

राजस्थान RAJASTHAN

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गौन व्यवस्थापन

THIS PARTNERSHIP AND DEVELOPMENT AGREEMENT is entered into on this the 7th day of August, 2005 at Jaipur, Rajasthan

amongst

THE GOVERNOR OF THE STATE OF RAJASTHAN acting through Principal Secretary, Public Works Department, Government of Rajasthan; hereinafter referred to as "GoR" (which expression shall include its successors and assigns) as first party

and

Road Infrastructure Development Company of Rajasthan Limited, a public limited company incorporated under the Companies Act, 1956 (Central Act 1 of 1956), having its registered office at *First Floor, LIC Jeevan Nidhi Building, Bhawani Singh Marg, Jaipur - 302 005* (hereinafter called "RIDCOR" which expression shall unless it be repugnant to the subject or context thereof include its heirs, assigns, successors, associates, subsidiaries and funds under management) as second party

and

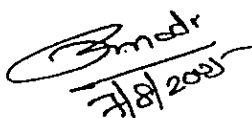
Infrastructure Leasing and Financial Services Limited, a public limited company incorporated under Companies Act, 1956 (Central Act 1 of 1956) having its registered office at *IL&FS Financial Centre, Plot C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051* (hereinafter called "IL&FS" which expression shall unless it be repugnant to the subject or context thereof include its heirs, assigns, successors, associates, subsidiaries and funds under management) as confirming party

WHEREAS

- A. The Government of Rajasthan (GoR) is pro-actively improving the State's infrastructure to boost its industrial and economic growth, with the aim of fully leveraging the State's locational advantage and its enormous tourism and business potential. Towards this, GoR has embarked on an ambitious programme to create world-class infrastructure facilities in the State of Rajasthan with the aim of making it the most favoured investment and tourism destination in the country;
- ✓ B. As part of this vision, GoR has conceptualized a comprehensive road improvement programme titled 'Mega Highways Project' envisaging improvement to important North-South road corridors aggregating a total length in excess of 1,000 km to two lane paved/hard shoulder configuration. The identified roads include Phalodi to Ramji-Ki-Gol, Hanumangarh to Kishangarh, Alwar to Sikandra, Lalsot to Kota and Baran to Jhalawar. These roads provide alternative and more efficient connectivity to National Highways and are expected to witness substantial traffic diversion. The development of these roads is expected to significantly enhance Rajasthan's attractiveness as an investment destination and could serve as a blue print for similar road development projects across the country;
- ✓ C. GoR wishes to implement the Project through the Public Private Partnership (PPP) framework, so as to leverage the limited budgetary resources for attracting private capital and ensure efficient utilisation of funds for creation, operations, maintenance and management of quality road assets;
- D. Infrastructure Leasing & Financial Services Limited (IL&FS) is a leading institution in the field of infrastructure development promoted by Unit Trust of India, Central Bank of India, and HDFC Ltd. Its other shareholders include State Bank of India, International Finance Corporation (Washington), Government of Singapore Investment Corporation, Orix Corporation, Japan and HSBC Bank. The IL&FS group of companies have successfully collaborated with several other State Governments including that of Andhra Pradesh, Gujarat and Tamil Nadu for assisting them in structuring, developing and implementing infrastructure projects under the PPP framework;
- E. IL&FS has the requisite know-how and skill to develop infrastructure projects and undertake mobilisation of required financial resources from both the domestic financial institutions and multilateral agencies and offer specialised services, inter-alia, in the areas of Operations and Maintenance, User Fee Management and other services relating to road infrastructure projects;
- F. ✓ In order to provide focussed attention and an institutional framework for development and implementation of the Project Roads and other infrastructure projects, GoR in association with IL&FS, has set up a Joint Venture Company by the name and style of Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR). RIDCOR was incorporated on October 28, 2004, and the Shareholders' Agreement amongst GoR, IL&FS and RIDCOR was signed on January 31, 2005. The roles, responsibilities, duties & obligations of IL & FS are enumerated in Article 4 of this Shareholders' Agreement;

- G. ✓ The cost of Mega Highways Project estimated at Rs 1,200 Crores is proposed to be funded by an innovative financing plan. The Project is unique and one of its kind in the road sector in the country since, it is proposed to develop such long stretches of road under the PPP model for the first time, wherein the projected revenue stream is essentially predicated on diverted traffic;
- H. The proposed Mega Highways Project will be an important milestone in the development of Rajasthan into a preferred destination. IL&FS with its extensive expertise in developing similar road Projects in other States will actively assist the State Government of Rajasthan in positioning the Mega Highways Project as an Iconic Infrastructure Project in the country;
- I. Pursuant to the above, GoR hereby agrees that a valid grant of the necessary rights and authorisations, and the extension of complete and continued support to RIDCOR is of essence for the due implementation of the Project on a commercial basis, and is an essential pre-condition to enable RIDCOR to mobilise adequate financial resources from capital markets and/or lending agencies, and to efficiently perform its obligations;
- J. ✓ The Parties herein mutually acknowledge that this Agreement envisages grant of rights and authorisations to RIDCOR to develop the identified Project Roads and in lieu recover O&M expenses, taxes and recovery of costs with appropriate returns thereon;
- K. ✓ Accordingly, GoR has agreed to grant the necessary rights and authorisations to RIDCOR in accordance with the terms and conditions provided herein; the Parties also hereby agree that the usage of the word 'Partnership' in the title of the Agreement is merely for the purposes of giving an appropriate nomenclature for the Agreement reflecting the complementary and symbiotic relationship between the Parties with respect to this Project.

NOW THEREFORE in consideration of the mutual agreements herein contained and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:


B. Mohr
7/8/2005

