DETAILED PROJECT REPORTS (DPR)

09/05/2022

AGK BIO FUELS AND GRANULES PRIVATE LIMITED
Aadishakti Tower, CTS No: 5650, SY No: 236/2,
Basement, Goaves belagavi. Karanataka. 590011.

1.Executive Summary

1. Company Overview

AGK Bio Fuels and Granules Private Limited
Registered Office: Aadishakti Tower, CTS No. 5650, SY No. 236/2, Basement, Goaves, Belagavi, Karnataka – 590011

AGK Bio Fuels and Granules Pvt. Ltd. is an emerging renewable energy enterprise committed to promoting **clean, sustainable, and affordable fuel alternatives** to reduce dependency on fossil fuels and lower environmental pollution.

The company is primarily engaged in the **production, distribution, and sale of CNG (Compressed Natural Gas)** and **bio-based renewable fuels**, while also exploring expansion into **electric vehicle (EV) infrastructure and allied energy services**.

Our mission is to contribute toward India's green energy transition by providing **eco-friendly, cost-effective, and accessible energy solutions** that align with the national goals of **Net Zero Emissions by 2070** and the **Renewable Energy Mission**.

2. Purpose of the Project

The proposed project seeks a **loan of ₹5,00,00,000 (Rupees Five Crore only)** under the **Credit Guarantee Scheme for Startups (CGSS)** or other relevant credit-linked subsidy programs.

The purpose of the project is to:

- **Expand CNG fuel retail operations** in and around **Belagavi district**.
- **Establish infrastructure** for renewable fuel storage, distribution, and retail sales.
- **Set up EV charging points** alongside CNG stations to create a hybrid clean energy ecosystem.
- Promote **green mobility** and contribute to India's mission of reducing vehicular pollution and fossil fuel dependency.

This funding will support AGK Bio Fuels in becoming a regional leader in **clean fuel distribution**, catering to public transport, private vehicles, and commercial fleet operators.

3. Industry and Market Opportunity

India's energy landscape is undergoing a major shift. The government's focus on **sustainable mobility, biofuels, and electric vehicles** presents vast opportunities for clean energy businesses.

CNG and Biofuel Market Trends

- India's **CNG consumption** is growing at **12–15% annually**, driven by rising fuel costs and urban emission norms.

- Over **12 million vehicles** in India now operate on CNG, and this number is rapidly increasing with new city gas distribution licenses.
- The Government of India's **"Sustainable Alternative Towards Affordable Transportation (SATAT)"** initiative encourages private sector participation in CNG and biofuel production.
- States like **Karnataka, Maharashtra, and Gujarat** have been identified as key growth regions for green energy and renewable fuel adoption.

EV Ecosystem Opportunity

- The **Electric Vehicle Policy 2030** aims for 30% electrification of new vehicles by 2030.
- Integration of **EV charging stations** with CNG outlets offers an efficient and future-ready business model.

Local Market Potential

- Belagavi, being a rapidly developing industrial and transport hub, presents high demand for **clean and economical fuel alternatives** for commercial fleets, autos, taxis, and small industries.
- Rising diesel and petrol prices have created a favorable shift toward CNG due to its **50–60% cost advantage** and **90% lower emission levels**.

4. Project Highlights

The proposed project envisions the establishment of a **modern, scalable, and eco-friendly CNG and Renewable Energy distribution network**.

Key Components:

1. **CNG Fuel Station Network:**
    - Setting up multi-point retail stations in strategic locations of Belagavi and nearby districts.
    - Each station will include CNG filling units, storage tanks, and safety infrastructure.
2. **Renewable Biofuel Production & Supply:**
    - Partnership with suppliers of biogas and agricultural waste-based fuel.
    - Sale of processed and certified bio-CNG to both transport and industrial users.
3. **Electric Vehicle (EV) Charging Infrastructure:**
    - Installation of high-speed and regular EV charging points at CNG retail sites.
    - Integration with government EV networks and mobile apps for user access.
4. **Logistics and Distribution System:**
    - Dedicated transportation for CNG and biofuel supply.
    - Safety compliance with PESO and environment regulations.
5. **Technology Integration:**
    - Real-time monitoring systems for energy distribution, billing, and emissions tracking.

5. Funding Requirement and Utilization

AGK Bio Fuels proposes a **total project cost of ₹5 crores**, which will be utilized as follows:

Particulars	Amount (₹ Lakhs)	Purpose
Land & Site Development	50	Lease/rental, civil works, site preparation
CNG Infrastructure & Equipment	180	Compressors, storage tanks, dispensers, safety systems
Biofuel Production and Supply Chain	70	Procurement, transport vehicles, logistics
EV Charging Setup	50	Charging equipment, installation, connectivity
Technology and IT Systems	25	Software, monitoring, billing systems
Licensing & Regulatory Approvals	15	PESO and pollution control clearances
Marketing & Branding	25	Awareness, outreach, and business promotion
Working Capital	85	Operations, salaries, utilities, maintenance
Total Estimated Project Cost	**₹500.00 Lakhs**	

The funds will be implemented in a **phased plan over 12 months**, ensuring efficient resource allocation and operational readiness.

6. Competitive Advantage

AGK Bio Fuels holds a unique position in the Belagavi region through its focus on **clean mobility and renewable fuel solutions**.

Key Strengths:

- **Integrated Energy Model:** Combining CNG, Biofuel, and EV infrastructure.
- **Cost Efficiency:** CNG is 40–60% cheaper than diesel and petrol.
- **Eco-friendly Approach:** Reduction of CO_2 emissions by over 80% compared to conventional fuels.
- **Government Alignment:** Directly aligned with **SATAT**, **CGSS**, and **Atmanirbhar Bharat** initiatives.
- **Local Demand Advantage:** Catering to rapidly expanding transport and logistics industries in North Karnataka.

AGK Bio Fuels intends to build strong partnerships with **fleet operators, auto-rickshaw unions, municipal transport authorities, and private industries**, ensuring consistent demand and utilization.

7. Expected Outcomes

The implementation of this project will deliver measurable environmental, economic, and social outcomes:

1. **Environmental Impact:**
   - Reduction of air pollution and greenhouse gases.
   - Promotion of renewable fuel usage in daily transport.
2. **Economic Impact:**
   - Generation of **direct employment** for over 40 skilled and semi-skilled workers.
   - Creation of **indirect employment** in logistics, vehicle servicing, and manufacturing.
3. **Social Impact:**
   - Affordable and clean energy availability for local communities.
   - Contribution to **India's Green Energy and Clean Air initiatives**.
4. **Financial Impact:**
   - Stable revenue streams from fuel retail, EV charging, and logistics.
   - Expected **annual turnover of ₹10–12 crores by Year 3** with steady profit margins.

8. Conclusion

The proposed project by **AGK Bio Fuels and Granules Private Limited** represents a crucial step toward **sustainable and clean energy transformation** in Karnataka. With the rising demand for **CNG and renewable fuel alternatives**, this venture is both **socially responsible** and **financially viable**.

The requested loan of **₹5 crores under the CGSS** will enable the company to establish critical infrastructure, expand operations, and contribute meaningfully to India's renewable energy mission.

AGK Bio Fuels aims to become a **regional leader in green energy**, promoting cleaner transportation, reducing carbon emissions, and driving economic development through innovation, technology, and environmental stewardship.

2.Company Owner's View

1. Vision and Mission

As the founder of **AGK Bio Fuels and Granules Private Limited**, I firmly believe that the future of India lies in **clean, renewable, and affordable energy solutions**. The growing concern over environmental degradation, air pollution, and fossil fuel dependency demands a transition toward sustainable alternatives.

Our mission is to become a **trusted regional leader in the clean energy sector**, providing **Compressed Natural Gas (CNG)**, **bio-based renewable fuels**, and **electric vehicle (EV) charging infrastructure** that together form the backbone of India's green mobility revolution.

Through this project, we aspire to:

- Promote **eco-friendly transportation** by offering cleaner fuel options.
- Support India's commitment to **Net Zero Emissions by 2070**.
- Empower local economies by generating employment and sustainable business opportunities.
- Create awareness about the economic and environmental benefits of using CNG and renewable energy.

Our long-term vision is to make AGK Bio Fuels a **model enterprise** that combines **profitability with purpose**, contributing meaningfully to both society and the environment.

2. The Founder's Perspective

Having worked closely with local businesses, transport operators, and vehicle owners in and around **Belagavi, Karnataka**, I have witnessed the **rapid rise in fuel costs** and the **negative environmental effects** of diesel and petrol usage. These issues have not only increased the cost of transportation but have also contributed significantly to air pollution and carbon emissions.

CNG (Compressed Natural Gas) offers a viable and immediate solution to this challenge — it is **cleaner, safer, and 40–60% cheaper than diesel**. Additionally, as the adoption of **electric vehicles (EVs)** grows, there is a clear need to establish **hybrid clean energy stations** that can cater to both CNG and EV customers.

Through **AGK Bio Fuels and Granules Pvt. Ltd.**, my goal is to create a **comprehensive clean energy ecosystem** in Belagavi and surrounding regions. By setting up modern CNG stations integrated with renewable energy infrastructure and EV charging points, we aim to make green energy **accessible, affordable, and reliable** for all.

3. The Need for the Project

The Indian government's focus on **renewable energy, clean fuels, and electric mobility** presents a historic opportunity for entrepreneurs to contribute to national development. The **SATAT (Sustainable Alternative Towards Affordable Transportation)** initiative and **CGSS (Credit Guarantee Scheme for Startups)** provide both policy support and financial backing for ventures like ours.

However, the key challenge lies in **building the infrastructure** necessary to make clean fuel widely available in smaller cities and semi-urban areas. Currently, the Belagavi region has **limited CNG filling stations**, forcing vehicle owners to depend on petrol and diesel, which are both expensive and polluting. Similarly, **EV users face a lack of charging facilities**, limiting the adoption of electric mobility.

Our proposed project directly addresses these challenges by establishing **CNG retail outlets and EV charging stations**, ensuring reliable supply, and fostering public confidence in green energy.

The project's success will not only reduce pollution but also bring down transportation costs, encourage the transition to eco-friendly vehicles, and generate employment opportunities in the renewable energy sector.

4. Project Objectives from the Owner's View

From my perspective as the company's founder, the key objectives of this project are as follows:

1. **Infrastructure Development:** Set up state-of-the-art CNG refueling and EV charging stations in Belagavi and nearby districts, equipped with the latest safety and monitoring systems.
2. **Renewable Energy Promotion:** Encourage the use of bio-based CNG and renewable fuels to replace diesel and petrol in transportation and small industries.
3. **Economic Growth and Job Creation:** Generate direct and indirect employment opportunities for local youth in the areas of energy operations, logistics, maintenance, and customer services.
4. **Environmental Conservation:** Contribute to cleaner air and reduced carbon emissions by promoting low-emission fuel options.
5. **Sustainability and Scalability:** Build a profitable, scalable business model that can be replicated across other regions in Karnataka and eventually across India.

5. Use of Financial Assistance

We are seeking a **loan of ₹5,00,00,000 (Rupees Five Crore only)** under the **CGSS scheme**, which will be strategically used for:

- Developing infrastructure for CNG storage, compression, and distribution.
- Setting up EV charging units with renewable energy integration.
- Acquiring land, equipment, and safety systems for fuel management.
- Hiring skilled manpower and providing operational training.
- Working capital for day-to-day operations, marketing, and customer outreach.

The financial support will enable AGK Bio Fuels to establish a **strong foundation for growth**, enhance operational capacity, and ensure that green fuel becomes the preferred choice for transportation and logistics in the region.

6. Commitment to Sustainability and Growth

As an entrepreneur, my approach to business is rooted in **responsibility, innovation, and impact**. I view this project not merely as a business opportunity but as a **social and environmental mission** — a chance to make a measurable difference in how we produce and consume energy.

Our operations will strictly follow:

- **Environmental and safety regulations** as per PESO and pollution control authorities.
- **Quality assurance standards** to ensure the highest reliability in fuel and service delivery.
- **Sustainability principles**, including the use of renewable sources and minimal wastage.

Moreover, we are committed to continuous innovation — adopting **smart metering, digital payment systems, and real-time monitoring** to improve customer experience and operational efficiency.

In the coming years, AGK Bio Fuels will aim to:

- Expand its network across North Karnataka and neighboring states.
- Collaborate with government agencies under **Skill India** and **Atmanirbhar Bharat** initiatives.
- Develop **CSR-driven programs** to raise awareness about clean energy and environmental protection.

7. Conclusion

As the owner of **AGK Bio Fuels and Granules Private Limited**, I envision building a business that goes beyond profit — one that serves people, protects the environment, and contributes to India's clean energy future.

With the right financial support and guidance, our company will be well-positioned to:

- Deliver affordable and eco-friendly fuel solutions.
- Support the national mission of energy self-reliance.
- Lead the transition to **green mobility** in the Belagavi region and beyond.

The requested **₹5 crore loan under the CGSS** will help transform this vision into reality — creating a sustainable, high-impact enterprise that drives economic growth while protecting our planet for future generations.

We are confident that **AGK Bio Fuels** will emerge as a **symbol of innovation, responsibility, and sustainability** in India's renewable energy sector.

3.Company Problem Statement

1. Background and Context

India is at a critical juncture in its transition toward **clean, renewable, and sustainable energy sources**. The growing concerns over **rising fuel prices, environmental pollution, and dependence on imported fossil fuels** have created an urgent need for alternative, eco-friendly energy options.

In this context, **AGK Bio Fuels and Granules Private Limited**, headquartered at Aadishakti Tower, CTS No. 5650, SY No. 236/2, Basement, Goaves, Belagavi, Karnataka – 590011, has been established to address these challenges through the promotion of **Compressed Natural Gas (CNG)**, **renewable fuels**, and **electric vehicle (EV) infrastructure**.

Despite the national push for clean energy, several **structural, infrastructural, and accessibility gaps** continue to hinder the widespread adoption of CNG and renewable fuels, especially in **Tier-2 and Tier-3 cities** like Belagavi. The company seeks to solve these gaps through an integrated green energy project supported by financial assistance of **₹5,00,00,000 (Rupees Five Crore only)** under the **Credit Guarantee Scheme for Startups (CGSS)**.

2. The Core Problem

2.1 High Dependence on Polluting Fuels

The transport and logistics sectors in Belagavi and surrounding regions remain heavily dependent on **diesel and petrol**, which are both expensive and environmentally damaging. The increasing number of diesel vehicles has led to:

- **Severe air pollution** and rising levels of particulate matter (PM2.5 and PM10).
- **Greenhouse gas emissions**, contributing to global warming.
- **High operating costs** for vehicle owners due to volatile fuel prices.

Although CNG and biofuels are cleaner and more affordable, their limited availability prevents consumers from making the transition.

2.2 Lack of CNG and Renewable Fuel Infrastructure

While major metros in India have a well-developed network of **CNG stations and renewable energy infrastructure**, smaller urban areas like Belagavi lag significantly behind. The region faces:

- **Insufficient CNG refueling stations**, forcing consumers to rely on conventional fuels.
- **Inadequate storage and distribution facilities** for renewable biofuels.
- **No integrated model combining EV charging and CNG refueling**, which limits the growth of hybrid energy solutions.

This lack of infrastructure discourages adoption and creates a **"chicken and egg" problem** — without stations, consumers don't switch to CNG/EVs, and without customers, private investors hesitate to build stations.

2.3 Rising Fuel Costs and Economic Burden

Diesel and petrol prices have seen continuous hikes over the past few years, severely impacting the transport, logistics, and small business sectors. Commercial vehicle operators in Belagavi, who form the backbone of local trade and mobility, struggle with:

- Reduced profit margins due to fuel cost escalation.

- Lack of affordable energy alternatives.
- Pressure to maintain competitiveness in a cost-sensitive market.

CNG offers a **40–60% reduction in fuel cost per kilometer** and significantly longer engine life, yet the **absence of retail access points** keeps most users dependent on expensive fuels.

2.4 Limited Awareness and Accessibility of Clean Energy

Another major issue is the **lack of public awareness and accessibility** to renewable fuel options.
While awareness about electric vehicles and clean energy is growing, **most consumers remain unaware** of the long-term cost savings, environmental benefits, and safety standards associated with CNG and biofuels.

Furthermore, smaller cities do not have **information, promotional programs, or government-backed demonstrations** that educate people on transitioning to green fuels.

Without awareness and easy access, **behavioral change** toward clean energy remains limited.

2.5 Environmental Degradation and Urban Health Crisis

The increase in vehicular population and use of conventional fuels has led to **deteriorating air quality** in many parts of Karnataka. Diesel-based emissions are one of the largest contributors to urban air pollution, which directly affects:

- Public health (asthma, respiratory issues, cardiovascular diseases).
- Agricultural productivity (due to high particulate pollution).
- Overall environmental balance (through CO_2 and methane emissions).

According to recent environmental data, **transportation contributes nearly 30% of total CO_2 emissions** in Indian cities. Addressing this issue through cleaner alternatives like CNG is both an **economic necessity and a social responsibility**.

3. Gaps in the Current Market

AGK Bio Fuels and Granules Pvt. Ltd. identified several **critical gaps** in the current market ecosystem that justify the need for this project:

Area	Current Situation	Identified Gap / Challenge
Fuel Infrastructure	Very few CNG stations in North Karnataka region.	Lack of accessibility and limited network coverage.
Renewable Energy Utilization	Minimal adoption of bio-CNG and renewable fuels.	No reliable supply chain or private participation.
EV Infrastructure	Slow adoption in semi-urban areas.	No integrated CNG + EV stations.

Awareness and Education	Low consumer awareness about benefits of CNG.	Absence of local promotional and training programs.
Policy Implementation	Government policies exist but not localized.	Need for private sector involvement to operationalize schemes.

These gaps clearly highlight the need for an **entrepreneur-driven, scalable model** that combines **clean fuel accessibility, affordability, and reliability**.

4. Problem in Financing Green Infrastructure

A major barrier for small and medium enterprises in renewable energy is **limited access to finance**.
While government schemes such as **CGSS**, **PMEGP**, and **SATAT** exist, private investors often face:

- Difficulty in obtaining **collateral-free loans** for infrastructure.
- Long approval timelines and high project setup costs.
- Lack of awareness about available incentives and subsidies.

AGK Bio Fuels and Granules Pvt. Ltd. is seeking support under **CGSS** precisely to overcome these constraints — enabling us to build essential infrastructure that aligns with **India's Green Energy Vision**.

5. The Urgent Need for a Sustainable Solution

If current fuel consumption and emission trends continue unchecked, cities like Belagavi will face:

- **Increased air pollution**, making them less livable.
- **Higher transportation costs**, affecting trade and daily commuting.
- **Missed opportunities** in the renewable energy sector, especially in job creation and technology innovation.

Thus, there is an **urgent need** to:

1. Establish **clean fuel infrastructure** across the region.
2. Promote **CNG and renewable fuels** as mainstream energy alternatives.
3. Build **EV charging networks** integrated with CNG stations.
4. Provide **affordable access** to clean energy for all categories of consumers — from personal vehicles to large fleets.

6. Conclusion

The key challenge addressed by **AGK Bio Fuels and Granules Private Limited** is the **lack of accessible, affordable, and eco-friendly energy infrastructure** in smaller cities like Belagavi.

Despite the government's strong policy framework for renewable energy, on-ground implementation remains slow due to **financial, infrastructural, and awareness barriers**.

Our company aims to bridge this gap by:

- Establishing a **comprehensive CNG, biofuel, and EV charging ecosystem**.
- Creating **employment opportunities** and supporting **local entrepreneurship** in the energy sector.
- Reducing **carbon emissions** and improving **urban air quality**.

By obtaining the **₹5 crore financial assistance under CGSS**, AGK Bio Fuels will not only solve a critical regional energy problem but also set an example of **sustainable business innovation** aligned with India's clean energy transition and **Atmanirbhar Bharat** vision.

4.Proposed Solution

1. Overview of the Proposed Project

AGK Bio Fuels and Granules Private Limited, located at Aadishakti Tower, CTS No. 5650, SY No. 236/2, Basement, Goaves, Belagavi, Karnataka – 590011, proposes a comprehensive, multi-dimensional clean energy project aimed at promoting **CNG (Compressed Natural Gas)**, **renewable biofuels**, and **electric vehicle (EV) infrastructure** in the Belagavi region and nearby districts.

The project is designed to address the pressing issues of **high fuel costs, air pollution, and lack of clean energy infrastructure** in Tier-2 and Tier-3 cities.
By combining clean fuel distribution with modern technology and public awareness, AGK Bio Fuels will create a **sustainable, scalable, and profitable model** for the green energy transition in India.

2. Project Goals

The proposed project seeks to achieve the following objectives:

1. **Establish a strong renewable fuel infrastructure** in and around Belagavi.
2. **Provide affordable, eco-friendly energy alternatives** for public and commercial transportation.
3. **Integrate CNG and EV charging services** under one green energy hub.
4. **Create employment opportunities** and enhance local economic growth.
5. **Contribute to India's national mission** for clean energy and sustainable mobility under SATAT, CGSS, and Atmanirbhar Bharat initiatives.

3. Strategic Approach

The project is based on a three-tier strategy to overcome the identified challenges in energy accessibility, affordability, and awareness:

A. Infrastructure Development

To resolve the issue of limited availability of CNG and renewable fuel outlets, AGK Bio Fuels will establish **modern fuel stations** equipped with:

- High-pressure **CNG compressors and storage tanks**.
- **Fuel dispensing units** with digital billing and safety monitoring systems.
- **EV charging bays** (both fast and standard) powered through renewable sources.
- **Biofuel storage and blending systems** to support industrial and transport customers.

Each station will be strategically located to maximize accessibility for private vehicles, auto-rickshaws, taxis, and commercial fleets.

The infrastructure will be **modular and scalable**, allowing expansion to additional locations as demand grows.

B. Renewable Energy Integration

The company will promote the use of **bio-CNG** and **renewable natural gas (RNG)** produced from agricultural and organic waste.
This will be achieved by:

- Partnering with **local biogas producers and waste management units**.
- Setting up **supply chain linkages** for consistent and cost-effective fuel delivery.
- Ensuring quality and safety compliance as per **PESO and Ministry of Petroleum and Natural Gas** guidelines.

This approach not only provides cleaner fuel but also contributes to **waste reduction**, **rural employment**, and **circular economy development**.

C. Technology-Driven Operations

To ensure efficiency and transparency, AGK Bio Fuels will implement a **technology-enabled management system** that includes:

- **IoT-based fuel monitoring and control systems** for real-time tracking.
- **Digital payment gateways** for customer convenience.
- **Mobile app integration** for users to locate stations, track prices, and schedule EV charging slots.
- **Energy data analytics** to optimize fuel usage, predict demand, and reduce wastage.

This digital-first approach aligns with India's "Digital India" initiative and improves customer trust and operational control.

4. Implementation Plan

The project will be implemented in **phases over a 12–18 month period** to ensure smooth execution and risk management.

Phase	Timeline	Key Activities
Phase 1: Planning & Approvals	Months 1–3	Land acquisition, PESO approvals, vendor selection, design finalization
Phase 2: Infrastructure Setup	Months 4–9	Construction, installation of CNG compressors, EV charging equipment, and safety systems
Phase 3: Testing & Commissioning	Months 10–12	Trial operations, staff training, technology testing
Phase 4: Commercial Operations	Months 13–18	Launch of operations, marketing, and network expansion

The implementation will prioritize **safety, compliance, and environmental sustainability**, with regular quality audits and government coordination.

5. Financial Plan and Fund Utilization

AGK Bio Fuels is seeking a **loan of ₹5,00,00,000 (Rupees Five Crore only)** under the **Credit Guarantee Scheme for Startups (CGSS)**.
The funds will be strategically utilized as follows:

Component	Amount (₹ Lakhs)	Purpose
Land and Site Development	50	Land acquisition, civil work, construction
CNG Station Equipment	180	Compressors, storage tanks, dispensers, safety systems
Biofuel Procurement and Supply Chain	70	Equipment, logistics vehicles, contracts with suppliers
EV Charging Infrastructure	50	Charging units, electrical setup, installation
Technology and IT Integration	25	Software, sensors, monitoring systems
Licensing, Compliance & Approvals	15	PESO, Pollution Control, and government permits
Marketing and Outreach	25	Branding, awareness, promotional campaigns
Working Capital	85	Salaries, operations, utilities, maintenance
Total	**₹500.00 Lakhs**	

The financing will ensure both **infrastructure readiness** and **operational stability** during the early phase of the project.

6. Social, Economic, and Environmental Impact

The project's success will deliver **multi-dimensional benefits** for the region and the nation:

A. Environmental Benefits

- Reduction of **carbon emissions by 60–80%** compared to diesel.

- Decrease in **urban air pollution** and particulate matter levels.
- Promotion of **waste-to-energy** initiatives using organic waste.

B. Economic Benefits

- Lower transportation costs for citizens and commercial users.
- Creation of **over 50 direct and indirect employment opportunities**.
- Increased **local revenue generation** and business development in related sectors (maintenance, logistics, etc.).

C. Social Benefits

- Improved air quality and public health.
- Empowerment of local entrepreneurs through partnership and dealership models.
- Promotion of environmental responsibility and clean living among communities.

7. Sustainability and Scalability

AGK Bio Fuels' business model is **self-sustaining, replicable, and scalable**. The company's plan includes:

- Expansion into neighboring districts such as **Gokak, Hubballi, and Kolhapur**.
- Development of **franchise-based green energy stations** to promote entrepreneurship.
- Long-term integration with **national biofuel and EV charging networks**.

Continuous innovation, cost optimization, and digital integration will ensure that the company remains **competitive and future-ready**.

8. Conclusion

The proposed project by **AGK Bio Fuels and Granules Private Limited** provides a **comprehensive, practical, and sustainable solution** to the challenges of high fuel costs, pollution, and lack of clean energy access in the Belagavi region.

By building integrated **CNG + Renewable Energy + EV charging hubs**, the company aims to:

- **Transform local transportation** through affordable green fuels.
- **Support India's clean energy mission** with real, on-ground implementation.
- **Generate employment, reduce emissions, and enhance economic productivity.**

The requested **₹5 crore funding under CGSS** will enable AGK Bio Fuels to realize this vision, driving a cleaner, greener, and more self-reliant future for Karnataka and India.

5.Target Customers / Market Analysis

1. Introduction

The global and national energy landscapes are undergoing a massive transformation, driven by the urgent need for **clean, renewable, and sustainable fuel alternatives**. India, as one of the fastest-growing economies, faces increasing pressure to reduce its dependence on fossil fuels such as diesel and petrol while meeting the rising energy demands of urban and rural transportation sectors.

AGK Bio Fuels and Granules Private Limited, based in Belagavi, Karnataka, aims to capitalize on this transformational shift by providing **Compressed Natural Gas (CNG)**, **biofuels**, and **Electric Vehicle (EV) charging infrastructure** under one integrated green energy platform. This project directly responds to market demand for **cost-effective, pollution-free, and government-supported fuel alternatives**.

The following section identifies **target customers**, **market size**, and **industry trends**, supported by data and regional insights.

2. Target Customer Segments

The customer base for AGK Bio Fuels' products and services spans across multiple sectors. The primary segments include:

A. Individual Vehicle Owners

- **Private car owners, two-wheeler users, and small transport operators** are increasingly aware of fuel price hikes and pollution concerns.
- CNG offers a **40–60% cost saving** compared to diesel and petrol.
- Many new vehicles, including taxis and compact cars, now come with **CNG-compatible engines**, creating direct consumer demand.

Customer Pain Points:

- Rising cost of petrol and diesel.
- Limited CNG refueling options in smaller cities like Belagavi.
- Growing environmental awareness and preference for green alternatives.

Solution:
AGK Bio Fuels will provide **easily accessible CNG refueling stations**, ensuring affordability, convenience, and eco-friendly operations.

B. Commercial and Logistics Operators

- This includes **trucks, vans, delivery fleets, auto-rickshaws, and buses** that operate on local and intercity routes.
- Transport and logistics companies are under increasing pressure to **reduce operational costs** and **meet green mobility targets**.

Customer Pain Points:

- High diesel costs significantly impact logistics margins.

- Strict emission regulations under Bharat Stage VI norms.
- Growing interest in fuel diversification to control expenses.

Solution:
CNG-powered commercial vehicles can save up to **₹15,000–₹25,000 per month per vehicle** on fuel costs, offering rapid payback on conversion investments. AGK Bio Fuels' proposed stations will directly cater to fleet operators, logistics companies, and state transport buses.

C. Industrial and Institutional Consumers

- Factories, warehouses, and manufacturing units use **diesel or LPG** for heating, production, and captive power generation.
- As industrial power costs rise, industries are turning toward **bio-CNG and renewable fuels** for consistent and low-cost energy supply.

Customer Pain Points:

- Dependence on expensive and polluting diesel generators.
- Increasing sustainability requirements for industries and exporters.

Solution:
AGK Bio Fuels will supply **bio-CNG and renewable fuel blends** to industrial users under long-term contracts, ensuring cost efficiency and reliability.

D. Government and Public Sector Fleets

- Public buses, municipal vehicles, and government departments are key customers for clean fuels.
- State transport departments and municipal corporations are under directives to **transition to CNG and electric mobility** as per central clean air policies.

Solution:
The company will collaborate with **local government bodies** to provide fuel supply and establish public EV charging stations under public-private partnership (PPP) models.

E. Electric Vehicle Owners and Charging Partners

- With the national EV mission accelerating, Belagavi and nearby regions will soon see a surge in electric 2-wheelers, cars, and buses.
- The lack of **charging infrastructure** limits adoption.

Solution:
AGK Bio Fuels will develop **hybrid green energy stations** offering both **CNG refueling and EV charging**, positioning itself as a one-stop solution for future mobility.

3. Market Analysis

A. Industry Overview

India's **clean fuel industry** is among the fastest-growing energy sectors globally. Key indicators:

- Over **5 million CNG vehicles** are already operational in India.
- The Government of India targets to expand the **CNG distribution network to 10,000+ stations by 2030**.
- The **bio-CNG sector** is supported under the SATAT (Sustainable Alternative Towards Affordable Transportation) initiative.
- The **EV industry** is expected to grow at a **CAGR of 40%**, with a strong government push for charging infrastructure.

Belagavi, being a developing industrial and transport hub in Karnataka, is strategically positioned to benefit from these trends.

B. Regional Market Potential (Belagavi and Karnataka)

Belagavi is one of Karnataka's most active trade and transport centers. It serves as a corridor between **Goa, Maharashtra, and Karnataka**, hosting:

- A growing number of **small and medium transport companies**.
- A large base of **auto-rickshaws, taxis, and goods carriers**.
- **Industrial clusters** involved in sugar, foundry, engineering, and manufacturing operations.

Current scenario:

- Only a few CNG stations operate in nearby regions.
- Fuel consumption is primarily diesel-based.
- High untapped demand for affordable, green fuels.

Estimated local demand potential:

- Over **25,000 commercial vehicles** can convert to CNG within 3 years if stations are available.
- Industrial consumers in the Belagavi region collectively consume **over 10 million liters of diesel per month**, part of which can shift to bio-CNG.

This indicates a **strong and growing market opportunity** for AGK Bio Fuels to establish a first-mover advantage in the Belagavi district and adjoining areas.

4. Competitive Landscape

The major players in the Indian CNG and renewable fuel market include:

- **Indraprastha Gas Limited (IGL)**
- **Mahanagar Gas Limited (MGL)**

- **Adani Total Gas**
- **Torrent Gas**

However, these companies are concentrated mainly in **metro and Tier-1 cities**, leaving **Tier-2 and Tier-3 cities like Belagavi** largely underserved. This gap provides a **significant competitive edge** for AGK Bio Fuels to:

- Build early infrastructure.
- Secure market share before large-scale national expansion by major players.
- Develop local partnerships with transport associations and fleet operators.

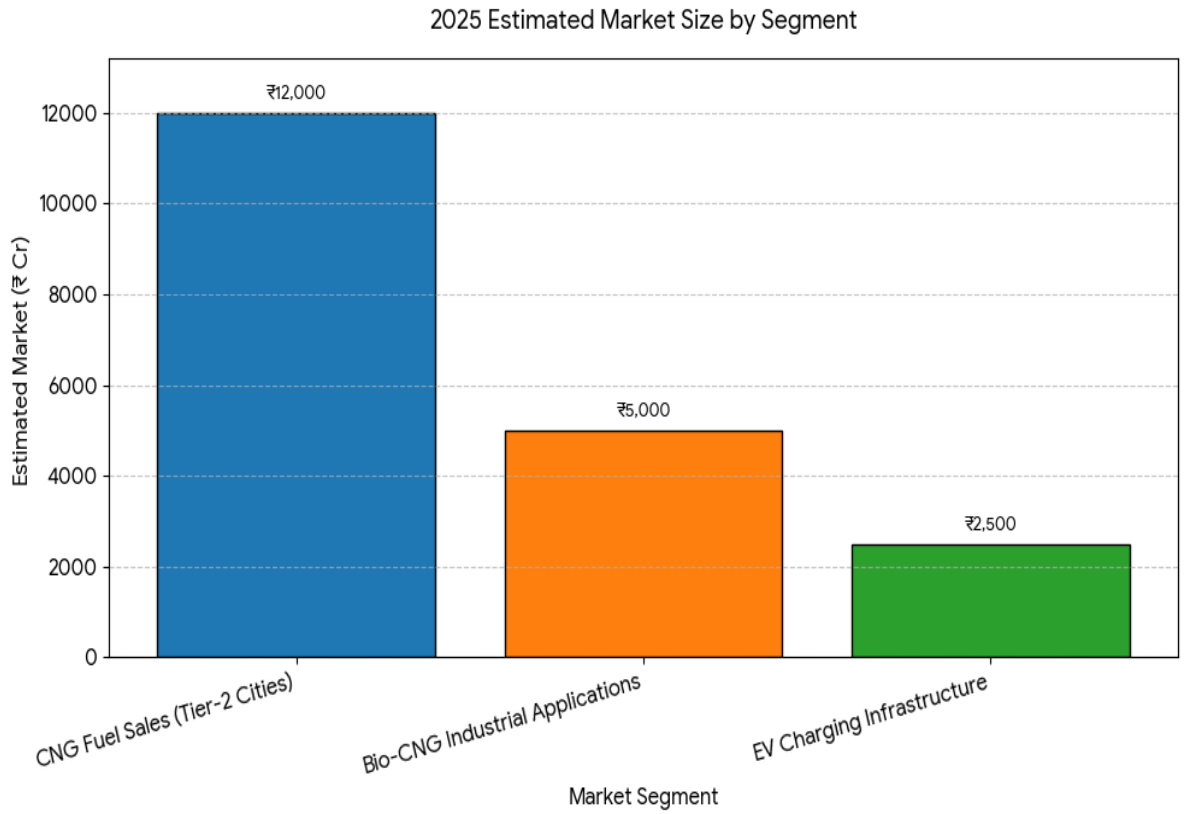
5. Consumer Trends and Behavioral Insights

1. **Cost-Conscious Decisions:** Consumers in smaller cities are highly price-sensitive. CNG's lower fuel cost ensures strong adoption once infrastructure becomes available.
2. **Eco-Awareness:** With government campaigns promoting clean energy, there is growing interest in "green mobility."
3. **Government Support:** Subsidies and incentives under schemes like **CGSS, SATAT, and FAME India** further encourage adoption.
4. **Technological Confidence:** Availability of CNG-compatible vehicles and improved EV technology has increased consumer trust in alternative fuels.

These trends confirm that **CNG and renewable energy adoption is not just a policy-driven movement but also an economically rational choice** for end-users.

6. Market Growth Projections

Segment	2025 Estimated Market (₹ Cr)	Projected CAGR (2025–2030)	Growth Drivers
CNG Fuel Sales (Tier-2 Cities)	12,000	22%	Expanding vehicle base, fuel cost advantage
Bio-CNG Industrial Applications	5,000	28%	Industrial fuel substitution, waste-to-energy policies
EV Charging Infrastructure	2,500	40%	Rapid EV adoption, central/state policy support



Belagavi and surrounding districts are projected to capture **1–2% of the South Indian clean fuel market** within the next 5 years — translating to an opportunity worth over **₹250–300 crore**.
AGK Bio Fuels aims to capture **10–15% of the Belagavi market share** during the initial phase.

7. Marketing and Outreach Strategy

To effectively reach and retain customers, AGK Bio Fuels will implement:

- **Brand awareness programs** highlighting cost and environmental benefits of CNG.
- **Collaboration with vehicle dealers and service centers** for CNG conversions.
- **Partnerships with transport associations** to supply fuel in bulk.
- **Incentive programs** for early adopters and fleet operators.
- **Digital marketing campaigns** through social media and local networks.

This multi-channel approach ensures both **market penetration and sustained customer loyalty**.

8. Conclusion

The **target market for AGK Bio Fuels and Granules Private Limited** spans across individual consumers, commercial fleets, industrial users, and public institutions — all of whom face the dual challenges of high fuel costs and pollution.

Belagavi and surrounding regions represent a **high-potential emerging market** for CNG and renewable fuels due to:

- Rapid urbanization and industrial growth.
- High vehicle density and transport activity.
- Lack of existing green fuel infrastructure.

With strategic investment, strong government alignment, and customer-centric solutions, AGK Bio Fuels is well-positioned to **become the regional leader in clean energy distribution**, supporting India's broader goal of sustainable and affordable transportation.

6.Revenue Model

1. Introduction

AGK Bio Fuels and Granules Private Limited, located at Aadishakti Tower, CTS No. 5650, SY No. 236/2, Basement, Goaves, Belagavi, Karnataka – 590011, is engaged in the **sale and distribution of Compressed Natural Gas (CNG)**, **renewable biofuels**, and **Electric Vehicle (EV) charging infrastructure**.
The company's core philosophy is to provide **pollution-free, affordable, and sustainable energy alternatives** to the public and commercial sectors while supporting India's Green Energy Mission.

The proposed project envisions an **integrated green energy business model** that is both **socially impactful and commercially viable**, capable of generating stable revenue streams from multiple sources.

2. Business Concept

The business model revolves around three interconnected verticals:

1. **CNG Retail Distribution** – Selling CNG fuel through company-owned and operated stations.
2. **Renewable Biofuel Sales** – Supplying bio-CNG and renewable fuels to industries and institutions.
3. **EV Charging Infrastructure** – Offering public charging facilities for electric vehicles at the same location.

This diversified structure ensures **multiple income streams**, **reduced business risk**, and **steady cash flow** throughout the year.

3. Revenue Streams

A. Retail Sales of CNG Fuel

This is the **primary revenue source** for the company.

- **Customers:** Private vehicles, auto-rickshaws, taxis, light commercial vehicles, buses, and trucks.
- **Revenue Model:** Sale of CNG per kilogram (kg).
- **Pricing Structure:** CNG will be priced 35–45% lower than diesel and petrol while maintaining profitable margins.
- **Average Selling Price:** ₹80–₹85 per kg (depending on region and distribution cost).
- **Gross Margin:** 20–25%.

Estimated Monthly Revenue from CNG Retailing:
Assuming one station serves **1,000 vehicles per day** with an average consumption of **4 kg per vehicle**, total monthly sales volume = **120,000 kg**.

At an average price of ₹82/kg → **Monthly Revenue = ₹98,40,000 (≈ ₹1 crore)** per station.

Over time, as the number of stations and customer base increases, the revenue potential will grow significantly.

B. Industrial and Bulk Supply of Bio-CNG and Renewable Fuels

This will be the **secondary revenue stream**, catering to industrial and institutional users.

- **Customers:** Factories, food processing units, textile industries, hotels, schools, and hospitals.
- **Revenue Model:** Long-term fuel supply contracts (monthly or yearly basis).
- **Average Selling Price:** ₹65–₹75 per kg (bulk rates).
- **Gross Margin:** 18–22%.

Estimated Monthly Revenue (Initial Phase):
If the company supplies **40,000 kg/month** of bio-CNG to local industries → Revenue = ₹28,00,000 – ₹30,00,000 per month.

In later phases, additional supply tie-ups could double this figure, making it a strong contributor to total turnover.

C. Electric Vehicle (EV) Charging Services

As electric mobility expands, the company will establish **EV charging bays** alongside CNG outlets.

- **Customers:** Owners of electric 2-wheelers, 3-wheelers, cars, and light commercial vehicles.
- **Revenue Model:** Per-unit electricity billing or subscription-based charging.
- **Average Charging Fee:** ₹15–₹20 per kWh.
- **Gross Margin:** 30–35% (depending on electricity cost and utilization).

Estimated Monthly Revenue (Initial Phase):
With **50 EVs per day**, average consumption of **25 kWh/vehicle**, and ₹18 per unit → Revenue = ₹6,75,000/month per charging station.

This revenue stream will grow exponentially as EV adoption increases in the coming years.

D. Ancillary Income

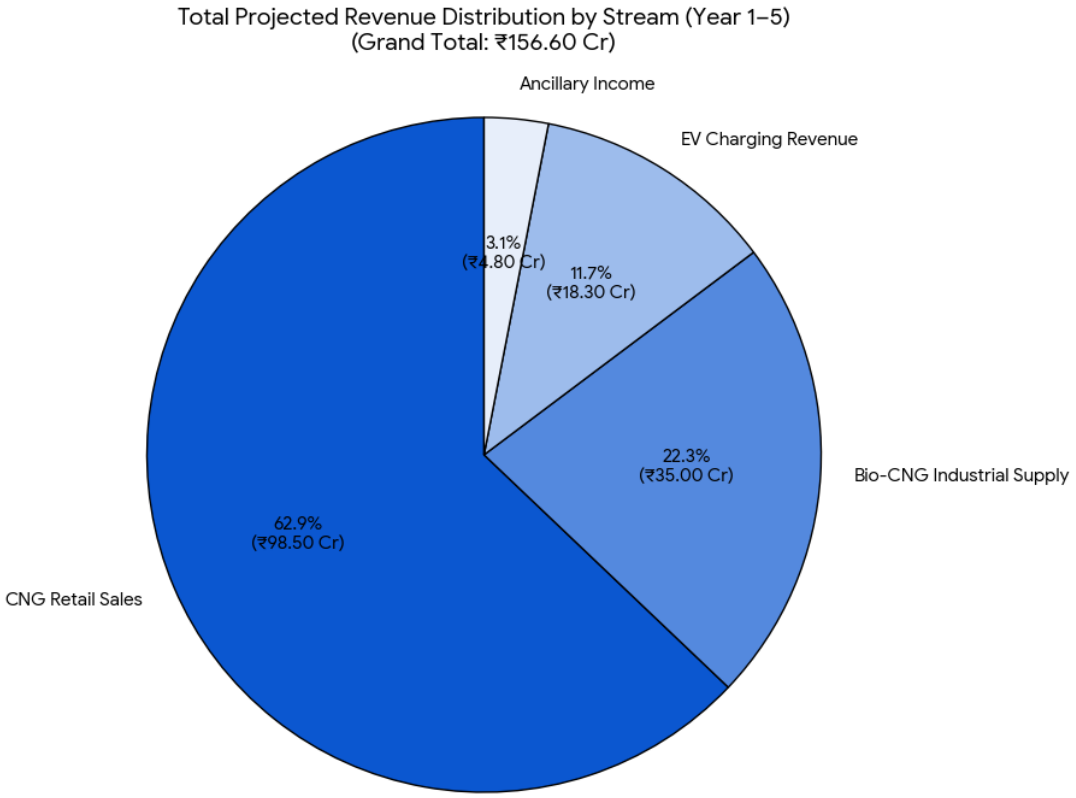
In addition to primary fuel sales, the company will generate **supplementary income** from:

- Sale of **conversion kits** and related accessories.
- **Vehicle servicing and maintenance** partnerships.
- **Advertising and branding** at fuel stations.
- **Carbon credit trading** under renewable energy initiatives.

These ancillary sources will contribute an estimated **5–10%** of total annual revenue.

4. Revenue Projections (First 5 Years)

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
CNG Retail Sales	₹8.50 Cr	₹12.00 Cr	₹18.00 Cr	₹25.00 Cr	₹35.00 Cr
Bio-CNG Industrial Supply	₹3.00 Cr	₹4.50 Cr	₹6.50 Cr	₹9.00 Cr	₹12.00 Cr
EV Charging Revenue	₹0.80 Cr	₹1.50 Cr	₹3.00 Cr	₹5.00 Cr	₹8.00 Cr
Ancillary Income	₹0.30 Cr	₹0.50 Cr	₹0.80 Cr	₹1.20 Cr	₹2.00 Cr
Total Revenue	**₹12.60 Cr**	**₹18.50 Cr**	**₹28.30 Cr**	**₹40.20 Cr**	**₹57.00 Cr**



Note: Projections assume steady growth in vehicle adoption, increased fuel availability, and addition of new service points each year.

5. Profitability and Break-Even Analysis

- **Gross Profit Margin:** 25–30%
- **Net Profit Margin:** 12–15% after operational and financing costs.
- **Break-Even Period:** Within 24–30 months of commercial operations.

Due to the **high-volume, low-margin** nature of the fuel business, **efficiency in operations** and **supply chain optimization** will play a key role in maintaining profitability.

6. Scalability and Expansion Potential

AGK Bio Fuels' business model is **scalable and replicable** across Karnataka and neighboring states.
Expansion strategy includes:

- Setting up **additional CNG & EV hybrid stations** in nearby districts (Gokak, Hubballi, Kolhapur).
- Introducing **franchise-based or dealer-operated outlets** under AGK's brand supervision.

- Diversifying into **compressed bio-methane (CBG)** and **green hydrogen** distribution in the future.

With growing fuel demand and favorable government policies, the company's long-term growth potential is substantial.

7. Government Support and Policy Alignment

The revenue model is fully aligned with India's key policy frameworks:

- **SATAT (Sustainable Alternative Towards Affordable Transportation)** – for promoting bio-CNG.
- **FAME India Scheme** – for electric vehicle adoption.
- **Credit Guarantee Scheme for Startups (CGSS)** – for collateral-free financial assistance.
- **National Biofuel Policy (NBP) 2018** – for promoting clean fuel entrepreneurship.

These policies ensure **regulatory support**, **consumer incentives**, and **financial sustainability** for the project.

8. Socio-Economic and Environmental Value

In addition to profitability, the revenue model delivers:

- **Reduction in air pollution** by replacing diesel with CNG and biofuels.
- **Employment generation** for technicians, operators, and local vendors.
- **Contribution to circular economy** through waste-to-energy linkages.
- **Lower transportation costs**, benefiting common citizens and businesses alike.

This aligns with AGK Bio Fuels' vision of achieving **commercial success with social and environmental impact**.

9. Conclusion

The **Revenue Model** of **AGK Bio Fuels and Granules Private Limited** is designed for **sustainable profitability** and **long-term growth** through diversified yet synergistic business streams.
By combining **CNG retailing**, **renewable biofuel supply**, and **EV charging services**, the company will ensure:

- Steady cash inflows from multiple sources.
- High market adaptability with evolving green energy trends.
- Early break-even and long-term financial stability.

With the proposed **₹5 crore investment under CGSS**, the company is well-positioned to emerge as a **regional leader in clean and renewable energy distribution**, supporting India's transition toward a cleaner and greener future.

7.Competitive Analysis

1. Market Landscape & Key Players

The Indian market for CNG and renewable fuel (including bio-CNG) is becoming increasingly competitive, with both large established players and niche regional entrants. Key trends and incumbents to note:

- Major national players in the CNG/City Gas Distribution (CGD) segment include Gujarat Gas Limited, Mahanagar Gas Limited, Indraprastha Gas Limited and GAIL (India) Limited. These companies have large networks of CNG stations and distribution infrastructure. ANALYSIS SPHERE+3Wikipedia+3eai.in+3
- The overall Indian CNG market is estimated to be growing rapidly: for example, one report projects strong growth due to vehicle conversions, fleet demand and supportive government policy. Mordor Intelligence+2ANALYSIS SPHERE+2
- In the bio-CNG / renewable natural gas (RNG) space, newer players like Verbio India are entering with integrated feedstock-to-fuel operations. Renewable Watch
- The domestic market remains under-penetrated in many smaller cities and semi-urban areas — which means substantial opportunity but also means incumbents may target expansion. For example, the number of CNG retail outlets is set to increase many-fold by 2030. The Economic Times+1

2. Strengths and Weaknesses of Competitors

Strengths of the incumbents:

- Established distribution networks and tie-ups with government CGD/City Gas licences
- Economies of scale in procurement, logistics, and fuel supply infrastructure
- Brand visibility and consumer trust (especially in metro or major city markets)
- Access to capital for large infrastructure roll-out

Weaknesses / gaps in current players (opportunities for AGK):

- Many large players are focused on metro / high-density zones; smaller towns and semi-urban markets (like the Belagavi region) may be underserved
- Some may have slower rollout in integrated CNG + EV charging + biofuel hybrid models
- Potentially higher cost bases or less flexibility in niche, localised operations
- Awareness & outreach in smaller markets remains weaker, giving local entrants an edge

3. Competitive Positioning of AGK Bio Fuels

How AGK can differentiate & position itself:

- **Localised focus**: By operating in Belagavi (Karnataka) and nearby districts, AGK can serve markets that may be less contested by national giants.

- **Integrated clean energy model**: CNG + renewable bio-fuel (bio-CNG) + EV charging infrastructure offers a diversified value proposition rather than just single-fuel supply.
- **Cost advantage for end-users**: Emphasising CNG's cheaper cost compared to diesel/petrol and the environmental benefit (pollution free or much lower emissions).
- **Flexibility & agility**: Being a smaller enterprise may allow faster decision and rollout locally; ability to partner with local fleet operators, transport unions, logistic companies to secure anchor demand.
- **Aligned with policy support**: The national push for clean mobility and biofuels gives AGK a favourable tailwind; this helps in positioning and obtaining support/permits.

4. Threats & Risks from Competition

- **National players expanding into smaller towns**: As large CGD companies broaden footprint, they may move into your target geography and bring deeper pockets.
- **Fuel price and margin pressures**: Large players may negotiate better procurement, lowering cost of fuel / supply and exerting pricing pressure.
- **Regulatory changes**: Subsidy/policy risks or shifts that favour large incumbents or alter competitive dynamics.
- **Technology & EV disruption**: While AGK is planning EV charging, pure EV infrastructure companies may gain dominance and reduce conversion to CNG.
- **Supply chain for bio-CNG**: If AGK depends heavily on feedstock or biofuel supply, competition for feedstock or logistic bottlenecks could raise cost.

5. Strategic Actions to Secure Competitive Advantage

- Secure **long-term offtake contracts** with fleets, logistics companies and institutional users (which large players might treat as low priority).
- Build **strong local partnerships** with vehicle dealerships (for conversions to CNG), transport associations, municipal fleets, and EV associations, creating a network advantage.
- Focus on **customer experience**, service reliability and the branding as "clean, affordable, local" — advantages against large generic players.
- Develop **hybrid station model** with CNG + EV + renewal supply, which may be less prevalent in smaller towns currently.
- Keep cost structure lean, optimise logistics and supply chain so that margins remain favourable despite competition.
- Continuously monitor policy and regulatory landscape to leverage incentives and avoid being caught in regulatory disadvantage.

6. Summary

The competitive landscape for CNG, biofuels and EV charging is increasingly active, with strong incumbents and fast-growing national players. At the same time, there is **significant unaddressed demand in tier-II/III towns** and semi-urban markets (such as Belagavi and surrounding regions) which provide an excellent opportunity for a company like AGK Bio Fuels.

By leveraging a **localized, integrated, clean-fuel business model**, focusing on service reliability, cost-effective offerings, and strong local partnerships, AGK can achieve **competitive advantage** despite the presence of large players. The key will be speed of deployment, securing anchor demand, and continuous adaptation to regulatory and market changes.

8.Funding Requirement

1. Introduction

AGK Bio Fuels and Granules Private Limited
Aadishakti Tower, CTS No: 5650, SY No: 236/2, Basement, Goaves, Belagavi, Karnataka – 590011

AGK Bio Fuels and Granules Private Limited is a **renewable energy and clean fuel enterprise** focused on selling **Compressed Natural Gas (CNG)**, promoting **biofuels**, and establishing **Electric Vehicle (EV) charging infrastructure** across Karnataka and neighboring states. The company's mission is to provide **eco-friendly, affordable, and sustainable fuel alternatives** to reduce air pollution and dependency on diesel and petrol.

To achieve this goal, the company seeks a **term loan of ₹5,00,00,000 (Rupees Five Crore only)** under the **Credit Guarantee Scheme for Startups (CGSS)**. The proposed funding will support infrastructure creation, technology deployment, working capital, and operational expansion for its clean energy network.

2. Purpose of Funding

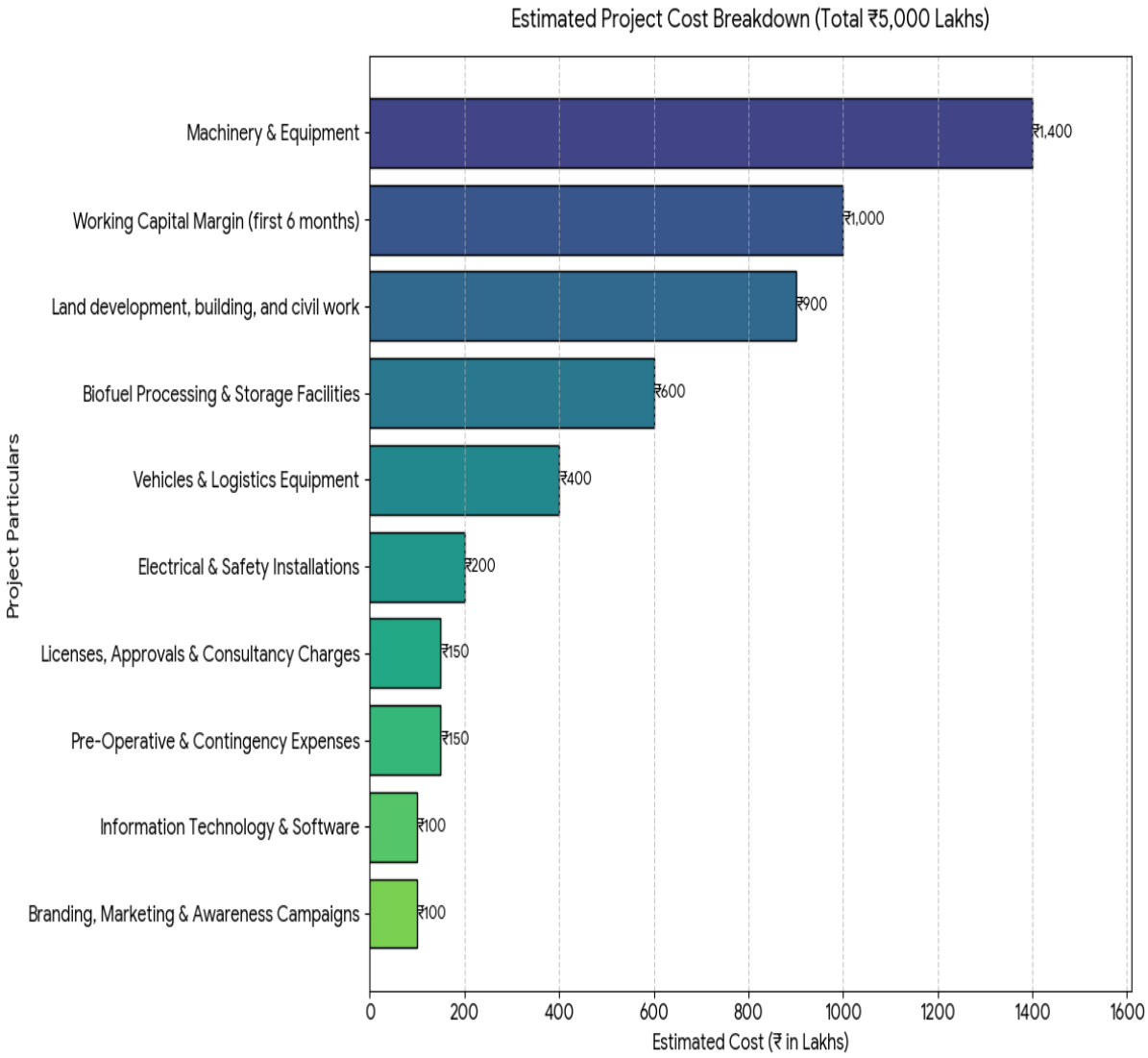
The requested funding will be utilized for establishing **CNG retail stations**, **biofuel production and supply units**, and **EV charging facilities**. The company aims to set up an **integrated clean energy hub** in Belagavi with capacity for future scalability.

Key Objectives of the Funding

1. To develop and operationalize CNG retailing and dispensing stations.
2. To set up renewable biofuel and CNG storage facilities.
3. To establish EV charging stations integrated with CNG outlets.
4. To procure technology, machinery, compressors, and distribution systems.
5. To create necessary civil infrastructure (land development, station setup, pipelines).
6. To ensure sufficient working capital for smooth operations and initial marketing.

3. Detailed Cost Estimate and Fund Allocation

S. No.	Particulars	Estimated Cost (₹ in Lakhs)	Funding Source
1	**Land development, building, and civil work** (station construction, flooring, canopy, pipelines, office setup)	900	Term Loan
2	**Machinery & Equipment** (CNG compressors, dispensers, storage vessels, pressure control systems, EV charging equipment)	1,400.00	Term Loan
3	**Vehicles & Logistics Equipment** (fuel transport tanks, distribution vans)	400	Term Loan
4	**Biofuel Processing & Storage Facilities**	600	Term Loan
5	**Electrical & Safety Installations** (lighting, fire safety, control systems)	200	Term Loan
6	**Information Technology & Software** (billing, monitoring, and IoT integration systems)	100	Term Loan
7	**Licenses, Approvals & Consultancy Charges** (environmental, petroleum safety, PESO, statutory)	150	Own Contribution
8	**Branding, Marketing & Awareness Campaigns**	100	Term Loan
9	**Pre-Operative & Contingency Expenses**	150	Term Loan
10	**Working Capital Margin (first 6 months)**	1,000.00	Term Loan
Total Project Cost	**₹5,000.00 Lakhs (₹5 Crore)**	**₹5,000.00 Lakhs**	



4. Means of Finance

Particulars	Amount (₹ in Lakhs)	% Contribution
Term Loan under CGSS	500	100%
Promoter's Contribution	(to be brought in as working capital, collateral-free)	–
Total Project Cost	**500**	**100%**

The company intends to avail the **entire project cost as a term loan** under the **CGSS scheme**, leveraging the government's guarantee support for startups operating in the clean energy sector.

5. Loan Repayment Plan

The proposed loan repayment has been structured to ensure **financial sustainability** and **timely servicing** of debt obligations.

Particulars	Details
Loan Amount	₹5,00,00,000
Interest Rate (Expected)	9.0% – 10.5% p.a.
Moratorium Period	12 months from the date of disbursement
Repayment Period	7 years including moratorium
Monthly EMI (Approx.)	₹8.3 – ₹9.0 Lakhs per month (post-moratorium)
Security / Collateral	Covered under CGSS (Credit Guarantee Scheme for Startups)
Guarantee Coverage	Up to 75–85% by CGSS depending on eligibility

The repayment plan is designed based on **projected cash inflows** from CNG, biofuel, and EV charging operations, which will begin generating revenue within 6–9 months of project commissioning.

6. Expected Revenue and Financial Returns

Based on market demand and initial capacity utilization, projected annual revenues are as follows:

Financial Year	Estimated Revenue (₹ Cr)	EBITDA Margin (%)	Net Profit Margin (%)
Year 1	12.5	25	10
Year 2	18	27	12
Year 3	28	28	13
Year 4	40	30	15
Year 5	55	32	16

The company expects to achieve **break-even within 24–30 months** of operations, with steady revenue growth driven by:

- Expansion of CNG and biofuel distribution capacity.
- Increased adoption of CNG vehicles and EVs in the region.
- Rising demand for renewable energy alternatives.

7. Justification for Funding

The ₹5 crore funding is essential to:

1. **Establish physical infrastructure** necessary for large-scale clean energy operations.
2. **Create employment** for technicians, operators, and local service providers.
3. **Reduce vehicular pollution** through green fuel adoption.

4. **Support government initiatives** like the SATAT Scheme, FAME India, and National Biofuel Policy.
5. **Ensure financial viability** during the early establishment phase until steady cash inflow is achieved.

The funding will enable AGK Bio Fuels to become a **regional leader in eco-friendly energy distribution**, contributing to the national vision of sustainable and self-reliant energy growth.

8. Risk Mitigation and Financial Safeguards

- **Revenue Diversification:** CNG retail, biofuel supply, and EV charging ensure multiple income sources.
- **Government Policy Support:** Alignment with schemes such as SATAT, FAME-II, and CGSS reduces risk.
- **Insurance and Safety Measures:** All installations and assets will be insured and certified under PESO norms.
- **Professional Management:** Experienced leadership and technical experts will ensure operational efficiency.
- **Gradual Expansion:** Rollout will occur in phases to minimize capital strain and operational risk.

9. Conclusion

The requested **₹5 crore funding** under the **Credit Guarantee Scheme for Startups (CGSS)** will empower **AGK Bio Fuels and Granules Pvt. Ltd.** to establish a scalable and impactful clean energy business model. The investment will not only yield sustainable financial returns but also contribute to:

- Reducing carbon emissions,
- Promoting renewable fuel adoption,
- Supporting electric mobility, and
- Generating employment in the Belagavi region.

With a solid business foundation, government policy alignment, and measurable social impact, the proposed funding will serve as a **catalyst for transforming Belagavi into a green energy hub**, marking AGK Bio Fuels as a pioneer in India's clean fuel revolution.

9.Conclusion

1. Overview of the Project Vision

AGK Bio Fuels and Granules Private Limited, situated at Aadishakti Tower, CTS No. 5650, SY No. 236/2, Basement, Goaves, Belagavi, Karnataka – 590011, has been established with a vision to contribute actively toward **India's clean energy transition**.

Our core focus lies in **selling CNG gas**, **promoting renewable biofuels**, and **developing Electric Vehicle (EV) charging infrastructure**. The company is driven by the mission to **replace**

polluting fossil fuels like diesel and petrol with cleaner, sustainable, and affordable alternatives that not only reduce carbon emissions but also lower fuel costs for consumers.

In line with the Government of India's green energy initiatives — including the **SATAT (Sustainable Alternative Towards Affordable Transportation)** Scheme, **FAME India**, and the **National Biofuel Policy** — AGK Bio Fuels aims to establish itself as a **key player in the renewable energy and alternative fuel ecosystem**.

2. Strategic Importance and Socio-Economic Relevance

The project holds immense **strategic and socio-economic importance** for the Belagavi region and beyond:

- **Environmental Benefits:** CNG and biofuels are clean-burning fuels that drastically reduce particulate matter, CO_2, and nitrogen oxide emissions compared to diesel or petrol.
- **Economic Savings:** The cost of CNG is approximately **35–45% cheaper** than diesel, directly benefiting transportation operators, logistics firms, and private vehicle owners.
- **Employment Generation:** The establishment of CNG and EV infrastructure will create **direct and indirect employment opportunities** for engineers, operators, mechanics, suppliers, and local entrepreneurs.
- **Rural and Urban Integration:** Biofuel production and distribution will strengthen rural economies by utilizing agricultural residues and waste materials as feedstock.
- **Energy Independence:** By promoting renewable fuel sources, the project supports **India's energy self-reliance** and reduces dependence on imported fossil fuels.

Through this project, AGK Bio Fuels will play a **dual role** — as a profitable enterprise and as a **socially responsible company** contributing to sustainable economic growth.

3. Financial Viability and Growth Potential

The company's business and financial model demonstrate **robust profitability and scalability**.

Key highlights include:

- **Multiple revenue streams** from CNG retail sales, biofuel supply, and EV charging services.
- **Strong market demand** due to increasing adoption of CNG vehicles and government mandates for clean fuel usage.
- **Early break-even potential** — projected within 24–30 months of operations.
- **Healthy margins** — expected gross profit margin of 25–30% and net profit margin of 12–15%.
- **Long-term sustainability** through diversification into electric mobility and renewable fuel technologies.

The requested funding of **₹5 crore** under the **Credit Guarantee Scheme for Startups (CGSS)** will enable the company to establish infrastructure, procure equipment, and develop

operational capacity without the burden of collateral, ensuring smooth execution during the initial phase.

4. Alignment with National Priorities and Government Policies

The project aligns closely with India's ongoing efforts toward **decarbonization, renewable energy promotion, and clean transportation**.

Government initiatives supporting this vision include:

- **SATAT Scheme (by MoPNG):** Encourages production of Compressed Bio-Gas (CBG) and its use as an alternative fuel.
- **FAME India Scheme:** Supports the establishment of EV charging stations and promotes electric mobility.
- **National Biofuel Policy 2018:** Incentivizes blending and adoption of alternative biofuels.
- **Credit Guarantee Scheme for Startups (CGSS):** Provides financial assistance to startups in priority sectors, including renewable energy.

AGK Bio Fuels is fully compliant with these initiatives and seeks to complement the Government's vision by expanding access to **eco-friendly fuels** in Tier-II and Tier-III cities like Belagavi, where CNG and EV infrastructure is still limited.

5. Long-Term Impact and Sustainability

The proposed project will have long-lasting positive impacts in terms of **environment, economy, and employment**:

1. **Environmental Sustainability:**
    - Reduction of carbon footprint through transition to low-emission fuels.
    - Decrease in vehicular pollution, contributing to cleaner air and public health improvement.
2. **Economic Impact:**
    - Affordable fuel options for transporters and individuals.
    - Boost to local businesses through increased logistics efficiency.
    - Circulation of economic benefits within the regional economy.
3. **Employment and Skill Development:**
    - Creation of skilled and semi-skilled jobs in operations, maintenance, and management.
    - Collaboration with local technical institutions for vocational training under Skill India initiatives.
4. **Technological Advancement:**
    - Integration of digital monitoring systems for fuel management, billing, and customer analytics.
    - Future scope for adopting advanced biofuel technologies and green hydrogen solutions.

Through these outcomes, AGK Bio Fuels will not only achieve financial growth but also **create a measurable environmental and social footprint**, fulfilling both **corporate and national sustainability goals**.

6. Conclusion and Way Forward

The journey toward **clean and renewable energy** represents one of the most promising economic transformations in India.
AGK Bio Fuels and Granules Private Limited, through its strategic focus on **CNG distribution, renewable biofuels, and EV infrastructure**, is well-positioned to become a **regional leader in sustainable fuel solutions**.

The company's **financially sound plan**, **experienced leadership**, and **alignment with government priorities** make it a **low-risk, high-impact investment**. The proposed **₹5 crore loan under CGSS** will serve as a catalyst for implementing the company's infrastructure, thereby facilitating:

- **Establishment of modern, eco-friendly fuel stations**,
- **Strengthening of the renewable energy value chain**, and
- **Contribution to India's Net Zero and clean transport vision**.

The project is **commercially feasible, socially beneficial, and environmentally responsible**, ensuring value creation for all stakeholders — investors, customers, employees, and society at large.

In conclusion, with the requested financial assistance, **AGK Bio Fuels and Granules Private Limited** will accelerate its mission to **deliver clean, affordable, and sustainable energy solutions** for a greener future.
The project's successful implementation will not only improve the energy landscape of Belagavi and Karnataka but also contribute significantly to India's overall renewable energy ambitions.