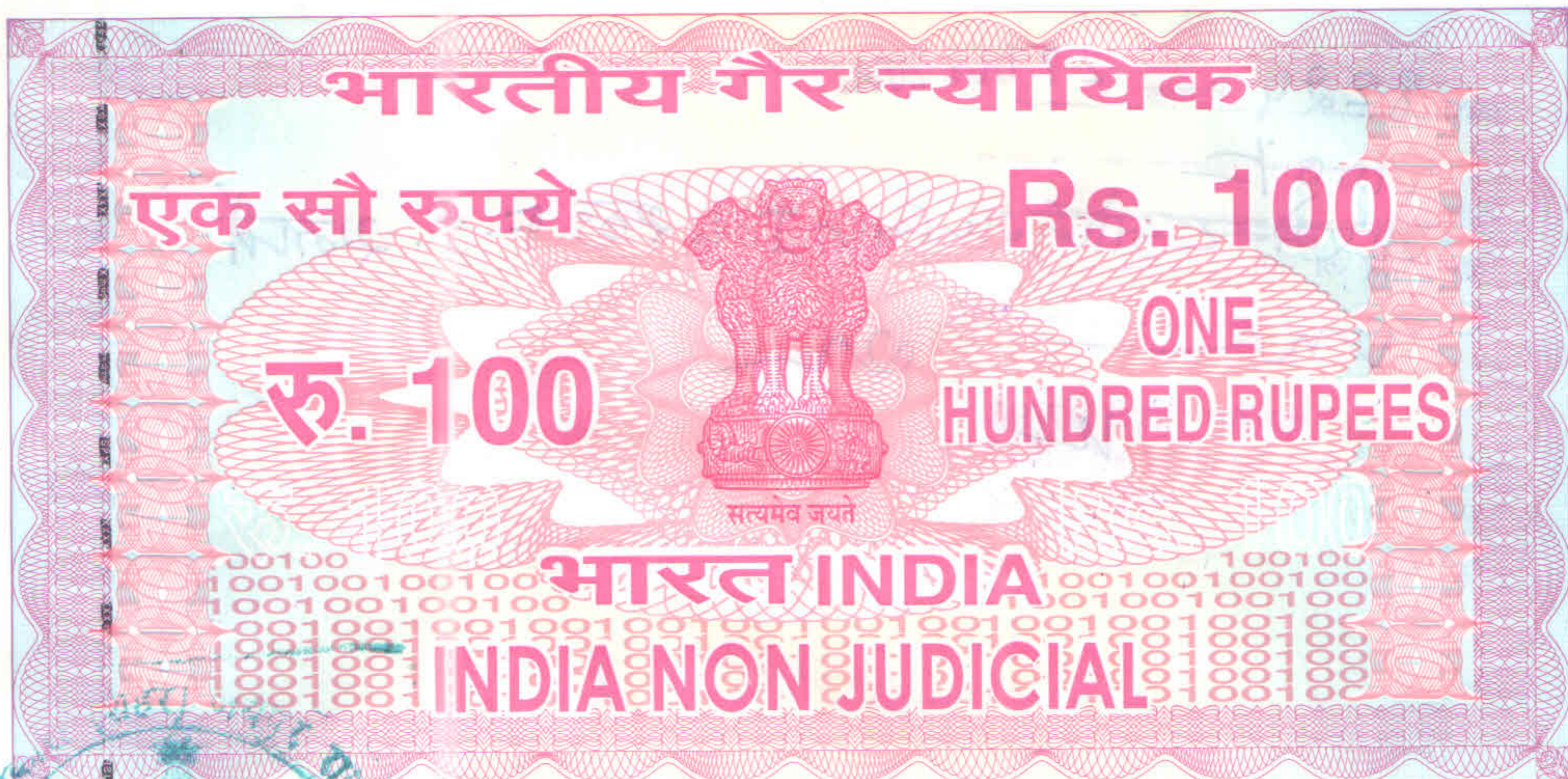




AA 599028

JOINT VENTURE AGREEMENT

This **Joint Venture Agreement** (the "Agreement") is made and entered into at Jaipur on 28th day of October 2014

BY AND BETWEEN

Government of Rajasthan, through Rajasthan Renewable Energy Corporation Limited (hereinafter referred to as "**GOR**"), which expression shall, unless repugnant to the meaning and context thereof, include its executors, administrators and permitted assigns of the **FIRST PART**;

AND

IL&FS Energy Development Company Limited, having its registered office at A-268, First Floor, Bhishm Pitamah Marg, Defence Colony, New Delhi 110024 (hereinafter referred to as "**IL&FS**"), which expression shall, unless repugnant to the meaning and context thereof, include its executors, administrators and permitted assigns of the **SECOND PART**.

(The expression 'GOR' and 'IL&FS' are sometimes individually referred to as 'Party' and/or collectively referred to as 'Parties')



IL&FS


Managing Director
Rajasthan Renewable Energy Corporation Ltd.
JAIPUR-302 001

GOR

WHEREAS

- A. GOR is keen to enhance the solar generation capacity in the State of Rajasthan and has committed to achieve 25 GW of solar power generation in the State. The GOR intends to develop the State as a manufacturing base for solar generation equipment's and to become the solar powerhouse of India;
- B. Infrastructure Leasing & Financial Services Ltd is one of India's leading infrastructure development and finance companies with focus on commercial development of infrastructure projects and creation of value added financial services. It is considered an expert in Public Private Partnerships (PPP) and has successfully pioneered multiple first-of-a-kind PPP projects;
- C. IL&FS Energy Development Company Limited is a subsidiary of Infrastructure Leasing & Financial Services Limited and is engaged in the development, implementation & operation of generation, transmission, distribution and trading of electricity. IL&FS Energy is currently developing and operating various conventional and renewable power projects in India and specializes in providing integrated and comprehensive professional services towards development of energy projects and related components from project conceptualization to project implementation;
- D. The Parties are desirous to enter into this Agreement in order to, inter alia, incorporate a 50-50% joint venture company (hereinafter referred to as "JVC") after obtaining requisite approvals to serve as the legal entity by which the activities contemplated by this Agreement can be conducted. This agreement envisages development of solar parks that can house solar power projects of up to capacity 5000 MW (hereinafter referred to as "Solar Park");
- E. The Parties intend to cooperate with one another in accordance with the terms and conditions contained herein and participate jointly for the purposes of promoting the Business (defined hereinafter);

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions:** In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

1. "Affiliate(s)" means, with respect to a Party, any other Person who:

Through one or more intermediaries

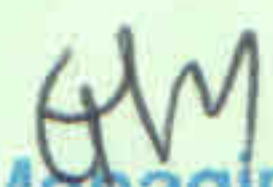
- i) owns or controls such Party; or
- ii) is owned or controlled by such Party; or
- iii) is under common ownership or control with such Party

For the purpose of this definition, the terms "control" shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Party or Person, as the case may be, whether through the ownership of Shares, by contract or otherwise.

"Person" means and includes a company, corporation, partnership, unincorporated organization, government or any agency thereof, firm, trust, individual or any other entity entitled to enter into contracts in its own name



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2. **"Carbon Credits"** means Carbon Emission Reduction certificates or other similar procedures under various bilateral and multi-lateral carbon limiting protocols
3. **"Facilities"** means the facilities within the Solar Park that shall include, but not be limited to, access roads, drainage, power evacuation within Solar Park, infrastructure for evacuation connectivity to the STU and/or CTU network, security facilities, water, O&M areas, and other facilities required to make the Solar Park attractive to Power Producers and Other Users
4. **"Fees"** means payment demanded in the form of capital cost recovery charges, development charges, lease fees, license fees, rents, evacuation charges, park maintenance charges for upkeep of the Solar Park and/or other charges to Power Producers, Solar Generation Projects and/or Other Users of the Solar Park
5. **"Force Majeure"** shall mean any event or circumstance or combination of events or circumstances which despite of best efforts is beyond the reasonable control of a Party and which prevents such Party from performing material obligations or duties under this Agreement. Such events or circumstances shall include, without limitation, the effect of any natural element or other acts of State or God (including but not limited to fire, flood, earthquake, lightning, cyclone, landslides or other natural disasters)
6. **"Other Users"** means the manufacturers, logistic suppliers, EPC companies, O&M contractors, and/or any other potential users of the Solar Park and shall also include Companies, individuals, associations, and NGOs providing services like but not limited to training, education, community welfare, housing, commercial establishments, hospitality, and other ancillary functions
7. **"Project Cost"** means total cost incurred towards the Solar Park including conceptualization, acquisition of land, development, financing and construction of Facilities in the Solar Park and other costs of commissioning incurred up to operation of the Solar Park, as certified by an independent auditor, appointed by mutual consent.
8. **"Power Producers"** means the entities utilizing the Solar Park for setting up solar and other renewable power projects
9. **"Solar Park"** means a group of solar power plants in the same location used for the generation of electric power
10. **"Solar Power Generation Projects"** means the solar power projects developed by Power Producers in the Solar Park

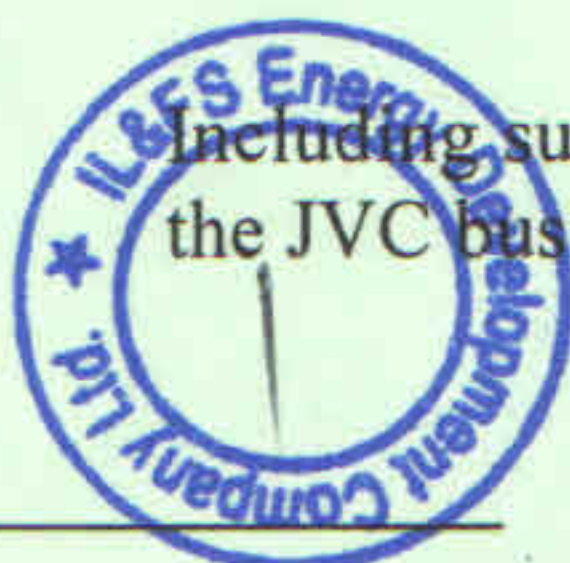
2. FORMATION, SCOPE AND PURPOSE OF JVC

2.1 JVC and its name

The Parties shall incorporate a JVC by the name acceptable to both the Parties under the provisions of the Act. The registered office of the JVC shall be situated at Jaipur.

2.2 Purpose

Including such other business as may be approved by the Board of the JVC from time to time, the JVC business shall be:



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 JAIPUR-302 001
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- 2.2.1 To implement the Facilities in a Solar Park, jointly owned or managed by both the parties or caused by GoR, to be managed by JVC;
- 2.2.2 Facilitate CTU and/or STU connectivity for the Solar Generation Projects;
- 2.2.3 To develop, finance, implement, own and operate one or more Solar Parks and ancillary facilities required for Other Users in order to attract manufacturers, EPC companies and other integral parts of the solar power value chain;
- 2.2.4 To carry out operations and maintenance for such Solar Parks;
- 2.2.5 To market the Solar Park to renewable power project developers;
- 2.2.6 To encourage Power Producers, suppliers and manufacturers to develop Solar Power Generation Projects in the Solar Park by making Solar Parks an attractive investment opportunity by providing the necessary and best quality infrastructure/ facilities;
- 2.2.7 To offer services to carry out CSR activities within the Solar Park area for and on behalf of developers, companies investing in Solar Park;
- 2.2.8 To undertake activities to encourage, promote, and facilitate use of Solar Park;
- 2.2.9 To undertake such necessary activities and make necessary efforts to monetize benefits of Carbon Credits;
- 2.2.10 To manage and operate JVC in accordance with prudent financial and business principles in the ordinary course and with reference to an objective of maximizing value to the shareholders;

(hereinafter together referred to as the "**Business**");

3. ROLES OF THE PARTIES

The Parties shall work together to accomplish the Business of the JVC provided in this Agreement. The lead roles of each Party for the various development tasks shall be as follows:

3.1 IL&FS's Lead Role in Support of JVC:

- 3.1.1 To identify land in consultation with GoR
- 3.1.2 To assess techno-commercial suitability of land
- 3.1.3 To design the Facilities in the Solar Park to attract Power Producers and Other Users
- 3.1.4 To facilitate bidding and award of construction contracts for implementing the Facilities
- 3.1.5 To facilitate low cost funds/ grants from various national/ international organizations
- 3.1.6 To facilitate financial closure activities of the JVC
- 3.1.7 To provide construction oversight and project management services
- 3.1.8 To carry out operation and maintenance of the Solar Park



IL&FS


Managing Director

Rajasthan Renewable Energy Corporation Ltd.
JAIPUR 302 001
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- 3.1.9 To facilitate monetization of Carbon Credits
- 3.1.10 To carry out marketing of the Solar Park to potential Power Producers and Other Users
- 3.1.11 To manage day-to-day affairs of the JVC

3.2 GOR's Lead Role in Support of JVC:

- 3.2.1 To facilitate allocation of land for development of Solar Park free of encumbrances to the JVC
 - 3.2.2 To facilitate STU/ CTU connectivity of the Solar Park and facilitate filing of necessary petition as per applicable laws with CERC/RERC for finalization of transmission and wheeling charges for the evacuation of solar power from the Park
 - 3.2.3 To facilitate access to any incentive schemes of the State or Central Government as per the prevailing policies
 - 3.2.4 To take such steps as required to facilitate nomination of Solar Parks under various schemes of GoI including MNRE, SECI, NVVN etc.
 - 3.2.5 To assist in obtaining all relevant permissions/ clearances/ approvals for the Solar Park;
- 3.3 Both Parties shall assist each other in their roles as mentioned above for fulfilling the Business of the JVC. In case the JV is formed for a solar park of more than 500 MW capacity, then the development of the solar park will be carried out in phases, as may be mutually decided and support to the JVC by GoR as mentioned above will be extended only after satisfaction of the GoR about the progress made by JVC in regard to the earlier phase(s).

4. SHAREHOLDING STRUCTURE

4.1 Authorized Capital

- 4.1.1 The initial authorized Share Capital of the JVC shall be Rs. 10,00,00,000/- (Rupees Ten Crore Only).

4.2 Initial Subscription by the Parties

- 4.2.1 In accordance with the terms and subject to the conditions set forth herein, the initial paid up capital of the Parties in the JVC shall be in the following proportion:

IL&FS Rs. 2,50,000/- divided into 25,000 Shares @ Rs. 10/- equal to 50% of the shareholding of the JVC or as mutually agreed by the Parties;

GOR Rs. 2,50,000/- divided into 25,000 Shares @ Rs. 10/- equal to 50% of the shareholding of the JVC or as mutually agreed by the Parties;

- 4.2.2 If required, by mutual consent, in order to expedite development of the Solar Park, the Parties may utilize an existing special purpose company, of either Party, as the JVC.



IL&FS

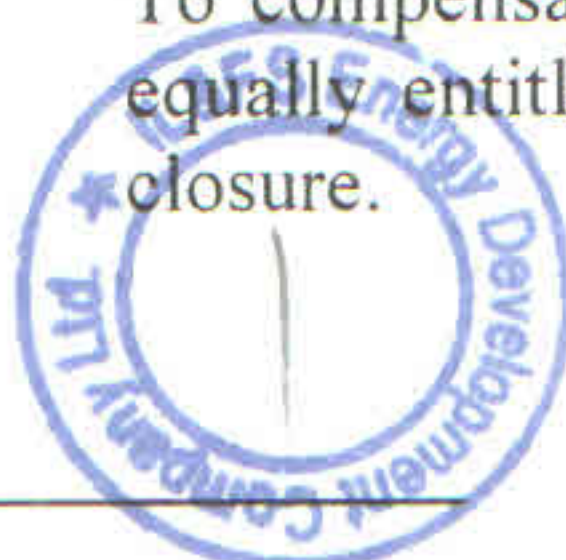

Managing Director
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 JAIPUR 302 001

GOR

- 4.3 The parties may decide to alter the shareholding pattern of the JVC or induct other partners with mutual consent.
- 4.4 Thereafter, on further issuance of shares by the JVC, the Parties shall have the right to subscribe as per their agreed upon shareholding. The Parties may subscribe the initial shareholding as mentioned in 4.2.1 or further issuance under this clause, through its Affiliates.
- 4.5 The Parties agree that GOR may infuse its capital either in the form of cash or by way of land. The value of such land shall be based on the relevant GOR policies applicable for allocation of revenue land to Solar Power Generation Projects and/or solar park developers at the time of allotment.
- 4.6 Notwithstanding anything stated to the contrary in this Agreement, both the Parties, at its sole discretion and without requiring to take consent from the other Party, shall be entitled to transfer its equity shareholding in the JVC in part or in full in favor of its Affiliate(s), who would be required to sign a Deed of Adherence (Annexure 2).
- 4.7 Notwithstanding anything stated to the contrary in this Agreement, both the Parties, at its sole discretion shall have the right to sell or cause to be sold, all or part of its Shares to any bona fide third party subject to right of first refusal to be given to the other Party.

5. BUSINESS PLAN

- 5.1 Based on initial feasibility study, the JVC shall determine the phasing of implementation of the Facilities.
- 5.2 The Board of Directors shall annually approve a Business Plan for the JVC, which shall define commercial and industrial strategies, the amount of investment, the relevant financial covering and the economic and financial forecast, at a minimum on an annual basis and at such regular intervals as needed and shall include, but not limited to pricing, quantity forecasts and marketing strategy (“**Business Plan**”). All Business Plans must be approved in the Board Meeting of the JVC within three (3) months from the expiry of the relevant preceding Business Plan.
- 5.3 The Board shall determine Fees to be obtained from Power Producers and Other Users in a manner to ensure the competitiveness of the Solar Park.
- 5.4 The Parties agree that the JVC shall normally not take any market risk on the price of power to be produced and sold. In the event the Board of the JVC decide otherwise and assumes such risk in a Solar Power Generation Project, the Carbon Credits accruing from that project shall be shared in proportion.
- 5.5 The GOR does not guarantee purchase of power from the JVC or the power producers establishing their projects in the Solar Park developed by the JVC.
- 5.6 The JVC will implement the development of Solar Park for total agreed capacity in a phased manner. The subsequent phase will be started only when GOR is convinced, at its sole discretion about satisfactory progress of first phase.
- 5.7 To compensate for the time of senior management of both the parties, each party shall be equally entitled to a development fee of 2.5% of the Project Cost at the time of financial closure.



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5.8 Treatment of Expenses by the Parties:

- 5.8.1 The Project expenses incurred by either Party for initial development of the Solar Park in respect to the JVC shall be capitalized against equity to be subscribed by both the Parties upon mutual agreement on the expenses incurred by either Party.
- 5.8.2 Activities undertaken by the Parties for lead roles outlined in Clause 3 above shall be on arms length basis.
- 5.8.3 Expenses incurred by each Party in developing the Solar Park shall be reimbursed by the JVC.

6. FINANCING AND DISTRIBUTION POLICY OF JVC

6.1 FINANCING OF JVC

- 6.1.1 Multi-lateral agencies similar to IFC and ADB or any other reputed organization accepted by the Parties may be inducted in the JVC. In that scenario, both Parties shall dilute their equity equally or as agreed between the Parties in favor of the new investor.
- 6.1.2 The JVC shall utilize debt funding and other forms of prudent and innovative financing techniques to finance the activities of the JVC.
- 6.1.3 The financing plan of the Solar Park shall be structured so that GOR is not required to bring in additional cash equity contribution beyond its contribution through land and such that the shareholding percentage of GOR shall not change.
- 6.1.4 Unless otherwise mutually agreed, none of the Parties shall be required to provide any corporate guarantee.

7. BOARD OF DIRECTORS, ITS COMPOSITION AND POWERS

- 7.1 The Board of Directors of the JVC shall unless otherwise agreed, consist of a minimum of three (3) and a maximum of twelve (12) directors. The number of members on the Board of the JVC shall be six (6) at the beginning and shall comprise three (3) Directors nominated by GOR and three (3) Directors nominated by IL&FS.
- 7.2 The Chairman of the Board of Directors of the JVC shall be a nominee of the GOR. The initial Chairman of the Board of Directors of the JVC shall be the Chief Secretary, Government of Rajasthan. The Chairman shall have a casting vote in the case of equality of votes.
- 7.3 The quorum for a Board meeting shall be one third of total number of Directors comprising at least one nominee Director from each Party.
- 7.4 The Managing Director/Chief Executive Officer of the JVC shall be nominated by IL&FS in consultation with the GOR.
- 7.5 The Board of Directors may constitute separate committee(s) and delegate such power as it deems fit to enable implementation of the Business Plan of the JVC.
- 7.6 Notwithstanding anything to the contrary herein contained, the Reserved Matters as specified in Annexure 1 must be referred to the Board and can only be affected by a resolution of the Board comprising of the affirmative votes of at least one Director representing GOR and one



IL&FS


Managing Director
Rajasthan Renewable Energy Corporation Ltd.
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Director representing IL&FS. For all other matters, a simple majority of the votes cast by the Board of Directors shall be required.

- 7.7 To clarify, Reserved Matters shall require an affirmative vote of IL&FS and GOR irrespective of whether the vote is taken at the Board of Directors, Shareholders' Meeting, or any committee thereof.

8. SHAREHOLDERS' MEETINGS

The quorum for the Shareholder's meeting shall be as per the Act, provided that no quorum shall be validly constituted unless one (1) representative from both Parties is present personally for the meeting.

9 WARRANTIES AND REPRESENTATIONS

- 9.1 Each Party warrants and represents to the other Party that the following warranties and representations are true as of the Execution Date:

- 9.1.1 It has all requisite power and authority to execute and deliver this Agreement, and to perform the transactions to be performed by it hereunder. This Agreement constitutes a legal, valid and binding Agreement between the Parties enforceable in accordance with its terms;
- 9.1.2 No event has occurred which in the reasonable knowledge of the Party would materially adversely affect the Business of the JVC created or to be created hereby or any of the rights of the other Party under this Agreement.

10 TERM

This Agreement shall commence on the date of signing of this Agreement and shall continue in effect until terminated by mutual written agreement.

11. INDEMNITY

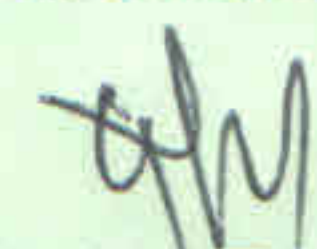
- 11.1 Each Party (the **Indemnifying Party**) undertakes to indemnify, defend and hold harmless each of the other Parties and its directors, officers, employees, representatives and agents (each, an **Indemnified Party**) to the fullest extent permitted by the Laws of India from and against any and all claims, actions, losses, damages, penalties, liabilities, costs, charges, expenses, suits, or proceedings of whatever nature directly/indirectly made, suffered or incurred, including, any legal or other fees and expenses actually incurred in connection with investigating, disputing, preparing or defending any action or claim, but excluding any consequential losses or loss of profit, (collectively, **Losses**) resulting from or arising out of a breach by the Indemnifying Party of this Agreement or any misrepresentation or misstatement by the Indemnifying Party in the Agreement.
- 11.2 The Parties acknowledge that the transaction contemplated in this Agreement is of a commercial nature and the execution, delivery and performance by GOR by way of this Agreement does not constitute a sovereign act. Neither GOR, nor anyone on its behalf, shall seek sovereign immunity in any proceedings whatsoever with respect to any matter in relation to this Agreement.

12 CONFIDENTIALITY

- 12.1 Except as may be required by any requirement of the Laws of India or as may be mutually agreed by the Parties, the Parties shall not issue a publicity release or public announcement or



IL&FS


Managing Director

Rajasthan Renewable Energy Corporation Ltd.
GOR
JAIPUR-302001
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otherwise make any disclosure concerning this Agreement, any confidential information pertaining to the JVC or the Parties or any other information received from a Party, without the prior written approval of such Party, provided, however, that nothing in this Agreement shall restrict the recipient of such information from disclosing information:

- a. that is already publicly available (otherwise than as a result of a breach of this clause 13);
- b. that was already known to such recipient on a non-confidential basis prior to its disclosure in connection with this Agreement;
- c. that may be required or appropriate in response to any summons or subpoena or in connection with any litigation, provided that such recipient will use reasonable efforts to notify the provider of such information in advance of such disclosure so as to permit the provider of such information to seek a protective order or otherwise contest such disclosure, and such recipient will use reasonable efforts to cooperate, at the expense of such provider, with such provider in pursuing any such protective order;
- d. to such recipient's officers, directors, shareholders, advisors, employees, members, partners, Controlling Persons, auditors or counsel on a confidential basis; or
- e. to persons from whom releases, consents or approvals are required, or to whom notice is required to be provided, pursuant to this Agreement.

12.2 If any announcement is required by law to be made by any Party, prior to making such announcement such Party shall, where practicable, deliver a draft of such announcement to the other Party and shall give the other Party a reasonable opportunity to comment thereon.

12.3 The provisions of this clause shall apply throughout the term of this Agreement and at all times following its termination.

13 NOTICES

13.1 Any notice pursuant to this Agreement shall be in writing signed by (or by any person duly authorized by) the Person giving it and may be served by hand delivery, facsimile or courier addressed as follows (or to such other address as shall have been duly notified in accordance with this clause 14.1):

If to IL&FS:	If to GOR:
Managing Director IL&FS Energy Development Company Limited 8th Floor, Office Tower Ambience Mall Complex NH-8, Gurgaon 122001 Phone: +91-124-471-6146 Fax: +91-124-471-6120 Email: sunil.wadhwa@ilfsindia.com	Managing Director Rajasthan Renewable Energy Corporation Limited E-166, Yudhishtir Marg, C-Scheme Jaipur-302005 Phone: +91-141-222-5859 Fax: +91-141-222-6028 Email: rrec_jai@yahoo.co.in



IL&FS

gjm
Managing Director
Rajasthan Renewable Energy Corporation Ltd.
JAIPUR-302-001

GOR

13.2 All notices given in accordance with Clause 14 shall be deemed to have been served as follows:

- a. if delivered by hand, at the time of delivery;
- b. if communicated by facsimile, on receipt of confirmation of successful transmission;
or
- c. if delivered by courier, three (3) business days after mailing by courier.

13.3 All notices communicated by facsimile shall be followed by a copy thereof to be sent by courier to the addresses specified in this Clause 13.

14 DISPUTE RESOLUTION AND GOVERNING LAW

14.1 Dispute and Consultation

If any dispute or difference of any kind whatsoever arises between the Parties in connection with, arising out of or in relation to this Agreement, including any question regarding its existence, validity, termination or breach thereof ("**Dispute**"), the Parties shall diligently seek to resolve any such Dispute by mutual consultation.

14.2 Reference to Arbitration

If the representatives of the Parties are unable to resolve the Dispute within a period of thirty (30) days from the date notice of such Dispute has been given, the Dispute shall be referred to and finally settled by arbitration.

14.3 Arbitration

Disputes which cannot be resolved by mutual consultation shall be referred to arbitration under the Arbitration and Conciliation Act, 1996. A notice of the intent ("**Notice of Intent**") to refer the Dispute to arbitration may be given by a Party (the "**Claimant**") to the other Party (the "**Respondent**"). The dispute shall be referred to an arbitral tribunal consisting of three (3) arbitrators. The Claimants collectively and the Respondents collectively shall each be entitled to appoint one arbitrator. The third arbitrator, who shall act as Chairman of the arbitral tribunal, shall be nominated by the arbitrators appointed by the Claimants and the Respondents. In the event of failure by the Claimants or Respondents to appoint their arbitrator(s) or by the two arbitrators appointed by the Claimants and Respondents to appoint the third arbitrator within 90 days of the Notice of Intent, the said arbitrator(s) shall be appointed by the concerned High Court within the jurisdiction of this Agreement. The seat of arbitration shall be in Jaipur.

14.4 Final and Binding:

The award of the arbitrator(s) shall be final and binding on the Parties and the Parties shall take all action necessary or appropriate to cause such award to be given full effect.

14.5 This Agreement shall be interpreted in accordance with and governed by the Laws of India and courts at Jaipur shall have exclusive jurisdiction to in all matters arising out of and/or concerning this Agreement.

15 FORCE MAJEURE

A Party shall not be liable to the other Party for any loss, injury, delay, damages or other casualty suffered or incurred by the latter due to Force Majeure, and any failure



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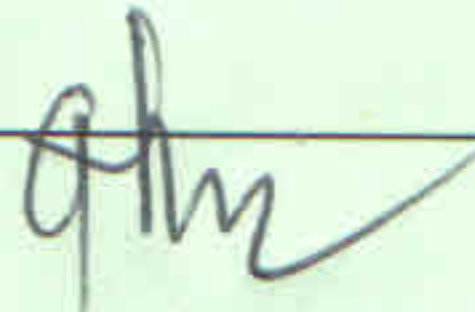
GOR

or delay by any Party in performance of its obligations under this Agreement due to Force Majeure and shall not be considered as a breach of this Agreement.

16 MISCELLANEOUS

- 16.1 This Agreement is executed in two (2) original copies and each of such executed copies shall be deemed an original.

IN WITNESS WHEREOF the authorized representatives of the Parties have set their hands hereunder.

FOR IL&FS	FOR GOR
 Signature: 	Signature:  Managing Director Rajasthan Renewable Energy Corporation Ltd. JAIPUR-302 001
Name: Mr. Hari Sankaran	Name: Mr. B.K. Dosi
Title: Director IL&FS Energy Development Company Limited	Title: Managing Director Rajasthan Renewable Energy Corporation Limited

IN THE PRESENCE OF

(1) 
(RUBINDER SINGH)
Senior Vice President
IL&FS Infrastructure Ltd.

(1) 
(S.K. Baswal)
Director (Technical)
R REC., Jaipur



IL&FS

GOR

ANNEXURE 1

RESERVED MATTERS

- (a) Any change in the share capital structure of the Company including but not limited to any consolidation, sub-division or conversion of any of the Company's share capital or any alteration of any of the rights attached to the Shares or subscription and payment of share capital or issue of Shares with different rights;
- (b) Approval on Business Plan;
- (c) Any change in the major activities or scope of the business of the Company;
- (d) Any change in the name of the Company
- (e) The provision of any corporate guarantees or the creation of any mortgage charge, lien or any other encumbrance over the Company or any asset of the Company in favor of a third party (other than the lenders of the Solar Park);
- (f) Sale, transfer, lease, assign or disposal of any material property and/or assets of the Company for any interest therein or contract so to do otherwise than in the ordinary course of the business;
- (g) Establishment of subsidiaries or acquisition of, or investment in any other company or legal entity;
- (h) Recommendation of any form of financial restructuring (including initial public offer) or recommendation of dissolution of the Company except when otherwise required by the applicable law;
- (i) Appointment/Removal of the Chief Executive Officer/Managing Director;
- (j) Appointment/Removal of Auditors;
- (k) Shares buy back by the Company;
- (l) Approval of foreign collaboration;
- (m) Declaration of dividends;
- (n) Changes in accounting policies;
- (o) Listing of Shares or securities on any stock exchange;
- (p) Further capitalization of the Company after initial draw down as at Clause 4
- (q) Capital expenditure in excess of Rs. One Crore in a particular project



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Managing Director
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ANNEXURE 2
DEED OF ADHERENCE

This DEED OF ADHERENCE is entered into at [.] on [.] day of -----2014

BETWEEN

Government of Rajasthan, _____ (hereinafter referred to as "GOR"), which expression shall, unless repugnant to the meaning and context thereof, include its executors, administrators and permitted assigns of the **FIRST PART**;

AND

IL&FS Energy Development Company Limited, having its registered office at A-268, First Floor, Bhishm Pitamah Marg, Defence Colony, New Delhi 110024 (hereinafter referred to as "**IL&FS**"), which expression shall, unless repugnant to the meaning and context thereof, include its executors, administrators and permitted assigns of the **SECOND PART**.

WHEREAS a Joint Venture Agreement has been entered into between GOR and IL&FS.

AND WHEREAS it is a term of Joint Venture Agreement dated , each Affiliate of a Party to the Joint Venture Agreement that is going to hold the Shares for and on behalf of the Party, shall execute a Deed of Adherence and be bound by the Joint Venture Agreement, before becoming members;

AND WHEREAS it is agreed between all the Shareholders that any future shareholder pursuant to Clause [.] of the Joint Venture Agreement (hereinafter called "New Shareholder") or any transferee (hereinafter called "Transferee") from an existing Shareholder shall be bound by the terms and conditions of the Joint Venture Agreement referred above;

NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES:

1. DEFINITIONS AND INTERPRETATION

Terms used but not defined in this Deed shall, unless the context otherwise request, have the respective meanings ascribed thereto in the Joint Venture Agreement.

2. COVENANT BY AFFILIATE, TRANSFeree AND NEW SHAREHOLDER

- (a) _____ (Name of Affiliate/Transferee) for itself or any of its Affiliates now or hereafter holding any Shares, hereby undertakes to exercise all of its rights and to perform all of the rights and obligations of (Name of the Party) under the Joint Venture Agreement in accordance with the terms thereof and agrees not to revoke its undertakings and to ensure that the aforesaid designation remains valid and the provisions of this Deed are complied with and are and remain enforceable for so long as it holds any Shares during the terms of the Joint Venture Agreement, [Provided That in case of the Affiliate being a foreign shareholder, holding of Shares, by it shall not require it to be registered as a Foreign Resident Company with the Government of India, to do business in India and to have a permanent establishment in India or to otherwise become subject to the taxation in India (excluding any withholding taxes for dividend or interest, if applicable for foreign non-resident company shareholder)]



Managing Director
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GOR

(b) _____ (Name of Affiliate/New Shareholder/Transferee, as the case may be) hereby acknowledges that it has heretofore received a copy of and has read and understood, the Joint Venture Agreement and covenants, thereof and agrees and confirms that it shall be bound by all provisions of the Joint Venture Agreement as if it was an original Party thereto, and the Joint Venture Agreement shall have full force and effect on it and shall be read and construed to be binding on it,

(c) _____ shall be bound by each and all the obligations of his, _____ (Name of Party) and shall represent it as its constituted attorney / authorised representative in relation to all matters in its capacity as Shareholder.

3. GOVERNING LAW

This Deed shall be governed by and construed in accordance with the laws of the Republic of India. The terms and conditions of the Joint Venture Agreement in relation to the provisions regarding arbitration and other terms and conditions shall be deemed to have been incorporated in this Deed and expressly agreed to between the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Deed as of the date and year first hereinabove mentioned.

SIGNED, SEALED AND DELIVERED
BY M/S. _____

SIGNED, SEALED AND DELIVERED
BY THE COMPANY THROUGH ITS

AS AUTHORISED BY BOARD
RESOLUTION DATED _____

)
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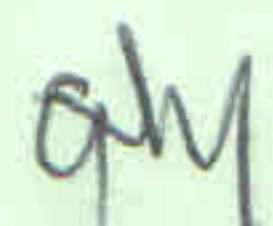


IN THE PRESENCE OF:

1.

2.




Managing Director
Rajasthan Renewable Energy Corporation Ltd.
JAIPUR-302 001