



# **GAIL (INDIA) LIMITED**

## **EXPRESSION OF INTEREST (EOI) FOR SUPPLY OF CHLORINE BY SETTING UP A CHLOR ALKALI PLANT**

**EOI DOCUMENT NO.: GAIL/ND/BD/APPC/Chlorine EOI/2017**

**EOI ISSUANCE DATE: 12<sup>th</sup> OCTOBER 2017**

**LAST DATE FOR SUBMISSION OF EOI: 10<sup>th</sup> NOVEMBER 2017**



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

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**EXPRESSION OF INTEREST (EOI)**  
**EOI Document No. GAIL/ND/BD/APPC/Chlorine EOI/2017**

GAIL (India) Limited ('GAIL') along with Hindustan Petroleum Corporation Limited ('HPCL') is exploring setting up a greenfield petrochemical complex in Kakinada, Andhra Pradesh, India. The proposed petrochemical project shall produce 300 Kilo Ton Per Annum (KTPA) of Poly Vinyl Chloride (PVC), in addition to other Ethylene and Propylene derivatives. It has been envisaged to produce such quantity of PVC by sourcing 540 Metric Ton Per Day (MTPD) of Chlorine from a third party for a contract term of 15 years. Uninterrupted supply of Chlorine is to be delivered at the battery limit of the complex through a dedicated pipeline by setting up a Chlor Alkali plant adjacent to the petrochemical complex. The Chlorine supply is expected to commence from the year 2023 onwards.

Interested parties may submit the EOI latest by 10<sup>th</sup> November 2017.

For further details and complete document please visit the website <http://www.gailonline.com>



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

---

**TABLE OF CONTENTS**

| <b>SECTION</b> | <b>DESCRIPTION</b>                    | <b>PAGE NO.</b> |
|----------------|---------------------------------------|-----------------|
| 1.             | INVITATION FOR EXPRESSION OF INTEREST | 4 - 11          |
| 2.             | FORMATS TO BE ENCLOSED                | 12 - 17         |



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

---

**SECTION – 1**

**INVITATION FOR  
EXPRESSION OF INTEREST**



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

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**INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR  
SUPPLY OF CHLORINE**

**1.0 INTRODUCTION**

**GAIL (India) Limited (“GAIL”)**

GAIL is India’s leading Natural Gas Company with presence along entire natural gas value chain comprising of Exploration & Production, LNG imports, Gas Transmission & Marketing, Gas Processing, Petrochemicals, LPG transmission and City Gas Distribution. GAIL's business portfolio includes:

- Natural gas trunk pipeline of 11,000 km with a capacity to carry 206 MMSCMD of natural gas across the country
- Six (6) Gas Processing Units to produce 1.3 MMTPA of LPG and other liquid hydrocarbons
- Petrochemical complex with a capacity to produce 810,000 TPA of polymers and holds equity in two petrochemical complexes in India with the capacity to produce around 1.7 MMTPA of polymers
- A portfolio of 12 oil & gas blocks including two overseas blocks under various stages of exploration and production
- Presence in Eagle Ford shale gas play in the USA
- Overseas presence and business interests in USA, China, Myanmar, Egypt and Singapore

GAIL is listed on the National Stock Exchange of India, the Bombay Stock Exchange and the London Stock Exchange (in the form of GDRs) with the market capitalization of around US\$ 10 billion. GAIL’s turnover for the year ended 31<sup>st</sup> March 2017 was US\$ 7.5 billion with a net profit of US\$ 535 million. For additional information on GAIL, please visit <http://www.gailonline.com>

**Hindustan Petroleum Corporation Limited (“HPCL”)**

Hindustan Petroleum Corporation Limited (“HPCL”) is one of the leading Oil Marketing Companies in India. HPCL owns and operates two major refineries producing a wide variety of petroleum fuels & specialties, one in Mumbai (West Coast) of 6.5 MMTPA capacity and the other in Visakhapatnam (East Coast) with a capacity of 8.3 MMTPA, which is being expanded to 15 MMTPA. HPCL in collaboration with Mittal Energy Investments Pte. Ltd is



**EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APP/Chlorine EOI/2017**

---

operating a 9 MMTPA capacity refinery at Bathinda in Punjab and also holds equity in 15 MMTPA Mangalore Refinery and Petrochemicals Ltd.

HPCL also owns and operates the largest Lube Refinery in the country producing Lube Base Oils of international standards, with an annual capacity of 428 TMT. HPCL has the second largest share of product pipelines in India with a pipeline network of more than 2,500 km for transportation of petroleum products and a vast marketing network.

HPCL is listed on the National Stock Exchange of India and the Bombay Stock Exchange with the market capitalization of around US\$ 53.3 billion. HPCL's turnover for the year ended 31<sup>st</sup> March 2017 was US\$ 32.9 billion with a net profit of US\$ 0.97 billion. For additional information on HPCL, please visit <http://www.hindustanpetroleum.com>

## **2.0 BRIEF SCOPE OF WORK**

- 2.1** GAIL along with HPCL is exploring setting up a greenfield petrochemical complex in Kakinada, Andhra Pradesh, India. Detailed Feasibility Report for the project has been completed. Environment Clearance for the project is being obtained. Final investment decision is expected in 2018.
- 2.2** GAIL and HPCL shall incorporate a Joint Venture Company (JVC) shortly for implementing and operating the petrochemical complex.
- 2.3** The proposed petrochemical project is designed to produce 300 Kilo Ton Per Annum (KTPA) of Poly Vinyl Chloride (PVC), in addition to other Ethylene and Propylene derivatives. It has been envisaged to produce the PVC by sourcing 540 Metric Ton Per Day (MTPD) of Chlorine from a third party for a contract term of 15 years. Chlorine supply is expected to commence from the year 2023 onwards.
- 2.4** For uninterrupted supply of Chlorine, a Chlor Alkali plant is to be set up adjacent to the complex. Chlorine is to be delivered at the battery limit of the complex through a dedicated pipeline and the length of the pipeline should not exceed 3 Km between the battery limits of Chlor Alkali Plant and Petrochemical Complex.
- 2.5** In this backdrop, GAIL, on behalf of the JVC invites Expression of Interest (EOI) from the potential Chlorine producer ('Bidder') under International Competitive Bidding (ICB) for supplying 540 MTPD of Chlorine for a period of 15 years as per the specification of Chlorine given at **Annexure : 1** by setting



**EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APP/Chlorine EOI/2017**

---

up a Chlor Alkali plant adjacent to the Petrochemical Complex. The contract period for Chlorine supply may be extended by 5 / 10 years on mutual basis. On the basis of commercial arrangement for supply of Chlorine, GAIL and HPCL shall take a final decision on sourcing of Chlorine from the successful bidder.

**3.0 BIDDING ENTITY**

The Bidder should be a Registered Company / Limited Partnership (LP) firm / Limited Liability Partnership (LLP) firm / Limited Liability Company (LLC) / Incorporation (Inc.) or a Consortium of above. For Consortium EOIs, one of the Consortium members should be identified as the Consortium Leader and the same has to be mentioned in the EOI (Form II). The Consortium Leader should meet the Qualification Criteria specified at Sl. No. 4.0 of this Document. However, all the members of the Consortium should have positive net worth. The roles and responsibilities of Consortium Leader and members shall be discussed / detailed in the next stage.

**4.0 QUALIFICATION CRITERIA**

- 4.1** The Bidder must own and operate a Chlor Alkali Plant with a capacity to produce a minimum of 270 MTPD of Chlorine ('Reference Unit').
- 4.2** The Bidder must have produced at least 90 KTPA (270 MTPD x 330 days) Chlorine in every year from the Reference Unit, in the preceding 5 years from the due date for EOI submission.
- 4.3** The Bidder should have a positive net worth each year in the preceding 3 years from the due date for EOI submission.

*Net Worth shall be computed as follows:*

*Paid up share capital + Free Reserves & Surplus (excluding reserves created out of revaluation of assets, Write-back of depreciation and amalgamation)-Accumulated losses, Deferred expenditure and miscellaneous expenditure not written off, if any.  
(Above figures shall be calculated after considering the qualification, if any, made by the Statutory Auditor on the audited financial statements of the bidder including quantified financial implication. This certificate is to be submitted on the letter head of the Chartered Accountant / CPA)*

**5.0 SUBMISSION OF DOCUMENTS**

- 5.1** The Bidder is required to submit its Expression of Interest for supply of Chlorine as per Form-I provided under Section - 2 of this document.



**EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017**

---

**5.2** The Bidder is required to submit the following documentary evidences in support of qualification criteria as mentioned at Clause no. 4.0 :

1. Certificate of incorporation / registration
2. Documentary evidence for the Reference Unit with regard to qualification criteria mentioned at Clause no. 4.1
3. Production Schedule of the Reference Unit on an annual basis duly certified by a statutory auditor with regard to qualification criteria mentioned at Clause no. 4.2
4. Annual reports with audited financial statements for last three financial years
5. Networth of last three financial years certified by statutory auditor with regard to qualification criteria mentioned at Clause no. 4.3

Besides the above documentary evidences, the Bidder is required to submit Form-III (A) and III (B) in support of qualification criteria. In case of Consortium, all the members has to submit separate Form-III (B) regarding networth and Consortium leader has to submit both Form-III (A) and III(B). Form-III (B) has to be duly certified by Statutory Auditor.

**ADDITIONAL INFORMATION**

- 5.3** The Bidder is required to submit the following information along with the EOI
- a) Reference Unit details such as Technology Licensor, Location, Address
  - b) Experience in Chlorine production such as number of plants, years of operation etc.
  - c) Broad plan for setting up Chlorine production plant near the proposed petrochemical complex
  - d) Source of raw material, such as salt, etc.
  - e) Financing plan for setting up Chlorine production plant
  - f) Net Sales / Turnover for the last 3 financial years

**6.0 PREPARATION / SUBMISSION OF EXPRESSION OF INTEREST**

**6.1** Language of EOI: EOI and all correspondence related to EOI shall be in English language. Any printed literature and document submitted in any other language should be accompanied by authenticated English translation, in which case, for purpose of interpretation of EOI, English translation shall govern. Responsibility for correctness in translation shall lie with the Bidder.

**6.2** Cost of bidding: The Bidder shall bear all costs associated with the preparation or delivery of its EOI, participating in discussions etc. including





**EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APP/Chlorine EOI/2017**

---

costs and expenses related with visits to GAIL's office and the site(s). GAIL will in no case be responsible or liable for those costs and expenses regardless of the outcome of the bidding process.

- 6.3** Documents comprising EOI: EOI must be complete in all respect leaving no scope for ambiguity. It is in the interest of Bidder to submit complete and comprehensive proposal leaving no scope for GAIL to raise any further questionnaires. GAIL may evaluate the Bidder on the basis of document(s) submitted.
- 6.4** Information required from the Bidders :
- EOI Letter as per Form-I
  - Information about the Bidder as per Form-II
  - Information related to Qualification Criteria as per Form-III (A) and Form-III (B)
  - Additional Information as per Form-IV
- 6.5** The Bidder shall ensure submission of complete information / documentation in the first instance itself.
- 6.6** To assist in the examination and evaluation of Offers, GAIL may seek clarifications regarding the Bidder's experience or any other documents / information submitted by the Bidder as part of its Offer.

**7.0** **GENERAL INSTRUCTIONS ON SUBMISSION OF EOI**

- 7.1** EOI shall be submitted in hard copies. EOI sent through e-mail with covering letter followed by hard copy through courier shall also be accepted. Email address and address for EOI submission is as follows :
- [chlorineappc@gail.co.in](mailto:chlorineappc@gail.co.in)

**Mr. Ashwani Kumar Gumber**

Chief General Manager  
Business Development  
GAIL (India) Limited  
16, Bhikaji Cama Place  
R. K. Puram  
New Delhi – 110066  
India

- 7.2** Interested Bidders must respond to this notification on or before 10<sup>th</sup> November 2017.



**EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017**

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- 7.3** Clarification, if any, can be obtained from: Mr. Ashwani Kumar Gumber, Chief General Manager (BD) through Telephone: 91-11-26165419 and E-mail: [akgumber@gail.co.in](mailto:akgumber@gail.co.in)
- 7.4** Intent of the EOI is to secure supply of Chlorine on long term basis and its provisions are non-binding in nature. GAIL reserves the right to terminate EOI process at any point of time without assigning reason.
- 7.5** If the information submitted in the requisite format is found to be incorrect at a later stage; GAIL shall have the right to reject / terminate the offer / contract.
- 7.6** Further, GAIL also reserve the right to reject any or all EOI received without assigning any reason.
- 7.7** The parties meeting the Qualification Criteria under the EOI process shall be shortlisted and considered for further discussion on Chlorine supply by GAIL.
- 8.0** **CONTACTING GAIL**
- 8.1** No Bidder shall contact GAIL on any matter relating to its EOI after last date of submission of EOI unless requested so in writing. Any effort by a Bidder to influence GAIL in the decision making in respect of EOI will result in the rejection of that Bidder.



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

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**Annexure : 1**

**SPECIFICATION OF CHLORINE**

| <b>Specification</b>                     | <b>Limits</b> |
|--|---------------|
| Purity (Vol. %)                          | Min 99.9%     |
| Moisture (ppm by wt.)                    | Max 10        |
| Oxygen (vol %)                           | Max 1         |
| Hydrogen (vol %)                         | Max 0.05      |
| CO <sub>2</sub> + N <sub>2</sub> (vol %) | Max 0.5       |



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

---

## **SECTION – 2**

# **FORMS TO BE ENCLOSED**



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

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**FORM : I**

**FORMAT FOR THE COVERING LETTER**

*(The letter is to be submitted by the Bidder on its letter head)*

**GAIL (India) Limited**

GAIL Bhawan

16, Bhikaiji Cama Place

R. K. Puram

New Delhi-110 066

India

**Subject : Expression of Interest (EOI) for Supply of Chlorine**

Dear Sir,

This has reference to your EOI document no. GAIL/ND/BD/APPC/Chlorine EOI/2017 dated 12<sup>th</sup> October 2017 on the subject.

\_\_\_\_\_ (Name of the Bidder), hereby submit its Expression of Interest (EOI) for supplying 540 MTPD of Chlorine to the proposed petrochemical complex to be located in Kakinada, Andhra Pradesh, India for a period of 15 years and in accordance with the conditions stipulated in the EOI document.

**(SIGNATURE)**  
**(NAME AND DESIGNATION OF AUTHORISED PERSON)**



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

**FORM : II**

**INFORMATION ABOUT THE BIDDER**

(In case of Consortium, submit information for all the members in separate sheets)

1. Name and Address of Bidder / Member of Consortium
2. Name of Consortium leader  
(Applicable only in case of Consortium)
3. Date of Registration of bidder/Member of Consortium  
(Please enclose certificate of incorporation / registration)
4. Brief description of Bidder's Business/ Member of Consortium Business

5. Contact Person

Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

Contact No. : \_\_\_\_\_  
Email ID : \_\_\_\_\_

(SIGNATURE)  
(NAME AND DESIGNATION OF AUTHORISED PERSON)



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

**FORM : III (A)**

**QUALIFICATION CRITERIA**

| Sl. No. | Qualification Criteria  | Minimum Required                       | Qualification of Bidder  | Supporting Document enclosed |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |
|---------|---|--|--|------------------------------|---------------------------|--|----|----------------|--|----|----------------|--|----|----------------|--|----|----------------|--|----|----------------|--|--|
| 1.      | Reference Unit Name plate capacity  | 270 MTPD                               |  |                              |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |
| 2.      | Chlorine Production from the Reference Unit in the preceding 5 years from the due date of submission of EOI | 90 KTPA (270 x 330 days)               | <table border="1"><thead><tr><th>Sl. No.</th><th>Financial / Calendar Year</th><th>Chlorine Production Quantity (in KTPA)</th></tr></thead><tbody><tr><td>1.</td><td>2016-17 / 2016</td><td></td></tr><tr><td>2.</td><td>2015-16 / 2015</td><td></td></tr><tr><td>3.</td><td>2014-15 / 2014</td><td></td></tr><tr><td>4.</td><td>2013-14 / 2013</td><td></td></tr><tr><td>5.</td><td>2012-13 / 2012</td><td></td></tr></tbody></table> | Sl. No.                      | Financial / Calendar Year | Chlorine Production Quantity (in KTPA) | 1. | 2016-17 / 2016 |  | 2. | 2015-16 / 2015 |  | 3. | 2014-15 / 2014 |  | 4. | 2013-14 / 2013 |  | 5. | 2012-13 / 2012 |  |  |
| Sl. No. | Financial / Calendar Year   | Chlorine Production Quantity (in KTPA) |  |                              |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |
| 1.      | 2016-17 / 2016  |  |  |                              |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |
| 2.      | 2015-16 / 2015  |  |  |                              |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |
| 3.      | 2014-15 / 2014  |  |  |                              |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |
| 4.      | 2013-14 / 2013  |  |  |                              |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |
| 5.      | 2012-13 / 2012  |  |  |                              |                           |  |    |                |  |    |                |  |    |                |  |    |                |  |    |                |  |  |

(SIGNATURE)  
(NAME AND DESIGNATION OF AUTHORISED PERSON)



EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

**FORM : III (B)**

**QUALIFICATION CRITERIA**

We have verified the audited Financial Statements and other relevant records of M/s..... (Name of bidder) and certify the following:

| Sl. No. | Qualification criteria  | Minimum Required | Qualification of Consortium Members |                           |   | Supporting Document enclosed |
|---------|---|------------------|-------------------------------------|---------------------------|---|------------------------------|
| 1.      | Net Worth in the preceding 3 years from the due date of submission of EOI | Positive         | Sl. No.                             | Financial / Calendar Year | Net Worth<br>(in Rs Crore / US\$ million) |                              |
|         |   |                  | 1.                                  | 2016-17 / 2016            |   |                              |
|         |   |                  | 2.                                  | 2015-16 / 2015            |   |                              |
|         |   |                  | 3.                                  | 2014-15 / 2014            |   |                              |

Note: It is further certified that the above mentioned applicable figures are matching with the returns filed with Registrar of Companies (ROC) [Applicable only in case of Indian Companies]

Name of Audit Firm:

Chartered Accountant / CPA

Date:

[Signature of Authorised Signatory]

Name:

Designation:

Seal:

Membership No.:





EXPRESSION OF INTEREST (EOI)  
FOR SUPPLY OF CHLORINE  
EOI DOCUMENT NO. GAIL/ND/BD/APPC/Chlorine EOI/2017

**FORM : IV**

**ADDITIONAL INFORMATION**

|    |   |  |
|----|---|--|
| 1. | Reference Unit<br>Technology Licensor<br>Location<br>Address  |  |
| 2. | Experience in Chlorine production such as number of plants,<br>years of operation, etc.                             |  |
| 3. | Broad plan for setting up Chlorine production plant near the<br>proposed petrochemical complex                      |  |
| 4. | Source of raw material, such as salt, etc.  |  |
| 5. | Financing plan for setting up Chlorine production plant   |  |
| 6. | Net Sales / Turnover for the last 3 Financial / Calendar years<br>( 2016-17 / 2016, 2015-16 / 2015, 2014-15 / 2014) |  |

(SIGNATURE)  
(NAME AND DESIGNATION OF AUTHORISED PERSON)