

**Agriculture Policy Section,  
 Priority Credit Wing, Head Office, Bengaluru - 560 002**

**Compressed Bio-Gas (CBG) plants - New loan scheme under SATAT (Sustainable Alternative Towards Affordable Transportation) initiative of Ministry of Petroleum & Natural Gas (MoPNG), Gol**

Particulars	Scheme guidelines
Purpose	For setting up of Compressed Bio-Gas (CBG) plants.
Area of Operation	All states and Union Territories.
Target Group & Eligibility	<ul style="list-style-type: none"> <li>Entrepreneurs who have been awarded Letter of Intents (LOIs) by Oil &amp; Gas Marketing Companies (OMCs) for supply of Compressed Bio Gas under SATAT Scheme.</li> <li>Obtention of LOI from OMCs is a pre-condition for processing the loan.</li> </ul>
Nature of Facility	Term Loan, Working Capital
Quantum of loan	Up to Rs.100 Crores
Margin	<b>Term Loan:</b> 15-25% of Project Cost. Project cost shall include all components including margin money for Working Capital as per Bank guidelines on financing Term Loan / Project loans. <b>Working Capital:</b> 15-25%
Eligible Rating	Moderate risk and better.
Rate of Interest	Competitive rate of interest is available on loans under the scheme
Processing fee/ Service charges	Processing/upfront fees applicable as per Agriculture Advances
Security	<ol style="list-style-type: none"> <li><b>Hypothecation of Assets created out of our finance.</b></li> <li><b>Post development security (Prime Security) value of minimum 133% of the limit, including the mortgage of land where the CBG plant is established. Exclusive charge on entire project assets including immovable assets, movable assets, cash flow, Commercial Agreement and Escrow Accounts.</b></li> <li><b>Commercial agreement executed by Oil &amp; gas marketing companies with LOI holders which contains escrow account clause. No additional collateral to be insisted. Escrow Agreement shall be executed between Lol holder (CBG Plant) &amp; Lender. Lending Bank Branch has to forward the copy of the Escrow agreement to OMCs and has to obtain the acknowledgement from OMCs.</b>   <b>The format of Escrow Agreement is available at branches.</b></li> <li><b>If Commercial agreement is not available collateral value of minimum 50% of sanctioned limit to be obtained.</b></li> </ol>
Repayment Period	Term loan repayable in 10-15 years. Repayment of loan installments will be fixed based on the cash flow with suitable moratorium period.
Classification	Priority Sector - Agriculture - Agriculture Infrastructure
Capital Subsidy*	<ul style="list-style-type: none"> <li><b>The Ministry of New and Renewable Energy (MNRE) has notified Central Financial Assistance (CFA) of Rs. 4 Crores per 4,800 kg of CBG per day generated from 12,000 cubic meters of biogas per day, with a maximum of Rs.10 Crore per project.</b></li> </ul>
*Subject to availability of Notification from MNRE, Gol	

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	<ul style="list-style-type: none"><li>• The entire CFA will be released to the developer's loan account in the lending financial institution/banks for the purpose of offsetting the loan amount only after successful commissioning of the project, after achievement of Commercial Operation Date (COD).</li><li>• Capital Subsidy received for the Project, if any, should get credited to the Term loan account.</li><li>• The developers seeking Government support for their projects will submit proposals to Ministry through Bank/Financial institutions (on BIOUSJA portal : <a href="https://biourja.mnre.gov.in">https://biourja.mnre.gov.in</a>)</li></ul>
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