

ANNEXURE I

MEMORANDUM OF AGREEMENT

AGREEMENT

This Memorandum of Agreement (hereinafter referred to as the “MOA”) is made on this dayof (two thousand and.....) at Gangtok.

BETWEEN

the Governor of Sikkim, through the Director, Commerce & Industries Department, Government of Sikkim (hereinafter referred to as the “Government”) which expression shall unless excluded by or repugnant to the context, mean and include its successors administrators and permitted assigns of the FIRST PART

AND

M/sa company incorporated under the Companies Act, having its registered office at (hereinafter referred to as the Investor/unit) which expression shall unless excluded by or repugnant to the context mean and include its successors administrators and permitted assigns through itsof the SECOND PART

(Explanation – Investor/Unit shall include Power Developers, Hotel, distilleries/ breweries, all Pharmaceutical Units and other manufacturing and production units carrying out their trade, commerce & Industry in the state of Sikkim.

WHEREAS, Investor has submitted a proposal to the Government for the establishment of manufacturing unit

AND WHEREAS, Investor has carried out the investigations of the project at its own cost and submitted the pre-feasibility report along with the Detailed Project Report to the Government;

AND WHEREAS, the Government has examined the feasibility report and proposes to grant the permission for establishment of the said Industry and other allied activities connected and ancillary thereto for carrying out the industrial activity as per Memorandum of Association/Articles of Association and other documents as approved by the Government.

NOW THEREFORE, IT IS HEREBY AGREED by and between the parties hereto as follows:-

The following are the conditions as agreed by the Investor.

1. COMPLIANCE WITH RULES AND REGULATIONS AND LAWS IN FORCE RELATING TO THE WORKERS.

(1) The Investor while carrying out the authorized activities shall abide by the Law, Policies/Notifications enforced/notified by the Government of Sikkim and Government of India specially relating to :

- (a) Landed properties
- (b) Labour

- (c) Gratuity to Labourers
- (d) Employment & Establishment rules
- (e) Excise Rules.
- (f) Environmental and Forest.

(2) The Investor shall also give due regard to the directives relating to :

- (a) Salaries and wages
- (b) Number of holidays
- (c) Working condition
- (d) Working hours
- (e) Safety measures
- (f) Standard benefits.

(3) In absence of any directives relating to any of the above, the Investor shall abide by the norms prescribed by the Union Government or other similar standards followed in the country.

2. LOCAL EMPLOYMENT :

Local employment shall be governed as per the existing rules, guidelines and notification of the Government.

3. POLLUTION CONTROL MEASURES :

As per the existing rules, guidelines and notification of the Government.

4. LAND MATTERS :

As per the existing rules, guidelines and notification of the Government.

5. ECO SYSTEM MEASURES :

As per the existing rules, guidelines and notification of the Government.

6. GREEN MISSION ISSUES :

As per the existing rules, guidelines and notification of the Government.

7. CORPORATE SOCIAL RESPONSIBILITY :

As per the existing rules, guidelines and notification of the Government.

8. REHABILITATION AND RESETTLEMENT PROGRAMME:

As per the existing rules, guidelines and notification of the Government.

9. TAXATION AND OTHER LEVY :

The Investor/Unit shall ensure that taxes according to the existing law/rules/regulations in force within the State of Sikkim, whether Central or State are deposited with the competent authority as per prescribed mode and procedure.

10. **CLOSURE OR TRANSFERS :**

The Investor/Unit shall not be permitted to transfer or sell or close its units without obtaining the prior permission of the Government to any other party.

In the event of any Industry/Unit winding up or permanently suspending its operation, it shall be the responsibility of the said Industry/Unit to adequately compensate all the temporary and permanent workers who would be affected by such suspension.

11. **SUB-CONTRACTS AND BUSINESS OPPORTUNITIES.**

- (1) The Investor/Unit shall give first preference in transportation of Goods for the Project to Sikkim Nationalized Transport (SNT). If the SNT is not in a position to supply the trucks then the company may use the local transporters.
- (2) The Investor/Unit shall provide business and contract opportunities to the local bonafide residents of Sikkim according to their capability and strength except the major contracts requiring special machineries and skill and supply of construction materials etc. as per the policy of the Government. Place of tendering for works such as approach road, quarters colonies, buildings shall be the industrial areas and preference shall be given to the capable local contractors so that the local people get benefits from such works of the unit. All construction works irrespective of the amount/value should be tendered on 100% basis within the State of Sikkim.
- (3) In case the unit requires raw materials in the form of vegetables, fruits, milk meat and other goods including construction materials which are locally available in the State of Sikkim then it shall be the responsibility of the unit to ensure that the entire products are procured from the local suppliers. Even otherwise if goods are required other than for use as raw materials, it may be ensured that the same is purchased locally.

12. **VERIFICATION AND CHECKS AND AUDITS :**

- (1) The Government may have all powers to conduct any surprise and pre-informed verification and checks on the unit in relation to all matters specified above and with respect to matters not specified above but being of relevance and importance. The Commerce and Industries and other relevant Departments of the State Government would conduct routine inspection regularly for which the unit shall extend all help and full co-operation to the concerned Departmental officials.
- (2) In relation to verification, checks and Audits where the Government would have to appoint a professional firm, the Government would appoint the necessary professional firms and the unit shall have to extend all help and cooperation to such firm to enable them check and verify the issues.

12 A. **SETTING UP OF WARE HOUSES**

All Pharmaceutical units shall set up their ware houses within the State of Sikkim.

13. **AMENDMENTS FROM TIME TO TIME :**

With changing times, modernization of infrastructure and other allied matters, if the Government deems necessary to amend, improvise and add any clauses to this MOA, the Government reserves the right to do so. However, in the said event the Government shall provide the copy of the amended version of MOA/or the Amended clause for acceptance of the unit, which the unit shall accept.

14. **NON-COMPLIANCE :**

- (1) In the event of non-compliance of the above terms and conditions as agreed by the Investor, the Investor hereby agrees on the under mentioned penalties and related clauses.
- (2) An amount of penalty as deemed fit by the Government considering the nature and quantum of non-compliance.
- (3) In cases of non-compliance of serious nature, the license may be revoked and adequate compensation has to be borne by the investor to all the affected parties, namely labourers, contractors and other related persons including Government as deemed fit by the Government.
- (4) Other steps as appropriate shall be taken by the Government considering the individual nature of each case.

The following are the conditions as agreed by the Government of Sikkim.

15. (1) The Government hereby agrees to grant to the Company all consents, permissions statutory/non-statutory, within its purview, to undertake establish, operate and maintain the unit, provided however that the Investor/Unit makes diligent and complete applications for obtaining such statutory/non-statutory consents or permissions. The responsibility of obtaining approvals/ clearances shall, however, rest with the Investor/Unit for all legal and Government approved activities. The Government Department shall provide permissions/clearance as prescribed in the ease of doing business guidelines.
- (2) The Government will extend all necessary help and co-operation to the Investor/Unit and assist the Investor/Unit in obtaining the Restricted Area Permits for its employees, contractors, agents: and representatives in connection with the Government approved activities of the Industrial Unit.
- (3) After the commission of the industrial unit and subject to fulfilment of terms and conditions of the Agreement by such industrial unit, the Government shall facilitate grant of eligible incentives to the unit.

16. ARBITRATION

In the event of any disputes, the same shall be settled by referring to an arbitrator to be appointed as may be mutually agreed upon by the parties under the Arbitration and Conciliation Act, 1996. The jurisdiction of arbitration shall be at Gangtok, Sikkim and the language of arbitration shall be in English

17. REGISTRATION

The agreement shall be registered with the Registrar/ Sub-Registrar, East Sikkim, Gangtok under the provision of Registration of Documents Rules, 1930. The parties to the Agreement or their authorized representatives may appear before the Registrar/Sub-Registrar/Sub-Registrar for the purpose of registration.

IN WITNESS WHEREOF, the Parties hitherto have set and subscribed their respective signatures on the date month and the year first written above.

SIGNATURE AND SEAL

Authorized Signatory
For and on behalf of Investor/Unit
Name:

Director
Commerce & Industries Department
For and on behalf of Governor of Sikkim

Seal:

WITNESS

1.....

2.....