

**Letter of Intent between Manitoba, as represented by the Department of Agriculture, Food and Rural Initiatives and Infrastructure Leasing & Financial Services Limited as represented by IL & FS CDI Ltd., with respect to collaboration to develop Food Development Centres in India**

The purpose of this letter of intent is to set out our current mutual intentions regarding a proposed business arrangement between the Government of Manitoba (defined as "Manitoba"), and Infrastructure Leasing & Financial Services Limited (IL&FS) (to be represented by IL&FS CDI Ltd.) concerning the development, equipping and operation of food development centres to create economic activity and commercialize value-added agri-food, food ingredients, nutraceutical and functional food products.

Manitoba has used the food development centre model since 1978 and its unique combination of research, development, training and commercialization capability has allowed it be an effective innovator in the agri-food industry. Manitoba can be of assistance to IL & FS in the establishment of similar capabilities in India by sharing its business model and performance indicators.

The parties will work collaboratively in promoting and facilitating the development of the infrastructure and technologies necessary in the agri-food sector. It is expected that this mutually beneficial relationship may also include the exchange of personnel, which will allow for strategic training and exposure to best practices.

1. General Structure

As a first step for cooperation under this Letter of Intent (LOI) both Manitoba and IL&FS have expressed a mutual interest in developing a series of outlines, business plans and agreements (the "Definitive Agreements") that will set out the terms and conditions for joint collaboration in the delivery of a food development centre, operational by December 31, 2009, and located in Bihar, India (the "Project").

The parties have committed to entering into the Definitive Agreements by April 18, 2008.

Subject to each party's availability and ability, the parties agree that they are committed to working together, on a number of food development centres in India, with the first in Bihar. Should either party be unable or unwilling to collaborate on additional specific food development centre(s), the other party could collaborate with a third party of it's choosing.

The relationship between the parties, as we collaborate to create food development centres, will be one of contractor and service provider. Manitoba will act as a consultant in providing information and services to IL&FS. Manitoba, and any sub-contractors it engages, will provide knowledge and expertise in the broad areas of, pre-evaluation of the needs and opportunities, set up and management of the centres, development of products, and development of the pilot plants, the incubation of product and businesses, and food services. The management of the centres, and distribution of product developed within will be coordinated by IL&FS.

Our mutual objective is to establish a long term relationship that over time will develop centres that have the research, development and commercialization capability that will allow them to be effective innovators for the agri-food industry in India. In this regard, each party will cooperate with the other, and provide each other with such assistance as required to allow the centres to become a success.

## 2. Preparation of the Definitive Agreements

While Section 1 – General Structure represents our current understanding, it is agreed that this LOI does not create any binding obligation, expressed or implied, on the part of Manitoba or IL&FS with respect to the matters referred to herein.

Promptly after the execution of this LOI, the parties agree that they will prepare the Definitive Agreements that will detail the Project and the terms and conditions of the parties collaboration. A preliminary list of the required Definitive Agreements is as follows:

- Business Plan
- Service Purchase Agreement
- Confidentiality and Non-Disclosure Agreement
- Employee Loan Out Agreement

Any activity or exchanges that occur as a result of the Project where financial rights, technical rights, or intellectual property rights issues arise, the parties agree will be addressed by separate agreements.

## 3. Manitoba Deliverables

Manitoba can provide, (or facilitate the provision by Canadian companies and service providers), the following deliverables:

- Assistance in determining the model for each food development centre, based on an evaluation of the needs and opportunities and built on the four pillars of a center's foundation including product development, pilot plant, incubation and food safety.
- Assistance and advice with respect to the design, identification and sourcing of equipment required;

- Development of food safety protocols and provision of staff training in that regard; and
- Ongoing consultative support to the food parks concept;

all of which can be more specifically detailed in the Definitive Agreements to be negotiated by the parties.

#### 4. IL&FS Deliverables

IL&FS will be responsible for the implementation of projects on “concept to commissioning” basis. IL&FS will act as the Project Management Agency for each of the centres, will undertake project development, and will facilitate the identification of and securing of land, development of business plan, identification of investors and mobilisation of equity/loan. IL&FS will assist in finalising a suitable management arrangement of the centres.

#### 5. Disclaimer of Liabilities

No party to this LOI shall have any liability to any other party for any liabilities, losses, damage (whether special, incidental, or consequential) costs, or expenses incurred by the party in the event that negotiations between the parties are terminated as provided in Section 6. Each party shall be solely responsible for its own expenses, legal fees, and consulting fees related to the negotiations and preparation of the Definitive Agreements described in this LOI, whether or not any of the transactions contemplated in this LOI are completed.

#### 6. Amendment and Termination

This LOI will come into effect on the date of its signing and will terminate if the Definitive Agreements have not been entered into by April 18, 2008, unless the parties mutually agree to an extension.

No amendment or change to, or modification of this LOI is valid unless it is in writing and signed by both parties.

#### 7. Notices

Any notice or other communication under this LOI shall be in writing and shall be sent by facsimile transmission as follows:

To Manitoba:

Dr. Barry Todd  
Deputy Minister  
Manitoba Agriculture, Food and Rural Initiatives  
Room 159 – 450 Broadway  
Winnipeg MB R3C 0V8  
Fax (204) 948-2095

To IL & FS as represented by IL & FS CDI Ltd:

Dr. A.K. Krishna Kumar  
2nd Floor, Niryat Bhawan  
Rao Tula Ram Marg  
Opp. Army Hospital  
Research & Referral  
New Delhi – 110 057 INDIA  
Fax: +91-11-46002255

Any notice or communication shall be deemed to have been received on the date on the facsimile transmittal confirmation sheet if sent by fax.

This Letter of Intent does not create any contractual or other legal obligations to perform by the parties, nor will the parties be subject to any legal liability resulting from non-performance of any provisions of this Letter of Intent.

This Letter of Intent has been executed by the duly authorized representatives of each party on the dates noted below:

SIGNED IN THE PRESENCE OF:

For the Government of Manitoba

**“Original Signed By”**

Witness

**”Original Signed By”**

Minister of Agriculture, Food and Rural  
Initiatives or Designate

Date: \_\_\_\_\_

**“Original Signed By”**

Witness

Per: **”Original Signed By”**

Mr. Harisankaran  
Infrastructure Leasing & Financial Services

Date: \_\_\_\_\_