

BCPL all set to implement project on time

Guwahati, July 17, 2010: The Board of Directors of Brahmaputra Cracker and Polymer Limited in its 24th Board meeting held today at Guwahati, decided on various issues implementation of SAP ERP system in BCPL, and deployment of additional CISF force at Lepetkata plant, which is under advanced stage of construction. Earlier Shri B C Tripathi, Chairman BCPL and Chairman and Managing Director, GAIL (India) Limited inaugurated the registered office of the Company in Guwahati yesterday.

Briefing the media on the status of the project in Guwahati, Shri B C. Tripathi, Chairman BCPL said that the company is committed to timely completion of the project. Site development works are in progress as the entire land for the Project has already been acquired. Environmental clearances both from state and centre have been obtained. The purchase orders and the contracts of value over Rs. 3540 crores have been placed and the placement of remaining orders and contracts are being expedited. Civil and structural works for the main process units namely Ethylene cracker unit, Poly ethylene unit (HDPE/LLDPE), Poly propylene unit, C2+ extraction unit, Gas processing unit, Gas dehydration unit and Gas sweetening unit have commenced. 64 buildings & facilities are under construction. Site grading, Construction of Roads, drainages, culverts, boundary walls, piling jobs, development of BCPL & CISF townships, etc are going on. The total Capex incurred till 11.07.2010 is about Rs 4343 Cr and total expenditure planned for FY 2010-11 is Rs. 2272.32 crores.

BCPL has already committed the feed stocks from OIL and ONGC for supply of Natural gas and with NRL for supply of Naphtha. Selection of process technology licensors has been completed and basic Design & Engineering Packages have been received from Licensors. Detailed engineering is being done by EIL and accordingly the ordering of equipments is in progress.

Illustrating on the engagement of local manpower for the BCPL project, Mr. Tripathi, Chairman BCPL said that more than 65 per cent of the total 77 engineers & executives appointed so far are from North-East. Recently, the campus interviews were conducted in institutes & engineering colleges of North East. Company is going for recruitment of additional executives & engineers and efforts shall be taken to recruit the locals to the extent possible subject to the suitability to job requirement and within the rules/regulations applicable. He further added that more than 92 per cent of skilled/ semi-skilled/ unskilled workers engaged in construction work are locals. Around 65 per cent the engineers & executives appointed in Company till date are from North-East.

Participation of local contractors in civil related jobs of the project has increased after adequate measure for relaxing the experience and the financial criteria. Expressing satisfaction over these concerns, Shri B C. Tripathi, Chairman BCPL said that out of the total 32 site grading and civil & structural jobs of total value Rs. 838.2 crores, 20 jobs of total value Rs. 408.1 crores are being executed directly by Local contractors. Out of 12 jobs of total value Rs 430.1 crores being executed by contractors from outside, wherein locals have adequately been accommodated to get a share of more than 65 per cent (Rs.

279.6 crores) as the construction material & equipments, labour, managerial and technical manpower, etc are being sourced locally. All civil jobs in townships till now are being executed by the local contractors only. Thus the locals have a substantial share to the extent of Rs. 687.7 Crores (atleast 82%) out of total site grading and civil & structural works of total value of Rs. 838.2 Crores currently under execution at plant site.

In the area of Corporate Social Responsibility, BCPL has undertaken implementation of various projects in co-ordination with local administration. For creating good social infrastructure in the region, the Company has taken up with local administration for allocation of land for hospital in Lepetkata area, a crematorium, etc as identified social infrastructure. The Company is also pursuing with local administration for setting up the bank, post office, restaurant, hotel, etc in Lepetkata area to cater to the requirement of business, lodging & boarding, etc.

Chief Operating Officer (COO) of BCPL is posted at Lepetkata site and is in-charge of plant construction on full time basis. Government of Assam has deputed one Officer on Special Duty (OSD) to BCPL to look into issues related to good working environment, resolve labour related issues and to ensure statutory compliances, development of skills, media relations, and liaison with local authorities, etc and shall be posted at Dibrugarh. During implementation of the project, headquarter of Managing Director and Director (Finance), BCPL will be at Dibrugarh.

Out of 1200 local youths trained at Construction Academy Hyderabad, 800 youths have been engaged in BCPL project and remaining shall also be engaged as the requirement develops in next few months. A batch of 800 local youths is being sent by Government of Assam by end of July 2010. Another batch of 400 youths is being sent by middle of August this year. BCPL shall be financing for training 3000 local youths and training is being arranged through district administration. BCPL is also working with IL&FS Infra to create training facilities right in Dibrugarh to train the local youth. This all is aiming at developing the required skills in youths to be able to be engaged in the project work.

There has been some effort to resolve procurement of critical units which are Low Capacity Plant and there is a reluctance of Licensors to quote for the technology, which has caused re-tendering of the bids and longer than envisaged time in having acceptable bids. Parallel exercise for undertaking procurement of long lead & critical equipment based on Licensors data ahead of submission of final process packages have been started. Delays in Construction progress (43% of total project progress), non-availability of adequate number of borrows earth pits for transporting huge amount of earth/silt (around 50 Lac CM) for site grading works in low lying plant area, non-availability of the adequate number of workers of required skills, availability of manpower and prolonged monsoon and unprecedented rains since March 2010 are some of the concerning issues.

Speaking on the occasion, Shri Tripathi said that BCPL has been able to achieve 18.2 per cent progress against the scheduled progress of 37.6per cent. “We are running about 6 months behind the schedule and efforts are being put in to catch up for the delays to maintain Project completion schedule of April 2012 as originally planned.”

Brahmaputra Gas Cracker and Polymer Limited is a Joint Venture Company (JVC) with GAIL as the lead promoter with 70% equity. The other Joint Venture partners are Oil India Limited (OIL), Numaligarh Refineries Limited (NRL) and Assam Government, each having 10% equity. The scope of business of the JVC includes investing, setting up and operation and maintenance of the facilities for integrated Petrochemical Complex at Lepatkata, District Dibrugarh, Assam, comprising of a cracker unit, downstream polymer and integrated off-site/utilities plants, facilities for Gas Sweetening and Ethane and Heavier Hydrocarbon Recovery Unit at Lakwa.

The project being of national importance is being executed with all out efforts for completion within the schedule of 60 months from the date of foundation stone laying ceremony by Hon'ble Prime Minister Dr. Manmohan Singh on 9th April 2007 at Lepatkata site. Central Government & the Government of Assam have been extending all required help for the project.