

Ref: GEMA/OMC/2024-25/384

Date: 02<sup>nd</sup> April 2025

To,

**OMC Coordination Committee (BPCL, HPCL & IOCL)**

- i) Shri Anurag Saraogi, Chief General Manager- BPCL, Mumbai
- ii) Shri Siddhartha Mitra, Chief General Manager- IOCL, Mumbai
- iii) Shri K. K. Kishore, Chief General Manager-HPCL, Mumbai

**Subject:** Appeal for Reconsideration & Renewal of LTOAs for Ethanol Manufacturers in Alignment with the DFPD-ISS Timeline

Respected Sirs,

The Grain Ethanol Manufacturers Association (GEMA) represents key stakeholders in India's ethanol industry, committed to supporting the Government of India's Ethanol Blended Petrol (EBP) program and achieving the targeted 20% ethanol blending by 2025-26.

Recently, several of our member companies have received notices of termination of their Long-Term Offtake Agreements (LTOAs) due to project commissioning/other delays. Given the significant investments made by these ethanol manufacturers and the critical alignment of LTOAs with the DFPD Interest Subvention Scheme (ISS), we humbly request a review and extension of these agreements to ensure industry stability and continued progress toward national biofuel targets.

**1. LTOA Terminations Impact Industry Viability**

Many of our members set up dedicated ethanol plants (DEPs) with the sole objective of supplying ethanol under their LTOAs with OMCs. These projects have been structured based on long-term contracts, regulatory approvals, and financial support from institutions such as IREDA and public sector banks.

The termination of LTOAs at this stage poses serious financial and operational risks, including:

- Legal restrictions on alternative supply (due to DEP status and Environmental Clearances).
- Loan repayment challenges, as financial closures were based on assured ethanol off-take.
- Potential NPAs, affecting investor confidence in the sector.
- Disruptions to the ethanol blending program, jeopardizing E20 targets.

**2. Unavoidable Delays Due to Regulatory Hurdles**

Several affected projects have experienced delays beyond the control of developers, primarily due to:

- Delayed land conversion approvals, in some cases taking over two years,
- Local opposition during land acquisition,
- Regulatory clearance processes that extended project timelines.
- Financial closure delays.

These factors have not been due to any negligence on the part of manufacturers, and many of the affected plants are now in advanced stages of completion.

### 3. Critical Alignment with DFPD-ISS Timeline

The DFPD Interest Subvention Scheme (ISS) was introduced to support ethanol capacity expansion and reduce dependence on fossil fuels. Many of the terminated LTOA holders are beneficiaries of the ISS and are expected to begin commercial production within the scheme's timeline.

Premature termination of LTOAs disrupts this alignment, leading to:

- Breakdown of the structured financing mechanism that was designed around the ISS.
- Missed targets for ethanol production and blending.
- Stranded investments, undermining government-backed ethanol expansion efforts.

Given this, we strongly urge OMCs to extend the LTOAs in line with the DFPD-ISS timeline, ensuring a synchronized policy framework.

### 4. Appeal for Reconsideration & Renewal of LTOAs

In light of the above, we respectfully request OMCs, with support from MOPNG and DFPD, to:

- Review and reconsider terminated LTOAs on a case-by-case basis, prioritizing projects that are in advanced stages of completion.
- Align the LTOA timeline with the DFPD-ISS timeline, ensuring consistency in policy execution.
- Engage in a consultative discussion with GEMA representatives to address industry-wide concerns and find a viable path forward.

Conclusion:

The ethanol industry is at a critical juncture, with investments of thousands of crores at stake. Ensuring a stable policy environment, through the continuation of LTOAs, will not only protect these investments but also strengthen India's energy security and biofuel roadmap.

We sincerely hope for a sympathetic and pragmatic resolution to this matter and remain available for further discussions at your convenience.

Thanking you.

with Regards



Dr. C. K. Jain, President

Copy to: 1) Joint Secretary, MoPNG, Shastri Bhawan, New Delhi.  
2) Joint Secretary, DFPD, Krishi Bhawan, New Delhi.

Enclosed: Representations from member units.

# Mahakaushal Sugar and Power Industries Ltd.



CIN - U01543MP2005PLC017514, GSTIN - 23AAECM3666P1Z1  
Regd off : SF-11, Second Floor, Aakriti Business Center, Aakriti Eco city,  
Bawadiya Kalan, Bhopal-462039  
Admin off & Factory : Village Bachai, Dist. Narsinghpur (M.P.) - 487001  
E-mail : mspil.acc@gmail.com | mspil.power@gmail.com

To,

The CGM- Biofuels , HO IOCL

The CGM- Biofuels, HQ BPCL

The Dy. GM- O & D HPCL

Subject: Request for Reconsideration of Termination of Long-Term Offtake Agreement (LTOA)

Reference :- OMC/LTOA/ Termination /MAHAKAUSHAL/ 2025 Dated 28.02.2025

Sir,

I am writing to bring to your kind attention the recent termination of our Long-Term Offtake Agreement (LTOA) dated 08/01/2022 between Mahakaushal Sugar and Power Industries Ltd. and BPCL, IOCL, HPCL, as part of the Expression of Interest (EOI) floated on 27/08/2021 for ethanol supply.

The termination is primarily due to delays in project completion, which arose from unforeseen financial challenges and delays in loan disbursement. Despite our commitment and proactive efforts, we secured the necessary financing from IREDA only in February 2024. Since then, in just 14 months, we have made significant progress, completing over 90% of the project.

Our 300 KLPD ethanol plant in Madhya Pradesh is a ₹250 crore project, of which we have already invested ₹200 crore. We require just three more months to fully commission the plant. Once operational, we will be able to fulfill our commitments under the LTOA and contribute to India's Ethanol Blending Program, ensuring a stable supply of ethanol to the Oil Marketing Companies (OMCs).

We, therefore, humbly request your intervention to:

1. Reconsider the termination decision and grant us an extension of four months to complete the project.
2. Allow us to retain our LTOA so that we can contribute towards India's ethanol blending targets and support the government's vision of energy security.

We kindly seek your support and look forward to a positive response at the earliest. We are available for any discussions or meetings to further elaborate on the matter.

Thank you for your time and consideration.

For, Mahakaushal Sugar and power Industries limited

Mahakaushal Sugar and Power Industries Ltd.

Director

Saif Raza, Director



# SAHU AGRO BUSINESS PVT LTD



Date-31-03-2025

Subject- Reconsideration of termination of our contract for the supply of ethanol to oil companies.

Respected Sirs,

We wish to bring to your kind notice that our grain-based ethanol project has been delayed due to the below based reasons.

1. Tender released on 27th of August 2021. Last date of tender filing was 17th of September 2021.
2. Query in the tender was received on 1<sup>st</sup> October 2021 about land required for 150 KL should be at least 15 acres. Reply was sent to OMC that M/S Sahu Agro Business Pvt Ltd had applied for only 60 KLPD of maize-based ethanol project. Attached mail from BPCL dated 01-10-2021(Attached-Annexure-2)
3. Tender results were declared on 2<sup>nd</sup> November 2021 in which M/s Sahu Agro Business received offtake quantity allocation to supply 1.32 crores liters of ethanol (40 KLPD)/annum. Subsequently LOI received on 16<sup>th</sup> November. (Attached-Annexure-3A-Results dated-01-11-2021, Annexure3B-LOI dtd-13-11-2021)
4. After receiving tender results on 2<sup>nd</sup> November 2021 M/s Sahu Agro finalized terms and conditions (Collateral & Margin) of the proposal with Indian bank for financing of the project and accordingly in principle sanction was received based on 60 KLPD ethanol project and offtake quantity of 40 KLPD from OMC. (Attached Annexure-4A-mail to Indian Bank for collateral security, Annexure4B-Sanction letter)
5. M/s Sahu Agro finalized commercial terms with M/s Regreen Excel Pune for supply of 60 KLPD ethanol project in November 2021 as only 1 year was provided to complete the project. Also initiated to obtain all statutory licenses. (Attached-Annexure5-mail from supplier dated-20-11-2021)
6. LOI to M/s Sahu Agro was amended on 15 December 2021 with offtake quantity of only .66 crore litre(20 KLPD)/annum . Requested OMC not to change the offtake quantity as bank finance, vendors, licenses etc was finalized considering 40 KLPD as the offtake quantity and change in the offtake quantity to 20KLPD shall result in complete change in the project execution. Also, the decrease in offtake quantity created negative sentiments among the bankers. (Attached-Annexure6A-Ammended LOI, Annexure 6B-Email exchanged with OMC)
7. Offtake agreement with OMC was signed on 10th of January 2022 with COD of 15-01-2023.
8. M/s Sahu Agro started fresh discussions/exploring with the supplier for what could be the best suited capacity of the project considering 20KLPD offtake quantity. Supplier advised M/s Sahu Agro that lower capacity ethanol plant may not be viable. However, after a lot of discussions/meetings with the supplier a consensus was reached and order for 50 KLPD ethanol project was given to the supplier instead of earlier capacity of 60 KLPD. Also advance of Rs 1 crore was given to M/s Regreen Excel to start manufacturing boiler and other critical items which require larger lead time. (Attached-Annexure8A-Extracts of Agreement with supplier, Annexure8B-Bank Statement)
9. M/s Sahu Agro started with the site development and the boundary work.
10. M/s Sahu Agro approached Indian bank with new offtake quantity and new project capacity of 50 KLPD. However, due to the reduced offtake quantity and

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M-8584931647

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DIRECTOR



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viability issue Indian bank put our proposal on hold on August 2022 after scrutinizing our loan application for capacity utilization and viability issue. (Annexure10A-Extract of TEV Report of Resurgent to Indian Bank in June-2022, Annexure 10B-Email of Indian Bank denying financing to M/S Sahu Agro dated-8-08-2022)

11. Subsequently M/s Sahu Agro approached SBI Gulabghat, Purnea in August 2022. After submitting all the mandatory documents and scrutinizing our file for almost 1 month SBI finalized TEV report and had send our file for final sanction on 13-09-2022, on which they were demanded from their head office that all ethanol projects in Bihar are to be vetted by SBI Caps who demanded 35% margin against the earlier set margin of 22% finalized between SBI and Resurgent(TEV Consultant) from us on account of lower offtake quantity(20KLPD) the margin for which was much more than the standard loan procedure for financing large projects. Finally, an agreement was reached with SBI in Dec-2022 for funding of the project with 27% promoter's margin. But with the rider that in case if we received the extension from OMC our project will be considered for financing. (Attached-Annexure 11A- letter from SBI to TEV consultant to prepare TEV, Annexure11B-emails between SBI & Resurgent(TEV),Annexure11C-Extract of TEV to SBI on 13-09-2022,Annexure11D-Financial model for 35% margin on 17-09-2022, Annexure11E-Emails between SBI Caps,Resurgent & Sahu Agro)
12. Extension for the same was received on 18 March 2023 and TEV report was finalized on 29-03-2023 based on the same our supplier started the project work at our site from April 2023. Payments from our margin was also released to the supplier in regular intervals and till 30-09-2023 we had already paid Rs 4.23 crore to M/s Regreen Excel against the EPC contract for the 50 KLPD ethanol project and Rs 45 lakhs as processing fees to SBI and Rs 1.55 crore for boundary, site development and statutory licenses from our margin. (Annexure 12A-TEV report dtd-29-03-2023, Annexure12B-Bank statements for payments to supplier & processing fees, Annexure12C-CA certificate)
13. However, SBI was not comfortable that the project could be completed by 30th September 2023, and hence they first sent an email to our supplier on April 2023 to prove their credentials for completing the project by 30<sup>th</sup> September which was substantiated by our supplier with references and there after demanded a 100% performance guarantee from the supplier and in phased manner they demanded 25 % PG. Finally, after several discussions and negotiation it was agreed that our supplier shall provide 10% Performance guarantee to complete the project by 30-09-2023 and promoter shall provide Rs 10 crore additional collateral. The proposal was finalized in the first week of June and processing fees of Rs 45 lacs was also submitted to SBI on 17-06-2023. However, despite of our best efforts and follow up with SBI, we received the sanction letter on 31-08-2023. Attached (Attached-Annexure 13A-email of SBI Caps to our supplier, Annexure-13B Email between SBI Caps, Sahu Agro & SBI, Annexure13C-Sanction letter dated-31-08-2023 )
14. We received a time extension on 15-12-2023 until March 31, 2024. During this period, the State Bank of India (SBI) revisited their committee for approval of their earlier sanction letter dated August 31, 2023. We subsequently received a fresh sanction letter on January 29, 2024, with additional collateral requirements, which we accepted. We also fulfilled our obligation to provide a 100% upfront margin. (Annexure-14-Revised Sanction letter dated 29-01-2024).

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DIRECTOR



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15. Furthermore, SBI released the funds on March 13, 2024, with the completion date set for March 31, 2024 after availing 10% of project value in the form of Fixed deposit from our supplier. Till date the bank has released almost 100% of the project funds to our supplier and the project is nearing commissioning with Thermax boiler, ESP, Dryer, Chimney, Fermenter, ethanol tanks already installed and is undergoing commissioning and balance items are being installed and expected to be commissioned by 30-05-2025. (Annexure-15-Bank statements)

As it is clear from the point wise chronology that major delay was caused due to the change in our off-take quantity from OMC from 40 KLPD to 20 KLPD as initially the bankers had negative sentiments about this change for which Indian bank put our proposal on hold in August-2022 and secondly the project financing was delayed by SBI due to their demands of higher margin/performance guarantee because of lower offtake quantity and time extension from OMC. Trust the management of M/s Sahu Agro have left no stone unturned for timely execution of the project despite the challenging circumstances.

We reaffirm our unwavering commitment to completing the 50 KLPD ethanol project at the earliest. To ensure the project's timely completion, we have secured our margin by sale of our prized assets, including lands in prime locations, flats in major metro cities, to secure the required funds. Additionally, we have taken gold loans, unsecured loans from family and friends, and loans from our other businesses to meet the project's financial requirements. Our determination to complete the project is unwavering, and we are willing to make the necessary sacrifices to ensure its successful completion." In light of these developments, we kindly request that the OMC reconsider its decision to terminate our LTOA as lot of effort has been taken to put this project.

We sincerely hope that our request would be considered by you and your team. In case of any further clarification please get back to us.

Thanking you,

Yours Sincerely

SAHU AGRO BUSINESS PVT. LTD.

DIRECTOR

Name of the Directors.

Pritam Kumar

Enclosures-

1. Annexure2-Email from tender committee regarding clarification dated-01-10-2021.
2. Annexure3A-Results of successful bidders dated-01-11-2021, Annexure3B-LOI to M/S Sahu Agro dated-13-11-2021
3. Annexure4A-Mail to Indian bank for collateral security dated 23-11-2021, Annexure4B Sanction letter from Indian bank dated 10-02-2022.
4. Annexure5-Final offer through email dated-20-11-2021 from supplier M/S Regreen Excel, Pune.

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M-8584931647**




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5. Annexure6A-Ammended LOI through email dated-15-12-2021, Annexure6B-Email exchanged between Sahu Agro & OMC for change in the offtake quantity from 15-12-2021 to 22-12-2021.
6. Annexure8A-Agreement with supplier dated 02-07-2022, Annexure8B-Bank statement against advance payments of Rs 1 crore.
7. Annexure10A-Extracts of TEV report of Resurgent to Indian Bank-June-2022, Annexure10B-Email of Indian bank confirming putting Sahu Agro proposal on hold.
8. Annexure11A-Letter of SBI appointing Resurgent (TEV Consultant) dated-30-08-2022. Annexure11B-Emails between SBI & Resurgent between 08-09-2022 to 13-09-2022. Annexure11C-Extracts of TEV report for SBI. Annexure11D-Financial Model for 35% promoter's margin. Annexure11E-Emails between SBI Caps, Resurgent and Sahu Agro in DEC-2022 to Jan-2023.
9. Annexure 12A-Extracts of TEV report of SBI dated-29-03-2023 with email, Annexure 12B-Bank statements of payment made to supplier and processing fees of SBI, Annexure12C-CA certificate.
10. Annexures 13A-Email of SBI Caps to supplier, Annexure 13B-Email between SBI Caps, SBI and M/s Sahu Agro, Annexure13C-Sanction letter.
11. Annexure-14- Revised Sanction letter dated 29-01-2024.
12. Annexure-15-Bank term loan statements showing disbursements.

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DIRECTOR

Ward no-9, Near Durga Mandir, Sahu Parbatta, Naugachia, Bhagalpur, Bihar, 853204  
M-8584931647



Date: 29<sup>th</sup> March , 2025.

To,  
The CGM- Biofuels , HO IOCL  
The CGM- Biofuels, HQ BPCL  
The Dy. GM- O & D HPCL

**Subject: Request for Continuation of Long-Term Offtake Agreement for Our Ethanol Plant**

**Reference :- OMC/LTOA/ Termination / DOLLEX/ 2025 Dated 28.02.2025**

Dear Sir/Madam,

We wish to inform you that our company, **Dollex Agrotech Limited**, is establishing a **60 KLPD Ethanol Plant** at **Village - Erai, Dist. - Datia**. A long-term offtake agreement was signed with your esteemed organization in **January 2022**, which was subsequently extended until **31st March 2024** for commencing ethanol supply.

However, we would like to inform you that the progress of our ethanol plant has been delayed due to Delay in rating with external agency and Prolonged heavy rains in the state. Out of the sanctioned loan amount of **₹86.68 crore** from **IREDA**, we have received **₹78 crore** so far. The remaining disbursement is still pending, which has hindered the completion of our plant within the scheduled timeline.

In light of the prolonged heavy rainfall, we approached **IREDA** to seek consideration of these unforeseen circumstances. IREDA accepted the situation and extended our **Scheduled Commercial Operation Date (SCOD)** to **30th June 2025**. Additionally, IREDA has granted a **six-month moratorium period** from the date of commissioning, with the term loan repayment scheduled to commence from **31st March 2026**. For your reference, we have enclosed the **revised repayment schedule** issued by IREDA.

In view of the above, we **humbly request** your esteemed organizations to kindly allow the continuation of our **10-year offtake agreement**..

We are committed to commencing ethanol supply as per the agreed terms once our plant becomes operational, which we anticipate within the next four months. We are also in the process of obtaining **PESO** and **CTO** approvals for ethanol production, which are anticipated to be processed coming month.

We assure you that ethanol supply will commence as per the agreed terms once our plant becomes operational.



**Phone :**  
+91 731 2495505



**Email :**  
info@dollex.in



**Website :**  
www.dollex.in





## **DOLLEX AGROTECH LIMITED**

Reg. Office: 205, Naroli Arcade, 19/1, Manorama Ganj, Palasia Square, Indore-452001 (M.P.)

Factory: Village Erai, Tehsil Badoni Khurd, Dist. Datia-475686 (M.P.)

Formerly known as Dollex Agrotech Private Limited

We sincerely appreciate your understanding and cooperation in this matter.

Thanking you.

For, Dollex Agrotech Limited

MEHMOOD KHAN  
Digitally signed by  
MEHMOOD KHAN  
Date: 2025.03.29  
14:05:35 +05'30'

**Mehmood Khan**

**Director**



**Phone :**

+91 731 2495505



**Email :**

info@dollex.in



**Website :**

www.dollex.in





(A Navratna Category-I PSU)  
ISO 9001:2015 Certified  
ISO 27001:2013 Certified

# भारतीय अक्षय ऊर्जा विकास संस्था लिमिटेड

(भारत सरकार का प्रतिष्ठान)

## Indian Renewable Energy Development Agency Limited

(A Government of India Enterprise)

कॉर्पोरेट कार्यालय : तीसरा तल, अगस्त क्रांति भवन, भीकाएजी कामा प्लेस, नई दिल्ली-110066

**Corporate Office** : 3rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi- 110066

दूरभाष/Tel. : + 91-11-26717400-12, फैक्स/Fax : +91-11-26717416, ई-मेल / E-mail : [cmd@ireda.in](mailto:cmd@ireda.in),

वेबसाइट/Website : [www.ireda.gov.in](http://www.ireda.gov.in)

Dated: 30<sup>th</sup> October 2024

**TS-40/1/2023-IREDA/I/5369/2024**

**M/s Dollex Agrotech Limited**

201, 2nd Floor, Naroli Arcade, 19/1, Manorama Ganj

Indore, Madhya Pradesh 452001

**Sub: Revised Addendum to Sanction Letter – Project No. 2707 reg.**

**Ref: IREDA Sanction Letter No. TS-40/1/2023-IREDA I/2122/2023, Dated 22.03.2023.**

Dear Sir,

Kindly refer IREDA's Sanction Letter No. TS-40/1/2023-IREDA I/2122/2023 Dated 22.03.2023, communicating "Sanction of Term loan of ₹86.68 Cr. to M/s. Dollex Agrotech Limited towards 60 KLPD Dual Feed (Sugar Syrup, Molasses & Grains) Ethanol Distillery being setup at Village Erai, Tehsil Badauni, District Datia, Madhya Pradesh (Project No. 2707)".

The Company, vide its letter dated 20.09.2024, has requested IREDA to extend the SCOD of the project till 30.06.2025. The date of commissioning of the project has been revised to 30.06.2025 instead of 31.12.2023, as envisaged during sanction. Further, a moratorium period of 6 months from the date of commissioning of the project will be permissible. Accordingly, the repayment of the term loan shall start from 31.03.2026.

You may kindly note that the repayment schedule in the Sanction Letter has been revised as under in Annexure 1.

Please note that, all other conditions stipulated in IREDA sanction letter dated 22.03.2023 will remain unchanged.

Thanking you,

Yours sincerely,

(Bharat Singh Rajput)  
General Manager (Projects)

पंजीकृत कार्यालय : प्रथम तल, कोर-4-ए, ईस्ट कोर्ट, भारत पर्यावास केन्द्र कॉम्प्लेक्स, लोधी रोड, नई दिल्ली-110 003

Regd. Office : 1<sup>st</sup> Floor, Core-4A, East Court, India Habitat Centre, Lodhi Road, New Delhi- 110 003

दूरभाष/Phone : 91-11-24682206-19 फैक्स/Fax : 91-11-24682202

FOLLOW US : @IREDALimited @IREDALtd @iredaofficial

शाश्वत ऊर्जा . ENERGY FOR EVER

## ANNEXURE 1

## REVISED REPAYMENT SCHEDULE

S.no.	Repayment date	Principal Installment Amount (₹ Cr.)
1.	31.03.2026	2.925
2.	30.06.2026	2.925
3.	30.09.2026	3.196
4.	31.12.2026	3.196
5.	31.03.2027	3.196
6.	30.06.2027	3.196
7.	30.09.2027	3.413
8.	31.12.2027	3.413
9.	31.03.2028	3.413
10.	30.06.2028	3.413
11.	30.09.2028	3.576
12.	31.12.2028	3.576
13.	31.03.2029	3.576
14.	30.06.2029	3.576
15.	30.09.2029	3.792
16.	31.12.2029	3.792
17.	31.03.2030	3.792
18.	30.06.2030	3.792
19.	30.09.2030	3.846
20.	31.12.2030	3.846
21.	31.03.2031	3.846
22.	30.06.2031	3.846
23.	30.09.2031	4.767
24.	31.12.2031	4.767
	<b>TOTAL</b>	<b>86.68</b>



# VENKY POWER & METALS PVT. LTD

Diamond Chamber 4 Chowringhee Lane, Block-II, 7th Floor, Room No. 7J, Kolkata - 700 016

Phone :- 033-22523999, 40443432 Email Id:- vpmp@99999@gmail.com

CIN-U15100BR2004PTC010698

Ref: VPMPL/OMC'S/24-25/45

Date: 17.03.2025

To ,  
The Biofuel Department (Retail)  
Central Procurement Organization (Mktg)  
Bharat Petroleum Corp. Ltd.  
"A" Installation, Sewree Fort Road,  
Sewree (East), Mumbai - 400015

Kind Attention:- Mr. Anurag Saraogi (CGM-Biofuel-BPCL)  
Mr. Siddhartha Mitra (CGM-Biofuel-IOCL)  
Mr. Kaushik Roy Chowdhury (GM-O&D-HPCL)

Subject:- Request for Reconsideration of LTOA Termination Dated 28.02.2025

Respected Sir,

We acknowledge receipt of your letter dated 28.02.2025, received via email on 10.03.2025, regarding the termination of our Long-Term Offtake Agreement (LTOA). We submit our humble representation, along with supporting documents, requesting reconsideration and extension of the LTOA, as the termination would put us in severe financial and operational distress.

### 1. Exclusive Nature of Our Project & Regulatory Restrictions

Our ethanol plant has been set up exclusively to supply ethanol under the LTOA with OMCs. The project was structured based on this agreement, and our Environmental Clearance (EC) has been granted specifically for a Dedicated Ethanol Plant (DEP). Consequently, we are not permitted to supply ethanol elsewhere, making the LTOA critical for the project's survival.

### 2. Unavoidable Delays Beyond Our Control

Despite our best efforts, we encountered significant regulatory and administrative hurdles, leading to unavoidable delays:

- Land Conversion Certificate: Applied on 25.10.2021, but approved only on 29.12.2023 after persistent follow-ups over two years. Without the necessary Land conversion certificate we cannot start the construction work of the project as per West Bengal Government law. (Copy of the application and Conversion certificate is attached for your kind perusal)

These delays were purely situational and not intentional, and we have regularly updated the OMCs through our multiple correspondences (dated- 05.08.2023, 03.10.2023, 27.12.2023, and 25.10.2023) while seeking necessary extensions in good faith.

### 3. Financial Exposure & Investment Details

We have already made substantial financial commitments in reliance on the LTOA:

- Total investment till date: ₹103 crore (CA-certified as of 31.01.2025 of investment expense statement is enclosed)
- Term loan Sanctioned from IREDA required to execute the Tri Partite Agreement (TPA) which is not possible without LTOA (IREDA Sanction letter copy enclosed)
- Ongoing project expenses: Continued capital deployment in plant infrastructure as required time to time.

The termination of the LTOA at this stage would cause serious financial distress, jeopardizing our ability to meet loan obligations and putting the entire project at risk.

### 4. Expected Date of Commissioning & Readiness to Supply

We are fully committed to commissioning the plant at the earliest, and based on current progress, we expect to commence ethanol production by November, 2025 as per DFPD Letter Dated 17.05.2023. We remain aligned with OMCs' supply requirements and timelines.





# VENKY POWER & METALS PVT. LTD

Diamond Chamber 4 Chowringhee Lane, Block-II, 7th Floor, Room No. 7J, Kolkata - 700 016

Phone :- 033-22523999, 40443432 Email Id:- vpmp99999@gmail.com

CIN-U15100BR2004PTC010698

## 5. DFPD Interest Subvention Scheme (ISS) Alignment with LTOA

We wish to highlight that the Department of Food & Public Distribution (DFPD) Interest Subvention Scheme (ISS) timeline is closely linked to the LTOA timeline. Since the ISS provides critical financial support to ethanol projects, the termination of the LTOA at this juncture may create a mismatch, affecting the financial sustainability of our project. We request OMCs to consider aligning the LTOA timeline with the DFPD-ISS framework, ensuring the intended policy benefits are realized. (Copy of DFPD letter dated 17.05.2023 is enclosed for your reference.)

## 6. Humble Appeal for Reconsideration Considering:-

- a) **The exclusive nature of our plant,**
- b) **The unavoidable regulatory delays,**
- c) **Our significant financial investments,**
- d) **The imminent commissioning of our plant,**
- e) **The alignment of the LTOA with the DFPD -ISS timeline,**
- f) **The broader impact of LTOA cancellations on the industry,**

We earnestly request OMCs to withdraw the termination and extend our LTOA as per DFPD time line i.e November- 2025. This will allow us to fulfill our commitment to the ethanol blending program and ensure the success of this national biofuel initiative.

We remain available for any further discussions and sincerely seek your sympathetic consideration of our representation to save our industry.

**Thanking you.**

**Yours faithfully,  
For Venky Power & Metals Private Limited**

  
**Krishna Raj Gupta  
(Director)  
M- 9831077999**



## Enclosures:

1. **OMC Termination Letter Dated 28.02.2025**
2. **Land Conversion Application and Certificate.**
3. **CA-certified investment statement as on 31.01.2025**
4. **IREDA Term Loan sanction letter**
5. **DFPD letter dated 17.05.2023**

Copy to :-  
1. Sri Rohit Mathur, Joint Secretary, MOPNG  
2. Sri Aswani Srivastava, Joint Secretary, DFPD.  
3. The President, GEMA



**WITHOUT PREJUDICE**

Ref.: OMC/LTOA/Termination/VENKY/2025

Date: 28.02.2025

To,

**M/s Venky Power & Metals Pvt. Ltd.  
Diamond Chamber, 4 Chowringee Lane,  
Block 2, Unit 7-J  
KOLKATTA- 700016**

**Subject: Termination of Long Term Offtake Agreement (LTOA) dated 03/01/2022**

Reference:

1. Long Term Offtake Agreement dated **03/01/2022** against EOI dated **27/08/2021**.
2. Our Show-cause Notices dated **30/01/2023 & 25/10/2024**
3. Your reply vide email dated **30/10/2024** to Show-cause Notice dated **25/10/2024**

Dear Sir,

Please refer Expression of Interest (EOI) Tender Reference No. 1000374174 (System ID 86996) floated on 27/08/2021 by BPCL on behalf of PSU Oil Marketing Companies i.e. IOCL, BPCL & HPCL.

This EOI was floated for signing Long Term Bipartite Agreement with upcoming Dedicated Ethanol Plants (DEP) to be established by prospective bidders in Ethanol deficit States for supply of Denatured Anhydrous Ethanol, meeting IS 15464:2004 specifications, to Oil Marketing Companies (OMCs).

By virtue of the EOI, the OMCs Ethanol Procurement Group (OEPG) i.e., the Indian Oil Corporation (IOCL), Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation (HPCL), expressed interest to shortlist prospective bidders desiring to set up or are in process of setting up dedicated Ethanol Plants to manufacture Denatured Anhydrous Ethanol conforming to specification IS 15464:2004. The said EOI was opened on 17/09/2021.

You have responded to the said EOI, with the commitment to set up Dedicated Ethanol Plant in a land area of 12.63 acres at Village Pratappur, Mouza-Khandula, PS-Faridpur, Dist-Paschim Bardaman, West Bengal.



Based on the evaluation of your application, you were shortlisted for the signing of Long Term Offtake Agreement with OMCs.

Subsequent to issuance of Letter of Intent (LOI) dated 13/11/2021, you entered into a Long Term Offtake Agreement (LTOA) dated 03/01/2022 with OMCs for supply of Denatured Anhydrous Ethanol and you committed to commence actual supply within 1 Year from the effective date of the agreement i.e. 15<sup>th</sup> January 2022. Relevant clauses of Long Term Offtake Agreement are quoted below:

4.1 Seller/ Supplier have proposed to set up the plant at as “**Village Pratappur, Mouza-Khandula, PS-Faridpur, Dist-Paschim Bardaman, West Bengal 12.63 Acre**” (complete details/address of the plant) by using **Corn Maize / Rice** as feed stock. The Seller/Supplier shall commence actual supply within **1 (One) year(s)** from the effective date of this Agreement i.e., 15th January 2022 as specified in the LOI

4.5 In the event that the commercial supply does not occur within the aforesaid timeline, due to any failure or non-performance of the Seller/ Supplier, then without prejudice to any other right or remedy available to the Seller/ Supplier, the Buyer/ OMCs shall be entitled to terminate this agreement at their sole discretion.

12.2.2 Agreement is terminated upon breach by the Seller/ Supplier of any provision(s) of this Agreement.

As per LTOA dated 03/01/2022, you were required to commence supply of Denatured Anhydrous Ethanol to OMCs’ latest by 15/01/2023. Vide email dated 15/12/2022, you were advised to comply with the LTOA terms & conditions and submit commissioning certificate as per clause 4.3 of the LTOA. However, neither you responded to our email nor submitted the said certificate.

Hence, a Show Cause Notice (SCN) dated 30/01/2023 (Annexure-1) was issued to you calling upon you to show cause within a period of fifteen (15) days from the date of its receipt, as to why action should not be taken against you including termination of the Long-Term Offtake Agreement dated 03/01/2022.



It is worth here to mention that Buyer/OMCs had issued SCNs to all those DEPs who failed to commence the supply as per their respective LTOA. Replies were received from most of the defaulted DEPs wherein they had sought time extension citing various reasons for not being able to commence supplies as per the respective LTOA entered by them.

After going through the replies of DEPs, the OMCs' upon considering the larger objective, and without prejudice to their rights under the LTOA to take necessary action, have taken a uniform policy decision to give one time option to all such DEPs to seek time extension for commissioning of dedicated ethanol plant and commencement of supplies on or before 30th September, 2023 under the LTOA, by submitting firm commitment and undertaking in the form of Affidavit.

Accordingly, vide our subsequent letter dated 17/03/2023, you were given an option to seek time extension within 15 (fifteen) days of receipt of the said letter failing which the OMCs shall be free to take appropriate action including termination of LTOA dated 03/01/2022. However, you did not avail that option of seeking time extension. Thereafter, OMCs took another uniform policy decision of providing second time extension till 31/03/2024 to Seller/Suppliers. However, you did not avail this option as well.

You were fully aware that failure to fulfill the commitment to commission the plant by 15/01/2023 will lead to severe consequences including termination of Long-Term Offtake Agreement. Still, you have failed to honour the commitment to commission the plant and commence supply by 15/01/2023.

A second Show Cause Notice (SCN) dated 25/10/2024 (**Annexure-II**) was issued to you calling upon you to show cause as to why action should not be taken against you including termination of the Long Term Offtake Agreement dated 03/01/2022.

In your reply vide email dated 12/11/2024 (Annexure-III) you have admitted your failure to commence supply by 31/03/2024 and cited following reasons for the delay in execution of the project:

- Delay in getting the land conversion from West Bengal Government and problem in acquisition of land due to local issue

Further you have sought time extension till end March 2025.



You are aware that DEP project proponent is wholly responsible for planning and execution of the project including finance. Site selection, acquiring the land & land use conversion, planning the site activities to ensure completion of the project as per commitment etc. are solely the responsibility of the project proponent. As per initial commitment made by you the plant was to be commissioned with 1 year i.e., by 15.01.2023. As per your request and affidavit submitted by you wherein you had committed to commence supply by 30.09.2023, OMCs granted time extension up to 30.09.2023. However, you failed to honor this commitment. Once again, as per your request and affidavit submitted by you wherein you had committed to commence supply by 31.03.2024, OMCs granted second time extension till 31.03.2024. However, you have failed to honour this commitment as well. This shows your callous attitude towards fulfilling your obligation under Long Term Offtake Agreement.

OMCs have already granted time extension of 14 ½ months beyond the initial commitment period. Total 26 ½ months were given against your initial commitment of 12 months and still the project has not been completed.

CTO and PESO storage license are mandatory statutory documents for production and storage of ethanol. CTO and PESO storage license proving that the plant has been commissioned has not been submitted by you. The explanation/ reasons cited by you are not satisfactory. Hence no further extension can be granted to you.

From the foregoing it is clear that you have breached LTOA dated 03/01/2022. Therefore as per clause 4.5 and 12.2.2 we are hereby terminating the LTOA dated 03/01/2022 with immediate effect.

In view of the termination of the LTOA dtd. 03/01/2022, the OMCs have the right to forfeit the Security Deposit made by you in line with clause 35.1.1 and 35.2 of the General Purchase Conditions dtd.22/01/2020. However, notwithstanding the above violation, we herewith release the Security Deposit of Rs 2 lakh (Original BG No.014GT02213360001 dated 02.12.2021, issued by HDFC BANK, KOLKATTA attached with the letter), deposited by you at the time of signing the LTOA.



The issuance of this termination letter is without prejudice to the rights and contentions available to the OMCs as per terms and conditions of the aforementioned EOI and LTOA signed on 03/01/2022 between you and OMCs.

Thanking you,

Yours truly,

**SIGNED FOR AND ON BEHALF OF BUYER/ OMCs (INDIAN OIL CORPORATION LIMITED / BHARAT PETROLEUM CORPORATION LIMITED / HINDUSTAN PETROLEUM CORP. LTD)**

By:

**Siddhartha Mitra**  
CGM-Biofuels,HO  
IOCL

**Anurag Saraogi**  
CGM, Biofuel HQ  
BPCL

**Kaushik Roy Choudhary**  
GM-O & D, EZ  
HPCL

Encl: A/a

# VENKY POWER & METALS PRIVATE LIMITED

Diamond Chamber, 4, Chowringhee Lane, Block-II, 7th Floor, Room No. 7J, Kolkata-700016.  
Phone:- 033-22523999, 40443432 | Email Id:- vpmp199999@gmail.com  
CIN- U27100BR2004PTC010698

Ref:- VPMPL/LAND/21-22/37

October 25, 2021

To  
The Concern Officer,  
BLRO, Durgapur, Faridpur,  
Paschim Burdwan, West Bengal

Ref :- Online Application CAF No. 003695 Dated 27.09.2021

Sub:- Conversion of our Land from Existing to Industrial at Mouza-Kendula, J.L. No.-28, Khatian No.-297, PS- Faridpur, Dist.- Burdwan, West Bengal for our upcoming proposed 200 KLPD Grain Based Distillery plant for production of Ethanol.

Dear Sir,

With reference to captioned subject, we would like to inform you that we had got the in- principle approval from Department of Food Public Distribution (DFPD), Government of India for setting up Grain Based Distillery plant for production of Ethanol with Zero Liquid Discharge (ZLD) in state of West Bengal.

We also got the in- principle approval and Assurance letter of land conversion from West Bengal Development Corporation Ltd. (WBIDC) for Setting of Industrial Unit at our land Village- Pratappur, Mouza-Kendula, J.L. No.-28, Khatian No.-297, PS- Faridpur, Dist.- Paschim Burdwan. (Copy Enclosed)

We had also made an online application for land conversion in Silpasathi.in, portal of WBIDC bearing CAF No. 003695 dated 27.09.2021 from Existing to Industrial Land at Mouza-Kendula, J.L. No.-28, Khatian No.-297, RS Plot No.- 140/553, 140/549, 140/596, 2, 140/595 and 140/552, PS- Faridpur, Dist.- Burdwan, West Bengal, but we had not received any response from your side.

We would like to inform you that above projects are boost and promoted by both Government of India and Government of West Bengal vide Gazette notification No. 140-ICE/O/IPI/GEN-MIS/03/2021 dated 07.09.2021, but till now we had not received any response from your Department.

We therefore request you to please convert the characteristic of above mentioned land at the earliest, so that our project cannot be delayed.

Your kind co-operation and early action in this regard will be highly appreciated.

Thanking You,  
Yours faithfully,  
For Venky Power & Metals Private Limited.

Director.

- Encl. 1. Online Application CAF No. 003695 along with Fee payment Challan.  
2. In- principle approval from Department of Food Public Distribution (DFPD), Govt. of India.  
2. In- principle approval from WBIDC  
3. Assurance Letter for conversion of land from WBIDC.  
4. West Bengal Ethanol production Promotion Policy, 2021 vide Gazette notification No. 140-ICE/O/IPI/GEN-MIS/03/2021 dated 07.09.2021  
5. NOC from Gram Panchayat.

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# Government of West Bengal

Office of the District Land & Land Reforms Officer

পশ্চিম বর্ধমান

To Memo no - 5585/ADM & LRO/PAB/23 Date - 29/12/2023



ভেঙ্কি পাওয়ার এন্ড মেটালস প্রাইভেট লিমিটেড

পিতা/স্বামীর নাম: এন পঙ্কে ডাইরেক্টরগন

পটনা বিহার

P.S.: ফরিদপুর

District: পশ্চিম বর্ধমান

Sub: Prayer for change of character of land from one class to another

Ref: His/Her application dated: 07/10/2023

In terms of the provision laid down in sec 4C of the West Bengal Land Reforms Act, 1955 as amended up to date read with the provision of Rule 5A of West Bengal Land Reforms Rules, 1965 permission is hereby accorded to him/her for conversion of land from one class to another as noted in the schedule-I below with effect from 28/12/2023 subject to the terms and condition as noted in schedule-II

## Schedule-I

(Schedule of Land for which conversion is allowed vide case no. CN/2023/2302/465)

Mouza With JL No. & PS	Khatian No.(LR)	LR Plot No. Noted in the Deed	New Plot No. (after creation of Bata if any)	Share	Area (in Acres)	Classification as per ROR	Classification for which permission accorded
কন্দুলা, 029, ফরিদপুর	297	140 / 549		3232	9.4700	গড়লায়েক পতিত	কারখানা
কন্দুলা, 029, ফরিদপুর	297	140 / 552		2978	0.0700	ডাঙ্গা	কারখানা
কন্দুলা, 029, ফরিদপুর	297	140 / 553		2822	0.1700	ডাঙ্গা	কারখানা
কন্দুলা, 029, ফরিদপুর	297	140 / 595		2335	0.0100	গড়লায়েক পতিত	কারখানা
কন্দুলা, 029, ফরিদপুর	297	140 / 596		2002	0.0600	গড়লায়েক পতিত	কারখানা
কন্দুলা, 029, ফরিদপুর	297	2		3177	2.8500	গড়লায়েক পতিত	কারখানা

## Schedule - II

(Terms and conditions for conversion)

- This permission for conversion is without prejudice to any of the provisions of chapter IIB of West Bengal Land Reforms Act, 1955.
- 

29/12/2023  
ADDITIONAL DISTRICT MAGISTRATE  
&  
DISTRICT LAND & LAND REFORMS OFFICER  
PASCHIM BARDHAMAN

This permission of conversion is also without prejudice to any the provision of the Urban Land ( Ceiling and Regulation ) Act , 1976 ( Act 33 of 1976 ) & the Town & Country ( Planning & Development) Act, 1979, if these are applicable to the land involved.

- c) This permission for conversion will stand revoked - if there is any - violation of the provision of prevailing laws -enforcing prevention -of environmental pollution affecting public health in general of the locality at any point of time.
- d) This -permission -of conversion will also stand -revoked if the land is used other than the purpose for which permission is given.
- e) The Land Revenue shall be determined as per sec. 23 of amended WBLR Act.

This conversion certificate is being issued in accordance with the notification bearing no. 4296 LR/1A-05/07 GE(M) dated 17.09.2009 of the Commissioner General, Land and Land Reforms Deptt. & Additional Chief Secretary to the Govt. of West Bengal, published on 24.09.2009 in-the Kolkata Gazette, Extraordinary.

- f) Subject to approval of the Competent Authority under the West Bengal Trees (Protection and Conservation in Non-Forest Areas) Act, 2006.

Collector u/s 4C of the WBLR Act, 1955  
ADDITIONAL DISTRICT MAGISTRATE

&  
District Land & Land Reforms Officer  
PASCHIM BARDHAMAN

Memo: 5585/1/ADM&LRO/PAB/23

Dated: 28/12/2023 29/12/2023

- (i) The BL&LRO, ফরিদপুর-দুর্গাপুর for information and taking necessary action.
- (ii) The RI, of the প্রভাপ পুর for information and taking necessary action.
- (iii) Office copy of the certificate to be kept with the relevent case Record

District Land & Land Reforms Officer  
ADDITIONAL DISTRICT MAGISTRATE

&  
DISTRICT LAND & LAND REFORMS OFFICER  
PASCHIM BARDHAMAN

জেলা- পশ্চিম বর্ধমান খতিয়ান নং- ২৯৭

[ ২৩০২০২৯ ]



মৌজা- কেন্দুলা

জে.এল.নং- ০২৯

থানা- ফরিদপুর

(১) রাজস্ব- ০.০০ টাকা

(২) জমির পরিমাণ(এ)- ১২.৬৩

(৩) মোট দাগের সংখ্যা- ৬

	(৪) অগ্রস্বত্বের দখলকারের বিবরণ	(৫) স্বত্ব	(৬) মন্তব্য
নাম-	ভেঙ্কি পাওয়ার এন্ড মেটালস প্রাইভেট লিমিটেড	রায়ত	ভেঙ্কি পাওয়ার এন্ড মেটালস প্রাইভেট লিমিটেড
পিতা-	এর পক্ষে ডাইরেক্টরগন		
ঠিকানা-	পটনা বিহার		

(৭) অগ্রস্বত্বের নিজ দখলীয় জমি

দাগ নং	জমির শ্রেণী	মন্তব্য	দাগের মোট পরিমাণ(এ)	দাগের মধ্যে অগ্রস্বত্বের অংশ	দাগের মধ্যে অগ্রস্বত্বের জমির অংশের পরিমাণ	
					একর	হেক্টর
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১৪০/৫৫২	ডাঙ্গা		০.২১	০.২৪৫১	০.০৭	
১৪০/৫৫৩	ডাঙ্গা		০.৬১	০.২৪৫৩	০.১৭	
১৪০/৫৯৫	গড়লায়েক পতিভ		০.০৪	০.২০০৫	০.০১	
১৪০/৫৯৬	গড়লায়েক পতিভ		০.৩০	০.২০০৫	০.০৬	
২	গড়লায়েক পতিভ		৯.০৫	০.৩২১৯	২.৮৫	

মোট দাগের সংখ্যা- ছয় মাত্র

Certified to be true copy u/s 76 of Indian Evidence Act,1872 (Act 1 of 1872)

Fees Received : Application Fee : Rs. 10, Authentication Fee : Rs. 10 x 1, Total fee : Rs. 20, Copy No.:4193

## TO WHOM IT MAY CONCERN

We have checked and verified the books of accounts of M/s Venky Power and Metals Pvt. Ltd., having its Registered Office at 101, 1<sup>st</sup> floor, Om Complex, SP Verma Road, Patna – 800001 has incurred an expenditure of Rs 10322.00 Lakhs up to 31.01.2025 towards setting up of its 200 KLPD Grain Based Ethenol Plant project at Pratappur, Kendula, JL No. – 28, Faridpur, Paschim Burdwan, West Bengal. Details of application and sources of funds are attached as annexure – 1 to this certificate.



Place: Patna

Date: 24<sup>nd</sup> Day of February, 2025

For SINGHANIA AGRAWAL  
Chartered Accountants  
FRN No. 005527C

UDIN: 25072510BMLJAN2544

Sudhir Chandra  
Agrawal

Digitally signed by  
Sudhir Chandra Agrawal  
Date: 2025.02.24  
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FCA S.C. Agrawal, M.No. 072510  
Partner

Annexure - 1, to the Certificate of even date having  
UDIN: 25072510BMLJAN2544

**SOURCES AND UTILIZATION OF FUNDS**  
**FOR 200 KLPD GRAIN BASED ETHANOL PLANT**  
By Venky Power & Metals Pvt. Ltd.

Particulars	Amount (in Lakhs)	
	Sanctioned	Actual Up to 31.01.25
<b><u>Sources of Fund</u></b>		
A Promotors Contribution (15% of Total Cost)		
i) Share Capital	55.00	55.00
ii) Reserve and Surplus	-	5.03
iii) Unsecured Loan	3,042.00	2,456.00
iv) Unsecured Loan for other than proposed land	-	119.02
A	<u>3,097.00</u>	<u>2,635.05</u>
B Loan (85% of Total Cost)		
i) Loan from IREDA	17,548.00	7,500.00
B	<u>17,548.00</u>	<u>7,500.00</u>
C Others		
i) Trade and other Payables	-	101.97
i) Incidental Income	-	84.98
C	<u>-</u>	<u>186.95</u>
Total of Sources of Funds (A+B+C)	<u>20,645.00</u>	<u>10,322.00</u>
<b><u>Application of Funds</u></b>		
i Land and Site Development	217.00	114.76
ii Other Than Proposed Land	-	119.02
iii Building and Civil Work	2,879.00	1,511.67
iv Plant and Machinery	14,683.00	3,349.36
v Other Fixed Assets	266.00	15.20
vi Advance for Plant and Machinery	-	2,765.34
vii Preoperative Expenses	971.00	1,513.49
viii Other Advances		922.30
ix Provision for Contingencies	533.00	-
x Margin Money for Working Capital	1,096.00	-
xi Cash and Cash Equivalent	-	10.87
Total of Application of Funds	<u>20,645.00</u>	<u>10,322.00</u>

Sudhir  
Chandra  
Agrawal

Digitally signed  
by Sudhir  
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Date: 2025.02.24  
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Ref. No. TS-40/8/2023-IREDA /I/3237/2023

18-10-2023

M/s. Venky Power And Metals Private Limited  
Diamond Chamber, 4 Chowringhee Lane, Block-II,  
7th Floor, Unit-7J, Kolkata,  
West Bengal - 700016

**Subject: Sanction of term loan of Rs. 175.48 Cr. to Ms/ Venky Power & Steel Pvt. Ltd. for setting up 200 KLPD Grain based Ethanol Plant at Village Pratappur, Mouza Kendula, PS-Faridpur, Durgapur, Burdwan, West Bengal (Project No. 2755)**

Dear Sir,

Please refer to your loan application and subsequent correspondence & discussions, your representative(s) had with us, regarding subject loan.

2. The application has been considered and Indian Renewable Energy Development Agency Limited (IREDA) is agreeable to provide to your Organization, as Borrower, sanction of Rs. 175.48 Cr. (Rupees One Hundred Seventy Five Crores Forty Eight Lakhs only) towards the above.

3. The above sanction is subject to Terms and conditions as detailed in Annexure-I.

4. Sample Standard Legal Documentation formats are available on IREDA website for your reference.

Link: <https://www.ireda.in/standard-forms-checklists>

However, the same are subject to modification from time to time, as per the prevailing guidelines of IREDA.

5. Please note that this communication should not in any way be construed as giving rise to any binding obligation on the part of IREDA, unless the borrower communicates to IREDA, within 30 days from the date of receipt of this letter that the terms and conditions set out herein are acceptable. Unless the Loan Agreement and other documents relating to the above loan are executed by the borrower within the prescribed period, the loan sanction shall be considered withdrawn automatically without any further reference and obligation on the part of IREDA.



6. The execution of Loan Agreement and other documents is scheduled for 17-11-2023. In case you wish to sign the documents earlier, you are welcome to do so with prior intimation. This is, however, subject to submission of all the requisite documents.

7. Mr. Pradeep Deswal is Nodal Officer for the Project.

8. All the annexures are deemed to be part of this letter.

Thanking You,  
Yours sincerely,  
for Indian Renewable Energy Development Agency Limited



**Poorva Mathur**  
**Senior Manager (Technical Services)**



No. 12/1/2022-(BP&E)  
Government of India  
Department of Food and Public Distribution  
Directorate of Sugar & Vegetable Oils

Krishi Bhawan, New Delhi

Dated: 17.05.2023

To,

**M/s VENKY POWER AND METALS PRIVATE LIMITED,  
Village- Pratappur, Mouza- Kendula, Block- Faridpur-Durgapur,  
District-Paschim Bardhaman,  
West Bengal-713 381**

**Subject: Proposal/application under the modified Scheme for extending financial assistance to project proponents for enhancement of their ethanol distillation capacity or to set up distilleries for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc. notified on 22.4.2022.**

Madam/Sir,

I am directed to refer to your proposal/ application received under the above cited Scheme and to convey the in-principle approval of Government of India for grant of interest subvention as per para 2(i) of the aforesaid Scheme for maximum loan amount of **Rs. 164.38 Crores (Rupees One Hundred Sixty Four Crores and Thirty Eight Lakhs only)** under the said Scheme for **setting up of new grain-based distillery of 200 KLPD with Zero Liquid Discharge (ZLD) System**. For this purpose, the project has been given EC vide No. EC21A060WB129394 dated 28.10.2021.

2. This in-principle approval is only for the purpose of indicating the maximum loan for which interest subvention would be admissible under this Scheme and does not convey any approval of Government of India about the requirement of loan for the above purpose. The interest subvention under the Scheme would be released on the basis of actual amount of loan disbursed or the amount indicated above, whichever is lower.

3. The above approval is subject to the following conditions:-

i) Banks/financial institutions would be at liberty to sanction/ release the loan as per their commercial norms/ policies and in compliance with regulatory guidelines, including the restructuring guidelines, as notified by RBI from time to time.

ii) Payment of interest subvention on loan amount under the Scheme will be limited to only 5 years, including one year moratorium period. It may be noted that those the project proponents who have availed loans for 6 years with 2 year moratorium, the interest subvention may be available in such cases from second year of moratorium period only (i.e. after the end of first year moratorium) & an interest for the first year moratorium shall be borne by the project proponents.

iii) You should get the loan disbursed from the bank/financial institution within one year from the date of this in-principle approval by Government of India, failing which this in-principle approval will be treated as cancelled.

iv) The project should be completed within two years from the date of disbursement of first installment of loan from bank/financial institutions.

v) The disbursement of loan under the Scheme shall be in a separate account so that the utilization of the money for the said purpose is easily monitored.

vi) The concerned entrepreneur/ sugar mill/ distillery shall submit Consent to Operate duly issued by the Central Pollution Control Board/ State Pollution Control Board/ Competent Authority of State Government to the nodal bank i.e. NABARD. A certificate duly verified by the concerned State Government Authority or the Chartered Engineer certifying that the new distillery or expansion of the existing distillery has been installed/ completed and production/enhanced production of ethanol has commenced and zero liquid discharge system (ZLD) as indicated in the Para 1 of this letter has been achieved, would also be submitted to NABARD. Any failure to submit such certificates shall lead to non-reimbursement of interest subvention by the Central Government.

vii) The utilization certificate for the sanctioned loan amount within six months of the completion of the project, duly verified by the Chartered Accountant certifying that the loan amount has been utilized for the purpose specified in the Scheme, would also be submitted to NABARD. Any failure to submit the utilization certificate shall lead to non-reimbursement of interest subvention by the Central Government.

viii) This approval will also be subject to fulfillment of all other conditions stipulated in the **modified Scheme for extending financial assistance to project proponents for enhancement of their ethanol distillation capacity or to set up distilleries for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc. notified on 22.4.2022 and subsequently amended via notifications dated 20.10.2022 & 03.02.2023.**

4. The above in-principle approval is based on preliminary scrutiny of basic information as provided in the application/ proposal and no technical or financial appraisal has been carried out by Government of India. As such, lending banks/financial institutions would be required to carry out all such requisite scrutiny on their part with due diligence before sanction and release of loan.

5. On the basis of project completion certificates and utilization certificates received from the distillery unit, the nodal bank, i.e. NABARD shall determine eligibility of the distillery unit for release of further interest subvention to it.

6. It is also stated that benefits of interest subvention scheme is to be extended to **only those grain based distilleries** which are using dry milling technique to produce Dry Distillers Grain Soluble(DDGS).

7. The concerned distillery unit must register itself on the portal of DFPD i.e. <https://sugarethanol.nic.in> before initiating the process of interest subvention to NABARD and update the progress of the project on monthly basis on the portal (5th of every month) to avail the benefit under the interest subvention scheme failing which the in-principle approval may be cancelled by DFPD. The distillery unit shall also submit a quarterly progress report to DFPD by 10<sup>th</sup> of following month of every quarter through email ([ethanol.fpd@gov.in](mailto:ethanol.fpd@gov.in)) giving status of the project including sanction/disbursement of loan, signing of BPA/TPA with OMCs, participation



in EoI by OMCs for supply of ethanol, other statutory clearances and civil works etc. Distilleries (standalone as well as attached with sugar mills) are also advised to register themselves on the NSWS portal and fill the form for "Distillery Registration" on the NSWS portal (Steps for registration enclosed).

8. After 6 months, if at any point of time, it is observed that the progress of the project with regard to sanction/disbursement of loan, obtaining of other statutory clearances etc. is not satisfactory or the project proponent is not fulfilling the terms & conditions of this scheme as mentioned above and in the notification dated 22.04.2022 and subsequent amendments via notifications dated 20.10.2022 & 03.02.2023, this in-principle approval may be cancelled and your proposal shall not be considered for interest subvention under this Scheme. **Also, the earlier in-principle approval accorded to M/s VENKY POWER AND METALS PRIVATE LIMITED, vide letter no. 7/1/2021-(BP&E)(Part) dated 31.3.2021 under the Ethanol Interest Subvention Scheme notified on 14.1.2021 stands cancelled.**

Yours faithfully,



(Kanav Dua)

Deputy Director (Cost)

#011-23070422

Copy to:-

- i) Department of Financial Services, GoI(Kind attn: Shri. Chandragupta Shaurya, US(AC))
- ii) Nodal Bank; NABARD (Kind attn: Shri. Vivek K. Sinha, Chief General Manager, Department of Refinance, NABARD, H.O- Mumbai)
- iii) Ministry of Petroleum & Natural Gas (Kind attn: Shri Vinay Kumar, US(Bio-Refinery Cell)
- iv) SDF Division, Department of Food and PD, GoI (Kind attn: Shri Ved Prakash Singh, US(SDF)).
- v) Lending Bank (State Bank of India) of the distillery unit.

Copy also to:-

- i) Principal Secretary (Cane/Excise/Industry), Govt. of West Bengal.
- ii) State Pollution Control Board, Govt. of West Bengal.

