



Government of Pakistan  
Privatisation Commission

# INVITATION FOR EXPRESSIONS OF INTEREST

## FOR ACQUISITION OF 96.6% SHARES OF HEAVY ELECTRICAL COMPLEX (PVT.) LIMITED

Heavy Electrical Complex (Pvt.) Limited ("HEC") is a Private Limited Company owned by State Engineering Corporation of Pakistan ("SEC"), under the administrative control of Ministry of Industries and Production, engaged in manufacturing of power transformers of 132KV and 66KV with the annual designed capacity of 3,000 MVA. The unit is located on prime industrial leasehold land of about 62 acres in Hattar Industrial Estate, in the KPK province of Pakistan. Government of Pakistan ("GoP"), through the Privatisation Commission ("PC"), intends to divest entire GoP equity stake i.e. 96.6% shareholding, in HEC held through SEC, along with transfer of management control to a strategic investor ("Transaction"). This Expression of Interest ("EOI") is invited from reputable investors, interested in acquiring the aforementioned strategic shareholding.

### MARKET POTENTIAL FOR TRANSFORMER BUSINESS IN PAKISTAN

- Pakistan has a sizeable power transmission and distribution network ("T&D") across the Country.
- Power demand and generation capacity is consistently increasing and is projected to increase further in the foreseeable future.
- Continuous investment is required towards stability and expansion of the T&D network across the Country.
- Power sector in Pakistan is being opened up under the Competitive Trading and Bilateral Contracts Market (CTBCM) in the near future, which will also require a robust T&D network, leading to increase in requirement of new power transformers.
- In recent years, Distribution Companies have annually purchased 100 to 125 power transformers of 132KV most of which were imported. There is substantial room for locally manufactured transformers in the power sector particularly in view of price preference available to locally manufactured engineering goods pursuant to SRO 827(I)/2001.
- There is considerable demand for timely repair and maintenance of currently installed over 750,000 transformers in the Power Distribution network across Pakistan.
- HEC has great potential to capture a major share of the transformer market in Pakistan. There is substantial room for further investment to be made in this ideally located facility at a distance of 60 km from the capital city of Islamabad.

### IMPORTANT INFORMATION

- I. Interested parties will be prequalified against the criteria referred. Only Pre-qualified parties will be issued RSQQ.
- II. Pre-qualified parties will have access to relevant details about the entity and the transaction.
- III. PC reserves the right to accept or reject any EOI or SOQ from any interested party on grounds recorded.
- IV. To facilitate the privatization process GoP/PC reserves the right to amend the Transaction Structure.
- V. GoP/PC reserves the right not to respond to request for any other information before issuance of RSQQ.

### SUBMISSION OF EOI

Interested parties should submit their EOI in duplicate which should accompany the following information/documents:

1. Name of the entity/interested parties submitting the EOI along with address, telephone, mobile, fax and email of the authorized contact person.
2. Details of the interested parties along with relevant information including:
  - » For corporate entities: certificate of incorporation, latest audited financial statements and corporate profiles.
  - » For firms, consortiums, partnerships: partnership deeds, consortium agreement, evidence of Income tax returns filed along with copies of CNICs/or Passports (for foreign nationals) and their relevant credentials.
3. Details of ownership (shareholding) and group structure of interested party.
4. Non-refundable processing fee of USD \$ 650/- (United States Dollars Six Hundred Fifty Only) or PKR 105,000 (Pakistan Rupees One Hundred and Five Thousand Only) in the form of bank draft/pay order drawn in favour of "Privatisation Commission, Government of Pakistan".

### Pre-Qualification Criteria

- a. Pursuant to 'The Privatisation (Modes and Procedure) Rules, 2001' prospective bidders that are technically and financially in a position to own, manage and operate HEC will be prequalified;
- b. The Potential Bidder should have a Net Worth of at least PKR 1,000,000,000/- (Pak Rupee One Billion only) or an equivalent amount in US Dollars (approx. US \$ 6.25 Million), and if the Potential Bidder is a Consortium, the Consortium must have an aggregate Net Worth of PKR 1,000,000,000/- (Pak Rupee One Billion only) or an equivalent amount in US Dollars and each Consortium Member, must have a Net Worth of at least 5% of the required Net Worth of the Potential Bidder.
- c. If the Potential Bidder is a Consortium, there must be a Lead Bidder and the Consortium must provide an undertaking that there will be no change in the constitution of the Consortium; provided, however, if any change is required in the Consortium composition, such change shall not be made without the prior written consent of the Privatization Commission and that the Lead Bidder shall retain a minimum of twenty six percent (26%) of the Equity Stake.

Two sets of EOI should be submitted to Privatisation Commission, along with prescribed amount, not later than 1600 Hours PST by **Tuesday 9<sup>th</sup> February 2021** in hard copy to:

**DIRECTOR GENERAL (I&T), PRIVATISATION COMMISSION**

4<sup>th</sup> Floor, New Kohsar Block, Pak Secretariat, Islamabad, Pakistan

Ph: (+92 51) 9204593 | Fax: (+92 51) 9211692 | Web: [www.privatisation.gov.pk](http://www.privatisation.gov.pk)

EOIs received shall be opened on same date (9<sup>th</sup> February 2021) at 1630 hrs. The parties, who may desire to witness the opening, can nominate their authorized representatives. For any query please contact:

#### Privatisation Commission

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PID (I) No : 3368/20



**Iftikhar Hussain Naqvi**  
Director General (I&T),  
Privatisation Commission

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- HEC has great potential to capture a major share of the transformer market in Pakistan. There is substantial room for further investment to be made in this ideally located facility at a distance of 60 km from the capital city of Islamabad.

### IMPORTANT INFORMATION

- Interested eligible parties which submits EOI will be dispatched a Request for Statement of Qualification ("RSOQ"). An early submission of EOI will allow parties maximum time for completion of their Statement of Qualification (the "SOQ"). PC will pre-qualify interested parties for bidding in accordance with the RSOQ.
- Pre-qualified interested parties will be provided access to relevant details about the entity and the transaction.
- PC reserves the right to accept or reject any EOI or SOQ from any interested party on grounds recorded.
- To facilitate the privatization process GoP/PC reserves the right to amend the Transaction Structure.
- GoP/PC reserves the right not to respond to request for any other information before issuance of RSOQ.

## SUBMISSION OF EOI

Interested parties should submit their EOI in duplicate which should accompany the following information/documents:

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### Pre-Qualification Criteria (as per RSOQ)

- Pursuant to "The Privatisation (Modes and Procedure) Rules, 2001" prospective bidders that are technically and financially in a position to own, manage and operate HEC will be prequalified;
- The Potential Bidder should have a Net Worth of at least PKR 1,000,000,000/- (Pak Rupee One Billion only) or an equivalent amount in US Dollars (approx. US \$ 6.25 Million), and if the Potential Bidder is a Consortium, the Consortium must have an aggregate Net Worth of PKR 1,000,000,000/- (Pak Rupee One Billion only) or an equivalent amount in US Dollars and each Consortium Member, must have a Net Worth of at least 5% of the required Net Worth of the Potential Bidder.
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#### Privatisation Commission

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