

## **CONCESSION AGREEMENT**

**BETWEEN**

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

**AND**

**KARNATAKA ROAD DEVELOPMENT CORPORATION LTD.**

**AND**

**M/s. GVRMP WHAGDHARI RIBBANPALLY TOLLWAY PRIVATE  
LIMITED (CONSORTIUM)**

**FOR**

**IMPROVEMENTS TO (SH-10) FROM MAHARASTRA BORDER  
TO ANDHRA PRADESH BORDER VIA ALAND, GULBARGA,  
MALKHED, SEDAM, RIBBANPALLY (WHAGDHARI -  
RIBBANPALLY ROAD) IN GULBARGA DISTRICT FOR A  
LENGTH OF 141.20 KMS ON BOT -VGF (TOLL)**

**PART- I - CONCESSION AGREEMENT**

**JUNE - 2010**

ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಮುಖಾಂತಿ ದಾಖಲೆ  
 DEPT. OF STAMP & REGISTRATION  
 Government of Karnataka  
 STAMP DUTY KARNATAKA  
 ಸೋಂಪಣ ಹಾಗೂ ಮುದ್ರಾಂಕ ಇಲಾಖೆ  
 Registration and Stamps Department  
 ಈ ಹಾಳೆಯನ್ನು ಯಾವುದೇ ದಾಖಲೆಗೆ ಉಪಯೋಗಿಸಬಹುದು  
 This sheet can be used for any document  
 ದಾಖಲೆ ಮಾಡಿದ ದಿನಾಂಕ  
 Date of execution  
 ಪಾವತಿಸಿದ ಮುದ್ರಾಂಕ ಶುಲ್ಕ  
 Total stamp duty paid Rs  
 12-57  
 PB6958  
 2/-

## CONCESSION AGREEMENT

THIS CONCESSION AGREEMENT is entered into on this the 4<sup>th</sup> day of June, 2010 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 3<sup>rd</sup> 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;**

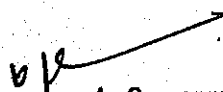
### AND

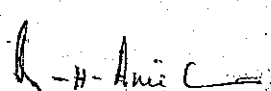
2. **KARNATAKA ROAD DEVELOPMENT CORPORATION LIMITED**, a Government Company having its principal office at No.16/J/Miller Tank Bed Area, Thimmiah Road Cross, Bangalore - 560052 (hereinafter referred to as the "KRDCL" which expression shall, unless repugnant to the context or meaning thereof, include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

### AND

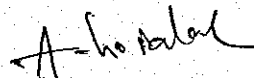
3. **M/s. GVRMP WHAGDHARI RIBBANPALLY TOLLWAY PRIVATE LIMITED**, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at #476, Talacauvery Layout, Amruthahalli, Bytrayanapura, New Bangalore Intl. Airport Road, Bangalore-560092, (hereinafter referred 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 **OTHERPART.**

Contd.....

  
 Principal Secretary to Government  
 Public Works, Ports & IWT Deptt.

  
 Managing Director  
 Karnataka Road Development Corporation Ltd.  
 1st Floor, 16/J, Miller Tank Bed Area,  
 BANGALORE

For GVRMP Whagdhari Ribbanpally Tollway Pvt. Ltd.

  
 Authorised Signatory

**WHEREAS:**

- (A) The Government had resolved for Improvements to Whagdhari to Ribbanpally Road (SH-10) 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 'Whagdhari to Ribbanpally Road (SH-10)' lies in the northern part of Karnataka and provides vital connectivity between Maharastra Border at Whagdhari with Andhra Pradesh Border at Ribbanpally. The road passes through Gulbarga and other Major towns viz., Aland, Sedam, etc.,
- (B) The Government had accordingly invited proposals by its Tender Notice No. KRDC/IFB/2009/21 dated 25.05.2009 on e-procurement basis for the works to be taken up for implementation. Subsequently, three corrigendums were issued to the above tender notice as follows.

Corrigendum-1. No. KRDC/IFB/2009/29 dated 03.07.2009


Corrigendum-2. No. KRDC/IFB/2009/36 dated 02.09.2009


Corrigendum-3. No. KRDC/IFB/2009/37 dated 10.09.2009

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. GVR Infra Projects Ltd, M/s RMN Infrastructures Ltd and M/s. Prathyusha Associates Shipping Pvt. Ltd (collectively the "Consortium") with M/s GVR Infra Projects Pvt Ltd as its leader.

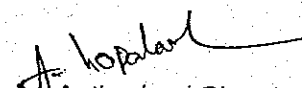
- (C) The Government had prescribed the technical and commercial terms and conditions, and invited bids from the bidders pursuant to the Tender Notice for undertaking the Project.
- (D) After evaluation of the bids received, the Government had accepted the bid of the Consortium and issued its letter of acceptance No. KRDC/MD-DE-4/VGF(W-R)/2010-11/0022 dtd. April 3, 2010 (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 (Annexure 2 to CA).

contd.....

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

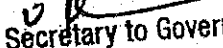
  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Road, 1st Area,  
BANGALORE

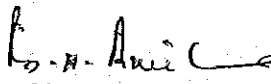
For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

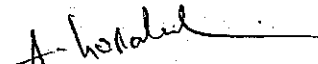
- (F) By its letter No.GVRMP/KRDCL/2010-2011/04 dated 14.05.2010, the Concessionaire has also joined in the said request of the Consortium to the Government to accept it as the entity which shall undertake and perform the obligations and exercise the rights of the Consortium including the obligation 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 hereof (Annexure 3 to CA).
- (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 (Annexure 4 to CA).

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)

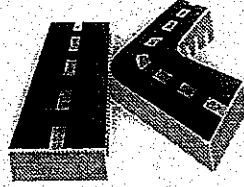
  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory





## KARNATAKA ROAD DEVELOPMENT CORPORATION LTD.

No.KRDCL/CE/2009-10/1960

November 16, 2009

To,

M/s.GVR Infra Projects Ltd.,  
No.476, Tala Cauvery Layout,  
Amrutha Halli, Byatarayanapura,  
New Bengaluru Intl. Airport Road,  
Bengaluru - 560092.

Sir,

Sub: Improvements to State Highway (SH-10) from Maharastra Border to  
Andhra Pradesh Border via Aland, Gulbarga, Malkhed, Sedam,  
Ribbanpally (Whagdhari-Ribbanpally road) in Gulbarga District for a  
length of 141.20 Kms on BOT Basis.

Ref: Your tender for the above work.

==

With reference to the above, the percentage (amount) quoted by  
you for the above work are found to be on the higher side. Hence you are  
requested to attend the meeting on 17-11-2009 at 11.30 A.M in the  
chambers of Managing Director, KRDCL, Bangalore for negotiations.

Thanking you,

Yours faithfully,  
for Karnataka Road Development Corporation Limited ,

*[Signature]*  
CHIEF ENGINEER

*[Signature]*  
Managing Director

Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 56

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

*[Signature]*  
Principal Secretary to Government - W & R  
Public Works, Ports & TWT Deptt.

*[Signature]*  
Authorised Signatory

Regd. Office : 16/J, Miller Tank Bed Area, Thimmaiah Road Cross, Bangalore - 560 052

Telephone : 2238 2360, 2238 2362, 2238 0141, 2238 0142 Fax : 080-2238 0143

email : mdkrdcl@krdcl.co.in, engkrdcl@krdcl.co.in website : www.krdcl.co.in



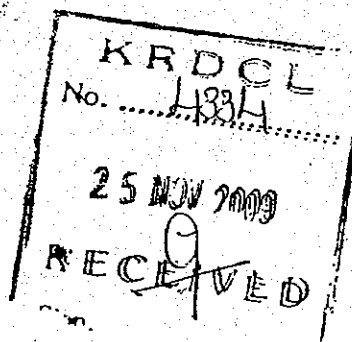
# GVR INFRA PROJECTS LTD

(Formerly known as GVR Constructions Pvt. Ltd.)

#476, Tala Cauvery Layout,  
Amrutha Halli, Byatarayanapura,  
New Bengaluru Intl. Airport Road,  
Bengaluru - 560 092.  
Phone : +91 - 80 - 4147 9522 / 9575  
Fax : +91 - 80 - 4147 9511  
E-mail : gvrblr@gvrinfra.com  
Web : www.gvrinfra.com

GVR/BOT/WAG-RPL/ 02

To,  
Hon' Managing Director  
KRDCL,  
Bangalore



24 November 2009

**Sub: Our Bid for "Design, Engineering, Finance, Construction, Operation and Maintenance of Whagdhari – Ribbanpally Road (SH 10) in the State of Karnataka on Build, Operate and Transfer (BOT) Basis"**

**Ref: Your letter no. 1960 dated 16-11-2009**

Sir,

Kindly refer to our negotiations held with your kind self on 17-11-2009, we wish to state the following few points for your kind consideration:

1. The rate quoted by us is highly competitive as can be seen other competitors who had envisaged have backed out. We could able to quote this work as we had in house design and our methodology and establishment cost compare to others are competitive.
2. In the DPR the estimates does not include annual maintenance, periodic maintenance.
3. Price escalation during the construction period is not considered in the DPR cost.
4. Maintenance and repairs during the construction period is not considered in the DPR cost.
5. Being a toll project with a long duration of construction period there is a high risk is involved and the funds from the financial institutions shall be slightly higher due to longer pay back.
6. We have considered the traffic on an optimistic note and any slight variation will have great impact on our financial analysis.

Keeping in view the above circumstances, though it is very difficult to reduce the percentage already quoted by us for the above work, in view of continuing existing cordial relationship with your office, and with a motive of doing service to society we here by agree to reduce the percentage quoted by us for the above work.

Please find enclosed negotiated price bid.

Kindly approve the same and letter of Intent is issued at the earliest.

Thanking you  
Yours truly,

For GVR Infra Projects Ltd.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

*[Signature]*  
Principal Secretary to Government  
Public Works, Ports & Irrigation Dept.

*[Signature]*  
Managing Director  
Bengaluru Road Development Corporation Ltd.  
1st Floor, 16/1, Miller Tank Bed Area, BANGALORE



Registered Office : No : 10-5-35, Flat No.30, 56th Cross, 56th Main Road, Masabtank, Hyderabad - 500 028.  
Ph : 040 - 2331 6969, Fax : 040 - 2331 7171, E-mail : gvrhyd@gvrinfra.com

Corporate Office : Vairams Complex, 4th Floor, 112, Thyagaraya Road, T.Nagar, Chennai - 600 017.

Ph : 044 - 2815 1681 / 1682, Fax : 044-2815 1683, E-mail : avrchennai@avrinfra.com

## ANNEXURE 5

**“Design, Engineering, Finance, Construction, Operation and Maintenance of Whagdhari – Ribbanpally Road (SH 10) in the State of Karnataka on Build, Operate and Transfer (BOT) Basis”**

### Negotiated 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 NIL crores (Rs. NIL crores in words)
<b>“OR”</b>	
(b) For Grant Considering the estimated total cost of the project (to be given in detail as per the Table 'A' below).	Rs 90.66 crores (Rs. Ninety Point Six six Crores 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 (2010)	23.8 (Twenty Three Point Eight Crores Only)	23.8 (Twenty Three Point Eight Crores Only)
2 (2011)	26.18 (Twenty Six Point one eight Crores Only)	23.8 ( Twenty Three Point Eight Crores Only )
Operation and Maintenance Period (year 3 to year 30)		
3 (2012)	11.49 ( Eleven Point Four Nine Crores only )	9.49 ( Nine Point Four Nine Crores only)
4 (2013)	12.64 (Twelve Point Six Four Crores Only)	9.49( Nine Point Four Nine Crores only)
5 (2014)	13.09 (Thirteen Point Zero Nine Crores only)	8.94 ( Eight Point Nine four Crores only)

**Principal Secretary to Government**  
**Public Works, Ports & IWT Deptt.**

*[Signature]*  
**Authorised Signatory**

**For GVR INFRA PROJECTS LTD**

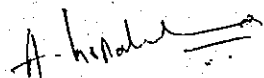
*[Signature]*  
**Managing Director**

**Karnataka Road Development Corporation Ltd.**  
1st Floor, 16/1, Millers Tank Bed Area,

**For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd**

*[Signature]*  
**Authorised Signatory**

6 (2015)	15.29 (Fifteen Point Two Nine Crores only)	9.5 ( Nine Point Five Zero Crores only)
7 (2016)	10.00 (Ten Point Zero Zero Crores only)	5.64 ( Five point six Four only)
8 (2017)		
9 (2018)		
10 (2019)		
11 (2020)		
12 (2021)		
13 (2022)		
14 (2023)		
15 (2024)		
16 (2025)		
17 (2026)		
18 (2027)		
19 (2028)		
20 (2029)		
30 (2030)		
31 (2031)		
32 (2032)		
33 (2033)		
34 (2034)		
35 (2035)		
36 (2036)		
37 (2037)		
38 (2038)		
39 (2039)		
(a) Total Present Value on Proposal Due Date @ 10% per annum on Appointed Date		

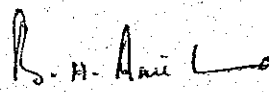


**A.GOPAL KRISHNA**

Authorised Signatory

For and on behalf of M/s GVR Infra Projects Limited

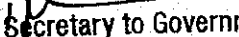
(Lead Member of GVR-RMN-PRATHYUSHA Consortium)

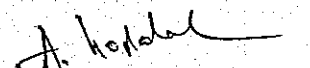


Managing Director

Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Authorised Signatory

ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ನಡವಳಿಕೆಗಳು

ವಿಷಯ:-1) ಧಾರವಾಡ-ಅಳ್ವಾವರ-ರಾಮನಗರ (ರಾಜ್ಯ ಹೆದ್ದಾರಿ-34)  
ರಸ್ತೆಯ 60.40 ಕಿಮೀ ಉದ್ದವನ್ನು ಬಿ.ಓ.ಟಿ.-ವಿ.ಜಿ.ಎಫ್.  
(ಟೋಲ್) ಮಾದರಿಯಲ್ಲಿ ಅಭಿವೃದ್ಧಿಗೊಳಿಸುವ ಕುರಿತು.

2) ಗುಲ್ಬರ್ಗ ಜಿಲ್ಲೆಯಲ್ಲಿ ಮಹಾರಾಷ್ಟ್ರ ಗಡಿಯಿಂದ, ಆಳಂದ,  
ಗುಲ್ಬರ್ಗ, ಮಳಖೇಡ್, ಸೇಡಂ, ರಿಬ್ಬನ್‌ಪಲ್ಲಿ ಮೂಲಕ  
ಆಂಧ್ರಪ್ರದೇಶ ಗಡಿವರೆಗಿನ 141.20 ಕಿಮೀ. ಉದ್ದದ  
ರಸ್ತೆಯನ್ನು (ವಾಗಧಾರಿ-ರಿಬ್ಬನ್‌ಪಲ್ಲಿ ರಸ್ತೆ) ಬಿ.ಓ.ಟಿ.-  
ವಿ.ಜಿ.ಎಫ್.(ಟೋಲ್) ಮಾದರಿಯಲ್ಲಿ ಅಭಿವೃದ್ಧಿಗೊಳಿಸುವ  
ಕುರಿತು.(ರಾಜ್ಯ ಹೆದ್ದಾರಿ-10).

ಉಲ್ಲೇಖ:-ಕರ್ನಾಟಕ ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತದ ಪತ್ರ ಸಂಖ್ಯೆ.  
ಕೆಆರ್‌ಡಿಎಲ್/ಎಂ.ಡಿ./ಡಿಎಆರ್-ರಸ್ತೆ-ವಿಜಿಎಫ್/2009-10  
ದಿನಾಂಕ 02-12-2009.

ಪ್ರಸ್ತಾವನೆ:-

1. ರಾಜ್ಯದ ಮೂಲಸೌಲಭ್ಯ ಇಲಾಖೆ ವತಿಯಿಂದ ಮೇಲಿನ ಕಾಮಗಾರಿಗಳ ಪ್ರಸ್ತಾವನೆಯನ್ನು  
ಭಾರತ ಸರ್ಕಾರಕ್ಕೆ ದಿನಾಂಕ 28-07-2009 ರಲ್ಲಿ ಸಲ್ಲಿಸಲಾಗಿತ್ತು.
2. ಖಾಸಗಿ-ಸಹಭಾಗಿತ್ವದಲ್ಲಿ (ಪಿಪಿಪಿ) ಕೈಗೊಳ್ಳಲಾಗುವ ಮೂಲ ಸೌಕರ್ಯ ಒದಗಿಸುವ  
ಯೋಜನೆಗಳಿಗೆ (ವಿ.ಜಿ.ಎಫ್.) ಆರ್ಥಿಕ ಸಹಾಯ ನೀಡುವ ಬಗ್ಗೆ ಪರಿಶೀಲಿಸಲು  
ಅಸ್ಥಿತ್ವದಲ್ಲಿರುವ ಎಂಪವರ್ಡ್ಡ್ ಇನ್ಸಿಟಿಟೂಷನ್ ಸಮಿತಿಯ 18ನೇ ಸಭೆಯು ದಿನಾಂಕ  
02-07-2009 ರಂದು ಅಪರ ಕಾರ್ಯದರ್ಶಿಗಳು, ಆರ್ಥಿಕ ವ್ಯವಹಾರಗಳ ಇಲಾಖೆ  
(ಭಾರತ ಸರ್ಕಾರ) ಇವರ ಅಧ್ಯಕ್ಷತೆಯಲ್ಲಿ ಜರುಗಿದ್ದು, ಈ ಸಭೆಯಲ್ಲಿ ರಾಜ್ಯದ  
ಮೇಲಿನ ಎರಡು ಕಾಮಗಾರಿಗಳ ಪ್ರಸ್ತಾವನೆಯಂತೆ ಯೋಜನೆಯ ವೆಚ್ಚವನ್ನು  
ಅನುಕ್ರಮವಾಗಿ 237.60 ಕೋಟಿ ರೂ.ಗಳ ಹಾಗೂ 242.35 ಕೋಟಿ ರೂ.ಗಳಿಗೆ  
ಹೆಚ್ಚಿಸಿರುವುದನ್ನು ಒಪ್ಪಿದ್ದು, ಕಾಮಗಾರಿಗಳಿಗೆ ಟೆಂಡರ್ ಕರೆಯುವಂತೆ ಸೂಚಿಸಲಾಗಿತ್ತು.
3. ಭಾರತ ಸರ್ಕಾರದ ಮೇಲಿನ ಸೂಚನೆಯಂತೆ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು, ಕರ್ನಾಟಕ ರಸ್ತೆ  
ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ ಬೆಂಗಳೂರು, ಇವರು ಪರಿಷ್ಕೃತ ಯೋಜನಾ ಮೊತ್ತಕ್ಕೆ  
ಟೆಂಡರ್ ಆಹ್ವಾನಿಸಿ, ಭರ್ತಿಗೊಳಿಸಿದ ಟೆಂಡರ್ ಸಲ್ಲಿಸಲು ಕಡೆಯ

Principal Secretary to Government  
Public Works, Ports & IWT Deptt.  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank  
BANGALORE - 56.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

Authorised Signatory

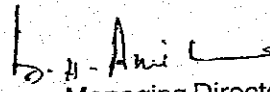
ದಿನಾಂಕವನ್ನು 05-10-2009ರಂದು ನಿಗದಿಪಡಿಸಲಾಗಿತ್ತು. ಇ-ಪ್ರೊಕ್ಯೂರ್‌ಮೆಂಟ್ ಮೋಟರ್‌ಲನ್‌ನಲ್ಲಿ ಟೆಂಡರ್‌ಗಳನ್ನು ಆಹ್ವಾನಿಸಲಾಗಿತ್ತು.

4. ಸದರಿ ಟೆಂಡರ್‌ನ ತಾಂತ್ರಿಕ ಬಿಡ್‌ಗಳನ್ನು ದಿನಾಂಕ 08-10-2009 ರಂದು ಹಾಗೂ ಆರ್ಥಿಕ ಬಿಡ್‌ಗಳನ್ನು ದಿನಾಂಕ 30-10-2009ರಂದು ತೆರೆಯಲಾಯಿತು. ಟೆಂಡರ್‌ಗಳನ್ನು ತೆರೆದಾಗ, ಮೆ:ಜಿವಿಆರ್ ಇನ್‌ಫ್ರಾ ಪ್ರಾಜೆಕ್ಟ್ಸ್ ಲಿ - ಮೆ:ಆರ್.ಎಮ್.ಎನ್. ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್ ಲಿ. ಮತ್ತು ಮೆ:ಪ್ರತ್ಯಾಷಾ ಅಸೋಸಿಯೇಟ್ಸ್ ಶಿಪ್ಪಿಂಗ್ ಪ್ರೈ.ಲಿ. ಕಂಪನಿಗಳ ಕೂಟ ಟೆಂಡರ್ ಸಲ್ಲಿಸಿರುವುದು ತಿಳಿದುಬಂದಿರುತ್ತದೆ.
5. ದಿನಾಂಕ 13-11-2009 ರಂದು ನಡೆದ ಕರ್ನಾಟಕ ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತದ ತಾಂತ್ರಿಕ ಉಪ ಸಮಿತಿಯ 83ನೇ ಸಭೆಯಲ್ಲಿ ಸದರಿ ಯೋಜನೆಗಳ ಟೆಂಡರ್‌ನ ಆರ್ಥಿಕ ಬಿಡ್‌ಗಳ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಮಂಡಿಸಲಾಗಿತ್ತು. ಸದರಿ ಟೆಂಡರ್‌ನಲ್ಲಿ ಭಾಗವಹಿಸಿರುವ ಕಂಪನಿಗಳ ಕೂಟದೊಂದಿಗೆ ಸಂಧಾನ ನಡೆಸಿ, ಅಂತಿಮವಾಗಿ ಒಪ್ಪಿಗೆಯಾದ ಟೆಂಡರ್‌ನ ಮೊತ್ತದ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಮುಂದಿನ ನಿಗಮದ ಮಂಡಳಿಯ ಅನುಮೋದನೆಗೆ ಮಂಡಿಸಬೇಕೆಂಬ ಷರತ್ತಿನೊಂದಿಗೆ ನಿಗಮದ ತಾಂತ್ರಿಕ ಸಮಿತಿಯು ಪ್ರಸ್ತಾವನೆಯನ್ನು ಅನುಮೋದಿಸಿರುತ್ತದೆ.
6. ತಾಂತ್ರಿಕ ಸಮಿತಿಯ ನಿರ್ದೇಶನದಂತೆ ದಿನಾಂಕ 17-11-2009 ರಂದು ಏಜೆನ್ಸಿಯೊಂದಿಗೆ ಸಂಧಾನ ನಡೆಸಿ, ಯುಟಿಲಿಟಿ ಸ್ಥಳಾಂತರ, ಕಂಟೆನರ್‌ಜೆನ್ನಿ ಹಾಗೂ ಇತರೆ ವೆಚ್ಚಗಳನ್ನು ಹೊರತುಪಡಿಸಿದಂತೆ ಯೋಜನೆಯ ಒಟ್ಟಾರೆ ಮೊತ್ತದಲ್ಲಿ ವಿ.ಜಿ.ಎಫ್. ಮೊತ್ತಕ್ಕೆ / ಶೇಕಡಾದಲ್ಲಿ ರಿಯಾಯಿತಿ ನೀಡುವಂತೆ ತಿಳಿಸಲಾಗಿದ್ದು, ಅದರಂತೆ ಈ ಏಜೆನ್ಸಿಯು ಕೆಳಗಿನಂತೆ ಪರಿಷ್ಕೃತ ದರಗಳನ್ನು ಸಂಧಾನದ ನಂತರ ನೀಡಿರುತ್ತದೆ.

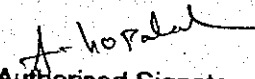
ಕೋಟಿ ರೂ.ಗಳಲ್ಲಿ

ಕ್ರ. ಸಂ.	ಯೋಜನೆ ಹೆಸರು	ಒಟ್ಟಾರೆ ಯೋಜನಾ ವೆಚ್ಚ	ಯುಟಿಲಿಟಿ ಸ್ಥಳಾಂತರ, ಕಂಟೆನರ್‌ಜೆನ್ನಿ ಹೊರತುಪಡಿಸಿ ಯೋಜನಾ ವೆಚ್ಚ	ವಿ.ಜಿ.ಎಫ್.ಹೊರತು ಪಡಿಸಿದ ಯುಟಿಲಿಟಿ, ಕಂಟೆನರ್‌ಜೆನ್ನಿ ಮತ್ತು ಯೋಜನಾ ವೆಚ್ಚ (40%)	ಏಜೆನ್ಸಿ ಒಪ್ಪಿರುವ ವಿ.ಜಿ.ಎಫ್. ಮೊತ್ತ ಹಾಗೂ ಎನ್.ಪಿ.ವಿ. 10% ಪ್ರತಿ ವರ್ಷಕ್ಕೆ	
1.	ಧಾರವಾಡ-ರಾಮನಗರ ರಸ್ತೆ	237.60	230.29	92.11	82.90	36.00%
2.	ವಾಗಧರಿ-ರಿಬ್ಬನಪಲ್ಲಿ ರಸ್ತೆ	242.75	238.58	95.43	90.66	38.00%

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Managing Director  
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7. ಬಿ.ಓ.ಟಿ.-ವಿ.ಜಿ.ಎಫ್. (ಟೋಲ್) ಆಧಾರದಲ್ಲಿ ಕೈಗೊಳ್ಳಲು ಮೇಲಿನ ಪ್ರಸ್ತಾವನೆಗಳು 2006-07 ನೇ ಸಾಲಿನ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಪ್ರಾರಂಭವಾಗಿದ್ದು, ಇದುವರೆಗೂ ವಾಸ್ತವ ರೂಪಕ್ಕೆ ಬಂದಿರುವುದಿಲ್ಲ. ಸದರಿ ಯೋಜನೆಗಳು ಶೀಘ್ರವಾಗಿ ಅನುಷ್ಠಾನವಾಗುವುದು ಎಂದು ಭಾವಿಸಿ, ಸದರಿ ರಸ್ತೆಗಳಲ್ಲಿ ನಿರ್ವಹಣೆ/ ಮರುಡಾಂಬರೀಕರಣ ಕಾಮಗಾರಿಗಳನ್ನು ಸಹ ಕೈಗೊಂಡಿರುವುದಿಲ್ಲ. ಪ್ರಸ್ತುತ ಸದರಿ ರಸ್ತೆಗಳ ಸ್ಥಿತಿ ತುಂಬ ಹದಗೆಟ್ಟಿದ್ದು ಸುಗಮವಾಹನ ಸಂಚಾರಕ್ಕೆ ತೊಂದರೆಯಾಗಿದೆ.

ಮೇಲಿನ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಕೂಲಂಕಷವಾಗಿ ಪರಿಶೀಲಿಸಿ, ಕೆಳಗಿನಂತೆ ಆದೇಶಿಸಲಾಗಿದೆ:

ಸರ್ಕಾರದ ಆದೇಶ ಸಂಖ್ಯೆ.ಲೋಇ 64 ಇಎಪಿ 2009 ಬೆಂಗಳೂರು, ದಿನಾಂಕ 03-04-10

ಮೆ:ಜಿಬಿಆರ್ ಇನ್‌ಫ್ರಾ ಪ್ರಾಜೆಕ್ಟ್ಸ್ ಲಿ - ಮೆ:ಆರ್.ಎಮ್.ಎನ್. ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್ಸ್ ಲಿ. ಮತ್ತು ಮೆ:ಪ್ರತ್ಯುಷಾ ಅಸೋಸಿಯೇಟ್ಸ್ ಶಿಪ್ಟಿಂಗ್ ಪ್ರೈ.ಲಿ. ಕಂಪನಿಗಳ ಕೂಟದ ಕೆಳಕಂಡ ವಿ.ಜಿ.ಎಫ್. ಕಾಮಗಾರಿಗಳ ಸಂಧಾನದ ಟೆಂಡರ್‌ಗೆ ಸರ್ಕಾರದ ಅನುಮೋದನೆಯನ್ನು ಈ ಕೆಳಕಂಡಂತೆ ನೀಡಲಾಗಿದೆ.

- i) ಧಾರವಾಡ-ಅಳ್ತಾವರ-ರಾಮನಗರ (ರಾಜ್ಯ ಹೆದ್ದಾರಿ-34) ರಸ್ತೆಯ 60.40 ಕಿಮೀ ಉದ್ದವನ್ನು ಬಿ.ಓ.ಟಿ.-ವಿ.ಜಿ.ಎಫ್. (ಟೋಲ್) ಮಾದರಿಯಲ್ಲಿ ಅಭಿವೃದ್ಧಿಗೊಳಿಸುವ ಕಾಮಗಾರಿ ಟೆಂಡರ್‌ನ ವಿ.ಜಿ.ಎಫ್. ಪ್ರೈಸ್ ಬಿಡ್ ಮೊತ್ತ 82.90 ಕೋಟಿ ರೂ.ಗಳು (ಎಂಬತ್ತೆರಡು ಕೋಟಿ ತೊಂಬತ್ತು ಲಕ್ಷ ರೂಪಾಯಿಗಳು ಮಾತ್ರ) - (36%) ಹಾಗೂ ಎನ್.ಪಿ.ವಿ. 10%. (ಶೇಕಡ 36 ವಿ.ಜಿ.ಎಫ್ ನಲ್ಲಿ ಭಾರತ ಸರ್ಕಾರವು ಶೇಕಡ 20 ರಷ್ಟನ್ನು ಭರಿಸುತ್ತದೆ ಹಾಗೂ ಉಳಿದ ಶೇಕಡ 16 ರಷ್ಟನ್ನು ರಾಜ್ಯ ಸರ್ಕಾರದಿಂದ ಭರಿಸುವುದು).

- ii) ಗುಲ್ಬರ್ಗ ಜಿಲ್ಲೆಯಲ್ಲಿ ಮಹಾರಾಷ್ಟ್ರ ಗಡಿಯಿಂದ, ಅಳಂದ, ಗುಲ್ಬರ್ಗ, ಮಳಖೇಡ್, ಸೇಡಂ, ರಿಬ್ಬನ್‌ಪಲ್ಲಿ ಮೂಲಕ ಆಂಧ್ರಪ್ರದೇಶ ಗಡಿವರೆಗಿನ 141.20 ಕಿಮೀ. ಉದ್ದದ ರಸ್ತೆಯನ್ನು (ವಾಗಧಾರಿ-ರಿಬ್ಬನ್‌ಪಲ್ಲಿ ರಸ್ತೆ) ಬಿ.ಓ.ಟಿ.-ವಿ.ಜಿ.ಎಫ್.(ಟೋಲ್) ಮಾದರಿಯಲ್ಲಿ ಅಭಿವೃದ್ಧಿಗೊಳಿಸುವ ಕಾಮಗಾರಿ ಟೆಂಡರ್‌ನ ವಿ.ಜಿ.ಎಫ್. ಪ್ರೈಸ್ ಬಿಡ್ ಮೊತ್ತ 90.66 ಕೋಟಿ ರೂ.ಗಳು (ತೊಂಬತ್ತು ಕೋಟಿ ಅರವತ್ತಾರು ಲಕ್ಷ ರೂಪಾಯಿಗಳು ಮಾತ್ರ) (38%) ಹಾಗೂ ಎನ್.ಪಿ.ವಿ. 10%. (ಶೇಕಡ 38 ವಿ.ಜಿ.ಎಫ್ ನಲ್ಲಿ ಭಾರತ ಸರ್ಕಾರವು

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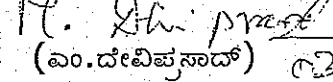
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ಶೇಕಡ 20 ರಷ್ಟನ್ನು ಭರಿಸುತ್ತದೆ ಹಾಗೂ ಉಳಿದ ಶೇಕಡ  
18 ರಷ್ಟನ್ನು ರಾಜ್ಯ ಸರ್ಕಾರದಿಂದ ಭರಿಸುವುದು).

ಮೇಲಿನ ಆದೇಶವನ್ನು ಆರ್ಥಿಕ ಇಲಾಖೆಯ ಟಿಪ್ಪಣಿ ಸಂಖ್ಯೆ.ಲೋಇ 23 ಎಫ್‌ಸಿ-1/2010  
ದಿನಾಂಕ 16-02-2010 ರಲ್ಲಿನ ಸಹಮತಿಯನ್ವಯ ಹೊರಡಿಸಲಾಗಿದೆ.

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆಜ್ಞಾನುಸಾರ

ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ,

  
(ಎಂ.ದೇವಿಪ್ರಸಾದ್)

ಸರ್ಕಾರದ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿ,

ಲೋಕೋಪಯೋಗಿ, ಬಂದರು ಹಾಗೂ

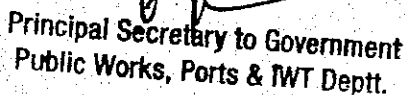
ಒಳನಾಡು ಜಲಸಾರಿಗೆ ಇಲಾಖೆ (ಇಎಪಿ)

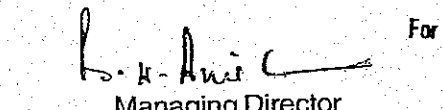
ಗೆ,

ಕಂಪ್ಯೂಲರ್, ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪತ್ರ, ಬೆಂಗಳೂರು ಮುಂದಿನ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ ಪ್ರಕಟಿಸಲು.

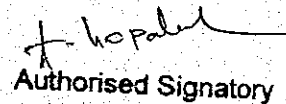
ಪ್ರತಿ:-

- 1) ಮಹಾಲೇಖಪಾಲರು, ಕರ್ನಾಟಕ (ಅಕೌಂಟ್ಸ್ & ಆಡಿಟ್) ಬೆಂಗಳೂರು.
- 2) ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು, ಲೋಕೋಪಯೋಗಿ, ಬಂದರು ಹಾಗೂ ಒಳನಾಡು ಜಲಸಾರಿಗೆ ಇಲಾಖೆ, ವಿಕಾಸಸೌಧ, ಬೆಂಗಳೂರು.
- 3) ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿಗಳು, ಆರ್ಥಿಕ 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) 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.

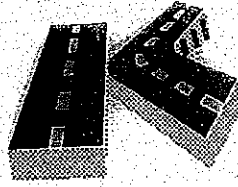
  
Principal Secretary to Government  
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Authorised Signatory





*De*

# KARNATAKA ROAD DEVELOPMENT CORPORATION LTD.

No. KRDCI/MD-DE-4/VGF(W-R)/2010-11/ 0022

April 3, 2010

To,  
M/s.GVR Infra Projects Ltd.,  
Vairams Complex, 4<sup>th</sup> floor,  
No.112, Thyagaraya Road,  
T.Nagar, Chennai - 600 017.  
Tel : 9144-28151681 / 1682  
Fax: 9144-28151683.

## LETTER OF ACCEPTANCE

Sir,

**Sub: Improvements to State Highway (SH-10) from Maharashtra Border to Andhra Pradesh Border via Aland, Gulbarga, Malkhed, Sedam, Ribbanpally (Whagdhari-Ribbanpally road) in Gulbarga District for a length of 141.20 Kms on BOT Basis.**

**Ref: (1) Your proposal dated 05.10.2009.  
(2) G.O No.PWD 64 EAP 2009 Bangalore, dated 03-04-2010.**

==

1. The Government in its order at ref. approved the negotiated tender of the consortium M/s.GVR Infra Project Limited - M/s.RMN Infrastructure Limited - M/s.Pralhyusha Associated Shipping Private Limited for the said work.
2. With reference to your proposal dated 05.10.2009 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.90.66 Crores (Rupees Ninety Crores Sixty Six Lakhs Only)** which is **38% (Thirty Eight Percent Only)** with **10% (Ten Percent)NPV**.
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,

*Ne 3/4*  
**N.S.RAMESH**

*De*  
**MANAGING DIRECTOR (I/C)  
KRDCI / BANGALORE**

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

Copy to:

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

*WATER/MD/2/10/0022/11/0022*

*De*  
**Managing Director**

**For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.**

*De*  
**Principal Secretary to Government**

**Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.**

*De*  
**Authorised Signatory**

**Regd. Office: 1st Floor, 16/J, Miller Tank Bed Area, Thimmaiah Road Cross, Bangalore - 560 052**

**Telephone : 2238 2360, 2238 2362, 2238 0141 2238 0142 Fax : 2238 0143**

**email : mdkrdcl@krdcl.co.in, engkrdcl@krdcl.co.in website : www.krdcl.co.in**

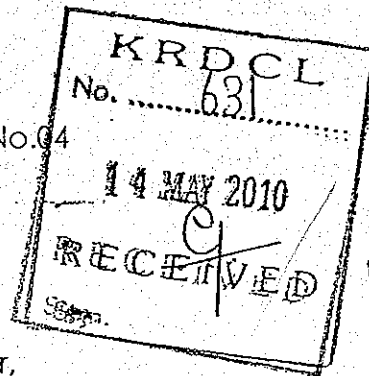


# GVR INFRA PROJECTS LTD

Regional Office :  
 # 476, Tala Cauvery Layout,  
 Amrutha Halli,  
 Byatarayanapura New Bengaluru Intl.  
 Airport Road, Bengaluru - 560 092.  
 Phone : 080 - 4147 9522 / 9575  
 Fax : 080 - 4147 9511  
 E-mail : gvrblr@gvrinfra.com  
 Web : www.gvrinfra.com

GVRMP/KRDCL/2010-2011/No.04

Friday, 14 May 2010



To,  
 The Hon' Managing Director,  
 Karnataka Road Development Corporation Ltd  
 Bangalore 560052

Sub: "Improvements to State Highway (SH-10) from Maharashtra Border to Andhra Pradesh Border via Aland, Gulbarga, Malkhed, Sedam, Ribbanpally (Whagdhari - Ribbanpally Road) in Gulbarga District for a length of 141.20 Kms on BOT Basis" - Release of EMD.

Ref: (1) Our Proposal dated 05-10-2009  
 (2) Our Acceptance Letter No KRDCL/MD-DE-4/VGF (W-R)/2010-2011/0022/ 03-04-2010

Sir,

With respect to the above subject we here by submitting the Certificate of Incorporation of our SPV - **M/s. GVRMP WHAGDHARI RIBBANPALLY TOLLWAY PRIVATE LIMITED** having its office at #476, Talacauvery Layout, Amruthahalli, Bytrayanapura, New Bangalore Intl. Airport Road, Bangalore 560092 Karnataka, India, formed by our Consortium of **M/s. GVR Infra Projects Ltd (Lead Partner), M/s. RMN Infrastructures Limited & M/s Prathyusha Associated Shipping Private Limited** for executing the above work.

The same may be noted in your records and a convenient date may be intimated to this office in order to execute the **Concession Agreement** with KRDCL & Govt. of Karnataka.

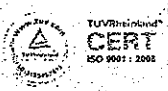
Thanking You  
 Yours truly,  
 For GVR Infra Projects Ltd

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Lt

*H. Anil Kumar*  
 Managing Director  
 Karnataka Road Development Corporation Ltd  
 1st Floor, 16/J, Miller Tank Bed Area,  
 BANGALORE - 560 052.

*A. K. S. Srinivas*  
 Authorized Signatory

*A. K. S. Srinivas*  
 Authorized Signatory



Registered Office : Plot No. 231, Swamy Ayyappa Society, Madhapur, Hyderabad - 500 081. INDIA.  
 Phone : +91-40-4343 9999 Fax : +91-40-4343 9962 E-mail : gvrhyd@gvrinfra.com

Corporate Office : Vairams Complex, 4<sup>th</sup> Floor, 112, Thyagaraya Road, T.Nagar, Chennai - 600 017.  
 Phone : +91-44-2815 1681 /1682 Fax : +91-44-2815 1683. E-mail : gvrchennai@gvrinfra.com

Principal Secretary to Government  
 Public Works, Ports & TWT Deptt.



प्रारूप 1  
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U45209KA2010PTC053435

2010 - 2011

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

GVRMP WHAGDHARI RIBBANPALLY TOLLWAY PRIVATE LIMITED

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

यह निगमन-पत्र आज दिनांक उनतीस अप्रैल दो हजार दस को मेरे हस्ताक्षर से बेंगलूर में जारी किया जाता है।

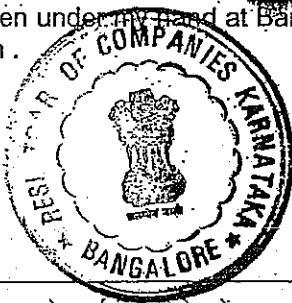
Form 1  
Certificate of Incorporation

Corporate Identity Number : U45209KA2010PTC053435

2010 - 2011

I hereby certify that GVRMP WHAGDHARI RIBBANPALLY TOLLWAY PRIVATE LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is private limited.

Given under my hand at Bangalore this Twenty Ninth day of April Two Thousand Ten.



(A SEHAR PONRAJ)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

कर्नाटका  
Karnataka

कम्पनी रजिस्ट्रार के कार्यालय आलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

GVRMP WHAGDHARI RIBBANPALLY TOLLWAY PRIVATE LIMITED

#476, TALA CAUVERY LAYOUT, AMRUTHA HALLI, BYATARAYANAPURA, NEW BENGALURU INTL.

AIRPORT ROAD,

BENGALURU - 560092,

Karnataka, INDIA

Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

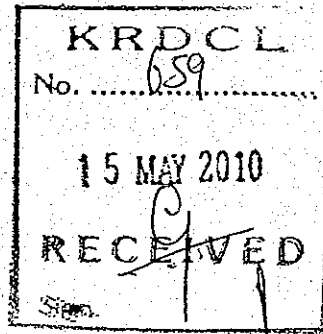
For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

Authorised Signatory



# GVR INFRA PROJECTS LTD

Regional Office :  
 # 476, Tala Couvery Layout,  
 Amrutha Halli,  
 Byatarayanapura New Bengaluru Intl.  
 Airport Road, Bengaluru - 560 092.  
 Phone : 080 - 4147 9522 / 9575  
 Fax : 080 - 4147 9511  
 E-mail : gvrblr@gvrinfra.com  
 Web : www.gvrinfra.com



GVRMP/KRDCL/2010-2011/No.05

Friday, 14 May 2010

To,  
 The Hon' Managing Director,  
 Karnataka Road Development Corporation Ltd  
 Bangalore 560052

Sub: "Improvements to State Highway (SH-10) from Maharashtra Border to Andhra Pradesh Border via Aland, Gulbarga, Malkhed, Sedam, Ribbanpally (Whagdhari - Ribbanpally Road) in Gulbarga District for a length of 141.20 Kms on BOT Basis" - POWER OF ATTORNEY TO MR. A. GOPAL KRISHNA.

Ref: (1) Our Proposal dated 05-10-2009  
 (2) Our Acceptance Letter No KRDCCL/MD-DE-4/VGF (W-R)/2010-2011/0022/ 03-04-2010

Sir,

With respect to the above subject we here by submitting in original **POWER OF ATTORNEY** in favour of **Mr. A. Gopal Krishna** to do all acts, deeds and things in necessary in connection with the above mentioned road work on behalf of SPV **M/s. GVRMP WHAGDHARI RIBBANPALLI TOLLWAY PRIVATE LIMITED.**

The same may be noted in your records and a convenient date may be intimated to this office in order to execute the **Concession Agreement** with KRDCCL & Govt. of Karnataka.

Thanking You  
 Yours truly,  
 For GVR Infra Projects Ltd

*A. Gopal Krishna*  
 Authorized Signatory

*R. H. Anil Kumar* For GVRMP Whagdhari Ribbanpalli Tollway Pvt. L.  
 Managing Director  
 Karnataka Road Development Corporation Ltd.  
 1st Floor, 16/1, Mheerank Bed Area,  
 BANGALORE - 560 052.  
*A. Gopal Krishna*  
 Authorized Signatory

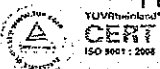
Principal Secretary to Government

Public Works Dept. & PWT Dept. Swamy Ayyappa Society, Madhapur, Hyderabad - 500 081. INDIA.

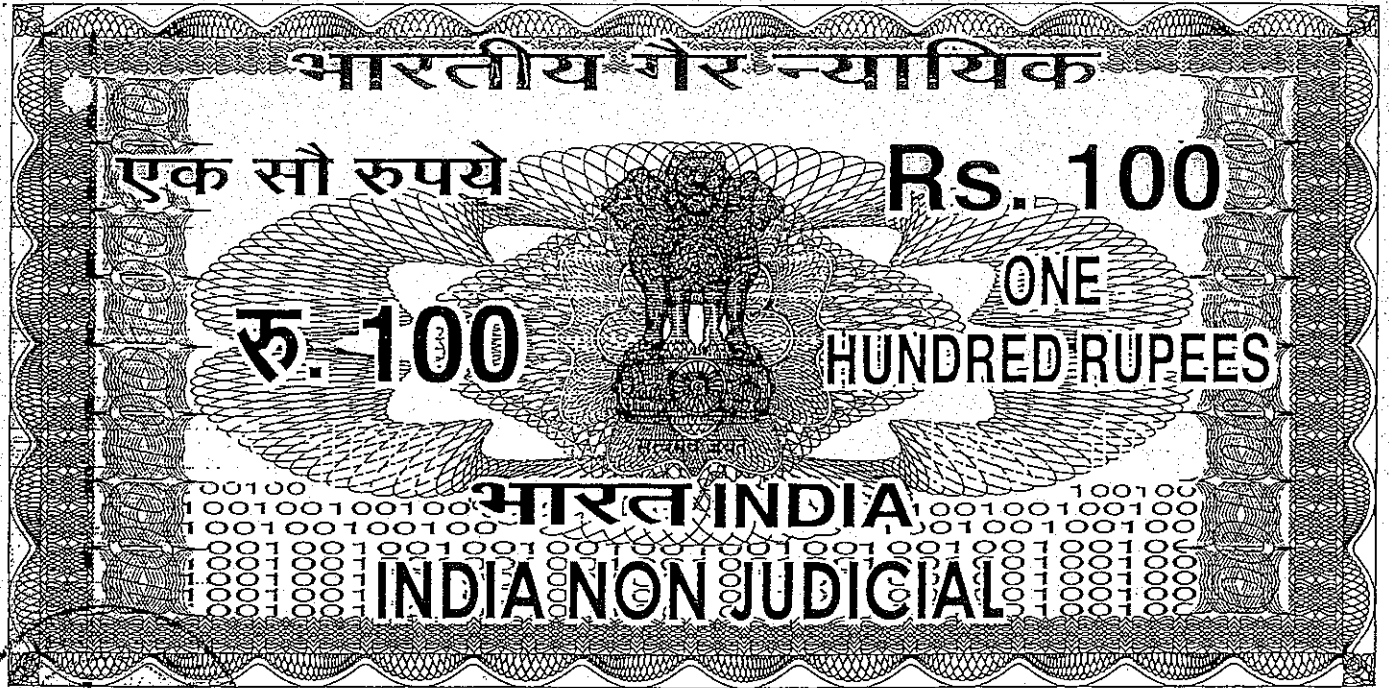
Phone : +91-40-4343 9999 Fax : +91-40-4343 9962 E-mail : gvrhyd@gvrinfra.com

Corporate Office : Vairams Complex, 4<sup>th</sup> Floor, 112, Thyagaraya Road, T.Nagar, Chennai - 600 017.

Phone : +91-44-2815 1681 / 1682 Fax : +91-44-2815 1683. E-mail : gvrchennai@gvrinfra.com



2854  
 ce



U 240415

K. KALYANI (S.V.)  
Lic. NO. 17437/अ/98  
NO. 1/1A2, MOTILAL STREET,  
T. NAGER, CHENNAI - 17.  
Phone : 24347696

2870 GVRMP WHAGDHARI  
30.4.2010 RIBBANPALLY TOLLWAY PVT LTD

### POWER OF ATTORNEY

By this Power of Attorney, it is hereby informed that Mr. A Gopalakrishna, Authorised Signatory for GVRMP WHAGDHARI RIBBANPALLI TOLLWAY PRIVATE LIMITED be and is hereby authorised to sign all the documents, conclude agreements, make relevant correspondence, represent before the concerned Authorities in connection with the execution of Concession Agreement for the work "Improvement to State Highway (SH-10) from Maharashtra Border to Andhra Pradesh border via Aland, Gulbarga, Malkhed, Sedam, Ribbanpally (Whagdhari-Ribbanpally road) in Gulbarga District, Karnataka for a length of 141.20 Kms under Built Operate and Transfer (BOT) basis" with Karnataka Road Development Corporation Limited for and on behalf of the Company and to do all such acts, deeds and things necessary in connection with or incidental to the above.

*P. H. Anil Kumar*

Managing Director

Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

*A. K. Kalyani*  
Authorised Signatory

AND WE DO HEREBY agree to ratify and confirm all and whatever our said attorney shall or purport to do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, we have executed this power at Chennai, this 30<sup>th</sup> day of April, 2010.

A Gopalakrishna

*A. Gopalakrishna*  
//Attested//

For GVRMP WHAGDHARI RIBBANPALLI TOLLWAY PRIVATE LIMITED

*G. Venkateswara Rao*

G Venkateswara Rao  
Director

Witness: *K. T. Hegde*  
(K. T. HEGDE)

*V. P.*  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

*H. H. Anil Kumar*  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE-560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

*A. Gopalakrishna*  
Authorised Signatory

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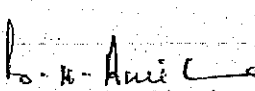
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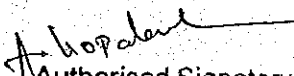
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Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank P.O.,  
BANGALORE - 560

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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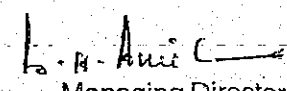
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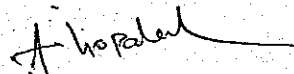
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Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory



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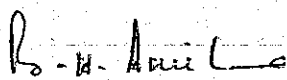
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Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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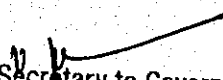
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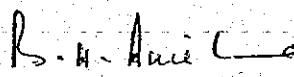
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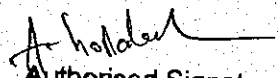
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Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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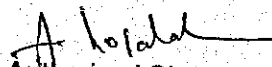
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Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 007.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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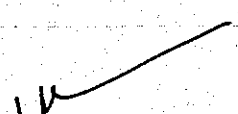
- 29.1 Effect of variation of in traffic growth
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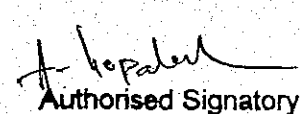
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Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 56  
  
Authorised Signatory

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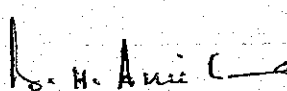
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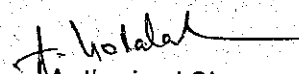
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Public Works, Ports & IWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
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BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
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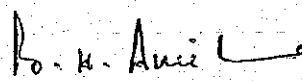
40.1 Restriction on assignment and charges

40.2 Permitted assignment and charges

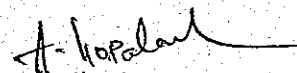
40.3 Substitution Agreement

40.4 Assignment by the Government

  
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Public Works, Ports & TWT Deptt.

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

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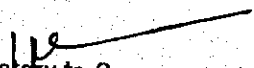
- 44.1 Dispute resolution
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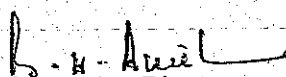
**Article - 45****Disclosure**

- 45.1 Disclosure of Specified Documents
- 45.2 Disclosure of Documents relating to safety

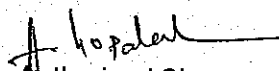
**Article - 46****Redressal of Public Grievances**

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Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. L.

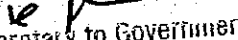
  
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- 48.1 Definitions

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
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## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

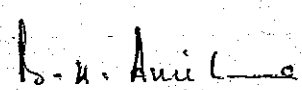
The words, abbreviations and expressions beginning with capital letters and defined in this Agreement (including those in Article 48) shall, unless the context otherwise requires, have the meaning ascribed thereto herein, and the words and expressions defined in the Schedules and used therein shall have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

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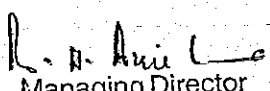
  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

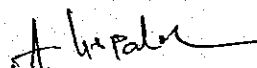
  
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- (k) references to any date, period or Project Milestone shall mean and include such date, period or Project Milestone as may be extended pursuant to this Agreement;
- (l) any reference to any period commencing "from" a specified day or date and "till" 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").

Principal Secretary to Government  
Public Works, Ports & TWT Dept.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Lt

  
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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 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;

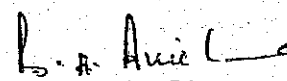
(b) between the Clauses of this agreement and the Schedules, the Clauses shall prevail and between Schedules and Annexes, the Schedules shall prevail;

(c) between the written description on the Drawings and the Specifications and Standards, the latter shall prevail ;

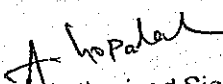
(d) between the dimension scaled from the Drawing and its specific written dimension, the latter shall prevail; and

(e) between any value written in numerals and that in words, the latter shall prevail.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

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## ARTICLE 2 SCOPE OF THE PROJECT


### 2.1 Scope of the Project

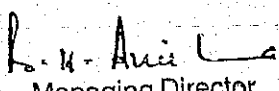
The scope of the Project (the "Scope of the Project") shall mean and include, during the Concession Period:

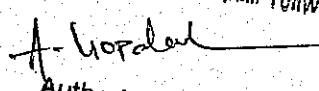
- (a) improvement of the Project Road on the Site set forth in Schedule-A and as specified in Schedule-B together with provision of Project Facilities as specified in Schedule-C, and in conformity with the Specifications and Standards set forth in Schedule-D;

It shall include Construction of two lane carriageway with flexible pavement with 1.0m wide paved shoulders and all other facilities as required for a BOT project in the northern side of Karnataka State. The Project Road "Waghdhari – Ribbanpally Road provides vital connectivity between Maharastra Border at Waghdhari with Andhra Pradesh Border at Ribbanpally.

- (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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. L  
  
Authorised Signatory

### 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.

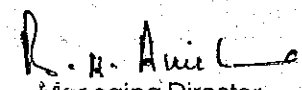
3.1.2 Subject to and in accordance with the provisions of this Agreement, the Concession hereby granted shall oblige or entitle (as the case may be) the Concessionaire to:

- (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.

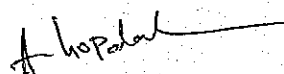
#### 3.2 Waiver of Two-Laning Plus

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Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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.

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 the 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;

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Li

Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

Authorised Signatory

- (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, the 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

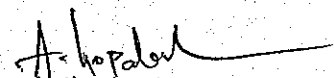
In the event that (i) the Government does not procure fulfilment of any or all of the Conditions Precedent set forth in Clause 4.1.2 within the period specified in respect thereof, and (ii) the delay has not occurred as a result of breach of this Agreement by the Concessionaire or due to Force Majeure, 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.

Principal Secretary to Government  
Public Works, Ports & IWT Deptt

Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

  
Managing Director

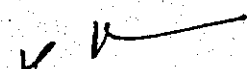
For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

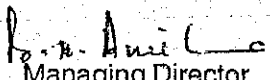
  
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## ARTICLE 5 OBLIGATIONS OF THE CONCESSIONAIRE

### 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 the 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 fulfill 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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt

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


For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

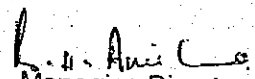
  
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## 5.2 Obligations relating to Project Agreements

- 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 the 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 the 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 the Government to review and / or comment hereunder shall not be construed or deemed as acceptance of any such agreement or document by the Government. No review and/or observation of the 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 the 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 expeditiously.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank  
BANGALORE - 560

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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

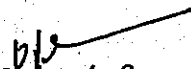
5.3.1 The Concessionaire shall not undertake or permit any Change in Ownership, except with the prior written approval of the Government.

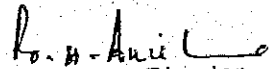
5.3.2 Notwithstanding anything to the contrary contained in this Agreement, the Concessionaire agrees and acknowledges that:

- (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.

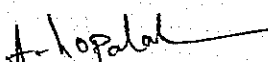
For the purposes of this Clause 5.3.2:

- (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

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

- (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 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.

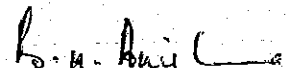
#### 5.5 Employment of trained personnel

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.

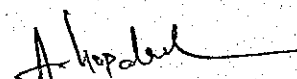
#### 5.6 Sole purpose of the Concessionaire

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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Lt

  
Authorised Signatory

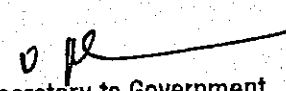
## ARTICLE 6 OBLIGATIONS OF THE GOVERNMENT


### 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.

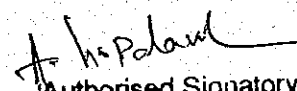
6.1.2 The Government agrees to provide support to the Concessionaire and undertakes to observe, comply with and perform, subject to and in accordance with the provisions of this Agreement and the Applicable Laws, the following:

- (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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.


  
Authorised Signatory

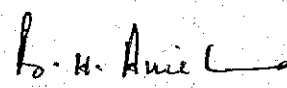
**6.2 Maintenance obligations prior to Appointed Date**

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.

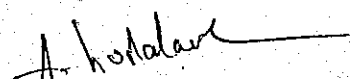
**6.3 Obligations relating to Competing Roads**

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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
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For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

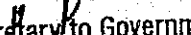
  
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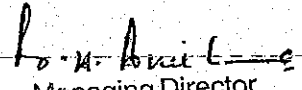
## ARTICLE 7 REPRESENTATIONS AND WARRANTIES

### 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;

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

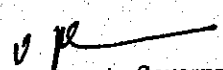
  
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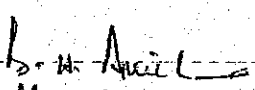
- (j) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a material adverse effect on its ability to perform its obligations under this Agreement;
- (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 that 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 organized and validly existing under the laws of the jurisdiction of its incorporation, and has requested the 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 the 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 the 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;

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

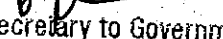
For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

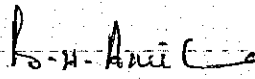
  
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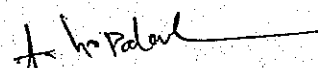
- (b) it has taken all necessary actions under the Applicable Laws to authorise the execution, delivery and performance of this Agreement;
- (c) it has the financial standing and capacity to perform its obligations under the Agreement;
- (d) this Agreement constitutes a legal, valid and binding obligation 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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 56. 2.

  
Authorised Signatory


For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.




## ARTICLE 8 DISCLAIMER

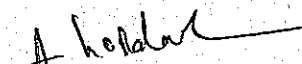
### 8.1 Disclaimer

- 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 the 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, the 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 the 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 the 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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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. 12.39 Crores (Rupees Twelve Crores and Thirty Nine Lakhs only) 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.

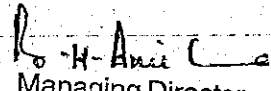
#### 9.2 Appropriation of Performance Security

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.

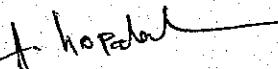
#### 9.3 Release of Performance Security

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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
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BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

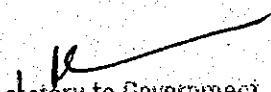
## ARTICLE 10 RIGHT OF WAY


### 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.

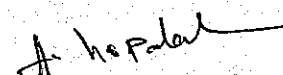
### 10.2 License, Access and Right of Way

- 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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 0

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**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.

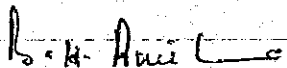
**10.3 Procurement of the Site**

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 any 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 license 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 license 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.

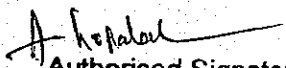
10.3.2 Without prejudice to the provisions of Clause 10.3.1, the Parties hereto agree that on or prior to the Appointed Date, the Government shall have granted vacant access and Right of Way such that the Appendix shall not include more than 10% (ten per cent) of the total area of the Site required and 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.

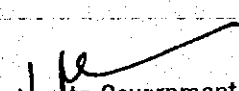
  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

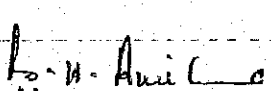
  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

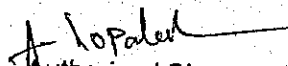
  
Authorised Signatory

- 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 rate of Rs. 50 (Rupees fifty) per day for every 1,000 (one thousand) square meters or part thereof, commencing from the 91<sup>st</sup> (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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Kamataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bldg.,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**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**

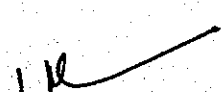
The Concessionaire shall bear all costs and charges for any special or temporary right of way required by it in connection with access to the Site. The Concessionaire shall obtain at its cost such facilities on or outside the Site as may be required by it for the purposes of the Project Road and the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

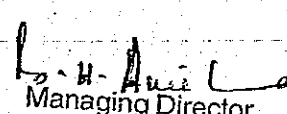
**10.7 Access to the Government and Independent Engineer**

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.

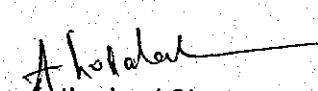
**10.8 Additional land for Wayside Amenities**

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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
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

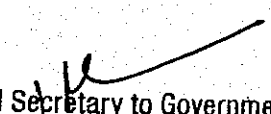
The Concessionaire shall, subject to Applicable Laws and with assistance of the Government, undertake shifting of any utility including electric lines, water pipes and telephone cables, to an appropriate location or alignment within or outside the Site if and only if such utility causes a material adverse 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.

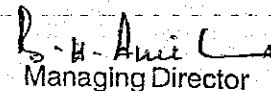
### 11.3 New utilities and roads

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.

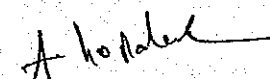
11.3.2 The Government may, by notice require the Concessionaire to connect any adjoining road to the Project Road, and the connecting portion thereof falling within the Site shall be constructed by the Concessionaire at the Government's cost in accordance with Article 16. The maintenance of such connecting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

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.


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

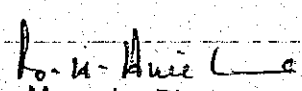
For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

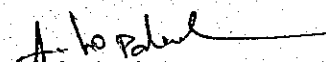
**11.4 Felling of trees**

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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Red Area,  
BANGALORE - 56

For GVRMP Whagdhari Ribbanpalli-Tailway Pv

  
Authorised Signatory



**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.

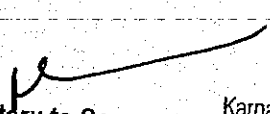
**12.2 Maintenance during Construction Period**

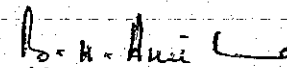
During the Construction Period, the Concessionaire shall maintain, at its cost, the existing lane(s) of the Project Road so that its traffic worthiness and safety are at no time materially inferior as compared to its condition 7 (seven) days prior to the date of this Agreement, and shall undertake the 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**

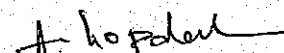
In respect of the Concessionaire's obligations with respect to the Drawings of the Project Road as set forth in Schedule-H, the following shall apply:

- (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;

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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


For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

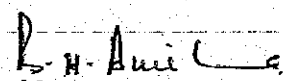
  
Authorised Signatory

- (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 730<sup>th</sup> (Seven Hundred and Thirty) 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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

  
Authorised Signatory

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 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 Road**

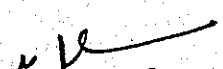
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**12.6 Termination due to failure to complete Two-Laning Plus**

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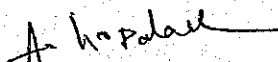
**12.7 Construction of Service lanes by the Government**

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Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

  
Authorised Signatory

## 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.

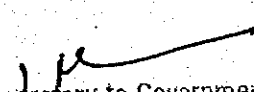
#### 13.2 Inspection

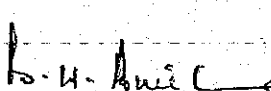
During the Construction Period, the Independent Engineer shall inspect the Project Road at least once a month and make a report of such inspection (the "Inspection Report") stating in reasonable detail the defects or deficiencies, if any, with particular reference to the Scope of the Project and Specifications 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

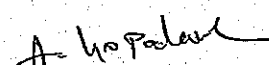
13.3.1 For determining that the Construction Works conform to the Specifications and Standards, the Independent Engineer shall require the Concessionaire to carry out or cause to be carried out Tests, at such time and frequency and in such manner as may be specified by the Independent Engineer from time 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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

For the avoidance of doubt, it is agreed 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.

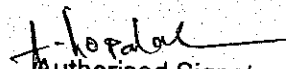
13.5.3 Subject to the provisions of Clause 34.7, all reasonable costs incurred for maintaining and protecting the Construction Works or part thereof during the period of suspension (the "Preservation Costs"), shall be borne by the Concessionaire; provided that if the suspension has occurred as a result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

Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

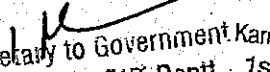
  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

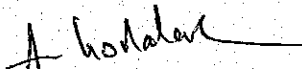
  
Authorised Signatory

**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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Lt

  
Authorised Signatory

## 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.


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")

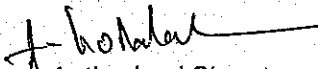
### 14.3 Provisional Certificate

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pw

  
Authorised Signatory

#### 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.

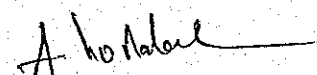
#### 14.6 Rescheduling of Tests

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Lt

  
Authorised Signatory




## ARTICLE 15 ENTRY INTO COMMERCIAL SERVICE

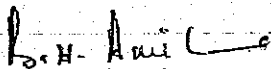
### 15.1 Commercial Operation Date (COD)

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.

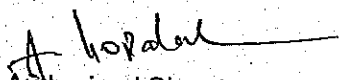
### 15.2 Damages for delay

Subject to the provisions of Clause 12.4, if COD does not occur prior to the 91<sup>st</sup> (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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

  
Authorised Signatory

## 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.

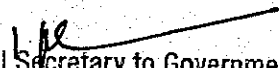
#### 16.2 Procedure for Change of Scope

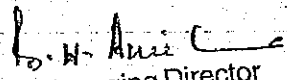
16.2.1 In the event of the Government determining that a Change of Scope is necessary, it shall issue to the Concessionaire a notice specifying in reasonable detail the works and services contemplated thereunder (the "Change of Scope Notice").

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 the 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 the 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, the 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, the Government may, by issuing a Change of Scope Order, 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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Lt

  
Authorised Signatory

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, the 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 the 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 the Government to determine the accuracy thereof. Within 30 (thirty) days of receipt of such bills, the 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.

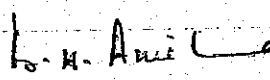
16.3.2 Notwithstanding anything to the contrary contained in Clause 16.3.1, all costs arising out of any Change of Scope Order issued during the Construction Period shall be borne by the Concessionaire, subject to an aggregate ceiling of 0.25% (zero point two five per cent) of the Total Project Cost. 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

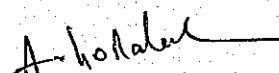
16.4.1 Notwithstanding anything to the contrary contained in this Article 16, the Government shall not require the Concessionaire to undertake any works or services if such works or services are likely to delay completion of Project Road; provided that in the event that Government considers such works 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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 072.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**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.

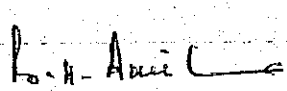
16.5.2 The works undertaken in accordance with this Clause 16.5 shall conform to the Specifications and Standards and shall be carried out in a manner that minimises the disruption in operation of the Project Road. The provisions of this Agreement, insofar as they relate to Construction Works and Tests,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

**16.6 Reduction in Scope of the Project**

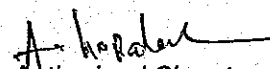
16.6.1 If the Concessionaire shall have failed to complete any Construction Works on account of Force Majeure or for reasons solely attributable to Government, Government may, in its discretion, require the Concessionaire to pay 80% (eighty percent) of the sum saved therefrom, and upon such payment to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

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd-

  
Authorised Signatory

## ARTICLE 17 OPERATION AND MAINTENANCE

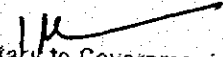
### 17.1 O&M obligations of the Concessionaire

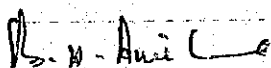
17.1.1 During the Operation Period, the Concessionaire shall operate and maintain the Project Road in accordance with this Agreement either by itself, or through the O&M Contractor and if required, modify, repair or otherwise make improvements to the Project Road to comply with the provisions of this 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.

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.

  
Principal Secretary to Government  
Public Works, Ports & TWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**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 (One Hundred 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; and
- (g) intervals for major maintenance works and the scope thereof;


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.

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.

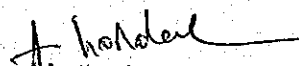
**17.5 Safety, vehicle breakdowns and accidents**

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt:

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 02.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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.

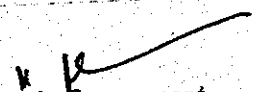
17.6.2 The Concessionaire shall re-commission the Project Road or the affected part thereof as quickly as practicable after the circumstances leading to its decommissioning and closure have ceased to exist or have so abated as to enable the Concessionaire to re-commission the Project Road.

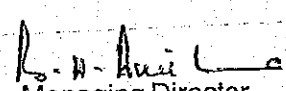
#### 17.7 Lane closure

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.

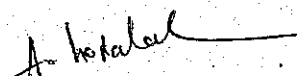
17.7.2 The provisions of Clause 17.7.1 shall not apply to de-commissioning under Clause 17.6.1 or to closure of any lane for a period not exceeding 2 (two) hours in a day at any time of the day and 6 (six) hours in a day at a time specified by the Independent Engineer as off-peak hours when the flow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

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Toliway Pvt. Ltd.

  
Authorised Signatory

**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.

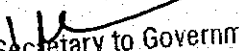
**17.9 Government's right to take remedial measures**

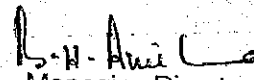
17.9.1 In the event the Concessionaire does not maintain and/or repair the Project Road or any part thereof in conformity with the Maintenance Requirements, the Maintenance Manual or the Maintenance Programme, as the case may be, and fails to commence remedial works within 15 (fifteen) days of receipt 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, 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.

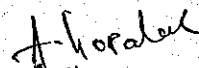
**17.10 Overriding powers of Government**

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory



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 or 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.


#### 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

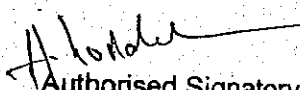
The Concessionaire shall not be considered in breach of its obligations under this Agreement if any part of the Project Road is not available to traffic after the COD on account of any of the following for the duration thereof:

- (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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Highway P. Ltd.

  
Authorised Signatory


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

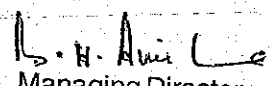
#### 17.14 Barriers and diversions

The Government shall procure 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. The Government shall also make best endeavors to procure 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.

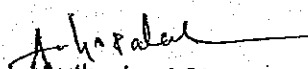
#### 17.15 Advertising on the Site

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## ARTICLE 18 SAFETY REQUIREMENTS

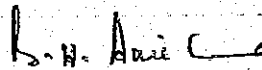
### 18.1 Safety Requirements

- 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 or about 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.

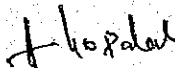
### 18.2 Expenditure on Safety Requirements

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 5

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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

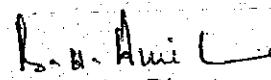
19.4.1 The Concessionaire shall repair or rectify the defects or deficiencies, if any, set forth in the O&M Inspection Report or in the test results referred to in Clause 19.3 and furnish a report in respect thereof to the Independent Engineer and the Government within 15 (fifteen) days of receiving 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.

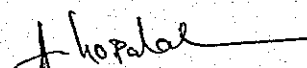
### 19.5 Monthly Fee Statement

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").

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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.

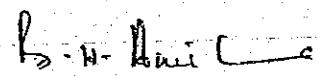
### 20.3 Buildings for Traffic Aid Posts

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.

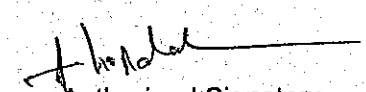
### 20.4 Recurring expenditure on Police assistance

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 56

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## ARTICLE 21 EMERGENCY MEDICAL AID

### 21.1 Medical Aid Posts

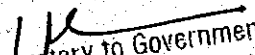
For providing emergency medical aid during the Operation Period, as set forth in this Agreement, the Concessionaire shall assist the Government [or a substitute thereof to be designated by the Government] in setting up and operating a medical aid post (the "Medical Aid Post") at each of the Toll Plazas 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.

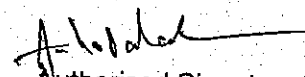
### 21.3 Recurring expenditure on Medical Aid Posts

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bldg Area,  
BANGALORE

For GVRMP Whagdhari Ribbanpally Tollway Pvt. Lt

  
Authorised Signatory

## 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.

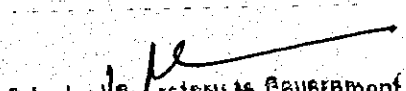
#### 22.3 Traffic sampling

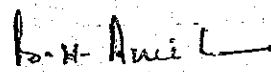
22.3.1 For determining the actual traffic on the Project Road, Government shall be entitled to inspect the relevant records of the Concessionaire, and may, at its own cost, undertake traffic sampling substantially in the manner set forth in Schedule-O at such frequency as it may deem appropriate, but 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.

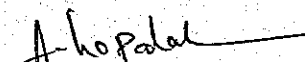
#### 22.4 Computer systems and network

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Kamataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tar  
BANGALORE - 5

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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

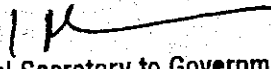
The remuneration, cost and expenses of the Independent Engineer shall be paid by the Government and subject to the limits set forth in Schedule-P, one-half of such remuneration, cost and expenses shall be reimbursed by the Concessionaire to the Government within 15 (fifteen) days of receiving a statement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

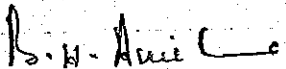
### 23.4 Termination of appointment

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.

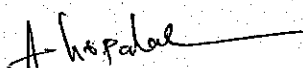
23.4.2 If the Concessionaire has reason to believe that the Independent Engineer is not discharging its duties and functions in a fair, efficient and diligent manner, it may make a written representation to the Government and seek termination of the appointment of the Independent Engineer. Upon receipt 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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory




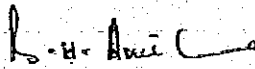
**23.5 Authorised signatories**

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.

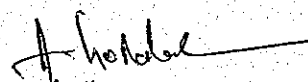
**23.6 Dispute resolution**

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## ARTICLE 24

### FINANCIAL CLOSE

#### 24.1 Financial Close

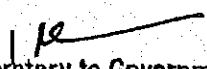
24.1.1 The Concessionaire hereby agrees and undertakes that it shall achieve Financial Close within 180 (one hundred and eighty) days from the date of this Agreement and in the event of delay, it shall be entitled to a further period not exceeding 120 (one hundred and twenty) days, subject to payment 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.

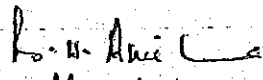
24.1.2 The Concessionaire shall, upon occurrence of Financial Close, notify Government forthwith, and shall have provided to Government, at least 2 (two) days prior to the Financial Close, 3 (three) true copies of the Financial Package and the Financial Model, duly attested by a Director of the Concessionaire, 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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller  
BANGALORE

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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. 90.66 Crores (Rupees Ninety Crores and Sixty Six Lakhs only), which is 38% 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 disbursed 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 Concessioneing Authority, but in no case be greater than the Equity, and shall be further restricted to a sum not exceeding 20% (twenty percent) of the total project cost. For the avoidance of doubt, the Total Project Cost to be reckoned for the purposes of this Clauses 25.5.5 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 remainig 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 Appendix - B.

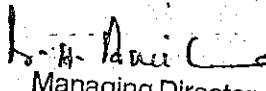
### 25.3 O&M Support

25.3.1 The balance of the Grant, if any, remaining after disbursement of the Equity Support shall be disbursed to the Concessionaire in accordance with Clause 25.3.2 for meeting O&M expenses of the Project (the "O&M Support").

25.3.2 The O&M support shall be disbursed by the Government in quarterly instalments and the first such instalment shall be released within 90 (Ninety) days of COD. Each instalment shall be a sum equal to 5 (five) per cent of the Equity Support and such instalments shall be disbursed by the Government until the Grant is exhausted.

25.3.3 The payment of O&M support shall be as per Appendix - B.

Principal Secretary to Government.  
Public Works, Ports & IWT Deptt.

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

  
Authorised Signatory

## ARTICLE 26 CONCESSION FEE

### 26.1 Concession 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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26.3 Deleted.

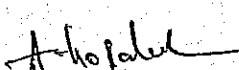
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Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Road,  
BANGALORE - 560009

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**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.


27.2.2 Deleted


27.2.3 Deleted

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.

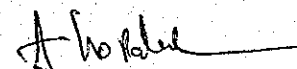
**27.3 Exemption for Local Traffic**

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].

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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 Road and does not cross a Toll Plaza.

#### 27.4 Free use of service lanes

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#### 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

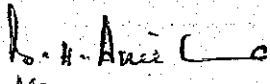
27.6.1 In the event that the average daily traffic of PCUs in any Accounting Year shall have reached a level equivalent to 120% (one hundred and twenty percent) of the designed capacity specified in Clause 29.2.3 (the "Traffic Cap"), the Fee levied and collected from the traffic exceeding the Traffic 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.

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.

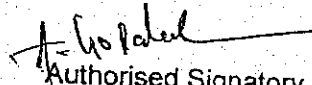
#### 27.7 Tolling Contractor

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.

Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**27.8 Fee collection points**

Fee shall ordinarily be collected at the Toll Plaza[s] from vehicles crossing the Toll Plaza[s] 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 Plaza[s] 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 Road 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 Plaza[s] 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 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:

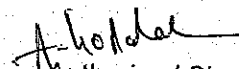
- (a) 50% (fifty per cent) of the Fee if the overloading of such vehicle exceeds 10% (ten per cent) of the permissible load but is not greater than 20% (twenty per cent) thereof; and
- (b) 100% (one hundred per cent) of the Fee if such overloading exceeds 20% (twenty per cent) of the permissible load;

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;

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

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.

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27.11.1 Deleted

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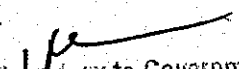
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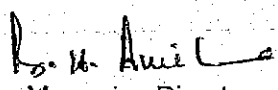
**27.12 Display of Fee rates**

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.

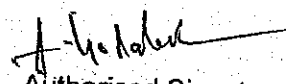
27.12.2 The Concessionaire shall, from time to time, inform Government of the applicable Fee and the detailed calculation thereof. Such information shall be communicated at least 15 (fifteen) days prior to the revision of Fee under and in accordance with the Fee Notification.

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory



**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.

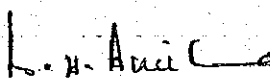
28.1.2 If the half-yearly results of the Concessionaire indicate that the shortfall contemplated for an Accounting Year has arisen in respect of the first 6 (six) months thereof, the Concessionaire shall be entitled to a provisional Revenue Shortfall Loan; provided that, no later than 60 (sixty) days 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.

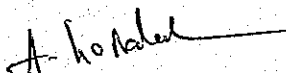
**28.2 Repayment of Revenue Shortfall Loan**

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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 July 2020 (the "Target Date")\* is estimated to be Ch. 24+00 (Aland Check Post) 40+00 (Kadaganchi) 80+00 (Shahbad Cross), 102+00 (Malkhed) and PCUs are 11068, 10794, 10380, 13477 per day respectively (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

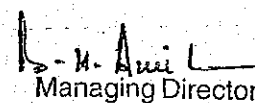
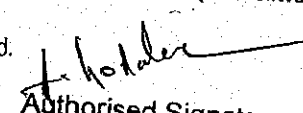
29.2.1 Subject to the provisions of Clause 29.1.2, in the event Actual Traffic shall have fallen short of the Target Traffic, then for every 1% (one per cent) shortfall as compared to the Target Traffic, the Concession Period shall, subject to payment of Concession Fee in accordance with this Agreement, 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) 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:

\* 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 Road.


  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.


  
Managing Director  
For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.  
Karnataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.  
  
Authorised Signatory

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 Road 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 Road 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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**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, [ ] and \*\*\* or \*\*\* and \*\*\*] (collectively the "Additional Tollway") for use by traffic at any time before the [12<sup>th</sup> (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 7<sup>th</sup> (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, [ ] and [ ] or [ ] and \*\*\*] 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**


If the Additional Tollway is opened to traffic between the 25<sup>th</sup> (twenty fifth) and 30<sup>th</sup> (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 30<sup>th</sup> (thirtieth) anniversary. For the avoidance of doubt, if the Additional Tollway is opened on the 27<sup>th</sup> (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.

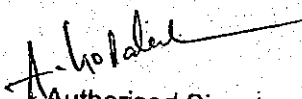
**30.4 Minimum Fee for Additional Tollway**

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 Road.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

  
Authorised Signatory

## 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:

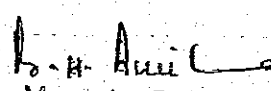
Provided that the Senior Lenders may make direct disbursements to the EPC Contractor in accordance with the express provisions contained in this behalf in the Financing Agreements.

### 31.3 Withdrawals during Concession Period

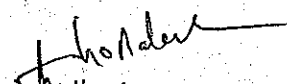
- 31.3.1 The Concessionaire shall, at the time of opening the Escrow Account, give irrevocable instructions, by way of an Escrow Agreement, to the Escrow Bank instructing, inter alia, that deposits in the Escrow Account shall be appropriated in the following order every month, or at shorter intervals 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;
- (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;

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

- (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

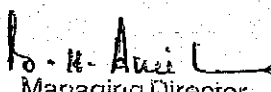
31.4.1 Notwithstanding anything to the contrary contained in this Agreement, all amounts standing to the credit of the Escrow Account shall, upon Termination, be appropriated in the following order:

- (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;
- (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.

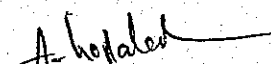
Provided that no appropriations shall be made under Sub-clause (j) of this Clause 31.4.1 until a Vesting Certificate has been issued by the Government under the provisions of Article 38.

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## 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 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

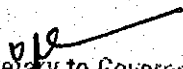
Not later than 45 (forty five) days prior to commencement of the Construction Period or the Operation Period, as the case may be, the Concessionaire shall by notice furnish to Government, in reasonable detail, information in respect of the insurances that it proposes to effect and maintain in accordance 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.

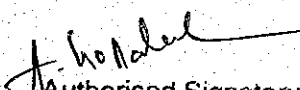
### 32.4 Remedy for failure to insure

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**32.5 Waiver of subrogation**

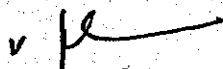
All insurance policies in respect of the insurance obtained by the Concessionaire pursuant to this Article 32 shall include a waiver of any and all rights of subrogation or recovery of the insurers thereunder against, inter alia, Government, and its assigns, successors, undertakings and their subsidiaries, 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, 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.

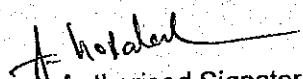
**32.7 Application of insurance proceeds**

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

  
Authorised Signatory



### 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.

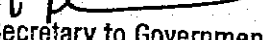
33.1.3 On or before the thirty-first day of May each Year, the Concessionaire shall provide to Government, for the preceding Accounting Year, a statement duly audited by its Statutory Auditors giving summarised information on (a) the traffic count for each category of vehicles using the Project Road 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.

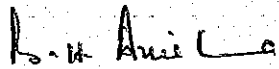
##### 33.2 Appointment of auditors

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.

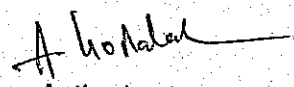
33.2.2 The Concessionaire may terminate the appointment of its Statutory Auditors after a notice of 45 (forty five) days to Government, subject to the replacement Statutory Auditors being appointed from the Panel of Chartered Accountants.

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

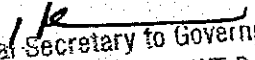
33.2.4 In the event that the grant exceeds 20% (twenty Percent) of the total project cost, the Government shall have the right, but not the obligation, to appoint at its cost, for the duration of the construction period, another firm (the "Concurrent Auditors") from the panel of Chartered Accountants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

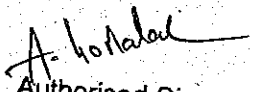
### 33.4 Dispute resolution

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

  
Managing Director  
Kamataka Road Development Corporation Ltd.  
1st Floor, 16/J, Miller Tank Bed Area,  
BANGALORE - 560 052.

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

## ARTICLE 34 FORCE MAJEURE

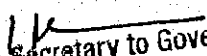
### 34.1 Force Majeure


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

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd

  
Authorised Signatory

### 34.3 Indirect Political Event

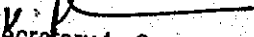
An Indirect Political Event shall mean one or more of the following acts or events:


- (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

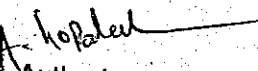
A Political Event shall mean one or more of the following acts or events by or on account of any Government Instrumentality:

- (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; 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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

### 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.

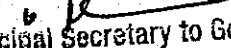
34.5.3 For so long as the Affected Party continues to claim to be materially affected by such Force Majeure Event, it shall provide the other Party with regular (and not less than weekly) reports containing information as required by Clause 34.5.1, and such other information as the other Party may reasonably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


### 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.

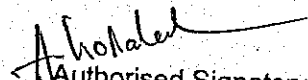
34.6.2 At any time after the Appointed Date, if any Force Majeure Event occurs:

- (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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory

**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 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 .

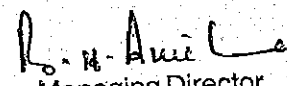
For the avoidance of doubt, Force Majeure Costs may include interest payments on debt, O&M Expenses, any increase in the cost of Construction Works on account of inflation and all other costs directly attributable to the Force Majeure Event, but shall not include loss of Fee revenues or debt repayment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

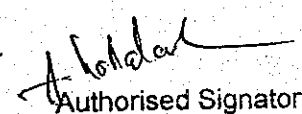
34.7.3 Save and except as expressly provided in this Article 34, neither Party shall be liable in any manner whatsoever to the other Party in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event or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

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

  
Authorised Signatory

**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 shall make a Termination Payment to the Concessionaire in an 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.

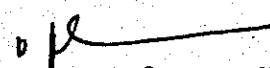
**34.10 Dispute resolution**

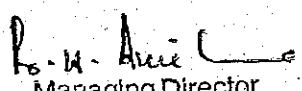
In the event that the Parties are unable to agree in good faith about the occurrence or existence of a Force Majeure Event, such Dispute shall be finally settled in accordance with the Dispute Resolution Procedure; provided that the burden of proof as to the occurrence or existence of such Force Majeure 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**

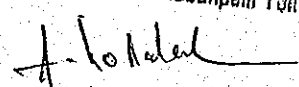
If the Affected Party is rendered wholly or partially unable to perform its obligations under this Agreement because of a Force Majeure Event, it shall be excused from performance of such of its obligations to the extent it is unable to perform on account of such Force Majeure Event; provided that:

- (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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt.

  
Authorised Signatory

## 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 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

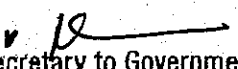
In the event of the Government being in material default or breach of this Agreement at any time after the Appointed Date and such default is cured before Termination, it shall pay to the Concessionaire by way of compensation, all direct costs suffered or incurred by the Concessionaire as a consequence 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.

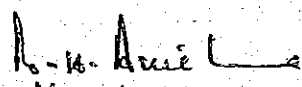
### 35.3 Extension of Concession Period

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.

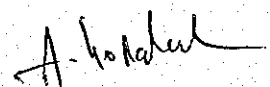
### 35.4 Compensation for Competing Roads

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.

  
Principal Secretary to Government  
Public Works, Ports & IWT Deptt.

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

For GVRMP Whagdhari Ribbanpalli Tollway Pvt. Ltd.

  
Authorised Signatory