



BRAHMAPUTRA CRACKER AND POLYMER LIMITED
[A Government of India Enterprises]

Date: 01.12.2016

**BID DOCUMENT No.: BCPL/C&P/90000230/LE16W184AD/UNSECURED
LOAN**

To,

**UNSECURED SHORT TERM LOAN OF RS. 250 CRORE FOR BCPL, LEPETKATA,
ASSAM**

Prepared & Issued By
CONTRACTS AND PROCUREMENT DEPARTMENT
M/s. Brahmputra Cracker & Polymer Ltd.
“Administrative Building”, Lepetkata,
BCPL-Project Site, P.O. Lepetkata
Dibrugarh, PIN – 786006 (Assam)
Tel#+91-373-2914636

For Brahmputra Cracker and Polymer Limited,
(A Government of India Enterprise)

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Project Execution office: 3rdFloor, GTI; 24, Sector-16A; NOIDA–201 301: Tel: 0120-2513102, 011-26185941(Fax)

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SECTION-I

REQUEST FOR PROPOSAL (RFP)

REQUEST FOR PROPOSAL (RFP)

Dear Sir(s),

Brahmaputra Cracker & Polymer Ltd., stands for BCPL Dibrugarh here-in-after called as OWNER/COMPANY/BCPL invites you to submit SEALED QUOTE under SINGLE BID system towards **UNSECURED SHORT TERM LOAN OF RS. 250 CRORE FOR BCPL** as detailed below in complete accordance with enclosed **Financial Information Memorandum (FIM) and Tender Condition:**

1) **Salient features of bid document:**

1.2.1	Type of Enquiry, Mode of bid submission	Limited Domestic Tender (Bid to be sent by post / courier or hand delivered)
1.2.2	Earnest Money Deposit / Bid Security (Refundable)	Not Applicable
1.2.3(i)	Bid Document No.:	BCPL/C&P/90000230/LE16W184AD/UNSECURED LOAN dated 01.12.2016
1.2.3(ii)	Bid documents available on website & BCPL Office	Available in GAIL, BCPL and CPPP websites : https://www.gailtenders.in ; http://www.bcplonline.co.in ; https://www.eprocure.gov.in
1.2.4	Period of Contract/Tenure of Loan re-payment	As per Term Sheet
1.2.5	Pre-Bid Meeting	07.12.2016 at 3.00 pm
1.2.6	Last date and time for Submission of bid	14.12.2016 at 2.30 pm
1.2.7	Date and time for opening of bid at BCPL, Lepetkata	14.12.2016 at 3.00 pm
1.2.8	Place of submission of bid	BRAHMAPUTRA CRACKER & POLYMER LIMITED, ADMINISTRATIVE BUILDING, CONTRACTS AND PROCUREMENT DEPARTMENT, P.O. – LEPETKATA, DIBRUGARH-786006, ASSAM <i>You may come in-person (if required) for submission of bids to ensure timely submission.</i>
1.2.9	Venue for Opening of bids	BRAHMAPUTRA CRACKER & POLYMER LIMITED, ADMINISTRATIVE BUILDING, CONTRACTS AND PROCUREMENT DEPARTMENT,

		P.O. – LEPETKATA, DIBRUGARH-786006, ASSAM
1.2.10	Contact Person	Arunjyoti Dutta ;DM(C&P) E-mail ID: ajdutta@bcplindia.co.in ; Ph. Number :0373-2914636/9435736432 Or P R Dash; CM(F&A) E-mail ID: pdash@bcplindia.co.in Ph. Number :0373-2914625/9435564458

A Pre-Bid conference (PBC) is scheduled **on 07.12.2016 at 03.00 pm** in Conference Room of C&P Department, Administrative Building, PO: Lepetkata, Distt.: Dibrugarh, Assam, Pin Code:786006, Phone no. 0373 2914636., to discuss Terms and Conditions of tender document. For participation in PBC, please contact Dy. Manager (C&P), Phone No. 0373-2914636/09435736432; Email ID: ajdutta@bcplindia.co.in/pdash@bcplindia.co.in; skmishra@gail.co.in; Phone No. 0373-2914637.

Prospective Bidder(s) requiring any clarification(s) of the Bidding Documents may notify BCPL in writing or by fax or email as indicated above not **later than 02 (two) days prior to pre-bid meeting.**

2. **The bid will be submitted in a single envelope containing the following documents:**
Sealed and signed FIM, Complete RFP signing all pages with company seal along-with Priced Bids in the RFP to be submitted at the time of bid submission.

3. **Evaluation Methodology:**

Bids shall be evaluated on techno-commercially acceptable overall lowest bid (L1) basis as detailed in Schedule of Rate (SOR).

Bidders are advised to strictly confirm compliance to tender conditions and not to stipulate any deviation / conditions in their offer. Subsequent to bid submission, BCPL may not seek confirmations / clarifications and any bid(s) not in line with tender conditions shall be liable for rejection. Bidders are also requested to submit the documents / confirmations strictly as per the tender document.

If you require any further information, feel free to contact us.

**For Brahmaputra Cracker and Polymer Limited,
(A Government of India Enterprise)**

Arunjyoti Dutta
Dy . Mgr(C&P)
ajdutta@bcplindia.co.in.

SECTION-II

FINANCIAL INFORMATION MEMORANDUM *[FIM]*



FINANCIAL INFORMATION MEMORANDUM [FIM]

Brahmaputra Cracker and Polymer Limited **220 KTPA Poly Ethylene & 60 KTPA Poly Propylene Plant**

Unsecured Short Term Loan Requirement of Rs. 250 crore

BACKGROUND

1. Brahmaputra Cracker & Polymer Limited (BCPL) is a Joint Venture Company of GAIL (India) Ltd. (GAIL), Oil India Ltd (OIL), Numaligarh Refinery Limited (NRL) and Government of Assam, GoA. GAIL (India) Ltd. is the main promoter of BCPL and holds 70% of the Equity and other three stakeholders viz, OIL, NRL & GoA hold 10% Equity stake each. BCPL is a Central Public Sector Enterprise set up under the Department of Chemicals & Petrochemicals for implementing the Assam Gas Cracker Project. The Project is located at Lepetkata, district Dibrugarh, Assam. The Project is configured to use both Natural gas and Naphtha as the feed stock. Natural gas is supplied by OIL & ONGC and Naphtha is sourced from NRL. The Project is configured to produce 220,000 TPA of Ethylene with the main end products being High Density Polyethylene (HDPE) / Linear Low Density Polyethylene (LLDPE) and Polypropylene (PP).
2. The approved project cost is Rs. 9965 crore and the funding pattern of the capital cost is in the following manner:

(all figures in Rupees crore)

Description	Approved Values
Project Cost	9965.00
Capital Subsidy	5239.45
Equity	1417.67
- GAIL (70%)	992.37
- OIL (10%)	141.77
- NRL (10%)	141.77
- GoA (10%)	141.77
Debt	3307.88

3. The details of the Company are presented in the table below:

Name of Company	Brahmaputra Cracker and Polymer Limited
Promoters	GAIL (India) Limited; Oil India Limited, Numaligarh Refinery limited and Government of Assam
Date of Incorporation	8 January 2007
Constitution	Public Limited Company

Registered Office	Hotel Brahmaputra Ashok, M.G. Road, Guwahati, Assam – 781001
Project Location	Project is spread across three locations namely Lepetkata, Lakwa and Duliajan in Assam. Brief details of the facilities located at each of the Project site is listed below: • Lepetkata : ○ Gas Sweetening Unit; C2+ Liquid Extraction Unit ○ Dual Feed Cracker Unit; Poly Propylene Unit ○ HDPE/LLDPE Swing Unit; Captive Power Plant ○ Utilities and Off sites • Lakwa ○ Gas Sweetening Unit ○ Modification of existing LPG plant to C2+ recovery unit ○ Lean gas//Rich gas receipt / dispatch terminal ○ Utilities and Off sites • Duliajan ○ Gas Dehydration Plant ○ Lean gas/Rich Gas receipt/dispatch terminal

4. As on 31 March 2016, the authorized capital of BCPL was Rs 2,000 Crore and the issued capital was Rs 1,269 Crore.

Share Capital as on 31 March 2016

S No	Share Capital	Rs. Crore
1	Authorised Capital	2,000.00
2	Issued Capital	1,269.00
3	Subscribed and fully Paid up Capital	1,173.71

5. The break-up of the Paid up Equity Capital among the Promoters is presented in the table below.

Details of Shareholding as on 31 March 2016

Name of Allottee	Number of Equity Shares	% Holding of Shares
GAIL	79,30,10,083	67.56 %
NRL	12,69,00,010	10.81 %
OIL	12,69,00,010	10.81 %
GoA	12,69,00,010	10.81 %
Total	1,17,37,10,113	100 %

PROJECT DETAILS

The site for main plant is Lepetkata; district Dibrugarh, Assam. Further, other Project facilities viz. C2+ recovery plant and Gas Dehydration Plant are located at Lakwa&Duliajan in Assam. The Project is configured to produce 220 KTPA of ethylene and 60 KTPA of propylene. The Project will receive supply of Natural gas from OIL and ONGC and Naphtha from Numaligarh Refinery Limited (NRL) in Assam. The LPG Plant at Lakwa, previously owned by GAIL is converted to C2+ Recovery Plant and Assets has been transferred to BCPL.

The Key units of Project are listed as under:

	Unit	Capacity	Licensor
LEPETKATA			
1	Gas Sweetening Unit	6.0 MMSCMD	EIL
2	C2+ Liquid Recovery Unit	6.0 MMSCMD	EIL
3	Ethylene Cracker Unit	280 KTPA	Lummus, USA
4	LLDPE/HDPE Swing Unit	220 KTPA	INEOS, UK
5	Polypropylene Unit	60 KTPA	LummusNovolen, Germany
6	Steam & Power Plant	56MW	EIL
7	Utilities & Offsite Facilities	-	EIL
LAKWA			
8	Gas Sweetening Unit	1.0 MMSCMD	EIL
9	Modification of LPG Unit/C2+ recovery unit	As Required	EIL
DULIAJAN			
10	Gas Dehydration Unit	6.0 MMSCMD	EIL
11	Rich/ Lean Gas Compressor Station	As Required	EIL
PIPELINES			
12	C2 + Liquid Pipeline (Lakwa – Lepetkata)	4”-48Kms	EIL
13	Rich Gas Pipelines (Duliajan – Lepetkata)	18” – 48 Kms	EIL
14	Lean Gas Pipelines (Lepetkata – Duliajan)	18” – 48 Kms	EIL
15	Raw water and treated effluent pipeline	6.2KM+15.2KM	EIL

FEEDSTOCK & MARKETING ARRANGEMENT

Feedstock Arrangement

The Project is designed to receive the supply of gas from OIL and ONGC and Naphtha from NRL in Assam. In this regard, BCPL has signed following agreements for supply of feedstock:

1. Naphtha Sales and Purchase Agreement with NRL – dated 29 June 2010.
2. Agreement for Supply of C2+ Fractions in Gas Ex-Lakwa with ONGC – dated 15 October 2007.
3. Agreement for Supply of Gas Ex-Duliajan with OIL – dated 19 September 2007.

Key commercial terms of feedstock agreement are as under:

Feedstock	Quantity	Pricing Principle
NG from OIL	6 MMSCMD of gas with 0.50 MMSCMD of C2+ extractable for 15 YEARS from COD	APM Price notified by Government
NG from ONGC	1 MMSCMD of gas with C2+>5% till 31 March 2027 (extendable based on availability of gas)	APM Price notified by Government
Naphtha	160,000 TPA from Numaligarh Refinery Limited for 15 years from COD	Cost of Crude Payable by NRL to OIL/ONGC, sale realization or Export Parity Price, whichever is lower.

Marketing Arrangement

BCPL has a marketing arrangement with GAIL for the marketing & distribution of its entire product range i.e. HDPE, LLDPE & PP along with all the other liquid hydrocarbon products.

The marketing agreement would be valid for 10 years for marketing of BCPL product and further extendable for a period of 10 years.

CURRENT STATUS OF OPERATION AND LOAN REQUIREMENT

1. The plant was **commissioned on 02.01.2016.**
2. In view of the socio-economic importance of the project, **Hon'ble Prime Minister himself dedicated the plant to the nation on 05.02.2016.**
3. The plant has been substantially stabilized under the supervision of experts from the licensors.
4. The production figures of the major units as on 28.09.2016 are given below:

Description	UOM	During the FY	Since Inception
Gas Dehydration Unit, Duliajan			
Natural Gas	Gas Handled MMSCM	686.73	1656.69
Gas Sweetening Unit & C2+ recovery Unit, Lepetkata			
C2+ liquid	MT	45,610.61	70,880.62
Ethylene Cracker Unit			
Ethylene	MT	37,242.08	47,523.08
Propylene	MT	8,267.51	10,229.51
Hydrogenated Pyrolysis Gasoline (HPG)	MT	2,119.75	3,103.40
Pyrolysis Fuel Oil (PFO)	MT	722.23	1,128.14
LLDPE/HDPE Unit			
LLDPE / HDPE	MT	28,273.00	31,542.00
Polypropylene Unit			
PP	MT	3,725.80	3,805.80

5. The details of sales are given below:

Description	UOM	During the FY
Polymer (LLDPE/HDPE and PP)	MT	14,027.27
Liquid Hydrocarbons (HPG and PFO)	MT	3,042.90

6. BCPL has availed working capital loan of Rs. 350 crore from SBI and the operations are partly funded by the same.
7. The plant is in first year of operation and is facing some initial technical hiccups and other constraints which have affected the Capacity utilization and cash flow. The estimated profitability for 2016-17 is given as under in summarized form:

Table: Profitability in 2016-17

(all financial figures in Rupees crore)

	Actuals	Projected	Total
	Apr'16 to Aug'16	Sep'16 to Mar'17	2016-17
Estimated Capacity Utilization	19.81%	50.76%	42.10%
Production (in MT)			
LLDPE/ HPDE	19710	67397	87107
PP	2656	24273	26929
Total Polymer	22366	91670	114036
LHC	670	14434	15105
Sales (value in Rs Cr)			
LLDPE/ HDPE	60.83	521.80	582.63
PP	6.75	168.28	175.03
Total Polymer	67.58	690.08	757.66
LHC	3.90	28.57	32.47
Total Revenue from Operation	71.48	718.65	790.12
Expenses			
Variable Expense	182.84	543.24	726.08
Fixed Expense	73.45	156.63	230.08
Total Expenses	256.29	699.87	956.16
Operating Profit/ (Loss)	-184.81	18.77	-166.04
Interest on Term Loan	122.93	170.85	293.78
Interest on WC Loan	2.38	19.40	21.77
Cash Profit / (Loss)	-310.11	-171.47	-481.59
Depreciation	149.69	238.48	388.17
Net Profit/ (Loss) Before Tax	-459.81	-409.95	-869.76

8. It is expected that in 2017-18, the production would improve with higher capacity utilization. The projected profitability for 2017-18 is given below:

Table: Profitability in 2017-18

(all financial figures in Rupees crore)

	2017-18
Estimated Capacity Utilization	91.00%
Production (in MT)	
LLDPE/ HPDE	193921
PP	52598
Total Polymer	246519
LHC	43962
Sales (value in Rs Cr)	
LLDPE/ HDPE	1651.51
PP	401.11
Total Polymer	2052.62
LHC	95.72
Total Revenue from Operation	2148.34
Add: Opening Stock of FG	115.43
Less: Closing Stock of FG	115.43
Total Value of Production	2148.34
Expenses	
Natural Gas	492.15
Naphtha	506.05
Other Variable Expenses	285.10
Repairs, Maintenance, Stores & Spares	70.10
Employees Remuneration & Benefits	91.25
Security Expenses	17.50
Other Fixed Expenses	89.66
Total Expenses	1551.81
Operating Profit/ (Loss)	596.53
Interest on Term Loan	309.77
Interest on WC Loan	33.25
Cash Profit / (Loss)	253.52
Depreciation	412.59
Net Profit/ (Loss) Before Tax	-159.08

9. In order to meet the short term liquidity situation, it is proposed to avail Short Term Unsecured Loan of Rs. 250 crore.
10. The Annual Report 2015-16 is available on our website.
11. The short term loan is proposed to be met from cash accruals out of operation in 2017-18 or any other strategic recourse as may be available.

SECTION-III

TERM SHEET [TM]

TERM SHEET FOR THE SHORT TERM UNSECURED LOAN

1.	Borrower	Brahmaputra Cracker and Polymer Limited or Company
2.	Promoters	GAIL (India) Limited (GAIL) Oil India Limited, (OIL) Numaligarh Refinery Limited (NRL) Government of Assam (GoA)
3.	Project	Petrochemical Project at Lepetkata, Lakwa and Duliajan in Assam having capacity of 280 kTPA of Polymers. The project consists of: • Lepetkata : ○ Gas Sweetening Unit ○ C2+ Liquid Extraction Unit ○ Ethylene Cracker Unit ○ Poly Propylene Unit ○ HDPE/LLDPE Swing Unit ○ Captive Power Plant ○ Utilities and Off sites • Lakwa ○ Gas Sweetening Unit ○ Modification in existing facilities of LPG plant/C2+ recovery unit ○ Lean gas/Rich gas receipt / dispatch terminal ○ Utilities and Off sites • Duliajan ○ Gas Dehydration Plant ○ Lean gas/Rich Gas receipt/dispatch terminal The project was declared commissioned on 02.01.2016.

4.	Project Cost & Means of Finance	The approved cost of the Project is Rs. 9,965 crore and the funding pattern is: Capital Subsidy : Rs. 5239.45 crore Debt : Rs. 3307.88 crore Equity : Rs. 1417.67 crore i. Capital subsidy of Rs. 4708.95 crore received. Balance is expected to be received by Jan'17. ii. Full amount of equity, except Rs. 14.86 crore from Govt. of Assam, has been received. <u>Existing Loan:</u> A. <u>Secured Long Term Loans:</u> Oil Industry Development Board (OIDB) : Rs. 1142.87 crore State Bank of India (SBI) : Rs. 1699.00 crore Oil India Limited : Rs. 125.68 crore B. <u>Unsecured Short Term Loans:</u> Axis Bank: : Rs. 125.00 crore Tata Capital Financial Services Ltd : Rs. 125.00 crore C. <u>Working Capital Loan:</u> State Bank of India (SBI) : Rs. 350.00 crore (sanctioned limit)
5.	Proposed Facility	Unsecured Short Term Loan of Rs. 250 crore.
6.	Purpose of the facility	The Proceeds of the Facility will be utilized for meeting the cash flow mismatch.
7.	Disbursements	The disbursement of the loan shall be in parts or full from December, 2016 to March, 2017 as per the requirement of BCPL.
8.	Tenor	The tenor of the loan shall be for Twelve (12) months.
9.	Repayment	The loan shall be fully repaid within Twelve (12) months from the date of drawl in one/several bullet payments.
10.	Interest Payment	Interest payment shall be made monthly on the 1 st day of succeeding month for the previous month.
11.	Availability	Till 31.03.2017.
12.	Interest Rate	To be Quoted in the format appended in RFQ.
13.	Prepayment Premium	The Borrower shall at any time have the option to prepay the lender in part or in full the loan together with interest and there shall be no pre-payment premium.
14.	Security	The loan shall be UNSECURED in nature.
15.	Governing Law	Indian Law
16.	Currency	Rupee Term Loan

SECTION-IV

SCHEDULE OF RATES [SOR]

SCHEDULE OF RATES**RFP NO. BCPL/C&P/90000230/LE16W184AD/UNSECURED LOAN****TENDER DESCRIPTION:UNSECURED SHORT TERM LOAN****LOAN AMOUNT TO BE SANCTIONED : RS 250 CRORE**

Sl No.	Description	Interest Rate (in % per Annum)	Re-payment Period	Interest Amount for 250 Crore in 1 year	Interest Amount for 250 Crore in 1 year
				<i>in Figure(Rs)</i>	<i>in Word(Rs)</i>
		A	B	C= (250 Cr x 01 x A)	D=C
1	Interest Rate (MCLR of SBI for 1 year which will be reckoned one day prior to bid due date of submission of bid +/- SPREAD) Or MCLR of respective Bank for 1 year which will be reckoned one day prior to bid due date of submission of bid +/- SPREAD)		12 Months		
2	Other Fee, if any (please Specify in Amount in Rs)				
Total Amount (Sum of Total amount of Row No. 1 and Row No. 2)					

Note:

1. Interest rate and other Fee to be quoted in the above format.
2. Other Fee to be quoted in Amount (in Rs) in Column D.
3. For determining the comparative position, the total financial implication considering the Total Amount (Sum of Total amount of Row No. 1 and Row No. 2 of above SOR) over the tenure of the loan i.e. 12 months would be considered.
4. Any other condition like penal interest/ default interest etc not to be mentioned in the schedule of rates.

5. The terms and conditions of the Loan shall be as per the Term Sheet mentioned in the FIM and any additional condition may not be acceptable.
6. The quoted spread shall be constant and uniform for the entire period of loan.
7. In the event of more than one party appearing as L-1, the loan amount would be distributed equally among the L-1 bidders. Accordingly, the other fee will be proportionately reduced in line with the distributed loan amount.
8. The decision of BCPL shall be final and binding on the bidder.
9. Final sanction is to be provided to BCPL once the intimation/order is placed on the techno-commercially acceptable lowest bidder(s).
10. The bidders should be a Scheduled Commercial Bank or NBFC or FIs registered under RBI and by signing the RFP/SOR, bidder confirms to the same.
11. **MCLR rate of(%) considered from.....Bank(Bank name needs to be confirmed by Bidder) which is offered in SOR above.**

Place:

Date:

(Signature of Authorized Signatory)

Name of authorized person submitting the
tender on behalf of the Bidder (s):

Designation of authorized person:

Name of Firm / Contractor:

Address of Firm / Contractor: