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MEMORANDUM OF UNDERSTANDING

Between

Government of Rajasthan

and

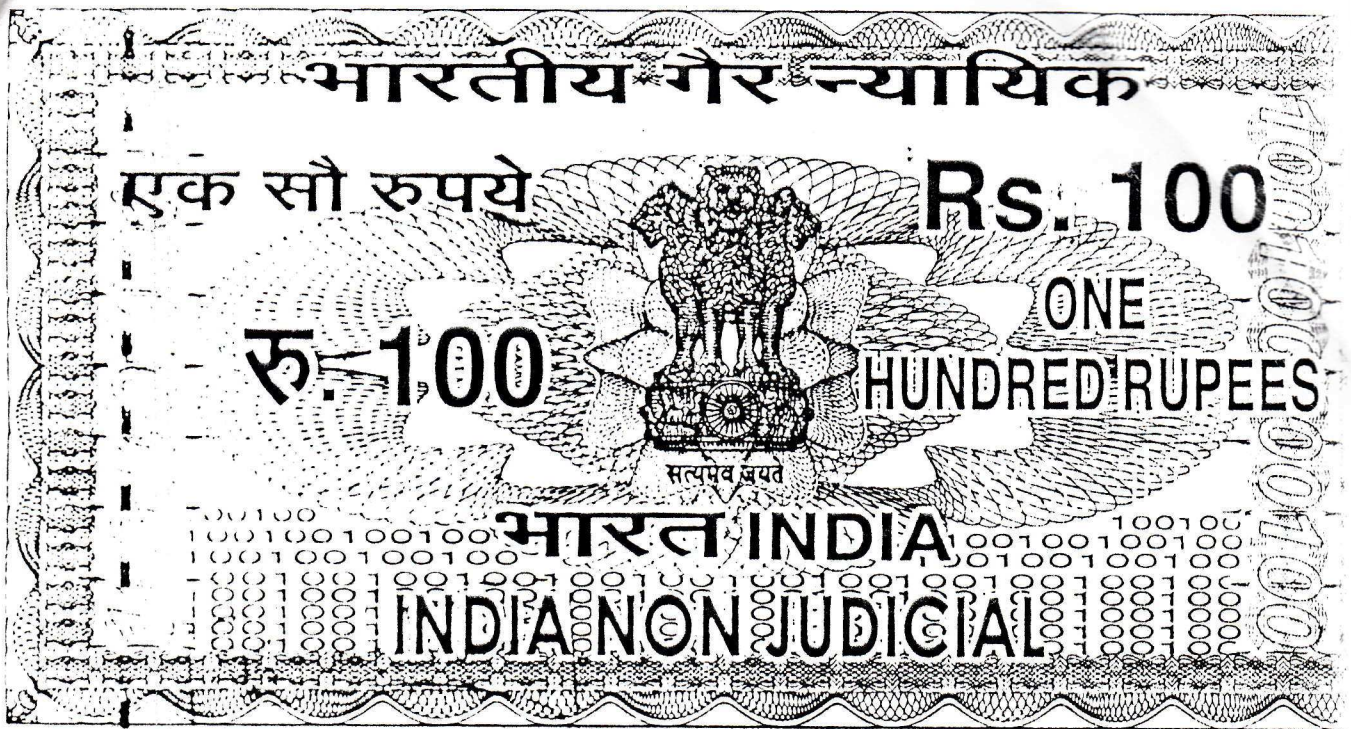
**Delhi – Mumbai Industrial Corridor Development
Corporation - New Delhi**

20th February 2009

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This Memorandum of Understanding (MoU) made on this 20th day of February 2009 at, Jaipur

BETWEEN:

The Governor of Rajasthan, acting in its executive capacity and represented herein by Principal Secretary, Department of Industries, Government of Rajasthan having its office at Department of Industries, Secretariat, Jaipur – 302 005 (hereinafter referred to as the 'State' which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include successors, representatives and permitted assignees) of the **FIRST PART**

AND

Delhi – Mumbai Industrial Corridor Development Corporation (DMICDC), a company incorporated under the Companies Act, 1956 (1 of 1956) and having its registered office at "135, Udyog Bhawan, New Delhi -110011, in the State of Delhi (hereinafter referred to as "DMICDC", which expression shall, unless repugnant to the context thereof, include successors, assigns, affiliates, associate and funds under management) of the **SECOND PART**.

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The State and DMICDC are hereinafter referred to individually as 'The Party' and collectively 'The Parties'

WHEREAS

- A. Bureau of Investment Promotion, (BIP) Rajasthan is the nodal agency of the Government of Rajasthan for attracting and facilitating investments in the State. Government of Rajasthan, has designated Bureau of Investment Promotion, (BIP) as the State Level Nodal Agency (SLNA) to coordinate, operationalise and facilitate the activities of DMIC Project in the State with Department of Industrial Policy and Promotion (DIPP) and DMICDC.
- B. Establishment of Dedicated Freight Corridor (DFC) between Delhi and Mumbai - which is the back bone of DMIC Project - has been announced by Government of India, covering an overall length of 1,483km with end terminals at Dadri in the NCR of Delhi and Jawaharlal Nehru Port near Mumbai. This Dedicated Freight Corridor will offer high-speed connectivity for High Axle Load Wagons (25 Tonne) of Double Stacked Container Trains supported by high power locomotives.
- C. In order to leverage upon the enhanced connectivity that would be available with DFC and its feeder route as well as Golden Quadrilateral National Highways, DMIC project has been planned with an aim to create strong economic base with globally competitive environment and state-of-the-art infrastructure to activate regional commerce, enhance foreign investments and attain sustainable development. The influence region of DMIC project is a band of 150km to 200km on both sides of DFC which would consist of world class physical and social infrastructure to promote quality industrial investments in the region. Physical infrastructure projects includes logistics hubs, expressways, industrial parks and clusters, agro-processing hubs, high-speed rail linkages, power plants, ports and airports etc. Similarly,

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social infrastructure project includes skill development centers, dovetailed townships with recreational and other social amenities.

- D. DMICDC has been incorporated to plan, finance, develop and implement the DMIC project. Government of India gave its 'in principle' approval to DMIC project as well as DMICDC, which is a Joint venture company consisting of 51% equity participation from financial institutions and 49% equity from Government of India. GOI has offered its 24% stake i.e. 4% to each of the States in DMIC region viz. Haryana, Uttar Pradesh, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. DMICDC was incorporated with an authorised equity base of 10 Crore on 7th January, 2008.
- E. DMIC project has been conceived by Government of India jointly with Government of Japan. DMICDC will raise fund from budgetary and other sources to fund preparation of Development Plans, Perspectives Plans, Feasibility studies, Land Acquisition etc. DMICDC is committed to facilitate various project development activities in DMIC region in general and with substantial Japanese interest at various nodes; the projects are expected to be executed at a brisk pace.
- F. The Parties hereto have agreed to record their understanding, agreed terms and conditions as and by way of this MoU.

NOW THEREFORE THE PARTIES HERETO, HEREBY AGREE AS FOLLOWS:

- I. The Parties will jointly prepare perspective and development plan for each node with the help of external consultant. DMICDC will also assist the State Government in the execution of the identified projects by extending its services to plan, develop, finance and implement various infrastructure and other projects. The broad basis for the MoU is as envisaged below:

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1. OBJECTIVES

- a. To identify early bird projects and immediately undertake feasibility studies for these projects along with selection of consultants for development plan and other project identification studies to head start the development in various nodes;
- b. To select other infrastructure projects identified by the consultant for development as per the strategic importance with respect to node and overall master plan and also plan implementation of the same on PPP basis.
- c. To create Special Purpose Vehicles (SPVs), wherever required, to house initial project development activities and facilitate various approvals/ clearances from Central and State Governments. SPVs could be formed for early bird and other projects - identified by consultant and thereby selected by State Government - to bid out the project through competitive bidding in Public Private Partnership (PPP) mode.
- d. To market the project/s as well nodes nationally and internationally towards attracting investments.
- e. To engage consultants wherever necessary for project management consultancy, feasibility studies, specialized sector specific studies etc.

2. ROLE OF THE STATE

- a. To identify at least three early bird projects and to facilitate DMIC project through coordination with different Government

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Departments and agencies, both at State and Central Government level, for specific work to be jointly undertaken by the Parties;

- b. To facilitate the decisions and approvals of State on issues such as Project clearances, Project agreements and fiscal concessions, other applicable clearances, permits, permissions, authorization's, licenses wherever required, for timely implementation;
- c. To provide support for the overall development plan of the node and seamless development, implementation and operation of the project(s);
- d. To select projects – identified by consultant - strategically for implementation and facilitate decisions and approvals - as stated earlier for early bird projects – required for these projects;
- e. To facilitate project decision making and acquisition of land (non-agrarian, mono-crop, waste land, Govt. land) for early bird and other projects selected for development and implementation at a later stage;
- f. To contribute with available skills and resources of its Project management team, as required for Projects;
- g. To share requisite information with the selected consultant, as may be required by them from time to time, provided the same is permissible.

3. ROLE OF DMICDC

- a. To provide expertise and resources in managing the entire PPP infrastructure development and implementation process including

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Project Development, Programme Management, Financing, Proposal Preparation and Promotion of Industrial Development;

- b. To undertake project development activities for de-risking the projects and making it attractive for parties interested in development of specific projects.
 - c. To market the projects nationally and internationally and if required, to mobilize financial resources from the private sector/market, bilateral and multilateral agencies on behalf of the implementing agencies/ SPVs for the Projects;
 - d. To contribute towards requisite technical, financial and managerial resources and other manpower available, mainly through hiring Consultants, to undertake Project identification and development, programme management, proposal preparation and promotion of industrial development.
11. Recovery of Expenses: DMICDC will bear the initial cost of project development. All the expenses related to the project development activities in perspective and development plan will be recovered from the successful bidder of early bird projects along with a success fee. In case any particular project is not awarded for any reasons, and their cost cannot be recovered from the successful bidder for that project, the same will be loaded to other successful projects. The recovery of expenses will be at an interest rate linked to State Bank of India's Prime Lending Rate (PLR).

The successful developer will also be charged a success fee with respect to the project landed cost and the quantum of success fee will be decided by Board of DMICDC from time to time.

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- III. Confidentiality: Both Parties shall keep confidential and shall not use for any purpose any or all information of the other Party that is confidential in nature, provided that disclosures may be made as required by Law. This clause shall not apply to information disclosed to a Party's Attorneys or Accountants on a confidential basis.
- IV. No Partnership; No Third Party Rights: Both Parties agree that nothing in this MoU shall be deemed to create a partnership, agency or any other relationship between them, except as otherwise expressly stated herein.
- V. Counterparts: This MoU may be executed by the Parties hereto in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same MoU.
- VI. Assignment: This MoU shall inure to the benefit of the Parties hereto and to their respective successors and permitted assigns. No Party shall assign this MoU to any Third Party without the prior written consent of the other Party.
- VII. Arbitration: Both Parties agree that in a situation where a common stand is not agreed upon, the Parties shall initiate a meeting between the Principal Secretary, (Industries)/Commissioner, BIP of first party and the Chairman/MD of Second Party, so as to facilitate a mutual agreement.

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In WITNESS WHEREOF the Parties hereto have put their hand on the date first above-mentioned.

Signed, sealed and delivered by:

For and on behalf of Government of
Rajasthan

For and on behalf of DMICDC.



Sh. C.S Rajan,
Principal Secretary
Department of Industries
Government of Rajasthan



Sh. Gopal Krishna
Director DMICDC
Jt. Secretary, Government of India
Department of Industrial Policy and Promotion
Ministry of Commerce and Industry