

**MODEL DRAFT**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**GOVERNMENT OF CHHATTISGARH**

**&**

**M/s. - - - - -**

**- - - -**

**- - - - -**

**AT RAIPUR**

**DATED :    /    / 2011**

**MEMORANDUM OF UNDERSTANDING**

This **Memorandum of Understanding** (MoU) is made on this - - - - - day of -----, 2011 at Raipur between **THE GOVERNMENT OF CHHATTISGARH** (hereinafter referred to as "**STATE GOVERNMENT**" ) of the FIRST PART.

AND

M/s. ----- a company incorporated under the Companies Act 1956 (No.1 of 1956) and having its registered office at -----  
 (hereinafter referred to as "- - - - -" which expression shall, unless repugnant to the context or the meaning thereof include its successors and assigns) as the OTHER PART.

AND WHEREAS "- - - - -" is desirous of setting up the following manufacturing facilities in the State of Chhattisgarh with proposed Investment of Rs. ----- Crore.

Sr.No	Plant / Facility	Annual Capacity / Unit	Project Cost ( Rs. Crore)
1-			
2-			
3-			
		<b>TOTAL</b>	

AND WHEREAS, the **Government of Chhattisgarh** agrees to provide all help and facilitate clearances necessary for the aforesaid projects in the State of Chhattisgarh through the intervention of the **STATE INVESTMENT PROMOTION BOARD** constituted under the *Chhattisgarh Audyogik Nivesh Protsahan Adhiniyam 2002*.

NOW THEREFORE, - - - - - **LIMITED** and **Government of Chhattisgarh** have come together to record their intentions through this Memorandum of Understanding (MoU), as set out herein below :

- 2.1 - - - - - will set up the aforesaid projects in the State of Chhattisgarh and the State Government and its agencies will extend all necessary assistance and cooperation for successful implementation of the projects.
- 2.2 - - - - - will earmark separate funds for environmental upgradation and social upliftment of surrounding areas/villages etc. as per the policy(ies) of the state government.
- 2.3 - - - - - will facilitate setting up of ancillary industries promoted by the **Industries Department** or any other State Government agency.
- 2.4 - - - - - will provide employment to local people as per the Industrial Policy and Rehabilitation Policy of State Government **and will also initiate Campus selection in the state for recruitment in the units.**
- 2.5 - - - - - will make provisions as per law for utilization and disposal of fly ash generated in their power project and other industrial activity

***and will also make provisions of Energy Audit, Rain Water Harvesting, Water Recycling & Recharging in the Plant & Colony Area.***

- 2.6 - - - - - will initiate all necessary steps to implement the projects mentioned herein above with a view to contribute to the industrial development and the economic growth of Chhattisgarh State within the time limit set out herein below.
- 2.7 - - - - - will commence implementation of the project as early as possible, but not later than 2 years from the date of signing of this MOU. If project implementation does not commence within two years, this MOU will be deemed to have expired.
- 2.8 - - - - - agrees to abide by the policy of the State Government to make available upto a maximum of 10% of its clinker production to Mini Cement Plant operating in the state at rates not higher than prevailing in the market except when the clinker production is used within the State by the same plant or any other plant of the same company located within Chhattisgarh.
- 2.9 ----- will set-up and operate ----- Captive Power Plant as per the provisions of the Electricity Act, 2003 read with the Electricity Rules, 2005 and applicable regulations issued from time to time. In case, it is observed that, the installed capacity is such that captive consumption of power is less than 51% of the installed capacity, the status of the Captive Power Plant shall become Independent Power Plant and accordingly the Company shall be required to supply power to Government of Chhattisgarh or its nominated agency on annualised basis 5% of the net power produced at variable (Energy) charges if the supply of coal to the power plant is through long term coal linkage. Provided that company shall be required to supply 7.5% in place 5% of the net power produced at variable (Energy) charges if the supply of coal to the power plant is through captive coal block located in Chhattisgarh. Further company shall be required to supply additional 30% power of the aggregate capacity to Govt. of Chhattisgarh or an agency nominated by the Govt. of Chhattisgarh. The quality of net power to be provided at variable (Energy) charges shall be firm power and at no time the company shall supply such power less than 90% of quantum of power. The tariff of Electricity to be supplied by the investor shall be determined by appropriate Electricity Regulatory Commission.
- 3.1 The **State Government** will facilitate, through Chhattisgarh State Industrial Development Corporation Limited (CSIDC) all necessary assistance in procuring optimum land free from all encumbrances as required for implementation of the projects mentioned herein above.
- 3.2 The **State Government** through the State Investment Promotion Board will facilitate expeditious grant of approvals under the purview of the State Government for speedy implementation of the projects.
- 3.3 The **State Government** will facilitate the company to obtain water allocation for the aforesaid project as per the norms, from the identified

viable sources. Accordingly State Government through SIPB shall examine and recommend the application for quantum of water required for the said project. Water resources Department will then finally approve the water allocation as per prevailing policies, as amended from time to time.

- 3.4 The **State Government** will assist - - - - - in getting coal linkage and subject to statutory provisions and availability of coal, recommend coal linkage as per extant policy.
- 3.5 The **State Government** will consider application(s) filed by the company for the grant of mineral concession (PL/ML) of lime stone for "**captive use**" in Chhattisgarh state, as per the provision of MMDR, ACT 1957 and Rules made their under.
- 3.6 The **State Government** will make recommendations to the Ministries of Steel, Power, Environment and Forests of the Government of India for necessary statutory and other approvals.
- 3.7 The **State Government** will provide all incentives available to Mega / Very Large Industrial Projects in the state as per the Industrial Policy and notifications of the Government applicable from time to time.
- 4. This MoU is an instrument of understanding. Formal agreements with the concerned agencies/departments will be signed in due course.

For witness where all the parties hereto have set their hand to this MoU on this - - - - - day of - - - - - 2011.

**SIGNED AND DECLARED BY :**

- 1. For GOVT. OF CHHATTISGARH
- 2. For M/s. -----

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**WITNESSES**

- 1.
- 2.

**WITNESSES**

- 1.
- 2.