

MISHRA DHATU NIGAM LIMITED
A Govt. of India Enterprise
P.O Kanchanbagh, Hyderabad-500058, Telangana, India
Corporate Identity Number: L14292A1973GO100
Phone: 040-24340001 (10 lines), 24184202, Fax: 040-24340764

Invites

EXPRESSION OF INTEREST

TERM LOAN (INR) for Expansion of New Projects, Modernization & Up gradation of Midhani Existing facilities

Ref: MDN/F&A/EOI/TL/19-20

Date: 22-04-2019

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|------------------------------------|-----------------------------|
| Receipt of EOI on or before | 14-05-2019 10.30Hrs |
| Opening of EOI | 14-05-2019 10.35 Hrs |

Note:

- Detailed invitation for Expression of Interest is attached herewith.
- All Bidders need to submit the Documents as listed in a sealed Cover with Title as "EOI for, New Projects, Modernization & Up gradation of Midhani's Existing facilities Term loan Due on 14/05/2019" on or before **14/05/2019** at 10.30 Hrs to :
AGM (Purchase)
MISHRA DHATU NIGAM LIMITED
PO KANCHANBAGH
HYDERABAD -500058
TELANGANA
- Any Corrigendum to the EOI shall be published in Midhani website only.

1. INTRODUCTION

Mishra Dhatu Nigam Limited (Midhani) is a Public Sector Enterprise under Ministry of Defence and is located in Hyderabad,Telangana, India. It has facilities for manufacturing armoured steel, low alloy steels, high alloy steels, special steel, stainless steel, super alloys, titanium & titanium alloys in various forms and sizes. Midhani is catering to the requirements of various sectors for the above indigenously developed material. For more information visit our website, www.midhani.com . MIDHANI has a long term credit rating of “AA⁻” and short term credit rating of “ A1⁺” from CRISIL.

Midhani is a listed company and shares of Midhani are listed on both BSE & NSE. Financial statements of Midhani are available at our website. Total Government holding in the company is 74%.

Midhani is in the process of setting up some new production facilities and up-gradation of existing facilities.

1. Financial Services Requirement:

Midhani looks forward to have Bank /Financial institution as partners that may offer the below services:

- A. Arranging term loan in Indian Rupees up to Rs. 100 Crores with
- B. Lc/bg(Sub-limit) under the Capex term loan
- C. Syndication is allowed

2. Projects :

Mishra Dhatu Nigam Limited has forward and backward integration of existing facilities at Hyderabad Plant as follows:

1. Facilities for new production line Rs. 25 Crores (for which procurement has already started and part payments are released) and Rs.35 Crores for another new project.
2. Replacement / Upgradation of existing facilities Rs. 20 Crores.
3. Standalone new project Rs. 45 Crores.

Above requirement is estimated based on internal project estimates.

With the expected growth of the economy as well as the healthy trends emerging in the steel sector, MIDHANI is looking for a financial partner which fulfills the following criteria.

3. Minimum Qualifying Criteria:

- a) The Bank/ FI should have expertise in financing new projects as well as up-gradation and modernization of existing equipment having experience in financing CPSU in steel sector through long term loan is preferable.
- b) The Bank/ FI should not be in the RBI's list of Prompt Corrective Action (PCA). Self certification in this regard is required.
- c) The commitment once made shall not be withdrawn for any reason whatsoever except in the event of regulatory requirements/ closure business.
- d) The Capital Adequacy norms of the Bank/ FI shall be at least as prescribed by RBI from time to time. Documentary evidence to be provided.
- e) The Bank/ FI should be profitable for at least 3 years in the last 5 financial years.

4. Documents to be submitted:

The Bank/ FI should submit the following documents along with the RFP in sealed cover:-

- a) Audited financial statements for FY 2016-17 and FY 2017-18.
- b) The EOI to be duly signed by the authorized official of Bank / FI on its letterhead.
- c) The Bank and FI should submit the term sheet as per Annexure I & II.
- d) A copy of one sanction letter towards Financing new projects as well as up-gradation and modernization of existing equipment of CPSU.
- e) Self certification that Bank/ FI is not in the RBI's list of Prompt Corrective Action.
- f) Documentary evidence for Capital Adequacy norms of Bank/ FI.
- g) Documentary evidence/ certification from practicing Chartered Accountant in support of profitability for last 5 financial years.

MIDHANI reserves the right to select or reject any of the Bank/ FI's proposal for facilitating the proposed projects/ Modernization. Compliance of the above criteria should not be construed as an acceptance of the financial partner.

Annexure I

Proposal Specifications (Broad Indicative Term Sheet):

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| Name of the Borrower | Mishra Dhatu Nigam Limited (MIDHANI) |
| Sponsors | Mishra Dhatu Nigam Limited, Hyderabad |
| Facility | Term Loan |
| Currency | INR |
| Amount | Upto Rs. 100 Crores |
| Purpose | Setting up New Projects and Modernization of existing facilities. |
| Tenure | 5 years |
| Moratorium Period | Minimum 1 year |
| Processing fee/Service fee | In % |
| Rate of interest | INR: The pricing should be mentioned linked with 1 Year MCLR of the Bank or 1 Year MCLR of State Bank of India (SBI). |
| Interest period | INR: Monthly |
| LC commission | ----bps p.a. |
| Security | First Charge on project assets on pari-passu basis among participating lenders. |

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| | Six months to one year |
| Tentative Drawl period | |
| Documentation | Standard loan documentation as mutually agreed by borrower and lenders. |
| Pre-payment | The borrower will have the right to prepay the loan if the funds are infused by the sponsors, fresh equity infusion or internal accruals subject to 90 days advance notice is given to the lenders. |
| Contact | K. Madhu Bala AGM (Finance) Tel: 040-24184529 /24340040 Mobile No.: 08978885182 Fax: (040) 24340040 E-mail: kmadhubala@midhani-india.in |

Yours faithfully

For Mishra Dhatu Nigam Limited


S. Nitesh

Dy. Manager (Purchase)