

**GOVERNMENT OF TELANGANA
GENERAL ADMINISTRATION (SPL.C) DEPARTMENT**

Memo No.350/Spl.C/A2/2023

Dated: 06.01.2024

Sub: All India Services - IAS - Formula E Event - Season 10 in February 2024 - Concluding agreements with M/s. ABB Formula E without approvals of Competent Authority by Sri Arvind Kumar, IAS, the then Special Chief Secretary to Government, MA&UD Department - Improper approvals in Files bearing No.9871/Plg.1(1)/2022 and 16380/Plg.1(1)/2023 - Explanation called for - Regarding.

Ref: 1) Long Form Agreement Dated 25.10.2022 for Season-9 Formula E
2) Agreement Dated 27.10.2023 between FEO & MA&UD for Season-10
3) Govt Memo No.16380/2021/Plg.1/MA&UD, Dated 28.10.2023
4) Lr. Dated 22.10.2023 from Director Legal, M/s/ ABB Formulae World Championship issuing Notice of Breach of Agreement

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The attention of Sri Arvind Kumar, IAS., Spl CS to Govt., Revenue (DM) Deptt and the then Spl CS to Govt., MA&UD is invited to the subject and references cited and he is called upon to explain the following serious violations, on his part, in connection with the conclusion of agreements with Formula E Operations (FEO) for conduct of Formula E racing events in its Season-9 and Season-10 in Hyderabad:

- i) Why the tripartite Long Form Agreement was entered with Formula E Operations (FEO) and a private Organiser, without following the due process of approval from the Competent Authority, and in violation of Secretariat Business Rules;
- ii) Why due permission was not taken, and the issue was not brought to the notice of the Competent Authority, when the tripartite agreement was terminated by the FEO, allowing the promoter, who was at gross default go free from any liability, while the additional burden of conducting the event besides hosting the same was passed on to the Government.
- iii) Why the consequences of dropping of the "Promoter" of the Season-9 agreement was not properly examined, including its financial implications and necessary action not initiated to claim the damages from the defaulting "Promoter";
- iv) Why the agreement for conduct of Season-10 is concluded again without the knowledge or permission of the competent authority, and without exploring the possibilities of finding another private player as "Promoter" replacing the defaulting firm of season-9.
- v) Why necessary due diligence is not done so as to safeguard the financial interests of the HMDA / Government, in the wake of assumption of additional responsibilities as "Promoter" to the event of Season-10;
- vi) Why a revised agreement with FEO was entered afresh for conducting the Season-10 event, again without the Competent Authority's permission, that too when the Model Code of Conduct (MCC) announced by the Election Commission of India (ECI) was in force in the State in the wake of announcement of schedule for General Elections to State Assembly.
- vii) Why the HMDA was designated as Nodal Agency to host as well as to conduct the event, without following the due process of approval from the Competent Authorities, as required under Secretariat Business Rules;

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- viii) Why the huge financial expenditure of Rs.46 Crores plus the tax amount of Rs.9.00 Crores was paid from the HMDA resources, even before the Agreement was signed and without obtaining the concurrence of the HMDAs Board of Directors as well as that of Finance Department of the State Government;
- ix) While Article 299 of the Constitution of India provides that "all contracts made in the exercise of the executive power of the Union or of a State shall be expressed to be made by the President or by the Governor of the State", why a formal consent from the Competent Authority" was not taken when a major policy decision involving huge financial commitment for conduct of the Formula E event in Season 10 as well as the commitment to conduct the event for next 2 Seasons was committed.

2. In view of the above, the MoS is called upon to submit his explanation within seven days as to why suitable further action should not be initiated for the lapses detailed above, failing which it will be construed that he has no explanation to offer and further action in this regard will be taken with available records.

SANTHI KUMARI
CHIEF SECRETARY TO GOVERNMENT

To
Sri Arvind Kumar, IAS.,
Spl CS to Govt.,
Revenue (DM) Deptt.
Telangana Secretariat, Hyderabad.
Sf/Sc

//FORWARDED ::BY ORDER//


SECTION OFFICER