

Format for Bank Guarantee

(Note to Bank :-

1. The BG shall be furnished on Rs.100/- Non-judicial stamp papers issued in the name of the Executing Bank.
2. All the paras mentioned below shall be invariably kept in the BG. Any deletions of this standard format are not accepted.
3. The BG shall be furnished in favour of The CGM/Commercial & RAC/TSSPDCL/Mint Compound/Hyderabad.
4. The BG shall be issued with covering letter on bank letter head with the details of BG No, issuing Bank address with Ph. No, Fax No, Email address and confirmation bank details.)

(Note to developer:- Bank Guarantee is to be submitted “on or before estimate processing for evacuation of power generated(A) or before executing any agreement for wheeling/sale of power generated(3 rd party/captive/pooled cost)(B) or 45 days from issuance of technical feasibility, whichever is earlier (A/B/C)” and the bank guarantee amount is Rs.2 lakhs per MW.)

The purpose of this bank guarantee is for early completion of the project not later than two years from the date of issuing of this Bank Guarantee.

This bank guarantee is valid for two years and two months till the date----- with additional claim period of one month till the date.....

In consideration of the _____ [Insert name of the solar power developer] (herein after referred to as solar power developer) submitting the proposal for establishment of solar power project of the capacity of _____ MW, at _____[Insert the location], in the jurisdiction of Sothern Power Distribution Company of Telangana Limited (herein after referred to as DISCOM or TSSPDCL) under third party sale / captive utilization purpose / sale to DISCOM at pooled cost.

This guarantee shall be valid and binding on this Bank up to and including _____[Insert Date]_____ and shall not be terminable by notice or any change in the constitution of the Bank or the term of contract or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or

without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. _____(Rs. ____ only). Our Guarantee shall remain in force until __[Insert date] / The DISCOM shall be entitled to invoke this Guarantee till _____[Insert date].

The Guarantor Bank hereby agrees and acknowledges that the DISCOM shall have a right to invoke this PERFORMANCE BANK GUARANTEE in part or in full, as it may deem fit.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand notice by DISCOM, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to DISCOM.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by _____[Insert name of the Solar Power Developer] . The Guarantor Bank shall not require the DISCOM to justify the invocation of this PERFORMANCE BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the DISCOM in respect of any payment made hereunder

This PERFORMANCE BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Telangana State shall have exclusive jurisdiction.

The Guarantor Bank represents that this PERFORMANCE BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This PERFORMANCE BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring or any other change in the constitution of the Guarantor Bank.

This PERFORMANCE BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the DISCOM shall not be obliged before enforcing this PERFORMANCE BANK GUARANTEE to take any action in any

court or arbitral proceedings against the Solar Power Developer / Project Company, to make any claim against or any demand on the Solar Power Developer / Project Company or to give any notice to the Solar Power Developer / Project Company or to enforce any security held by the DISCOM or to exercise, levy or enforce any distress, diligence or other process against the Solar Power Developer / Project Company.

The Guarantor Bank also agrees and acknowledges that, soon after the placing of demand in writing by the DISCOM/TSSPDCL or its lawful assignee for realization of Bank Guarantee the same shall be paid/realized, without reference to the or irrespective of the fact that a dispute is pending in any Court or Arbitral tribunal on the terms of contract or on the very issue of enforcing of Bank Guarantee.

The Guarantor Bank acknowledges that this PERFORMANCE BANK GUARANTEE is not personal to the DISCOM and may be assigned, in whole or in part, (whether absolutely or by way of security) by the DISCOM to any entity to whom the DISCOM is entitled to assign its rights and obligations.

Notwithstanding anything contained here in above, our liability under this Guarantee is restricted to Rs. _____(Rupees _____ only) and it shall remain in force until _____[Insert date] with an additional claim period of thirty (30) days thereafter. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the DISCOM serves upon us a written claim or demand.

Signature _____

Name _____

Power of Attorney No. _____

For

_____ [Insert Name of the Bank] _____

Banker's Stamp and Full Address.

Dated this _____ day of _____, 20_____. with Bank Guarantee No: _____.

Witness:

1.

Signature

Name and Address

2.

Signature

Name and Address