

BHARUCH DAHEJ RAILWAY COMPANY LIMITED

**PARTICIPATION
AGREEMENT**

JUNE 16, 2008



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PARTICIPATION AGREEMENT

THIS AGREEMENT is made at Gandhi Nagar on the 16th day of June, 2008 by and
AMONGST

Rail Vikas Nigam Limited, a company incorporated under provisions of Companies Act, 1956, having its registered office at August Kranti Bhawan, Bhikaji Cama Place, New Delhi - 110066, India (hereinafter referred to as "RVNL" which expression shall, unless excluded by or repugnant to or inconsistent with the context, mean and include the successors-in-office and assigns) on the ONE PART;

AND

Gujarat Maritime Board, a public sector undertaking under Government of Gujarat, having its registered office at Sector 10-A, opposite Air Force Station, Gandhinagar-382010, Gujarat, India (hereinafter referred to as "GMB" which expression shall, unless repugnant to or inconsistent with the context, mean and include the successors and permitted assigns) on the SECOND PART;

AND

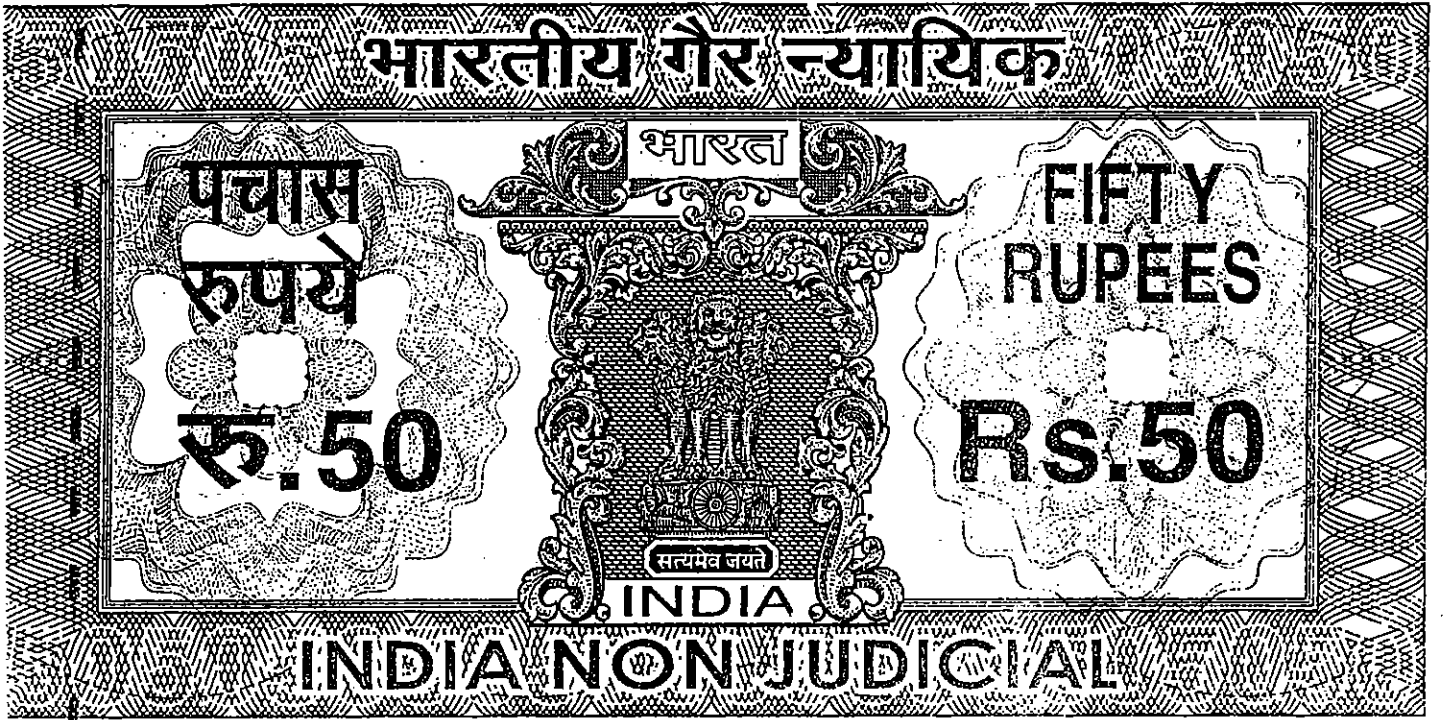
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Adani Petronet (Dahej) Port Private Limited, a company incorporated under provisions of the Companies Act, 1956 having its registered office at Adani House, Shrimali Society, Mithakhali, 6 Roads, Navrangpura, Ahmedabad, Gujarat, India (hereinafter referred to as "APDPPL" which expression shall, unless repugnant to or inconsistent with the context, mean and include the successors and permitted assigns) on the THIRD PART;

AND

Gujarat Narmada Valley Fertilizers Company Limited, a company incorporated under provisions of the Companies Act, 1956, having its registered office at P.O. Narmadanagar – 392015, District Bharuch, Gujarat, India (hereinafter referred to as "GNFC", which expression shall, unless repugnant to or inconsistent with the context, mean and include the successors in business and permitted assigns) on the FOURTH PART;

AND

Dahej SEZ Limited a company incorporated under provisions of the Companies Act, 1956, having its registered office at GIDC, Udyog Bhawan, Gandhinagar, Gujarat, India (hereinafter referred to as "DSL", which expression shall, unless repugnant to or inconsistent with the context, mean and include the successors in business and permitted assigns) on the FIFTH PART;

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(Each of RVNL, GMB, APDPPL, GNFC and DSL, being referred to as a "Shareholder" and jointly as the "Shareholders")

AND

Hindalco Industries Ltd – Unit Birla Copper, a company incorporated under the Companies Act, 1956, whose registered office is at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai -400030 (hereinafter referred to as "HIL" or the "New Investor") which expression shall, unless the context requires otherwise include its successors in interest and permitted assigns;

AND

Jindal Rail Infrastructure Ltd. a company incorporated under the Companies Act, 1956, whose registered office is at 28, Najafgarh Road, New Delhi-110015 (hereinafter referred to as "JRIL" or the "New Investor") which expression shall, unless the context requires otherwise include its successors in interest and permitted assigns;

(Each of HIL and JRIL being referred to as "New Investor" and jointly as the "New Investors")

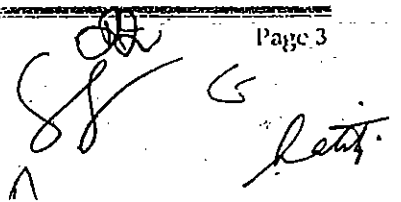
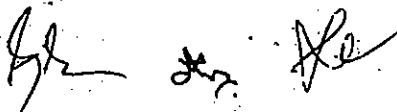
AND

BHARUCH DAHEJ RAILWAY COMPANY LIMITED, a public limited company incorporated under the Companies Act 1956, and having its registered office at August Kranti Bhawan, Bhikaji Cama Place, New Delhi - 110066, India, hereinafter referred to as **BDRCL** or "**the Company**", which expression shall, unless the context requires otherwise, include its successors in interest and permitted assigns.

(Each of RVNL, GMB, APDPPL, GNFC, DSL, HIL, JRIL and BDRCL being referred to as a "Party" and jointly as the "Parties")

WHEREAS :

- (A) This Agreement is supplemental to the Shareholders Agreement dated 12th day of January, 2007 (the "Shareholders Agreement") between the Shareholders and the Company.
- (B) The New Investors have agreed, in their Acceptance, to become the parties to the Shareholders Agreement and the Shareholders and the New Investors have agreed to amend the Shareholders Agreement to the extent set out in this Agreement to take account of the New Investors' acquisition of Shares in the Company.



(C) That on behalf of Jindal Rail Infrastructure Limited, Jindal Saw Limited (Flagship company of Jindal Group) having its Registered Office at A-1, UPSIDC Industrial Area Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh has given an undertaking to meet with all obligations related to equity contribution and equity holder in the Company.

IT IS MUTUALLY AGREED as follows:

1. Definitions

1.1 In this Agreement, the following expressions have the following meanings:

"Acceptance" means, in relation to the New Investors, their acceptance of the terms and conditions under which such New Investors are being accepted to participate in the project ("the New Investor Terms");

"Completion Date" means the date of this Agreement;

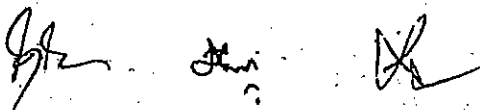
"Shareholders Agreement" has the meaning given in Recital (A).

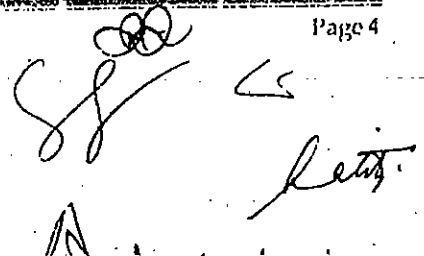
1.2 Unless otherwise defined in this Agreement, all other terms used in this Agreement shall bear the meanings given in the Shareholders Agreement. References in this Agreement to Clauses, Parties and Appendices are to Clauses of and parties and appendices to Shareholders Agreement.

2. Warranties

The New Investors hereby represents and warrants with each of the Shareholders and with the Company that :

- (a) They are limited liability companies duly organized and validly existing under the laws.
- (b) They have the power to enter into and perform, and have taken all necessary actions to be duly authorized to enter into this Agreement and the transactions contemplated by this Agreement, the Shareholders Agreement;
- (c) They have obtained all necessary consents/approvals in connection with the entry into, and performance of, its obligations under this Agreement, the Shareholders Agreement;
- (d) Their entry into, and performance of, this Agreement, the Shareholders Agreement will not violate or conflict with, or exceed any limit imposed by:





- (i) Any law or regulation to which they are subject;
 - (ii) Their Memorandum and Articles of Association or other applicable constitutional documents; or
 - (iii) Any other agreement, instrument or undertaking binding on them.
- (e) The information with respect to themselves set out in Appendix 1 is true and accurate in all material respects;
- (f) In the conduct of their business prior to the date of this Agreement, it has complied with all applicable laws, rules and regulations applicable to the conduct of their business;
- (g) The New Investors' obligations under this Agreement and the New Investors' obligations under the Shareholders Agreement once they become a party thereto, are valid, binding and enforceable;
- (h) Neither they nor their affiliates, have any conflict of interest with the Business of the company.

3. Issue of Shares to the New Investors

Each of the New Investor has agreed to subscribe to 1 crore equity shares of the face value of Rs. 10/- each. It is agreed that the New Investors shall make contribution towards share subscription in accordance with the provisions contained in the Shareholders Agreement.

4. Novation of and amendments to the Shareholders Agreement

Each of the parties hereby agrees with each of the others that, upon subscription of equity shares of the Company in accordance with Article 3 above:

- a) Except as hereinafter provided, the New Investors shall enjoy all of the rights except Article 6 of the Shareholders Agreement and assume all of the obligations of a Shareholder pursuant to the Shareholders Agreement and fully abide by the provisions of the Shareholders Agreement as if that New Investors had been named in the Shareholders Agreement as Shareholders, and the Shareholders Agreement shall be construed accordingly;
- b) The Parties agree that the New Investors shall not have the right to nominate Representative Director (s) on the Board of the Company and the provisions of Article 6 of the Shareholders Agreement shall be construed accordingly.
- c) Each Party confirms that all other terms of the Shareholders Agreement remain in full force and effect except as to be amended pursuant to this Agreement; and

d) The following provisions of the Shareholders Agreement, including Article 25 (Notices) shall be amended in the following manner:

1. Article 3.3.1 shall be amended as under

Subject to the terms of this Agreement and Shareholders Agreement, it is intended that the total authorised equity share capital of the Company shall be Rs. ~~25~~¹²⁵ crore, divided into ~~25~~¹²⁵ crore equity share of the face value of Rs. 10/-each ("**Proposed Equity Capital**"). The Parties and/or their Affiliates herein have agreed to together subscribe to ~~25~~⁹⁵ crore of equity shares for an aggregate amount of Rs. ~~25~~⁹⁵ crore in the following manner.

Party's name	No. of shares Rs. 10 each (crore)	Subscription amount (Rs. crore)	Post Subscription Shareholding along with the holdings of their assigns (%age)
RVNL	2.5	25	26.5%
DSL	1.0	10	10.5%
GMB	1.0	10	10.5%
APDPPL	1.0	10	10.5%
GNFC	1.0	10	10.5%
HIL	1.0	10	10.5%
JRIL	1.0	10	10.5%
Total Proposed Paid-up Capital	8.5	85	89.5%

2. Article 3.3.2 shall be stand modified as under:

The Parties agree that in order to meet the requirements of additional funds in the Company, the Parties shall explore an option

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of obtaining funds from third party investor(s) who shall invest in the business of the Company and subscribe to the Shares of the Company.

as amended in Participator Agreement.

I. After the address of DSL in Article 25, following entry shall be inserted:

To HIL at:
Managing Director,
Hindalco Industries Limited,
(Unit: Birla Copper)
At & Po : Dahej
Dist: Bharuch392130

To JRIL at
Managing Director
Jindal Rail Infrastructure Limited
Jindal Centre, 12, Bhikaji Cama Place
New Delhi 110066

5. Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

AGREED AS ABOVE and IN WITNESS WHEREOF the undersigned have caused this Agreement to be duly executed and delivered on the date first above written.

Witnesses:

1. ✓
2. ✓

vikas

Sanjiv Garg

Signed by Mr. Sanjiv Garg
for & on behalf of Rail Vikas Nigam Limited

Witnesses:

1. ✓
2. ✓

vikas

Signed by Mr. Atanu Chakraborty
for & on behalf of Gujarat Maritime Board

Atanu Chakraborty

Witnesses:

1. ✓
2. ✓

vikas

Signed by Mr. Yogendra Sharma
for & on behalf of Adani Petronet (Dahej) Port Pvt. Ltd

Yogendra Sharma

Sanjiv Garg *Atanu Chakraborty* *Yogendra Sharma*

Atanu Chakraborty *Yogendra Sharma*

Witnesses:

1. Vikas
2. Vikas

Signed by Mr. R B Panchal
for & on behalf of Gujarat Narmada Valley Fertilizers Company Ltd

Witnesses:

1. Vikas
2. Vikas

Signed by Mr. M. Sahu
for and on behalf of Dahej SEZ Limited

Witnesses:

1. Vikas
2. Vikas

Signed by Mr. Dilip Gaur
for and on behalf of Hindalco Industries Limited

Witnesses:

1. Vikas
2. Vikas

Signed by Mr. Amit Bajpai
for and on behalf of Jindal Rail Infrastructure Limited

Witnesses:

1. Vikas
2. Vikas

Signed by Mr. R. N. Kalita
for and on behalf of Bharuch Dahej Railway Company Limited

APPENDIX 1

Information Pertaining to Shareholders

Name of Company	Date of Incorporation	Company Identification Number
Rail Vikas Nigam Limited	24-01-2003	U74999DL2003GOI118633
Gujarat Maritime Board	05-04-1982	Established under GMB Act
Adani Petronet (Dahej) Port Private Limited	28-01-2003	U63012GJ2003PTC041919
Gujarat Narmada Valley Fertilizers Company Limited	10-05-1976	L24110GJ1976PLC002903
Dahej SEZ Limited	21-09-2004	U45209GJ2004PLC044779
Hindalco Industries Ltd – Unit Birla Copper	15-12-1958	L27020MH1958PLC011238
Jindal Rail Infrastructure Ltd	25-05-2007	U45400DL2007PLC163946

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