GOVERNMENT OF PUNJAB
DEPARTMENT OF NEW AND RENEWABLE ENERGY SOURCES
Draft PUNJAB STATE POLICY FOR COMPRESSED BIOGAS (CBG) 2026

Notified: 2026 | Effective from: [Date of Notification]

No. ___/___/2026/_____

No. ___/___/2026/_____/------ - The Governor of Punjab is pleased to formulate the Punjab State CBG Policy, 2026 to promote the production of Compressed Biogas (CBG) from biodegradable sources such as agro-waste, municipal solid waste, cattle dung and other organic waste in the State of Punjab, thereby addressing the challenges arising from the depletion of conventional sources of energy and environmental pollution. This Policy shall be in addition to the NRSE Policy, 2012, notified on 26.12.2012. The additional incentives available under the Punjab Industrial and Business Development Policy, 2026 of the Government of Punjab, as well as any other policy or scheme notified by the Government of India for promoting the utilization of agro-waste, shall also be available to the projects covered under this Policy, unless otherwise specified.

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1. PREAMBLE

1.1. India is one of the fastest-growing economies amongst the developing nations. Energy is a critical input for development and there are growing concerns regarding energy security, environment and efficiency of energy sourcing and usage. Fossil fuels continue to play a dominant role in the energy scenario in our country but these are finite, polluting & non-renewable and therefore, need to be used prudently. On the other hand, renewable energy resources are indigenous, non-polluting and virtually inexhaustible. India is endowed with abundant renewable energy resources. Therefore, their use should be encouraged in every possible way.

1.2. To reduce the dependency on Petro-based fuels and save the heavy outgo of foreign exchange, alternative renewable fuels, being environment-friendly and renewable in nature, have to be promoted. Biofuels like CBG, which are derived from renewable biomass resources, provide a strategic opportunity to promote sustainable development in an environmentally benign & cost-effective manner and to supplement conventional energy sources in meeting the rapidly increasing requirements for transportation fuels associated with high economic growth, as well as in meeting the energy needs of India's vast rural population.

1.3. In the context of the international perspectives and national imperatives, Govt. of India notified a "National Policy on Biofuels - 2009", which was later substituted with the "National Policy on Biofuels – 2018, amended in June 2022" to facilitate and bring about optimal development and utilization of indigenous bio degradable wastes aimed at achieving multiple outcomes such as addressing environmental concerns, reducing import dependency and providing boost to the agriculture sector etc.

1.4. Punjab is an agrarian economy and about 70% of its population is related to agriculture in one way or other. Punjab produces about 20 Million Metric Tonne (MMT) of Paddy straw and other biomass wastes. There is a major issue of burning of paddy straw by farmers during harvesting season due to the short window for sowing of the next crop. Such open burning causes severe air pollution, environmental issues and depletion of soil health. The Government of Punjab and Government of India are taking steps to provide alternative usage options for paddy straw. Earlier Govt. of Punjab had notified the New and Renewable Sources

of Energy Policy – 2012 to promote Renewable Energy including Bio fuels in Punjab to utilize the abundantly available non-conventional resources in the state and to mitigate the ill effects of conventional fuels.

1.5. Compressed Biogas (CBG) provides an effective pathway for conversion of agricultural and organic waste into clean and sustainable gaseous fuel through waste-to-wealth technologies. It provides a viable and scalable solution for ex-situ utilization of paddy straw and other agricultural residues, thereby helping in reduction of stubble burning incidents in the state. Besides production of green fuel, CBG production also generates valuable by-products such as Fermented Organic Manure (FOM), which supports sustainable and organic farming practices. Development of the CBG sector also contributes towards reduction in greenhouse gas emissions, promotion of a circular economy and reduction in dependence on fossil fuels.

1.6. The Government of India has launched various initiatives including the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative, GOBARdhan Scheme and the National Bioenergy Programme for promotion of Compressed Biogas projects in the country. Punjab, being a major producer of paddy straw and other agricultural residues, possesses significant potential for development of a robust CBG ecosystem.

1.7. In view of the above and with the objective of promoting large-scale investment in the CBG sector, ensuring scientific management of biomass resources, supporting clean energy transition, addressing the issue of crop residue burning and creating sustainable livelihood opportunities in rural areas, the Government of Punjab hereby notifies the Punjab State CBG Policy.

2. THE VISION AND OBJECTIVES

2.1. **Vision**

- To establish Punjab as a leading State in the development of a sustainable, efficient, and investment-friendly Compressed Biogas (CBG) ecosystem through productive utilization of paddy straw, municipal organic waste, and other biomass resources, thereby promoting clean energy, circular economy, rural prosperity, and environmental sustainability.
- To contribute towards India's Net Zero Carbon Emission target by promoting renewable and clean energy solutions and reducing dependence on fossil fuels.

- To strengthen the rural economy by creating sustainable livelihood and employment opportunities across the biomass supply chain and CBG sector.
- To promote sustainable agriculture through the production and utilization of Fermented Organic Manure (FOM) and Liquid Fermented Organic Manure (LFOM) generated from CBG projects.

2.2 **Objectives**

- To promote the establishment of Compressed Biogas (CBG) projects utilizing paddy straw, agricultural residues, cattle dung, municipal organic waste, and other biomass resources available in the State.
- To ensure scientific management and utilization of biodegradable waste and surplus biomass, including elimination of open paddy straw burning through CBG and other bioenergy pathways.
- To attract private investment and foster growth of the CBG value chain in Punjab.
- To generate direct and indirect employment opportunities in rural and semi-urban areas.
- To promote the production, marketing, and utilization of Fermented Organic Manure (FOM) and Liquid Fermented Organic Manure (LFOM) for sustainable agricultural practices and soil health improvement.
- To support the objectives of national initiatives such as SATAT, GOBARdhan, the National Bioenergy Programme, and India's Compressed Biogas blending targets.

2.2. The Government of India, through the National Biofuels Coordination Committee (NBCC) has introduced a phased Compressed Biogas Blending Obligation (CBO) requiring City Gas Distribution (CGD) entities to mandatorily blend CBG in their CNG and PNG supplies. The blending obligation, which were voluntary up to FY 2024-25, is mandatory from FY 2025-26 onwards as follows: 1% in FY 2025-26; 3% in FY 2026-27; 4% in FY 2027-28; and 5% from FY 2028-29 onwards.

3. DEFINITIONS AND SCOPE

3.1. The following definitions shall apply for the purpose of this policy:

- **"Aggregator"** means a registered entity engaged in the collection, storage, and supply of feedstock to CBG plants.
- **"Allocation"** means the approval of a Compressed Biogas (CBG) project by PEDA to an eligible developer under this Policy for setting up the project at a specified

location, subject to the terms and conditions of the Policy and the Letter of Award (LoA)."

- **"Biomass"** means any biodegradable organic material of biological origin, including wastes and residues from agriculture, forestry and municipal sources, that can be used as feedstock for energy or biogas production.
- **"Biofuels"** are solid or liquid or gaseous fuels derived from organic materials of biological origin, including agricultural residues, animal waste, municipal organic waste, agro-industrial by-products, and energy crops, used in place of, or in blend with, fossil fuels for transport, stationary, or other energy applications.
- **"CBG"** means Compressed Biogas — biogas produced through anaerobic decomposition of biodegradable organic waste or biomass feedstocks, which is purified to remove impurities and compressed to yield a fuel with methane content of 90% or above, having properties similar to Compressed Natural Gas (CNG), conforming to BIS and PNGRB standards.
- **"CBO"** means the Compressed Biogas Blending Obligation mandated by the Government of India through the National Biofuels Coordination Committee (NBCC).
- **"Command Area"** means the geographical area with in a specific tehsil allocated by PEDA to a biomass-based project for sourcing biomass/agro-residue, in accordance with Notification No. 18/01/2021-PE1/2510 dated 19.08.2021 (**Annexure-1**), issued by the Department of New and Renewable Energy Sources, Government of Punjab. The allocation of paddy straw within the Command Area shall be made with the objective of mitigating stubble burning and shall not be treated as exclusive. Any surplus paddy straw beyond the project's requirement shall remain available for allocation to other biomass-based projects or end-users.
- **"CGD"** means City Gas Distribution network operators.
- **"DLG"** means Department of Local Government, Govt. of Punjab the nodal agency for implementation of MSW based CBG projects under this policy.
- **"Feedstock"** means biodegradable organic matter or waste used for CBG production.
- **"FOM"** means Fermented Organic Manure — the solid and liquid residue obtained after anaerobic digestion, usable as agricultural fertiliser.

- **"FPO"** means Farmer Producer Organisation.
- **"IA"** means Implementation Agreement.
- **"LFOM"** means Liquid Fermented Organic Manure, the liquid fraction of residue from anaerobic digestion.
- **"Municipal Solid Waste (MSW)"** is the solid waste generated from residential, commercial, institutional, and other urban sources within an Urban Local Body's jurisdiction, as defined under the Solid Waste Management Rules, 2016. For purposes of this Policy, MSW-based feedstock refers specifically to the segregated biodegradable organic fraction.
- **"OGMC"** means Oil and Gas Marketing Companies.
- "**PBIP"** means Punjab Bureau of Investment Promotion
- **"PEDA"** means the Punjab Energy Development Agency, the nodal agency for implementation of this Policy.
- **"Project Developer / Entrepreneur"** means any Private Limited Company, Limited Company, LLP, cooperative or Public Sector Undertaking (PSU) interested in setting up a CBG plant under this Policy.
- **"SATAT"** means the Sustainable Alternative Towards Affordable Transportation initiative of the Ministry of Petroleum and Natural Gas, Government of India.
- **"SCOD"** means the Scheduled Commercial Operation Date of a CBG Project, including any extension granted by the Competent Authority.
- **"SFA"** means State Financial Assistance.
- **"TPD"** means Tonnes Per Day of CBG produced at standard conditions.

4. STRATEGY AND APPROACH

4.1. Keeping in view the current density of agriculture operations and cropping pattern, the thrust of the Policy for Punjab will be to utilize the residues of crops (mainly paddy straw) and municipal waste for the production of CBG.

4.2. The endeavour will be to set up at least one CBG plant in each Tehsil of Punjab. To have an assured supply chain of Paddy straw and other biomass wastes, Developers shall be encouraged to execute agreements with Farmer's Produced Organisations (FPO's), cooperatives, aggregators and other eligible biomass suppliers for the supply of the paddy straw, cow dung etc.

4.3. The Ministry of New and Renewable Energy, Ministry of Petroleum & Natural Gas, Ministry of Agriculture & Farmers Welfare, Government of India, and other stakeholder Departments of the Government of Punjab are providing financial and fiscal incentives from time to time to support the development, promotion and utilization of biofuels/CBG in various sectors. The State Nodal Agency shall facilitate the cases of developers setting up CBG plants in Punjab for availing such incentives from the concerned Ministries/Departments, subject to their eligibility.

5. INTERVENTIONS AND ENABLING MECHANISMS

5.1. **NODAL AGENCY FOR IMPLEMENTATION AND FACILITATION OF CBG POLICY:** Punjab Energy Development Agency (PEDA), the designated nodal agency of the Government of Punjab for implementation of the NRSE Policy, 2012, shall also act as the nodal agency for implementation and facilitation of this policy. The nodal agency will, inter alia, perform the following functions:

5.1.1. Facilitate allocation of projects under the Policy, providing guidance on applicable incentives and assist in resolution of queries, grievances and implementation-related issues.

5.1.2. Obtain, compile and notify district-wise and tehsil-wise data yearly on availability of agricultural residues, animal dung, municipal solid waste, agro-industrial residues and other biomass, in coordination with the Agriculture Department, Animal Husbandry Department, Department of Local Government, Agriculture Marketing Department, and other relevant agencies.

5.1.3. Facilitate annual district and tehsil-level surveys to update assessments of biomass production capacity, competing uses, and techno-economic viability of different biomass streams, which shall be used as inputs for project allocation, command area allocation and capacity planning.

5.1.4. Facilitate the disbursement of incentives and non-fiscal support prevailing under this Punjab CBG Policy and Punjab Industrial and Business Development Policy respectively.

5.1.5. Facilitate lease of Gram Panchayat land in alignment with the Gram Panchayat Land Lease Policy, 2014 Government of Punjab, as amended from time to time, by creation of an online land bank in coordination with Department of Rural Development and Panchayats, Govt. of Punjab.

5.1.6. Facilitate the offtake agreements of CBG from the project through Oil & Gas Marketing Companies or City Gas Distribution Companies.

5.1.7. Maintain registry of all CBG projects in the State, including those outside the purview of the policy.

5.2. **NODAL AGENCY FOR MSW BASED PLANTS:** Department of Local Government will serve as the nodal agency, for CBG projects based on Municipal Solid Waste (MSW). The nodal agency will, inter alia, perform the following functions:

5.2.1. Facilitate the execution of long-term agreements between Urban Local Bodies (ULBs) and MSW-based CBG project developers for assured, quality-controlled supply of segregated biodegradable organic fractions of municipal solid waste, in accordance with the Solid Waste Management Rules, 2016 as amended from time to time and applicable directions of the National Green Tribunal (NGT) and relevant courts.

5.2.2. Facilitate allocation of MSW-based CBG project developers, provide guidance on applicable incentives and regulatory requirements, and assist in resolution of queries, grievances, and implementation-related issues specific to MSW feedstock.

5.2.3. Ensure compliance of MSW-based CBG projects with the Solid Waste Management Rules, 2016 as amended from time to time and any other applicable environmental, safety, and quality regulations.

5.2.4. Facilitate offtake agreements of CBG produced by MSW-based plants through Oil Marketing Companies (OGMCs) or City Gas Distribution (CGD) entities, in coordination with PEDA.

5.2.5. To share the list of commissioned projects commercially operated within stipulated time period with PEDA for disbursement of State Financial Assistance (SFA).

5.3. **DISTRICT LEVEL COMMITTEE:** A District-Level Committee will be constituted in each district under the chairmanship of the District Magistrate / District Collector.

5.3.1. Following members will be a part of this committee:

District Magistrate / District Collector	Chairman

District Manager of PEDA	Member
District Agriculture Officer	Member
District Level Officer from Department of Animal Husbandry	Member
District Development & Panchayat Officer District Urban Local Body Officer	Member Member
District Krishi Vigyan Kendra Officer	Member

5.3.2. District Level Committee will perform following functions:

5.3.2.1. Establish coordination among farmers, feedstock aggregators, ULBs and Biomass based project developers for creation and smooth functioning of feedstock supply chains within the district

5.3.2.2. Provide regulatory and administrative support to aggregators for transportation, storage, and movement of feedstock within the district

5.3.2.3. Support in marketing and distribution of organic manure and bio-manure produced by CBG plants through relevant department

5.3.2.4. Conduct assessment of Biomass availability in each Tehsil and will share with the designated nodal agency on an annual basis.

5.3.2.5. Facilitate and coordinate regulatory approvals and clearances required at the district level, as applicable

5.3.2.6. Ensure compliance with approved command / catchment areas by aggregators and project developers to prevent conflict over feedstock supply and protect project viability

5.3.2.7. In cases where multiple aggregators operate within the same catchment area, recommend appropriate measures for rationalization, coordination or restriction of aggregator numbers to ensure orderly supply and fair competition

5.3.2.8. All registered CBG projects shall periodically furnish production, feedstock procurement, utilization and operational data to the DLCs and DLCs will share the same data with the designated nodal agency in such format and frequency as may be prescribed by the PEDA.

5.3.2.9. The District-level Committee will monitor and address grievances, if any. In case of non-resolution, the same will be escalated to the state nodal agency.

5.4. **SINGLE WINDOW CLEARANCE:** Setting up of CBG projects involves sanctions/clearances from a number of Government Agencies/Departments. The State Government shall provide the clearances in a time-bound manner through a single window mechanism of Punjab Bureau of Investment Promotion (PBIP) within a period of 45 days after the submission of complete application along with necessary enclosures, fees/charges and DPR. These permissions will be deemed approved, if not processed within the stipulated time as notified by PBIP. The respective department will provide approval certification once deemed approval is given. Below is the list of clearances which will be covered by PBIP with respective timelines as indicated below:

Phase	#	Type of Clearance	Nodal Dept.	Max Time	If deemed
Pre-Construction	1	Land Use Classification-	Department of Housing and Urban Development (HUD)	20	Yes
	2	Forest	Department of Forests & Wildlife	21	No
	3	Consent to Establish (CTE)	Punjab Pollution Control Board (PPCB)	21	Yes
	4	Combined Building Plan and Factories	Dept. of Factories+ HUD	45	-
	5	Fire (Provisional)	Department of Fire Services	30	Yes
	6	Power Connection (Temp.)	Punjab State Power Corporation Limited (PSPCL)	37/ 60	No
	7	Registration as Principal Employer	Dept. of Labour	-	-
During Construction	1	Power Connection (Regular)	PSPCL	37/ 120	No
Post	1	Fire (Final)	Department of Fire Services	30	Yes

Construction	2	Building (Stability/ Completion Certificate)	Department of Labour (Director of Factories)	30	No
	3	Consent to Operate - Air & Water	PPCB	30	Yes

Apart from the above-mentioned approvals, project developers have to obtain other clearances as applicable (e.g. clearance from Petroleum and Explosives Safety Organisation (PESO), Forest Clearance from Govt. of India etc.). A dedicated nodal person will be appointed by PEDA and PBIP to coordinate on clearances required by CBG industries in the state. PEDA will upload the details of allocated projects on their official website.

5.5. The distribution and Marketing of CBG will be done through delivery in the depots of Oil Marketing Companies for blending, Retail Outlets of the OGMCs or through injection in the pipelines of City Gas Distribution (CGD) Networks as appropriate. For this, the CBG producer will have to enter into appropriate agreements with the OGMC's or CGD Network operators and follow their instructions as per the guidelines of the relevant Ministry of Govt. of India. The CBG producer can also set up independent retail outlet and/or sell CBG directly to industry after obtaining requisite approvals of the concerned departments. The blending would have to follow a protocol and certification process and conform to BIS specifications and standards, for which the processing industry will follow the requirements specified by OGMCs.

6. FERMENTED ORGANIC MANURE OFFTAKE SUPPORT:

6.1. The State Government shall encourage the utilization of Fermented Organic Manure (FOM) and Liquid Fermented Organic Manure (LFOM) produced by CBG plants in agriculture, horticulture, forestry, soil health programmes, plantations, and other suitable applications.

6.2. The Department of Agriculture, Punjab Agricultural University, Krishi Vigyan Kendras (KVKs), Cooperatives and other relevant institutions shall be encouraged to undertake demonstrations, awareness programmes, research, and extension

activities for promoting the use of FOM/LFOM among farmers and other stakeholders.

6.3. The State Government shall promote aggregation, quality standardization, marketing, and distribution of FOM/LFOM through Cooperatives, Farmer Producer Organisations (FPOs), Self-Help Groups (SHGs), and other suitable institutions.

6.4. The use of FOM/LFOM may be integrated into organic farming, natural farming, soil health improvement and other relevant agricultural programmes of the State, as applicable.

7. Financial and Fiscal Incentives

7.1. State Financial Assistance (SFA) for Compressed Biogas Projects

7.1.1. It shall be a condition precedent for claiming SFA that the proposed project shall use minimum 70% paddy straw and the remaining 30% other biodegradable waste (such as cow dung, napier grass etc) as fuel. The developer claiming the SFA will submit with application, the duly certified data of raw material processed in the CBG projects for which SFA is being claimed.

7.1.2. In case of CBG project based on Municipal Solid Waste (MSW) the project shall use minimum 80% segregated organic municipal solid waste and 20% other biodegradable waste such as (such as cow dung, paddy straw, napier grass, wet wastes etc) as fuel.

7.1.3. The financial incentive under this policy shall remain valid for a period of 5 years from the date of its notification.

7.1.4. Subject to fulfilment of conditions, the policy provides for SFA to be given by the State Government through its budgetary allocation to project developers who will submit the project proposal after notification of this policy.

7.1.5. The SFA shall be provided as under: -

S.No.	Type of Project/Incentive	SFA @ Installed Capacity	Who Will Be Given SFA
1.	**Compressed Biogas (CBG) Projects**	Rs. 60 lakhs per TPD of installed CBG production capacity. SFA for actual capacity will be calculated on a pro-rata	• All new project proposals, along with already allocated CBG projects which are under construction/will commence construction, shall be eligible for

		basis, subject to capping of Rs. 6.00 Crore per project.	SFA under this policy, subject to the project being commissioned within the Scheduled Commercial Operation Date (SCOD). • For determining eligibility, the date of commencement of construction shall be taken as the reference date. • The Scheduled Commercial Operation of CBG projects shall be 24 months from signing of Implementation Agreement (IA). Extended date of completion, if any, granted by competent authority will be considered as SCOD. • Projects already commissioned as on the date of notification of this policy shall not be eligible for SFA. • SFA is envisaged for only 50 projects on a first-come, first-served basis, subject to fulfilment of all other eligibility conditions.

7.2. **Eligibility for disbursal of SFA:**

The condition of successful commissioning implies operations of the plants for at least 3 months, including continued operation for at least 24 hours at an average of 80% of the rated capacity of the plant. In case where developer fails to operate the plant at minimum 80% of rated capacity, pro-rata-based disbursement will be made:

- 80% Plant Load Factor (PLF): 100% of eligible SFA
- If 73% PLF: SFA would be on pro-rata basis i.e. (100 x 73)/80 = 91.25% of eligible SFA
- No SFA will be given if the PLF is < 50%

7.2.1. **Submission of Documents for release of SFA:** The developer shall submit the claim for release of State Financial Assistance (SFA) immediately after the project has achieved continuous operation for a period of three months. The list of documents to be submitted along with the claim is

provided at **Annexure-2**. The claim shall be examined in accordance with the provisions of this Policy and placed before the competent Committee for approval and sanction of SFA.

7.2.2. **Disbursement of SFA:** SFA shall be disbursed to developer's loan account maintained in the lending FI/bank, from whom the loan has been drawn, to the tune of due loan and balance if any shall be disbursed to the developers to the satisfaction of the loanee bank. In case of a self-financed project, the SFA shall be disbursed to the developer's bank account.

7.3. Plant Performance:

An inspection team will visit the plant for performance inspection based on request from the developer after successful commissioning. The performance inspection shall be carried out within 6 months from the date of commissioning. The developer may choose any one of the following institutes for inspection:

7.3.1. Sardar Swaran Singh National Institute of Renewable Energy (SSS-NIRE); or

7.3.2. Biogas Development and Training Centre (BDTC), Department of Civil Engineering, Punjab Agriculture University (PAU), Ludhiana - 141004, Punjab

The charges amounting to Rs. 1.00 Lakh fixed of the inspection institute will be borne by the developer.

7.4. Committee for Approval and Sanction of SFA:

The following committee shall grant approval and sanction of the SFA. The Committee shall peruse the documents / plant performance / inspection reports submitted by the developers:

Administrative Secretary, Department of New and Renewable Energy Sources.	Chairman
Administrative Secretary, Department of Finance	Member
Administrative Secretary, Department of Science Technology and Environment	Member
Administrative Secretary, Department of Rural Development and Panchayats	Member
Chairman, Punjab Pollution Control Board	Member
Chief Executive Officer, Punjab Board of Investment Promotion	Member

Chief Executive, Punjab Energy Development Agency (PEDA)	Member
Director, PEDA.	Convenor

The Committee may co-opt other Administrative Secretaries/State Government Officials as and when required in respect of project/Clearance in their respective jurisdiction. The committee will oversee implementation of this policy by other Department/ Agencies.

7.5. Punjab Industrial and Business Development Policy 2026 Incentives

The Punjab Industrial and Business Development Policy, 2026 has identified "Processing of agro/biomass waste into energy/bioenergy or any other usable form" as a Priority Sector. Accordingly, eligible CBG units shall be entitled to avail the incentives and benefits applicable under the said Policy. For detailed eligibility criteria, terms and conditions, procedure for sanction and disbursement of incentives and other related provisions, the relevant clauses of the Punjab Industrial and Business Development Policy, 2026 may be referred. The overall incentive ceiling is 125% of eligible (Fixed Capital Investment) FCI or Rs. 500 Crore, whichever is lower. The following incentives shall be available to eligible CBG units:

S.No.	Nature of Incentive	Extent of Incentive for Units in Priority Sector
1.	**Investment subsidy by way of reimbursement of net SGST**	Reimbursement of 75% of net SGST for the eligibility period from the date of Commercial Production, subject to overall annual ceiling of incentives.
2.	**Exemption from Electricity Duty**	100% exemption for the eligibility period.
3.	**Exemption / Reimbursement from Stamp Duty**	100% exemption / reimbursement from Stamp Duty on purchase or lease of land and building.
4.	**Capital Subsidy**	Capital Subsidy of up to 20% of eligible Fixed Capital Investment (FCI), subject to a maximum incentive cap of INR 10 crore.
5.	**Employment Generation Subsidy (EGS)**	The Minimum Eligibility Criteria- Minimum Eligibile FCI of Rs. 25 Crore and creation of a minimum of 50 direct jobs for residents of Punjab. EGS for 5 years from Date of Commercial Production: Male – Rs. 3,000 per employee per month; Female/SC/OBC/BC/PwD – Rs. 4,000 per employee per month.

6.	**Freight Subsidy**	Fiscal assistance of 1% of FOB value, subject to a maximum of INR 30 Lakh per annum for a period of five years.
7.	**Audit Expense Reimbursement**	Reimbursement at 75% of actual incurred, subject to a maximum cap of INR 3 lakh per audit for Energy/Water/Environment/Steam and Safety audits.
8.	**Patent Registration Expenses**	Reimbursement at 75% of actual expenses: up to INR 10 lakh for domestic patent registration; up to INR 20 lakh for international patent registration.
9.	**Support for Environment-Friendly Technologies (ZLD)**	Capital subsidy of up to 20% of the total project cost for ZLD system, subject to a maximum cap of Rs. 10 crore per unit.
10.	**Marketing Assistance**	Eligible MSME units: 50% of stall rent, up to Rs. 5 lakh for international and Rs. 3 lakh for national trade fairs/exhibitions. One District One Product (ODOP) Units: 75% of stall rent, up to Rs. 7.5 lakh for international and Rs. 8 lakh for national events.
11.	**Digital Marketing Support**	Reimbursement of 50% of the cost incurred for onboarding, cataloguing, and related expenses on e-commerce platforms such as National Small Industries Corporation Limited (NSIC), Open Network for Digital Commerce (ONDC), or other recognized platforms, subject to a maximum of Rs. 50,000 per unit and Rs. 75,000 for eligible One District One Product (ODOP) manufacturing units.

In addition to the incentives specified above, eligible CBG units may avail other applicable incentives and benefits under the Punjab Industrial and Business Development Policy, 2026, subject to the provisions thereof.

Note:

i. In case of any contradiction between the provisions of the Punjab Business and Industrial Policy 2026 and the NRSE Policy 2012, the provisions of the Punjab Business and Industrial Policy 2026 shall prevail.

ii. Incentives under the Punjab Business and Industrial Policy 2026 shall be governed by the provisions of the said policy. PEDA shall not be responsible for their processing, sanction, or disbursement.

7.6. Incentives under State NRSE Policy:

As Compressed Biogas (CBG) is produced from renewable biomass resources, eligible CBG projects shall be entitled to avail the following fiscal incentives:

- Land available with Gram Panchayats will be provided on lease for establishment of CBG projects, subject to the provisions of the Gram Panchayat Land Lease Policy, 2014.
- Exemption from stamp duty, registration charges, and lease deed charges for land required for the project.

- Exemption from fee/ charges related to Change of Land Use (CLU), External Development Charges (EDC), for use of agricultural land for establishment of CBG projects.

7.7. Road Tax Exemption:

Road Tax Exemption shall be provided by the Department of Transport, Govt. of Punjab, only to newly purchased vehicles (not retrofitted with CNG kits) that are registered in Punjab and have fuel types of either CNG/CBG ONLY or PETROL/CNG/CBG on the registration certificate and are registered after the date of notification of this policy:

Vehicle Category	Exemption (%)	Period
4 Wheel Car	50%	Valid up to the validity of registration certificate
Bus - Private (Light, Medium and Heavy)	100%	1st year
Bus (Government)	100%	1st year
3 Wheel Passenger and Goods Vehicles	100%	Initial 3 Years
4 Wheel - Cab	100%	Initial 3 Years
4 Wheel - Goods Carrier (Light, Medium and Heavy)	100%	Initial 3 Years

7.8. Department of Labour, Govt. of Punjab, vide its notification bearing no. Labour-LAB0MISC/58/2023-2L/614953 dated 07.08.2023, has notified that all the projects related to Compressed Biogas, Biomass, Solar and Waste to Energy are exempted from the purview of the Site Appraisal Committee (SAC) under Section 41-4 of the Factories Act, 1948 and rule 76-H of the Punjab Factory Rules 1992.

7.9. The State Government shall facilitate the availability of Government/Panchayat land, wherever feasible and in accordance with the applicable policies, rules and regulations, for establishment of CBG projects and storage of biomass. In respect of Panchayat land, the allotment shall be governed by the Gram Panchayat Lands Lease Policy, 2014 of the Department of Rural Development and Panchayats, Government of Punjab, as amended from time to time (**Annexure-3**) The Deputy Commissioners shall designate Nodal Officers to facilitate the allotment of Panchayat land after consultation with the respective Gram Panchayats and determination of lease price by the District Level Price Fixation Committee. The

Department of Rural Development and Panchayats, being the nodal department, shall designate a dedicated State Nodal Officer who shall be responsible for:

7.9.1. Facilitating the collection of village-wise data on Panchayat land available for leasing after obtaining the consent of the respective Gram Panchayats.

7.9.2. Coordinating with the District Administration and the designated District Nodal Officers to facilitate the identification and allotment of suitable land parcels in a transparent and time-bound manner.

8. QUALITY STANDARDS

Production, purification, compression, storage, transportation, dispensing, marketing, and end-use of Compressed Biogas (CBG), along with handling and scientific disposal/utilization of by-products such as Fermented Organic Manure (FOM) and Liquid Fermented Organic Manure (LFOM), shall comply with the applicable standards, specifications, test methods, protocols, guidelines, and certifications issued by the Central Pollution Control Board (CPCB), Punjab Pollution Control Board (PPCB), Bureau of Indian Standards (BIS), Petroleum and Natural Gas Regulatory Board (PNGRB), and other competent authorities, as amended from time to time. The siting criteria and environmental norms prescribed by the concerned departments and regulatory authorities shall be applicable to all projects covered under this Policy.

9. Procedure & Allotment of Projects:

9.1. The detailed procedure for CBG project implementation is outlined in **Annexure-4**. Any changes to the current process will be notified by PEDA from time to time.

9.2. **Project Proposal:** The applicant shall submit the project proposal to PEDA in the prescribed application form as per **Annexure-5**, along with a forwarding letter. The applicant shall also submit all documents, certificates, undertakings, and the Earnest Money Deposit (EMD), as specified in the application proforma (Annexure-5), at the time of submission of the proposal. Incomplete proposals or proposals not accompanied by the requisite documents and EMD, as prescribed, are liable to be rejected.

9.3. The minimum net worth of the project proponent shall be Rs. 3.50 crore for a 5 TPD CBG project, Rs. 7.00 crore for a 10 TPD project, and proportionately for other capacities, duly certified by a Chartered Accountant (CA).

9.4. **Earnest Money Deposit (EMD) (Refundable):** The developer shall submit an Earnest Money Deposit (EMD) along with the proposal to PEDA at the rate of Rs. 1.00 lakh per TPD of CBG project capacity. However, for projects with a capacity of less than 5 TPD, the minimum EMD shall be Rs. 5.00 lakh. The EMD shall be deposited through RTGS/online mode. The EMD submitted by the developer along with the proposal shall be refunded/returned after the developer submits the prescribed Performance Security before the signing of the Implementation Agreement (IA), subject to compliance with the terms and conditions of the Letter of Award (LoA).

9.5. **Facilitation Service Charges (Non-Refundable):**

The applicant shall pay non-refundable facilitation service charges to PEDA @ 0.5% of the total Project Cost (as per the project cost given in the Detailed Project Report) at the time of approval of DPR (before signing of IA).

9.6. **Performance Security (Refundable):**

The company shall submit a Performance Security at the rate of Rs. 1.00 lakh per ton of CBG production capacity per day (TPD), subject to a minimum of Rs. 5.00 lakh for projects having a capacity less than 5 TPD of CBG. The Performance Security shall be furnished by way of a Bank Guarantee or through RTGS mode at the time of signing of the Implementation Agreement (IA). In case of a Bank Guarantee, the original Bank Guarantee shall be submitted to PEDA. The Performance Security shall remain valid for a period of 24 (twenty-four) months from the date of signing of the IA.

9.7. **Project allotment:** All CBG projects of capacity upto 5 Ton Per Day CBG or equivalent other Such projects shall be allocated on the recommendation of PEDA after approval by Administrative Secretary, NRES, Govt. of Punjab whereas CBG projects of capacity more than 5 Ton Per Day CBG shall be allocated on the recommendation of `the Project Allocation Committee (PAC):

Administrative Secretary, Department of New and Renewable Energy Sources.	Chairman
Administrative Secretary, Department of Finance	Member
Administrative Secretary, Department of Science Technology and Environment	Member
Administrative Secretary, Department of Rural Development and	Member

Panchayats	
Chairman, Punjab Pollution Control Board	Member
Chief Executive Officer, Punjab Board of Investment Promotion	Member
Chief Executive, Punjab Energy Development Agency (PEDA) Director, PEDA.	Member Convenor

9.8. For reference, the Letter of Award (LOA) to be issued after approval of the Project Allocation Committee (PAC) is placed at **Annexure-6**. The Draft Implementation Agreement (IA), to be executed between PEDA and the Project Developer after approval of the Detailed Project Report (DPR), is placed at **Annexure-7.**

9.9. A **State Inter-Departmental Coordination Committee** on CBG shall be constituted for coordinated implementation and monitoring of CBG initiatives in Punjab. The Committee shall facilitate inter-departmental coordination, stakeholder consultations and resolution of implementation bottlenecks for accelerated development of the sector and shall consist of the following members:

Chief Executive, Punjab Energy Development Agency (PEDA)	Chairman
Director, Department of Agriculture and Farmer Welfare Director, Horticulture	Member Member
Director, Department of Rural Development & Panchayats Director, Department of Local Government	Member Member
Registrar, Cooperative Societies Chief Executive Officer, Punjab Municipal Infrastructure Development Company (PMIDC) Managing Director, Punjab Small Industries & Export Corporation Limited (PSIEC)/ Invest Punjab Member Secretary, Punjab Pollution Control Board (PPCB)	Member Member Member Member
Director, Department of Transport	Member

10. AWARENESS AND CAPACITY BUILDING

10.1. PEDA will support creation of awareness about the role and importance of biofuels/ CBG in the energy sector, as well as for wide dissemination of information about its potential and opportunities in upgrading the transportation infrastructure and supporting the rural economy.

10.2. Significant thrust would be provided to capacity building, training and development of human resources. Universities, Polytechnics and Industrial Training Institutes will be encouraged to introduce suitable curricula to cater to the demand for trained manpower at all levels in different segments of the CBG sector.

10.3. A dedicated **CBG Cell / Programme Management Unit** will be established within PEDA to support implementation of the CBG program in Punjab. The cell shall perform the following functions:

10.3.1. Support end-to-end implementation and monitoring of the Punjab CBG Policy 2026 and associated schemes including SATAT, GOBARdhan and SASCI reforms.

10.3.2. Conduct stakeholder consultations with farmers, FPOs, aggregators, district administrations, CGD entities, financial institutions and industry participants for strengthening the CBG ecosystem in Punjab.

10.3.3. Support project development, DPR appraisal, feedstock planning, incentive disbursement, market development of FOM/LFOM and resolution of implementation bottlenecks.

10.3.4. Develop and maintain digital MIS dashboards, biomass databases, project monitoring systems and policy benchmarking tools for decision support to Government.

The cell will be headed by a senior PEDA officer and supported by a team of domain specialists as follows:

Designation & Work Experience	**Specialisation/ Qualification**
Policy & Coordination Officer (7-8 years)	Public Policy, Economics or Business Management Bachelor's Degree in Engineering or MBA/PGDM from a recognized University/Institution.
Industry Liaison Officer (5 years)	Business Management / / Mechanical Engineering / Chemical Engineering / Biotechnology

	Bachelor's Degree in Engineering or MBA/PGDM from a recognized University/Institution.
Agricultural & Feedstock Officer (3-5 years)	Agriculture / Environmental Sciences M.Sc. in Agriculture, Agricultural Engineering, Agribusiness Management, Environmental Science or related discipline from a recognized University/Institution.
Data and MIS Specialist (3-5 years)	Computer Science / Data Science / Statistics / Commerce Bachelor's Degree in Computer Science, Information Technology, Data Science, Statistics, MCA, BCA, or equivalent from a recognized University/Institution.

PEDA may engage domain experts, consultants and technical professionals for the PMU on contractual or advisory basis at industry-competitive remuneration under the policy, as approved by the competent authority.

10.4. A State Level Expert Advisory Group will be constituted to provide strategic guidance, technical inputs and expert recommendation for development of the CBG ecosystem in Punjab. The group shall perform the following functions:

10.4.1. Provide strategic guidance and technical recommendations for development of Punjab's bioenergy and CBG ecosystem.

10.4.2. Advise the Government on policy reforms, technology adoption, financing mechanisms, feedstock optimization and market development.

10.4.3. Benchmark Punjab's progress against leading states and recommend measures for positioning Punjab as a national leader in CBG-led stubble management.

The group will bring together eminent domain experts and will comprise of following members:

Chief Executive, PEDA	Convener
Director Research, Punjab Agricultural University	Member
Director, Directorate of Agriculture & Farmer Welfare	Member
Principal Scientist, Indian Council of Agricultural Research (ICAR)	Member
Representatives from Oil and Marketing Companies (Position of Chief Manager equivalent) [IOCL / BPCL / HPCL / GAIL]	Member

Representative from Indian Biogas Association	Member
Representative from Global Biofuels Alliance	Member
Representatives from established CBG plant developers	Member
Representative of KRIBHCO, IFFCO, National Fertilizer Limited	Member
Representative from City Gas Distribution (CGD) Companies	Member
Nodal Officer from State Level Banking Committee (SLBC)	Member

The group will meet at a cadence set by the convenor and the members will be compensated as per industry honorarium, along with TA / DA and stay expenses, and will be borne by PEDA.

PEDA may nominate other relevant domain experts, industry representatives, academic institutions and sector specialists to the council from time to time.

11. AMENDMENTS/ RELAXATION/ INTERPRETATION OF PROVISIONS OF THE POLICY

11.1. Department of New and Renewable Energy Sources, Government of Punjab, shall take up cases for amendment/ relaxation/ addition/ interpretation of provisions under this policy.

Administrative Secretary to Govt. of Punjab,

Department of New and Renewable Energy Source

Government of Punjab
Department of New & Renewable Energy Sources
(Energy Branch)

Notification

No. 18/01/2021-PE1/ 2510 Dated; Chandigarh 19/08/2021

While allocating /approving the Detailed Project Report (DPR) of Compressed Biogas (CBG) / Power / any other projects, based on paddy straw/ agro-residues under State NRSE Policy, Command Area will be allocated to the Project Developer in a particular Tehsil.

Accordingly, Command Area will be allocated as per the capacity of the Project considering normative consumption of the Biomass / agro residue so that there is no over lapping of Command Area and optimum utilization of Biomass / Agro residue can be achieved.

To avail the applicable / available benefits of the State NRSE Policy as also applicable / available Central Financial Assistance (CFA) from Government of India, it shall be mandatory for all the developers setting up projects based on paddy Straw/Agro residues to get the projects allocated through PEDA so that there is no chance of clash / over lapping of command area within the Tehsil. PEDA shall not allocate any project in the already allocated Command Area.

Dated, Chandigarh
16-08-2021

Anurag Agarwal, IAS
Additional Chief Secretary to Government of Punjab
Department of New & Renewable Energy Sources.

Endst. No.18/01/2021-PE1 Dated; Chandigarh

A copy of the above is forwarded to the controller, Printing & Stationary, Punjab, Chandigarh with the request that this notification may be published in the Punjab Government Gazette and 25 copies their of be sent to this department

Under Secretary, NRES

Endst. No.18/01/2021-PE1/2514 Dated; Chandigarh 19/08/2021

A copy of the above is forwarded to the following for information and necessary action: -

1) Addl. Chief Secretary-cum-Financial Commissioner, Development, Government of Punjab.
2) CMD, Punjab State Power Corporation Limited, Patiala.
3) Chief Executive Officer, PEDA.

Under Secretary, NRES

Annexure-2

List of documents required to be submitted:

1. Forwarding letter from:
    a) Developer in case of 100% self-financed projects
    b) Lead FI/Bank in case of debt financing/loans
2. Detailed Project Report (DPR).
3. Loan sanction letter, if loan availed.
4. Undertaking on a non–judicial stamp paper of Rs 500/-.
5. Latest High-Resolution Photographs of the plant site (with timestamp)
6. Plant Inspection report.
7. Performance Inspection Report.
8. Mandate form for payment transfer duly certified by FI for loan account.
9. Consent to Operate (CTO) from Punjab Pollution Control Board for the plant.
10. EIA clearance, if applicable.
11. Approval for storage & filling of CBG Plant from Petroleum and Explosives Safety Organization (PESO), if applicable.
12. Non-NPA certificate from the lending banks/FIs if loan availed.
13. Loan disbursement letter, if availed.

Annexure-3

PERFORMA FOR CBG DEVELOPER

A.

GENERAL

1.	**NAME AND COMMUNICATION DETAILS**	
1.1	Full legal name/structure of applicant company	:
1.2	Location where the project is to be setup	: Village: Tehsil: District:
1.3	a) Registered Office Address	: : :
	b) Telephone	
	c) Fax	
	d) E-mail	
1.4	Correspondence Address	:
1.5	Name, Designation & Address of Contact Person	:
1.6	Branch Office Address	:
2.	**NATURE/STATUS OF APPLICANT COMPANY** (Whether LLP/Private Limited/Public Limited/ Public Sector), Attach	:

i) Copy of Registration Certification

ii) Memorandum of Articles of Association

iii) Partnership Deed

iv) Brief history of operation since its inception.

3. **NAME OF SUBSIDIARIES/ASSOCIATES & PARENT COMPANIES** (Provide in brief their nature of activities, capital layout and balance sheets for the last three years) :

4. **WHAT BEST DESCRIBES YOUR COMPANY PRESENT ACTIVITIES/BUSINESS** :

5. **DETAILS OF ORGANISATIONAL SET-UP OF APPLICANT COMPANY** :

6. **ANY PAST EXPERIENCE OF YOUR COMPANY OR PROMOTER COMPANY** :

7. **LIST OF INDUSTRIES IN PUNJAB** (if any) either owned by the company or a third party, where the company may like to offtake their product.. :

B. <u>FINANCIAL</u>

1. **FINANCIAL DETAILS OF APPLICANT COMPANY**

1.1 Share capital at the time of formation of company
a) Authorized :

		:
	b) Paid up	
1.2	Present share capital	
		:
	a) Authorized	
		:
	b) Paid up	
1.3	Investment in other ventures during the last three years, if any *Please attach additional sheets giving details of the above & enclose the balance sheets of last 3 financial years*	:
1.4	Net worth (as per CA Certificate) *(Note: Minimum Networth requirement for consideration of 5 TPD CBG capacity project is Rs. 3.5 Crore)	:
1.5	Full name and address of your Bankers (also authorize them to furnish such information as may be required by PEDA)	Name of the Bank:_____ Address:_____ _____ Contact Person_____ Tel:_____ Fax:_____

C. PAST EXPERIENCE

1. EXPERIENCE DETAILS OF APPLICANT COMPANY/LLP

1.1 Experience (if any) in the Bio-fuel Sector

(Please attach additional sheets giving details of the above.)

Number of Projects
_____

Total Capacity

(a) in terms of end product
_____

(b) in terms of biomass consumption
_____

1.4 Has your company work in Bio-fuel Sector?

I. As a Private developer :_____

II. As a Joint / Assisted Venture :_____

III. As a Supplier of Equipment :_____

IV. Prime Contractor :_____

V. Sub-Contractor, if yes, please give name, address of Prime Contractor :_____

VI. On BOO/BOOT/BOT basis :_____

1.5 If answer to 1.4 is yes, Give details :

1.6 Technical Collaboration (if any) give details :

1.7 Details of technology used :

D.

PROJECT PROPOSAL

1.1	Details of site (Village, Tehsil, District)	:
1.2	Has the project site been visited by the applicant company and accessed the availability of raw material i.e. Biomass?	:
1.3	Details of investigation carried out if any	:
1.4	Estimated installed capacity in terms of Biomass utilization and in terms of end product of the proposed project.	:
1.5	Technology offered	:
1.6	Maximum time required for completion of the project (From concept to commissioning)	:
1.7	Attach details of field organization / equipments and other infrastructure available with the applicant company for execution of the proposed projects	:

I/We hereby, certify that the information furnished by me/us is a true statement of facts.

(Name, Designation of person signing)

Date:

Place:

List of documents enclosed

NOTES:

1. Where the space provided above is not sufficient extra sheet may be used.
2. The participant shall submit all the pages duly signed and stamped by the authorized person.

The documents required to be attached with the application:

i. An application on letter head of project executing company (for each site) detailing all salient features of the project.

ii. Earnest Money Deposit (EMD): The developer shall submit an Earnest Money Deposit (EMD) along with the application at the rate of Rs. 1.00 lakh per TPD of CBG production capacity. However, for projects having a CBG production capacity of less than 5 TPD, the minimum EMD shall be Rs. 5.00 lakh. The EMD shall be deposited through RTGS.

iii. Pre-feasibility Report (consisting technical and financial projections of 25 years)

iv. Net worth certificate of the project executing company certified from CA.
(Note: Minimum Networth requirement for consideration of 5.0 TPD CBG capacity Project is Rs. 3.5 Crore.)

v. Balance sheets of project executing company.

vi. Memorandum of Association (MoA) & Article of Association (AoA) of the company.

vii. Certificate of Incorporation of the company

viii. Partnership Deed (in case of LLP)

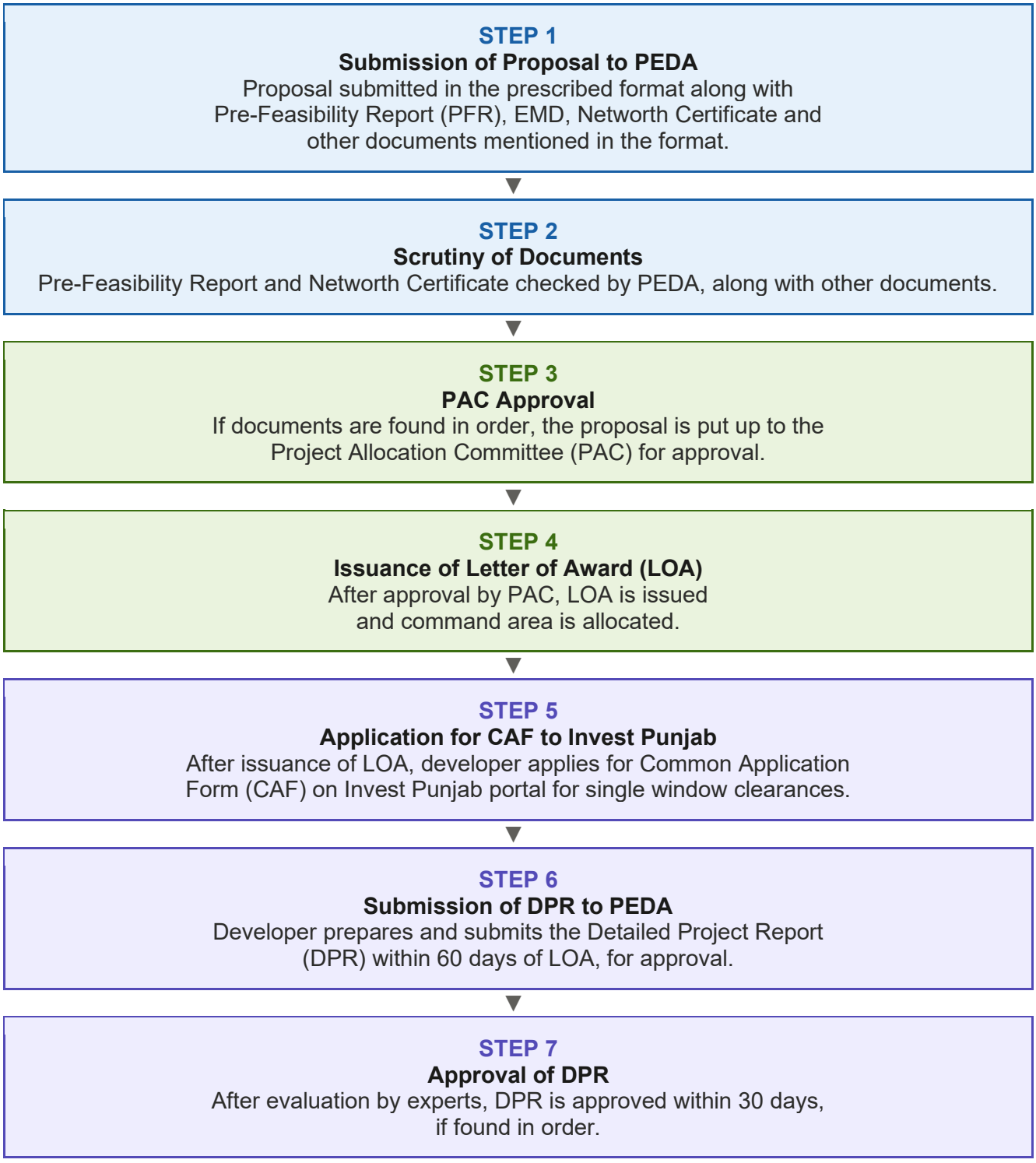
Annexure-4

Gram Panchayat Land Lease Policy 2014:

The detailed guidelines related to Gram Panchayat Land lease Policy can be referred using: - Link

Annexure-5

Project Implementation Flow Diagram:



STEP 8
Signing of Implementation Agreement (IA) with PEDA
IA is signed after submission of Performance Guarantee and Facilitation Service Charges, within 30 days of DPR approval.

STEP 9
Statutory Clearances
After signing IA, developer seeks all statutory clearances within 180 days.

STEP 10
Commencement of Construction
After requisite clearances, construction at site is commenced within 30 days.

STEP 11
Commercial Operation Date (COD)
After commencement of construction, commercial operation is started within 510 days.
(Total time for COD: 720 days / 24 months from signing of IA)

STEP 12
Application for Subsidy
After 3 months of continuous project performance, the developer can apply for subsidy.

Annexure-6

Sample of Letter of Award (LOA)

M/s. _____,
Registered Address
Phone No. _____
Email: _____

Subject: Letter of Award (LOA) for setting up of Compressed Biogas (CBG) Project of capacity _____TPD CBG based mainly on paddy straw, in Tehsil: _____, District: _____ to M/s. _____, on Build Own & Operate (BOO).

In reference to your application dated _____, Punjab Energy Development Agency (PEDA) pleased to allot the setting up of Compressed Biogas (CBG) Project of capacity _____ TPD CBG based mainly on paddy straw in **Tehsil: _____, District: _____** to **M/s. _____,** on Build Own & Operate (BOO) basis, on the following terms & conditions:

1. The project is identified by your Company as self identified project and the Company is fully responsible for entire investment to be made for this project for its complete implementation & commissioning and further operational period including required land and raw material for the project.
2. While preparing the Detailed Project Report (DPR), the Company may identify a suitable project location in **Tehsil: _____, District: _____**. The project location finalized in the DPR shall not be changed without the prior approval of PEDA. However, the developer may seek approval for change of the project location on valid grounds, including non-availability of suitable land or sufficient quantity of raw material. Such request shall be considered by PEDA after assessing the availability of raw material and the status of other projects commissioned, under execution, or in the pipeline in the Tehsil to which the project is proposed to be shifted. Permission for change of location shall be granted only after such assessment.
3. The Detailed Project Report (DPR) to be submitted should be exhaustive bringing out the technology and other details pertaining to the project. Since the projects is to be based on mainly paddy straw, the selected technology should be proven so that the plants run successfully after commissioning and meet the purpose of reducing pollution, while generating clean renewable fuels.
4. The capacity as per Detailed Project Report (DPR) will finally prevail.
5. You are fully responsible for procurement of the requisite quantities of feed stock material to be mentioned in the Detailed Project Report, required for the project at your own cost for the whole operational life of the project.
6. The company is fully responsible for procurement of required land for the project at its own cost in the vicinity of the project for implementation of the plant, storage of feed stock & bio-manure and other buildings required for the project.

7. If Panchayat land is available in the vicinity of project location, the same may be provided on lease basis to the company for the project as per the provision of Gram Panchayat Land Lease Policy 2014, as amended from time to time, with the consent of concerned gram panchayat.

8. All public concerns have been/shall be kept in mind during planning, implementation and operational period of the project and Company will be fully responsible for that in all respects. Biofuel production, end-use applications, and the scientific disposal of any by-products generated shall comply with the test methods, procedures, protocols, standards, and certifications circulated by the Central Pollution Control Board (CPCB) and Punjab Pollution Control Board (PPCB).

9. Your Company shall obtain all requisite applicable statutory clearances like CLU, Forest and NOC from PPCB, Fire etc. or any other clearances as applicable, at your own cost. PEDA will provide the required assistance for the same as per the provisions of Punjab State CBG Policy 2026.

10. If any other mandatory approvals / clearances are required in future, you shall obtain the same at your cost.

11. The Company shall sign the Implementation Agreement (IA) containing detailed terms and conditions for developing this project with PEDA within 30 days from the date of approval of Detailed Project Report (DPR) in line with the Implementation Schedule annexed at Annexure-I.

12. Special Purpose Vehicle (SPV) can be made by the allottee company for project implementation before signing of the Implementation Agreement with majority shareholding of the allottee company in the Project Company.

13. i) The Allottee company shall submit before signing of the Implementation Agreement (IA) the certified copy of Return of allotment of shares to the promoters whose net worth has been provided alongwith the application at the time of allotment so as to ensure the infusion of equity funds in the project as per the minimum net worth criteria.

    ii) No dilution of Promoters shareholding shall be allowed for a period of 1 year from the date project starts commercial productions i.e. sale of CBG to OMC's/ CGD's/Market Consumers.

    iii) Promoters shall inform PEDA if dilution of shareholding is done after 1 year of commercial production.

14. The Company may sell/supply/bill the Bio-CNG/CBG and any other bi-product of the process produced at the project to consumers and fix its rates. The Developer may sell CBG to Oil Companies under the applicable schemes from time to time, such as "Sustainable Alternative Towards Affordable Transportation" (SATAT), which is an existing scheme, while fulfilling the terms & conditions thereof. The project is required to be completed in 24 months from the date of signing of IA.

15. Prior to signing of Implementation Agreement (IA), if company fails to achieve the milestones as per Implementation Schedule annexed at Annexure-A, without any valid reasons, PEDA may terminate the allocation after serving 1 Month Notice.

16. Admissible subsidy 'if any', will be availed by the Developer from Concerned Departments of Govt. of India/ Govt. of Punjab, as per guidelines / stipulations for such type of projects. However, PEDA / Government of Punjab, will no way be responsible for availability/non-availability of the subsidy.

17. **PAYMENTS BY THE COMPANY**

i) **Facilitation Service Charges:**

The Company shall pay non-refundable facilitation service charges to PEDA @ 0.5% of the total Project Cost (as per the project cost given in the Detailed Project Report) at the time of approval of DPR (but before signing of IA).

ii) Performance Security:

The company shall submit a Performance Security at the rate of Rs. 1.00 lakh per ton of CBG production capacity per day (TPD), subject to a minimum of Rs. 5.00 lakh for projects having a capacity less than 5 TPD of CBG. The Performance Security shall be furnished by way of a Bank Guarantee or through RTGS mode at the time of signing of the Implementation Agreement (IA). In case of a Bank Guarantee, the original Bank Guarantee shall be submitted to PEDA. The Performance Security shall remain valid for a period of 24 (twenty-four) months from the date of signing of the IA. The Bank Guarantee shall be furnished in the prescribed format before signing of the Implementation Agreement.

iii) Earnest Money Deposit (EMD):

The EMD submitted by the developer during submission of its proposal to PEDA shall be refunded/ returned after the developer submits the prescribed Performance Security and before the signing of the Implementation Agreement (IA), subject to compliance with the terms and conditions of the Letter of Award.

18. All type of fee(s), taxes, duties etc. shall be paid by the Company for execution of agreements / works as per the relevant provisions of law / NRSE Policy-2012/ Punjab State CBG Policy 2026.

19. All the statutory/non-statutory clearances shall have to be obtained by the Developer. However, PEDA will facilitate in obtaining these clearances from the concerned departments/authorities.

20. PEDA/Government of Punjab shall not be held responsible or liable for any loss, damage, delay, cost, or consequences suffered by the project developer arising out of or attributable to strikes, public protests, law and order situations or any other unforeseen or force majeure circumstances beyond the control of PEDA/Government of Punjab. The project developer shall not be entitled to claim any compensation, damages, or reimbursement from PEDA/Government of Punjab on account of such events.

21. The other terms & conditions of allotment shall be as per Punjab State CBG Policy 2026.

You are requested to kindly acknowledge the receipt of Letter of Award.

Copy of the above is forwarded to the following for information that PEDA has allotted the above said Project for production of CBG from paddy straw, in **Tehsil: _____, District: _____, to M/s. _____,** on Build Own & Operate (BOO) basis.

1. Administrative Secretary, Govt. of Punjab, Deptt. of Agriculture, Chandigarh
2. Administrative Secretary, Govt. of Punjab, Deptt. of Local Government, Chandigarh.
3. Administrative Secretary to Govt. of Punjab, Deptt. of New & Renewable Energy Sources, Chandigarh
4. Administrative Secretary, Govt. of Punjab, Deptt. of Science, Technology & Environment, Chandigarh.
5. Chairman-cum-Managing Director, Punjab State Power Corporation Limited, The Mall, Patiala.
6. Chief Executive Officer, Punjab Bureau of Investment Promotion, Udyog Bhawan, Sector-17, Chandigarh
7. Director, Rural Development & Panchayats, Govt. of Punjab, Chandigarh
8. Deputy Commissioner, _____
9. Chairman, Punjab Pollution Control Board, Patiala.
10. Director (Waste to Energy), Ministry of New & Renewable Energy, Govt. of India, Block No. 14, CGO Complex, Lodhi Road, New Delhi.
11. Deputy Secretary to Govt. of India, Ministry of Petroleum & Natural Gas, (GP Division), Shastri Bhawan, New Delhi-110001.

Annexure-A

PROJECT IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time schedule (Days)
1	Issue of letter of award	0
2	Preparation and submission of Detailed Project Report (DPR) by the developer	60
3	Approval of Detailed Project Report (DPR)	30
4	Signing of Implementation Agreement (effective date)	30
5	Financial Closure, Statutory Clearances like CLU, Forest and NOC from PPCB Consent to Establish, Fire, PESO etc. or any other clearances as applicable, required for the project, land lease agreement (if needed) and approval of General Layout Plan by PEDA or any authority, (if needed) etc.	180
6	Commencement of project construction	30
7	Commencement of Commercial Production of CBG	510
	TOTAL	**840 Days**
	Note: The total time comes out to be 24 months from the effective date i.e. signing of IA	**720 days**

Annexure-7

Sample of Implementation Agreement (IA)

This Agreement made on this _____ day of _____ **2026**.

BY AND BETWEEN

Punjab Energy Development Agency, having its office at Solar Passive Complex, Plot No. 1 & 2, Sector-33 D, Chandigarh (hereinafter referred to as the "PEDA"(A Punjab Government Undertaking), which expression unless repugnant to the context or meaning thereof, shall include its successors, administrators or permitted assigns), of the FIRST PART through Sh. Jaspal Singh, Additional Director, PEDA.

And

M/s. _____, having its Registered office at _____(hereinafter referred to as **"Company"** which expression unless repugnant to the context or meaning thereof, shall include its successors, administrators or permitted assigns), of the OTHER PART through **_____,** representative of the Company.

(Wherever the context so permits or requires the expressions **"PEDA"** and **"Company"** are collectively referred to as the **"Parties"** and either of them singly as **"Party"**).

WHEREAS:

A. Government of Punjab resolved to undertake development and implementation of Biogas Power Projects and Bio-CNG/CBG Projects in the State of Punjab under NRSE Policy 2012 through private sector. Government of Punjab has appointed PEDA as the State Nodal Agency for facilitating the development of Renewable Energy Projects in the State of Punjab under State NRSE Policy.

B. **M/s. _____** was allocated **Compressed Biogas (CBG) project having capacity _____ TPD CBG based mainly on paddy straw and cattle dung in Tehsil: _____, District: _____, on Build Operate & Own (BOO) basis under self-Identified Scheme of NRSE Policy-2012** by PEDA, Government of Punjab, vide **Letter of Award bearing No. _____ dated _____** (hereinafter called the "**LoA**") herein requiring, inter alia, the execution of this Agreement. M/s. _____ has given its acceptance of the LOA.

Now therefore in consideration of the foregoing and respective covenants and agreements set forth in this Implementation Agreement, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

In this Agreement unless the context otherw*ise* requires or implies, the following expressions shall have the meaning herein respectively assigned to them:

"Agreement" means this Implementation Agreement signed between PEDA and the Company.

"Approvals" means the consents, licenses, permits, approvals and registrations by or with any Government Agency or any other authority as may be necessary for setting up and operating the Bio-CNG/CBG Project including but not limited to the approvals from GoP, State Nodal Agency(s) for promotion of NRSE Projects, Punjab State Power Corporation Limited (PSPCL) and other Department(s) as applicable

"Bio-CNG/CBG" means Confirming to BIS specifications as per IS 16087: 2013 (MNRE, GOI guidelines) and any further revisions in the said specifications. Biogas means the total raw biogas produced at the project site.

"Command Area" means the allocation by PEDA of a specific Tehsil to a biomass-based project for sourcing biomass/agro-residue, in accordance with Notification No. 18/01/2021-PE1/2510 dated 19.08.2021, issued by the Department of New and Renewable Energy Sources, Government of Punjab.

"Capacity of Project" means the capacity as per the revised DPR approval Letter no. _____ dated _____ issued by PEDA to the Developer which is **____ TPD CBG based on mainly paddy straw and cattle dung.**

"Commencement of Commercial Operations / Scheduled Date of Commercial Operation" means the Scheduled Date on which the project shall start delivering commercial supply of Bio-CNG/CBG (Biomethane) as per Prudent Utility Practices. This date shall be considered as the commissioning date for the project.

"Conventional Sources of Energy" means sources conventionally used to generate electricity including *inter alia*, coal, coke or any petroleum product, natural gas or any other similar source.

"Dispute" means any dispute or difference whatsoever arising between the parties, out of or relating to the construction, meaning, scope, operation or effect of this Agreement, or the validity, breach or termination thereof.

"Duration of the Agreement/Agreement Period" means the period starting from the date of execution of this Agreement till **25 years** from the date of Commencement of Commercial Operation.

"DPR" means the Detailed Project Report prepared by the Company and as approved by PEDA or any revision thereof approved by PEDA.

"Effective Date" means the date of signing of this Agreement.

"GOP" means the Government of Punjab and includes all agencies and authorities under its control / regulations including but not limited to PEDA.

"GOI" means Government of India and includes all agencies, authorities under its control / regulation including but not limited to Ministry of New & Renewable Energy, Ministry of Power, Ministry of Environment & Forests, Ministry of Petroleum & Natural Gas and IREDA.

"Notification" shall mean notification no. 18/01/2021-PE-1/2510 dated 19/08/2021 issued by Department of New & Renewable Energy Sources (Energy Branch) Government of Punjab in respect of Command Area.

"NRSE Policy - 2012" means the **New & Renewable Sources of Energy Policy** notified by GOP to interalia give incentives for the generation of Bio-CNG/CBG from new and renewable sources of energy and any amendment thereto.

"Non-Conventional / New & Renewable Sources of Energy" means sources other than conventional sources which are set out in NRSE Policy, 2012.

"Meter" means the flow cum integrating meter installed at the supply point in the Project at which the gas/any other byproduct to be sold/supplied will be measured.

"PEDA" means the Punjab Energy Development Agency with headquarters at Chandigarh, which is the Nodal Agency of Govt. of Punjab.

"Project" means Bio-CNG/CBG Project to be set up by the company in**, Tehsil: _____, District: _____, under Self-Identified Scheme of NRSE Policy-2012, on Build Operate & Own (BOO) basis** on the land purchased by the company, civil structures, biogas digesters, gas holder, gas purification equipment, and associated works of the Biogas/Bio-CNG/CBG Plant as per the layout / design, electrical and mechanical plant(s) and equipment(s), instrumentation and control equipment, telephone and wireless systems etc.

"Prudent Utility Practices / Prudent Practices" means those practices, methods, techniques and standards as adopted from time to time that are generally accepted for use in similar utility industries taking into account applicable law, conditions in India and commonly used for the designing, construction, testing, operation and maintenance of the Project, lawfully, safely, efficiently and economically as applicable to the Biogas/Bio-CNG/CBG plants of the size, service and type being set up by the Company and those generally conform to the manufacturer's operation and maintenance guidelines.

"Project Site" means site of the **Compressed Biogas (CBG) Project with capacity of ____ TPD CBG per day based mainly paddy straw and cattle dung, Tehsil: _____**, **District: _____, under NRSE Policy-2012, on Build Operate & Own (BOO) basis,** where the Project is proposed to be established.

"Project Cost" means cost of setting up of the project as per approved DPR.

"Saleable Bio-CNG/CBG" shall mean the net Bio-CNG/CBG available for sale /supply to consumers from the Bio-CNG/CBG Project at the meter point.

"Scheduled Commissioning Date" means the actual commissioning date of the Biogas/Bio-CNG/CBG Project when it starts sale/supply of the gas from the project to consumers.

"Useful Life" In relation to a Biogas/Bio-CNG/CBG Project shall mean **25 years** from the Commercial Operation Date (COD) of such production facility.

ARTICLE 2: INTERPRETATIONS

1. The nomenclature of the headings and paragraphs are for the convenience of reference only and shall be ignored in construing or interpreting this Agreement.
2. References to persons and words denoting natural persons shall include bodies corporate, partnerships, joint ventures, statutory & other authorities and entities.
3. References to any enactment, ordinance or regulation or any provision thereof shall include any amendment thereof or any replacement in whole or in part.
4. Reference to recital(s), article(s), clause(s), sub-clause(s) annexure(s) or schedules shall unless the context otherwise requires, be the recital(s), article(s), clause(s), sub-clause(s) annexure(s) or schedules of this Agreement.
5. The words importing singulars shall include plurals and vice-versa as may be necessary.
6. Any reference at any time to any agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or suspended

at the time of such reference provided that this clause shall not operate so as to increase the-liability or obligations of any Party hereunder or pursuant hereto in any manner whatsoever.

7. Any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from or by any Party shall be valid and effectual only if it is in writing and signed under the hands of a duly authorized representative of such Party in this behalf and not otherwise.

8. Any reference to any period commencing “from" a specified day or date and "till" or "until" a specified day or date shall include both such days or dates.

9. The order of precedence between LOA and the IA (collectively called as “Documents”), in case of any conflict or inconsistency in any provisions of the Documents, shall be as per date of execution of each of them, i.e. the latest executed Document shall prevail over the earlier executed Document.

ARTICLE 3: Sale of Bio-CNG/CBG and any other by product of the process to Consumers

a) The Developer may sell/supply/bill the Bio-CNG/CBG and any other by product of the process produced at the project to consumers and fix its rates. The Developer may sell CBG to Oil Companies under the applicable schemes from time to time, such as “Sustainable Alternative Towards Affordable Transportation” (SATAT), which is an existing scheme, while fulfilling the terms & conditions thereof.

b) The developer has been allowed the period of 24 months from the date of signing of Implementation Agreement (IA) for the commissioning of the project **(Project Implementation Schedule at Annexure-I).** The useful life of the project is **25 years** from the date of start of commercial operation.

c) Admissible subsidy ‘ if any’, will be availed by the company from Ministry of New & Renewable Energy (MNRE), Government of India, as per guidelines/stipulations of Govt. of India for such type of projects. However PEDA/Government of Punjab, will no way be responsible for availability / non-availability of the subsidy from MNRE, Govt. of India.

d) Company will be free to sell/supply Biogas or Bio-CNG/CBG and other by products produced at the project without any hindrance subject to the provisions of Letter of Award / this Agreement.

e) For monitoring the performance of the Project, the Company shall install meters for measuring the Biogas produced at the plant and Bio-CNG/CBG supplied/sold from the plant. The meters shall be ISI marked, duly tested for accuracy, operational all the time and sealed jointly by PEDA and Company.

ARTICLE 4: TERMS OF AGREEMENT

4.1 General

i) The PEDA hereby grants permission to the Company to establish, operate and maintain the Bio-CNG/CBG Project on Build, Own and Operate (BOO) basis for the purpose of producing and to sell biogas/Bio-CNG/CBG and Bio-manure etc. during the Agreement Period.

ii) The Company is permitted to use the project site only for production of Biogas/Bio-CNG/CBG etc. from paddy straw /Other biomass wastes as mentioned in the DPR. The company shall not carry out any other activity, business, and/or transactions other than production of biogas and its associated activities during the Agreement Period.

iii) The project has been awarded to the Company under Self-Identified Scheme of NRSE Policy-2012 and the Company is fully responsible for entire investment to be made for this project including required land for the project for its complete implementation, commissioning and keep it operational for the Agreement Period.

iv) The Company is fully responsible for procurement of the requisite quantities of paddy straw/ cattle dung required for the project at its own cost for the period of the Agreement.

v) All public concerns have been/shall be kept in mind during planning, implementation and operational period of the project and Company will be fully responsible for that in all respects.

vi) The Company shall obtain all requisite applicable statutory clearances like CLU, Forest and NOC from PPCB, PESO, Fire etc. or any other clearances as applicable and get these extended/revalidated from time to time at its own cost. PEDA shall provide required assistance and support in accordance with NRSE Policy 2012.

vii) If any other mandatory approvals / clearances are required in future, the Company shall obtain the same at their own cost.

viii) Being a NRSE Project, all terms & conditions of NRSE Policy-2012 of Punjab Govt. and any amendment / addendum thereof as applicable to Biogas/Bio-CNG/CBG Projects will be applicable.

ix) The Company shall not be permitted to under utilise the capacity of the project as determined in the DPR except for reasons beyond the control of the Company.

x) Self Identified Scheme of state NRSE Policy -2012, **Letter of Award no. _____ dated _____, Detailed Project Report (DPR) approved by PEDA vide letter no. ____ dated _____** are the integral part of this Implementation Agreement.

xi) The Company agrees to implement the Biogas/Bio-CNG/CBG Project keeping in view the quality control measures as well as safety standards as per laws of the State & Government of India. The Company shall submit to PEDA monthly progress report of implementation of project along with photographs of the progress till its Commissioning before 7th day of each calendar month.

xii) The Company shall ensure that the safety of the Biogas/Bio-CNG/CBG Project is always ensured during execution as well as operation of the project, as instructed by the PEDA/PPCB /other statutory authorities.

xiii) The Company shall take insurance cover from reputed insurance Company as is required by law and prudent utility practices and PEDA shall not be liable for safety of persons and property of the Company and shall not be in any way liable for any damage that may occur to the Bio-CNG/CBG project or the Company's employees, agents, representatives etc.

xiv) The Company shall at its own cost, make adequate arrangements for procurement of Paddy straw/other agri residue /feed stock as per project requirement, in required quantities during the harvesting season of Paddy for the full year requirement and its storage.

i) The Company shall obtain all applicable clearances from the concerned authorities for production, storage and supply of Bio-CNG/CBG and comply with all the applicable conditions.

i) The arrangement of requisite land for setting up of the project is sole and exclusive responsibility of the developer at his own cost.

4.2 Effectiveness

This Agreement shall come to force from the effective date and shall remain effective for the Agreement Period as per Para 4.3 below.

4.3 Agreement Period

This Agreement shall remain in force from the Effective Date till **25 (Twenty Five) years** from the date of Commencement of Commercial Operations of the Project, unless terminated earlier in accordance with the provisions of this agreement. The Agreement can be further extended with mutual consent of the parties after the Company undertakes the R&M of the project equipment at the end of the Agreement period, subject to satisfaction of PEDA and other statutory bodies as to the meeting with the technical standards prevailing at that time.

ARTCLE 5: BENEFITS OF NEW AND RENEWABLE SOURCES OF ENERGY (NRSE) POLICY OF 2012 TO THE COMPANY

The Department of Science, Technology, Environment & Non-Conventional Energy Sources, Govt. of Punjab vide notification No. 10/174/2012/STE(3)/4725, dated 26 December 2012 (now Department of New & Renewable Energy Source) has issued a New and Renewable Sources of Energy (NRSE) Policy 2012 and amendment vide notification no. 18/7/2015-PE1/1605 Dated 9.7.2015 under which State Government will provide fiscal and technical assistance to the Company as contained in the said Policy.

ARTICLE 6: OBLIGATIONS OF PARTIES

6.1 Obligations of PEDA:

i. PEDA will provide necessary support to facilitate the development of the project. This may include facilitation in assisting and advising in respect of obtaining various approvals from the Government Departments on the request of the company. However, it will be the sole responsibility of the Company to obtain such Approvals at its own cost. PEDA shall provide required assistance and support in accordance with NRSE Policy 2012.

ii. PEDA/Government of Punjab shall not be held responsible or liable for any loss, damage, delay, cost, or consequences suffered by the project developer arising out of or attributable to strikes, public protests, law and order situations or any other unforeseen or force majeure circumstances beyond the control of PEDA/Government of Punjab. The project developer shall not be entitled to claim any compensation, damages, or reimbursement from PEDA/Government of Punjab on account of such events.

6.2 Obligations of Company:

i. The Company shall act as per the terms and conditions of agreements/LOA.

i. The Project has been allocated under the Self Identified Scheme of NRSE Policy-2012 and the same is assigned to the Company with the approval of PEDA/GOP. The aggregate equity contribution of the Company/ promoters of the allottee Company to which the project has been allocated shall not be less than 51% (fifty one percent) during the construction period and until 1 (one) year from the Schedule Date of Commercial Operation.

The Company shall not assign, sublet or transfer its rights and benefits hereunder except as provided in this Agreement without the prior approval of PEDA whose approval will not be unreasonably with held**.**

iii. Performance Bank Guarantee:

The Company has submitted the Performance Security amounting Rs. _____ lac (Rupees Five lac only) through Performance Bank Guarantee bearing no. _____ dated _____ valid upto _____ issued by _____ Bank for the project.

iv) Technology:

The Company shall submit a certificate from the project owner/client of at least one project, situated anywhere in the world and being operated on the technology proposed to be supplied for the project that the technology is in successful operation in that project.

v. Commissioning of Project:

The Company shall commission the project within 24 months from the Date of signing of Implementation Agreement (IA) with PEDA in line with "Project Implementation Schedule" annexed with this agreement as Annexure-I. The Company shall make all out efforts to commission the project as per schedule of commissioning provided in this agreement. Extension in the Project Implementation Schedule shall be granted to the company by PEDA on submission of documentary evidence showing that the reasons for delay are beyond the control of the company. However, in case, there is delay in commissioning of the project owing to the reasons attributable to the company**,** the Provisions of Article 7 will apply.

vi. Project Maintenance & Operation

The Company shall ensure that the project is maintained in accordance with the manufacturer's instructions, procedures, relevant safety codes, Indian Rules and prudent utilities practices and Indian/International Standards during the Agreement period.

vii. Alternative Facilities

The Company shall ensure that while implementing the Project, the Project will not affect any public utility scheme such as drinking water, irrigation schemes, approach roads / paths etc. except to the extent required and approved by the concerned department/authority. The cost of the remedial measures shall be a part of the Project cost. The Company shall not interfere with any of the existing facilities till an alternate facility as identified is created.

viii. Water requirement for construction:

The Company shall ensure that the water requirement for construction and during operation of the project including potable water shall be arranged and harnessed by them from the local sources of water supply including underground water with the permission of Ground Water Board/Competent authority, as applicable.

ix. Adherence to law

The Company shall follow and obtain all necessary clearances / approvals under all the relevant laws, including without limitation, all labour laws, and shall also provide for safety provisions as per the relevant Acts, Codes, Rules etc., as notified by Appropriate Governments, Factories Act, 1948 (as amended/substituted) and such other statutory provisions as applicable to the project.

x. Safety Measures

The Company agrees to carry out the investigations as well as implement the Project keeping in view the quality control measures as well as safety standards of the DPR to the maximum extent possible. The Company shall allow access, to the authorised representatives of PEDA/GOP/GOI to all the locations of the Project to ensure compliance in this respect.

xi. Compensatory afforestation

The Company shall pay the cost of raising compensatory afforestation and its maintenance and land & any other charges, as may be determined by the concerned department of GOP/GOI under the law, if applicable.

Article 7.0: CONSEQUENCES OF DELAY IN COMMISSIONING BY THE COMPANY

A. Forfeiture of Performance Security:

The Biogas/Bio-CNG/CBG Project shall be commissioned within 24 months from the date of signing of Implementation Agreement or within the period as per the extension given by PEDA as per provision of 6.2(v) above. In case of failure to achieve this time limit, the Performance Guarantee of the Company shall be forfeited by PEDA.

B. Termination of IA:

Forfeiture of Performance Security as mentioned at '**A'** above, shall be followed by termination of IA and all other agreements which are integral part of IA and cancellation of LOA, if the project is unreasonably delayed by the Company. PEDA/GOP shall not be responsible for any loss of any kind to the Company due to such cancellation of LoA and termination of Implementation Agreement.

ARTICLE 8: DEFAULTS

1. Default by PEDA

The occurrence and continuation of the following events shall constitute a default on the part of PEDA unless such event(s) occur(s) as a result of a Company default as defined in clause 8.2.

i) PEDA repudiates this agreement or otherwise evidences an intention not to perform its obligations under, or to be bound by this agreement.

ii) Occurrence of a political force majeure event.

2. DEFAULT BY COMPANY

The occurrence and continuation of any of the following events shall constitute "Company Default" unless any such event occurs as a result, of a PEDA default as defined in Clause 8.1.

i) The Company repudiates the Agreement or otherwise evidences an intention not to perform its obligations under, or to be bound by this agreement.

ii) The Company fails to make payments in respect of its obligation under the agreement.

iii) The Company assigns all or part of its rights or its obligations under this agreement or transfer its assets in violation of any of the provisions of this agreement.

iv) The transfer pursuant to law of either the Company's rights and or its obligations under this agreement of all or a substantial portion of the Company's assets or undertakings or the dissolution of the Company pursuant to law including, by way or merger or consolidation, liquidation and reconstitution or re-organization

v) The material breach(s) by the Company of any of the terms of this agreement.

3. Cure period

i) Upon occurrence of a default by a party pursuant to Clauses 8.1 or 8.2 (Defaulting party), the other party (Non defaulting party) has the right to issue a default notice.

ii) On receipt of the default notice, the defaulting party shall take immediate steps to cure such a default within a period of ninety 90 days from the receipt of the default notice with due notice to the non-defaulting party of steps taken by it to cure the above default.

iii) In the event the reasons leading to the default have been cured to the reasonable satisfaction of the non-defaulting party, the default notice shall cease to have any effect.

In the event the party is unable to cure the default to the reasonable satisfaction of the non-defaulting party within the period specified in Sub Clause 8.3 (ii) above, the provisions of the clause 8.4 shall apply as the case may be.

4. Remedies available to the PEDA

Upon the occurrence, and continuation of a Company default under Article 8.2 above, and the failure by the Company to cure such a default within the applicable cure periods, as specified in Article 8.3, the PEDA shall have the right to terminate this agreement by notice to the Company subject to the cure rights mentioned above. This is without prejudice to right of claim & recovery of penalty from the Company.

ARTICLE 9: TERMINATION

9.1 This agreement may be terminated on serving a thirty (30) days' notice (Termination notice) by PEDA if,

i) The Company does not achieve financial closure, and / or obtain statutory clearances from the concerned authorities as stipulated in the Implementation Schedule.

ii) The Company does not start construction work at site after statutory clearances as stipulated in the Implementation Schedule.

iii) In case of undue delays by the Company.

In case of delays stated above on the part of the Company, the agreements will be terminated and performance security of the Company shall be forfeited by PEDA.

9.2 Termination of the agreement shall be without prejudice to the accrued rights and liabilities of the parties as on the date of the termination unless waived in writing by the parties.

ARTICLE 10: FORCE MAJEURE

10.1 Force Majeure Event

In this Agreement, Force Majeure means occurrence of an event in India of any or all of non-political events described hereinafter in clause 10.2 and political events described in clause 10.3 respectively which prevents the party claiming Force Majeure. (The affected party) from performing its obligations under this agreement and which act or event,

i. Is beyond the reasonable control of and not arising out of the fault of the affected party.

ii. The affected party has been unable to prevent by the exercise of due diligence and reasonable efforts, skill and care, including through expenditure of reasonable sum of money and

iii. Has a materially adverse effect on the projects.

10.2 Non-Political Force Majeure events

For the purpose of 10.1 non-political force majeure events shall mean one or more of the following acts or events:

i) Acts of God or events beyond the reasonable control of the affected party which could not reasonably have been expected to occur such as epidemic, pandemic, extreme adverse weather or environment conditions, lightening, heavy rains, cyclones, tempest, whirlwind, landslides, storms, floods, volcanic, eruptions or fire (to the extent originating from the source external to the site or not designed for in construction works), curfew, lockdown);

ii) Radioactive contamination or ionising radiation;

iii) An act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, unexpected call up of armed forces, embargo, blockade, rebellion, riot, religious strike, bombs or civil commotion, sabotage terrorism;

iv) Any judgement or order of any court of competent jurisdiction or statutory authority in India made against the Company in any proceedings for the reason other than failure of the Company to comply with any applicable law or clearance or on account of breach thereof, with any applicable law or clearance or on account of breach thereof, or of any contract, or enforcement of this Agreement or exercise of any of its rights under this Agreement by PEDA; or

v) Any other event or circumstances of nature analogues to the foregoing.

10.3 Political Force Majeure Event

Political Events shall mean one or more of the following acts or events by or an account of PEDA, GoP, GoI or any other Government Agency or Statutory Authority.

i) Change in law.

ii) Expropriation or compulsory confiscation, by any Government Agency of any Project Assets or rights of the Company.

iii) The unlawful or un-authorized or without jurisdiction revocation of, or refusal to renew or grant without valid cause any consent or approval required by the Company to perform its obligations under the Agreement (Other than a consent the obtaining of which is a condition precedent) provided that such delay, modification, denial, refusal or revocation did not result from the Company's inability or failure to comply with any condition relating to grant, maintenance or renewal of such consent or permits.

10.4 Notification obligations

If a party is affected by any force Majeure event, the affected party shall give the other parties written notice describing the particulars of the Force Majeure event as soon as reasonably practicable after its occurrence but not later than five (5) days after the date

on which such party knew of the commencement of the Force Majeure event or of its effect on such party.

10.5 Obligations of the parties in case of Force Majeure Event:

i) The parties shall cooperate and negotiate in good faith and will develop implementation plan of remedial and reasonable alternative measures to remove / remedy Force Majeure event to enable the performance of the affected party provided however, that no party shall be required under this provision to settle strike or other labour dispute.

i) Upon the occurrence and during the subsistence of any Force Majeure event, none of the parties shall be relieved of their liabilities/obligations including liability for payment as per the Agreement.

i) In case a Non-political force majeure event necessitates extension of time for the Project implementation both the parties will duly accept it.

i) The extra cost for completion of Project due to a non-political force majeure event including inter alia, additional or extra work required to be done, interest due during the extended period of project completion and escalation shall be duly considered in the project completion cost for all purposes of the agreement.

i) In case of Force Majeure events after completion of the project the parties shall take action as per sub clause (i) above and the additional cost required for remedial and alternative measures to remove/remedy the force majeure shall be added to the project completion cost for all purpose of the agreement.

i) In case of any party not willing to implement the plan of remedial and reasonable alternative measure to remove/remedy the force majeure event it shall be construed as a default of such party and then relevant provisions of Article 10 shall apply.

i) The suspension of performance shall be within the affected scope and duration as required by force majeure.

i) When the non performing party is liable to resume performance of its obligation under this agreement that party shall give the other parties written notice to that effect as soon as practicable.

ii) In case the Schedule date of Commercial Operation of the project is delayed due to force majeure conditions stated above and the same are accepted by the competent authority, the due dates for encashment of performance security shall be extended accordingly.

ARTICLE 11: PAYMENTS BY THE COMPANY

i) **Facilitation Charges**

The Company has paid a sum of Rs. _____/- (which is equivalent to 0.5% of Project Cost of Rs. _____ as per DPR) through bank transfer in favour of PEDA, (BR No. _____ dated _____) as mentioned in the Letter of Award, as non-refundable facilitation service charges.

i) Performance Security

The Company has submitted the Performance Security amounting Rs. _____ lac (Rupees Five Lac only) through Performance Bank Guarantee bearing no. _____ dated _____ valid upto _____ issued by _____ Bank, for the project**.**

The Performance Security shall be released to the company on successful commissioning of the project, commissioned within the scheduled/extended time period.

ii) All type of registration, taxes, duties etc. shall be paid by the Company for execution of agreements / works as per the relevant provisions of law / NRSE Policy-2012.

ARTICLE 12: REPRESENTATION AND WARRANTIES

12.1 PEDA hereby represents and warrants to the Company

i) That PEDA has the power to execute, deliver and perform fully all its obligations and liabilities under this agreement and

ii) That the execution, delivery and performance by the PEDA of this agreement will not violate any court, provision of any existing law or notification or regulation or order or decree of any court, governmental authority, or agency or any contract undertaking or agreement to which PEDA is a party/binding on PEDA and will not result in the imposition or creation of any lien, charge or encumbrance or party thereof.

12.2 The Company hereby represents and warrants to PEDA that:

i) It is duly organised, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

ii) It has full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;

iii) It has taken all necessary corporate and other action under Applicable Laws and its constitutional documents to authorise the execution, delivery and performance of this Agreement;

iv) It has the financial standing and capacity to undertake the Project;

v) This Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with the terms hereof;

vi) it is subject to civil and commercial laws of India with respect to this Agreement and it hereby expressly and irrevocably waives any immunity in any jurisdiction in respect thereof;

vii) All the information furnished in the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms of the Company's partnership deed or any Applicable Laws or any covenant, agreement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;

viii) The Company has complied with all Applicable Laws and has not been subject to any fines, penalties, injunctive relief or any other Civil or criminal liabilities which in the aggregate have or may have material adverse effect on its financial condition or its ability to perform its obligations and duties under this Agreement;

ARTICLE 13: INDEMNITY

13.1 The Company shall bear the responsibility, for any third party claim action of any proceedings of whatsoever nature (including without limitation) those initiated by any statutory authority, court or tribunal or government agency against the PEDA, its officers and employees in respect of any loss of or damages to the property death or injury to the person together with all expenses relating thereto (including without limitation all legal fees) arising out of or in relation to the design, constructions, ownership operation and maintenance of the project etc. or omission of the Company, its contractors or their sub-contractors or the lenders to comply with the applicable laws, without recourse to the PEDA and the Company shall hold PEDA, its officers and employees fully indemnified in respect thereof.

13.2 PEDA shall notify the Company of any claim, action or proceedings in respect of which it is entitled to be indemnified under this clause. Such notice shall be given within 60 days after PEDA becomes aware of such claims, action or proceedings.

13.3 PEDA shall have the right, but not the obligation to defend and litigate (and to retain the legal advisors of its choice in connection therewith) any claim action or proceedings alleged or asserted against PEDA its officers or its employees in respect of which it is indemnified under this clause, and the reasonable costs and expenses thereof shall be subject to such indemnity provided that the Company shall be entitled at its option, and if permitted by law, to assume and control the conduct and defence of such claim, action or proceedings at its expenses and through its own legal advisors if it:

a) Gives notice of its intention to do so to PEDA

b) Acknowledges to PEDA in writing its obligation to indemnify PEDA of its officers or employees or all of them both in their personal and official capacity.

c) Reimburse the government for the reasonable costs and legal fees incurred that far by PEDA prior to the assumption of the defence by the Company, PEDA shall not compromise or settle any claim, action or proceedings in respect of which it is entitled to be indemnified under this clause without prior consent of the Company.

ARTICLE 14: RESOLUTION OF DISPUTES

14.1 The parties shall attempt to resolve any dispute, arising out of or in connection with this agreement (hereinafter referred as the dispute) by mutual discussion. In the event that any dispute cannot be resolved between the parties with in a period of 30 days of the commencement of the discussions, then such dispute shall be settled under the Arbitration & Conciliation Act 1996 as amended upto date. The arbitration shall be conducted at Chandigarh, India in English language. Any award given by the arbitrator shall be final and binding on the parties and shall be in lieu of any other remedy within the meaning of Arbitration and Conciliation Act'1996.

14.2 In the event of dispute between the parties, the appointment of arbitrator shall be governed by the provisions of Arbitration & Conciliation Act 1996 as amended upto date.

14.3 Neither party shall resort to any proceeding in the court except for the enforcement of award in respect of a dispute having first exhausted the remedy under this clause.

14.4 During the subsistence of the arbitration proceedings both parties shall continue to perform their respective obligations under this agreement provided that the right of either party to terminate this agreement in accordance with the provisions thereof shall not be effected by the subsistence of arbitration proceedings.

ARTICLE 15: Miscellaneous

15.1 Good faith

Both the Parties shall do and execute all such acts, deeds, assurances and things as may be necessary and proper for carrying out the terms of this Agreement. The Parties agree to negotiate and enter into such agreements as may be required to give effect to the understanding reached herein.

15.2 Further Assurance

The Parties shall, and shall use their respective reasonable endeavours to procure that any necessary third parties shall, do, execute and perform all such further deeds, documents assurances, acts and things as any of the Parties hereto may reasonably require by notice in writing to the others to carry the provisions of this Agreement and the clauses into full force and effect.

15.3 **No Partnership**

Nothing in this Agreement shall constitute or be deemed to constitute a partnership between any of the Parties hereto and none of them shall have any authority to bind the other in any way.

15.4 Waiver

No failure to exercise and no delay in exercising on the part of the party of any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege prelude any other or further exercise thereof or the exercise of any right, power or privilege. The rights and remedies provided in this agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law.

15.5 Severability

Notwithstanding that any provision of this agreement may prove to be illegal or enforceable the remaining provisions of this agreement shall continue in full force and effect. Parties shall in good faith negotiate and agree upon a replacement provisions which shall be as close as permissible in law to such a provision.

15.6 Survival

The termination or expiry of this agreement shall not affect the accrued rights, obligations and liabilities of the either party under this agreement nor shall it affect any continuing obligation, which this agreement provides, whether expressly or by necessary implication.

15.7 Confidentiality

The parties shall on a confidential basis at all times forthwith provide to each other information as is available and is necessary or useful to enable each party to perform its obligation under this agreement. Each of the parties may however, use or disclose confidential information to a third party to the extent necessary for the performance of and control of the financing, construction and operation of the project, subject to prior consent from the other party, provided that the either party may disclose any such confidential information without the consent of the other party to a Government Agency.

Upon the transfer of the reports and studies prepared as a result of investigations and geological surveys conducted by PEDA in respect of the site to the Company neither party shall disclose such reports and studies to any third party or publish the same in any manner except with the prior approval of the other party.

The parties hereto shall pass their directors, officers, employees, servant's agents and contractors to be similarly bound by the convent specified in this clause above.

15.8 Governing law

The rights and obligations of the parties under or pursuant to this agreement shall be governed by and constructed according to Indian law. This agreement shall be subject to the jurisdiction of the courts in Chandigarh.

15.9 Assignment

The Company shall not sublet or transfer its rights accrued under this agreement to any third party except for the purpose of arranging or re-arranging finance for the project.

15.10 Communication

Any communication to be made by one party to the other party under this agreement shall be validly made when delivered in writing by hand or through fax or through regd. Mail.

The communication shall be addresses as below:

If to the Company

Director/CEO
M/s. _____
Registered Address
Mob. No. _____
Email: _____

If to PEDA

Chief Executive / Director
Punjab Energy Development Agency
Solar Passive Complex
Plot No. 1&2, Sector 33-D, Chandigarh – 160 034
Phone: 0172-2663328, 2663385 Fax: 0172-2662865
Email:

Any party may by notice, change the address of communication to be delivered or mailed.

15.11 Headings

That the heading or titles of the several sections hereof are for convenient of reference and shall not affect the construction or interpretation of this agreement.

15.12 Amendment

No amendment or waiver of any provision of the agreement and no consent to any departure by either party here from, shall in any event be effective unless the same shall be in writing and signed by each of the parties.

15.13 Successors bound

This agreement shall be binding on and shall ensure for the benefits of the successors of the parties.

15.14 Continuing Agreement

All provisions of the agreement shall so far as they are capable of being performed and observed continue in full force and effect except in respect of those matters then already performed.

In witness whereof, the parties hereto have executed and delivered this agreement in the presence of witnesses at Chandigarh, India on the date, first month and year written above,

For and on behalf of **Punjab Energy Dev. Agency**	For and on behalf of **M/s. _____**
_____ **Authorized Signatory** **Punjab Energy Dev. Agency**	**_____** **Authorized Signatory** **M/s. _____**
Witnessed by:	Witnessed by:

Annexure-(i)

PROJECT IMPLEMENTATION SCHEDULE

The company shall implement the project within 24 months from the date of Implementation Agreement as per milestones below:

Sr. No.	Activity	Time schedule (Days)
1	Signing of Implementation Agreement (effective date) on _____	0
2	Financial Closure, Statutory Clearances like CLU if applicable, PPCB clearance, land lease agreement, any other statutory approval required for the project and approval of General Layout Plan by PEDA or any authority,(if needed) etc.	180
3	Commencement of project construction	30
4	Commencement of Commercial Operation	510
	TOTAL	**720 Days**
	Note: The total time comes out to be 24 months from the effective date i.e. signing of IA	**720 days**