

PROFORMA OF BANK GUARANTEE FOR
PERFORMANCE
(To be stamped in accordance with Stamp Act)

Ref.

Bank Guarantee No.

Date

To

Central Transmission Utility of India Limited
Plot No. 2, Sector 29, Gurgaon
Haryana, India, 122001.

Dear Sirs,

In consideration of the Central Transmission Utility of India Limited, (hereinafter referred to as the "CTUIL" which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having signed an agreement No..... dated with LONG TERM TRANSMISSION CUSTOMER (Name of Customer with its Registered/Head office at(hereinafter referred to as the "LTOA CUSTOMER " which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns)

WHEREAS it has been agreed by the LTOA customer in the said Agreement that in case of failure /delay to construct the generating station /dedicated transmission system or makes an exit or abandon its project by LTOA CUSTOMER, CTUIL shall have the right to collect the transmission charges and or damages considering the total estimated capital investment to be made by CTUIL for total scheduled injection by LTOA CUSTOMER for an amount which shall be equivalent to the amount calculated based on the scheduled MW capacity of the project @Rs. Lakh/MW to compensate such damages.

AND WHEREAS as per the aforesaid agreement LTOA customer is required to furnish a Bank Guarantee for a sum of Rs..... (Rupees.....) as a security for fulfilling its commitments to CTUIL as stipulated under Clause of the said Agreement.

We.....

(Name & Address of the Bank)

having 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 assigns) do hereby guarantee and undertake to pay the CTUIL on demand any and all monies payable by the LTOA CUSTOMER to the extent ofas aforesaid at any time upto**.....(days/month/year) without any demur, reservation, context, recourse or protest and/or without any reference to the LTOA CUSTOMER.

Any such demand made by the CTUIL on the Bank shall be conclusive and binding notwithstanding any difference between the CTUIL and the LTOA 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 consent of the CTUIL and further agrees that the guarantee herein contained shall continue to be enforceable till the CTUIL discharges this guarantee.

The CTUIL shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to extend the time for performance of the obligations under the said agreement by the LTOA CUSTOMER. The CTUIL 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 LTOA 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, in the Agreement between the CTUIL and the LTOA CUSTOMER or any other course or remedy or security available to the CTUIL. The Bank shall not be released of its obligations under these presents by any exercise by the CTUIL of 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 CTUIL or any other indulgences shown by the CTUIL 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 CTUIL 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 LTOA CUSTOMER and notwithstanding any security or other guarantee the CTUIL may have in relation to the LTOA CUSTOMER's liabilities.

Notwithstanding anything contained hereinabove our liability under this guarantee is restricted toand it shall remain in force upto and includingand shall be extended from time to time for such period (not exceeding year), as may be desired by M/son whose behalf this guarantee has been given.

Dated this..... day of20.....at.....

WITNESS

.....

(Signature)

.....

.....

(Signature)

.....

(Name)

.....

(Official Address)

(Name)

.....

(Designation with Bank Stamp)

Attorney as per Power of Attorney No.

Date

NOTES:

1. The stamp papers of appropriate value shall be purchased in the name of issuing Bank.