



GVK RATLE HYDRO ELECTRIC PROJECT PRIVATE LIMITED

CORRIGENDUM-VII

Date: 28.02.2012

Package Title: EPC Contract Package for 850 MW (810MW+30MW) Ratle Hydroelectric Project located in Kishtwar District of Jammu & Kashmir, India – (Civil & Hydro-Mechanical Works) - Notice No. GVKRHEPPL/RATLE/EPC/01 Dated: 20/07/2011

The following new clause is hereby added to the IFB and shall be read as:

If the Bidder is a subsidiary company and adduces documentary evidence of having had the support of and access to the assets and resources of a 'Parent Company' for execution of works similar to the work package under consideration and the same is guaranteed by such 'Parent Company' for this work package through a **Corporate Guarantee (Format enclosed as Annex-1 to Corrigendum-VII)** any other proper documents to the satisfaction of GVKRHEPPL towards their support in successful completion of the Contract and also in supply of spares and services for entire life of the plant, past experience and Financial Capacity of such 'Parent Company' can be considered for qualification of such Bidder.

All other details shall remain unaltered.

-sd/-
DIRECTOR (HYDEL)

PARENT COMPANY CORPORATE GUARANTEE

This **Deed of Parent Company Corporate Guarantee** is made and executed at _____, on this the ____ day of _____, 2012; by

_____, a company incorporated under the Companies Act, 1956 having its Registered Office at _____ and represented herein by its _____, Mr. _____, (hereinafter referred to as the "**Parent Company**" which expression unless repugnant to the context or meaning thereof, shall mean and include its successors-in-interest, assigns, etc.) of the **FIRST PART**;

IN FAVOUR OF

GVK Rattle Hydro Electric Project Private Limited, a company incorporated under the Companies Act, 1956 having its registered office at ['Paigah House', 156-159, Sardar Patel Road, Secunderabad – 500 003, India] (hereinafter referred to as the "**Owner**" which expression unless repugnant to the context or meaning thereof, shall mean and include its successors-in-interest, assigns, etc.) of the **SECOND PART**;

WHEREAS

- A. Jammu & Kashmir State Power Development Corporation Limited ("**JKSPDCL**") has awarded the execution of 850 MW Rattle Hydro Electric Project (Civil & HM EPC package) on the Chenab river in Kishtwar district of Jammu & Kashmir State, for implementation on BOOT basis(hereinafter referred to as the "Project"), to the Owner vide Concession Agreement dated _____, 2011 ("**Concession Agreement**").
- B. The Owner has invited International Competitive Bids for execution of the Project Works vide _____("Invitation to Bid").
- C. M/s. _____, a wholly owned subsidiary/ subsidiary / step down subsidiary of the Parent Company, intends to bid for the Project works.

- D. As per the terms and conditions of the Invitation to Bid and any amendments thereto the Subsidiary Company is required to furnish a Corporate Guarantee from its Parent Company to the Owner, guaranteeing the due and timely performance of Project Works by the Subsidiary Company.
- E. In view of the above, the Parent Company is hereby furnishing this Corporate Guarantee in favour of the Owner, guaranteeing the performance of the Project Works by the Subsidiary Company.

**NOW THIS DEED OF PARENT COMPANY CORPORATE GUARANTEE
WITNESSETH AS FOLLOWS:**

1. The Parent Company hereby represents and warrants to the Owner and undertakes that during the subsistence of this Deed of Corporate Guarantee, the Parent Company has and will have the necessary power including under its Memorandum of Association and its Articles of Association to enable the Parent Company to enter into and perform the Parent Company's obligations under this Deed.
2. The Parent Company declares that all necessary authorizations to enable the Parent Company to execute this Deed of Corporate Guarantee have been obtained and are, and will remain, in full force and effect, during the subsistence of this Deed of Corporate Guarantee.
3. The Parent Company declares that the Subsidiary Company is its subsidiary and that it holds paid up equity share capital of _____ % (should be more than 50%) in the Subsidiary Company.
4. The Parent Company undertakes to render continuous support, both technical and financial, to the Subsidiary Company for execution of the Project works.
5. The Parent Company declares and assures that the Subsidiary Company shall have unhindered access to the assets and resources of the Parent Company, for execution of the Project works.

6. The Parent Company hereby guarantees the due and timely performance of the Project works by the Subsidiary Company.
7. The Parent Company undertakes to take over the execution of the Project works, if the Owner is not satisfied with the performance of the Subsidiary Company, regarding the execution of the Project works. Parent Company further undertakes to abide by the decision of the Owner, with regard to taking over of works by the Parent Company and the said decision shall be final, conclusive and binding on the Parent Company. The Parent Company shall without any delay or demur take over the execution of works as demanded by the Owner in writing irrespective of any dispute or controversy prevailing or anticipated between the Owner and the Subsidiary Company.
8. The Parent Company undertakes to take over all the financial liabilities of the Subsidiary Company, without limitation, including Bank Guarantees to be replaced, simultaneously with the takeover of the execution of the Project works.
9. The Parent Company declares that this guarantee shall be a continuing guarantee and shall continue to be in force notwithstanding the discharge of the Contract by operation of law or otherwise and shall cease only on successful completion of the Project works.
10. The Parent Company declares that this Guarantee is irrevocable during its currency, except with the prior written consent of the Owner.
11. The Parent Company agrees that the rights and remedies of the Owner under this Deed of Corporate Guarantee shall be in addition to and independent of every other guarantee or security which the Owner may at any time hold, for the obligations of the Subsidiary Company under the Contract to be entered into between the Owner and the Subsidiary Company ("Contract"), or any other rights, powers and remedies provided by law.
12. This Guarantee is enforceable against the Parent Company notwithstanding that any security or securities comprised in any instrument(s) executed or to

be executed by the Subsidiary Company in favour of the Owner shall, at the time when the proceedings are taken against the Parent Company on this Guarantee, be outstanding or unrealised or lost.

13. The Parent Company hereby agrees that without the concurrence of the Parent Company, the Owner and the Subsidiary Company shall be at liberty to mutually vary, alter or modify the terms and conditions of the Contract or waive, dispense with or release any security with respect to the Contract. The Parent Company agrees that the liability under this Deed of Corporate Guarantee shall not in any manner be affected by the revised terms of the Contract, and that no further consent of the Parent Company is required for giving effect to the revised terms of the Contract.
14. This Guarantee shall not be affected by any change in the constitution of the Parent Company, the Subsidiary Company or the Owner, by reason of the Parent Company, the Subsidiary Company or Owner undergoing any amalgamation, merger, restructuring, re-construction, compromise or arrangement, liquidation or winding up or dissolution or if any change takes place in the ownership, shareholding, control, management or capital structure of the Owner or the Subsidiary Company or the Parent Company.
15. The Parent Company undertakes not to assign or transfer its obligations under this Deed of Corporate Guarantee to any third party, without the written permission of the Owner.
16. The Owner agrees and undertakes to return this Deed of Corporate Guarantee to the Parent Company, immediately after the completion of Defects Liability Period i.e. 24 months after the successful completion of the Project works.
17. This Deed of Corporate Guarantee shall be construed and interpreted in accordance with the laws in force in the Republic of India.
18. The Parent Company hereby irrevocably agrees that the courts / tribunals at Secunderabad / Hyderabad, India shall have exclusive jurisdiction to settle

any dispute arising out of or in connection with this Deed of Corporate Guarantee, including a dispute regarding the existence, validity or termination of this Deed of Corporate Guarantee.

IN WITNESS WHEREOF the Parent Company has caused its Common Seal to be affixed to these presents on the day, and month and year first hereinabove written.

THE COMMON SEAL OF _____

pursuant to the Resolutions of its
Company)

for (name of Parent

Board of Directors passed in that behalf

on _____ hereunto been affixed in Authorised Signatory

the presence of Mr. _____,

(Name and Designation), who has signed

these presents in token thereof and

Mr. _____ Authorised Signatory,

who has countersigned in token thereof.