



इंडियन ऑयल कॉर्पोरेशन लिमिटेड

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



Indian Oil Corporation Limited

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

कॉर्पोरेट कार्यालय
Corporate Office

Ref: IndianOil/UCO-11/28

Date: 25.02.2021

To,

**M/s CITIZENCARE BIOFUEL POWER PROJECT PRIVATE LIMITED
159A, New Patliputra Colony,
Patliputra, Patna, Bihar-800013.**

Sub: Letter of Intent for supply of Bio-diesel Produced from Used Cooking Oil (UCO) to IndianOil

Madam/ Sir,

This has reference to the following:

Notice Inviting Expression of Interest (NIEOI) Ref No:	UCO-11
NIEOI released on:	08.10.2020
NIEOI application dated:	08.11.2020
LOI reference number:	IndianOil/UCO-11/28
Status of Bio-diesel Plant as on date of application:	Proposed
Plant location as per NIEOI application:	Patna, Bihar
Bid ID:	706509

We also refer to documents submitted in the EOI and/or correspondences exchanged with IndianOil and your willingness to supply Bio-diesel produced from used cooking oil to IndianOil depot/terminal/RO from the above mentioned Bio-diesel plant.

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

1. In accordance with the NIEOI, you shall be responsible for, inter alia, the following obligations:

- You shall be responsible for planning, preparation, engineering and execution of the proposed UCO Bio-diesel Plant, including sourcing and storage of raw material, operation and maintenance of the UCO Bio-diesel Plant, maintaining final product output quantity and quality, managing the by-products and wastes

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

CIN : L23201MH1959GOI011388

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- from the Plant as per existing central / state government norms and providing performance guarantee for the UCO Bio-diesel Plant at your cost.
- b. You shall be responsible for setting-up and commissioning of the UCO Bio-diesel Plant and its continuous operation including arranging the entire land and finance. Role of IndianOil in the above matter is only as a facilitator.
 - c. You shall ensure that Bio-diesel produced from UCO shall meet all the specification as per IS 15607:2016 (as revised from time to time).
 - d. Due to any reason if the entire Bio-diesel produced in the Plant is not purchased by IndianOil, then you have the right to explore other options to market the produced surplus Bio-diesel.
 - e. Preferably the manufacturer should have in-house laboratory capability to conduct all test on Bio-diesel, however where the manufacturer does not have complete in-house testing facility he may need to get his sample tested at accredited NABL lab.
 - f. Supplier should submit full test report as mentioned in IS 15607:2016(as revised from time to time) at least once in a year. However, seven QC test i.e. Density @ 15°C ,KV at 40°C,Flash Point, Water Content, Cu strip corrosion, Acid value, and Pour point/ CFPP (as applicable for the Period of supply) should be accompanied each truck load of supply.
 - g. You shall be responsible for the transportation of Bio-diesel from plant to the designated depot/terminal/RO.
 - h. You shall follow all the statutory norms as prescribed from time to time by Government of India or local government/government bodies for setting-up and operation & maintenance of the Bio-diesel Plant.
 - i. You shall be responsible for all risks involved in the setting up the Bio-diesel Plant and its marketing. IndianOil shall not be responsible for any losses arising due to any unforeseen circumstances.
 - j. You shall not change the constitution of the entity/firm without prior written consent of IndianOil.
2. As per the business model for supply of Bio-diesel provided in the NIEOI, you shall make available Bio-diesel from the Plant within twelve (12) months from the date of issuance of this LOI, to the designated depot/terminal/RO of IndianOil located within approximate one way shortest distance.
3. If due to any reason, if the supply of Bio-diesel is not started within one year from the date of issue of this LOI, a request for extension of time shall be submitted by you to IndianOil within three months of the expiry of one year from the date of

LOI, explaining the reasons for delay. The time extension request shall be evaluated by IndianOil for the future probability of the supply of Bio-diesel through your Plant and further time extension shall be either granted or this issued LOI shall be withdrawn on the sole discretion of IndianOil based on the merit of the case. In case of cancellation of this LOI, your Bank Guarantee submitted to IndianOil shall stand forfeited without any further notice to you.

4. Applicant must comply with the feedstock import policy in line with clause 6.2 of National Policy on Biofuels -2018.
5. The production of the Bio-diesel at the Plant has to be aligned in accordance to the market demand and IndianOil shall have the exclusive purchase right over the entire bio-diesel produced from the plant mentioned in the EOI. Upon receipt of this LOI you shall not make further EOI applications for this Plant to any other OMC as per the NIEOI.
6. The ex-factory UCO based Bio-diesel price will be fixed for three years as per following rates:

Period	Basic Price	Remarks
1st year (Aug '19-Sep'20)	Rs. 51/ litre	Fixed for one year from date of release of first EOI in 2019 Sep'19-Aug'20
2nd year (Oct'20-Sep'21)	Rs. 52.7/ litre	Based on 3.4% average CPI inflation for 2018-19
3rd year (Oct'21-Sep'22)	Rs. 54.5/ litre	
4th year (Oct'22-Sep'23)	Based on resultant escalation factors of CPI index 2021-22 which will be applied on 3rd year price.	
5th year (Oct'23-Sep'24)	Based on resultant escalation factors of CPI index 2022-23 which will be applied on 4th year price.	

The price formula after 5 years may be revised by OMC before expiring of 5 years. However, Transportation rate as per slab (Annexure X) & GST @ 12% as applicable from time to time shall be payable additional to above. The above pricing structure is as per NIEOI further detailing of which shall be done in Commercial Agreement.

7. **Bank Guarantee:** As per the terms of the NIEOI, you have to submit a bank guarantee of ₹ 5 Lakh to co-ordinating OMC (IOC) within one month of issuance

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of this LOI. In case of non submission of the bank guarantee within the stipulated time frame, the LOI shall be automatically withdrawn and stand cancelled. This bank guarantee will be released to the applicant after successful delivery of 1st TT load (after completing all process/norms for releasing BG). Applicant shall enter into supply agreement with each OMC based on the advice from the co-coordinating OMC i.e. IOC, BPC, HPC and Bank Guarantee of 5% of the annual supply shall be submitted as security deposit to each OMC.

8. **Licenses and Registration:** You are required to get all the necessary registrations completed and obtain the requisite licenses/ approvals/ permissions from the statutory State/central authorities which are mandatory/necessary for operation of the UCO based bio-diesel production plant and transportation of Bio-diesel . This LOI is subject to you fulfilling of all terms and conditions and you obtaining all statutory approvals/licenses/permissions required at your end for your Bio-diesel Plant and its transportation to the nearest depot/terminal/RO. You shall ensure that all the requisite NOCs and approvals for the setting up your Bio-diesel Plant and its transportation shall be obtained by you. You shall inform IndianOil within 15 days of receipt of all licenses/ approvals/permissions requisite for the UCO based Bio-diesel plant.
9. This LOI is non transferable.
10. Before commissioning of the Bio-diesel Plant or depending on the significant progress in the actual construction of Plant, a "Commercial Agreement" between OMCs (IOC, BPC and HPC) and your firm shall be signed. The initial validity period of the Commercial Agreement shall be 10 years which will be further extended on mutual consent.
11. This Letter of Intent shall stand withdrawn automatically in the event any of the following has occurred :-
 - a. Failing supply of Bio-diesel produced from used cooking oil (UCO) within the mentioned time period, this LOI shall stand withdrawn suo moto if no request for extension of the same is received by Indian Oil; or
 - b. If a request for extension of time, in term of the LOI, is received by IndianOil and IndianOil finds that the progress made by you in setting up Facility along with other required facilities is not significant and chances of completion of the Facility is remote in near future or the progress made in Facility construction is not meeting the required industry standards or safety standards, this LOI shall be withdrawn at sole discretion of IndianOil; or
 - c. A liquidator, receiver or administrator or any beneficiary under an encumbrance takes possession of or is appointed over the whole or any part of

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your assets, or a resolution for winding up is passed or a petition for its winding up is filed against you, or a proceeding under Insolvency and Bankruptcy Code is initiated against you which is not quashed within 30 days; or

- d. There is any material adverse change or any change in applicable law, rules, regulations, directives or guidelines which prevent the sale of Bio-diesel produced from UCO ; or
- e. Any consent, approval, license or permission required for the transaction is not obtained within specified timeline or is withdrawn anytime in future; or
- f. If you submit expression of interest to other oil marketing companies for the same Bio-diesel Plant.

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

12. This Letter of Intent shall may be withdrawn at the sole discretion of IndianOil in case of any of the following events occur:

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

If the LOI is withdrawn by IndianOil pursuant to Clause 12 (a) (b) and(c) then the bank guarantee amount shall be forfeited.

13. As already stated in the NIEOI, You shall not enter into any agreement with a competitor of IndianOil for the mentioned business with respect to the subject Bio-diesel Plant for which both Parties have entered into or are endeavoring to enter into a Commercial Agreement. It is further clarified that if no such definitive agreement for the project/purpose is executed with you within a period of three (3) years from the date of issuance of this LOI, this restriction shall not become applicable.

14. All terms and conditions mentioned in the NIEOI shall be deemed to be included in the LOI by reference.

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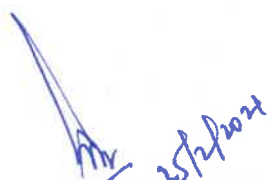
15. Any correspondence shall be addressed to our office located at the following address:

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

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

Thanking you,

For Indian Oil Corporation Ltd.


(Shantanu Gupta)
CGM I/c (AE&SD)

ACKNOWLEDGEMENT CUM UNDERTAKING

I _____ (Name) thankfully acknowledge receipt of the LOI ref _____ Dated _____. I have carefully gone through the contents of this LOI and agree to abide by all terms and conditions of the LOI and Notice Inviting Expression of Interest. I also hereby undertake that I shall not accept any other Letter of Intent for our same Bio-diesel plant located at _____.

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

Place:

Signature:

Date:

Name of Company/Firm: