

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. Crores)
1.			
2.			
3.			
4.			
5.			
Total			

AND WHEREAS, the **Government of Chhattisgarh** agrees to provide all help,
prevailing incentives 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 Adhinyam 2002*.

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

- 2.1** It is agreed to by the parties that ----- will set up the aforesaid
projects in the State of Chhattisgarh, for which the State Government and
its agencies will extend all necessary assistance and fullest cooperation

for successful implementation of the projects.

- 2.2 - - - - - will earmark separate funds for environmental upgradation and social upliftment of surrounding areas/villages etc., to maintain the ecological balance.
- 2.3 - - - - - will facilitate setting up of ancillary industries promoted by the **Industries Department** or any State Government agency.
- 2.4 - - - - - will provide employment to local people as per the industrial policy and rehabilitation policy of State Government.
- 2.5 - - - - - will make provisions as per law for utilization and disposal of fly ash generated in their power project and other Industrial activity.
- 2.6 ----- 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.
- 2.7 - - - - - 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.
- 2.8 - - - - - 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.
- 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 project.
- 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. 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 assist - - - - - for getting iron ore linkage as per the extant policy.
- 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 :

- | | |
|---|---|
| <p>1. For Government of Chhattisgarh</p> <p>(-----)</p> <p>-----</p> | <p>2. For -----</p> <p>(-----)</p> <p>-----</p> |
|---|---|

WITNESSES

- 1. -----
- 2. -----

WITNESSES

- 1. -----
- 2. -----