

**BIPARTITE AGREEMENT BETWEEN NHAI AND ITC LIMITED FOR
UNDERTAKING PLANTATION ACTIVITY ON NATIONAL HIGHWAYS
UNDER NATIONAL GREEN HIGHWAYS MISSION (NGHM)**

This Memorandum of Agreement (MoA) (hereinafter, called the "Agreement"), is made at ~~Delhi~~ ^{Delhi} on this 9th day of Nov 2016 (hereinafter called the "Effective Date")

BETWEEN

National Highways Authority of India (NHAI), constituted by an act of Parliament, the National Highways Authority of India Act, 1988 having its registered office at National Highways Authority of India, G 5&6, Sector-10, Dwarka, New Delhi - 110 075 represented by its Regional Officer – Vijaywada (hereinafter referred to as the "NHAI", which expression shall, unless excluded by or repugnant to the context, be deemed to include its successors, administrators and permitted assigns) of the other part.

And

ITC Limited (an existing company under Companies Act, 2013) having its Registered Office at 37, J. L. Nehru Road, Kolkata, 700 071 and the Divisional Headquarters of its Paperboards & Specialty Papers Division at 106, Sardar Patel Road, Secunderabad, Telangana State, 500 003, represented by Vice President , ITC-PSPD (hereinafter called ITC which term shall include his successors) of the other part:

NHAI and ITC shall herein after collectively be called "the parties" and individually to as "the party"

WHEREAS,

- NHAI is the absolute owner of the lands situated along the National Highways (NH) as described in the schedule attached hereto as Annexure A (hereinafter called the activity land); and
- NHAI has launched National Green Highways Mission, in pursuance of objectives laid down in the **Green Highways Policy - 2015** of **Ministry of Road Transport & Highways, GoI** and with mission to create green corridor along 1 lakh km national highways network, and to create large scale employment by establishing collaborative mechanisms with entities involved in raising large scale plantations at the national level; and





- ITC has done pioneering work in development of productive and disease resistant clones of wood species such as Eucalyptus, Poplar, Subabul and Casuarina, which has enabled raising more than 2.25 lac Ha of farm forestry plantation in degraded lands; and
- ITC is one of the largest manufacturers of paperboard and specialty papers consuming more than 1.3 million ton of wood/pulpwood per annum for its manufacturing operations; and
- ITC is willing to create large scale plantations of commercial and indigenous tree species and also ensure its management, hereinafter called as “activity”, on mutually identified lands on the side of national highways, which will generate sustainable biomass, mitigate climate change and enhance green cover and contribute to meeting the development/ wood raw material needs of ITC, as well as fuelwood requirements of local communities; and
- The activity will help in creating win-win proposition for all the parties with larger mandate of environment amelioration and livelihood generation.
- The activity will also create sources of sustainable livelihood to local communities, develop large carbon sink and thus mitigate the climate change, improve soil fertility, water conservation and will check surface runoff and hence improve productivity of the soils in the activity areas; and
- The activity will also result in elimination of imports of wood and will thereby enable in saving valuable foreign exchange for the country.
- The investments of ITC in the activity will also save investments of NHAI in the range of Rs 15 lakh per km, as per standard cost for plantations & five years maintenance. This will further enhance the scalability of Green Highways Projects.

NOW THEREFORE, the parties hereto, in consideration of the premises set forth hereinabove and of the mutual covenants and undertaking set forth hereinafter, hereby mutually agree to implement the activity as per terms and conditions mentioned hereunder as follows:




A Details of the Activity

1. ITC will ensure raising tree plantation of commercial/pulpwood and other indigenous species, and will sustainably manage these plantations on rotation basis, for a period of 20 years extendable on mutual consent, on activity land on NH - 44 of Hyderabad-Bangalore section, on each side of NH earmarked for Avenue plantation, as detailed in annexure A.
2. Tree plantation will be taken up by ITC in approximately 100 hectares, in pilot phase, consisting of mutually identified plantable land on national highways stretch (as indicated in Annexure A), with 3 m or more width on each side of National Highways, and which has minimum 1 meter soil depth.
3. ITC will manage and maintain the plantations during the agreement period, on rotation basis (of approximately 5 years each rotation) for commercial tree species such as eucalyptus, subabul, casuarina, acacia, poplar etc, and on conservation basis for indigenous and/or medicinal tree species such as neem, arjuna, bahera, haritaki etc. Mix of commercial species to indigenous species will be in the ratio of approximately 80:20 (on a km plantable area basis), e.g. if in a km stretch of NH, plantable area is 'A' ha, then commercial tree species will occupy approximately 0.8 x 'A' ha and indigenous/medicinal tree species will occupy approximately 0.2 x 'A' ha. ITC will also ensure that at the end of agreement period when the activity land is handed over to NHAI, it will contain minimum 760 trees per ha of different age groups of indigenous/medicinal tree species on plantable area. . Plantations pattern will be as per layout at **Annexure - B**.

B Roles and Responsibilities:

NHAI

4. Identification on 113 km of NH stretch (indicated in Annexure-A), of , approximately 100 ha of plantable area, which is defined as land, having minimum 1 meter soil depth and with 3 m or more width on either side of NH, in consultation with ITC. Identified land may be on either side of the national highways including provisions for holding nursery, watch and ward staff as well as other management requirements.
5. Activity land so identified for plantation would be cleared from any encroachments/encumbrances and handed over to ITC for raising and managing plantations. Areas earmarked for carrying out other plantation related ancillary activities, would also be appropriately surveyed and marked on the ground by NHAI in consultation with ITC, which will also include providing information regarding any underground cables/pipelines etc to be avoided, while undertaking the plantation activity.



6. Further, NHAI will facilitate in getting any legal or enforcement support that may be required from local state authorities to keep the activity land free from encroachments and other illegal activities such as theft of plantations/wood, fencing, boundary pillars etc. However, day to day watch & ward will be the responsibility of ITC.
7. To provide to ITC the requisite guidelines (Indian Road Congress Guidelines) as applicable under the NHAI rules, and any other connected regulations, which deal with movement near the national highways, the safety measures to be adopted while operating in the activity land etc.

ITC

8. Timely supply of good quality saplings for commercial tree species as well as miscellaneous/medicinal tree species, raising the same in the land allocated by NHAI and sustainably managing the plantations, so raised.
9. Deployment of staff for regular technical and operational requirements of raising and sustainably managing the plantations.
10. Carrying out plantation and its maintenance, as well as required harvesting operations.
11. Ensuring sustainable management of commercial species of plantations, on rotation basis, and to ensure that no part of plantable area has a tree coverage of less than 760 trees/ha with at least 260 indigenous trees per ha, of different age groups.
12. Construction and maintenance of pathways required for plantation activities, as well as arranging required machinery and equipment for plantation and other ancillary activities.
13. Ensuring financial investment for raising the Plantations and ancillary activities.
14. Supervision and Watch & Ward, required for protection and maintenance of the plantations.
15. Ensuring plantation, environment and project related awareness signage in the activity land.
16. Ensuring harvesting practices are not a hindrance to road safety and running traffic movement.



C Agreement Period

- 17. This Agreement is valid for 21 years, from the date of its signing. The Agreement may be extended further for a specified period on the basis of mutually signed agreement for the same.
- 18. Estimated total time frame of the plantation activity will be 20 years.
- 19. The rotation period is of approximately 5 years for commercial species, consisting of initial plantation rotation and three rotations of coppice crop after first harvest, and the same are taken into consideration.

D Title of activity land and related provisions

- 20. Ownership of activity land would remain with Government of India/NHAI.
- 21. ITC would only have operational control or User right over activity land / crop during the agreement period.
- 22. On any part of activity land, required by NHAI for future road widening or any other development activity, ITC will vacate the land by pre-mature felling of trees/plantations and will have right over the felled trees for appropriate use/disposal thereof. In such cases NHAI will also pay compensation towards approximate cost of raising of tree plantations as per following structure:

S.no	Year of premature felling	Compensation Amount per plant/tree
1	Up to 5 years or before first harvest	Rs. 90 adjusted at the rate of All India CPI inflation rate
2	Fifth year onwards up to 10 th year or before second harvest	Rs. 60 adjusted at the rate of All India CPI inflation rate
3	10 th year onwards up to 15 th Year or before third harvest	Rs. 30 adjusted at the rate of All India CPI inflation rate
4	15 th Year Onwards up to 21 st Year or before fourth harvest	Rs. 10 adjusted at the rate of All India CPI Inflation rate

- 23. All instructions issued by the NHAI and advisories issued by the authorities of the NHAI regarding safety of highways and vehicular communication shall be strictly followed by the ITC, while planning the plantations activity. But choice of commercial tree species to be planted, rotation/models of plantation, cultural operations employed in management and protection of plantation will be determined by the ITC. However, the indigenous/medicinal



tree species trees to be planted shall be as per the Plantation Species Matrix as mentioned in the Green Highways Policy guidelines or as prescribed in writing by NHAI.

24. NHAI would be free to carry out their normal work in connection with maintenance of highways and they shall not be prevented or challenged while moving in the performance of their duties on activity lands.
25. NHAI shall be empowered to cut/fell/prune/ any tree /branch on the activity land perceived to be threat to safety of highway traffic, utilize earth for repairs & execute works required for safe restorations & safe running of vehicular traffic, in consultations with the ITC. In case of emergency the NHAI may undertake emergent work on activity land without prior consultations of the ITC, however, such action will be intimated to ITC within 48 hours by NHAI representative, for record, collection of cut material as well as compensation as indicated in para 22 above.

E Expected Activity Deliverables

26. Plantations and management of Productive Commercial/Pulpwood and indigenous tree species in the ratio of approximately 80:20 (on a km plantable area basis) on approximately 100 ha of identified land, and its sustainable and rotational management for the Agreement period.
27. Harvesting and disposal or delivery of pulpwood to ITC's depot/factory, following all applicable rules and regulations.
28. Harvesting and making available fuel wood from plantations, if any, to local communities/panchayat.
29. At the end of agreement period, handing over of activity land by ITC to NHAI, with minimum 760 trees / ha of plantable area, of different age group of indigenous/medicinal species.
30. ITC will not be responsible for any plantation productivity loss or damage caused to life and property by the plantation trees on the activity land, due to force majeure or an act of god, nature or events outside human control, such as pest and disease.

F Rights over wood/produce

31. ITC would harvest commercial/pulpwood plantations raised under the activity and would have rights over entire pulpwood harvested out of commercial plantations.



32. Fuelwood, if any, produced out of the project would be provided to related village panchayats, free of cost, who would arrange to collect and provide the same to local communities at appropriate sale price or free of cost as decided by the village panchayat.
33. NHA I would get entire stretch of activity land under plantation, without any expenditure, which will consist of 80% commercial plantations and 20% of plantations with indigenous species (on a km plantable area basis), including maintenance of plantations for the period of 21 years. At the end of agreement period NHA I will get entire activity land covered with trees of different age group not less than 760 trees/ha of miscellaneous/medicinal species over the plantable area.

G Coordination, Dispute Resolution and Termination

34. Coordination meeting between NHA I and ITC officials shall be held regularly and periodically at least twice in a year.
35. If any dispute controversy or claim arises between the Parties out of or relating to this Agreement or the breach, termination or validity thereof, (a "Dispute"), senior management personnel from each party shall meet and attempt to resolve the Dispute within a period of twenty (20) days following one party's written request to the other party to hold such a meeting. If the Parties' senior management personnel are unable to resolve the Dispute within the twenty (20) days period according to the preceding sentence then the such matter will be subject to the Jurisdiction of Courts at Vijayawada.
36. In case of deficiency/non-adherence to the provisions of MoA by either of the parties, the other party (the affected party), may serve a notice of 30 days period to rectify the deficiency / non-adherence to the provisions of the MoA by the other party. In case the defaulting party does not revert with a suitable response to the notice or initiate action to remedy the deficiency/non-adherence as mutually agreed, beyond 30 days, the affected party shall have the right to terminate the MoA without any further notice. In the event of NHA I terminating the MoA in terms of this clause, ITC will be entitled to fell the commercial species trees and take the produce. .
37. The Agreement shall be governed and construed in accordance with the Indian Laws and Regulations and all matters arising out of this Agreement will be settled subject to the exclusive Jurisdiction of Courts at Vijaywada in Andhra Pradesh and at Hyderabad (for High Court only) in Telangana..

H Notices

38. Any notice or other communication under or in connection with this Agreement shall be in writing in the English language and shall be delivered



personally or sent by registered post or courier, to the party due to receive the notice or communication at its address set out in this Agreement or such other address as either party may specify by notice in writing to the other. Notices by e-mail mode are not acceptable to ITC.

I Amendments

39. Any amendments including extension of agreement period (if any) of this Agreement shall be in writing to be signed by all the parties and shall, thereafter form and become an integral part of this Agreement.

J Risk coverage

40. The risk of failure in these Plantations is very low and will be only in case of natural calamity viz., severe drought/ flood/ heavy storm / pest and diseases etc. Plantations raised under the agreement may be insured against the above by ITC, to the extent possible.

K Force Majeure

41. None of the parties to this agreement shall be liable for any delay, interruption or failure in performance of this Agreement due to the occurrence of any event of force majeure (hereinafter referred to as the "Force Majeure") including but not limited to fire, explosion, flood, earth quake, landslide, other natural disasters, epidemics, quarantine, riot, civil commotion, act of God, labour disputes, strikes, sabotage, war, war like condition, terrorism, insurrection, mobilization, direct act or intervention of any Government or subdivision thereof.

L Waiver

42. The failure of any Party at any time to invoke any of the conditions of this Agreement shall not be construed as a waiver by such Party and shall not prevent such Party from invoking or insisting compliance of the same at a later date.

M Applicability

43. This agreement will be applicable with effect from the date it is signed by both parties.



This agreement signed on by the Vice President , ITC-PSPD on behalf of ITC and Regional Officer - Vijaywada, on behalf of the NHAI on this day...9th.....NOV.... Year 2016.

Signed by authorized representatives of the parties, in presence of Witnesses-

On behalf of NHAI

Signature: 

Name: Anil Dixit

Designation: CGM & RO - Vijaywada

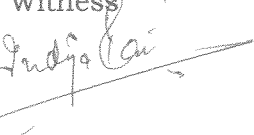
Address- Regional Office - Vijayawada, Plot No.21, Teachers' Colony,
Gurunanak Nagar Road, Vijayawada - 520 008

On behalf of ITC

Signature: 
Name: SUNEEL PANDEY

Designation: Vice President

Address- Paperboards & Specialty Papers Division at 106, Sardar Patel Road,
Secunderabad, Telangana State, 500 003

Witness


9/11/2016

(INDUJA RAI)

Witness

5/11/2016

(ANVISHARMA)

V. P.

Annexure-A

Schedule of National Highways (NH) Stretch, on which plantation raising and management (On width available on each side of the available Right of Way in NH stretches) is agreed to be taken by ITC as per the terms and conditions stipulated in the Agreement entered between the NHAI and ITC

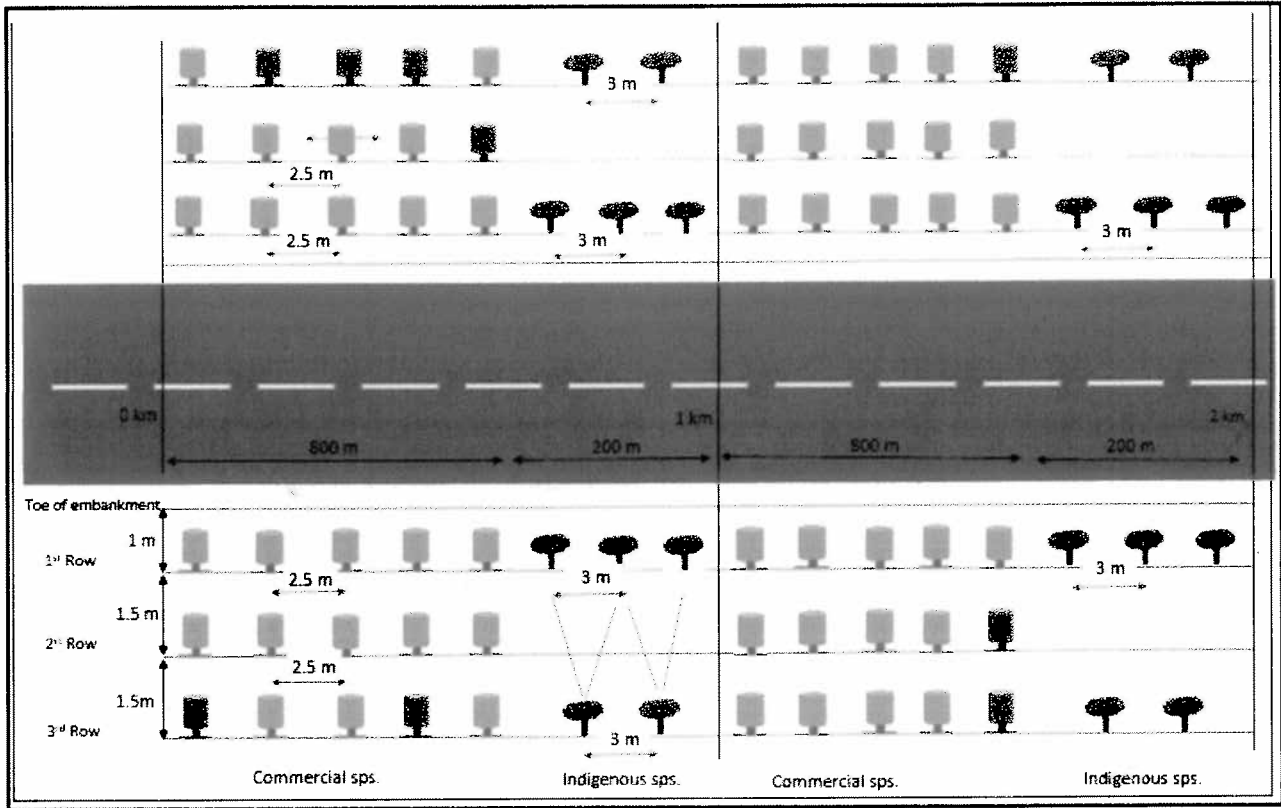
Details of stretch of National Highways-

S.No.	Stretch of National Highways (from-to)	NH No.	Approximate length (KM)	Approximate Area (ha)
1	From Hyderabad to Banglore, on plantable land available on both sides of NH	NH44	MILESTONE KM 211 to KM 360	100

Handwritten signature

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Layout for Plantations



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