



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

BID DOCUMENT No.: BCPL/DIB/C&P/SER/UNSECURED LOAN
Date: 12.02.2016

To,

Prepared & Issued By
CONTRACTS AND PROCUREMENT DEPARTMENT
M/s. Brahma Putra Cracker & Polymer Ltd.
“Administrative Building”, Lepetkata,
BCPL-Project Site, P.O. Lepetkata
Dibrugarh, PIN – 786006 (Assam)
Tel#+91-373-2914609

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

Amrisha Rajkhowa
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Regd. Office: Hotel Brahma Putra Ashok, MG Road, Guwahati-781001, Assam: Tel: 0361-2733554, 0361-2733556(Fax)
Project Site Office: Administrative Building, BCPL-Project Site, A.T.Road, PO-Lepetkata, Dibrugarh-786 006, Assam Tel: 0373-2914611/609/608/606/604/603/600, Fax: 0373-2371052(Fax)
Project Execution office: 3rdFloor, GTI; 24, Sector-16A; NOIDA-201 301: Tel: 0120-2513102, 011-26185941(Fax)

Section IA**Request For Quotation (RFQ)**

Dear Sir(s),

Brahmaputra Cracker & Polymer Ltd., stands for BCPL Dibrugarh here-in-after called OWNER/COMPANY/BCPL invites you to SEALED QUOTE under SINGLE BID system towards **UNSECURED SHORT TERM / BRIDGE LOAN REQUIREMENT OF RS. 250 CRORE** as detailed below in complete accordance with enclosed **FIM**..

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)	NA
1.2.3(i)	Bid Document No.:	BCPL/DIB/C&P/SER/UNSECURED LOAN
1.2.3(ii)	Bid documents available on website & BCPL Office	website of BCPL
1.2.4	Period of Contract	As per Special Conditions of Contract (SCC) Part-B.
1.2.5	Pre-Bid Meeting	16.02.2016 at 03:00 PM
1.2.6	Last date and time for Submission of bid	19/02/2016 up to 17.00 hrs (IST)
1.2.7	Date and time for opening of un –priced bid at BCPL, Lepetkata	19/02/2016 on 17.30 hrs (if the particular day is a HOLIDAY at BCPL, Lepetkata the bids shall be opened on next working days
1.2.8	Place of submission of bid	CONTRACTS AND PROCUREMENT DEPARTMENT BRAHMAPUTRA CRACKER & POLYMER LIMITED, ADMINISTRATIVE BUILDING , C&P DEPARTMENT P.O. – LEPETKATA, DIBRUGARH-786006, ASSAM <i>You are requested to come in-person for submission of bids to ensure timely submission. Please note that no extension whatsoever shall be granted.</i>
1.2.9	Venue for Opening of bids	CONTRACTS AND PROCUREMENT DEPARTMENT BRAHMAPUTRA CRACKER & POLYMER LIMITED, ADMINISTRATIVE BUILDING , C&P DEPARTMENT

		P.O. – LEPETKATA, DIBRUGARH-786006, ASSAM
1.2.10	Contact Person	Amrisha Rajkhowa, Sr. Officer (C&P) E-mail: arajkhowa@bcplindia.co.in Ph. No. +91-373-2914609

The bid will be submitted in 01 (ONE) part as follows:

PART –I: Bids (Techno-Commercial Bids) : Sealed and signed FIM & Priced Bids

2) **Evaluation Methodology:**

Bids shall be evaluated on the basis of ROI and other charges as per FIM

SUBMISSION OF ATTESTED DOCUMENTS:

-
- Power of attorney.
 - Attested copy of service tax registration certificate
 - Attested copy of PAN Card..

Please note that this is a zero deviation tender. 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 will 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 check list enclosed in the tender document.

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

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

Amrisha Rajkhowa
Sr. Officer (Contracts & Procurement)
E-Mail: arajkhowa@bcplindia.co.in
Ph no: 0373-2914609

FINANCIAL INFORMATION MEMORANDUM



Brahmaputra Cracker and Polymer Limited

220 KTPA Poly Ethylene & 60 KTPA Poly Propylene Plant

Unsecured Short Term / Bridge Loan Requirement of Rs. 250 crore

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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 will be supplied by OIL & ONGC and Naphtha will be sourced from NRL. The Project will 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. Based on the recommendations of the expert committee constituted by the Ministry of Chemicals and Fertilizers (MoCF), due diligence and appraisal by Planning Commission & Ministry of Finance, CCEA approved the revised Project parameters in 2011. As per the CCEA approvals, the total Project Cost of Rs. 8,920.00 Crore ("Approved Project Cost") is to be funded by Capital Subsidy of Rs. 4,690.00 Crore (52.58%), Debt of Rs. 2,961.00 Crore and Equity of Rs. 1,269.00 Crore. Debt: Equity ratio at 2.33:1.
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 2015, 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 2015

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 2015

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 being 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	220 KTPA	Lummus, USA
4	LLDPE/HDPE Swing Unit	220 KTPA	INEOS, UK
5	Polypropylene Unit	60 KTPA	Lummus Novolen, 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 will 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” between GAIL and BCPL has already been initiated, the terms & conditions have been finalized and approved by the Board of GAIL & BCPL. The same would be signed shortly.

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

REVISED PROJECT COST ESTIMATE

REVISED PROJECT COST ESTIMATE

On account of increase in project cost on account of time and cost overruns, foreign exchange variation, price escalation, change in taxes and duties, under estimations in earlier DFRs, Engineers India Limited (EIL) fee & other expenses, interest during construction, owner's construction period expenses etc., BCPL's Board of Directors recommended the revised project cost of Rs.9965 crore against the approved cost of Rs.8920 crore with revised commissioning by December, 2015. Based on the Board's recommendation, BCPL has proposed the following:

- (i) Revised project cost of Rs. 9,965 crore as against the approved project cost of Rs 8,920 crore. The estimated increase in the project cost of Rs 1,045 crore is proposed to be funded by capital subsidy of Rs. 549.45 crore, equity of Rs. 148.67 crore and debt of Rs.346.88 crore. The funding structure is summarized as below:

Cost Estimates	Approved Project Cost	Revised Cost Estimate (Rupees in crore)	
Approved on	Nov. 2011	Proposed	Increase
Total Project Cost (Rs. Crore)	8920	9965.00	1045.00
Means of Finance (Rs. Crore)			
Capital Subsidy	4690	5239.45	549.45
Equity	1269	1417.67	148.67
Debt	2961	3307.88	346.88

- The revised commissioning has been proposed to be achieved by December, 2015.
- (ii) Further, in order to make the project economically viable and bankable, approval is requested for:
- a) In-principle approval of the feedstock subsidy as required for the project to maintain the minimum IRR of 10% for 15 years of plant operations along with an annual review to ascertain feedstock (natural gas) subsidy requirement based on gas, naphtha and polymer prices to ensure minimum IRR of 10%, with a request to the Government to consider providing the feedstock subsidy, as required for the project, directly to the gas suppliers.
 - b) Revenue Subsidy of Rs. 26 crore to fund the cash deficit for initial one year and achieve the minimum Debt Service Coverage Ratio (DSCR) of 1.0.

The major reasons for the cost escalation in terms of soft cost (on account of macro-economic reasons) and time escalation are given below:

	Description	Amount (Rs. in Cr)
A	Soft Cost	
	(i) Foreign Exchange Fluctuation	216.28
	(ii) Price Escalation	21.20
	(iii) Increase in statutory levies	6.00
	Sub total (A)	243.48
B	Time Escalation	
	(i) Owners' construction period exp	264.13
	(ii) Interest During Construction	361.21
	(iii) EIL's fee	41.00
	Sub total (B)	666.35
C	Others reasons	135.17
Total (A+B+C)		1045.00

The revised project cost proposal is under consideration of the Government and a Standing Committee to look into time & cost overruns has been constituted. The Standing Committee meeting was held on 01.01.2016 and their report has been submitted to the ministry. Simultaneously, a PIB note has been circulated in the Govt of India.

The approving authority for the revised cost estimate is Government of India. It is expected that it would take around three months for obtaining the final approval to the revised project cost estimate. Post approval of the project cost, the Government would release the Capital subsidy and the promoters would infuse additional equity.

CURRENT STATUS OF PROJECT AND LOAN REQUIREMENT

1. 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.**
2. The plant is now being stabilized under the supervision of experts from the licensors. Intermittent production has been achieved.
3. BCPL has already received the sanction of working capital loan of Rs. 350 crore from SBI and the loan agreement is under process of execution.
4. Pending approval of the revised cost estimate by the Government, BCPL is in need of short term loan/bridge loan to liquidate urgent project liabilities arising out of final closure of contracts, supplies and expenses incurred during start-up & commissioning.
5. The loan shall be repaid out of Capital Subsidy/ Equity / debt fund to be received after the approval of the revised project cost.

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 220 kTPA of Polymers. The project would consist 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 revised cost of the Project is estimated at Rs. 9,965 Crore. The Project Cost is proposed to be funded through: Capital Subsidy : Rs. 5239.45 Crore Debt : Rs. 3307.88 Crore Equity : Rs. 1417.67 Crore <u>Existing Loan:</u> Oil Industry Development Board: Rs. 1179 crore. State Bank of India: Rs. 1699 crore. Oil India Limited: Rs. 125.68 crore.
5.	Facility	Unsecured Short Term Loan of Rs. 250 crore.
6.	Purpose of the facility	The Proceeds of the Facility will be utilized for part financing the Project Cost Overrun
7.	Disbursements	The disbursement of the loan shall be in parts or full from February, 2016 to April, 2016 as per the requirement of BCPL.
8.	Tenor	The tenor of the loan shall be for six (6) to Twelve (12) months.

9.	Repayment	The loan shall be fully repaid within six months after three months from last drawl either in parts in instalments or fully in one bullet payment.
10.	Interest Payment	Interest payment shall be made monthly on the 1 st day of the month for the previous month.
11.	Availability	Till 30.04.2016.
12.	Interest Rate	To be Quoted in the format appended below to this term sheet.
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 and the lenders will have NO rights over the ASSETS of the company.
15.	Documentation charge	The documentation charge, at actuals, would be borne by the company.
16.	Governing Law	Indian Law

Interest rate and other charges to be quoted as per the following format

We seek In-principle sanction of your Bank/FI for participation in the proposed Rupee Term Loan Facility & Working Capital Facility and request you to provide by 17th February, 2016 as per the following:

Exposure in RTL Facility

Unsecured Short Term/Bridge Loan	Rs. 250 Crore
Interest Rate linked to SBI Base Rate (in %, p.a.)	
Other Fee, if any (please Specify)	

Evaluation to be made based on above quote and no other charges in addition to above will be paid separately either on actual re-imbursement basis or otherwise.

