

**Memorandum of Understanding**

**between**

**Solar Energy Corporation of India**

**New Delhi**

**and**

**Andhra Pradesh Industrial Infrastructure  
Corporation Limited, Hyderabad**

**On**

**"Development of  
Andhra Pradesh Solar Park"**



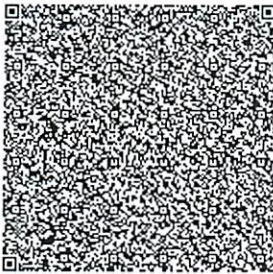
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# INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

## e-Stamp

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राजेन्द्र निमजे / Rajendra Nimje  
प्रबन्ध निदेशक / Managing Director  
भारतीय सौर ऊर्जा निगम  
Solar Energy Corporation of India  
नई दिल्ली / New Delhi-110016

JAYESH RANJAN IAS  
Vice-Chairman & Managing Director  
A.P. Industrial Infrastructure Corpn. Ltd.  
Parisrama Bhavanam, 6th Floor,  
Fateh Maidan Road,  
HYDERABAD - 500 004.

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## 1.0 PARTIES TO THE MEMORANDUM

This Memorandum is between the following parties:

**Solar Energy Corporation of India**, a company incorporated under Section 25 of the Companies Act, 1956 and having its registered office at 4<sup>th</sup> Floor, Tower I, NBCC Plaza, PushpVihar, Sector V, Saket, New Delhi -110017 (hereinafter referred to as "SECI" which expression shall mean to include its subsidiaries, affiliates, successors and assigns) of the one part

AND

**Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)**, an undertaking of Government of Andhra Pradesh and registered as a Company under the Companies Act, 1956 having its Registered Office at No:5-9-58/B, Parishrama Bhavanam, Sixth Floor, Fateh Maidan, Hyderabad – 500 004 (hereinafter referred to as "APIIC" which expression shall mean to include its subsidiaries, affiliates, successors and assigns) of the other part

## 2.0 BACKGROUND

2.1 **Solar Energy Corporation of India (SECI)** is a company incorporated under Section 25 of the Companies Act 1956 and having business interest in development of Grid Connected and Off Grid Solar Power Projects; exchange, distribute and sale solar power and promotion of research and development in Solar Sector in accordance with the policies and objectives laid down by the Government of India (GOI) under Jawaharlal Nehru National Solar Mission.

2.2 **Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)** is a wholly owned Undertaking of Government of Andhra Pradesh, incorporated under the Companies Act 1956, with the objective of providing industrial infrastructure through the development of industrial parks/SEZs/sector specific parks.

## 3.0 INTRODUCTION

3.1 The Government of India (GoI) has identified the power sector as key to achieving its goals of high and sustainable economic growth and accelerated poverty alleviation. Solar energy has great significance in contributing to energy security of India because of (i) economies of scale can reduce costs to make solar energy competitive with the grid; (ii) potential of solar energy in the country is the highest (equivalent to about 6,000 Million GWh of energy per year) among the various renewable energy resources as a result India has the potential to become global and regional hubs for solar energy utilization.

3.2 The Government of India launched the Jawaharlal Nehru National Solar Mission (JNNSM) in January, 2010, which aims at bringing on line 20 GW of solar power by 2022. In order to achieve the National Targets of solar power additions, there is a need to rapidly scale up efforts. One of the ways of doing this is to develop Multi Developer, Multi Facility, Multi Technology and Multi Beneficiary Solar Park where necessary infrastructure for setting up of integrated hub of solar power generation could be developed for benefits of various stakeholders of the Solar Sector. This would bring down gestation



period and uncertainty and enable the development of the Solar Sector in structured and time bound manner.

- 3.3 Therefore All the parties agree to enter into a Memorandum of Understanding with a view to develop Solar park at Gattu Mandal, Mahabubnagar District, Andhra Pradesh through a Joint Venture Company (JVC).

#### 4.0 SCOPE

- 4.1 This Memorandum provides a flexible, overarching framework under which All the parties may collaborate and cooperate to form a Joint Venture Company (JVC) under the Companies Act 1956 for Conceptualization, Structuring, Implementation, Operation and Maintenance of Andhra Pradesh Solar Park at Gattu Mandal, Mahabubnagar District, Andhra Pradesh by optimum utilization of resources of All the parties. New & Renewable Energy Development Corporation of Andhra Pradesh Limited (NREDCAP) will also participate in the equity of JVC as soon as they get approval from the competent authority.
- 4.2 The JVC shall (i) Plan, develop and operate the Solar Park and (ii) plan such other Solar Projects as a developer or under any other arrangement as may be decided by the JVC from time to time.
- 4.3 SECI intends to support the initiative of the APIIC in pursuance of its mission to the extent permissible by the SECI's internal policies, the prevailing laws, rules and regulations operating in force at the relevant time.
- 4.4 APIIC, intends to support the initiative of the SECI in pursuance of its mission of developing solar power market to the extent permissible by the APIIC's internal policies, the prevailing laws, rules and regulations operating in force at the relevant time.
- 4.5 The Memorandum seeks to utilize the comparative advantages of All the parties for development of Solar Sector and does not cast any financial obligation with regard to the projects.

#### 5.0 ROLES AND RESPONSIBILITIES

- 5.1 **SECI's Responsibilities:** SECI shall be responsible for carrying out following activities for collective achievement of goals stated in this MOU through the proposed JVC:
- i) SECI shall prepare documents related to forming of JVC viz. Memorandum and Articles of Association and help obtaining necessary approvals for its incorporation.
  - ii) SECI shall provide technical advisory services to JVC for development, operation and maintenance of the Solar Park; including on preparation, floating and evaluation of bids as required for capacity allocation to the Solar Power Developer in the Solar Park
  - iii) SECI shall subscribe to the Equity in the agreed proportion of JVC as and when required.
  - iv) SECI shall help JVC to arrange funds including grant support from National Clean Energy Fund, debt from multilateral or International Banks required for development of the Solar Park;
  - v) any other responsibility that All the parties deem fit and proper.



5.2 **APIIC's Responsibilities:** APIIC shall be responsible for carrying out following activities for collective achievement of goals stated in this MOU

- i) APIIC shall assist in providing land to JVC for development of Solar Park at an agreed price;
- ii) APIIC shall help JVC obtaining all permits and clearances required for the development of Solar Park;
- iii) APIIC shall help JVC in the development of all kinds of infrastructure facilities including landscaping, land levelling / grading, fencing, roads, water facilities, water distribution network, drainage & sewage treatment system, power evacuation infrastructure, auxiliary power distribution network, telecom network, fire station and helipad etc and
- iv) APIIC shall subscribe to the Equity in the agreed proportion of JVC as and when required.
- v) APIIC shall help JVC to arrange funds from Andhra Pradesh Government or other sources in its knowledge or domain for development of the Solar Park;
- vi) any other responsibility that All the parties deem fit and proper

5.3 **NREDCAP responsibilities:** NREDCAP shall provide all the assistance that will fall in its area of operation as one of the JVC partner.

5.4 All the parties at its discretion, in consultation with the other party, can utilize the expertise of other agencies in implementing the project and is free to sign any agreement / Memorandum of Understanding, with such agencies. However, any duties and liabilities arising from such agreements/understanding shall be solely the responsibility of that party and the other party shall not be made liable for the same, whatsoever.

## 6.0 Equity holding


6.1 Solar Energy Corporation of India (SECI), Andhra Pradesh Industrial Infrastructure Corporation Ltd., (APIIC) and New & Renewable Energy Development Corporation of A.P. Limited (NREDCAP) will be the initial equity partners of the JVC. 51% of the shares will be held by the SECI and the balance will be shared between APIIC and NREDCAP as 40% and 9% respectively. The percentage of equity to be held by the unit holders of the solar park shall be decided by the Board of JVC.

6.2 **Financial arrangements:** The source of financing for total project cost is as follows:

- 20% equity to be contributed by the shareholders.
- Grants of 30% are envisaged; from NCEF (20%) and AP Government (10%).
- 50% debt from multilateral / bilateral banks. A proposal is envisaged to be made to Japan International Cooperation Agency (JICA).

6.3 SECI shall be the lead partner of the JVC.

  
राजेन्द्र निमजे / Rajendra Nimje  
प्रबन्ध निदेशक / Managing Director  
भारतीय सौर ऊर्जा निगम  
Solar Energy Corporation of India  
नई दिल्ली / New Delhi-110016

  
JAYESH RANJAN, IAS  
Vice-Chairman & Managing Director  
A.P. Industrial Infrastructure Corp. Ltd.  
Parisrama Bhavanam, 6th Floor,  
Fateh Maidan Road,  
HYDERABAD - 500 004.



## 7.0 TERM

- 7.1 This Memorandum will remain in force for a period of five (5) years from the date of its execution i.e. 28.02.2014 or expire on formation of SPC whichever is earlier. The Memorandum can be extended for such periods or further periods by the mutual consent of All the parties. All such extensions shall be in writing.

## 8.0 PROCEDURES FOR AMENDMENT, CANCELLATION, ARBITRATION AND NON-EXCLUSIVITY

- 8.1 The execution of this MOU shall in no way constitute an obligation or commitment by either Party to form the Joint Venture Company. All obligations or commitments to proceed with the contemplated transaction shall be contained only in the Definitive Documents as and when executed. It is expressly understood that the provisions of this MOU do not create any legally binding commitment between the Parties hereto and it is therefore agreed that there shall be no liability or claim for damages of any kind arising from this MOU or negotiations hereto.
- 8.2 This Memorandum may be amended at any time during its term, if the work or environment of the SECI, APIIC and NREDCAP, is so altered that the contents of the Memorandum are no longer appropriate or unworkable in the manner envisaged in this Memorandum.
- 8.3 This Memorandum embodies the understanding of the Parties as to its subject matter and shall not be amended except in writing executed by All the parties to this Understanding. Any changes are to be recorded in writing and inserted or attached to this Memorandum and this will have the effect of updating the Memorandum.
- 8.4 Either of the parties can, at any time during the period of the Memorandum, rescind/cancel the same after giving a notice in writing, The notice will not be less than one (1) month prior to the actual date of rescinding/cancellation this Memorandum. However, if any act needs to be performed which though started before the rescission/cancellation and which needs to be completed, shall be finished by that Party by whom it is to be performed, to the extent it is possible of performance, and it shall not be open to that Party to complain that it shall not perform the incomplete acts.
- 8.5 This Memorandum does not grant any exclusive right to any of the Parties in the areas of cooperation that they mutually agree and shall not create any legal binding obligations upon either Party.
- 8.6 In case of any dispute or difference arising between the Parties arising out of or in relation to this Memorandum, the Parties shall promptly and in good faith negotiate with a view to its amicable resolution and settlement. In case the Parties are not able to resolve the dispute within 30 days of its being raised, the same shall be referred to arbitration to be presided over by a Sole Arbitrator. The arbitration shall be conducted as per the rules and procedures of the Indian Arbitration & Conciliation Act, 1996. The laws of India shall govern this Memorandum and the courts at Delhi shall have the exclusive jurisdiction.

## 9.0 COOPERATION

- 9.1 SECI, APIIC and NREDCAP will consult each other, whenever it may be appropriate and necessary, on the matters covered by this Memorandum and will use their best endeavors to ensure that employees and other staff of All the parties the organizations cooperate in good faith with one another.
- 9.2 All the Parties should apprise / keep each other informed on project related matters. If any issue or dispute arises between SECI and APIIC, they will use their best endeavors to resolve the dispute promptly and amicably.

## 10.0 INTELLECTUAL PROPERTY RIGHTS


- 10.1 Neither Party shall use the intellectual Property of the other Party in any manner whatsoever, without the prior written consent of the other Party.

## 11.0 ASSIGNMENT

- 11.1 This MOU shall ensure to the benefit of the Parties hereto and to their respective successors and permitted assigns. No Party shall assign this MOU to any Third Party without the prior written consent of the other Party, which written consent shall not be unreasonably withheld by the other party.

IN WITNESS WHEREOF, the Parties have entered into this Memorandum, on the 28<sup>th</sup> Day of February 2014, as mentioned under Clause 7, above.

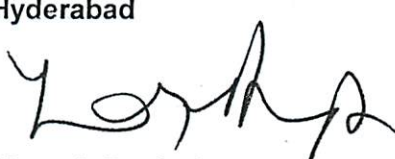
For and on behalf of  
**Solar Energy Corporation of India,**  
New Delhi

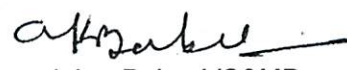
  
(Rajendra Nimje) **Rajendra Nimje**  
Managing Director  
भारतीय सौर ऊर्जा निगम  
**Solar Energy Corporation of India**  
(Signature with Seal)  
New Delhi - 110016

Witness:

  
1. Dr. Ashwini Kumar,  
Director, SECI.

For and on behalf of  
**Andhra Pradesh Industrial  
Infrastructure Corporation Limited,**  
Hyderabad

  
(Jayesh Ranjan)  
Vice Chairman & Managing Director  
**JAYESH RANJAN**, VC  
Vice-Chairman & Managing Director  
(Signature with Seal)  
A.P. Industrial Infrastructure Corp. Ltd.  
Parisrama Bhavanam, 6th Floor,  
Fateh Maidan Road,  
HYDERABAD - 500 004.

  
1. M. Kamalakar Babu, VC&MD  
NREDCAP Limited.