

LETTER OF INTENT/
LETTER OF ACCEPTANCE

LOI No.: TFL/PROJ/C&P/LOI/GASIFICATION/2019-20/001

September 11, 2019

To,

M/s Wuhuan Engineering Co., Ltd.
1019 Minzu Road, East Lake Hi-tech Development Zone,
Wuhan 430223, Hubei Province,
People's Republic of China

Kind Attn.: Mr. Zhang Weixing, Proposal Manager / Mr. Xie Hui, Business Development
Manager

E-mail : zhangweixing@cwcec.com; xiehui@cwcec.com
Mobile No : +86 18971282279 / +86 13871577776
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Subject: Letter of Intent (LOI) for providing Supply of Process License, Basic Design, Detailed Engineering, Procurement, Supply, Fabrication, Inspection by Third Party Inspection Agency (TPIA) as applicable, Expediting, Route Survey for ODCS, Insurance, Transportation of all equipment / material to work site, Storage, construction and erection of all Civil, Mechanical, Electrical and Instrumentation Works, Assembly and Installation, obtaining all necessary Statutory Approvals, Testing, Mechanical Completion, Pre- Commissioning, Commissioning, Sustained Load Test Run, Performance Guarantee Test Run (PGTR), Six months Supervisory Operation & maintenance assistance after PGTR, Total Project Management and handing over of Coal Gasification Plant and its Associated Facilities for generating Ammonia Synthesis Gas & CO2 Gas to produce Ammonia & Urea on Lump-sum Turnkey basis with single point responsibility basis , at Talcher, Angul district, Odisha for Talcher Fertilizers Limited.



Ref: NIT No. PNMM/PC-009/E-4001 dated 26.05.2017 issued by M/s Projects & Development India Ltd. (hereinafter referred to as PDIL) on behalf of Talcher Fertilizers Limited (hereinafter referred to as TFL/OWNER) for Coal Gasification Plant for generating Ammonia Synthesis Gas & CO2 Gas at Talcher, Odisha, India for TFL and all subsequent pre-bid meetings, replies to pre-bid queries, pre-bid amendments, various Vendor Clarification Meetings (VCM) and minutes thereof, Post-Bid Amendments, Supplementary Price Bids with all Annexures, Price Negotiation Meetings and all other correspondence exchanged between TFL/PDIL and M/s Wuhuan Engineering Co., Ltd., China (hereinafter referred to as WUHUAN/CONTRACTOR)

Dear Sir,

1.0 This has reference to the following:

- (i) NIT/Bid document no. PNMM/PC 009/E/4001 dated 26.05.2017 issued by PDIL on behalf of TFL
- (ii) Subsequent pre-bid Amendments issued by PDIL on the NIT Documents as listed in APPENDIX-I attached hereto.
- (iii) WUHUAN's Techno-Commercial Bid Ref. No. 17125-FP10-01 dated 18.05.2018 against the referred NIT
- (iv) Various correspondences exchanged between PDIL/TFL and WUHUAN with regard to Commercial & Technical queries/ clarifications.
- (v) Various rounds of Vendor Clarification Meetings (VCM) and minutes thereof
- (vi) Post-bid Amendment(s) issued by PDIL on the NIT Documents as listed in APPENDIX-I attached hereto
- (vii) WUHUAN's acceptance of Post Bid Amendment(s) no. 39 (Technical), 40(Commercial), 41 (Technical), 42 (Commercial) & 43 (Commercial), vide e-mail dated 10.01.2019
- (viii) Letter of Waiver of conditions/deviations submitted by WUHUAN vide e-mail dated 10.01.2019
- (ix) WUHUAN's letter dated 31.01.2019 regarding submission of Supplementary Price Bid and Bid Validity Extension vide email dated 31.01.2019.
- (x) Supplementary Price Bid submitted by WUHUAN dated 31.01.2019



- (xi) Price negotiation meetings held with WUHUAN on 26.03.2019, 12.04.2019, 16.04.2019, 30.04.2019 & 20.06.2019
- (xii) WUHUAN's email dated 20.05.2019 for extension of validity of your Bid till 05.10.2019.
- (xiii) WUHUAN's email dated 20.05.2019 regarding extension of BG towards EMD upto 05.07.2020
- (xiv) Any other correspondence exchanged between TFL/PDIL & WUHUAN not covered above with reference to this tender

2.0 With reference to above, we hereby accept offer/Bid Ref. No: 17125-FP10-01 submitted by you read in conjunction with all the other documents referred in Para 1.0 above and are pleased to issue this LETTER OF INTENT (LOI) to M/s Wuhuan Engineering Co., Ltd. for providing Supply of Process License, Basic Design, Detailed Engineering, Procurement, Supply, Fabrication, Inspection by Third Party Inspection Agency (TPIA) as applicable, Expediting, Route Survey for ODCS, Insurance, Transportation of all equipment / material to work site, Storage, construction and erection of all Civil, Mechanical, Electrical and Instrumentation Works, Assembly and Installation, obtaining all necessary Statutory Approvals, Testing, Mechanical Completion, Pre-Commissioning, Commissioning, Sustained Load Test Run, Performance Guarantee Test Run (PGTR), Six months Supervisory Operation & maintenance assistance after PGTR, Total Project Management and handing over of Coal Gasification Plant and its Associated Facilities for generating Ammonia Synthesis Gas & CO2 Gas to produce Ammonia & Urea on Lump-sum Turnkey basis with single point responsibility basis , at Talcher, Angul district, Odisha for Talcher Fertilizers Limited.

3.0 TOTAL LSTK PRICE / TOTAL CONTRACT PRICE:

The TOTAL LSTK PRICE/TOTAL CONTRACT PRICE for the subject scope of work under this Contract including Taxes & Duties shall be USD 292,647,881 plus INR 34,124,065,251/- as per the following break up:

TOTAL LSTK PRICE/TOTAL CONTRACT PRICE as per Scope of Work in Para 2.0 above:	USD 292,647,881 <i>(In words: US Dollars Two Hundred Ninety Two Million Six Hundred and Forty seven Thousand Eight Hundred and Eighty One only)</i>
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Plus (+)

INR 34,124,065,251/-

(In words: Indian Rupees Thirty Four Billion One Hundred Twenty Four Million Sixty Five Thousand Two Hundred and Fifty one only)

The prices mentioned above are firm and shall not be subject to any escalation during the contract period, except as otherwise specifically stipulated in the NIT/ Contract documents.

4.0 TAXES AND DUTIES

Taxes and Duties to be paid by OWNER under this contract is included in 3.0 above and shall be paid on submission of documents in accordance with NIT provisions and shall be limited to amounts indicated below:

- i) Goods and Service Tax (GST): INR 8,031,313,503/-
(In words: Indian Rupees Eight Billion Thirty One Million Three Hundred Thirteen Thousand Five Hundred and Three only)
- ii) Custom Duty including applicable Cess and Surcharge: INR 891,509,224/-
(In words: Indian Rupees Eight Hundred Ninety One Million Five Hundred Nine Thousand Two Hundred and Twenty Four only)
- iii) BOCW INR 63,870,056 /-
(In words: Indian Rupees Sixty Three Million Eight Hundred Seventy Thousand and Fifty Six only)



5.0 TIME SCHEDULE / COMPLETION PERIOD

CONTRACTOR shall be required to complete the WORK as per the Guaranteed Completion Date stipulated in the CONTRACT so as to achieve the Guaranteed Completion Date in accordance with the following milestones:

a) Mechanical Completion	41 Months from Effective Date of Contract
b) Preliminary Acceptance	46 Months from Effective Date of Contract

The "Effective Date of Contract" shall be reckoned as "Two months from the date of issuance of this LOI (Letter of Intent) by the Owner".

6.0 TECHNOLOGY LICENSOR(S)

The Technology Licensor(s) for this package shall be as under:

- Gasification: Air Products (formerly Shell)
- Purification: Linde AG

7.0 SIGNING OF CONTRACT AGREEMENT

WUHUAN shall give it's unconditional acceptance of this LOI within 15 (fifteen) days from the date of issuance of this LOI. Thereafter, a Contract Agreement (to be executed on non-judicial stamp paper of appropriate value) as per Annexure 1.24 (and subsequent revisions, if any) shall be executed between the OWNER and the CONTRACTOR within fifteen (15) days from date of acceptance of this LOI.

CONTRACTOR shall sign the CONTRACT AGREEMENT (in two sets) and return both the sets to the OWNER. The CONTRACT AGREEMENT shall be signed by authorized officer of the CONTRACTOR, in whose name Power of Attorney has been issued.



8.0 CONTRACT SECURITY CUM PERFORMANCE BANK GUARANTEE

As a Contract Security, CONTRACTOR shall be required to furnish a Security cum Performance Bank Guarantee (CS cum PBG) equal to ten per cent (10%) of the TOTAL CONTRACT PRICE as per Annexure- 1.16 and subsequent revisions, if any within thirty (30) days of issuance of this LOI in accordance with clause no. 35 of ITB (Instruction to Bidders, Part I, Section 1.0 of NIT).

In addition to submission of the Security cum Performance Bank Guarantee (CS cum PBG) for 10% of the TOTAL CONTRACT PRICE as stipulated above, CONTRACTOR is also required to submit a separate Bank Guarantee for an amount equivalent to 100% of the license fees for Gasification [as quoted under Sl. No. 1.0, Part-II, Section A Gasifier of Annexure 1.2 OR as payable by LSTK contractor to Air Products (formerly Shell) as per License Agreement, whichever is higher]. The CONTRACTOR shall submit to TFL a copy of the License Agreement signed between CONTRACTOR and Air Products (formerly Shell) indicating inter alia the License fees payable by CONTRACTOR to Air Products (formerly Shell) (as documentary proof). The above BG shall be submitted within Sixty (60) days of issuance of this LOI. The format of BG shall be as per Annexure-1.35 (and subsequent revisions, if any) and shall be issued by any bank appearing in the list as per Annexure 1.20 (and subsequent revisions, if any). The BG shall be valid till PRELIMINARY ACCEPTANCE plus 3 months. This Bank Guarantee shall be an irrevocable Bank Guarantee.

9.0 PUBLIC PROCUREMENT (PREFERENCE TO MAKE IN INDIA) POLICY

As WUHUAN has given undertaking in their bid document that they are eligible for benefit under Purchase Preference (linked with local content) and that they will meet the mandatory minimum Local Content requirement of 50% specified in tender document, accordingly, the provisions of the said policy contained in Annexure-1.33 of the bidding document shall be applicable.

10.0 INTEGRITY PACT

This contract shall be governed by INTEGRITY PACT (Annexure 1.25 and revisions, if any) signed between TFL and WUHUAN.



11.0 This **LETTER OF INTENT** (including the documents referred hereinabove) shall constitute a binding **CONTRACT** between **OWNER** and **CONTRACTOR** until a formal **CONTRACT** is prepared and executed between **OWNER** and **CONTRACTOR**.

This "**LETTER OF INTENT**" is being issued to you in duplicate. We request you to return the duplicate copy duly signed and stamped on each page including all the enclosed Appendices, by the authorized signatory of your company as a proof of your acknowledgement and acceptance, within fifteen (15) days of issue of this LOI.

All other terms and conditions shall be as per NIT ref No. PNMM/PC 009/E/4001 dated 26.05.2017 and all subsequent amendments and other documents/correspondences referred at SI No. 1.0 above.

A "DETAILED LETTER OF ACCEPTANCE (DLOA)" shall follow shortly.

Thanking you,

Yours faithfully,

For Talcher Fertilizers Limited



(S. DASGUPTA)

DY. GENERAL MANAGER (C&P)

एस. दासगुप्ता / S. DASGUPTA
उप महाप्रबन्धक (संविदा एवं क्रय)/Dy. General Manager (C&P)
तालचर फर्टिलाइजर्स लिमिटेड/Talcher Fertilizers Ltd.
जीटीपार्क वीएआरसी बिल्डिंग/GTI PARC Building
प्लॉट नं० 24, सेक्टर-16ए, नोएडा-201301(उ.प्र.)
Plot No. 24, Sec.-16A, Noida-201 301(U.P.)

ACCEPTANCE OF LOI:

THE ABOVE "LETTER OF INTENT" IS ACCEPTED IN TOTO.
For M/s WUHUAN ENGINEERING CO., LTD.

NAME:

DESIGNATION:

Encl.:

APPENDIX-I: List of Amendments issued to NIT

List of Amendments issued to NIT
PRE-BID AMENDMENTS

Amendment No.	Dated
Amendment-I (Commercial)	01-08-2017
Amendment-II (Technical)	08-08-2017
Amendment –III (Commercial)	11-08-2017
Amendment-IV (Commercial)	14-08-2017
Amendment –V (Commercial)	24-08-2017
Amendment –VI (Extension)	04-09-2017
Amendment –VII (Technical)	28-09-2017
Amendment –VIII (Commercial)	25-10-217
Amendment –IX (Technical)	27-10-2017
Amendment –X (Extension)	03-11-2017
Amendment –XI (Technical)	09-11-2017
Amendment –XII (Commercial)	15-11-2017
Amendment –XIII (Technical)	11-12-2017
Amendment –XIV (Extension)	15-12-2017
Amendment –XV (Commercial)	12-01-2018
Amendment –XVI (Technical)	08-01-2018
Amendment –XVII (Technical)	12-01-2018
Amendment –XVIII (Commercial)	15-01-2018
Amendment –XIX (Commercial)	19-01-2018
Amendment –XX (Technical)	13-02-2018
Amendment –XXI (Extension)	16-02-2018
Amendment –XXII (Commercial)	20-03-2018
Amendment –XXIII (Extension)	22-03-2018
Amendment –XXIV (Technical)	29-03-2018
Amendment –XXV (Commercial)	29-03-2018
Amendment –XXVI (Commercial)	03-04-2018
Amendment –XXVII (Technical)	10-04-2018
Amendment –XXVIII (Commercial)	10-04-2018
Amendment –XXIX (Commercial)	13-04-2018
Amendment –XXX (Technical)	13-04-2018



Amendment No.	Dated
Amendment –XXXI (Extension)	18-04-2018
Amendment –XXXII (Commercial)	20-04-2018
Amendment –XXXIII (Commercial)	25-04-2018
Amendment –XXXIV (Extension)	17.05.2018
Amendment –XXXV (Extension)	29.05.2018
Amendment –XXXVI (Commercial)	31.05.2018
Amendment –XXXVII (Extension)	14.06.2018
Amendment –XXXVIII (Extension)	28.06.2018

POST BID AMENDMENTS

Amendment No.	Dated
Amendment –XXXIX (Technical)	01.01.2019
Amendment –XL (Commercial)	01.01.2019
Amendment –XLI (Technical)	07.01.2019
Amendment –XLII (Commercial)	07.01.2019
Amendment -XLIII (Commercial)	21.01.2019

