

Agreement

Providing Independent Auditor Consultancy Services

For

Aurangabad City Water Supply Project

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K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112189W


PARTNER

For Aurangabad City Water Utility Co. Ltd


Authorised Signatories

[1]


COMMISSIONER
Municipal Corporation
Aurangabad

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For Aurangabad City Water Utility Co. Ltd

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180W

PARTNER

A.K.
Authorised Signatories
COMMISSIONER
Municipal Corporation
Aurangabad


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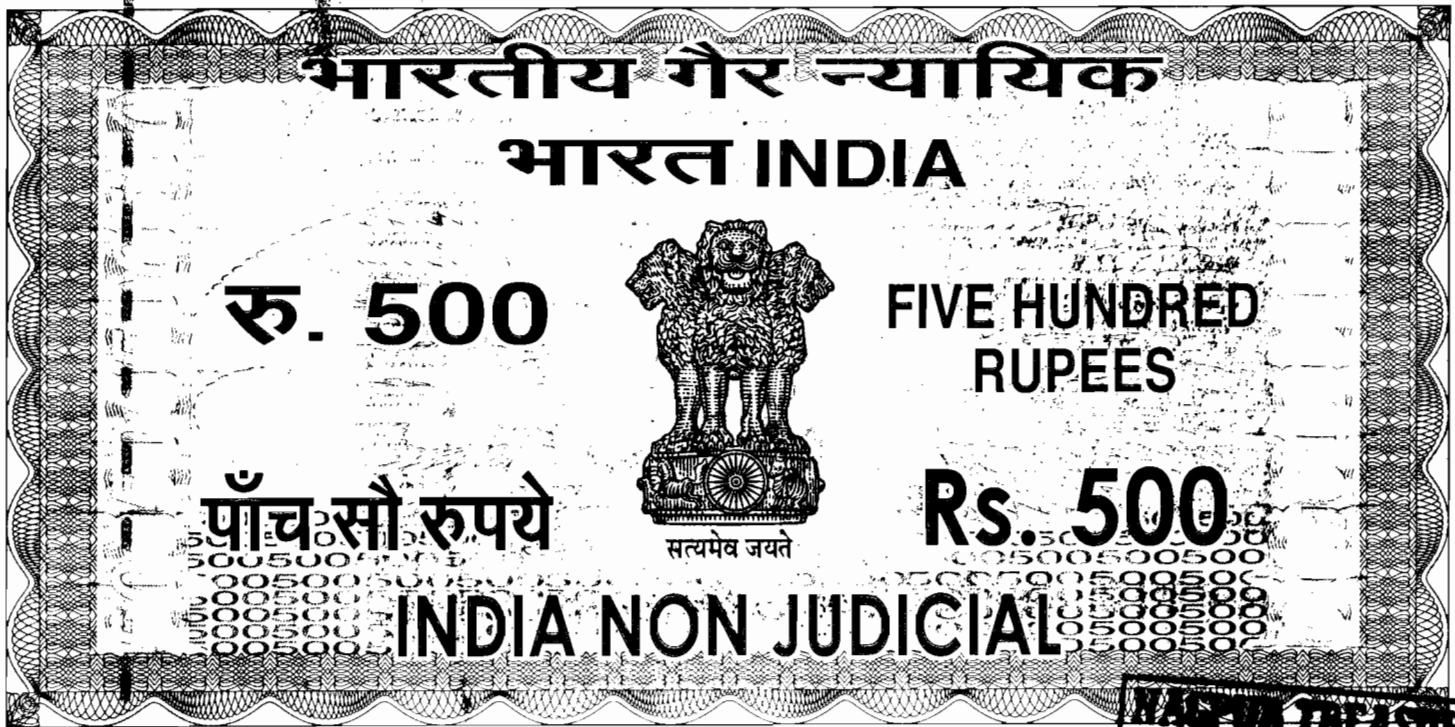
K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 11218047


PARTNER


COMMISSIONER
Municipal Corporation
Aurangabad

For Aurangabad City Water Utility Co. Ltd


Authorised Signatories



महाराष्ट्र MAHARASHTRA

MAHARASHTRA TREASURY
P 272432
26 FEB 2015
Stamp Head Clerk / Sr. Clerk

AGREEMENT

Independent Auditor for the Project – Aurangabad Water Supply Project

This agreement (hereinafter called the "Agreement") is made on March 19, 2015 between Aurangabad Municipal Corporation, represented by Municipal Commissioner (hereinafter called the "AMC" or "Authority" which expression shall include their respective successors and permitted assigns, unless the context otherwise requires, include its administrators, successors and assignees), Aurangabad City Water Utility Company Limited, a special purpose vehicle formed for the Project, a company incorporated under the Companies Act, 1956 and having its registered office at 206, Marthanda Building, Above Canara Bank, Dr. Annie Besant Road, Worli Naka, Mumbai, India, (hereinafter referred to as "Concessionaire", which expression shall, unless the context otherwise requires, include its successors and permitted assignees) of the FIRST PART (shall also be termed as "Client" for this agreement); and on the other hand, M/s. K N D & Associates, a chartered accountancy firm registered with the Institute of Chartered Accountants of India having registered office at 502-503, Satyam Apartment, 8 Wardha Road, Dhantoli, Nagpur 440012, and represented by Mr. Kailas

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180VV

PARTNER

For Aurangabad City Water Utility Co. Ltd. Municipal Corporation
Aurangabad

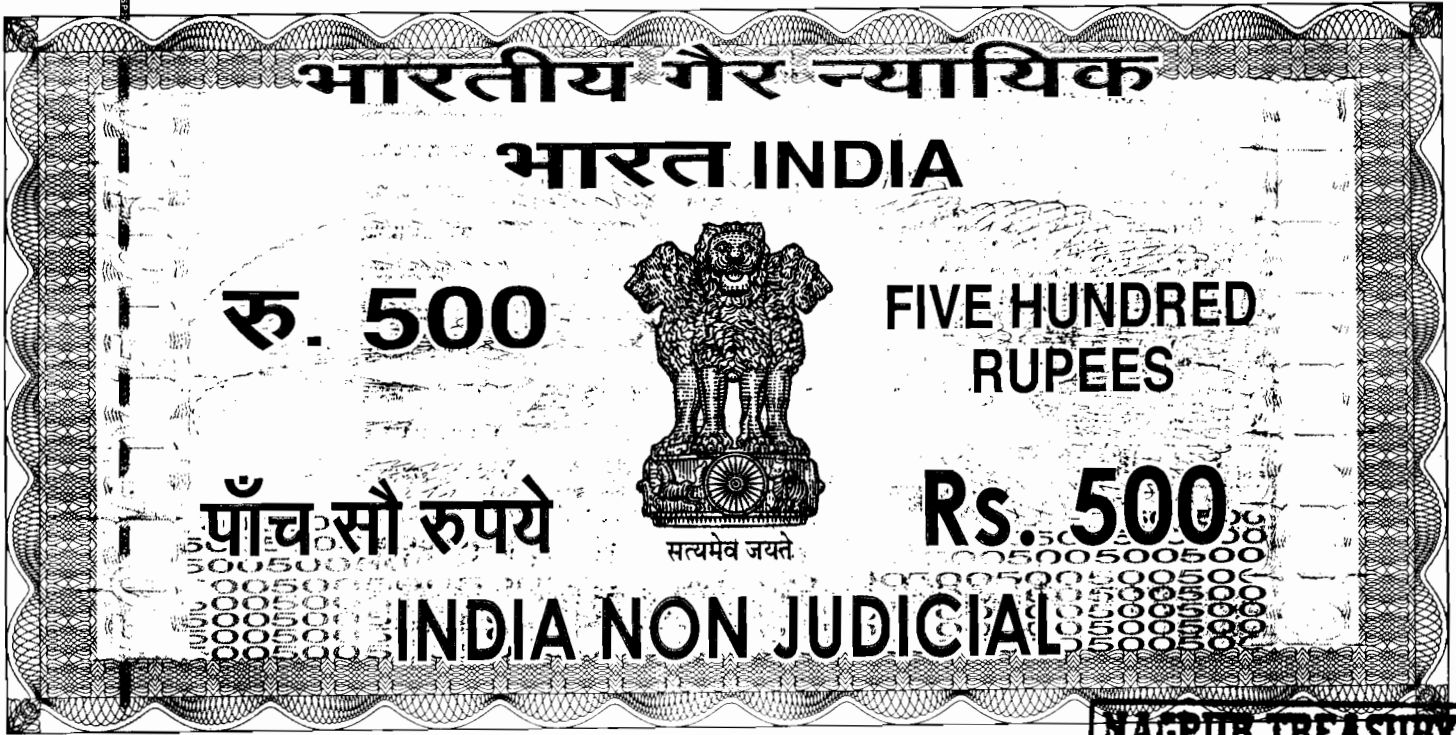
[4] Authorised Signatories

COMMISSIONER
Aurangabad

1) नौदणी प्रमाण/संशुद्धीकरण क्रमांक	६३२ ७
2) दस्तवेची मणी करणारा अधिकारी याचा नाव	
3) नौदणी होणारा असल्याचे मुख्य मालक याचा नाव व पत्ता व ता. क्र.	
4) मिल्कतीचे वर्णन -	
5) मोबदला रक्कम	
6) मुद्रांक विकत घेण्याच्यावेळीचे नाव	KND 3 Associates
7) दस्तवेची पत्रकाराचे नाव	
8) दस्तवे असल्यास मणीची मालकी क्रमांक	४२११७ १३१३
9) मुद्रांक शुल्क रक्कम	
10) मुद्रांक विक्रीचा दिनांक व ता. क्र. व ता. क्र.	६३३५० २७ FEB 2015
11) मुद्रांक विकत घेण्याच्यावेळीचे नाव	
नागरायण ग. मोहाडीकर	मुद्रांक विक्रेता, ता. क्र. १५/११, कोड क्र ४६०१०३३ जिल्हासिगरी परिषद, त. कार्यालय, नागपूर (शहर)

...

...



महाराष्ट्र MAHARASHTRA

NAGPUR TREASURY
P 272433

26 FEB 2015

Stamp Paid Clerk / Sr. Clerk

Kejgir, Managing Partner, of the **SECOND PART** (hereinafter referred to as the "Independent Auditor"), which expression shall, unless the context otherwise requires, include its successors/ successors in business and permitted assignees and substitutes)

AND

WHEREAS

(A) Aurangabad Municipal Corporation in its endeavor to improve the water supply service provision in Aurangabad, has undertaken concerted efforts to upgrade and rehabilitate its existing water supply infrastructure and provide a new infrastructure. AMC has received "Urban infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) Program" approval for improvement of bulk water supply system and water distribution system in Aurangabad.

(B) AMC is developing this project on Public Private Partnership (the "PPP") basis on Design, Build, Finance, Operate and Transfer (the "DBFOT") mode as a comprehensive project (the "Project"). The Authority has signed a Concession Agreement with the Concessionaire for implementation of the Project.

K N D & ASSOCIATES
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FRN 112180W

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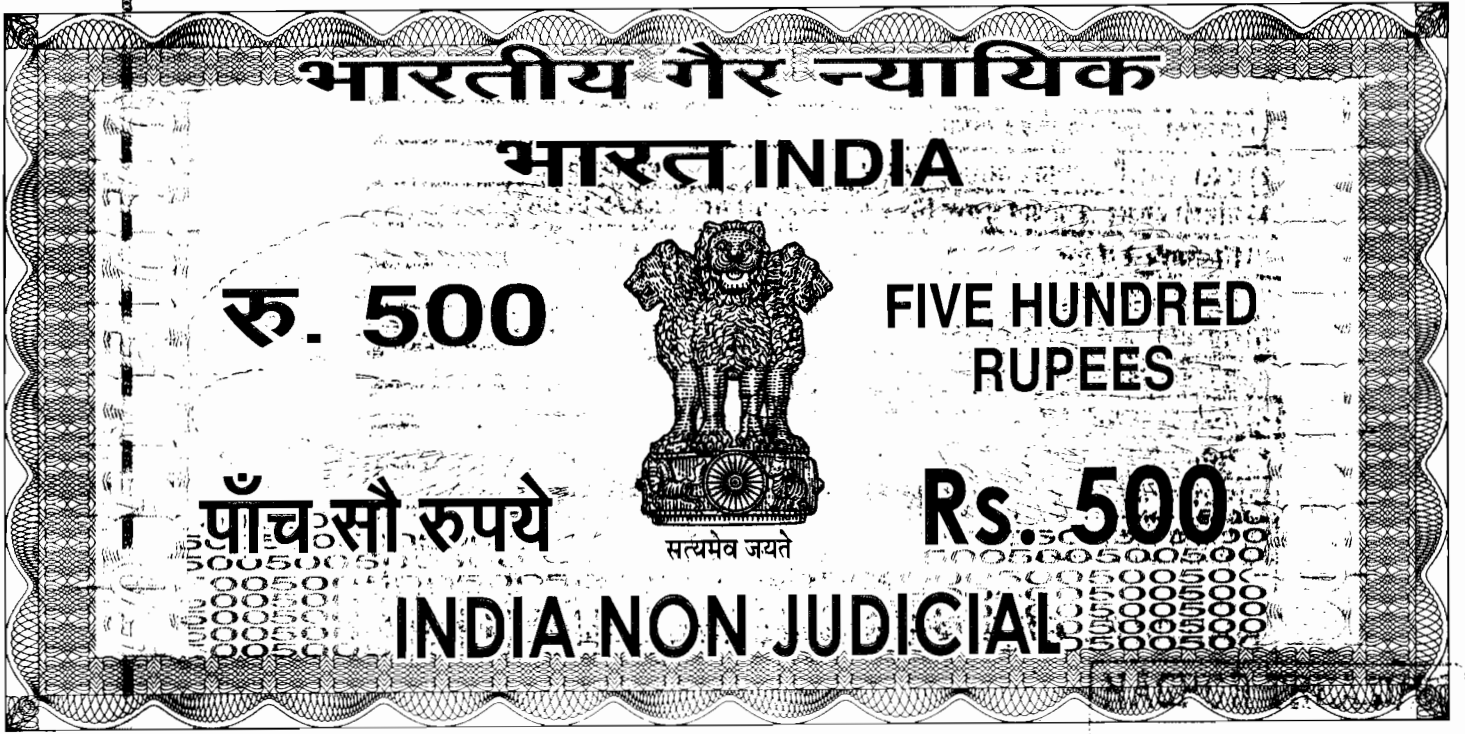
For Aurangabad City Water Utility Co. Ltd

A. S. H.

Authorised Signatory

COMMISSIONER
Municipal Corporation
Aurangabad

1) दस्तावेज प्रकार/अनुच्छेद क्रमांक	४९२
२) दस्त नोंदणी करणार आहेत काय ?	होय/नाही
३) नोंदणी होणार असल्याचे दृश्य निबंधक कार्यालयचे नाव	दुर्यल निबंधक क्र.
४) मिळकतीचे वर्णन -	
५) मोबदला रक्कम	
६) मुद्रांक विक्री देणाऱ्याचे नाव	RND Associates
७) देणाऱ्या पक्षाकडचे नाव	
८) हस्त अस्तथार नावे पत्ता	अ २११५ २९१३
९) मुद्रांक शुल्क रक्कम	
१०) मुद्रांक विक्री नाव पत्ता तारीख	६३४१ २७ FEB २०१५
११) मुद्रांक विक्री देणाऱ्याचे पत्ता	
नाशायण सं. म्ही. क्र. २२२	मुद्रांक विक्री, ला. क्र. १५/११, कोड क्र ४६०१०३३ दिल्लीशिकारी परिसर, त. कार्यालय, नागपूर (अहम.)



महाराष्ट्र MAHARASHTRA

P 272434
26 FEB 2015

(C) AMC initiated Bidding Process, by issuing the request for proposal (the "RFP") document on October 27, 2014 to appoint an Independent Auditor for the Project for a period of 3 (three) years, and invited Bids from the Eligible Bidders as per the laid out norms in this RFP document. AMC received five Bids on Bid Due Date, i.e. on December 05, 2014. AMC concluded the assessment of Bid on January 08, 2015 and opened Financial Proposals on January 13, 2015. On assessment of these Financial Proposals, AMC declared M/s. K N D & Associates as the Lowest Bidder and selected as the Preferred Bidder to act as the Independent Auditor for the Project.

NOW, THEREFORE, the parties hereto hereby agree as follows:

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180W

PARTNER

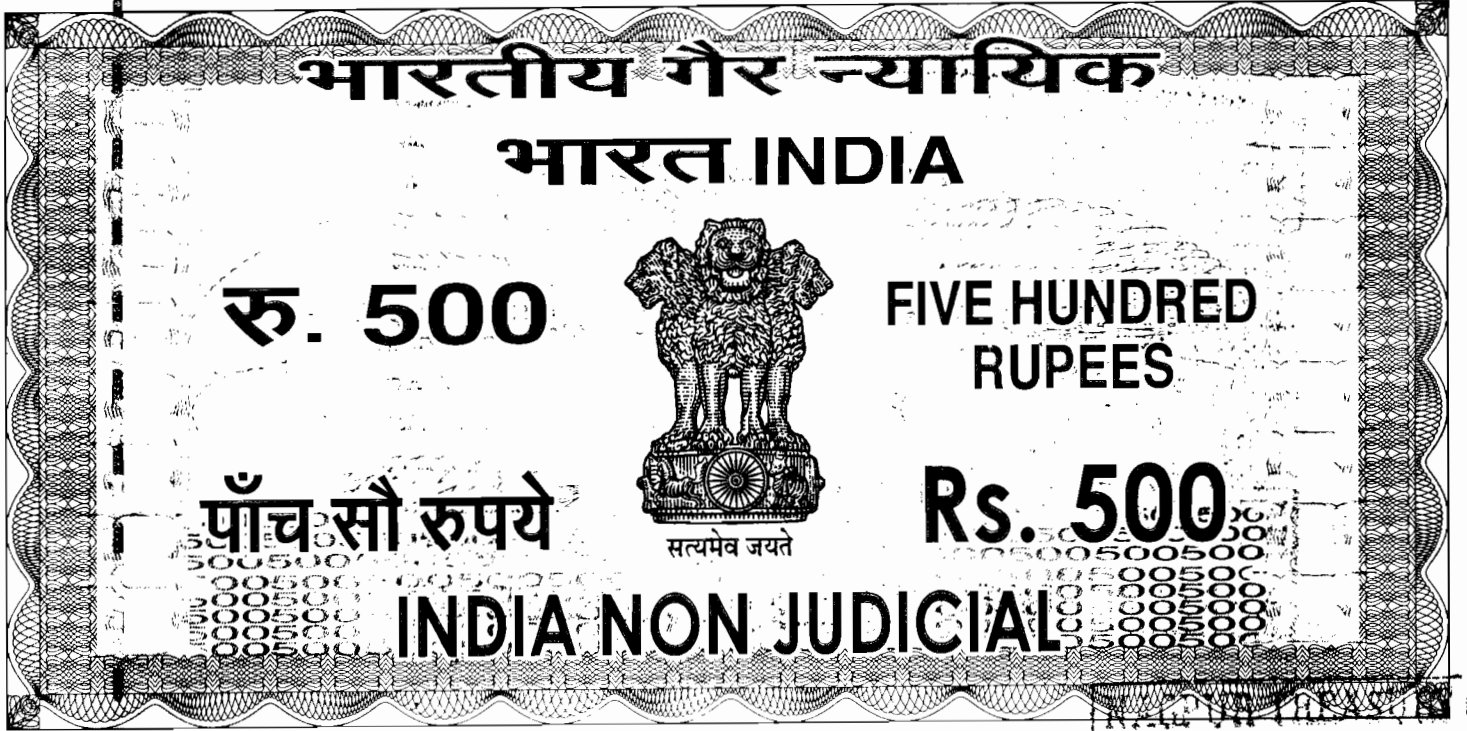
COMMISSIONER
Municipal Corporation
Aurangabad

For Aurangabad City Water Utility Co. Ltd

[6]

Authorised Signatories

1) दरताची प्रकार/अनुच्छेद क्रमांक	252
2) दस्त नोंदणी करणार आहेत काय ?	होय/नाही
3) नोंदणी होणार असल्यास वृथ्थम निबंधक कार्यालयाचे नाव	दुय्यक निबंधक क्र.
4) मिळकतीचे वर्णन -	
5) मीडगला रकम	
6) मुद्रांक विकत घेणाऱ्याचे नाव	KIND 3 Associates
7) मुद्रांक्या पत्रकाराचे नाव	
8) मुद्रांक अंशदातार/संपादक/नाम	अशोक हेडके
9) मुद्रांक शुल्क रकम	
10) मुद्रांक विकत घेणे वार/वारी	63342/27 FEB 2015
11) मुद्रांक विकत घेणाऱ्याचे नाव	
नाशायण म. मीडगलीकर	मुद्रांक विक्रेता, सा. क्र. १५/११, कोड क्र ४६०१०३३ जिल्हाधिकारी परिसर त. कार्यालय, नागपूर (शहर)



महाराष्ट्र MAHARASHTRA

P 272491

26 FEB 2015

Stamp Read Only / Do Not Write

1. General

1.1 Definitions and Interpretation

1.1.1 The words and expressions beginning with capital letters and defined in this Agreement shall, unless the context otherwise requires, have the meaning hereinafter respectively assigned to them:

- a) "Additional Costs" shall have the meaning set forth in Clause 6.1.2
- b) "Agreement" means this Agreement, together with all the Annexes;
- c) "Applicable Laws" means all laws, brought into force and effect by GOI or GOM including rules, regulations and notifications made there under, and judgments, decrees, injunctions, writs and orders of any court of record, applicable to this Agreement and the exercise, performance and discharge of the respective rights and obligations of the Parties hereunder, as may be in force and effect during the subsistence of this Agreement.
- d) "Concession Agreement" shall mean the concession agreement entered into on 22nd September, 2011 between Authority and the Concessionaire for the Project, and as provided as Volume II of the RFP document;

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180

PARTNER

[7]

For Aurangabad City Water Utility Co. Ltd

Authorised Signatories

COMMISSIONER
Municipal Corporation
Aurangabad

वस्तुच्या प्रकार/अनुसूचिद प्रकार	Agreement	
२) वस्तु नोंदणी करणार आहिल काय ?	होय/नाही	
३) नोंदणी होणार असल्यास दुय्यम निवेदन देणारे नाव	दुय्यक निवेदन कर.	
४) मिल्कतीचे वर्णन -		
५) मोतदला रक्कम		
६) मुद्राक विकत घेणाऱ्याचे नाव	KND & Associates Nagpur	
७) वस्तुच्या पक्ष कारणाचे नाव		
८) हस्त लिप्याचे क्रमांक	Ashok	
९) मुद्राक विकत घेणाऱ्याचे पत्ता		
१०) मुद्राक विकत घेणाऱ्याचे पत्ता	63499	27 FEB 2015
११) मुद्राक विकत घेणाऱ्याचे पत्ता		
नागराज गं. मोहाडीकर	शासक निवासा, ता. ना. ११/११, कोड क्र ४६०१०३३ वि. अधिकारी परिसर, त. कार्यालय, नागपूर (शहर) →	

- e) "Confidential Information" shall have the meaning set forth in **Clause 3.3**;
- f) "Conflict of Interest" shall have the meaning set forth in **Clause 3.2** read with the provisions of RFP;
- g) "Dispute" shall have the meaning set forth in **Clause 9.1 (a)**;
- h) "Effective Date" means the date on which this Agreement comes into force and effect pursuant to **Clause 2.1**;
- i) "GOI" means the Government of India;
- j) "GOM" means the Government of Maharashtra;
- k) "INR, Re. or Rs." means Indian Rupees;
- l) "Key Personnel" means Personnel specified in **Clause 2.2.5** of the RFP document;
- m) "Party" means the Authority, or the Concessionaire or the Independent Auditor, as the case may be, and Parties means all three of them;
- n) "Personnel" means persons, including Key Personnel, hired by the Independent Auditor and assigned to the performance of the Services or any part thereof;
- o) "Professional Fee" shall have the meaning set forth in **Clause 6.1.2**;
- p) "Services" means the work to be performed by the Independent Auditor pursuant to this Agreement, as described in the Terms of Reference hereto;
- q) "Third Party" means any person or entity other than the GOI, GOM, the Authority, the Concessionaire, and the Independent Auditor.

All terms and words not defined herein shall, unless the context otherwise requires, have the meaning assigned to them in the Concession Agreement.

1.1.2 Following documents along with all addenda issued thereto shall be deemed to form and be read and construed as integral parts of this Agreement and in case of any contradiction between or among them the priority in which a document would prevail over another would be as laid down below beginning from the highest priority to the lowest priority:

- a) This Agreement;
- b) Letter of Award;
- c) Addendum to RFP document;
- d) ~~RFP document;~~
- e) Concession Agreement (CA)

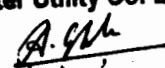
1.2 Relation between the Parties

Nothing contained herein shall be construed as establishing a relation of master and servant or of agent and principal as between the Authority, Concessionaire and the Independent Auditor. The Independent Auditor shall, subject to this Agreement,

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180W


PARTNER

For Aurangabad City Water Utility Co. Ltd


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Municipal Corporation
Aurangabad

have complete charge of Personnel performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3 Rights and obligations

The mutual rights and obligations of the Authority and the Independent Auditor shall be as set forth in the Agreement, in particular:

- a) The Independent Auditor shall carry out the Services in accordance with the provisions of this Agreement; and
- b) The Authority and Concessionaire shall make payments to the Independent Audit or in accordance with the provisions of the Concession Agreement and this Agreement.

1.4 Governing law and jurisdiction

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

1.5 Language

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

1.6 Table of contents and headings

The tables 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.

1.7 Notices

Any notice or other communication to be given by any Party to the other Party under or in connection with the matters contemplated by this Agreement shall be in writing and given in accordance herewith, shall be deemed to have been delivered when in the normal course of post it ought to have been delivered and in all other cases, it shall be deemed to have been delivered on the actual date and time of delivery at the address set out below; provided that in the case of facsimile or e-mail, it shall be deemed to have been delivered on the working days following the date of its delivery.

If to AMC

The Commissioner

Aurangabad Municipal Corporation

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180VV

PARTNER

For Aurangabad City Water Utility Co. Ltd

Authorised Signatories


COMMISSIONER
Municipal Corporation
Aurangabad

Town Hall,
Aurangabad-431001
Maharashtra-India
Ph- +91 240 2331194, Fax- +91 240 2331213
E Mail :contact@aurangabadmahapalika.org

If to Concessionaire

Shri. Arnab Ghosh

Vice President - Operations
Aurangabad City Water Utility Company Ltd. (ACWUCL),
Plot No-01, Sector C-5,
Town Centre, near Provident Fund Office, N-1, CIDCO,
Aurangabad-431003
Phone/ Tel Fax: +91 240 6655000
E Mail: arnab.ghosh@utility.esselgroup.com

If to The Independent Auditor

Mr. Kailas Kejgir

Managing Partner
K N D & Associates
Chartered Accountants
502-503, Satyam Apartment,
8 Wardha Road, Dhantoli,
Nagpur 440012
Tel: +917122444190/2444191, 2463919
Email: kk@kndca.com

1.8 Location

The Services shall be performed at Aurangabad, and in accordance with the scope of work as specified in Terms of Reference (the "TOR") at Annex-1 of this Agreement and at such locations as are incidental thereto, including the offices of the Independent Auditor.

1.9 Authorised Representatives

1.9.1 Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement by the Authority or the Independent Auditor, as the case may be, may be taken or executed by the officials specified in this **Clause 1.9**.

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180W


PARTNER


COMMISSIONER
Municipal Corporation
Aurangabad

For Aurangabad City Water Utility Co. Ltd


Authorised Signatories

1.9.2 The Authority may, from time to time, designate one of its officials as the Authority Representative. Unless otherwise notified, the Authority Representative shall be: **Commissioner, Aurangabad Municipal Corporation, Aurangabad**

1.9.3 The Concessionaire may, from time to time, designate one of its officials as the Concessionaire's Representative. Unless otherwise notified, the Concessionaire's Representative shall be: **Mr. Arnab Ghosh, Aurangabad City Water Utility Company Limited**

1.9.4 The Independent Auditor may designate one of its employees as Independent Auditor's Representative. Unless otherwise notified, the Independent Auditor's Representative shall be: **Mr. Kailas Kejgir, Managing Partner, K N D & Associates**

1.10 Taxes and duties

Unless otherwise specified in the Agreement, the Independent Auditor shall pay all such taxes, duties, fees and other impositions as may be levied under the Applicable Laws and the authority shall perform such duties in regards to the deduction of such taxes as may be lawfully imposed on it.

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180W

PARTNER



COMMISSIONER
Municipal Corporation
Aurangabad

For Aurangabad City Water Utility Co. Ltd


Authorised Signatories

2. COMMENCEMENT, COMPLETION AND TERMINATION OF AGREEMENT

2.1 Effectiveness of Agreement

This Agreement shall come into force and effect on April 01, 2015 (the "Effective Date").

2.2 Commencement of Services

The Independent Auditor shall commence the Services within a period of 7 (seven) days from the Effective Date, unless otherwise communicated by the Authority.

2.3 Termination of Agreement for failure to commence Services

If the Independent Auditor does not commence the Services in accordance with **Clause 2.2** above, the Authority may, by giving 15 days' notice to the Independent Auditor, declare this Agreement to be null and void, and in the event of such a declaration, the Performance Security of the Independent Auditor shall stand forfeited.

2.4 Expiration of Agreement


Unless terminated earlier pursuant to **Clause 2.3** or **Clause 2.9** hereof or unless extended by the authority, this Agreement shall expire upon the expiry of 36 (Thirty Six) months from the Effective Date, i.e. on March 31, 2018.

2.5 Entire Agreement

2.5.1 This Agreement and the Annexes together constitute a complete and exclusive statement of the terms of the agreement between the Parties on the subject here of, and no amendment or modification hereto shall be valid and effective unless such modification or amendment is agreed to in writing by the Parties and duly executed by persons especially empowered in this behalf by the respective Parties. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are abrogated and withdrawn, provided, however that the obligations of the Independent Auditor arising out of the provisions of the Concession Agreement shall continue to subsist and shall be deemed to form part of this Agreement.

2.5.2 Without prejudice to the generality of the provisions of **Clause 2.5.1**, on matters not covered by this Agreement, the provisions of the Concession Agreement shall apply.

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FRN 112180W


PARTNER


COMMISSIONER
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Aurangabad

For Aurangabad City Water Utility Co. Ltd


Authorized Signatories

2.6 Modification of Agreement

Modification or additions of the terms and conditions of this Agreement, including any modifications or additions in the scope of the Services, and the fees to be charged thereof may only be made by written agreement between the Parties by mutual consent of all the Parties subject to other provisions of this agreement pursuant to **Clause 4.2.2** and **Clause 6.1.2** hereof, however, each party shall give due consideration to any proposals for modification made by the other party.

2.7 Force Majeure

2.7.1 Definition

- a) For the purposes of this Agreement, "**Force Majeure**" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.
- b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to (A) take into account at the time of the execution of this Agreement, and (B) avoid or overcome in the carrying out of its obligations hereunder.

2.7.2 No breach of Agreement

The failure of any Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Agreement insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Agreement.

2.7.3 Measures to be taken

- a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder with a minimum of delay.

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For Aurangabad City Water Utility Co. Ltd


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- b) A Party affected by an event of Force Majeure shall notify the other Parties of such event as soon as possible, and in any event not later than 14 (fourteen) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

2.7.4 Extension of time

Any period within which any Party shall, pursuant to this Agreement, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure. Any such time period required for completion of such action or task shall be as per the directions of Authority. The Parties herein agree that there shall be no extra compensation or fees payable to Independent Auditor for the extended period due to Force Majeure.

2.7.5 Payments

During the period of its inability to perform the Services as a result of an event of Force Majeure, the parties herein shall mutually agree upon the remuneration pursuant to **Section 6** hereof of services satisfactorily performed by the Independent Auditor prior to the effective date of Force Majeure. The Authority's decision shall be final and binding on the Parties to this Agreement.

2.7.6 Consultation

Not later than 30 (thirty) days after the Independent Auditor has, as the result of an event of Force Majeure, become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances.

2.8 Suspension of Agreement

The Authority may, by written notice of suspension to the Independent Auditor, suspend all payments to the Independent Auditor hereunder if the Independent Auditor shall be in breach of this Agreement or shall fail to perform any of its obligations under this Agreement, including the carrying out of the Services; provided that such notice of suspension (i) shall specify the nature of the breach or failure, and (ii) shall provide an opportunity to the Independent Auditor to remedy such breach or failure within a period not exceeding 30 (thirty) days after receipt by the Independent Auditor of such notice of suspension.

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2.9 Termination of Agreement


2.9.1 By the Authority

The Authority may, by not less than 30 (thirty) days' written notice of termination to the Independent Auditor, on occurrence of any of the events specified in this **Clause 2.9.1**, terminate this Agreement:

- a) the Independent Auditor fails to remedy any breach hereof or any failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to **Clause 2.8** hereinabove, within 30 (thirty) days of receipt of such notice of suspension or within such further period as the Authority may have subsequently granted in writing;
- b) the Independent Auditor becomes insolvent or bankrupt or enters into any agreement with its creditors for relief of debt or take advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary;
- c) the Independent Auditor fails to comply with any final decision reached as a result of arbitration proceedings pursuant to **Section 9** hereof;
- d) the Independent Auditor submits to the Authority a statement which has a material effect on the rights, obligations or interests of the Authority and which the Independent Auditor knows to be false;
- e) as the result of Force Majeure, the Independent Auditor is unable to perform a material portion of the Services for a period of more than 60 (sixty) days; or
- f) the Authority, in its sole discretion and with reasons mentioned whatsoever decides to terminate this agreement;
- g) If the Independent Auditor, in the judgment of the Authority has engaged in corrupt or fraudulent practices incompetent or in executing the contract
- h) Concessionaire represents to authority that the Independent Auditor is not discharging his duties in a fair, efficient and diligent manner and if the Dispute remains unresolved, the Authority may terminate this contract.

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2.9.2 By the Independent Auditor

The Independent Auditor may, by not less than 30 (thirty) days' written notice to the Authority, on occurrence of any of the events specified in this **Clause 2.9.2**, terminate this Agreement:

- a) The Authority fails to pay any money due to the Independent Auditor pursuant to this Agreement and not subject to dispute pursuant to **Section 9** hereof within 45 (forty five) days after receiving written notice from the Independent Auditor that such payment is overdue;
- b) The Authority is in material breach of its obligations pursuant to this Agreement and has not remedied the same within 45 (forty five) days (or such longer period as the Independent Auditor may have subsequently granted in writing) following the receipt by the Authority of the Independent Auditor's notice specifying such breach;
- c) As the result of Force Majeure, the Independent Auditor is unable to perform a material portion of the Services for a period of more than 60 (sixty) days; or
- d) The Authority fails to comply with any final decision reached as a result of arbitration pursuant to **Clause 9** hereof.

2.9.3 Cessation of rights and obligations

Upon termination of this Agreement pursuant to **Clause 2.3** or **Clause 2.9** hereof, or upon expiration of this Agreement pursuant to **Clause 2.4** hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, or which expressly survive such Termination; (ii) the obligation of confidentiality set forth in **Clause 3.3** hereof; (iii) the Independent Auditor's obligation to permit inspection, copying and auditing of such of its accounts and records set forth in **Clause 3.5**, as relate to the Independent Auditor's Services provided under this Agreement; and (iv) any right or remedy which a Party may have under this Agreement or the Applicable Law.

2.9.4 Cessation of Services

Upon termination of this Agreement by notice of either Party to the other pursuant to **Clause 2.9.1** or **Clause 2.9.2** hereof, the Independent Auditor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Independent Auditor and equipment and materials furnished by the

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Authority, the Independent Auditor shall proceed as provided respectively by **Clause 3.8** or **Clause 3.9** hereof.

2.9.5 Payment upon Termination

Upon termination of this Agreement pursuant to **Clause 2.9.1** or **Clause 2.9.2** hereof, the Authority shall make the payments to the Independent Auditor (after offsetting against these payments any amount that may be due from the Independent Auditor to the Authority), remuneration pursuant to **Section 6** hereof for Services satisfactorily performed prior to the date of termination.

2.9.6 Disputes about Events of Termination

1. When Dispute arises between the Parties, then Parties should take reasonable efforts to resolve the dispute amicably as per **Clause 9.1**. If Parties fails to settle the Dispute amicably, then either Party may refer the matter to arbitration in accordance with **Clause 9.2**;
2. If either Party disputes whether an event specified in **Clause 2.9.1** or **Clause 2.9.2** hereof has occurred, such Party may, within 45 (Forty Five) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to **Clause 9.2** hereof, and this Agreement shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

2.9.7 Co-terminus with the Concession Agreement

Notwithstanding anything contrary contained in this Agreement, this Agreement shall be co-terminus with the Concession Agreement, and shall be terminated on Termination of the Concession Agreement.

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3. OBLIGATIONS OF THE INDEPENDENT AUDITOR

3.1 General

3.1.1 Standards of Performance

The Independent Auditor shall perform the Services and carry out its obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices. The Independent Auditor shall always act, in respect of any matter relating to this Agreement or to the Services, as a faithful adviser to the Authority, and shall at all times support and safeguard the Authority's legitimate interests in any dealings with Third Parties.

3.1.2 Terms of Reference

The scope of services to be performed by the Independent Auditor is specified in the Terms of Reference (the "TOR") at Annex-1 of this Agreement. The Independent Auditor shall provide the deliverables specified therein in conformity with the time schedule stated therein.

3.1.3 Applicable Laws

The Independent Auditor shall perform the Services in accordance with the Applicable Laws and shall take all practicable steps to ensure that any of the associates, as well as the Personnel and agents of the Independent Auditor comply with the Applicable Laws.

3.2 Conflict of Interest

3.2.1 The Independent Auditor shall not have a Conflict of Interest and any breach hereof shall constitute a breach of the Agreement.

3.2.2 Independent Auditor and affiliates not to be otherwise interested in the Project

The Independent Auditor agrees that, during the term of this Agreement and after its termination, the Independent Auditor or any associate thereof and any entity affiliated with the Independent Auditor, shall be disqualified from providing goods, works, services, loans or equity for any project resulting from or closely related to the Services and any breach of this obligation shall amount to a Conflict of Interest; provided that the restriction herein shall not apply after a period of two years from the completion of this assignment or to consulting assignments granted by banks/lenders at any time; provided further that this restriction shall not apply to consultancy/ advisory services provided to the Authority in continuation of this

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Consultancy or to any subsequent consultancy/ advisory services provided to the Authority in accordance with the rules of the Authority. For the avoidance of doubt, an entity affiliated with the Independent Auditor shall include a partner in the Independent Auditor's firm or a person who holds more than 5% (five per cent) of the subscribed and paid up share capital of the Independent Auditor, as the case may be, and any associate thereof.

3.2.3 Prohibition of conflicting activities

Neither the Independent Auditor nor the Personnel of the Independent Auditor shall engage, either directly or indirectly, in any of the following activities:

- a) During the term of this Agreement, any business or professional activities which would conflict with the activities assigned to them under this Agreement; or
- b) After the termination of this Agreement, such other activities as may be specified in the Agreement

3.2.4 Independent Auditor not to benefit from commissions discounts, etc.

The remuneration of the Independent Auditor pursuant to **Section 6** hereof shall constitute the Independent Auditor's sole remuneration in connection with this Agreement or the Services and the Independent Auditor shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Agreement or to the Services or in the discharge of its obligations hereunder, and the Independent Auditor shall use their best efforts to ensure that of the Personnel and agents, similarly shall not receive any such additional remuneration.

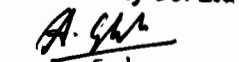
3.3 Confidentiality

The Independent Auditor, and its Personnel shall not, either during the term or within two years after the expiration or termination of this Agreement or Concession Agreement whichever is later disclose any proprietary information, including information relating to reports, data, drawings, design software or other material, whether written or oral, in electronic or magnetic format, and the contents thereof; and any reports, digests or summaries created or derived from any of the foregoing that is provided by the Authority to the Independent Auditor, and its Personnel; any information provided by or relating to the Authority, its technology, technical processes, business affairs or finances or any information relating to the Authority's employees, officers or other professionals or suppliers, customers, or contractors of the Authority; and any other information which the Independent Auditor is under an obligation to keep confidential in relation to the Project, the Services or this Agreement ("**Confidential Information**"), without the prior written consent of the Authority.

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Notwithstanding the aforesaid, the Independent Auditor, and Personnel may disclose Confidential Information to the extent that such Confidential Information:

- (i) was in the public domain prior to its delivery to the Independent Auditor and its Personnel becomes a part of the public knowledge from a source other than the Independent Auditor or Authority or Concessionaire;
- (ii) was obtained from a third party with no known duty to maintain its confidentiality;
- (iii) is required to be disclosed by Applicable Laws or judicial or administrative or arbitral process or by any governmental instrumentalities, provided that for any such disclosure, the Independent Auditor, its Personnel shall give the Authority, prompt written notice, and use reasonable efforts to ensure that such disclosure is accorded confidential treatment; and
- (iv) is provided to the professional advisers, agents, auditors or representatives of the Independent Auditor or its Personnel as is reasonable under the circumstances; provided, however, that the Independent Auditor or its Personnel as the case may be, shall require their professional advisers, agents, auditors or its representatives, to undertake in writing to keep such Confidential Information, confidential and shall use its best efforts to ensure compliance with such undertaking.

3.4 Liability of the Independent Auditor

3.4.1 The Independent Auditor's liability under this Agreement shall be determined by the Applicable Laws and the provisions hereof.

3.4.2 Independent Auditor shall, subject to the limitation specified in **Clause 3.4.3**, be liable to the Authority for any direct loss or damage accrued or likely to accrue due to deficiency in Services rendered by it.

3.4.3 The Parties hereto agree that in case of negligence or wilful misconduct on the part of the Independent Auditor or on the part of any Personnel or firm acting on behalf of the Independent Auditor in carrying out the Services, the Independent Auditor, with respect to damage caused to the Authority's property, shall not be liable to the Authority:

- (i) for any indirect or consequential loss or damage; and

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(ii) for any direct loss or damage that exceeds the Professional Fees set forth in **Clause 6.1.2** of this Agreement

3.4.4 This limitation of liability specified in **Clause 3.4.3** shall not affect the Independent Auditor's liability, if any, for damage to Third Parties caused by the Independent Auditor or any person or firm acting on behalf of the Independent Auditor in carrying out the Services subject, however, to a limit equal to Professional Fee.

3.5 Accounting and inspection of Accounts

The Independent Auditor shall:

- a) keep accurate and systematic accounts and records in respect of the Services provided under this Agreement, in accordance with standard accounting procedures and the Applicable Laws and in such form and detail as will clearly identify all relevant charges and cost, and the basis thereof; and
- b) Permit the Authority or its designated representative periodically, and up to two years from the expiration or termination of this Agreement, to inspect the same and make copies thereof

3.6 Independent Auditor's actions requiring the Authority's prior approval

The Independent Auditor shall obtain the Authority's prior approval in writing before taking any of the following actions:

- a) Appointing such members of the Personnel as are listed in **Annex-2**;
- b) Entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the associates and the terms and conditions of the subcontract shall have been approved in writing by the Authority prior to the execution of the subcontract, and (ii) that the Independent Auditor shall remain fully liable for the performance of the Services by the associates and its Personnel pursuant to this Agreement; and
- c) Any other action that is specified in this Agreement

3.7 Reporting obligations

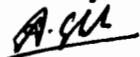
The Independent Auditor shall submit to the Authority the reports and documents specified in the Agreement, in the form, in the numbers and within the time periods set forth therein.

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3.8 Documents prepared by the Independent Auditor to be property of the Authority

3.8.1 All reports and other documents (collectively referred to as “**Consultancy Documents**”) prepared by the Independent Auditor, in performing the Services shall become and remain the property of the Authority, and all intellectual property rights in such Consultancy Documents shall vest with the Authority. Any Consultancy Document, of which the ownership or the intellectual property rights do not vest with the Authority under Applicable Laws, shall automatically stand assigned to the Authority as and when such Consultancy Document is created and the Independent Auditor agrees to execute all papers and to perform such other acts as the Authority may deem necessary to secure its rights herein assigned by the Independent Auditor.

3.8.2 The Independent Auditor shall, not later than termination or expiration of this Agreement, deliver all Consultancy Documents to the Authority and Concessionaire altogether with a detailed inventory thereof. The Independent Auditor may retain a copy of such Consultancy Documents. The Independent Auditor, or a Third Party shall not use these Consultancy Documents for purposes unrelated to this Agreement without the prior written approval of the Authority.

3.8.3 The Independent Auditor shall hold the Authority harmless and indemnified for any losses, claims, damages, expenses (including all legal expenses), awards, penalties or injuries (collectively referred to as ‘**claims**’) which may arise from or due to any unauthorized use of such Consultancy Documents, or due to any breach or failure on part of the Independent Auditor or its associates or a Third Party to perform any of its duties or obligations in relation to securing the aforementioned rights of the Authority.

3.9 Providing access to Project Office and Personnel

The Independent Auditor shall ensure that the Authority is provided unrestricted access to the Independent Auditor’s Project office and to all Personnel during office hours. The Authority’s official, who has been authorized by the Authority in this behalf, shall have the right to inspect the Services in progress, interact with Personnel of the Independent Auditor and verify the records relating to the Services for his satisfaction.

3.10 Accuracy of Services

The Independent Auditor shall be responsible for accuracy of the services provided by it as part of his scope of services as provided in the **Annex-1** of Agreement. Subject to the provisions of **Clause 3.4**, the Independent Auditor shall indemnify

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the Authority against any inaccuracy in its work which might surface during implementation of the Project, if such inaccuracy is the result of any negligence or inadequate due diligence on part of the Independent Auditor arises out of its failure to conform to good industry practice. The Independent Auditor shall also be responsible for promptly correcting the same, at its own cost and risk.

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4. INDEPENDENT AUDITOR'S PERSONNEL

4.1 General

The Independent Auditor shall employ and provide such qualified and experienced Personnel as may be required to carry out the Services.

4.2 Deployment of Personnel

4.2.1 The designations, agreed job descriptions, minimum qualification, names and the estimated periods of engagement in carrying out the Services by each of the Independent Auditor's Personnel are described in **Annex-2** of this Agreement and the list of the Key Personnel deployed.

4.2.2 If any new work is required beyond the scope of the Services specified in the Terms of Reference as mentioned in **Annex-01**, the additional cost to be paid over and above the cost set forth in the **Section 6** of the Agreement. The additional cost to be paid shall be mutually agreed between all the Parties.

4.3 Approval of Personnel

4.3.1 The Personnel listed in **Annex-2** of the Agreement are hereby approved by the Authority. No other Personnel shall be engaged without prior approval of the Authority.

4.3.2 If the Independent Auditor hereafter proposes to engage any person as Personnel, it shall submit to the Authority its proposal along with relevant details of such Personnel. The Authority may approve or reject such proposal within 14 (fourteen) days of receipt thereof. In case the proposal is rejected, the Independent Auditor may propose an alternative Personnel for the Authority's consideration. In the event the Authority does not reject a proposal within 14 (fourteen) days of the date of receipt thereof under this **Clause 4.3.2**, it shall be deemed to have been approved by the Authority.

4.4 Working hours, overtime, leave etc.

- a) Working hours and holidays for all Personnel shall be in accordance with that of the working hours and holidays notified for the Authority and Concessionaire.
- b) The Independent Auditor's remuneration shall be deemed to cover Personnel's remuneration, overtime, leave, etc.

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4.5 Substitution of Key Personnel

The Authority expects all the Key Personnel specified in the Bid submitted by the Independent Auditor to be available during implementation of the Agreement. The Authority will not consider any substitution of Key Personnel except under compelling circumstances beyond the control of the Independent Auditor and the Key Personnel concerned. Such substitution shall be subject to equally or better qualified and experienced personnel being provided to the satisfaction of the Authority. If the Authority (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Independent Auditor shall, at the Authority's written request specifying the grounds therefore, forthwith provide a replacement of a Personnel with qualifications and experience acceptable to the Authority.

4.6 Team Leader

The Personnel designated as the Team Leader of the Independent Auditor's Personnel shall be responsible for the coordination, timely and efficient functioning of the Personnel.

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5. OBLIGATIONS OF THE AUTHORITY


5.1 Access to Project site and details

The Authority warrants that the Independent Auditor shall have, free of charge, unimpeded access to the Project site and all required documents with respect of the Project, which is necessary for the performance of Services, provided that if such access shall not be made available to the Independent Auditor as and when so required, the Parties shall agree on (i) the time extension, as may be appropriate, for the performance of Services, and (ii) the additional payments, if any, to be made to the Independent Auditor as a result thereof pursuant to **Clause 6.1.2.**

5.2 Payment

In consideration of the Services performed by the Independent Auditor under this Agreement, the Authority shall make to the Independent Auditor such payments and in such manner as is provided in **Section 6** of this Agreement.

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6. PAYMENT TO THE INDEPENDENT AUDITOR

6.1 Cost estimates and Professional Fee

6.1.1 The annual professional fee payable to the Independent Auditor shall be as below:

Sr. No.	Annual Professional Fee Payable to the Independent Auditor	Professional Fee, in Rs
1	First Year Professional Fee	7,50,000/-
2	Second Year Professional Fee	7,95,000/-
3	Third Year Professional Fee	8,42,700/-
	Total Professional Fee	23,87,700/-

The Professional Fee payable to the Independent Auditor shall be exclusive of service tax, which shall be paid extra by the Authority at prevailing rate, if applicable.

6.1.2 Except as may be otherwise agreed under **Clause 2.6**, the professional fee under this Agreement shall not exceed the value specified hereinabove (the "**Professional Fee**"). The Parties agree that the total Professional Fee, for the duration of the assignment, shall be of Rs. 23,87,700 Lacs (Rupees twenty three lakh eighty seven thousand and seven hundred only) which does not include the Additional Costs specified pertaining to the additional services/ works as may be mutually agreed upon (the "**Additional Costs**").

6.2 Currency of payment

All payments shall be made in Indian Rupees.

6.3 Mode of billing and payment

Billing and payments in respect of the Services shall be made as follows:

- The Independent Auditor shall be paid on an equitable quarterly basis, at the end of respective quarter;
- No payment shall be due for the next quarter till the Independent Auditor completes, to the satisfaction of the Authority, the Services pertaining to the preceding quarter;
- The Authority shall cause the payment due to the Independent Auditor to be made within 20 (Twenty) days after the receipt by the Authority of duly completed bills with necessary particulars (the "**Due Date**");
- All payments under this Agreement shall be made to the account of the Independent Auditor as may be notified to the Authority by the Independent Auditor.

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7. LIQUIDATED DAMAGES AND PENALTIES

7.1 Performance Security

7.1.1 Subject to the terms and conditions of this Agreement, the Independent Auditor shall provide Performance Security of Rs 100,000/- (Rupees one lakh), comprising an irrevocable bank guarantee or demand draft that shall be valid and effective for the period until 180 (one hundred and eighty) days from the termination of this Agreement or 42 (forty two) months, whichever is earlier.

7.1.2 Encashment and appropriation of Performance Security

The Authority shall have the right to invoke and appropriate the proceeds of the Performance Security, in whole or in part, with notice to the Independent Auditor in the event of breach of this Agreement.

7.2 Penalty for deficiency in Services

In the case of significant deficiencies in Services causing adverse effect on the Project or on the reputation of the Authority, other penal action including debarring for a specified period may also be initiated as per policy of the Authority.

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8. FAIRNESS AND GOOD FAITH

8.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Agreement and to adopt all reasonable measures to ensure the realization of the objectives of this Agreement.

8.2 Operation of the Agreement

The Parties recognize that it is impractical in this Agreement to provide for every contingency which may arise during the life of the Agreement, and the Parties hereby agree that it is their intention that this Agreement shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Agreement either Party believes that this Agreement is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but failure to agree on any action pursuant to this Clause shall not give rise to a dispute subject to arbitration in accordance with **Section 9** hereof.

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9. DISPUTE RESOLUTION

9.1 Amicable Resolution

- a) Save where expressly stated to the contrary in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement between the Parties and so notified in writing by either Party to the other (the "Dispute") in the first instance shall be attempted to be resolved amicably in accordance with the conciliation procedure set forth in Sub-clause (b) below.

- b) In the event of any Dispute between the Parties, either Party may call upon the Independent Engineer to mediate and assist the Parties in arriving at an amicable settlement thereof. Failing mediation by the Independent Engineer or without the intervention of the Independent Engineer, either Party may require such Dispute to be referred to the Municipal Commissioner of AMC and the Managing Partner of the Independent Auditor, for the time being for amicable settlement. Upon such reference, the said two representatives shall meet not later than 7 (seven) days of the date of such request to discuss and attempt to amicably resolve the Dispute. If such meeting does not take place within the said period or the Dispute is not amicably settled within 15 (fifteen) days of such meeting between the said two representatives, either Party may refer the dispute to arbitration in accordance with the provisions of **Clause 9.2**.

- c) If the Dispute is not resolved as evidenced by the signing of the written terms of settlement within 30 (thirty) working days of the aforesaid notice in writing or such longer period as may be mutually agreed by the Parties then the provisions of **Clause 9.2** shall apply.

9.2 Arbitration

- 9.2.1** Any Dispute, which is not resolved amicably as provided in **Clause 9.1** shall be finally decided by reference to arbitration by a Board of Arbitrators, appointed pursuant to **Clause 0** below. Such arbitration shall be held in accordance with the Rules of Arbitration of the Indian Council of Arbitration and shall be subject to provisions of the Indian Arbitration and Conciliation Act, 1996 and any amendments thereto.

- 9.2.2** There shall be a Board of three arbitrators of whom each party shall select one and the third arbitrator shall be appointed in accordance with the Rules of Arbitration of the Indian Council of Arbitration.

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9.2.3 The arbitrators shall issue a reasoned award.

9.2.4 The venue of such arbitration shall be Aurangabad, Maharashtra, India.

9.2.5 The Independent Auditor and AMC undertake to carry out any decision or award of the arbitrators (the "Award") without delay. Awards relating to any Dispute shall be final and binding on the Parties as from the date they are made.

9.2.6 The Independent Auditor and AMC agree that an Award may be enforced against the Independent Auditor and / or AMC, as the case may be and their respective assets wherever situated.

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

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed in their respective names as of the day and year first above written.

SIGNED, SEALED AND DELIVERED

For and on behalf of AMC by:

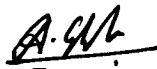


SHRI. PRAKASH MAHAJAN
COMMISSIONER
AURANGABAD MUNICIPAL CORPORATION,
AURANGABAD. PIN- 431001

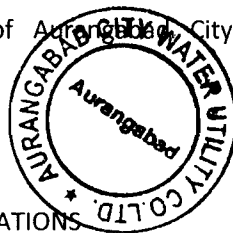


SIGNED, SEALED AND DELIVERED

For and on behalf of Aurangabad City Water Utility Company Ltd. (ACWUCL) as
Concessionaire



SHRI. ARNAB GHOSH
VICE PRESIDENT - OPERATIONS
AURANGABAD CITY WATER UTILITY COMPANY LTD. (ACWUCL),
PLOT NO-01, SECT C-5, TOWN CENTRE, NEAR PROVIDENT FUND OFFICE, N-1, CIDCO,
AURANGABAD-431003



K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180W



PARTNER

SIGNED, SEALED AND DELIVERED

For and on behalf of Independent Auditor



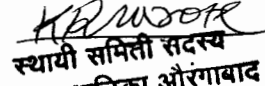
MR. KARAS KEJGIR
(MANAGING PARTNER,
K N D & ASSOCIATES
Chartered Accountants



502-503, SATYAM APARTMENT, 8 WARDHA ROAD, DHANTOLI, NAGPUR 440012)

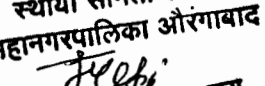
In the presence of:

1. Smt. Kamal Ramchandra Nayote



स्थायी समिती सदस्य

2. Smt. Jyoti Subhash Pinjarkar



महानगरपालिका औरंगाबाद

स्थायी समिती सदस्य
महानगरपालिका औरंगाबाद

For Aurangabad City Water Utility Co. Ltd



Authorized Signatory



COMMISSIONER
Municipal Corporation
Aurangabad

Annex -1– Terms of Reference

The Independent Auditor shall perform the duties and have roles & responsibilities as stipulated in a Concession Agreement signed between AMC and the Concessionaire, which was enclosed as **RFP Volume II**. The Independent Auditor shall have scope of work, which includes but not limited to:

- a) Independent Auditor shall conduct the audit in accordance with the generally accepted accounting principles by Institute of Chartered Accountants of India (ICAI).

The Independent Auditor shall carry out the quarterly audit of:

1. Utilization of Project Grant and Annual Operational Support Grant in accordance with the Concession Agreement, and only for the purpose, i.e. implementation of the Project;
2. Utilization of equity and debt funds raised by the Concessionaire in accordance with the Concession Agreement, and only for the purpose, i.e. implementation of the Project;
3. Shareholding of the Concessionaire in accordance with the Concession Agreement;
4. Insurance Cover in accordance with the Concession Agreement;
5. Calculation and collection of User Fees by the Concessionaire;
6. Collection of arrears of User Fees by the Concessionaire;
7. Calculation of the Water Payment in accordance with the Concession Agreement;
8. Collection Account;
9. Water Payment Reserve Account;
10. Other accounts opened by the AMC or the Concessionaire for the Project, in accordance with the Concession Agreement;
11. Cost to AMC and Concessionaire, in case of the Force Majeure event;
12. Cost for AMC Step-in-Event, if any;
13. Fee for providing Potable Grade Water to the End Users by Tankers;
14. Concessionaire's repayment of debt, debt servicing as per agreement with respective Lender;
15. Construction and Operations & Maintenance cost incurred by the Concessionaire;
16. Depreciation claims for the Project Facilities by the Concessionaire;
17. Compensation for the Concessionaire in case of Change in Scope;
18. Compensation for the Concessionaire in case of Change in Law;
19. Audited / unaudited accounts of the Concessionaire;
20. Material change, if any, in the financial condition of the Concessionaire;
21. Annual budget of the Concessionaire in accordance with the Concession Agreement;

K N D & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 112180W

PARTNER

For Aurangabad City Water Utility Co. Ltd

A. S. S.
Authorised Signatories

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[Signature]
COMMISSIONER
Municipal Corporation
Aurangabad
[Signature]

22. Supply of water to the fire department;
 23. Payment for Raw Water to the Irrigation Department;
 24. Payment to the electricity board;
 25. Termination payment, if any;
 26. Delayed payment, if any; and
 27. Any other that Independent Auditor consider appropriate and important
- b) Goods, works and services financed have been procured in accordance with the Concession Agreement and in accordance with the Project requirements and procedures; and have been properly accounted for;
 - c) Appropriate supporting documents, records and books of accounts relating to the Project activities have been kept, and clear linkages should exist between the books of accounts and the financial statements presented to the Aurangabad Municipal Corporation;
 - d) Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions and ensure safe custody of project-financed assets and that they are being used for the intended purposes;
 - e) Project's assets are real and properly evaluated and project property rights or related beneficiaries' rights are established in accordance with terms and conditions of the Concession Agreement;
 - f) Ineligible expenditures identified during the audit will be reflected separately in audit report and if material, the point should be reflected in the auditors' opinion to the Aurangabad Municipal Corporation
 - g) Fraud and Corruption : the auditors shall identify and evaluate risks related to fraud, obtain or provide sufficient evidence of analysis of these risks and assess properly the risks identified or suspected;
 - h) Laws and Regulations: In preparing the audit approach and in executing the audit procedures, the auditors shall evaluate the Concessionaire compliance with the provisions of related rules and regulations that might impact significantly the financial statements.

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 COMMISSIONER
 Municipal Corporation
 Aurangabad

For Aurangabad City Water Utility Co. Ltd

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- i) Governance: Communicate with the Concessionaire's management responsible for governance regarding significant audit issues related to governance
- j) Risks: With a view to reducing audit risks to a relatively low level, the auditors will apply appropriate audit procedures and handle anomalies/risks identified during their evaluation.
- k) Formulation of an opinion on the Project financial statements and Concessionaire's quarterly/half yearly/ annual financial statements based on their audit conducted in accordance with the generally accepted accounting principles by Institute of Chartered Accountants of India (ICAI). The Project financial statements shall include, but not limited to Income Statement, Balance Sheet, Cash Flow Statement, Notes to Accounts, Schedule to the financial statements.

l) Reporting

- 1) The independent Auditor shall conduct quarterly audit;
- 2) The Independent Auditor's audit team shall comprise of one Chartered Accountant and 2 semi-qualified Chartered Accountants. Out of these team members, at least two members should be Key Personnel; and
- 3) Independent Auditor shall provide its report to the AMC on a quarterly basis

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Annex -2 – Key Personnel

Sr. No	Name of the Key Personnel	Academic Qualification & Experience	Designation	Detailed Job Descriptions
1.	Kailas Kejgir	B.Com., M.B.A., A.C.M.A, F.C.A., DISA	Managing Partner	Project Incharge/Team Leader
2.	Suren Duragkar	B.Com., F.C.A.	Partner	Team Leader
3.	Nachiket Dhandekar	B.Com., A.C.A.	Partner	Team Leader
4.	Prasad Deshpande	B.Com., A.C.A.	Partner	Team Leader
5.	Nikhil Bansinge	C.A. Inter		Audit Assistant
6.	Tanushri Patra	C.A. Inter		Audit Assistant
7.	Gaurav Bhagat	C.A. Inter		Audit Assistant
8.	Nikhita Rajput	C.A. Inter		Audit Assistant
9.	Nikita Manglani	C.A. Inter		Audit Assistant
10.	Jagruti Surekha	C.A. Inter		Audit Assistant
11.	Poornima Zade	C.A. Inter		Audit Assistant
12.	Krishma Likhitar	C.A. Inter		Audit Assistant
13.	Prajakta Mule	C.A. Inter		Audit Assistant
14.	Priyanka Ambekar	C.A. Inter		Audit Assistant
15.	Ankita Dhang	C.A. Inter		Audit Assistant
16.	Viraj Trivedi	C.A. Inter		Audit Assistant
17.	Rama Subramaniam	C.A. Inter		Audit Assistant
18.	Kapil Balwani	C.A. Inter		Audit Assistant
19.	Gaurav Sancheti	C.A. Inter		Audit Assistant
20.	Niraj Samrit	C.A. Inter		Audit Assistant
21.	Swapnil Hastekar	C.A. Inter		Audit Assistant

Note: The required support personnel will be mobilized as per the progress of work and in line with approved milestone. The details of above activities, names etc. shall be submitted at the time of signing of the Agreement.

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