



**HMT LIMITED**  
**“HMT BHAVAN”, #59, BELLARY ROAD**  
**BENGALURU - 560032, INDIA**

**INVITATION FOR EXPRESSION OF INTEREST**

**FOR**

**LICENSING / LEASING OF INFRASTRUCTURE AVAILABLE**

**FOR TRACTOR ASSEMBLY AT HMT HYDERABAD**

**ON MEDIUM / LONG TERM TENURE**

**ON “AS IS WHERE IS” BASIS**

**GOVERNMENT OF INDIA**  
**MINISTRY OF HEAVY INDUSTRIES**  
**AND PUBLIC ENTERPRISES**  
**DEPARTMENT OF HEAVY INDUSTRY**  
**NEW DELHI**



**HMT LIMITED**  
**HMT BHAVAN, #59, Bellary Road, Bengaluru - 560032**

Ref : TRP/EOI/2016-17/Pinjore

14<sup>th</sup> June' 2017

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**IMPORTANT DATES**

<b>Date of Notification of EOI</b>	<b>15<sup>th</sup> June 2017</b>
<b>Date of Pre-bid conference at plant</b>	<b>1100 Hrs., 29<sup>th</sup> June 2017</b>
<b>Last date for submission of EOI at Bengaluru</b>	<b>1500 Hrs., 15th July, 2017</b>
<b>Date of opening of EOI at Bengaluru</b>	<b>1530 Hrs., 15th July, 2017</b>

## A) BRIEF INTRODUCTION OF HMT LIMITED:

HMT Limited is a Central Public Sector Undertaking under the Ministry of Heavy Industries and Public Enterprises of the Government of India. Started as Hindustan Machine Tools Limited (HMT) in the year 1953 for manufacture of Machine Tools, HMT expanded its product range over the years to include Watches, Tractors, Printing Machinery, Dairy Machinery, Metal & Plastic Forming Machines, Bearings etc., and set up manufacturing facilities for these products across the country, to emerge as an engineering conglomerate. Hindustan Machine Tools Limited was renamed as HMT Limited in 1978. HMT contributed significantly to the agricultural growth of the country through tractors manufactured to suit local conditions.

To meet the emerging needs of the Capital Goods Sector and in view of the enormous potential of the Machine Tool Sector for promoting “Make in India”, and imparting skills to the youth to “Skill India”, HMT, has decided to provide prime focus on its core business of Machine Tools and shelve its present operations of manufacture of Watches, Bearings and Tractors. In this direction, HMT has already received approval of the Government for closure of operations of HMT Tractor Division and most of the employees have been relieved on VRS and all employee related and other liabilities are being settled.

Hence, the Company now proposes to license / lease out its Tractor manufacturing facilities on “As is where is” basis to interested parties preferably engaged in Capital Goods or Auto Sector on Medium / Long term basis and invites “Expression of Interest” for the same. A brief note on HMT’s Tractor business is as below:

### HMT TRACTORS

HMT started manufacturing of Agricultural Tractors in 25 HP category in the year 1971 at its Pinjore Plant in technical collaboration with M/s Motokov, Czechoslovakia under “Zetor” brand and in the year 1976, entered into another technical collaboration with M/s. Motokov for production of 58 hp tractors. HMT developed several models in the range 25 HP to 75 HP through its’ own in-house R&D efforts. In 1986, HMT upgraded tractor engine through a technical collaboration with M/s AVL, Austria for better performance, particularly fuel consumption. The salient features of HMT Tractors are choice of hydraulic brakes or mechanical brakes, power steering, Cerametallic clutch in higher HP models, direct axle or split axle drive depending on end application, etc.

The tractor manufacturing activities were carried out at **Pinjore in Haryana with additional Assembly facilities at Mohali in Punjab and Hyderabad in Telengana**. HMT has an installed capacity for manufacture and assembly of 8500 tractors per annum. Sales of HMT Tractors were channeled through Dealers / Distributors spread across the country.

## B) FACILITIES AVAILABLE FOR LEASING / LICENSING AT HYDERABAD:

The brief profile of the Tractor Assembly Unit at Hyderabad is as below:

S.N	Description	Particulars
1.	Location	Balanagar, Hyderabad
2.	Commencement Year	1992
3.	Capacity (per annum)	Assembly of 3000 Tractors per annum
4.	Product Range	Assembly of HMT 3522 CS Tractor model
5.	Facilities	Facilities for Assembly, and Testing of Tractors and Engines.
6.	Factory Area	19 acres approx. ( One acre = 43560 sq.ft.)
7.	Covered Area	<b>55,330 Sq. ft.</b> approx. within the 19 acres as above.
8.	Office premises	Administration & Stores Building

- Area spread over 19.00 acres
- Tractor Assembly line with painting facilities
- Administrative cum Stores Building.
- Open Tractor stockyard without shed.



### C) REQUEST FOR EXPRESSION OF INTEREST:

HMT invites Expression of Interest (EOI) in the prescribed Format as per **Annexure** enclosed, for medium / long term licensing / leasing of Tractor Assembly facilities at **Hyderabad** from interested companies (hereinafter referred to as "Applicants") who have the necessary technical competence, experience and financial strength to operate and maintain all such infrastructure, as described above and meet the eligibility criteria as outlined below.

**Eligibility Criteria:** The Applicant must fulfill the following minimum eligibility requirements

**Net Worth:** Minimum net worth of Rs. 25 Crore as per the audited annual reports of the last three financial years.

**Operating Cash Flow:** The Applicant's cash flow from operations in the last three financial years shall be positive.

Above financial parameters shall be defined and computed in following manner:

#### **Net Worth**

= Equity share capital  
Add: Reserves  
Subtract: Revaluation Reserves  
Subtract: Intangible Assets  
Subtract: Miscellaneous Expenditures to the extent not written off and carry forward losses

#### **Operating Cash Flow**

= Profit after Tax  
Add: Depreciation  
Add: Amortization

For the purposes of the financial criteria, only unconsolidated audited annual accounts shall be used. Applicants shall furnish documentary evidence of their financial capability as defined above in the formats enclosed as **Annexure-A and Annexure-B** with Financial Status in the Application. A copy of the Audited Annual Accounts of the Applicant and Parent Company (if applicable) as per Schedule VI of the Companies Act, 2013 shall also be submitted along with the EOI (**Annexure-C**).

The Technology and all relevant designs for manufacturing of tractors and Engines in 25, 35, 40, 50 and 65 HP range as available with the Company is also on offer. HMT Tractor Engine Technology was recently developed by ARAI, Pune for 27 HP, 37 HP, 40 HP and 45 HP range complying with latest emission norms.

HMT is also open for co-branding of its Tractor Brand subject to terms and conditions through a separate "Expression of Interest".

The Applicants may also indicate their interest in licensing of Tractor Technology and Design, Co-Branding with HMT, and other requirements. However, these would be dealt with separately.

**Please Note: There will be a pre-bid meeting at Hyderabad plant on 29th June' 2017 at 11.00 hrs for any clarifications/ resolution of doubts/queries. Applicants are requested to intimate their participation in advance by email to [gmcp@hmtlimited.com](mailto:gmcp@hmtlimited.com) & [satolkumar@gmail.com](mailto:satolkumar@gmail.com)**

#### **D) GENERAL TERMS AND CONDITIONS:**

Strict adherence to the formats wherever specified, is required. Non-adherence to formats and/or submission of incomplete information or conditional information may be grounds for declaring the EOI non-responsive. Each format has to be duly signed by the Applicant.

The responses to this EOI shall be valid for not less than six (6) months from last date of submission.

HMT would shortlist Applicants on the basis of EOIs received and business proposed. The short listing of the applicants shall be completed within 45 days' of the opening of the EOIs and the successful applicants shall be informed. The short listed Applicants would be entitled to bid for licensing / leasing of the facilities available at the manufacturing plants. Applicants who are short listed after this EOI stage shall be under no obligation to participate in the Tender Document issued subsequently.

The Applicant should designate one person to represent it in its dealings with the HMT. The person should be authorized to perform all tasks including, but not limited to providing information, responding to enquiries, etc.

The Applicant should submit a General Power of Attorney (GPA), authorizing the signatory of the Application to commit the Applicant to the response.

An Applicant can take 100% benefit of the technical capability and financial capability of a Parent Company for the purpose of evaluation. Any Company will be required to have at least 26% equity either directly or indirectly in the Applicant Company to be considered as its Parent Company. If an Applicant wishes to draw upon the technical and financial capability of its Parent Company, it will have to submit legally binding undertaking supported by a Board resolution at the time of the submission of the Tender Document (on qualification) from its Parent Company that all the equity investment obligations of the Applicant shall be deemed to be equity investment obligations of the Parent Company and in the event of any default the same shall be met by the Parent Company.

If the Applicant deliberately gives wrong information in its response to Expression of Interest, HMT reserves the right to reject such EOI and/or cancel the award, if made.

Responses submitted by the Applicant will become the property of HMT and HMT will have no obligation to return the same to the Applicant.

The Applicant will be responsible for all the costs associated with the preparation of the response and participation in discussions. HMT will not be responsible in any way for such costs, regardless of the conduct or outcome of this process.

Further, the Applicants may also please note that:

- (i) Applicants shall mention the name of the contact person, phone no., email id, fax no. and complete address of the Applicant in the covering letter.
- (ii) Responses that are incomplete, which do not substantially meet the requirements prescribed in this EOI, are liable to be rejected by HMT.
- (iii) Responses containing incomplete information in the specified formats would be liable for rejection.

- (iv) All pages of the responses submitted must be initialed by the authorized signatory on behalf of the Applicant.
- (v) Applicants, not furnishing additional information or clarifications sought within the stipulated time, may be liable for rejection.
- (vi) Applicants making any claim, which does not reflect the truth or is material misrepresentation of facts, then the EOI would be liable for rejection.
- (vii) HMT reserves the right to reject all or any of the responses without assigning any reasons whatsoever.

Interested parties may inspect the plant facilities at **Hyderabad** on any working day during business hours with prior intimation to:

**Hyderabad: Mr. Jayakar Reddy,  
General Technical Manager  
Praga Tools Unit,  
HMT Machine Tools Limited,  
60-010-CIE, Gandhinagar  
Balanagar  
Hyderabad – 500 037**

**Landline No. +91 40 2307 3062**

**Email: [pth@hmtmachinetools.com](mailto:pth@hmtmachinetools.com)**

**E) SUBMISSION OF EXPRESSION OF INTEREST:**

**IMPORTANT DATES**

<b>Date of Notification of EOI</b>	<b>15<sup>th</sup> June 2017</b>
<b>Date of Pre-bid conference at Hyderabad plant</b>	<b>1100 Hrs., 29<sup>th</sup> June 2017</b>
<b>Last date for submission of EOI at Bengaluru</b>	<b>1500 Hrs., 15th July, 2017</b>
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Applicants should furnish their Expression of Interest in the prescribed application format as per **ANNEXURE** with all the necessary documents in a sealed envelope along with a covering letter duly signed by an authorized signatory. It should be ensured that all information pertaining to (I) Details of the Organization, (II) Financial Status, (III) Business / Activity proposed at the premises, and (IV) Facilities sought for leasing along with supporting documents are enclosed.

The EOI documents placed in a sealed envelope super scribed as below

**“Expression of Interest for Licensing / Leasing Out on Medium / Long term tenure of Available Assembly Infrastructure of HMT Limited at HYDERABAD on “As Is Where Is” Basis”**

is to be submitted on or before the specified date at the address as below:

**The General Manager (CP)  
HMT Limited  
HMT BHAVAN  
#59, Bellary Road,  
Bengaluru - 560032**

The Name of the Applicant, contact address, phone, fax, e-mail must also be mentioned on the Cover.

The Applicant has the option of sending his response by Speed post, courier or submitting the EOI in person so as to reach the designated address by the time and date as stipulated above. Responses submitted by telex/telegram/fax/e-mail will not be considered under any circumstances. HMT shall not be responsible for any delay in receipt of the EOIs. Any response received after the deadline for submission of the responses stipulated will not be opened.

No change or supplemental information to an EOI will be accepted after the scheduled time of submission. HMT reserves the right to seek additional information from the Applicants, if found necessary, during the course of evaluation of the EOI.

If the envelope is not sealed and not marked as per the requirement, the HMT will assume no responsibility for the EOI’s misplacement or premature opening.

**EOI should reach the address indicated by 1500 Hrs. on or before 15<sup>th</sup> July’ 2017.**



**Notes:**

1. Though adequate care has been taken while preparing this document, the Applicant shall satisfy himself that document is complete in all respects.
2. Intimation of any discrepancy shall be given to this office immediately. If no intimation is received from any Applicant within ten (10) days from the date of issue of this document, it shall be considered that the issued document is complete in all respects.
3. While this Expression of Interest has been prepared in good faith, HMT does not make any representation or warranty, express or implied, or accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the accuracy, completeness or reliability of information contained herein, and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this request, even if any loss or damage is caused by any act or omission on its part.
4. The details of facilities on offer for leasing envisaged by HMT as given in the EOI document are indicative and are under finalization. HMT reserves the right to change the terms and conditions of the offer.
5. Parties may inspect the plant on any working day during business hours with prior intimation:

**Hyderabad: Mr. Jayakar Reddy,  
General Technical Manager  
Praga Tools Unit,  
HMT Machine Tools Limited,  
60-010-CIE, Gandhinagar  
Balanagar  
Hyderabad – 500 037**

**Landline No. +91 40 2307 3062**

**Email: [pth@hmtmachinetools.com](mailto:pth@hmtmachinetools.com)**

**FORMAT OF APPLICATION FOR INDICATING  
EXPRESSION OF INTEREST IN LICENSING /  
LEASING OF TRACTOR ASSEMBLY  
INFRASTRUCTURE OF HMT LIMITED  
AVAILABLE AT HYDERABAD**

**CHECKLIST OF DOCUMENTS ENCLOSED**

<b>SN</b>	<b>Document Name</b>	<b>No. of Pages</b>

### DETAILS OF THE ORGANIZATION

SN	PARTICULARS	DETAILS
	Name of the Organization	
	Type of Business (Proprietorship/ Partnership/ Private/ Public/ company/Cooperative Body/Joint Venture etc) with registration particulars.	
	Name of Proprietor/Partners/Directors	
	Structure of the Organization	
	Complete communication particulars of Corporate and Registered office.	
	Full communication details of contact person for one point contact along with Landline, Fax No., mobile number, email id, etc	
	Memorandum and Article and Association	

**FINANCIAL STATUS**

<b>SN</b>	<b>PARTICULARS</b>	<b>DETAILS</b>
1	Annual turnover of last three financial years	
2	Financial position including Paid up Capital and Networth duly certified as indicated in Annexures	
3	Other recourses/ bank credit or Bank solvency certificate	
4	Equity holding ratio in case of JV, with its details	
5	IT returns for the last three financial years	
6	Audited balance sheet for the last 3 financial years	

**FORMAT FOR FINANCIAL REQUIREMENT - NET WORTH**

To,

Dear Sir,

I certify that the Applicant has a minimum net worth of Rs. 25 Crore in the last financial year's audited annual accounts. This net worth has been calculated as per the instructions provided in the EOI document.

For the above calculations, we have considered the following companies for the Financial Year \_\_\_\_\_:

Name of Applicant or their Parent Company	Relationship with Applicant	Net Worth (Rs. Crore)
<i>Total</i>		

Signature of Company Secretary

(Please also affix company seal)

Date;

Note:

1. The above response sheet should be signed and certified as true by the Company Secretary.
2. Along with the above format, in a separate sheet, please provide details of computation of net worth indicating the schedules and items of the annual accounts from which the figures have been obtained.

**FORMAT FOR FINANCIAL REQUIREMENT – OPERATING CASH FLOW**

To,

Dear Sir,

We certify that the Applicant Company had a positive cash flow from operations based on the annual accounts of the last financial year.

Name of Applicant or their Parent Company	Relationship with Applicant Company	Operating Cash Flow (Rs. Crore)
<i>Total</i>		

Signature of Company Secretary

(Please also affix company seal)

Date;

Note:

1. The above response sheet should be signed and certified as true by the Company Secretary.
2. Along with the above format, in a separate sheet, please provide details of computation of Operating Cash Flow indicating the schedules and items of the annual accounts from which the figures have been obtained.

**ANNEXURE-C**

**Audited Annual Accounts of the Applicant and Parent Company, if applicable, as per Schedule VI of the Companies Act 2013**



**BUSINESS / ACTIVITY PROPOSED AT THE PREMISES**

Details of business / operations proposed to be taken up at the premises (Applicants shall also furnish documentary evidence in support of their experience in the proposed business).

**FORMAT FOR INDICATING ITEMS FOR WHICH EXPRESSION OF INTEREST MADE**

**A.** We are interested in making offers for licensing of:

<b>SN</b>	<b>Particulars</b>	<b>Please indicate Yes or No</b>
1	Assembly Facilities at HMT Limited, Hyderabad including Open Stockyard	
2	Tractor Technology	
3	Co branding with HMT	

**B.** Period of license / lease proposed (in years):

**C.** In case the Applicant is interested in Joint Venture, a separate proposal may be submitted with proposed terms and conditions.