



झारखण्ड JHARKHAND

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF JHARKHAND (1ST Party)
AND
M/S SKS ISPAT AND POWER LTD. (2nd Party)
(Ranchi, Jharkhand)
FOR
INTEGRATED MEGA STEEL PLANT
IN THE DISTRICT OF RANCHI
JHARKHAND

This memorandum of Understanding is made this day of 7th August'2008 between Government of Jharkhand on the one part and M/s SKS Ispat And Power Limited, 501B, Elegant Business Park, Andheri Kurla Road, J. B. Nagar, Andheri (E) Mumbai -400059 on the other part.



Deputy

Kailash

Secretary
Industries Dept.
Jharkhand, Ranchi

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Preamble

1. M/s SKS ISPAT AND POWER LIMITED, is promoted by Shri Anil Gupta & Shri Deepak Gupta a permanent resident of Raipur (Chhatisgarh) going to set up an integrated Mega steel plant in the District of Ranchi, Jharkhand. Gupta family has sound business acumen and posses dynamic personality, is engaged in the business of Steel & Power since last 40 years. SKS Ispat and Power Ltd. have setup and running successfully a 1.1 Million Ton capacity Integrated Steel Plant at Raipur. Its registered office is at 501B, Elegant Business Park, Andheri Kurla Road, J. B. Nagar, Andheri (E) Mumbai-400059.

SKS group is willing to set up integrated Mega Steel Plant with an investment of Rs.3174 Crores in the State of Jharkhand.

2. The Government of Jharkhand is desirous of utilization of its natural resources and rapid industrialization of the state, so as to 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 SKS ISPAT AND POWER LTD. is Desirous of setting up a **1.1 Million Ton Integrated Mega Steel Plant** with following manufacturing/generating facilities in the State of



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Jharkhand with proposed investment of Rs.3174 Crores in three phases in the following manner:-

Plant implementation in three (3) Phase.

S.No	Plant of the Units	Annual Capacity	Project Cost in Crores
01	Sponge Iron 500 TPD X 4	6.6 LTPA	480.00
02.	Power Plant 40 MW WHRB 120 MW CFBC	160 MW	920.00
03.	Steel Melting Shop	4.47 LTPA	200.00
04.	Rolling Mill	3.70 Lakhs TPA	150.00
05.	Ferro Alloys	2 X 9 MVA	54.00
06.	Coal Washery	1. MTPA	50.00
07.	Mini Blast Furnace	5.00 LTPA	400.00
08.	Coke Oven/Sinter Plant	11.00 LTPA	250.00
09.	Arc Furnace	8.00 LTPA	150.00
10.	Oxygen Plant	200 Q3	20.00
11.	Rolling Mill Special Steel	6.00 LTPA	250.00
12.	Palletizing Plant	6.00 LTPA	250.00
Total			3174.00

First Phase – Investment in Rs.652 Crores.

Second Phase – Investment in Rs.695 Crores.

Third Phase – Investment in Rs. 1827 Crores.

Total Investment in Rs. 3174 Crores.

4. M/s SKS ISPAT AND POWER LTD. Requires help and cooperation of the Government of Jharkhand in several areas to enable them to construct, commission and operate the project. The Govt. of



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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 SKS ISPAT AND POWER LTD. are listed below:

LAND:

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

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 of India for allotment of suitable coal blocks for captive coal mining as per existing provisions of the Mines & Minerals (Development & Regulation) Act 1957 and other existing provisions.

IRON ORE AND OTHER MINERALS

The State Government shall assist in selecting the area for M/s SKS Ispat And Power Limited 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.

WATER:

The State Government will permit drawl of required quantity of water for the Integrated Mega Steel 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 of water earmarked for industrial/commercial use. If the unit desires to meet the water requirement through tube well the company shall also make necessary



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provisions required for recharging the ground water in its premises and shall be subject to provision of any legislation for the purpose.

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.

ENVIRONMENT:

- a) The Government of Jharkhand agrees to forward proposal of M/S SKS ISPAT AND 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 SKS ISPAT AND POWER LTD. in obtaining necessary clearances from the Central Government.
- c) M/S SKS ISPAT AND POWER LTD. will arrange to conduct a rapid Environment Impact Assessment (EIA) and detailed E I A and prepare an Environment Management Plan (E M P) 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 the E I A is conducted and E M P is prepared.

INCENTIVES AND CONCESSIONS:

The State Government shall consider to extend applicable incentives as envisaged in Mega Investment Incentive Scheme notified



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vide notification no.1885 dated 10.06.2003 and Jharkhand Industrial Policy 2001

GENERAL CLAUSES:

1. The Government of Jharkhand appreciates that the M/s SKS Ispat and Power Ltd. is a responsible corporate house with a high involvement in employees welfare and social development. The Govt. of Jharkhand, therefore, anticipates that M/s SKS Ispat and Power Ltd. will bring this philosophy to its proposed Integrated Steel Plant at Bundu, Dist.-Ranchi for employment, preference will be given to the displaced persons subject to need and their possessing the necessary qualification.
2. The Government of Jharkhand has no objection if M/s SKS Ispat And Power Ltd. inducts 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.



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5. The company shall submit an undertaking on stamp paper within two weeks of signing of MOU that the raw materials shall only be used within the state.
6. This MOU will be valid for a period of one year. In case of adequate efforts are made by M/s SKS Ispat & Power Ltd. towards implementation of the project, the MOU may be extended by the State Government as deemed fit.

For WITNESS THEREOF THE PARTIES hereto have set their hands to this MOU on this day, *7th of August, 2008.*

SIGNED AND DECLARED BY :

For M/s SKS Ispat & Power Ltd.

Deepak Gupta
 (Deepak Gupta) *7/08/08*

Joint Managing Director

Witness:

1. *Anurag*
7/8/08
 (Sudhis Kumar Anurag)
2. *S.K. Saini*
 (Sanjay K. Saini)

For Government of Jharkhand

K.K. Khandelwal
7/8/08
 (K.K.Khandelwal)

Secretary Industries

Witness:

Secretary
 Industries Dept.
 Ranchi

1. *Bageshwar Singh*
2. *Jugal Das*
7/8/08

