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TRIPARTITE ESCROW AGREEMENT

This Agreement is made on the _____ day of _____2010 at _____ amongst Power Finance Corporation Ltd. (a Govt. of India undertaking) having its Registered Office at Urja Nidhi, 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 (hereinafter referred to as **"the Corporation"** *which expression shall include its successors or assigns*) of the first part and

_____Company Constituted under the Companies Act 1956 having its Registered Office at _____ / _____Board constituted under Electricity (Supply) Act,1948 having its Head Office at_____(hereinafter referred to **"the Borrower"** *which expression shall include its successors or assigns*) of the second part* and

_____, a Bank / body corporate constituted under the_____, having its Head Office at _____ and several branches throughout the country and abroad including branch at _____, (hereinafter referred to as the **"Escrow Agent"** *which term shall include its successors or assigns*) of the third part.

AND WHEREAS the borrower has taken/proposes to take various financial assistance by way of Rupee Term Loan / Foreign Currency Loan / Bill Discounting Facility / Lease Financing / Working Capital Loan / Short Term loan/ MSTL/ Loan for Purchase of Power through Power Exchange schemes etc. for different projects / schemes from the Corporation as specified in Schedule-I & II respectively.

And Whereas the Corporation has sanctioned the above facility to the borrower on the terms and conditions contained in the respective sanction letters and the borrower has accepted the said terms and conditions of the respective sanction letters.

And Whereas the Borrower has also executed respective Memorandum of Agreement and other documents in respect of the facilities mentioned above in Schedule-I.

AND WHEREAS the Borrower has agreed for establishing Escrow mechanism for availing financial assistance on Current **Account No._____** of Bank Code No. _____ ***(hereinafter referred to as an "Escrow Account")*** maintained with Escrow Agent for revenue collection and to pay to the Corporation the amount due but not paid by the borrower immediately on receipt of notice of demand for payment from the Corporation.

AND WHEREAS the Borrower has irrevocably and unconditionally authorised Escrow Agent to collect and receive all its receivables which include all monies including but not limiting to revenue accruing to the Borrower by sale of electricity or otherwise collected and deposited in the Escrow Account to be maintained with Escrow Agent.

And WHEREAS the Borrower declares and undertakes that any cash receipt towards payment of any receivables of the borrower shall be deposited in the Escrow Account with Escrow Agent in entirety within reasonable time before ***utilising the same*** for any other purpose.

AND WHEREAS the Borrower also declares and undertakes that it shall not collect credit or make any adjustment against receivables directly or through any other person except as provided under

agreement and shall ensure that no other person is being authorised to utilize or appropriate any part of the receivables.
AND WHEREAS the _____ Bank has agreed to act as the Escrow Agent in respect of the amount deposited in the said escrow account and in the event of receipt of notice of demand from the corporation apply the proceeds in the escrow account for payment of the dues to the Corporation from the Borrower in the manner provided in the agreement.

NOW THIS AGREEMENT WITNESSETH AS UNDER: -

1. Each of the Corporation and the Borrower hereby appoint the _____Bank as the Escrow Agent and the Escrow Agent hereby accepts the appointment as the Escrow Agent of the Corporation and the Borrower on the terms and conditions contained herein.

2. The Borrower hereby acknowledges and undertakes to ensure the deposit of *its receivables of not less than Rs -----crore (Rupees four crore) per month aggregating to Rs ------ crore per quarter from the collection centres namely_____/ all its revenues from various collection centres* inclusive of capital receipts, proceeds from investments, subsidy and any other source in Escrow **Account No. _____** maintained with Escrow Agent.

3. The Borrower further acknowledges and undertakes not to open or establish any other account for the purpose of collection of such revenues/realisations as mentioned in clause 2 above. In the event, the Borrower intends to open any other account or establish any other mode for the purpose of collection of such revenues/realisations as mentioned in clause 2 above, the Borrower shall obtain prior written consent of the Corporation.

4. That the Corporation shall without prejudice to other rights and remedies be entitled to recall the loan covered under the Memorandum of Agreement at any time, if the Borrower fails to fulfill its obligation under the said agreement and/or in the event of its committing breach of any of the terms thereof.

5. The Borrower irrevocably and unconditionally authorizes the Escrow Agent to make payments to the Corporation from the Escrow Account to discharge the outstanding dues of the borrower.

6. If at any time, for any reason whatsoever, the Borrower defaults in making payment to the Corporation, notice of demand will be served on the Escrow Agent by the Corporation to remit the amount to the Corporation from the said designated Escrow Account. Such notice of demand shall be conclusive evidence of the Borrower having defaulted to the repayment of the outstanding loans of the Borrower owed to the Corporation.

7. That on receipt of the notice of demand from the Corporation the Escrow Agent shall immediately effect the payment demanded by the Corporation in full, superceding all other payments under the obligation of the Borrower and also any other instructions of the Borrower and notwithstanding any reason whatsoever.

8. Should for any reason, the balance in the Escrow Account is insufficient to meet fully the payment demanded by the Corporation in their notice, the Escrow Agent may debit and make remittance to the Corporation to the extent available there in and when further credits are

affected/received in the Escrow Account, the Escrow Agent shall continue to make remittance to the Corporation till the full amount as per notice of demand by the Corporation is paid.

9. The Borrower and the Escrow Agent confirm that the Borrower has given an irrevocable and unconditional authorisation under this agreement in favour of the Escrow Agent extending inter-alia, the mandate to discharge the commitments under the agreement from time to time and the Borrower and the Escrow Agent shall not revoke the mandate without the prior written approval and consent of the Corporation.

10. The Escrow Agent shall not have any lien or right to set off or be entitled to assert a general claim on the monies in the Escrow Account to the extent of demand raised by Corporation.

11. The parties shall be governed and construed in accordance with the Indian Laws and the parties hereby irrevocably submit to the exclusive jurisdiction of the court at Delhi/New Delhi to entertain and decide any dispute relating to or arising of this agreement.

12. The Borrower shall indemnify the Escrow Agent against any financial liability while discharging its duty being an Escrow Agent. The Escrow Agent shall raise all Bills towards the charges, fees, commissions and expenses on the Borrower, which the Borrower shall promptly settle the said bills separately without raising any debt with the Escrow Account and the Corporation, shall not be responsible for any delay/non payment of the said bills.

13. The Escrow Agent shall furnish the monthly bank statement of the above Escrow Account by the first week of the succeeding month to the Corporation or as and when called for by the Corporation.

14. Names and specimen signatures of the Corporation's officials authorised to issue notice duly attested are annexed. Any change in the said authorisation will be advised to Escrow Agent at the appropriate time.

15. Except as otherwise expressly provided elsewhere in this agreement, all notices and/or communications, which are required, and remitted to be in writing and shall be sufficient if delivery by Registered/Speed Post/Facsimile/Courier/Telegram shall be addressed on the addresses given hereunder.

16. This Tripartite Escrow Agreement will supersede the earlier Tripartite Escrow Agreement(s).

IN WITNESS whereof the parties hereto have executed these presents the day, month and year first herein above written.

Signed and Delivered
On behalf of POWER FINANCE CORPORATION LTD.

By _____
(Authorised Signatory)
Address: Urja Nidhi,
1, Barakhamba Lane, Connaught Place,
New Delhi – 110001.

Tel. No. 011-23456849 & Fax No. 011-23456882

Signed and Delivered
On behalf of _____
(Name of Borrower)

By _____
(Authorised Signatory)
Address:

Signed and Delivered
On behalf of _____
(Name of Bank)

By _____
(Authorised Signatory)
Address:

Witness:

1.

2.

Name of Borrowers

SCHEDULE- I

LIST OF LOANS FOR WHICH MEMORANDUM OF AGREEMENT WITH PFC HAS ALREADY BEEN EXECUTED

S.No.	Loan No.	Name of the Project / Scheme / Facility	Date of execution of MoA	Amount (Rs. in crore)
		NIL		

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Name of Borrowers

SCHEDULE- II

LIST OF LOANS WHERE DOCUMENTS HAVE NOT BEEN EXECUTED AND LIST OF PROPOSALS PENDING IN PFC.

S.No	Loan No.	Name of Project / Scheme / Facility	Sanction Date	Amount (Rs. in crores)
		NIL		