

NICCO CORPORATION LIMITED

PROJECT DIVISION

INFORMATION MEMORANDUM

1.0 Nicco Project Division (NPD) is a part of Nicco Corporation Limited (NCL) founded in 1942. NPD commenced business in 1986.

2.0 NPD is an ISO certified EPC contracting Division

3.0 Services provided - Process design, detailed engineering, project management, procurement (including international), fabrication, construction, erection and commissioning apart from technology sourcing.

4.0 Nicco enjoys participative technological association with renowned international contractors.

5.0 NPD has a total comprehensive engineering service facility of International Standard to enable being sub-contractor of overseas reputed organizations.

6.0 Types of Contract – Areas of Operation:

1) Chemical Process

- Sulphuric & phosphoric acid plant
- By-product recovery plant
- Nitro-glycerine
- Gas condensation
- Benzol & other chemical plants

2) Water & Environmental

- Raw water treatment
- Waste water treatment
- Slurry water treatment
- Gas cleaning plant
- High pressure micro filtration system

3) Oil Tanks & Terminals

- Cone roof, floating roof, dome roof tanks
- Fire protection system
- Pumping & loading system

4) Oil & Gas Handling

- Gas flaring system

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- Gas compression & dehydration system
- Skid mounted mini refineries

5) Miscellaneous

- Piping network
- Turbo blower package
- Water distribution network & pumping stations

7.0 Customer Profile (some leading organization)

- ONGC, IOL, GAIL HPCL, SAIL, VSP, Hindusthan Copper, Hindusthan Zinc, NALCO, TISCO, Ispat Annaba – Algeria, Birla Copper, NPCL, Greater Calcutta Gas Corporation, NTPC, NPCIL, Ordnance Factory Board.

8.0 Key Milestones:

1986	Formation of Nicco Project Division and receipt of first LSTK order from SAIL, Durgapur for Gas Bleeder Project
1987-1992	Revamp leading to 50% capacity expansion of sulphuric acid plant for Tata Chemicals, Haldia, Design and execution Illumination package of 2 nd Hooghly River Bridge, a landmark in Eastern India
1993 to 1996	Completion of water treatment system for Tata Steel. Handled Oil terminal project for IOCL at Rewari and Sangrur
1997 to 2000	EPC for 1300 TPD Sulphuric Acid Plant and 335 TPD Phosphoric Acid Plant at Indo-Gulf Fertilizer Limited, Dahej (Birla Group) Commissioning of Effluent Treatment Plant at Numaligarh Refinery Limited
2000 to 2004	Completion of a skid mounted mini refinery project (2000 bpd) for first time in India for ONGC, EPC of Double Deck Floating Roof Tank (largest in India) for Cairn Energy, Rawa.
2004 to 2007	Completion of Water Supply Project for Ahmedabad city EPC of Heavy water upgrading Plant at NPCIL, Tarapur
2008 to 2009	Completion of Recirculating Water System of Tata Steel, Jamshedpur Completion of Gas Compression plant at ONGC, Geleki Completion of Water Filtration-cum-Treatment Plant for Direct Cooling Water and Make-up Water System for 148" wide Plate Mill of M/s. Jindal Steel & Power Limited, Raigarh Completion of Contaminated Air Ventilation System Package of M/s. Nuclear Power Corporation of India Limited, Kaiga-3&4 and RAPP-5&6 Completion of Value Addition Products (VAP Plant at GCS of M/s. ONGC, Kuthalam

	<p>Completion of RB Heavy Water Vapour Recovery System Package of M/s. Nuclear Power Corporation of India Limited, Kaiga-3&4 and RAPP -5&6</p> <p>Completion of Secondary Cycle Piping Package of M/s. Nuclear Power Corporation of India Limited, Kaiga-3&4 and RAPP-5& 6</p> <p>Completion of Station Piping Package for M/s. NTPC,Kahalgaon.</p>
2010-211	<p>Completion of Construction of Pipe Storage System for M/s. Oil and Natural Gas Corporation Limited, Ligripukhuri</p> <p>Completion of Sulphid Removal by Hydrogen Peroxide Treatment of Spent Caustic in ETP of M/s. Indian Oil Corporation Limited, Panipat</p> <p>Completion of Propylene Separation Unit Revamp for panipat Naphtha Cracker Project of M/s. Indian Oil Corporation Limited</p> <p>Completion of Gas Condensation Plant of M/s. SAIL – IISCO Steel Plant, Burnpur</p> <p>Completion of Effluent Treatment Plant for Panipat Naphtha Cracker Project of M/s. Indian Oil Corporation Limited</p>
2012-2013	<p>Completion of New Turbo Blower (TB No 8) of M/s. SAIL – Bokaro Steel Plant</p> <p>Completion of Water System Facilities for LD#3 of M/s. Tata Steel Limited, Jamshedpur</p>

9.0 Foreign associates and tie-ups for execution of earlier project contracts:

M/s Lurgi-Bamag, Germany	High Rate Pressure Filtration Plant
M/s Swemco Limited, U K	Gas cleaning Plant in Metallurgical & Chemical Industries.
M/s. Vicarb S.A., France	Incineration Technologies including valuable chemical recoveries.
M/s. Coppee Lavalin, Belgium	Phosphoric Acid Plant
M/s Monsanto Enviro-Chem, USA	Grassroot Sulphuric Acid Plants, Retrofitting of existing plants
M/s Arthur D Little, USA	Dual Alkali Scrubbing Plant
M/s. Kvaerner Process, UK	Nano-filtration for Oil Well Water Injection
M/s ITT- Kirchner Italia Branch S.p.A,	Fabrication and Erection of Hydrogen Reformer Package

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Milano, Italy	
M/s CT Environment Limited, Switzerland	Evaporation Plant
M/s Envirotech Pump Systems, Netherlands bv	Red Mud Slurry Disposal System
M/s Ventech Engineers Inc, U.S.A	Basic know-how for Skid Mounted Mini Refinery
M/s Biazzi SA, Switzerland	Nitro-Glycerine & other Nitro-Ester Plants
M/s Mutsui Shipbuilding	Turbo blowers, Turbo generators

10.0 Projects under execution (to be transferred)

Client	:	Steel Authority of India Limited – Bhilai Steel Plant
Contract No.	:	C296
Job Details	:	Installation of Gas Mixing and Booster Station (Package No. 076) under 7.0 MT Modernisation & Expansion
Contract Price	:	Rs 14,66,30,000/-
Scope of Work	:	Design, Engineering, Procurement, Fabrication, Manufacture & Supply of Equipment at Site / Stores, Painting, Storage, Handling, Erection and Commissioning of One (1) No. Gas Mixing Station and Four (4) Nos. Mixed Gas Booster along with related Civil and Structural Works, Electrics, Area Illumination, Instrumentation, Telecommunication, Material Handling Facilities, Fire Fighting etc. (Package No. 076) under 7 MT Expansion Project
Date of Commencement	:	November 2011
Scheduled Date of Completion	:	November 2012
Billing Till October, 2013	:	Rs 8,48,22,536/-

Client	:	Steel Authority of India Limited – Chandrapur Ferro Alloy Plant
Contract No.	:	C298
Job Details	:	Utilities & Services for Installation of 45 MVA SAF (Pkg. No. TK-03)
Contract Price	:	Rs 14,64,84,800/-

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Scope of Work	:	Designing of System and Equipment, Engineering, Documentation, Manufacture / Fabrication, Assembling, Testing and Inspection at Manufacturer's Works, Packing, Insurance, Supply, Transportation to Site, Unloading, Storage at Site, Erection, Testing, Commissioning and Performance Guarantee Test of the Equipment and Facilities for 45MVA SAF Industrial Water Cooling and Recirculation System, GCP Water Cooling, Cleaning and Recirculation System, Emergency Water System, Fire Fighting Water System, Make-up Water System, Water Conservation System, DG Set and extension of Nitrogen Pipeline
Date of Commencement	:	October 2012
Scheduled Date of Completion	:	September 2013
Billing Till October, 2013	:	Rs 2,97,19,077/-

Client	:	Steel Authority of India Limited – Bokaro Steel Plant
Contract No.	:	C299
Job Details	:	Augmentation of Water System in SMS-II & CCD
Contract Price	:	Rs 33,26,23,000/-
Scope of Work	:	Design, Engineering, Manufacture / Fabrication, Assembly, Testing, Shop Painting, Packing and Transportation of Materials to Site, Unloading and Storage at Site, complete Civil & Structural Works, Road Approach to New Units, Erection of the Structures, Mechanical Equipment, Pipelines, Electrical Equipment, Instruments and other Accessories, Final Painting, Testing, Commissioning and handing over of Augmentation of Water System in SMS-II & CCD (Pkg. No. 26AB) under 7.0 MT Expansion Project
Date of Commencement	:	November 2012
Scheduled Date of Completion	:	May 2014
Billing Till October, 2013	:	Rs 3,12,41,900/-

Client	:	Steel Authority of India Limited – IISCO Steel Plant
Contract No.	:	C300
Job Details	:	Top Pressure Recovery Turbine (Package No. 18R-01)

Contract Price	:	Rs 27,06,67,000/-
Scope of Work	:	Design, Engineering, Manufacture/Supply of Plant & Equipment and Technological Structures, Dismantling if any, Entire Civil & Structural Works, Erection, Testing and Commissioning, Demonstration and Establishment of Performance Guarantees and Handing Over of Top Pressure Recovery Turbine (Package No. 18R-01) under 2.5 MT New Stream Expansion Project on Divisible Turnkey Contract Basis with MES, Japan
Date of Commencement	:	December 2012
Scheduled Date of Completion	:	June 2014
Billing Till October, 2013	:	Rs 2,46,64,900/-

11.0 Assets/Manpower

The Project Division has little Tangible assets but have invaluable assets of qualified, experienced and devoted group of Designers, Engineers, Management & supportive staff to handle projects from marketing/conception to commissioning efficiently.

The existing strength is as follows:

a) Degree/Diploma Holders	(35+22)	= 57
b) Other professionals (Cas / Pgs)		= 9
c) Supportive staff		=68
Total		<u>134</u>

12.0 Proposed Transaction:

As per directions of Hon'ble BIFR the sale of the Project Division is being considered by NCL. The sale is being proposed as a "GOING CONCERN" as on "AS IS WHERE IS BASIS" (hereinafter referred to as the "Proposed Transaction"). The Project Division offered for sale includes:

- i) Ongoing projects as identified (including all rights, liabilities, obligations, documents, drawings and receivables pertaining to the same);
- ii) Projects bid for by the Company and/or in the pipeline (including all rights, liabilities, obligations, documents, drawings and receivables pertaining to the same);

- iii) Employees of Project Division being approximately 134 (one hundred thirty four only) in number excluding those employees who are desirous of remaining with the Company.
- iv) All recognitions, past performances completion certificates and testimonials of contracts completed by the Project Division; and
- v) All rights and ownership in the knowledge data base relating to ongoing as well as past projects of the Project Division including but not limited to the ISO documentation;

And shall not include the fixed assets of the Company and earlier projects excluded by the Company (including inter alia all rights, liabilities, obligations and receiveables pertaining to the same).13.0The Project Division’s performance (in summary) is as follows:

	Rs. lacs				
	Mar’ 10	Mar ‘11	Mar ‘12	Mar ‘13	Sep ‘13 (six months)
Revenue	11926	7951	3985	1329	1421
Profit/(Loss) before Tax	(3171)	220	(379)	(1473)	(5101)

Project Division suffered losses mainly due to levy of LD and cost escalation due to time overrun. Execution of projects was delayed due to acute shortage of working capital.

14.0 Some completed Landmark Projects

Chemical Process Plants :

Sulphuric Acid Plant (Sulphur Burning & Metallurgical Gases)

Phosphoric Acid Plant

Coke Oven By-product Recovery Plant consisting of Ammonium Sulphate & Benzol Plants and other Carbo-Chemical Plants

Crystallisation & Purification Plants for Napthalene, Anthracene, Para-Nitrochlorobenzene etc.

Incineration Plants for Halogenated Hydrocarbons Petrochemical Industries and other areas

Aluminate Liquor Evaporation Batteries

De-Sulphurisation Plant using Dual Alkali Scrubbing & Regeneration System

Nitro-Glycerine Plant

Gas Condensation Plant



Water & Environmental Projects :

Raw Water Treatment Plants

Waste Water Treatment Plants for Refinery, Petro-Chemicals, Coke Oven By-Product Plant & Steel Plants

Slurry Water Treatment including High Rate Pressure Filtration Units for Circulating Water Systems of Steel Plants

High Pressure Micro Filtration System for Water Injection Purpose in Oil Wells

Gas Cleaning Plants for Non-Ferrous & Ferrous Industries using Wet Type Scrubbing Systems and Electrostatic Precipitators

Water System in Steel Mills



Oil Tanks & Terminals :

Cone Roof, Floating Roof, Cone-Cum-Floating Roof & Dome Roof Tanks for Refinery & Petro-Chemical Plants

Fire Protection System of Tanks and Terminals

Pumping & Loading System

Integrated Automation System of Terminals



Oil & Gas Handling Processes :

Gas Flaring Systems

Hazardous Gas / Fluid Handling & Transportation System

Gas Compression & Dehydration Systems

Group Gathering Stations

In-Situ Combustion Projects

De-Sulphurisation Plants

Skid Mounted Mini Refineries



Utilities & offsites :

- Interplant Piping network
- Water Network Distributions & Pumping Stations
- Retail POL Outlets
- Thermal & Nuclear Power Station Piping
- Model Store for Pipes
- Turbo Blower Package
- Ventilation and Vapour Recovery System



Project Title

Design, Engineering, Manufacture, Construction, Erection, Testing and Pre-commissioning of Heavy Water Upgrading Plant for TAPP-3&4 Project at NPCIL Tarapur

Owner

NPCIL, Tarapur Atomic Power Plant


Description


- Purification of Heavy Water by Distillation & Evaporation for use in the Atomic Reactors
- Supply and installation of 4 Stainless Steel columns
- Designed to withstand seismic events up to Richter scale level 4.

Achievements

- First heavy water plant that was done on LSTK basis
- Received safety award from the Atomic Energy Regulatory Board (AERB)




<p>Project Title 2000 Barrels per day (BPD) Skid Mounted Mini Refinery at Tatipaka</p> <p>Owner ONGC, Rajamundry Asset</p> <p>Description</p> <ul style="list-style-type: none">• Crude Distillation Unit producing Naptha, Kerosene, Diesel and RCO.• Modular and skid-mounted design allowing relocation of the refinery.• Integrated product storage and dispatch facilities.	<p>Achievements</p> <ul style="list-style-type: none">▪ First ever mobile mini-refinery in India.▪ No other EPC player has built a similar plant in India▪ 30,000 man hours of design engineering were done. 
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<p>Project Title Model Pipe Storage System at Ligripukhri</p> <p>Owner ONGC, Nazira asset</p> <p>Description</p> <p>A mechanized storage system for pipes was constructed by concreting a 1,20,000 sq m area and by supplying and erecting 4 cranes with spreader beams and electromagnetic slings.</p> <p>Achievements</p> <ul style="list-style-type: none">• Entire 1,20,000 sq m area was leveled and concreted – single largest concreting job ever done by Nicco• A total of 57,000 cu m of concreting was done.• A sensor paver was employed to ensure that the leveling of concrete was accurate.	
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<p>Project Title HP gas compressor plant (GCP-iii) at Geleki field of assam asset</p> <p>Owner HPCL</p> <p>Description</p> <ul style="list-style-type: none"> • Installation of 4 High Pressure Gas compressors to increase oil production of aging oil wells in Assam by upto 15% • Designed to minimize local sound and air pollution • Low energy consumption due to air-cooled compressor instead of water-cooled compressors. 	<p>Achievements</p> <ul style="list-style-type: none"> • Landmark project in Assam. 
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<p>Project Title Effluent Treatment Plant, Panipat Naphtha Cracker Project</p> <p>Owner IOCL</p> <p>Description Zero-discharge industrial effluent treatment plant incorporating treatment systems for: Oily Water, Sour (contaminated by Sulphur) Water, and Contaminated Rain Water as well as bio-effluent.</p>	<p>Achievements</p> <ul style="list-style-type: none"> • First ever zero-discharge industrial ETP in India • First ever VOC control system in a refinery setting in India 
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<p>Project Title Setting up a Value Addition Products (VAP) Plant – Modular Mini Refinery - at GCS, Kuthalam</p> <p>Owner ONGC, Kuthalam – Karaikal Asset</p> <p>Description</p> <ul style="list-style-type: none"> • Crude Distillation Unit producing Naptha, 	<p>Achievements</p> <ul style="list-style-type: none"> ▪ Second Modular Skid Mounted mini-refinery in India. ▪ Unique Thermic Fluid Heater design ▪ Hot tapping work in existing Gas Collecting Station ▪ 63 km Cross Country Pipeline for transportation
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<p>Kerosene, and Heavy cut.</p> <ul style="list-style-type: none">• Modular and skid-mounted design• Integrated condensate, product storage and dispatch facilities. 	<p>of condensate to refinery including installation of Pig Launchers and signalers</p> <ul style="list-style-type: none">▪ Transient and flexibility analysis of entire cross country pipeline▪ Horizontal directional drilling technique use for 23 river and 4 railway crossings in cross country pipeline installation▪ Cathodic protection of entire cross country pipeline
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15.0 Since Nicco's net worth is negative, it is a sick unit under BIFR and are not able to execute contracts on time. Besides it is difficult to secure orders against public tenders. As per directions of BIFR/AAIFR, the business is proposed to be spun off to an intender party who can effectively utilize the available resources for profitable purposes.