

## **PARENT COMPANY GUARANTEE FORMAT**

This **GUARANTEE** ("**Guarantee**") is issued on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_ by \_\_\_\_\_, a Company organized and existing under the laws of \_\_\_\_\_ having its Registered Office at \_\_\_\_\_ (hereinafter referred to as "**Guarantor**" and/or "\_\_\_\_\_"), at the request and/or behest of \_\_\_\_\_, a Company organized and existing under the laws of \_\_\_\_\_ having its Registered Office at \_\_\_\_\_ (hereinafter referred to as "**Indian arm**"), in favour of **Hindustan Petroleum Corporation Limited**, a listed Public Limited Company organized under the laws of India having its Registered Office at Petroleum House, 17, Jamshedji Tata Road, Churchgate, Mumbai – 400 020 (hereinafter referred to as "**Beneficiary**" or "**HPCL**").

### **WHEREAS:**

The Beneficiary floated a public tender dated \_\_\_\_\_ inviting offers from Vendors for \_\_\_\_\_(purpose). The Indian arm have submitted their quotation dated \_\_\_\_\_ and advised the Beneficiary that the Indian arm is the subsidiary/ authorized agent/ branch office/ affiliate\* of the Guarantor. The Guarantor vide its letter dated \_\_\_\_\_ informed the Beneficiary that its Indian arm, will quote and participate in the tender in their place and desire that the contract be placed by the Beneficiary on the Indian arm. For this reason, the Guarantor is ready and willing to give a Parent Company Guarantee (PCG) inter alia for the performance of their Indian arm to the terms and conditions of the tender and on failure to assume the said obligations.

**We**, the Guarantor are hereby recording the terms and conditions governing our obligations under this Guarantee with the intent of being legally bound by the same and hereby agree, covenant and bind ourselves as follows:-

1. The Guarantor hereby irrevocably and unconditionally guarantees to HPCL that its wholly owned Indian arm Company will perform its obligations under the terms and conditions of the tender, if the contract is being awarded to them in future for \_\_\_\_\_ and agrees to provide further comfort letters/ guarantees, if so desired by beneficiary, in terms of the tender.
2. The Guarantor unconditionally and irrevocably guarantees to the Beneficiary that it will make available or cause to be made available to the Indian arm all financial, technical and other resources required to ensure that the Indian arm can carry out its obligations as per the tender terms and conditions and that the Indian arm at all times fully and effectively discharge its obligations under the terms and conditions of tender, including by discharging the obligations within the time and cost so stipulated.
3. The Guarantor hereby agrees that if the Indian arm shall in any respect commit any breach or fails to fulfill any of the terms of the Contract/Tender or complete it in all respects or if there is a failure to make any supplies or if any material, equipment or machinery under the contract so supplied is not of the required specifications or does not perform as envisaged under the contract, then the Guarantor will

forthwith perform the same and fulfill all the obligations required under tender terms & conditions on behalf of their Indian arm, without any extra cost and time implications.

4. The Guarantor further undertakes to indemnify all losses, damages, expenses, claims, costs and proceedings which may be suffered or incurred by Beneficiary due to the failure or breach on the part of its Indian arm Company.
5. The Guarantor assures and undertakes that during the term of the contract or of any guarantee for performance as per the contract, the Indian arm shall continue to be the subsidiary/ authorized agent/ branch office/ affiliate\* of the Guarantor and the Guarantor's liability shall not be affected due to any incapacity or lack of power or legal personality or change in the status of the Indian arm or the Guarantor.
6. The Guarantor's liabilities under this Guarantee shall not exceed the liability of the Indian arm under the tender terms and conditions but this shall in any manner not affect the Guarantor's own responsibilities and liabilities under the Guarantee.
7. The obligation of the Guarantor shall take effect from the date of this Guarantee and shall remain in full force until all the obligations of the Indian arm have been fully performed and discharged and/or all sums of money payable to Beneficiary have been fully paid under the contract being entered into by Beneficiary with the Indian arm Company. The Guarantor further undertakes to perform forthwith without insisting on any proof of breach of Contract by its Indian arm Company and purely relying on Beneficiary's written demand.
8. The liabilities of the Guarantor shall not be discharged, diminished or otherwise affected by:-
  - (a) Any change in the Articles of Association or Bye-Laws or constitution of the Indian arm Company or the Guarantor.
  - (b) Any time, indulgence, waiver or consent given to Indian arm Company by the Beneficiary.
  - (c) Any amendment to the Contract or any security or other guarantee or indemnity to which Indian arm Company has agreed.
  - (d) The dissolution, amalgamation, reconstruction or reorganization of Indian arm Company or Guarantor.

**9. NOTICE:**

Any notice, demand, declaration or other communication to be given by the Beneficiary or the Guarantor to the other shall be in writing, in English language and delivered in person or by Air Mail or by Courier Services or by Facsimile or by E-Mail to the address given below :-

<b>For Guarantor</b>	
<b>Attention of</b>	
<b>Mailing Address</b>	

<b>Email Address</b>	
<b>Fax No.</b>	

<b>For Beneficiary</b>	
<b>Attention of</b>	
<b>Mailing Address</b>	
<b>Email Address</b>	
<b>Fax No.</b>	

10. **GOVERNING LAW AND JURISDICTION:**

This Guarantee shall be exclusively governed by and construed in accordance with the laws of India without giving effect to the principles of conflict of laws therein. No party shall take a plea that any forum is inconvenient. It may be enforced in terms of the Indian laws.

11. **DISPUTE RESOLUTION**

Any dispute arising out of or in relation to this Guarantee shall be resolved by arbitration of a sole arbitrator to be appointed as per the rules set out in the tender document.

12. This Guarantee may be executed in one or more counterparts, all of which shall be read and construed as one document and any fax copy or scanned copy or print of a scanned copy of a signed Guarantee shall be deemed to be an original signature.

13. No modification, alteration or amendment of this Guarantee or any of its terms or provisions shall be valid or legally binding unless the Beneficiary consents to the same in writing.

14. No failure to take any action with respect to a breach of this Guarantee or a default by any other party shall constitute a waiver of the Beneficiary's right to enforce any provision of this Guarantee or to take action with respect to such breach or default or any subsequent breach or default.

15. Waiver of any breach or failure to comply with any provisions of this Guarantee shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of or failure to comply with any other provision of this Guarantee, unless any such waiver has been consented to by the concerned party in writing.

16. This document has been executed by a duly authorized signatory on behalf of the Guarantor having the requisite power to do so.

**IN WITNESS WHEREOF** the Guarantor has duly executed this Guarantee as at the date first above written.

**For and on behalf of Guarantor,**

\_\_\_\_\_  
(Signature)

**Witness**

**Signature :**

**Name :**

**Designation :**

**Date :**

**Note:**\* Strike off that which is not applicable and retain the correct relationship  
Between Guarantor and Indian arm