

(A-3)

MEMORANDUM OF UNDERSTANDING

BETWEEN

PSC / PMU / BRL

MINISTRY OF RAILWAYS

MINISTRY OF COAL

AND

GOVERNMENT OF ODISHA

FOR

FORMATION OF A JOINT VENTURE

SIGNED ON 20.4.2015

उप-मुख्य अभियंता (परिवहन) II
पूर्व तट रेलवे, अनुगुल
Dy. Chief Engineer (Con.) II
E.Co.Rly, Angul

127/11
226

A02

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made on the 20th day of April, 2015 by and between:

The **Ministry of Railways**, represented by the Chairman, Railway Board, (hereinafter referred to as "MoR").

The **Ministry of Coal** represented by Secretary Coal, (hereinafter referred to as "MoC").

AND

The **Government of Odisha** represented by Chief Secretary (hereinafter referred to as "GoO")

The expressions "MoR", "MoC" and "GoO" shall, wherever the context admits, mean and include their respective successors-in-interest and permitted assigns and shall hereafter be referred to individually as "Party" and collectively as "Parties".

WHEREAS, this MOU is signed between Ministry of Railways, Ministry of Coal and Government of Odisha, for formation of a Joint Venture (JV) to undertake project development, financing and implementation of identified projects, MoR, MoC and GoO will participate in the equity on its own or through its Public Sector Undertakings (PSUs) as nominated.

AND WHEREAS, the Parties agree that there is a need for development of rail infrastructure for evacuation of coal through rail.

NOW, THEREFORE, in consideration of the foregoing, the Parties hereby have agreed upon the following:

1. Projects important for coal connectivity, as agreed by the Parties, will be taken up for development, financing and implementation. An indicative list of projects is placed at Annexure-1
2. The development of the corridors shall be implemented either through the proposed JV or through a separate project specific Joint Venture Companies (JVCs) /SPVs, as per IR standards.

3. Critical coal sidings will be fully funded by the respective coal companies. The doubling/3rd line/Traffic Facility projects, which have a close interface with the existing IR network, shall be implemented by Indian Railways with possible funding by JV/JVCs through an appropriate mechanism as mutually agreed.
4. The JV will have the following share holding.

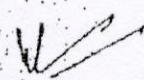
Party	Equity Share
"MoC" or its nominated PSU	64%
"MoR" or its nominated PSU	26%
"GoO" or its nominated PSU	10%

- The project specific JVCs will further explore participation of private investors, project promoters and other stakeholders including state governments in the project including equity.
5. The JV will have an authorized share capital of Rs.1000 Cr. with initial paid-up capital of Rs.50 cr.
6. Board of Directors (BoD) of the JV shall have part-time, full time and independent directors as per extant provisions. Chairman of the Board shall be from the Ministry of Coal.
7. The JV/JVCs shall enter into separate project specific concession agreement with MoR.
8. Acquisition of land required for the project shall be done by JV/JVCs. Entire costs of the land shall be borne by the JV/JVCs. The JV/JVCs shall also be responsible for payment of the compensation of the land and also implementation of the Rehabilitation plan as per Rehabilitation Policy of the State Government. However, the Doubling/3rd line/4th line/Traffic facilities works, land, if required will be acquired by IR at its cost.
9. "GoO" shall facilitate in completing the process of land acquisition and environmental / forest clearance(s) for the Projects as required.
10. The construction work of the railway lines shall be undertaken only after process of land acquisition and environmental / forest clearance(s) have been completed, and financial closure has been achieved.

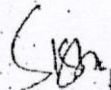
11. "MoR", "MOC" and "GoO" shall provide the requisite statutory support wherever required to the JV/JVCs to ensure expeditious completion and commissioning of the Projects.
12. JV/JVCs at its own cost will carry out preliminary activities like final location, survey of alignment (survey and investigations etc.), preparation of feasibility/ bankability report to establish the project cost, alignment, requirement of land acquisition/ rehabilitation, resettlement, other project related requirements and viability of the Projects.
13. MoC or its PSU shall take the necessary steps for the formation of the JV/JVCs in consultation with MoR or its PSU and "GoO" or its PSU. The expenditure on formation of the JV/JVCs shall be funded by MoC or its PSU, this shall be reimbursed by the JV/JVCs.
14. JV/JVCs shall enter into separate project specific operational agreements with MoR for the operation and maintenance of the assets.
15. JV/JVCs may take employees on deputation basis and can recruit employee on contractual basis.
16. ~~Chief Executive Officer of the JV shall be an officer preferably with Railway/Infrastructure background.~~
17. Each Party shall nominate at least one representative and a Nodal officer for implementation of this MOU.
18. Any dispute or difference arising between the Parties shall be settled amicably.
19. This MoU shall be without prejudice to any other MoU entered into between the Parties earlier, and shall not in any way affect any other understanding as may be necessary for any other project.
20. The Parties may with mutual consent decide on further amendments to this MOU, as may be considered necessary to ensure smooth and efficient execution of the Projects.

IN WITNESS thereof, the PARTIES hereto have signed this MOU on the date first written above by their duly authorized representatives.

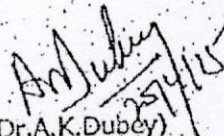
For and on behalf of the
Ministry of Railways


(Girish Pillai)
Adviser/Infrastructure
Railway Board

For and on behalf of the
Government of Odisha

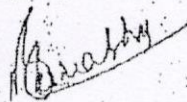

20/4/2015
(Dr. Sunil Kumar Bhargava)
Chief Resident Commissioner
Government of Odisha
New Delhi

For and on behalf of
Ministry of Coal


20/4/15
(Dr. A.K. Dubey)
Additional Secretary,
Ministry of Coal
New Delhi

WITNESSES:

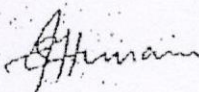
1.



M.S. MATHUR

ED/T/PPP

2.



Anwar H. Shaik

DEG/T/PPP



ANNEXURE-I

S.No.	Railway	Name of work	(Rs.Cr.) Cost	(Rs.Cr.) Balance to complete
1	ECOR	Brundamal-Jharsuguda-Fly-over connection for joining down line (6.6 km)	94	92
2	ECOR	Sambalpur-Talcher doubling (174 km)	679	577
3	ECOR	Sambalpur-Titlagarh (182 km) doubling	951	671
4	ECOR	Raipur-Titlagarh (203 km) doubling	951	366
5	SECR	Champa-Jharsuguda- 3rd line (165km)	1014	819
6		Coal sidings		
7		Other coal evacuation projects in State of Odisha		