



MEMORANDUM OF UNDERSTANDING
BETWEEN

THE GOVERNMENT OF JHARKHAND. (1ST PARTY)
AND

M/S SPECTRUM MERCANTILE (PVT.) LTD. NEW DELHI (2ND PARTY)
(302, Shivlok House , Karampura , Commercial Complex, New Delhi – 110061)

FOR

SETTING UP SPONGE IRON, IRON ORE MINING AND CRUSHING &
COAL MINING

IN

DIST. WEST SINGHBHUM OF
JHARKHAND

This memorandum of understanding is made this day of 26th March 2004 between the Government of Jharkhand. on the one part and M/s Spectrum Mercantile (Pvt.) Ltd., (302, Shivlok House , Karampura , Commercial Complex, New Delhi – 110061) on the other Part.

PREAMBLE

1. M/S SPECTRUM MERCANTILE (PVT.) LTD, NEW DELHI, is a private limited company incorporated under the companies act 1956 having its registered office at 302, Shivlok House , Karampura , Commercial Complex, New Delhi – 110061 . The

company was incorporated in the year 1995-96 and is engaged in trading activities of various industrial products since beginning . The company is backed by a group company of M/s Surya Roshni Ltd. and M/s Prakash Industries Ltd. whose turnover is more than Rs. 1500 crores per annum. and M/s Spectrum Mercantile (Pvt.) Ltd. is desirous of setting up Manufacturing facility of Sponge Iron with backward integration facility like Iron Ore Mining and Crushing & Coal Mining in the State of Jharkhand.

- 2) The Government of Jharkhand is desirous of utilization of its natural resources and rapid industrialisation 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 location 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 Spectrum Mercantile (Pvt.) Ltd. is desirous of setting up the manufacturing unit of sponge iron with iron ore , mining & crushing unit as well as coal mining in the state of Jharkhand with initial proposed investment of Rs. 74.15 Crores as details given below:-

Sl.No.	Details of project	Proposed Initial Investment (Rs. in Lakhs)
I.	Sponge Iron – 4LTPA	6725.00
II.	Iron Ore Mining & Crushing Unit	295.00
III.	Coal Mining	<u>195.00</u>
	Total	<u>7415.00</u>

- 4) M/s Spectrum Mercantile (Pvt.) 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



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co-operation. The major areas of Co-operation between the Govt. of Jharkhand and M/s Spectrum Mercantile (Pvt.) 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 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.

4.3) **IRON ORE AND OTHER MINERALS :**

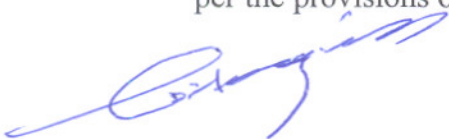
The State Government shall assist in selecting the area for M/s Spectrum Mercantile (Pvt.) Ltd. for suitable grade of Iron Ore for sponge iron and other minerals as per requirement of the company depending upon quality and quantity and agrees to grant mineral concession as per existing Acts and Rules.

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 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 provisions required for recharging the ground water in its premises and 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.



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4.6 **ENVIRONMENT:-**

- a) The Government of Jharkhand agrees to forward proposal of M/s Spectrum Mercantile (Pvt.) Ltd. in obtaining NOC through the State Pollution Control Board for the construction of Plant, Housing Colony, Mines, Pipeline, Power Project etc.
- b) Government of Jharkhand agrees to forward proposal of M/s Spectrum Mercantile (Pvt.) Ltd. in obtaining necessary clearances from the Government of India .
- c) M/s Spectrum Mercantile (Pvt.) Ltd. will arrange to conduct a rapid Environment Impact Assessment Study (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 the 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 CLASUES :-**

1. The Government of Jharkhand appreciated that the M/s Spectrum Mercantile (Pvt.) Ltd. is a responsible corporate house with a high involvement in employee's welfare and social development. The Govt. of Jharkhand, therefore anticipated that M/s Spectrum Mercantile (Pvt.) Ltd. will bring this philosophy to its proposed Sponge Iron Plant in Dist. West Singhbhum. 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 Spectrum Mercantile (Pvt.) Ltd. induct suitable foreign or Indian joint venture partners, choose appropriate financial



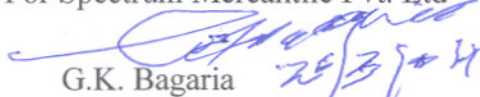
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options, suppliers, credit options and technologies in the best interest of the project.


- 3. The areas of co-operation mentioned above highlights only the major issues involved in setting up of the plant. Other issues as and when arises 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 Spectrum Mercantile (Pvt.) Ltd. towards 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 THERE OF THE PARTIES here to have set their hands to this MOU on this day , 26th of March 2004


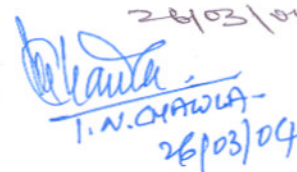
SIGNED & DECLARED BY
For Spectrum Mercantile Pvt. Ltd


G.K. Bagaria
(Director)


For Govt. of Jharkhand


Director Industries

Witness :

- 1. 
26/03/04
- 2. 
T.N. CHAWLA
26/03/04

Witness :

- 1. 
26/3/04
- 2.