



CONCESSION AGREEMENT

BETWEEN

**PUBLIC WORKS, PORTS AND INLAND WATER TRANSPORT
DEPARTMENT, GOVERNMENT OF KARNATAKA**

AND

KARNATAKA ROAD DEVELOPMENT CORPORATION LTD.

AND

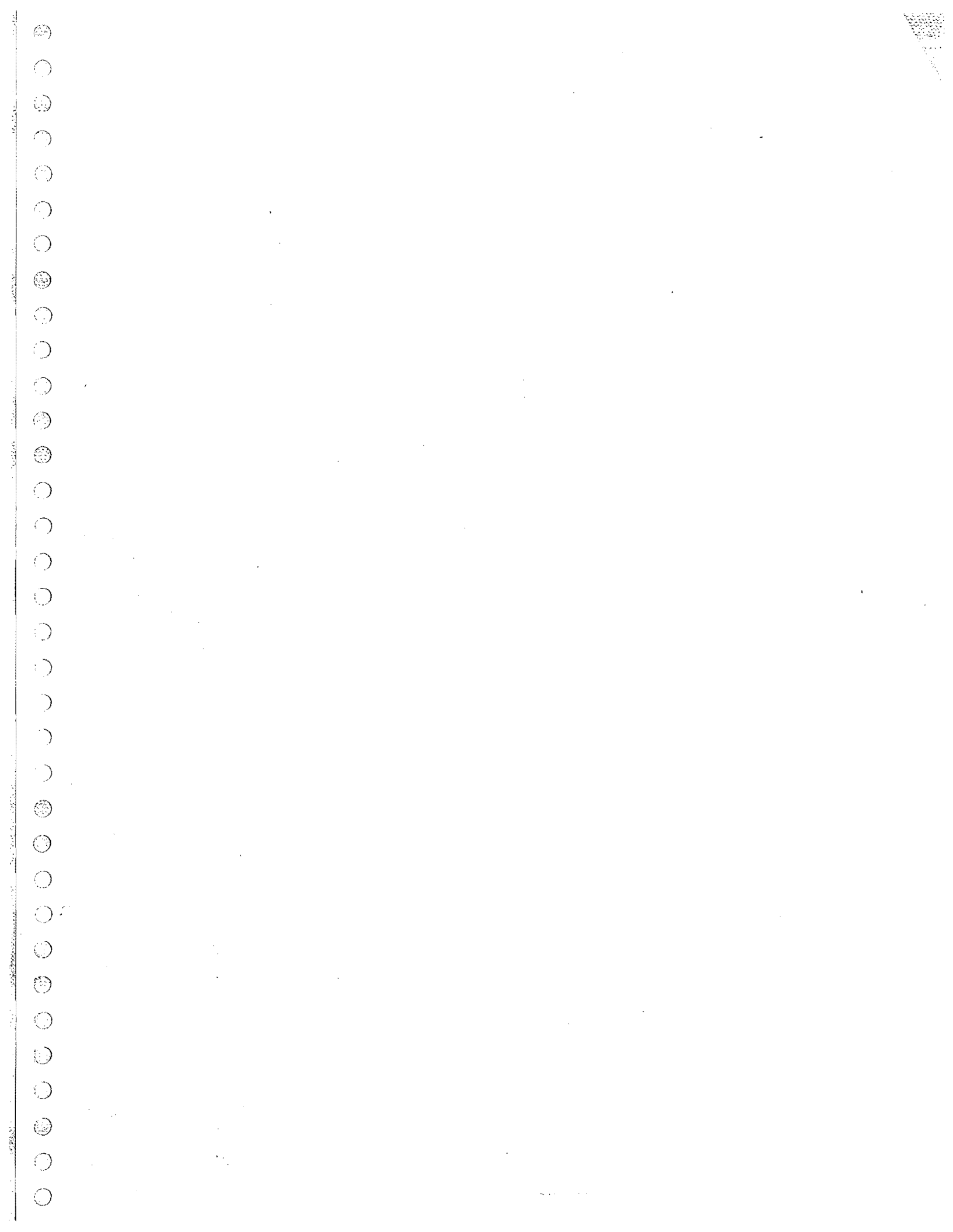
M/S. ABHIJEET TOLL ROAD (KARNATAKA) LIMITED (CONSORTIUM)

FOR

**IMPROVEMENTS TO CHIKKANAYAKANAHALLI-TIPTUR-
HASSAN ROAD (PARTLY MDR AND PARTLY SH) IN THE STATE
OF KARNATAKA ON BOT - VGF (TOLL)**

PART- I - CONCESSION AGREEMENT

3rd JUNE - 2011



CONCESSION AGREEMENT

THIS CONCESSION AGREEMENT is entered into on this the 3rd day of June 2011 at Bangalore.

BETWEEN

1. **THE GOVERNOR OF KARNATAKA** represented by Principal Secretary, Public Works, Ports and Inland Water Transport Department (PW,P&IWTD), having its office at 3rd Floor, Vikasa Soudha, Vidhana Veedhi, Bangalore- 560 001, (hereinafter referred to as the "**Government**" which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) on **ONE PART**;

AND

2. **KARNATAKA ROAD DEVELOPMENT CORPORATION LIMITED**, a Government Company having its principal office at No.16/J, Miller Tank Bed Area, Thimmiah Road Cross, Bangalore – 560052 (hereinafter referred to as the "**KRDCL**" which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) on **ONE PART**,

AND

3. **M/s. ABHIJEET TOLL ROAD (KARNATAKA) LIMITED**, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4th floor, Landmark Building, Ramdaspath, Wardha Road, Nagpur – 440 010, Maharashtra, (hereinafter referred to as the "**Concessionaire**" which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns and substitutes) of the **OTHER PART**.

Contd....

Sachin
3/6/2011
SUEHASH CHATURVEDI
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
[Signature]
Authorised Signatory



WHEREAS:

- (A) The Government of Karnataka (hereinafter referred to as "GoK") had entrusted to the KRDCL for Improvements to Chikkanayakanahalli – Tiptur – Hassan Road (Partly MDR and Partly SH) in the State of Karnataka (hereinafter called "Project Road") on Build, Operate and Transfer (BOT) basis as per scope of work specified in Schedule-B and Schedule-C in accordance with the terms and conditions to be set forth in this Concession Agreement. The project road 'Chikkanayakanahalli-Tiptur-Hassan Road' lies in the southern part of Karnataka and provides vital connectivity between SH-19 (Srirangapattana-Bidar Road) at Chikkanayakanahalli with NH-48 (Bangalore-Mangalore Road) at Hassan. This road also intersects NH-206 (Tumkur-Honnar Road) at Tiptur. The project road comprise of two sections viz., MDR section between Chikkanayakanahalli and Tiptur and SH-68 section between Tiptur and Hassan.
- (B) The KRDCL had accordingly invited proposals by inviting 5th call Tender Notice No. Notification No. KRDCL/IFB/2010/24 dated 09.07.2010 on e-procurement basis for the work to be taken up for implementation with subsequent Corrigendum-1. No. KRDCL/IFB/2010/25 dated 24.07.2010.

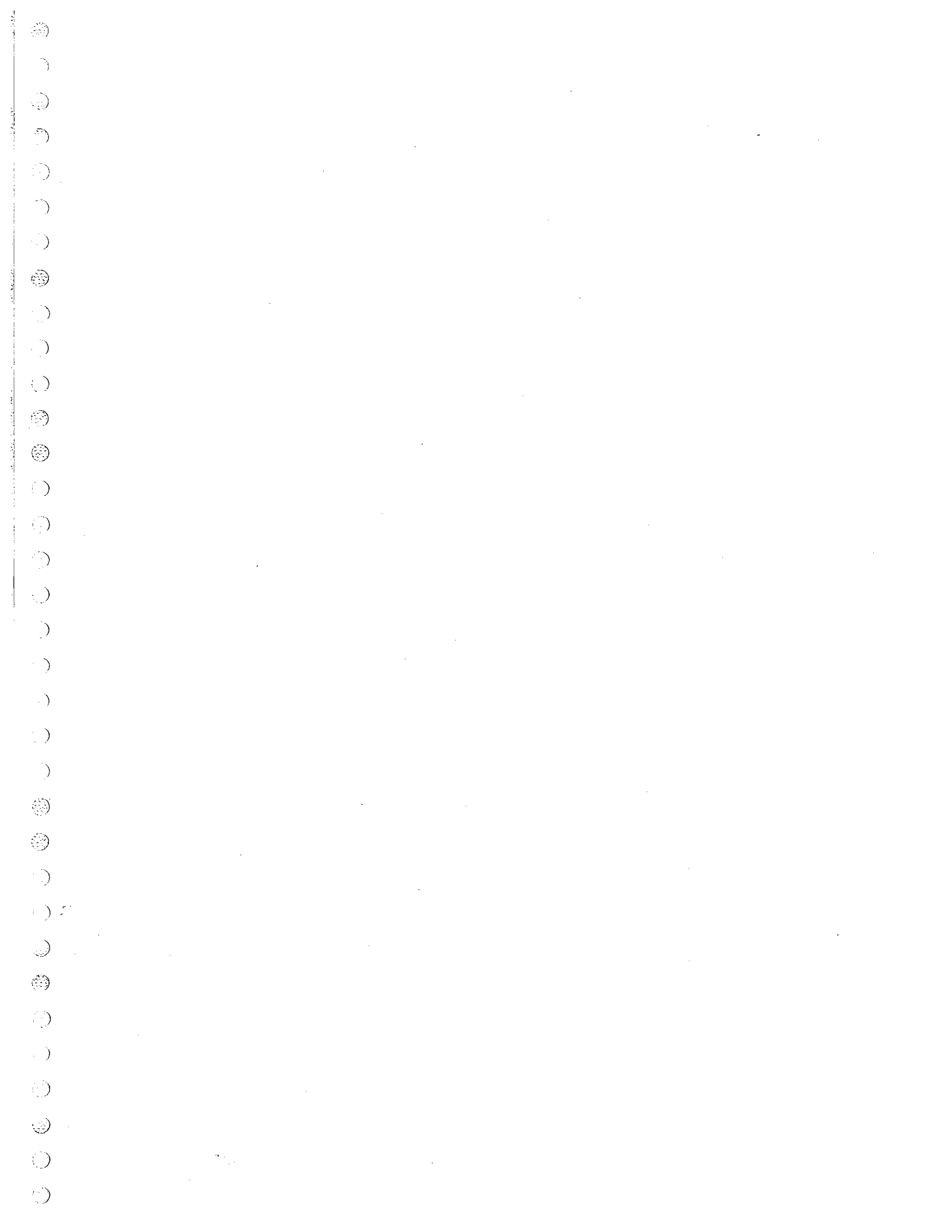
The above notices were issued for Short listing of bidders for Improvements, operation and maintenance of the above referred Road on BOT basis and had shortlisted bidder, the consortium comprising **M/s. Abhijeet Infrastructure Limited** and **M/s. Corporate Ispat Alloys Limited** (collectively the "Consortium") with **M/s. Abhijeet Infrastructure Limited** as its leader.

Contd....

Subhash C. Khuntia
3/6/2011
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Authorized Signatory



- (C) The Government / KRDCL had prescribed the technical and commercial terms and conditions, and invited bids from the bidders pursuant to the Tender Notice for undertaking the Project.
- (D) After evaluation of the bids received, the Government had accepted the bid of the Consortium and issued its letter of acceptance No.KRDCL/MD-DE-4/VGF(C-T-H)2011-12/221 dated 30.04.2011 (hereinafter called the "LOA") (Annexure 1 to CA) to the Consortium requiring, inter alia, the execution of this Concession Agreement within 45 (forty-five) days of the date of issue thereof.
- (E) The Consortium has since promoted and incorporated the Concessionaire as a limited liability company under the Companies Act 1956, and has requested the Government to accept the Concessionaire as the entity which shall undertake and perform the obligations and exercise the rights of the Consortium under the LOA, including the obligation to enter into this Concession Agreement pursuant to the LOA for executing the Project.
- (F) By its letter No.AIL/KRDCL/2011/03 dated 27.05.2011, the Concessionaire has also joined in the said request of the Consortium to the Government to accept it as the entity which shall undertake and perform the obligations and exercise the rights of the Consortium including the obligation to enter into this Concession Agreement pursuant to the LOA. The Concessionaire has further represented to the effect that it has been promoted by the Consortium for the purposes.
- (G) The Government has agreed to the said request of the Consortium and the Concessionaire, and has accordingly agreed to enter into this Concession Agreement with the Concessionaire for execution of the Project on BOT basis, subject to and on the terms and conditions set forth hereinafter.

NOW THEREFORE in consideration of the foregoing and the respective covenants and agreements set forth in this Concession Agreement, the sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows (vide Articles 1 to 48 and Schedules A to X): Also the following documents attached shall be here to deemed to form an integral part of this Concession Agreement.(Disbursement of grant considered as per negotiated price bid).

acknowledged
3/6/2011
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. A. Anil
Managing Director
KRDCL

[Signature]
Abhijeet Toll Road, (Karnataka) Limited
Authorised Signatory

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S. C. Khuntia
2/6/2011
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. K. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Ltd.

Abhijeet
Authorised Signatory



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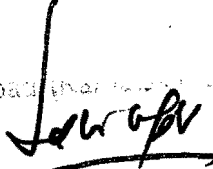

SUBHASH C. KHUNTIA

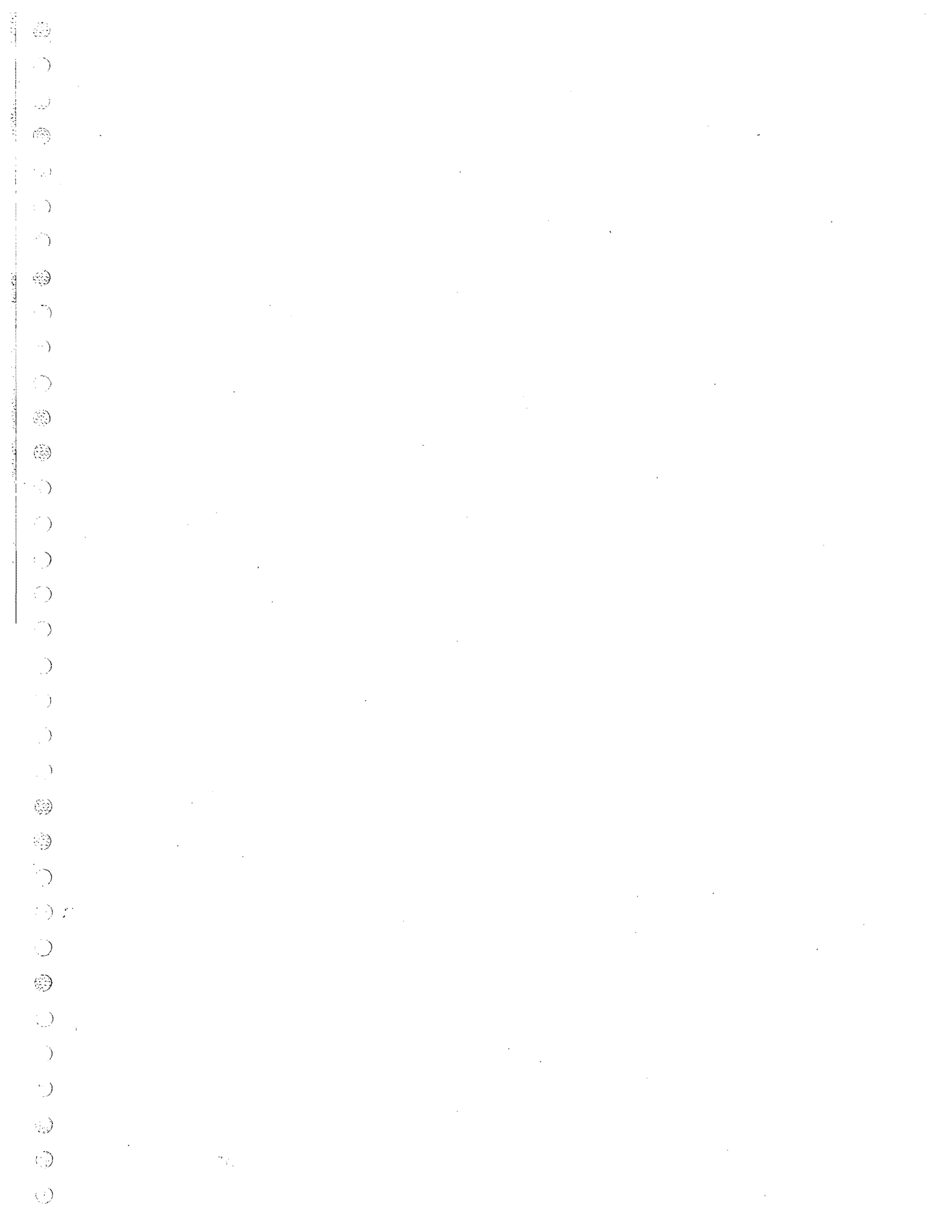
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director

KRDCL

Authorized Signatory


Authorized Signatory



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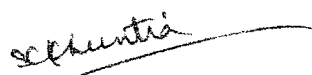
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SUBHASH C. KHUNTIA

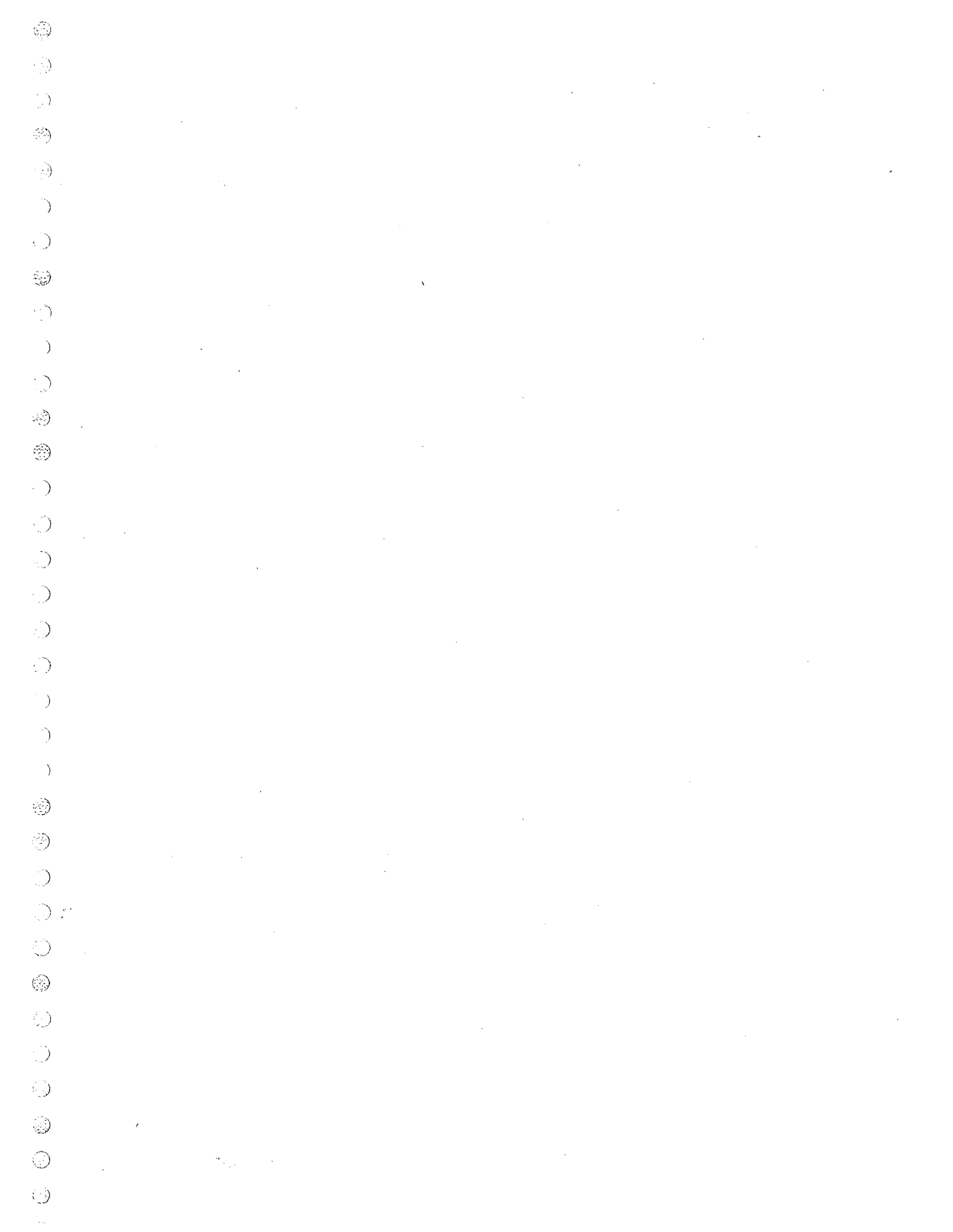
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director

KRDCL

Abhijeet Toll Road, (Karnataka) Limited


Authorised Signatory



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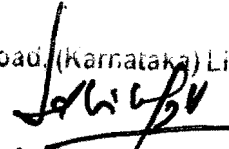

SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. K. Anil
Managing Director

KRDCL

Abhijeet Toll Road (Karnataka) Limited


Authorized Signatory

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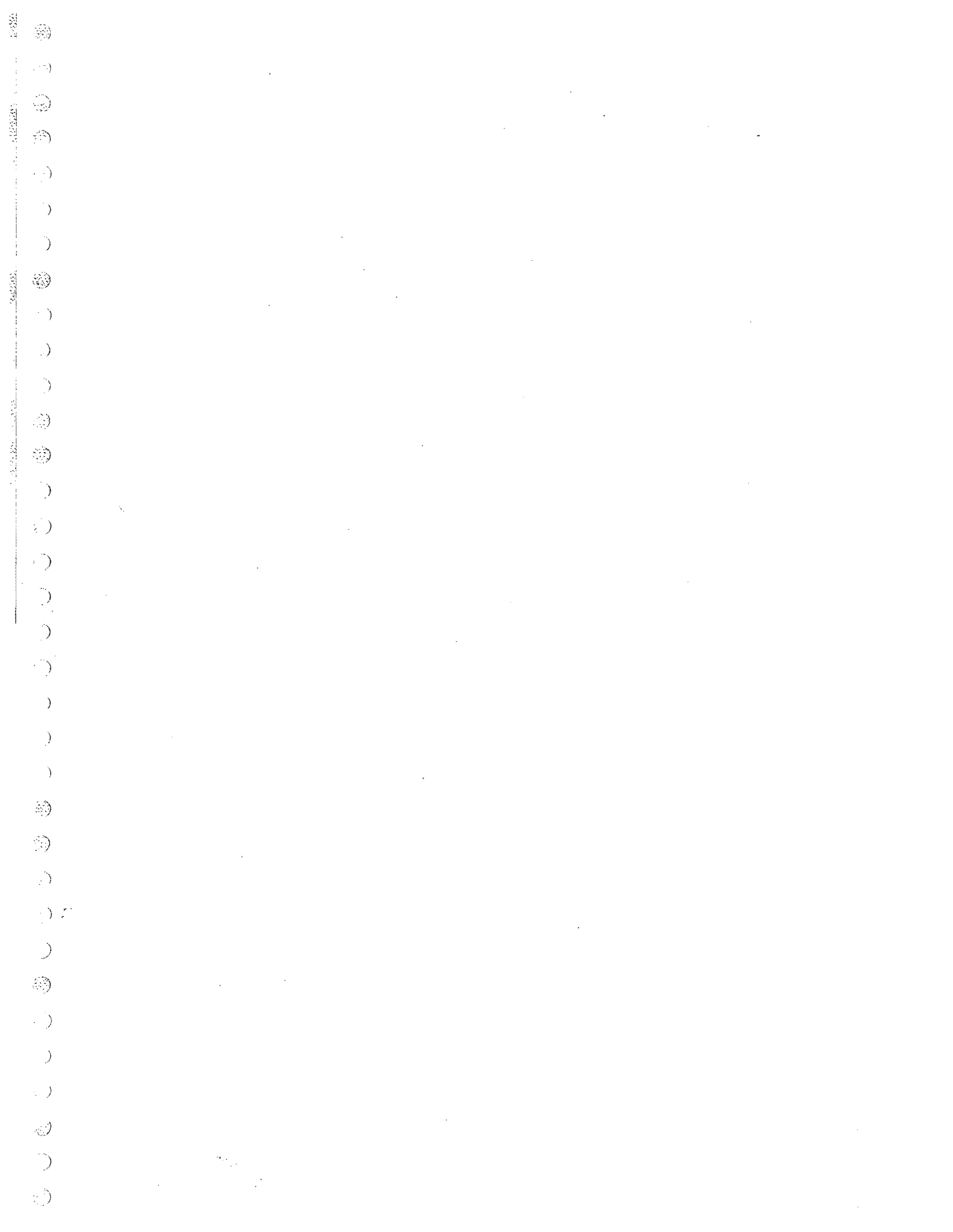
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Abhijit
Principal Secretary to Government,
Public Works, Ports and Inland Water
Transport Department

B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
[Signature]
Authorised Signatory



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SUBHASH C. KHUNTIA
SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

S. H. Anil
Managing Director

KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Abhijeet
Authorised Signatory

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Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

L. K. Anil Kumar
Managing Director

KRDCL
-7-

L. K. Anil Kumar
Managing Director



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Seehantia
SEEHASH C. KHIUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. N. Anil
Managing Director

KRDCL

Amijee
Amijee, Son K. S. (Karnataka) Limited

Amijee
Authorized Secretary



ARTICLE 1
DEFINITIONS AND INTERPRETATION

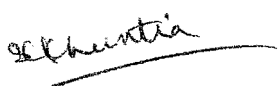
1.1 Definitions


The words, abbreviations and expressions beginning with capital letters and defined in this Agreement (including those in Article 48) shall, unless the context otherwise requires, have the meaning ascribed thereto herein, and the words and expressions defined in the Schedules and used therein shall have the meaning ascribed thereto in the Schedules.

1.2 Interpretation

1.2.1 In this Agreement, unless the context otherwise requires,

- (a) references to any legislation or any provision thereof shall include amendment or re-enactment or consolidation of such legislation or any provision thereof so far as such amendment or re-enactment or consolidation applies or is capable of applying to any transaction entered into hereunder;
- (b) references to laws of Karnataka, laws of India or Indian law or regulation having the force of law shall include the laws, acts, ordinances, rules, regulations, bye laws or notifications which have the force of law in the territory of India and as from time to time may be amended, modified, supplemented, extended or re-enacted;
- (c) references to a "**person**" and words denoting a natural person shall be construed as a reference to any individual, firm, company, corporation, society, trust, Government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and shall include successors and assigns;
- (d) the table of contents, headings or sub-headings in this Agreement are for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this Agreement;
- (e) the words "**include**" and "**including**" are to be construed without limitation and shall be deemed to be followed by "without limitation" or "but not limited to" whether or not they are followed by such phrases;
- (f) references to "construction" include, unless the context otherwise requires, investigation, design, developing, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction, and "**construct**" shall be construed accordingly;
- (g) any reference to any period of time shall mean a reference to that according to Indian Standard Time;
- (h) any reference to day shall mean a reference to a calendar day;
- (i) references to a "**business day**" shall be construed as a reference to a day (other than a Sunday) on which banks in Bangalore are generally open for business;
- (j) any reference to month shall mean a reference to a calendar month as per the Gregorian calendar;
- (k) references to any date, period or Project Milestone shall mean and include such date, period or Project Milestone as may be extended pursuant to this Agreement;


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, Karnataka Limited

Authorised Signatory



- (l) any reference to any period commencing "**from**" a specified day or date and "**till**" or "**until**" a specified day or date shall include both such days or dates; provided that if the last day of any period computed under this Agreement is not a business day, then the period shall run until the end of the next business day;
- (m) the words importing singular shall include plural and vice versa;
- (n) references to any gender shall include the other and the neutral gender;
- (o) "**lakh**" means a hundred thousand (100,000) and "**crore**" means ten million (10,000,000);
- (p) "**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (q) references to the "**winding-up**", "**dissolution**", "**insolvency**", or "**reorganisation**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, arrangement, protection or relief of debtors;
- (r) any reference, at any time, to any agreement, deed, instrument, licence or document of any description shall be construed as reference to that agreement, deed, instrument, licence or other document as amended, varied, supplemented, modified or suspended at the time of such reference; provided that this Sub-clause shall not operate so as to increase liabilities or obligations of the Government hereunder or pursuant hereto in any manner whatsoever;
- (s) any agreement, consent, approval, authorisation, notice, communication, information or report required under or pursuant to this Agreement from or by any Party or the Independent Engineer shall be valid and effective only if it is in writing under the hand of a duly authorised representative of such Party or the Independent Engineer, as the case may be, in this behalf and not otherwise;
- (t) the Schedules and Recitals to this Agreement form an integral part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;
- (u) references to Recitals, Articles, Clauses, Sub-clauses or Schedules in this Agreement shall, except where the context otherwise requires, mean references to Recitals, Articles, Clauses, Sub-clauses and Schedules of or to this Agreement, and references to a Paragraph shall, subject to any contrary indication, be construed as a reference to a Paragraph of this Agreement or of the Schedule in which such reference appears; and
- (v) the damages payable by either Party to the other of them, as set forth in this Agreement, whether on per diem basis or otherwise, are mutually agreed genuine pre-estimated loss and damage likely to be suffered and incurred by the Party entitled to receive the same and are not by way of penalty (the "**Damages**").

1.2.2 Unless expressly provided otherwise in this Agreement, any Documentation required to be provided or furnished by the Concessionaire to the Government and/ or the Independent Engineer shall be provided free of cost and in three copies, and if the Government and/or the Independent Engineer is required to return any such

S. Khuntia
SUBHASH C. KHUNTIA
 Principal Secretary to Government
 Public Works, Ports and Inland Water
 Transport Department

H. N. Anil
Managing Director
KRDCL

Abhijeet Toll Road (Karnataka) Limited
[Signature]
 Authorised Signatory



Documentation with their comments and/or approval, they shall be entitled to retain two copies thereof.

1.2.3 The rule of construction, if any, that a contract should be interpreted against the parties responsible for the drafting and preparation thereof, shall not apply.

1.2.4 Any word or expression used in this Agreement shall, unless otherwise defined or construed in this Agreement, bear its ordinary English meaning and, for these purposes, the General Clauses Act 1897 shall not apply.

1.3 Measurements and arithmetic conventions

All measurements and calculations shall be in the metric system and calculations done to 2 (two) decimal places, with the third digit of 5 (five) or above being rounded up and below 5 (five) being rounded down.

1.4 Priority of Agreements and errors/discrepancies

1.4.1 This agreement, and all other agreements and documents forming part of this agreement are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this agreement, the priority of this agreement and other documents and agreements forming part hereof shall, in the event of any conflict between them, be in the following order:

(a) this agreement; and

(b) all other agreements and documents forming part hereof;


i.e. the agreement at (a) above shall prevail over the agreements and documents at (b) above.

1.4.2 Subject to Clause 1.4.1 in case of ambiguities or discrepancies within this Agreement. the following shall apply:

- (a) between two or more Clauses of this Agreement, the provisions of a specific Clause relevant to the issue under consideration shall prevail over those in other Clauses;
- (b) between the Clauses of this agreement and the Schedules, the Clauses shall prevail and between Schedules and Annexes, the Schedules shall prevail;
- (c) between the written description on the Drawings and the Specifications and Standards, the latter shall prevail ;
- (d) between the dimension scaled from the Drawing and its specific written dimension, the latter shall prevail; and
- (e) between any value written in numerals and that in words, the latter shall prevail.


SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director

KRDCL

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ARTICLE 2 SCOPE OF THE PROJECT

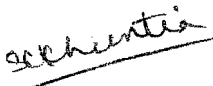
2.1 Scope of the Project

The scope of the Project (the "Scope of the Project") shall mean and include, during the Concession Period:

- (a) improvement of the Project Road on the Site set forth in Schedule-A and as specified in Schedule-B together with provision of Project Facilities as specified in Schedule-C, and in conformity with the Specifications and Standards set forth in Schedule-D;


It shall include Construction of two lane carriageway with rigid pavement with 1.0m wide paved (rigid) shoulders and all other facilities as required for a BOT project (such as bypass in the southern side for Tiptur town, realignment sections, ROBs, paved shoulders, vehicular cum pedestrian underpasses, toll plaza etc.,) in the project road "Chikkanayakanahalli-Tiptur-Hassan Road" from Chikkanayakanahalli (km 0+000) to Tiptur (km 22+852), from Tiptur (km 2+250) to Hassan (km 49+319) in the State of Karnataka.

- (b) operation and maintenance of the Project Road in accordance with Schedule-K of this Agreement; and
- (c) performance and fulfillment of all other obligations of the Concessionaire in accordance with the provisions of this Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the Concessionaire under this Agreement.


SUBHASH C. KHUNTIA
Principal Secretary to Government Managing Director
Public Works, Ports and Inland Water
Transport Department


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**ARTICLE 3
GRANT OF CONCESSION**

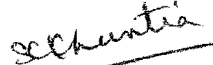
3.1 The Concession

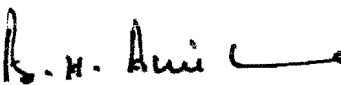
- 3.1.1 Subject to and in accordance with the provisions of this Agreement, the Applicable Laws and the Applicable Permits, the Government hereby grants to the Concessionaire the concession set forth herein including the exclusive right, licence and authority during the subsistence of this Agreement to construct, operate and maintain the Project (the "**Concession**") for a period of 30 (thirty) years commencing from the Appointed Date, and the Concessionaire hereby accepts the Concession and agrees to implement the Project subject to and in accordance with the terms and conditions set forth herein.
- 3.1.2 Subject to and in accordance with the provisions of this Agreement, the Concession hereby granted shall oblige or entitle (as the case may be) the Concessionaire to:
- (a) Right of Way, access and licence to the Site for the purpose of and to the extent conferred by the provisions of this Agreement;
 - (b) finance, improve, operate and maintain the Project Road during the Concession Period;
 - (c) upon completion of the Project Road and during the Operation Period to manage, operate and maintain the Project Road and regulate the use thereof by third parties;
 - (d) levy, demand and collect appropriate Fee from vehicles and persons liable for payment of Fees for using the Project Road or any part thereof and refuse entry of any vehicle if the Fee due is not paid;
 - (e) perform and fulfil all of the Concessionaire's obligations under and in accordance with this Agreement;
 - (f) bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under this Agreement; and
 - (g) not assign, transfer or sublet or create any lien or Encumbrance on this Agreement, or the Concession hereby granted or on the whole or any part of the Project Road nor transfer, lease or part possession thereof, save and except as expressly permitted by this Agreement or the Substitution Agreement.

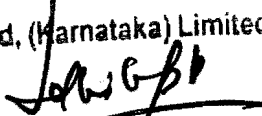
3.2 Waiver of Two-Laning Plus

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SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


R. H. Anil
Managing Director
KRDCL


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ARTICLE 4
CONDITIONS PRECEDENT


4.1 Conditions Precedent


4.1.1 Save and except as expressly provided in Articles 4, 9, 10, 24, 34, 44 and 47, the respective rights and obligations of the Parties under this Agreement shall be subject to the satisfaction in full of the conditions precedent specified in this Clause 4.1 (the "Conditions Precedent").

4.1.2 The Concessionaire may, upon providing the Performance Security to Government, in accordance with Article 9, at any time after 90 (ninety) days from the date of this Agreement or on an earlier day acceptable to Government, by notice require the Government, to satisfy any or all of the Conditions Precedent set forth in this Clause 4.1.2 within a period of 30 (thirty) days of the notice, or such longer period not exceeding 60 (sixty) days as may be specified therein, and the conditions precedent required to be satisfied by the Government prior to the Appointed Date shall be deemed to have been fulfilled when the Government, shall have:

- (a) provided to for the Concessionaire the Right of Way to the Site in accordance with the provisions of Clause 10.3.1; provided that the conditions set forth in Clause 10.3.2 shall also be satisfied on or prior to the Appointed Date;
- (b) procured for the Concessionaire the Right of Way to take up the project work as per Schedule G;
- (c) procured approval of the Railway authorities in the form of a general arrangement drawing that would enable the Concessionaire to construct road overbridges/ underbridges at level crossings on the Project Road in accordance with the Specifications and Standards and subject to the terms and conditions specified in such approval; and
- (d) procured all Applicable Permits relating to environmental protection and conservation of the site.

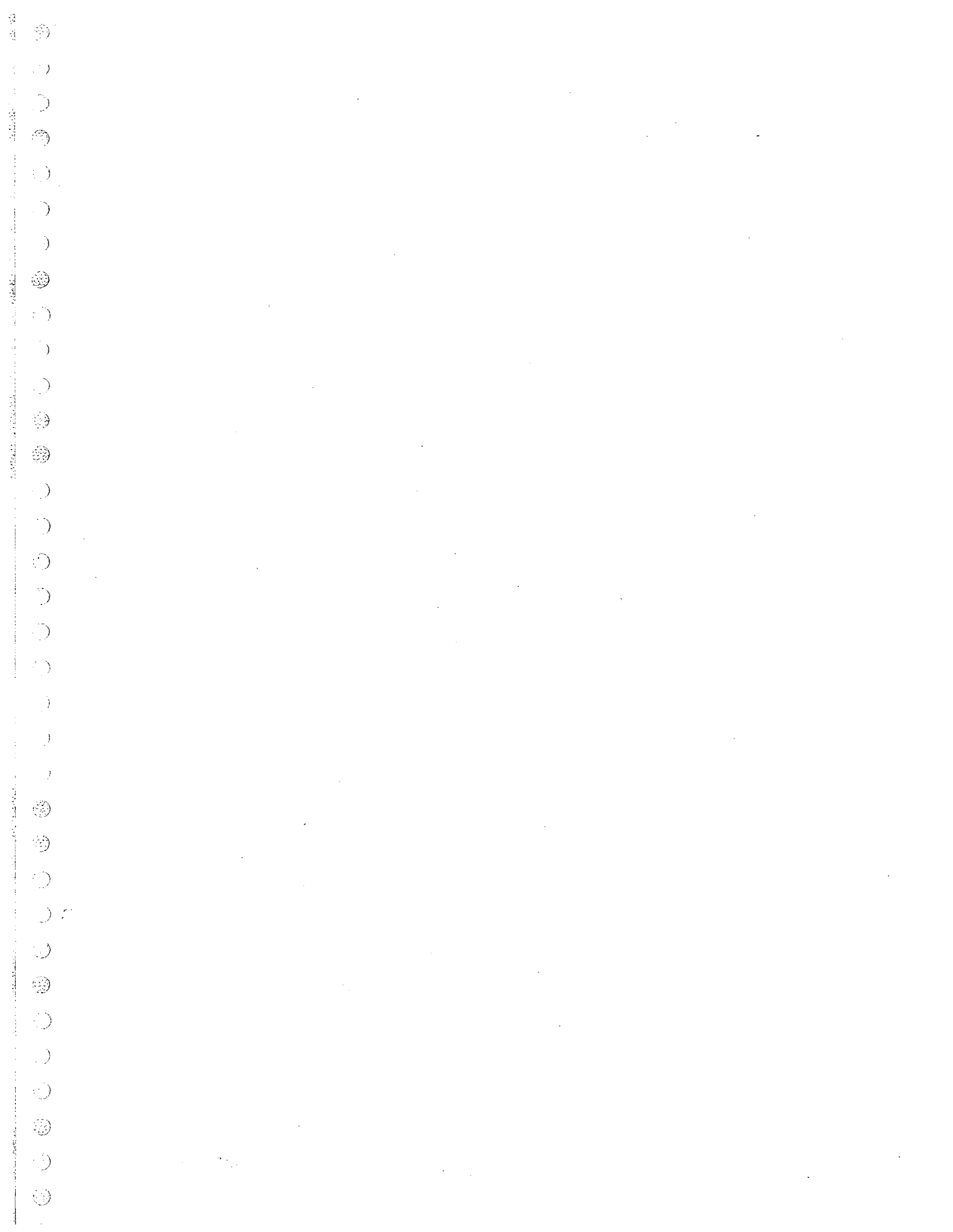
Provided that the Government may from time to time by notice extend, for up to 6 (six) months, the period for procuring the approval set forth in sub-clause (c) and/or sub-clause (d) above and in that event the land to be covered by overbridges or the affected sections of the Project Road, as the case may be, shall be included in the Appendix referred to in Clause 10.3 and dealt with in accordance with the provisions thereof; and provided further that upon procurement of such approval, the Concessionaire shall be entitled to a period of 12 (twelve) months therefrom for completion of the overbridges. For the avoidance of doubt, the approval specified in sub-clause (b) above shall cease to be a Condition Precedent upon the extension of time under this Provision.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


K. H. Anil
Managing Director
KRDCL

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4.1.3 The Conditions Precedent required to be satisfied by the Concessionaire prior to the Appointed Date shall be deemed to have been fulfilled when the Concessionaire shall have:

- (a) provided Performance Security to Government;
- (b) executed and procured execution of the Escrow Agreement;
- (c) executed and procured execution of the Substitution Agreement;
- (d) procured all the Applicable Permits specified in Schedule-E unconditionally or if subject to conditions then all such conditions shall have been satisfied in full and such Applicable Permits are in full force and effect;
- (e) executed the Financing Agreements and delivered to the Government 3 (three) true copies thereof, duly attested by a Director of the Concessionaire;
- (f) delivered to the Government 3 (three) true copies of the Financial Package and the Financial Model, duly attested by a Director of the Concessionaire, along with 3 (three) soft copies of the Financial Model in MS Excel version or any substitute thereof, which is acceptable to the Senior Lenders;
- (g) delivered to the Government from [the Consortium Members, their respective] confirmation, in original, of the correctness of their representations and warranties set forth in Sub-clauses (k), (l) and (m) of clause 7.1 of this Agreement; and
- (h) delivered to the Government a legal opinion from the legal counsel of the Concessionaire with respect to the authority of the Concessionaire to enter into this Agreement and the enforceability of the provisions thereof:

Provided that upon request in writing by the Concessionaire, GOVERNMENT may, in its discretion, waive any of the Conditions Precedent set forth in this Clause 4.1.3.

4.1.4 Each Party shall make all reasonable endeavours to satisfy the Conditions Precedent within the time stipulated and shall provide the other Party with such reasonable cooperation as may be required to assist that Party in satisfying the Conditions Precedent for which that Party is responsible.

4.1.5 The Parties shall notify each other in writing at least once a month on the progress made in satisfying the Conditions Precedent. Each Party shall promptly inform the other Party when any Condition Precedent for which it is responsible has been satisfied.

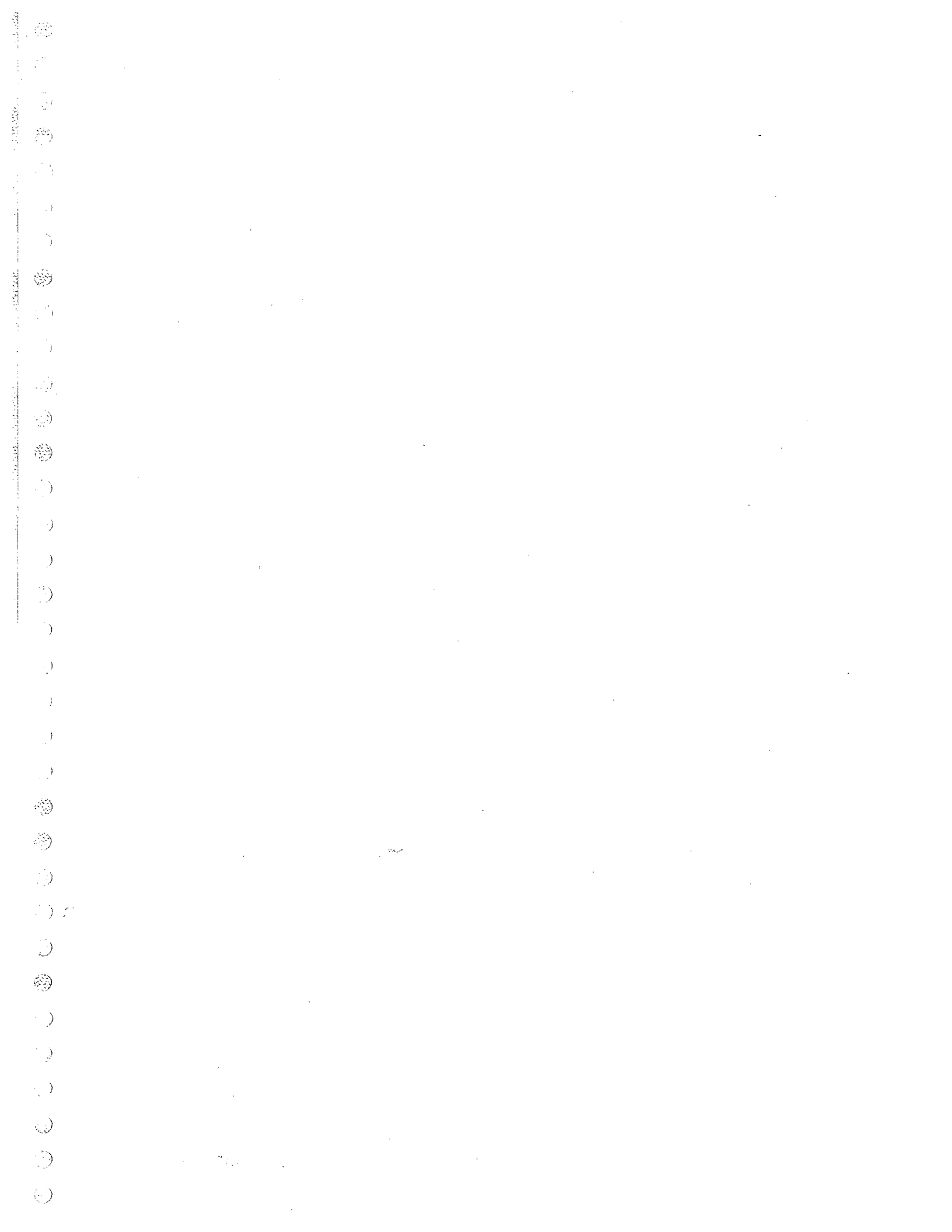
4.2 Damages for delay by the GOVERNMENT

In the event that (i) the Government does not procure fulfilment of any or all of the Conditions Precedent set forth in Clause 4.1.2 within the period specified in respect thereof, and (ii) the delay has not occurred as a result of breach of this Agreement by the Concessionaire or due to Force Majeure, the Government shall pay to the Concessionaire Damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day's delay until the fulfilment of such Conditions Precedent, subject to a maximum of 20% (twenty percent) of the Performance Security.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil
Managing Director
KRDCL
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ARTICLE 5
OBLIGATIONS OF THE CONCESSIONAIRE

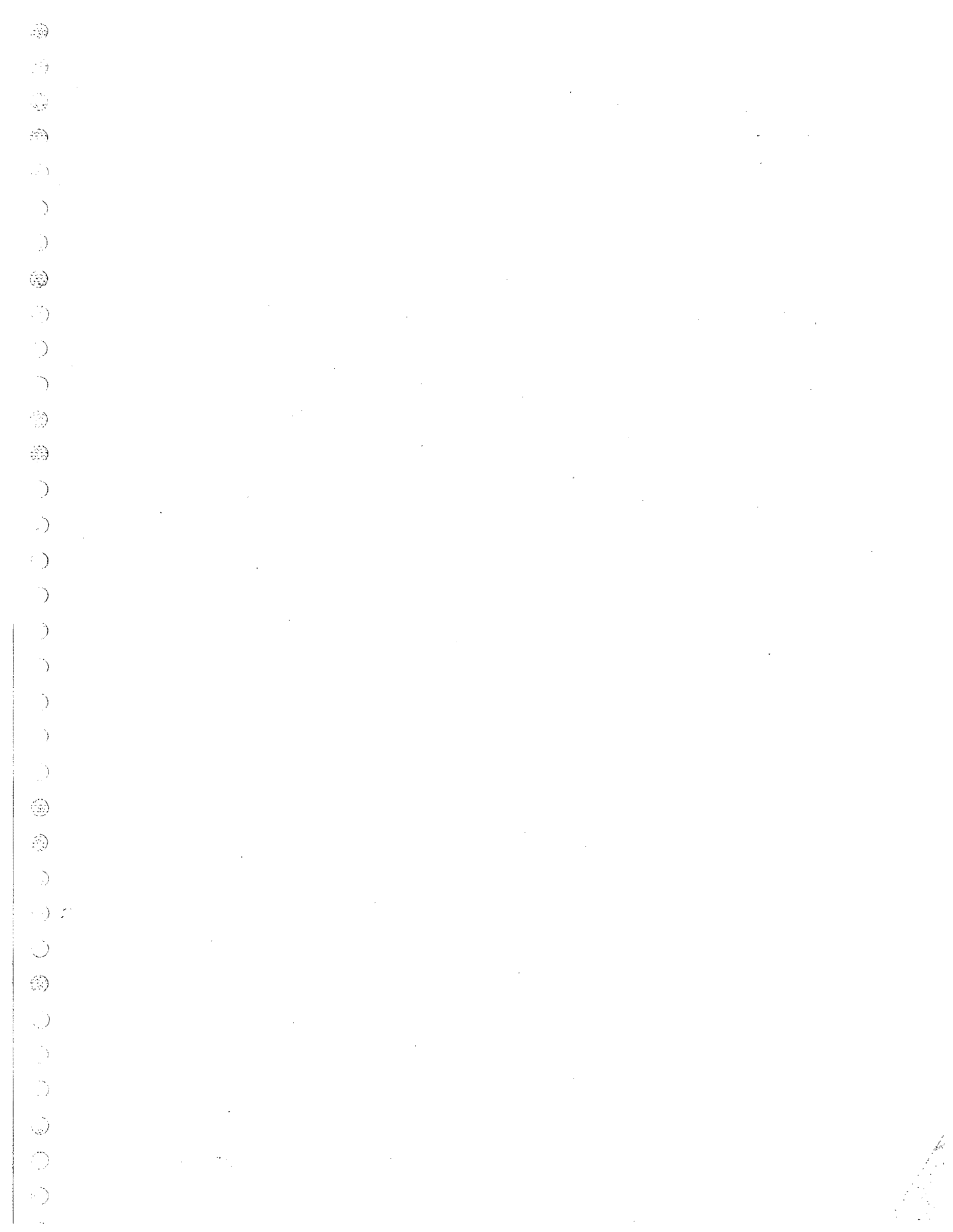
5.1 Obligations of the Concessionaire

- 5.1.1 Subject to and on the terms and conditions of this Agreement, the Concessionaire shall at its cost and expense procure finance for and undertake the design, engineering, procurement, construction, operation and maintenance of the Project Road and observe, fulfil, comply with and perform all its obligations set out in this Agreement or arising hereunder.
- 5.1.2 The Concessionaire shall comply with all Applicable Laws and Applicable Permits (including renewals as required) in the performance of its obligations under this Agreement.
- 5.1.3 Subject to Clauses 5.1.1 and 5.1.2, the Concessionaire shall discharge its obligations in accordance with Good Industry Practice and as a reasonable and prudent person.
- 5.1.4 The Concessionaire shall, at its own cost and expense, in addition to and not in derogation of its obligations elsewhere set out in this Agreement:
- (a) make, or cause to be made, necessary applications to the relevant Government Instrumentalities with such particulars and details, as may be required for obtaining all Applicable Permits (other than those set forth in Clause 4.1.2) and obtain and keep in force and effect such Applicable Permits in conformity with the Applicable Laws;
 - (b) procure, as required, the appropriate proprietary rights, licences, agreements and permissions for materials, methods, processes and systems used or incorporated into the Project Road;
 - (c) perform and fulfil its obligations under the Financing Agreements;
 - (d) make reasonable efforts to maintain harmony and good industrial relations among the personnel employed by it or its Contractors in connection with the performance of its obligations under this Agreement;
 - (e) make reasonable efforts to facilitate the acquisition of land required for the purposes of the Agreement;
 - (f) ensure and procure that its Contractors comply with all Applicable Permits and Applicable Laws in the performance by them of any of the Concessionaire's obligations under this Agreement;
 - (g) not do or omit to do any act, deed or thing which may in any manner be violative of any of the provisions of this Agreement;
 - (h) support, cooperate with and facilitate the Government in the implementation and operation of the Project in accordance with the provisions of this Agreement;
 - (i) transfer the Project Road to the Government upon Termination of this Agreement, in accordance with the provisions thereof.

S. K. Jhunia
SURESH C. JHUNIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

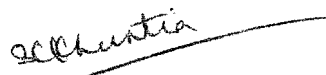
B. N. Anil
Managing Director
KRDCL


Abhijeet Toll Road, (Karnataka) Limited
[Signature]
Authorised Signatory



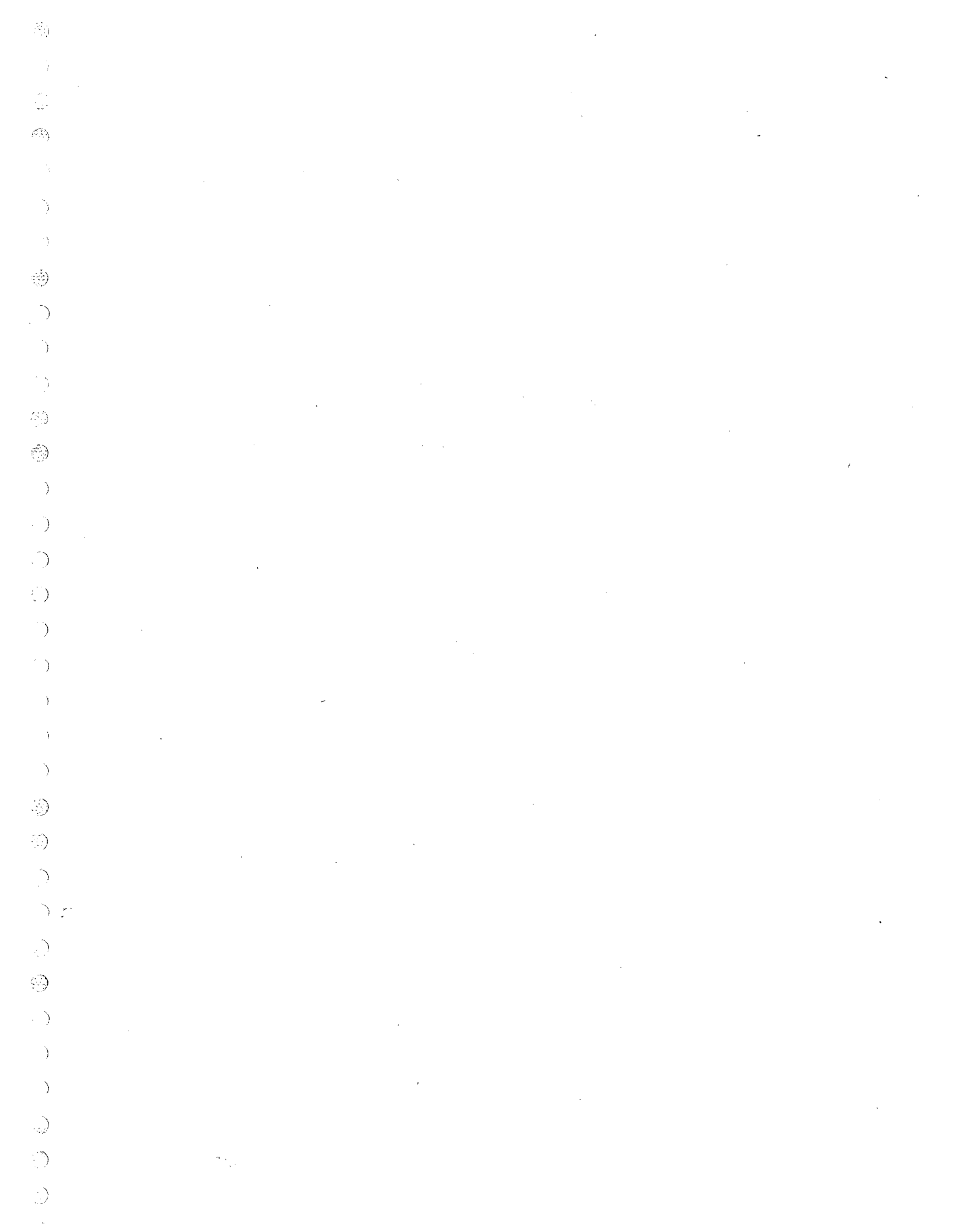
5.2 Obligations relating to Project Agreements

- 5.2.1 It is expressly agreed that the Concessionaire shall, at all times, be responsible and liable for all its obligations under this Agreement notwithstanding anything contained in the Project Agreements or any other agreement, and no default under any Project Agreement or agreement shall excuse the Concessionaire from its obligations or liability hereunder.
- 5.2.2 The Concessionaire shall submit to Government the drafts of all Project Agreements including in particular the EPC Contract, the Financing Agreement, the O&M Contract and the Tolling Contract or any amendments or replacements thereto for its review and comments, and the Government shall have the right but not the obligation to undertake such review and provide its comments, if any, to the Concessionaire within 15 (fifteen) days of the receipt of such drafts. Within 7 (seven) days of execution of any Project Agreement or amendment thereto, the Concessionaire shall submit to Government a true copy thereof, duly attested by a Director of the Concessionaire, for its record. For the avoidance of doubt, it is agreed that the review and comments hereunder shall be limited to ensuring compliance with the terms of this Agreement. It is further agreed that any failure or omission of Government to review and / or comment hereunder shall not be construed or deemed as acceptance of any such agreement or document by Government. No review and/or observation of Government and / or its failure to review and / or convey its observations on any document shall relieve the Concessionaire of its obligations and liabilities under this Agreement in any manner nor shall Government be liable for the same in any manner whatsoever.
- 5.2.3 The Concessionaire shall not make any replacement or amendments to any of the Financing Agreements without the prior written consent of the Concessioneing Authority if such replacement or amendment has, or may have, the effect of imposing or increasing any financial liability or obligation on the Government, and in the event that any replacement or amendment is made without such consent, the Concessionaire shall not enforce such replacement or amendment nor permit enforcement thereof against the Government. For the avoidance of doubt, the Government acknowledges and agrees that it shall not unreasonably withhold its consent for restructuring or rescheduling of the Debt Due.
- 5.2.4 The Concessionaire shall procure that each of the Project Agreements contains provisions that entitle the Government to step into such agreement, in its sole discretion, in substitution of the Concessionaire in the event of Termination or Suspension.
- 5.2.5 Notwithstanding anything to the contrary contained in this Agreement, the Concessionaire agrees and acknowledges that selection or replacement of an O&M Contractor and execution of the O&M Contract shall be subject to the prior approval of the Government from national security and public interest perspective, the decision of the Government in this behalf being final, conclusive and binding on the Concessionaire, and undertakes that it shall not give effect to any such selection or contract without prior approval of the Government. For the avoidance of doubt, it is expressly agreed that approval of the Government hereunder shall be limited to national security and public interest perspective, and the Government shall endeavour to convey its decision thereon


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
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expeditiously. It is also agreed that the Government shall not be liable in any manner on account of grant or otherwise of such approval and that such approval or denial thereof shall not in any manner absolve the Concessionaire or its Contractors from any liability or obligation under this Agreement.

5.3 Obligations relating to Change in Ownership

5.3.1 The Concessionaire shall not undertake or permit any Change in Ownership, except with the prior written approval of Government.

5.3.2 Notwithstanding anything to the contrary contained in this Agreement, the Concessionaire agrees and acknowledges that:

(i) all acquisitions of Equity by an acquirer, either by himself or with any person acting in concert, directly or indirectly, including by transfer of the direct or indirect legal or beneficial ownership or control of any Equity, in aggregate of not less than 15% (fifteen per cent) of the total Equity of the Concessionaire;

or

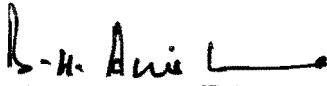
(ii) acquisition of any control directly or indirectly of the Board of Directors of the Concessionaire by any person either by himself or together with any person or persons acting in concert with him shall be subject to prior approval of the Government from national security and public interest perspective, the decision of the Government in this behalf being final, conclusive and binding on the Concessionaire, and undertakes that it shall not give effect to any such acquisition of Equity or control of the Board of Directors of the Concessionaire without such prior approval of the Government. For the avoidance of doubt, it is expressly agreed that approval of the Government hereunder shall be limited to national security and public interest perspective, and the Government shall endeavor to convey its decision thereon expeditiously. It is also agreed that the Government shall not be liable in any manner on account of grant or otherwise of such approval and that such approval or denial thereof shall not in any manner absolve the Concessionaire from any liability or obligation under this Agreement.

For the purposes of this Clause 5.3.2:

- (a) the expression "acquirer", "control" and "person acting in concert" shall have the meaning ascribed thereto in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 or any statutory re-enactment thereof as in force as on the date of acquisition of Equity, or the control of the Board of Directors, as the case may be, of the Concessionaire;
- (b) the indirect transfer or control of legal or beneficial ownership of Equity shall mean transfer of the direct or indirect beneficial ownership or control of any company or companies whether in India or abroad which results in the acquirer acquiring control over the shares or voting rights of shares of the Concessionaire; and
- (c) power to appoint, whether by contract or by virtue of control or acquisition of shares of any company holding directly or through one or more companies (whether situated in India or abroad) the Equity of the Concessionaire, not less


SUBHASH C. KHUNTIA

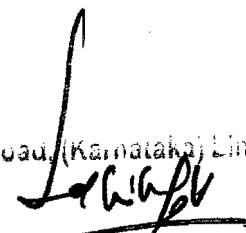
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director

KRDCL

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Abhijeet Ton Road, (Karnataka) Limited


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than half of the directors on the Board of Directors of the Concessionaire or of any company, directly or indirectly whether situated in India or abroad, having ultimate control of not less than 15% (fifteen per cent) of the Equity of the Concessionaire shall constitute acquisition of control, directly or indirectly, of the Board of Directors of the Concessionaire.

5.4 Employment of foreign nationals

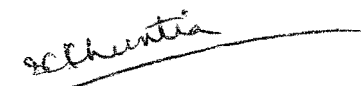
The Concessionaire acknowledges, agrees and undertakes that employment of foreign personnel by the Concessionaire and/or its contractors and their subcontractors shall be subject to grant of requisite regulatory permits and approvals including employment/residential visas and work permits, if any required, and the obligation to apply for and obtain the same shall and will always be of the Concessionaire and, notwithstanding anything to the contrary contained in this Agreement, refusal of or inability to obtain any such permits and approvals by the Concessionaire or any of its contractors or sub-contractors shall not constitute Force Majeure Event, and shall not in any manner excuse the Concessionaire from the performance and discharge of its obligations and liabilities under this Agreement.

5.5 Employment of trained personnel

The Concessionaire shall ensure that the personnel engaged by it in the performance of its obligations under this Agreement are at all times properly trained for their respective functions.

5.6 Sole purpose of the Concessionaire

The Concessionaire having been set up for the sole purpose of exercising the rights and observing and performing its obligations and liabilities under this Agreement, the Concessionaire or any of its subsidiaries shall not, except with the previous written consent of the Government, be or become directly or indirectly engaged, concerned or interested in any business other than as envisaged herein.


SUBHASH C. PRUNETTA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

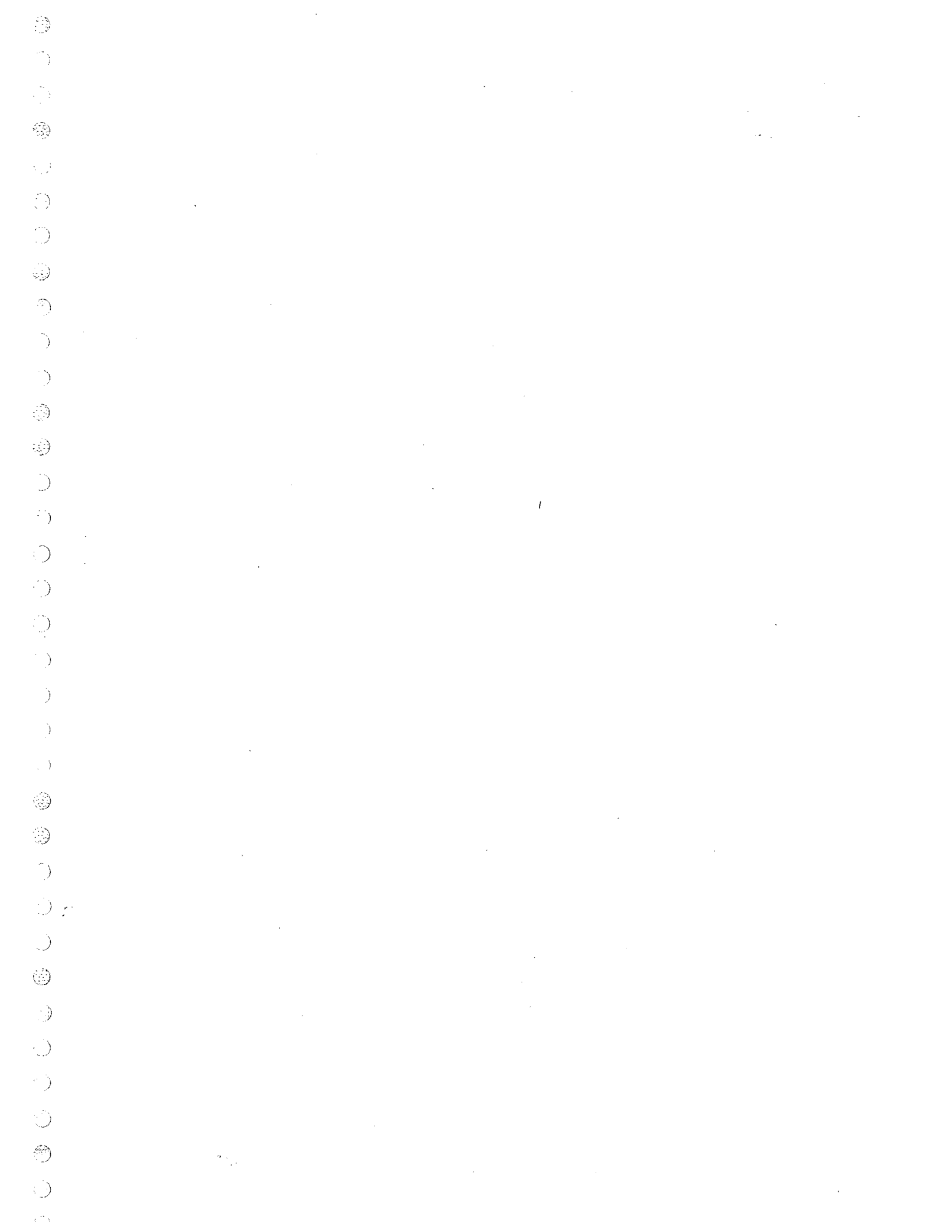

B. H. Anil
Managing Director

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ARTICLE 6
OBLIGATIONS OF THE GOVERNMENT

6.1 Obligations of the Government

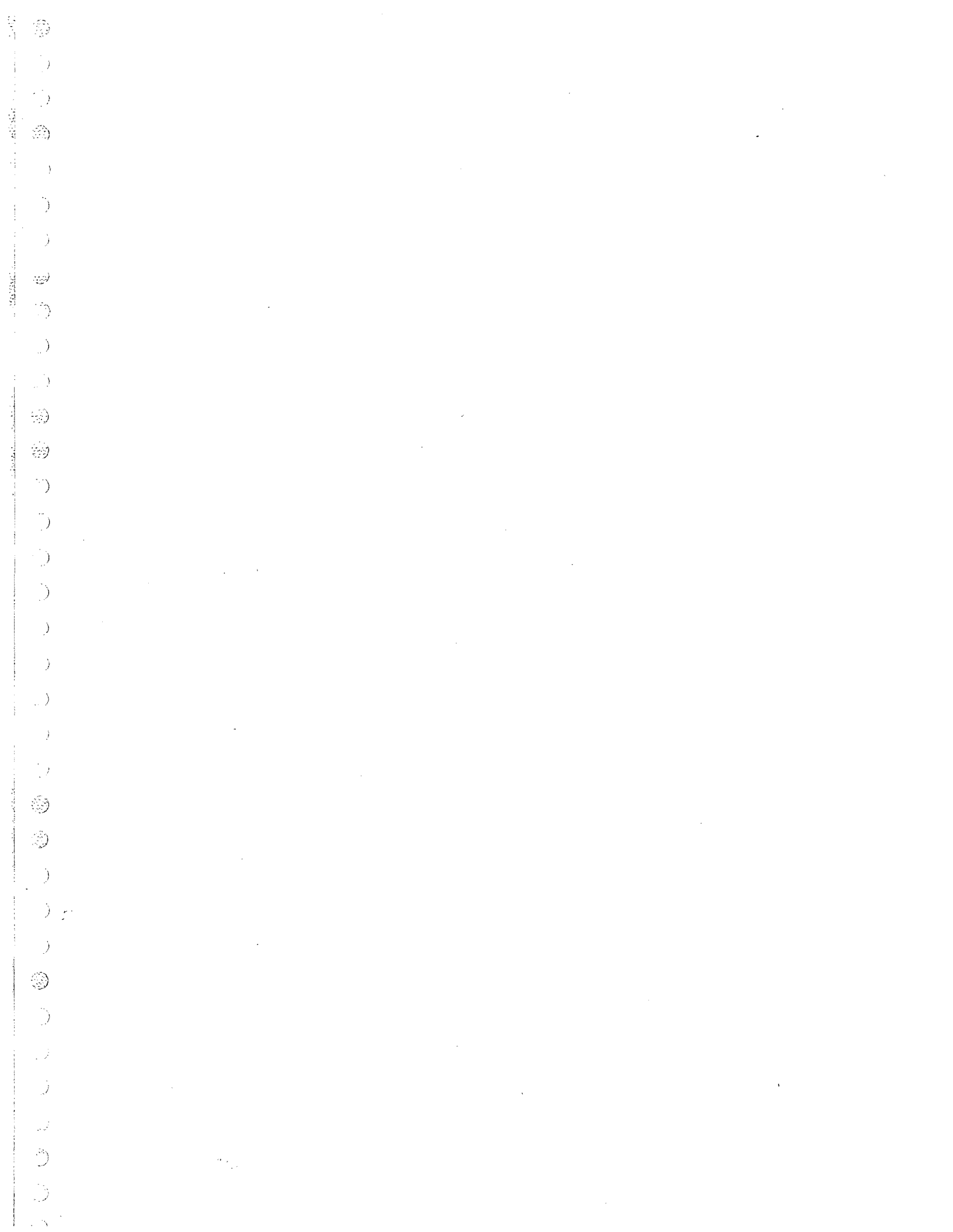
- 6.1.1 The Government shall, at its own cost and expense undertake, comply with and perform all its obligations set out in this Agreement or arising hereunder.
- 6.1.2 The Government agrees to provide support to the Concessionaire and undertakes to observe, comply with and perform, subject to and in accordance with the provisions of this Agreement and the Applicable Laws, the following:
- (a) upon written request from the Concessionaire, and subject to the Concessionaire complying with Applicable Laws, provide all reasonable support and assistance to the Concessionaire in procuring Applicable Permits required from any Government Instrumentality for implementation and operation of the Project;
 - (b) upon written request from the Concessionaire, assist the Concessionaire in obtaining access to all necessary infrastructure facilities and utilities, including water and electricity and telecommunications facilities at rates and on terms no less favourable to the Concessionaire than those generally available to commercial customers receiving substantially equivalent services;
 - (c) procure that no barriers are erected or placed on the Project Road by any Government Instrumentality or persons claiming through or under it, except for reasons of Emergency, national security, law and order or collection of inter-state taxes;
 - (d) make best endeavours to procure that no local Tax, toll or charge is levied or imposed on the use of whole or any part of the Project Road;
 - (e) subject to and in accordance with the Applicable Laws, grant to the Concessionaire the authority to regulate traffic on the Project Road;
 - (f) assist the Concessionaire in procuring Police assistance for regulation of traffic, removal of trespassers and security on the Project Road;
 - (g) not do or omit to do any act, deed or thing which may in any manner be violative of any of the provisions of this Agreement;
 - (h) support, cooperate with and facilitate the Concessionaire in the implementation and operation of the Project in accordance with the provisions of this Agreement; and
 - (i) upon written request from the Concessionaire and subject to the provisions of Clause 5.4, provide reasonable assistance to the Concessionaire and any expatriate personnel of the Concessionaire or its Contractors to obtain applicable visas and work permits for the purposes of discharge by the Concessionaire or its Contractors their obligations under this Agreement and the Project Agreements.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

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6.2 Maintenance obligations prior to Appointed Date

During the Development Period, the Government shall maintain the Project Road, at its own cost and expense, so that its traffic worthiness and safety are at no time materially inferior as compared to its condition 7 (seven) days prior to the last date for submission of the Bid, and in the event of any material deterioration or damage other than normal wear and tear, undertake repair thereof, or pay to the Concessionaire the cost and expense, as determined by the Independent Engineer. For undertaking such repair after the Appointed Date. For the avoidance of doubt, the Government shall undertake only routine maintenance during the Development Period, and it shall undertake special repairs only for ensuring safe operation of the Project Road, or in the event of excessive deterioration or damage caused due to unforeseen events such as floods or torrential rain.

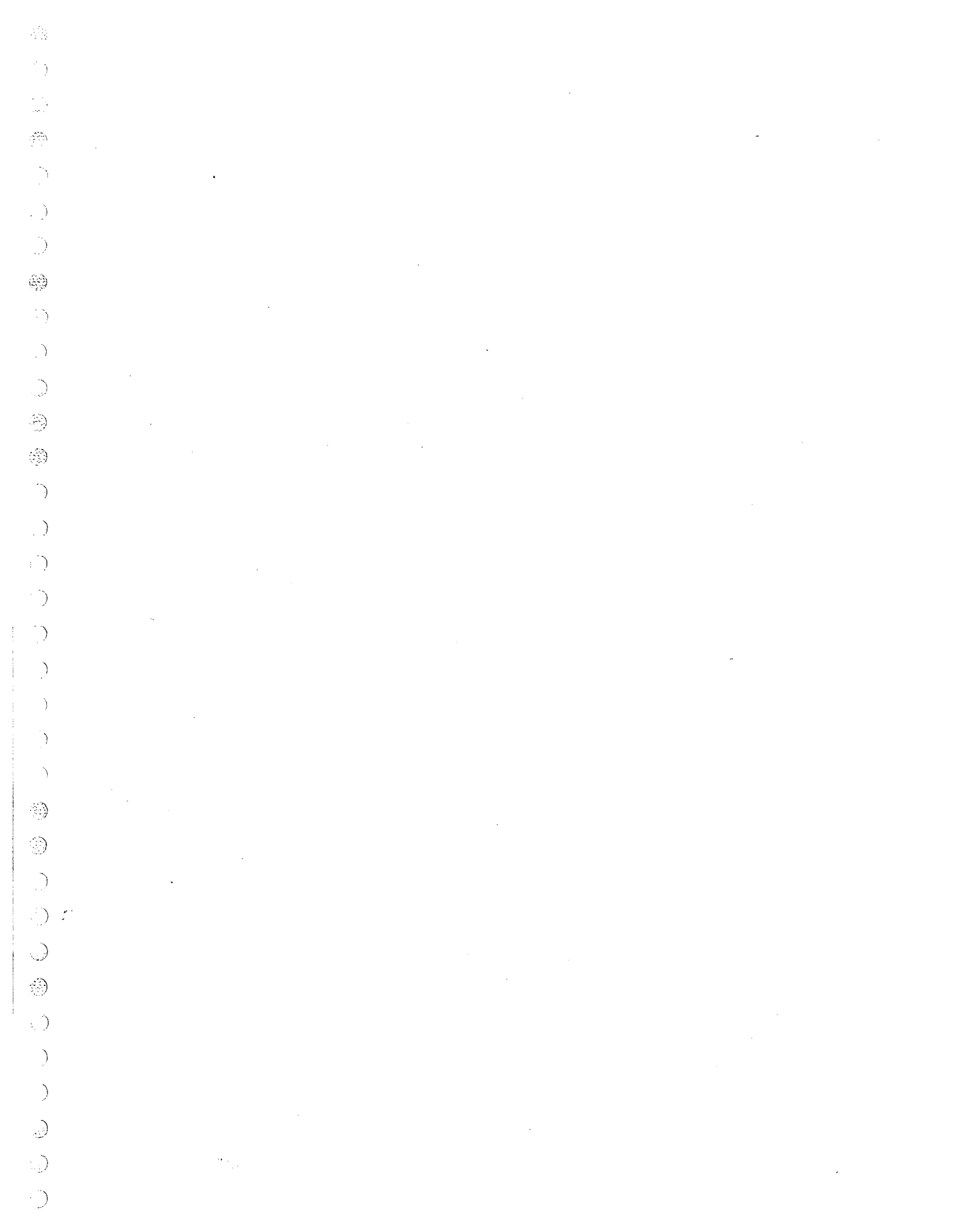
6.3 Obligations relating to Competing Roads

The Government shall procure that during the subsistence of this Agreement, neither the Government nor any Government Instrumentality shall, at any time before the 10th (tenth) anniversary of the Appointed Date, construct or cause to be constructed any Competing Road; provided that the restriction herein shall not apply if the average traffic on the Project Road in any year exceeds 90% (ninety per cent) of its designed capacity specified in Clause 29.2.3. Upon breach of its obligations hereunder, the Government shall be liable to payment of compensation to the Concessionaire under and in accordance with Clause 35.4.

S. Chintia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Abhijeet
Authorised Signatory



ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Concessionaire

The Concessionaire represents and warrants to the Government that:

- (a) it is duly organised and validly existing under the laws of India, and has full power and authority to execute and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;
- (b) it has taken all necessary corporate and other actions under Applicable Laws to authorise the execution and delivery of this Agreement and to validly exercise its rights and perform its obligations under this Agreement;
- (c) it has the financial standing and capacity to undertake the Project in accordance with the terms of this Agreement;
- (d) this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, and its obligations under this Agreement will be legally valid, binding and enforceable obligations against it in accordance with the terms hereof;
- (e) it is subject to the laws of India, and hereby expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement or matters arising thereunder including any obligation, liability or responsibility hereunder;
- (f) the information furnished in the Bid and as updated on or before the date of this Agreement is true and accurate in all respects as on the date of this Agreement;
- (g) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its Memorandum and Articles of Association or those of any member of the Consortium or any Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;
- (h) there are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in the breach of this Agreement or which individually or in the aggregate may result in any material impairment of its ability to perform any of its obligations under this Agreement;
- (i) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Government Instrumentality which may result in any material adverse effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its obligations under this Agreement.

Seetha
SEETHA S. KHUNTA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

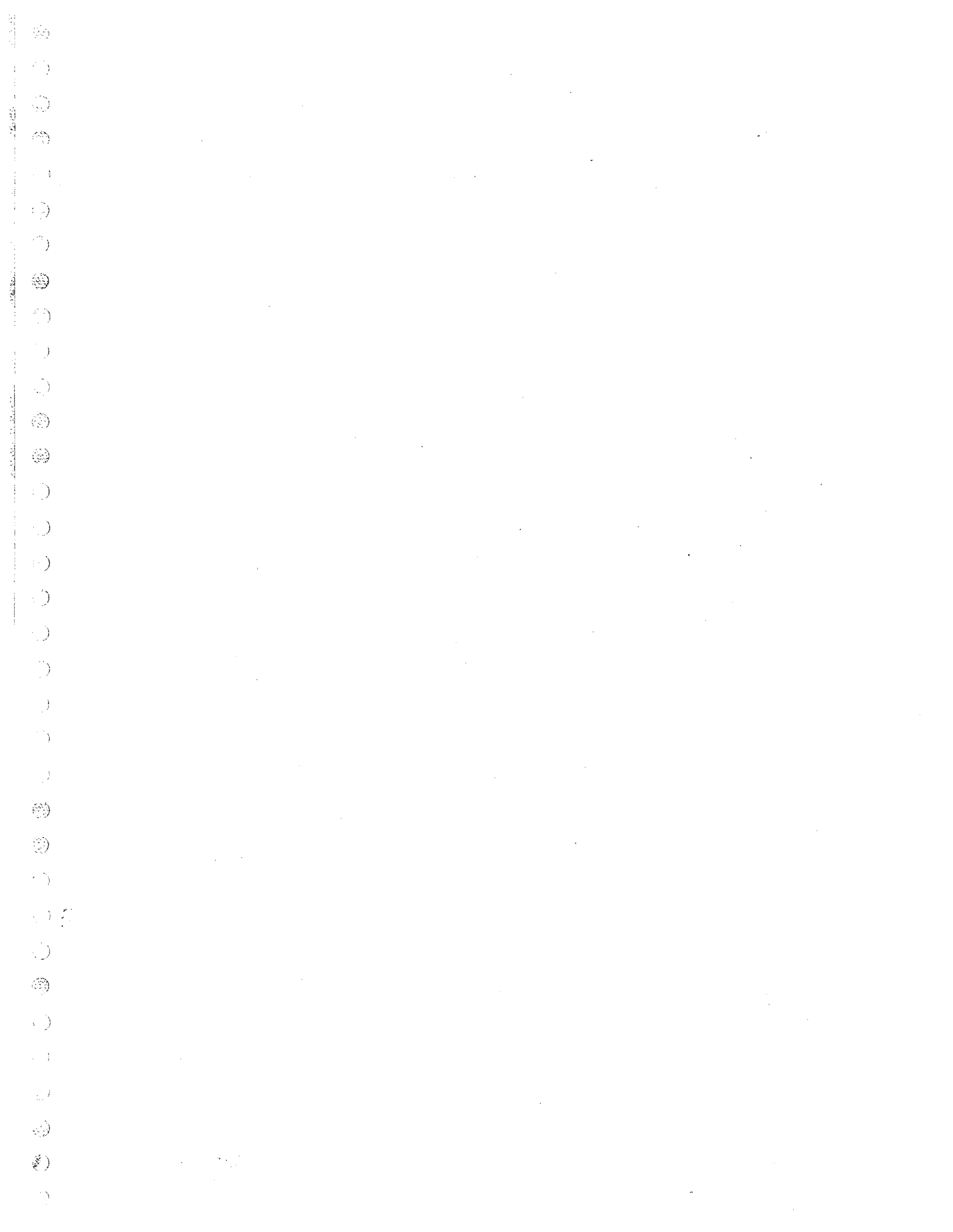
B. K. K. K. K.
Managing Director

KRDCL

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Abhijeet Toll Road, (Karnataka) Ltd.

Abhijeet
Authorised Signatory

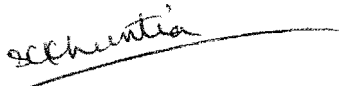


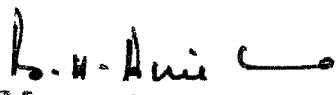
- (j) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a material adverse effect on its ability to perform its obligations under this Agreement;
- (k) it shall at no time undertake or permit any change in ownership except in accordance with the provisions of clause 5.3 and that the existing promoters consortium members together with their Associates hold not less than 51% (fifty one percent) of its issued and paid up Equity as on the date of this Agreement; that the respective holding of each consortium member conforms to the representation made by the Consortium and accepted by the Government as part of the Bid; and no member of the Consortium shall hold less than 10% (ten percent) of such Equity during the Construction Period;
- (l) the Consortium Members and their Associates have the financial standing and resources to fund the required Equity and to raise the debt necessary for undertaking and implementing the Project in accordance with this Agreement;
- (m) each Consortium Member is duly organised and validly existing under the laws of the jurisdiction of its incorporation, and has requested Government to enter into this Agreement with the Concessionaire pursuant to the Letter of Acceptance, and has agreed to and unconditionally accepted the terms and conditions set forth in this Agreement;
- (n) all its rights and interests in the Project Road shall pass to and vest in Government on the Transfer Date free and clear of all liens, claims and Encumbrances, without any further act or deed on its part or that of Government and that none of the Project Assets including materials, supplies, or equipment forming part thereof shall be acquired by it, subject to any agreement under which a security interest or other lien or Encumbrance is retained by any person, save and except as expressly provided in this Agreement;
- (o) no representation or warranty by it contained herein or in any other document furnished by it to Government or to any Government Instrumentality in relation to Applicable Permits contains or will contain any untrue or misleading statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty not misleading; and
- (p) no sums, in cash or kind, have been paid or will be paid, by it or on its behalf, to any person by way of fees, commission or otherwise for securing the Concession or entering into this Agreement or for influencing or attempting to influence any officer or employee of Government in connection therewith.

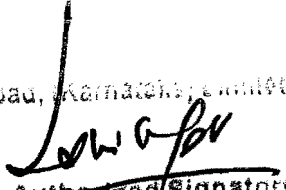
7.2 Representations and Warranties of GOVERNMENT

The Government represents and warrants to the Concessionaire that:

- (a) it has full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated herein and that it has taken all actions necessary to execute this Agreement, exercise its rights and perform its obligations, under this Agreement;


SURESH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Abhijeet Toil Road, Karnataka, 560001
Managing Director
KRDCL


Authorised Signatory



- (b) it has taken all necessary actions under the Applicable Laws to authorise the execution, delivery and performance of this Agreement;
- (c) it has the financial standing and capacity to perform its obligations under the Agreement;
- (d) this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with the terms hereof;
- (e) there are no actions, suits or proceedings pending or, to its knowledge, threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in the default or breach of this Agreement or which individually or in the aggregate may result in any material impairment of its ability to perform its obligations under this Agreement;
- (f) it has no knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any Government Instrumentality which may result in any material adverse effect on the Government's ability to perform its obligations under this Agreement;
- (g) it has complied with Applicable Laws in all material respects;
- (h) all information provided by it in the Tender Notice and invitation to bid in connection with the Project is, to the best of its knowledge and belief, true and accurate in all material respects;
- (i) it has the right, power and authority to manage and operate the Project Road up to the Appointed Date;
- (j) it has good and valid right to the Site, and has power and authority to grant a license in respect thereto to the Concessionaire; and
- (k) upon the Concessionaire paying the Concession Fee and performing the covenants herein, it shall not at any time during the term hereof, interfere with peaceful exercise of the rights and discharge of the obligations by the Concessionaire, in accordance with this Agreement.

7.3 Disclosure

In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately notify the other Party of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any obligation of either Party under this Agreement.

Seehantia
SUDHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. K. Anil
Managing Director
KRDCL

Abhijeet Toll Road,


[Signature]
Authorised Signatory

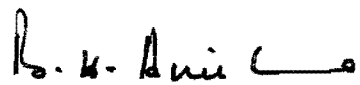


**ARTICLE 8
DISCLAIMER**

8.1 Disclaimer

- 8.1.1 The Concessionaire acknowledges that prior to the execution of this Agreement, the Concessionaire has, after a complete and careful examination, made an independent evaluation of the Tender Notice, Scope of the Project, Specifications and Standards, Site, local conditions, physical qualities of ground, subsoil and geology, traffic volumes and all information provided by Government are obtained, procured or gathered otherwise, and has determined to its satisfaction the accuracy or otherwise thereof and the nature and extent of difficulties, risks and hazards as are likely to arise or may be faced by it in the course of performance of its obligations hereunder. Save as provided in Clause 7.2, Government makes no representation whatsoever, express, implicit or otherwise, regarding the accuracy and/or completeness of the information provided by it and the Concessionaire confirms that it shall have no claim whatsoever against Government in this regard.
- 8.1.2 The Concessionaire acknowledges and hereby accepts the risk of inadequacy, mistake or error in or relating to any of the matters set forth in Clause 8.1.1 above and hereby acknowledges and agrees that Government shall not be liable for the same in any manner whatsoever to the Concessionaire, the Consortium Members and their Associates or any person claiming through or under any of them.


SUBHASH C. AHRENTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (KRDCL Road)

Authorised Signatory

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ARTICLE 9 PERFORMANCE SECURITY

9.1 Performance Security

The Concessionaire shall, for the performance of its obligations hereunder during the Construction Period, provide to the Government no later than 180 (one hundred and eighty) days from the date of this Agreement, an irrevocable and unconditional guarantee from a Bank for a sum equivalent to Rs. 11.92 Crore (Rupees Eleven crores and Ninety two lakhs) in the form set forth in Schedule F (the "Performance Security"). Until such time the Performance Security is provided by the Concessionaire pursuant hereto and the same comes into effect, the Bid Security shall remain in force and effect, and upon such provision of the Performance Security pursuant hereto, the Government shall release the Bid Security to the Concessionaire.

9.2 Appropriation of Performance Security

Upon occurrence of a Concessionaire Default, the Government shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to encash and appropriate the relevant amounts from the Performance Security as Damages for such Concessionaire Default. Upon such encashment and appropriation from the Performance Security, the Concessionaire shall, within 30 (thirty) days thereof, replenish, in case of partial appropriation, to its original level the Performance Security, and in case of appropriation of the entire Performance Security provide a fresh Performance Security, as the case may be, and the Concessionaire shall, within the time so granted, replenish or furnish fresh Performance Security as aforesaid failing which the Government shall be entitled to terminate this Agreement in accordance with Article 37. Upon replenishment or furnishing of a fresh Performance Security, as the case may be, as aforesaid, the Concessionaire shall be entitled to an additional Cure Period of 90 (ninety) days for remedying the Concessionaire Default, and in the event of the Concessionaire not curing its default within such Cure Period, the Government shall be entitled to encash and appropriate such Performance Security as Damages, and to terminate this Agreement in accordance with Article 37.

9.3 Release of Performance Security

The Performance Security shall remain in force and effect for a period of one year from the Appointed Date, but shall be released earlier upon the Concessionaire expending on Project construction an aggregate sum that is not less than 20% (twenty percent) of the Total Project Cost; and provided the Concessionaire is not in breach of this Agreement. Upon request made by the Concessionaire for release of the Performance Security along with the particulars which establish satisfaction of the requirements specified under this Clause 9.3, the Government shall release the Performance Security forthwith.


SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

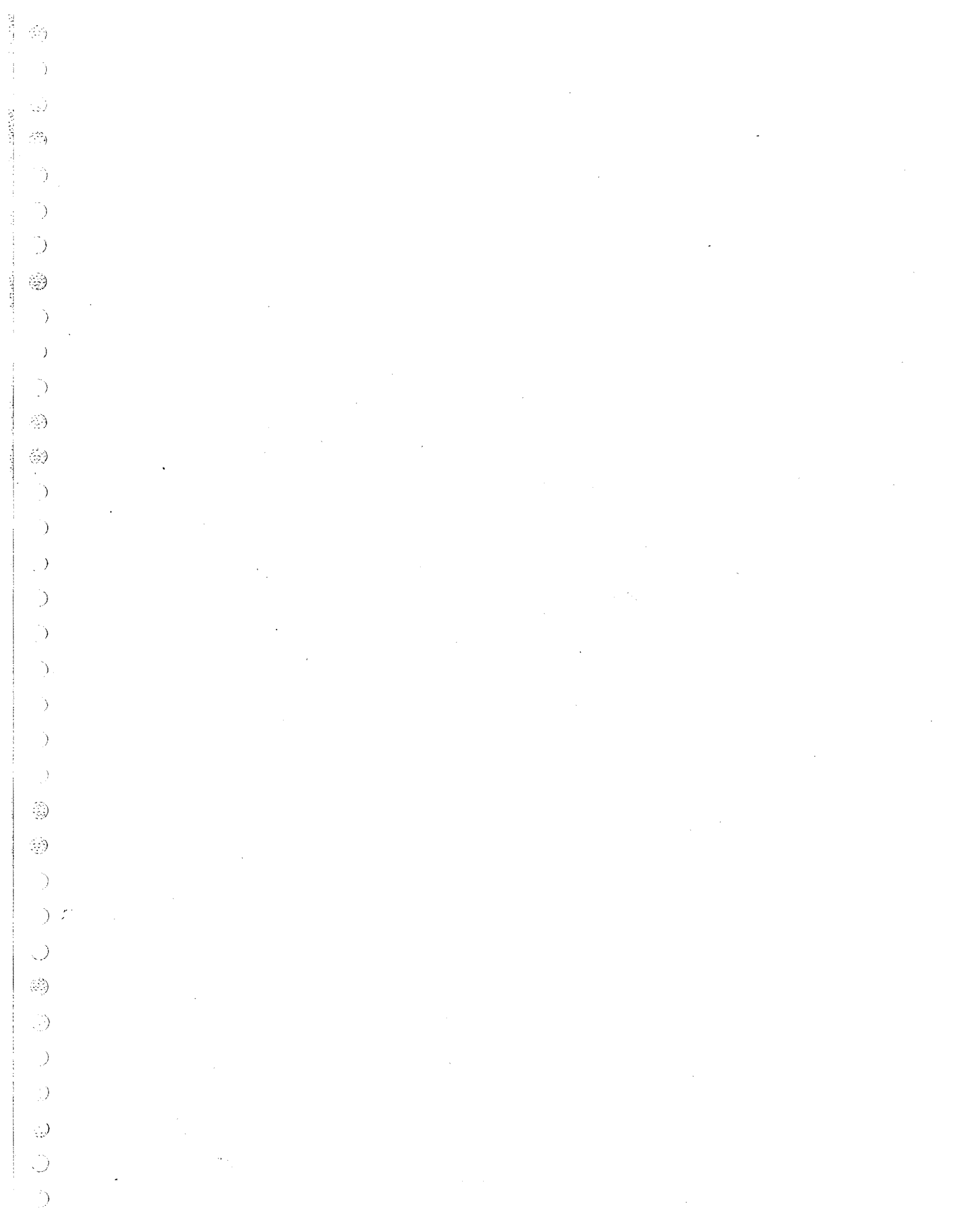

Managing Director

KRDCL

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Abhijeet Toll Road, (KRDCL)


Authorised Signatory



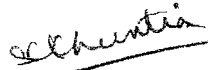
ARTICLE 10 RIGHT OF WAY

10.1 The Site

The site of the Project Road shall be as described in Schedule-A and in respect of which the Right of Way shall be provided and granted by the Government to the Concessionaire as a licensee under and in accordance with this Agreement (the "Site"). For the avoidance of doubt, it is hereby acknowledged and agreed that references to the Site shall be construed as references to the site of the Project Road as set forth in Schedule-A.

10.2 License, Access and Right of Way

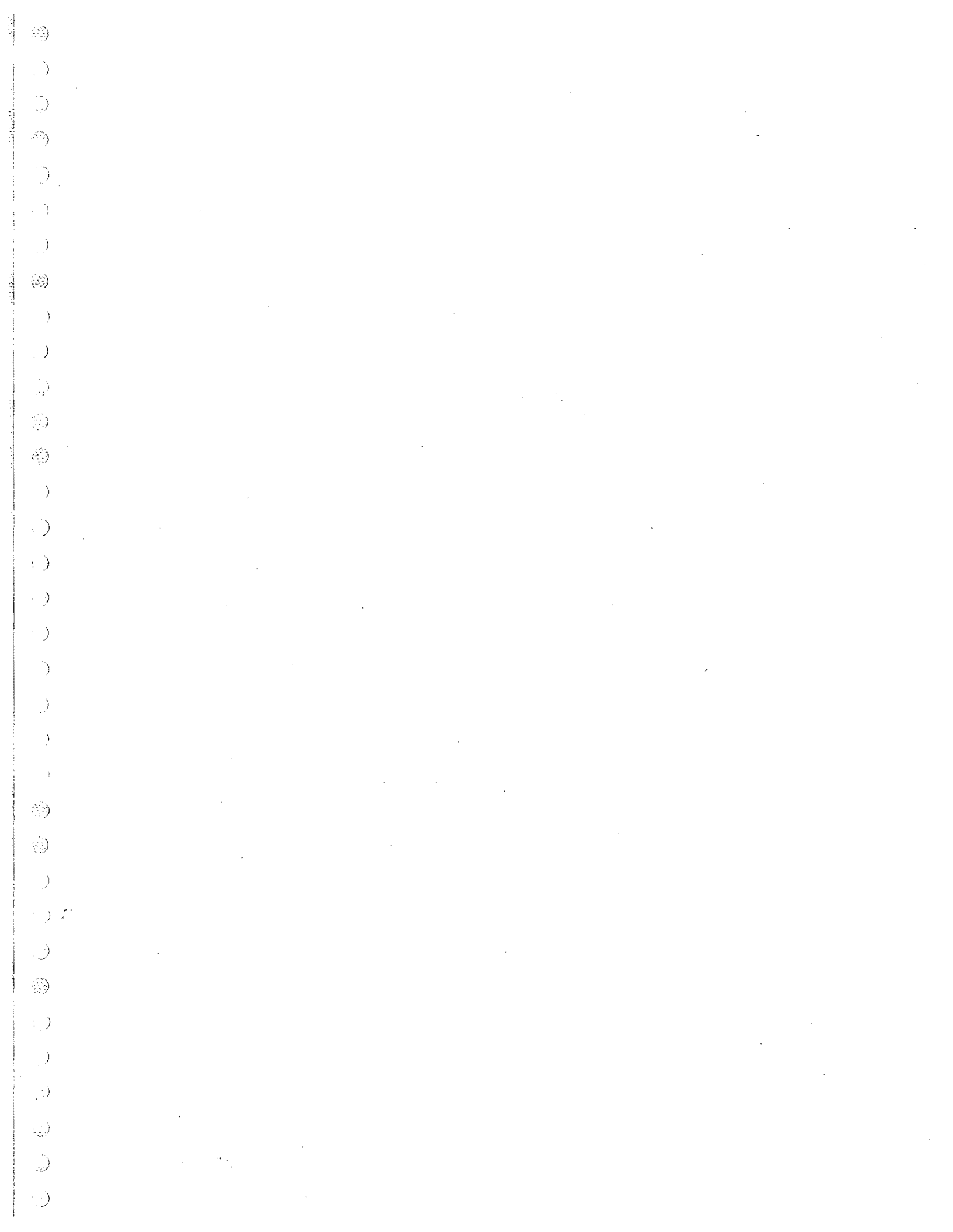
- 10.2.1 The Government hereby grants to the Concessionaire access to the Site for carrying out any surveys, investigations and soil tests that the Concessionaire may deem necessary during the Development Period, it being expressly agreed and understood that the Government shall have no liability whatsoever in respect of survey, investigations and tests carried out or work undertaken by the Concessionaire on or about the Site pursuant hereto in the event of Termination or otherwise.
- 10.2.2 In consideration of the Concession Fee, this Agreement and the covenants and warranties on the part of the Concessionaire herein contained, the Government, in accordance with the terms and conditions set forth herein, hereby grants to the Concessionaire, commencing from the Appointed Date, leave and license rights in respect of all the land (along with any buildings, constructions or immovable assets, if any, thereon) comprising the Site which is described, delineated and shown in Schedule-A hereto (the "Licensed Premises"), on an "as is where is" basis, free of any Encumbrances, to operate and maintain the said Licensed Premises, together with all and singular rights, liberties, privileges, easements and appurtenances whatsoever to the said Licensed Premises, hereditaments or premises or any part thereof belonging to or in anyway appurtenant thereto or enjoyed therewith, for the duration of the Concession Period and, for the purposes permitted under this Agreement, and for no other purpose whatsoever.
- 10.2.3 The license, access and right of way granted by this Agreement to the Concessionaire shall always be subject to existing rights of way and the Concessionaire shall perform its obligations in a manner that Project Road or an alternative thereof are open to traffic at all times during the Construction Period.
- 10.2.4 It is expressly agreed that the License granted hereunder shall terminate automatically and forthwith, without the need for any action to be taken by the Government to terminate the License, upon the Termination of this Agreement for any reason whatsoever.
- 10.2.5 The Concessionaire hereby irrevocably appoints the Government (or its nominee) to be its true and lawful attorney, to execute and sign in the name of the Concessionaire a transfer or surrender of the License granted hereunder at any time after the Concession Period has expired or has been terminated earlier in terms hereof, a sufficient proof of which will be the declaration of any duly authorized officer of the Government, and the Concessionaire consents to it being registered for this purpose.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

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10.2.6 It is expressly agreed that:

- (i) trees on the Site are property of the Government except that the Concessionaire shall be entitled to exercise usufructory rights thereon during the Concession Period;
- (ii) any archaeological discoveries shall belong to and vest in the Government and the Concessionaire shall promptly report the discovery thereof to the Government and follow its instructions for safe removal thereof; and
- (iii) mining rights do not form part of the license granted to the Concessionaire under this Agreement and the Concessionaire hereby acknowledges that it shall not have any mining rights or any interest in the underlying minerals or fossils on or under the Licensed Premises. For the avoidance of doubt, mining rights mean the right to mine any and all minerals or interest therein.

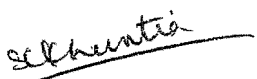
10.3 Procurement of the Site

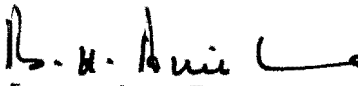
10.3.1 Pursuant to the notice specified in Clause 4.1.2, the Government Representative and the Concessionaire shall, on a mutually agreed date and time, inspect the Site and prepare a memorandum containing an inventory of the Site including the vacant and unencumbered land, buildings, structures, road works, trees and other immovable property on or attached to the Site. Such memorandum shall have appended thereto an appendix (the "Appendix") specifying in reasonable detail those parts of the Site to which vacant access and Right of Way has not been granted to the Concessionaire. Signing of the memorandum, in two counterparts (each of which shall constitute an original), by the authorised representatives of the Parties shall be deemed to constitute a valid licence and Right of Way to the Concessionaire for free and unrestricted use and development of the vacant and unencumbered Site during the Concession Period under and in accordance with the provisions of this Agreement and for no other purpose whatsoever. For the avoidance of doubt, it is agreed that valid licence and Right of Way with respect to the parts of the Site as set forth in the Appendix shall be deemed to have been granted to the Concessionaire upon vacant access thereto being provided by the Government to the Concessionaire.

10.3.2 Without prejudice to the provisions of Clause 10.3.1, the Parties hereto agree that on or prior to the Appointed Date, the Government shall have granted vacant access and Right of Way such that the Appendix shall not include more than 10% (ten per cent) of the total area of the Site required and necessary for the Project Road, and in the event Financial Close is delayed solely on account of delay in grant of such vacant access and Right of Way, the Government shall be liable to payment of Damages under and in accordance with the provisions of Clause 4.2.

10.3.3 On and after signing the memorandum and until the Transfer Date, the Concessionaire shall maintain a round-the-clock vigil over the Site and shall ensure and procure that no encroachment thereon takes place, and in the event of any encroachment or occupation on any part thereof, the Concessionaire shall report such encroachment or occupation forthwith to the Government and undertake its removal at its cost and expenses.

10.3.4 The Government shall make best efforts to provide and grant the Right of Way to the Concessionaire in respect of all land included in the Appendix, and in the event of delay for any reason other than Force Majeure or breach of this Agreement by the Concessionaire, it shall pay to the Concessionaire Damages in a sum calculated at the


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL
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Abhijeet Toll Road, (Karnataka) Limited


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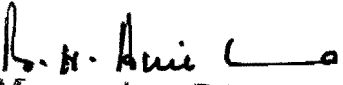
rate of Rs. 50 (Rupees fifty) per day for every 1,000 (one thousand) square meters or part thereof, commencing from the 91st (ninety first) day of the Appointed Date and until such Right of Way is procured.

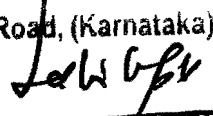
10.3.5 Upon receiving Right of Way in respect of any land included in the Appendix, the Concessionaire shall complete the Construction Works thereon within a reasonable period to be determined by the Independent Engineer in accordance with Good Industry Practice; provided that the issue of Provisional Certificate shall not be affected or delayed on account of vacant access to any part of the Site not being granted to the Concessionaire or any construction on such part of the Site remaining incomplete on the date of Tests on account of the delay or denial of such access thereto. For the avoidance of doubt, it is expressly agreed that Construction Works on all lands for which Right of Way is granted within 90 (ninety) days of the Appointed Date shall be completed before the Project Completion Date. It is further agreed that the obligation of the Concessionaire to complete the affected Construction Works shall subsist so long as the Government continues to pay the Damages specified herein, and upon the Government ceasing to pay such Damages after giving 60 (sixty) days' notice thereof to the Concessionaire, the obligation of the Concessionaire to complete such works on such part of the Site shall cease forthwith.

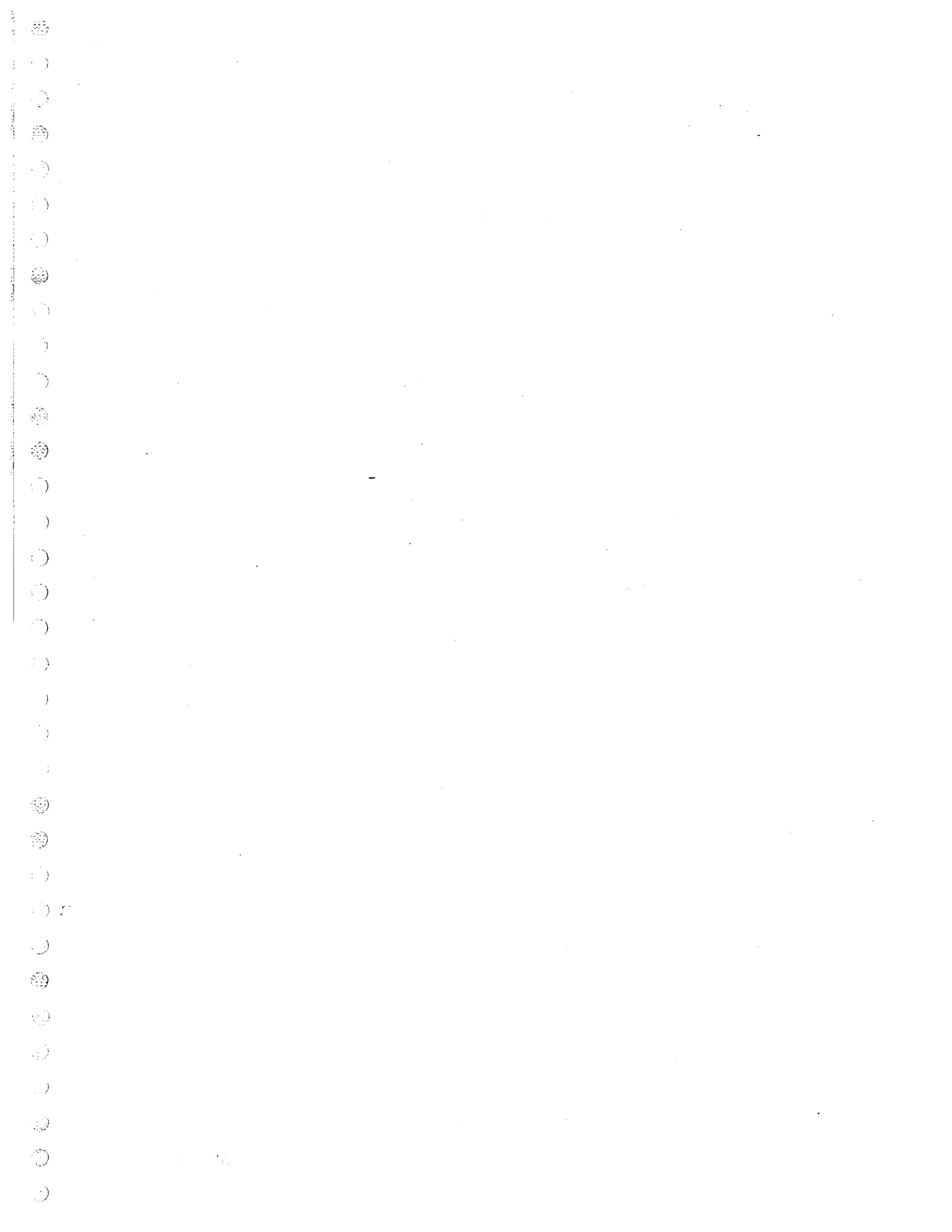
10.3.6 The Concessionaire shall, if so required by the Government, procure on behalf of the Government, on the terms and to the extent specified by the Government, the additional land required for [Toll Plazas, Traffic Aid Posts, Medical Aid Posts, under passes and over passes or for] construction of works specified in Change of Scope Order issued under Article 16, in accordance with this Agreement and upon procurement, such land shall form part of the Site and vest in the Government; provided that the Concessionaire may, by notice given to the Government no later than 60 (sixty) days from [the Appointed Date or the date of Change of Scope Order, as the case may be,] require the Government to initiate and undertake proceedings for acquisition of such land under the provisions of the Applicable Laws and the Government shall take all such steps as may be reasonably necessary for such land acquisition forthwith; provided further that the cost of land acquired under this Clause 10.3.6 shall be borne by the Government in accordance with the Act; provided also that the land to be acquired by the Government hereunder shall be deemed to be included in the Appendix referred to in this Clause 10.3 and dealt with in accordance with the provisions thereof. [For the avoidance of doubt, it is agreed that the minimum area of land to be acquired for the Toll Plazas and approach roads thereof shall conform to the provisions of Schedule-B and Schedule-C. It is further agreed that the Government may, at any time after the Bid Date, *suo moto* acquire the land required hereunder.]

10.3.7 The Concessionaire may procure at its cost and expense and on its own the land that may be required by it for Additional Facilities and the Government shall have no obligation or liability in respect thereof. For the avoidance of doubt, the Concessionaire shall seek prior consent of the Government to connect any Additional Facility to the Project Road and such consent shall not be unreasonably withheld.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

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10.4 Site to be free from Encumbrances

~~Subject to the provisions of Clause 10.3, the Site shall be made available by the~~
Government to the Concessionaire pursuant hereto free from all Encumbrances and occupations and without the Concessionaire being required to make any payment to the Government on account of any costs, compensation, expenses and charges for the acquisition and use of such Site for the duration of the Concession Period, except insofar as otherwise expressly provided in this Agreement. For the avoidance of doubt, it is agreed that existing rights of way, easements, privileges, liberties and appurtenances to the Licensed Premises shall not be deemed to be Encumbrances.

10.5 Protection of Site from encroachments

During the Concession Period, the Concessionaire shall protect the Site from any and all occupations, encroachments or Encumbrances, and shall not place or create nor permit any Contractor or other person claiming through or under the Concessionaire to place or create any Encumbrance or security interest over all or any part of the Site or the Project Assets, or on any rights of the Concessionaire therein or under this Agreement, save and except as otherwise expressly set forth in this Agreement.

10.6 Special/temporary right of way

The Concessionaire shall bear all costs and charges for any special or temporary right of way required by it in connection with access to the Site. The Concessionaire shall obtain at its cost such facilities on or outside the Site as may be required by it for the purposes of the Project Road and the performance of its obligations under this Agreement.

10.7 Access to the Government and Independent Engineer

The licence, right of way and right to the Site granted to the Concessionaire hereunder shall always be subject to the right of access of the Government and the Independent Engineer and their employees and agents for inspection, viewing and exercise of their rights and performance of their obligations under this Agreement.

10.8 Additional land for Wayside Amenities

Additional land as necessary to accommodate the way side amenities as per Schedule B and Schedule C shall be made available to the Concessionaire as per the Handing over Schedule (G) free from all Encumbrance and without the Concessionaire being required to make any payment to Government on account of any costs, expenses and charges for the use of such additional land for the duration of the Concession Period provided Concessionaire has fulfilled his obligations as per the provisions of the Concession Agreement. The Concessionaire shall commence, undertake and complete all Construction Works on the Project Road in accordance with this Agreement.

Subhash C. Khuntia

SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director

KRDCL

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Abhijeet Toll Road, (Karnataka) Limited

Abhijeet
Authorised Signatory



ARTICLE 11
UTILITIES, ASSOCIATED ROADS AND TREES

11.1 Existing utilities and roads

Notwithstanding anything to the contrary contained herein, the Concessionaire shall ensure that all existing roads, right of way or utilities on, under or above the Site are kept in continuous satisfactory use, if necessary, by providing suitable temporary or permanent diversions with the authority of the controlling body of that road, right of way or utility, and the Government shall, upon written request from the Concessionaire, initiate and undertake at the Concessionaire's cost, legal proceedings for acquisition of any right of way necessary for such diversion.

11.2 Shifting of obstructing utilities

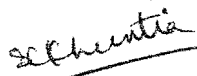
The Concessionaire shall, subject to Applicable Laws and with assistance of the Government undertake shifting of any utility including electric lines, water pipes and telephone cables, to an appropriate location or alignment within or outside the Site if and only if such utility causes a material adverse effect on the construction, operation or maintenance of the Project Road. The cost of such shifting shall be borne by the Government or by the entity owning such utility, if the Government so directs, and in the event of any delay in shifting thereof, the Concessionaire shall be excused for failure to perform any of its obligations hereunder if such failure is a direct consequence of delay on the part of the entity owning such electric lines, water pipes or telephone cables, as the case may be.


11.3 New utilities and roads

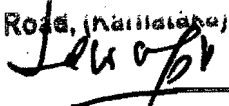
11.3.1 The Concessionaire shall allow, subject to such conditions as the Government may specify, access to, and use of the Site for laying telephone lines, water pipes, electric cables or other public utilities. For the avoidance of doubt, it is agreed that use of the Site under this Clause shall not in any manner relieve the Concessionaire of its obligation to maintain the Project Road in accordance with this Agreement and any damage caused by such use shall be restored forthwith.

11.3.2 The Government may, by notice require the Concessionaire to connect any adjoining road to the Project Road, and the connecting portion thereof falling within the Site shall be constructed by the Concessionaire at the Government's cost in accordance with Article 16. The maintenance of such connecting portion shall be undertaken by the Concessionaire in accordance with the provisions of Clause 17.1.3.

11.3.3 The Government may by notice require the Concessionaire to connect, through a paved road, any adjoining service station, hotel, motel or any other public facility or amenity to the Project Road, whereupon the connecting portion thereof that falls within the Site shall be constructed and maintained by the Concessionaire upon advance payment of the cost (except for the roads included in the scope of work) to be made by the beneficiary entity in accordance with the amount and period as determined by the Independent Engineer.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

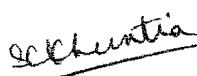

Managing Director
KRDCCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

For the avoidance of doubt, any connecting road constructed prior to the Appointed Date and falling within the Site shall be maintained by the Concessionaire upon advance payment to be made by the beneficiary entity in accordance with the provisions of this Clause.

11.4 Felling of trees

The Government shall assist the Concessionaire in obtaining the Applicable Permits for felling of trees to be identified by the Government for this purpose if and only if such trees cause a material adverse effect on the construction, operation or maintenance of the Project Road. The cost of such felling of trees shall be borne by the Government, and in the event of any delay in felling thereof for reasons beyond the control of the Concessionaire, it shall be excused for failure to perform any of its obligations hereunder if such failure is a direct consequence of delay in the felling of trees. For the avoidance of doubt, the Parties hereto agree that the felled trees shall be deemed to be owned by the Government and shall be remained in such manner and subject to such conditions as the Government may in its sole discretion deem appropriate.


SUBHASH C. KHUNTIA Managing Director
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

KRDCL

Abhijeet Toll Road, (Haridwar) Limited


Authorised Signator



ARTICLE 12
CONSTRUCTION OF THE PROJECT ROAD

12.1 Obligations prior to commencement of construction

Prior to commencement of Construction Works, the Concessionaire shall:

- (a) submit to the Government and the Independent Engineer its detailed design, construction methodology, quality assurance procedures, and the procurement, engineering and construction time schedule for completion of the Project in accordance with the Project Completion Schedule as set forth in Schedule-G;
- (b) appoint its representative duly authorised to deal with the Government in respect of all matters under or arising out of or relating to this Agreement;
- (c) undertake, do and perform all such acts, deeds and things as may be necessary or required before commencement of construction under and in accordance with this Agreement, the Applicable Laws and Applicable Permits; and
- (d) make its own arrangements for quarrying of materials needed for the Project Road under and in accordance with the Applicable Laws and Applicable Permits.

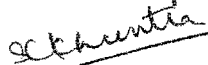
12.2 Maintenance during Construction Period

During the Construction Period, the Concessionaire shall maintain, at its cost, the existing lane(s) of the Project Road so that its traffic worthiness and safety are at no time materially inferior as compared to its condition 7 (seven) days prior to the date of this Agreement, and shall undertake the necessary repair and maintenance works for this purpose; provided that the Concessionaire may, at its cost, interrupt and divert the flow of traffic if such interruption and diversion is necessary for the efficient progress of Construction Works and conforms to Good Industry Practice; provided further that such interruption and diversion shall be undertaken by the Concessionaire only with the prior written approval of the Independent Engineer which approval shall not be unreasonably withheld. For the avoidance of doubt, it is agreed that the Concessionaire shall at all times be responsible for ensuring safe operation of the Project Road.

12.3 Drawings

In respect of the Concessionaire's obligations with respect to the Drawings of the Project Road as set forth in Schedule-H, the following shall apply:

- (a) The Concessionaire shall prepare and submit, with reasonable promptness and in such sequence as is consistent with the Project Completion Schedule, three copies each of all Drawings to the Independent Engineer for review;
- (b) By submitting the Drawings for review to the Independent Engineer, the Concessionaire shall be deemed to have represented that it has determined and verified that the design and engineering, including field construction criteria related thereto, are in conformity with the Specifications and Standards;


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Principal Secretary to Government
Public Works, Ports and Inland Waterways Department
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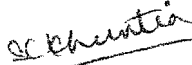
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- (c) Within 15 (fifteen) days of the receipt of the Drawings, the Independent Engineer shall review the same and convey its observations to the Concessionaire with particular reference to their conformity or otherwise with the Scope of the Project and the Specifications and Standards. The Concessionaire shall not be obliged to await the observations of the Independent Engineer on the Drawings submitted pursuant hereto beyond the said 15 (fifteen) days period and may begin or continue Construction Works at its own discretion and risk;
- (d) If the aforesaid observations of the Independent Engineer indicate that the Drawings are not in conformity with the Scope of the Project or the Specifications and Standards, such Drawings shall be revised by the Concessionaire and resubmitted to the Independent Engineer for review. The Independent Engineer shall give its observations, if any, within 7 (seven) days of receipt of the revised Drawings;
- (e) No review and/or observation of the Independent Engineer and/or its failure to review and/or convey its observations on any Drawings shall relieve the Concessionaire of its obligations and liabilities under this Agreement in any manner nor shall the Independent Engineer or the Government be liable for the same in any manner;
- (f) Without prejudice to the foregoing provisions of this Clause 12.3, the Concessionaire shall submit to the Government for review and comments, its Drawings relating to alignment of the Project Road, finished road level, location and layout of the Toll Plazas and general arrangement drawings of major bridges, flyovers, interchanges and grade separators, and the Government shall have the right but not the obligation to undertake such review and provide its comments, if any, within 30 (thirty) days of the receipt of such Drawings. The provisions of this Clause 12.3 shall apply *mutatis mutandis* to the review and comments hereunder; and
- (g) Within 90 (ninety) days of the Project Completion Date, the Concessionaire shall furnish to the Government and the Independent Engineer a complete set of as-built Drawings, in 2 (two) hard copies and in micro film form or in such other medium as may be acceptable to the Government, reflecting the Project Road as actually designed, engineered and constructed, including an as-built survey illustrating the layout of the Project Road and setback lines. if any, of the buildings and structures forming part of Project Facilities.

12.4 Two-Laning of the Project Road

12.4.1 On or after the Appointed Date, the Concessionaire shall undertake construction of Project Road as specified in Schedule-B and Schedule-C, and in conformity with the Specifications and Standards set forth in Schedule-D. The 730th (seven hundred and thirtieth) day from the Appointed Date shall be the scheduled date for completion of Project Road (the "**Scheduled Date**") and the concessionaire agrees and undertakes that Project Road shall be completed on or before the Scheduled Date.

12.4.2 The Concessionaire shall construct the Project Road in accordance with the Project Completion Schedule set forth in Schedule-G. In the event that the Concessionaire fails to achieve any Project Milestone within a period of 90 (ninety) days from the date set forth for such Milestone in Schedule-G, unless such failure has occurred due to Force Majeure or for reasons solely attributable to the Government, it shall pay Damages to the


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Government in a sum calculated at the rate of 0.1% (zero point one per cent) of the amount of Performance Security for delay of each day until such Milestone is achieved; provided that if any or all Project Milestones or the Scheduled Date are extended in accordance with the provisions of this Agreement, the dates set forth in Schedule-G shall be deemed to be modified accordingly and the provisions of this Agreement shall apply as if Schedule-G has been amended as above; provided further that in the event Project Completion Date is achieved on or before the Scheduled Date, the Damages paid under this Clause 12.4.2 shall be refunded by the Government to the Concessionaire, but without any interest thereon. For the avoidance of doubt, it is agreed that recovery of Damages under this Clause 12.4.2 shall be without prejudice to the rights of the Government under this Agreement, including the right of Termination thereof.

12.4.3 In the event that Project Road is not completed within the 270 (two hundred and seventy) days from the Scheduled Date, unless the delay is on account of reasons solely attributable to the Government or due to Force Majeure, the Government shall be entitled to terminate this Agreement.

12.5 Two-Laning Plus of the Project Highway

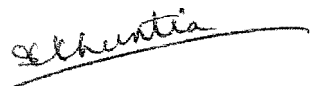
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12.6 Termination due to failure to complete Two-Laning Plus

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12.7 Construction of Service lanes by the Government

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Public Works, Ports and Inland Water
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ARTICLE 13
MONITORING OF CONSTRUCTION

13.1 Monthly progress reports

During the Construction Period, the Concessionaire shall, no later than 7 (seven) days after the close of each month, furnish to the Government and the Independent Engineer a monthly report on progress of the Construction Works and shall promptly give such other relevant information as may be required by the Independent Engineer.

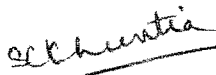
13.2 Inspection

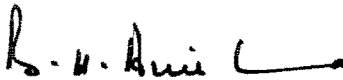
During the Construction Period, the Independent Engineer shall inspect the Project Road at least once a month and make a report of such inspection (the "**Inspection Report**") stating in reasonable detail the defects or deficiencies, if any, with particular reference to the Scope of the Project and Specifications and Standards. It shall send a copy of the Inspection Report to the Government and the Concessionaire within 7 (seven) days of such inspection and upon receipt thereof, the Concessionaire shall rectify and remedy the defects or deficiencies, if any, stated in the Inspection Report. Such inspection or submission of Inspection Report by the Independent Engineer shall not relieve or absolve the Concessionaire of its obligations and liabilities hereunder in any manner whatsoever.

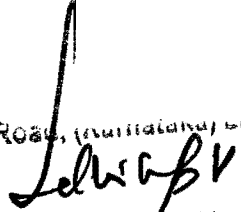
13.3 Tests

13.3.1 For determining that the Construction Works conform to the Specifications and Standards, the Independent Engineer shall require the Concessionaire to carry out or cause to be carried out Tests, at such time and frequency and in such manner as may be specified by the Independent Engineer from time to time, in accordance with Good Industry Practice for quality assurance. The size of sample for such tests shall normally comprise 10% (ten per cent) of the quantity and/or number of tests prescribed by IRC and/or PWD for the construction works undertaken by the Government through their contractors. The Concessionaire shall, with due diligence, carry out or cause to be carried out all the tests in accordance with the instructions of the Independent Engineer and furnish the results thereof to the Independent Engineer. For the avoidance of doubt, the costs to be incurred on any Test which is undertaken for determining the rectification of any defect or deficiency in construction shall be borne solely by the Concessionaire.

13.3.2 In the event that results of any tests conducted under this Clause 13.3 establish any defects or deficiencies in the Construction Works, the Concessionaire shall carry out remedial measures and furnish a report to the Independent Engineer in this behalf. The Independent Engineer shall require the Concessionaire to carry out or cause to be carried out tests to determine that such remedial measures have brought the Construction Works into compliance with the Specifications and Standards, and the procedure set forth in this Clause 13.3 shall be repeated until such Construction Works conform to the Specifications and Standards. For the avoidance of doubt, it is agreed


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that tests pursuant to this Clause 13.3 shall be undertaken in addition to and independent of the tests that shall be carried out by the Concessionaire for its own quality assurance in accordance with Good Industry Practice. It is also agreed that a copy of the results of such tests shall be sent by the Concessionaire to the Independent Engineer forthwith.

13.4 Delays during construction

If the Concessionaire does not achieve any of the Project Milestones or the Independent Engineer shall have reasonably determined that the rate of progress of Construction Works is such that Project Road is not likely to be achieved by the Scheduled Date, it shall notify the Concessionaire to this effect, and the Concessionaire shall, within 15 (fifteen) days of such notice, by a communication inform the Independent Engineer in reasonable detail about the steps it proposes to take to expedite progress and the period within which it shall achieve the Project Completion Date.

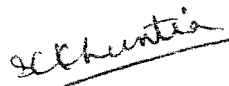
13.5 Suspension of unsafe Construction Works


13.5.1 Upon recommendation of the Independent Engineer to this effect, the Government may by notice require the Concessionaire to suspend forthwith the whole or any part of the Construction Works if, in the reasonable opinion of the Government, such work threatens the safety of the Users and pedestrians.

13.5.2 The Concessionaire shall, pursuant to the notice under Clause 13.5.1, suspend the Construction Works or any part thereof for such time and in such manner as may be specified by the Government and thereupon carry out remedial measures to secure the safety of suspended works and the Users. The Concessionaire may by notice require the Independent Engineer to inspect such remedial measures forthwith and make a report to the Government recommending whether or not the suspension hereunder may be revoked. Upon receiving the recommendations of the Independent Engineer, the Government shall either revoke such suspension or instruct the Concessionaire to carry out such other and further remedial measures as may be necessary in the reasonable opinion of the Government, and the procedure set forth in this Clause 13.5 shall be repeated until the suspension hereunder is revoked.

13.5.3 Subject to the provisions of Clause 34.7, all reasonable costs incurred for maintaining and protecting the Construction Works or part thereof during the period of suspension (the "**Preservation Costs**"), shall be borne by the Concessionaire; provided that if the suspension has occurred as a result of any breach of this Agreement by the Government, the Preservation Costs shall be borne by the Government.

13.5.4 If suspension of Construction Works is for reasons not attributable to the Concessionaire, the Independent Engineer shall determine any extension of the dates set forth in the Project Completion Schedule to which the Concessionaire is reasonably entitled, and shall recommend the Government accordingly whereupon the Government shall decide upon extension of such Project Completion Schedule dates in accordance with the recommendations of the Independent Engineer. In the event that the Scheduled Date is extended pursuant hereto, the Concession Period shall be deemed to be extended by a period equal in length to the period of extension of the Scheduled Date.

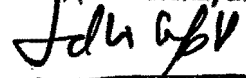

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Public Works, Ports and Inland Water
Transport Department


H. H. Anil
Managing Director

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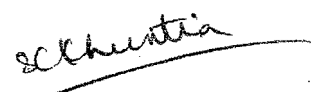
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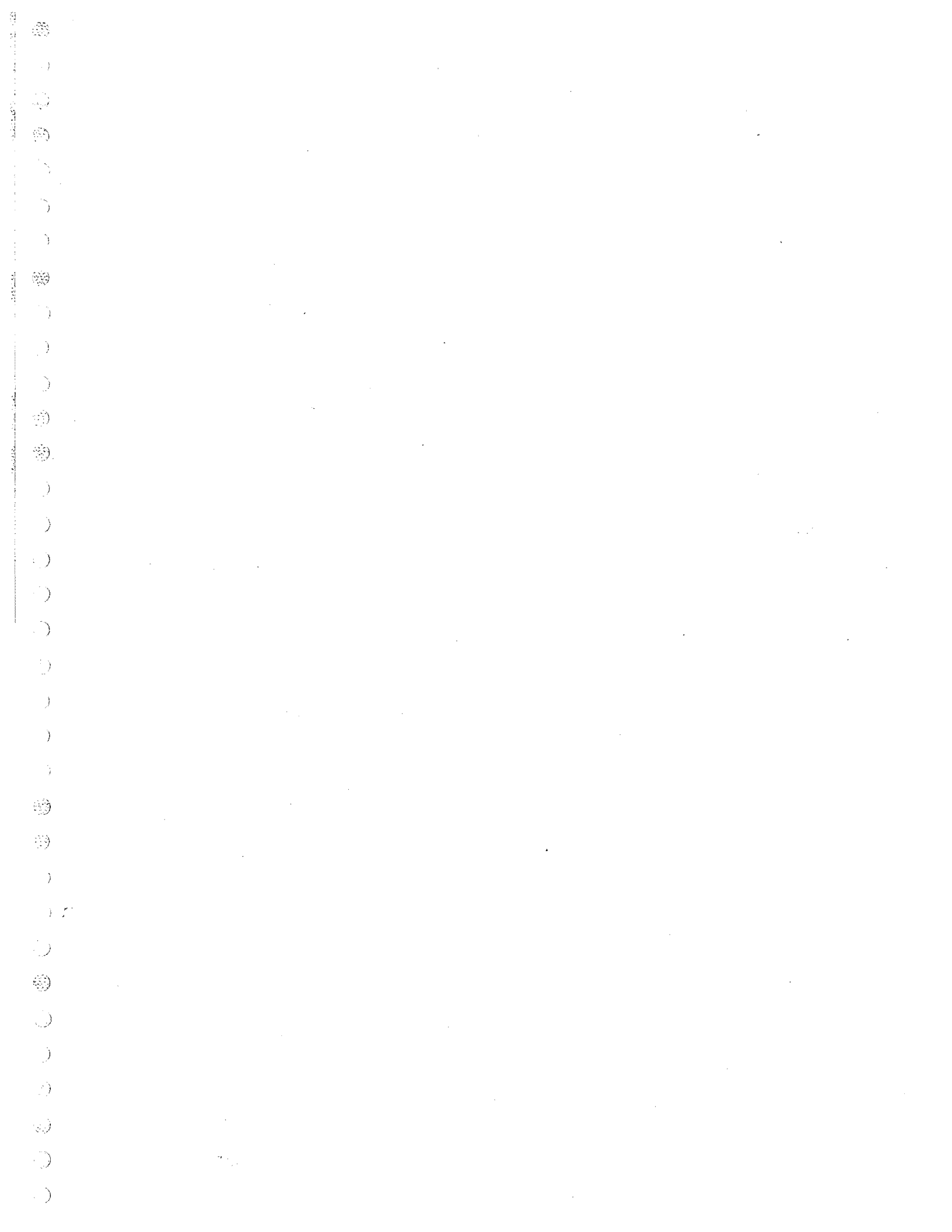
13.6 Video recording

During the Construction Period, the Concessionaire shall provide to the Government for every calendar quarter, a video recording, which will be compiled into a 3 (three)-hour compact disc or digital video disc, as the case may be, covering the status and progress of Construction Works in that quarter. The first such video recording shall be provided to the Government within 7 (seven) days of the Appointed Date and thereafter, no later than 15 (fifteen) days after the close of each quarter.


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ARTICLE 14
COMPLETION CERTIFICATE

14.1 Tests

14.1.1 At least 30 (thirty) days prior to the likely completion of the Project Road, the Concessionaire shall notify the Independent Engineer of its intent to subject the Project Road to Tests. The date and time of each of the Tests shall be determined by the Independent Engineer in consultation with the Concessionaire, and notified to the Government who may designate its representative to witness the Tests. The Concessionaire shall provide such assistance as the Independent Engineer may reasonably require for conducting the Tests. In the event of the Concessionaire and the Independent Engineer failing to mutually agree on the dates for conducting the Tests, the Concessionaire shall fix the dates by not less than 10 (ten) days notice to the Independent Engineer and Government

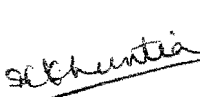
14.1.2 All Tests shall be conducted in accordance with Schedule-I. The Independent Engineer shall observe, monitor and review the results of the Tests to determine compliance of the Project Road with Specifications and Standards and if it is reasonably anticipated or determined by the Independent Engineer during the course of any Test that the performance of the Project Road or any part thereof does not meet the Specifications and Standards, it shall have the right to suspend or delay such Test and require the Concessionaire to remedy and rectify the defects or deficiencies. Upon completion of each Test, the Independent Engineer shall provide to the Concessionaire and the Government copies of all Test data including detailed Test results. For the avoidance of doubt, it is expressly agreed that the Independent Engineer may require the Concessionaire to carry out or cause to be carried out additional Tests, in accordance with Good Industry Practice, for determining the compliance of the Project Road with Specifications and Standards.

14.2 Completion Certificate

Upon completion of Construction Works and the Independent Engineer determining the Tests to be successful, it shall forthwith issue to the Concessionaire and the Government a certificate substantially in the form set forth in Schedule-J (the "Completion Certificate")

14.3 Provisional Certificate

The Independent Engineer may, at the request of the Concessionaire, issue a provisional certificate of completion substantially in the form set forth in Schedule-J (the "Provisional Certificate") if the Tests are successful and the Project Road can be safely and reliably placed in commercial operation though certain works or things forming part thereof are outstanding and not yet complete. In such an event, the Provisional Certificate shall have appended thereto a list of outstanding items signed jointly by the Independent Engineer and the Concessionaire (the "Punch List"); provided that the Independent Engineer shall not withhold the Provisional Certificate for reason of any work remaining incomplete if the delay in completion thereof is attributable to the Government.


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14.4 Completion of Punch List Items

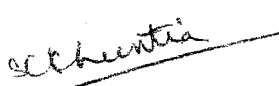
14.4.1 All items in the Punch List shall be completed by the Concessionaire within 90 (ninety) ~~days of the date of issue of the Provisional Certificate~~ and for any delay thereafter, other than for reasons solely attributable to the Government or due to Force Majeure, the Government shall be entitled to recover Damages from the Concessionaire to be calculated and paid for each day of delay until all items are completed, at the lower of (a) 0.1% (zero point one per cent) of the Performance Security, and (b) 0.2% (zero point two per cent) of the cost of completing such items as estimated by the Independent Engineer. Subject to payment of such Damages, the Concessionaire shall be entitled to a further period not exceeding 90 (ninety) days for completion of the Punch List items. For the avoidance of doubt, it is agreed that if completion of any item is delayed for reasons solely attributable to the Government or due to Force Majeure, the completion date thereof shall be determined by the Independent Engineer in accordance with Good Industry Practice, and such completion date shall be deemed to be the date of issue of the Provisional Certificate for the purposes of Damages, if any, payable for such item under this Clause 14.4.1.

14.4.2 Upon completion of all Punch List items, the Independent Engineer shall issue the Completion Certificate. Failure of the Concessionaire to complete all the Punch List items within the time set forth in Clause 14.4.1 for any reason, other than conditions constituting Force Majeure or for reasons solely attributable to the Government, shall entitle the Government to terminate this Agreement.

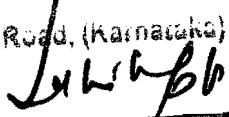
14.5 Withholding of Provisional Certificate

14.5.1 If the Independent Engineer determines that the Project Road or any part thereof does not conform to the provisions of this Agreement and cannot be safely and reliably placed in commercial operation, it shall forthwith make a report in this behalf and send copies thereof to the Government and the Concessionaire. Upon receipt of such a report from the Independent Engineer and after conducting its own inspection, if the Government is of the opinion that the Project Road is not fit and safe for commercial service, it shall, within 7 (seven) days of receiving the aforesaid report, notify the Concessionaire of the defects and deficiencies in the Project Road and direct the Independent Engineer to withhold issuance of the Provisional Certificate. Upon receipt of such notice, the Concessionaire shall remedy and rectify such defects or deficiencies and thereupon Tests shall be undertaken in accordance with this Article 14. Such procedure shall be repeated as necessary until the defects or deficiencies are rectified.

14.5.2 Notwithstanding anything to the contrary contained in Clause 14.5.1, the Government may, at any time after receiving a report from the Independent Engineer under that Clause, direct the Independent Engineer to issue a Provisional Certificate under Clause 14.3, and such direction shall be complied forthwith.

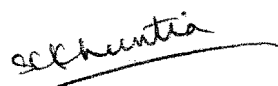

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Public Works, Ports and Inland Water
Transport Department

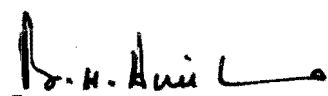

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14.6 Rescheduling of Tests

If the Independent Engineer certifies to the Government and the Concessionaire that it is ~~unable to issue the Completion Certificate or Provisional Certificate, as the case may be,~~ because of events or circumstances on account of which the Tests could not be held or had to be suspended, the Concessionaire shall be entitled to re-schedule the Tests and hold the same as soon as reasonably practicable.


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ARTICLE 15
ENTRY INTO COMMERCIAL SERVICE


15.1 Commercial Operation Date (COD)

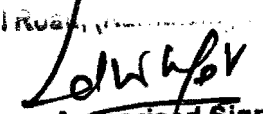
Project Road shall be deemed to be complete when the Completion Certificate or the Provisional Certificate, as the case may be, is issued under the provisions of Article 14, and accordingly the commercial operation date of the Project shall be the date on which such Completion Certificate or the Provisional Certificate is issued" (the "COD"). The Project Road shall enter into commercial service on COD whereupon the Concessionaire shall be entitled to demand and collect Fee in accordance with the provisions of Article 27.

15.2 Damages for delay

Subject to the provisions of Clause 12.4, if COD does not occur prior to the 91st (ninety first) day from the Scheduled Date, unless the delay is on account of reasons solely due to Force Majeure, the Concessionaire shall pay Damages to the Government in a sum calculated at the rate of 0.1% (zero point one per cent) of the amount of Performance Security for delay of each day until COD is achieved.


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ARTICLE 16
CHANGE OF SCOPE

16.1 Change of Scope

16.1.1 Government may, notwithstanding anything to the contrary contained in this Agreement, require the provision of additional works and services which are not included in the Scope of the Project as contemplated by this Agreement ("**Change of Scope**"). Any such Change of Scope shall be made in accordance with the provisions of this Article 16 and the costs thereof shall be expended by the Concessionaire and reimbursed to it by the Government in accordance with Clause 16.3.

16.1.2 If the Concessionaire determines at any time that a Change of Scope is necessary for providing safer and improved services to the Users, it shall by notice in writing require the Government to consider such Change of Scope. The Government shall, within 15 (fifteen) days of receipt of such notice, either accept such Change of Scope with modifications, if any, and initiate proceedings therefor in accordance with this Article 16 or inform the Concessionaire in writing of its reasons for not accepting such Change of Scope.

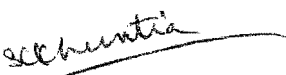
16.2 Procedure for Change of Scope


16.2.1 In the event of the Government determining that a Change of Scope is necessary, it shall issue to the Concessionaire a notice specifying in reasonable detail the works and services contemplated thereunder (the "**Change of Scope Notice**").

16.2.2 Upon receipt of a Change of Scope Notice, if it covers addition of works, the Concessionaire shall, with due diligence, provide to Government such information as is necessary, together with preliminary Documentation in support of:

- (a) the impact, if any, which the Change of Scope is likely to have on the Project Completion Schedule if the works or services are required to be carried out during the Construction Period, and
- (b) the options for implementing the proposed Change of Scope and the effect, if any, each such option would have on the costs and time thereof, including a detailed breakdown by work classifications specifying the material and labour costs calculated in accordance with the schedule of rates applicable to the works assigned by the Government to its contractors, along with the proposed premium/discount on such rates; provided that the cost incurred by the Concessionaire in providing such information shall be reimbursed by the Government to the extent such cost is certified by the Independent Engineer as reasonable.

16.2.3 Upon receipt of information set forth in Clause 16.2.2, if Government decides to proceed with the Change of Scope, it shall convey its preferred option to the Concessionaire, and the Parties shall, with assistance of the Independent Engineer, thereupon make good faith efforts to agree upon the time and costs for implementation thereof. Upon reaching an agreement, Government shall issue an order (the "**Change of Scope Order**") requiring the Concessionaire to proceed with the performance thereof. In the event that the Parties are unable to agree, Government may, by issuing a Change of Scope Order,


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Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

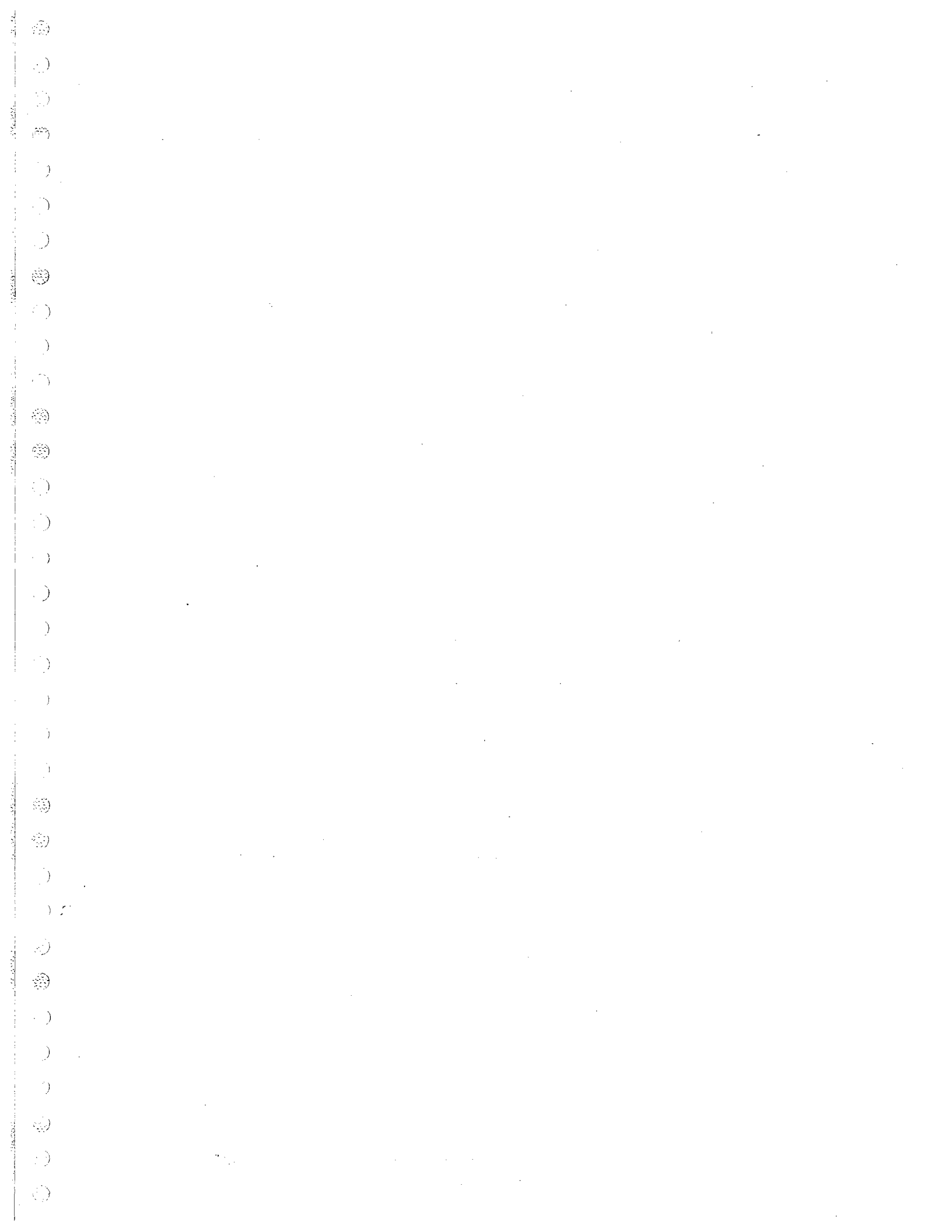
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require the Concessionaire to proceed with the performance thereof pending resolution of the Dispute, or carry out the works in accordance with Clause 16.5.

16.2.4 The provisions of this Agreement, insofar as they relate to Construction Works and Tests, shall apply *mutatis mutandis* to the works undertaken by the Concessionaire under this Article 16.

16.3 Payment for Change of Scope

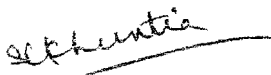
16.3.1 Within 30 (thirty) days of notification of change of scope, Government shall make an advance payment to the Concessionaire in a sum equal to 20% (twenty per cent) of the cost of Change of Scope as agreed hereunder, and in the event of a Dispute, 20% (twenty per cent) of the cost assessed by the Independent Engineer. The Concessionaire shall, after commencement of work, present to Government bills for payment in respect of the works in progress or completed works, as the case may be, supported by such Documentation as is reasonably sufficient for Government to determine the accuracy thereof. Within 30 (thirty) days of receipt of such bills, Government shall disburse to the Concessionaire such amounts as are certified by the Independent Engineer as reasonable and after making a proportionate deduction for the advance payment made hereunder, and in the event of any Dispute, final adjustments thereto shall be made under and in accordance with the Dispute Resolution Procedure.

16.3.2 Notwithstanding anything to the contrary contained in Clause 16.3.1, all costs arising out of any Change of Scope Order issued during the Construction Period shall be borne by the Concessionaire, subject to an aggregate ceiling of 0.25% (zero point two five per cent) of the Total Project Cost. Any costs in excess of the ceiling shall be reimbursed by the Government in accordance with Clause 16.3.1. In the event that the total cost arising out of Change of Scope Orders (if any) issued prior to the Project Completion Date is less than 0.25% (zero point two five per cent) of the Total Project Cost, the difference thereof shall be credited by the Concessionaire to the Safety Fund within a period of 180 (one hundred and eighty) days of the Project Completion Date.

16.4 Restriction on certain works

16.4.1 Notwithstanding anything to the contrary contained in this Article 16, the Government shall not require the Concessionaire to undertake any works or services if such works or services are likely to delay completion of Project Road; provided that in the event that Government considers such works or services to be essential, it may issue a Change of Scope Order, subject to the condition that the works forming part of or affected by such Order shall not be reckoned for purposes of determining completion of Project Road and issuing the Provisional Certificate.

16.4.2 Notwithstanding anything to the contrary contained in this Article 16, the Concessionaire shall be entitled to nullify any Change of Scope Order if it causes the cumulative costs relating to all the Change of Scope Orders to exceed 5% (five per cent) of the Total Project Cost in any continuous period of 3 (three) years immediately preceding the date of such Change of Scope Order or if such cumulative costs exceed 20% (twenty per cent) of the Total Project Cost at any time during the Concession Period.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


R. N. Bui
Managing Director
KRDCL


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16.5 Power of the Government to undertake works

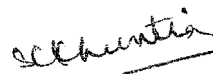
16.5.1 Notwithstanding anything to the contrary contained in Clauses 16.2 and 16.3, Government may, after giving notice to the Concessionaire and considering its reply thereto, award such works or services to any person on the basis of open competitive bidding; provided that the Concessionaire shall have the option of matching the first ranked bid in terms of the selection criteria, subject to payment of 2% (two per cent) of the bid amount to the Government, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if it has participated in the bidding process and its bid does not exceed the first ranked bid by more than 10% (ten percent) thereof.


16.5.2 The works undertaken in accordance with this Clause 16.5 shall conform to the Specifications and Standards and shall be carried out in a manner that minimises the disruption in operation of the Project Road. The provisions of this Agreement, insofar as they relate to Construction Works and Tests, shall apply *mutatis mutandis* to the works carried out under this Clause 16.5.

16.6 Reduction in Scope of the Project

16.6.1 If the Concessionaire shall have failed to complete any Construction Works on account of Force Majeure or for reasons solely attributable to Government, Government may, in its discretion, require the Concessionaire to pay 80% (eighty percent) of the sum saved therefrom, and upon such payment to Government, the obligations of the Concessionaire in respect of such works shall be deemed to have been fulfilled.

16.6.2 For determining the obligations of the Concessionaire under this Clause 16.6, the provisions of Clauses 16.1, 16.2 and 16.4 shall apply *mutatis mutandis*, and upon issue of Change of Scope Order by Government hereunder, the Concessionaire shall pay forthwith the sum specified therein.


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Transport Department


Managing Director
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Authorised Signatory



ARTICLE 17
OPERATION AND MAINTENANCE

17.1 O&M obligations of the Concessionaire

17.1.1 During the Operation Period, the Concessionaire shall operate and maintain the Project Road in accordance with this Agreement either by itself, or through the O&M Contractor and if required, modify, repair or otherwise make improvements to the Project Road to comply with the provisions of this Agreement, Applicable Laws and Applicable Permits, and conform to Good Industry Practice. The obligations of the Concessionaire hereunder shall include:

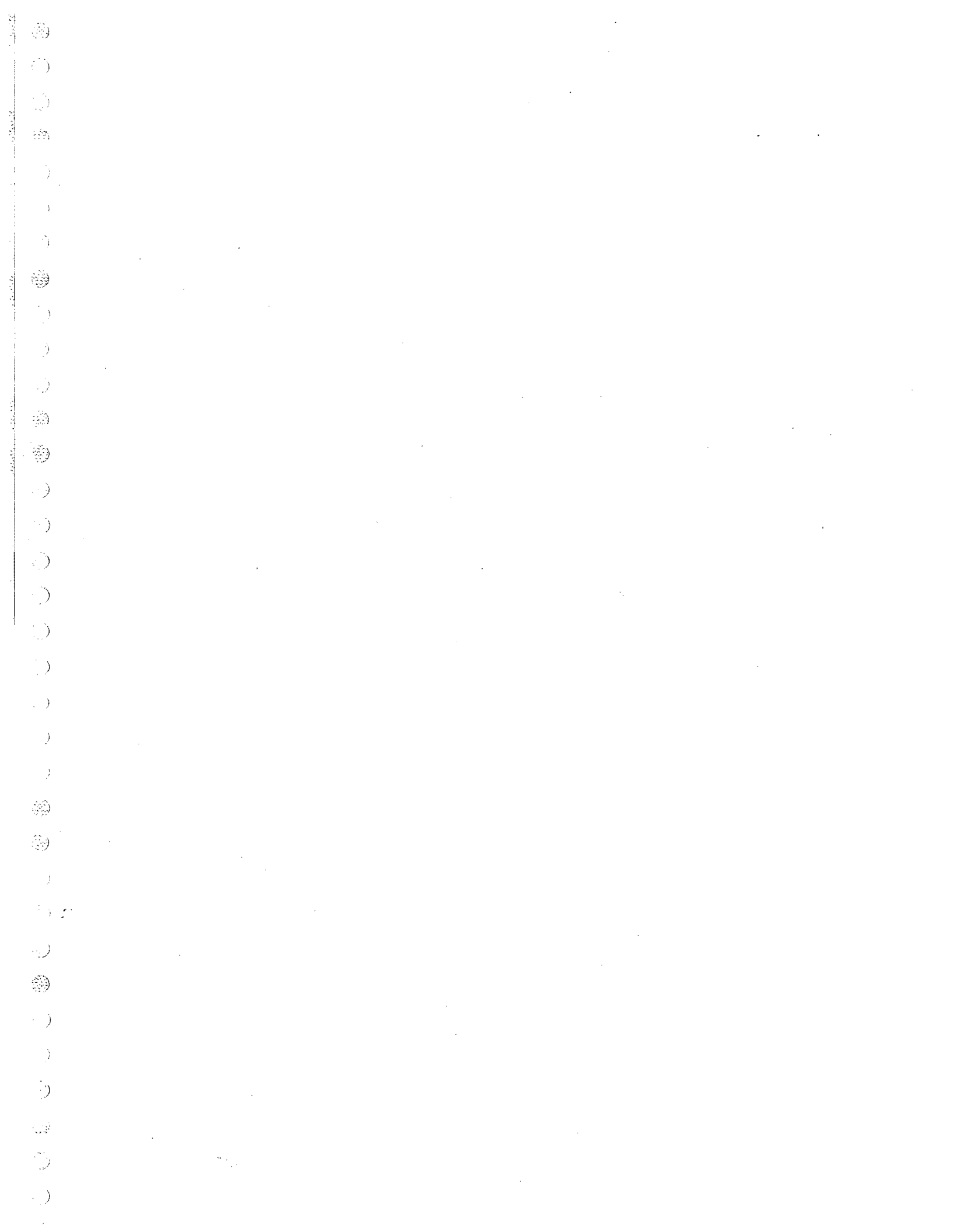
- (a) permitting safe, smooth and uninterrupted flow of traffic on the Project Road during normal operating conditions;
- (b) collecting and appropriating the Fee;
- (c) minimising disruption to traffic in the event of accidents or other incident-affecting the safety and use of the Project Road by providing a rapid and effective response and maintaining liaison with emergency services of the State;
- (d) carrying out periodic preventive maintenance of the Project Road;
- (e) undertaking routine maintenance including prompt repairs of potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices;
- (f) undertaking major maintenance such as resurfacing of pavements, repairs to structures and repairs and refurbishment of tolling system and other equipment;
- (g) preventing, with the assistance of concerned law enforcement agencies, any unauthorised use of the Project Road;
- (h) preventing, with the assistance of the concerned law enforcement agencies, any encroachments on the Project Road, including the Site;
- (i) protection of the environment and provision of equipment and materials therefor;
- (j) operation and maintenance of all communication, control and administrative systems necessary for the efficient operation of the Project Road;
- (k) maintaining a public relations unit to interface with and attend to suggestions from the Users of the Project Road, Government agencies, media and other agencies; and
- (l) complying with Safety Requirements in accordance with Article 18.

17.1.2 The Concessionaire shall remove promptly from the Project Road all surplus construction machinery and materials, waste materials (including hazardous materials and waste water), rubbish and other debris (including, without limitation, accident debris) and keep the Project Road in a clean, tidy and orderly condition, and in conformity with the Applicable Laws, Applicable Permits and Good Industry Practice.

S. Chuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. K. Anis
Managing Director
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[Signature]
Authorised Signatory



17.1.3 The Concessionaire shall maintain, in conformity with Good Industry Practice, all stretches of approach roads, over-passes, under-passes or other structures situated on the Site but not forming part of the carriageway.

17.2 Maintenance Requirements

The Concessionaire shall procure that at all times during the Operation Period, the Project Road conforms to the maintenance requirements set forth in Schedule-K (the "Maintenance Requirements").

17.3 Maintenance Manual

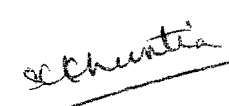
Not later than 180 (hundred and eighty) days prior to the Scheduled Date, the Concessionaire shall, in consultation with the Independent Engineer, evolve a repair and maintenance manual (the "Maintenance Manual") for the regular and preventive maintenance of the Project Road in conformity with the Maintenance Requirements, Safety Requirements and Good Industry Practice, and shall provide 5 (five) copies thereof to the Government and 2 (two) copies to the Independent Engineer. The Maintenance Manual shall be revised and updated once every 3 (three) years and the provisions of this Clause 17.3 shall apply *mutatis mutandis*, to such revision.

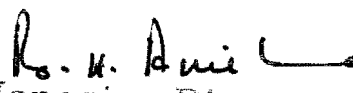
17.4 Maintenance Programme

17.4.1 Not later than 45 (forty five) days prior to the beginning of each Accounting Year during the Operation Period, the Concessionaire shall provide to Government and the Independent Engineer, its proposed annual programme of preventive, urgent and other scheduled maintenance (the "Maintenance Programme") to comply with the Maintenance Requirements, Maintenance Manual and Safety Requirements. Such Maintenance Programme shall include:

- (a) preventive maintenance schedule;
- (b) arrangements and procedures for carrying out urgent repairs;
- (c) criteria to be adopted for deciding maintenance needs;
- (d) intervals and procedures for carrying out inspection of all elements of the Project Road;
- (e) intervals at which the Concessionaire shall carry out periodic maintenance;
- (f) arrangements and procedures for carrying out safety related measures;
- (g) intervals for major maintenance works and the scope thereof; and

17.4.2 Within 15 (fifteen) days of receipt of the Maintenance Programme, the Independent Engineer shall review the same and convey its comments to the Concessionaire with particular reference to its conformity with the Maintenance Requirements, Maintenance Manual and Safety Requirements.


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17.4.3 The Concessionaire may modify the Maintenance Programme as may be reasonable in the circumstances, and the procedure specified in Clauses 17.4.1 and 17.4.2 shall apply *mutatis mutandis* to such modifications.

17.5 Safety, vehicle breakdowns and accidents

17.5.1 The Concessionaire shall ensure safe conditions for the Users, and in the event of unsafe conditions, lane closures, diversions, vehicle breakdowns and accidents, it shall follow the relevant operating procedures including the setting up of temporary traffic cones and lights, and removal of obstruction and debris without delay. Such procedures shall conform to the provisions of this Agreement, Applicable Laws, Applicable Permits and Good Industry Practice.

17.5.2 The Concessionaire's responsibility for rescue operations on the Project Road shall be limited to an initial response to any particular incident until such time as the competent authority takes charge and shall include prompt removal of vehicles or debris or any other obstruction, which may endanger or interrupt the smooth flow of traffic. [For this purpose, it shall maintain and operate a round-the-clock vehicle rescue post with one mobile crane having the capacity to lift a truck with a Gross Vehicle Weight of 20,000 (twenty thousand) kilograms; provided that on and after the Scheduled Date, the Concessionaire shall maintain and operate two such vehicle rescue posts, with one crane each, and such posts shall be located at each of the Toll Plazas.

17.6 De-commissioning due to Emergency

17.6.1 If, in the reasonable opinion of the Concessionaire, there exists an Emergency which warrants de-commissioning and closure to traffic of the whole or any part of the Project Road, the Concessionaire shall be entitled to de-commission and close the whole or any part of the Project Road to traffic for so long as such Emergency and the consequences thereof warrant; provided that such de-commissioning and particulars thereof shall be notified by the Concessionaire to Government without any delay, and the Concessionaire shall diligently carry out and abide by any reasonable directions that Government may give for dealing with such Emergency.

17.6.2 The Concessionaire shall re-commission the Project Road or the affected part thereof as quickly as practicable after the circumstances leading to its decommissioning and closure have ceased to exist or have so abated as to enable the Concessionaire to re-commission the Project Road.

17.7 Lane closure

17.7.1 The Concessionaire shall not close any lane of the Project Road for undertaking maintenance or repair works except with the prior written approval of the Independent Engineer. Such approval shall be sought by the Concessionaire through a written request to be made at least 7 (seven) days before the proposed closure of lane and shall be accompanied by particulars thereof. Within 3 (three) days of receiving such request, the Government or Independent Engineer shall grant permission with such modifications as it may deem necessary and a copy of such permission shall be sent to the Government.

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Authorised Signatory



17.7.2 The provisions of Clause 17.7.1 shall not apply to de-commissioning under Clause 17.6.1 or to closure of any lane for a period not exceeding 2 (two) hours in a day at any time of the day and 6 (six) hours in a day at a time specified by the Independent Engineer as off-peak hours when the flow of traffic is comparatively lower.

17.7.3 Upon receiving the permission pursuant to Clause 17.7.1, the Concessionaire shall be entitled to close the designated lane for the period specified therein, and in the event of any delay in re-opening such lane, the Concessionaire shall pay Damages to Government calculated at the rate of 0.1% (zero point one per cent) of the Average Daily Fee for every stretch of 250 (two hundred and fifty) Meters, or part thereof, for each day of delay until the lane has been re-opened for traffic.

17.8 Damages for breach of maintenance obligations

17.8.1 In the event that the Concessionaire fails to repair or rectify any defect or deficiency set forth in the Maintenance Requirements within the period specified therein, it shall be deemed to be in breach of this Agreement and the Government shall be entitled to recover Damages, to be calculated and paid for each day of delay until the breach is cured, at the higher of (a) 0.5% (zero point five per cent) of Average Daily Fee, and (b) 0.1% (zero point one per cent) of the cost of such repair or rectification as estimated by the Independent Engineer. Recovery of such Damages shall be without prejudice to the rights of the Government under this Agreement, including the right of Termination thereof.

17.8.2 The Damages set forth in Clause 17.8.1 may be assessed and specified forthwith by the Independent Engineer; provided that the Government may, in its discretion, demand a smaller sum as Damages, if in its opinion, the breach has been cured promptly and the Concessionaire is otherwise in compliance with its obligations hereunder. The Concessionaire shall pay such Damages forthwith and in the event that it contests such Damages, the Dispute Resolution Procedure shall apply.

17.9 GOVERNMENT's right to take remedial measures

17.9.1 In the event the Concessionaire does not maintain and/or repair the Project Road or any part thereof in conformity with the Maintenance Requirements, the Maintenance Manual or the Maintenance Programme, as the case may be, and fails to commence remedial works within 15 (fifteen) days of receipt of the O&M Inspection Report or a notice in this behalf from Government or the Independent Engineer, as the case may be, Government shall, without prejudice to its rights under this Agreement including Termination thereof, be entitled to undertake such remedial measures at the risk and cost of the Concessionaire, and to recover its cost from the Concessionaire. In addition to recovery of the aforesaid cost, a sum equal to 20% (twenty per cent) of such cost shall be paid by the Concessionaire to Government as Damages.

17.9.2 Government shall have the right, and the Concessionaire hereby expressly grants to the Government the right, to recover the costs and Damages specified in Clause 17.9.1 directly from the Escrow Account as if such costs and Damages were O&M Expenses,

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P. H. Anil
Managing Director
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Lawyer
Authorised Signatory

and for that purpose, the Concessionaire hereby agrees to give irrevocable instructions to the Escrow Bank to make payment from the Escrow Account in accordance with the instructions of Government under this Clause 17.9.2 and debit the same to O&M Expenses.

17.10 Overriding powers of Government

17.10.1 If in the reasonable opinion of the Government, the Concessionaire is in material breach of its obligations under this Agreement and, in particular, the Maintenance Requirements, and such breach is causing or likely to cause material hardship or danger to the Users, Government may, without prejudice to any of its rights under this Agreement including Termination thereof, by notice require the Concessionaire to take reasonable measures immediately for rectifying or removing such hardship or danger, as the case may be.

17.10.2 In the event that the Concessionaire, upon notice under Clause 17.10.1, fails to rectify or remove any hardship or danger within a reasonable period, Government may exercise overriding powers under this Clause 17.10.2 and take over the performance of any or all the obligations of the Concessionaire to the extent deemed necessary by it for rectifying or removing such hardship or danger; provided that the exercise of such overriding powers by Government shall be of no greater scope and of no longer duration than is reasonably required hereunder; provided further that any costs and expenses incurred by the Government in discharge of its obligations hereunder shall be deemed to be O&M Expenses, and Government shall be entitled to recover them from the Concessionaire in accordance with the provisions of Clause 17.9 along with the Damages specified therein.

17.10.3 In the event of a national emergency, civil commotion or any other act specified in Clause 34.3, Government may take over the performance of any or all the obligations of the Concessionaire to the extent deemed necessary by it, and exercise such control over the Project Road or give such directions to the Concessionaire as may be deemed necessary; provided that the exercise of such overriding powers by Government shall be of no greater scope and of no longer duration than is reasonably required in the circumstances which caused the exercise of such overriding power by Government. For the avoidance of doubt, the consequences of such action shall be dealt in accordance with the provisions of Article 34.

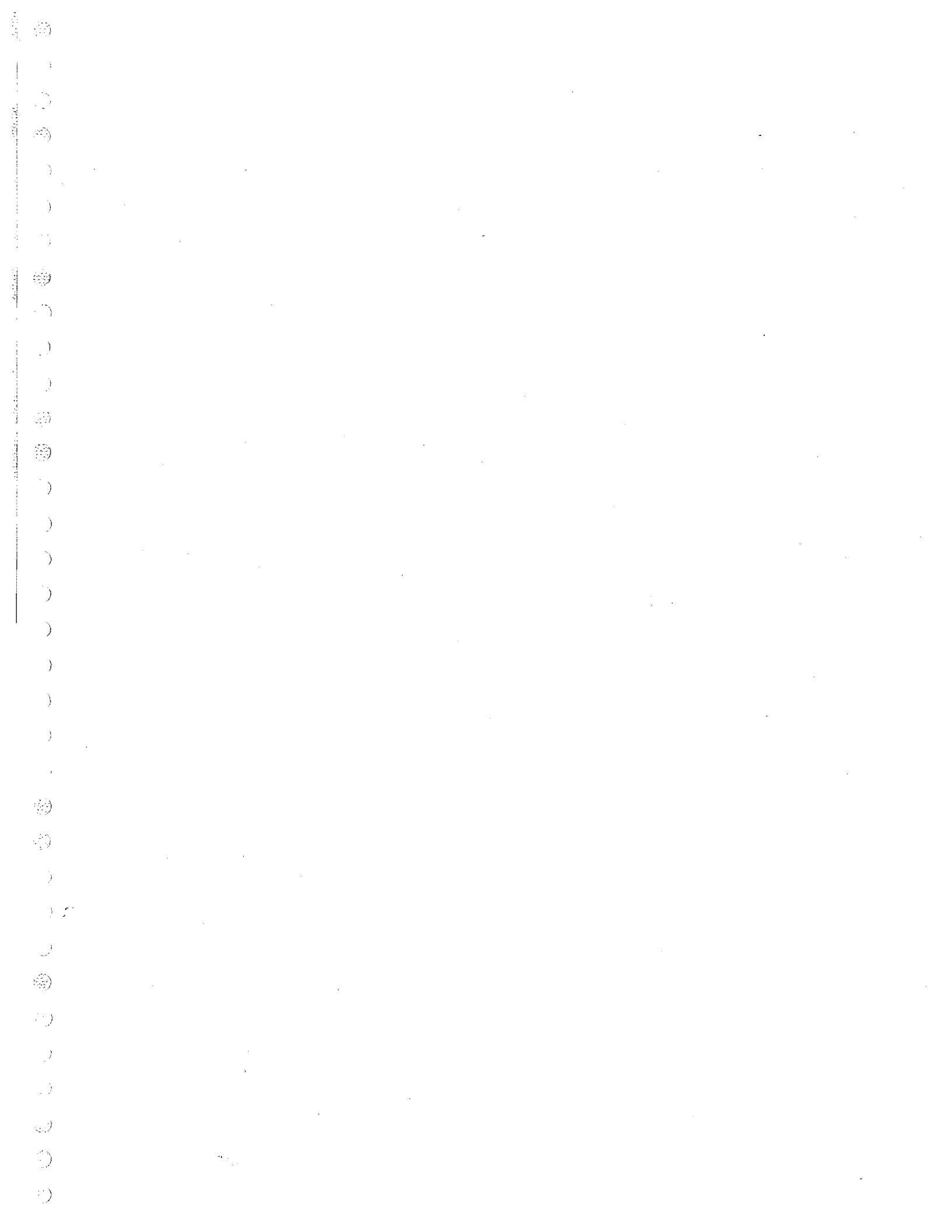
17.11 Restoration of loss or damage to Project Road

Save and except as otherwise expressly provided in this Agreement, in the event that the Project Road any part thereof shall suffers any loss or damage during the Concession Period, from any cause whatsoever, the Concessionaire shall, at its cost and expense, rectify and remedy such loss or damage forthwith so that the Project Road conforms to the provisions of this Agreement.

S. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
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Transport Department

B. H. Anil
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Abhijeet
Authorised Signatory



17.12 Modifications to the Project Road

The Concessionaire shall not carry out any material modifications to the Project Road save and except where such modifications are necessary for the Project Road to operate in conformity with the Maintenance Requirements and Good Industry Practice; provided that the Concessionaire shall notify the Independent Engineer of the proposed modifications along with particulars thereof at least 15 (fifteen) days before commencing work on such modifications and shall reasonably consider any suggestions that the Independent Engineer may make within 15 (fifteen) days of receiving the Concessionaire's proposal.

17.13 Excuse from performance of obligations

The Concessionaire shall not be considered in breach of its obligations under this Agreement if any part of the Project Road is not available to traffic after the COD on account of any of the following for the duration thereof:

- (a) an event of Force Majeure;
- (b) measures taken to ensure the safe use of the Project Road except when unsafe conditions on the road occurred because of failure of the Concessionaire to perform its obligations under this Agreement; or
- (c) compliance with a request from Government or the directions of any Government Instrumentality, the effect of which is to close all or any part of the Project Road.

Notwithstanding the above, the Concessionaire shall keep all unaffected parts of the Project Road open to traffic provided they can be operated safely.

17.14 Barriers and diversions

Government shall make their best effort to ensure that during the Operation Period, no barriers are erected or placed by any Government Instrumentality on the Project Road except for reasons of Emergency, national security, law and order or collection of inter-state taxes. Government shall also make best endeavours to ensure that no Government Instrumentality shall undertake or cause to be undertaken, except for reasons of Emergency, national security or law and order, any diversions of traffic from, or closing down of approach roads to the Project Road that may cause a material adverse effect on the flow of traffic to and from the Project Road.

17.15 Advertising on the Site

The Concessionaire shall not undertake or permit any form of commercial advertising, display or hoarding at any place on the Site if such advertising, display or hoarding shall be visible to the Users while driving on such Road; provided that this restriction shall not apply to the Toll Plazas, rest areas, bus shelters and telephone booths located on the Project Road if the advertising thereon does not, in the opinion of Government, distract the Users or violates extant guidelines of relevant guidelines / standards. For the avoidance of doubt, it is agreed that the rights of the Concessionaire hereunder shall be subject to Applicable Laws, as in force and effect from time to time, and no compensation shall be claimed on account thereof.

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SUNILASH C. KHUNTIA
Principal Secretary to Government,
Public Works, Ports and Inland Water
Transport Department

B. H. Anil
Managing Director
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**ARTICLE 18
SAFETY REQUIREMENTS**


18.1 Safety Requirements

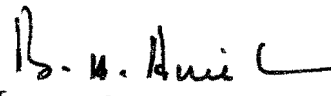
18.1.1 The Concessionaire shall comply with the provisions of this Agreement, Applicable Laws and Applicable Permits and conform to Good Industry Practice for securing the safety of the Users. In particular, the Concessionaire shall develop, implement and administer a surveillance and safety programme for providing a safe environment on the Project Road, and shall comply with the safety requirements set forth in Schedule-L (the "Safety Requirements").

18.1.2 The Government shall appoint an experienced and qualified firm or organisation (the "Safety Consultant") for carrying out safety audit of the Project Road in accordance with the Safety Requirements, and shall take all other actions necessary for securing compliance with the Safety Requirements.

18.2 Expenditure on Safety Requirements

All costs and expenses arising out of or relating to Safety Requirements shall be borne by the Concessionaire to the extent such costs and expenses form part of the works and services included in the Scope of the Project, and works and services, if any, not forming part of the Scope of the Project shall be undertaken in accordance with the provisions of Article 16. Costs and expenses on works and services not covered hitherto before and arising out of Safety Requirements shall be borne from out of a dedicated safety fund (the "Safety Fund") to be managed and operated by the Government or a substitute thereof.


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ARTICLE 19
MONITORING OF OPERATION AND MAINTENANCE

19.1 Monthly status reports

During Operation Period, the Concessionaire shall, no later than 7 (seven) days after the close of each month, furnish to the Government and the Independent Engineer a monthly report stating in reasonable detail the condition of the Project Road including its compliance or otherwise with the Maintenance Requirements, Maintenance Manual, Maintenance Programme and Safety Requirements, and shall promptly give such other relevant information as may be required by the Independent Engineer.

19.2 Inspection

The Independent Engineer shall inspect the Project Road at least once a month. It shall make a report of such inspection (the "**O&M Inspection Report**") stating in reasonable detail the defects or deficiencies, if any, with particular reference to the Maintenance Requirements, Maintenance Manual, the Maintenance Programme and Safety Requirements, and send a copy thereof to the Government and the Concessionaire within 7 (seven) days of such inspection.

19.3 Tests

For determining that the Project Road conforms to the Maintenance Requirements, the Independent Engineer shall require the Concessionaire to carry out, or cause to be carried out, tests specified by it in accordance with Good Industry Practice. The Concessionaire shall, with due diligence, carry out or cause to be carried out all such tests in accordance with the instructions of the Independent Engineer and furnish the results of such tests forthwith to the Independent Engineer. The costs incurred in conducting such tests shall be solely borne by the Concessionaire.

19.4 Remedial measures

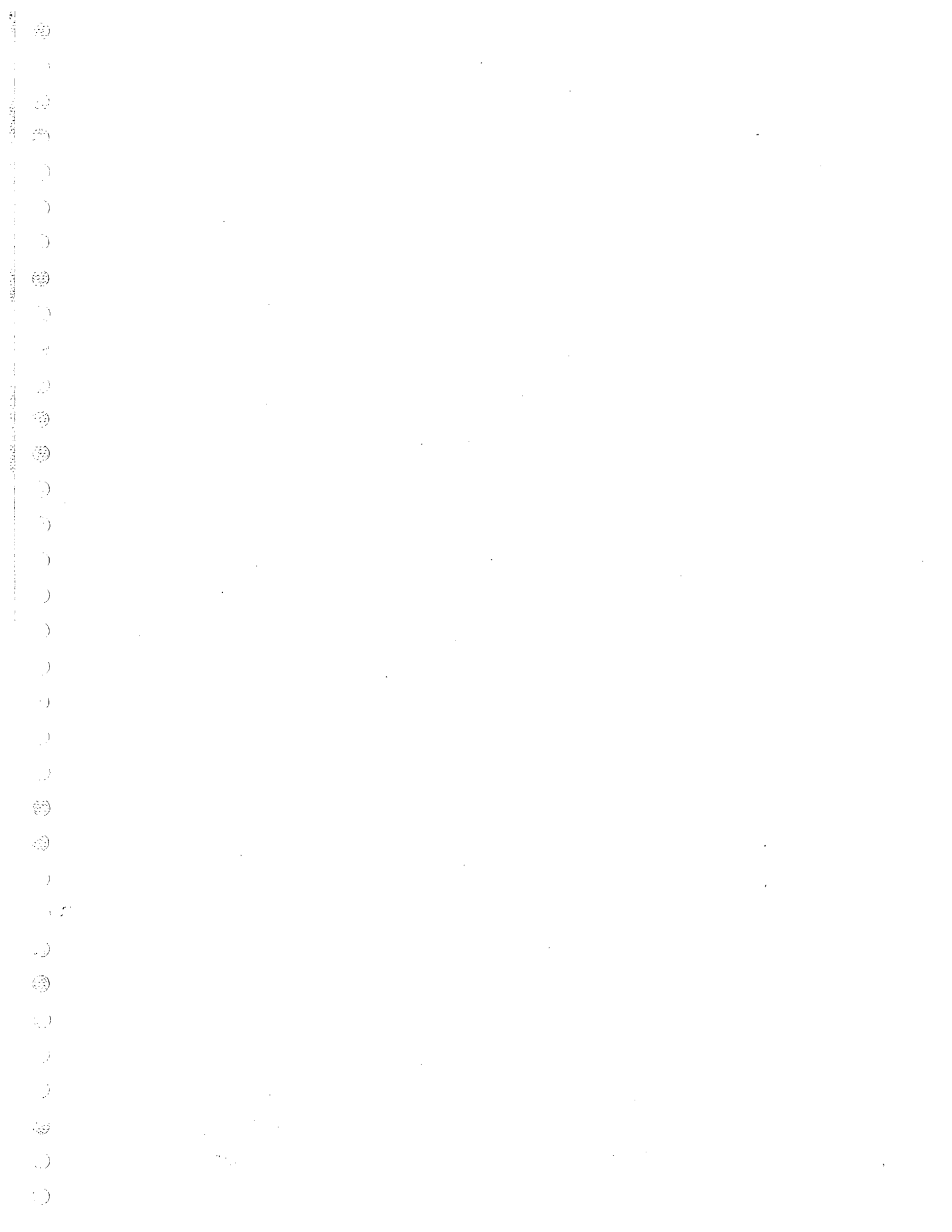
19.4.1 The Concessionaire shall repair or rectify the defects or deficiencies, if any, set forth in the O&M Inspection Report or in the test results referred to in Clause 19.3 and furnish a report in respect thereof to the Independent Engineer and the Government within 15 (fifteen) days of receiving the O&M Inspection Report or the test results, as the case may be; provided that where the remedying of such defects or deficiencies is likely to take more than 15 (fifteen) days, the Concessionaire shall submit progress reports of the repair works once every week until such works are completed in conformity with this Agreement.

19.4.2 The Independent Engineer shall require the Concessionaire to carry out or cause to be carried out tests, at its own cost, to determine that such remedial measures have brought the Project Road into compliance with the Maintenance Requirements and the procedure set forth in this Clause 19.4 shall be repeated until the Project Road conforms to the Maintenance Requirements. In the event that remedial measures are not completed by the Concessionaire in conformity with the provisions of this Agreement, the Government shall be entitled to recover Damages from the Concessionaire under and in accordance with the provisions of Clause 17.8.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
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Transport Department

R. B. Anil
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Abhijeet
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19.5 Monthly Fee Statement

During the Operation Period, the Concessionaire shall furnish to the Government within 7 (seven) days of completion of each month, a statement of Fee substantially in the form set forth in Schedule-M (the "Monthly Fee Statement").

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SUDHESH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

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Managing Director
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Abhijeet Toll Road (Karnataka) Limited

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Authorised Signatory

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ARTICLE 20
TRAFFIC REGULATION

20.1 Traffic regulation by the Concessionaire

The Concessionaire shall regulate traffic on the Project Road in accordance with the Applicable Laws, and subject to the supervision and control of the State authorities [or a substitute thereof] empowered in this behalf under the Applicable Laws.

20.2 Police assistance

For regulating the use of Project Road in accordance with the Applicable Laws and this Agreement, the Government shall assist the Concessionaire in procuring police assistance from the State Police Department [or a substitute thereof]. The police assistance shall include setting up of a traffic aid post (the "Traffic Aid Post") at each of the Toll Plazas with a mobile Police squad for round-the-clock patrolling of the Project Road.

20.3 Buildings for Traffic Aid Posts

The Concessionaire shall, in accordance with the type designs prescribed for such police outpost buildings by the Government of Karnataka or a substitute thereof, construct buildings not exceeding 25 (twenty five) square meters of plinth area, for each of the Traffic Aid Posts, and hand them over to the Government not later than 30 (thirty) days prior to the Scheduled Date. The Traffic Aid Post[s] shall be deemed to be part of the Site and shall vest in the Government.

20.4 Recurring expenditure on Police assistance

On or before the Scheduled Date, the Concessionaire shall provide to the State Police Department or a substitute thereof one Jeep or similar vehicle in good working condition along with chauffeurs for round-the-clock patrolling as set forth in Clause 20.2 and shall meet the operating costs of such vehicle including the salaries and allowances of the chauffeurs.

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Principal Secretary to Government
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Transport Department

H. H. Anil
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KRDC

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**ARTICLE 21
EMERGENCY MEDICAL AID**

21.1 Medical Aid Posts

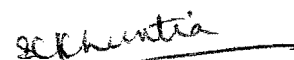
For providing emergency medical aid during the Operation Period, as set forth in this Agreement, the Concessionaire shall assist the Government [or a substitute thereof to be designated by the Government] in setting up and operating a medical aid post (the "Medical Aid Post") at each of the Toll Plazas with round-the-clock ambulance services for victims of accidents on the Project Road.


21.2 Buildings for Medical Aid Posts

The Concessionaire shall, at its cost and in accordance with the type designs prescribed for such buildings by the State Medical Department (or a substitute thereof to be designated by the Government), construct an aid post building and 2 (two) residential quarters, and hand them over to the Government, not later than 30 (thirty) days prior to Scheduled Date. The Medical Aid Post(s) shall be deemed to be part of the Site and shall vest in the Government.

21.3 Recurring expenditure on Medical Aid Posts

On or before COD, the Concessionaire shall provide to the State Medical Department or a substitute thereof to be designated by the Government one ambulance in good working condition along with chauffeurs for round-the-clock ambulance services as set forth in Clause 21.1 and meet the operating costs of such ambulance including the salaries and allowances of the chauffeurs. The Concessionaire shall also reimburse to the State Medical Department (or a substitute thereof to be designated by the Government) the actual expenditure incurred by it in each Accounting Year on the medical equipment, and the pay and allowances of up to 2 (two) medical personnel deployed exclusively for the Medical Aid Posts and ambulance, and shall maintain the Medical Aid Post buildings in accordance with Good Industry Practice. For the avoidance of doubt, it is agreed that the Concessionaire shall not be liable for any other expenditure incurred by the State Medical Department or a substitute thereof to be designated by the Government.


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Public Works, Ports and Inland Water
Transport Department


B. N. Anil
Managing Director
KRDCL


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ARTICLE 22
TRAFFIC CENSUS AND SAMPLING

22.1 Traffic census

The Concessionaire shall install, maintain and operate electronic/computerised traffic counters at each of the Toll Plazas and collect data relating to the number and types of vehicles using the Project Road. The Concessionaire shall also install, maintain and operate weighing platforms (weigh-in-motion type) for recording, on a sample basis, the weight of commercial goods vehicles using the Project Road. A weekly statement of such data shall be compiled and furnished forthwith by the Concessionaire to the Government substantially in the form specified in Schedule-N.

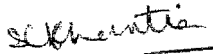
22.2 Traffic survey

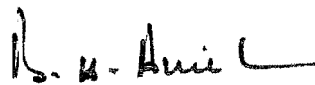
Government may require the Concessionaire to conduct, during each year of the Concession Period, a detailed traffic survey at such frequency and on such days as the Government may specify, provided that the cumulative period of such survey shall not exceed 14 (fourteen) days in a year. The Concessionaire shall, at its own cost, carry out or cause to be carried out, the survey in the form and manner reasonably specified by the Government and furnish a detailed report thereof within 15 (fifteen) days of the completion of each survey. For the avoidance of doubt, Government may also conduct traffic surveys, in such manner as it deems fit and at its own cost, through any agency designated by it for this purpose.

22.3 Traffic sampling

22.3.1 For determining the actual traffic on the Project Road, Government shall be entitled to inspect the relevant records of the Concessionaire, and may, at its own cost, undertake traffic sampling substantially in the manner set forth in Schedule-O at such frequency as it may deem appropriate, but in no case for less than a continuous period of 7 (seven) days. The Concessionaire shall provide such assistance as the Government may reasonably require for such traffic sampling.

22.3.2 If the traffic sampling pursuant to this Clause 22.3 demonstrates that the actual traffic is more than the traffic reported by the Concessionaire, the traffic determined by the traffic sampling shall be deemed to be the traffic for purposes of this Agreement and in the event of any Dispute relating to the traffic sampling, the Dispute Resolution Procedure shall apply. For the avoidance of doubt, Realisable Fee for any comparable period shall be calculated with reference to the traffic determined hereunder.


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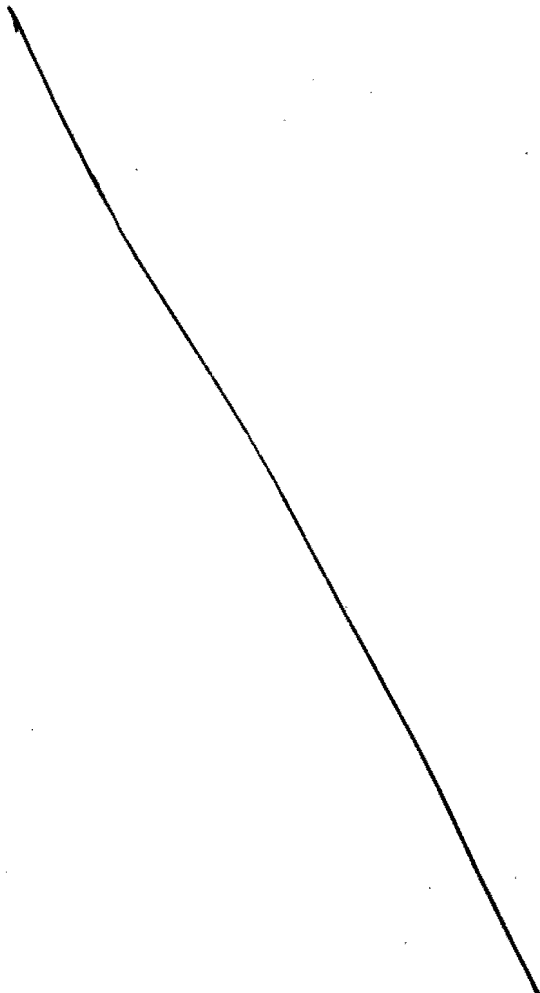

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22.4 Computer systems and network

The Concessionaire shall install, operate and maintain a computer system with round-the-clock connections to the networks of the Government and other related entities for exchange of data and information useful or necessary for efficient and transparent regulation and management of traffic. For this purpose, it shall follow such protocol for Electronic Data Interchange (the "EDI") as the Government may specify. For the avoidance of doubt, it is agreed that the form specified in Schedule-N may be modified by the Government from time to time for conforming to the requirements and output of EDI.



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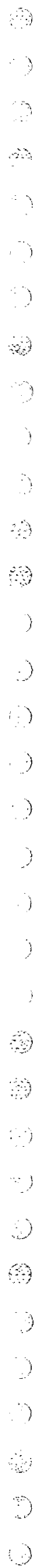
SEERHASH C. KHUNTIA
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**ARTICLE 23
INDEPENDENT ENGINEER**

23.1 Appointment of Independent Engineer

Government shall appoint a consulting engineering firm from a panel not exceeding 5 (five) firms or bodies corporate, constituted by the Government substantially in accordance with the selection criteria set forth in Schedule-P, to be the Independent Engineer under this Agreement (the "Independent Engineer"). The appointment shall be made no later than 90 (ninety) days from the date of this Agreement and shall be for a period of 3 (three) years. On expiry of the aforesaid period, the Government may in its discretion renew the appointment, or appoint another firm from a fresh panel constituted pursuant to Schedule-P to be the Independent Engineer for a term of 3 (three) years, and such procedure shall be repeated after expiry of each appointment.

23.2 Duties and functions

23.2.1 The Independent Engineer shall discharge its duties and functions substantially in accordance with the terms of reference set forth in Schedule-Q.

23.2.2 The Independent Engineer shall submit regular periodic reports (at least once every month) to the Government in respect of its duties and functions set forth in Schedule-Q.

23.3 Remuneration

The remuneration, cost and expenses of the Independent Engineer shall be paid by the Government and subject to the limits set forth in Schedule-P, one-half of such remuneration, cost and expenses shall be reimbursed by the Concessionaire to the Government within 15 (fifteen) days of receiving a statement of expenditure from the Government

23.4 Termination of appointment

23.4.1 The Government may, in its discretion, terminate the appointment of the Independent Engineer at any time, but only after appointment of another Independent Engineer in accordance with Clause 23.1.

23.4.2 If the Concessionaire has reason to believe that the Independent Engineer is not discharging its duties and functions in a fair, efficient and diligent manner, it may make a written representation to the Government and seek termination of the appointment of the Independent Engineer. Upon receipt of such representation, the Government shall hold a tripartite meeting with the Concessionaire and Independent Engineer for an amicable resolution of the Dispute, and if any difference or disagreement between the Government and the Concessionaire remains unresolved, the Dispute shall be settled in accordance with the Dispute Resolution Procedure. In the event that the appointment of the Independent Engineer is terminated hereunder, the Government shall appoint forthwith another Independent Engineer in accordance with Clause 23.1.

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23.5 Authorised signatories

The Government shall require the Independent Engineer to designate and notify to the Government and the Concessionaire up to 2 (two) persons employed in its firm to sign for and on behalf of the Independent Engineer, and any communication or document required to be signed by the Independent Engineer shall be valid and effective only if signed by any of the designated persons; provided that the Independent Engineer may, by notice in writing, substitute any of the designated persons by any of its employees.

23.6 Dispute resolution

If either Party disputes any advice, instruction, decision, direction or award of the Independent Engineer, or, as the case may be, the assertion or failure to assert jurisdiction, the Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

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**ARTICLE 24
FINANCIAL CLOSE**

24.1 Financial Close

24.1.1 The Concessionaire hereby agrees and undertakes that it shall achieve Financial Close within 180 (one hundred and twenty) days from the date of this Agreement and in the event of delay, it shall be entitled to a further period not exceeding 120 (one hundred and twenty) days, subject to payment of Damages to Government in a sum calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day of delay; provided that the Damages specified herein shall be payable every week in advance and the period beyond the said 180 (one hundred and eighty) days shall be granted only to the extent of Damages so paid; provided further that no Damages shall be payable if such delay in Financial Close has occurred solely as a result of any default or delay by the Government in procuring satisfaction of the Conditions Precedent specified in Clause 4.1.2 or due to Force Majeure.

24.1.2 The Concessionaire shall, upon occurrence of Financial Close, notify Government forthwith, and shall have provided to Government, at least 2 (two) days prior to the Financial Close, 3 (three) true copies of the Financial Package and the Financial Model, duly attested by a Director of the Concessionaire, along with 3 (three) soft copies of the Financial Model in MS Excel version or any substitute thereof, which is acceptable to the Senior Lenders.


24.2 Termination due to failure to achieve Financial Close

24.2.1 Notwithstanding anything to the contrary contained in this Agreement, but subject to Clause 34.6.1, in the event that Financial Close does not occur, for any reason whatsoever, within the period set forth in Clause 24.1.1, all rights, privileges, claims and entitlements of the Concessionaire under or arising out of this Agreement shall be deemed to have been waived by, and to have ceased with the concurrence of the Concessionaire, and the Concession Agreement shall be deemed to have been terminated by mutual agreement of the Parties. For the avoidance of doubt, it is agreed that in the event the Parties hereto have, by mutual consent, determined the Appointed Date to precede the Financial Close, the provisions of this Clause 24.2.1 shall not apply.

24.2.2 Upon Termination under Clause 24.2.1, Government shall be entitled to encash the Bid Security and appropriate the proceeds thereof as Damages; provided, however, if Financial Close has not occurred solely as a result of the Government being in default of any of its obligations under Clause 4.1.2, it shall, upon Termination, return the Bid Security forthwith along with Damages equal to 25% (twenty five per cent) thereof. For the avoidance of doubt, it is expressly agreed that if the Bid Security shall have been substituted by Performance Security, the Authority shall be entitled to encash therefrom an amount equal to Bid Security.

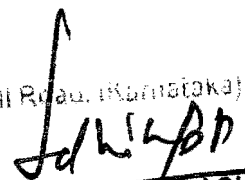

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Principal Secretary to Government,
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Transport Department


Managing Director

KRPCL

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ARTICLE 25 GRANT

25.1 Grant

25.1.1 The Government agrees to provide to the concessionaire cash support by way of an outright grant equal to the sum set forth in the bid, namely, [Rs.80,69,85,744/- (Rupees Eighty Crores, Sixty Nine Lakhs, Seven Hundred Forty Four Only)], in accordance with the provision of this Article 25 (the "Grant"). which is 33.84% of the total project cost with a discount rate of 10% per annum used for computing the total grant on Net Present Value (NPV) basis.

25.1.2 The grant shall be disbursed to the concessionaire by way of equity support in accordance with the provisions of clause 25.2, and the balance remaining, if any, shall be dispersed as O&M support in accordance with the provisions of clause 25.3.

25.2 Equity Support

25.2.1 Subject to the condition specified in this clause 25.2, the grant shall be credited to the Escrow Account and shall be applied by the Concessionaire for meeting the total project cost and shall be treated as part of the shareholders' funds (the "Equity Support")

25.2.2 The equity support shall be equal to the sum specified in the bid and as accepted by the Concessioning Authority, but shall in no case be greater than the Equity, and shall be further restricted to a sum not exceeding 40% (forty per cent) of the Total Project Cost. For the avoidance of doubt, the Total Project Cost to be reckoned for the purposes of this Clause 25.2.2 only shall include Equity Support.

25.2.3 Equity Support shall be due and payable to the Concessionaire and after it has expended the Equity, and shall be disbursed proportionately along with the loan funds thereafter remaining to be disbursed by the senior lenders under the Financing Agreements. The Government shall disburse each tranche of the Equity Support as and when due, but not later than 15 (fifteen) days of receiving a request from the Concessionaire along with necessary particulars.

25.2.4 In the event of occurrence of a Concessionaire Default, disbursement of equity support shall be suspended till such Concessionaire Default has been cured by the Concessionaire.

25.2.5 The payment of equity support shall be as per Annexure-5.

25.3 O&M Support

Deleted

25.4 Negative Grant

Not Applicable

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**ARTICLE 26
CONCESSION FEE**

26.1 Concesion Fee

In consideration of grant of Concession, the Concessionaire shall pay to the Government by way of concession fee (the "Concession Fee") a sum of Rs.1 (Rupee one) per annum.

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SUBHASH C. KHUNTIA

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Public Works, Ports and Inland Water Transport Department

R. H. Anis

Managing Director

KRDCL

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Abhijeet Ton Road

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**ARTICLE 27
USER FEE**

27.1 Collection and appropriation of Fee

27.1.1 On and from the COD till the Transfer Date, the Concessionaire shall have the sole and exclusive right to demand, collect and appropriate Fee from the Users in accordance with this Agreement and the Fee Notification set forth in Schedule-R;

provided that for ease of payment and collection, such Fee shall be rounded off to the nearest 5 (five) rupees in accordance with the Fee Notification; provided further that the Concessionaire may determine and collect Fee at such lower rates as it may, by public notice to the Users, specify in respect of all or any category of Users or vehicles.

27.1.2 The Concessionaire acknowledges and agrees that upon payment of Fee, any User shall be entitled to use the Project Road and the Concessionaire shall not place, or cause to be placed, any restriction on such use, except to the extent specified in any Applicable Law, Applicable Permit or the provisions of this Agreement.

27.1.3 The Concessionaire acknowledges and agrees that any User who is not liable for payment of the Fee shall be entitled to use the Project Road without any restrictions, except to the extent specified in any Applicable Law, Applicable Permit or the provisions of this Agreement. For the avoidance of doubt, the Concessionaire hereby acknowledges that Exempted Vehicles are not liable to payment of Fee.

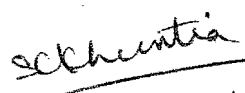
27.2 Revision of Fee


27.2.1 The Parties hereto acknowledge and agree that in accordance with the Fee Notification, the Fee specified therein as applicable on COD (the "Base Fee") shall be revised annually on April 1 in accordance with the provisions of the Fee Notification; provided, however, that such revision shall not be effected until a period of 6 (six) months has elapsed from the date of the immediately preceding determination of Fee hereunder. For the avoidance of doubt, it is agreed that revision on account of variation in WPI shall be restricted to 40% (forty per cent) of the variation in WPI occurring between April 1 immediately following the date of this Agreement and April 1 of the year of revision hereunder.

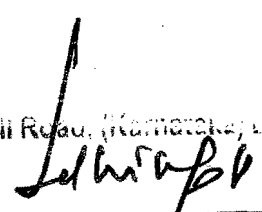
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27.2.4 The Concessionaire hereby acknowledges and agrees that it is not entitled to any revision of Fee or other relief from Government or any Government Instrumentality, except in accordance with the express provisions of this Agreement.


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27.3 Exemption for Local Traffic

The Concessionaire shall not collect any Fee from Local Traffic, and shall issue passes in respect thereof for commuting on the Project Road, [but without crossing more than one Toll Plaza during the course of a day]. For carrying out the provisions of this Clause 27.3, the Concessionaire shall formulate, publish and implement an appropriate scheme, and make such modifications to the scheme as may reasonably be suggested by the Government or by Local Traffic from time to time; provided that for defraying its expenses on issuing of passes and handling of Local Traffic, the Concessionaire shall be entitled to charge a monthly fee of Rs.100 (Rupees one hundred only) to be revised annually to reflect the variation in WPI as compared to January 1, 2007, and then rounded off to the nearest 5 (five) rupees; provided further that no passes will be required or Fee collected from a vehicle that uses part of the Project Highway and does not cross a Toll Plaza.

27.4 Free use of service lanes

Deleted

27.5 Discounted Fee for frequent Users

27.5.1 The Concessionaire shall, upon request from any person, issue a return pass on payment of a sum equal to 150% (one hundred and fifty per cent) of the Fee payable for the respective vehicle if it were to undertake a single one-way trip on the Project Road. Such return pass shall entitle the specified vehicle to undertake a return journey on the same day as the outward journey.

27.5.2 The Concessionaire shall, upon request from any person for issue of 20 (twenty) or more one-way toll tickets, issue such tickets at a discounted rate equivalent to 80% (eighty per cent) of the Fee payable for the respective vehicle. Such discounted tickets shall entitle the specified vehicle to commute on the Project Road by using one ticket for a single one-way trip at any time during a period of one month (calendar month) or part thereof.

27.6 Reappropriation of excess Fee

27.6.1 In the event that the average daily traffic of PCUs in any Accounting Year shall have reached a level equivalent to 120% (one hundred and twenty percent) of the designed capacity specified in Clause 29.2.3 (the "Traffic Cap"), the Fee levied and collected from the traffic exceeding the Traffic Cap shall, notwithstanding anything to the contrary contained in this Agreement, be deemed to be due and payable to the Government in accordance with the provisions of Clause 27.6.2.

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27.6.2 If traffic in any Accounting Year exceeds the Traffic Cap, the Concessionaire shall be entitled to collect and appropriate the Realisable Fee for traffic not exceeding the Traffic Cap and for all traffic exceeding the Traffic Cap, the Concessionaire shall collect and deposit the same into the Safety Fund within 60 (sixty) days of the close of the relevant Accounting Year; provided that the balance remaining in respect of the excess traffic of the last Accounting Year of the Concession Period shall be credited to the Safety Fund within 30 (thirty) days of the Transfer Date.

27.7 Tolling Contractor

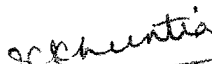
The Concessionaire may appoint a Tolling Contractor or any other person to collect the Fee for and on behalf of the Concessionaire, provided that notwithstanding such appointment, the Concessionaire shall be and remain solely liable and responsible for the collection of Fee in accordance with this Agreement and its deposit into the Escrow Account and for compliance with the provisions of this Agreement.

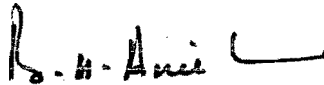
27.8 Fee collection points

Fee shall ordinarily be collected at the Toll Plazas (at Toll Plaza locations as indicated in Schedule C) from vehicles crossing the Toll Plazas and using the whole or part of the Project Road; provided that for preventing evasion of Fee by any vehicle circumventing one or both of the Toll Plazas and using the whole or part of the Project Road located between such Toll Plazas, the Concessionaire shall be entitled to set up at its own risk and cost, and in consultation with the Independent Engineer, its temporary or permanent Fee collection booths, or impose such other restrictions on entry to the Project Road, as may reasonably be necessary for preventing such evasion. For the avoidance of doubt, the Concessionaire hereby acknowledges and agrees that it shall not determine or collect Fee from Users who do not use any part of the Project Road which is situated between the two Toll Plazas OR only use part of the Project Highway situated on any one side of the Toll Plaza. It is further acknowledged and agreed that the restrictions hereunder shall not extend beyond a distance of 10 (ten) kilometres from the Toll Plazas and the provisions of this Clause 27.8 shall be so enforced as to minimise inconvenience to Users who are not liable to payment of Fee.

27.9 Additional charge for evasion of Fee

In the event that any vehicle uses the Project Road without payment of Fee due, the Concessionaire shall, subject to Applicable Law and Applicable Permits, be entitled to determine and collect from such vehicle the Fee due and an equivalent amount towards predetermined liquidated damages for attempt to make unauthorised use of the Project


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Road; provided that the determination and collection of such Fee and liquidated damages shall be at the risk and cost of the Concessionaire and Government shall not in any manner be liable on account thereof; provided further that upon detection of overloading, the Concessionaire shall prevent the vehicle from using the Project Road until the excess load has been removed from such vehicle and Government shall not be liable for any act or omission of the Concessionaire in relation to such vehicle or person driving such vehicle.

27.10 Additional fee for overloaded vehicles

Subject to the provisions of Clause 27.9 and without prejudice to the liability incurred under the Applicable Laws by any person driving a vehicle that is loaded in excess of the permissible limit set forth in such laws, the Concessionaire may, in its discretion, recover an additional fee (the "Additional Fee") in lieu of the deterioration that may have been caused to the Project Road by such use. The Additional Fee shall not exceed:

- (a) 50% (fifty per cent) of the Fee if the overloading of such vehicle exceeds 10% (ten per cent) of the permissible load but is not greater than 20% (twenty per cent) thereof; and
- (b) 100% (one hundred per cent) of the Fee if such overloading exceeds 20% (twenty per cent) of the permissible load:

Provided that the Additional Fee shall be levied on the basis of actual Gross Vehicle Weight as measured by a standardised static weighing machine to be installed by the Concessionaire at each of the Toll Plazas;

Provided further that determination and collection of Additional Fee shall be regulated and enforced entirely at the risk and cost of the Concessionaire and it shall have no claim against GOVERNMENT in the event of its inability or failure to collect such Additional Fee in full or part for any reason whatsoever or any matter relating thereto.

27.11 Deleted

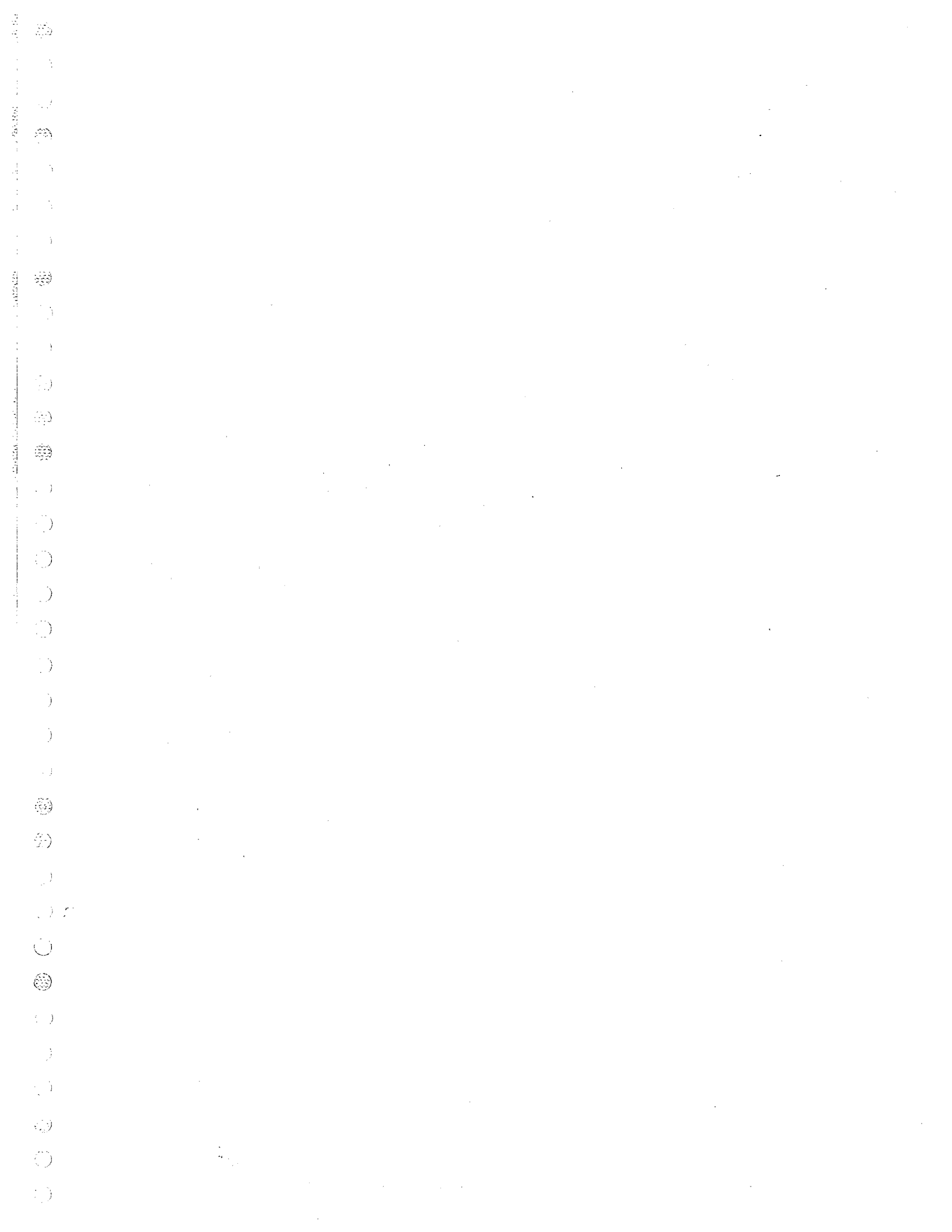
27.12 Display of Fee rates

27.12.1 The Concessionaire shall, at the beginning of the Project Road and near the Toll Plazas, prominently display the applicable rates of Fee for information of Users approaching from either side of the Project Road.

27.12.2 The Concessionaire shall, from time to time, inform Government of the applicable Fee and the detailed calculation thereof. Such information shall be communicated at least 15

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(fifteen) days prior to the revision of Fee under and in accordance with the Fee Notification.

27.12.3 The Concessionaire shall not revise, display or collect any amounts in excess of the rates of Fee payable under the Fee Notification. In the event any excess amounts are collected by or on behalf of the Concessionaire, it shall, upon receiving a notice to this effect from Government, refund such excess amounts to Government along with Damages equal to 25% (twenty five percent) thereof.

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Transport Department

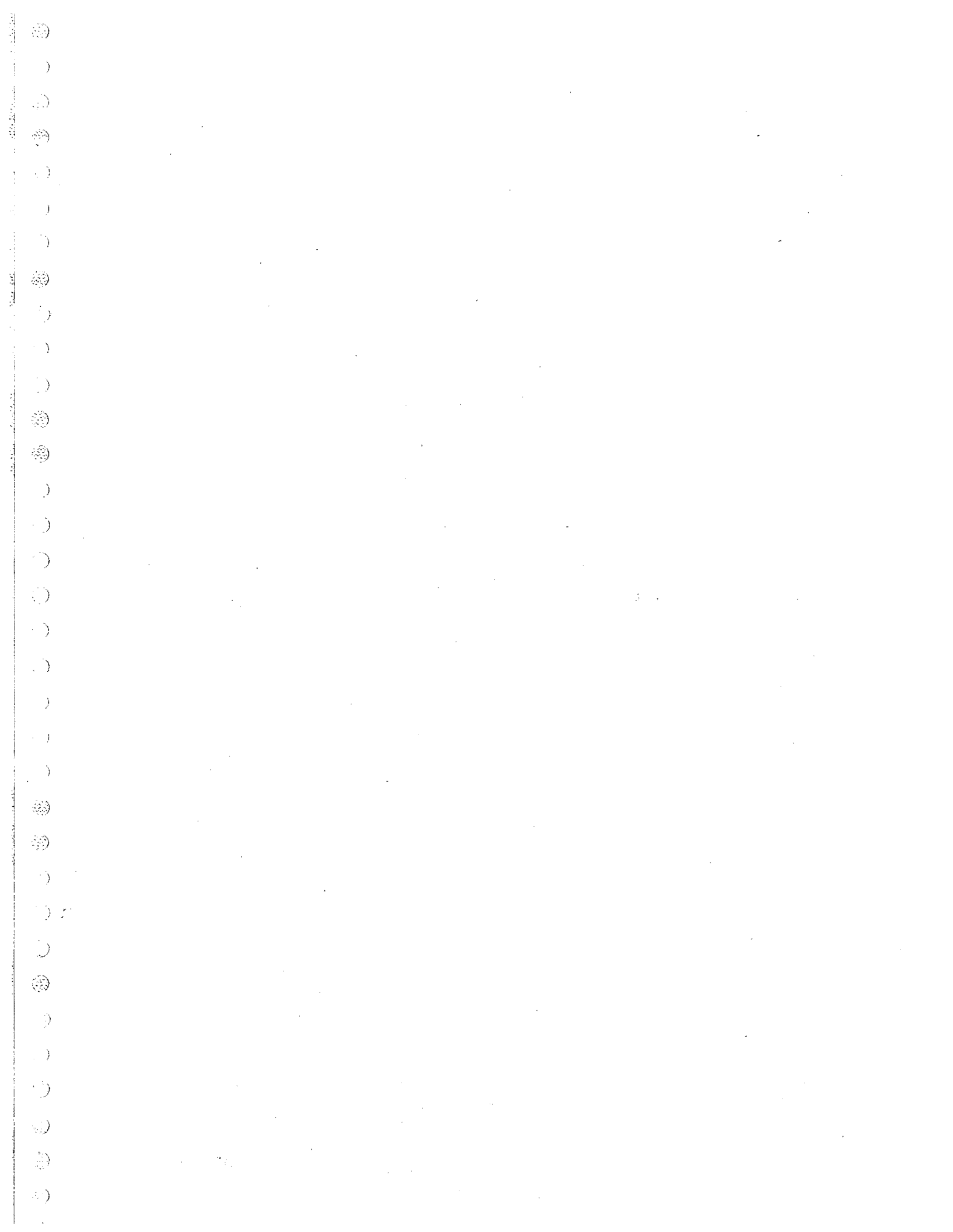
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ARTICLE 28
REVENUE SHORTFALL LOAN

28.1 Revenue Shortfall Loan

- 28.1.1 If the Realisable Fee in any Accounting Year shall fall short of the Subsistence Revenue as a result of an Indirect Political Event, a Political Event or a Government Default, as the case may be, the Government shall, upon request of the Concessionaire, provide a loan for meeting such shortfall (the "Revenue Shortfall Loan") at an interest rate equal to 2% (two per cent) above the Bank Rate.
- 28.1.2 If the half-yearly results of the Concessionaire indicate that the shortfall contemplated for an Accounting Year has arisen in respect of the first 6 (six) months thereof, the Concessionaire shall be entitled to a provisional Revenue Shortfall Loan; provided that, no later than 60 (sixty) days after the close of such Accounting Year, the Concessionaire shall either repay the provisional loan with interest or adjust it against the Revenue Shortfall Loan, if any, as may be due to it under this Clause 28.1.
- 28.1.3 The Government shall disburse the Revenue Shortfall Loan or the provisional Revenue Shortfall Loan, as the case may be, within 30 (thirty) days of receiving a request from the Concessionaire along with the particulars thereof including a detailed account of the Indirect Political Event, Political Event or the Government Default, as the case may be, and its impact on the collection of Fee.

28.2 Repayment of Revenue Shortfall Loan

A sum equal to 50% (fifty per cent) of the 'profit before tax' of the Concessionaire, as and when made, shall be earmarked for repayment of the Revenue Shortfall Loan and interest thereon, and paid by the Concessionaire to the Government within 90 (ninety) days of the close of the Accounting Year in which such profits have been made; provided that the Concessionaire shall repay the entire Revenue Shortfall Loan and interest thereon not later than one year prior to the expiry of the Concession Period and in the event that any sum remains due or outstanding at any time during such period of one year, the Government shall be entitled to terminate this Agreement forthwith. For the avoidance of doubt, it is agreed that the repayment of Revenue Shortfall Loan shall be in accordance with and subject to the provisions of Article 31.



<p><i>Subhantia</i> SUBHASH C. KHUNTIA Principal Secretary to Government Public Works, Ports and Inland Water Transport Department</p>	<p><i>B. H. Anil</i> Managing Director KRDCL</p>	<p><i>Abhijeet</i> Abhijeet Toll Road, (Karnataka) Limited Authorised Signatory</p>
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ARTICLE 29
EFFECT OF VARIATIONS IN TRAFFIC GROWTH

29.1 Effect of variations in traffic growth

29.1.1 The Government and the Concessionaire acknowledge that the traffic as on 2021 (the "Target Date") is estimated to be 9930 PCUs per day (the "Target Traffic")*, and hereby agree that for determining the modifications to the Concession Period under this Article 29, the actual traffic on the Target Date shall be derived by computing the average of the traffic as determined by traffic sampling to be undertaken, in accordance with Clause 22.3, on the date that falls one year prior to the Target Date, on the Target Date and on the first anniversary of the Target Date (the "Actual Traffic"). For the avoidance of doubt, it is agreed that traffic sampling shall be undertaken for a continuous period of 7 (seven) days during anytime within 15 (fifteen) days prior to the date specified herein and the average thereof shall be deemed to be the actual traffic.

29.1.2 In the event that the Actual Traffic shall have fallen short of the Target Traffic by more than 2.5% (two point five per cent) thereof or exceeded the Target Traffic by more than 2.5% (two point five per cent) thereof, the Concession Period shall be deemed to be modified in accordance with Clause 29.2. For the avoidance of doubt, in the event of any Dispute relating to Actual Traffic, the Dispute Resolution Procedure shall apply.

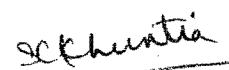
29.2 Modification in the Concession Period

29.2.1 Subject to the provisions of Clause 29.1.2, in the event Actual Traffic shall have fallen short of the Target Traffic, then for every 1% (one per cent) shortfall as compared to the Target Traffic, the Concession Period shall, subject to payment of Concession Fee in accordance with this Agreement, be increased by 1.5% (one point five per cent) thereof; provided that such increase in Concession Period shall not in any case exceed 20% (twenty per cent) of the Concession Period. For the avoidance of doubt, and by way of illustration, it is agreed that in the event of a shortfall of 10.6% (ten point six per cent) in Target Traffic, the Concession Period shall be increased by 15% (fifteen per cent) thereof.

29.2.2 Subject to the provisions of Clause 29.1.2, in the event Actual Traffic shall have exceeded the Target Traffic, then for every 1% (one per cent) excess as compared to the Target Traffic, the Concession Period shall be reduced by 0.75% (zero point seven five per cent)

* The target Date to be specified here shall be about 10 (ten) years from the date of this Agreement.

** The Target Traffic shall be a number based on 5% CAGR over the base traffic assumed for the Project Highway.


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Transport Department


Managing Director
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thereof; provided that such reduction in Concession Period shall not in any case exceed 10% (ten per cent) thereof. For the avoidance of doubt and by way of illustration, it is agreed that in the event of an excess of 8.7% (eight point seven per cent) in Target Traffic, the Concession Period shall be reduced by 6% (six per cent) thereof:

Provided further that in lieu of a reduction in Concession Period under this Clause 29.2.2. the Concessionaire may elect to pay, in addition to the Concession Fee that would be due and payable if the Concession Period were not reduced hereunder, a further premium equal to [25% (twenty five per cent)] of the Realisable Fee, and upon notice given to this effect by the Concessionaire no later than two years prior to the Transfer Date contemplated by this Clause 29.2.2, the Government shall waive the reduction in Concession Period hereunder forthwith.

29.2.3 Notwithstanding anything to the contrary contained in this Agreement, if the average daily traffic of PCUs in any Accounting Year shall exceed the designed capacity of the Project Highway and shall continue to exceed the designed capacity for 3 (three) Accounting Years following thereafter, an Indirect Political Event shall be deemed to have occurred and the Government may in its discretion terminate this Agreement by issuing a Termination Notice and making a Termination Payment under and in accordance with the provisions of Clause 34.9.2; provided that before issuing such Termination Notice, the Government shall inform the Concessionaire of its intention and grant 180 (one hundred and eighty) days time to make a representation, and may after the expiry of such 180 (one hundred and eighty) days period, whether or not it is in receipt of such representation, in its sole discretion issue the Termination Notice. For the avoidance of doubt, the Parties agree that an average daily traffic of 25000 PCUs shall be deemed to be the designed capacity of the [Two-Lane] Project Road.

29.2.4 If the Concessionaire shall have, prior to issue of a Termination Notice under Clause 29.2.3. completed the Construction Works necessary for augmenting the capacity of the Project Highway such that its capacity shall have increased sufficiently for carrying the then current traffic in accordance with the corresponding provisions of the Indian Roads Congress Publication No. IRC - 64, 1990 or any substitute thereof, the Indirect Political Event specified in Clause 29.2.3 shall be deemed to have been cured.

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SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
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H. H. Anil

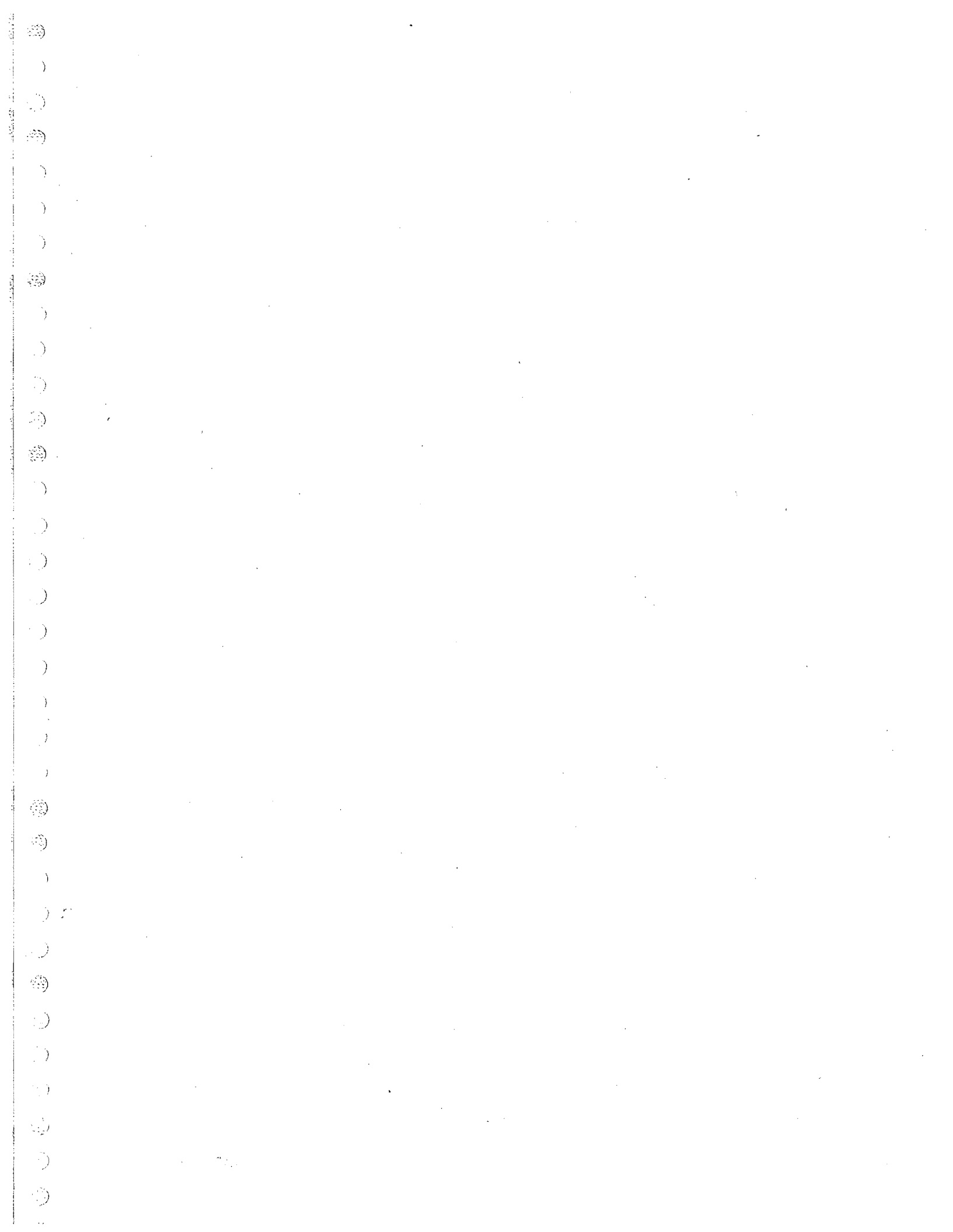
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ARTICLE 30
CONSTRUCTION OF ADDITIONAL TOLLWAY

30.1 Restrictions on construction of Additional Tollway

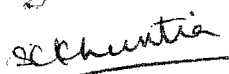
30.1.1 Notwithstanding anything to the contrary contained in this Agreement but subject always to Clause 30.2, the Government shall not construct, and shall procure that no Government Instrumentality shall construct or cause to be constructed, any expressway or other toll road between, inter alia, Chikkanayakanahalli to Hassan via Tiptur Bypass [Km 0.000 to Km 22.852 of MDR Chikkanayakanahalli-Tiptur, Km 0.000 to Km 7.050 of Tiptur Bypass, Km 3.000 to km 49.319 SH-68, Tiptur-Hassan](collectively the "Additional Tollway") for use by traffic at any time before the [12th (twelfth) anniversary of the Appointed Date; provided that in the event of the Concession Period being reduced to 11 (eleven) years, the Additional Tollway may be opened to traffic at any time after the 7th (seventh)] anniversary of the Appointed Date. For the avoidance of doubt, Additional Tollway does not include any expressway or other toll road connecting, inter alia, Chikkanayakanahalli to Hassan via Tiptur Bypass [Km 0.000 to Km 22.852 of MDR, Chikkanayakanahalli-Tiptur, Km 0.000 to Km 7.050 of Tiptur Bypass, Km 3.000 to km 49.319 SH-68, Tiptur-Hassan] if the length of such expressway or toll road exceeds the length of the existing route comprising the Project Road by 20% (twenty per cent) thereof.


30.1.2 If the Government shall be in breach of the provisions of Clause 30.1.1, the Concessionaire shall, without prejudice to its other rights and remedies under this Agreement including Termination thereof, be entitled to receive compensation from the Government under and in accordance with the provisions of Clause 35.4.

30.2 Modification in the Concession Period

In the event of the Government or any Government Instrumentality constructing or causing construction of any Additional Tollway, the following shall apply:

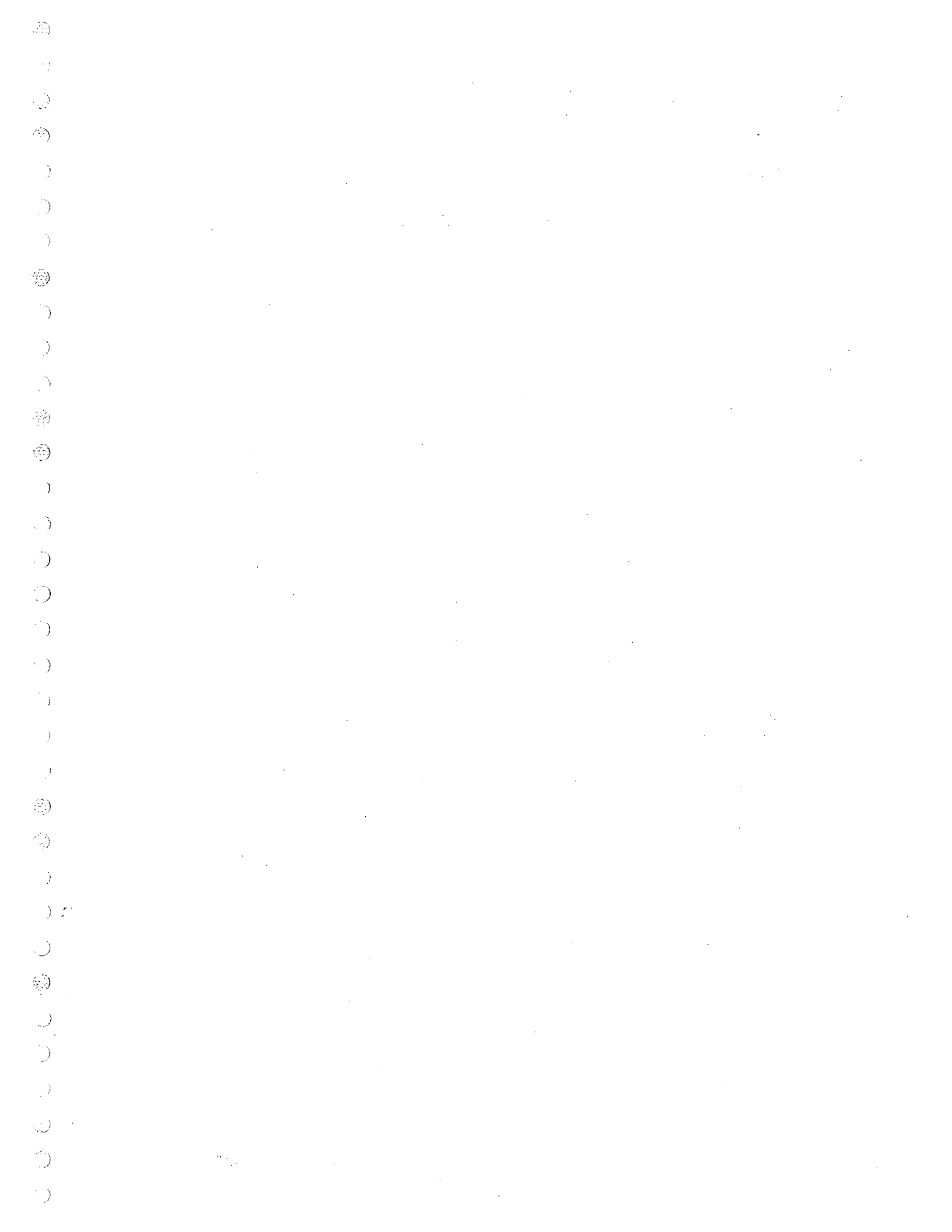
- (a) if the Additional Tollway is proposed to be opened to traffic between the 20th (twentieth) and the 25th (twenty fifth) anniversary of the Appointed Date, the Government shall, by notice to be communicated before the 20th (twentieth) anniversary of the Appointed Date, require the Concessionaire not to undertake Two-Laning Plus and to operate the Two-Lane Project Highway for a Concession Period of 24 (twenty four) years. Upon delivery of such notice, the Concession Period shall be deemed to be 24 (twenty four) years for purposes of this Agreement;
- (b) if the Concession Period is reduced to 24 (twenty four) years and the Additional Tollway is opened to traffic between the 20th (twentieth) and 24th (twenty fourth) anniversary of the Appointed Date, the Concessionaire shall be entitled to an


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additional Concession Period which shall be equal in duration to the period between the opening of the Additional Tollway and the 24th (twenty fourth) anniversary; and*

- (c) if the Additional Tollway is opened to traffic between the 25th (twenty fifth) and 30th (thirtieth) anniversary of the Appointed Date, the Concessionaire shall be entitled to an additional Concession Period, which shall be equal in duration to the period between the opening of the Additional Tollway and the 30th (thirtieth) anniversary. For the avoidance of doubt, if the Additional Tollway is opened on the 27th (twenty seventh) anniversary, the Concession Period shall be deemed to be 33 (thirty three) years.

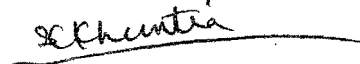
30.3 Minimum Fee for the Project Road

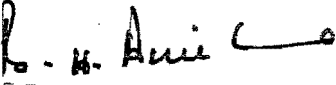
Upon commissioning of the Additional Tollway, the Concessionaire shall continue to collect the Fee, and shall not offer any discounts or reductions in such Fee except with the prior written consent of the Government; provided that the Concessionaire may continue, in the same form and manner, any discounts or reductions that it had offered to any general or special class of Users or vehicles for a continuous period of three years prior to the opening of the Additional Tollway to traffic.

30.4 Minimum Fee for Additional Tollway

The Government agrees and undertakes to procure that the fee to be levied and collected during the subsistence of this Concession from any vehicle or class of vehicles using the Additional Tollway shall at no time be less than 25% (twenty five percent) higher than the Fee levied and collected from similar vehicles using the Project Highway.

* Sub-clauses (a) and (b) may be omitted if two-stage capacity augmentation is not specified in the Agreement and Sub-clause (c) may be retained as Clause 30.2


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**ARTICLE 31
ESCROW ACCOUNT**

31.1 Escrow Account

31.1.1 The Concessionaire shall, prior to the Appointed Date, open and establish an Escrow Account with a Bank (the "**Escrow Bank**") in accordance with this Agreement read with the Escrow Agreement.

31.1.2 The nature and scope of the Escrow Account are fully described in the agreement (the "**Escrow Agreement**") to be entered into amongst the Concessionaire, Government, the Escrow Bank and the Senior Lenders through the Lenders' Representative, which shall be substantially in the form set forth in Schedule-S.

31.2 Deposits into Escrow Account

The Concessionaire shall deposit or cause to be deposited the following inflows and receipts into the Escrow Account:

- (a) all funds constituting the Financial Package;
- (b) all Fee and any other revenues from or in respect of the Project Road, including the proceeds of insurance claims; and
- (c) all payments by Government, after deduction of any outstanding Concession Fee:

Provided that the Senior Lenders may make direct disbursements to the EPC Contractor in accordance with the express provisions contained in this behalf in the Financing Agreements.

31.3 Withdrawals during Concession Period

31.3.1 The Concessionaire shall, at the time of opening the Escrow Account, give irrevocable instructions, by way of an Escrow Agreement, to the Escrow Bank instructing, inter alia, that deposits in the Escrow Account shall be appropriated in the following order every month, or at shorter intervals as necessary, and if not due in a month then appropriated proportionately in such month and retained in the Escrow Account and paid out therefrom in the month when due:

- (a) all taxes due and payable by the Concessionaire;
- (b) all payments relating to construction of the Project Road, subject to and in accordance with the conditions, if any, set forth in the Financing Agreements;

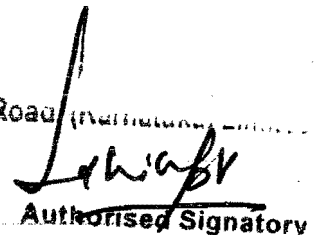


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- (c) O&M Expenses, subject to the ceiling, if any, set forth in the Financing Agreements;
 - (d) O&M Expenses and other costs and expenses incurred by the Government in accordance with the provisions of this Agreement, and certified by Government as due and payable to it;
 - (e) Concession Fee due and payable to Government;
 - (f) monthly proportionate provision of Debt Service due in an Accounting Year;
 - (g) Premium due and payable to Government;
 - (h) all payments and Damages certified by Government as due and payable to it by the Concessionaire,
 - (i) debt service in respect of Subordinated Debt;
 - (j) any reserve requirements set forth in the Financing Agreements; and
 - (k) balance, if any, in accordance with the instructions of the Concessionaire.
- 31.3.2 The Concessionaire shall not in any manner modify the order of payment specified in Clause 31.3.1, except with the prior written approval of the Government.

31.4 Withdrawals upon Termination

- 31.4.1 Notwithstanding anything to the contrary contained in this Agreement, all amounts standing to the credit of the Escrow Account shall, upon Termination, be appropriated in the following order:
- (a) all taxes due and payable by the Concessionaire;
 - (b) 90% (ninety per cent) of Debt Due excluding Subordinated Debt;
 - (c) outstanding Concession Fee;
 - (d) all payments and Damages certified by Government as due and payable to it by the Concessionaire, including Premium;
 - (e) retention and payments relating to the liability for defects and deficiencies set forth in Article 39;
 - (f) outstanding Debt Service including the balance of Debt Due;
 - (g) outstanding Subordinated Debt;

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[Signature]
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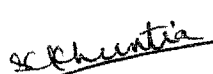
(h) incurred or accrued O&M Expenses;


(i) any other payments required to be made under this Agreement; and

(j) balance, if any, in accordance with the instructions of the Concessionaire:

Provided that no appropriations shall be made under Sub-clause (j) of this Clause 31.4.1 until a Vesting Certificate has been issued by the Government under the provisions of Article 38.

31.4.2 The provisions of this Article 31 and the instructions contained in the Escrow Agreement shall remain in full force and effect until the obligations set forth in Clause 31.4.1 have been discharged.


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ARTICLE 32 INSURANCE

32.1 Insurance during Concession Period

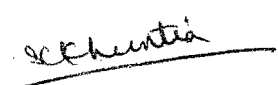
The Concessionaire shall effect and maintain, at its own cost, during the Construction Period and the Operation Period, such insurances for such maximum sums as may be required under the Financing Agreements, and the Applicable Laws, and such insurances as may be necessary or prudent in accordance with Good Industry Practice (the "Insurance Cover"). The Concessionaire shall also effect and maintain such insurances as may be necessary for mitigating the risks that may devolve on the Government T as a consequence of any act or omission of the Concessionaire during the Construction Period. For the avoidance of doubt, the level of insurance to be maintained by the Concessionaire after repayment of Senior Lenders' dues in full shall be determined on the same principles as applicable for determining the level of insurance prior to such repayment of Senior Lenders' dues.

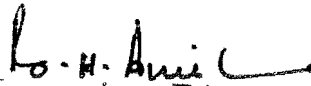
32.2 Notice to GOVERNMENT

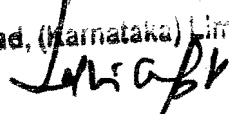
Not later than 45 (forty five) days prior to commencement of the Construction Period or the Operation Period, as the case may be, the Concessionaire shall by notice furnish to Government, in reasonable detail, information in respect of the insurances that it proposes to effect and maintain in accordance with this Article 32. Within 30 (thirty) days of receipt of such notice, Government may require the Concessionaire to effect and maintain such other insurances as may be necessary pursuant hereto, and in the event of any difference or disagreement relating to any such insurance, the Dispute Resolution Procedure shall apply.

32.3 Evidence of Insurance Cover

All insurances obtained by the Concessionaire in accordance with this Article 32 shall be maintained with insurers on terms consistent with Good Industry Practice. Within 15 (fifteen) days of obtaining any insurance cover, the Concessionaire shall furnish to Government, notarised true copies of the certificate(s) of insurance, copies of insurance policies and premia payment receipts in respect of such insurance, and no such insurance shall be cancelled, modified, or allowed to expire or lapse until the expiration of at least 45 (forty five) days after notice of such proposed cancellation, modification or non-renewal has been delivered by the Concessionaire to the Government.


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32.4 Remedy for failure to insure

If the Concessionaire shall fail to effect and keep in force all insurances for which it is responsible pursuant hereto, Government shall have the option to either keep in force any such insurances, and pay such premia and recover the costs thereof from the Concessionaire, or in the event of computation of a Termination Payment, treat an amount equal to the Insurance Cover as deemed to have been received by the Concessionaire.

32.5 Waiver of subrogation

All insurance policies in respect of the insurance obtained by the Concessionaire pursuant to this Article 32 shall include a waiver of any and all rights of subrogation or recovery of the insurers thereunder against, inter alia, Government, and its assigns, successors, undertakings and their subsidiaries, affiliates, employees, insurers and underwriters, and of any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under any such policy or in any way connected with any loss, liability or obligation covered by such policies of insurance.

32.6 Concessionaire's waiver

The Concessionaire hereby further releases, assigns and waives any and all rights of subrogation or recovery against, inter alia, Government and its assigns, undertakings and their subsidiaries, affiliates, employees, successors, permitted assigns, insurers and underwriters, which the Concessionaire may otherwise have or acquire in or from or in any way connected with any loss, liability or obligation covered by policies of insurance maintained or required to be maintained by the Concessionaire pursuant to this Agreement (other than third party liability insurance policies) or because of deductible clauses in or inadequacy of limits of any such policies of insurance.

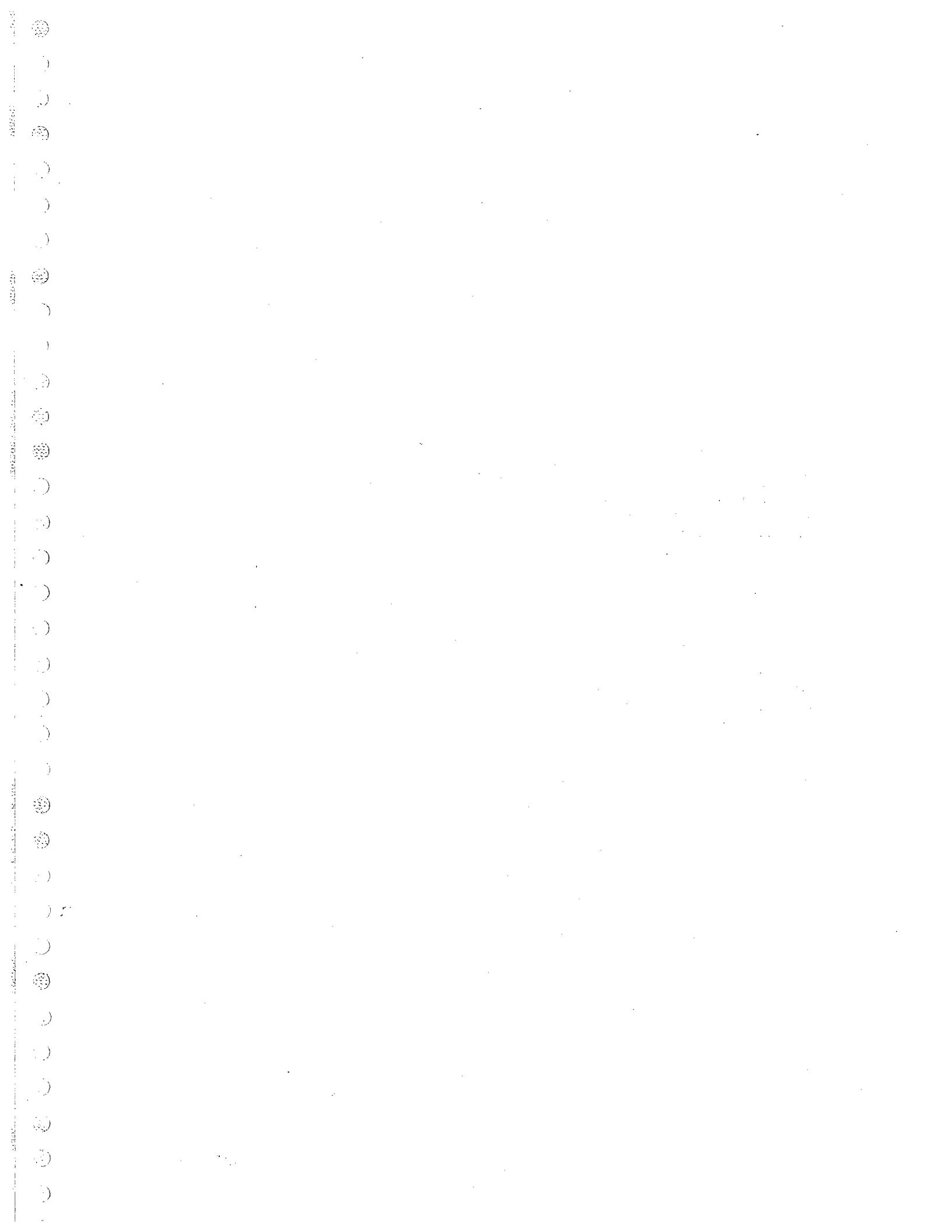
32.7 Application of insurance proceeds

The proceeds from all insurance claims, except life and injury, shall be paid to the Concessionaire by credit to the Escrow Account and it shall, notwithstanding anything to the contrary contained in Clause 31.3, apply such proceeds for any necessary repair, reconstruction, reinstatement, replacement, improvement, delivery or installation of the Project Road, and the balance remaining, if any, shall be applied in accordance with the provisions contained in this behalf in the Financing Agreements.

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ARTICLE 33
ACCOUNTS AND AUDIT

33.1 Audited accounts

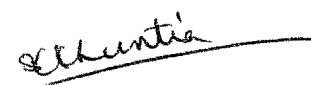
33.1.1 The Concessionaire shall maintain books of accounts recording all its receipts (including all Realisable Fees and other revenues derived/collected by it from or on account of the Project Road and/or its use), income, expenditure, payments (including payments from the Escrow Account), assets and liabilities, in accordance with this Agreement, Good Industry Practice, Applicable Laws and Applicable Permits. The Concessionaire shall provide 2 (two) copies of its Balance Sheet, Cash Flow Statement and Profit and Loss Account, along with a report thereon by its Statutory Auditors, within 90 (ninety) days of the close of the Accounting Year to which they pertain and such audited accounts shall form the basis of payments by either Party under this Agreement. The Government shall have the right to inspect the records of the Concessionaire during office hours and require copies of relevant extracts of books of accounts, duly certified by the Auditors, to be provided to Government for verification of basis of payments, and in the event of any discrepancy or error being found, the same shall be rectified and such rectified account shall form the basis of payments by either Party under this Agreement.

33.1.2 The Concessionaire shall, within 30 (thirty) days of the close of each quarter of an Accounting Year, furnish to the Government its unaudited financial results in respect of the preceding quarter, in the manner and form prescribed by the Securities and Exchange Board of India for publication of quarterly results by the companies listed on a stock exchange.

33.1.3 On or before the thirty-first day of May each Year, the Concessionaire shall provide to Government, for the preceding Accounting Year, a statement duly audited by its Statutory Auditors giving summarised information on (a) the traffic count for each category of vehicles using the Project Road and liable for payment of Fee therefor, (b) Fee charged and received, Realisable Fee and other revenues derived from the Project Road, and (c) such other information as Government may reasonably require.

33.2 Appointment of auditors

33.2.1 The Concessionaire shall appoint, and have during the subsistence of this Agreement as its Statutory Auditors, a firm chosen by it from the mutually agreed list of 10 (ten) reputable firms of chartered accountants (the "**Panel of Chartered Accountants**"), such list to be prepared substantially in accordance with the criteria set forth in Schedule-T. All fees and expenses of the Statutory Auditors shall be borne by the Concessionaire.


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33.2.2 The Concessionaire may terminate the appointment of its Statutory Auditors after a notice of 45 (forty five) days to Government, subject to the replacement Statutory Auditors being appointed from the Panel of Chartered Accountants.

33.2.3 Notwithstanding anything to the contrary contained in this Agreement, Government shall have the right, but not the obligation, to appoint at its cost from time to time and at anytime, another firm (the "**Additional Auditors**") from the Panel of Chartered Accountants to audit and verify all those matters, expenses, costs, realisations and things which the Statutory Auditors are required to do, undertake or certify pursuant to this Agreement.

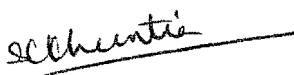
33.2.4 In the event that the grant exceeds 20% (twenty Percent) of the total project cost, the Government shall have the right, but not the obligation, to appoint at its cost, for the duration of the construction period, another firm (the "**Concurrent Auditors**") from the panel of Chartered Accountants to undertake Concurrent Audit of the concessionaire's account


33.3 Certification of claims by Statutory Auditors

Any claim or document provided by the Concessionaire to Government in connection with or relating to receipts, income, payments, costs, expenses, accounts or audit, and any matter incidental thereto shall be valid and effective only if certified by its Statutory Auditors. For the avoidance of doubt, such certification shall not be required for exchange of information in the normal course of business including the submission of Monthly Fee Statements under Clause 19.5.

33.4 Dispute resolution

In the event of there being any difference between the findings of the Additional Auditors or the Concurrent Auditors, as the case may be, and the certification provided by the Statutory Auditors, such Auditors shall meet to resolve the differences and if they are unable to resolve the same, such Dispute shall be resolved by Government by recourse to the Dispute Resolution Procedure.


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**ARTICLE 34
FORCE MAJEURE**

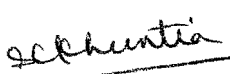
34.1 Force Majeure


As used in this Agreement, the expression "**Force Majeure**" or "Force Majeure Event" shall mean occurrence in India of any or all of Non-Political Event, Indirect Political Event and Political Event, as defined in Clauses 34.2, 34.3 and 34.4 respectively, if it affects the performance by the Party claiming the benefit of Force Majeure (the "**Affected Party**") of its obligations under this Agreement and which act or event (i) is beyond the reasonable control of the Affected Party, and (ii) the Affected Party could not have prevented or overcome by exercise of due diligence and following Good Industry Practice, and (iii) has Material Adverse Effect on the on the Affected Party.

34.2 Non-Political Event

A Non-Political Event shall mean one or more of the following acts or events:

- (a) act of God, epidemic, extremely adverse weather conditions, lightning, earthquake, landslide, cyclone, flood, volcanic eruption, chemical or radioactive contamination or ionising radiation, fire or explosion (to the extent of contamination or radiation or fire or explosion originating from a source external to the Site);
- (b) strikes or boycotts (other than those involving the Concessionaire, Contractors or their respective employees/representatives, or attributable to any act or omission of any of them) interrupting supplies and services to the Project Road for a continuous period of 24 (twenty four) hours and an aggregate period exceeding 7 (seven) days in an Accounting Year, and not being an Indirect Political Event set forth in Clause 34.3;
- (c) any failure or delay of a Contractor but only to the extent caused by another Non-Political Event and which does not result in any offsetting compensation being payable to the Concessionaire by or on behalf of such Contractor;
- (d) any judgement or order of any court of competent jurisdiction or statutory authority in India made against the Concessionaire in any proceedings for reasons other than (i) failure of the Concessionaire to comply with any Applicable Law or Applicable Permit, or (ii) on account of breach of any Applicable Law or Applicable Permit or of any contract, or (iii) enforcement of this Agreement, or (iv) exercise of any of its rights under this Agreement by Government
- (e) the discovery of geological conditions, toxic contamination or archaeological remains on the Site that could not reasonably have been expected to be


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- discovered through a site inspection; or
- (f) any event or circumstances of a nature analogous to any of the foregoing.

34.3 Indirect Political Event

An Indirect Political Event shall mean one or more of the following acts or events:

- (a) an act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, riot, insurrection, terrorist or military action, civil commotion or politically motivated sabotage ;
- (b) industry-wide or State-wide strikes or industrial action for a continuous period of 24 (twenty four) hours and exceeding an aggregate period of 7 (seven) days in an Accounting Year;
- (c) any civil commotion, boycott or political agitation which prevents collection of Fee by the Concessionaire for an aggregate period exceeding 7 (seven) days in an Accounting Year;
- (d) any failure or delay of a Contractor to the extent caused by any Indirect Political Event and which does not result in any offsetting compensation being payable to the Concessionaire by or on behalf of such Contractor;
- (e) any Indirect Political Event that causes a Non-Political Event; or
- (f) any event or circumstances of a nature analogous to any of the foregoing.

34.4 Political Event

A Political Event shall mean one or more of the following acts or events by or on account of any GOVERNMENT Instrumentality:

- (a) Change in Law, only if consequences thereof cannot be dealt with under and in accordance with the provisions of Article 41 and its effect, in financial terms, exceeds the sum specified in Clause 41.1;
- (b) compulsory acquisition in national interest or expropriation of any Project Assets or rights of the Concessionaire or of the Contractors;
- (c) unlawful or unauthorised or without jurisdiction revocation of, or refusal to renew or grant without valid cause, any clearance, licence, permit, authorisation, no objection certificate, consent, approval or exemption required by the Concessionaire or any of the Contractors to perform their respective obligations under this Agreement and the Project Agreements;

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provided that such delay, modification, denial, refusal or revocation did not result from the Concessionaire's or any Contractor's inability or failure to comply with any condition relating to grant, maintenance or renewal of such clearance, licence, authorisation, no objection certificate, exemption, consent, approval or permit;

- (d) any failure or delay of a Contractor but only to the extent caused by another Political Event and which does not result in any offsetting compensation being payable to the Concessionaire by or on behalf of such Contractor; or
- (e) any event or circumstance of a nature analogous to any of the foregoing.

34.5 Duty to report Force Majeure Event

34.5.1 Upon occurrence of a Force Majeure Event, the Affected Party shall by notice report such occurrence to the other Party forthwith. Any notice pursuant hereto shall include full particulars of:


- (a) the nature and extent of each Force Majeure Event which is the subject of any claim for relief under this Article 34 with evidence in support thereof;
- (b) the estimated duration and the effect or probable effect which such Force Majeure Event is having or will have on the Affected Party's performance of its obligations under this Agreement;
- (c) the measures which the Affected Party is taking or proposes to take for alleviating the impact of such Force Majeure Event; and
- (d) any other information relevant to the Affected Party's claim.

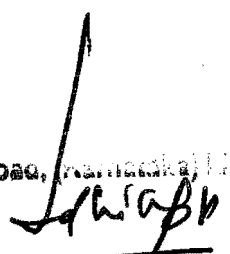
34.5.2 The Affected Party shall not be entitled to any relief for or in respect of a Force Majeure Event unless it shall have notified the other Party of the occurrence of the Force Majeure Event as soon as reasonably practicable, and in any event not later than 7 (seven) days after the Affected Party knew, or ought reasonably to have known, of its occurrence, and shall have given particulars of the probable material effect that the Force Majeure Event is likely to have on the performance of its obligations under this Agreement.

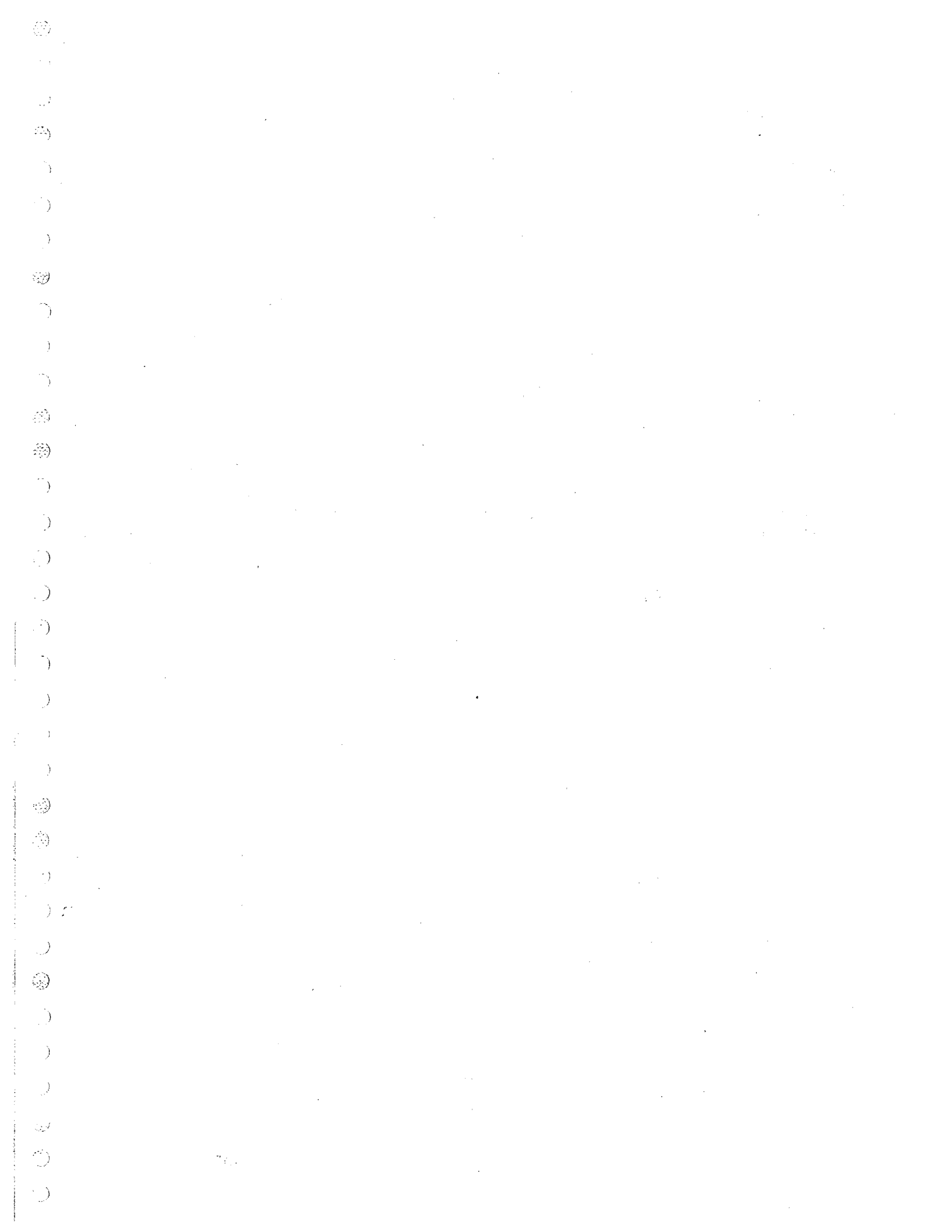
34.5.3 For so long as the Affected Party continues to claim to be materially affected by such Force Majeure Event, it shall provide the other Party with regular (and not less than weekly) reports containing information as required by Clause 34.5.1, and such other information as the other Party may reasonably request the Affected Party to provide.


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34.6 Effect of Force Majeure Event on the Concession

34.6.1 Upon the occurrence of any Force Majeure Event prior to the Appointed Date, the period set forth in Clause 24.1.1 for achieving Financial Close shall be extended by a period equal in length to the duration of the Force Majeure Event.

34.6.2 At any time after the Appointed Date, if any Force Majeure Event occurs:

- (a) before COD, the Concession Period and the dates set forth in the Project Completion Schedule shall be extended by a period equal in length to the duration for which such Force Majeure Event subsists; or
- (b) after COD, whereupon the Concessionaire is unable to collect Fee despite making best efforts or it is directed by the Government to suspend the collection thereof during the subsistence of such Force Majeure Event, the Concession Period shall be extended by a period, equal in length to the period during which the Concessionaire was prevented from collection of Fee on account thereof; provided that in the event of partial collection of Fee where the daily collection is less than 90% (ninety per cent) of the Average Daily Fee, the Government shall extend the Concession Period in proportion to the loss of Fee on a daily basis. For the avoidance of doubt, loss of 25% (twenty five per cent) in collection of Fee as compared to the Average Daily Fee for four days shall entitle the Concessionaire to extension of one day in the Concession Period.

34.7 Allocation of costs arising out of Force Majeure

34.7.1 Upon occurrence of any Force Majeure Event prior to the Appointed Date, the Parties shall bear their respective costs and no Party shall be required to pay to the other Party any costs thereof.

34.7.2 Upon occurrence of a Force Majeure Event after the Appointed Date, the costs incurred and attributable to such event and directly relating to the Project (the "Force Majeure Costs") shall be allocated and paid as follows:

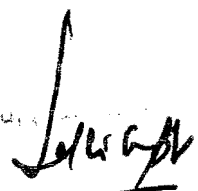
- (a) upon occurrence of a Non-Political Event, the Parties shall bear their respective Force Majeure Costs and neither Party shall be required to pay to the other Party any costs thereof;
- (b) upon occurrence of an Indirect Political Event, all Force Majeure Costs attributable to such Indirect Political Event, and not exceeding the Insurance Cover for such

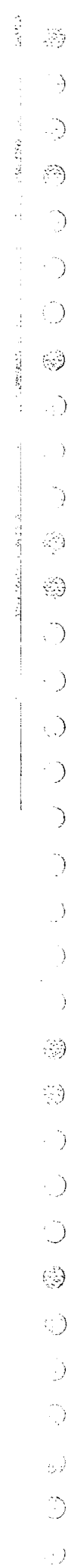

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Public Works, Ports and Inland Water
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Indirect Political Event, shall be borne by the Concessionaire, and to the extent Force Majeure Costs exceed such Insurance Cover, one half of such excess amount shall be reimbursed by Government to the Concessionaire ; and

- (c) upon occurrence of a Political Event, all Force Majeure Costs attributable to such Political Event shall be reimbursed by the Government to the Concessionaire .

For the avoidance of doubt, Force Majeure Costs may include interest payments on debt, O&M Expenses, any increase in the cost of Construction Works on account of inflation and all other costs directly attributable to the Force Majeure Event, but shall not include loss of Fee revenues or debt repayment obligations, and for determining such costs, information contained in the Financial Package may be relied upon to the extent that such information is relevant.

- 34.7.3 Save and except as expressly provided in this Article 34, neither Party shall be liable in any manner whatsoever to the other Party in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event or exercise of any right pursuant hereto.

34.8 Termination Notice for Force Majeure Event

If a Force Majeure Event subsists for a period of 180 (one hundred and eighty) day-or more within a continuous period of 365 (three hundred and sixty five) days, either Party may in its discretion terminate this Agreement by issuing a Termination Notice to the other Party without being liable in any manner whatsoever, save as provided in this Article 34, and upon issue of such Termination Notice, this Agreement shall, notwithstanding anything to the contrary contained herein, stand terminated forthwith; provided that before issuing such Termination Notice, the Party intending to issue the Termination Notice shall inform the other Party of such intention and grant 15 (fifteen) days time to make a representation, and may after the expiry of such 15 (fifteen) days period, whether or not it is in receipt of such representation, in its sole discretion issue the Termination Notice.

34.9 Termination Payment for Force Majeure Event

- 34.9.1 If Termination is on account of a Non-Political Event, the Government shall make a Termination Payment to the Concessionaire in an amount equal to 90% (ninety per cent) of the Debt Due less Insurance Cover.

- 34.9.2 If Termination is on account of an Indirect Political Event, the Government of Karnataka/Government shall make a Termination Payment to the Concessionaire in an


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amount equal to:

- (a) Debt Due less Insurance Cover; provided that if any insurance claims forming part of the Insurance Cover are not admitted and paid, then 80% (eighty per cent) of such unpaid claims shall be included in the computation of Debt Due; and
- (b) 110% (one hundred and ten per cent) of the Adjusted Equity.

34.9.3 If Termination is on account of a Political Event, the Government shall make a Termination Payment to the Concessionaire in an amount that would be payable under Clause 37.3.2 as if it were a Government Default.

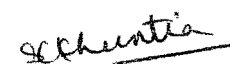

34.10 Dispute resolution

In the event that the Parties are unable to agree in good faith about the occurrence or existence of a Force Majeure Event, such Dispute shall be finally settled in accordance with the Dispute Resolution Procedure; provided that the burden of proof as to the occurrence or existence of such Force Majeure Event shall be upon the Party claiming relief and/or excuse on account of such Force Majeure Event.

34.11 Excuse from performance of obligations

If the Affected Party is rendered wholly or partially unable to perform its obligations under this Agreement because of a Force Majeure Event, it shall be excused from performance of such of its obligations to the extent it is unable to perform on account of such Force Majeure Event; provided that:

- (a) the suspension of performance shall be of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event;
- (b) the Affected Party shall make all reasonable efforts to mitigate or limit damage to the other Party arising out of or as a result of the existence or occurrence of such Force Majeure Event and to cure the same with due diligence; and
- (c) when the Affected Party is able to resume performance of its obligations under this Agreement, it shall give to the other Party notice to that effect and shall promptly resume performance of its obligations hereunder.


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ARTICLE 35
COMPENSATION FOR BREACH OF AGREEMENT

35.1 Compensation for default by the Concessionaire

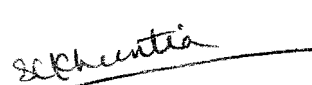
In the event of the Concessionaire being in material default or breach of this Agreement, it shall pay to the Government by way of compensation, all direct costs suffered or incurred by the Government T as a consequence of such material default, within 30 (thirty) days of receipt of the demand supported by necessary particulars thereof; provided that no compensation shall be payable under this Clause 35.1 for any breach or default in respect of which Damages are expressly specified and payable under this Agreement.

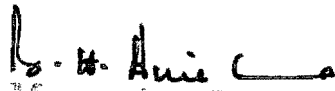
35.2 Compensation for default by the Government

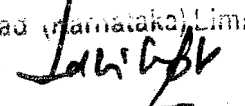
In the event of the Government being in material default or breach of this Agreement at any time after the Appointed Date and such default is cured before Termination, it shall pay to the Concessionaire by way of compensation, all direct costs suffered or incurred by the Concessionaire as a consequence of such material default, within 30 (thirty) days of receipt of the demand supported by necessary particulars thereof; provided that no such compensation shall be payable for any breach or default in respect of which Damages have been expressly specified in this Agreement. For the avoidance of doubt, compensation payable may include interest payments on debt, O&M Expenses, any increase in capital costs on account of inflation and all other costs directly attributable to such material default but shall not include loss of Fee revenues or debt repayment obligations, and for determining such compensation, information contained in the Financial Package and the Financial Model may be relied upon to the extent it is relevant.

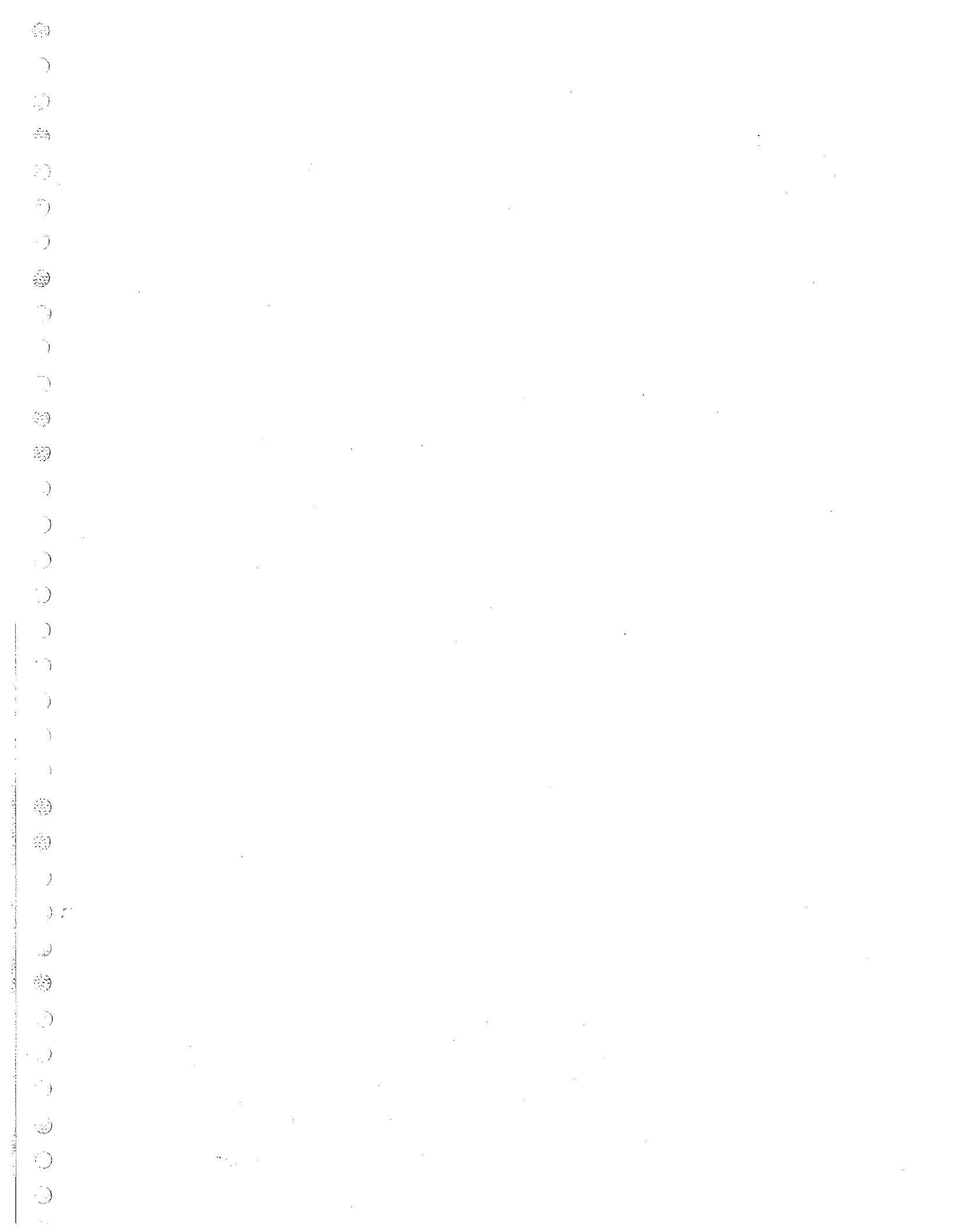
35.3 Extension of Concession Period

In the event that a material default or breach of this Agreement set forth in Clause 35.2 causes delay in achieving COD or leads to suspension of or reduction in collection of Fee, as the case may be, the Government shall, in addition to payment of compensation under Clause 35.2, extend the Concession Period, such extension being equal in duration to the period by which COD was delayed or the collection of Fee remained suspended on account thereof, as the case may be; and in the event of reduction in collection of Fee where the daily collection is less than 90% (ninety per cent) of the Average Daily Fee, the Government shall, in addition to payment of compensation hereunder, extend the Concession Period in proportion to the loss of Fee on a daily basis. For the avoidance of doubt, loss of 25% (twenty five per cent) in collection of Fee as compared to the Average Daily Fee for four days shall entitle the Concessionaire to extension of one day in the Concession Period.


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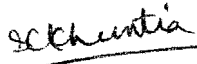
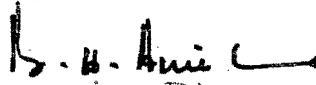
35.4 Compensation for Competing Roads

35.4.1 In the event that an Additional Tollway or a Competing Road, as the case may be, is opened to traffic or operated in breach of this Agreement, the GOVERNMENT shall pay to the Concessionaire compensation in a sum equal to the difference between the Realisable Fee and the projected daily Fee (the "Projected Fee") until the breach is cured. The Projected Fee hereunder shall be an amount equal to the Average Daily Fee, increased at the close of every month by 0.5% (zero point five per cent) thereof and revised in accordance with Clause 27.2. For the avoidance of doubt, the Average Daily Fee for the purposes of this Clause shall be the amount so determined in respect of the Accounting Year or period, as the case may be, occurring prior to such opening or operation of an Additional Tollway or a Competing Road, as the case may be.

35.4.2 Payment of compensation under this Clause 35.4 shall be deemed to cure the breach of this Agreement so long as the Government continues to pay compensation hereunder.

35.5 Compensation to be in addition

Compensation payable under this Article 35 shall be in addition to, and not in substitution for, or derogation of Termination Payment, if any.


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ARTICLE 36
SUSPENSION OF CONCESSIONAIRE'S RIGHTS

36.1 Suspension upon Concessionaire Default

Upon occurrence of a Concessionaire Default, Government shall be entitled, without prejudice to its other rights and remedies under this Agreement including its rights of Termination hereunder, to (i) suspend all rights of the Concessionaire under this Agreement including the Concessionaire's right to collect Fee, and other revenues pursuant hereto, and (ii) exercise such rights itself or authorize any other person to exercise the same on its behalf during such suspension (the "Suspension"). Suspension hereunder shall be effective forthwith upon issue of notice by Government to the Concessionaire and may extend up to a period not exceeding 180 (one hundred and eighty) days from the date of issue of such notice; provided that upon written request from the Concessionaire and the Lenders' Representative, Government shall extend the aforesaid period of 180 (one hundred and eighty) days by a further period not exceeding 90 (ninety) days.

36.2 GOVERNMENT to act on behalf of Concessionaire

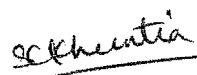
36.2.1 During the period of Suspension, Government shall, on behalf of the Concessionaire, collect all Fee and revenues under and in accordance with this Agreement and deposit the same in the Escrow Account. Government shall be entitled to make withdrawals from the Escrow Account for meeting the costs incurred by it for remedying and rectifying the cause of Suspension, and thereafter for defraying the expenses specified in Clause 31.3.

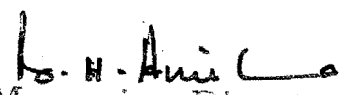
36.2.2 During the period of Suspension hereunder, all assets and liabilities in relation to the Project Road shall continue to vest in the Concessionaire and all things done or actions taken, including expenditure incurred by Government for discharging the obligations of the Concessionaire under and in accordance with this Agreement and the Project Agreements, shall be deemed to have been done or taken for and on behalf of the Concessionaire and the Concessionaire undertakes to indemnify Government for all costs incurred during such period.

36.3 Revocation of Suspension

36.3.1 In the event that Concessionaire shall have rectified or removed the cause of Suspension within a period not exceeding 90 (ninety) days from the date of Suspension, Government shall revoke the Suspension forthwith and restore all rights of the Concessionaire under this Agreement.

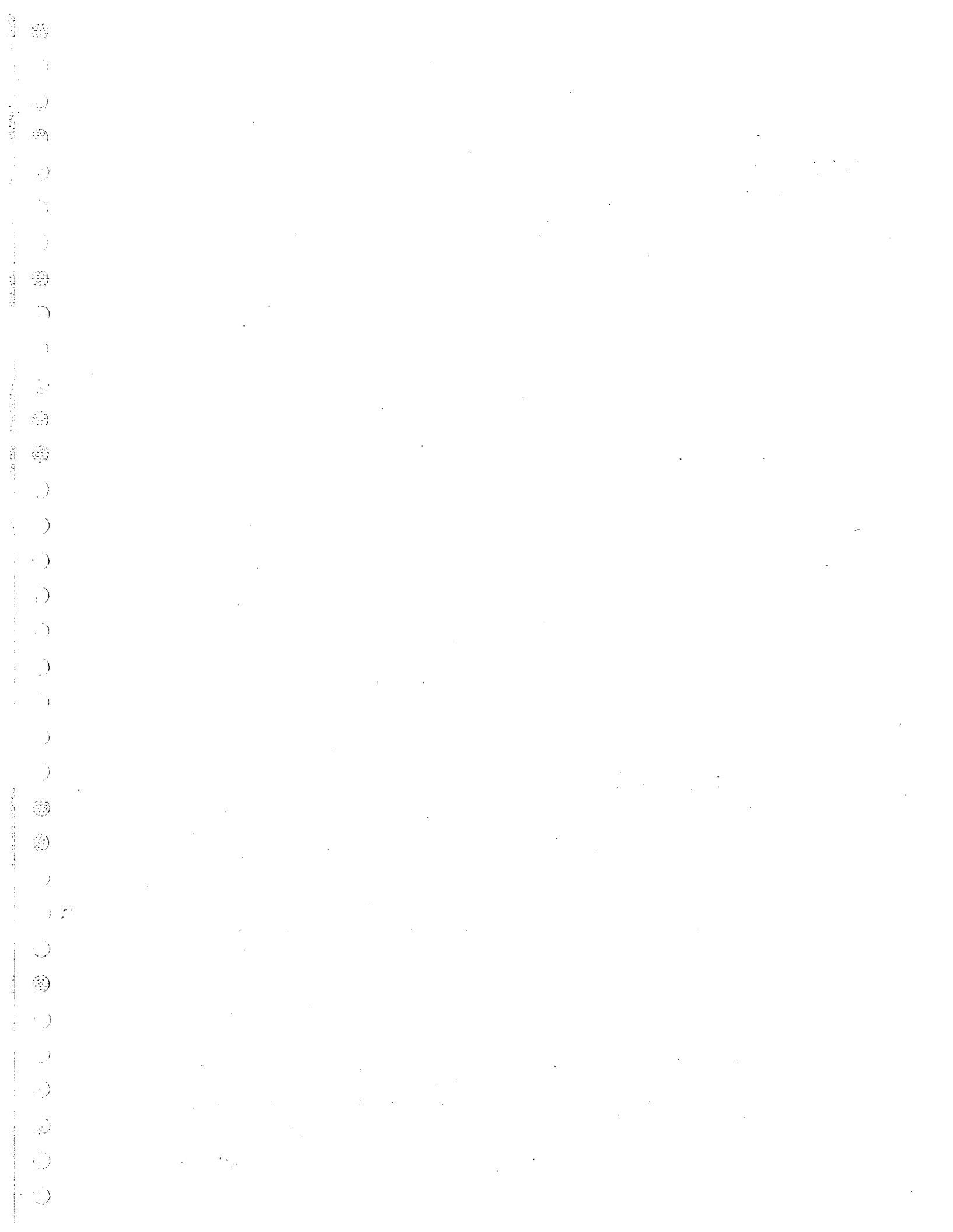
36.3.2 Upon the Concessionaire having cured the Concessionaire Default within a period not exceeding 90 (ninety) days from the date of Suspension, Government shall revoke the Suspension forthwith and restore all rights of the Concessionaire under this Agreement.


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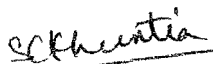
36.4 Substitution of Concessionaire


At any time during the period of Suspension, the Lenders' Representative, on behalf of Senior Lenders, shall be entitled to substitute the Concessionaire under and in accordance with the Substitution Agreement, and upon receipt of notice thereunder from the Lenders' Representative, Government shall withhold Termination for a period not exceeding 180 (one hundred and eighty) days from the date of Suspension, and any extension thereof under Clause 36.1, for enabling the Lenders' Representative to exercise its rights of substitution on behalf of Senior Lenders.

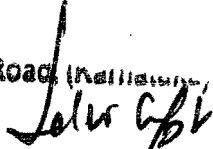
36.5 Termination

36.5.1 At any time during the period of Suspension under this Article 36, the Concessionaire may by notice require Government to revoke the Suspension and issue a Termination Notice. Subject to the rights of the Lenders' Representative to undertake substitution in accordance with the provisions of this Agreement and within the period specified in Clause 36.4, Government shall within 15 (fifteen) days of receipt of such notice, terminate this Agreement under and in accordance with Article 37.

36.5.2 Notwithstanding anything to the contrary contained in this Agreement, in the event that Suspension is not revoked within 180 (one hundred and eighty) days from the date of Suspension hereunder or within the extended period, if any, set forth in Clause 36.1, the Concession Agreement shall, upon expiry of the aforesaid period, be deemed to have been terminated by mutual agreement of the Parties and all the provisions of this Agreement shall apply, *mutatis mutandis*, to such Termination as if a Termination Notice had been issued by Government upon occurrence of a Concessionaire Default.


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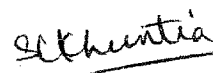
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**ARTICLE 37
TERMINATION**

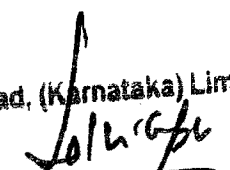
37.1 Termination for Concessionaire Default

37.1.1 Save as otherwise provided in this Agreement, in the event that any of the defaults specified below shall have occurred, and the Concessionaire fails to cure the default within the Cure Period set forth below, or where no Cure Period is specified, then within a Cure Period of 60 (sixty) days, the Concessionaire shall be deemed to be in default of this Agreement (a "**Concessionaire Default**"), unless the default has occurred solely as a result of any breach of this Agreement by Government or due to Force Majeure. The defaults referred to herein shall include:

- (a) the Performance Security has been encashed and appropriated in accordance with Clause 9.2 and the Concessionaire fails to replenish or provide fresh Performance Security within a Cure Period of 30 (thirty) days;
- (b) subsequent to the replenishment or furnishing of fresh Performance Security in accordance with Clause 9.2, the Concessionaire fails to cure, within a Cure Period of 90 (ninety) days, the Concessionaire Default for which whole or part of the Performance Security was appropriated;
- (c) the Concessionaire does not achieve the latest outstanding Project Milestone due in accordance with the provisions of Schedule-G and continues to be in default for 90 (ninety) days;
- (d) the Concessionaire abandons or manifests intention to abandon the construction or operation of the Project Road without the prior written consent of Government;
- (e) Project Completion Date does not occur within the period specified in Clause 12.4.3;
- (f) the Punch List items have not been completed within the period set forth in Clause 14.4;
- (g) the Concessionaire is in breach of the Maintenance Requirements;
- (h) the Concessionaire has failed to make any payment to Government within the period specified in this Agreement;
- (i) an Escrow Default has occurred and the Concessionaire fails to cure the default within a Cure Period of 15 (fifteen) days;
- (j) upon occurrence of a Financial Default, the Lenders' Representative has by notice required Government to undertake Suspension in accordance with the Substitution Agreement and the Concessionaire fails to cure the default within the Cure Period specified in the Substitution Agreement;


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- (k) a breach of any of the Project Agreements by the Concessionaire has caused a Material Adverse Effect;
- (l) the Concessionaire creates any Encumbrance in breach of this Agreement;
- (m) the Concessionaire repudiates this Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Agreement;
- (n) a Change in Ownership has occurred in breach of the provisions of Clause 5.3;
- (o) there is a transfer, pursuant to law either of (i) the rights and/or obligations of the Concessionaire under any of the Project Agreements, or of(ii) all or part of the assets or undertaking of the Concessionaire, and such transfer causes a Material Adverse Effect;
- (p) an execution levied on any of the assets of the Concessionaire has caused a Material Adverse Effect;
- (q) the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Project;
- (r) the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of Government, a Material Adverse Effect;
- (s) a resolution for winding up of the Concessionaire is passed, or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 (ninety) days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under this Agreement and the Project Agreements; and provided that:
 - (i) the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under this Agreement and the Project Agreements;
 - (ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under this Agreement and the Project Agreements and has a credit worthiness at least as good as that of the Concessionaire as at the Appointed Date; and

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M. G. N.
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- (iii) each of the Project Agreements remains in full force and effect;
- (t) any representation or warranty of the Concessionaire herein contained which is, as of the date hereof, found to be materially false or the Concessionaire is at any time hereafter found to be in breach thereof;
- (u) the Concessionaire submits to Government any statement which has a material effect on Government's rights, obligations or interests and which is false in material particulars;
- (v) the Concessionaire has failed to fulfill any obligation, for which failure Termination has been specified in this Agreement; or
- (w) the Concessionaire commits a default in complying with any other provision of this Agreement if such default causes a Material Adverse Effect on Government.

37.1.2 Without prejudice to any other rights or remedies which Government may have under this Agreement, upon occurrence of a Concessionaire Default, Government shall be entitled to terminate this Agreement by issuing a Termination Notice to the Concessionaire; provided that before issuing the Termination Notice, Government shall by a notice inform the Concessionaire of its intention to issue such Termination Notice and grant 15 (fifteen) days to the Concessionaire to make a representation, and may after the expiry of such 15 (fifteen) days, whether or not it is in receipt of such representation, issue the Termination Notice, subject to the provisions of clause 37.1.3.

37.1.3 Government shall, if there be Senior Lenders, send a copy of its notice of intention to issue a Termination Notice referred to in Clause 37.1.2 to inform the Lenders' Representative and grant 15 (fifteen) days to the Lenders' Representative, for making a representation on behalf of the Senior Lenders stating the intention to substitute the Concessionaire in accordance with the Substitution Agreement. In the event Government receives such representation on behalf of Senior Lenders, it shall, in its discretion, either withhold Termination for a period not exceeding 180 (one hundred and eighty) days from the date of such representation or exercise its right of Suspension, as the case may be, for enabling the Lenders' Representative to exercise the Senior Lenders' right of substitution in accordance with the Substitution Agreement:

Provided that the Lenders' Representative may, instead of exercising the Senior Lenders' right of substitution, procure that the default specified in the notice is cured within the aforesaid period of 180 (one hundred and eighty) days, and upon such curing thereof, Government shall withdraw its notice referred to above and restore all the rights of the Concessionaire:

Provided further that upon written request from the Lenders' Representative and the Concessionaire, Government shall extend the aforesaid period of 180 (one hundred and eighty) days by such further period not exceeding 90 (ninety) days, as Government may deem appropriate.


SUBHASH C. KHUNTIA
Principal Secretary to Government
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Transport Department

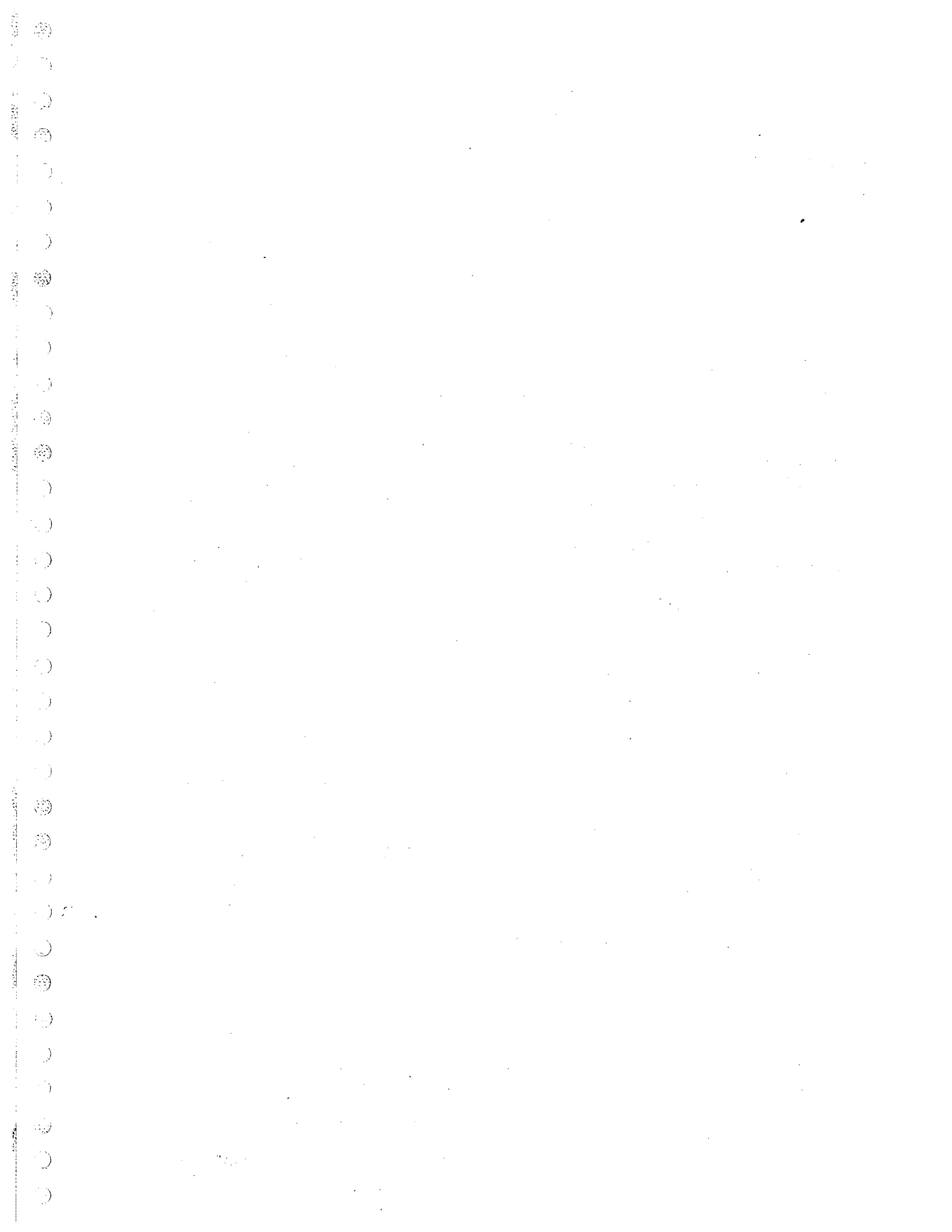

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37.2 Termination for Government Default

37.2.1 In the event that any of the defaults specified below shall have occurred, and Government fails to cure such default within a Cure Period of 90 (ninety) days or such longer period as has been expressly provided in this Agreement, Government shall be deemed to be in default of this Agreement (the "**Government Default**") unless the default has occurred as a result of any breach of this Agreement by the Concessionaire or due to Force Majeure. The defaults referred to herein shall include:

- (a) Government commits a material default in complying with any of the provisions of this Agreement and such default has a Material Adverse Effect on the Concessionaire;
- (b) Government has failed to make any payment to the Concessionaire within the period specified in this Agreement; or
- (c) Government repudiates this Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by this Agreement.

37.2.2 Without prejudice to any other right or remedy which the Concessionaire may have under this Agreement, upon occurrence of a Government Default, the Concessionaire shall, subject to the provisions of the Substitution Agreement, be entitled to terminate this Agreement by issuing a Termination Notice to Government; provided that before issuing the Termination Notice, the Concessionaire shall by a notice inform Government of its intention to issue the Termination Notice and grant 15 (fifteen) days to Government to make a representation, and may after the expiry of such 15 (fifteen) days, whether or not it is in receipt of such representation, issue the Termination Notice.

37.3 Termination Payment

37.3.1 Upon Termination on account of a Concessionaire Default during the Operation Period, Government shall pay to the Concessionaire, by way of Termination Payment, an amount equal to 90% (ninety per cent) of the Debt Due less Insurance Cover; provided that if any insurance claims forming part of the Insurance Cover are not admitted and paid, then 80% (eighty per cent) of such unpaid claims shall be included in the computation of Debt Due. For the avoidance of doubt, the Concessionaire hereby acknowledges that no Termination Payment shall be due or payable on account of a Concessionaire Default occurring prior to COD.


37.3.2 Upon Termination on account of a Government Default, Government shall pay to the Concessionaire, by way of Termination Payment, an amount equal to:

- (a) Debt Due; and
- (b) 150% (one hundred and fifty per cent) of the Adjusted Equity.

37.3.3 Termination Payment shall become due and payable to the Concessionaire within 15 (fifteen) days of a demand being made by the Concessionaire to with the necessary particulars, and in the event of any delay, Government shall pay interest at a rate equal to 3% (three per cent) above the Bank Rate on the amount of Termination Payment

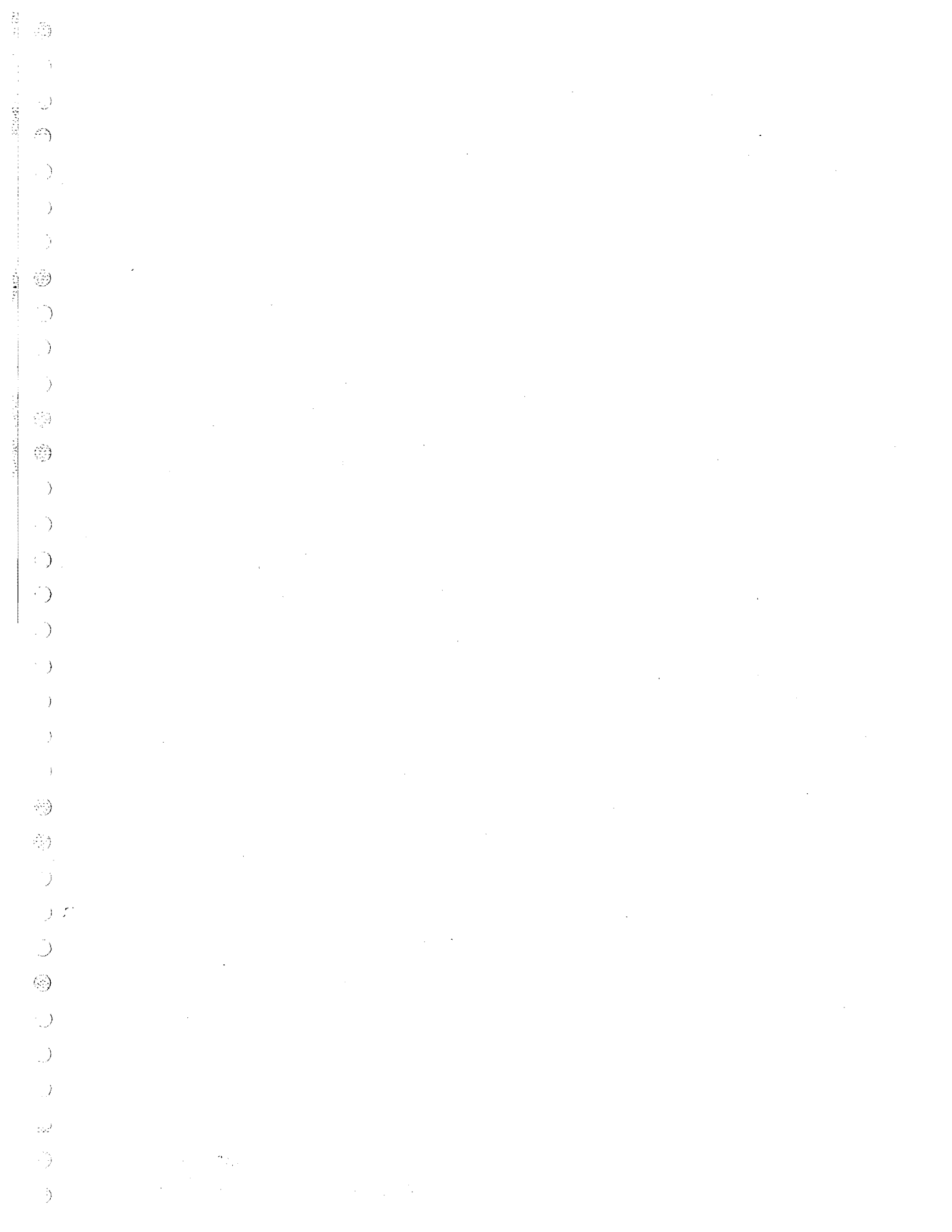

SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (Mumbai Road, Mumbai)


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remaining unpaid; provided that such delay shall not exceed 90 (ninety) days. For the avoidance of doubt, it is expressly agreed that Termination Payment shall constitute full discharge by Government of its payment obligations in respect thereof hereunder.



37.4 Other rights and obligations of Government

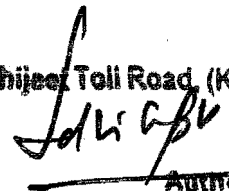
Upon Termination for any reason whatsoever, Government shall:

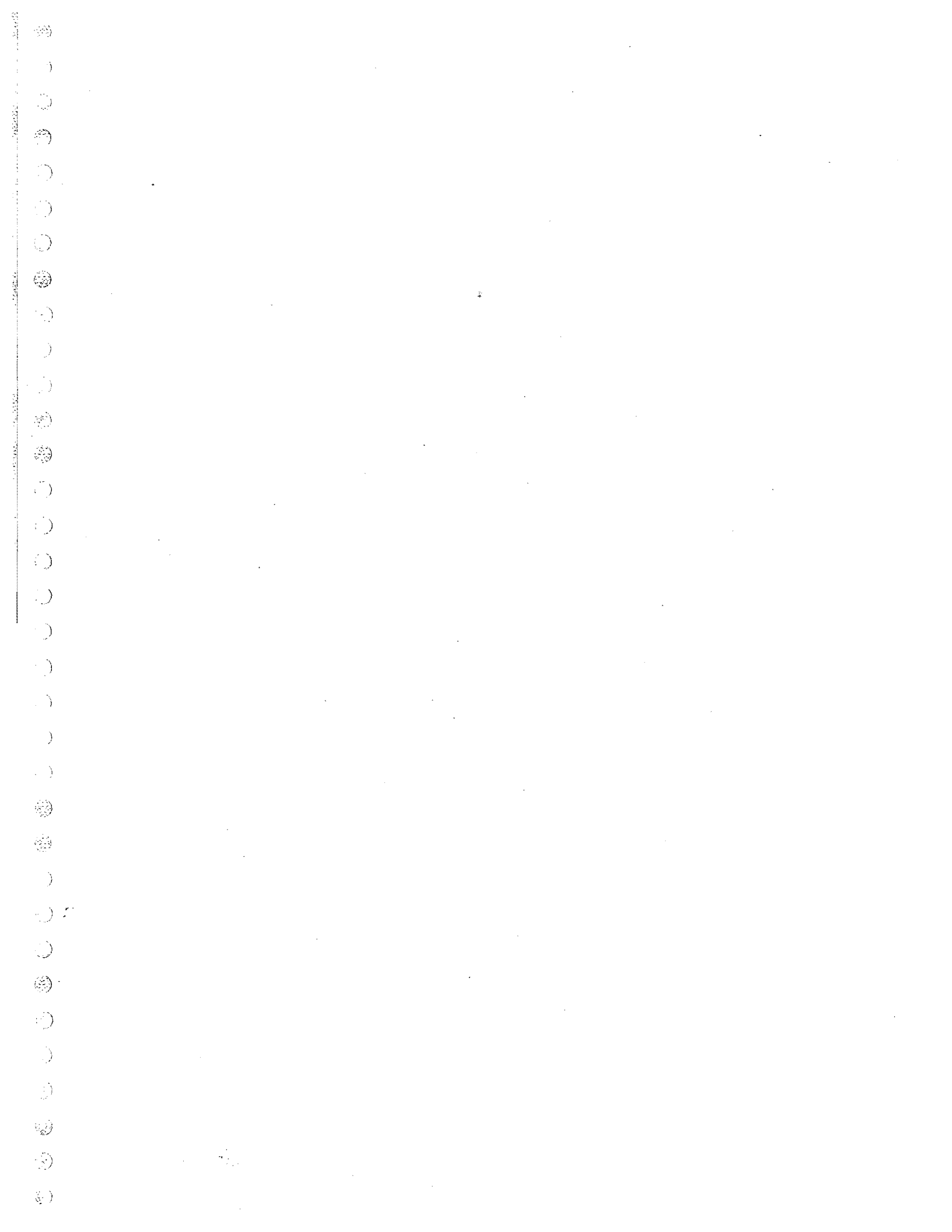
- (a) be deemed to have taken possession and control of the Project Road forthwith;
- (b) take possession and control of all materials, stores, implements, construction plants and equipment on or about the Site;
- (c) be entitled to restrain the Concessionaire and any person claiming through or under the Concessionaire from entering upon the Site or any part of the Project;
- (d) require the Concessionaire to comply with the Divestment Requirements set forth in Clause 38.1; and
- (e) succeed upon election by Government, without the necessity of any further action by the Concessionaire, to the interests of the Concessionaire under such of the Project Agreements as Government may in its discretion deem appropriate, and shall upon such election be liable to the Contractors only for compensation accruing and becoming due and payable to them under the terms of their respective Project Agreements from and after the date Government elects to succeed to the interests of the Concessionaire. For the avoidance of doubt, it is hereby agreed, and the Concessionaire hereby acknowledges, that all sums claimed by such Contractors as being due and owing for works and services performed or accruing on account of any act, omission or event prior to such date shall constitute debt between the Concessionaire and such Contractors, and the Government shall not in any manner be liable for such sums. It is further agreed that in the event Government elects to cure any outstanding defaults under such Project Agreements, the amount expended by Government for this purpose shall be deducted from the Termination Payment.

37.5 Survival of rights

Notwithstanding anything to the contrary contained in this Agreement, any Termination pursuant to the provisions of this Agreement shall be without prejudice to the accrued rights of either Party including its right to claim and recover money damages, insurance proceeds, security deposits, and other rights and remedies, which it may have in law or contract. All rights and obligations of either Party under this Agreement, including Termination Payments and Divestment Requirements, shall survive the Termination to the extent such survival is necessary for giving effect to such rights and obligations.


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Public Works, Ports and Inland Water Transport Department

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ARTICLE 38
DIVESTMENT OF RIGHTS AND INTEREST

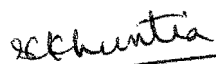
38.1 Divestment Requirements

Upon Termination, the Concessionaire shall comply with and conform to the following Divestment Requirements:

- (a) notify to Government forthwith the location and particulars of all Project Assets;
- (b) deliver forthwith the actual or constructive possession of the Project Road, free and clear of all Encumbrances, save and except to the extent set forth in the Substitution Agreement;
- (c) cure all Project Assets, including the road, bridges, structures and equipment, of all defects and deficiencies so that the Project Road is compliant with the Maintenance Requirements; provided that in the event of Termination during the Construction Period, all Project Assets shall be handed over on 'as is where is' basis after bringing them to a safe condition;
- (d) deliver relevant records and reports pertaining to the Project Road and its design, engineering, construction, operation and maintenance, including all programmes and manuals pertaining thereto, and complete 'as built' Drawings as on the Transfer Date;
- (e) transfer and/or deliver all Applicable Permits to the extent permissible under Applicable Laws;
- (f) execute such deeds of conveyance, documents and other writings as Government may reasonably require for conveying, divesting and assigning all the rights, title and interest of the Concessionaire in the Project Road, including the right to receive outstanding insurance claims to the extent due and payable to Government, absolutely unto Government or its nominee; and
- (g) comply with all other requirements as may be prescribed or required under Applicable Laws for completing the divestment and assignment of all rights, title and interest of the Concessionaire in the Project Road, free from all Encumbrances, absolutely unto the Government or to its nominee.

38.2 Inspection and cure

Not earlier than 90 (ninety) days before Termination but not later than 15 (fifteen) days before the effective date of such Termination, the Independent Engineer shall verify, after giving due notice to the Concessionaire specifying the time, date and venue of such verification and/or inspection, compliance by the Concessionaire with the Maintenance Requirements, and if required, cause appropriate tests to be carried out at the Concessionaire's cost for this purpose. Defaults, if any, in the Maintenance Requirements shall be cured by the Concessionaire at its cost and the provisions of Article 39 shall apply, *mutatis mutandis*, in relation to curing of defects or deficiencies under this Article 38.


SUBHASH C. KHUNTIA
Principal Secretary to Government,
Public Works, Ports and Inland Water
Transport Department


Managing Director
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38.3 Vesting Certificate

The divestment of all rights, title and interest in the Project Road shall be deemed to be complete on the date when all of the Divestment Requirements have been fulfilled, and Government shall, without unreasonable delay, thereupon issue a certificate substantially in the form set forth in Schedule-U (the "Vesting Certificate"), which will have the effect of constituting evidence of divestment by the Concessionaire of all of its rights, title and interest in the Project Road, and their vesting in Government pursuant hereto. It is expressly agreed that any defect or deficiency in the Divestment Requirements shall not in any manner be construed or interpreted as restricting the exercise of any rights by the Government or its nominee on, or in respect of, the Project Road on the footing that all Divestment Requirements have been complied with by the Concessionaire.

38.4 Additional Facilities

Notwithstanding anything to the contrary contained in this Agreement, all Additional Facilities shall continue to vest in the concessionaire upon and after Termination. However, the additional facilities provided on site handed over by Government shall be vested with Government along with project site upon termination.

38.5 Divestment costs etc.

38.5.1 The Concessionaire shall bear and pay all costs incidental to divestment of all of the rights, title and interest of the Concessionaire in the Project Road in favour of Government upon Termination, save and except that all stamp duties payable on any deeds or Documents executed by the Concessionaire in connection with such divestment shall be borne by Government.

38.5.2 In the event of any dispute relating to matters covered by and under this Article 38, the Dispute Resolution Procedure shall apply.


SUBHASH C. KHUNTIA

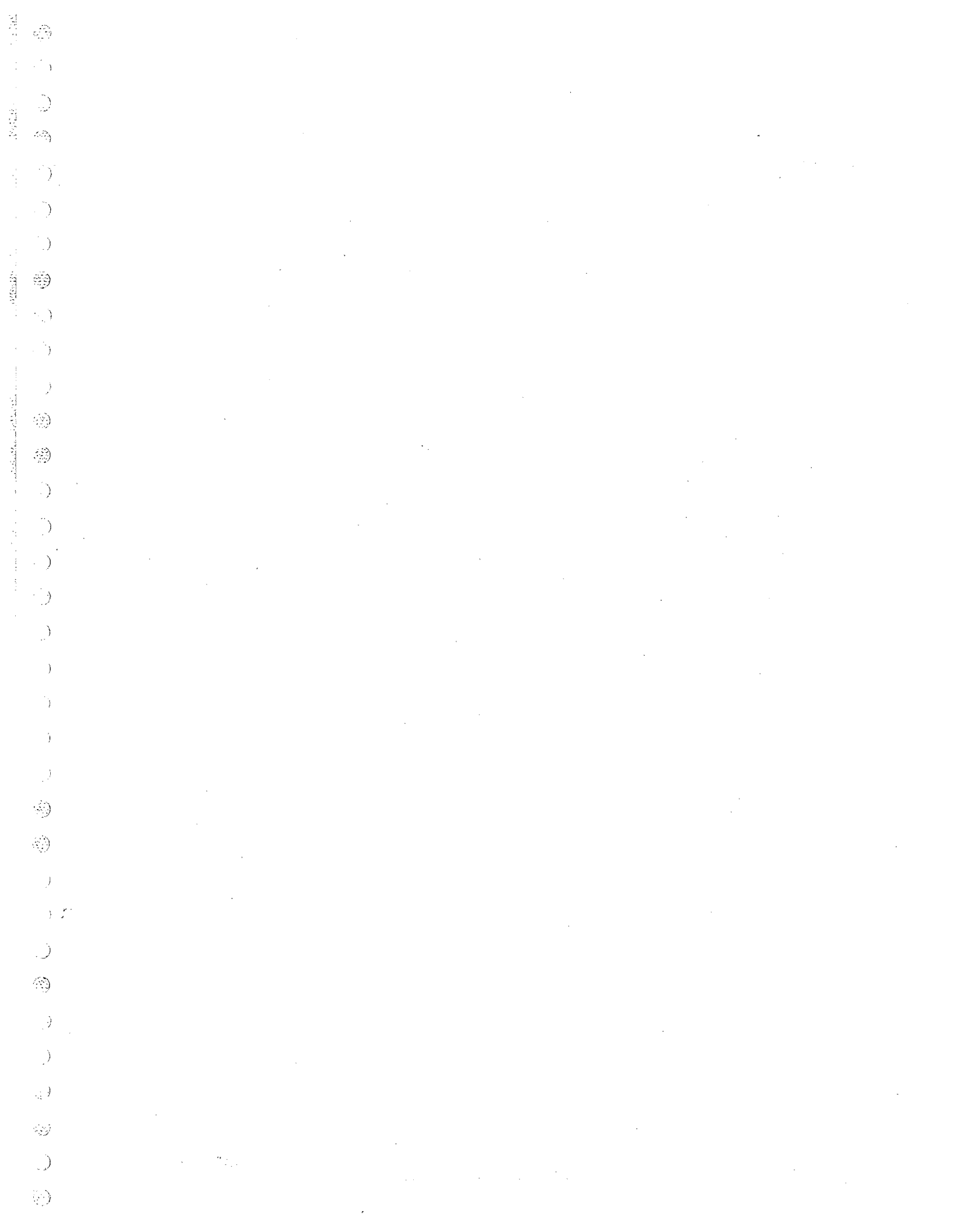
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


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ARTICLE 39
DEFECTS LIABILITY AFTER TERMINATION

39.1 Liability for defects after Termination

The Concessionaire shall be responsible for all defects and deficiencies in the Project Road for a period of 120 (One hundred and twenty) days after Termination, and it shall have the obligation to repair or rectify, at its own cost, all defects and deficiencies observed by the Independent Engineer in the Project Road during the aforesaid period. In the event that the Concessionaire fails to repair or rectify such defect or deficiency within a period of 15 (fifteen) days from the date of notice issued by Government in this behalf, Government shall be entitled to get the same repaired or rectified at the Concessionaire's risk and cost so as to make the Project Road conform to the Maintenance Requirements. All costs incurred by Government hereunder shall be reimbursed by the Concessionaire to Government within 15 (fifteen) days of receipt of demand thereof, and in the event of default in reimbursing such costs, Government shall be entitled to recover the same from the Escrow Account.

39.2 Retention in Escrow Account

39.2.1 Notwithstanding anything to the contrary contained in this Agreement, but subject to the provisions of Clause 39.2.3, a sum equal to 5% (five per cent) of the total Realisable Fee for the year immediately preceding the Transfer Date shall be retained in the Escrow Account for a period of 120 (one hundred and twenty) days after Termination for meeting the liabilities, if any, arising out of or in connection with the provisions of Clause 39.1.

39.2.2 Without prejudice to the provisions of Clause 39.2.1, the Independent Engineer shall carry out an inspection of the Project Road at any time between 210 (two hundred and ten) and 180 (one hundred and eighty) days prior to the Termination and if it recommends that the status of the Project Road is such that a sum larger than the amount stipulated in Clause 39.2.1 should be retained in the Escrow Account and for a period longer than the aforesaid 120 (one hundred and twenty) days, the amount recommended by the Independent Engineer shall be retained in the Escrow Account for the period specified by it.

39.2.3 The Concessionaire may, for the performance of its obligations under this Article 39, provide to Government a guarantee from a Bank for a sum equivalent to the amount determined under Clause 39.2.1 or 39.2.2, as the case may be, and for the period specified therein, substantially in the form set forth in Schedule-F (the "**Performance Guarantee**"), to be modified, *mutatis mutandis*, for this purpose, and Government shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to encash and appropriate the required amounts from the Performance Guarantee for undertaking the repairs or rectification at the Concessionaire's risk and cost in accordance with the provisions of this Article 39. Upon furnishing of a Performance Guarantee under this Clause 39.2.3, the retention of funds in the Escrow Account in terms of Clause 39.2.1 or 39.2.2, as the case may be, shall be dispensed with.

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SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

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Authorised Signatory

ARTICLE 40
ASSIGNMENT AND CHARGES

40.1 Restrictions on assignment and charges

- 40.1.1 Subject to Clauses 40.2 and 40.3, this Agreement shall not be assigned by the Concessionaire to any person, save and except with the prior consent in writing of the Government, which consent the Government shall be entitled to decline without assigning any reason.
- 40.1.2 Subject to the provisions of Clause 40.2, the Concessionaire shall not create nor permit to subsist any encumbrance, or otherwise transfer or dispose of all or any of its rights and benefits under this Agreement or any Project Agreement to which the Concessionaire is a party except with prior consent in writing of the Government, which consent the Government shall be entitled to decline without assigning any reason.

40.2 Permitted assignment and charges

The restraints set forth in Clause 40.1 shall not apply to:

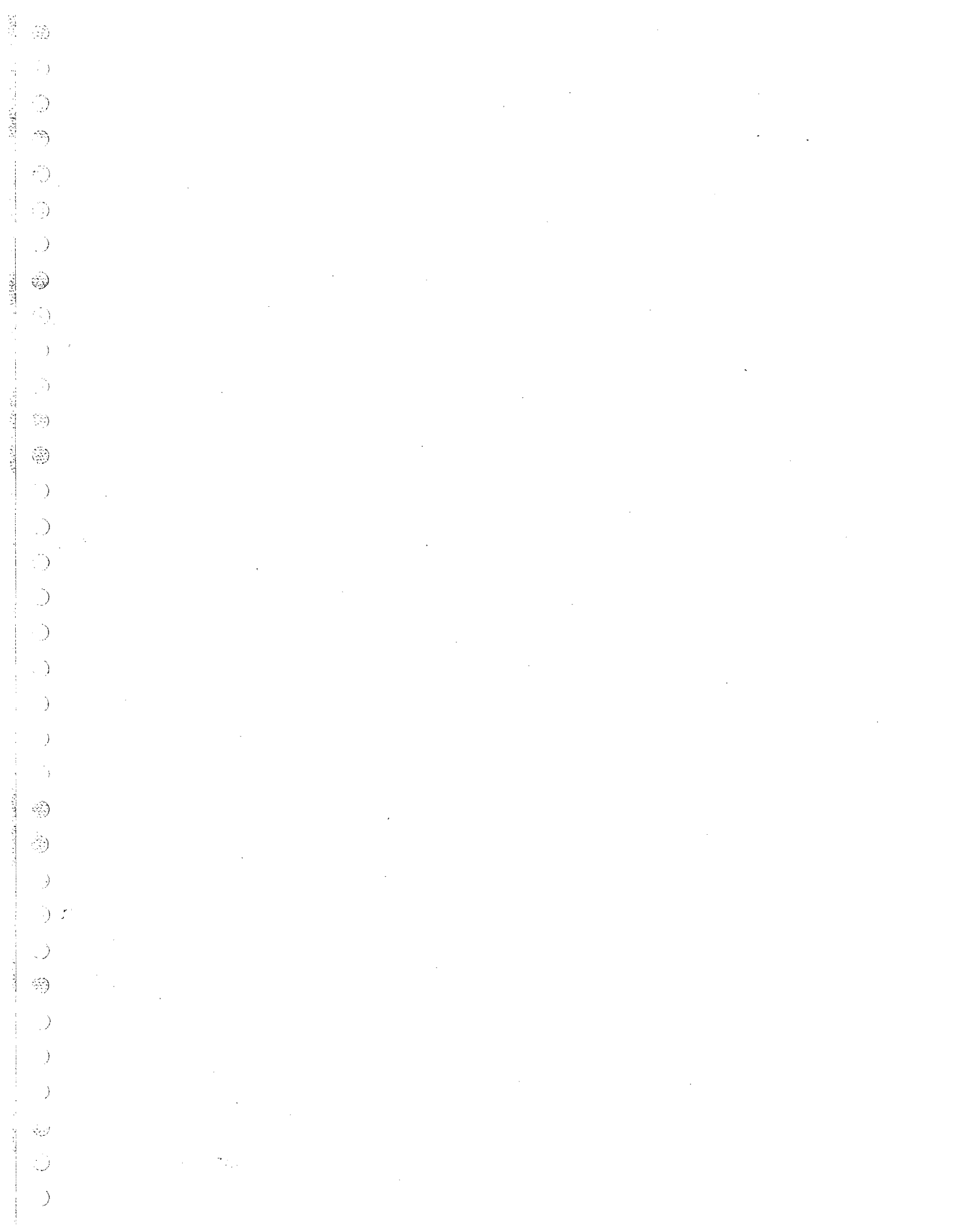
- (a) liens arising by operation of law (or by an agreement evidencing the same) in the ordinary course of business of the Project Road;
- (b) mortgages/pledges/hypothecation of goods/assets other than Project Assets, and their related documents of title, arising or created in the ordinary course of business of the Project Road, and as security only for indebtedness to the Senior Lenders under the Financing Agreements and/or for working capital arrangements for the Project Road;
- (c) assignment of rights, interest and obligations of the Concessionaire to or in favour of the Lenders' Representative as nominee and for the benefit of the Senior Lenders, to the extent covered by and in accordance with the Substitution Agreement as security for financing provided by Senior Lenders under the Financing Agreements; and
- (d) liens or encumbrances required by any Applicable Law.

40.3 Substitution Agreement

- 40.3.1 The Lenders' Representative, on behalf of Senior Lenders, may exercise the right to substitute the Concessionaire in accordance with the agreement for substitution of the Concessionaire (the "**Substitution Agreement**") to be entered into amongst the Concessionaire, the Government and the Lenders' Representative, on behalf of Senior Lenders, substantially in the form set forth in Schedule-V.
- 40.3.2 Upon substitution of the Concessionaire under and in accordance with the Substitution Agreement, the Nominated Company substituting the Concessionaire shall be deemed to be the Concessionaire under this Agreement and shall enjoy all rights and be responsible for all obligations of the Concessionaire under this Agreement as if it were the Concessionaire; provided that where the Concessionaire is in breach of this Agreement on the date of such substitution, the Government shall by notice grant a Cure Period of 120(one hundred and twenty) days to the Concessionaire for curing such breach.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water Transport Department

Abhijeet Toll Road
Abhijeet Toll Road, (Karnataka) Limited
Managing Director
KRDCL



40.4 Assignment by the Government

Notwithstanding anything to the contrary contained in this Agreement, the Government may, after giving 60 (sixty) days' notice to the Concessionaire, assign any of its rights and benefits and/or obligations under this Agreement; to an assignee who is, in the reasonable opinion of the Government, capable of fulfilling all of the Government's then outstanding obligations under this Agreement.

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SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

K. H. Anil
Managing Director

KRDCL

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Abhijeet Toll Road,

[Signature]
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**ARTICLE 41
CHANGE IN LAW**

41.1 Increase in costs

If as a result of Change in Law, the Concessionaire suffers an increase in costs or reduction in net after-tax return or other financial burden, the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore) and 0.5% (zero point five percent) of the Realisable Fee in any Accounting Year, the Concessionaire may so notify the Government and propose amendments to this Agreement so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in the cost increase, reduction in return or other financial burden as aforesaid. Upon notice by the Concessionaire, the Parties shall meet, as soon as reasonably practicable but no later than 30 (thirty) days from the date of notice, and either agree on amendments to this Agreement or on any other mutually agreed arrangement:

Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Concessionaire may by notice require the Government to pay an amount that would place the Concessionaire in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice, along with particulars thereof, the Government shall pay the amount specified therein; provided that if the Government shall dispute such claim of the Concessionaire, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Clause 41.1 shall be restricted to changes in law directly affecting the Concessionaire's costs of performing its obligations under this Agreement.

41.2 Reduction in costs

If as a result of Change in Law, the Concessionaire benefits from a reduction in costs or increase in net after-tax return or other financial gains, the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore) and 0.5% (zero point five percent) of the Realisable Fee in any Accounting Year, the Government may so notify the Concessionaire and propose amendments to this Agreement so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in the decreased costs, increase in return or other financial gains as aforesaid. Upon notice by the Government, the Parties shall meet, as soon as reasonably practicable but no later than 30 (thirty) days from the date of notice, and either agree on such amendments to this Agreement or on any other mutually agreed arrangement:

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SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director

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Abhijeet Toll Road, (Harnatar), Limited

Adwaj
Authorised Signatory

Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Government may by notice require the Concessionaire to pay an amount that would place the Concessionaire in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice, along with particulars thereof, the Concessionaire shall pay the amount specified therein to the Government; provided that if the Concessionaire shall dispute such claim of the Government, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Clause 41.2 shall be restricted to changes in law directly affecting the Concessionaire's costs of performing its obligations under this Agreement.

41.3 Protection of NPV

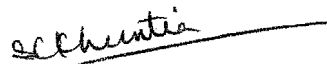
Pursuant to the provisions of Clauses 41.1 and 41.2 and for the purposes of placing the Concessionaire in the same financial position as it would have enjoyed had there been no Change in Law affecting the costs, returns or other financial burden or gains, the Parties shall rely on the Financial Model to establish a net present value (the "NPV") of the net cash flow and make necessary adjustments in costs, revenues, compensation or other relevant parameters, as the case may be, to procure that the NPV of the net cash flow is the same as it would have been if no Change in Law had occurred.


41.4 Restriction on cash compensation

The Parties acknowledge and agree that the demand for cash compensation under this Article 41 shall be restricted to the effect of Change in Law during the respective Accounting Year and shall be made at any time after commencement of such year, but no later than one year from the close of such Accounting Year. Any demand for cash compensation payable for and in respect of any subsequent Accounting Year shall be made after the commencement of the Accounting Year to which the demand pertains, but no later than two years from the close of such Accounting Year.

41.5 No claim in the event of recovery from Users.

Notwithstanding anything to the contrary contained in this Agreement, the Government shall not in any manner be liable to reimburse to the Concessionaire any sums on account of a Change in Law if the same are recoverable from the Users.


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Principal Secretary to Government
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ARTICLE 42
LIABILITY AND INDEMNITY

42.1 General indemnity

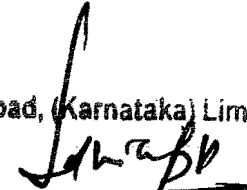
- 42.1.1 The Concessionaire will indemnify, defend, save and hold harmless the Government and its officers, servants, agents, Government Instrumentalities and Government owned and/or controlled entities/enterprises, ("the **Government Indemnified Persons**") against any and all suits, proceedings, actions, demands and third party claims for any loss, damage, cost and expense of whatever kind and nature arising out of any breach by the Concessionaire of any of its obligations under this Agreement or any related agreement or on account of any defect or deficiency in the provision of services by the Concessionaire to any User, except to the extent that any such suits, proceedings, actions, demands and claims have arisen due to any negligent act or omission, or breach of this Agreement on the part of the Government Indemnified Persons.
- 42.1.2 The Government will indemnify, defend, save and hold harmless the Concessionaire against any and all suits, proceedings, actions, demands and third party claims for any loss, damage, cost and expense of whatever kind and nature arising out of (i) defect in title and/or the rights of the Government in the land comprised in the Site, and/or (ii) breach by the Government of any of its obligations under this Agreement or any related agreement, which materially and adversely affect the performance by the Concessionaire of its obligations under this Agreement, save and except that where any such claim, suit, proceeding, action, and/or demand has arisen due to a negligent act or omission, or breach of any of its obligations under any provision of this Agreement or any related agreement and/or breach of its statutory duty on the part of the Concessionaire, its subsidiaries, affiliates, contractors, servants or agents, the same shall be the liability of the Concessionaire.

42.2 Indemnity by the Concessionaire

- 42.2.1 Without limiting the generality of Clause 42.1, the Concessionaire shall fully indemnify, hold harmless and defend the Government and the Government Indemnified Persons from and against any and all loss and/or damages arising out of or with respect to:
- (a) failure of the Concessionaire to comply with Applicable Laws and Applicable Permits;
 - (b) payment of taxes required to be made by the Concessionaire in respect of the income or other taxes of the Concessionaire's contractors, suppliers and representatives; or
 - (c) non-payment of amounts due as a result of materials or services furnished to the Concessionaire or any of its contractors which are payable by the Concessionaire or any of its contractors.


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Principal Secretary to Government
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Transport Department


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42.2.2 Without limiting the generality of the provisions of this Article 42, the Concessionaire shall fully indemnify, hold harmless and defend the Government Indemnified Persons from and against any and all suits, proceedings, actions, claims, demands, liabilities and damages which the Government Indemnified Persons may hereafter suffer, or pay by reason of any demands, claims, suits or proceedings arising out of claims of infringement of any domestic or foreign patent rights, copyrights or other intellectual property, proprietary or confidentiality rights with respect to any materials, information, design or process used by the Concessionaire or by the Concessionaire's Contractors in performing the Concessionaire's obligations or in any way incorporated in or related to the Project. If in any such suit, action, claim or proceedings, a temporary restraint order or preliminary injunction is granted, the Concessionaire shall make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the revocation or suspension of the injunction or restraint order. If, in any such suit, action, claim or proceedings, the Project Road, or any part thereof or comprised therein, is held to constitute an infringement and its use is permanently enjoined, the Concessionaire shall promptly make every reasonable effort to secure for the Government a license, at no cost to the Government authorising continued use of the infringing work. If the Concessionaire is unable to secure such licence within a reasonable time, the Concessionaire shall, at its own expense, and without impairing the Specifications and Standards, either replace the affected work, or part, or process thereof with non-infringing work or part or process, or modify the same so that it becomes non-infringing.

42.3 Notice and contest of claims

In the event that either Party receives a claim or demand from a third party in respect of which it is entitled to the benefit of an indemnity under this Article 42 (the "Indemnified Party") it shall notify the other Party (the "Indemnifying Party") within 15 (fifteen) days of receipt of the claim or demand and shall not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim or demand, it may conduct the proceedings in the name of the Indemnified Party, subject to the Indemnified Party being secured against any costs involved, to its reasonable satisfaction.

42.4 Defence of claims

42.4.1 The Indemnified Party shall have the right, but not the obligation, to contest, defend and litigate any claim, action, suit or proceeding by any third party alleged or asserted against such Party in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder, and reasonable costs and expenses thereof shall be indemnified by the Indemnifying Party. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party in respect of loss to the full extent provided by this Article 42, the Indemnifying Party shall be entitled, at its option, to assume and control the defence of such claim, action, suit or proceeding, liabilities,

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Adhikari
Authorised Signatory

payments and obligations at its expense and through the counsel of its choice; provided it gives prompt notice of its intention to do so to the Indemnified Party and reimburses the Indemnified Party for the reasonable cost and expenses incurred by the Indemnified Party prior to the assumption by the Indemnifying Party of such defense. The Indemnifying Party shall not be entitled to settle or compromise any claim, demand, action, suit or proceeding without the prior written consent of the Indemnified Party, unless the Indemnifying Party provides such security to the Indemnified Party as shall be reasonably required by the Indemnified Party to secure the loss to be indemnified hereunder to the extent so compromised or settled.

42.4.2 If the Indemnifying Party has exercised its rights under Clause 42.3, the Indemnified Party shall not be entitled to settle or compromise any claim, action, suit or proceeding without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

42.4.3 If the Indemnifying Party exercises its rights under Clause 42.3, the Indemnified Party shall nevertheless have the right to employ its own counsel, and such counsel may participate in such action, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party, when and as incurred, unless:

- (a) the employment of counsel by such party has been authorized in writing by the Indemnifying Party; or
- (b) the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defense of such action; or
- (c) the Indemnifying Party shall not, in fact, have employed independent counsel reasonably satisfactory to the Indemnified Party, to assume the defense of such action and shall have been so notified by the Indemnified Party; or
- (d) the Indemnified Party shall have reasonably concluded and specifically notified the Indemnifying Party either:
 - (i) that there may be specific defenses available to it which are different from or additional to those available to the Indemnifying Party; or
 - (ii) that such claim, action, suit or proceeding involves or could have a material adverse effect upon it beyond the scope of this Agreement:

Provided that if Sub-clauses (b), (c) or (d) of this Clause 42.4.3 shall be applicable, the counsel for the Indemnified Party shall have the right to direct the defense of such claim, demand, action, suit or proceeding on behalf of the Indemnified Party and the reasonable fees and disbursements of such counsel shall constitute legal or other expenses hereunder.

Subhash C. Khuntia
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Principal Secretary to Government
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Abhijeet Toli Road, (Karnataka) Limited
Managing Director
KRDCL

Abhijeet Toli
Abhijeet Toli Road, (Karnataka) Limited
Authorised Signatory

42.5 No consequential claims

~~Notwithstanding anything to the contrary contained in this Article 42, the indemnities herein provided shall not include any claim or recovery in respect of any cost, expense, loss or damage of an indirect, incidental or consequential nature, including loss of profit, except as expressly provided in this Agreement.~~

42.6 Survival on Termination

The provisions of this Article 42 shall survive Termination.

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Public Works, Ports and Inland Water Transport Department
S. H. Anil
Managing Director
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Abhijeet Toll Road (Karnataka) Limited
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ARTICLE 43
RIGHTS AND TITLE OVER THE SITE

43.1 Licensee rights

For the purpose of this Agreement, the Concessionaire shall have rights to the use of the Site as sole licensee subject to and in accordance with this Agreement, and to this end, it may regulate the entry and use of the Project Road by third parties in accordance with and subject to the provisions of this Agreement.

43.2 Access rights of the GOVERNMENT and others

43.2.1 The Concessionaire shall allow free access to the Site at all times for the authorised representatives and vehicles of the Government, Senior Lenders, and the Independent Engineer, and for the persons and vehicles duly authorized by any Government Instrumentality to inspect the Project Road and to investigate any matter within their authority, and upon reasonable notice, the Concessionaire shall provide to such persons reasonable assistance necessary to carry out their respective duties and functions.

43.2.2 The Concessionaire shall, for the purpose of operation and maintenance of any utility or road specified in Article 11, allow free access to the Site at all times for the authorized persons and vehicles of the controlling body of such utility or road.

43.3 Property taxes

The Concessionaire shall not be liable to pay any property taxes for the ROW portion of the Site. However, any taxes/royalty/duties/cess/surcharge etc., pertaining to implementation./construction/development of Project Road, way side amenities etc., as per the relevant provisions shall be payable by the Concessionaire to the respective agencies/departments. Any change in the duties, taxes, cess, surcharge, royalty etc., levied/charged/imposed by the respective agencies/departments during the implementation of the project and during the entire Concession/Lease period shall be solely borne by the Concessionaire and the same is considered as a part of his bid. No claim in this regard will be allowed.

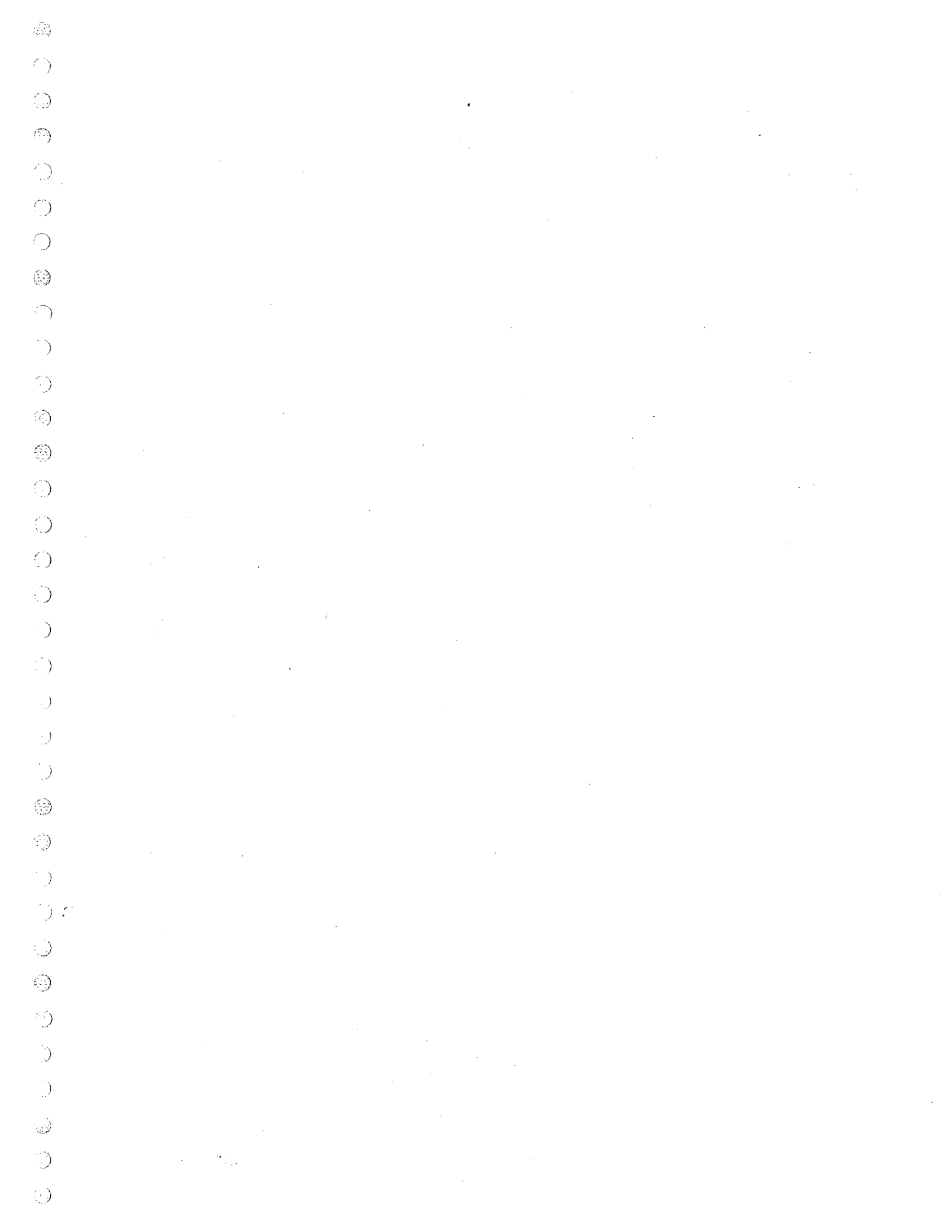
43.4 Restriction on sub-letting

The Concessionaire shall not sublicense or sublet the whole or any part of the Site, save and except as may be expressly set forth in this Agreement; provided that nothing contained herein shall be construed or interpreted as restricting the right of the Concessionaire to appoint Contractors for the performance of its obligations hereunder including for operation and maintenance of all or any part of the Project Road including Project Facilities.

S. Chuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

L. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road (Karnataka) Limited
L. H. Anil
Authorised Signatory



ARTICLE 44
DISPUTE RESOLUTION

44.1 Dispute resolution

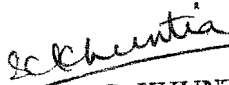
- 44.1.1 Any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement (including its interpretation) between the Parties, and so notified in writing by either Party to the other Party (the "**Dispute**") shall, in the first instance, be attempted to be resolved amicably in accordance with the conciliation procedure set forth in Clause 44.2.
- 44.1.2 The Parties agree to use their best efforts for resolving all Disputes arising under or in respect of this Agreement promptly, equitably and in good faith, and further agree to provide each other with reasonable access during normal business hours to all non-privileged records, information and data pertaining to any Dispute.


44.2 Conciliation

In the event of any Dispute between the Parties, either Party may call upon the Independent Engineer to mediate and assist the Parties in arriving at an amicable settlement thereof. Failing mediation by the Independent Engineer or without the intervention of the Independent Engineer, either Party may require such Dispute to be referred to the Secretary, PWP&IWTD for amicable settlement, and upon such reference, the said persons shall meet no later than 15 (fifteen) days from the date of reference to discuss and attempt to amicably resolve the Dispute. If such meeting does not take place within the 15 (fifteen) day period or the Dispute is not amicably settled within 20 (twenty) days of the meeting or the Dispute is not resolved as evidenced by the signing of written terms of settlement within 30 (thirty) days of the notice in writing referred to in Clause 44.1.1 or such longer period as may be mutually agreed by the Parties, either Party may refer the Dispute to reconciliation committee comprising of Principal Secretary, PWP&IWTD, and Chairman of Board of Directors of the Concessionaire for reconciliation. In the event of non reconciliation then either party may refer the dispute to arbitration in accordance with the provisions of Clause 44.3.

44.3 Arbitration

- 44.3.1 Any Dispute which is not resolved amicably by conciliation, as provided in Clause 44.2, shall be finally decided by reference to arbitration by a Board of Arbitrators appointed in accordance with Clause 44.3.2. Such arbitration shall be held in accordance with the Rules of Arbitration of the Indian Council of Arbitration (the "**Rules**"), and shall be subject to the provisions of the Arbitration Act. The venue of such arbitration shall be Bangalore, and the language of arbitration proceedings shall be English.


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Managing Director
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44.3.2 There shall be a Board of three arbitrators, of whom each Party shall select one, and the third arbitrator shall be appointed by the two arbitrators so selected, and in the event of disagreement between the two arbitrators, the appointment shall be made in accordance with the Rules.


44.3.3 The arbitrators shall make a reasoned award (the "Award"). Any Award made in any arbitration held pursuant to this Article 44 shall be final and binding on the Parties as from the date it is made, and the Concessionaire and the Government agree and undertake to carry out such Award without delay.


44.3.4 The Concessionaire and the Government agree that an Award may be enforced against the Concessionaire and/or the Government, as the case may be, and their respective assets wherever situated.

44.3.5 This Agreement and the rights and obligations of the Parties shall remain in full force and effect, pending the Award in any arbitration proceedings hereunder.

44.4 Adjudication by Regulatory Authority or Commission

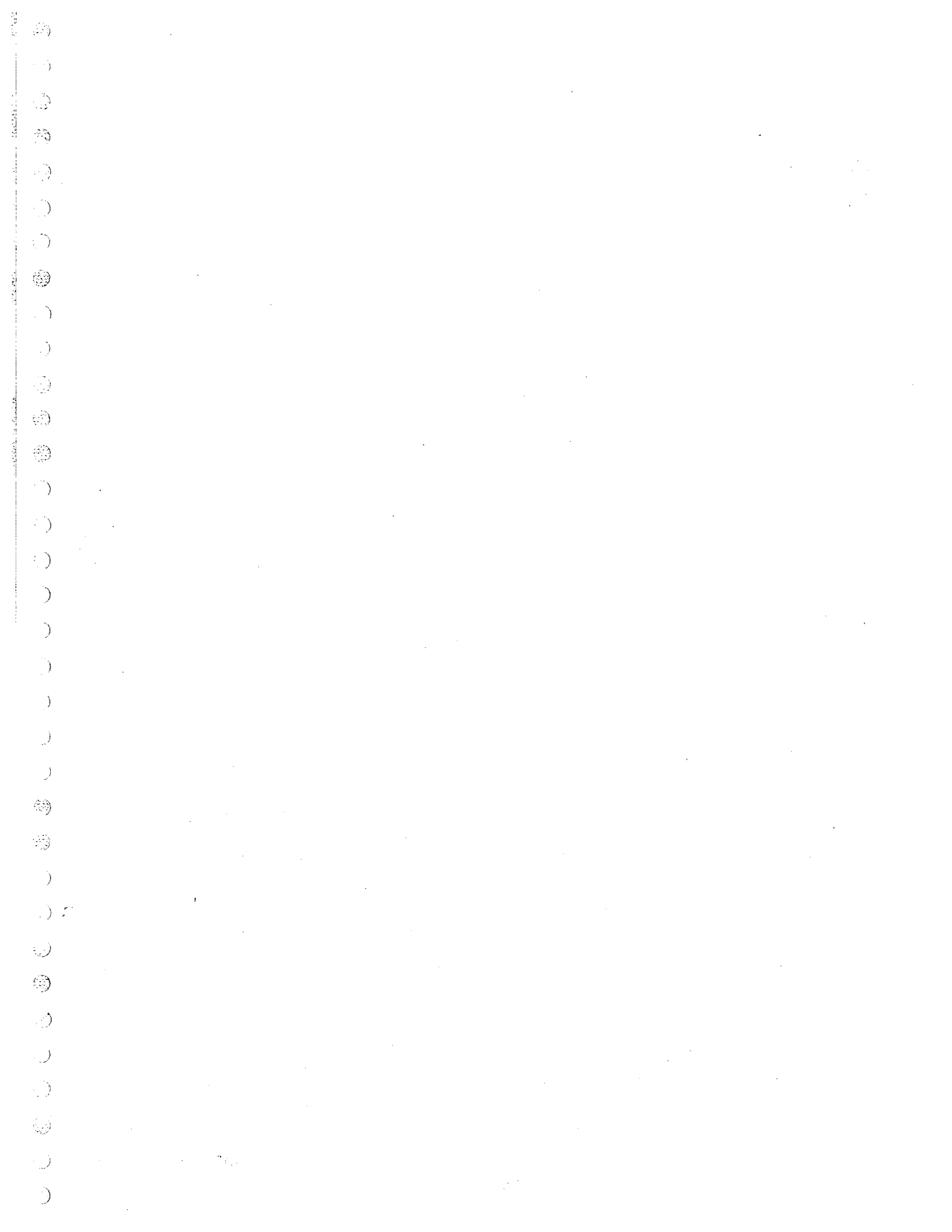
In the event of constitution of a statutory Regulatory Authority or Commission with powers to adjudicate upon disputes between the Concessionaire and the Government, all Disputes arising after such constitution shall, instead of reference to arbitration under Clause 44.3, be adjudicated upon by such Regulatory Authority or Commission in accordance with the Applicable Law and all references to Dispute Resolution Procedure shall be construed accordingly. For the avoidance of doubt, the Parties hereto agree that the adjudication hereunder shall not be final and binding until an appeal against such adjudication has been decided by an appellate tribunal or High Court, as the case may be, or no such appeal has been preferred within the time specified in the Applicable Law.


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Public Works, Ports and Inland Water
Transport Department


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**ARTICLE 45
DISCLOSURE**

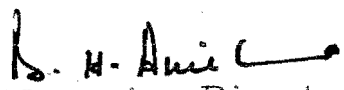
45.1 Disclosure of Specified Documents

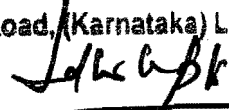
The Concessionaire shall make available for inspection by any person, copies of this Concession Agreement, O&M Contract, Tolling Contract, the Maintenance Manual, the Maintenance Programme and the Maintenance Requirements (hereinafter collectively referred to as the "**Specified Documents**"), free of charge, during normal business hours on all working days at the Toll Plaza[s] and Concessionaire's Registered Office. The Concessionaire shall prominently display at each of the Toll Plazas and toll booths, public notices stating the availability of the Specified Documents for such inspection, and shall make copies of the same available to any person upon payment of copying charges on a 'no profit no loss' basis.

45.2 Disclosure of Documents relating to safety

The Concessionaire shall make available for inspection by any person copies of all Documents and data relating to safety of the Project Road, free of charge, during normal business hours on all working days, at the Concessionaire's Registered Office. The Concessionaire shall make copies of the same available to any person upon payment of copying charges on a 'no profit no loss' basis.


SUBHASH C. KHUNTIA
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ARTICLE 46
REDRESS OF PUBLIC GRIEVANCES

46.1 Complaints Register


- 46.1.1 The Concessionaire shall maintain a public relations office at each of the Toll Plaza[s] where it shall keep a register (the "**Complaint Register**") open to public access at all times for recording of complaints by any person (the "**Complainant**"). Information relating to the availability of and access to the Complaint Register shall be prominently displayed by the Concessionaire at each of the Toll Plazas so as to bring it to the attention of all Users.
- 46.1.2 The Complaint Register shall be securely bound and each page thereof shall be duly numbered. It shall have appropriate columns including the complaint number, date, name and address of the Complainant, substance of the complaint and the action taken by the Concessionaire. Immediately after a complaint is registered, the Concessionaire shall give a receipt to the Complainant stating the date and complaint number.
- 46.1.3 Without prejudice to the provisions of Clauses 46.1.1 and 46.1.2, the Government may, in consultation with the Concessionaire, specify the procedure for making complaints in electronic form and for responses thereto.

46.2 Redress of complaints

- 46.2.1 The Concessionaire shall inspect the Complaint Register every day and take prompt and reasonable action for redress of each complaint. The action taken shall be briefly noted in the Complaint Register and a reply stating the particulars thereof shall be sent by the Concessionaire to the Complainant under a certificate of posting.
- 46.2.2 Within 7 (seven) days of the close of each month, the Concessionaire shall send to the Government and to the Independent Engineer a true photocopy each of all the pages of the Complaint Register on which any entry has been recorded during the course of such month, and upon perusal thereof, the Government may, in its discretion, advise the Concessionaire to take such further action as the Government may deem appropriate for a fair and just redress of any grievance. The Concessionaire shall consider such advice and inform the Government of its decision thereon, and if the Government is of the opinion that the Complainant is entitled to further relief, it may refer the matter to the competent forum for its disposal under the Consumer Protection Act, 1986, and advise the Complainant to pursue the complaint at his own risk and cost.

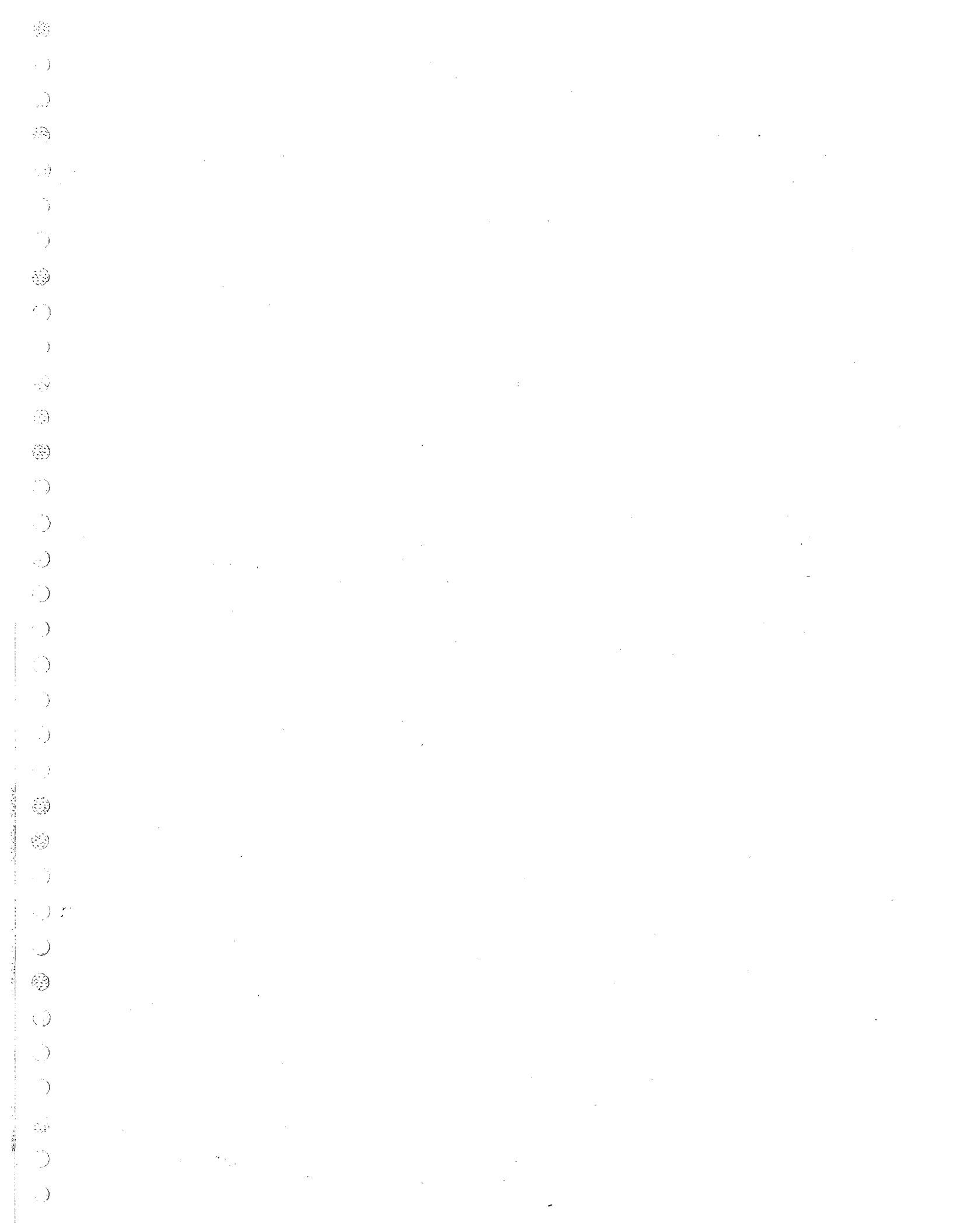

SUBHASH C. KHUNTIA

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**ARTICLE 47
MISCELLANEOUS**

47.1 Governing law and jurisdiction

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the courts at Bangalore shall have jurisdiction over matters arising out of or relating to this Agreement.

47.2 Waiver of immunity

Each Party unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Agreement constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the Party with respect to its assets;
- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

47.3 Depreciation

For the purposes of depreciation under the Applicable Laws, the property representing the capital investment made by the Concessionaire in the Project shall be deemed to be acquired and owned by the Concessionaire. For the avoidance of doubt, the Government shall not in any manner be liable in respect of any claims for depreciation to be made by the Concessionaire under the Applicable Laws.

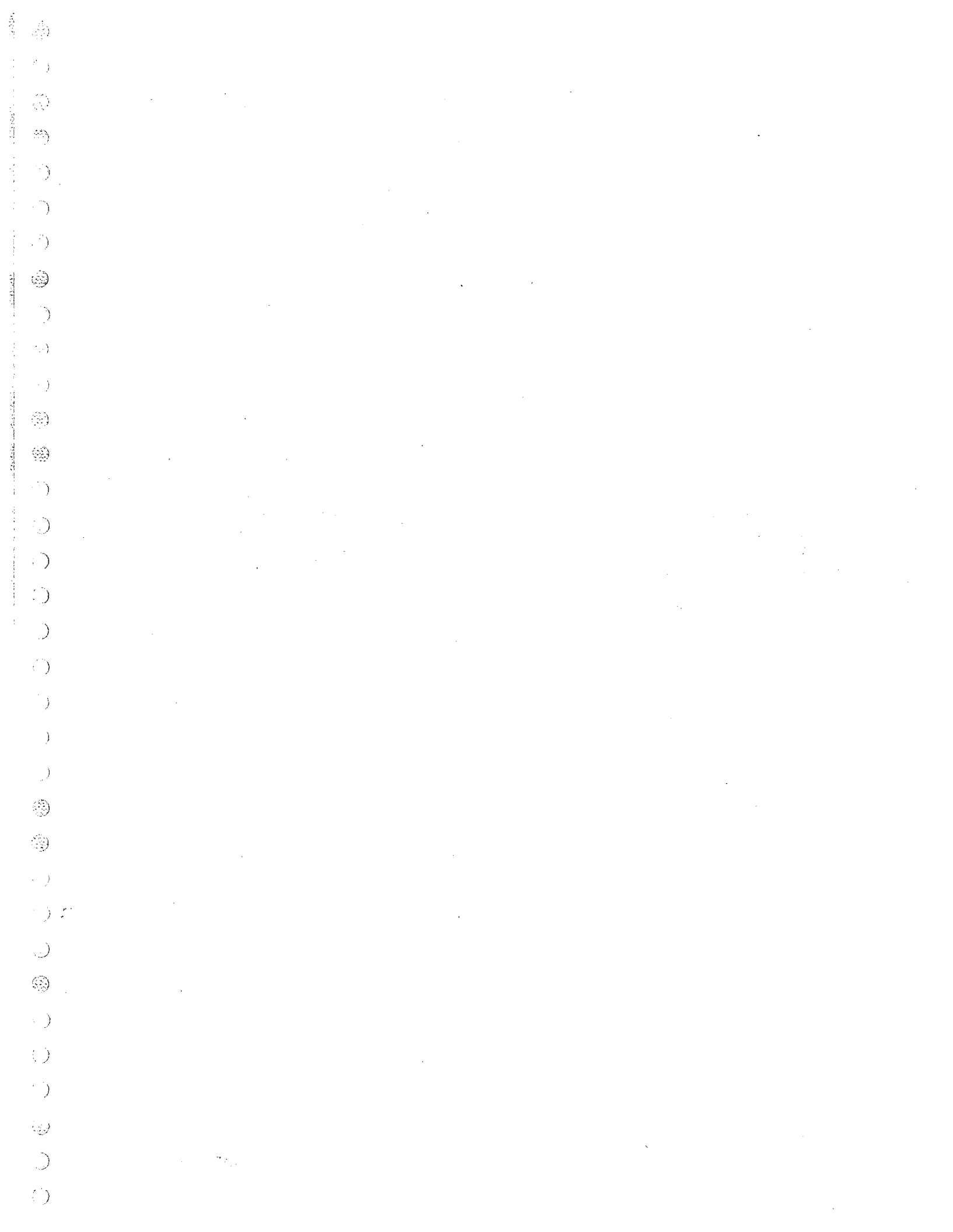
Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. N. Anil
Managing Director

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-112-

Abhijeet
Abhijeet Toll Road, (Karnataka) Limited

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47.4 Delayed payments

The Parties hereto agree that payments due from one Party to the other Party under the provisions of this Agreement shall be made within the period set forth therein, and if no such period is specified, within 15 (fifteen) days of receiving a demand along with the necessary particulars. In the event of delay beyond such period, the defaulting Party shall pay interest for the period of delay calculated at a rate equal to 5% (five per cent) above the Bank Rate, and recovery thereof shall be without prejudice to the rights of the Parties under this Agreement including Termination thereof.

47.5 Waiver

47.5.1 Waiver, including partial or conditional waiver, by either Party of any default by the other Party in the observance and performance of any provision of or obligations under this Agreement:


- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
- (b) shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- (c) shall not affect the validity or enforceability of this Agreement in any manner.

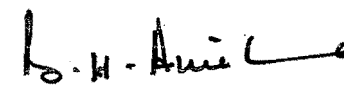
47.5.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

47.6 Liability for review of Documents and Drawings

Except to the extent expressly provided in this Agreement:

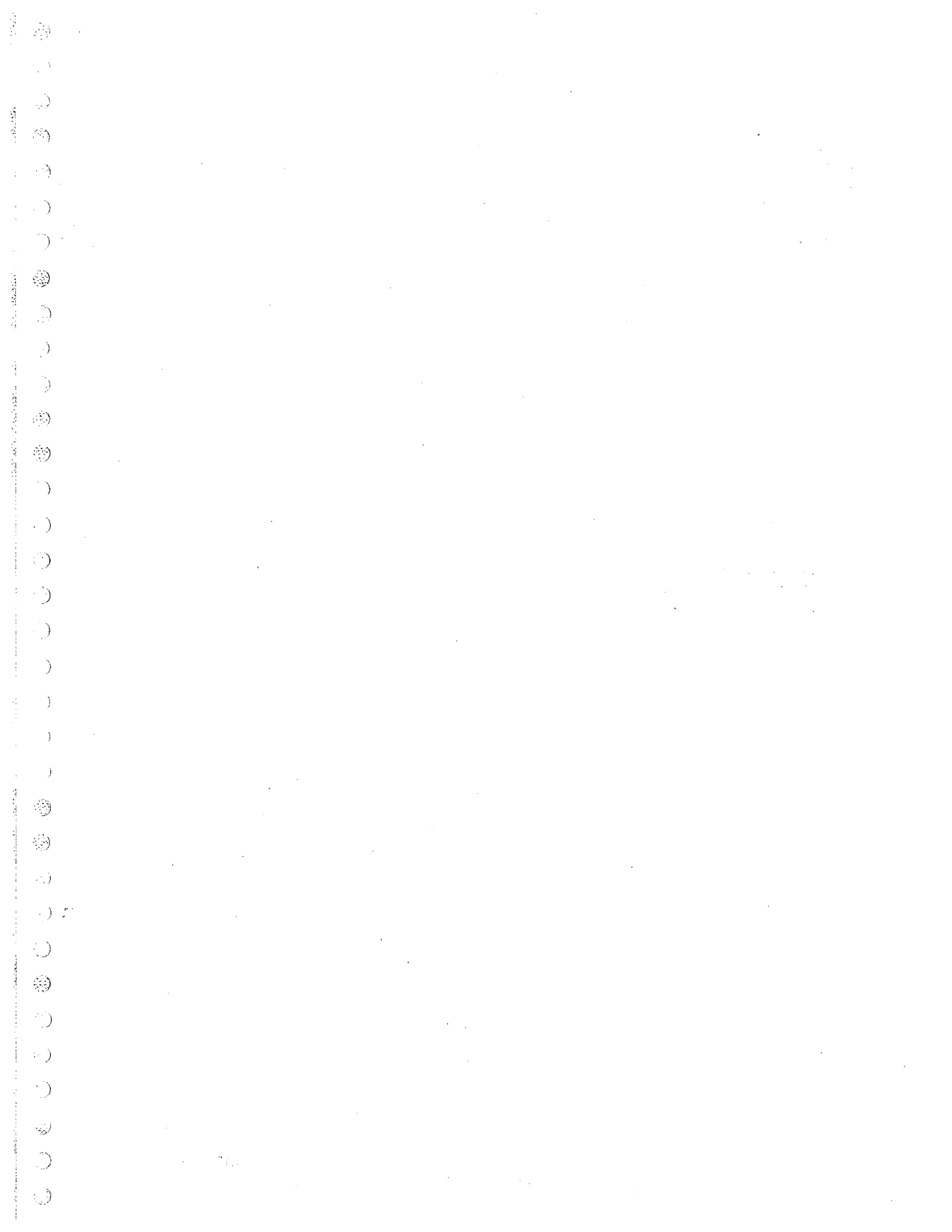
- (a) no review, comment or approval by Government or the Independent Engineer of any Project Agreement, Document or Drawing submitted by the Concessionaire nor any observation or inspection of the construction, operation or maintenance of the Project Road nor the failure to review, approve, comment, observe or inspect hereunder shall relieve or absolve the Concessionaire from its obligations, duties and liabilities under this Agreement, the Applicable Laws and Applicable Permits; and


SUSHASH C. KHUNTIA
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Transport Department


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- (b) the Government shall not be liable to the Concessionaire by reason of any review, comment, approval, observation or inspection referred to in Sub-clause (a) above.

47.7 Exclusion of implied warranties etc.

This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the Parties or any representation by either Party not contained in a binding legal agreement executed by both Parties.

47.8 Survival

47.8.1 Termination shall.

- (a) not relieve the Concessionaire or the Government, as the case may be, of any obligations hereunder which expressly or by implication survive Termination hereof; and
- (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such Termination or arising out of such Termination.

47.8.2 All obligations surviving Termination shall only survive for a period of 3 (three) years following the date of such Termination.

47.9 Entire Agreement

This Agreement and the Schedules together constitute a complete and exclusive statement of the terms of the agreement between the Parties on the subject hereof, and no amendment or modification hereto shall be valid and effective unless such modification or amendment is agreed to in writing by the Parties and duly executed by persons especially empowered in this behalf by the respective Parties. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are abrogated and withdrawn.

Suehash C. Khuntia
SUEHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

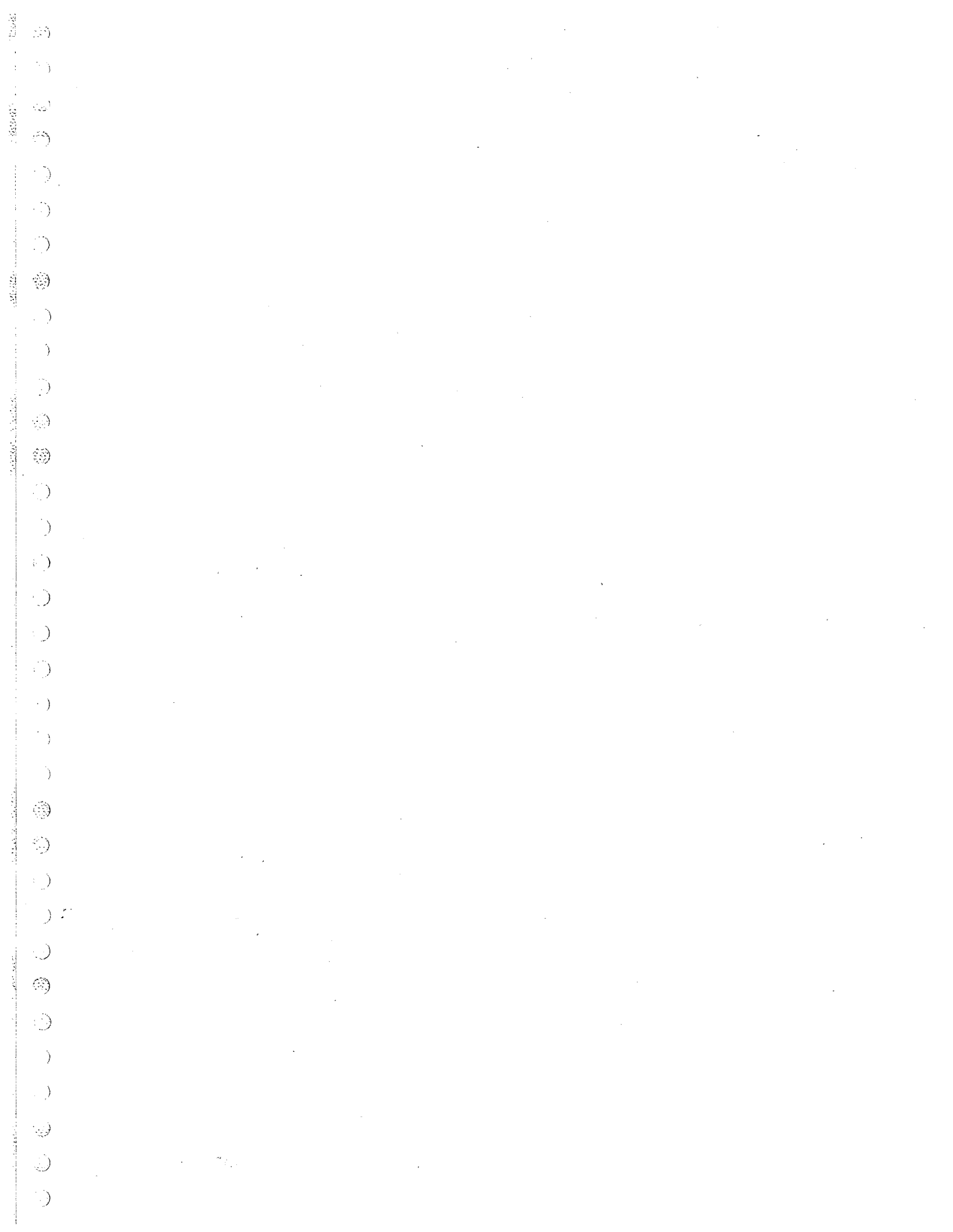
Abhijeet Toll Road
Managing Director

KRDCL

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47.10 Severability

If for any reason whatever, any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to the Dispute Resolution Procedure set forth under this Agreement or otherwise.

47.11 No partnership

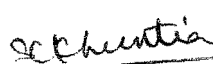
This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties, or to impose any partnership obligation or liability upon either Party, and neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.


47.12 Third Parties

This Agreement is intended solely for the benefit of the Parties, and their respective successors and permitted assigns, and nothing in this Agreement shall be construed to create any duty to, standard of care with reference to, or any liability to, any person not a Party to this Agreement.

47.13 Successors and Assigns

This Agreement shall be binding upon, and enure to the benefit of the Parties and their respective successors and permitted assigns.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director

Abhijeet Toll Road, (Karnataka) Limited

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47.14 Notices

Any notice or other communication to be given by any Party to the other Party under or in connection with the matters contemplated by this Agreement shall be in writing and shall:


- (a) in the case of the Concessionaire, be given by facsimile and by letter delivered by hand to the address given and marked for attention of the person set out below or to such other person as the Concessionaire may from time to time designate by notice to the Government; provided that notices or other communications to be given to an address outside Bangalore may, if they are subsequently confirmed by sending a copy thereof by registered acknowledgement due, air mail or by courier, be sent by facsimile to the number as the Concessionaire may from time to time designate by notice to the Government;
- (b) in the case of the Government, be given by facsimile and by letter delivered by hand and be addressed to the Principal Secretary, PWP&IWTD with a copy delivered to the Government Representative or such other person as the Government may from time to time designate by notice to the Concessionaire; provided that if the Concessionaire does not have an office in Bangalore it may send such notice by facsimile and by registered acknowledgement due, air mail or by courier; and
- (c) any notice or communication by a Party to the other Party, given in accordance herewith, shall be deemed to have been delivered when in the normal course of post it ought to have been delivered.

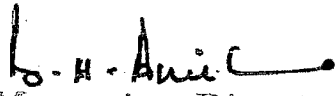
47.15 Language

All notices required to be given by one Party to the other Party and all other communications, Documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

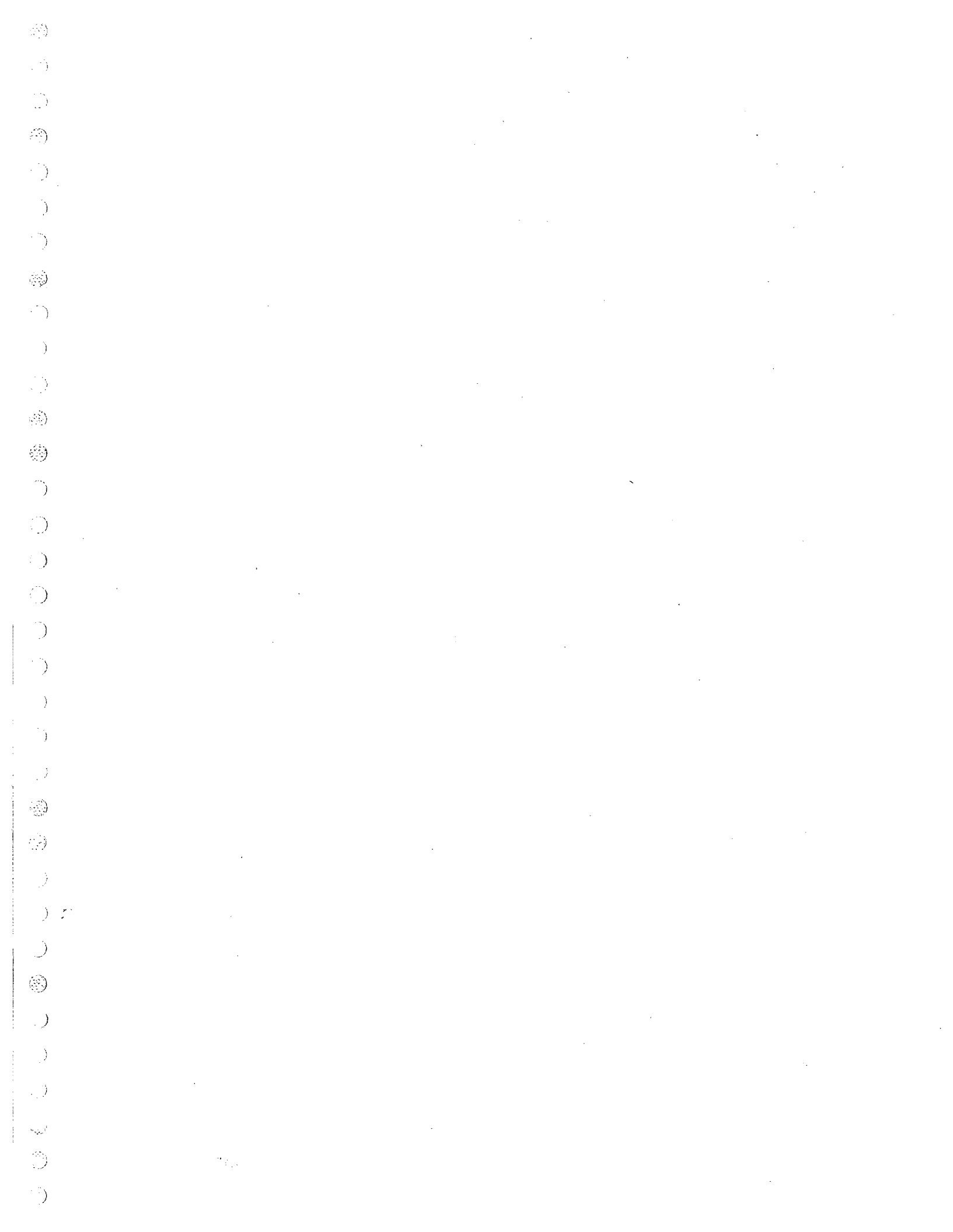
47.16 Counterparts

This Agreement may be executed in two counterparts, each of which, when executed and delivered, shall constitute an original of this Agreement.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
KRDCL
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ARTICLE 48 DEFINITIONS

48.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

"Accounting Year" means the financial year commencing from the first day of April of any calendar year and ending on the thirty-first day of March of the next calendar year;

"Additional Facilities" means the facilities such as service stations, motels, restaurants, shopping areas and amusement parks which the Concessionaire may, in its discretion and subject to Applicable Laws, provide or procure for the benefit of the Users, of the Project Road and which are in addition to the Project Facilities, and not situated on the Site;

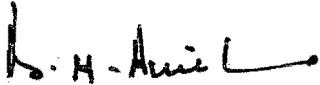
"Additional Tollway" shall have the meaning set forth in Article 30;

"Adjusted Equity" means the Equity funded in Indian Rupees and adjusted on the first day of the current month (the **"Reference Date"**), in the manner set forth below, to reflect the change in its value on account of depreciation and variations in WPI, and for any Reference Date occurring:

- (a) on or before COD, the Adjusted Equity shall be a sum equal to the Equity funded in Indian Rupees and expended on the Project, revised to the extent of one half of the variation in WPI occurring between the first day of the month of Appointed Date and the Reference Date;
- (b) from COD and until the 4th (fourth) anniversary thereof, an amount equal to the Adjusted Equity as on COD shall be deemed to be the base (the **"Base Adjusted Equity"**) and the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, revised at the commencement of each month following COD to the extent of variation in WPI occurring between COD and the Reference Date;
- (c) after the 4th (fourth) anniversary of COD, the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, reduced by 0.42% (zero point four two per cent) thereof at the commencement of each month following the 4th (fourth) anniversary of COD and the amount so arrived at shall be revised to the extent of variation in WPI occurring between COD and the Reference Date;


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Principal Secretary to Government
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Managing Director

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(and the aforesaid shall apply, *mutatis mutandis*, to the Equity funded in Indian Rupees). For the avoidance of doubt, the Adjusted Equity shall, in the event of Termination, be computed as on the Reference Date immediately preceding the Transfer Date; provided that no reduction in the Base Adjusted Equity shall be made for a period equal to the duration, if any, for which the Concession Period is extended, but the revision on account of WPI shall continue to be made;

"Affected Party" shall have the meaning set forth in Clause 34.1;

"Agreement" or "Concession Agreement" means this Agreement, its Recitals, the Schedules hereto and any amendments thereto made in accordance with the provisions contained in this Agreement;

"Applicable Laws" means all laws, brought into force and effect by Government of India (GOI) or the Government of Karnataka including rules, regulations and notifications made thereunder, and judgements, decrees, injunctions, writs and orders of any court of record, applicable to this Agreement and the exercise, performance and discharge of the respective rights and obligations of the Parties hereunder, as may be in force and effect during the subsistence of this Agreement;

"Applicable Permits" means all clearances, licences, permits, authorisations, no objection certificates, consents, approvals and exemptions required to be obtained or maintained under Applicable Laws in connection with the design, engineering, financing, construction, operation and maintenance of the Project Road during the subsistence of this Agreement;

"Appointed Date" means the date on which Financial Close is achieved or an earlier date that the Parties may by mutual consent determine, and shall be deemed to be the date of commencement of the Concession Period;

"Arbitration Act" means the Arbitration and Conciliation Act, 1996 and shall include modifications to or any re-enactment thereof, as in force from time to time;

"Adjusted Equity" means the Equity funded in Indian Rupees and adjusted on the first day of the current month (the "Reference Date"), in the manner set forth below, to reflect the change in its value on account of depreciation and variations in WPI, and for any Reference Date occurring:

- (a) on or before COD, the Adjusted Equity shall be a sum equal to the Equity funded in Indian Rupees and expended on the Project, revised to the extent of one half of the variation in WPI occurring between the first day of the month of Appointed Date and the Reference Date;

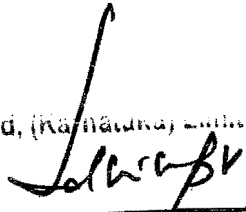

SUBHASH C. KHIUNTIA

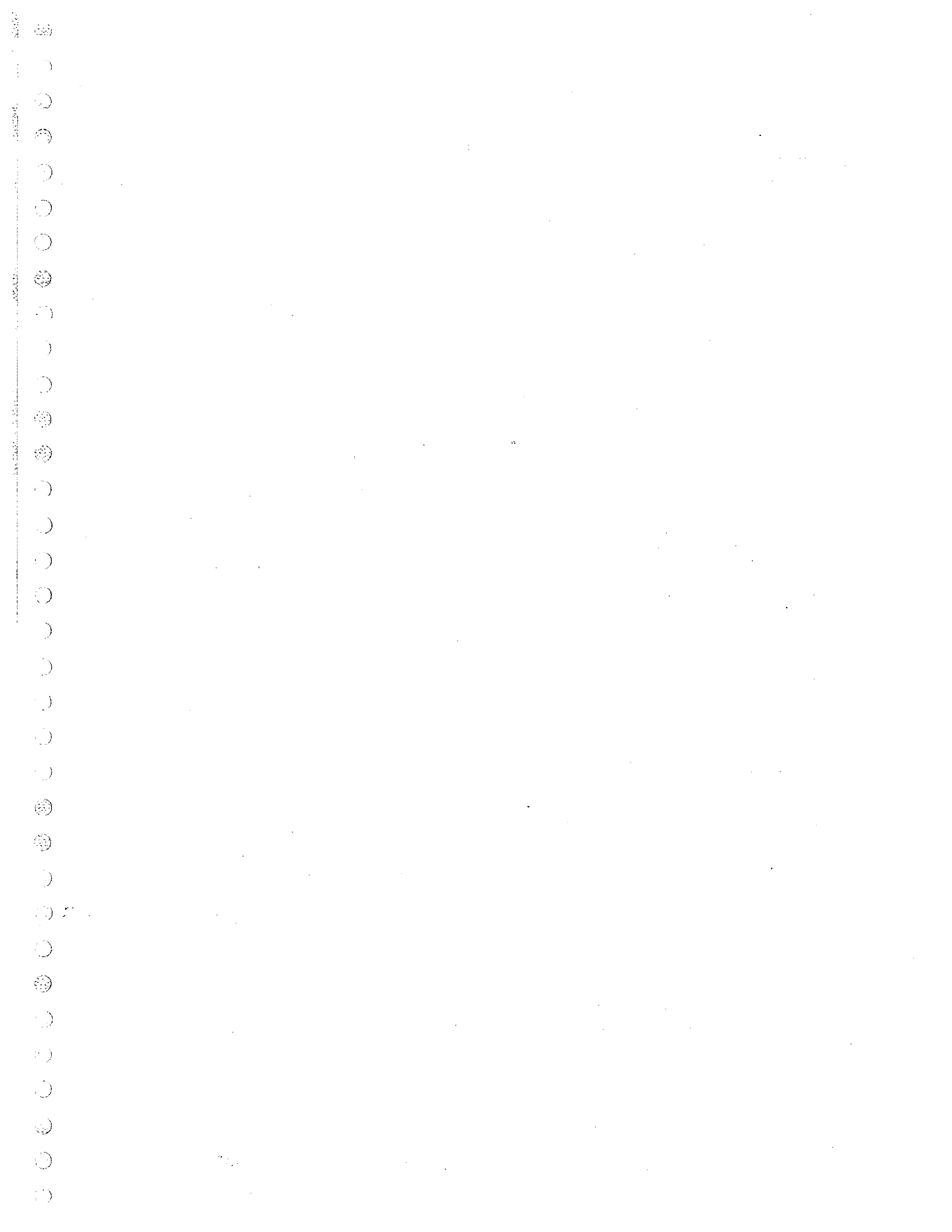
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil

Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited


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- (b) from COD and until the 4th (fourth) anniversary thereof, an amount equal to the Adjusted Equity as on COD shall be deemed to be the base (the "**Base Adjusted Equity**") and the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, revised at the commencement of each month following COD to the extent of variation in WPI occurring between COD and the Reference Date;
- (c) after the 4th (fourth) anniversary of COD, the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, reduced by (0.42% (zero point four two per cent) thereof at the commencement of each month following the 4th (fourth) anniversary of COD and the amount so arrived at shall be revised to the extent of variation in WPI occurring between COD and the Reference Date;

and the aforesaid shall apply, *mutatis mutandis*, to the Equity funded in Indian Rupees. For the avoidance of doubt, the Adjusted Equity shall, in the event of Termination, be computed as on the Reference Date immediately preceding the Transfer Date; provided that no reduction in the Base Adjusted Equity shall be made for a period equal to the duration, if any, for which the Concession Period is extended, but the revision on account of WPI shall continue to be made;


"Associate" or **"Affiliate"** means, in relation to either Party [and/or Consortium Members], a person who controls, is controlled by, or is under the common control with such Party [or Consortium Member] (as used in this definition, the expression "control" means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person, whether by operation of law or by contract or otherwise);

"Average Daily Fee" means the amount arrived at after dividing the total Realisable Fee of the immediately preceding Accounting Year by 365 (three hundred and sixty five), and increasing the product thereof by 5% (five per cent);

provided that the Average Daily Fee for any period prior to completion of the first Accounting Year following COD shall be a simple average of the Fee collected every day during the period between COD and the last day of the month preceding the date on which the event requiring calculation hereof occurred, and in the event that the Fee payable by any segment of traffic has not been realised for any reason, an assessment thereof shall be made by the Independent Engineer to form part of the Average Daily Fee for such period;


SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited


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"Bank" means a bank incorporated in India and having a minimum net worth of Rs. 1,000 crore (Rupees one thousand crore) or any other bank acceptable to Senior Lenders, and having a branch in the proximity of the Project Road or at any other place acceptable to Government but does not include a bank in which any Senior Lender has an interest;

"Bank Rate" means the rate of interest specified by the Reserve Bank of India from time to time in pursuance of section 49 of the Reserve Bank of India Act, 1934 or any replacement of such Bank Rate for the time being in effect;

"Bid" means the documents in their entirety comprised in the bid submitted by the Concessionaire/Consortium in response to the Tender Notice/RFP in accordance with the provisions thereof;

"Bid Security" means the security provided by the Concessionaire/Consortium to the Government along with the Bid in a sum of [Rs. ***** crore (Rupees ***** crore)], in accordance with the Tender Notice/RFP, and which is to remain in force until substituted by the Performance Security;

"Bidder" means the single entity/Consortium referred to in Recitals.

"BOT" means Build, Operate and Transfer referred to in Recitals;

"Bus" means any passenger motor vehicle with a Gross Vehicle Weight exceeding 12,000 (twelve thousand) kilograms;

"Car" means and includes any motor transport vehicle, car, jeep, van, omnibus, or three-wheeled motor vehicle with a Gross Vehicle Weight not exceeding 7500 (seven thousand five hundred) kilograms, but does not include a Motor Cycle, Tractor or road roller;

"COD" or "Commercial Operation Date" shall have the meaning set forth in Clause 15.1;

"Change in Law" means the occurrence of any of the following after the date of submission of Bid:

- (a) the enactment of any new Indian law as applicable to the State of Karnataka;
- (b) the repeal, modification or re-enactment of any existing Indian law as applicable to the State of Karnataka;
- (c) the commencement of any Indian law, as applicable to the State, which has not

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entered into effect until the date of Bid;

(d) a change in the interpretation or application of any Indian law, as applicable to the State of Karnataka, by a judgement of a court of record which has become final, conclusive and binding, as compared to such interpretation or application by a court of record prior to the date of Bid.

(e) any change in the rates of any of the taxes that have a direct effect on the Project.

"Change of Scope" shall have the meaning set forth in Clause 16.1;

"Company" means the Company acting as the Concessionaire under this Agreement;

"Completion Certificate" shall have the meaning set forth in Clause 14.2;

"Concession" shall have the meaning set forth in Clause 3.1.1;

"Concessionaire" shall have the meaning attributed thereto in the array of Parties hereinabove as set forth in the Recitals;

"Concession Fee" shall have the meaning set forth in Clause 26.1;

"Concession Period" means the period starting on and from the Appointed Date and ending on the Transfer Date;

"Concessionaire Default" shall have the meaning set forth in Clause 37.1.1;

"Conditions Precedent" shall have the meaning set forth in Clause 4.1.1;

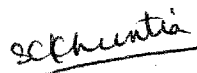
"Consortium" shall have the meaning set forth in Recitals;

"Consortium Member" means a company specified in Recitals as a member of the Consortium;

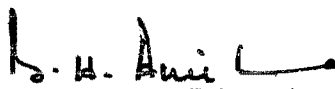
"Construction Period" means the period beginning from the Appointed Date and ending on COD;

"Construction Works" means all works and things necessary to complete the Project Road for use of the traffic and other users thereof in accordance with this Agreement;

"Contractor" means the person or persons, as the case may be, with whom the Concessionaire has entered into any of the EPC Contract, the O&M Contract, the Tolling Contract or any other agreement or contract for construction, operation and/or maintenance of the Project Road or matters incidental thereto, but does not include a


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person who has entered into an agreement for providing financial assistance to the Concessionaire;

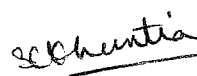
"Cure Period" means the period specified in this Agreement for curing any breach or default of any provision of this Agreement by the Party responsible for such breach or default and shall:


- (a) commence from the date on which a notice is delivered by one Party to the other Party asking the latter to cure the breach or default specified in such notice;
 - (b) not relieve any Party from liability to pay Damages or compensation under the provisions of this Agreement; and
 - (c) not in any way be extended by any period of Suspension under this Agreement;
- provided that if the cure of any breach by the Concessionaire requires any reasonable action by the Concessionaire that must be approved by the Government or the Independent Engineer hereunder, the applicable Cure Period shall be extended by the period taken by the Government or the Independent Engineer to accord their approval;

"Damages" shall have the meaning set forth in Sub-clause (v) of Clause 1.2.1;

"Debt Due" means the aggregate of the following sums expressed in Indian Rupees outstanding on the Transfer Date:

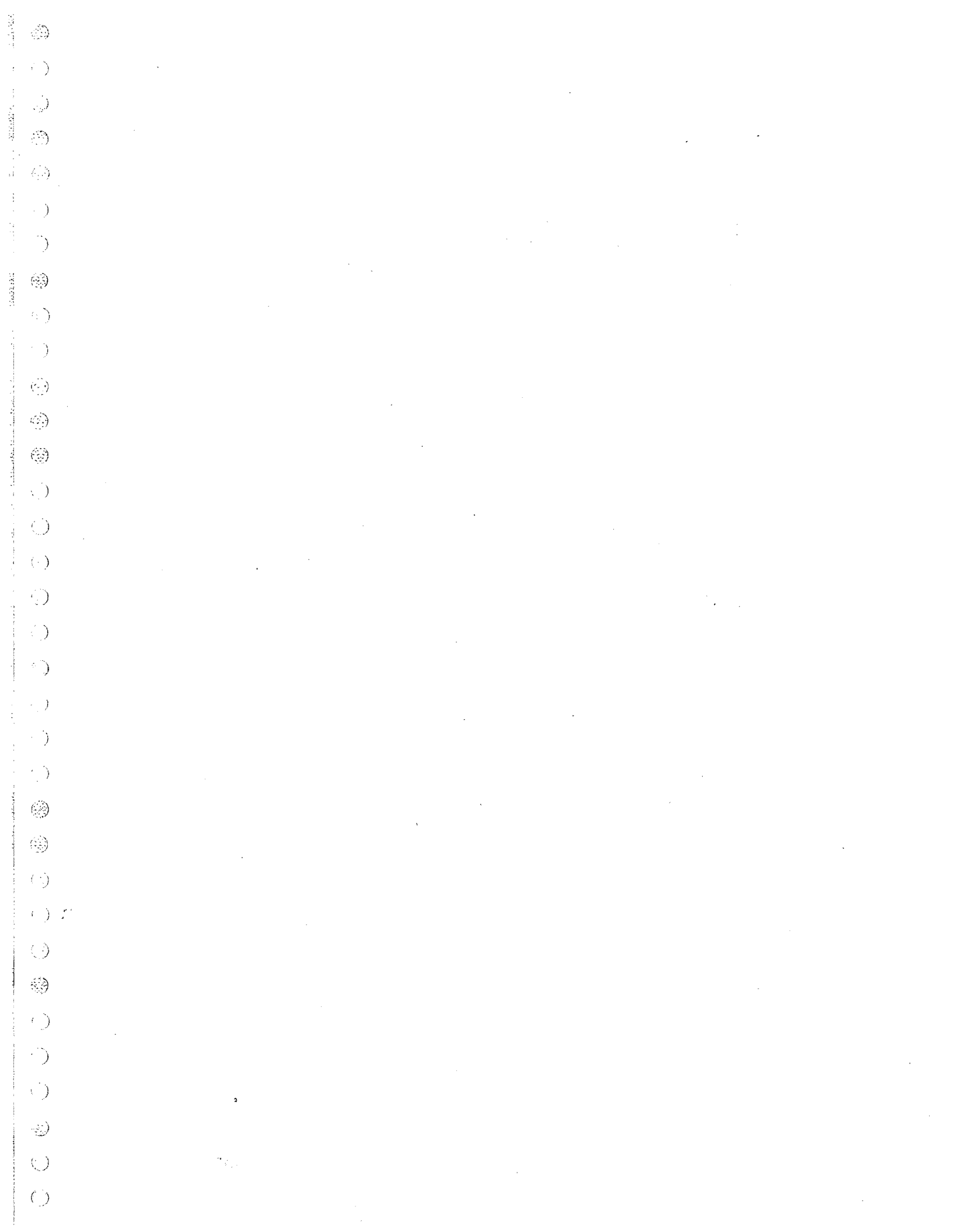
- (a) the principal amount of the debt provided by the Senior Lenders under the Financing Agreements for financing the Total Project Cost (the **"principal"**) but excluding any part of the principal that had fallen due for repayment two years prior to the Transfer Date;
- (b) all accrued interest, financing fees and charges payable under the Financing Agreements on, or in respect of, the debt referred to in Sub-clause (a) above until the Transfer Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the Transfer Date, (ii) any penal interest or charges payable under the Financing Agreements to any Senior Lender, and (iii) any pre-payment charges in relation to accelerated repayment of debt except where such charges have arisen due to Government Default; and
- (c) any Subordinated Debt which is included in the Financial Package and disbursed by lenders for financing the Total Project Cost; provided that if all or any part of the


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Debt Due is convertible into Equity at the option of Senior Lenders and/or the Concessionaire, it shall for the purposes of this Agreement be deemed to be Debt Due even after such conversion and the principal thereof shall be dealt with as if such conversion had not been undertaken;

"Debt Service" means the sum of all payments on account of principal, interest, financing fees and charges due and payable in an Accounting Year to the Senior Lenders under the Financing Agreements;

"Development Period" means the period from the date of this Agreement until the Appointed Date;

"Dispute" shall have the meaning set forth in Clause 44.1.1;

"Dispute Resolution Procedure" means the procedure for resolution of Disputes set forth in Article 44;

"Divestment Requirements" means the obligations of the Concessionaire for and in respect of Termination as set forth in Clause 38.1;

"Document" or **"Documentation"** means documentation in printed or written form, or in tapes, discs, drawings, computer programmes, writings, reports, photographs, films, cassettes, or expressed in any other written, electronic, audio or visual form;

"Drawings" means all of the drawings, calculations and documents pertaining to the Project Road as set forth in Schedule-H, and shall include 'as built' drawings of the Project Road;

"EPC Contract" means the engineering, procurement and construction contract or contracts entered into by the Concessionaire with one or more Contractors for, inter alia, engineering and construction of the Project Road in accordance with the provisions of this Agreement;

"EPC Contractor" means the person with whom the Concessionaire has entered into an EPC Contract;

"Emergency" means a condition or situation that is likely to endanger the security of the individuals on or about the Project Road, including Users thereof, or which poses an immediate threat of material damage to any of the Project Assets;

"Encumbrances" means, in relation to the Project Road, any encumbrances such as mortgage, charge, pledge, lien, hypothecation, security interest, assignment, privilege or priority of any kind having the effect of security or other such obligations, and shall

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include any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy pertaining to the Project Road, where applicable herein but excluding utilities referred to in Clause 11.1;

"Equity" means the sum expressed in Indian Rupees representing the paid up equity share capital of the Concessionaire for meeting the equity component of the Total Project Cost, and for the purposes of this Agreement shall include convertible instruments or other similar forms of capital, which shall compulsorily convert into equity share capital of the Concessionaire, and any interest-free funds advanced by any shareholder of the Concessionaire for meeting such equity component, but does not include Equity Support.

"Equity Support" shall have the meaning set forth in Clause 25.2.1;

"Escrow Account" means an Account which the Concessionaire shall open and maintain with a Bank in which all inflows and outflows of cash on account of capital and revenue receipts and expenditures shall be credited and debited, as the case may be, in accordance with the provisions of this Agreement, and includes the Sub-Accounts of such Escrow Account;

"Escrow Agreement" shall have the meaning set forth in Clause 31.1.2;

"Escrow Bank" shall have the meaning set forth in Clause 31.1.1;

"Escrow Default" shall have the meaning set forth in Schedule-S;

"Exempted Vehicle" means a Vehicle exempted from payment of Fee under and in accordance with the Fee Notification;"

"Fee" means the charge levied on and payable for a vehicle using the Project Road or a part thereof, in accordance with the Fee Notification and this Agreement;

"Fee Notification" means the Notification No. *** dated *** issued by the Government in exercise of the powers conferred by Section [** of the ***** Act] in respect of the levy and collection of Fee during the Concession Period, and a copy of which is at Schedule-R, and includes any subsequent notifications issued from time to time for levy and collection of the Fee contemplated by the provisions of this Agreement;

"Financial Close" means the fulfillment of all conditions precedent to the initial availability of funds under the Financing Agreements;

"Financial Default" shall have the meaning set forth in Schedule-V;

"Financial Model" means the financial model adopted by Senior Lenders, setting forth

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the capital and operating costs of the Project and revenues therefrom on the basis of which financial viability of the Project has been determined by the Senior Lenders, and includes a description of the assumptions and parameters used for making calculations and projections therein;

"Financial Package" means the financing package indicating the total capital cost of Project Road and the means of financing thereof, as set forth in the Financial Model and approved by the Senior Lenders, and includes Equity, all financial assistance specified in the Financing Agreements, Subordinated Debt and Equity Support, if any;

"Financing Agreements" means the agreements executed by the Concessionaire in respect of financial assistance to be provided by the Senior Lenders by way of loans, guarantees, subscription to non-convertible debentures and other debt instruments including loan agreements, guarantees, notes, debentures, bonds and other debt instruments, security agreements, and other documents relating to the financing (including refinancing) of the Total Project Cost, and includes amendments or modifications made in accordance with Clause 5.2.2;

"Force Majeure" or "Force Majeure Event" shall have the meaning ascribed to it in Clause 34.1;

"GOI" means the Government of India.

"GOVERNMENT" means the Government of Karnataka.

"Good Industry Practice" means the practices, methods, techniques, designs, standards, skills, diligence, efficiency, reliability and prudence which are generally and reasonably expected of and accepted internationally from a reasonably skilled and experienced operator engaged in the same type of undertaking as envisaged under this Agreement and which would be expected to result in the performance of its obligations by the Concessionaire in accordance with this Agreement, Applicable Laws and Applicable Permits in reliable, safe, economical and efficient manner;

"Government Default" shall have the meaning set forth in Clause 37.2.1;

"Government Instrumentality/Agency" means any department, division or sub-division of the Government of India or the Government of Karnataka and includes any commission board, authority, agency or municipal and other local authority or statutory body including Panchayat under the control of the Government of India or the Government of Karnataka, as the case may be, and having jurisdiction over all or any part of the Project Road or the performance of all or any of the services or obligations of the Concessionaire under or pursuant to this Agreement;

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Public Works, Ports and Inland Water
Transport Department

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"Government Representative" means such person or persons as may be authorised in writing by the Government to act on its behalf under this Agreement and shall include any person or persons having authority to exercise any rights or perform and fulfil any obligations of the Government under this Agreement;

"Grant" shall have the meaning set forth in Clause 25.1.1;

"Gross Vehicle Weight" or "GVW" means in respect of any vehicle the total weight of the vehicle and load certified and registered under the Applicable Laws;

"Heavy Truck" or **"Multi-axle truck"** means any goods carrier with a Gross Vehicle Weight exceeding 20,000 (twenty thousand) kilograms and includes a truck with three or more axles;

"IRC" means the Indian Roads Congress;

"Indemnified Party" means the Party entitled to the benefit of an indemnity pursuant to Article 42;

"Indemnifying Party" means the Party obligated to indemnify the other Party pursuant to Article 42;

"Independent Engineer" shall have the meaning set forth in Clause 23.1;

"Indirect Political Event" shall have the meaning set forth in Clause 34.3;

"Insurance Cover" means the aggregate of the maximum sums insured under the insurances taken out by the Concessionaire pursuant to Article 32, and when used in the context of any act or event, it shall mean the aggregate of the maximum sums insured and payable in relation to such act or event;

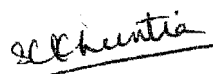
"KRDCL" means Karnataka Road Development Corporation Limited, Bangalore.

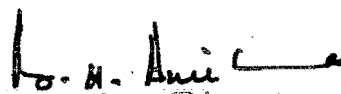
"LOA" or **"Letter of Acceptance"** means the letter of acceptance referred to in Recitals;

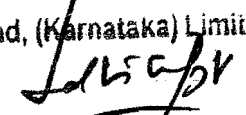
"Lenders' Representative" means the person duly authorised by the Senior Lenders to act for and on behalf of the Senior Lenders with regard to matters arising out of or in relation to this Agreement, and includes his successors, assigns and substitutes;

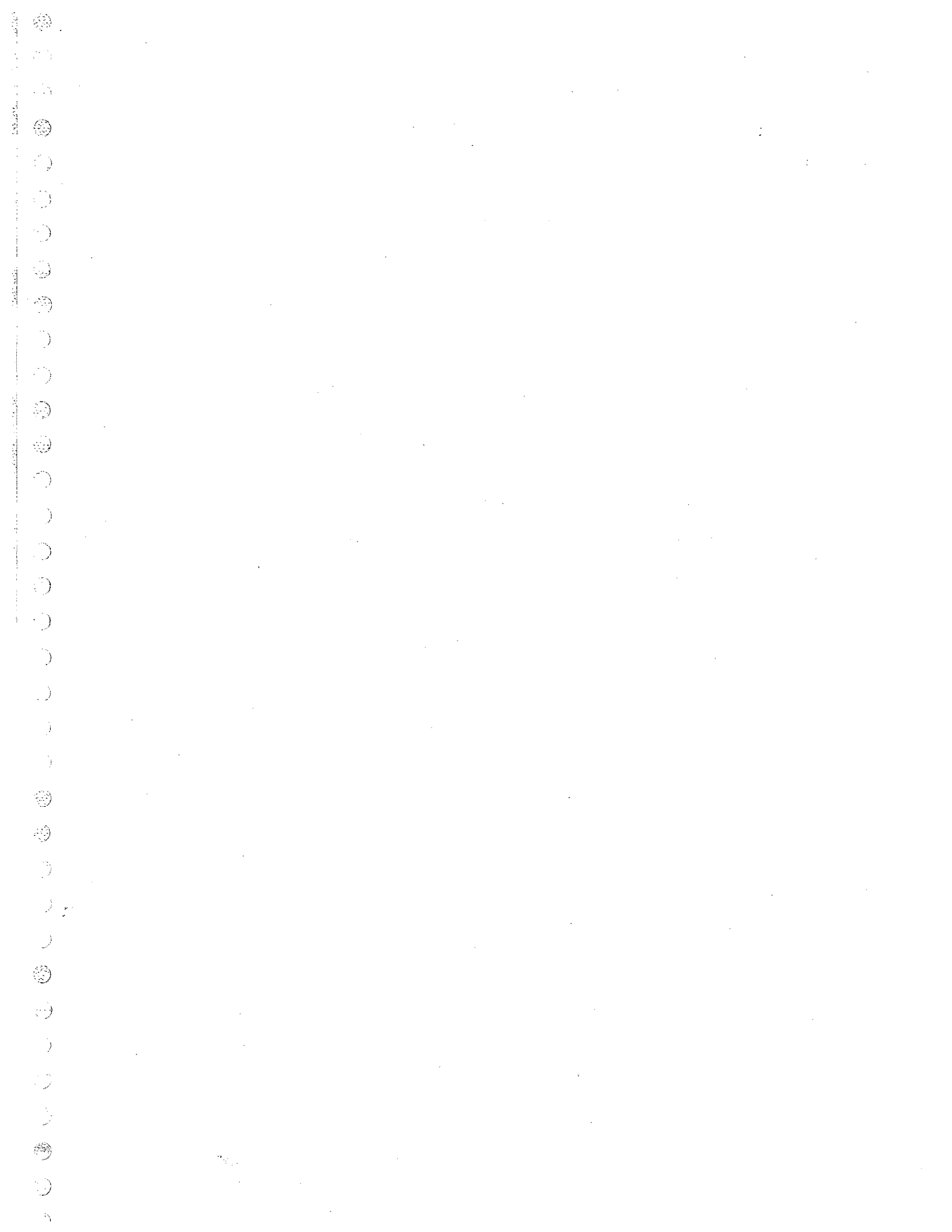
"Light Commercial Vehicle" or **"LCV"** means any passenger vehicle or goods carrier with a Gross Vehicle Weight exceeding 7500 (seven thousand five hundred) kilograms and includes a Tractor with Trailer but does not include a Tractor, Bus, Truck or Heavy Truck;

"Local Traffic" shall have the meaning ascribed thereto in Schedule 'R'


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"MOSRT&H" means the Ministry of Shipping, Road Transport and Highways or any substitute thereof dealing with highways;

"Maintenance Manual" shall have the meaning ascribed to it in Clause 17.3;

"Maintenance Programme" shall have the meaning ascribed to it in Clause 17.4.1;

"Maintenance Requirements" shall have the meaning set forth in Clause 17.2;

"Material Adverse Effect" means a material adverse effect of any act or event on the ability of either Party to perform any of its obligations under and in accordance with the provisions of this Agreement and which act or event causes a material financial burden or loss to either Party;

"Medical Aid Post" shall have the meaning set forth in Clause 21.1;

"Nominated Company" means a company selected by the Lenders' Representative and proposed to the Government for substituting the Concessionaire in accordance with the provisions of the Substitution Agreement;

"NPV" means Net Present Value referred to in clause 41.3;

"Non-Political Event" shall have the meaning set forth in Clause 34.2;

"O&M" means the operation and maintenance of the Project Road and includes all matters connected with or incidental to such operation and maintenance, provision of services and facilities, and collection of Fee in accordance with the provisions of this Agreement;

"O&M Contract" means the operation and maintenance contract that may be entered into between the Concessionaire and the O&M Contractor for performance of all or any of the O&M obligations;

"O&M Contractor" means the person, if any, with whom the Concessionaire has entered into an O&M Contract for discharging O&M obligations for and on behalf of the Concessionaire;

"O&M Expenses" means expenses incurred by or on behalf of the Concessionaire or by the Government, as the case may be, for all O&M including (a) cost of salaries and other compensation to employees (b) cost of materials, supplies, utilities and other services, (c) premia for insurance, (d) all taxes, duties, cess and fees due and payable for O & M, (e) all repair, replacement, reconstruction, reinstatement, improvement and maintenance costs (f) payments required to be made under the O&M Contract, Tolling Contract or any other contract in connection with or incidental to O&M, and (g) all other

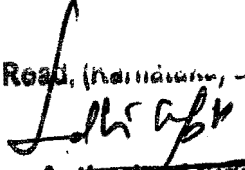

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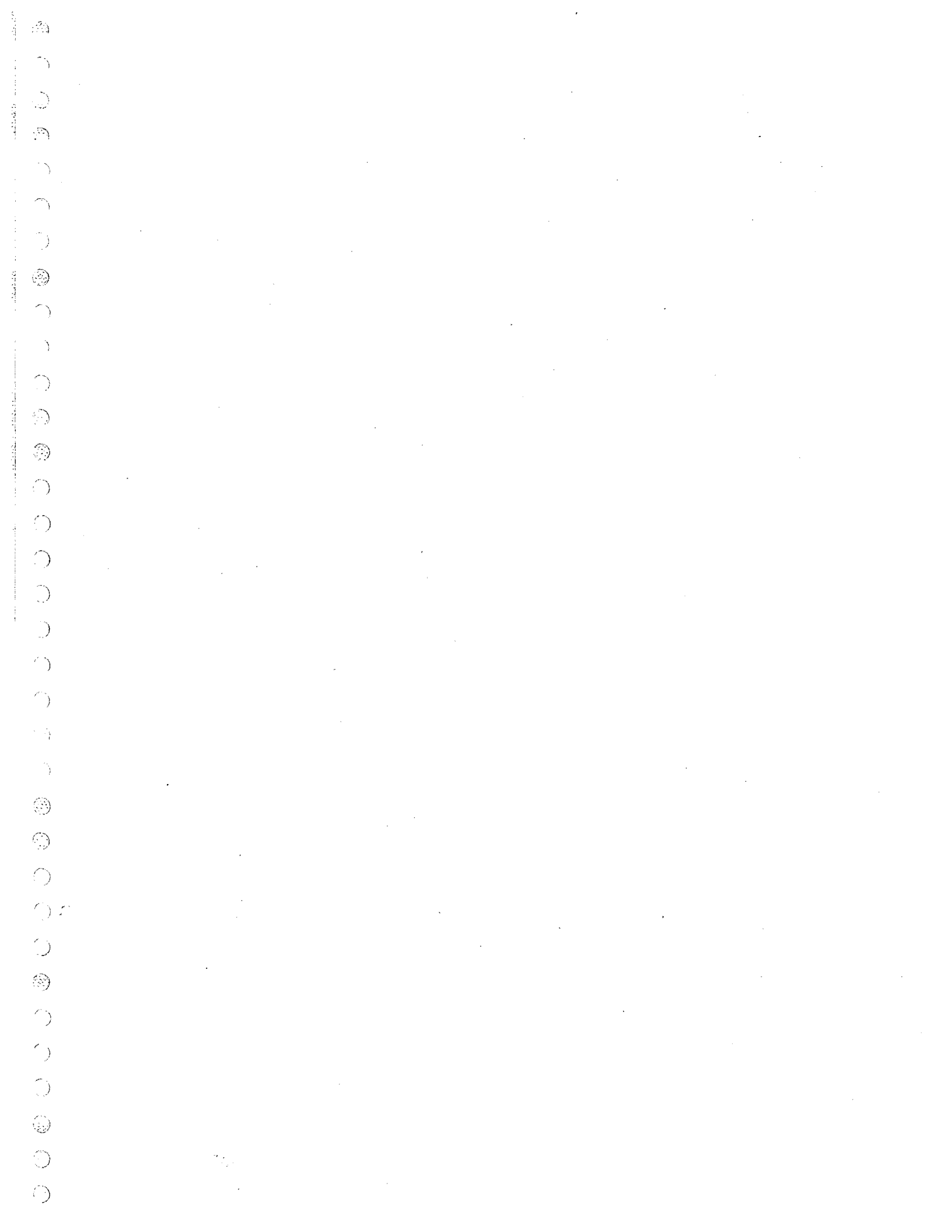
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Transport Department


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expenditure required to be incurred under Applicable Laws, Applicable Permits or this agreement.

"O&M Inspection Report" shall have the meaning set forth in Clause 19.2;

"O&M Support" shall have the meaning set forth in Clause 25.3.1;

"Operation Period" means the period commencing from COD and ending on the Transfer Date;

"PCU" shall have the meaning ascribed to a passenger car unit in the Indian Roads Congress Publication No. IRC-64, 1990 or any substitute or modification thereof, and when used in this Agreement, shall include only motorised vehicles liable to payment of user charges at the Toll Plaza(s) in accordance with the Fee Notification and the Exempted Vehicles specified therein, but does not include Tractors, Tractors with Trailer, Motor Cycles and non-motorised vehicles;

"PWD" or **"PWP&IWT"** or **"Public Works Department"** means the Public Works Department (or Public Works, Ports and Inland Water Transport) of the Government of Karnataka or any substitute thereof dealing with State Highways and "Principal Secretary, PWD" means the Secretary to the Government of Karnataka in that Department;

"Panel of Chartered Accountants" shall have the meaning set forth in Clause 33.2.1;

"Parties" means the parties to this Agreement collectively and "Party" shall mean any of the parties to this Agreement individually;

"Performance Security" shall have the meaning set forth in Clause 9.1;

"Political Event" shall have the meaning set forth in Clause 34.4;

"Premium" shall have the meaning set forth in Clause 25.4;

"Project" means the construction, operation and maintenance of the Project Road in accordance with the provisions of this Agreement, and includes all works, services and equipment relating to or in respect of the Scope of the Project;

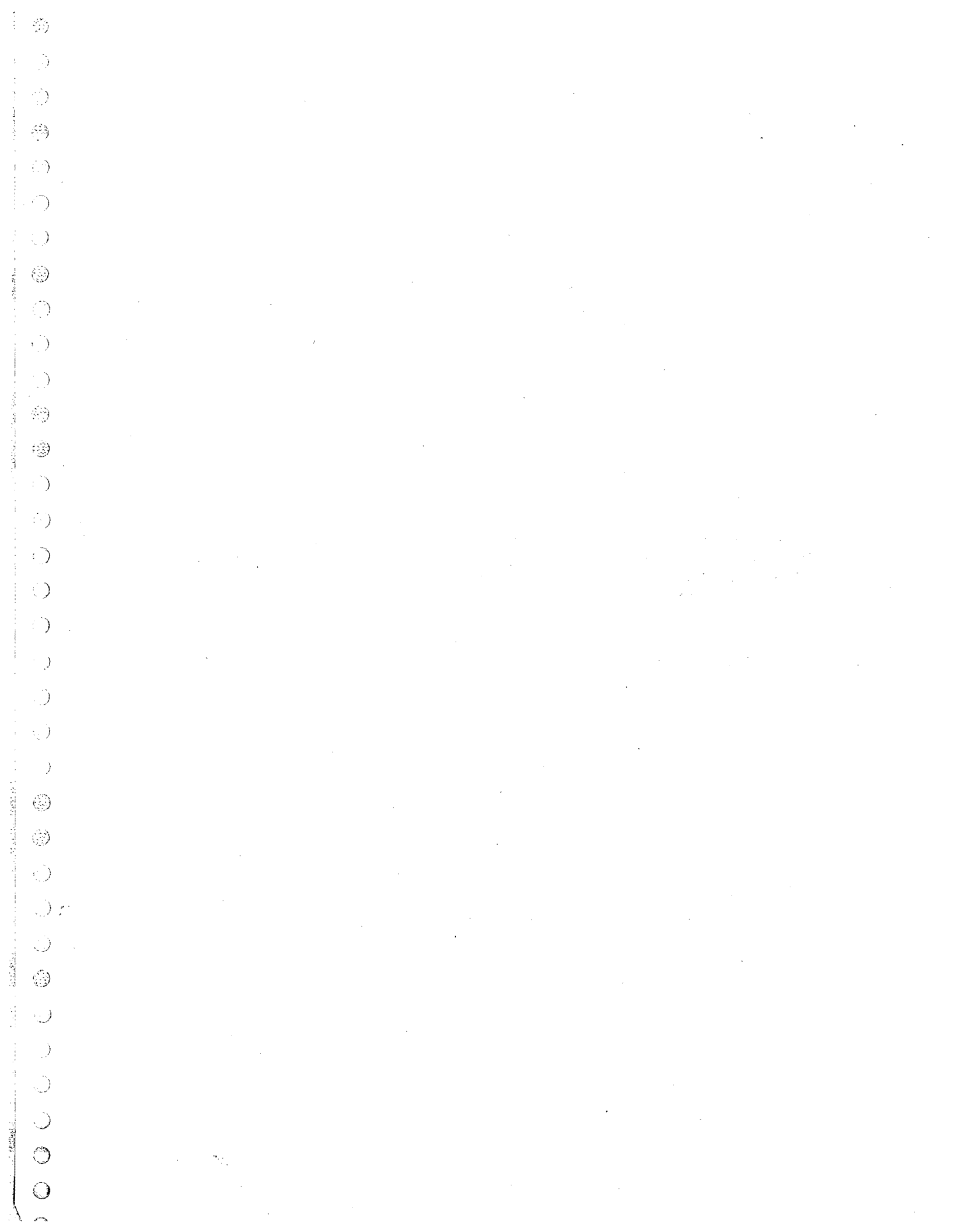
"Project Agreements" means this Agreement, the Financing Agreements, EPC Contract, O&M Contract, Tolling Contract, and any other agreements or contracts that may be entered into by the Concessionaire with any person in connection with matters relating to, arising out of or incidental to the Project during the subsistence of this Agreement, but does not include the Escrow Agreement and the Substitution Agreement;

"Project Assets" means all physical and other assets relating to and forming part of the

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Site, including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road over-bridges, drainage works, traffic signals, sign boards, kilometre-stones, toll plazas, electrical systems, communication systems, rest areas, relief centres, maintenance depots and administrative offices; (c) Project Facilities situated on the Site; (d) all rights of the Concessionaire under the Project Agreements; (e) financial assets, such as receivables, security deposits etc.; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Project Road, but does not include Additional Facilities;

"Project Completion Date" means the date on which the Completion Certificate or the Provisional Certificate, as the case may be, is issued under the provisions of Article 14;

"Project Completion Schedule" means the progressive Project Milestones set forth in Schedule-G for completion of the Project Road on or before the Scheduled Date;

"Project Facilities" means all the amenities and facilities situated on the Site, as described in Schedule-C;

"Project Road" means Improvements to Chikkanayakanahalli-Tiptur-Hassan Road in the State of Karnataka and shall include the Project Assets and the Project Facilities including work added through Change of Scope or through Value Addition to be designed, engineered, built and improved on Site and to be operated and maintained during the Concession Period in accordance with the provisions of this Agreement.

"Project Milestones" means the project milestones set forth in Schedule-G;

"Provisional Certificate" shall have the meaning set forth in Clause 14.3;

"Punch List" shall have the meaning ascribed to it in Clause 14.4;

"RBI" means the Reserve Bank of India, as constituted and existing under the Reserve Bank of India Act, 1934, including any statutory modification or replacement thereof, and its successors;

"Reference Exchange Rate" means, in respect of any one currency that is to be converted into another currency in accordance with the provisions of this Agreement, the exchange rate as of 12.00 (twelve) noon on the relevant date quoted in Bangalore by the State Bank of India, and in the absence of such rate, the average of similar rates quoted in Bangalore by the Bank of India and the Bank of Baroda;

"Re.", "Rs." or "Rupees" or "Indian Rupees" means the lawful currency of the

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Republic of India;

"Realisable Fee" means all the Fee due and realisable under this Agreement, but does not include fees that the Concessionaire has not been able to realise after due diligence and best efforts. For the avoidance of doubt, Realisable Fee shall, save as provided in MCA, be the amount so declared by the Concessionaire on the basis of its provisional accounts or the audited accounts, as the case may be, and in the event of a dispute thereto, the Dispute Resolution Procedure shall apply;

"Right of Way" means the constructive possession of the Site, together with all way leaves, easements, unrestricted access and other rights of way, howsoever described, necessary for construction, operation and maintenance of the Project Road in accordance with this Agreement;

"Safety Consultant" shall have the meaning set forth in Clause 18.1.2;

"Safety Requirements" shall have the meaning set forth in Clause 18.1.1;

"Safety Fund" shall have the meaning set forth in Clause 18.2.;

"Scheduled Project Completion Date" shall have the meaning set forth in Clause 12.4.1;

"Scope of the Project" shall have the meaning set forth in Clause 2.1;

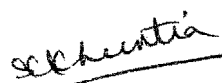
"Senior Lenders" means the financial institutions, banks, multilateral lending agencies, trusts, funds and agents or trustees of debenture holders, including their successors and assignees, who have agreed to guarantee or provide finance to the Concessionaire under any of the Financing Agreements for meeting all or any part of the Total Project Cost and who hold *pari passu* charge on the assets, rights, title and interests of the Concessionaire;


"Site" shall have the meaning set forth in Clause 10.1;

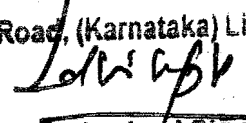
"Specifications and Standards" means the specifications and standards relating to the quality, quantity, capacity and other requirements for the Project Road, as set forth in Schedule-D, and any modifications thereof, or additions thereto, as included in the design and engineering for the Project Road submitted by the Concessionaire to, and expressly approved by, the Government;

"State" means the State of Karnataka and **"State Government"** means the Government of that State;

"Statutory Auditors" means an independent, recognized and a reputable firm of


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chartered accountants duly licensed to practice in India as independent statutory auditors of the Concessionaire under the provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force, and appointed in accordance with Clause 33.2.1;

"Subordinated Debt" means the aggregate of the following sums expressed in Indian Rupees or in the currency of debt, as the case may be, outstanding as on the Transfer Date:

- (a) the principal amount of debt provided by lenders or the Concessionaire for meeting the Total Project Cost and subordinated to the financial assistance provided by the Senior Lenders; and
- (b) all accrued interest on the debt referred to in Sub-clause (a) above but restricted to the lesser of actual interest rate and a rate equal to 5% (five per cent) above the Bank Rate in case of loans expressed in Indian Rupees and lesser of the actual interest rate and six-month LIBOR (London Inter Bank Offer Rate) plus 2% (two per cent) in case of loans expressed in foreign currency, but does not include any interest that had fallen due one year prior to the Transfer Date;

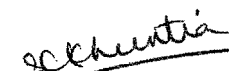
provided that if all or any part of the Subordinated Debt is convertible into Equity at the option of the lenders and/or the Concessionaire, it shall for the purposes of this Agreement be deemed to be Subordinated Debt even after such conversion and the principal thereof shall be dealt with as if such conversion had not been undertaken;

"Subsistence Revenue Level" means the total amount of Fee revenue that is required by the Concessionaire in an Accounting Year to meet the sum of (a) O&M Expenses, subject to an annual ceiling of 3% (three per cent) of the Total Project Cost, [plus Grant, if any,] during the first Accounting Year after COD, to be revised for each subsequent year to reflect the variations in WPI occurring between COD and commencement of such Accounting Year, and (b) Debt Service in such Accounting Year, but excluding any interest paid by the Government under clause 34.7.2 or 35.2;

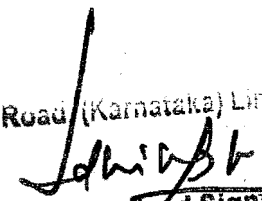
"Substitution Agreement" shall have the meaning set forth in Clause 40.3;

"Suspension" shall have the meaning set forth in Clause 36.1;

"Taxes" means any Indian taxes including excise duties, customs duties, value added tax, sales tax, local taxes, cess and any impost or surcharge of like nature (whether Central, State or local) on the goods, materials, equipment and services incorporated in and forming part of the Project Road and Project Facilities charged, levied or imposed by


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


K. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road (Karnataka) Limited

Authorised Signatory

any Government Instrumentality, but excluding any interest, penalties and other sums in relation thereto imposed on any account whatsoever. For the avoidance of doubt, Taxes shall not include taxes on corporate income;

"Tender Notice" shall have the meaning set forth in Recitals;

"Termination" means the expiry or termination of this Agreement and the Concession hereunder;

"Termination Date" means the date on which this Agreement and the Concession hereunder expires pursuant to the provisions of this Agreement or is terminated by a Termination Notice.

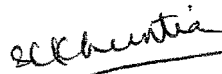
"Termination Notice" means the communication issued in accordance with this Agreement by one Party to the other Party terminating this Agreement;

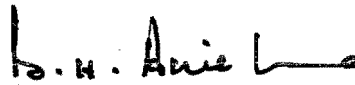
"Termination Payment" means the amount payable by the Government to the Concessionaire upon Termination and may consist of payments on account of and restricted to the Debt Due and Adjusted Equity, as the case may be, which form part of the Total Project Cost in accordance with the provisions of this Agreement; provided that the amount payable in respect of any Debt Due expressed in foreign currency shall be computed at the Reference Exchange Rate for conversion into the relevant foreign currency as on the date of Termination payment. For the avoidance of doubt, it is agreed that within a period of 60 (sixty) days from COD, the Concessionaire shall notify to the Government, the Total Project Cost as on COD and its disaggregation between Debt Due and Equity, and only the amounts so conveyed shall form the basis of computing Termination Payment, and it is further agreed that in the event such disaggregation is not notified to the Government, Equity shall be deemed to be the product arrived at by subtracting Debt Due from Total Project Cost;

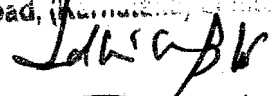
"Tests" means the tests set forth in and in accordance with Schedule-I and their certification by the Independent Engineer in order to achieve commercial operation of the Project Road.

"Toll Plaza" means the structures and barriers erected [near each of the two ends] of the Project Road for the purpose of regulating the entry and exit of vehicles in accordance with the provisions of this Agreement and shall include all land, buildings, equipment, and other facilities required in accordance with or incidental to the provisions of this Agreement;

"Tolling Contract" means the contract, if any, entered into by the Concessionaire with the Tolling Contractor collection of Fee for and on behalf of the Concessionaire and


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (KRDCL),

Authorised Signatory



matters incidental thereto;

"Tolling Contractor" means the person, if any, with whom the Concessionaire has entered into a Tolling Contract.

"Total Project Cost" means the lowest of :

- (a) the capital cost of the Project, less Equity Support as set forth in the Financial Package;
- (b) the actual capital cost of the Project upon completion of the Project Road less Equity Support; and
- (c) a sum of Rs. 238.45 crore (Rupees two hundred thirt eighty crores and forty five lakhs), less Equity Support; provided that in the event of Termination, the Total Project Cost shall be deemed to be modified to the extent of variation in WPI or Reference Exchange Rate occurring in respect of Adjusted Equity and Debt Due, as the case may be, in accordance with the provisions of this Agreement;

"Traffic Aid Post" shall have the meaning set forth in Clause 20.2;

"Transfer Date" means the date on which this Agreement and the Concession hereunder expires pursuant to the provisions of this Agreement or is terminated by a Termination Notice;

"Truck" means any goods carrier with a Gross Vehicle Weight exceeding 12,000 (twelve thousand) kilograms and includes a road roller, but does not include a Heavy Truck;

"User" means a person who travels on the Project Road or any part thereof in/on any vehicle;

"Vesting Certificate" shall have the meaning set forth in Clause 38.3; and

"WPI" means the Wholesale Price Index for all commodities as published by the Ministry of Industry, GOI and shall include any index which substitutes the WPI. and any reference to WPI shall, unless the context otherwise requires, be construed as a reference to the WPI published for the period ending with the preceding month.

Suehash C. Khuntia
SUEHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director
KRDCL

Ashijeet Toll Road, (Karnataka) Limited

Adhikari
Authorised Signatory

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED

For and on behalf of

**1. PUBLIC WORKS PORTS & INLAND WATER TRANSPORT DEPARTMENT,
GOVERNMENT OF KARNATAKA**

By

sc khuntia
3/6/2011 (Signature)

Dr. SUBHASH CHANDRA KHUNTIA, IAS (Name)
PRINCIPLE SECRETARY (Designation)

sc khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

SIGNED SEALED AND DELIVERED

For and on behalf of

2. KARNATAKA ROAD DEVELOPMENT CORPORATION LIMITED.,

By

B. H. Anil Kumar (Signature)

SHRI B.H. ANIL KUMAR, IAS (Name)
MANAGING DIRECTOR (Designation)

B. H. Anil Kumar
Managing Director
KRDCL

SIGNED SEALED AND DELIVERED

For and on behalf of

3. CONCESSIONAIRE

By:

Sd/- Sudhir Gupta (Signature)

SHRI SUDHIR GUPTA (Name)
DIRECTOR (Designation)

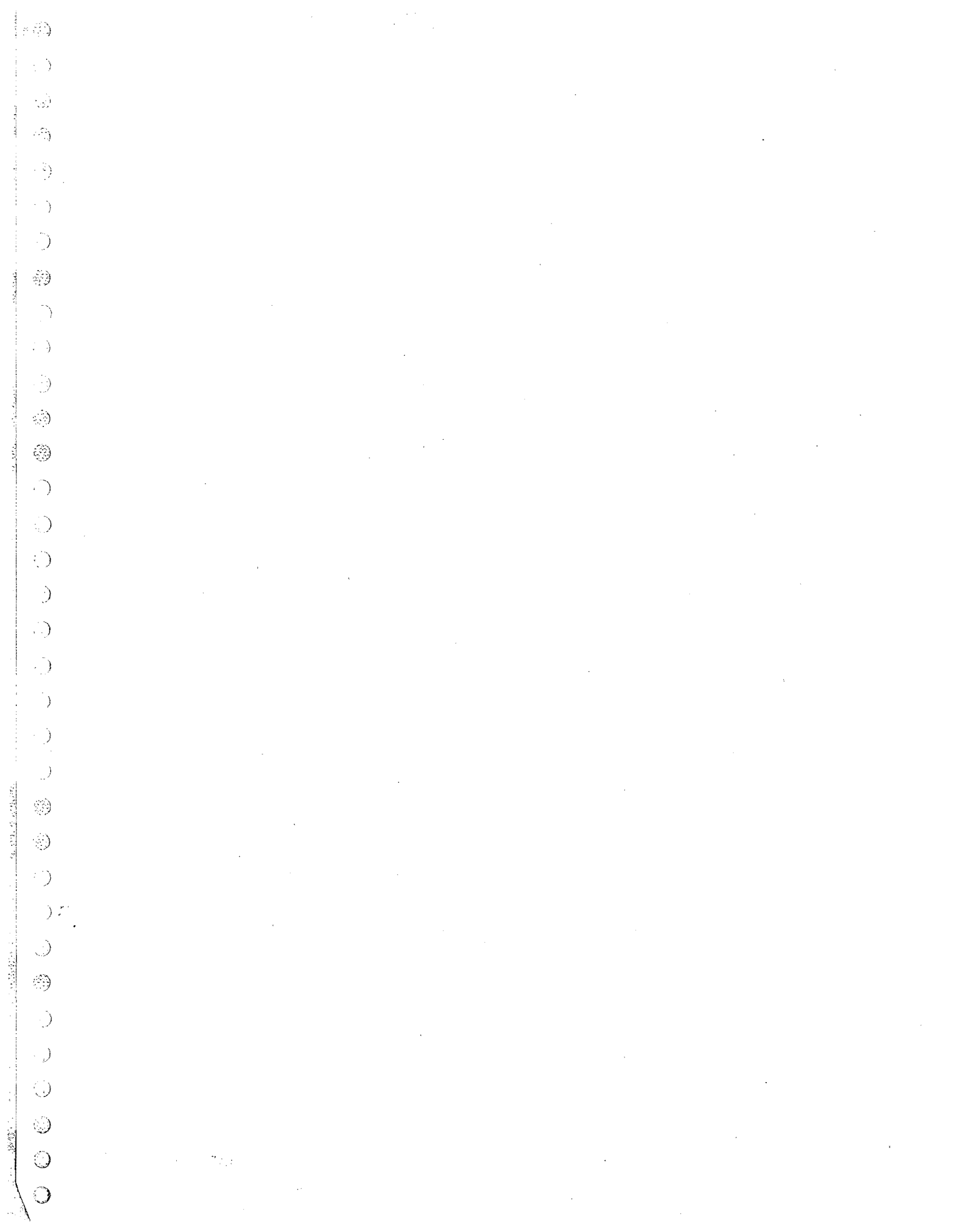
Sd/- Sudhir Gupta
Abhijeet Toll Road (Karnataka) Limited
Authorised Signatory

In the presence of:

Witness

1. _____ (Name and Designation)

2. _____ (Name and Designation)



Ref No. AIL/KRDCL/2011/03

Dated: 27th May 2011

To,
Managing Director
The Karnataka Road Development Corporation Limited
1st Floor 16/J Miller Tank Bed Area,
Thimmalah Road Cross,
Bangalore 560 052

Subject: Improvement of Chikkanayakanahalli-Tiptur-Hasan (Partly MDR, Partly SH for a length of 74.00 Km on BOT basis in Karnataka reg: - Formation of Special Purpose Vehicle incorporated under the Indian Companies Act 1956

Ref: Your Letter No.: KRDCL/MD-DE-4/VGF(C-T-H)/2011-12/221 dated 30/04/2011

Dear Sir,

This has reference to the Letter of Award (LOA) and Clause No. 1.33.1 of Request for Qualification document, we have to form an appropriate Special Purpose Vehicle, incorporated under the Indian Companies Act 1956 (the "SPV") for executing the Concession Agreement and implementing the above Project.

In this regard, we are pleased to inform your good self that the SPV Company for the Project has been incorporated on 16th May 2011 namely "**ABHIJEET TOLL ROAD (KARNATAKA) LIMITED**" a SPV formed under M/s Abhijeet Infrastructure Limited and M/s Corporate Ispat Alloys Limited.

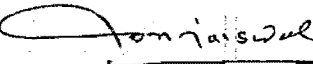
Please be noted, hence forth all the correspondence of Abhijeet Infrastructure Limited for mentioned project will be done in the name of "**ABHIJEET TOLL ROAD (KARNATAKA) LIMITED**" at following address:

ABHIJEET TOLL ROAD (KARNATAKA) LIMITED
4th Floor, Landmark Building, Ramdaspath,
Wardha Road, Nagpur - 440 010, Maharashtra
Ph. No. 0712-3011600 / 601, Fax No. 0712-3011605

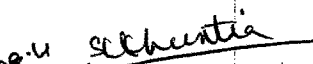
It is also requested to kindly advice and communicates for further steps from our end.

Thanking you,

Yours faithfully,



Authorized Signatory



SUBHASH C. KHUNTIA



Managing Director

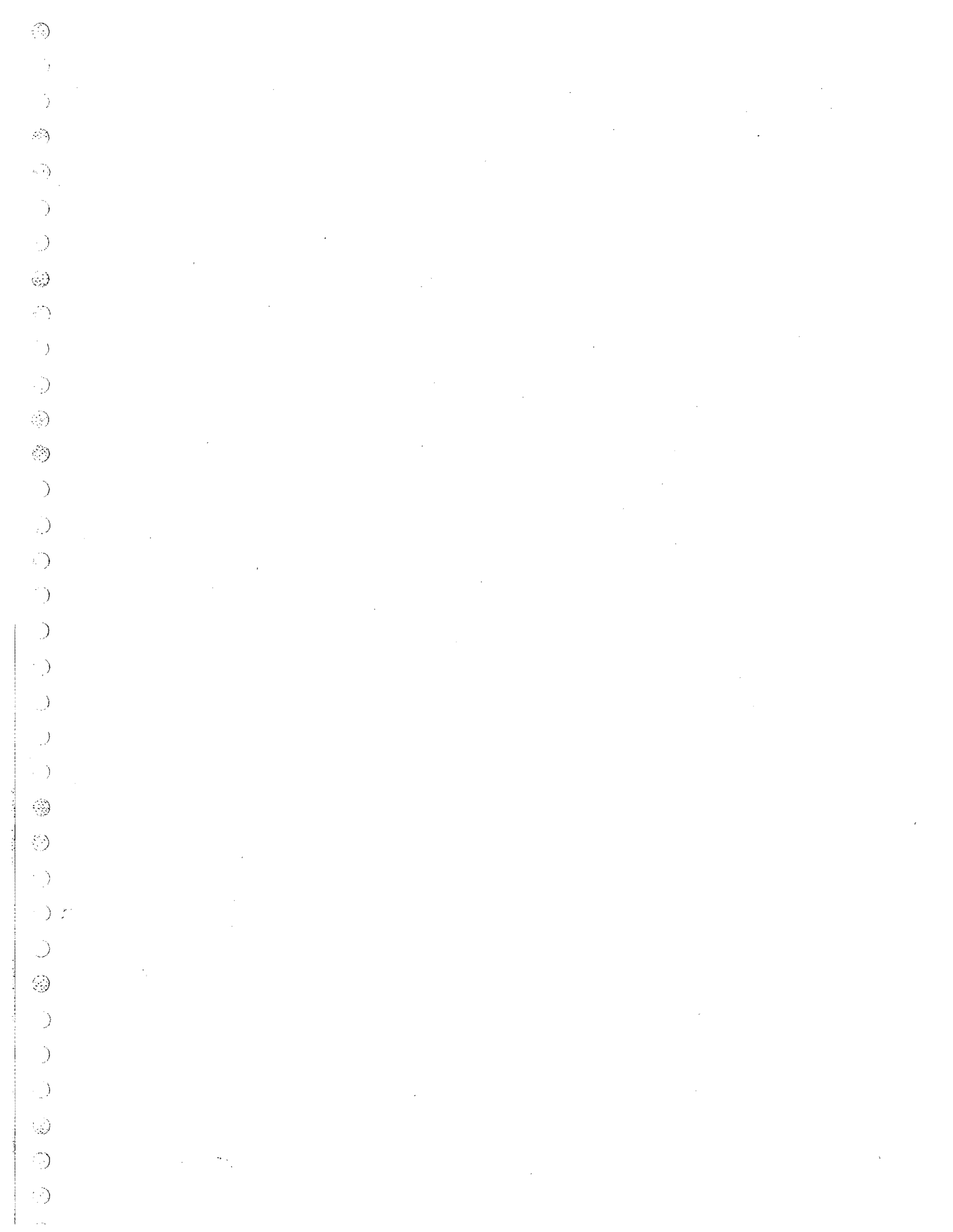
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorized Signatory

Principal Secretary to Government
Public Works, Ports and Inland Water

Corporate Office: 4th Floor, Landmark Building, Wardha Road, Nagpur - 440 010 (MS), India Ph. : +91-712-3011601 Fax : +91-712-3011605





प्रारूप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या U45400WB2011PLC162615

2011 - 2012

मैं एतद्वारा सत्यापित करता हूँ कि मिसर्स

ABHIJEET TOLL ROAD (KARNATAKA) LIMITED

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत प्राप्त किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र अत्र दिनांक सोलह मई दो हजार ग्यारह को मेरे हस्ताक्षर से कोलकाता में जारी किया जाता है।

Form 1
Certificate of Incorporation

Corporate Identity Number : U45400WB2011PLC162615 2011 - 2012
I hereby certify that ABHIJEET TOLL ROAD (KARNATAKA) LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Kolkata this Sixteenth day of May Two Thousand Eleven.

(SWADHIN BARUA)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

पश्चिम बंगाल
West Bengal

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पता पर
Mailing Address as per record available in Registrar of Companies office:
ABHIJEET TOLL ROAD (KARNATAKA) LIMITED
EN1, INSIGNIA TOWERS, 3RD FLOOR, SECTOR V, SALT LAKE,
KOLKATA - 700091
West Bengal, INDIA

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anzi
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Self
Authorised Signatory



व्यापार प्रारंभ करने का प्रमाण-पत्र
कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U45400WB2011PLC162615

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
ABHIJEET TOLL ROAD (KARNATAKA) LIMITED

जिसका निगमन, कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत दिनांक सोलह मई दो हजार ग्यारह को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक पच्चीस मई दो हजार ग्यारह को मेरे हस्ताक्षर से कोलकाता में जारी किया जाता है।

Certificate for Commencement of Business

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U45400WB2011PLC162615

I hereby certify that the ABHIJEET TOLL ROAD (KARNATAKA) LIMITED which was incorporated under the Companies Act, 1956 (No. 1 of 1956) on the Sixteenth day of May Two Thousand Eleven, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Kolkata this Twenty Fifth day of May Two Thousand Eleven.

(DEBASISH BANDOPADHYAY)

कम्पनी रजिस्ट्रार / Registrar of Companies
पश्चिम बंगाल
West Bengal

कम्पनी रजिस्ट्रार के कार्यालय अनिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

ABHIJEET TOLL ROAD (KARNATAKA) LIMITED
EN1, INSIGNIA TOWERS, 3RD FLOOR, SECTOR V, SALT LAKE,
KOLKATA - 700091,
West Bengal, INDIA

Subhash C. Khuntia
SUBHASH C. KHUNTIA

Principal Secretary to Government Managing Director
Public Works, Ports and Inland Water Transport Department
KRDCL

Subhash C. Khuntia

ਪੰਜਾਬ ਨੈਸ਼ਨਲ ਬੈਂਕ  punjab national bank
 ਸਮੇਂ ਨਾ ਬਦੀਵ the time you can bank upon

LARGE CORPORATE BRANCH, 44, PARK STREET, KOLKATA - 700016
 Phone: 91-33-44033232, 2213512 FAX: 22815409, 44033280
 RTGS: PUNB0057300 SWIFT: PUNBINB8CPS e-mail: bo0573@pnb.co.in

25th May, 2011

The Managing Director,
 Karnataka Road Development Corporation Limited
 N.16J Miller Tank Bed Area,
 Thimmaiah Road Cross,
 Bangalore 560052

Dear Sir,

**Reg: Confirmation of Bank Guarantee Validity Period and amount of our
 Guarantee No. 0573ILG009211 dated 18.5.2011 for Rs. 11,92,00,000/-**

Please refer to your letter No. KRDCL/MF&A/2011-12/387 dated 23.5.2011 on
 the above subject.

We confirm that the captioned performance guarantee has been issued by us
 on behalf of M/S Abhijeet Toll Road (Karnataka) Ltd. a Special Purpose Vehicle
 (SPV) formed by M/S Abhijeet Infrastructure Ltd.

The guarantee is valid upto 17.5.2012.

Thanking you

Yours faithfully


 Chief Manager

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1000
16/5
28/5
Subhash C. Khuntia
SUBHASH C. KHUNTIA
 Principal Secretary to Government
 Public Works, Ports and Inland Water
 Transport Department

L. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

Date: - 19.05.2011

The Managing Director,
Karnataka Road Development Corporation Ltd.,
16/J, 1st Floor, Miller Tank Bed Area,
Thimmaiah Road cross,
Bangalore - 560 052.

Dear Sir,

Sub: - Improvement to Chikkanayahalli - Tiptur - Hasan Road (partly MDR and partly- SH) for a length of 74.00 Km on BOT basis in the state of Karnataka: Submission of Irrevocable Bank Guarantee as per clause No. 1.33 of RFP Part -I.

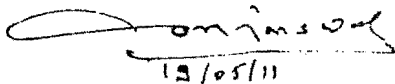
Ref: - Your LOA vide Letter No. KRDC/MD-DE/VGF(C-T-H)/2011-12/221 dt. 30.04.2011

We reference to the LOA issued for the subject project we are pleased to submit Performance Guarantee in the form of Irrevocable Bank Guarantee in original as per terms & condition stipulated in the Bid Documents.

Please acknowledge receipt of the Performance Guarantee.

Thanking you

For Abhijeet Infrastructure Limited,

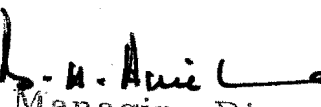

19/05/11

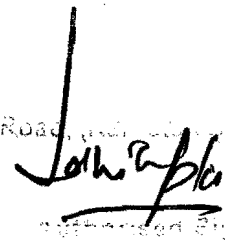
Pankaj Jayaswal
(Authorised Signatory)

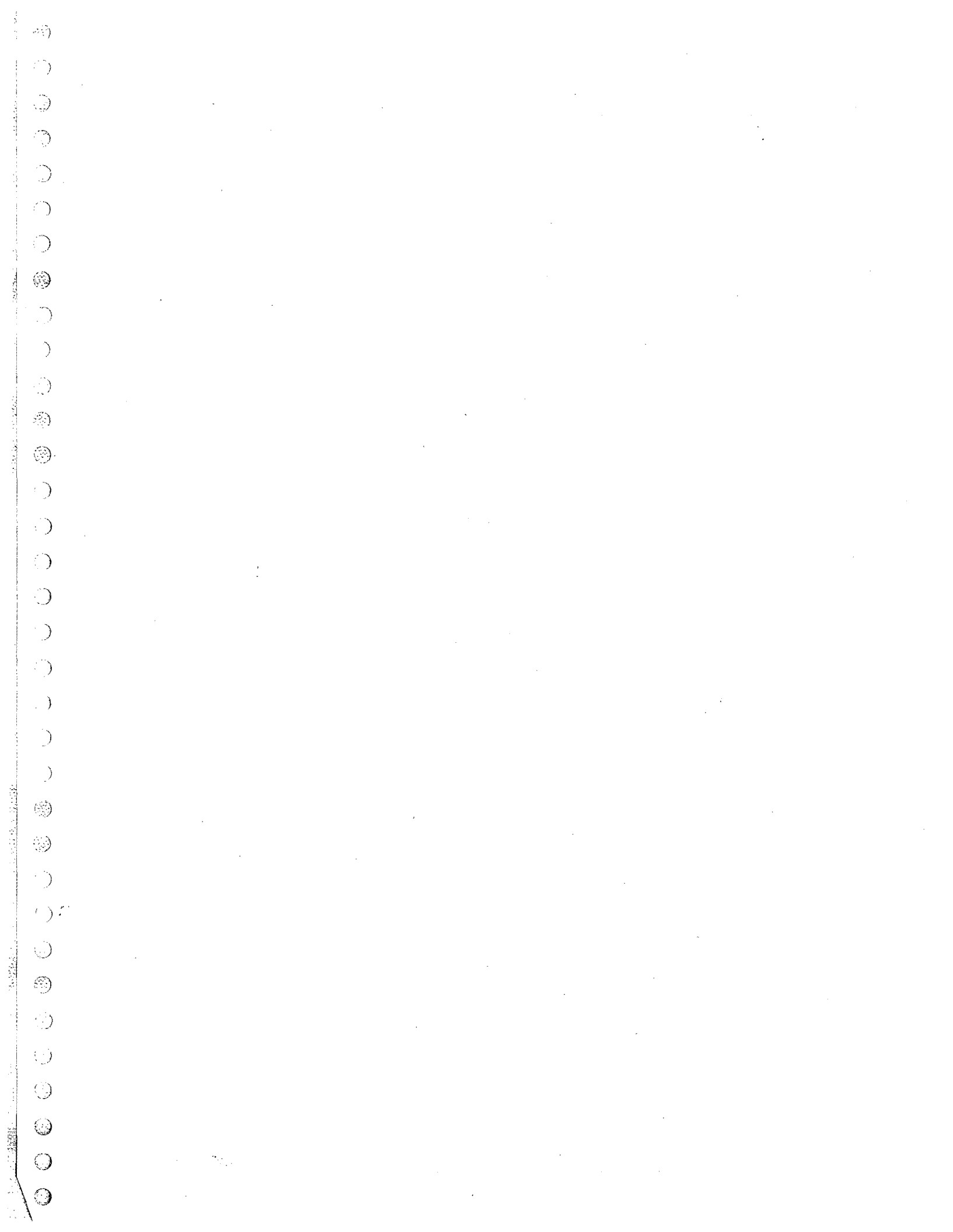
Enclosure: Original Performance Guarantee.

✓ CC: - Chief Engineer KRDC for kind information.

100/20/5/11
DE-4
23/5/11
ABH
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDC


Managing Director
KRDC



LARGE CORPORATE BRANCH, 44, PARK STREET, KOLKATA - 700016

Phone: 91-33-44033232, 2213512 FAX: 22815409, 44033280

RTGS: PUNB0057300 SWIFT: PUNBINBBCPS e-mail: bo0573@pnb.co.in

18th May, 2011

To:
Managing Director,
Karnataka Road Development Corporation Limited
N.16J Miller Tank Bed Area,
Thimmaiah Road Cross,
Bangalore 560052

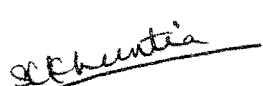
Dear Sir,


Please find enclosed our letter of Guarantee no. 0573ILG009211 dated 18-05-2011 for an amount of Rs.11,92,00,000/- (Rupees Eleven Crores and Ninety Two Lacs Only) valid till 17-05-2012 issued for M/S Abhijeet Toll Road (Karnataka) Limited a Special Purpose Vehicle (SPV) formed under M/s Abhijeet Infrastructure Limited and M/S Corporate Ispat Alloys Limited by this office under the joint signatures of (1) Sh. S. V. Jain (Designation-Senior Manager) and (2). Sh. M. K. Batra, (Designation- Chief Manager).

It is advised that in your own interest you may verify the genuineness of the guarantee from our Controlling Office at AG Tower, (3rd Floor), 125/1, Park Street, Kolkata- 700 017, to which a copy of this letter is being endorsed.

Yours faithfully,
For Punjab National Bank

Sr. Manager Chief Manager


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
KRDCL


Abhijeet Toll Road (Karnataka) Limited
Authorized Signator

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub:-Improvements to Chikkanayakanalli-Tiptur-Hassan
(partly MDR and partly State Highway) on BOT-
VGf (toll) basis – approval of tender reg.

Ref:- Karnataka Road Development Corporation Ltd.,
letter No.

1. ಕ.ರ.ಅ.ನಿ.ನಿ/ವ್ಯ.ನಿ.ವಿ.ಅ-1/2010-11/1862 dated. 10-12-2010

2. ಕ.ರ.ಅ.ನಿ.ನಿ/ವ್ಯ.ನಿ.ವಿ.ಅ-4/2010-11/2259 dated. 31-01-2011

1. The Detailed Project Report for the above project was got cleared in the 54th Technical Committee Meeting held on 10-08-2006 and 60th Board Meeting held on 29-12-2006. The proposal of taking up this work on PPP Mode – BOT-VGF (toll) basis was submitted to Planning Commission of India on 23-11-2007.

2. In the Empowered Institution Meeting of Department of Economic Affairs, Government of India, held on 05-03-2009, the above proposal was cleared with a condition that the approval of Competent Authority of State is to be obtained for the Draft Concession Agreement and then the tender process is to be carried out.

3. The original estimate amounting to Rs.220.00 crore was prepared as per the S.R. of 2006-07 National Highway rates and the same was revised to Rs.241.76 crore as per National Highway SR for the year 2008-09. This revised proposal was approved in the 18th Empowered Institution for the scheme to support Public Private Partnership in Infrastructure held on 02-07-2009 and approval was communicated vide Government of India letter No.F.N.3A/3/2009-PPP dated 03-08-2009.

4. The tender for the above work was invited for 4 times on 09-08-2007, 25-05-2009, 21-11-2009 and 06-04-2010, but there was no response from any concessionaire. As per the suggestion received during pre-bid meeting with different concessionaires, the condition No.25 in the Concession Agreement was replaced as "increase in equity grant (VGf) to 40% by merging 20% equity and 20%) O & M grant" in accordance with Sri. B.K.Chaturvedi Report. This modification was approved by the Government on 22-06-2010.

SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

Managing Director
KRDCL

Abhijeet Toll Road (Karnataka) Limited
Authorized Signator




5. With the above modification tender was invited on 09-07-2010 was fixed as the last date for submission of Technical / Financial bid. M/s Abhijeet Infrastructure Limited was the only concessionaire who responded to the above tender invitation on e-portal. The technical bid was opened on 11-08-2010 and this technical bid was examined as per R.F.P. The technical bid was approved as per the recommendations of Technical Scrutiny Committee held on 20-09-2010.

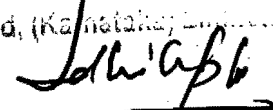
6. The Financial bid was opened on 11-10-2010 in the presence of representative from concessionaire and the bid V.G.F. amount was Rs.95,37,90,000/-. This bid amount when compared to total project cost of Rs.238,44,92,900/- works out to 39.99%. Considering that this bid amount is more, negotiations were conducted with the concessionaire on 14-10-2010, 20-10-2010 and finally on 15-11-2010. Finally a proposal of negotiated V.G.F. price bid of M/s Abhijeet Infrastructure Limited amounting to Rs.92.99 crore was placed before the 80th Board Meeting held on 08-12-2010 after obtaining clearance from Technical Committee. The Board recommended the proposal for approval. Details of proposal are as follows:

Name of the Project	Over TPC	TPC excluding utility Cont.& financing	VGF excluding utility, Cont. financing (40%)	VGF offered by Agency		VGF offered Agency with NPV 10% per annum.	
				Amount	%	Amount	%
Chikkanayakanahalli-Tiptur-Hassan Road	241.76	238.45	95.38	92.99	39.00	80.70	33.84

7. This V.G.F. bid amount when compared to NPV 10% as per condition 25 under Concession Agreement V.G.F. amount comes to Rs.80.70 crore and 33.84%. This tender proposal of M/s Abhijeet Infrastructure Limited amounting to Rs.92.99 crore i.e. 39% V.G.F. submitted by Karnataka Road Development Corporation Limited, for approval of the Government.


SUBHASH C. KHUNTIA
 Principal Secretary to Government
 Public Works, Ports and Inland Water
 Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

 Authorized Signatory



8. The above proposal is examined in detail and hence the following order.

GOVERNMENT ORDER NO.PWD 134 EAP 2010 BANGLORE, Dated.28-04-2011

1. The Government is pleased to approve the negotiated tender of M/s **Abhijeet Infrastructure Limited** for the following work.

Improvements to Chikkanayakanalli-Tiptur-Hassan (partly MDR and partly State Highway) on BOT- VGF (toll) with a V.G.F. price bid of Rs.92.99 crore (Rupees Ninety two crore and Ninety nine lakh only) i.e. 39% V.G.F. (V.G.F amount of Rs. 80.70 Crores with NPV 10% per annum i.e., 33.84%) out of 39% V.G.F. Government of India shall bear 20% i.e. Rs.47.685 crore and the State Government shall bear balance 19% i.e. Rs.45.305 crore.

2. Provision of the following in the concession agreement to be ensured before signing the agreement.

- i. The Bank Guarantee should be for a reasonable period beyond completion.
- ii. Schedule of the project, tolling etc, should be re-verified.
- iii. Traffic-risk shall be on the concessionaire.

3. This order is issued with the concurrence of Infrastructure Development Department vide Note No. IDD 17 ITS 2009 dated. 23-03-2011 and Finance Department vide Note No.PWD 312 FC-1/2011 dated 18-04-2011.

By order and in the name of
the Governor of Karnataka


(V.UMESH)

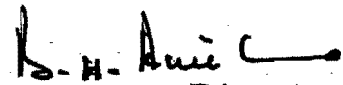
Principal Secretary to Government,
Public Works, Ports & Inland Water
Transport Department

To,

The Compiler, Karnataka Gazette, Bangalore for publication in the next Gazette.

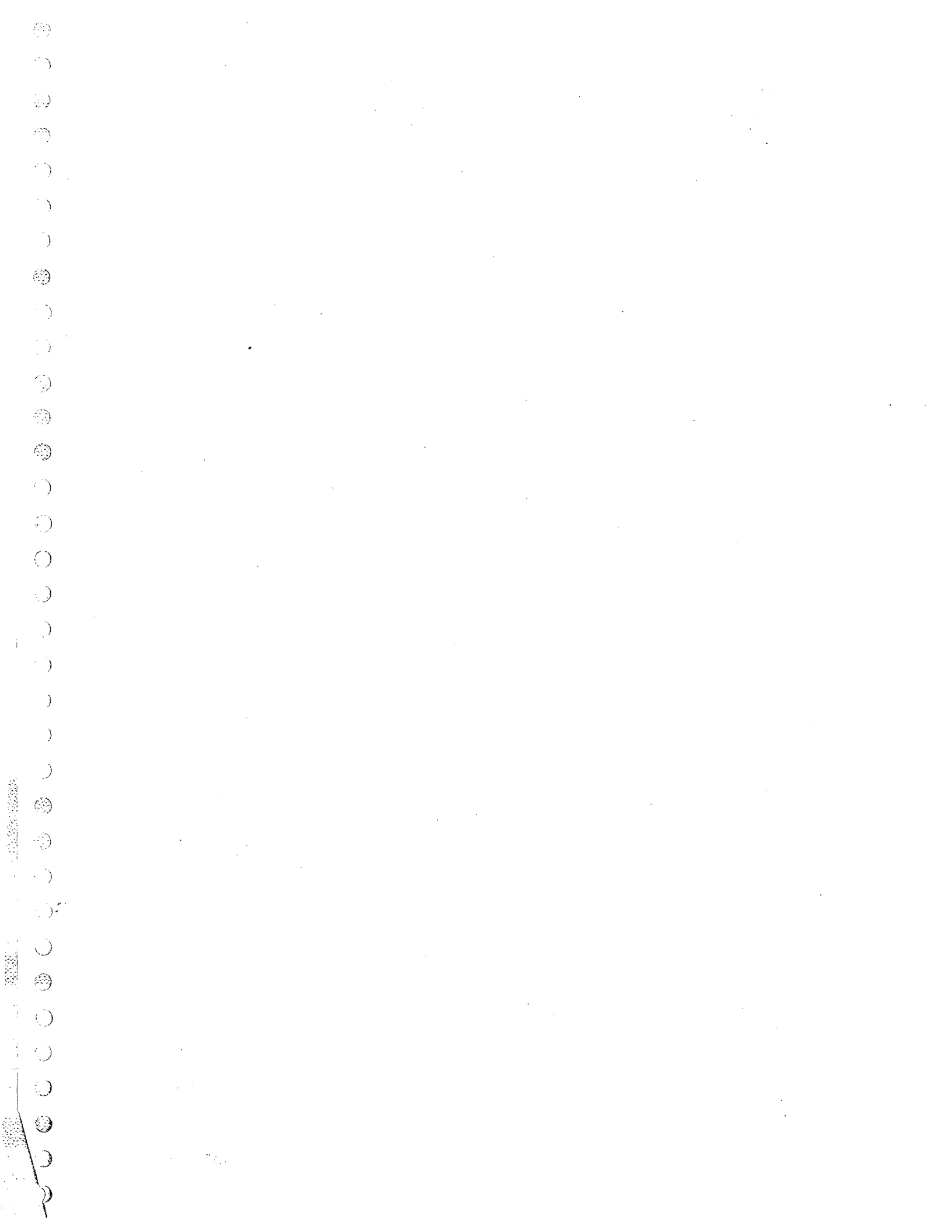

SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
KRDCL

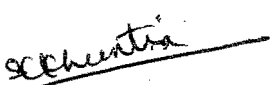
Abhijeet Toll Road, Karnataka


Authorised Signatory



Copy to:

1. The Accountant General (Audit & Accounts) Karnataka Bangalore.
2. Principal Secretary to Government, Public Works, Ports & Inland Water Transport Department, Vikasa Soudha, Bangalore.
3. Principal Secretary to Government, Finance Department, Vidhana Soudha, Bangalore.
4. Principal Secretary to Government, Infrastructure Development Department, Vikasa Soudha, Bangalore.
5. Secretary to Government, Public Works, Ports & Inland Water Transport Department, Vikasa Soudha, Bangalore.
6. Personal Secretary to Chief Secretary (Cabinet) Vidhana Soudha, Bangalore.
7. Special Officer & Ex Officio Deputy Secretary, PWD (Finance Cel) Vidhana Soudha, Bangalore.
8. Director (Finance) & Ex Officio Joint Secretary, Public Works, Ports & Inland Water Transport Department, Vikasa Soudha, Bangalore.
9. Managing Director, Karnataka Road Development Corporation Ltd., Bangalore.
10. Chief Engineer, Communication & Buildings (North) Dharwad.
11. Chief Information Officer, I.D.S.Cell, M.S.Building, Bangalore.
12. Guard / Spare copies.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


R. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ನಡವಳಿಕೆಗಳು

ವಿಷಯ:-ಚಿಕ್ಕನಾಯಕನಹಳ್ಳಿ-ತಿಪಟೂರು-ಹಾಸನ (ಭಾಗಶಃ ಜಿಲ್ಲಾ ಮುಖ್ಯ ರಸ್ತೆ ಮತ್ತು ರಾಜ್ಯ ಹೆದ್ದಾರಿ) ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ಸಾರ್ವಜನಿಕ-ಖಾಸಗಿ-ಸಹಭಾಗಿತ್ವ ಬಿ.ಓ.ಟಿ.- ವಿ.ಜಿ.ಎಫ್. (ಶುಲ್ಕ)

ಆಧಾರಿತ ಕಾಮಗಾರಿಯ ಟೆಂಡರ್ ಅನುಮೋದನೆ ಬಗ್ಗೆ.

ಉಲ್ಲೇಖ:-ಕರ್ನಾಟಕ ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತದವರ ಪತ್ರಗಳ ಸಂಖ್ಯೆ

1. ಕ.ರ.ಅ.ನಿ.ನಿ/ವ್ಯ.ನಿ.ವಿ.ಅ-1/2010-11/1862 ದಿನಾಂಕ.10-12-2010
2. ಕ.ರ.ಅ.ನಿ.ನಿ/ವ್ಯ.ನಿ.ವಿ.ಅ-4/2010-11/2259 ದಿನಾಂಕ.31-01-2011

1. ಸದರಿ ಕಾಮಗಾರಿಯ ವಿವರವಾದ ಯೋಜನಾ ವರದಿಗಳಿಗೆ (ಡಿ.ಪಿ.ಆರ್.) ದಿನಾಂಕ 10-08-2006 ರಂದು ನಡೆದ 54ನೇ ತಾಂತ್ರಿಕ ಸಮಿತಿ ಸಭೆಯಲ್ಲಿ ಹಾಗೂ ದಿನಾಂಕ 29-12-2006 ರಂದು ನಡೆದ 60ನೇ ಮಂಡಳಿ ಸಭೆಯಲ್ಲಿ ಅನುಮೋದನೆ ಪಡೆಯಲಾಗಿರುತ್ತದೆ. ಈ ಯೋಜನೆಯನ್ನು ಸಾರ್ವಜನಿಕ-ಖಾಸಗಿ-ಸಹಭಾಗಿತ್ವ ಬಿ.ಓ.ಟಿ.- ವಿ.ಜಿ.ಎಫ್ (ಶುಲ್ಕ) ಆಧಾರದ ಮೇಲೆ ತೆಗೆದುಕೊಳ್ಳುವ ಪ್ರಸ್ತಾವನೆಯನ್ನು ದಿನಾಂಕ 23-11-2007 ರಂದು ಭಾರತ ಸರ್ಕಾರದ ಯೋಜನಾ ಆಯೋಗಕ್ಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಲ್ಲಿಸಲಾಗಿತ್ತು.

2. ದಿನಾಂಕ 05-03-2008 ರಂದು ನಡೆದ ಕೇಂದ್ರ ಸರ್ಕಾರದ ಆರ್ಥಿಕ (Economic affairs) ಇಲಾಖೆಯ Empowered Institution ಸಭೆಯಲ್ಲಿ ಸದರಿ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಅನುಮೋದನೆಯನ್ನು ಕರಡು ಗುತ್ತಿಗೆ ಕರಾರಿಗೆ Concession Agreement ಗೆ ಆಯಾ ರಾಜ್ಯ ಸರ್ಕಾರದ ಸಕ್ಷಮ ಪ್ರಾಧಿಕಾರದಿಂದ ಅನುಮೋದನೆ ಪಡೆದುಕೊಂಡು ಪಡೆದು ನಂತರ ಟೆಂಡರ್ ಪ್ರಕ್ರಿಯೆಯನ್ನು ನಿರ್ವಹಿಸುವ ನಿಬಂಧನೆಗಳೊಳಪಡಿಸಿ ಒಪ್ಪಿಗೆ ನೀಡಲಾಗಿದೆ.

3. ಮೂಲ ಅಂದಾಜನ್ನು 220.00 ಕೋಟಿ ರೂ.ಗಳಿಗೆ 2006-07ನೇ ಸಾಲಿನ ರಾಷ್ಟ್ರೀಯ ಹೆದ್ದಾರಿ ದರಪಟ್ಟಿಗಳಂತೆ ಅಂದಾಜಿಸಿದ್ದು, 2008-09ನೇ ಸಾಲಿನ ರಾಷ್ಟ್ರೀಯ ಹೆದ್ದಾರಿ ದರಪಟ್ಟಿಗಳನ್ವಯ ಪರಿಷ್ಕರಿಸಲಾಗಿ ಅಂದಾಜು ಮೊತ್ತ 241.76 ಕೋಟಿ ₹.ಗಳಾಗಿರುತ್ತದೆ. ಸದರಿ ಪರಿಷ್ಕೃತ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಯೋಜನಾ ಆಯೋಗ, ಭಾರತ ಸರ್ಕಾರದ ಆರ್ಥಿಕ ಇಲಾಖೆಯ ಅನುಮೋದನೆಗಾಗಿ ಸಲ್ಲಿಸಲಾಗಿತ್ತು. ದಿನಾಂಕ 02-07-2009 ರಂದು ನಡೆದ 18th Meeting of Empowered Institution for the Scheme to Support Public Private Partnership in Infrastructure ಸಭೆಯಲ್ಲಿ ಸದರಿ ಕಾಮಗಾರಿಗೆ ಒಪ್ಪಿಗೆ ನೀಡಿರುವುದಾಗಿ ಪತ್ರ ಸಂಖ್ಯೆ:F.N.3A/3/2009-PPP, ದಿನಾಂಕ 03-08-2009 ರಲ್ಲಿ ತಿಳಿಸಲಾಗಿರುತ್ತದೆ.

SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

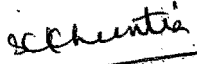
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka)
Authorised Signat

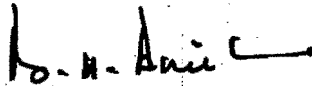
4. ದಿನಾಂಕ 09-08-2007, 25-05-2009, 21-11-2009 ಮತ್ತು 06-04-2010 ದಿನಾಂಕಗಳಲ್ಲಿ ಸದರಿ ಕಾಮಗಾರಿಗೆ ಟೆಂಡರ್ ಆಹ್ವಾನಿಸಲಾಗಿದ್ದು, ಯಾವುದೇ ರಿಯಾಯಿತಿಗಾರರು ಟೆಂಡರ್ ಪ್ರಕ್ರಿಯೆಯಲ್ಲಿ ಪ್ರತಿಕ್ರಿಯಿಸಿರುವುದಿಲ್ಲ. ಟೆಂಡರ್ ಕರೆಗಳ ಮೂರ್ವಾರ್ಹತೆ ಬಿಡ್ ಸಭೆಗಳಲ್ಲಿ ಭಾಗವಹಿಸದಂತಹ ರಿಯಾಯಿತಿಗಾರರ ಅಭಿಪ್ರಾಯದಂತೆ Concession Agreement ನ ನಿಬಂಧನೆ 25 ರ ಬದಲಿಗೆ ಶ್ರೀ.ಬಿ.ಕೆ.ಚತುರ್ವೇದಿ ಯವರ ವರದಿಯಲ್ಲಿ ಸೂಚಿಸಿರುವಂತೆ increase in equity grant (VGF) to 40% by merging 20% equity and 20% O&M grant into equity grant ಅಳವಡಿಸಲು ಸರ್ಕಾರವು ದಿನಾಂಕ 22-06-2010 ರಲ್ಲಿ ಅನುಮೋದನೆ ನೀಡಿರುತ್ತದೆ.

5. ಸದರಿ ಬದಲಾವಣೆಯೊಂದಿಗೆ ದಿನಾಂಕ 09-07-2010 ರಂದು 5ನೇ ಬಾರಿಗೆ ಟೆಂಡರ್ ಆಹ್ವಾನಿಸಿ 09-08-2010 ರಂದು ತಾಂತ್ರಿಕ / ಆರ್ಥಿಕ ಬಿಡ್‌ಗಳನ್ನು ಸಲ್ಲಿಸಲು ಕೊನೆಯ ದಿನಾಂಕವಾಗಿ ನಿಗದಿಪಡಿಸಿದ್ದು, ಸದರಿ ಟೆಂಡರ್ ಕರೆಗೆ ಪ್ರತಿಕ್ರಿಯಿಸಿದ ಏಕೈಕ ರಿಯಾಯಿತಿಗಾರರಾದ ಮೆ:ಅಭಿಜಿತ್ ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್ ಲಿಮಿಟೆಡ್ ಇವರು ಬಿಡ್‌ನ್ನು ಸಲ್ಲಿಸಿರುತ್ತಾರೆ. ದಿನಾಂಕ 11-08-2010 ರಂದು ತಾಂತ್ರಿಕ ಬಿಡ್‌ನ್ನು ತೆರೆದು ಆರ್.ಎಫ್.ಪಿ. ಪ್ರಕಾರ ತಾಂತ್ರಿಕ ಬಿಡ್‌ನ್ನು ತುಲನೆ ಮಾಡಿ ದಿನಾಂಕ 20-09-2010 ರಂದು ನಡೆದ ತಾಂತ್ರಿಕ ಪರಿಶೀಲನಾ ಸಮಿತಿಯ ಶಿಫಾರಸ್ಸಿನ ಮೇರೆಗೆ ಈ ತಾಂತ್ರಿಕ ಬಿಡ್‌ಗಳಿಗೆ ಅನುಮೋದನೆಯನ್ನು ನೀಡಿರುತ್ತಾರೆ.

6. ಆರ್ಥಿಕ ಬಿಡ್‌ನ್ನು ದಿನಾಂಕ 11-10-2010 ರಂದು ರಿಯಾಯಿತಿಗಾರರ ಪ್ರತಿನಿಧಿ ಸಮ್ಮುಖದಲ್ಲಿ ತೆರೆಯಲಾಗಿ ವಿ.ಜಿ.ಎಫ್. ಮೊತ್ತ ₹.95,37,90,000/- ಗಳಿಗೆ ಬಿಡ್ ಸಲ್ಲಿಸಲಾಗಿರುತ್ತದೆ. ಈ ಬಿಡ್ ಮೊತ್ತವನ್ನು ಒಟ್ಟಾರೆ ಯೋಜನೆ ಮೊತ್ತ (TPC) ರೂ.238,44,92,900/-ಕ್ಕೆ ಹೋಲಿಸಿದಾಗ ಶೇ.39.99 ರಷ್ಟು ಇರುತ್ತದೆ. ರಿಯಾಯಿತಿಗಾರರು ಸಲ್ಲಿಸಿದ ಬಿಡ್ ಮೊತ್ತ ಅಧಿಕವೆಂದು ಪರಿಗಣಿಸಿ ದಿನಾಂಕ 14-10-2010, 20-10-2010 ಹಾಗೂ 15-11-2010 ರಂದು ರಿಯಾಯಿತಿಗಾರರೊಂದಿಗೆ ಸಂಧಾನ ನಡೆಸಿ ಅಂತಿಮವಾಗಿ ಮೆ:ಅಭಿಜಿತ್ ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್ ಲಿಮಿಟೆಡ್ ರವರ ಸಂಧಾನಿತ ವಿ.ಜಿ.ಎಫ್ ಪ್ರೈಸ್ ಬಿಡ್ ಮೊತ್ತ 92.99 ಕೋಟಿ ₹.ಗಳ ಪ್ರಸ್ತಾವನೆಗೆ ತಾಂತ್ರಿಕ ಸಮಿತಿಯ ಒಪ್ಪಿಗೆ ಪಡೆದು ದಿನಾಂಕ 08-12-2010 ರಂದು ನಡೆದ 80ನೇ ಮಂಡಳಿ ಸಭೆಯಲ್ಲಿ ಮಂಡಿಸಲಾಗಿದ್ದು, ನಿಗಮದ ಮಂಡಳಿಯು ಪ್ರಸ್ತಾವನೆಯನ್ನು ಅನುಮೋದಿಸಲು ಶಿಫಾರಸ್ಸು ಮಾಡಿರುತ್ತದೆ. ಪ್ರಸ್ತಾವನೆಯ ವಿವರಗಳು ಕೆಳಕಂಡಂತಿದೆ.


SUEHASH C. KHUNTIA

Principal Secretary to Government Managing Director
Public Works, Ports and Inland Water
Transport Department


Abhijeet Toll Road, (Karnataka) Limited

KRDCL


Authorised Signatory

Name of the Project	Over TPC	TPC excluding utility Cont.& financing	VGF excluding utility, Cont. financing (40%)	VGF offered by Agency		VGF offered Agency with NPV 10% per annum.	
				Amount	%	Amount	%
Chikkanayakanahalli Tiptur-Hassan Road	241.76	238.45	95.38	92.99	39.00	80.70	33.84

7. ಸದರಿ ವಿ.ಜಿ.ಎಫ್. ಮೊತ್ತವನ್ನು ಕರಡು ಗುತ್ತಿಗೆ ಕರಾರು ಅನುಬಂಧ-25 ರಲ್ಲಿ ಸೂಚಿಸಿರುವಂತೆ NPV 10% ಗೆ ತುಲನೆಮಾಡಲಾಗಿ ವಿ.ಜಿ.ಎಫ್. ಮೊತ್ತ 80.70 ಕೋಟಿ ₹.ಗಳಾಗಿದ್ದು, ಶೇ.33.84 ರಷ್ಟು ಆಗುತ್ತದೆ. ಮೇಲಿನ ಎಲ್ಲಾ ವಿವರಗಳೊಂದಿಗೆ ಕರ್ನಾಟಕ ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮತವು ಸಲ್ಲಿಸಿರುವ ಮೆ:ಅಭಿಜಿತ್ ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್ ಲಿಮಿಟೆಡ್‌ರವರ ಸಂಧಾನಿತ ವಿ.ಜಿ.ಎಫ್. ಪ್ರೈಸ್ ಬಿಡ್ ಮೊತ್ತ 92.99 ಕೋಟಿ ₹.ಗಳು ಅಂದರೆ ವಿ.ಜಿ.ಎಫ್. ಶೇಕಡ 39.00 ರಷ್ಟಿನ ಟೆಂಡರ್ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಅನುಮೋದಿಸಲು ಕೋರಲಾಗಿರುತ್ತದೆ.

8. ಮೇಲಿನ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಕೂಲಂಕಷವಾಗಿ ಪರಿಶೀಲಿಸಲಾಗಿದ್ದು, ಕೆಳಕಂಡಂತೆ ಆದೇಶಿಸಲಾಗಿದೆ.

ಸರ್ಕಾರದ ಆದೇಶ ಸಂಖ್ಯೆ.ಲೋಇ 134 ಇಎಪಿ 2010 ಬೆಂಗಳೂರು, ದಿ:28-04-2011

1. ಮೆ:ಅಭಿಜಿತ್ ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್ ಲಿಮಿಟೆಡ್ ರವರ ಸಂಧಾನಿತ ಟೆಂಡರ್‌ಗೆ ಸರ್ಕಾರದ ಅನುಮೋದನೆಯನ್ನು ಈ ಕೆಳಕಂಡಂತೆ ನೀಡಲಾಗಿದೆ.

ಸಾರ್ವಜನಿಕ-ಖಾಸಗಿ-ಸಹಭಾಗಿತ್ವ ಬಿ.ಟಿ.ಟಿ - ವಿ.ಜಿ.ಎಫ್ (ಶುಲ್ಕ) ಆಧಾರಿತ ಚಿಕ್ಕನಾಯಕನಹಳ್ಳಿ-ಶಿವಟೊರು-ಹಾಸನ (ಭಾಗಶಃ ಜಿಲ್ಲಾ ಮುಖ್ಯರಸ್ತೆ ಮತ್ತು ಭಾಗಶಃ ರಾಜ್ಯ ಹೆದ್ದಾರಿ) ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ಕಾಮಗಾರಿಯ ಮೆ:ಅಭಿಜಿತ್ ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್ ಲಿಮಿಟೆಡ್ ರವರ ಟೆಂಡರ್‌ನ ಸಂಧಾನಿತ ವಿ.ಜಿ.ಎಫ್ ಪ್ರೈಸ್ ಬಿಡ್ ಮೊತ್ತ 92.99 ಕೋಟಿ ₹.ಗಳು (ತೊಂಬತ್ತರಡು ಕೋಟಿ ತೊಂಬತ್ತೊಂಬತ್ತು ಲಕ್ಷ ರೂಪಾಯಿಗಳು ಮಾತ್ರ) ಅಂದರೆ ವಿ.ಜಿ.ಎಫ್ ಶೇಕಡ. 39 ರಷ್ಟಕ್ಕೆ (V.G.F amount of Rs. 80.70 Crores with NPV 10% per annum ie., 33.84%) ಶೇಕಡ 39ರ ವಿ.ಜಿ.ಎಫ್ ನಲ್ಲಿ ಭಾರತ ಸರ್ಕಾರವು ಶೇಕಡ 20 ರಷ್ಟು ಅಂದರೆ 47.685 ಕೋಟಿ ₹.ಗಳು ಹಾಗೂ

SURESH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil

KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Authorised Signatory

ಉಳಿದ ಶೇಕಡ 19 ರಷ್ಟು ಅಂದರೆ 45.305 ಕೋಟಿ ರೂ.ಗಳನ್ನು ರಾಜ್ಯ ಸರ್ಕಾರದಿಂದ ಭರಿಸುವುದು.

2. ಕನ್ಸೆಷನ್ ಅಗ್ರಿಮೆಂಟ್ ಸಹಿಮಾಡುವ ಮೊದಲು ಕೆಳಕಂಡ ಅಂಶಗಳಿಗೆ ಕರಾರಿನಲ್ಲಿ ಅವಕಾಶ ಕಲ್ಪಿಸಿರುವ ಬಗ್ಗೆ ಖಾತರಿ ಪಡಿಸಿಕೊಳ್ಳುವುದು.

- i. The Bank Guarantee should be for a reasonable period beyond completion.
- ii. Schedule of the project, tolling etc, should be re-verified.
- iii. Traffic-risk shall be on the concessionaire.

3. ಮೇಲಿನ ಆದೇಶವನ್ನು ಮೂಲ ಸೌಲಭ್ಯ ಅಭಿವೃದ್ಧಿ ಇಲಾಖೆಯ ಟಿಪ್ಪಣಿ ಸಂಖ್ಯೆ. IDD 17 ITS 2009 ದಿನಾಂಕ. 23-03-2011 ಹಾಗೂ ಅರ್ಥಿಕ ಇಲಾಖೆಯ ಟಿಪ್ಪಣಿ ಸಂಖ್ಯೆ. ಲೋಇ 312 ಎಫ್‌ಸಿ-1/2011 ದಿನಾಂಕ 18-04-2011 ರಲ್ಲಿನ ಸಹಮತಿಯನ್ವಯ ಹೊರಡಿಸಲಾಗಿದೆ.

ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾಲರ ಅಜ್ಞಾನುಸಾರ

ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

(Signature)

(ವಿ.ಉಮೇಶ್)

ಸರ್ಕಾರದ ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿ,

ಲೋಕೋಪಯೋಗಿ, ಬಂದರು ಹಾಗೂ

ಒಳನಾಡು ಜಲಸಾರಿಗೆ ಇಲಾಖೆ.

ಗೆ,

ಕಂಪೈಲರ್, ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪತ್ರ, ಬೆಂಗಳೂರು ಮುಂದಿನ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ ಪ್ರಕಟಿಸಲು.

ಪ್ರತಿ:-

- 1) ಮಹಾಲೇಖಪಾಲರು, ಕರ್ನಾಟಕ (ಅಕೌಂಟ್ಸ್ & ಆಡಿಟ್) ಬೆಂಗಳೂರು.
- 2) ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು, ಲೋಕೋಪಯೋಗಿ, ಬಂದರು ಹಾಗೂ ಒಳನಾಡು ಜಲಸಾರಿಗೆ ಇಲಾಖೆ, ವಿಕಾಸಸೌಧ, ಬೆಂಗಳೂರು.
- 3) ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು, ಅರ್ಥಿಕ ಇಲಾಖೆ, ವಿಧಾನಸೌಧ, ಬೆಂಗಳೂರು.
- 4) ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು, ಮೂಲಸೌಲಭ್ಯ ಅಭಿವೃದ್ಧಿ ಇಲಾಖೆ, ವಿಕಾಸಸೌಧ, ಬೆಂಗಳೂರು.
- 5) ಕಾರ್ಯದರ್ಶಿಗಳು, ಲೋಕೋಪಯೋಗಿ, ಬಂದರು ಹಾಗೂ ಒಳನಾಡು ಜಲಸಾರಿಗೆ ಇಲಾಖೆ, ವಿಕಾಸಸೌಧ, ಬೆಂಗಳೂರು.
- 6) ಸರ್ಕಾರದ ಮುಖ್ಯ ಕಾರ್ಯದರ್ಶಿಯವರ ಆಪ್ತ ಕಾರ್ಯದರ್ಶಿ (ಸಚಿವ ಸಂಪುಟ)

(Signature)
SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

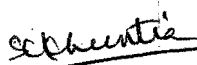
(Signature)
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

(Signature)
Authorised Signatory

ವಿಧಾನಸೌಧ, ಬೆಂಗಳೂರು.

- 7) ವಿಶೇಷಾಧಿಕಾರಿ ಹಾಗೂ ಪದನಿಮಿತ್ತ ಸರ್ಕಾರದ ಉಪಕಾರ್ಯದರ್ಶಿ, ಲೋ.ಇ (ಆರ್ಥಿಕ ಕೋಶ) ವಿಧಾನಸೌಧ, ಬೆಂಗಳೂರು.
- 8) ನಿರ್ದೇಶಕರು (ಆರ್ಥಿಕ) ಹಾಗೂ ಪದನಿಮಿತ್ತ ಸರ್ಕಾರದ ಜಂಟಿಕಾರ್ಯದರ್ಶಿ, ಲೋಕೋಪಯೋಗಿ, ಬಂದರು ಹಾಗೂ ಒಳನಾಡು ಜಲಸಾರಿಗೆ ಇಲಾಖೆ, ವಿಕಾಸಸೌಧ, ಬೆಂಗಳೂರು.
- 9) ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು, ಕರ್ನಾಟಕ ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ, ಬೆಂಗಳೂರು
- 10) ಮುಖ್ಯ ಇಂಜಿನಿಯರ್, ಸಂಪರ್ಕ ಮತ್ತು ಕಟ್ಟಡ (ಉತ್ತರ) ಧಾರವಾಡ.
- 11) ಮುಖ್ಯ ಮಾಹಿತಿ ಅಧಿಕಾರಿ, ಐ.ಡಿ.ಎಸ್.ಕೋಶ, ಬಹುಮಹಡಿಗಳ ಕಟ್ಟಡ, ಬೆಂಗಳೂರು.
- 12) ಶಾ.ರ.ಕ. / ಹೆಚ್ಚುವರಿ ಪ್ರತಿಗಳು.


SUBHASH C. KHUNTIA Managing Director
Principal Secretary to Government
Public Works, Ports and Inland Water Transport Department
KRDCL

Abhijeet Toll Road, (Karnataka) Ltd.

Authorised Signatory



The Managing Director,
Karnataka Road Development Corporation Ltd,
16/J, 1st Floor, Miller Tank Bed Area
Thimmaiah Road Cross,
Bangalore – 560 052

Date: 02/05/2011

Dear Sir

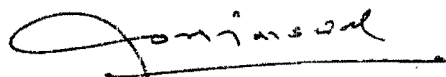
Sub: Improvement to Chikkanayakanahalli – Tiptur – Hassan Road (Partly MDR and partly SH) for a length of 74.00 Km On BOT basis in Karnataka: **Acceptance of LOA**

Ref: Your letter No KRDCL / MD – DE – 4/VGF (C-T-H)/2011 – 12 / 221 dated 30/04/2011

We sincerely acknowledge the receipt of referred Letter of Acceptance (LOA) and thank for the same. We hereby give our acceptance to this contract.

Performance Security in the form of irrevocable Bank Guarantee will be submitted soon and arrangement for the execution of the Concession Agreement will be made at the earliest

Thanking you
For Abhijeet Infrastructure Limited,

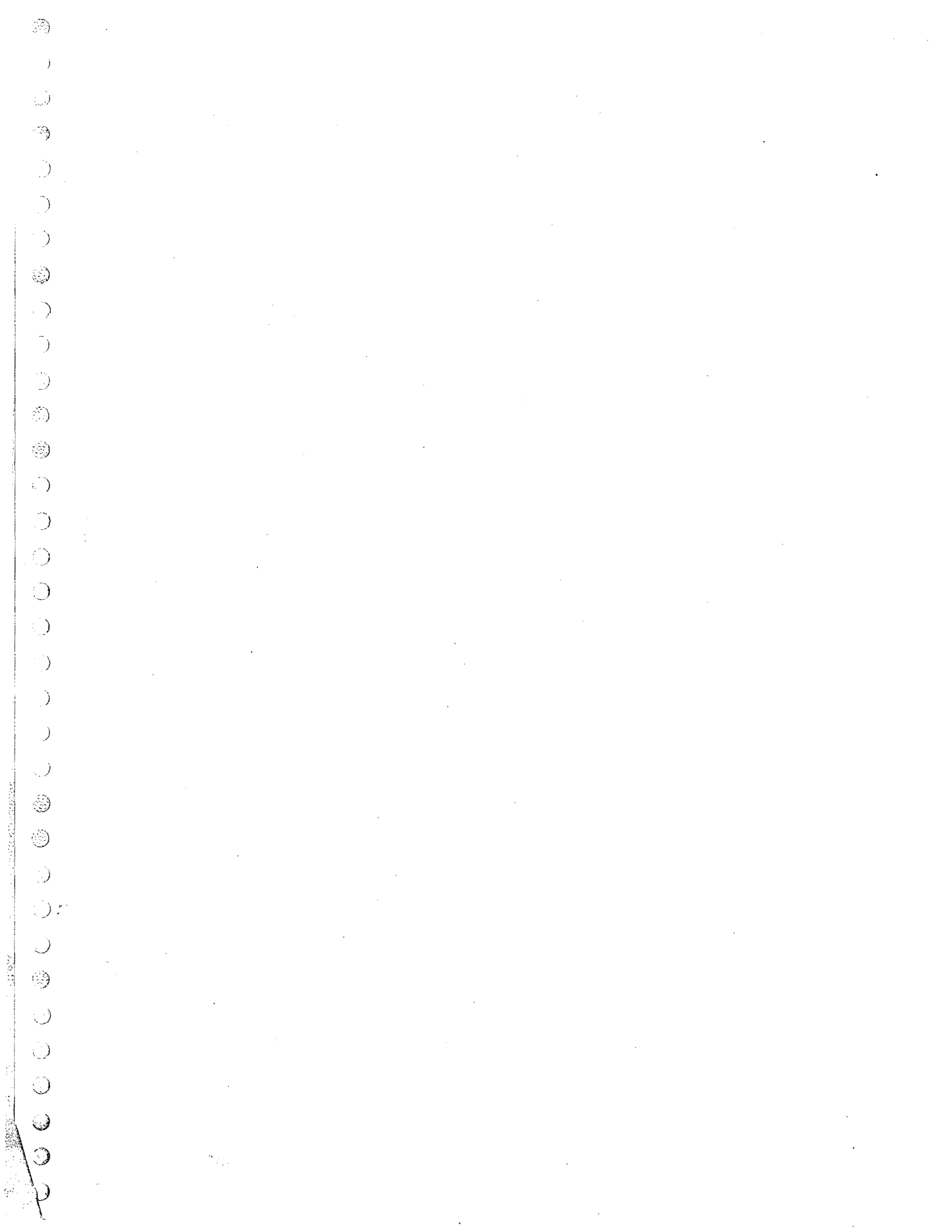


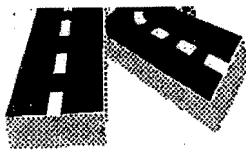
Pankaj Jayasawal
(Authorised Signatory)

Handwritten notes:
2/5/2011
DE-4
9/5
Subhash C. Khuntia
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

Handwritten signature: B. H. Anil
Managing Director
KRDCL

Handwritten signature: [Signature]
Abhijeet Toll Road, (Karnataka) Limited
Authorised Signatory





KARNATAKA ROAD DEVELOPMENT CORPORATION LTD.

No. KRDCL/MD-DE-4/VGF(C-T-H)/2011-12/221

April 30, 2011

To,

M/s. Abhijeet Infrastructure Limited
6th floor, Land Mark building,
Wardha road,
Nagpur - 440010, Maharashtra
Ph:0712-3011400
Fax: 0712-3011405

LETTER OF ACCEPTANCE

Sir,

Sub: Improvements to Chikkanayakanahalli - Tiptur - Hassan Road (Partly MDR and Partly SH) for a length of 74.00 Km on BOT Basis -reg...

**Ref: (1) Your revised financial price bid offer letter dated 19.11.2010.
(2) G.O No.PWD 134 EAP 2010 Bangalore, dated 28.04.2011.**

===

1. The Government in its order at ref. approved the negotiated tender of the consortium M/s. Abhijeet Infrastructure Ltd., along with M/s. Corporate Ispat Alloys Limited for the said work.
2. With reference to your proposal for the tender dated 09.07.2010 submitted in response to the Request for proposal for the above project, we are pleased to convey the acceptance of your negotiated **VGF price bid of Rs.92.99 Crores (Rupees Ninety Two Crores Ninety Nine Lakhs Only) which is 39% (Thirty Nine Percent Only)- [VGF amount of Rs.80.70 Crores with NPV10% per annum i.e., 33.84%].**
3. You are advised to furnish the Performance Security by way of an irrevocable Bank Guarantee as per **clause No. 1.33 of RFP Part-I : Instructions to bidders.**
4. You are also advised to arrange for execution of the Concession Agreement as per RFP Part-II Draft Concession Agreement.

Please acknowledge receipt of this letter immediately and communicate acceptance of contract.

Thanking you,

Yours faithfully,

B. H. Anil Kumar
B.H. ANIL KUMAR
MANAGING DIRECTOR
KRDCL / BANGALORE

Copy submitted to Principal Secretary, PWP&IWTD, Vikas Soudha, Bangalore - for kind information.

Copy to:

1. The Executive Engineer, KRDCL project office, Mysore - for information & necessary action.
2. The Manager (F/A), KRDCL, Bangalore - for information.

Suehashil C. Khuntia
SUEHASHIL C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil Kumar
KRDCL

Abhijeet Toll Road
Abhijeet Toll Road

Authorized Signatory
Authorized Signatory

AIL/KAR/KRDCL/1013

To,

Dated: 19th Nov'10

The Managing Director,
Karnataka Road Development Corporation Limited
1st Floor, 16/J, Miller Tank Bed Area
Thimmaiah Road Cross
Bangalore 560 052.

Sir,

Sub: Design, Engineering, Finance, Construction, Operation and Maintenance
of Chikkanayakanahalli-Tiptur-Hassan Road in the state of Karnataka on Build,
Operate and Transfer (BOT) Basis

Ref: Your letter No.KRDCL/CE-DE4/2010-11/1442 Dated: 13th Oct'10, and
KRDCL/CE-DE4/2010-11/1629 Dated: 10th Nov'10.

With reference to the captioned project, we enclose herewith our revised Financial Price Bid offer based on the discussions and negotiations held at your esteemed office premises on 14th Oct 2010, 19th Oct 2010 and 15th Nov 2010. Our revised Financial Price Bid offer is being submitted duly signed, as attached herewith vide Annexure 5 (Revised). We trust you will find this in order and in line with the discussions had with your good-self.

We once again request you to kindly issue us the Letter of Acceptance at the earliest so as we are able to commence the project developmental activities soon and catch up with the working season as early as possible to achieve substantial progress during the current working season.

This is for your kind consideration please.

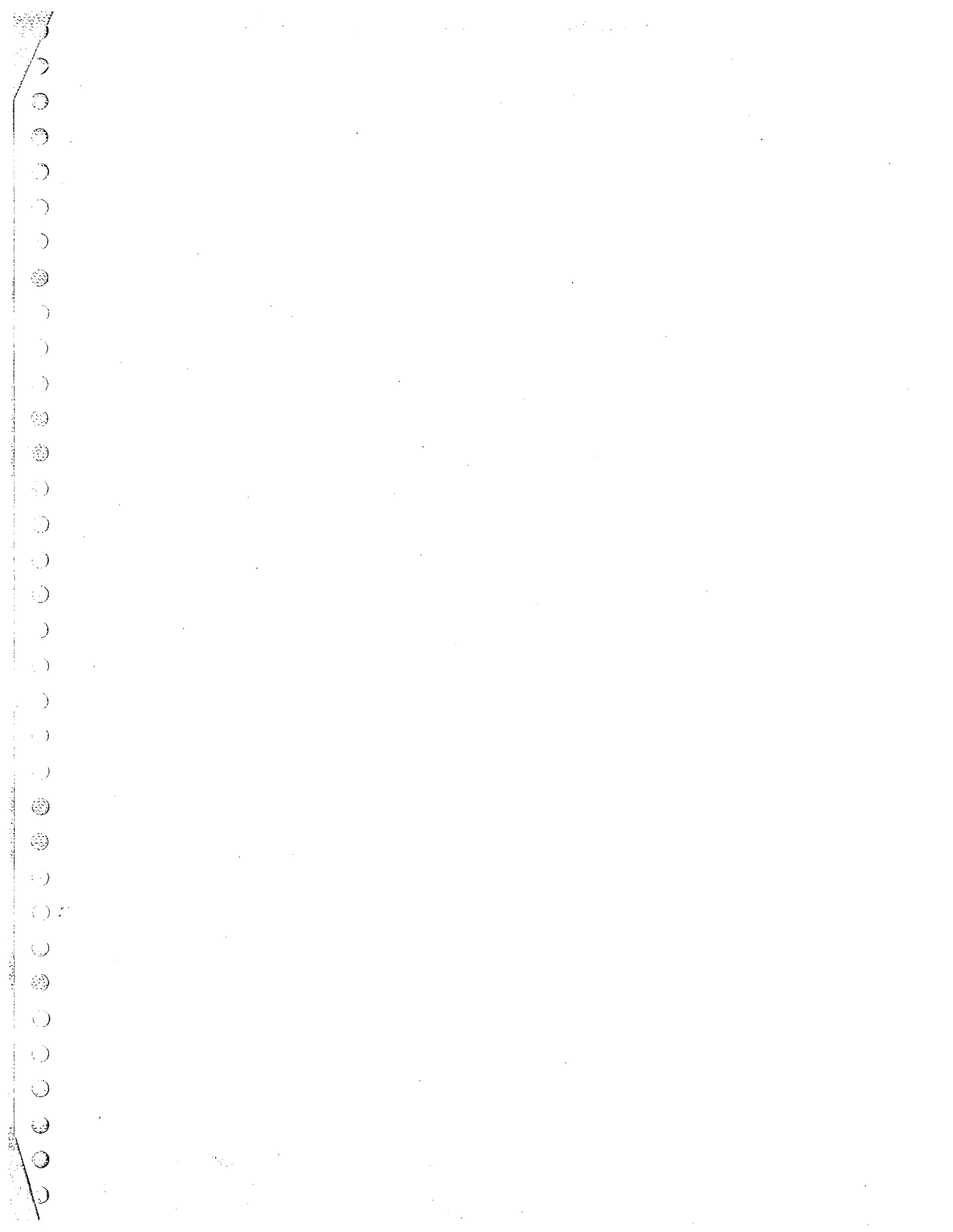
Thanking you,
Yours faithfully,
For AIL-CIAL Consortium

Shantanu Majumdar
Authorized Signatory
Abhijeet Infrastructures Limited (Lead Member)

sechuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water Transport Department
R. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road

[Signature]
Authorized Signatory



Dated: 19th November 2010

ANNEXURE 5

(Revised)

(On the letter head of the Lead Member)

"Design, Engineering, Finance, Construction, Operation and Maintenance of Chikkanayakanahalli-Tiptur-Hassan road in the State of Karnataka on Build, Operate and Transfer (BOT) Basis"

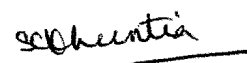
Revised Price Bid

(In Indian Rupees crores only)

(a) Negative Grant (Premium) considering the estimated total cost of the project (One time and upfront payment to be paid by the Concessionaire within 90 days after signing the agreement).	Rs _____ crores (Rs. _____ crores in words)
"OR"	
(b) For Grant Considering the estimated total cost of the project (to be given in detail as per the Table 'A' below).	Rs.92,99,55,000.00/- (Rs Ninety Two Crores Ninety Nine Lacs Fifty Five Thousand Only)

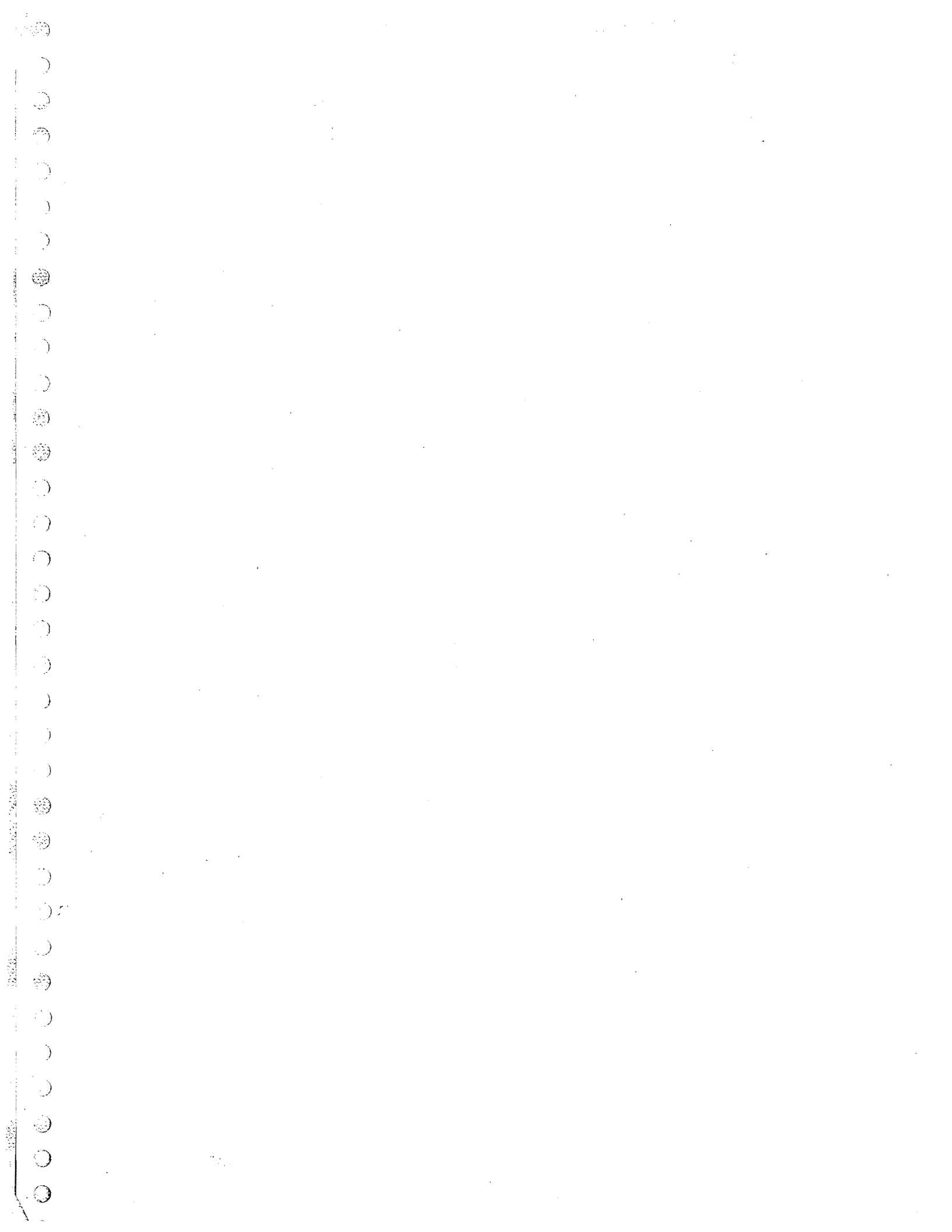
Table A : Details of Grant Considering the estimated total cost of the project

Concession Year	Yearly Grant	Net Present Value of Grant
	Figure/ Words	Figure/Words
Construction Period (year 1 to year 2)		
1	Rs.46,49,77,500.00/-	Rs.42,27,06,818.00/-
2	Rs.46,49,77,500.00/-	Rs.38,42,78,926.00/-
(a) Total Present Value on Proposal Due Date @ 10% per annum on Appointed Date		Rs.80,69,85,744/-


SUBHASH C. KHUNTIA Managing Director
 Principal Secretary to Government
 Public Works, Ports and Inland Water
 Transport Department
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

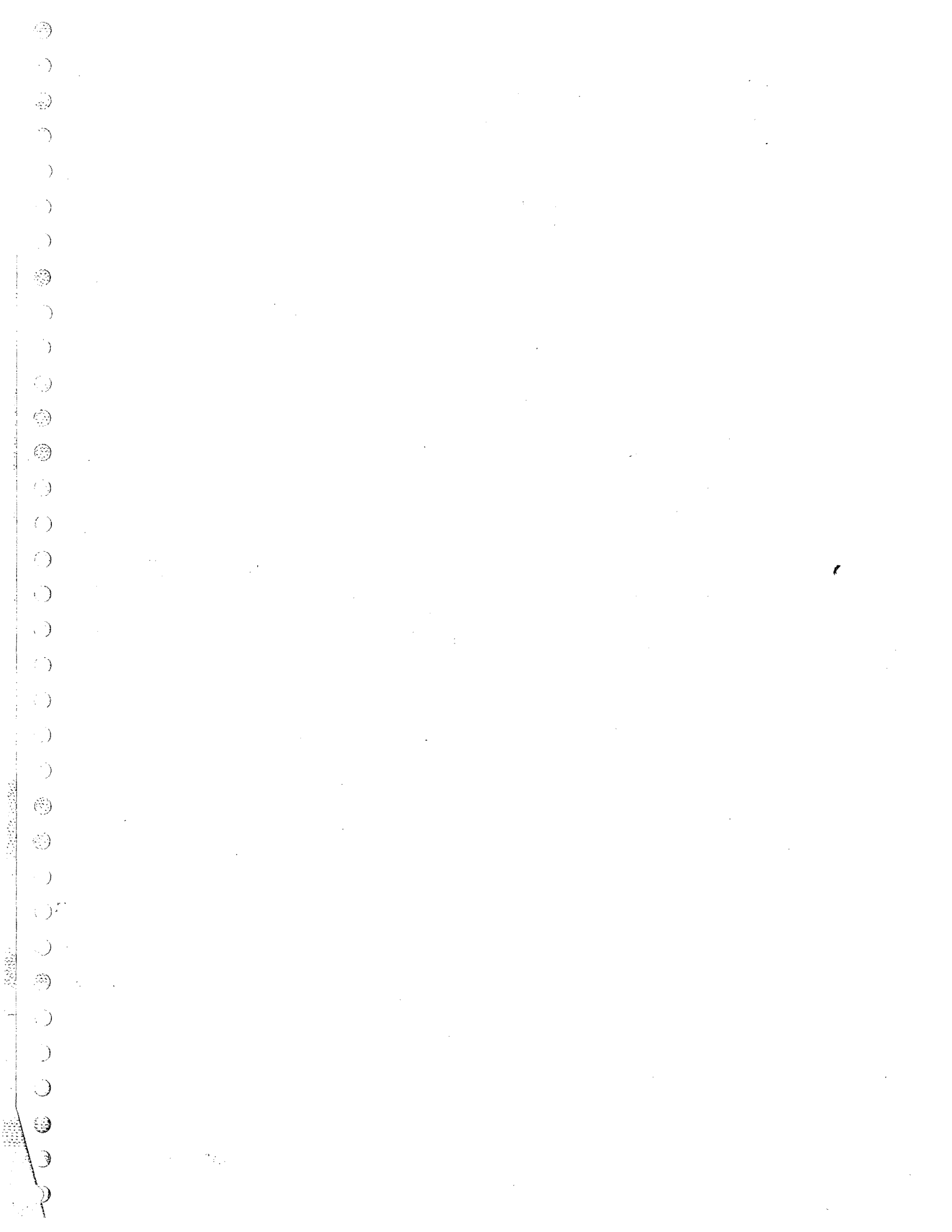


Bidder to note:

1. For the purpose of Price Bid evaluation, the Appointed Date is considered as 01st January 2011.
2. Maximum Negative Grant (Premium) / Minimum Grant on NPV basis quoted by the Bidder / Consortium shall be the sole criteria for award of the Project subject to Bidder / Consortium meeting the other bidding conditions for the purpose of bid evaluation. Grant/Subsidy shall be compared considering estimated Total Project Cost. The Negative grant (Premium) quoted shall be an absolute amount and the entire amount shall be payable upfront without any escalation whatsoever as per the provisions of Article 25 of the Draft Concession Agreement. Grant shall be an absolute amount and shall be payable (as per disbursement schedule line with the equity contribution by the Concessionaire to meet the capital cost of the total project cost during construction period) without any escalation whatsoever as per the provisions of Article 25 of the Draft Concession Agreement (RFP Part II).
3. Normally the maximum Grant admissible for the Project would be 40% of the estimated Project Cost. There is no limit to the Negative Grant (Premium) that can be quoted.
4. A Discount Rate of 10% per annum shall be used to compute the total Grant quoted on NPV basis. Grant during construction period shall be payable as per disbursement schedule in line with the equity contribution of the Concessionaire to meet the capital cost of the total project cost. Negative grant (Premium) shall be one time payment payable upfront to KRDCL/GOK.
5. Year 1 shall commence from the Appointed Date. Each year shall have 12 calendar months from the scheduled Appointed Date. The Construction period shall not exceed the period as mentioned in the Data Sheet.
6. A Bidder may quote a Negative Grant (Premium) or a Grant as per Annexure 5 of RFP for the Project. In case the Bidder quotes a combination of Negative Grant (Premium) as well as a Positive Grant, the bid will be evaluated as detailed in Annexure 5.
7. The Grant for the Construction period has to be quoted as an absolute amount but the disbursements will be made as per Article 25 of the Draft Concession Agreement (Part II of the RFP) and subject to conditions therein.
8. The Negative Grant (Premium) may be quoted as a single amount in absolute terms which shall be paid upfront. There is no limit to the Negative Grant (Premium) that can be quoted.

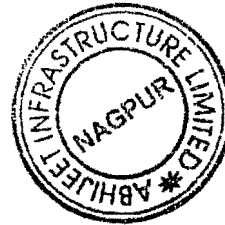
SUBHASH C. KHUNTIA
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department
Managing Director
KRDCL

Abhijeet Toll Road (Karnataka) Limited
Abhijeet Toll Road (Karnataka) Limited
Authorized Signatory



9. The Bidders would quote their requirement of Grant as in point 4 above.
10. The Grant / Negative Grant (Premium) amount quoted must not exceed two places of decimals.
11. In case of any variance in Grant / Negative Grant (Premium) quoted between any value in numerals/figures and words, the amount in words shall prevail.

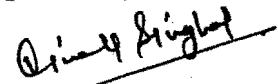
Abhijeet Infrastructure Limited (Lead Member)

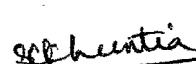



Shantanu Majumdar

Corporate Ispat Alloys Limited




Vivek Singhal


SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water Transport Department
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited


Authorised Signatory



महाराष्ट्र MAHARASHTRA

V. D. KHOKALE

STAMP VENDOR

EC 416431

Collector Compound, Nag.

23 MAY 2011

8338

1 JUN 2011

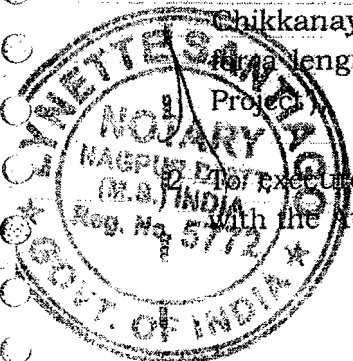
L. No. 17/86

Abhijeet Toll Road (Karnataka) Ltd. V.
Name Power of Attorney for Signing of Concession Agreement

Know all men by these presents, We, **Abhijeet Toll Road (Karnataka) Limited** having our registered office at 3rd Floor, Insignia Tower, EN-1, Salt Lake, Sector-V, Kolkata - 700091, West Bengal, India and Corporate Office at Level 6, Landmark Building, Ramdaspath, Wardha Road, Nagpur - 440 010 (W.B.) do hereby irrevocably constitute, nominate, appoint and authorize **Shri Sudhir Gupta**, son of Shri Madanlal Gupta, presently residing at 401, Bhagyalaxmi Apartment, Ramdaspath, Nagpur, who is presently acting as **Director** of the Company, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things viz:

- To negotiate the terms of contract, concessions, rights and obligations, etc. pertaining to the Concession Agreement with the Karnataka Road Development Corporation Limited (the 'Authority') for improvement of Chikkanayakanahalli - Tiptur - Hasan Road (partly MDR and Partly SH) having a length of 74.00 kms on BOT basis (hereinafter referred as 'CTH Project').

To execute the Concession Agreement and other requisite documents with the Authority relating to the CTH Project.



S. H. Khuntia

SUBHASH C. KHUNTIA

Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

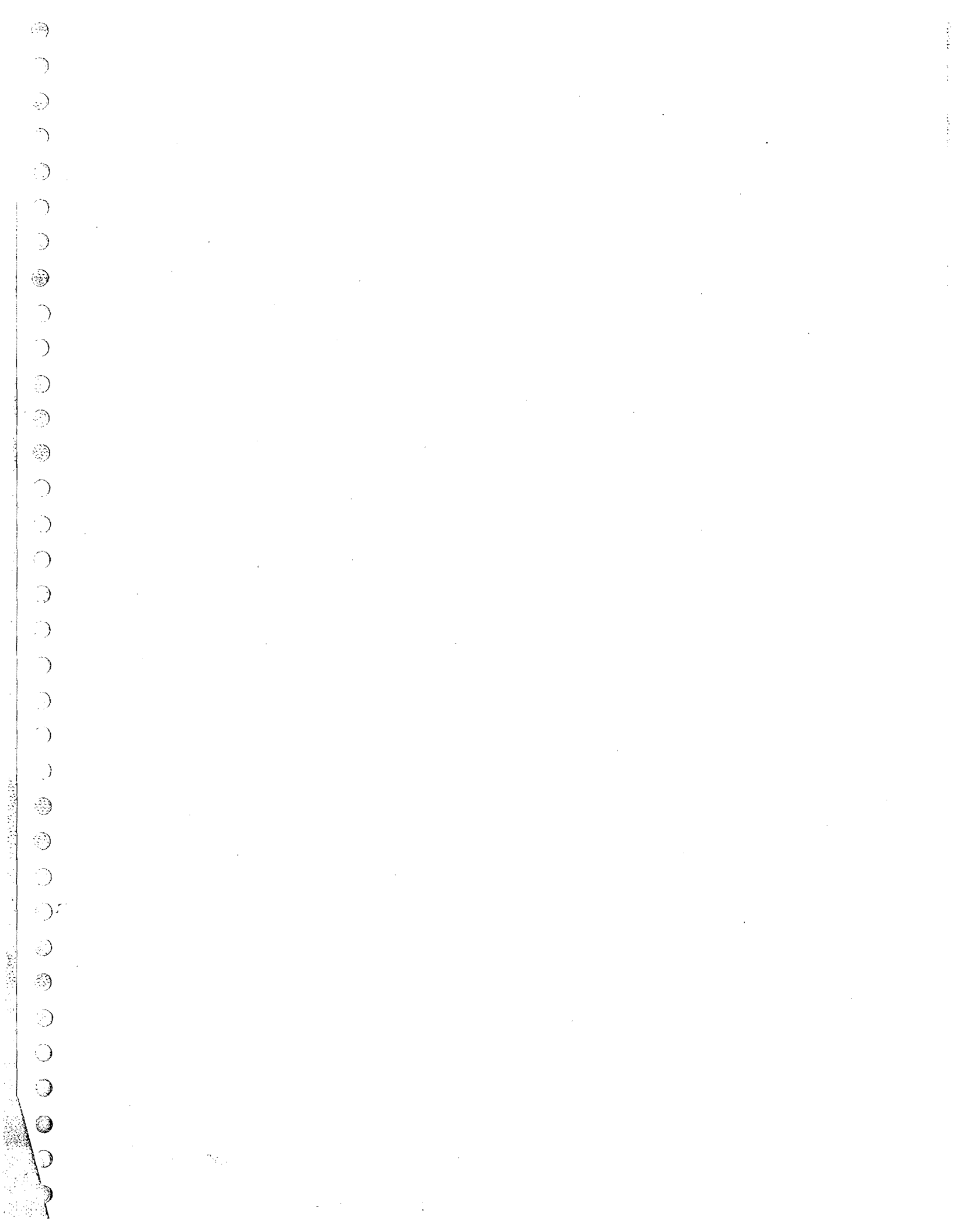
S. H. Khuntia

KRDCL

[Signature]

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory



3. To represent us in all matters before the Authority, in connection with or relating to or arising out of the CTH Project.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

This Power of Attorney shall remain valid for a period of 1 (ONE) year from the date of execution or till the time the Attorney appointed hereunder remains in our employment, whichever is earlier

IN WITNESS WHEREOF WE, **ABHIJEET TOLL ROAD (KARNATAKA) LIMITED**, HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS 1st DAY OF JUNE, 2011

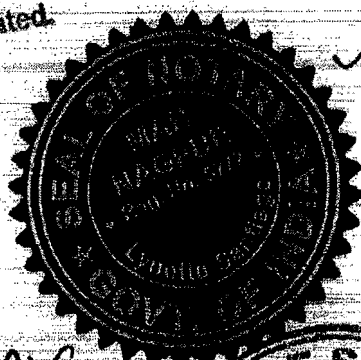
For Abhijeet Toll Road (Karnataka) Limited,

"Person Identified by
Signed before me"
Authenticated.

Abhishek Jayaswal

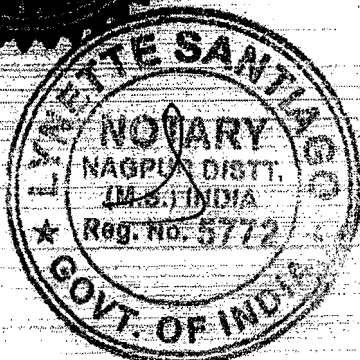
Abhishek Jayaswal
Director

Accepted



Sudhir Gupta

Sudhir Gupta
Director



ATTESTED

Lynette Santiago

LYNETTE SANTIAGO
Nagpur Distt. (M.S.) India



3/6/2011

SUDHASH C. KHUNTIA

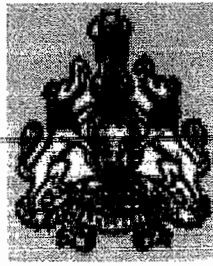
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

K. H. Mani

Managing Director

Abhijeet Toll Road, (Karnataka) Limited

Lokesh
Authorized Signatory



CONCESSION AGREEMENT

BETWEEN

**PUBLIC WORKS, PORTS AND INLAND WATER TRANSPORT
DEPARTMENT, GOVERNMENT OF KARNATAKA**

AND

KARNATAKA ROAD DEVELOPMENT CORPORATION LTD.

AND

**M/s. ABHIJEET TOLL ROAD (KARNATAKA) LIMITED
(CONSORTIUM)**

FOR

**IMPROVEMENTS TO CHIKKANAYAKANAHALLI-TIPTUR-
HASSAN ROAD (PARTLY MDR AND PARTLY SH) IN THE
STATE OF KARNATAKA ON BOT –VGF (TOLL)**

PART- II – SCHEDULES

3rd JUNE – 2011

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I

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U Vesting Certificate

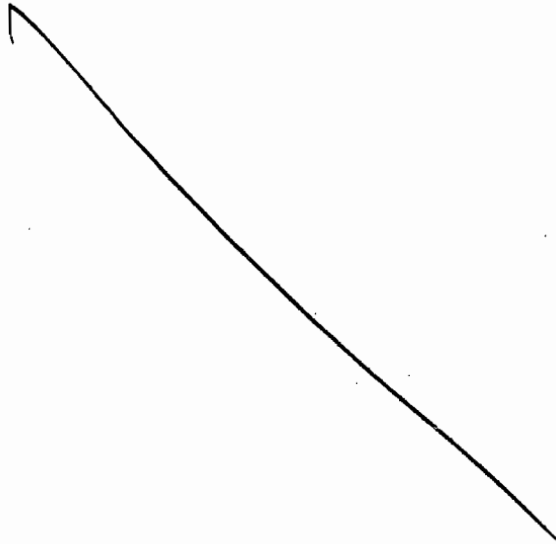
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SITE OF THE PROJECT

1 The Site

- 1.1 Site of the Project Road shall include the land, buildings, structures and road works as described in Annex-I of this Schedule-A.
- 1.2 An inventory of the Site including the land, buildings, structures, road works, trees and any other immovable property on, or attached to, the Site shall be prepared jointly by the KRDCL/PWP & IWTB representative or representative of the Concessioning Authority and the Concessionaire, and such inventory shall form part of the memorandum referred to in Clause 10.3.1 of the Agreement.
- 1.3 Additional land required for bypasses, realigned sections, Toll Plazas, Traffic Aid Posts, Medical Aid Posts and vehicle rescue posts or for ROB/RUBs, underpasses, way side amenities, construction of works specified in Change of Scope Order shall be acquired in accordance with the provisions of this Agreement. Upon acquisition, such land shall form part of the Site and vest in the KRDCL/PWP & IWTB.

2 Additional Land for Two-Laning Plus

Deleted

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Principal Secretary to Government

Annex -I
(Schedule-A)
Site for Project Road

1. General

1.1 The Site

The project road 'Chikkanayakanahalli-Tiptur-Hassan Road' lies in the southern part of Karnataka and provides vital connectivity between SH-19 (Srirangapatana-Bidar Road) at Chikkanayakanahalli with NH-48 (Bangalore-Mangalore Road) at Hassan. This road also intersects NH-206 (Tumkur-Honnavar Road) at Tiptur. The project road comprise of two sections viz., MDR section between Chikkanayakanahalli to Tiptur and SH-68 section between Tiptur to Hassan.

There are no major competing roads existing for the project road between Chikkanayakanahalli and Hassan as it is a through road between these two places and an important link to the traffic mainly trucks carrying iron/manganese ore from Happigudda near KB Cross, Sandur, Hospet and Bellary and destined to Mangalore port.

1.2 Disclaimer

The data presented in this schedule is for an initial understanding and guidance of the Concessionaire. KRDC/PPW&IWD will not be responsible for any inaccuracy in the information provided and shall not be liable for or be bound by the data used by the Concessionaire in evaluating the project viability. The Concessionaire will carry out his own Independent surveys for assessing actual position of the project corridor.

The Concessionaire acknowledges that prior to the execution of this Agreement, the Concessionaire has satisfied himself (based on his own Independent assessment) of the survey data, specifications and standards, site and all information provided by the KRDC/PPW&IWD. The Concessionaire acknowledges and accepts the difficulties, risks and hazards likely to arise during the course of performance of his obligations hereunder.

2. Description of Project Highway

An index map and location plan of the Project Highway is given as Fig. A.1. The base plans for the Project Highway showing the existing alignment, buildings utilities, etc., may be seen from the alignment plan and profile given in Schedule B.

2.1 'Start' and 'End' of the Project Highway

The road section is 76.221 km in length, comprising of section between Chikkanayakanahalli and Tiptur (MDR), 22.852 kms in length (design Chainage 0+000 to 22+852) and the section between Tiptur and Hassan (SH-69), 49.300 kms in length (design Chainage 2.250 to 49+319). In addition the southern bypass for Tiptur town of about 6.30 kms also from part of the Project Highway.

2.2 Terrain

The road section generally traverses through plain terrain for major portion of the project road.

2.3 Climate and Environment

The project road belongs to moderate temperature zone. Details regarding rainfall could be gathered from Karnataka at a Glance Publication and other relevant publications as felt appropriate.

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2.4 Road Inventory

The existing road of the Project Highway has generally single/intermediate/two lane configuration. Paved shoulders are generally absent along the total Project length.

2.5 Abutting Land Use

Abutting land use on both sides is predominantly agricultural and the balance constitutes residential and commercial.

There are total 28 villages/towns/cities along the existing Project Highway, which are given below in Table A-1.

Table A-1: Details of Villages/Towns/Cities

Sl. No	Place	Chainage*	Town/village
MDR			
1	Siddaramanagar	Km 4.500 to km 4.900	Village
2	Odayarahalli	Km 6.200 to km 6.700	Village
3	Navagrama	Km 10.600 to km 10.800	Village
4	Gopalanahalli	Km 11.800 to km 12.200	Village
5	Armalanahalli	Km 16.700 to km 17.000	Village
6	Chikkamarappanahalli	Km 19.700 to km 20.000	Village
7	Benanayakanahalli	Km 20.200 to km 20.900	Village
8	Doddamarapanahalli	Km 21.200 to km 21.600	Village
9	Karlegowdanapalya	Km 22.500 to km 22.850	Village
10	Tiptur	Km 24.368	Town
SH-68			
1	Tiptur	Km 0.000 (on SH-68)	Town
2	Benanahalli	Km 6.100 to km 6.500	Village
3	Tadasuru	Km 6.700 to km 6.950	Village
4	Basavanahalli	Km 10.000 to km 10.400	Village
5	Bhovi colony	Km 16.400 to km 16.600	Village
6	Kondenalu	Km 11.700 to km 11.950	Village
7	Ghandsi Cross	Km 22.900 to km 23.500	Village
8	Naganahalli	Km 24.100 to km 24.500	Village
9	Hosahalli gate	Km 28.400 to km 28.800	Village
10	Rudradevarahalli	Km 29.600 to km 30.000	Village
11	Bommanahalli	Km 32.800 to km 33.200	Village
12	Dudda	Km 36.100 to km 36.900	Village
13	Chikkakadalu	Km 38.000 to km 38.400	Village
14	Kowagala Cross	Km 41.000 to km 41.300	Village
15	Madwarahalli	Km 43.000 to km 43.300	Village
16	Chernahalli	Km 43.400 to km 43.700	Village
17	Doddapura	Km 43.800 to km 44.100	Village
18	Hassan	Km 49.319	Town

(*-Existing Chainages)

2.6 Right-of-Way

Generally a right of way of 30m has been considered to accommodate the proposed project configuration. Additional width is required to accommodate various ROB/RUBs, underpasses/ramps, toll plaza, way side amenities etc., and the same has been considered.

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2.7 Road Crossings/Junctions

There are 7 major Junctions along the Project Highway. Apart from this a number of small roads also cross the Project Highway. The details of major intersections are given in Table A-2.

Table A-2: Details of Major intersections

Sl. No.	Chainage (Km+m)	Type of Intersection	Details of Cross Road	Classification of Crossing Road
Hassan - Tiptur Section (SH-68)				
1	Km 0.000	T	Towards Shimoga	NH, SH
2	Km 23.275	+	Towards Arasikere, Channarayapatna	Other Road
3	Km 35.125	Y	Towards Arasikere	Other Road
4	Km 49.319	T	Towards Hassan, Bangalore	NH
Chikkanayakanahalli - Tiptur Section (MDR)				
1	Km 0.000	T	Towards KB Cross	NH
2	Km 24.368	T	Towards, KB Cross, Bidar	SH

2.8 Railway Crossings

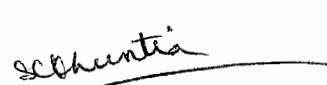
The project road crosses the railway line between Tiptur and Dudda village at two locations. The details of railway crossings are tabulated in Table A-3.

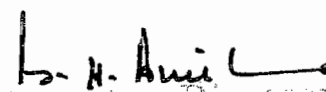
Table A-3: Details of Rail crossings

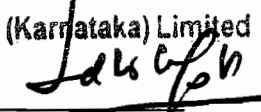
Sl. No	Chainage (km+m)	Railway Crossing Type	No. of Tracks
Tiptur - Hassan Section (SH-68)			
1	0+165	Level Crossing, near Tiptur	Single lane, Broad Gauge
2	36+550	Level Crossing, near Dudda	Single lane, Broad Gauge

2.9 Geometry

It is observed that the Project Highway generally has satisfactory alignment w.r.t geometrics. However, the necessary improvements to geometrics to meet the IRC norms is envisaged as a part of the project.


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2.10 Road Condition Survey and Pavement Composition

As per the pavement condition data gathered, the average total thickness of existing pavement varies from 170 mm to 455 mm in MDR and 205mm to 395mm in SH-68. The pavement mainly comprises of bituminous layer over sub grade. The bituminous course layer's thickness varies between 10 mm to 30 mm in MDR and 25mm to 70mm in SH-68. Detailed pavement condition of the existing road of the Project Highway is given below in Table A-4.

Pavement condition of Project Highway is generally poor.

Table A-4: Details of Existing Pavement Composition

Location	Layer Type and Thickness in mm				
	PMC/BT	WBM	GSB	Subgrade	Total
<i>Chikkanayakanahalli to Tiptur (MDR)</i>					
0+000	20	150	-	-	170
1+000	20	150	-	-	200
2+000	25	150	180	-	355
3+000	10	110	200	-	320
4+000	25	230	180	-	435
5+000	25	180	150	-	355
6+000	15	90	350	-	455
7+000	20	120	100	-	240
8+000	20	90	150	-	260
9+000	30	110	160	-	300
10+000	25	90	150	-	265
12+100	-	100	240	-	340
13+000	25	75	150	-	250
14+000	25	150	180	-	355
16+000	20	80	100	-	200
17+000	20	100	150	-	270
17+950	25	110	160	-	295
20+000	25	130	180	-	335
22+000	25	130	200	-	355
24+000	25	50	150	-	225
0+200	40	100	-	100	240
2+000	70	100	150	-	320
4+000	60	90	100	100	350
6+000	35	80	120	100	335
8+000	55	70	-	80	205
10+000	40	100	-	150	290
12+000	70	80	110	-	260
14+000	50	180	110	-	340
16+000	50	120	150	-	320
18+000	25	150	150	-	325
20+000	50	180	120	-	350

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2.11 Cross Drainage Structures

The Project Highway is predominantly aligned through rural areas with cultivated fields on both sides. The surface flow during precipitation is generally drained to the adjoining areas on either side. The roadside drainage along the Project Highway needs some improvements, predominantly in urban stretches. The Project Highway has total 74 culverts, consisting of 9 R.C. Pipe culvert, 15 stone slab culvert, 1 RCC Slab culvert and 3 causeways in (MDR) and 46 culverts consisting of 12 R.C. Pipe culverts, 1 Stone slab culvert and 33 RCC Slab culverts.

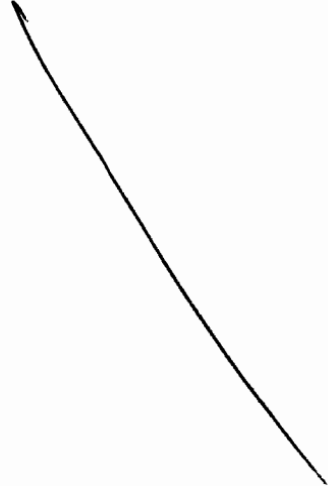
There are total 6 minor bridges on the project road.

2.12 Tank Bund Locations

The Project Highway passes on tank bund locations at five locations. Details of existing tank bunds along the existing Project Highway is given in Table A-5.

Table A-5: Details of Existing Tank Bund Locations

Sl. No.	Chainage (Km+m)
Chikkanayakanahalli - Tiptur Section (MDR)	
1	3+400 to 3+725
2	5+400 to 5+700
3	7+050 to 7+200
Hassan - Tiptur Section (SH-68)	
4	20+100 to 20+400
5	42+300 to 42+475



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SCHEDULE -B

(See Clause 2.1)

DEVELOPMENT OF THE PROJECT ROAD

1 Development of the Project Road

Development of the Project Road shall include improvement of the Project Road as described in this Schedule-B and in Schedule-C.

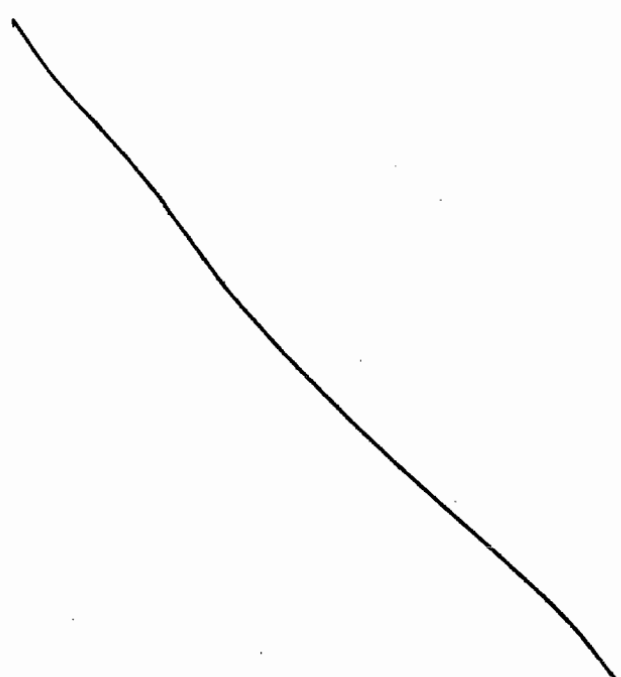
2 Project Road

2.1 Project Road shall include Improvement of the Project Road as described in Annex-I of this Schedule-B and Annex-I of Schedule-C.

2.2 Improvements of Project Road be undertaken and completed by the Concessionaire in conformity with the Specifications and Standards set forth in Annex-I of Schedule-D.

3 Two-Laning Plus

Deleted



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Description of Project Road

1 General

The following section of this schedule briefly highlights part of the scope of the work of the 'Project' relevant to the mainline. The descriptions of the requirements for the various elements of the Project Highway given herein under are the bare minimum requirements for the 'Project'. The 'Project' has the same meaning as defined in Para 1.1 of concession agreement.

In the planning, design and execution of the works and other works in connection with the repair, maintenance or improvement of the Project Highway and functions associated with the construction of the Project Highway and roadside facilities, the Concessionaire shall take all such actions and do all such things (including, but not limiting to, organizing itself, adopting measure and standards, executing procedures including inspection procedures and highway patrols and engaging and managing contractors agents and employees) as will:

- i) Enable KRDCL/PWP&IWTD to provide an acceptably safe highway in respect of its condition (structural safety) and use (road safety) and,
- ii) Enable KRDCL/PWP&IWTD to fulfil its statutory and common law obligations and,
- iii) Enable KRDCL/PWP&IWTD to provide a congestion free uninterrupted flow of traffic on the Project Highway and,
- iv) Enable KRDCL/PWP&IWTD to provide a level of service to the public not inferior to that provided on the trunk road during construction or improvements works and,
- v) Enable the Police, local authorities, and others in performing statutory duties or functions in relation to the Project Highway or adjoining roads to fulfil those duties and functions and,
- vi) Minimize the risk of damage, destruction or disturbance to third party property and,
- vii) Ensure that members of the public are treated with all due courtesy and consideration and,
- viii) Provide a safe clear and informative system of road signs and,
- ix) Comply with any specified program requirements, including for the completion of the new road and,
- x) Enable standards of fitness for the purpose appropriate to a highway to the character of the Project Highway to be achieved throughout the Contract Period and,
- xi) Ensure adequate off-street parking facilities for both passenger and goods vehicles and,
- xii) Provide adequate bus bays for stopping of buses and bus shelters for commuters to wait under protection and,
- xiii) Achieve a high standard in the appearance and aesthetic quality of the Project surrounding landscape through both sensitive design and sensitive management of all visible elements including those on the existing road and,
- xiv) Undertake proper safety audit through an appropriate consultant (i.e. apart from the Independent Consultant) before C.O.D. and,
- xv) Carry out accident recording and reporting (to IE&KRDCL/PWP&IWTD) by classification on regular basis and,
- xvi) Ensure adequate safety of the Project Workers on the work site.
- xvii) Minimize the occurrence and adverse effects of accidents and ensure that all accidents and emergencies are responded to as quickly as possible.

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2 Project Highway

Notwithstanding the base alignment plans enclosed with this document, the Concessionaire shall himself carryout and be responsible for engineering surveys, investigations and detailed engineering designs and prepare the working drawings for all the components relevant for the improvement and up-gradation of the Project Highway to fulfill the scope of the project as envisaged herein under. The designs for different project facilities shall follow the locations and indicative designs given in **Schedule-C** and shall comply with design specifications and standards outlined in **Schedule-D**. The maintenance of the different elements of Project Highway and facilities thereon shall follow the minimum maintenance requirements as described in **Schedule-L**. All the designs and drawings shall be reviewed by the Independent Consultant and KRDC/L/PWP&IWTD prior to execution.

2.1 (A) Cross Sections

The Project Highway having a length of 76.221 km shall be widened to have a minimum 2-lane carriageway with 1.0m wide paved shoulders. The alignment plan and profile of the Project Highway is given in **FDPR** together with layout plan for major intersections. The typical cross sections as given in **Table B1** shall be followed as the minimum design criteria for development of Project Highway. The typical cross sections are presented in **FDPR**.

The cross section of the Project Highway at the cross drainage structures shall follow the typical cross sections in consultation with the Independent Consultant and KRDC/L/PWP & IWTD. at the time of construction. The utility services, including optical fibre cables, shall be provided in the location where it is convenient to the Concessionaire or the concerned Authority with the approval of Independent Consultant and KRDC/L/PWP & IWTD.. The existing optical fibre cable shall be relocated by the respective owner at a safe place as indicated by IE&KRDC/L/PWP & IWTD. in such a way that it causes least hindrances to the execution of project.

In urban sections the utility services shall be provided through underground ducts provided for this purpose. For cross connection, the utility services shall be carried through the nearest cross drainage structure / underpass meant for pedestrians and cattle crossing below its deck slab and above HFL. In absence of such a structure in the vicinity of the proposed location, it shall pass through separate underground ducts. Location and design of the cross utility ducts shall be finalized by the Concessionaire in consultation with the Independent Consultant. Cross-sectional elements of the suggested cross-sections are the basic minimum requirements. Minor alterations/modifications can be carried out to the alignment plan within the overall suggested cross-section, along with proper justification, in consultation with Independent Consultant and KRDC/L/PWP & IWTD..

Table B-1: Type of Road Cross Sections Schedule

Type	Details	Length, km
I A	Reconstruction in rural limits (42.145 km in SH-68)	42.145
I B	Reconstruction in rural limits (20.077 km in MDR)	20.077
II A	Reconstruction in tank bund section (0.475 km in SH-68)	0.475
II B	Reconstruction in tank bund section (0.775 km in MDR)	0.775
III	Reconstruction in near settlements (2.000 km in MDR & 4.449 km in SH-68)	6.449
Tiptur Bypass		6.300
Total		76.221

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2.1 (B) Longitudinal Section

As a minimum, the Concessionaire shall achieve the finished road level (FRL) as given in the plan and profile drawings in DPR.

2.2 Intersections/Junctions (At Grade)

The Concessionaire shall provide Major Intersections improvement as per **Table B-2**. Following aspects shall be considered for design of at-grade junctions:

- Adequately designed intersections with channelisations, all right turn and left turn (acceleration and deceleration) lanes (auxiliary) at all intersections for safe and smooth movement of traffic.
- Auxiliary acceleration and deceleration lanes for left turning traffic at entrances to major roadside facilities such as Wayside Amenities, Service Area and Truck Lay-byes and traffic merging/diverging locations.
- Also auxiliary lane of sufficient capacity (length) shall be provided to create storage capacity for stream lining movement of turning vehicular traffic.
- Treatment at additional intersections, if any, as found necessary, shall be decided in consultation with the Independent Consultant & KRDCL/PWP&IWTD
- In case adequate ROW could not be made available to accommodate proposed intersection layout, the proposed intersection layout shall be followed upto ROW boundary and therefore suitable tapering shall be provided for the cross road.
- Improvement of existing major intersections/junctions and provision of new intersections / junctions shall be as per **Table B-2**. Drawings for these intersections are given in DPR.
- Improvement of existing minor intersections / junctions and provision of new intersections / junctions shall be as per MoST standard drawings. The layout plans of minor intersections shall be designed individually and got approved from IE & KRDCL/PWP&IWTD

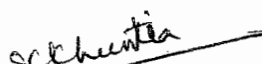
Table B-2: Details of Major Intersections for Improvement

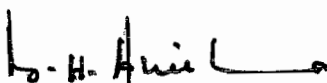
Sl.No.	Chainage	Description	Junction Type
Chikkanayakanahalli - Tiptur Section (MDR)			
1	Km 0.000	Km 0, MDR – SH 19 Junction (Chikkanayakanahalli)	Three Arm (T)
2	Km 22.852	Km 22.852, MDR – NH 206 Junction (Tiptur)	Three Arm (T)
Tiptur - Hassan Road (SH 68)			
3	Km 0.000	Km 0, SH 68 – NH 206 Junction (Tiptur)	Three Arm (T)
4	Km 23.275	Gandsi Junction	Four Arm (+)
5	Km 35.125	Arasikere Junction, near Dudda	Three Arm (Y)
6	Km 49.319	Km 49, SH 68 – NH 48 Junction (Hassan)	Three Arm (T)

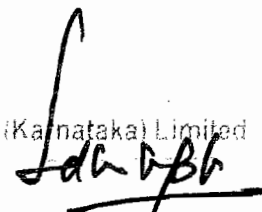
2.3 Pavement

General

The detailed pavement design of carriageway shall be done in accordance with the standards mentioned in Schedule-D. The pavement shall be rigid pavement for the main carriageway, paved shoulders, up / down ramps of vehicular underpasses / ROB/RUBs, bus bays, truck lay byes and toll plaza & toll booth locations. Flexible pavement shall be provided for cross roads up to 50m beyond proposed ROW.


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Pavement design – Flexible Pavement

Flexible Pavement design shall be based on the following design parameters:

- Subgrade CBR value shall be 10 % obtained from 4 days soaked sample at 97 % MDD.
- Lower non bituminous layers shall be designed for axle loads expected in 30 years and upper bituminous layers for axle load expected at the end of 5 year design
- Design life shall be 30 years for flexible pavement and 30 years for rigid pavement.

The flexible pavement shall be designed as per the IRC: 37-2001 (latest version) or AASHTO or any other international method. The composition and thickness of various layers of pavement shall not be less than as indicated in Table B-3 and those required as per IRC: 37-2001 for the above design criteria.

The finished pavement profile for entire project length shall be designed so that the bottom level of the subgrade always remains above highest flood level (HFL) and in any case shall not be lower than as defined in plan & profile drawings enclosed in the drawing volume.

Refinery produced 60/70 grade bitumen shall be used for the bituminous course layers.

However, the minimum composition of the flexible pavement shall be as shown in Table B-3 for subgrade strength of 10 % CBR obtained from 4 days soaked sample @ 97% maximum dry density. The indicated pavement composition is for the purpose of bidding only. Any additional thickness over the thickness indicated in the bid documents shall not contribute a change in scope of work nor qualify for a variation order.

Table B-3 : Pavement Composition (for cross roads at the junctions)

Pavement Layer	Thickness,
Bituminous Concrete (BC)	50
Dense Bituminous concrete (DBM)	50
Wet Mix Macadam (WMM)	250
Granular Sub base (GSB)	200
Total	1050

In addition 500 mm Subgrade shall be provided.

Pavement design – Rigid Pavement

The finished pavement profile shall be as shown in the plan & profile drawing enclosed in the drawing volume. The minimum pavement composition of rigid pavement shall be as shown below for design life of 30 years and shall include:

- 250 mm Pavement Quality Concrete (PQC) (between Chikkanayakanahalli and Tiptur)
- 280 mm Pavement Quality Concrete (PQC) (between Tiptur and Hassan)
- 150 mm Dry Lean Concrete (DLC)
- 200 mm Granular sub base (GSB)
- 500 mm Subgrade material with 10% CBR @ 97% MDD

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This composition shall be used for main carriageway, approaches of all structures, paved shoulders, junctions etc., of the project road duly supported by the design.

~~The indicated pavement composition is for the purpose of bidding only. The concessionaire shall prepare detailed design for rigid Pavement as per IRC: 58-2002. Any additional thickness over the thickness indicated in the bid documents shall not constitute a change in scope of work nor qualify for variation order.~~

Joints

Contraction, longitudinal and expansion joints shall be provided as per IRC: 58- 2002.

Paved shoulders

Pavement composition for paved shoulders shall not be lower than the adjacent carriageway pavement layers and shall be an integral part of the main carriageway.

2.4 Structures

2.4.1 Cross-Drainage (Bridges & Culverts)

Existing and new culverts and bridges shall be provided by the Concessionaire wide enough to accommodate the adjacent road cross section. The details of existing culverts and bridges are given in FDPR.. Details improvement of all the culverts and bridges are given in FDPR. These shall be designed & provided in accordance with the design standards set in **Schedule-D**.

The culverts need to be reconstructed / newly constructed / maintained by the Concessionaire. The reconstruction shall be compatible with the adjoining prescribed road cross sections Details are given in FDPR.

The minor bridges that need to be reconstructed/newly constructed /maintained are as per details given in FDPR.

The GAD of the bridges are given in FDPR. The Finished road levels, as given in GAD shall be adopted. The foundation levels shown in drawings shall be assessed based on appropriate investigations as per IRC norms and the designs shall be submitted to IE for review and approval.

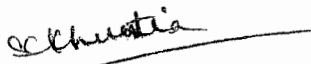
Following guidelines shall be followed:


- i) All the bridges located on new carriageway and those located on the existing carriageway and requiring reconstruction shall be 2-lane structure. The inner edge of footpath matches with the outer edge of paved shoulder.
- ii) For drainage purpose the new/reconstruction of pipe culverts of minimum 1.2m dia shall be provided. The existing pipe culverts of 0.900m or more dia shall be extended to new carriageway with same diameter pipe. All pipe culverts of dia less than 0.900m shall be reconstructed.

Further, the cross drainage plan of the highway shall be finalized in consultation with IE & KRDC/LPWP & IWTD. and if required additional culverts shall be provided as part of the Concessionaire's obligation under this Contract Package.

2.4.2 Underpasses

Underpasses shall be provided by the Concessionaire as given in FDPR. The GADs and detailed drawings of the underpasses are given in Drawing Volume of FDPR.


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2.4.3 ROB's

New 2-lane ROB's shall be provided in lieu of the existing level crossings, along the proposed project road alignment (Dudda Railway Level Crossing and Tiptur Railway Level Crossing). Improvement proposal for ROB's is given in FDPR. The GAD and detailed drawings of the ROB's are given in FDPR. The concessionaire shall bear the cost towards design, supervision during construction & maintenance etc., as applicable during the Concession period to Railways and other agencies as appropriate.

Design and GAD of structures is given in this document is for guidance of bidders. The concessionaire may adopt the same after proof checking of GAD, its adequacy, supporting designs as done by him / may adopt alternative design keeping in view the specified requirements. Also, no variation/change of scope shall be admissible for variation in quantities in proof - checked designs.

3. Geometric Improvement

Following works shall be provided by the Concessionaire:-

- i) The flat gradients shall be corrected in such a way so as to attain an appropriate longitudinal gradient in order to achieve longitudinal drainage. Also vertical curves shall be improvement / introduced so that the vertical curves meet IRC: SP-23 / IRC: 73 standards.
- ii) The horizontal alignment of the Project Highway shall be improved as per the standards set out in **Schedule-D**.
- iii) The Improvement shall be done in consultation with the Independent Consultant ensuring that the proposed improvements are accommodated within the land width available.

4. Slope Protection and Drainage

The improvements in the drainage and the slope erosion shall be made by the Concessionaire as per the following norms:

4.1 Drainage Measures

Following measures shall be provided by the Concessionaire:

- i) Earthen drains of required cross Section for area Drainage on Both Side of carriageway in rural section.
- ii) Covered Pucca drains in urban sections preferably at outer edges of carraigeway with proper connection to the outfall location in the urban section
- iii) Chute drains along with kerbs and channel drains in high embankment (3m and above)
- iv) Median drains at super elevated sections with proper outfall connections and
- v) Covered pucca drains underneath the sidewalk of proposed facility (bus bays, truck lay bys etc.)
- vi) Open lined drains across the median and separators at super elevated sections.

In addition to these, 900mm dia NP-4 hume pipe culverts shall be provided under the cross roads at the intersections to allow rain water to flow. The drainage plan shall be prepared by the concessionaire and got approved from IE & KRDCL/PWP&IWTD.

To avoid frequent cutting of road for laying / maintaining / repair of utility services especially near settlements it is proposed to have 600mm dia. NP3 pipes at every 250m intervals across the roadway for full width (12m minimum) near settlement locations

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4.2 Slope Protection Measure

Following measures shall be provided by the Concessionaire:

- i) Side Slope of embankments 3m high or more shall be protected by pitching or geo-meshes or geo-nets or geo-grids in consultation with the Independent Consultant.
- ii) Side Slope of embankments less than 3m in height shall be turfed as per MORT&H specifications.
- iii) Slopes at tank bund locations shall be provided with Gabion mattresses and Gabion toe arrangements as indicated in the cross section drawings included in the FDPR.

5. Traffic Signs and Pavement Markings

The Concessionaire shall provide as follows:

Traffic signs and pavement markings shall include roadside signs, overhead signs, curb mounted signs and road marking along the Project Highway. The design and marking for the Project Highway shall be as per the design standard indicated in **Schedule-D** and the location for various treatment shall be finalized in consultation with the Independent Consultant.

The overhead sign shall be the reflectorised type with high intensity retro-reflective sheeting conforming to ASTM D 4956-01, Type VIII and/or Type IX of micro prismatic type. The retro-reflective sheet of Engineering Grade shall NOT be used. The height, lateral clearance, location and installation shall be as per relevant clauses of MOST specifications. Overhead sign shall be installed ahead of major intersections, toll plazas and urban areas as per detailed design requirements.

The installation shall be as per relevant clauses of IRC/MORTH specifications.

The Concessionaire shall provide Aluminium Die Cast Matte Finish (Sand Blasted) conforming to IS 617:1994 Designation 4250 Sparkle Solar road studs powered by energy from the Sun, manufactured by 'TATA BP' Solar India or Equivalent having high intensity reflectivity on the curves, road junctions, zebra crossings, ramps etc. to provide the visibility. At least one thousand solar studs shall be provided on this project at the locations finalized in consultation with IE/KRDCL/PWP&IWTD.

6. Highway Lighting

The lighting shall be provided at all toll plaza locations and junctions. Hot dip galvanized high mast pole shall be provided at junctions and toll plazas. Necessary infrastructure required for the above work shall become part of the scope of works.

The Concessionaire shall provide as follows:

- i) Non-conventional energy like solar lighting system shall be provided at all major intersections as per the design standards indicated in Schedule 'D'.
- ii) High mast lightings shall be provided at toll plaza location Grade Separator and at major intersections as per the design standards indicated in Schedule 'D'.
- iii) Street Lighting shall be provided in the built up areas

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7. LED

LEDs shall be provided by the Concessionaire at intersections and median openings as per the design standards indicated in Schedule 'D'.

8. Speed Breaker on Cross Roads

Speed Breakers shall be provided by the Concessionaire on all cross roads intersecting the Project Highway as per the design standards indicated in Schedule 'D'.

9. Blinker at Intersection

Blinkers signal shall be provided by the Concessionaire at all major intersections as per the design standards indicated in Schedule 'D'.

10. Delineators and Guard Posts

Delineators and Guard Posts shall be provided by the Concessionaire at all Horizontal curves on either side of the carriageway as per the design standards indicated in Schedule 'D'.

11. Studs

Road studs shall be provided by the Concessionaire at all curves on both carriageways, at median openings and at intersections as per the design standards spelt out in schedule 'D'.

12. Guard Rail and Traffic Safety Devices

- i) For the safety of pedestrian at the intersection / Junction, the guard rails in GI pipe shall be provided to enhance the safety in Urban/Semi-Urban locations and at bus bays.
- ii) Metal beam / Concrete Barriers shall be provided at locations of bridge approaches and high embankments (3m and more) and at curves having deflection angle more than 30°. Metal beam barrier shall be of w- shape, in Fe 410 grade with single runner hot dip galvanized in 550 gm / sqm. The aggregate length of Metal beam to be provided on this Contract shall be at least eight km.
- iii) Safety barrier (Metal beam) shall be provided along the central median at places where median width is 1.50 m and also in the lengths where median tapers from 5.00 m to 1.50 m.

13. Road Land Boundary

Road Land (ROW) Boundary shall be demarcated by putting RCC boundary pillars size 60 cm x 15 cm x 15 cm embedded in concrete (as per IRC) along the Project Highway at 50 m interval on both sides by the Concessionaire. All the components used in delineating road land boundary shall be aesthetically pleasing, sturdy and vandal proof. The road land boundary shall be demarcated in consultation with IE&KRDCL/PWP&IWTD. A system for the identification of Chainage along the Project Highway shall be done in consultation with Independent Consultant.

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14. Measurement stones

Hectometer, kilometer and 5th kilometer stones shall be as per standards enclosed in Schedule-D.

15. Construction Activities

Land Acquisition (LA)

Besides bypass alignment, the additional land acquisition in few isolated stretches is foreseen on this project. The cost of L.A as intimated by the concerned agencies shall be borne by KRDC/ PWP & IWTD.. However the Concessionaire shall be involved pro-actively in this regard submitting relevant L.A. proposals and pursuing the matter with the concerned State Govt. Revenue Departments and the concerned private people whose land is to be acquired. KRDC/ PWP & IWTD. shall provide all necessary administrative support in this regard.

Utility Shifting and Removal of Trees

The 'Project' involves shifting/relocation of utilities of certain types. The Concessionaire shall be actively involved to accomplish this task. The shifting of utilities, construction of associated roads and felling of trees shall be in accordance with article 11 of the concession agreement.

Clearances to be obtained

The Concessionaire shall obtain all necessary clearances from all the concerned authorities, including clearance from MoEF, required for implementing the project. KRDC/ PWP & IWTD. shall provide support letters in this regard.

Encroachment Removal

Subsequent encroachments shall be removed by the Concessionaire at his own cost. KRDC/ PWP&IWTD/State Government provides administrative support.

Compensatory Afforestation and Rehabilitation & Resettlement

KRDC/ PWP shall bear cost in this regard. However, Concessionaire shall proactively be involved for all related activities.

16 Landscaping

The finished road facility shall exhibit adequate landscaping of aesthetically pleasing view. All the borrow areas shall be properly dressed maintaining drain ability outward from the road facility. The side slopes shall be provided with Turfing. The islands near the junction shall be suitably landscaped in discussion with IE/ KRDC/ PWP & IWTD.

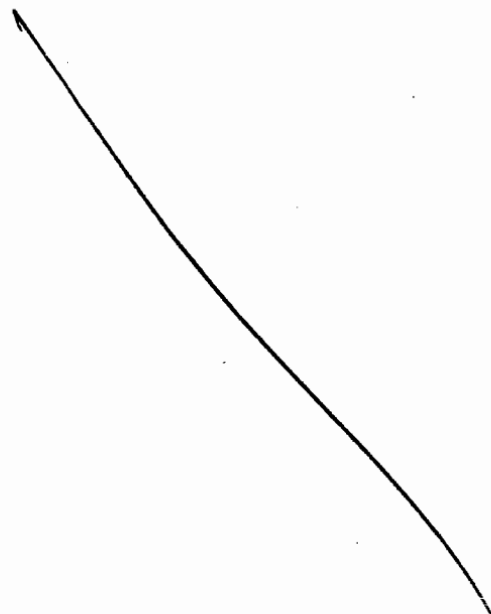
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17 **Rain Water Harvesting**

Rain water harvesting should be provided and should be linked to restore the lakes. The basic principle of rain water harvesting shall include collect and store rainwater, recharge the aquifer and use the ground as storage. Catchment shall be studied and established to plan, design and implement rain water harvesting systems. The components of a rainwater harvesting system shall include Catchment; Conveyance; Filtration; Storage; and Recharge. Paved areas which are clean can be considered as part of catchment. Unpaved areas could be reserved to ensure increase in soil moisture or to recharge groundwater. Conveyance system shall include rain water gutters and down pipes which move the rain water from the catchment to the filtration system. The gutters shall be sloped in the direction of storage or recharge. Filtration systems shall be provided to remove organic material, silt and other debris. They shall be designed with gravel and sand. Rain water passes through the filter and is cleaned considerably for storage. Storage can be done in many ways. HDPE tanks could be used to collect and store water. Underground open or closed sumps could also be used. These take the rainwater and allow it to go into the shallow aquifer or the deeper aquifer at fairly rapid rates. These can be recharge pits or recharge wells. Storm water drains are conveyance systems for larger catchments and are excellent places to harvest storm water. Recharge wells can be placed inside the storm water drains or immediately adjacent to them in series to ensure maximum recharge. Landscaped areas and berms capture water and soak it into the soil, increasing soil moisture and enabling plants to thrive. The aim of rain water harvesting shall be to incorporate in the project the concept of 'water smart' or 'water positive' so that this could contribute to sustainable development.



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PROJECT FACILITIES

1 Project Facilities

The Concessionaire shall construct / provide the Project Facilities in accordance with the provisions of this Agreement. Such Project Facilities shall include:

- (a) toll plazas;
 - (b) road furniture;
 - (c) pedestrian facilities;
 - (d) tree plantation;
 - (e) arboriculture and landscaping
 - (f) bus-bays and bus shelters;
 - (g) road medians and median openings;
 - (h) administrative, operation and maintenance base camp;
 - (i) litter bins;
 - (j) junction improvements;
 - (k) deleted
 - (l) deleted
 - (m) Lighting;
 - (n) project vehicle;
 - (o) material testing laboratory;
 - (p) lab facilities for independent engineer;
 - (s) road side facilities; and
 - (r) others
- If necessary.

2 Project Facilities for Project Road

Project Facilities forming part of Project Road and to be completed on or before the Project Completion Date have been described in Annex-I of this Schedule-C.

3 Project Facilities for Two-Laning Plus

Deleted

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Project Facilities for Project Road

1 Project Facilities

The Concessionaire shall construct the Project Facilities described in this Annex-I to form part of the Project Road. The Project Facilities shall include:

- (a) toll plazas;
- (b) road furniture;
- (c) pedestrian facilities;
- (d) tree plantation;
- (e) arboriculture and landscaping
- (f) bus-bays and bus shelters;
- (g) road medians and median openings;
- (h) administrative, operation and maintenance base camp;
- (i) litter bins;
- (j) junction improvements;
- (k) deleted
- (l) deleted
- (m) Lighting;
- (n) project vehicle;
- (o) material testing laboratory;
- (p) lab facilities for independent engineer;
- (q) road side facilities; and
- (r) others

Provided KRDCL desires

2 Description of Project Facilities

Each of the Project Facilities is briefly described below:

2.1 General

The following sections of this Annexure indicate the minimum details of amenities and facilities to be provided along the project road with an aim to cater to the envisaged demand till the end of the concession period. The concessionaire shall review the adequacy of the proposed facilities at regular intervals of 5 years and accordingly provide additional facilities with necessary approval from the Independent Engineer/Concessioning Authority in order to meet the demand of the road users till the end the concession period.

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2.2 Proposed Facilities

2.2.1 Toll Plaza (2 nos.)

In all not more than 2 (two) toll plaza shall be allowed for collecting users fee. The tentative locations and layout of the toll plaza are at Chainage Km 2.650 (MDR) near Chikkanayakanahalli and Km 46.100 near Hassan (SH-68). This may however be finalised in consultation with the Independent Engineer and Concessioning authority.

Toll Plaza shall have 4 lanes of 4m wide each. One lane of 5.5m wide for oversized / non-tollable vehicles shall be provided on the outer sides on either side. These lanes can be used for goods vehicles and for passenger vehicles.

Toll plaza length is with 100m concrete pavement. 2m wide and adequate length of median have been provided. Necessary tapering at the ends of Toll Plaza shall be achieved through a suitable taper achieved through removable concrete crash barriers.

Facility building includes office, stores, toilets, baths etc. A safety deposit vault is attached to the office for safety of cash collected during the day.

'Closed System' of toll collection shall be provided on the project road with collection of user fee from vehicles only at the toll plaza. This system ensures that any vehicle using the e project road shall pay the toll. The toll plaza shall be of fully-automatic system of toll collection comprising equipments for registering of vehicle classification, ticket issuing, data processing and power supply. Appropriate technology for Toll Collection including Electronic Toll Collection (ETC) shall be used so that not more than 5 vehicles/Lane queue up in the peak hours during the entire concession period. The location and layout of these two toll plazas shall be as shown in the drawings enclosed in drawing volume.

High mast lighting shall be provided at toll booth locations in consultation with Independent Engineer/Concessioning Authority. Rigid pavement shall be provided at toll booth location to the extent of at least for 100m length (50m on either side from the center of the toll booth). The design for toll plaza shall conform to the standards set out in **Schedule-D** of the Concession Agreement.

2.2.2 Road Furniture

Road furniture on the project road shall be provided in accordance with the standards set in Schedule-D.

2.2.3 Pedestrian Facilities

For the safety of pedestrian at the intersection / Junction, the guard rails in GI pipe shall be provided to enhance the safety in Urban/Semi-Urban/town/settlement/village locations of the project road. The details shall be in accordance with the standards set in Schedule-D.

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Illuminated Pedestrian Crossing

To enhance the safety of pedestrians crossing the in the project road illuminated pedestrian crossings have been proposed at locations of pedestrian crossings. Raised pedestrian crossings using Interlocking Concrete Block Pavement (ICBP) are proposed for the full width of the carriageway at these locations. The locations of illuminated and raised pedestrian crossings proposed are as detailed in **Table C-1**. The locations shall be finalised in consultation with Independent Engineer/Concessioneing Authority. The details shall be in accordance with the drawings and standards set in Schedule-D.

Table C1: Location of Illuminated Pedestrian Crossings

SI No.	Chainage	Village	SI No.	Chainage	Village
MDR			SH-68		
1	Km 0.100	Chikkanayakanahalli	4	Km 0.300	Tiptur
2	Km 12.000	Gopalanahalli	5	Km 23.200	Gandsi Cross
3	Km 21.400	Doddamarappana Halli	6	Km 36.600	Dudda
-	-	-	7	Km 49.000	Hassan

2.2.4 Tree Plantation

Tree plantation and landscaping shall be in accordance with the standards set in Schedule-D.

2.2.5 Arboriculture & Landscaping

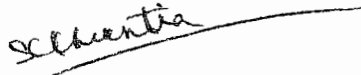
Trees shall be planted in ROW and on either side of the road with staggered pitch as per IRC: SP-21. Arrangements for plantation of trees shall be in accordance with the MORT&H standards. A spacing of 10-15 m c/c is recommended for spacing of trees parallel to the roads. Set back distance of trees needed in different situations shall be as per the IRC:SP-21 and IRC:66. Shrubs in medians shall not normally exceed 1-1.5 m height and shall be as per IRC: SP-21.

Where possible, plantation shall be made within the right of way at appropriate selected locations such as medians, islands near junctions, toll plazas, extra widths of footpaths, near bus bays/ bus stops etc. Strip of grassing near the edges of road boundary/embankment slope induces aesthetic appearance in addition to delineating the road boundary. Small shrubs or grassing on the medians and islands near the junctions will have a soothing effect to the road users. Also tree plantation will have bearing in reducing noise and air pollution like other environmental enhancement/mitigating measures.


Plantation scheme shall be prepared in consultation with Forest Department, Government of Karnataka and the Independent Engineer/Concessioneing Authority.

2.2.6 Bus bays / Bus stops / Parking spaces

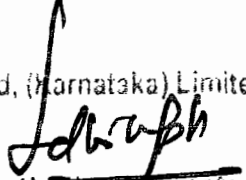
Bus bays (minimum 3.5m wide) are proposed (as per the guidelines given in IRC: 80 -1981) at locations where the right of way is adequate so as to ensure smooth entry/exit of buses without hampering the free flow of vehicles on the carriageway. At locations of existing bus stops where the provision of bus bay is impossible from space considerations provision will be made for bus stops with bus shelters with markings to delineate the bus stop location with necessary signboards and markings.


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Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


H.N. Anil
Managing Director

Abhijeet Toll Road, (Karnataka) Limited


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The typical bus bay consists of deacceleration and acceleration lanes with stopping lane of 3.5m wide, 15m long. Adequate arrangements have also been made to drain off surface water. Where adequate width is available provision will be made for delineated parking space in line with the existing parking demand. Bus bays (40 on SH-68 and 17 on MDR) are proposed along the project road as detailed in Table C2. The locations could be suitably adjusted based on site conditions during execution.

Table C2: Location of Bus Bays

SH-68					
0.060	LHS	16.675	RHS	33.130	LHS
0.100	RHS	16.525	LHS	33.065	RHS
1.550	RHS	17.875	RHS	36.225	LHS
1.675	LHS	18.075	LHS	36.150	RHS
4.750	LHS	23.400	LHS	40.700	RHS
4.650	RHS	23.150	RHS	40.575	LHS
6.650	RHS	25.820	LHS	43.230	LHS
6.630	LHS	26.025	RHS	43.035	RHS
10.300	RHS	28.850	LHS	44.875	LHS
10.425	LHS	28.950	RHS	45.075	RHS
12.750	LHS	30.025	LHS	47.810	LHS
12.780	RHS	30.175	RHS	47.885	RHS
14.850	LHS	31.175	LHS	-	-
15.025	RHS	30.925	RHS	-	-
MDR					
0.600	RHS	5.675	RHS	14.300	LHS
0.900	LHS	5.825	LHS	14.400	RHS
1.475	RHS	8.300	LHS	18.420	RHS
1.660	LHS	8.550	RHS	18.575	LHS
4.300	LHS	10.250	RHS	22.725	LHS
4.600	RHS	10.910	LHS	-	-

2.2.6 Road Medians and Median opening

If the carriageway widths proposed is of four-lane configuration and above (near major junctions) medians are proposed. Reflective studs/indicators are proposed at median openings and reflectors at 3m c/c are proposed on either side of the median. Reflective studs on centerline markings are proposed in road sections of less than four-lane carriageway and on curves to enhance visibility during night period. At locations of wider median, fill material could be placed between the precast kerb.

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B. H. Anil Kumar
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 MPDCL

Sanjay Kumar
Sanjay Kumar
 Sanjay Kumar Road, Marastakal, India
 4000000000000000

2.2.7 Rumble Strips and Road Humps

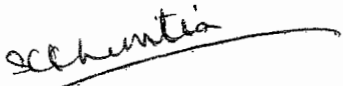
Road Humps shall be formed as per the guidelines stipulated in IRC: 99-1988. The basic material for construction is bituminous concrete formed to required shape. Road humps are shall be provided near the villages/urban areas and at intersections on minor roads/ perpendicular arms about 25m away from the inner edge of the carriageway of the project road. Proper signboards and markings shall be provided to advise the drivers in advance of the situation. Road humps shall be provided for the full width of the carriageway.

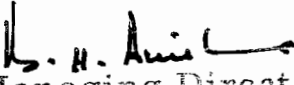
2.2.8 Administrative, Operation and Maintenance Base Camp

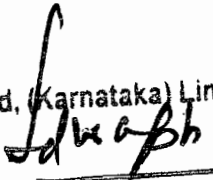
A minimum of 500 sqm of covered area for functional base camp shall be provided by the Concessionaire. The base camp shall be located near the toll plaza location at km 2.650 on 200 sqm constructed area. The main base camp shall be located near the toll plaza location at km 46.100 with a full fledged building with all facilities e.g. electricity, water, air conditioners, drains, toilets, parking for vehicles etc. and shall be of 300 sqm constructed area. At main base camp about 100 sqm of building area with all facilities shall be demarcated for project implementation unit (PIU). All the required facilities for PIU shall be finalized in consultation with Independent Engineer/Concessioning Authority.

The proposed facilities available at base camp are described hereunder:

- a) The main administrative, operation and maintenance base camp shall be provided to cater to the requirements of the following services:
 - i) Central Toll Control
 - ii) Central Traffic Control
 - iii) Project road Maintenance including functional laboratory
 - iv) Facilities for storage and repair of maintenance equipments, vehicles and materials
 - v) Security Office
 - vi) Any other requirement
- b) The base camp shall be housed in suitable area. The layout of the different buildings and facilities shall be finalized in consultation with the Independent Engineer/Concessioning Authority.
- c) The Administrative building shall primarily house the Main Control Centre, the Security Headquarters, the Central Store, automatic Toll audit and data processing units in addition to other secondary facilities such as computer room, office space, stores, sanitary facilities, canteen etc. The main base camp shall have adequate parking space for staff and visitors.
- d) The maintenance area shall have a centrally located building to overlook the maintenance workshop etc. A separate storage area shall be earmarked for inflammable materials. The maintenance block shall have enough spaces to park the equipments and machinery deployed for maintenance activities. Adequate parking space shall be earmarked for the staff vehicles and visitors' vehicles. In addition, there shall be adequate and well-illuminated covered parking space for all the maintenance vehicles.
- e) In addition the base camps shall have a power sub-station and supplies room to cater to the power requirements of the camp. The sub-station shall house a standby generator to provide the required power in case of failure of normal power.


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Transport Department


Managing Director
ABDOL

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- f) The camps shall have adequate lighting during dark periods and night.
- g) There shall be (preferably) underground fuel storage area with delivery facilities (Petrol/Diesel Filling Station) at the Main Base Camp site to adequately cater to the demands of maintenance and patrolling activities.
- h) The base camps shall not have more than one entry and one exit point. Both of these shall be manned by security personnel at all times besides installing effective electronic security system.
- i) The camps shall be landscaped so as to protect the area from dust and noise from the project road.
- j) The laboratory facility to be established for testing of various materials related to project road construction and maintenance shall be located in the main base camp.

2.2.9 Truck Lay Bye

Truck lay byes have been proposed for meeting the parking demand for tuckers using the project road. Effort has been made to locate them at sites where cluster of restaurant, dhabas, fuel stations and repair shops exists on the project road. These clusters with proper parking facility in the form of lay byes and adopting other improvement measures may come up as good amenity centers for the project road. Truck lay byes have been proposed at Km 20.000 on MDR (near Chikkamarappanahalli), at Km 23.200 (Gandsi Cross) and at Km 47.000 (Hassan) on SH-68.

2.2.10 Litter Bins

Litter bins shall be provided at truck lay byes, bus stops and toll plazas for collection & disposal of garbage. They shall be located at a maximum interval of 100m and at bus stop locations.

2.2.11 Junction Improvements

Comprehensive junction improvements to cater the geometric needs have been proposed for six major junctions along the project road as detailed in Table C3. All other important junctions along the project shall be designed to cater the geometric needs.

The pavement configuration at the junction improvement area shall be same as that of construction of new road for main carriageway pavement (from subgrade level) and the extent of area considered for junction improvements (such as improvement to turning radius etc., within the ROW and improvement to cross roads) is to a total extent of 70 sq.m for each of the arms intersecting the project road at each of the junction.

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Table C7: Major Junctions Proposed for Improvements

Sl.No.	Chainage	Description	Junction Type
Chikkanayakanahalli - Tiptur Section (MDR)			
1	Km 0.000	Km 0, MDR – SH 19 Junction (Chikkanayakanahalli)	Three Arm (T)
2	Km 22.852	Km 22.852, MDR – NH 206 Junction (Tiptur)	Three Arm (T)
Tiptur - Hassan Road (SH 68)			
3	Km 0.000	Km 0, SH 68 – NH 206 Junction (Tiptur)	Three Arm (T)
4	Km 23.275	Gandsi Junction	Four Arm (+)
5	Km 35.125	Arasikere Junction, near Dudda	Three Arm (Y)
6	Km 49.319	Km 49, SH 68 – NH 48 Junction (Hassan)	Three Arm (T)

2.2.12 Utility Crossings

To avoid frequent cutting of road for laying/maintaining/repair of utility services especially near settlements it is proposed to have 600mm dia. NP3 pipes at every 250m intervals across the roadway for full width (12m minimum) near settlement locations. Similarly for accommodating the utility services along the project road space has been proposed at the edge of the road boundary.

2.2.13 Lighting

Appropriate lighting/illumination needs to be provided near the village/settlement/semi-urban/urban areas and near toll plazas, bus bays, truck lay byes etc., as per relevant codal provisions and norms. The specifications and requirements of project road lighting shall be as shown in Schedule D.

2.2.14 Project Vehicle

For use of the employer during the entire concession period, one brand new vehicle (top end model – Innova or equivalent) with driver shall be provided to the Employer with in 30 days of signing of the Concession Agreement. The cost of running, maintenance, driver's salary, fuel etc, complete shall be borne by the concessionaire. The vehicle shall be required at KRDCL (HQ) at Bangalore or at site of project road for the use of Project Implementation Unit. The vehicle will run about 4000 km/month including Sundays/Holidays. The vehicles shall be replaced by brand equivalent new vehicle after having run 150,000 km or 3 years whichever is earlier.

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 Transport Department

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KRDCL

Lawyer
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2.2.15 Material Testing Laboratory

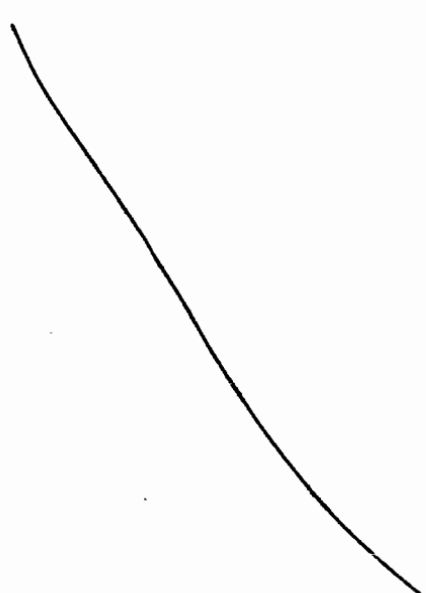
A fully functional material testing laboratory facility shall be provided by the Concessionaire for testing of various materials, mixes and executed works related to road construction and maintenance activities as per relevant provision contained in IRC standards and MOST specifications. The trained technicians and helpers, etc shall also be provided by the Concessionaire for the envisaged tests involved on the Project. The laboratory shall be fully equipped and functional including provision of two numbers vehicles attached to it. The cost of running and maintaining the laboratory including running and maintenance of the vehicles attached to the laboratory and driver's salary, fuel etc., complete shall be borne by the Concessionaire.

2.2.16 Lab facilities for Independent Engineer

The concessionaire shall provide a well-established Highway / Material Engineering laboratory with latest state-of-art material testing equipments to enable the Independent Engineer to control the quality of materials and the works executed. This lab shall be manned and operated by IC for quality control. The lab shall also have standby power system. The list of equipments shall be finalized in consultation with Independent Engineer/Concessioneing Authority.

2.2.17 Road Side facilities

Roadside facilities such as Litter bins, Pubic Toilets and Drinking water Kiosks shall be provided in accordance with the standards set in Schedule-D.



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Managing Director
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Abhijeet
Authorised Signatory

SPECIFICATIONS AND STANDARDS

1 Project Road

The Concessionaire shall comply with the Specifications and Standards set forth in Annex-I of this Schedule – D for construction of the Project Road.

2. Two-Laning Plus

Deleted

SCHUNTIA
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. N. Anil
Managing Director
KRDCL

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Abhijeet
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Specifications and Standards

1. Manual of Specifications and Standards to apply

The Project Road shall conform to the Manual of Standards and Specifications for State Highways on BOT Basis (IRC SP:73-2007). (An authenticated copy of the Manual has been provided to the Concessionaire as part of the bid documents.)

2. Deviations from the Manual

Deleted.

Subhash C. Khuntia
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Public Works, Ports and Inland Water
Transport Department

B. N. Anil Kumar
Managing Director
KRDCL

[Signature]
Authorized Signatory

SCHEDULE -E

(See Clause 4.1.3)

APPLICABLE PERMITS

1 Applicable Permits

1.1 The Concessionaire shall obtain, as required under the Applicable Laws, the following Applicable Permits on or before the Appointed Date, save and except to the extent of a waiver granted by the KRDCL / PWP&IWTD in accordance with Clause 4.1.3 of the Agreement:

- (a) Permission of the KRDCL / PWP&IWTD for extraction of boulders from quarry;
- (b) Permission of Village Panchayat and Pollution Control Board for installation of crushers;
- (c) Licence for use of explosives;
- (d) Permission of the KRDCL / PWP&IWTD for drawing water from river/reservoir/borewells;
- (e) Licence from Inspector of factories or other competent authority for setting up Batching Plant;
- (f) Clearance of Pollution Control Board for setting up Batching Plant;
- (g) Clearance of Village Panchayats and Pollution Control Board for Asphalt Plant;
- (h) Permission of Village Panchayat and KRDCL / PWP&IWTD for borrow earth;
- (i) Permission of State Government for cutting of trees; and
- (j) Any other permits or clearances required under Applicable Laws.

1.2 Applicable Permits, as required, relating to environmental protection and conservation shall have been procured by the KRDCL / PWP&IWTD as a Condition Precedent.

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KRDCL

Road, (Karnataka) Limited

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SCHEDULE -F

(See Clause 9.1)

PERFORMANCE SECURITY

[Bidders should NOT provide the Performance Security with their Proposals. Only the Concessionaire will be required to provide the Performance Security which must be in this form]

[To be issued by a Scheduled Bank based in India and having a net worth of at least Indian Rupees one thousand crores only and having a branch in the proximity of the Project or at any place acceptable to KRDCL/PWP&IWTD]

From:

[Name of the Bank, and its Branch Address]

To:

Managing Director,
Karnataka Road Development Corporation Limited
N.16J Miller tank bed area,
Thimmaiah Road Cross,
Bangalore 560052

WHEREAS:

- (A) **** (the "Concessionaire") and the "KRDCL / PWP&IWTD" have entered into a Concession Agreement dated *** (the "Agreement") whereby the KRDCL / PWP&IWTD has agreed to the Concessionaire undertaking the project 'Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR and Partly SH) in the state of Karnataka' on Build, Operate and Transfer ("BOT") basis, subject to and in accordance with the provisions of the Agreement.
- (B) The Agreement requires the Concessionaire to furnish a Performance Security to the KRDCL / PWP&IWTD in a sum of [Rs. (Rupees)] (the "Guarantee Amount") as security for due and faithful performance of its obligations, under and in accordance with the Agreement, during the Construction Period (as defined in the Agreement).
- (C) We, **** through our Branch at **** (the "Bank") have agreed to furnish this Bank Guarantee by way of Performance Security.

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Abhijeet
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NOW, THEREFORE, the Bank hereby, unconditionally and irrevocably, guarantees and affirms as follows:

1. ~~The Bank hereby unconditionally and irrevocably guarantees the due and faithful performance of~~ the Concessionaire's obligations during the Construction Period, under and in accordance with the Agreement, and agrees and undertakes to pay to the KRDCL / PWP&IWTD, upon its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Concessionaire, such sum or sums upto an aggregate sum of the Guarantee Amount as the KRDCL / PWP&IWTD shall claim, without the KRDCL / PWP&IWTD being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.
2. A letter from the KRDCL / PWP&IWTD, under the hand of an Officer not below the rank of Deputy Secretary to the Government, that the Concessionaire has committed default in the due and faithful performance of all or any of its obligations under and in accordance with the Agreement shall be conclusive, final and binding on the Bank. The Bank further agrees that the KRDCL / PWP&IWTD shall be the sole judge as to whether the Concessionaire is in default in due and faithful performance of its obligations during the Construction Period under the Agreement and its decision that the Concessionaire is in default shall be final, and binding on the Bank, notwithstanding any differences between the KRDCL / PWP&IWTD and the Concessionaire, or any dispute between them pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of the Concessionaire for any reason whatsoever.
3. In order to give effect to this Guarantee, the KRDCL / PWP&IWTD shall be entitled to act as if the Bank were the principal debtor and any change in the constitution of the Concessionaire and/or the Bank, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Bank under this Guarantee.
4. It shall not be necessary, and the Bank hereby waives any necessity, for the KRDCL / PWP&IWTD to proceed against the Concessionaire before presenting to the Bank its demand under this Guarantee.
5. The KRDCL / PWP&IWTD shall have the liberty, without affecting in any manner the liability of the Bank under this Guarantee, to vary at any time, the terms and conditions of the Agreement or to extend the time or period for the compliance with, fulfilment and/or performance of all or any of the obligations of the Concessionaire contained in the Agreement or to postpone for any time, and from time to time, any of the rights and powers exercisable by the KRDCL / PWP&IWTD against the Concessionaire, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Agreement and/or the securities available to the KRDCL / PWP&IWTD, and the Bank shall not be released from its liability and obligation under these presents by any exercise by the KRDCL / PWP&IWTD of the liberty with reference to the matters aforesaid or by reason of time being given to the Concessionaire or any other forbearance, indulgence, act or omission on the part of the KRDCL / PWP&IWTD or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Bank from its liability and obligation under this Guarantee and the Bank hereby waives all of its rights under any such law.

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Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

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Managing Director
KRDCL


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Joint, Karnataka Limited
Authorised Signatory

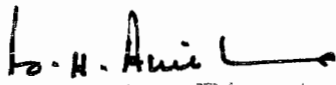
6. This Guarantee is in addition to and not in substitution of any other guarantee or security now or which may hereafter be held by the Government/Concessioneing Authority in respect of or relating to the Agreement or for the fulfilment, compliance and/or performance of all or any of the obligations of the Concessionaire under the Agreement.
7. Notwithstanding anything contained hereinbefore, the liability of the Bank under this Guarantee is restricted to the Guarantee Amount and this Guarantee will remain in force for the period specified in paragraph 8 below and unless a demand or claim in writing is made by the KRDCCL / PWP&IWTD on the Bank under this Guarantee, not later than 6 (six) months from the date of expiry of this Guarantee, all rights of the KRDCCL / PWP&IWTD under this Guarantee shall be forfeited and the Bank shall be relieved from its liabilities hereunder.
8. The Performance Security shall cease to be in force and effect when the Concessionaire shall have expended on Project construction an aggregate sum not less than 20% (twenty per cent) of the Total Project Cost which is deemed to be [Rs.*** cr.] for the purposes of this Guarantee, and provided the Concessionaire is not in breach of this Agreement. Upon request made by the Concessionaire for release of the Performance Security alongwith the particulars required hereunder, duly certified by a statutory auditor of the Concessionaire, the KRDCCL / PWP&IWTD shall release the Performance Security forthwith.
9. The Bank undertakes not to revoke this Guarantee during its currency, except with the previous express consent of the KRDCCL / PWP&IWTD in writing, and declares that it has the power to issue this Guarantee and the undersigned has full powers to do so on behalf of the Bank.
10. Any notice by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred Branch, which shall be deemed to have been duly authorised to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the KRDCCL / PWP&IWTD that the envelope was so posted shall be conclusive.
11. This Guarantee shall come into force with immediate effect and shall remain in force and effect for a period of one year or until it is released earlier by the KRDCCL / PWP&IWTD pursuant to the provisions of the Agreement.

Signed and sealed this ** day of ***, 20** at ***.

SIGNED, SEALED AND DELIVERED For and on
behalf of the BANK by:

(Signature) (Name)
(Designation) (Address)


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


H. H. Anil
Managing Director
KRDCCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

PROJECT COMPLETION SCHEDULE

1 Project Completion Schedule

During Construction Period, the Concessionaire shall comply with the requirements set forth in this Schedule-G for each of the Project Milestones and the Scheduled Date (the "**Project Completion Schedule**"). Within 15 (fifteen) days of the date of each Project Milestone, the Concessionaire shall notify the KRDCL / PWP&IWTD of such compliance alongwith necessary particulars thereof.

2 Project Milestone-I

2.1 Project Milestone-I shall occur on the date falling on the 180th (one hundred and eightyh) day from the Appointed Date (the "**Project Milestone-I**").

2.2 Prior to the occurrence of Project Milestone-I, the Concessionaire shall have commenced construction of the Project Road and expended not less than 20% (twenty per cent) of the total capital cost set forth in the Financial Package.

3 Project Milestone-II

3.1 Project Milestone-II shall occur on the date falling on the 365th (three hundred and sixty fifth) day from the Appointed Date (the "**Project Milestone-II**").

3.2 Prior to the occurrence of Project Milestone-II, the Concessionaire shall have commenced construction of all bridges and expended not less than 50% (fifty per cent) of the total capital cost set forth in the Financial Package.

4 Project Milestone-III


4.1 Project Milestone-III shall occur on the date falling on the 540th (five hundred and fortyth) day from the Appointed Date (the "**Project Milestone-III**").

4.2 Prior to the occurrence of Project Milestone-III, the Concessionaire shall have commenced [construction of all Project Facilities and expended not less than 67% (sixty seven per cent) of the total capital cost set forth in the Financial Package.

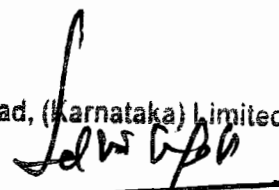
5 Scheduled Date

5.1 The Scheduled Date shall occur on the 730th (seven hundred and thirtieth) day from the Appointed Date.

5.2 On or before the Scheduled Date, the Concessionaire shall have completed in accordance with this Agreement.


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6 Extension of period

~~Upon extension of any or all of the aforesaid Project Milestones or the Scheduled Date, as the case may be, under and in accordance with the provisions of this Agreement, the Project Completion Schedule shall be deemed to have been amended accordingly.~~

*Annex-I
(Schedule-G)*

Project Completion and Site Handing over Schedule

i) Project Completion Schedule

Sl. No.	Activities	Completion Period (from the Appointed Date)
1.	Completion of project road from Km 0+000 to Km 24+368 (MDR) and Km 0+000 to Km 49+319 of SH – 68 in Karnataka.	Two years

ii) Site Handing over Schedule

The site shall be handed over as below from the appointed date:

Stretch	Length	Remarks
Existing ROW	Km 0.000 to km 73+687.	50% within two months from appointed date (stagewise) Balance 50% within four months from appointed (stagewise)
Additional Land wherever required for the Project Highway including bypass and realignment sections	-	75%(in part/ whole) Within 6 months & balance 25% within 12 months

Note: 1. The above Handing over Schedule is subject to accomplishment of all obligations of the Concessionaire as mentioned in the Request for Proposal (RFP) Document. However, proactive co-operation of Concessionaire will be required.

2. KRDCCL / PWP&IWTD shall handover the land as per the handing over schedule (as in ii above) provided that the Concessionaire has completed and achieved other previous activities as per the project completion schedule (Schedule G). Otherwise the Concessioneing Authority shall handover the land before the actual commencement of works by the Concessionaire and in no case earlier than that indicated in site handing over schedule (point ii) as above. Further no extension of time for project completion will be considered on account of this.

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Annex-II
(Schedule-G)
Project Milestones

i) Project Milestones

Milestones given hereunder are for guidance to bidders. However, bidders shall submit their milestones supported by resource planning to complete all the works within 18 months.

Sl.No.	Project Milestone	Length/Nos.	Completion Period (from the Appointed Date)
Project Milestone I			
1.	Project Road	20% of the total length	180 th day from the appointed Date
2.	ROB/RUBs	Foundation for the 20% of the total Nos.	180 th day from the appointed Date
3.	Underpasses	Foundation for the underpasses in 20% of the Nos.	180 th day from the appointed Date
4.	Bridges and CD Structures	Foundation for the 20% of the total Nos.	180 th day from the appointed Date
Project Milestone II			
1.	Project Road	50% of the total length	365 th day from the appointed Date
2.	ROB/RUBs	Foundation for the 50% of the total Nos. Substructure for 30% of the total Nos. Superstructure for 20% of the total Nos.	365 th day from the appointed Date
3.	Underpasses	Foundation for the underpasses in 50% of the total Nos. Box structure for 30% of the total Nos. Approaches for 20% of the total Nos.	365 th day from the appointed Date
4.	Bridges and CD Structures	Complete in 50% of the total Nos.	365 th day from the appointed Date
5.	Toll Plaza and Control Room	30% of the complete work related to Toll Plaza and Control Room	365 th day from the appointed Date
Project Milestone III			
1.	Project Road	75% of the total length	540 th day from the appointed Date
2.	ROB/RUBs	Foundation for the full length Substructure for 75% of the total Nos. Superstructure for 50% of the total Nos.	540 th day from the appointed Date

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Sl.No.	Project Milestone	Length/Nos.	Completion Period (from the Appointed Date)
3.	Underpasses	Foundation for the underpasses at all locations Box structure for 60% of the total Nos. Approaches for 50% of the total Nos.	540 th day from the appointed Date
4.	Bridges and CD Structures	Complete in 75% of the total Nos.	540 th day from the appointed Date
5.	Toll Plaza and Control Room	60% of the complete work related to Toll Plaza and Control Room	540 th day from the appointed Date
Project Milestone IV			
1.	Project Road	Complete in all aspects	730 th day from the appointed Date
2.	ROB/RUBs	Complete in all aspects	730 th day from the appointed Date
3.	Underpasses	Complete in all aspects	730 th day from the appointed Date
4.	Bridges and CD Structures	Complete in all aspects	730 th day from the appointed Date
5.	Toll Plaza and Control Room	Complete in all aspects	730 th day from the appointed Date
6.	Street Furnitures	Complete in all aspects	730 th day from the appointed Date
7.	Balance works	Complete in all aspects	730 th day from the appointed Date

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SCHEDULE -H
(See Clause 12.3)

DRAWINGS

1 Drawings

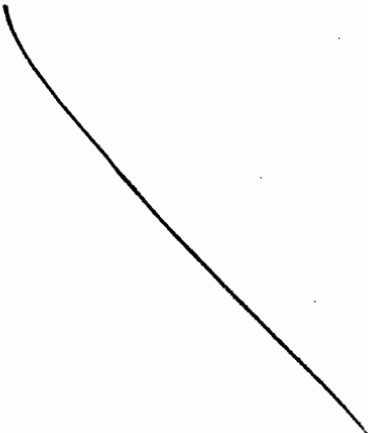
In compliance of the obligations set forth in Clause 12.3 of this Agreement, the Concessionaire shall furnish to the Independent Engineer, free of cost, all Drawings listed in Annex-I of this Schedule-H.

2 Additional drawings

- 2.1 If the Independent Engineer determines that for discharging its duties and functions under this Agreement, it requires any drawings other than those listed in Annex-I, it may by notice require the Concessionaire to prepare and furnish such drawings forthwith. Upon receiving a requisition to this effect, the Concessionaire shall promptly prepare and furnish such drawings to the Independent Engineer, as if such drawings formed part of Annex-I of this Schedule-H.

3 Drawing Size

- 3.1 Drawings should be adequate size to accommodate a reasonable length of the project road or a structural unit in full details. Drawing size shall be as per IRC:SP-19-2001 – " Manual for Survey, Investigation and Preparation of Road Projects". Any change in drawing size as suggested by the KRDCL / PWP&IWTD or Independent Engineer for clarity and improvement shall be final and binding on the Concessionaire.



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List of Drawings

1. The Drawings, as defined in clause 48.1, Definitions, Article 48, Definitions, of the Concession Agreement shall consists of:
 - A. Drawings submitted by the concessionaire as part of the Bid (item 2 of the schedule H), incorporating modifications accepted by KRDC/PWP&IWTD for the contract Agreement, if any.
 - B. Working drawings of all the components/elements of the Project Highway as determined by Independent Engineer /KRDC/PWP&IWTD, and
 - C. As-built drawings for the Project Highway components/elements as determined by Independent Engineer/KRDC/PWP&IWTD. As-built drawings shall be duly certified by Independent Engineer.
2. A broad list of the drawings (A, B & C as above) of the various components/elements of the Project Highway and project facilities required to be submitted by the Concessionaire is given below:
 - a) Drawings of horizontal alignment, vertical profile and cross sections
 - b) Drawings of cross drainage works
 - c) Drawings of interchanges, major intersections and grade separators
 - d) Drawings of toll plaza layout, toll collection systems and roadway near toll plaza
 - e) Drawings of Control Centre
 - f) Drawings of bus-bay and bus shelters with furniture and drainage system
 - g) Drawing of a truck parking lay by with furniture and drainage system
 - h) Drawings of road furniture items including traffic signage, markings, safety barriers, etc.
 - i) Drawings of traffic diversion plans and traffic control measures
 - j) Drawings of road drainage measures
 - k) Drawings of typical details slope protection measures
 - l) Drawings of landscaping and horticulture
 - m) Drawings of pedestrian crossings
 - n) Drawings of street lighting
 - o) General arrangement of Base camp and Administrative Block
 - p) Other relevant drawings as desired by IE/KRDC/PWP&IWTD

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SCHEDULE- I
(See Clause 14.1.2)
TESTS

1 Schedule for Tests

- 1.1 The Concessionaire shall, not later than 30 (thirty) days prior to the likely completion of the Project, notify the Independent Engineer and the Concessioneing Authority of its intent to subject the Project Highway to Tests, and not later than 7 (seven) days prior to the actual date of Tests, furnish to the Independent Engineer and the Concessioneing Authority detailed inventory and particulars of all works and equipment forming part of Project.
- 1.2 The Concessionaire shall notify the Independent Engineer of its readiness to subject the Project Highway to Tests at any time after 7 (seven) days from the date of such notice, and upon receipt of such notice, the Independent Engineer shall, in consultation with the Concessionaire, determine the date and time for each Test and notify the same to the Concessioneing Authority who may designate its representative to witness the Tests. The Independent Engineer shall thereupon conduct the Tests itself or cause any of the Tests to be conducted in accordance with Article 14 and this Schedule-I.

2 Tests

- 2.1 Visual and physical Test: The Independent Engineer shall conduct a visual and physical check of the Project to determine that all works and equipment forming part thereof conform to the provisions of this Agreement.
- 2.2 Test drive: The Independent Engineer shall undertake a test drive of the Project Highway by a Car and by a fully loaded Truck to determine that the quality of service conforms to the provisions of the Agreement.
- 2.3 Riding quality Test: Riding quality of each lane of the carriageway shall be checked with the help of a calibrated bump integrator (as mentioned in Annex I of Schedule I) and the maximum permissible roughness for purposes of this Test shall be [1,800 (one thousand and eight hundred)] mm for each kilometre.
- 2.4 Pavement Composition Test: The thickness and composition of the pavement structure shall be checked on a sample basis by digging pits to determine conformity of such pavement structure with Specifications and Standards. The sample shall consist of one pit in each direction of travel to be chosen at random in each stretch of 5 (five) kilometres of the Project Highway. The first pit for the sample shall be selected by the Independent Engineer through an open draw of lots and every fifth kilometre from such first pit shall form part of the sample for this pavement quality Test.
- 2.5 Cross-section Test: The cross-sections of the Project Highway shall be checked on a sample basis through physical measurement of their dimensions for determining the conformity thereof with Specifications and Standards. For the road portion, the sample shall consist of one spot to be selected at random in each stretch of 1 (one) kilometre of the Project Highway. The first spot for the sample shall be selected by the Independent Engineer through an open draw of lots and the spots located at every one kilometre from such first spot shall form part of the sample. For the bridge portion, one spot shall be selected at random by the Independent Engineer in each span of the bridge.

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- 2.6 Structural Test for bridges: All major and minor bridges constructed by the Concessionaire shall be subjected to the Rebound Hammer and Ultrasonic Pulse Velocity tests, to be conducted in accordance with the procedure described in Special Report No. 17: 1996 of the IRC Highway Research Board on Nondestructive Testing Techniques, at two spots in every span, to be chosen at random by the Independent Engineer. Bridges with a span of 15 (fifteen) metres or more shall also be subjected to load testing.
- 2.7 Other Tests: The Independent Engineer may require the Concessionaire to carry out or cause to be carried additional Tests, in accordance with Good Industry Practice, for determining the compliance of the Project Highway with Specifications and Standards.
- 2.8 Environmental audit: The Independent Engineer shall carry out a check to determine conformity of the Project Highway with the environmental requirements set forth in Applicable Laws and Applicable Permits.
- 2.9 Safety review: Safety audit of the Project Highway shall have been undertaken by the Safety Consultant as set forth in Schedule-L, and on the basis of such audit, the Independent Engineer shall determine conformity of the Project Highway with the provisions of this Agreement.

3 Agency for conducting Tests

All Tests set forth in this Schedule-1 shall be conducted by the Independent Engineer or such other agency or person as it may specify in consultation with the Concessioneing Authority.

4 Completion/Provisional Certificate

Upon successful completion of Tests, the Independent Engineer shall issue the Completion Certificate or the Provisional Certificate, as the case may be, in accordance with the provisions of Article 14.

5 Tests to be Conducted

- 5.1 All materials to be used, all methods adopted and all works performed shall be strictly in accordance with MOSRT&H's Specifications for road and bridge works. For this purpose the responsibility of the contractor in section 900 shall be taken up by the Concessionaire and the responsibility of the engineer shall be taken up by the IE/KRDCL.
- 5.2 The Concessionaire shall carry out quality control tests on the materials and works at the frequency stipulated in Section 900 of MOSRT&H's Specifications for road and bridge works. For the convenience of the Concessionaire particulars of the Tests to be conducted for various items are shown in Annex-II. Annex-II also covers the particulars of the tests for items not covered under Section 900 of MOSRT&H's Specifications for road and bridge works. In the absence of clear indications about the methods and/or frequency of tests for any item in Section 900 of MOSRT&H's Specifications for road and bridge works or Annex-II, the instruction of IE/KRDCL shall be followed.
- 5.3 The Concessionaire shall carry out all necessary tests on materials and works independently and keep their records for reference. The Concessionaire shall prepare a quality Audit Manual in consultation with IE to ensure better quality of work. Additional tests as required by IE shall be carried by the concessionaire at no extra cost/claims. Following circulars of MORT&H and IRC Codes may also be referred.

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- a. IRC:SP-11 "Handbook of Quality Control for Construction of Roads and Runways"
 - b. IRC:SP-47 "Guidelines on Quality Systems for Road Bridges (Plain, Reinforced, Pre-stressed and Composite Concrete)"
 - c. IRC:SP-51 "Guidelines for Load Testing of Bridges"
 - d. IRC:SP-57 "Guideline for Quality Systems for Road Constructions"
 - e. MOSRT&H Circular No RW/NH-34059/1/96-S&R dated 30/11/2000 "Revised Interim Specifications for Expansion Joints"
- 5.4 Above stipulated requirements for tests and quality control are minimum. The Concessionaire shall conduct all possible tests to ensure quality construction. Minimum quality assurance requirement of Q\$ shall be met with.
- 5.5 Independent Engineer, at his discretion and consistent with sound engineering practice, shall carry out any non-destructive tests on pavement, structures and any other component to ascertain the soundness of work.
- 5.6 Various tests to be conducted for all materials and structures involved in the structural works shall include the various quality control tests as per MORTH specifications (2001). These tests shall include but not be limited to that mentioned in **Annex-II**.

6. Tests and Quality Control

6.1.1 Field Laboratory

As a guide, all mandatory tests as per MORTH specifications (2001) shall be conducted and every effort shall be made to conduct these tests in the field laboratory at site. The Concessionaire shall establish field laboratory with necessary equipment to carry out tests such as grading of aggregate, fineness modulus of sand, bulking of sand, silt content in sand slump test of the concrete, preparation of concrete cubes, testing of cubes, testing of cube, test on cement, workability test of sheathing, tensile (UTS) test apparatus for HT strands must be provided, test on water for chlorine SO3 etc. at the site of work. The Concessionaire shall be required to provide at no extra cost, the appliances at site, such as weighing scale, graduated cylinder, standard sieves, thermometers, electronic oven for drying of samples, sieve shaker, pH meter, Table vibrator, Vicat's apparatus, Permeability of concrete apparatus, Lechatelier's apparatus, Flakiness plate and Elongation plate etc. in order to enable the IE to conduct field tests whenever required by him to decide on the quality of the various materials. Besides the above, the laboratory shall also have the facilities for testing of bitumen, asphaltic work and earthwork for the tests to be carried out in accordance with this agreement.

All the materials to be used in the work and tested in the laboratory shall comply with the requirements of relevant specification or particular specifications as applicable or such recognized specifications as acceptable to IE in terms of this tender. The Concessionaire shall, at his own cost make all arrangements and shall provide all such facilities for, carrying out the required number of tests analysis as per the frequency of test stipulated in the contract specifications or MORTH Specification or international (AASHTO / BS) specification or as considered necessary by the IE. The testing machines shall be recalibrated periodically (not exceeding 6 months) to detect errors. The moulds for cubes shall be checked frequently and made to conform to specification contained in IS-516.

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6.1.2 Other Approved Laboratories

The tests which can not be carried out in the field laboratory shall be conducted in the laboratory of I.I.Sc, Bangalore, IIT Chennai, NIT Suratkal or any other laboratory approved by the IE, at Concessionaire's cost. The Concessionaire or his authorised representative shall associate in collection, preparation, forwarding and testing of such samples. In case he or his authorized representative is not present or does not associate himself, the IE shall do the needful for getting the samples collected and tested, the results of such tests and consequences thereof shall be binding on the Concessionaire. All costs of extraction of such samples, transportation, testing etc. shall be borne by the Concessionaire.

6.1.3 Testing at place of Manufacturers

All specialized items e.g. POT bearings, Modular expansion joints, PT bars, PT couplers etc. which are needed to be tested at the manufacturer's works shall satisfactorily pass the tests in presence of the representative of IE and consultants before being used in the works. In case all requisite testing facilities are not available at the manufacturer's premises, such testing shall be conducted as per provisions of clause 6.1.2 above. In case such testing facilities are non-existent in India, Concessionaire shall arrange testing in foreign locations at his own cost to be witnessed by IE's representative.

6.1.4 Notice to the IE

The Concessionaire shall give not less than 15 days notice for all tests in order that the IE may be present. Two copies of all test certificates shall be supplied by the Concessionaire to the IE approval immediately after the completion of the tests. Test certificates shall invariably be supplied to the IE before the materials or components are used in the works, unless the IE directs otherwise.

6.1.5 Frequency of Testing

The decision of the IE regarding type of tests, their frequency shall be final and binding on the Concessionaire notwithstanding any other provision elsewhere in the Concession Agreement. No claim financially or otherwise shall be entertained on this account.

6.1.6 Unsuitable Materials

If at any stage of execution of work, IE feels that the particular materials are not suitable to be used in any component of the structure covered under "the scope of work, the IE may order re-testing of the materials as per relevant specifications, IS code and sound engineering practice from any approved laboratory. The cost of samples for such testing shall be borne by the Concessionaire. The test charges including transportation of samples shall be borne by the Concessionaire. The rejected material either after the initial test or after re-testing, as the case may be, shall be immediately removed from the site of work by the Concessionaire at his own cost. If the Concessionaire fails to remove the rejected material from the site within 48 hours of their rejection, the IE shall be authorised to remove the same at the risk and cost of the Concessionaire. No claim financially or otherwise shall be entertained on account of any reason whatsoever.

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Any materials used on work without prior inspection (and testing where testing is necessary) and without approval of the IE shall be considered unauthorised, defective and not acceptable. The IE shall have full powers to arrange removal of any or all of the materials brought to site by Concessionaire which are not in accordance with the contract specifications or do not conform in character or quality to samples approved by him. In case of default on the part of the Concessionaire in removing rejected materials and any work executed with such unaccepted materials, the IE shall be at liberty to have them removed and/or dismantled by other means at the risk and cost of the Concessionaire.

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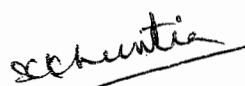
TEST PROCEDURE FOR MEASURING ROUGHNESS INDEX OF THE RIDING SURFACE OF A
FLEXIBLE PAVEMENT


EQUIPMENT – Bump Integrator Fitted in a Vehicle (Towed Fifth Wheel Bump Integrator)

Test Procedure:

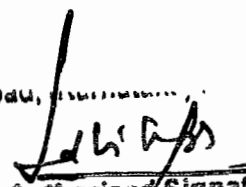
The following test procedure shall be adopted for the test:

- 1) Check that the installation and operation of the equipment is in order and meets the requirements prescribed in its operational manual. For example the towing hitch maintains the frame in a upright position but provides freedom of movement in longitudinal and transverse directions. The tyre pressure of wheels should be as prescribed.
- 2) The instrument shall be calibrated prior to its use for measurement as prescribed in its operational manual.
- 3) The operators shall familiarize themselves with the 5th wheel bump integrator & other equipment associated with its operation using its Test Mode before commencing a survey.
- 4) Generally a speed varying between 30 km/hour-40 km/hour shall be maintained during measurements. The readings shall be taken for each carriageway independently.
- 5) The equipment shall run on a lane in both the directions once and the average of two values taken for its roughness index.
- 6) Pavement unevenness/roughness of 3/4 lane carriageway shall be obtained from the average of the values of the 3/4 lanes recorded.
- 7) The roughness index value is obtained by using the internationally accepted software associated with the equipment from the measured Bumps.
- 8) All data shall be properly recorded with appropriate referencing and stored in a prescribed manner as in the operational manual.
- 9) The roughness measurements shall be properly calibrated using the procedure recommended in the World Bank Technical Publication No. 46.


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Annex -II
(Schedule-I)

TESTS TO BE CONDUCTED

During the Construction Period, the Concessionaire shall carry out the Tests and Independent Engineer will carryout quality audit of the tests carried out by the Concessionaire. Independent Engineer may carry out more tests as per a pre-determined programme. These tests and quality audit shall include but not be limited to the following:

Sl. No.	Item	Test	Testing Procedure
1.0 Earthwork for embankment, subgrade construction and cut formation			
1.1	Embankment and subgrade borrow materials and backfill behind RE wall	<p>Quality Audit of the following tests performed during construction for soil type, density, moisture content and CBR as required by Ministry of Surface Transport specifications for Road and Bridge works</p> <ul style="list-style-type: none"> Moisture Content test as per IS : 2720 (Part 2) Sand Content Test according to IS : 2720 (Part 4) Plasticity Characteristics of soils according to IS : 2720 (Part 5) Moisture Content-Dry Density relationship using heavy compaction according to IS: 2720 (Part 3) Deleterious content determination as per IS:2720 (Part 27) Determination of total soluble sulphate content as per IS : 2720 (Part 37) IS : 2720 (Part 40): Determination of Free Swelling Index of solutions <p>CBR test as per IS:2720 (Part 16)</p>	As per relevant parts of IS - 2720

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1.2	Compaction	Quality Audit of the following Tests performed during construction as required by MORT&H specifications for Road and Bridge works. <ul style="list-style-type: none"> • Compaction density and • Determination of dry density of soils in place according to IS-2720, Part 28 by the Sand Replacement Method 	As per IS-2720, Part 28
2.0 Pavement Structure			
2.1	Granular Sub base and base courses	Quality Audit of quality control tests on soils, aggregate and moisture content - density tests and CBR tests as required by MORT&H specifications for Road and Bridge works. <ul style="list-style-type: none"> • Plasticity Characteristics of soils according to IS : 2720 (Part 5) • Dry density of soils in place according to IS : 2720 (Part 28) • Deleterious content determination as per IS:2720 (Part 27) • Determination of total soluble sulphate content as per IS : 2720 (Part 37) • CBR test as per IS : 2720, Part 16 • Dry density-moisture content relationship as per IS: 2720 (Part 8) • Aggregate grading as per Job Mix Formula • Aggregate Impact value as per IS: 2386 (Part 4) or IS : 5640 	As per relevant parts of IS – 2720, IS 2386 and IS 5640



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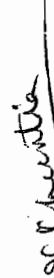


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2.2	Bituminous base and wearing courses	<ul style="list-style-type: none"> • Particle size and shape as per IS : 2386 (Part I) • Flakiness and Elongation Indices as per IS:2386 (Part I) <p>Quality Audit of quality control tests on aggregates and bitumen and on bituminous mixes as laid down in clause 903.4 of MORT&H specifications for Road and Bridge works.</p> <ul style="list-style-type: none"> • Aggregate Impact Value as per IS:2386 (Part 4) • Particle size and shape as per IS : 2386 (Part I) • Stripping value test as per AASHTO T182 • Water absorption as per IS : 2386 (Part 3) • Soundness Test as per IS : 2386 (Part 5) • Marshall stability test as per ASTM D-1559 	As specified in the codes IS 2386, parts 1,3,4 and 5, AASHTO T182 and ASTM D-1559
2.3	Cement concrete Pavement	<p>Quality audit of sampling and testing of cubes and beams for strength of concrete and quality control tests on aggregates</p> <ul style="list-style-type: none"> • Aggregate Impact Value as per IS : 2386 (Part 4) • Soundness Test as per IS: 2386 (Part 5) • Alkali Aggregate Reactivity IS : 2386 (Part 7) • Strength of Concrete (Tests on Cubes and beams) as per IS : 516 • Workability of fresh Concrete - Slump Test IS : 1199 	As per relevant parts of IS 2386, IS 516 and IS1199
2.4	Riding Quality of Surface	<p>Checking International Roughness index of the finished pavement surface for compliance with the requirement stated in Annex 1 of Schedule I.</p>	Roughness measurement by bump integrator (Annex 1 of Schedule I) or an equivalent device approved by KRDCL/PWD/IE



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4.0 Bridges

	Cement, aggregate, (coarse and fine) sand, pre-stressing steel and Concrete	Tests and Standards of Acceptance as per MORT&H Specifications of Tests performed during construction	The Auditing shall be carried out in accordance with the IRC special publication on Quality Assurance
4.1	Cement, aggregate, (coarse and fine) sand, pre-stressing steel and Concrete	Tests and Standards of Acceptance as per MORT&H Specifications of Tests performed during construction	The Auditing shall be carried out in accordance with the IRC special publication on Quality Assurance
4.2	Superstructure	Static load testing of any one span of the structure for carrying design load as per IRC SP 37-1991	Test shall be carried out in accordance with Annex 3 of Schedule I.
4.3	Bearings	Checking and verification of the bearings to ascertain proper functioning as per MORT&H Specifications.	The inspection shall be carried out in accordance with requirement laid in MORT&H specifications for Road and Bridge works and shall meet the prescribed criteria.
4.4	Expansion Joints	Checking and verification of the Expansion joints to ascertain proper functioning as per MORT&H Specifications	The inspection shall be carried out in accordance with requirement laid in MORT&H specifications for Road and Bridge works and shall meet the prescribed criteria.

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4.5	Foundation & Substructure	Checking and verification of the Foundation settlement and rotation	The settlement of foundation for superstructure load at completion shall be measured with reference to a fixed datum. (For this purpose, the records of measurements taken before the superstructure concreting should also be available.)
5.0	Highway Lighting System	Level of illumination	The illumination level shall be measured with luxmeter following the method as specified in its manual (Annex 4 of Schedule I).
6.0	Traffic Signals	Test in accordance with the relevant clauses of IRC:93 and IS 7537	Meet the prescribed criteria in IRC 93 and IS 7537.
7.0	Toll System Operations	1. Certified report of Factory Acceptance test (FAT) 2. Post installation site test to conform to the functionality and specifications of the contract	Real time test for individual functionality of each component which should conform both specifications / codes stipulated in the country of manufacture. It should include manual operations in case of no power.

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8.0	Rest Area Operations	Test in accordance with the functioning of facilities built in RAO		Standard building safety procedures as presented by NBC.
9.0	Emergency Telephone System	Independent Systems to be developed to operate on the Project site		Real time test to be carried out to conform to the designed system.
10.0	Traffic Signage and Pavement Marking	Tests in accordance with ASTM standard E:810 relevant clauses of section 800 of MORT&H specifications for Road and Bridge works published by IRC 1997		To follow ASTM Standard E:810 as per section 800 of MORT&H specifications for Road and Bridge Works (recent version).

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LOAD TESTING OF A BRIDGE SUPERSTRUCTURE

The load test shall be carried out to check and establish the serviceability and working strength of the superstructure.

1.0 Test Load

The "Test Load" is the equivalent static load equal to the impacted working design Live Load (applied in addition to all dead loads) placed for maximum effect (bending moment, shear, deflection, etc. as the case may be) and applied either through an appropriate test loading truck or through loading platforms resting on tyre-contact area plates simulating the actual areas of wheels.

2.0 Load Application and Testing Procedure

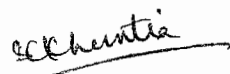
- I. Fix deflection gauges (supported on unyielding supports) under the superstructure, just touching its soffit, at the pre-marked critical 'points'.
- II. Apply the test load in five equal increments (including the weight of platforms of trucks in the first increment), allowing about two hours in between completion of one load increment and commencement of the next. About an hour after completing a load increment, note the deflections and any crack patterns together with maximum crack widths
- III. After measuring the deflections, etc, one hour after applying the fifth increment, i.e. the final load increment, keep the test load maintained for about 24 hours and again measure the deflections and crack widths (if any)
- IV. Remove the test load in five equal decrements, allowing about two hours in-between completion of one load decrement and commencement of the next. Note the deflections and crack widths (if any) at the end of each load decrement.
- V. Note the deflection and crack widths (if any) 24 hours after removal of the test load in order to see whether the recovery is complete or there is any residual deflection, etc).


3.0 Acceptance Criteria

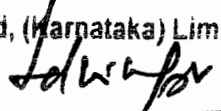
- i. Increase and decrease in deflections at a point shall follow a linear relation, with actual deflections not exceeding the theoretically estimated ones by more than 10%;
- ii. The maximum crack width in reinforced concrete shall not exceed 0.25 mm to 0.30 mm (but no cracks in case of Prestressed concrete);
- iii. The deflections at the end of the 24 hours of maintaining the test load shall not exceed the corresponding values at the start of this 24 hour period by 5% and
- iv. The residual deflection at any point 24 hours after complete unloading shall not exceed 10% of the maximum observed deflection at that point (i.e. recovery: 90% or more);

4.0 Observation

The cracks in reinforced concrete shall close upon removal of test load but may not completely disappear.


SUBHASH C. KHUNTIA
Principal Secretary to Government,
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

Testing Procedure for Illumination intensity by Luxmeter

Instrument : Luxmeter
(Make of renowned company)

Basis : Comparison with a calibrated Luxmeter through a standard lamp by renowned Photometric Lab.

Test Procedure:

Following steps shall be taken for the test:

- Calibration of the luxmeter.
- Put off the lights to be tested.
- Take calibrated luxmeter reading.
- Put on the lights in the area to be tested
- Observe the luxmeter reading
- Difference (positive or negative) in addition with standard light luminance level will give the actual luminance of existing lighting system.

Note: The testing procedure shall be as per the Manual of the Luxmeter used.

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Public Works, Ports and Inland Water
Transport Department

L. N. Anil
Managing Director
KRDCL

Abhijeet Toll Road (Narhatana) ...
[Signature]
Authorised Signatory

SCHEDULE -J

(See Clauses 14.2 & 14.3)

COMPLETION CERTIFICATE

- 1 I, **** (Name of the Independent Engineer), acting as Independent Engineer, under and in accordance with the Concession Agreement dated *** (the "**Agreement**"), for 'Design, Construction, Development, Finance, Operation and Maintenance of Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR and Partly SH) in the State of Karnataka' (the "**Project Highway**") on Build, Operate and Transfer (BOT) basis, through **** (Name of Concessionaire), hereby certify that the Tests specified in Article 14 and Schedule-I of the Agreement have been successfully undertaken to determine compliance of the Project Highway with the provisions of the Agreement, and I am satisfied that the Project Highway can be safely and reliably placed in commercial service of the Users thereof.
- 2 It is certified that, in terms of the aforesaid Agreement, all works forming part of Highway have been completed, and the Project Highway is hereby declared fit for entry into commercial operation on this the *** day of *** 20**.

SIGNED, SEALED AND DELIVERED
For and on behalf of

INDEPENDENT ENGINEER by:
(Signature)(Name)(Designation)(Address)

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anis
Managing Director
KRDCL

Abhijeet Toll Road, (National Highway) ...
Abhijeet
Authorised Signatory

PROVISIONAL CERTIFICATE

- 1 I, **** (Name of the Independent Engineer), acting as Independent Engineer, under and in accordance with the Concession Agreement dated *** (the "Agreement"), for 'Design, Construction, Development, Finance, Operation and Maintenance of Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR and Partly SH) in the State of Karnataka' (the "Project Highway") on Build, Operate and Transfer (BOT) basis through **** (Name of Concessionaire), hereby certify that the Tests specified in Article 14 and Schedule-I of the Agreement have been undertaken to determine compliance of the Project Highway with the provisions of the Agreement.
- 2 Construction Works that were found to be incomplete and/or deficient have been specified in the Punch List appended hereto, and the Concessionaire has agreed and accepted that it shall complete and/or rectify all such works in the time and manner set forth in the Agreement. Some of the incomplete works have been delayed as a result of reasons attributable to the Government / Concessioning Authority or due to Force Majeure and the Provisional Certificate cannot be withheld on this account. Though the remaining incomplete works have been delayed as a result of reasons attributable to the Concessionaire, I am satisfied that having regard to the nature and extent of such incomplete works, it would not be prudent to withhold commercial operation of the Project Highway, pending completion thereof.
- 3 In view of the foregoing, I am satisfied that the Project Highway can be safely and reliably placed in commercial service of the Users thereof, and in terms of the Agreement, the Project Highway is hereby provisionally declared fit for entry into commercial operation on this the *** day of*** 20**.

ACCEPTED, SIGNED, SEALED AND
DELIVERED

For and on behalf of

CONCESSIONAIRE by:

ACCEPTED, SIGNED, SEALED AND
DELIVERED

For and on behalf of

INDEPENDENT ENGINEER by:

(Signature)

(Name and Designation)

(Address)

(Signature)

(Name and Designation)

(Address)


SUBHASH C. KHUNTIA

Principal Secretary to Government Managing Director
Public Works, Ports and Inland Water
Transport Department


KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

SCHEDULE-K
(See Clause 17.2)

MAINTENANCE REQUIREMENTS

1 Maintenance Requirements

- 1.1 The Concessionaire shall, at all times, operate and maintain the Project Highway in accordance with the provisions of the Agreement, Applicable Laws and Applicable Permits. In particular, the Concessionaire shall, at all times during the Operation Period, conform to the maintenance requirements set forth in this Schedule-K (the "**Maintenance Requirements**").
- 1.2 The Concessionaire shall repair or rectify any defect or deficiency set forth in Paragraph 2 of this Schedule-K within the time limit specified therein and any failure in this behalf shall constitute a breach of the Agreement. Upon occurrence of any breach hereunder, the Concessioneing Authority shall be entitled to recover Damages as set forth in Clause 17.8 of the Agreement, without prejudice to the rights of the KRDC/L/PWP&IWTB under the Agreement, including Termination thereof.

2 Repair/rectification of defects and deficiencies

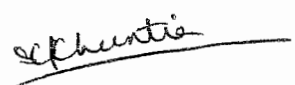
The obligations of the Concessionaire in respect of Maintenance Requirements shall include repair and rectification of the defects and deficiencies specified in Annex - I of this Schedule - K within the time limit set forth therein.

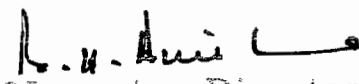
3 Other defects and deficiencies

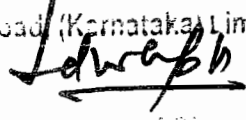
- 3.1 In respect of any defect or deficiency not specified in Annex -I of this Schedule-K, the Concessionaire shall undertake repair or rectification in accordance with Good Industry Practice.
- 3.2 In respect of any defect or deficiency not specified in Annex -I of this Schedule-K, the Independent Engineer may, in conformity with Good Industry Practice, specify the permissible limit of deviation or deterioration with reference to the Specifications and Standards, and any deviation or deterioration beyond the permissible limit shall be repaired or rectified by the Concessionaire within the time limit specified by the Independent Engineer.

4 Extension of time limit

Notwithstanding anything to the contrary specified in this Schedule-K, if the nature and extent of any defect or deficiency justifies more time for its repair or rectification than the time specified herein, the Concessionaire shall be entitled to additional time in conformity with Good Industry Practice. Such additional time shall be determined by the Independent Engineer and conveyed to the Concessionaire and the KRDC/L/PWP&IWTB with reasons thereof.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDC/L

Abhijeet Toll Road (Karnataka) Limited

Authorized Signatory

5 Emergency repairs/restoration

Notwithstanding anything to the contrary contained in this Schedule-K, if any defect, deficiency or deterioration in the Project Highway poses danger to the life or property of the Users thereof, the Concessionaire shall promptly take all reasonable measures for eliminating or minimizing such danger.

6 Daily Inspection by the Concessionaire

The Concessionaire shall, through its Engineer, undertake a daily visual inspection of the Project Highway and maintain a record thereof in a register to be kept in such form and manner as the Independent Engineer may specify. Such record shall be kept in safe custody of the Concessionaire and shall be open to inspection by the KRDCL/PWP&IWTD and the Independent Engineer at any time during office hours.

7 Divestment Requirements

All defects and deficiencies specified in this Schedule-K shall be repaired and rectified by the Concessionaire so that the Project Highway conforms to the Maintenance Requirements on the Transfer Date.

8 Display of Schedule - K

The Concessionaire shall display a copy of this Schedule-K at the Toll Plaza[s] along with the Complaint Register stipulated in Article 46.

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SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

S. H. Anil
Managing Director
KRDCL

[Signature]
Abhijeet Toll Road, (Karnataka) Limited
Authorised Signatory

Annex I
(Schedule-K)

Repair/Rectification of Defects and Deficiencies

The Concessionaire shall repair and rectify the defects and deficiencies specified in this Annex-I of Schedule-K within the time limit set forth herein.

Nature of defect or deficiency
ROADS

Time limit for repair/ rectification

(a) Carriageway and paved shoulders

- | | |
|--|--|
| (i) Breach or blockade | - Temporary restoration of traffic within 24 hours; permanent restoration within 15 days |
| (ii) Roughness value exceeding 2,750 mm in a stretch of 1 km (as measured by a standardised roughometer/bump integrator) | - 180 days |
| (iii) Pot holes | - 48 hours |
| (iv) Cracking in more than 5% of road surface in a stretch of 1 km | - 30 days |
| (v) Rutting exceeding 10 mm in more than 2% of road surface in a stretch of 1 km (measured with 3 m straight edge) | - 30 days |
| (vi) Bleeding/skidding | - 7 days |
| (vii) Ravelling/Stripping of bitumen surface exceeding 10 sq m. | - 15 days |
| (viii) Damage to pavement edges exceeding 10 cm | - 15 days |
| (ix) Removal of debris | - 6 hours |

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(b) Hard/earth shoulders, side slopes, drains and culverts

- | | |
|--|------------|
| (i) Variation by more than 2% in the prescribed slope of camber/cross fall | - 30 days |
| (ii) Edge drop at shoulders exceeding 40 mm | - 7 days |
| (iii) Variation by more than 15% prescribed side (embankment) slopes | - 30 days |
| (iv) Rain cuts/gullies in slope | - 7 days |
| (v) Damage to or silting of culverts and side drains during and immediately preceding the rainy season | - 7 days |
| (vi) Desilting of drains in urban/semi-urban areas | - 48 hours |

(c) Road side furniture including road signs and pavement marking

- | | |
|--|------------|
| (i) Damage to shape or position; poor visibility or loss of retro-reflectivity | - 48 hours |
|--|------------|

(d) Street lighting and telecom (ATMS)

- | | |
|-------------------------------------|------------|
| (i) Any major failure of the system | - 24 hours |
| (ii) Faults and minor failures | - 8 hours |

(e) Trees and plantation

- | | |
|--|---------------------------------|
| (i) Obstruction in a minimum head-room of 5 m above carriageway or obstruction in visibility of road signs | - 24 hours |
| (ii) Deterioration in health of trees and bushes | - Timely watering and treatment |
| (iii) Replacement of trees and bushes | - 90 days |
| (iv) Removal of vegetation affecting sight line and road structures | - 15 days |

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(f) Rest areas

- | | | |
|------|---|-----------------|
| (i) | Cleaning of toilets | - Every 4 hours |
| (ii) | Defects in electrical, water and sanitary installations | - 24 hours |

(g) Toll plaza[s]

- | | | |
|------|--|-----------|
| (i) | Failure of toll collection equipment or lighting | - 8 hours |
| (ii) | Damage to toll plaza | - 7 Days |

(h) Other Project Facilities and Approach roads

- | | | |
|-----|---|----------|
| (i) | Damage or deterioration in Approach Roads,
[pedestrian facilities, truck lay-bys, bus-bays,
bus- shelters, cattle crossings, Traffic Aid Posts,
Medical Aid Posts and other works] | -15 days |
|-----|---|----------|

BRIDGES

(a) Superstructure of bridges

- | | | |
|------|--|---------------------------------------|
| (i) | Cracks
Temporary measures
Permanent measures | - within 48 hours
- within 45 days |
| (ii) | Spalling/scaling | - within 15 days |

(b) Foundations of bridges

- | | | |
|-----|----------------------------|-----------|
| (i) | Scouring and/or cavitation | - 15 days |
|-----|----------------------------|-----------|

(c) Piers, abutments, return walls and wing walls of bridges

- | | | |
|-----|---|-----------|
| (i) | Cracks and damages including settlement and tilting | - 30 days |
|-----|---|-----------|

(d) Bearings (metallic) of bridges

- | | | |
|-----|-------------|-----------|
| (i) | Deformation | - 15 days |
|-----|-------------|-----------|

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(e) Joints in bridges

- (i) Loosening and malfunctioning of joints - 15 days

(f) Other items relating to bridges

- (i) Deforming of pads in elastomeric bearings - 7 days
- (ii) Gathering of dirt in bearings and joints;
or clogging of spouts, weep holes and vent-holes - 3 days
- (iii) Damage or deterioration in parapets
and handrails - 3 days
- (iv) Rain-cuts or erosion of banks
of the side slopes of approaches - 15 days
- (v) Damage to wearing coat - 15 days
- (vi) Damage or deterioration in approach
slabs, pitching, apron, toes, floor or guide bunds - 30 days
- (vii) Growth of vegetation affecting the
structure or obstructing the waterway - 15 days

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SCHEDULE - L
(See Clause 18.1.1)
SAFETY REQUIREMENTS

1 Guiding principles

- 1.1 Safety Requirements aim at reduction in injuries, loss of life and damage to property resulting from accidents on the Project Highway, irrespective of the person(s) at fault.
- 1.2 Users of the Project Highway include motorised and non-motorised vehicles as well as pedestrians and animals involved in, or associated with accidents. Vulnerable Road Users (VRU) include pedestrians as well as riders of motorised two-wheelers, bicycles and other vehicles which do not provide adequate occupant protection. Fencing shall be provided at the edge of ROW from access control needs and which shall automatically eliminate VRU on the Project Highway.
- 1.3 Safety Requirements apply to all phases of construction, operation and maintenance with emphasis on identification of factors associated with accidents, consideration of the same, and implementation of appropriate remedial measures.
- 1.4 Safety Requirements include measures associated with traffic management and regulation such as road signs, pavement marking, traffic control devices, roadside furniture, highway design elements, enforcement and emergency response.

2 Obligations of the Concessionaire

The Concessionaire shall abide by the following insofar as they relate to safety of the Users:

- (a) Applicable Laws and Applicable Permits;
- (b) Manual for Safety in Road Design, issued by MOSRTH;
- (c) relevant Standards/Guidelines of IRC relating to safety, road geometries, bridges, culverts, road signs, pavement marking and roadside furniture;
- (d) provisions of this Agreement; and
- (e) Good Industry Practice.

3 Appointment of Safety Consultant

For carrying out safety audit of the Project Highway under and in accordance with this Schedule-L, the Concesioning Authority shall appoint from time to time, one or more qualified firms or organisations as its consultants (the "**Safety Consultant**"). The Safety Consultant shall employ a team comprising, without limitation, one road safety expert and one traffic planner to undertake safety audit of the Project Highway.

4 Safety measures during Development Period

- 4.1 Not later than 90 (ninety) days from the date of this Agreement, the Concesioning Authority shall appoint a Safety Consultant for carrying out safety audit at the design stage of the Project. The Safety Consultant shall collect data on all fatal crashes and other road accidents which occurred on the Project Highway in the preceding period by obtaining copies of the relevant First Information Reports (FIRs) from the police stations having jurisdiction. The information contained in such FIRs shall be summarised in the form prescribed by IRC/PWP&IWTD for this purpose and the data shall be analysed for the type of victims killed or injured, impacting vehicles, location of accidents and

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Abhijeet
Authorised Signatory

other relevant factors.

- 4.2 The Concessionaire shall provide to the Safety Consultant, in four copies, the relevant drawings containing the design details that have a bearing on safety of Users (the "**Safety Drawings**"). Such design details shall include horizontal and vertical alignments; sightlines; layouts of intersections; interchanges; road cross-section; bridges and culverts; side drains; provision for parked vehicles, slow moving vehicles (tractors, bullock carts, bicycles) and pedestrians; bus bays; truck lay-bys; and other incidental or consequential information. The Safety Consultant shall review the design details and forward three copies of the Safety Drawings with its recommendations, if any, to the Independent Engineer who shall record its comments, if any, and forward one copy each to the KRDCL/PWP&IWTD and the Concessionaire.
- 4.3 The accident data and the design details shall be compiled, analysed and used by the Safety Consultant for evolving a package of recommendations consisting of safety related measures for the Project Highway. The safety audit shall be completed in a period of three months and a report thereof (the "**Safety Report**") shall be submitted to the KRDCL/PWP&IWTD, in five copies. One copy each of the Safety Report shall be forwarded by the Concesioning Authority to the Concessionaire and the Independent Engineer forthwith.
- 4.4 The Concessionaire shall endeavor to incorporate the recommendations of the Safety Report in the design of the Project Highway, as may reasonably be required in accordance with Applicable Laws, Applicable Permits, Manuals and Guidelines of PWP&IWTD and IRC, Specifications and Standards, and Good Industry Practice. If the Concessionaire does not agree with any or all of such recommendations, it shall state the reasons thereof and convey them to the Concesioning Authority forthwith. In the event that any or all of the works and services recommended in the Safety Report fall beyond the scope of Schedule-B, Schedule-C or Schedule-D, the Concessionaire shall make a report thereon and seek the instructions of the KRDCL/PWP&IWTD for funding such works in accordance with the provisions of Article 18.
- 4.5 Without prejudice to the provisions of Paragraph 4.4, the Concessionaire and the Independent Engineer shall, within 15 (fifteen) days of receiving the Safety Report, send their respective comments thereon to the KRDCL/PWP&IWTD, and not later than 15 (fifteen) days of receiving such comments, the KRDCL/PWP&IWTD shall review the same alongwith the Safety Report and by notice direct the Concessionaire to carry out any or all of the recommendations contained therein with such modifications as the KRDCL/PWP&IWTD may specify; provided that any works or services required to be undertaken hereunder shall be governed by the provisions of Article 18.

5 Safety measures during Construction Period

- 5.1 A Safety Consultant shall be appointed by the KRDCL/PWP&IWTD, not later than 4 (four) months prior to the expected Project Completion Date, for carrying out a safety audit of the completed Construction Works.
- 5.2 The Safety Consultant shall collect and analyse the accident data for the preceding period in the manner specified in Paragraph 4.1 of this Schedule-L. It shall study the Safety Report for the Development Period and inspect the Project Highway to assess the adequacy of safety measures. The Safety Consultant shall complete the safety audit within a period of 4 (four) months and submit a Safety Report recommending a package of additional road safety measures, if any, that are considered essential for reducing accident hazards on the Project Highway. Such recommendations shall be processed, *mutatis mutandis*, and acted upon in the manner set forth in Paragraphs 4.3, 4.4 and 4.5 of this Schedule-L.

Sushash C. Khuntia
SUSHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water Transport Department

B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (KRDCL) Limited
Abhijeet
Authorised Signatory


- 5.3 The Concessionaire shall make adequate arrangements during the Construction Period for the safety of workers and road Users in accordance with the guidelines of IRC for safety in construction zones, and notify the KRDCL/PWP&IWTD and the Independent Engineer about such arrangements.

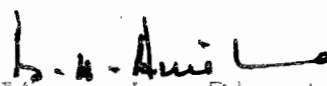
6 Safety measures during Operation Period

- 6.1 The Concessionaire shall develop, implement and administer a surveillance and safety programme for Users, including correction of safety violations and deficiencies and all other actions necessary to provide a safe environment in accordance with this Agreement.
- 6.2 The Concessionaire shall establish a Highway Safety Management Unit (the "HSMU") to be functional on and after COD, and designate one of its officers to be in-charge of the HSMU. Such officer shall have specialist knowledge and training in road safety and traffic engineering by having attended a course conducted by a reputed organisation on the subject.
- 6.3 The Concessionaire shall keep a copy of every FIR recorded by the Police with respect to any accident occurring on the Project Highway. In addition, the Concessionaire shall also collect data for all cases of accidents not recorded by the Police but where a vehicle rolled over or had to be towed away. The information so collected shall be summarised in the form prescribed by IRC/PWP&IWTD for this purpose. The Concessionaire shall also record the exact location of each accident on a road map. The aforesaid data shall be submitted to the Concesioning Authority at the conclusion of every quarter and to the Safety Consultant as and when appointed.
- 6.4 The Concessionaire shall submit to the KRDCL/PWP&IWTD before the 31st (thirty first) May of each year, an annual report (in ten copies) containing, without limitation, a detailed listing and analysis of all accidents of the preceding Accounting Year and the measures taken by the Concessionaire pursuant to the provisions of Paragraph 6.1 of this Schedule-L for averting or minimising such accidents in future.
- 6.5 Once in every Accounting Year, a safety audit shall be carried out by the Safety Consultant to be appointed by the KRDCL/PWP&IWTD. It shall review and analyse the annual report and accident data of the preceding year, and undertake an inspection of the Project Highway. The Safety Consultant shall complete the safety audit within a period of 1 (one) month and submit a Safety Report recommending specific improvements, if any, required to be made to the road, bridges, culverts, markings, signs, road furniture and Project Facilities, including cattle crossings and pedestrian crossings. Such recommendations shall be processed, *mutatis mutandis*, and acted upon in the manner set forth in Paragraphs 4.3, 4.4 and 4.5 of this Schedule-L.

7 Costs and expenses

Costs and expenses incurred in connection with the Safety Requirements set forth herein, including the provisions of Paragraph 2 of this Schedule, shall be met in accordance with Article 18, and in particular, the remuneration of the Safety Consultant, safety audit, and costs incidental thereto, shall be met out of the Safety Fund.


SUBHASH C. KHUNTIA
Principal Secretary to Government
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Transport Department


Managing Director
KRDCL

Abhijeet Tom Rood.

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SCHEDULE -M
(See clause 19.5)
MONTHLY FEE STATEMENT

Project Highway: Month:

Type of Vehicle	For Corresponding Month of Previous Year		For Preceding Month		For the Month Reported upon		
	No. of Vehicles	Fee Collected (in lakh Rs.)	No. of Vehicles	Fee Collected (in lakh Rs.)	Fee per Vehicle (in Rs.)	No. of Vehicles	Fee Collected (in lakh Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. Car							
B. Mini Bus / LCV							
C. Bus							
D. Mini Truck / LCV							
E. Truck							
F. Heavy Truck							
G. Oversized Vehicle							
H. Total							

Note 1: The above statement does not include Local Traffic and vehicles travelling on Daily Passes or Monthly Passes

Note 2: Monthly Fee Statements for Monthly Passes and Daily Passes have been prepared separately in the above format and are enclosed.

Remarks, if any:

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
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L. H. Anil
L. H. Anil
Managing Director
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Abhijeet
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SCHELDULE-N
(See Clause 22.1)
WEEKLY TRAFFIC CENSUS

Project Highway:

Week ending:

Type of Vehicle	No. of vehicles using the Project Highway during		
	Corresponding week/last year	Preceding week	Week of report
(1)	(2)	(3)	(4)
A FEE PAYING TRAFFIC			
A1. Car			
A2. Mini Bus/ LCV			
A3 Bus			
A4 Mini Truck/ LCV			
A5 Truck			
A6 Heavy Truck			
Total (A)			
B LOCAL TRAFFIC			
BI Car			
Total (B)			
C EXEMPTED VEHICLES			
CI Car			
C2 Mini Bus/ LCV			
C3 Bus			
C4 Mini Truck/ LCV			
C5 Truck			
C6 Tractor			
Total (C)			

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D TOTAL TRAFFIC (A+B-C)
D1 Car
D2 Mini Bus/ LCV
D3 Bus
D4 Mini Truck/ LCV
D5 Truck
D6 Heavy Truck
D7 Tractor
Grand Total (E)

Remarks, if any:

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

L. N. Anil
L. N. Anil
Managing Director
KRDCL

L. N. Anil
Abhijeet Toll Road, (Karnataka) Limited
Authorised Signatory

WEEKLY REPORT FOR WEIGH STATIONS

Project Highway:

Week Ending:

Type of Vehicle	Permitted Gross Vehicle Weight (Tonnes)	No. of Vehicles weighed (Sample size)	No. of Vehicles carrying load:			
			Within permissible limits	Up to 10% in excess	Over 10% and up to 20% in excess	Over 20% in excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. Mini Truck / LCV						
B. Truck						
C. Heavy Truck						
D. Total						

[Note: Sample size shall not be less than 200 trucks per week and 20 trucks per day, and should include a proportionate number of Heavy Trucks.]

Remarks, if any:

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 Principal Secretary to Government
 Public Works, Ports and Inland Water
 Transport Department

B. H. Anil
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SCHEDULE - O
(See Clause 22.3.1)

TRAFFIC SAMPLING

1 Traffic sampling

The KRDC/L/PWP&I/WTB may, in its discretion and at its own cost, undertake traffic sampling, pursuant to Clause 22.3, in order to determine the actual traffic on the Project Highway. Such traffic sampling shall be undertaken through the Independent Engineer in the manner set forth below.

2 Manual traffic count

The Independent Engineer shall employ the required number of enumerators who shall count, classify and record all the vehicles as they pass by, and divide the survey into fixed time periods. The count stations shall be located near the Toll Plaza[s] on a straight section of the road with good visibility. The survey shall be conducted continuously for a minimum of 24 (twenty four) hours and maximum of 7 (seven) days at a time. The count period shall be 15 (fifteen) minutes with results summarised hourly.

3 Automatic traffic count

For automatic traffic count to be conducted on intermittent (non-continuous) basis, the Independent Engineer shall use suitable and standardized equipment to classify and record the range of vehicles passing through the Toll Plaza[s]. For this purpose, the counter shall be checked with at least 100 (one hundred) vehicles, including all major vehicle types, over a range of speeds to ensure that all vehicles are being counted and classified correctly.

4 Variation between manual and automatic count

Average Daily Traffic (ADT) for each type of vehicle shall be determined separately by the aforesaid two methods and in the event that the number of vehicles in any category, as counted by the manual method, varies by more than 1% (one per cent) of the number of such vehicles as counted by the automatic method, the manual and automatic count of such category of vehicles shall be repeated, and in the event of any discrepancy between the two counts in the second enumeration, the average thereof shall be deemed to be the actual traffic. For the avoidance of doubt, it is expressly agreed that the KRDC/L/PWP&I/WTB may, in consultation with the Concessionaire, adopt modified or alternative processes of traffic sampling for improving the reliability of such sampling.

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- 5 For the purpose of traffic sampling, the Concessionaire shall procure a portable type automatic traffic count-cum-classifier and provide it to the Independent Engineer. The traffic count - cum-classifier shall be light weight and portable with weather resistant casing. The system shall be capable of detecting and recording all types of vehicles plying on the Highway and of classifying any other vehicle category as per user needs. The vehicle classification shall be user selectable based on length of vehicle and number of axles. It would have the following main components:

Sensor - combination of piezo electric sensor and inductive loops. The sensor shall be portable as well as permanent so that either of these could be used as per the needs.

Electronic - the logic unit shall be micro processor based and programmable through a key board. It shall have legible electronic display with requisite number of entry ports and exit to communication system. The vehicle counting/classification interval shall be programmable from one minute to 1440 min. (24 hours). The system shall count and classify vehicle by each lane.

Data Collection - The system shall be capable of recording for later analysis on an individual vehicle basis time, date, speed, direction, lane, number of axles, axles spacing and site identification. The system should be able to record and store vehicle data for a period of at least two weeks.

Data Retrieval - The system shall have the capability of data retrieval through removable CD, data cartridge, direct data transfer through a serial link to a portable computer and telemetry transmission via telephone link by modem.

Software - The system shall have software and manuals to analyse the data from output of vehicle count, classification speed and head-way. It should have capability of graphic/tabular representation of analysis data.

Before the use of portable automatic traffic counter cum classifier, it shall be validated and calibrated through sample counts to establish the reliability and acceptability of Automatic Traffic Counter-cum-Classifer both by Concessionaire and the Independent Engineer.

In case of automatic traffic count, the sampling shall be done at intervals of 15 days by continuous 24 hrs counting for three days. If no abnormal trends are observed in three days counting at the frequency of 15 days, the frequency would be increased to 1 month after a period of one year. The sensor/loops shall be permanently installed to capture the traffic on all the approaching lanes, in accordance with the instructions of the supplier. They shall be located away from the toll plaza transitions taking care that no diversion of traffic is possible in between. The portable logic unit shall be plugged to these sensors whenever counting is to be done. Portable sensor can be utilised for traffic counting at any other location as per the need.

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SCHEDULE -P
(See Clause 23.1)

SELECTION OF INDEPENDENT ENGINEER

1 Selection of Independent Engineer

- 1.1 The provisions of Part II of the Standard Bidding Documents for Consultancy Assignments: Time Based (Volume V) issued by the Ministry of Finance, GOI in July, 1997 shall apply, *mutatis mutandis*, for invitation of bids and evaluation thereof save as otherwise provided herein.
- 1.2 The KRDCL/PWP&IWTD shall invite expressions of interest from consulting engineering firms or bodies corporate to undertake and perform the duties and functions set forth in Schedule-Q and thereupon shortlist minimum of 5 (five) qualified firms in accordance with pre-determined criteria. The KRDCL/PWP&IWTD shall convey the aforesaid list of firms to the Concessionaire for scrutiny and comments, if any. The Concessionaire shall be entitled to scrutinise the relevant records of the KRDCL/PWP&IWTD to ascertain whether the selection of firms has been undertaken in accordance with the prescribed procedure and it shall send its comments, if any, to the KRDCL/PWP&IWTD within 15 (fifteen) days of receiving the aforesaid list of firms. Upon receipt of such comments, if any, the KRDCL/PWP&IWTD shall, after considering all relevant factors, finalise and constitute a panel of 10 (ten) firms (the "**Panel of Firms**") and convey its decision to the Concessionaire.
- 1.3 The KRDCL/PWP&IWTD shall invite the aforesaid firms in the Panel of Firms to submit their respective technical and financial offers, each in a separate sealed cover. All the technical bids so received shall be opened and pursuant to the evaluation thereof, the KRDCL/PWP&IWTD shall shortlist 3 (three) eligible firms on the basis of their technical scores. The financial bids in respect of such 3 (three) firms shall be opened and the order of priority as among these firms shall be determined on the basis of a weighted evaluation where technical and financial scores shall be assigned respective weights of 80:20.

2 Fee and expenses

- 2.1 In determining the nature and quantum of duties and services to be performed by the Independent Engineer during the Development Period and Construction Period, the KRDCL/PWP&IWTD shall endeavour that payments to the Independent Engineer on account of fee and expenses do not exceed 2% (two per cent) of the Total Project Cost. Payments not exceeding such 2% (two per cent) shall be borne equally by the KRDCL/PWP&IWTD and the Concessionaire in accordance with the provisions of this Agreement and any payments in excess thereof shall be borne entirely by the KRDCL/PWP&IWTD.

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Subhash C. Khuntia Limited


- 2.2 The nature and quantum of duties and services to be performed by the Independent Engineer during the Operation Period shall be determined by the KRDCL/PWP&IWTD in conformity with the provisions of this Agreement and with due regard for economy in expenditure. All payments made to the Independent Engineer on account of fee and expenses during the Operation Period, including any additional construction/works shall be borne equally by the KRDCL/PWP&IWTD and the Concessionaire.

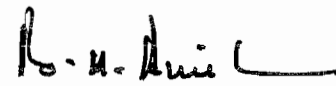
3 Constitution of fresh panel

Not later than three years from the date of this Agreement, and every three years thereafter, the KRDCL/PWP&IWTD shall prepare a fresh panel of firms in accordance with the criteria set forth in this Schedule-P; provided that the KRDCL/PWP&IWTD may, at any time, prepare a fresh panel with prior written consent of the Concessionaire.

4 Appointment of Government/Concessioneing Authority entity as Independent Engineer

[Notwithstanding anything to the contrary contained in this Schedule, the KRDCL/PWP&IWTD may in its discretion appoint a government-owned entity as the Independent Engineer; provided that such entity shall be a body corporate having as one of its primary function the provision of consulting, advisory and supervisory services for engineering projects; provided that a KRDCL/PWP&IWTD - owned entity which is owned or controlled by the KRDCL/PWP&IWTD shall not be eligible for appointment as Independent Engineer.]


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SCHEDULE -Q
(See Clause 23.2.1)

TERMS OF REFERENCE FOR INDEPENDENT ENGINEER

1 Scope

- 1.1 These Terms of Reference for the Independent Engineer (the "TOR") are being specified pursuant to the Concession Agreement dated *** (the "Agreement"), which has been entered into between the KRDCL/PWP&IWTD and *** (the "Concessionaire") for the project 'Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR and Partly SH) in the state of Karnataka (the "Project Highway") on Build, Operate and Transfer ("BOT") basis, and a copy of which is annexed hereto and marked as Part I to form part of this TOR.
- 1.2 This TOR shall apply to construction, operation and maintenance of the project 'Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR and Partly SH) in the state of Karnataka and shall apply, *mutatis mutandis*.

2 Definitions and interpretation

- 2.1 The words and expressions beginning with or in capital letters used in this TOR and not defined herein but defined in the Agreement shall have, unless repugnant to the context, the meaning respectively assigned to them in the Agreement.
- 2.2 References to Articles, Clauses and Schedules in this TOR shall, except where the context otherwise requires, be deemed to be references to the Articles, Clauses and Schedules of the Agreement, and references to Paragraphs shall be deemed to be references to Paragraphs of this TOR.
- 2.3 The rules of interpretation stated in Clauses 1.2, 1.3 and 1.4 of the Agreement shall apply, *mutatis mutandis*, to this TOR.

3 Role and functions of the Independent Engineer

- 3.1 The role and functions of the Independent Engineer shall include the following:
- (i) review of the Drawings and Documents as set forth in Paragraph 4;
 - (ii) review, inspection and monitoring of Construction Works as set forth in Paragraph 5;
 - (iii) conducting Tests on completion of construction and issuing Completion / Provisional Certificate as set forth in Paragraph 5;

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(iv) review, inspection and monitoring of O&M as set forth in Paragraph 6;

(v) review, inspection and monitoring of Divestment Requirements as set forth in Paragraph 7;

(vi) determining, as required under the Agreement, the costs of any works or services and/or their reasonableness;

(vii) determining, as required under the Agreement, the period or any extension thereof, for performing any duty or obligation;

(viii) assisting the Parties in resolution of disputes as set forth in Paragraph 9; and

(ix) undertaking all other duties and functions in accordance with the Agreement.

3.2 The Independent Engineer shall discharge its duties in a fair, impartial and efficient manner, consistent with the highest standards of professional integrity and Good Industry Practice.

4 Development Period

4.1 During the Development Period, the Independent Engineer shall undertake a detailed review of the Drawings to be furnished by the Concessionaire along with supporting data, including the geo-technical and hydrological investigations, characteristics of materials from borrow areas and quarry sites, topographical surveys and traffic surveys. The Independent Engineer shall complete such review and send its comments/observations to the KRDC/L/PWP&IWTD and the Concessionaire within 15 (fifteen) days of receipt of such Drawings. In particular, such comments shall specify the conformity or otherwise of such Drawings with the Scope of the Project and Specifications and Standards.

4.2 The Independent Engineer shall review any modified Drawings or supporting Documents sent to it by the Concessionaire and furnish its comments within 7 (seven) days of receiving such Drawings or Documents.

4.3 The Independent Engineer shall review the Drawings sent to it by the Safety Consultant in accordance with Schedule-L and furnish its comments thereon to the KRDC/L/PWP&IWTD and the Concessionaire within 7 (seven) days of receiving such Drawings. The Independent Engineer shall also review the Safety Report and furnish its comments thereon to the KRDC/L/PWP&IWTD within 15 (fifteen) days of receiving such report.

4.4 The Independent Engineer shall review the detailed design, construction methodology, quality assurance procedures and the procurement, engineering and construction time schedule sent to it by the Concessionaire and furnish its comments within 15 (fifteen) days of receipt thereof.

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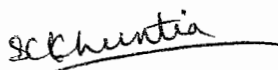
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- 4.5 Upon reference by the KRDCL/PWP&IWTD, the Independent Engineer shall review and comment on the EPC Contract or any other contract for construction, operation and maintenance of the Project Highway, and furnish its comments within 7 (seven) days from receipt of such reference from the KRDCL/PWP&IWTD.

5 Construction Period

- 5.1 In respect of the Drawings, Documents and Safety Report received by the Independent Engineer for its review and comments during the Construction Period, the provisions of Paragraph 4 shall apply, *mutatis mutandis*.
- 5.2 The Independent Engineer shall review the monthly progress report furnished by the Concessionaire and send its comments thereon to the KRDCL/PWP&IWTD and the Concessionaire within 7 (seven) days of receipt of such report.
- 5.3 The Independent Engineer shall inspect the Construction Works and the Project Highway once every month, preferably after receipt of the monthly progress report from the Concessionaire, but before the 20th (twentieth) day of each month in any case, and make out a report of such inspection (the "**Inspection Report**") setting forth an overview of the status, progress, quality and safety of construction, including the work methodology adopted, the materials used and their sources, and conformity of Construction Works with the Scope of the Project and the Specifications and Standards. In a separate section of the Inspection Report, the Independent Engineer shall describe in reasonable detail the lapses, defects or deficiencies observed by it in the construction of the Project Highway. The Inspection Report shall also contain a review of the maintenance of the existing lanes in conformity with the provisions of the Agreement. The Independent Engineer shall send a copy of its Inspection Report to the KRDCL/PWP&IWTD and the Concessionaire within 7 (seven) days of the inspection.
- 5.4 The Independent Engineer may inspect the Project Highway more than once in a month if any lapses, defects or deficiencies require such inspections.
- 5.5 For determining that the Construction Works conform to Specifications and Standards, the Independent Engineer shall require the Concessionaire to carry out, or cause to be carried out, tests on a sample basis, to be specified by the Independent Engineer in accordance with Good Industry Practice for quality assurance. For purposes of this Paragraph 5.5, the tests specified in the IRC Special Publication-11 (Handbook of Quality Control for Construction of Roads and Runways) and the Specifications for Road and Bridge Works issued by MOSRT&H and PWP&IWTD (the "**Quality Control Manuals**") or any modification/substitution thereof shall be deemed to be tests conforming to Good Industry Practice for quality assurance. The Independent Engineer shall issue necessary directions to the Concessionaire for ensuring that the tests are conducted in a fair and efficient manner, and shall monitor and review the results thereof.


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- 5.6 The sample size of the tests, to be specified by the Independent Engineer under Paragraph 5.5, shall comprise 10% (ten per cent) of the quantity or number of tests prescribed for each category or type of tests in the Quality Control Manuals; provided that the Independent Engineer may, for reasons to be recorded in writing, increase the aforesaid sample size by up to 10% (ten per cent) for certain categories or types of tests.
- 5.7 The timing of tests referred to in Paragraph 5.5, and the criteria for acceptance rejection of their results shall be determined by the Independent Engineer in accordance with the Quality Control Manuals. The tests shall be undertaken on a random sample basis and shall be in addition to, and independent of, the tests that may be carried out by the Concessionaire for its own quality assurance in accordance with Good Industry Practice.
- 5.8 In the event that the Concessionaire carries out any remedial works for removal or rectification of any defects or deficiencies, the Independent Engineer shall require the Concessionaire to carry out, or cause to be carried out, tests to determine that such remedial works have brought the Construction Works into conformity with the Specifications and Standards, and the provisions of this Paragraph 5 shall apply to such tests.
- 5.9 In the event that the Concessionaire fails to achieve any of the Project Milestones, the Independent Engineer shall undertake a review of the progress of construction and identify potential delays, if any. If the Independent Engineer shall determine that completion of the Project Highway is not feasible within the time specified in the Agreement, it shall require the Concessionaire to indicate within 15 (fifteen) days the steps proposed to be taken to expedite progress, and the period within which the Project Completion Date shall be achieved. Upon receipt of a report from the Concessionaire, the Independent Engineer shall review the same and send its comments to the KRDCL/PWP&IWTD and the Concessionaire forthwith.
- 5.10 If at any time during the Construction Period, the Independent Engineer determines that the Concessionaire has not made adequate arrangements for the safety of workers and Users in the zone of construction or that any work is being carried out in a manner that threatens the safety of the workers and the Users, it shall make a recommendation to the KRDCL/PWP&IWTD forthwith, identifying the whole or part of the Construction Works that should be suspended for ensuring safety in respect thereof.
- 5.11 In the event that the Concessionaire carries out any remedial measures to secure the safety of suspended works and Users, it may, by notice in writing, require the Independent Engineer to inspect such works, and within 3 (three) days of receiving such notice, the Independent Engineer shall inspect the suspended works and make a report to the KRDCL/PWP&IWTD forthwith, recommending whether or not such suspension may be revoked by the Concessioneing Authority.

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5.12 If suspension of Construction Works is for reasons not attributable to the Concessionaire, the Independent Engineer shall determine the extension of dates set forth in the Project Completion Schedule, to which the Concessionaire is reasonably entitled, and shall notify the KRDCL/PWP&IWTD and the Concessionaire of the same.

5.13 The Independent Engineer shall carry out, or cause to be carried out, all the Tests specified in Schedule-I and issue a Completion Certificate or Provisional Certificate, as the case may be. For carrying out its functions under this Paragraph 5.13 and all matters incidental thereto, the Independent Engineer shall act under and in accordance with the provisions of Article 14 and Schedule-I.

5.14 Upon reference from the Concessioneing Authority, the Independent Engineer shall make a fair and reasonable assessment of the costs of providing information, works and services as set forth in Article 16 and certify the reasonableness of such costs for payment by the KRDCL/PWP&IWTD to the Concessionaire.

5.15 The Independent Engineer shall aid and advise the Concessionaire in preparing the Maintenance Manual.

6 Operation Period

6.1 In respect of the Drawings, Documents and Safety Report received by the Independent Engineer for its review and comments during the Operation Period. the provisions of Paragraph 4 shall apply, *mutatis mutandis*.

6.2 The Independent Engineer shall review the annual Maintenance Programme furnished by the Concessionaire and send its comments thereon to the KRDCL/PWP&IWTD and the Concessionaire within 15 (fifteen) days of receipt of the Maintenance Programme.

6.3 The Independent Engineer shall review the monthly status report furnished by the Concessionaire and send its comments thereon to the KRDCL/PWP&IWTD and the Concessionaire within 7 (seven) days of receipt of such report.

6.4 The Independent Engineer shall inspect the Project Highway once every month, preferably after receipt of the monthly status report from the Concessionaire, but before the 20th (twentieth) day of each month in any case, and make out an O&M Inspection Report setting forth an overview of the status, quality and safety of O&M including its conformity with the Maintenance Requirements and Safety Requirements. In a separate section of the O&M Inspection Report, the Independent Engineer shall describe in reasonable detail the lapses, defects or deficiencies observed by it in O&M of the Project Highway. The Independent Engineer shall send a copy of its O&M Inspection Report to the KRDCL/PWP&IWTD and the Concessionaire within 7 (seven) days of the inspection.

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- 6.5 The Independent Engineer may inspect the Project Highway more than once in a month, if any lapses, defects or deficiencies require such inspections.
- 6.6 The Independent Engineer shall in its O&M Inspection Report specify the tests, if any, that the Concessionaire shall carry out, or cause to be carried out, for the purpose of determining that the Project Highway is in conformity with the Maintenance Requirements. It shall monitor and review the results of such tests and the remedial measures, if any, taken by the Concessionaire in this behalf.
- 6.7 In respect of any defect or deficiency referred to in Paragraph 3 of Schedule-K, the Independent Engineer shall, in conformity with Good Industry Practice, specify the permissible limit of deviation or deterioration with reference to the Specifications and Standards and shall also specify the time limit for repair or rectification of any deviation or deterioration beyond the permissible limit.
- 6.8 The Independent Engineer shall determine if any delay has occurred in completion of repair or remedial works in accordance with the Agreement, and shall also determine the Damages, if any, payable by the Concessionaire to the KRDCL/PWP&IWTD for such delay.
- 6.9 The Independent Engineer shall examine the request of the Concessionaire for closure of any lane(s) of the carriageway for undertaking maintenance/repair thereof, keeping in view the need to minimise disruption in traffic and the time required for completing such maintenance/repair in accordance with Good Industry Practice. It shall grant permission with such modifications, as it may deem necessary, within 5 (five) days of receiving a request from the Concessionaire. Upon expiry of the permitted period of closure, the Independent Engineer shall monitor the reopening of such lane(s), and in case of delay, determine the Damages payable by the Concessionaire to the KRDCL/PWP&IWTD under Clause 17.7.
- 6.10 The Independent Engineer shall monitor and review the curing of defects and deficiencies by the Concessionaire as set forth in Clause 19.4.
- 6.11 In the event that the Concessionaire notifies the Independent Engineer of any modifications that it proposes to make to the Project Highway, the Independent Engineer shall review the same and send its comments to the KRDCL/PWP&IWTD and the Concessionaire within 15 (fifteen) days of receiving the proposal.
- 6.12 The Independent Engineer shall undertake traffic sampling, as and when required by the KRDCL/PWP&IWTD, under and in accordance with Article 22 and Schedule-O.

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7 Termination

- 7.1 At any time, not earlier than 90 (ninety) days prior to Termination but not later than 10 (ten) days prior to such Termination, the Independent Engineer shall, in the presence of a representative of the Concessionaire, inspect the Project Highway for determining compliance by the Concessionaire with the Divestment Requirements set forth in Clause 38.1 and, if required, cause tests to be carried out at the Concessionaire's cost for determining such compliance. If the Independent Engineer determines that the status of the Project Highway is such that its repair and rectification would require a larger amount than the sum set forth in Clause 39.2, it shall recommend retention of the required amount in the Escrow Account and the period of retention thereof.
- 7.2 The Independent Engineer shall inspect the Project Highway once in every 15 (fifteen) days during a period of 90 (ninety) days after Termination for determining the liability of the Concessionaire under Article 39, in respect of the defects or deficiencies specified therein. If any such defect or deficiency is found by the Independent Engineer, it shall make a report in reasonable detail and send it forthwith to the Concessioneing Authority and the Concessionaire.

8 Determination of costs and time

- 8.1 The Independent Engineer shall determine the costs, and/or their reasonableness, that are required to be determined by it under the Agreement.
- 8.2 The Independent Engineer shall determine the period, or any extension thereof, that is required to be determined by it under the Agreement.

9 Assistance in Dispute resolution

- 9.1 When called upon by either Party in the event of any Dispute, the Independent Engineer shall mediate and assist the Parties in arriving at an amicable settlement.
- 9.2 In the event of any disagreement between the Parties regarding the meaning, scope and nature of Good Industry Practice, as set forth in any provision of the Agreement, the Independent Engineer shall specify such meaning, scope and nature by issuing a reasoned written statement relying on good industry practice and authentic literature.

10 Other duties and functions

The Independent Engineer shall perform all other duties and functions specified in the Agreement.

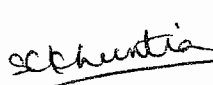
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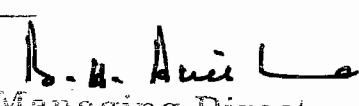
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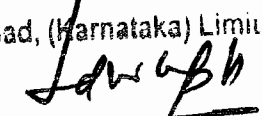
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11 Miscellaneous

- 11.1 The Independent Engineer shall notify its programme of inspection to the KRDCL/PWP&IWTD and to the Concessionaire, who may, in their discretion, depute their respective representatives to be present during the inspection.
- 11.2 A copy of all communications, comments, instructions, Drawings or Documents sent by the Independent Engineer to the Concessionaire pursuant to this TOR, and a copy of all the test results with comments of the Independent Engineer thereon shall be furnished by the Independent Engineer to the KRDCL/PWP&IWTD forthwith.
- 11.3 The Independent Engineer shall obtain, and the Concessionaire shall furnish in two copies thereof, all communications and reports required to be submitted, under this Agreement, by the Concessionaire to the Independent Engineer, whereupon the Independent Engineer shall send one of the copies to the Concessioneing Authority along with its comments thereon.
- 11.4 The Independent Engineer shall retain at least one copy each of all Drawings and Documents received by it, including 'as-built' Drawings, and keep them in its safe custody.
- 11.5 Upon completion of its assignment hereunder, the Independent Engineer shall duly classify and list all Drawings, Documents, results of tests and other relevant records, and hand them over to the Concessioneing Authority or such other person as the Concessioneing Authority may specify, and obtain written receipt thereof. Two copies of the said document shall also be furnished in micro film form or in such other medium as may be acceptable to the Concessioneing Authority.


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SCHEDULE -R
(See Clause 27.1.1)

FEE NOTIFICATION

[The Fee Rules/Notification issued by the State Government shall constitute Schedule-R of the Agreement]

[Note: The Fee Notification/ Rules shall be included in the Draft Concession Agreement to be provided to the bidders before inviting bids. The Notification, Rules are of critical importance to the Concessionaire and lenders as they would determine the revenue streams for the Project. It is also of equal concern to the Users and must, therefore, be drafted with utmost precision and care.

The following provisions shall be included in the Fee Notification:

- (a) The Notification shall specify the Fee payable for each category of vehicles using the Project Highway. The Fee shall be based on the rates approved by PWP&IWTD as on ***** and escalated to reflect the increase in WPI as specified therein.
- (b) Vehicles will be categorised for the purpose of levy and collection of Fee. Car, Mini Bus/ LCV, Mini Truck/ LCV, Bus, Truck and Heavy Truck have, therefore, been defined in the Agreement, and the Fee Notification should adopt the same definitions while prescribing the Fee. A fixed amount of Fee, based on the length of the Project Highway, shall be levied for each category of vehicles, except in the case of Heavy Trucks where Fee may be levied on the basis of number of axles.
- (c) The Notification shall specify that the Fee structure shall be modified to reflect the variation in WPI occurring until the date specified in Clause 27.2, and the Fee Notification shall be issued and gazetted by PWP&IWTD.
- (d) The Notification shall provide for rounding off of the Fee to the nearest five rupees, and for escalation of Fee rates after the date of Agreement, in line with the covenants of Article 27 of the Agreement.
- (e) Discounted Fee rates for frequent Users shall be specified in the Notification.
- (f) Additional charge for evasion of Fee shall be specified in the Notification.
- (g) Additional Fee for over-loaded vehicles shall be specified in the Notification.

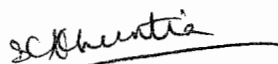
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- (h) Fee exemption for Local Traffic and Exempted Vehicles shall be specified in the Notification.
- (i) ~~The Notification shall specify that in the event of construction of service lanes for free use by Local Traffic, such traffic shall be liable to pay Fee at the notified rates for the respective category of vehicles in case it uses the main carriageway.~~
- (j) The Notification shall provide that upon construction of service lanes, all slow-moving vehicles including tractors, two-wheelers, three-wheelers, bullock-carts, rickshaws and bicycles shall not be entitled to ply on the main carriageway.
- (k) The Notification may provide for a differential fee structure for peak and off-peak hours.
- (l) The Notification shall specify that it would be valid and operative for the entire Concession Period.]

[For assistance in drafting the Fee Rules for BOT projects, a model notification is suggested at Annex-1 for consideration of the respective State Governments.]


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[Model Rules/Notification]
GOVERNMENT OF KARNATAKA
PUBLIC WORKS DEPARTMENT

The State Highways (Collection of Toll by Concessionaires) Rules, 20**

In exercise of the powers conferred by section ** of the ***** Act (hereinafter referred to as the "Act"), and all other powers enabling him in this behalf, the Governor of Karnataka makes the following rules, namely:

1 Short title and commencement

- 1.1 These Rules may be called the State Highways (Collection of Toll by Concessionaires) Rules, 20**.
- 1.2 These Rules shall come into force on the date of their publication in the Official Gazette and shall apply to all concessions granted by the State Government after such date.

2 Definitions

2.1 In these Rules, unless the context otherwise requires,-

- (a) "bridge" means and includes any bridge, road overbridge or underbridge which is constructed, operated or maintained under a concession agreement;
- (b) "bus" means any passenger motor vehicle with a gross vehicle weight exceeding 12,000 (twelve thousand) kilograms;
- (c) "bypass" means and includes a bypass on a project Highway which is constructed, operated or maintained under a concession agreement;
- (d) "car" means and includes any motor transport vehicle, car, jeep, van or omnibus with a gross vehicle weight not exceeding 7500 (seven thousand five hundred) kilograms, but does not include a three-wheeled motor vehicle, motor cycle, tractor or tractor with trailer;
- (e) "concession agreement" means an agreement entered into between the KRDC/L/PWP&I/WT and any person or persons for construction, operation or maintenance of a Project Highway, bypass or bridge at its cost and expense;
- (f) "concessionaire" means a person who has entered into a concession agreement with the KRDC/L/PWP&I/WT
- (g) "Government" means the Government of Karnataka;
- (h) "gross vehicle weight" or "GVW" means in respect of any vehicle the total weight of the vehicle and load certified and registered under the Motor Vehicles Act, 1988;

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- (i) "heavy truck" means any goods carrier with a gross vehicle weight exceeding 20,000 (twenty thousand) kilograms and includes a truck with three to six axles and earth moving equipment;
- (j) "light commercial vehicle" or "LCV" means any passenger vehicle or goods carrier with a Gross Vehicle Weight exceeding 7,500 (seven thousand five hundred) kilograms and includes a tractor with trailer but does not include a tractor, bus, truck or heavy truck;
- (k) "local traffic" means the traffic on account of commuting by a private car between a rural area and its nearest city or town by means of the project highway; provided (i) such private car is owned by a person who resides in such rural area, (ii) such rural area is situated within a distance of 10 (ten) km from the toll plaza, and (iii) such rural area has no alternative road connecting such city or town. For the avoidance of doubt, a road that connects such rural area to its nearest city or town shall not be deemed to be an alternative road for purposes hereof if it increases the travel distance by more than 20% (twenty per cent) of the corresponding distance on the project highway;
- (l) "local commercial traffic" means the traffic on account of commuting by a car, LCV, bus or truck, as the case may be, between the toll plaza and any point situated within 20 (twenty) kilometers on either side of the toll plaza but does not include local traffic;
- (m) "oversized vehicle" means any goods carrier with seven or more axles;
- (n) "project highway" or "highway" shall mean any road or bypass that is constructed, operated or maintained under a concession agreement;
- (o) "road overbridge/underbridge" or "ROB/RUB" means and includes a road over bridge/under bridge that crosses above/under a railway track and which is constructed, operated or maintained under a concession agreement;
- (p) "toll" means the toll charge per kilometre or metre, as the case may be, payable by the user of a project Highway, bypass, bridge or road overbridge/ underbridge under these Rules;
- (q) "tractor" means a motor vehicle which is not itself constructed to carry any load other than the equipment used for the purpose of propulsion, but does not include a road roller;
- (r) "truck" means any goods carrier with a gross vehicle weight exceeding 12,000 (twelve thousand) kilograms and includes a road roller, but does not include a heavy truck;
- (s) "vehicle" means and includes a vehicle specified in Rule 4(1); and
- (t) "WPI" means the Wholesale Price Index as published by the Ministry of Industry, Government of India or any Index published in substitution thereof by the Government of India.

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3 Levy and collection of toll

There shall be levied and paid to the concessionaire a toll for every vehicle using a project Highway, bypass, bridge, ROB and RUB, as the case may be, which is constructed, operated or maintained by such concessionaire.

4 Basic toll rates for project Highway

4.1 Basic toll rates for the project Highway shall be as specified in Column (3) below.

Sl. No.	Category of Vehicle	Basic Toll Rates per Vehicle with effective from 28.01.2009 (in Rs. Per km & Per Trip)
(1)	(2)	(3)
1.	Car, passenger van or jeep	0.50
2.	Light Commercial Vehicle (LCV)	0.75
3.	Bus, Truck, Road Roller	1.50
4.	Heavy Truck (3 to 6 axles)	2.25
5.	Oversized vehicles	3.00

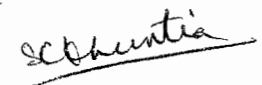
4.2 Basic toll rates for a two-lane bypass shall, in respect of all categories of vehicles, be 50 percent (fifty per cent) higher than the basic toll rates payable for project highways under these Rules.

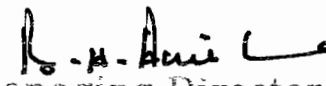
5 Basic toll rates for bridges and elevated roads

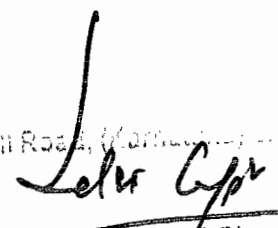
5.1 Basic toll rates for two-lane bridges and elevated roads shall, in respect of cars, be as follows:

Length of the Bridge	Basic Toll Rate (in Rs. Per trip per car)
50-100 metres	2.00
Subsequent 100 m or part thereof	2.00

5.2 Basic toll rates for two-lane bridges and elevated roads shall, in respect of other categories of vehicles (i.e. other than cars), be determined by increasing the basic toll rate set forth in Rule 5(1) pro-rata in the same proportion as the basic toll rate for cars specified in column 3 of the Table in Rule 4 bears to the basic toll rates for other vehicles specified in the said column 3.


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6 Basic toll rates for road overbridges/ underbridges (ROBs/RUBs)

- 6.1 Basic toll rates for two-lane road over bridges/ under bridges on/under railway tracks (ROBs/RUBs) shall, in respect of cars, be as follows:

Length of ROB/RUB	Basic Toll Rate (in Rs. Per trip per car)
50-100 metres	2.00
Subsequent 100 m or part thereof	0.50

- 6.2 Basic toll rates for two-lane ROBs/RUBs shall, in respect of other categories of vehicles (i.e. other than cars) be determined by increasing the basic toll rate set forth in Rule 6(1) pro-rata in the same proportion as the basic toll rate for cars specified in column 3 of the Table in Rule 4 bears to the basic toll rates for other vehicles specified in the said column 3.

7 Basic toll rates for four-lane highways, bypasses, bridges etc.

Basic toll rates referred to in Rules 4 to 6 shall be increased by 25% (twenty five per cent) thereof in case of a project highway, bypass, bridge or ROB/RUB that has a divided carriageway of four lanes.

8 Basic toll rates for stand alone bridges, bypasses, elevated roads etc.

The Government may, by notification, specify a higher basic toll rate for stand alone bridges, bypasses, elevated roads and expressways prior to award of concessions for such projects.

9 Annual revision of basic toll rates

- 9.1 The basic toll rates referred to in Rules 4 to 8 shall be increased annually by 3 percent (three per cent) thereof for a period of 15 (fifteen) successive years commencing from April 1, 2008. The first increase of 3 percent (three per cent) hereunder shall take effect on April 1, 2008, and the last and fifteenth such increase shall be affected on April 1, 2022.

Illustration:

For a project highway that is commissioned on April 1, 2009 the basic toll rate shall be 51.5 paise per car per km.

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9.2 In addition to the annual revision effected under relevant Rules of MCA (as applicable), the applicable basic toll rates shall be adjusted and revised annually on April 1 of each year to reflect the variation in WPI occurring between January 1, 2007 and January 1 of the year in which such revision is undertaken. The revision for each project highway, bypass, bridge, ROB and RUB shall be undertaken as follows:

- (a) On the 1st April immediately preceding the completion of a project highway, bypass, bridge, ROB or RUB, as the case may be, (the "date of revision"), the basic toll rates, as applicable under relevant Rules of MCA, shall be adjusted and revised for such project highway, bypass, bridge, ROB or RUB, as the case may be, to reflect the variation in WPI occurring between January 1, 2007 and January 1 immediately preceding the date of revision hereunder. The formula for determining the basic toll charge payable by a user of such project highway, bypass, bridge, ROB or RUB as the case may be, (the "basic toll charge") shall be as follows:

$$\text{Basic toll charge} = \text{Base toll rate} \times \frac{\text{WPI}^* \text{A}}{\text{WPI}^* \text{B}}$$

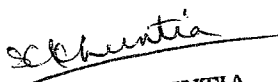
Where,


Basic toll rate is the applicable basic toll rate on the date of revision specified in this sub-rule (a);

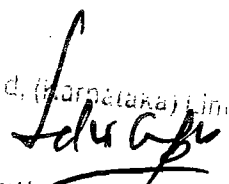
*WPI*A* is the WPI on January 1 immediately preceding the date of revision specified in this sub-rule (a); and *WPI*B* is the WPI as on January 1, 2007

Illustration :-

For a project highway that is commissioned on April 1, 2008, the toll charge shall, assuming an inflation of (say) 5 percent (five per cent) in WPI between January 1, 2007 and January 1, 2008, be a sum of (i) the basic toll rate as on April 1, 2007 i.e. 51.5 paise; and (ii) inflation of 5 percent (five per cent) on 50 paise, i.e. 2.5 paise. The toll charge as on April 1, 2008 shall thus be 54 paise per car per km.


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- (b) For the period subsequent to the date of revision under sub-rule (a) above, the annual revision on account of inflation shall be restricted to 40 percent (forty per cent) of the rate of inflation occurring after the revision under sub-rule (a) above and such revision shall be effected on April 1 every year. The formula for determining the toll charge under this sub-rule (b) shall be as follows:

$$\text{Toll Charge} = b + (c-d) + \left[\frac{b \frac{WPI * C}{WPI * A} - b}{1} \right] \times 0.4$$

Where,

- b* is the Basic toll charge determined for the respective project highway, bypass, bridge, ROB or RUB, as the case may be, as per sub-rule (a) above;
c is the Basic toll rate as on April 1 of the year of revision;
d is the Basic toll rate that formed part of the basic toll charge computed under sub-rule (a) above;
WPI*C is the WPI as on January 1 of the year of revision; and
WPI*A is the WPI computed as such under sub-rule (a) above.

Illustration:

For a highway commissioned on April 1, 2008, the annual revision on April 1, 2009 shall be the sum of (i) Basic toll charge as on April 1, 2008 under Rule 9(2)(a) above, i.e 54 paise, (ii) annual increase of 1.5 paise under Rule 9(1)); and (in) assuming on inflation of 5 percent (five per cent) in WPI between January 1, 2008 and January 1, 2009, 40 percent (forty per cent) of such inflation, i.e. 2 percent (two per cent) of (i) above, amounting to 1.08 paise. The Toll Charge as on April 1, 2009 shall thus be 56.58 paise per car per km.

- (c) In the event that a concession agreement stipulates two distinct phases of construction and the second phase thereof includes (i) construction of a bypass, and/ or (ii) widening of the carriageway of project highway by 6 (six) metres or more (the "augmentation"), the toll charges to be levied and collected for such second phase shall be determined as follows:

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(i) Upon completion of augmentation and commissioning thereof for use of traffic, the toll charges shall be determined in accordance with the formula specified in sub-rule (a) above as if the date of revision thereunder is the 1st April that immediately precedes the date of such commissioning.

(ii) Subsequent annual revisions hereunder shall be determined in accordance with sub-rule (b) of this Rule 9(2) as if the Basic Toll Charge thereunder is the amount determined under sub-rule (i) hereinabove.

9.3 Notwithstanding anything to the contrary contained herein, if revision of toll charges shall fall due before completion of 6 (six) months from the date on which such toll charges were levied and collected, such revision shall be kept in abeyance until the completion of the aforesaid 6 (six) months.

10 Combined toll collection for project highways and bridges

Notwithstanding anything to the contrary contained in Rules 4 to 9, where any bridge, bypass, ROB or RUB, as the case may be, forms part of a project highway on which toll charges are being levied and collected pursuant hereto, the applicable toll charges for such bridge, bypass, ROB or RUB shall be reduced by 20 percent (twenty per cent) and added to the toll charges levied and collected for such project highway. A similar reduction shall be effected where a bridge, ROB or RUB, as the case may be, forms part of a bypass:

Provided, however, that no minimum toll charges shall be levied on a bridge, ROB or RUB that is combined with a project highway or bypass hereunder.

11 Peak and off-peak toll charge

11.1 Every concessionaire may, at any time April 1, 2010, but after obtaining prior written approval of the Government, which approval the Government may in its discretion deny, levy and collect a higher and discounted toll charge (the "differential toll charge") for use of the project highway, bypass, bridge, ROB or RUB, as the case may be, during peak and off-peak hours respectively in accordance with this Rule 11:

Provided, however, that such differential toll charge shall not apply to local traffic and to frequent users availing of a lower toll charge under Rule 16.

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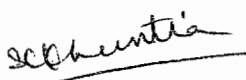
- 11.2 Each such concessionaire shall for this purpose designate not more than six hours in a day as peak hours and a period equal to twice the peak hours as off-peak hours. During peak hours, a concessionaire may levy and collect a premium of upto 25 percent (twenty-five per cent) on the applicable Toll Charges or such higher premium as the State Government may by order permit. Simultaneously, with levy of such premium for peak hours, such concessionaire shall offer a discount during off-peak hours at a rate equal to twice the premium for peak hours. For the avoidance of doubt, the determination of differential fee shall be with reference to the time of entry of a user at the toll plaza of the project highway or the bridge, as the case may be.
- 11.3 If the determination and collection of differential toll charges results in an increase in the toll revenues of the concessionaire, then 80 percent (eighty per cent) of the additional revenue in each year resulting from the differential toll charges shall be deposited in a separate fund to be specified by the Government and deployed for providing such additional facilities for users of the project highway, bypass, bridge, ROB or RUB, as the case may be, as the Government may specify under the respective concession agreement. For the purposes of this Rule 11(3), additional revenue from differential toll charges shall mean the gross amount collected at differential toll charges pursuant to this Rule 11, less gross revenues which would have been collected at the applicable toll charges on footing that the option to levy and collect differential toll charges pursuant to this Rule 11 has not been exercised by the concessionaire.

12 Toll collection points (toll plazas)

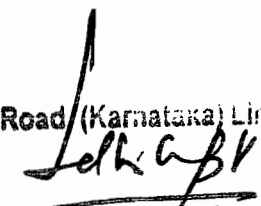
- 12.1 For collection of toll charges under these Rules, the concessionaire shall establish and operate toll collection points (the "toll plazas") in accordance with the provisions of the respective concession agreement:

Provided, however, that the distance between two toll plazas located in the same direction on a project highway, not being a toll plaza on a bypass, bridge, ROB or RUB, shall not be less than 40 (forty) Km:

Provided further that a toll plaza set up for collection of toll charges on a project highway shall, as far as possible, be located beyond 10 (ten) km, from the municipal boundaries of a city or town situated on such project highway.


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- 12.2 The concessionaire may in its discretion set up additional toll collection points and entry barriers on the project highway for the purpose of checking vehicles that may be using approach roads to the project highway for evasion of toll charges payable under these Rules:


Provided that no such additional toll collection points or entry barriers shall be set up beyond a distance of about 10 (ten) km on either side of a toll plaza.

13 Exempted Vehicles

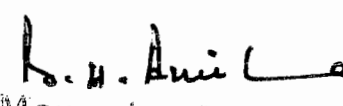
Vehicle specified in the Schedule shall be exempt from payment of toll.

14 Exemption for Local Traffic

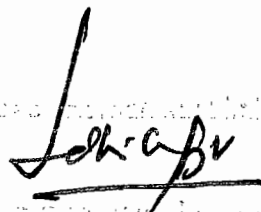
- 14.1 No toll charges shall be levied or collected from a vehicle that uses part of the project highway and does not cross a toll plaza.
- 14.2 Local traffic shall be entitled to ply on the project highway, bypass or bridge, as the case may be, and cross the toll plaza on production of a monthly pass to be issued by the concessionaire on payment of a monthly fee of Rs. 100 (Rs. one hundred only); provided that the monthly fee shall be revised annually to reflect the variation in WPI as compared to January 1, 2007 and then rounded off to the nearest ten rupees.
- 14.3 The concessionaire shall issue a monthly pass for local traffic on written request to be made by a local user and accompanied by (a) proof of residence such as a certificate from the Tehsildar/ Naib Tehsildar/ Block Development and Panchayat Officer or a ration card or voter identification card, and (b) the registration papers of the personal car for which such pass is required. Only a car registered in the name of the local user and bearing the address as specified in the aforesaid proof of residence shall be eligible for a monthly pass. Upon presentation of the proof of residence and the registration papers, the concessionaire shall retain a photocopy thereof and return the original documents forthwith.
- 14.4 Notwithstanding anything contained in these Rules, in the event of construction of service lanes for free use by local traffic, motorcycles and tractors, such traffic/ vehicles shall be liable to pay toll for use of the main carriageway.


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15 Discounted rates for local commercial traffic

- 15.1** ~~Local commercial traffic shall be entitled to ply on the project highway, bypass or bridge, as the case may be, and cross the toll plaza on production of a monthly pass to be issued by the concessionaire on payment of a monthly fee equal to 30 (thirty) one-way trips per calendar month for the respective vehicle calculated as if the length of the project highway were equal to the distance between the originating point of the project highway before the toll plaza and the point 20 (twenty) kilometres from the toll plaza.~~

16 Discounted rates for frequent users

- 16.1** A frequent user, who shall purchase coupons/tickets for 50 (fifty) or more one-way trips to be undertaken by the same vehicle within the calendar month of the date of such purchase, shall be entitled to a discount of 33.3 percent (thirty three point three per cent) i.e. one-third on the toll charges payable for such vehicle.
- 16.2** Upon request from any person, the concessionaire shall issue a return coupon/ticket on payment of a sum equal to 150 percent (one hundred and fifty per cent) of the toll charges payable for the respective vehicle if it were to undertake a single one-way trip on the project highway, bypass, bridge or ROB/RUB, as the case may be. Such return pass shall entitle the specified vehicle to undertake a return journey on the same day as the outward journey.

17 Additional charge for evasion of toll charges

The concessionaire shall be entitled to levy and collect an additional sum equal to the applicable toll charges from a person found to be evading payment thereof. Such additional sum shall be deemed to be predetermined liquidated damages for attempt to make unauthorised use of a project highway, bypass, bridge or ROB/RUB, as the case may be, without payment of toll charges due and payable under these Rules.

18 Additional toll charges for overloading

- 18.1** Without prejudice to the liability of the vehicle owner/operator under any law for the time being in force, the concessionaire shall be entitled to levy an additional toll charge (the "additional toll charge") on overloaded vehicles which have used whole or part of the project highway. Such additional toll charge shall not exceed 50 percent (fifty per cent) of the applicable toll charges in case the overloading is between 10 percent (ten percent) and 20 percent (twenty percent) of the permissible load of the vehicle. The additional toll charge for overloading beyond such 20 percent (twenty percent) shall not exceed 100 percent (one hundred percent) of the applicable toll charges.

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18.2 The additional toll charge levied hereunder shall be deemed to be a toll within the meaning of these Rules; provided that payment of such charge will not be deemed to compound the offence of overloading; provided further that upon detection of overloading, the concessionaire shall prevent the vehicle from using the project highway, until the excess load has been removed from the vehicle.

18.3 The weight of a vehicle as recorded at a weighbridge installed at the toll plaza shall be the basis for levying the additional toll charge under this Rule 18:

Provided, however, where no weighbridge has been installed at the toll plaza, no additional toll charge on over loaded vehicles shall be levied and collected.

19 Rounding off of toll charges

Toll charges to be collected from each vehicle under these Rules shall be rounded off to the nearest Rupee.

20 Commencement of tolling

Levy and collection of toll shall commence upon completion/ provisional completion of construction of the project highway, bypass, bridge or ROB/RUB, as the case may be, in accordance with the provisions of the respective concession agreement.

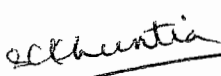
21 Display of toll charges

21.1 The concessionaire shall, near the entry point of the project highway or bypass, as the case may be, and near the toll plaza, prominently display the applicable toll charges for information of users approaching from either side of the project highway, bypass, bridge or ROB/RUB, as the case may be.

21.2 The concessionaire shall from time to time, by written notice, inform NHAI of the applicable toll charges and the detailed calculation thereof. Such information shall be communicated at least 30 days prior to the date of levy of toll charges or revision thereof, as they case may be.

22 Unauthorised collection

22.1 In the event that a concessionaire collects from any person a sum of money not due and payable hereunder, the concessionaire shall be liable to refund to such person forthwith the amount so collected along with a sum computed @ 3 percent (three per cent) of the amount so collected, for each day from the date of collection till the date of refund, by way of damages.


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In the event that such amount together with damages computed in the manner as aforesaid is not paid to such person for any reason whatsoever, the same shall be deposited with the Government within a period of 15 (fifteen) days from the date of such collection.

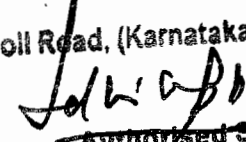
- 22.2 Any dispute relating to amounts payable by the concessionaire under Rule 22(1) shall be settled by the Executive Engineer having jurisdiction over the project highway, bypass, bridge, ROB or RUB, as the case may be, by an order in writing and appeal, if any, against such order shall lie with the Superintendent Engineer having jurisdiction over the project highway, bypass, bridge, ROB or RUB, as the case may be.
- 22.3 Any person aggrieved in connection with the collection of toll may lodge a complaint to the Executive Engineer having jurisdiction over the project highway, bypass, bridge, ROB or RUB, as the case may be. The Executive Engineer shall pass orders on such complaint within a period of 15 (fifteen) days and appeal, if any, against such order shall lie with the Superintendent Engineer having jurisdiction over the project highway, bypass, bridge, ROB or RUB, as the case may be.

23 Repeal

The ***** Rules are hereby repealed.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

SCHEDULE
(Refer Rule 13)

The following categories of vehicle shall be exempted from payment of Toll Charges:-

- (a) Official vehicles transporting and accompanying the President of India, Vice President of India, Prime Minister of India, Chief Justice of the Supreme Court, Union Ministers, Governors, Lt. Governors, Chief Ministers, Presiding Officers and Leaders of Opposition of the Central and the State legislatures, Judges of the Supreme Court, Chief Justices of the High Courts, Ministers of the State Government, Judges of the Supreme Court and High Court having jurisdiction and foreign dignitaries on state visit;
- (b) Official vehicles of Central and State armed forces in uniform including para military forces and police, and of Executive Magistrates;
- (c) Ambulances, fire tenders and funeral vans; and
- (d) Vehicles of persons using the highway for inspection, survey, construction, or operation and maintenance thereof.

**Secretary to Government,
Public Works Port
& Inland Water Transport Department**

sc khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government,
Public Works, Ports and Inland Water
Transport Department

H. H. Anil
Managing Director
KPDOL

[Signature]
Abhijeet Toll Road (Karnataka) Limited
Authorised Signatory

SCHEDULE -S
(See Clause 31.1.2)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is entered into on this the *** day of *** 20**.

AMONGST

- 1 [**** Limited], a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at **** (hereinafter referred to as the "**Concessionaire**" which expression shall, unless repugnant to the context or meaning thereof, include its successors, permitted assigns and substitutes);
- 2 ****[name and particulars of Lenders' Representative] and having its registered office at *** acting for and on behalf of the Senior Lenders as their duly authorised agent with regard to matters arising out of or in relation to this Agreement (hereinafter referred to as the "**Lenders' Representative**" which expression shall, unless repugnant to the context or meaning thereof, include its successors and substitutes);
- 3 ****[name and particulars of the Escrow Bank] and having its registered office at **** (hereinafter referred to as the "**Escrow Bank**" which expression shall, unless repugnant to the context or meaning thereof, include its successors and substitutes);
and
- 4 The Governor of Karnataka, represented by Secretary, Public Works Department and having its principal offices at Bangalore (hereinafter referred to as the " KRDCL/PWP&IWTD " which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns).

WHEREAS:

- (A) The KRDCL/PWP&IWTD has entered into a Concession Agreement dated *** with the Concessionaire (the "**Concession Agreement**"), for Project Highway of Chikkanayakanahalli-Tiptur-Hassan road in the State on Build, Operate and Transfer (BOT) basis, and a copy of which is annexed hereto and marked as Part I to form part of this Agreement.
- (B) Senior Lenders have agreed to finance the Project in accordance with the terms and conditions set forth in the Financing Agreements.
- (C) The Concession Agreement requires the Concessionaire to establish an Escrow Account, inter alia, on the terms and conditions stated therein.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil Kumar
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Abhijeet
Authorised Signatory

NOW IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

"**Agreement**" means this Escrow Agreement and any amendment thereto made in accordance with the provisions contained herein;

"**Concession Agreement**" means the Concession Agreement referred to in Recital (A) above and annexed hereto as Part I, and shall include all of its Recitals and Schedules and any amendments made thereto in accordance with the provisions contained in this behalf therein;

"**Cure Period**" means the period specified in this Agreement for curing any breach or default of any provision of this Agreement by the Concessionaire, and shall commence from the date on which a notice is delivered by the Government/Concessioneing Authority or the Lenders' Representative, as the case may be, to the Concessionaire asking the latter to cure the breach or default specified in such notice;

"**Escrow Account**" means an escrow account established in terms of and under this Agreement, and shall include the Sub-Accounts;

"**Escrow Default**" shall have the meaning ascribed thereto in Clause 6.1;

"**Lenders' Representative**" means the person referred to as the Lenders' Representative in the foregoing Recitals;

"**Parties**" means the parties to this Agreement collectively and "**Party**" shall mean any of the Parties to this Agreement individually;

"**Payment Date**" means, in relation to any payment specified in Clause 4.1, the date(s) specified for such payment; and

"**Sub-Accounts**" means the respective Sub-Accounts of the Escrow Account, into which the monies specified in Clause 4.1 would be credited every month and paid out if due, and if not due in a month then appropriated proportionately in such month and retained in the respective Sub Accounts and paid out therefrom on the Payment Date(s).

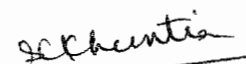
1.2 Interpretation

1.2.1 References to Lenders' Representative shall, unless repugnant to the context or meaning thereof, mean references to the Lenders' Representative, acting for and on behalf of Senior Lenders.

1.2.2 The words and expressions beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein, and the words and expressions used in this Agreement and not defined herein but defined in the Concession Agreement shall, unless repugnant to the context, have the meaning ascribed thereto in the Concession Agreement.

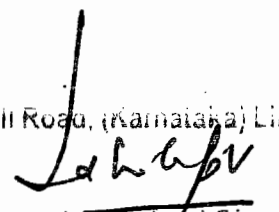
1.2.3 References to Clauses are, unless stated otherwise, references to Clauses of this Agreement.

1.2.4 The rules of interpretation stated in Clauses 1.2, 1.3 and 1.4 of the Concession Agreement shall apply, *mutatis mutandis*, to this Agreement.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. A. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited


Authorised Signatory

2 ESCROW ACCOUNT

2.1 Escrow Bank to act as trustee

2.1.1 The Concessionaire hereby appoints the Escrow Bank to act as trustee for the KRDCL/PWP&IWTD, the Lenders' Representative and the Concessionaire in connection herewith and authorises the Escrow Bank to exercise such rights, powers, authorities and discretion as are specifically delegated to the Escrow Bank by the terms hereof together with all such rights, powers, authorities and discretion as are reasonably incidental hereto, and the Escrow Bank accepts such appointment pursuant to the terms hereof.

2.1.2 The Concessionaire hereby declares that all rights, title and interest in and to the Escrow Account shall be vested in the Escrow Bank and held in trust for the KRDCL/PWP&IWTD, the Lenders' Representative and the Concessionaire, and applied in accordance with the terms of this Agreement. No person other than the KRDCL/PWP&IWTD, the Lenders' Representative and the Concessionaire shall have any rights hereunder as the beneficiaries of, or as third party beneficiaries under this Agreement.

2.2 Acceptance of Escrow Bank

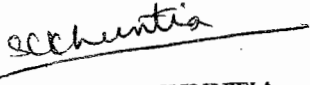
The Escrow Bank hereby agrees to act as such and to accept all payments and other amounts to be delivered to and held by the Escrow Bank pursuant to the provisions of this Agreement. The Escrow Bank shall hold and safeguard the Escrow Account during the term of this Agreement and shall treat the amount in the Escrow Account as monies deposited by the Concessionaire, Senior Lenders or the KRDCL/PWP&IWTD with the Escrow Bank. In performing its functions and duties under this Agreement, the Escrow Bank shall act in trust for the benefit of, and as agent for, the KRDCL/PWP&IWTD, the Lenders' Representative and the Concessionaire or their nominees, successors or assigns, in accordance with the provisions of this Agreement.

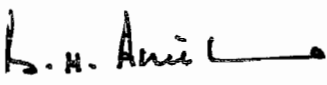
2.3 Establishment and operation of Escrow Account

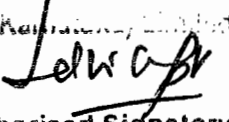
2.3.1 Within 30 (thirty) days from the date of this Agreement, and in any case prior to the Appointed Date, the Concessionaire shall open and establish the Escrow Account with the **** (name of Branch) Branch of the Escrow Bank. The Escrow Account shall be denominated in Rupees.

2.3.2 The Escrow Bank shall maintain the Escrow Account in accordance with the terms of this Agreement and its usual practices and applicable regulations, and pay the maximum rate of interest payable to similar customers on the balance in the said account from time to time.

2.3.3 The Escrow Bank and the Concessionaire shall, after consultation with the Lenders' Representative, agree on the detailed mandates, terms and conditions, and operating procedures for the Escrow Account, but in the event of any conflict or inconsistency between this Agreement and such mandates, terms and conditions, or procedures, this Agreement shall prevail.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (KRDCL/Abhijeet Toll Road)

Authorised Signatory

2.4 Escrow Bank's fee

~~The Escrow Bank shall be entitled to receive its fee and expenses in an amount, and at such times, as may be agreed between the Escrow Bank and the Concessionaire. For the avoidance of doubt, such fee and expenses shall form part of the O&M Expenses and shall be appropriated from the Escrow Account in accordance with Clause 4.1.~~

2.5 Rights of the parties

The rights of the KRDCL/PWP&IWTD, the Lenders' Representative and the Concessionaire in the monies held in the Escrow Account are set forth in their entirety in this Agreement and the KRDCL/PWP&IWTD, the Lenders' Representative and the Concessionaire shall have no other rights against or to the monies in the Escrow Account.

2.6 Substitution of the Concessionaire

The Parties hereto acknowledge and agree that upon substitution of the Concessionaire with the Nominated Company, pursuant to the Substitution Agreement, it shall be deemed for the purposes of this Agreement that the Nominated Company is a Party hereto and the Nominated Company shall accordingly be deemed to have succeeded to the rights and obligations of the Concessionaire under this Agreement on and with effect from the date of substitution of the Concessionaire with the Nominated Company.


3 DEPOSITS INTO ESCROW ACCOUNT

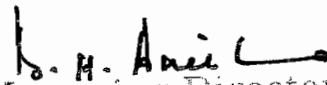
3.1 Deposits by the Concessionaire

3.1.1 The Concessionaire agrees and undertakes that it shall deposit into and/or credit the Escrow Account with:

- (a) all monies received in relation to the Project from any source, including the Senior Lenders, lenders of Subordinated Debt and the KRDCL/PWP&IWTD;
- (b) all funds received by the Concessionaire from its share-holders, in any manner or form;
- (c) all Fee levied and collected by the Concessionaire;
- (d) any other revenues from or in respect of the Project Highway; and
- (e) all proceeds received pursuant to any insurance claims.

3.1.2 The Concessionaire may at any time make deposits of its other funds into the Escrow Account, provided that the provisions of this Agreement shall apply to such deposits.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Waterways
Transport Department


H. H. Anil
Managing Director
KRDCL


Abhijeet Toll Road (Karnataka) Limited
Authorised Signatory

3.2 Deposits by the Government/Concessioneing Authority

~~The KRDCL/PWP&IWTD agrees and undertakes that, as and when due and payable, it shall~~
deposit into and/or credit the Escrow Account with:

- (a) Grant and any other monies disbursed by the KRDCL/PWP&IWTD to the Concessionaire;
- (b) Revenue Shortfall Loan;
- (c) all Fee collected by the KRDCL/PWP&IWTD in exercise of its rights under the Concession Agreement; and
- (d) Termination Payments:

Provided that the KRDCL/PWP&IWTD shall be entitled to appropriate from the aforesaid amounts, any Concession Fee due and payable to it by the Concessionaire, and the balance remaining shall be deposited into the Escrow Account.

3.3 Deposits by Senior Lenders

The Lenders' Representative agrees, confirms and undertakes that the Senior Lenders shall deposit into and/or credit the Escrow Account with all disbursements made by them in relation to or in respect of the Project; provided that notwithstanding anything to the contrary contained in this Agreement, the Senior Lenders shall be entitled to make direct payments to the EPC Contractor under and in accordance with the express provisions contained in this behalf in the Financing Agreements.

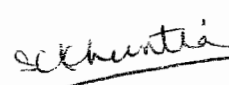
3.4 Interest on deposits

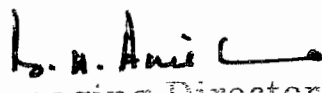
The Escrow Bank agrees and undertakes that all interest accruing on the balances of the Escrow Account shall be credited to the Escrow Account; provided that the Escrow Bank shall be entitled to appropriate there from the fee and expenses due to it from the Concessionaire in relation to the Escrow Account and credit the balance remaining to the Escrow Account.

4 WITHDRAWALS FROM ESCROW ACCOUNT

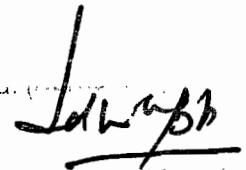
4.1 Withdrawals during Concession Period

- 4.1.1 At the beginning of every month, or at such shorter intervals as the Lenders' Representative and the Concessionaire may by written instructions determine, the Escrow Bank shall withdraw amounts from the Escrow Account and appropriate them in the following order by depositing such amounts in the relevant Sub-Accounts for making due payments, and if such payments are not due in any month, then retain such monies in such Sub-Accounts and pay out therefrom on the Payment Date(s):


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


L. N. Anil
Managing Director
KRDCL

Abhijeet Toli Road,


Authorised Signatory

- (a) all taxes due and payable by the Concessionaire;
- (b) ~~all payments relating to construction of the Project Highway, subject to and in accordance with the conditions, if any, set forth in the Financing Agreements;~~
- (c) O&M Expenses, subject to the ceiling, if any, set forth in the Financing Agreements;
- (d) O&M Expenses incurred by the KRDCL/PWP&IWTD, provided it certifies to the Escrow Bank that it had incurred such expenses in accordance with the provisions of the Concession Agreement and that the amounts claimed are due to it from the Concessionaire;
- (e) Concession Fee due and payable to the KRDCL/PWP&IWTD;
- (f) monthly proportionate provision of Debt Service due in an Accounting Year;
- [(g) Premium due and payable to the KRDCL/PWP&IWTD;]
- (h) all payments and Damages certified by the KRDCL/PWP&IWTD as due and payable to it by the Concessionaire pursuant to the Concession Agreement, including repayment of Revenue Shortfall Loan;
- (i) debt service payments in respect of Subordinated Debt;
- (j) any reserve requirements set forth in the Financing Agreements; and
- (k) balance, if any, in accordance with the instructions of the Concessionaire.

4.1.2 Not later than 60 (sixty) days prior to the commencement of each Accounting Year, the Concessionaire shall provide to the Escrow Bank, with prior written approval of the Lenders' Representative, details of the amounts likely to be required for each of the payment obligations set forth in this Clause 4.1; provided that such amounts may be subsequently modified, with prior written approval of the Lenders' Representative, if fresh information received during the course of the year makes such modification necessary.

4.2 Withdrawals upon Termination

Upon Termination of the Concession Agreement, all amounts standing to the credit of the Escrow Account shall, notwithstanding anything in this Agreement, be appropriated and dealt with in the following order:

- (a) all taxes due and payable by the Concessionaire;
- (b) 90% (ninety per cent) of Debt Due excluding Subordinated Debt;
- (c) outstanding Concession Fee;
- (d) all payments and Damages certified by the KRDCL/PWP&IWTD as due and payable to it by the Concessionaire pursuant to the Concession Agreement, including [Premium,] repayment of Revenue Shortfall Loan and any claims in connection with or arising out of Termination;
- (e) retention and payments arising out of, or in relation to, liability for defects and deficiencies set forth in Article 39 of the Concession Agreement;
- (f) outstanding Debt Service including the balance of Debt Due;

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SUBHASH C. KHUNTIA
 Principal Secretary to Government
 Public Works, Ports and Inland Water
 Transport Department

B. H. Anil
B. H. Anil
 Managing Director
 KRDCL

Abhijeet Toll Road, (Karnataka) Limited
[Signature]
 Authorised Signatory

- (g) outstanding Subordinated Debt;
- (h) incurred or accrued O&M Expenses;
- (i) any other payments required to be made under the Concession Agreement; and
- (j) balance, if any, in accordance with the instructions of the Concessionaire:

Provided that the disbursements specified in Sub-clause (j) of this Clause 4.2 shall be undertaken only after the Vesting Certificate has been issued by the KRDCL/PWP&IWD.

4.3 Application of insufficient funds

Funds in the Escrow Account shall be applied in the serial order of priority set forth in Clauses 4.1 and 4.2, as the case may be. If the funds available are not sufficient to meet all the requirements, the Escrow Bank shall apply such funds in the serial order of priority until exhaustion thereof.

4.4 Application of insurance proceeds

Notwithstanding anything in this Agreement, the proceeds from all insurance claims, except life and injury, shall be deposited into and/or credited to the Escrow Account and utilised for any necessary repair, reconstruction, reinstatement, replacement, improvement, delivery or installation of the Project Highway, and the balance remaining, if any, shall be applied in accordance with the provisions contained in this behalf in the Financing Agreements.

4.5 Withdrawals during Suspension

Notwithstanding anything to the contrary contained in this Agreement, the KRDCL/PWP&IWD may exercise all or any of the rights of the Concessionaire during the period of Suspension under Article 36 of the Concession Agreement. Any instructions given by the KRDCL/PWP&IWD to the Escrow Bank during such period shall be complied with as if such instructions were given by the Concessionaire under this Agreement and all actions of the KRDCL/PWP&IWD hereunder shall be deemed to have been taken for and on behalf of the Concessionaire.

5 OBLIGATIONS OF THE ESCROW BANK

5.1 Segregation of funds

Monies and other property received by the Escrow Bank under this Agreement shall, until used or applied in accordance with this Agreement, be held by the Escrow Bank in trust for the purposes for which they were received, and shall be segregated from other funds and property of the Escrow Bank.

5.2 Notification of balances

7 (seven) business days prior to each Payment Date (and for this purpose the Escrow Bank shall be entitled to rely on an affirmation by the Concessionaire and/or the Lenders' Representative as to the relevant Payment Dates), the Escrow Bank shall notify the Lenders' Representative of the balances in the Escrow Account and Sub-Accounts as at the close of business on the immediately preceding business day.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Waterways
Transport Department

R. K. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Abhijeet
Authorised Signatory

5.3 Communications and notices

In discharge of its duties and obligations hereunder, the Escrow Bank:

- (a) may, in the absence of bad faith or gross negligence on its part, rely as to any matters of fact which might reasonably be expected to be within the knowledge of the Concessionaire upon a certificate signed by or on behalf of the Concessionaire;
- (b) may, in the absence of bad faith or gross negligence on its part, rely upon the authenticity of any communication or document believed by it to be authentic;
- (c) shall, within 5 (five) business days after receipt, deliver a copy to the Lenders' Representative of any notice or document received by it in its capacity as the Escrow Bank from the Concessionaire or any other person hereunder or in connection herewith; and
- (d) shall, within 5 (five) business days after receipt, deliver a copy to the Concessionaire of any notice or document received by it from the Lenders' Representative in connection herewith.

5.4 No set off

The Escrow Bank agrees not to claim or exercise any right of set off, banker's lien or other right or remedy with respect to amounts standing to the credit of the Escrow Account. For the avoidance of doubt, it is hereby acknowledged and agreed by the Escrow Bank that the monies and properties held by the Escrow Bank in the Escrow Account shall not be considered as part of the assets of the Escrow Bank and being trust property, shall in the case of bankruptcy or liquidation of the Escrow Bank, be wholly excluded from the assets of the Escrow Bank in such bankruptcy or liquidation.

5.5 Regulatory approvals

The Escrow Bank shall use its best efforts to procure, and thereafter maintain and comply with, all regulatory approvals required for it to establish and operate the Escrow Account. The Escrow Bank represents and warrants that it is not aware of any reason why such regulatory approvals will not ordinarily be granted to the Escrow Bank.

6 ESCROW DEFAULT

6.1 Escrow Default

6.1.1 Following events shall constitute an event of default by the Concessionaire (an "Escrow Default") unless such event of default has occurred as a result of Force Majeure or any act or omission of the KRDC/L/PWP&IWTD or the Lenders' Representative:

- (a) the Concessionaire commits breach of this Agreement by failing to deposit any receipts into the Escrow Account as provided herein and fails to cure such breach by depositing the same into the Escrow Account within a Cure Period of 5 (five) business days;
- (b) the Concessionaire causes the Escrow Bank to transfer funds to any account of the Concessionaire in breach of the terms of this Agreement and fails to cure such breach by depositing the relevant funds into the Escrow Account or any Sub-Account in which such transfer should have been made, within a Cure Period of 5 (five) business days; or
- (c) the Concessionaire commits or causes any other breach of the provisions of this Agreement and fails to cure the same within a Cure Period of 5 (five) business days.

6.1.2 Upon occurrence of an Escrow Default, the consequences thereof shall be dealt with under and in accordance with the provisions of the Concession Agreement.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director
KRDC/L

Abhijeet Toll Road (Karnataka) Limited

Adhish
Authorised Signatory

7 TERMINATION OF ESCROW AGREEMENT

7.1 Duration of the Escrow Agreement

This Agreement shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the Concessionaire in respect of the debt, guarantee or financial assistance received by it from the Senior Lenders, or any of its obligations to the KRDCL/PWP&IWTD remain to be discharged, unless terminated earlier by consent of all the Parties or otherwise in accordance with the provisions of this Agreement.

7.2 Substitution of Escrow Bank

The Concessionaire may, by not less than 45 (forty five) days prior notice to the Escrow Bank, the KRDCL/PWP&IWTD and the Lenders' Representative, terminate this Agreement and appoint a new Escrow Bank, provided that the new Escrow Bank is acceptable to the Lenders' Representative and arrangements are made satisfactory to the Lenders' Representative for transfer of amounts deposited in the Escrow Account to a new Escrow Account established with the successor Escrow Bank.

The termination of this Agreement shall take effect only upon coming into force of an Escrow Agreement with the substitute Escrow Bank.

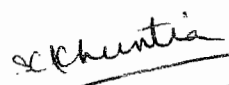
7.3 Closure of Escrow Account

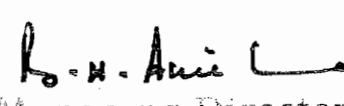
The Escrow Bank shall, at the request of the Concessionaire and the Lenders' Representative made on or after the payment by the Concessionaire of all outstanding amounts under the Concession Agreement and the Financing Agreements including the payments specified in Clause 4.2, and upon confirmation of receipt of such payments, close the Escrow Account and Sub-Accounts and pay any amount standing to the credit thereof to the Concessionaire. Upon closure of the Escrow Account hereunder, the Escrow Agreement shall be deemed to be terminated.

8 SUPPLEMENTARY ESCROW AGREEMENT

8.1 Supplementary escrow agreement

The Lenders' Representative and the Concessionaire shall be entitled to enter into a supplementary escrow agreement with the Escrow Bank providing, *inter alia*, for detailed procedures and documentation for withdrawals from Sub-Accounts pursuant to Clause 4.1.1 and for matters not covered under this Agreement such as the rights and obligations of Senior Lenders and lenders of Subordinated Debt, investment of surplus funds, restrictions on withdrawals by the Concessionaire in the event of breach of this Agreement or upon occurrence of an Escrow Default, procedures relating to operation of the Escrow Account and withdrawal therefrom, reporting requirements and any matters incidental thereto; provided that such supplementary escrow agreement shall not contain any provision which is inconsistent with this Agreement and in the event of any conflict or inconsistency between provisions of this Agreement and such supplementary escrow agreement, the provisions of this Agreement shall prevail.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water Transport Department


R. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road (Karnalanda) Limited

Authorised Signatory

9 INDEMNITY
9.1 General indemnity

9.1.1 The Concessionaire will indemnify, defend and hold the KRDCL/PWP&IWTD, Escrow Bank and the Senior Lenders, acting through the Lenders' Representative, harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of any breach by the Concessionaire of any of its obligations under this Agreement or on account of failure of the Concessionaire to comply with Applicable Laws and Applicable Permits.

9.1.2 The KRDCL/PWP&IWTD will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the KRDCL/PWP&IWTD to fulfil any of its obligations under this Agreement materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement or this Agreement other than any loss, damage, cost and expense arising out of acts done in discharge of their lawful functions by the KRDCL/PWP&IWTD, its officers, servants and agents.

9.1.3 The Escrow Bank will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Escrow Bank to fulfil its obligations under this Agreement materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Escrow Bank, its officers, servants and agents.

9.2. Notice and contest of claims

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 9.1 or in respect of which it is entitled to reimbursement (the "Indemnified Party"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "Indemnifying Party") within 15 (fifteen) days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

10 DISPUTE RESOLUTION

10.1 Dispute resolution

10.1.1 Any dispute, difference or claim arising out of or in connection with this Agreement, which is not resolved amicably, shall be decided finally by reference to arbitration to a Board of Arbitrators comprising one nominee of each Party to the dispute, and where the number of such nominees is an even number, the nominees shall elect another person to such Board. Such arbitration shall be held in accordance with the Rules of Arbitration of the International Centre for Alternate Dispute Resolution, New Delhi (the "Rules") or such other rules as may be mutually agreed by the Parties, and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.

10.1.2 The Arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The venue of arbitration shall be Bangalore and the language of arbitration shall be English.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water Transport Department

B. H. Anil
B. H. Anil
Managing Director
KRDCL

Abhijeet Toli Road (Karnataka) ...
Abhijeet Toli Road
Abhijeet Toli Road
Authorised Signatory

11. MISCELLANEOUS PROVISIONS

11.1 Governing law and jurisdiction

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the Courts at Bangalore shall have jurisdiction over all matters arising out of or relating to this Agreement.

11.2 Waiver of sovereign immunity

The KRDCL/PWP&IWTD unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Agreement constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the KRDCL/PWP&IWTD with respect to its assets;
- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

11.3 Priority of agreements

In the event of any conflict between the Concession Agreement and this Agreement, the provisions contained in the Concession Agreement shall prevail over this Agreement.

11.4 Alteration of terms

All additions, amendments, modifications and variations to this Agreement shall be effectual and binding only if in writing and signed by the duly authorised representatives of the Parties.

11.5 Waiver

11.5.1 Waiver by any Party of a default by another Party in the observance and performance of any provision of or obligations under this Agreement:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
- (b) shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- (c) shall not affect the validity or enforceability of this Agreement in any manner.

S. Khuntia
SUDHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

L. A. Anis
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Abhijeet
Authorised Signatory

11.5.2 Neither the failure by any Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by any Party to another Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

11.6 No third party beneficiaries

This Agreement is solely for the benefit of the Parties and no other person or entity shall have any rights hereunder.

11.7 Survival

11.7.1 Termination of this Agreement:

- (a) shall not relieve the Parties of any obligations hereunder which expressly or by implication survive termination hereof; and
- (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

11.7.2 All obligations surviving the cancellation, expiration or termination of this Agreement shall only survive for a period of 3 (three) years following the date of such termination or expiry of this Agreement.

11.8 Severability

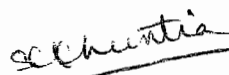
If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause 10.1 of this Agreement or otherwise.


11.9 Successors and assigns

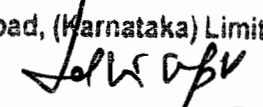
This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

11.10 Notices

All notices or other communications to be given or made under this Agreement shall be in writing and shall either be delivered personally or sent by courier or registered post with an additional copy to be sent by facsimile. The address for service of each Party and its facsimile number are set out under its name on the signing pages hereto. A notice shall be effective upon actual receipt thereof, save that where it is received after 5.30 (five thirty) p.m. on a business day, or on a day that is not a business day, the notice shall be deemed to be received on the first business day following the date of actual receipt. Without prejudice to the foregoing, a Party giving or making a notice or communication by facsimile shall promptly deliver a copy thereof personally, or send it


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


R. K. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

by courier or registered post to the addressee of such notice or communication. It is hereby agreed and acknowledged that any Party may by notice change the address to which such notices and communications to it are to be delivered or mailed. Such change shall be effective when all the Parties have notice of it.

11.11 Language

All notices, certificates, correspondence and proceedings under or in connection with this Agreement shall be in English.

11.12 Authorised representatives

Each of the Parties shall, by notice in writing, designate their respective authorised representatives through whom only all communications shall be made. A Party hereto shall be entitled to remove and/or substitute or make fresh appointment of such authorised representative by similar notice.

11.13 Original Document

This Agreement may be executed in four counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND
DELIVERED
For and on behalf of
CONCESSIONAIRE by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)

SIGNED, SEALED AND
DELIVERED
For and on behalf of
ESCROW BANK by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)

SIGNED, SEALED AND
DELIVERED
For and on behalf of
SENIOR LENDERS by the
Lenders' Representative:


(Signature)
(Name)
(Designation)
(Address)
(Fax No.)


SIGNED, SEALED AND
DELIVERED
For and on behalf of
GOVERNMENT OF KARNATAKA by:

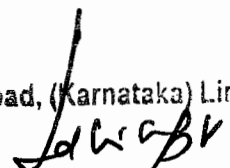
(Signature)
(Name)
(Designation)
(Address)
(Fax No.)

In the presence of:
1.

2.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

Authorised Signatory

SCHEDULE -T
(See Clause 33.2.1)

PANEL OF CHARTERED ACCOUNTANTS

1 Panel of Chartered Accountants

Pursuant to the provisions of Clause 33.2.1 of the Agreement, the Concesioning Authority and the Concessionaire shall prepare a mutually agreed panel of 10 (ten) reputable firms of Chartered Accountants having their registered offices in India (the "Panel of Chartered Accountants"). The criteria for preparing such Panel and the procedure to be adopted in this behalf shall be as set forth in this Schedule-T.

2 Invitation for empanelment

2.1 The Concesioning Authority shall invite offers from all reputable firms of Chartered Accountants who fulfil the following eligibility criteria, namely:

- (a) the firm should have conducted statutory audit of the annual accounts of at least one hundred companies registered under the Companies Act, 1956, of which at least ten should have been public sector undertakings;
- (b) the firm should have at least 5 (five) practising Chartered Accountants on its rolls, each with a minimum experience of ten years in the profession;
- (c) the firm or any of its partners should not have been disqualified or black-listed by the Comptroller and Auditor General of India or the Government; and
- (d) the firm should have an office in the State or in an adjacent State with at least 2 (two) practising Chartered Accountants on its rolls in such State.

2.2 Interested firms meeting the eligibility criteria shall be required to submit a statement of their capability including the bio-data of all the practising Chartered Accountants on its rolls. In particular, each firm shall be required to furnish year-wise information relating to the names of all the companies with an annual turnover exceeding Rs. 25,00,00,000 (Rs. twenty five crore) whose annual accounts were audited by such firm in any of the preceding 5 (five) Accounting Years.

3 Evaluation and selection

3.1 The information furnished by each firm shall be scrutinised and evaluated by the Concesioning Authority and 1 (one) point shall be awarded for each annual audit of the companies specified in Paragraph 2.2 above. (For the avoidance of doubt, a firm which has conducted audit of the annual accounts of any such company for five years shall be awarded five points).

3.2 The KRDCL/PWP&IWTD shall prepare a list of all the eligible firms along with the points scored by each such firm and 10 (ten) firms scoring the highest points shall be identified and included in the draft Panel of Chartered Accountants.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil
Managing Director
KRDCL

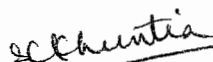
Abhiheet Toll Road, (Karnataka) Circle
[Signature]
Authorised Signatory


4 Consultation with the Concessionaire

The KRDCL/PWP&IWTD shall convey the aforesaid panel of firms to the Concessionaire for scrutiny and comments, if any. The Concessionaire shall be entitled to scrutinise the relevant records of the KRDCL/PWP&IWTD to ascertain whether the selection of firms has been undertaken in accordance with the prescribed procedure and it shall send its comments, if any, to the KRDCL/PWP&IWTD within 15 (fifteen) days of receiving the aforesaid panel.5

5 Mutually agreed panel

- 5.1 The KRDCL/PWP&IWTD shall, after considering all relevant factors including the comments, if any, of the Concesioning Authority, finalise and constitute a panel of 10 (ten) firms which shall be deemed to be the mutually agreed Panel of Chartered Accountants.
- 5.2 After completion of every five years from the date of preparing the mutually agreed Panel of Chartered Accountants, or such earlier period as may be agreed between the KRDCL/PWP&IWTD and the Concessionaire, a new panel shall be prepared in accordance with the provisions of this Schedule-T.


SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


R. N. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited


Authorised Signatory

SCHEDULE -U
(See Clause 38.3)

VESTING CERTIFICATE

1. The Governor of Karnataka represented by Principal Secretary, Public Works Ports & Inland Water Transport Department (the "KRDCL/PWP&IWTD") refers to the Concession Agreement dated *** (the "Agreement") entered into between the Concesioning Authority and **** (the "Concessionaire") for the project 'Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR and Partly SH)' in the state of Karnataka (the "Project Highway") on Build, Operate and Transfer ("BOT") basis.
2. The KRDCL/PWP&IWTD hereby acknowledges compliance and fulfilment by the Concessionaire of the Divestment Requirements set forth in Clause 38.1 of the Agreement on the basis that upon issue of this Vesting Certificate, the KRDCL/PWP&IWTD shall be deemed to have acquired, and all title and interest of the Concessionaire in or about the Project Highway shall be deemed to have vested unto the KRDCL/PWP&IWTD, free from any encumbrances, charges and liens whatsoever.
3. Notwithstanding anything to the contrary contained hereinabove, it shall be a condition of this Vesting Certificate that nothing contained herein shall be construed or interpreted as waiving the obligation of the Concessionaire to rectify and remedy any defect or deficiency in any of the Divestment Requirements and/or relieving the Concessionaire in any manner of the same.

Signed this *** day of***, 20** at [***].

AGREED, ACCEPTED AND SIGNED

For and on behalf of

CONCESSIONAIRE by:

SIGNED, SEALED AND DELIVERED

For and on behalf of

GOVERNMENT OF KARNATAKA by:

(Signature)

(Name)

(Designation)

(Address)

(Signature)

(Name)

(Designation)

(Address)

In the presence of:

1.

2.

S. Chuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited

J. K. J. K.
Authorised Signatory

SUBSTITUTION AGREEMENT

THIS SUBSTITUTION AGREEMENT is entered into on this the *** day of *** 20**.

AMONGST

- 1 The Governor of Karnataka, represented by Principal Secretary, Public Works Ports & Inland Water Transport Department and having its principal offices at Bangalore (hereinafter referred to as the "**KRDCL/PWP&IWTD**" which expression shall unless repugnant to the context or meaning thereof include its administrators, successors and assigns);
- 2 [**** Limited], a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at ****, (hereinafter referred to as the "**Concessionaire**" which expression shall unless repugnant to the context or meaning thereof include its successors and permitted assigns and substitutes);
- 3 **** [name and particulars of Lenders' Representative] and having its registered office at ****, acting for and on behalf of the Senior Lenders as their duly authorised agent with regard to matters arising out of or in relation to this Agreement (hereinafter referred to as the "**Lenders' Representative**", which expression shall unless repugnant to the context or meaning thereof include its successors and substitutes);

WHEREAS:

- (A) The Government has entered into a Concession Agreement dated *** with the Concessionaire (the "**Concession Agreement**") for Project Highway of Improvements to Chikkanayakanahalli-Tiptur-Hassan road in the Karnataka State on Build, Operate and Transfer (BOT) basis, and a copy of which is annexed hereto and marked as Part I to form part of this Agreement.
- (B) Senior Lenders have agreed to finance the Project in accordance with the terms and conditions set forth in the Financing Agreements.
- (C) Senior Lenders have requested the KRDCL/PWP&IWTD to enter into this Substitution Agreement for securing their interests through assignment, transfer and substitution of the Concession to a Nominated Company in accordance with the provisions of this Agreement and the Concession Agreement.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

L. N. Anil
Managing Director
KRDCL

Abhijeet Toll Road (Karnataka) Limited
Abhijeet
Authorised Signatory

- (D) In order to enable implementation of the Project including its financing, construction, operation and maintenance, the KRDCL/PWP&IWTD has agreed and undertaken to transfer and assign the Concession to a Nominated Company in accordance with the terms and conditions set forth in this Agreement and the Concession Agreement.

NOW IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Substitution Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

"Agreement" means this Substitution Agreement and any amendment thereto made in accordance with the provisions contained in this Agreement;

"Financial Default" means occurrence of a material breach of the terms and conditions of the Financing Agreements or a continuous default in Debt Service by the Concessionaire for a minimum period of 3 (three) months;

"Lenders' Representative" means the person referred to as the Lenders' Representative in the foregoing Recitals;

"Nominated Company" means a company, incorporated under the provisions of the Companies Act, 1956, selected by the Lenders' Representative, on behalf of Senior Lenders, and proposed to the Government/Concessioning Authority for assignment/transfer of the Concession as provided in this Agreement;

"Notice of Financial Default" shall have the meaning ascribed thereto in Clause 3.2.1; and

"Parties" means the parties to this Agreement collectively and **"Party"** shall mean any of the Parties to this Agreement individually.

1.2 Interpretation

1.2.1 References to Lenders' Representative shall, unless repugnant to the context or meaning thereof, mean references to the Lenders' Representative, acting for and on behalf of Senior Lenders.

1.2.2 References to Clauses are, unless stated otherwise, references to Clauses of this Agreement.

1.2.3 The words and expressions beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein, and the words and expressions used in this Agreement and not defined herein but defined in the Concession Agreement shall, unless repugnant to the context, have the meaning ascribed thereto in the Concession Agreement.

1.2.4 The rules of interpretation stated in Clauses 1.2, 1.3 and 1.4 of the Concession Agreement shall apply, *mutatis mutandis*, to this Agreement.

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SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water Transport Deptt.

h. n. Anil
Managing Director
KRDCL

Aditya

2 ASSIGNMENT

2.1 Assignment of rights and title

The Concessionaire hereby assigns the rights, title and interest in the Concession to, and in favour of, the Lenders' Representative pursuant to and in accordance with the provisions of this Agreement and the Concession Agreement by way of security in respect of financing by the Senior Lenders under the Financing Agreements.

3 SUBSTITUTION OF THE CONCESSIONAIRE

3.1 Rights of substitution

3.1.1 Pursuant to the rights, title and interest assigned under Clause 2.1, the Lenders' Representative shall be entitled to substitute the Concessionaire by a Nominated Company under and in accordance with the provisions of this Agreement and the Concession Agreement.

3.1.2 The KRDC/PWP&IWTD hereby agrees to substitute the Concessionaire by endorsement on the Concession Agreement in favour of the Nominated Company selected by the Lenders' Representative in accordance with this Agreement. (For the avoidance of doubt, the Senior Lenders or the Lenders' Representative shall not be entitled to operate and maintain the Project Highway as Concessionaire either individually or collectively).

3.2 Substitution upon occurrence of Financial Default

3.2.1 Upon occurrence of a Financial Default, the Lenders' Representative may issue a notice to the Concessionaire (the "Notice of Financial Default") along with particulars thereof, and send a copy to the KRDC/PWP&IWTD for its information and record. A Notice of Financial Default under this Clause 3 shall be conclusive evidence of such Financial Default and it shall be final and binding upon the Concessionaire for the purposes of this Agreement.

3.2.2 Upon issue of a Notice of Financial Default hereunder, the Lenders' Representative may, without prejudice to any of its rights or remedies under this Agreement or the Financing Agreements, substitute the Concessionaire by a Nominated Company in accordance with the provisions of this Agreement.

3.2.3 At any time after the Lenders' Representative has issued a Notice of Financial Default, it may by notice require the KRDC/PWP&IWTD to suspend all the rights of the Concessionaire and undertake the operation and maintenance of the Project Highway in accordance with the provisions of Article 36 of the Concession Agreement, and upon receipt of such notice, the KRDC/PWP&IWTD shall undertake Suspension under and in accordance with the provisions of the Concession Agreement. The aforesaid Suspension shall be revoked upon substitution of the Concessionaire by a Nominated Company, and in the event such substitution is not completed within 180 (one hundred and eighty) days from the date of such Suspension, the KRDC/PWP&IWTD may terminate the Concession Agreement forthwith by issuing a Termination Notice in accordance with the provisions of the Concession Agreement; provided that upon written request from the Lenders' Representative and the Concessionaire, the KRDC/PWP&IWTD may extend the aforesaid period of 180 (one hundred and eighty) days by a period not exceeding 90

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Principal Secretary to Government
Public Works, Roads and Inland Water Transport Department

B. K. Anil
Managing Director
KRDC

Abhijeet Toll Road, (Marnatana),
[Signature]
Authorised Signatory

(ninety) days.

3.3 Substitution upon occurrence of Concessionaire Default

- 3.3.1 Upon occurrence of a Concessionaire Default, the KRDCL/PWP&IWTD shall by a notice inform the Lenders' Representative of its intention to issue a Termination Notice and grant 15 (fifteen) days time to the Lenders' Representative to make a representation, stating the intention to substitute the Concessionaire by a Nominated Company.
- 3.3.2 In the event that the Lenders' Representative makes a representation to the KRDCL/PWP&IWTD within the period of 15 (fifteen) days specified in Clause 3.3.1, stating that it intends to substitute the Concessionaire by a Nominated Company, the Lenders' Representative shall be entitled to undertake and complete the substitution of the Concessionaire by a Nominated Company in accordance with the provisions of this Agreement within a period of 180 (one hundred and eighty) days from the date of such representation, and the KRDCL/PWP&IWTD shall either withhold Termination or undertake Suspension for the aforesaid period of 180 (one hundred and eighty) days; provided that upon written request from the Lenders' Representative and the Concessionaire, the KRDCL/PWP&IWTD shall extend the aforesaid period of 180 (one hundred and eighty) days by a period not exceeding 90 (ninety) days.

3.4 Procedure for substitution

- 3.4.1 The KRDCL/PWP&IWTD and the Concessionaire hereby agree that on or after the date of Notice of Financial Default or the date of representation to the KRDCL/PWP&IWTD under Clause 3.3.2, as the case may be, the Lenders' Representative may, without prejudice to any of the other rights or remedies of the Senior Lenders, invite, negotiate and procure offers, either by private negotiations or public auction or tenders for the take over and transfer of the Project Highway including the Concession to the Nominated Company upon such Nominated Company's assumption of the liabilities and obligations of the Concessionaire towards the KRDCL/PWP&IWTD under the Concession Agreement and towards the Senior Lenders under the Financing Agreements.
- 3.4.2 To be eligible for substitution in place of the Concessionaire, the Nominated Company shall be required to fulfil the eligibility criteria that were laid down by the KRDCL/PWP&IWTD for shortlisting the bidders for award of the Concession; provided that the Lenders' Representative may represent to the KRDCL/PWP&IWTD that all or any of such criteria may be waived in the interest of the Project, and if the KRDCL/PWP&IWTD determines that such waiver shall not have any material adverse effect on the Project, it may waive all or any of such eligibility criteria.
- 3.4.3 Upon selection of a Nominated Company, the Lenders' Representative shall request the KRDCL/PWP&IWTD to:
- (a) accede to transfer to the Nominated Company the right to construct, operate and maintain the Project Highway in accordance with the provisions of the Concession Agreement;
 - (b) endorse and transfer the Concession to the Nominated Company, on the same terms and conditions, for the residual Concession Period; and
 - (c) enter into a Substitution Agreement with the Lenders' Representative and the Nominated Company on the same terms as are contained in this Agreement.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Mamatake) Limited
Abhijeet
Authorized Signatory

- 3.4.4 If the KRDCL/PWP&IWTD has any objection to the transfer of Concession in favour of the Nominated Company in accordance with this Agreement, it shall within 7 (seven) days from the date of proposal made by the Lenders' Representative, give a reasoned order after hearing the Lenders' Representative. If no such objection is raised by the KRDCL/PWP&IWTD, the Nominated Company shall be deemed to have been accepted. The KRDCL/PWP&IWTD thereupon shall transfer and endorse the Concession within 7 (seven) days of its acceptance/deemed acceptance of the Nominated Company; provided that in the event of such objection by the KRDCL/PWP&IWTD, the Lenders' Representative may propose another Nominated Company whereupon the procedure set forth in this Clause 3.4 shall be followed for substitution of such Nominated Company in place of the Concessionaire.

3.5 Selection to be binding

The decision of the Lenders' Representative and the KRDCL/PWP&IWTD in selection of the Nominated Company shall be final and binding on the Concessionaire. The Concessionaire irrevocably agrees and waives any right to challenge the actions of the Lenders' Representative or the Senior Lenders or the KRDCL/PWP&IWTD taken pursuant to this Agreement including the transfer/assignment of the Concession in favour of the Nominated Company. The Concessionaire agrees and confirms that it shall not have any right to seek revaluation of assets of the Project or the Concessionaire's shares. It is hereby acknowledged by the Parties that the rights of the Lenders' Representative are irrevocable and shall not be contested in any proceedings before any court or KRDCL/PWP&IWTD and the Concessionaire shall have no right or remedy to prevent, obstruct or restrain the KRDCL/PWP&IWTD or the Lenders' Representative from effecting or causing the transfer by substitution and endorsement of the Concession as requested by the Lenders' Representative.

4 PROJECT AGREEMENTS

4.1 Substitution of Nominated Company in Project Agreements

The Concessionaire shall ensure and procure that each Project Agreement contains provisions that entitle the Nominated Company to step into such Project Agreement, in its discretion, in place and substitution of the Concessionaire in the event of such Nominated Company's assumption of the liabilities and obligations of the Concessionaire under the Concession Agreement.

5 TERMINATION OF CONCESSION AGREEMENT

5.1 Termination upon occurrence of Financial Default

At any time after issue of a Notice of Financial Default, the Lenders' Representative may by a notice in writing require the KRDCL/PWP&IWTD to terminate the Concession Agreement forthwith, and upon receipt of such notice, the KRDCL/PWP&IWTD shall undertake Termination under and in accordance with the provisions of Article 37 of the Concession Agreement.

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Public Works, Ports and Inland Water
Transport Department

B. H. Anil
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Abhijeet Toll Road, (Karnataka) Limited
Abhijeet
Authorised Signatory

5.2 Termination when no Nominated Company is selected

~~In the event that no Nominated Company acceptable to the KRDCL/PWP&IWTD is selected and recommended by the Lenders' Representative within the period of 180 (one hundred and eighty) days or any extension thereof as set forth in Clause 3.3.2, the KRDCL/PWP&IWTD may terminate the Concession Agreement forthwith in accordance with the provisions thereof.~~

5.3 Realisation of Debt Due

The KRDCL/PWP&IWTD and the Concessionaire hereby acknowledge and agree that, without prejudice to their any other right or remedy, the Lenders' Representative is entitled to receive from the Concessionaire, without any further reference to or consent of the Concessionaire, the Debt Due upon Termination of the Concession Agreement. For realisation of the Debt Due, the Lenders' Representative shall be entitled to make its claim from the Escrow Account in accordance with the provisions of the Concession Agreement and the Escrow Agreement.

6 DURATION OF THE AGREEMENT

6.1 Duration of the Agreement

This Agreement shall come into force from the date hereof and shall expire at the earliest to occur of the following events:

- (a) Termination of the Agreement; or
- (b) no sum remains to be advanced, or is outstanding to the Senior Lenders, under the Financing Agreements.

7 INDEMNITY

7.1 General indemnity

- 7.1.1 The Concessionaire will indemnify, defend and hold the KRDCL/PWP&IWTD and the Lenders' Representative harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense of whatever kind and nature arising out of any breach by the Concessionaire of any of its obligations under this Agreement or on account of failure of the Concessionaire to comply with Applicable Laws and Applicable Permits.
- 7.1.2 The KRDCL/PWP&IWTD will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the KRDCL/PWP&IWTD to fulfil any of its obligations under this Agreement, materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement or this Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the KRDCL/PWP&IWTD, its officers, servants and agents.
- 7.1.3 The Lenders' Representative will indemnify, defend and hold the Concessionaire harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Lenders' Representative to fulfil its obligations under this Agreement, materially and adversely affecting the performance of the Concessionaire's obligations under the Concession Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Lenders' Representative, its officers, servants and agents.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

R. A. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Abhijeet
Authorised Signatory

7.2 Notice and contest of claims

~~In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 7.1 or in respect of which it is entitled to reimbursement (the "Indemnified Party"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "Indemnifying Party") within 15 (fifteen) days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, such approval not to be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.~~

8 DISPUTE RESOLUTION

8.1 Dispute resolution

- 8.1.1 Any dispute, difference or claim arising out of or in connection with this Agreement which is not resolved amicably shall be decided by reference to arbitration to a Board of Arbitrators comprising one nominee each of the KRDCL/PWP&IWTD, Concessionaire and the Lenders' Representative. Such arbitration shall be held in accordance with the Rules of Arbitration of the International Centre for Alternate Dispute Resolution, New Delhi (the "Rules") or such other rules as may be mutually agreed by the Parties, and shall be subject to provisions of the Arbitration and Conciliation Act, 1996.
- 8.1.2 The Arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The venue of arbitration shall be Bangalore and the language of arbitration shall be English.

9 MISCELLANEOUS PROVISIONS

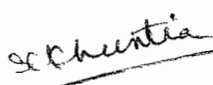
9.1 Governing law and jurisdiction

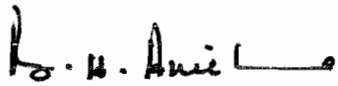
This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the Courts at Bangalore shall have jurisdiction over all matters arising out of or relating to this Agreement.

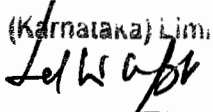
9.2 Waiver of sovereign immunity

The KRDCL/PWP&IWTD unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Agreement constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the KRDCL/PWP&IWTD with respect to its assets;


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Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department


R. H. Anil
Managing Director
KRDCL


Abhijeet Toll Road, (Karnataka) Limited
Authorized Signatory

- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

9.3 Priority of agreements

In the event of any conflict between the Concession Agreement and this Agreement, the provisions contained in the Concession Agreement shall prevail over this Agreement.

9.4 Alteration of terms

All additions, amendments, modifications and variations to this Agreement shall be effectual and binding only if in writing and signed by the duly authorised representatives of the Parties.

9.5 Waiver

9.5.1 Waiver by any Party of a default by another Party in the observance and performance of any provision of or obligations under this Agreement:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
- (b) shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- (c) shall not affect the validity or enforceability of this Agreement in any manner.

9.5.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to another Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

9.6 No third party beneficiaries

This Agreement is solely for the benefit of the Parties and no other person or entity shall have any rights hereunder.

9.7 Survival

9.7.1 Termination of this Agreement:

- (a) shall not relieve the Parties of any obligations hereunder which expressly or by implication survive termination hereof; and
- (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of or caused by acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

SCK Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Road Water
Transport

B. A. Anis
Managing Director
KRDCL

Abhijeet Toll Road, (Jamshedpur) Limited

Abhijeet
Authorised Signatory

9.7.2 All obligations surviving the cancellation, expiration or termination of this Agreement shall only survive for a period of 3 (three) years following the date of such termination or expiry of this Agreement.

9.8 Severability

If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause 8 of this Agreement or otherwise.

9.9 Successors and assigns

This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

9.10 Notices

All notices or other communications to be given or made under this Agreement shall be in writing, shall either be delivered personally or sent by courier or registered post with an additional copy to be sent by facsimile. The address for service of each Party and its facsimile number are set out under its name on the signing pages hereto. A notice shall be effective upon actual receipt thereof, save that where it is received after 5.30 (five thirty) p.m. on any day, or on a day that is a public holiday, the notice shall be deemed to be received on the first working day following the date of actual receipt. It is hereby agreed and acknowledged that any Party may by notice change the address to which such notices and communications to it are to be delivered or mailed. Such change shall be effective when all the Parties have notice of it.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

Dr. H. Anil Kumar
Managing Director
KRDCL

Abhijeet Toll Road
Abhijeet Toll Road, (Karnataka) Limited
Authorised Signatory

9.11 Language

All notices, certificates, correspondence and proceedings under or in connection with this Agreement shall be in English.

9.12 Authorised representatives

Each of the Parties shall by notice in writing designate their respective authorised representatives through whom only all communications shall be made. A Party ^ hereto shall be entitled to remove and/or substitute or make fresh appointment of such authorised representative by similar notice.

9.13 Original Document

This Agreement may be executed in three counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND
DELIVERED

For and on behalf of
CONCESSIONAIRE by:

SIGNED, SEALED AND
DELIVERED

For and on behalf of
GOVERNMENT OF KARNATAKA by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)

SIGNED, SEALED AND DELIVERED

For and on behalf of SENIOR LENDERS by the Lenders' Representative:

(Signature)
(Name)
(Designation)
(Address)
(Fax)

In the presence of:

1.

2.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka)

Abhijeet
Authorized Signatory

SCHEDULE -W

PASSENGER CAR UNIT FACTORS

The equivalency factor for the conversion of different types of vehicles into equivalent Passenger Car Units (PCUs) based on their relative interference value shall be as per the following table:

Sl. No.	Vehicle Type	Equivalency factor**
Fast Vehicles		
	Motor Cycle or Scooter	0.50
	Passenger Car, Pick-up Van or Auto-rickshaw	1.00
	Agricultural Tractor, Light Motor Vehicle	1.50
	Truck or Bus	3.00
	Truck-trailer, Agricultural Tractor-trailer	4.50
Slow Vehicles ***		
	Cycle	0.50
	Cycle-rickshaw	2.00
	Hand Cart	3.00
	Horse-drawn vehicle	4.00
	Bullock Cart*	8.00

* For smaller bullock-carts, a value of 6 shall be appropriate.

** Recommended PCU factors for various types of vehicles in accordance with IRC:64-1990 on "Guidelines for Capacity of Road in Rural Areas".

*** While computing the Design service volumes and the capacity of highway, slow vehicles (of the table) shall not be considered.

cc Khuntia
SUBHASH C. KHUNTIA
 Principal Secretary to Government
 Public Works, Ports and Inland Waterways
 Transport Department

K. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road
Abhijeet
Authorised Signatory

REPORTING AND RECORDING REQUIREMENTS**1. Introduction**

The reporting and records requirements spelt out herein under have been provided in terms of the indicative type of information required. The Independent Engineer shall determine the following:

- Format of such reports and record requirements
- Software standards
- Number of Copies required
- The Language of the reports and records shall be English

2. Part I**Reporting Requirements**

From the date of the Concession Agreement until the end of the Concession Period, the Concessionaire shall prepare and submit to the KRDCL/PWP&IWTD and Independent Engineer one copy each of the following reports/ Documents/ Drawings else otherwise stated in the Concession Agreement.

A. Design & Construction Stage

- 1 A detailed work plan supported with CPM/PERT charts for completion of all project activities related to the Highway, at the beginning of the Design Works.
- 2 **Monthly Progress Report:** Within 5 Days of end of each month or a part thereof, which falls within the Construction Period, the Concessionaire shall provide to the KRDCL/PWP&IWTD and the Independent Engineer the monthly report, which shall at least identify the following:
 - Working drawings submitted/ resubmitted to KRDCL/PWP&IWTD /Independent Engineer during the month ended
 - KRDCL/PWP&IWTD / Independent Engineer's comments there on, if any.
 - Concessionaire's compliance with KRDCL/PWP&IWTD / Independent Engineer's comments on the drawings submitted to KRDCL/PWP&IWTD / Independent Engineer, during the month ended.
 - "As built" drawings submitted to KRDCL/PWP&IWTD / Independent Engineer during the month ended.
 - Progress of pre-construction activities such as utility relocation and other obstructions.
 - Concessionaire' compliance with the Inspection Report during the month ended, if any.
 - Construction Constraints.
 - Progress data with 'S' curves, if applicable; Project Data with contract detail and sectional completion details.

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 Principal Secretary to Government
 Public Works, Ports and Inland Water
 Transport Department

Abhijeet
Abhijeet
 Managing Director
 KRDCL

Abhijeet
Abhijeet Toll Road, (Karnataka) Limited

Abhijeet
Authorised Signatory

- Tests carried out during the month ended, if any; results of these Tests furnished to the KRDC/L/PWP&IWTD / Independent Engineer during the month ended, if any.
 - Remedial measures taken by the Concessionaire on the basis of these Tests, if any.
 - Traffic management steps undertaken by the Concessionaire during the month (particularly on the completed stretch of Highway and during maintenance work).
 - Achievement of a Project milestone (Schedule G) during the month, if any. The Concessionaire shall also provide information on delay in achievement of such milestone, if any.
 - Any suspension of the Construction Works by KRDC/L/PWP&IWTD as per provisions of the Concession Agreement, if any. The Concessionaire shall also provide information on reason of such suspension, duration of such suspension and the steps undertaken by it to revoke such suspension.
 - Any Change of Scope Notice issued by KRDC/L/PWP&IWTD and status thereof.
 - All actual or potential departures from the Project Completion Schedule (Schedule G).
 - All grounds for a substantial Dispute which have occurred or which may reasonably be foreseen as likely to occur.
 - All substantial disagreements among the Concessionaire, and the KRDC/L/PWP&IWTD and/or Independent Engineer to the design/ construction of the Highway.
 - The proposed measures to be taken by the Concessionaire to overcome such departures or to resolve such grounds for a Dispute.
 - The date on which the Concessionaire expects the Highway to be completed.
 - The Concessionaire is required to maintain the existing roads in the vicinity of the project site including all cross roads during the Construction Period. This monthly construction report shall also contain information in respect of maintenance activity, if any, carried out by the Concessionaire during the month ended in respect of the finished work. The Concessionaire and the Independent Engineer shall agree on the information requirements in respect of the existing traffic on the alternate roads during the Construction Period.
- 3 Detailed Monthly Weather Report giving daily temperature maximum and minimum value; rain fall and any other significant event.
- 4 Engineering Design Report including working drawings, and Environmental Management Plan.
- 5 Video Recording as per Clause 13.6 of the Concession Agreement.
- 6 Monthly Escrow Account Report: With in 5 Days of end of each month which falls within the Operations Period, the Concessionaire shall provide to the KRDC/L/PWP&IWTD and the Independent Engineer a copy of the report containing the summary of the receipts in and payments from the Escrow Account for the month ended.
- 7 The Concessionaire shall supply to the KRDC/L/PWP&IWTD free of charge the following documents prior to requesting the issue of the Completion Certificate:
- 7.1 Detailed, accurately scaled, and sequentially numbered plans of the Highway "As Built" covering all relevant engineering features, which in relation to structures shall also include cross sections in each plane; and
- 7.2 Copies of all geo-technical and borehole reports obtained by the Concessionaire in preparation for and during the construction of the Highway.

Subhash C. Khuntia
SUBHASH C. KHUNTIA
 Principal Secretary to Government
 Public Works, Ports and Inland Water Transport Department

R. N. Anil
R. N. Anil
 Managing Director
 KRDC/L

Abhijeet Toll Road (Karnataka) Limited
Abhijeet
Abhijeet
 Authorised Signatory

- 8 All other reports in accordance with the provisions of the Concession Agreement.
9 Such other reports as may be reasonably required by KRDCL/PWP&IWTD / Independent Engineer.
-
- 10 Additional Reports: The Concessionaire shall supply to the KRDCL/PWP&IWTD free of charge copies of all information, records and test results (including any interpretation of such test results) resulting from any ground, physical or geophysical investigation or archaeological or ecological survey of the Site or Adjacent Areas.

B. Operation Phase

- 1 Monthly Traffic Report: With in 5 Days of end of each month which falls within the Operations Period, the Concessionaire shall provide to the KRDCL/PWP&IWTD and the Independent Engineer a copy of the report containing the following information:
- Total traffic count by mode for each day of the month; and
 - Tollable traffic count by mode for each day of the month.
- 2 Monthly Escrow Account Report: With in 5 Days of end of each month which falls within the Operations Period, the Concessionaire shall provide to the KRDCL/PWP&IWTD and the Independent Engineer a copy of the report containing the summary of the receipts in and payments from the Escrow Account for the month ended.
- 3 Monthly Operations Report: With in 5 Days of end of each month or a part thereof, which falls within the Operations Period, the Concessionaire shall provide to the KRDCL/PWP&IWTD and the Independent Engineer a copy of the report, which shall identify the following, at the minimum:
- Inspections undertaken by the Concessionaire during the month ended, if any.
 - Maintenance Reports submitted to the Independent Engineer during the month ended, if any.
 - O&M Inspection Compliance Report submitted to KRDCL/PWP&IWTD / Independent Engineer during the month ended, if any.
 - Preventive / Periodic maintenance undertaken during the month ended, if any.
 - Any material modifications made to the Highway during the month ended, if any.
 - All the accidents or incidents on the Highway during the month under report (including all accidents on which a report has previously been made to the Concession Agreement).
 - Tests performed during operation and maintenance stage along with the defects identified on the Highway, if any.
 - Number and type of the complaints received from Users and others in respect of the Highway and the conduct of Operations.
 - Incidents of emergency de-commissioning of the Highway during the month ended, if any.
 - Incidents of lane-closure on the Highway during the month ended, if any. The Concessionaire shall provide information on reason, time of such lane-closures.
 - All actual or potential departures from the O&M Requirements as specified in 'Schedule L'.
 - All grounds for substantial Dispute which have occurred or may reasonably be foreseen as likely to occur.
 - The proposed measures to be taken by the Concessionaire to overcome such departures or to resolve such grounds for a Dispute.

Subhash C. Khuntia
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Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

B. H. Anil
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Abhijeet
Authorised Signatory

4. An annual report on the working of the toll collection system. This report will provide information on method of toll collection (semi-automatic, automatic, etc.), usage of pass system (manual, electronic, etc.), average time taken in toll-collection, Concessionaire's suggestions on improvements in the toll-collection system, which would be considered by KRDCL/PWP&IWTD appropriately.
5. Accident Reports: As soon as practicable and in any event no later than 7 days following the occurrence of any accident on the Project Highway involving a fatality or serious personal injury or substantial property damage, the Concessionaire shall investigate the circumstances of such accident and submit to the KRDCL/PWP&IWTD and the Independent Engineer a report setting out details of such accident and, to the extent they are known, the causes of such an accident, and the Concessionaire shall thereafter promptly report to the KRDCL/PWP&IWTD and/or Independent Engineer any additional details of such accident or its causes which become known to it.
6. Concessionaire shall submit a copy of the audited accounts within 120 days of the close of each Accounting Year after the Appointed Date.
7. All other reports in accordance with the provisions of the Concession Agreement.
8. Such other reports as may be reasonably required by KRDCL/PWP&IWTD / Independent Engineer.
9. Additional Reports: The Concessionaire shall supply to the KRDCL/PWP&IWTD / Independent Engineer free of charge copies of all information, records and test results (including any interpretation of such test results) resulting from any ground, physical or geophysical investigation or archaeological or ecological survey of the Site or Adjacent Areas.

3. Part II

Record Requirements

The Concessionaire shall take the following action(s) in respect of preparation of the record, its submission to Concessioning Authority and retention by the Concessionaire itself.

1.	Design	Retention Period of the Concessionaire
1.1	Design standards containing all relevant design assumptions, codes of practice, design loadings, design parameters and product data sheets for all components of Highway.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
1.2	Full set of final design calculations for all parts of the Highway including details of the influence on design of actual construction methods, and any changes or any remedial works during construction.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
1.3	Full set of working drawings	Until 2 years after issue of the Completion Certificate.

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 Transport Department

B. H. Anil Kumar
B. H. Anil Kumar
 Managing Director
 KRDCL

Abhijeet Toll Road, (Karnataka) Limited
Abhijeet Toll Road, (Karnataka) Limited
Authorized Signatory
Authorized Signatory

1.4	Full specification for construction and all revisions made thereto.	Until 2 years after issue of the Completion Certificate.
1.5	Change of Scope Order(s)	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
2. Construction		
2.1	Video recording submitted to Concessioneing Authority	Until 2 years after the issue of Completion Certificate.
2.2	Full set of construction site records relating to progress, testing of materials, monitoring of standards of workmanship, meteorological conditions, instructions issued and other site correspondence.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
2.3	Full set of "As-Built" drawings and schedules incorporating all changes to the design and all remedial measures applied to the Highway during construction, and all final As-built details and dimensions of the Highway. These drawings shall include permanent modifications made to suit the construction method.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
2.4	Full set of Tests results	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
2.5	The appropriate proprietary rights, licenses, agreements and permissions for materials, methods, processes and systems used or incorporated into the Highway.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
2.6	Monthly Progress Reports	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3. Operations and Maintenance		
3.1	Full records of all incidents which affect the operation and/or maintenance of the Highway including traffic accidents.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.2	Full records of inspections and surveys and results of such inspections and surveys (including photographs where applicable).	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.3	Details of all repairs to the Highway and/or replacement, including photographs. As-built drawings and other documentary records.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.4	Full sets of all Monthly Reports	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.

Subhash C. Khuntia
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Transport Department

B. H. Anil
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Managing Director
KRDCL

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Abhijeet
Abhijeet
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3.5	Adequate records of adverse meteorological conditions.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.6	Records of landscape planting.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.7	Schedule and strip plan of grassed areas with details of the Routine Maintenance required in the normal course.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.8	Record of all permanent traffic signs on the Project Highway.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.9	All traffic (both total and tollable) count for each day of the Operations Period.	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.10	Record of daily toll collection at each toll plaza	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.11	All financial and accounting records to be maintained as per Applicable Laws	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.
3.12	Encroachment particulars and details	Till handover to KRDCL/PWP&IWTD at Termination of the Concession.

4. All other records in accordance with the provisions of the Concession Agreement.

5. Additional Requirements

5.1 When there is a conflict between the Reporting and Record Requirement of Schedule 'X' and a requirement in respect of these stated elsewhere in this Agreement, the latter shall take precedence.

5.2 The requirements set out in Reporting and Record Requirements of this Schedule 'X' indicate the minimum requirements to be complied with but are not limited to else only.

5.3 Availability of Records shall be as follows:

5.3.1 All records of operational aspects of the record keeping system shall be retained.

5.3.2 Operations' Records shall be systematically and periodically up-dated and filed so as to be readily retrievable.

5.3.3 All records which have been superseded but are still of historical, contractual or legal importance shall be retained and filed systematically so as to be available anytime.

5.3.4 Texts of all documents shall be prepared and recorded using agreed software systems and retained in hard form and on DVD/CD, with full back-up DVD/CD available in case of DVD/CD corruption.

S. Khuntia
3/6/2011
SUBHASH C. KHUNTIA
Principal Secretary to Government
Public Works, Ports and Inland Water
Transport Department

H. H. Anil
Managing Director
KRDCL

Abhijeet Toll Road, (Karnataka) Limited
[Signature]
Authorised Signatory