

No.: HEC/Finance/EOI/2018/02

Dated: 02/11/18

**Notice Inviting Expression of Interest**

Heavy Engineering Corporation Limited (HEC), a 100% Government of India Enterprise under Ministry of Heavy Industries & Public Enterprises, is one of the largest integrated engineering complexes in India. Over the last five decades, HEC has been manufacturing and supplying equipment's for Steel Plant, Mining, Mineral processing, Machine Tools, Cranes, Railways, Defence, Space & Nuclear research etc. HEC has reputation of reliable quality product supplier. Details of the activities of HEC and annual reports are available in the Company's Website <http://hecltd.com>

HEC intends to take loan of Rs 40 Crore to meet the cost and working capital requirement for specific project/work order (Details of concerned project and projected cash flow statement enclosed at annexure-A). In this context, **Heavy Engineering Corporation Limited (HEC) invites Expression of Interest (EOI) from scheduled banks based at Ranchi to offer best rate, commercial terms & conditions for providing Loan for the period of one Year.**

1. The company's financial parameter are available in the HEC website
2. Order Book Position as on date is Rs. 863.02 crore
3. Existing Loan for working capital from SBI SME branch, Doranda is Rs. 200.00 crore (Fund based) and Rs. 188 crore (Non fund based).
4. Rating of HEC Ltd. by Fitch Group dated 01.10.2018 is enclosed at Annexure 'B'
5. Terms and Conditions for grant of loan
  - a. Collateral Security :- Inventory/Debtors of such specific project/work order only as mentioned in Annexure 'A' (HEC will not provide any Government Guarantee / Letter of comfort).
  - b. Receipt from this specific project will be routed through the Loan Account.

c. The loan will be taken by HEC in phases and repayment of loan and interest will be made within one year from the date of sanction of the loan.

d. Selection Criteria will be the lowest rate of interest.

6. The bidders are expected to carry out an assessment before submitting their offers/quotes against this EOI. Queries if any may be made by email only by 17.11.2018 to the e-mail id mentioned below.

7. Instruction for the bidders:

i. All correspondence shall be in English language only. Information in any other language shall be accompanied by its translation in English, duly signed with company seal by authorized person of the company.

ii. Rate in percentage terms may be quoted both in words and figures and in case of any discrepancies rate in words will prevail.

iii. Offer submitted after stipulated time and date of receipt shall be rejected.

iv. Proposal in hard copy should be bounded and placed in an envelope with subscription over it for the bid notice number, addressed to, address of the sender.

v. Response to this Expression of Interest should reach the address given below by **27-11-2018 by 17:00 hrs.** (Indian Standard Time)

*Key  
by return*

**R K Srivastava**  
**SDGM/Fin/Hqrs**  
**Room No. 51, 2nd Floor, Headquarters,**  
**Heavy Engineering Corporation Limited,**  
**Plant Plaza Road, Dhurwa,**  
**Ranchi - 834 004, Jharkhand, India**  
**Phone: +91 - 651 - 2401422**  
**E-mail : rksrivastava@hec ltd.com**

## ANNEXURE-A

**A. Details of concerned project- Project/Supplier for which the working capital loan is required is as**

2. NCL- HEC has got order from NCL Order for supply of Bucket Assy. with complete accessories doe 24/96 Draglineand with adequate number of tooth points and adopters required for 10000 working hours  
 Total contract value- Rs. 102.30 crore      Balance work to complete- 68.20 crore      Contractual period of completion- 31.03.2021  
 Payment terms- 100% payment including all taxes and duties 21 days from the date of receipt and acceptance of material at site and submission of bill

3 Madhuband Project (Existing Project)- It is a coal washery project  
 Total Contract value- Rs. 262.99 crore      Balance work to complete- Rs. 117.47 crore      Contractual Period of completion- 31.03.2018  
 Payment terms- 90% basic with 100% taxes within sixty days from the submission of bill and balance 10% after FAC

3 Krishanshilla Project (Existing Project)- It is a coal handling plant  
 Total Contract value- Rs. 173.95 crore      Balance work to complete-Rs. 27.53 crore      Contractual Period of completion- 30.06.2018  
 Payment terms- 80% basic with 100% taxes within sixty days from the submission of bill and balance 20% after FAC

### PROJECTED CASH FLOW FOR THE PERIOD FROM Nov'18 TO Oct'19 (FOR SPECIFIC PROJECT/WORK ORDER)

Rs. in Cr.

	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
<b>Cash Inflow</b>												
OB	0.00	6.65	0.15	1.03	0.55	2.86	4.86	2.78	7.56	7.31	5.45	10.95
Collection												
From NCL - D/L Bucket		6.82	6.82	6.82	6.82	6.82	6.82	6.82	6.82	6.82	6.82	6.82
Project- KSL	6.1	2.12	6.00	1.20	3.40	5.20	8.70	9.30	6.70	2.00	1.12	1.00
Project- BCCL Madhuband	2.10	1.21	14.06	17.91	18.95	17.10	9.30	6.50	12.70	10.20	16.18	1.00
Adhoc Loan from Bank	30.00	10.00										
<b>Total</b>	<b>38.20</b>	<b>26.80</b>	<b>27.03</b>	<b>26.96</b>	<b>29.72</b>	<b>31.98</b>	<b>29.68</b>	<b>25.40</b>	<b>33.78</b>	<b>26.33</b>	<b>29.57</b>	<b>12.95</b>
<b>Cash outflow</b>												
Input -SIMCO Bucket	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99
Input-Project (KSL)	5.76	0.55	2.26	2.99	8.35	8.93	7.39	1.92	1.08	4.04	5.86	
Input- Project- BCCL Madhuband	20.18	20.59	18.24	17.91	12.99	12.67	14.00	10.58	7.41	1.38	2.42	0.00
Contingency Exps @ 2% of cost	0.62	0.52	0.51	0.52	0.53	0.53	0.53	0.35	0.27	0.21	0.17	0.00
Repayment of Loan									10.00	10.00	10.00	10.00
Payment of Interest on Adhoc Loan									2.71	0.26	0.18	0.09
<b>Total:</b>	<b>31.55</b>	<b>26.65</b>	<b>26.00</b>	<b>26.41</b>	<b>26.86</b>	<b>27.12</b>	<b>26.91</b>	<b>17.84</b>	<b>26.46</b>	<b>20.88</b>	<b>18.62</b>	<b>10.09</b>
<b>Surplus/(Deficit)</b>	<b>6.65</b>	<b>0.15</b>	<b>1.03</b>	<b>0.55</b>	<b>2.86</b>	<b>4.86</b>	<b>2.78</b>	<b>7.56</b>	<b>7.31</b>	<b>5.45</b>	<b>10.95</b>	<b>2.86</b>

Mr. Avijit Ghosh  
Chairman-cum-Managing Director  
Heavy Engineering Corporation Limited  
P.O: Dhurwa,  
Plant Plaza Road,  
Ranchi – 834004 (India)

October 1, 2018

Kind Attn: Mr. Avijit Ghosh, Chairman-cum- Managing Director

Dear Sir,

**Re: Rating Letter for Heavy Engineering Corporation Limited**

India Ratings and Research (Ind-Ra) has affirmed Heavy Engineering Corporation Limited's (HECL) Long-Term Issuer Rating at 'IND BB'. The Outlook is Stable. The instrument-wise rating actions are as follows:

Instrument Type	Size of Issue (million)	Rating/Outlook	Rating Action
Fund-based limits	INR2,000	IND BB/Stable	Affirmed
Non-fund based limits	INR1,880	IND A4+	Affirmed

*The details of bank wise facilities are mentioned in the annexure*

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.



**India Ratings & Research Private Limited** A Fitch Group Company

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Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | [www.indiaratings.co.in](http://www.indiaratings.co.in)

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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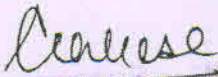
It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

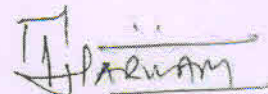
In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest. We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at 022 - 4000 1700.

Sincerely,

India Ratings



Rakesh Valecha  
Senior Director



Prashant Tarwadi  
Director

Annexure 1 : Bank Facilities Rated

Limits	Ratings/ Outlook	Sanctioned Limit (INR m)
Fund-based Working Capital limits		
State Bank of India	IND BB/ Stable	2,000.0
<b>Total</b>		<b>2,000.0</b>
Source: HECL		

Limits	Ratings	Sanctioned Limit (INR m)
Non-Fund based Working Capital limits		
State Bank of India	IND A4+	1,880.0
<b>Total</b>		<b>1,880.0</b>
Source: HECL		