

PROFORMA FOR BANK GUARANTEE FOR SHORT TERM OPEN ACCESS

(To be stamped in accordance with stamp Act)

Ref..... Bank Guarantee No.....

Dated

To

_____RLDC
Power Grid Corporation of India Ltd

_____.

Dear Sirs,

In consideration of the Power Grid Corporation of India Ltd through its _____Regional Load Despatch Centre (hereinafter referred to as the 'RLDC' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having reserved the transmission capacity and agreed to provide Short Term Open Access in accordance with the Central Electricity Regulatory Commission (Open Access in Interstate Transmission) regulations 2004, to the transmission system comprising of the power system of _____and _____for use by M/shaving its Registered Office at (hereinafter referred to as the 'Short Term Customer' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) resulting in the Short term

approval dated_____with access charges valued at Rs.....

And whereas the said approval has been unequivocally accepted by the Short Term Customer. The Short Term Customer having agreed to provide a Bank Guarantee in favour of the RLDC as payment security guaranteeing to bear the full transmission charges, scheduling & system operation charges and handling & Service charges in respect of the reserved transmission capacity amounting to Rs..... for a period ofdays, which amount shall be reduced based on the outstanding liability of the short-term customer for the balance period of the Reserved Transmission Capacity.

And whereas,_____Bank, a body incorporated under the banking companies (acquisition and transfer of undertakings) Act 1970, having its branch office at_____ & its Head Office at_____hereinafter referred to as the "BANK", which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, executors and permitted assigns, do hereby guarantee and undertake to pay the RLDC on its first written demand any and all monies payable by the Short Term Customer to the extent of the outstanding liability of the Short Term Customer in respect of the said Reserved Transmission Capacity without any demur, reservation, contest, recourse or protest and/or without any reference to the short term customer. Any such demand made by the RLDC on the Bank shall be conclusive and binding notwithstanding any difference between the RLDC

and the Short term Customer or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during its currency without previous written consent of the RLDC and further agrees that the guarantee herein contained shall continue to be enforceable till the RLDC discharges this guarantee.

The decision of the RLDC declaring the short term customer to be in payment default as aforesaid shall be final and binding on the Bank.

The RLDC shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Short Term Customer, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied between the RLDC and the Short Term Customer or any other course or remedy or security available to the RLDC. The Bank shall not be released of its obligations under these presents by any exercise by the RLDC or its liberty with reference to the matters aforesaid or any of them or by reason of any other act of omission or commission on the part of the RLDC or any other indulgences shown by the RLDC or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank.

The Bank also agrees that the RLDC at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Short Term Customer and

notwithstanding any security or other guarantee the RLDC may have in relation to the Short Term Customer's liabilities.

Notwithstanding anything contained herein above the Bank's liability under this guarantee is restricted to Rs..... and it shall remain in force upto and including..... and shall be extended from time to time for such period (not exceeding one year), as may be desired by the short term customer on whose behalf this guarantee has been given.

These presents shall be governed by and construed in accordance with Indian Laws.

The Bank hereby declares that it has the power to issue this Guarantee and the undersigned has full power to do so.

Dated this.....day of200.....at.....

WITNESS

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(Signature)

.....
(Signature)

.....
(Name)

.....
(Name)

.....
(Official Address)

.....
(Designation with Bank Stamp)