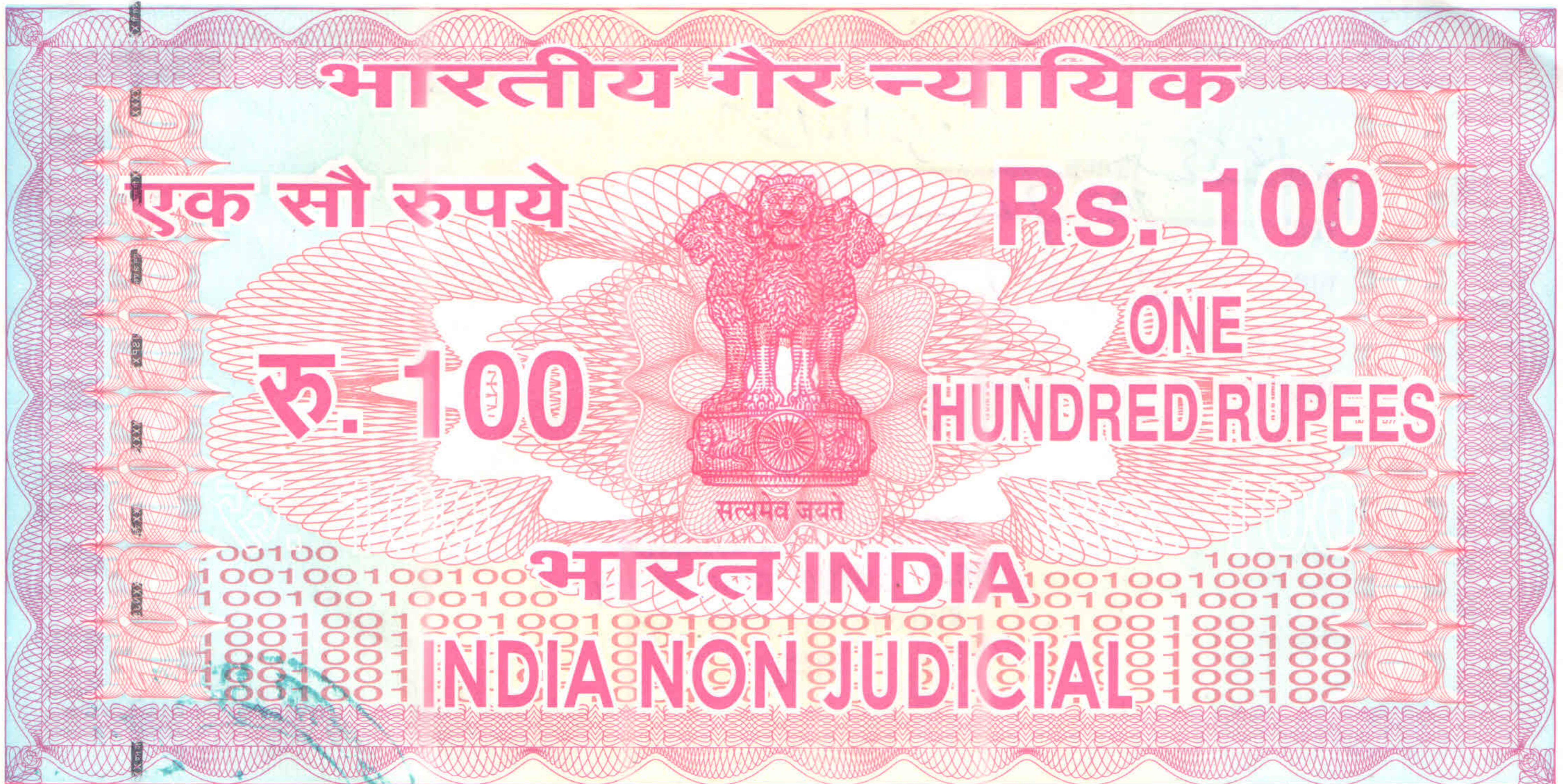




राजस्थान RAJASTHAN

AC 329646

MEMORANDUM OF UNDERSTANDING

Clause No.	Clause
Preamble	This memorandum of understanding (the “MOU”) is entered into 5th day of November, 2015 by and between: (1) Rajasthan Renewable Energy Corporation Limited signing this MOU on behalf of the Government of Rajasthan, with its principal office at E-166, Yudhishtir Marg, C-Scheme, Jaipur (“RREC”); and (2) SB Solar Services Private Limited (“SBS”), with its principal office at PLOT NO. 1, VASANT KUNJ, PHASE- II, NEW DELHI - 110070, DELHI, INDIA each a “Party” and together the “Parties”. WHEREAS: The Government of Rajasthan desires to promote renewable energy, particularly solar and wind energy, with a view to reducing the adverse impact of fossil fuels on the environment, and augment the available production, resources, and supply of electricity in the State of Rajasthan, to develop Rajasthan as the national hub for solar energy. SBS has expressed its interest in working with the Government of Rajasthan and helping to promote the use of solar and wind power generation as a viable technology in light of the high insolation available in the State of Rajasthan and SBS’s own capabilities and expertise in delivering to the State of Rajasthan and to India clean and affordable electricity.

[Signature]

1 *[Signature]*

	NOW, THEREFORE, in consideration of the foregoing premises, the following summarizes the proposed principal matters that the Parties agree to explore:								
1. SBS's proposal	SBS proposes to develop solar power plants of 1GW capacity in Phase-I, and upon successful completion of Phase-I and at its sole discretion the option to develop up to 4GW of solar power plants in Phase-II and upon successful completion of Phase-II and at its sole discretion up to 5GW of solar power plants in Phase III in the State of Rajasthan. Tentative Roadmap for the development of solar power projects is as under: <table><tr><th>Phase</th><th>Capacity</th><th>Timeline for setting up of the project</th><th>Investment</th></tr><tr><td>Phase I</td><td>1GW</td><td>December 2017</td><td>\$1 BN</td></tr></table> Investment for Phases II and III will be based on the appropriate cost of solar power installations at that time	Phase	Capacity	Timeline for setting up of the project	Investment	Phase I	1GW	December 2017	\$1 BN
Phase	Capacity	Timeline for setting up of the project	Investment						
Phase I	1GW	December 2017	\$1 BN						
2. Facilitation by Government of Rajasthan	SBS's proposed investment described in section 1 above is subject to the following requirements being fulfilled by the Union government with facilitation by Government of Rajasthan: (i) Union Government PPA counter party with strong balance sheet (eg NTPC) to purchase power for a minimum of 25 years; (ii) payment security mechanism provided by a Union government entity with a strong balance sheet to ensure SBS is paid in a timely fashion and there are appropriate penalties and enforcement mechanisms in the event of non-payment or delay in payments; National evacuation availability; (iii) Rajasthan of Government will help SBS to avail JPY-indexed National PPAs, as and when they become available								
3. Government of Rajasthan support									
3.1.Allotment in 3 phases	Development of Phase-I : Upon execution of the relevant Power Purchase Agreements (PPAs), State Government will facilitate, in consultation with SBS, identification and allotment of Government Land suitable for development of solar power projects in accordance with the provisions of The Rajasthan Land Revenue (Allotment of land for setting up of Power Plants based on Renewable Energy Sources) Rules, 2007 as amended from time to time for an initial period of 30 years ("Original Term") which can be extended by 10 years. The State Government will consider a further extension of the lease for two more Original Terms, as per Act and Rules in force, as amended from time to time.								

	<u>Development of Phase-II & III:</u> For the development of Phase-II & III also, upon execution of the relevant PPAs, the State Government will help, in consultation with SBS, identification and allotment of Government Land suitable for development of solar power projects, in accordance with the provisions of The Rajasthan Land Revenue (Allotment of land for setting up of Power Plants based on Renewable Energy Sources) Rules, 2007, as amended from time to time for an initial period of 30 years which can be extended by 10 years. The State Government will consider a further extension of the lease for two more Original Terms, as per Act and Rules in force, as amended from time to time.
3.2. Electricity evacuation	From solar power plant to National Grid: State Government will facilitate creation of Evacuation Network for power generated from the Solar Power Projects to National Grid. In case the national grid is at a distance, State Transco will build the link transmission line and endeavor to get it declared as part of the Inter State Transmission System (ISTS). SBS will have to pay transmission charges as determined by CERC/NERC.
3.3. Joint study of wind capacity enhancement	Wind resource potential: strength of wind and implied capacity factor at the most attractive locations for wind power in the state. Evacuation strength: examine strength of the state and national transmission network to evacuate wind power. Intermittency management: ability of the state and national transmission network to offtake 100% of wind power generated without need for curtailment.
3.4. Incentives	Government of Rajasthan will grant benefits/concessions, as available under Rajasthan Solar Energy Policy, 2014 and Rajasthan Investment Promotion Scheme, 2014, including customized package as amended from time to time.
4. Legal issues	
4.1. Non-binding status	This MOU is subject to definitive agreements, is not exhaustive nor is it intended to be legally binding between the Parties, except for the provisions of this Section.
4.2. Compliance	The Parties will comply with all applicable laws and regulations in relation to the project, including applicable international anti-bribery, anti-corruption, anti-money laundering and sanctions rules.
4.3. Termination	This MOU shall become effective on the date first above written, and shall be valid for a period of 5 years from that date, unless terminated earlier by written notice given by one Party to the other.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives as of the day and year first above written:

By: 45th
(B K Dosi)

Managing Director

Rajasthan Renewable Energy Corporation Limited

(On behalf of Government of Rajasthan)

By: Manoj Kohli
(Manoj Kohli)

Executive Chairman

SB Solar Services Private Limited

Chetan Agarwal
(CHETAN AGARWAL)

SB SOLAR SERVICES PVT LTD

Witness 1.....

Witness 2.....

CR. K. Bhondekar
(CR. K. Bhondekar)
Director (Tech.)
RRECL.