

CONCESSION AGREEMENT

THIS AGREEMENT is entered into on this the day of, 20....

BETWEEN

1 The **Sports Authority of Andhra Pradesh (SAAP)** represented by its Vice Chairman & Managing Director having its principal office at Vijayawada, Andhra Pradesh, India (hereinafter referred to as the **"Authority"** which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) of One Part;

AND

2 {..... LIMITED}, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at, (hereinafter referred to as the **"Concessionaire"** which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns and substitutes) of the Other Part.

ARTICLE 1 - SCOPE OF THE PROJECT

1.1 Scope of the Project

The state of Andhra Pradesh wants to ensure the availability of the KVK to act as an enabler for encouraging sporting activity and healthy lifestyle in the region. The local population would substantially benefit from this KVK as it would encourage them to enroll in sports via membership schemes and thus promote healthy living. People with inclination to take up professional sports would have adequate opportunities to get trained via experienced and reputed coaches. Thus, KVKs are being developed as flagship project in Andhra Pradesh.

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

- a) Operation and maintenance of the Project in accordance with the provisions of this Agreement; and
- b) Performance and fulfilment 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.
- c) On termination, handing over of Project Site to the Authority free from any Encumbrances and along with all Easement Rights, irrespective of any outstanding mutual claims between the Parties.

ARTICLE 2 - GRANT OF CONCESSION

2.1 The Concession

2.1.1 Subject to and in accordance with the provisions of this Agreement, Applicable Laws and the Applicable Permits, the Authority hereby grants to the Concessionaire the concession set forth herein including the exclusive right and authority to operate and maintain the Project (the "Concession") for a period of **5 (Five)** 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.

At the end of the Concession Period or sooner termination of this Agreement for any reason whatsoever, all rights given under this Concession Agreement shall cease to have effect and the Project Site and Project Facility and the Project Assets shall revert to the Authority. All defects and deficiencies specified in this **Schedule-A** shall be repaired and rectified by the Concessionaire so that the KVK conforms to the Maintenance Requirements specified in **Schedule - A** on the Transfer Date.

2.1.2 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) Access to the Site for the purpose of and to the extent conferred by the provisions of this Agreement;
- b) Manage, operate and maintain the Project and regulate the use thereof by third parties;
- c) Demand, collect and appropriate fee from users for using the KVK
- d) Perform and fulfil all of the Concessionaire's obligations under and in accordance with this Agreement;
- e) 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
- f) neither assign, transfer, 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 nor transfer, lease or part possession thereof, save and except as expressly permitted by this Agreement or the Substitution Agreement. However, the concessionaire can grant license which shall be co-terminus with the period of concession

2.2 Additional Period

Subject to and in accordance with provisions of this Agreement, upon the expiry of the initial Concession Period of **Five (5) years**, the facility would be transferred back to the Authority and the Authority shall, in the event it decides to undertake the continued management operations and management of the Project Facilities through PPP structure, call for a competitive bidding process for the fresh term of concession.

The Authority shall commence the said bidding process at least **2 (two) months** prior to the expiry of the Concession Period and culminate the same prior to the expiry of the Concession Period

ARTICLE 3- PERFORMANCE SECURITY

3.1 Performance Security

9.1.1 For due and faithful performance of its obligations during the Operation & Maintenance Period under this Concession Agreement, the Concessionaire shall provide to the authority no later than the date of signing the agreement, a Performance Security in the form of an irrevocable and unconditional Bank Guarantee of an amount equal to 2% of the Total Infrastructure Cost allocated to the company.

9.1.2 Notwithstanding anything to the contrary contained in this Agreement, in the event Performance Security is not provided by the Concessionaire no later than the date of signing the Agreement, the Authority may encash the Bid Security and appropriate the proceeds thereof as Damages, and thereupon 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 this Agreement shall be deemed to have been terminated by mutual agreement of the Parties.

9.2 Appropriation of Performance Security

Upon occurrence of a Concessionaire Default or failure to meet any Condition Precedent, the Authority shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to encash and appropriate from the Performance Security the amounts due to it for and in respect of such Concessionaire Default or for failure to meet any Condition Precedent. Upon such encashment and appropriation from the Performance Security, the Concessionaire shall, within 15 (fifteen) days thereof, replenish, in case of partial appropriation, to the original level of the Performance Security, and in case of appropriation of the entire Performance Security provide a fresh Performance Security, as the case may be, failing which the Authority shall be entitled to terminate this Agreement. Upon such replenishment or furnishing of a fresh Performance Security, as the case may be, the Concessionaire shall be entitled to an additional Cure Period of 120 (one hundred and twenty) days for remedying the Concessionaire Default or for satisfying any Condition Precedent, and in the event of the Concessionaire not curing its default or meeting such Condition Precedent within such Cure Period, the Authority shall be entitled to encash and appropriate such Performance Security as Damages, and to terminate this Agreement.

9.3 Release of Performance Security

The Performance Security shall remain in force and effect for the entire period of concession agreement (5 years). Upon request made by the Concessionaire for release of the Performance Security along with the particulars which establish satisfaction of the requirements, the Authority shall release the Performance Security forthwith. However, the bank guarantee shall be renewed at least 6 months before the expiry date of the same.

9.4 References to Performance Security

References to Performance Security occurring in this Agreement for and in respect of any period prior to the delivery of the Performance Security by the Concessionaire to the Authority, or in respect of any period subsequent to the expiry or release thereof, as the case may be, shall be construed solely for the purposes of calculating the amount of Damages payable by the Concessionaire, and the amount so determined shall be appropriated from the Bid Security or Deemed Performance Security, as the case may be.

ARTICLE 4- OPERATION AND MAINTENANCE

4.1 O&M obligations of the Concessionaire

4.1.1 During the Operation Period, the Concessionaire shall operate and maintain the Project 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 to comply with the provisions of this Agreement, Applicable Laws and Applicable Permits, and conform to Minimum Specifications and Standards and Good Industry Practice. The obligations of the Concessionaire hereunder shall include:

- (a) Ensuring optimal operation and maintenance of the Project structure, in accordance with the Minimum Specifications and Standards prescribed herein, throughout the Concession Period, either by performing the operation and maintenance itself or by making durable, effective and permanent arrangements for due performance of the operation and maintenance obligations by third party(s).
- (b) Collecting and appropriating the Fees from the Project in accordance with the provisions contained herein;
- (c) Complying with the Safety Requirements;
- (d) Carrying out periodic preventive maintenance of the Project;
- (e) Carrying out periodic renovation as required from time to time so that the Project is always in conformity with the Scope of the Project;
- (f) undertaking routine maintenance including prompt repairs of potholes, cracks, joints, structures, buildings, pavement lighting, road signs, electricity lines, telephone lines, water facilities, sewage system and other public amenities on the Site;

(g) Undertaking major maintenance such as resurfacing of pavements, repairs to structures and buildings including repairs and refurbishment of Project Facilities;

(h) Preventing, with the assistance of concerned law enforcement agencies, any unauthorised use of the Site

(i) Preventing, with the assistance of the concerned law enforcement agencies, any encroachments on the Site;

(j) Protection of the environment and provision of equipment and materials therefor so that the Project is in compliance with applicable permits including environmental clearance(s); the authority shall facilitate the concessionaire to the extent possible in obtaining such environmental permits and clearances

(k) Operation and maintenance of all communication, control and administrative systems necessary for the efficient operation of the Project; and

(l) Maintaining a public relations unit to interface with and attend to suggestions from the users, government agencies, media and other agencies;

4.2 Maintenance Requirements

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

4.3 Maintenance Manual

17.3.1 No later than **30 (thirty)** days after signing the agreement, 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 in conformity with the Minimum Specifications and Standards, Maintenance Requirements, Safety Requirements and Good Industry Practice, and shall provide **2 (two) copies thereof** to the Authority. The Maintenance Manual shall be revised and updated once **every 1 (one) year** and the provisions of this Clause 4.3 shall apply, mutatis mutandis, to such revision.

4.3.2 Without prejudice to the provision of Clause 3.3.1, the Maintenance Manual shall, in particular, include provisions for maintenance of Project Assets and shall provide for life cycle maintenance, routine maintenance and reactive maintenance which may be reasonably necessary for maintenance and repair of the Project Assets, including replacement thereof, such that their overall condition conforms to Good Industry Practice.

4.4 Maintenance Programme

4.4.1 On or before **COD and no later than 45 (forty five)** days prior to the beginning of each Accounting Year during the Operation Period, as the case may be, the Concessionaire shall provide to the Authority, 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;
- (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.

4.4.2 **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.

4.4.3 The Concessionaire may modify the Maintenance Programme as may be reasonable in the circumstances, and the procedure specified in Clauses 4.4.1 and 4.4.2 shall apply mutatis mutandis to such modifications.

4.5 Safety and accidents

4.5.1 The Concessionaire shall ensure safe conditions for the Users, and in the event of unsafe conditions, it shall follow the relevant operating procedures without delay. Such procedures shall conform to the provisions of this Agreement, Applicable Laws, Applicable Permits and Good Industry Practice.

4.6 De-commissioning due to Emergency

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

4.6.2 The Concessionaire shall re-commission the Project 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 and shall notify the Authority of the same without any delay.

4.6.3 Any decommissioning or closure of any part of the Project and the re-commissioning thereof shall, as soon as practicable, be brought to the notice of affected persons by means of public announcements/notice.

4.7 Site closure

4.7.1 Save and except as provided in Clause 4.6, the Concessionaire shall not close any part of the Project Site for undertaking maintenance or repair works, not forming part of the Maintenance Programme, except with the prior written approval of the District Sports Officer. Such approval shall be sought by the Concessionaire through a written request to be made to the District Sports Officer and a copy thereof furnished to the Authority, at least 7 (seven) days before the proposed closure of such lane and shall be accompanied by particulars thereof. Within 3 (three) days of receiving such request, the district Sports Officer shall grant permission with such modifications as it may deem reasonable and necessary in conformity with the Maintenance Manual and Maintenance Programme and a copy of such permission shall be sent to the Authority.

4.7.2 The maximum days (either consecutively or in patches) for which the each facility can be closed in a year for O&M Obligations, beyond which it would be considered as non-availability is defined below ("Maximum period for closure of facilities"). In case of any exigencies, the concessionaire has to seek and obtain prior approval of the authority for extension of this period with due recommendation from the independent engineer at the time of operation of the facility. ("Maximum period for closure of facilities") 14 days.

4.7.3 The provisions of Clause 4.7.1 shall not apply to de-commissioning under Clause 4.6.1 or to closure for a period not exceeding 2 (two) hours in a day at any time of the day.

4.8 Damages for breach of maintenance obligations

4.8.1 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 Authority shall be entitled to recover Damages, to be calculated and paid for each day of delay until the breach is cured, at 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 Authority under this Agreement, including the right of Termination thereof.

4.8.2 The Damages set forth in Clause 4.8.1 may be assessed and specified forthwith by the Independent Engineer; provided that the Authority 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.

4.9 Authority's right to take remedial measures

4.9.1 In the event the Concessionaire does not maintain and/or repair the Project 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 the Authority, as the case may be, the Authority 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 the Authority as Damages. For the avoidance of doubt, the right of the Authority under this Clause 4.9.1 shall be without prejudice to its rights and remedies provided under Clause 4.8.

4.10 Overriding powers of the Authority

4.10.1 If in the reasonable opinion of the Authority, 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, the Authority 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.

4.10.2 In the event that the Concessionaire, upon notice under Clause 4.10.1, fails to rectify or remove any hardship or danger within a reasonable period, the Authority may exercise overriding powers under this Clause 4.10.2 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 the Authority 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 Authority in discharge of its obligations hereunder shall be deemed to be O&M Expenses, and the Authority shall be entitled to recover them from the Concessionaire in accordance with the provisions of Clause 4.9 along with the Damages specified therein.

4.10.3 In the event of a national emergency, civil commotion, the Authority may take over the performance of any or all the obligations of the Concessionaire to the extent deemed necessary by it or as directed by the Government, and exercise such control over the Project or give such directions to the Concessionaire as may be deemed necessary; provided that the exercise of such overriding powers by the Authority 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 the Authority. It is also agreed that the Concessionaire shall comply with such instructions as the Authority may issue in pursuance of

the provisions of this Clause 4.10, and shall provide assistance and cooperation to the Authority, on a best effort basis, for performance of its obligations hereunder.

4.11 Restoration of loss or damage to Project

Save and except as otherwise expressly provided in this Agreement, in the event that the Project or any part thereof 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 conforms to the provisions of this Agreement.

4.12 Modifications to the Project

The Concessionaire shall not carry out any material modifications to the Project, save and except where such modifications are necessary for the Project to operate in conformity with the Minimum Specifications and Standards, Maintenance Requirements, Good Industry Practice and Applicable Laws; provided that the Concessionaire shall notify the Authority 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 Authority may make within 15 (fifteen) days of receiving the Concessionaire's proposal. For the avoidance of doubt, all modifications made hereunder shall comply with the Safety Requirements, Minimum Specifications and Standards, Applicable Laws, Good Industry practice and the provisions of this Agreement.

4.13 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 is not available to users 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 except when unsafe conditions occurred because of failure of the Concessionaire to perform its obligations under this Agreement; or
- (c) compliance with a request from the Authority or the directions of any Government Instrumentality, the effect of which is to close all or any part of the Project:

Provided further that the Concessionaire shall keep all unaffected parts of the Project open, provided they can be operated safely.

4.14 Barriers and diversions

The Authority shall procure that during the Operation Period, no barriers are erected or placed by any Government Instrumentality on the Project except for reasons of Emergency, national security, law and order or collection of inter-state taxes. The Authority shall also make best endeavours to procure that no Government Instrumentality shall undertake or cause to be undertaken, except for reasons of Emergency, national security or law and order.

4.15 Advertising on the Site

The Concessionaire shall not undertake or permit any form of commercial advertising, display or hoarding at any place on the Project Site if such advertising, display or hoarding shall affect the safety of users of the Project Facility while using facilities.

No permanent Investment should be done by the concessionaire without the permission of Authority for purpose of advertising. A Committee will be formed with the following members:

- 1) VC & MD, SAAP
- 2) DSDO of the Respective District
- 3) Representative from the Concessionaire
- 4) Two Local Representative Nominated by the Authority

to approve the Permanent investment for Advertising purpose.

ARTICLE 5 - SAFETY REQUIREMENTS

5.1 Safety Requirements

5.1.1 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 and other persons present at the Project. In particular, the Concessionaire shall develop, implement and administer a surveillance and safety programme for providing a safe environment on or about the Project, and shall comply with the safety requirements set forth in Schedule-B (the "Safety Requirements").

5.1.2 The Authority shall take all other actions necessary for securing compliance with the Safety Requirements.

5.2 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 and funded by Authority.

ARTICLE 6 - MONITORING OF OPERATION AND MAINTENANCE

6.1 Monthly status reports

During Operation Period, the Concessionaire shall, no later than 7 (seven) days after the close of each month, furnish to the Authority monthly report stating in reasonable detail the condition of the Project 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 the Authority. In particular, such report shall separately identify and state in reasonable detail the defects and deficiencies that require rectification.

Also, During Operation Period, the Concessionaire shall, no later than 7 (seven) days after the close of each month, furnish to the Authority monthly report stating in reasonable detail the

6.2 Reports of unusual occurrence

The Concessionaire shall, send to the Authority, e-mail, a report stating accidents and unusual occurrences on the Project relating to the safety and security of the Users and Project. A monthly summary of such reports shall also be sent within 3 (three) days of the closing of each month, as the case may be. For the purposes of this Clause 6.2, accidents and unusual occurrences on the Project shall include:

- (a) death or injury to any person;
- (b) damaged or dislodged fixed equipment;
- (c) any damage or obstruction on the Project, which results in slow down of the services being provided by the Concessionaire;
- (d) disablement of any equipment during operation;
- (e) communication failure affecting the operation of Project;

- (f) smoke or fire;
- (g) flooding of the Project; and
- (h) Such other relevant information as may be required by the Authority

6.3 Report of Sports Activity

The Concessionaire shall, send to the Authority, e-mail, a report stating Details about Training and sports Activity happening in the KVK. A monthly summary of such reports shall be sent within 3 (three) days of the closing of each month. On a mutually Agreed proforma.

ARTICLE 7 - USAGE OF THE PROJECT FACILITY

7.1 During Operations Period

Subject to the provisions of this Agreement, the Concessionaire is entitled to levy, demand and collect fees from the users of the Project facility at the rate agreed with or approved by the Authority. The jogging track in the facility shall be made available for public with no fees charged on them for using the facility.

During operations period, the facility shall be used for the activities including but not limited to

- a) Sporting tournaments like national games, district, state level tournaments, and league tournaments.
- b) Membership pay and play schemes for public
- c) Coaching activities for professionals through academies
- d) Commercial activities like exhibitions, corporate events, cultural events etc.

During the Operations Period, the concessionaire is obligated to provide the sports infrastructure to the events organized by SAAP (Sports Authority of Andhra Pradesh) for free of cost. The number of such events per year shall not exceed 30 days. SAAP will provide its calendar of planned activities for a particular year to the concessionaire and the KVK or the facility/facilities in the KVK will be blocked for those days in advance.

During such period of SAAP activities, the Concessionaire shall be responsible for maintenance of the civil, electrical, horticulture, landscaping, water and sewerage works at its own resources. SAAP shall reimburse the utility bills on electrical, water & fuel supply to the Concessionaire and be responsible for total operation, housekeeping, security and waste management during the event at its own resources. SAAP shall also compensate for the damages incurred during this period.

For any such event, some temporary structures and overlays might be required to be installed, for which SAAP shall bear all costs. The Concessionaire, however, will be required to assist SAAP in planning, installation and deinstallation of the same at its own resources.

For this event, SAAP shall have the exclusive rights and responsibilities in regard to marketing, advertising & broadcasting at the interior as well as exterior of the Play Arena of the Project/ Project Facility. Any revenue streams from these events including Ticket sales, Advertisements, Player registration fees, Sale of merchandise etc., would belong to SAAP.

In case of SAAP events scheduled on days not specified in the SAAP calendar, SAAP shall provide at least 60 days advance notice to the Concessionaire of its intent to hold such sports event at the Project/ Project Facility.

In case of renting out the facility for tournaments organized by institutions other than SAAP, the obligations and terms of conducting the events can be decided between the concessionaire and the concerned party. However, post such usage the KVK must be fit for further usage. The independent engineer shall examine the venue and indicate if there are any repair activities to be carried out. The cost of such repair shall be borne by the concessionaire.

In case of organizing any non-sporting events like Weddings, Corporate Events and Shows, Cultural Events, Public meetings etc., the Concessionaire has to get prior approval from the authority to organize such events. Post such usage, the independent engineer shall examine the venue to ensure that it is fit for further usage and shall indicate if any repair is to be carried out and the concessionaire shall bear the entire cost of such repair activities.

Non-sporting events maximum cap will be 2 Days per Month (24 Days in a year)

A Committee will be formed with the following members:

- 5) VC & MD, SAAP
- 6) DSDO of the Respective District
- 7) Representative from the Concessionaire
- 8) Two Local Representative Nominated by the Authority

to approve the Non-Sporting events above the Maximum Limit set by the Authority.

ARTICLE 8 - ACCOUNTS AND AUDIT

8.1 Audited accounts

8.1.1 The Concessionaire shall maintain books of accounts recording all its receipts (including all revenues derived/collected by it from or on account of the Project 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, save and except where expressly provided to the contrary, shall form the basis of payments by either Party under this Agreement. The Authority 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 Statutory Auditors, to be provided to the Authority 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.

8.1.2 The Concessionaire shall, within 30 (thirty) days of the close of each quarter of an Accounting Year, furnish to the Authority 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.

8.1.3 On or before the thirty-first day of May each Year, the Concessionaire shall provide to the Authority, for the preceding Accounting Year, a statement duly audited by its Statutory Auditors giving summarised information on the revenues and its appropriate source along with the expenses incurred

8.2 Appointment of auditors

8.2.1 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 5 (five) 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-P](#). All fees and expenses of the Statutory Auditors shall be borne by the Concessionaire.

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

8.2.3 Notwithstanding anything to the contrary contained in this Agreement, the Authority shall have the right, but not the obligation, to appoint at its cost from time to time and at any time, 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.

8.3 Certification of claims by Statutory Auditors

Any claim or document provided by the Concessionaire to the Authority 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.

8.4 Set-off

In the event any amount is due and payable by the Authority to the Concessionaire, it may set-off any sums payable to it by the Concessionaire and pay the balance remaining. Any exercise by the Authority of its rights under this Clause shall be without prejudice to any other rights or remedies available to it under this Agreement or otherwise.

8.5 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 the Authority by recourse to the Dispute Resolution Procedure.

Article 9 – Pay and Play Scheme

A Committee will be formed with the following members:

- 1) VC & MD, SAAP
- 2) DSDO of the Respective District
- 3) Representative from the Concessionaire
- 4) Two Local Representative Nominated by the Authority

To decide the pay and play charges at the KVK .

SCHEDULE A - MAINTENANCE REQUIREMENTS

1 Maintenance Requirements

1.1 The Concessionaire shall, at all times, operate and maintain the KVK in accordance with the provisions of the Agreement, Applicable Laws and Applicable Permits. In particular, the Concessionaire shall, at all times during the Operation Period, conform to the maintenance requirements set forth in this **Schedule-A** (the "Maintenance Requirements").

1.2 The Concessionaire shall repair or rectify any defect or deficiency set forth in Paragraph 2 of this Schedule-A within the time limit specified therein and any failure in this behalf shall constitute a breach of the Agreement. Upon occurrence of any breach hereunder, the Authority shall be entitled to recover Damages, without prejudice to the rights of the Authority under the Agreement, including Termination thereof.

2 Repair/rectification of defects and deficiencies

2.1 The obligations of the Concessionaire in respect of Maintenance Requirements shall include repair and rectification of the defects and deficiencies specified in Annex - I of this Schedule - A within the time limit set forth therein.

2.2 The Concessionaire shall at all times maintain an adequate inventory of spares and consumables to meet the Maintenance Requirements.

3 Other defects and deficiencies

3.1 In respect of any defect or deficiency not specified in Annex - I of this **Schedule-A**, the Concessionaire shall undertake repair or rectification in accordance with Good Industry Practice and within the time limit specified by the Independent Engineer.

3.2 In respect of any defect or deficiency not specified in Annex - I of this **Schedule-A**, the Independent Engineer may, in conformity with Good Industry Practice, specify the permissible limit of deviation or deterioration with reference to the Minimum Specifications and Standards, and any deviation or deterioration beyond the permissible limit shall be repaired or rectified by the Concessionaire in accordance with Good Industry Practice and within the time limit specified by the Independent Engineer.

4 Extension of time limit

Notwithstanding anything to the contrary specified in this **Schedule-A**, if the nature and extent of any defect or deficiency justifies more time for its repair or rectification than the time specified herein, the Concessionaire shall be entitled to additional time in conformity with Good Industry Practice. Such additional time shall be determined by the Independent Engineer and conveyed to the Concessionaire and the Authority with reasons thereof.

5 Emergency repairs/restoration

Notwithstanding anything to the contrary contained in this **Schedule-A**, if any defect, deficiency or deterioration in the Project poses a hazard to safety or risk of damage to property, the Concessionaire shall promptly take all reasonable measures for eliminating or minimizing such danger.

6 Divestment Requirements

All defects and deficiencies specified in this **Schedule-A** shall be repaired and rectified by the Concessionaire so that the KVK conforms to the Maintenance Requirements on the Transfer Date.

(Schedule-A)

Repair/Rectification of Defects and Deficiencies

The Concessionaire shall repair and rectify the defects and deficiencies specified in this Annex-I of Schedule- A within the time limit set forth herein.

Annex I

Nature of Defect or Deficiency Time limit for Repair/Rectification

Playing Area

Damage to turf / pitches / wooden floors
and other playing areas

For Minor Defects Within 48 Hours

For Major Defects Within 7 Days

Buildings

Cracks/Leakages in Buildings

Temporary Measures Within 48 Hours

Permanent Measures Within 30 days

Defects in electrical, water and

sanitary installations Within 24 Hours

Damage to roof and floor Within 7 Days

Open Areas

Damage or deterioration in internal

Roads, pedestrian facilities, pavements, parking areas, landscaping and other works Within 7 days

SCHEDULE B – SAFETY REQUIREMENTS

1 Guiding principles

1.1 Safety Requirements aim at reduction in injuries, loss of life and damage to property resulting from accidents on the site, irrespective of the person(s) at fault.

1.2 Users of the Project include staff of the Concessionaire and its contractors working on the KVK.

1.3 Safety Requirements apply to all phases of operation and maintenance with emphasis on identification of factors associated with accidents, consideration of the same, and implementation of appropriate remedial measures.

2 Obligations of the Concessionaire

The Concessionaire shall abide by the following insofar as they relate to safety of the Users:

- (a) Applicable Laws and Applicable Permits;
- (b) Manual for Safety issued by relevant authorities
- (d) Provisions of this Agreement; and
- (e) Good Industry Practice.

3 Safety measures

The Concessionaire shall make all necessary measures to ensure safe conditions in the premises of KVK during the entire period of concession. The concessionaire shall adhere to the safety guidelines specified in the annex of **Schedule –B**. At the beginning of every accounting year, the concessionaire shall submit a safety report highlighting the list of accidents and other safety related issues in the site for the previous year. The report shall also contain the remedial measures that the concessionaire has taken post such accidents in the site

4 Costs and expenses

The cost and expenses incurred in producing the safety report shall be borne by the concessionaire

5 Safety management:

A safety statement shall be prepared by the Concessionaire once in every quarter to bring out clearly the system of management of checks and maintenance tolerances for various assets. The statement shall also bring out the nature and extent of, staff training and awareness in dealing with such checks and tolerances. Two copies of the statement shall be sent to the Authority within 15 (fifteen) days of the close of every quarter.

5 Safety equipment:

The following equipment shall be provided in adequate numbers:

- (a) fire extinguishers and fire alarms at the appropriate locations;
- (b) stretchers and standard first aid boxes; and
- (c) such other equipment as may be required in conformity with Good Industry Practice.

6 Fire safety: The Concessionaire shall adopt provisions of the National Fire Protection Association (NFPA).

SCHEDULE –C – PANEL OF CHARTERED ACCOUNTANTS

(See Clause 33.2.1)

1) Panel of Chartered Accountants Pursuant to the provisions of Clause 33.2.1 of the Agreement, the Authority and the Concessionaire shall prepare a mutually agreed panel of 10 (ten) reputable firms of Chartered Accountants having their registered offices in India (the “Panel of Chartered Accountants”). The criteria for preparing such Panel and the procedure to be adopted in this behalf shall be as set forth in this Schedule-C.

2) Invitation for empanelment

2.1) The Authority shall invite offers from all reputed firms of Chartered Accountants who fulfil the following eligibility criteria, namely:

(a) the firm should have conducted statutory audit of the annual accounts of at least one hundred companies registered under the Companies Act, 2013, including any re-enactment or modification thereof, of which at least ten should have been public sector undertakings;

(b) The firm should have at least 5 (five) practicing Chartered Accountants on its rolls, each with a minimum experience of ten years in the profession;

(c) The firm or any of its partners should not have been disqualified or black-listed by the Comptroller and Auditor General of India or the Authority; and

(d) The firm should have an office in the State or in an adjacent State with at least 2 (two) practicing Chartered Accountants on its rolls in such State.

2.2) Interested firms meeting the eligibility criteria shall be required to submit a statement of their capability including the bio-data of all the practicing Chartered Accountants on its rolls. In particular, each firm shall be required to furnish year-wise information relating to the names of all the companies with an annual turnover exceeding Rs. 100,00,00,000 (Rs. one hundred crore) whose annual accounts were audited by such firm in any of the preceding 5 (five) Accounting Years.

3) Evaluation and selection

3.1) The information furnished by each firm shall be scrutinized and evaluated by the Authority and 1 (one) point shall be awarded for each annual audit of the companies specified in

Paragraph 2.2 above. (For the avoidance of doubt and by way of illustration, a firm which has conducted audit of the annual accounts of any such company for five years shall be awarded five points). ☐

3.2) The Authority shall prepare a list of all the eligible firms along with the points scored by each such firm and 10 (ten) firms scoring the highest points shall be identified and included in the draft Panel of Chartered Accountants. ☐

4) Consultation with the Concessionaire The Authority shall convey the aforesaid panel of firms to the Concessionaire for scrutiny and comments, if any. The Concessionaire shall be entitled to scrutinize the relevant records of the Authority to ascertain whether the selection of firms has been undertaken in accordance with the prescribed procedure and it shall send its comments, if any, to the Authority within 15 (fifteen) days of receiving the aforesaid panel.

5 Mutually agreed panel

5.1) The Authority shall, after considering all relevant factors including the comments, if any, of the Concessionaire, finalize and constitute a panel of 10 (ten) firms which shall be deemed to be the mutually agreed Panel of Chartered Accountants. ☐

5.2) After completion of every 5 (five) years from the date of preparing the mutually agreed Panel of Chartered Accountants, or such earlier period as may be agreed between the Authority and the Concessionaire, a new panel shall be prepared in accordance with the provisions of this **Schedule-C.** ☐