



**MEMORANDUM OF UNDERSTANDING**

BETWEEN

**THE GOVERNMENT OF JHARKHAND (1<sup>st</sup> Party)**

AND

**M/s. NILACHAL IRON & POWER LTD (2<sup>nd</sup> Party)**

(5F, Everest, 46/C, Chowringhee Road, Kolkata – 700071)

FOR

SPONGE IRON , STEEL PLANT AND CAPTIVE POWER PLANT

IN THE DISTRICT OF SARAIKELA-KHARSAWAN

JHARKHAND

This memorandum of Understanding is made this day of 26<sup>th</sup> March 2004 between Government of Jharkhand on the one part and Nilachal Iron & Power Ltd. 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700071 on the other part.

**Preamble**

1. M/s. Nilachal Iron & Power Ltd. having its Registered office at 5F, Everest, 46/C, Chowringhee Road, Kolkata – 700071 (hereinafter to as M/s. Nilachal Iron & Power Ltd., which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and permitted assignees),

Now M/s. Nilachal Iron & Power Ltd., is proposing to set up 1,25,000 TPD Sponge Iron Plant, and Induction Route of Steelmaking with 25 MW capacity of captive power plant in the state of Jharkhand near Kandra in Saraikela-Kharsawan District with a total investment of Rs.450 Crores.

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20/3/04

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26/3/04

2. The government of Jharkhand is desirous of utilization of its natural resources and rapid industrialization of the state, so as bring prosperity and well being to its people and has been making determined efforts to facilitate setting up of new industries in different locations in the State. In this context the Government of Jharkhand is willing to extend assistance to suitable promoters to set up new industries.

### DESCRIPTION OF PROGRAMME / ACTIVITY

3. M/s.Nilahal Iron & Power Ltd. is desirous of setting up following manufacturing / generating facilities in the state of Jharkhand with proposed investment of Rs.450 crores in 4 phases in the following manner :

Annexure 'A'

4. M/s. Nilachal Iron & Power Ltd, requires help and co-operation of the Government of Jharkhand in several areas to enable them to construct, commission and operate the project. The Govt. of Jharkhand is willing to extend all possible help and co-operation. The major areas of co-operation between the Govt. of Jharkhand and M/s. Nilachal Iron & Power Ltd. are listed below :

#### 4.1 LAND :

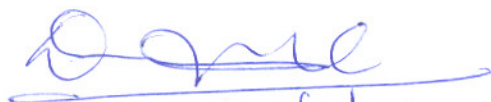
The Government of Jharkhand will assist in obtaining land required for putting up manufacturing and other related activities to complete the project.

#### 4.2 COAL (For Captive Consumption) :

Coal being a nationalized property, the State Government shall assist in selecting the blocks within the State and agrees to recommend to the Government India for allotment of suitable coal blocks for captive coal mining as per existing provisions of the Mines & Minerals (Development & Regulations) Act 1957 and other existing provisions.

#### 4.3 IRON ORE AND OTHER MINERALS

The State Government shall assist in selecting the area for m/s.Nilachal Iron & Power Ltd. for Iron ore and other minerals as per requirement of the company depending upon quality and quantity and agrees to grant mineral concession as per existing Acts and Rules.

  
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#### 4.4 WATER :

The State Government will permit drawal of required quantity of water for the Sponge Iron Plant, as well as the captive mines from the nearby river, dam and / or reservoir in accordance with the rules, policies and tariff rates fixed from time to time by State Government and within the overall allocation water earmarked for industrial / commercial use. If the unit desires to meet the water requirement through tube well the company shall also make necessary provisions required for recharging the ground water in its premises shall be subject to provision of any legislation for the purpose.

#### 4.5 POWER :

The State Government agrees to facilitate the availability of power to the plant through captive power plant or otherwise as per the provisions of Electricity Act 2003.

#### 4.6 ENVIRONMENT :


- a) The Government of Jharkhand agrees to forward proposal of M/s. Nilachal Iron & Power Ltd. in obtaining NOC through the State Pollution Control Board for the construction of Plant, the housing colony, mines, pipeline, power project etc.
- b) Government of Jharkhand agrees to forward proposal of M/s. Nilachal Iron & Power Ltd. in obtaining necessary clearances from the Central Government.
- c) M/s. Nilachal Iron & Power Ltd. will arrange to conduct a rapid Environment Impact Assessment (EIA) and detailed EIA and prepare an Environment Management Plan ( EMP ) for the project. The government of Jharkhand agrees to extend any assistance in the shape of providing data / information available with it during the time when EIA is conducted and EMP is prepared.

#### 4.7 INCENTIVES AND CONCESSIONS :

The State Government shall consider to extend applicable incentives as envisaged in Mega Investment Incentive Scheme notified vide notification no.1885 dated 10.06.2003 and Jharkhand Industrial Policy 2001.

#### 5. GENERAL CLAUSES :

1. The Government of Jharkhand appreciate that the Nilachal Iron & Power Ltd. is a responsible corporate house with a high involvement in employees welfare and social development. The Govt. of Jharkhand, therefore, anticipates that Nilachal Iron &

  
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Power Ltd will bring this philosophy to its proposed Nilachal Iron & Power Ltd Plant at Ratanpur For employment, preference will be given to the displaced persons subject to need and their possessing the necessary qualifications

2. The Government of Jharkhand has no objection if M/s. Nilachal Iron & Power Ltd induct suitable foreign or Indian joint venture partners, choose appropriate financial options, suppliers, credit options and technologies in the best interest of the project.
3. The areas of cooperation mentioned above highlights only the major issues involved in setting up of the plant. Other issues as and when they arise and sharing of the responsibilities between both parties shall be decided if necessary through mutual agreement on case to case basis.
4. Each party shall indemnify and hold harmless the other party and their directors, officers, employees, agents and representatives from and against any and all costs, losses, claims, damages, liabilities and expenses (including reasonable attorney fees) incurred by the indemnified person, indemnifying party or its agents, relating to matter arising out of this MOU.
5. In the event of no efforts being made by M/s. Nilachal Iron & Power Ltd. toward implementation of the project within one year of signing this MOU support of the State Govt. indicated in the MOU shall be deemed to be withdrawn.

For WITNESS THEREOF THE PARTIES hereto have set their hands to this MOU on this day , 26<sup>th</sup> of March 2004.

SIGNED AND DECLARED BY :

For Nilachal Iron & Power Ltd.

For Government of Jharkhand

  
( D.K. Purandare ) 26/3/2004

  
Director of Industries

Vice President and attorney

Witness

Witness

1 Arun Kumar  
26/3/2004

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