

Leading oil PSUs sign Tripartite-cum-Escrow Agreement for upcoming ethanol plants | 1



The Oil Marketing Companies (OMCs) – [Bharat Petroleum Corporation Limited](#) (BPCL), [Indian Oil Corporation Ltd](#) (IOCL) and [Hindustan Petroleum Corporation Limited](#) (HPCL) have entered into a long-term purchase agreement (LTPA) for upcoming dedicated ethanol plants across India.

The first set of Tripartite-cum-Escrow Agreement (TPA) was signed among OMCs, project proponents and Banks of the respective ethanol plant projects in presence of Sandeep Poundrik (IAS), Principal Secretary, Department of Industries, Govt. of Bihar, Ashwani Bhatia, MD State Bank of India and Sukhmal Jain, Executive Director I/C, Marketing Corporate, BPCL. State Bank of India, Indian Overseas Bank and Indian Bank are three banks who are involved in this tripartite agreement with OMCs and project proponents. The agreement is designed to ensure that payment received by Ethanol plants is utilized for servicing the finance extended by these Banks.

As per the agreement, ethanol produced by these dedicated ethanol plants shall be sold to OMCs for blending with Petrol as per Govt of India's Ethanol Blended Petrol (EBP) Program. Payment towards supply of ethanol shall be credited to an escrow account maintained with the financing bank to ensure servicing of loan as per schedule.

TPAs were signed with Micromax Biofuels Pvt Ltd, Bihar, Eastern India [Biofuels](#) Pvt Ltd, Bihar, Muzaffarpur Biofuels Pvt Ltd, Bihar, K P Biofuels Pvt. Ltd, Madhya Pradesh and Visag Biofuels Private Limited, Madhya Pradesh.

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