



इंडियन ऑयल कॉर्पोरेशन लिमिटेड

कॉर्पोरेट कार्यालय : स्कोप कॉम्प्लेक्स, कोर-2
7, इंस्टिट्यूशनल एरिया, लोधी रोड, नई दिल्ली-110 003



Indian Oil Corporation Limited

Corporate Office : SCOPE Complex, Core-2
7, Institutional Area, Lodhi Road, New Delhi-110 003
Website : www.iocl.com

कॉर्पोरेट कार्यालय
Corporate Office

Ref: IndianOil/SATAT/01/314

Date: 05.08.2020

To,

AV Agro Renewable Energy Pvt. Ltd.

House No. 613, Sector 8 Panchkula,
Panchkula, Haryana 134109

Sub: Letter of Intent for supply of CBG to IndianOil under SATAT

Madam/ Sir,

This has reference to the following:

Notice Inviting Expression of Interest (NIEOI) ref. :	CBG23
NIEOI released on:	01.06.2020
NIEOI application dated:	22.06.2020
NIEOI file reference number:	652699
Status of CBG Plant as on date of application:	Proposed
CBG plant location as per NIEOI application:	Ludhiana (Near Mullanpur Dhaka To Malerkotla on Delhi Katra Expressway), Punjab

We also refer to documents submitted in the EOI and/or correspondences exchanged with IndianOil and your willingness to provide Compressed Bio Gas (CBG) to IndianOil from the above mentioned CBG plant (CBG Plant) for marketing through IndianOil's retail outlet(s) (Retail Outlet).

Based on the evaluation of the EOI submitted by you, we hereby issue this Letter of Intent (LOI) for retailing of CBG produced from your above mentioned CBG Plant on following broad terms and conditions:-

1. In accordance with the NIEOI, you shall be responsible for, inter alia, the following obligations:
 - a. You shall be responsible for planning, preparation, engineering and execution of the CBG Plant, including storage of raw material, operation and maintenance of the CBG Plant, maintaining final product output quantity and quality, managing the by-products and wastes from the CBG Plant as per existing central / state government norms and providing performance guarantee for the CBG Plant at your cost.

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पंजीकृत कार्यालय : इंडियन ऑयल भवन, जी-9, अली यावर जंग मार्ग, बान्द्रा (ई.), मुम्बई - 400051, महाराष्ट्र (भारत)
Regd. Office : IndianOil Bhawan, G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051, Maharashtra (India)

CIN : L23201MH1959GOI011388

- b. You shall be responsible for setting-up and commissioning of the CBG Plant and its continuous operation including arranging the entire land and finance. Role of IndianOil in the above matter is only as a facilitator.
 - c. You shall ensure that CBG delivered shall be of automotive grade, compressed at 250 bar in a cascade delivered to the Retail Outlet and shall meet **IS 16087:2016** specifications of BIS or its recent version and / or any other prevailing standards on CBG.
 - d. Due to any reason if the entire CBG produced in the CBG Plant is not purchased by IndianOil, then you have the right to explore other options to market the produced surplus CBG.
 - e. You will ensure that the CBG Plant shall have a fully equipped laboratory with online gas chromatograph / gas analyzer and all relevant testing equipment to ensure that each batch of CBG delivered to the Retail Outlet of IndianOil meets all parameters of the above said BIS standard. The laboratory equipment, measuring instruments maintained shall be calibrated periodically and duly certified periodically by a government approved testing laboratory. Batch wise test reports shall be issued by a person suitably qualified to certify such test reports. Test reports, duly certified, shall accompany each batch of supply. IndianOil shall have right of independent sample testing, which shall be binding on you.
 - f. You shall be responsible for the transportation of CBG through vehicle with trailer mounted cascades which shall be arranged and operated by you for the purpose of transportation of the CBG from CBG plant to the Retail Outlet(s).
 - g. You shall follow all the statutory norms as prescribed from time to time by Government of India or local government/government bodies for setting-up and operation & maintenance of the CBG Plant.
 - h. You shall be responsible for all risks involved in the setting up the CBG Plant and its marketing. IndianOil shall not be responsible for any losses arising due to any unforeseen circumstances.
 - i. You shall not change the constitution of the entity/firm without prior written consent of IndianOil.
2. As per the business model for supply of CBG provided in the NIEOI, you shall make available CBG from the CBG Plant within twelve (12) months from the date of issuance of this LOI, to the designated Retail Outlet(s) of IndianOil located within approximate one way shortest distance of twenty five Kilometer from the CBG Plant, through vehicle with trailer mounted cascades which shall be arranged and operated by you. The Retail outlet(s) shall be designated to you and shall be attached to your CBG Plant at the time of execution of commercial agreement. The meter installed in the CBG dispensing unit(s) at the Retail Outlet shall be the "Point of Sale".



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3. If due to any reason, if the supply of CBG is not started within one year from the date of issue of this LOI, a request for extension of time shall be submitted by you to IndianOil within three months of the expiry of one year from the date of LOI, explaining the reasons for delay. Your time extension request shall be evaluated by IndianOil for the future probability of the supply of CBG through your Plant and further time extension shall be either granted or this issued LOI shall be withdrawn on the sole discretion of IndianOil based on the merit of the case. In case of cancellation of this LOI, your Bank Guarantee submitted to IndianOil shall stand forfeited without any further notice to you.
4. The sale of CBG from the Retail Outlet(s) is expected to be build-up to the market demand gradually over a period of time, to reach the plant's designed production capacity, from the initial start phase, especially in case of green-field projects, where CBG / CNG is presently not being retailed. The production of the CBG at the CBG Plant has to be aligned in accordance to the market demand and IndianOil shall have the exclusive purchase right over the entire CBG produced from the mentioned CBG Plant. Upon receipt of this LOI you shall not make further EOI applications for this CBG Plant to any other OMC as per the NIEOI.
5. Pricing framework of CBG shall be as under

Item	Unit	Price
Basic Price of CBG meeting IS 16087 : 2016 standard, compressed at 250 bar and delivered at IndianOil Retail Outlet in cascades.	Rs./kg	46.00
GST at 5% (or as may be applicable)	Rs./kg	2.30 (or as per the relevant GST rate)
Total supply price (incl. GST) to be paid to party	Rs./kg	46.00 plus GST

The above pricing structure is as per NIEOI further detailing of which shall be done in Commercial Agreement.

6. **Bank Guarantee:** As per the terms of the NIEOI, you have to submit a bank guarantee of ₹ 5 Lakh within one month of issuance of this LOI. In case of non submission of the bank guarantee within the stipulated time frame, the LOI shall be automatically withdrawn and stand cancelled.
7. **LICENSES AND REGISTRATION:** You are required to get all the necessary registrations completed and obtain the requisite licenses/ approvals/ permissions from the statutory authorities which are mandatory/necessary for operation of the CBG Plant and transportation of CBG. This LOI is subject to you fulfilling of all terms and conditions and you obtaining all statutory approvals/licenses/permissions required at your end for your CBG Plant and for the cascades used for transportation of CBG. You shall ensure that all the requisite NOCs and approvals for the setting up your CBG Plant and transportation of CBG in cascades to the Retail Outlet(s) shall be obtained by you. Any other activity to be undertaken/approval to be obtained in relation to selling of CBG from the Retail Outlet shall also be obtained by you. You shall inform IndianOil within 15 days of receipt of all licenses/ approvals/ permissions requisite for the CBG Plants and the cascades.



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8. This LOI is non transferable.
9. A "Commercial Agreement" between IndianOil and your firm for Marketing of CBG from IndianOil Retail Outlet shall be signed after issuance of LOI, subject to your firm submitting the requisite BG and making a formal request to IndianOil for execution of "Commercial Agreement". The request shall include an undertaking as per format enclosed (on non-judicial stamp paper of appropriate value). The initial validity period of the Commercial Agreement shall be 10 years which will be further extended on mutual consent.
10. This Letter of Intent shall stand withdrawn automatically in the event any of the following has occurred :-
 - a. Failing supply of CBG within the mentioned time period, this LOI shall stand withdrawn suo moto if no request for extension of the same is received by Indian Oil.
 - b. If a request for extension of time, in term of the LOI, is received by IndianOil and IndianOil finds that the progress made by you in setting up Facility along with other required facilities is not significant and chances of completion of the Facility is remote in near future or the progress made in Facility construction is not meeting the required industry standards or safety standards, this LOI shall be withdrawn at sole discretion of IndianOil.
 - c. A liquidator, receiver or administrator or any beneficiary under an encumbrance takes possession of or is appointed over the whole or any part of your assets, or a resolution for winding up is passed or a petition for its winding up is filed against you, or a proceeding under Insolvency and Bankruptcy Code is initiated against you which is not quashed within 30 days; or
 - d. There is any material adverse change or any change in applicable law, rules, regulations, directives or guidelines which prevent the sale of CBG; or
 - e. Any consent, approval, license or permission required for the transaction is not obtained within specified timeline or is withdrawn anytime in future.
 - f. If you submit expression of interest to other oil marketing companies for the same CBG Plant.

If the LOI is withdrawn by IndianOil pursuant to Clause 10 (a), (b), (c) (e) and (f) then the bank guarantee amount shall be forfeited.

11. This Letter of Intent shall may be withdrawn at the sole discretion of IndianOil in case of any of the following events occur:
 - a. Your company/its key management personnel/director(s) is/are found to have been convicted/charged with for any economic offence/criminal offence involving moral turpitude; or if it is found that you have suppressed and/ or misrepresented any material facts in your application and the associated annexure and documents.
 - b. If there is a change in constitution of the entity without prior written consent of IndianOil
 - c. Any other unforeseen situations which are detrimental to the business interest of IndianOil.



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If the LOI is withdrawn by IndianOil pursuant to Clause 11 (a) and (b) then the bank guarantee amount shall be forfeited.

12. As already stated in the NIEOI, You shall not enter into any agreement with a competitor of IndianOil for the mentioned business with respect to the subject CBG Plant for which both Parties have entered into or are endeavoring to enter into a Commercial Agreement. It is further clarified that if no such definitive agreement for the project/purpose is executed with you within a period of three (3) years from the date of issuance of this LOI, this restriction shall not become applicable.
13. All terms and conditions mentioned in the NIEOI shall be deemed to be included in the LOI by reference.
14. Any correspondence shall be addressed to our office located at the following address:

**Indian Oil Corporation Ltd.,
Corporate Office,
5th Floor, Core-6, SCOPE Complex,
Lodhi Road, New Delhi**

15. Any dispute arising out of this LOI shall be resolved amicably through discussions in good faith with a view to expeditiously resolve such dispute. A Dispute shall be deemed to have arisen when either Party notifies the other Party in writing to that effect. In the event the dispute persists, the Parties agree to resolve the dispute by conciliation in accordance with provisions of Indian Oil Conciliation Rules, if applicable. In the event of non-resolution of dispute by Conciliation within a period of 60 days (or any period thereafter, which the Parties may agree to mutually extend) or non-applicability of IndianOil Conciliation Rules, the Parties agree to settle the dispute by arbitration in accordance with the Rules of SCOPE Forum of Conciliation and Arbitration (SFCA). The venue for arbitration shall be New Delhi and the language of arbitration shall be English. The arbitrator shall pass a reasoned award and the award of arbitrator shall be final and binding on the Parties.
16. This LOI shall be governed exclusively by the laws of India and subject to Clause 16, be subject to the exclusive jurisdiction of the competent court in New Delhi.



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Ref: IndianOil/SATAT/01/314
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17. Please acknowledge receipt of this LOI and send a signed copy in original as acceptance of the terms and conditions laid down in this LOI.

Thanking you,

For Indian Oil Corporation Ltd.



Bijay Kumar
05/08/2020

(Bijay Kumar)

Deputy General Manager (Alternate Energy)

ACKNOWLEDGEMENT CUM UNDERTAKING

I thankfully acknowledge receipt of the LOI ref **IndianOil/SATAT/01/314** Dated **05.08.2020**. I have carefully gone through the contents of this LOI and agree to abide by all terms and conditions of the LOI and Notice Inviting Expression of Interest. I also hereby undertake that I shall not accept any other Letter of Intent for our same CBG plant located at **Ludhiana (Near Mullanpur Dhaka To Malerkotla on Delhi Katra Expressway), Punjab.**

(signature with rubber seal on all pages of the document)

Place:

Signature:

Date: