESCOM, or any affiliate

of ...ESCOM or any of its officers, directors or shareholders for such claims excluded under this Article.

11.5 Duty to Mitigate

The Parties shall endeavor to take all reasonable steps so as mitigate any loss or damage which has occurred under this Article 11.

Article-12

MISCELLANEOUS PROVISIONS

12 Waiver:

12.1 Waiver, including partial or conditional waiver, by either Party of any default by the other Party in the observance and performance of any provision of or obligations under this Agreement:

(a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;

(b) shall not be effective unless it is in writing and executed by a duly authorized Representative of the Party; and

(c) shall not affect the validity or enforceability of this Agreement in any manner.

12.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation there under nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

12.3 Survival:

12.3.1 Termination shall;

(a) not relieve the SPD or ...ESCOM, as the case may be, of any obligations hereunder which expressly or by implication survive Termination hereof; and

(b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such Termination or arising out of such Termination.

12.3.2 All obligations surviving Termination shall only survive for a period of 3 (three) years following the date of such Termination.

12.4 Entire Agreement:

This Agreement and the Schedules together constitute a complete and exclusive statement of the terms of the agreement between the Parties on the subject hereof, and no amendment or modification hereto shall be valid and effective unless such modification or amendment is agreed to in writing by the Parties and duly executed by persons especially empowered in this behalf by the respective Parties. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are abrogated and withdrawn.

12.5 Severability:

If for any reason whatever, any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to the Dispute Resolution Procedure set forth under this Agreement or otherwise.

12.6 Successors and assigns:

This Agreement shall be binding upon, and endure to the benefit of the Parties and their respective successors and permitted assigns.

12.7 Notices:

Any notice or other communication to be given by any Party to the other Party under or in connection with the matters contemplated by this Agreement shall be in writing and shall:

- (a) in the case of the SPD, be given by facsimile or e-mail and by letter delivered by hand to the address given and marked for attention of the person set out below or to such other person as the SPD may from time to time designate by notice to ...ESCOM;

Provided that notices or other communications to be given to an address outside [insert location of concerned ...ESCOM] may, if they are subsequently confirmed by sending a copy thereof by registered post acknowledgement due, air mail or by courier, be sent by facsimile or e-mail to the number as the SPD may from time to time designate by notice to ...ESCOM;

- (b) in the case of ...ESCOM, be given by facsimile or e-mail and by letter delivered by hand and be addressed to the _____ with a copy delivered to ...ESCOM Representative or such other person as ...ESCOM may from time to time designate by notice to the SPD.

Provided that if the SPD does not have an office in..... [insert location of concerned ESCOM] it may send such notice by facsimile or e-mail and by registered acknowledgement due, air mail or by courier; and

- (c) any notice or communication by a Party to the other Party, given in accordance herewith, shall be deemed to have been delivered when in the normal course of post it ought to have been delivered and in all other cases, it shall be deemed to have been delivered on the actual date and time of delivery, provided that in the case of facsimile or e-mail, it shall be deemed to have been delivered on the working day following the date of its delivery.

12.8 Language:

All notices required to be given by one Party to the other Party and all other communications, Documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

12.9 Counterparts:

This Agreement may be executed in two counterparts, each of which, when executed and delivered, shall constitute an original of this Agreement.

12.10 Amendments:

This Agreement shall not be amended, changed, altered, or modified except by a written instrument duly executed by an authorized representative of both Parties. However, ...ESCOM may consider any amendment or change that the Lenders may require to be made to this Agreement subject to the approval of the Commission.

12.11 Assignment:

- (i) The SPD shall not assign this Agreement or any portion hereof without the prior consent in writing ofESCOM.

Provided that any assignee shall expressly assume all the assignor's obligations arising under this Agreement, subject to documentation acceptable toESCOM.

Provided further that SPD shall have an irrevocable right to form a Special Purpose Vehicle (SPV) at any time after the date of this PPA under intimation toESCOM and such SPV shall take over all the rights, responsibilities, obligations, liabilities etc., of the SPD mutatis mutandis.

Provided also that the SPD shall not reduce/transfer his/her ownership interest in the voting capital of the SPV to less than 26% on or before 12 months from the date of CoD without the consent of the ...ESCOM.

- (ii) The SPD may create any encumbrance over all or any part of the receivables, Payment Mechanism in favour of the Lenders or the Lender's Representative on their behalf, as security for:
 - a. Amounts payable under the Financing Agreements; and
 - b. Any other amounts agreed by the Parties.

Article-13

CHANGE IN LAW

13.1 Definitions;

In this Article 13, the following terms shall have the following meanings:

13.1.1 "Change in Law" means the occurrence of any of the following events after the Effective Date resulting into any additional recurring/ non-recurring expenditure by the SPD or any income to the SPD:

- (a) the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law;
- (b) a change in the interpretation or application of any law by any by any Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;
- (c) the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;
- (d) a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits; except due to any default of the SPD;
- (e) any change in tax or introduction of any tax made applicable for supply of power by the SPD as per the terms of this Agreement.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR FULLY AUTHORIZED OFFICERS, AND COPIES DELIVERED TO EACH PARTY, AS OF THE DAY AND YEAR FIRST ABOVE STATED.

For and on behalf of ...ESCOM

(Signature).....

Name:

(Authorized Officer/Signatory.....ESCOM)

Designation:

WITNESSES

1. SRI.....

2. SRI.....

For and on behalf of SPD

(Signature).....

Name:

(Authorized Person/Signatory...SPD)

WITNESSES

1. SRI.....

2. SRI.....

Schedule-1
PROJECT AND SITE CHARACTERISTICS

1. Capacity of the Plant :..... MW.
2. Type of project : Solar PV power plant
3. Location :VILLAGE.
4. Taluk :
5. District :
6. Survey Nos. :.....
7. Nearest receiving station of KPTCL : Sub-station at

Schedule-2
PERFORMANCE SECURITY

(PROFORMA OF BANK GUARANTEE)

THIS DEED OF GUARANTEE executed on this the _____day of _____
at _____ by _____ (Name of the Bank) having its Head /
Registered office at _____hereinafter referred to as "the Guarantor"
which expression shall unless it be repugnant to the subject or context thereof
include successors and assigns;

In favour of

_____, a Company incorporated under the Indian Companies Act, 1956
having its registered office at ___ (hereinafter referred to as "...ESCOM", which
expression shall, unless it be repugnant to the context or meaning thereof,
include it's administrators, successors, and assigns);

WHEREAS

- A. By the Power Purchase Agreement (the "Agreement") being entered into between ...ESCOM and the SPD with address at(hereinafter referred as "SPD"), has been granted the right to development of Solar Power project, hereinafter referred to as the Project.
- B. In terms of Article 2.3 of the Agreement, the SPD is required to furnish to ...ESCOM, an unconditional and irrevocable bank guarantee for an amount of Rs. _____/- (Rupees _____ Only) as security for due and punctual performance/discharge of its obligations under the Agreement.

At the request of the SPD, the Guarantor has agreed to provide guarantee, being these presents guaranteeing the due and punctual performance/discharge by the SPD of its obligations under the Agreement relating to the Project.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

Capitalised terms used herein but not defined shall have the meaning assigned to them respectively in the Agreement.

1. The Guarantor hereby irrevocably guarantees the due and punctual performance by Sri/Smt.....of all its obligations relating to the Project.
2. The Guarantor as primary obligator shall, without demur, pay to ...ESCOM sums not exceeding in aggregate Rs. _____/- (Rupees _____ Only), within one working day of receipt of a written demand thereof from ...ESCOM stating that the SPD has failed to meet its performance obligations under the Agreement. The Guarantor shall not go into the veracity of any breach or failure on the part of the SPD or validity of demand so made by ...ESCOM and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the SPD or any other Person. The Guarantor's obligations hereunder shall subsist until all such demands are duly met and discharged in accordance with the provisions hereof.

In order to give effect to this Guarantee, ...ESCOM shall be entitled to treat the Guarantor as the principal debtor. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the Agreement or other documents or by the extension of time for performance granted to the SPD or postponement/non exercise/ delayed exercise of any of its rights by ...ESCOM or any indulgence shown by ...ESCOM to the SPD and the Guarantor shall not be relieved from its obligations under this Guarantee on account of any such variation, extension, postponement, non- exercise, delayed exercise of any of its rights by ...ESCOM or any indulgence shown by ...ESCOM provided nothing contained herein shall enlarge the Guarantor's obligation hereunder.

3. This Guarantee shall be irrevocable and shall remain in full force and effect for a period of 24 months unless discharged /released earlier by ...ESCOM in

accordance with the provisions of the Agreement. The Guarantor's liability in aggregate be limited to a sum of Rs. _____/- (Rupees _____ Only).

4. This Guarantee shall not be affected by any change in the constitution or winding up of the SPD /the Guarantor or any absorption, merger or amalgamation of the SPD/the Guarantor with any other Person.

The Guarantor has power to issue this guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorised to execute this Guarantee pursuant to the power granted.

IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN

SIGNED AND DELIVERED

by _____ Bank

by the hand of Shri _____ its _____ and authorised official.