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Iranian Privatization Organization (IPO)



“Block Offering of Share & Property”

By virtue of assignments envisioned in “The law of Enforcing of General Policies of Article 44 of the Constitution”, its relevant rules and regulations and approvals of the Divesture Board, hereinafter the Board, the Iranian Privatization Organization, hereinafter the Organization, intends to transfer shares & properties of the following enterprises with the terms and conditions as mentioned in this advertisement. Tender documents and other transferring conditions are accessible at this section (transferring enterprises & properties section). The applicants are highly requested to consider the conditions mentioned in the bid proposal form, transferring contract and announcements of the Organization.

A) Shares																				
No.	Name of Enterprise	Capital (Million IRR)	Field of activity of enterprise	Major Shareholders	Size of Enterprise	Stock Transferring	No. of Shares Presentable			Block Size %	Base Value of Transferrable Shares		Deposit amount (IRR)	Sales Conditions			Incentives of private & cooperative sectors	Exclusive condition	Deadline for settling each deposit and	Tender opening session
							Block	Employees	Total		Each Stock (IRR)	Total (IRR)		Cash down payment percentage	stallment duration (year)	Deadline for cash payment (business day)				
1	Moghan Agro-industrial and Animal Husbandry Co.	3,182,307	Performing agricultural and livestock operations and making agricultural and livestock industries and products	Agri-Park Company (100%)	Very Large	Tender	3,023,191,650	159,115,350	3,182,307,000	100	6,976	22,199,799,566,000	665,993,986,980	10	8	20	✓	Envisioned at bid proposal form	2018/04/16	2018/04/17
2	Pars Melli Agro Industrial & Livestock Co.	325,340	Performing agricultural and livestock operations and making agricultural and livestock industries and products	Moghan Agro Industrial & Animal Husbandry Co. (40%) - Melli group development investment (40%) - Ayandeh pooya development & plan management Co. (20%)	--		123,629,200	6,506,800	130,136,000	40	16,875	2,196,045,000,000	65,881,350,000	10	6	20	✓			
3	Sefid Rood Livestock and Agricultural Company	3,017,236	Changing thickets to agricultural lands for cultivation of animal feed, breeding of live stocks, poultry, fish, ...	Agri Park Co. 100%	Very Large		2,866,375	150,861	3,017,236	100	5,140,771	15,510,920,326,132	465,327,609,784	20	7	20	✓			
4	Sugarcane & Affiliated Industries Development Co.	11,431,145	Cultivation of sugarcane & sugar production, pulp, ...	Ministry of Agricultural Jihad (20%), Bank Saderat Iran (20%), Bank Melli Iran (20%), Arman Andishan Rastak Co. (20%), Ayandeh pooya development & plan management Co. (10%)	--		217,191,755	11,431,145	228,622,900	20	51,256	11,718,295,362,400	351,548,860,872	10	9	20	✓			

5	Esfarayan Industrial Complex	1,358,000	Manufacturing steel products	IDRO (100%)	Very Large	1,290,100,000	67,900,000	1,358,000,000	100	5,298	7,194,684,000,000	215,840,520,000	10	8	20	✓	Envisioned at bid proposal form	2018/04/16	2018/04/17
6	Luleh Gostar Esfarayan Co.	1,808,592	Production, completing & repairing any kinds of pipes, tubes & joints	IDRO (100%)	Very Large	1,718,162,400	90,429,600	1,808,592,000	100	1,060	1,917,107,520,000	57,513,225,600	10	8	20	✓			
7	Iran Silkworm Rearing Co.	325,125	Developing, production and offering silk worm eggs	Agri Park Co. 100%	Very Large	308,869	16,256	325,125	100	7,258,023	2,359,764,808,205	70,792,944,247	10	6	20	✓			
8	Khoozestan Oil Refining Co.	350,000	Refining crude oil & production of oil products	NIORDC (75%), Oil Industries Development Co. (20%), Abadan Oil Refining Co. (5%)	Very Large	950,000	50,000	1,000,000	100	1,767,768	1,767,768,000,000	53,033,040,000	30	3	20	✓			
9	Zarand Power Plant	-	Generating & selling power energy	Thermal Power Plants Holding	-	95%	5%	100%	-	-	1,750,724,600,000	52,521,738,000	15	6	20	✓			
9	Zarand Power Generation Management Co.	10	Exploitation of power generation units	Thermal Power Plants Holding (40%), Saba Co. (60%)	-	4,000	-	4,000	40	4,086,300	16,345,200,000	490,356,000	15	6	20	✓			
10	East Urban Development & Housing Co.	3,000	Preparation of plan & implementation of civil urban projects	Urban Development & Revitalization Org. (30%)- Iran Urban Development & Housing Co. (25%)- Iran Building Investment Co. (25%)- others (20%)	-	855,000	45,000	900,000	30	243,734	219,360,600,000	6,580,818,000	15	6	20	✓			

B) Enterprise/ Property											
Row	Name of Enterprise	Transferring Method	Owner	Total Base Value (IRR)	Deposit Amount (IRR)	Sales Conditions			Exclusive conditions	Deadline for settling cash deposit and delivery bid envelopes	Tender opening session
						Cash down payment percentage	Installments duration (year)	Deadline for cash payment (business day)			
1	Rasht Pir Bazar Riding Track	Tender	State Livestock Affairs Logistic Inc.	26,560,000,000	796,800,000	In Cash			Envisioned at bid proposal form	2018/04/16	2018/04/17
2	77 Carpets	Tender	-	10,700,000,000	321,000,000	30	2	20	Envisioned at bid proposal form		

C) Fuel Station										
Province	Name of Station	Transferring Method	Total Base Value (IRR)	Deposit Amount (IRR)	Sales Conditions			Deadline for settling cash deposit and delivery bid envelopes	Tender opening session	
					Cash down payment percentage	Installments duration (year)	Deadline for cash payment (business day)			
Chahar Mahal Bakhtiari	Menjer Moe	Tender	9,428,370,000	282,851,100	30	4	20	2018/04/16	2018/04/17	

For the attention of applicants:

- In case of not determining how to collect debts of Parent Company from the Company before transferring as controlling, then all debts of Parent Company should be paid with similar terms & conditions of paying installments of IPO.

- 2- **Moghan Agro-industrial and Animal Husbandry Co:** **A.** Shares & value of Pars Melli Agro Industrial & Livestock Company has been deducted from the base value of Moghan Agro-industrial and Animal Husbandry Company and will not be transferred to the purchaser of the company. **B.** About 4,843 hectares lands to the value of IRR 2,412 billion and about 2/1 hectares of buildings & landscaping to the value of IRR 13 billion have been deducted from the base value of the company.
- 3- **Pars Melli Agro Industrial & Livestock Co:** **A.** The purchaser is obliged, within the authority, to eliminate “National” phrase from the name of the company. **B.** Buying & selling Padar lands and under pressure irrigation plans in an area of 3,086 hectares have been financed from the source of paragraph A of Note 4 of 2017-2018 State Budget Law and based on this, the company, to perform irrigation plans, has signed 4 contracts with Ardebil Agricultural Sector Development Fund to the value of IRR 806 billion and in case of performing the above mentioned plans, created assets & buildings will be belonged to the company. **C.** Based on financial statements ending in March 2017, Moghan Agro-industrial and Animal Husbandry Co. has delivered about half of shares of Pars Melli Agro Industrial & Livestock Co. as collateral for receiving IRR 19 billion facilities to the Melli Bank. **D.** Other shareholders intend to transfer their shares as conditions mentioned in the advertisement and its detail will be mentioned in the bid proposal form.
- 4- **Sefid Rood Livestock and Agricultural Co:** **A.** The Parent Company has requested to transfer some parts of lands of the company to the area of 755 hectares for greenhouse & fishery matters and the value has been deducted from the base value. **B.** According the approval of the Board, it was supposed to transfer 4,213 hectares lands to the farmers but only 3,783 hectares has been transferred. **C.** According to the approval of The Cabinet of Ministers during 2007-2009, about 400 hectares lands has been transferred to Maskan Mehr and according to the announcement of the company, 80 hectares lands are not in use and the company has requested to return 80 hectares land to the company and no response has gained and their value is about IRR 600 billion and in case of agreement of Cabinet of ministers, the value will be added to the base value of the company and should be paid by the purchaser. **D.** According to the approval of Cabinet of ministers in 2010-2011 it was supposed to transfer about 500 hectares lands of the company to Maskan Mehr and because of lack of land and non-operating company, the company has requested to cancel the approval and no result has been gained up to now and its value has been reflected in the base value of the company. **E.** According to minutes of meeting of the company, the area of 400 hectares lands of the company in the form of greenhouse complexes has been allocated for Greenhouse Towns Company and only 160 hectares has been completed. **F.** According to the announcement Agricultural, Livestock and Natural Resources Production Co. and approval of Cabinet of Ministers, 900 hectares of lands has been allocated to Gilan Industrial Towns Company and 165 hectares of lands should be transferred to Forestry Organization and no result has been gained.
- 5- **Sugarcane & Affiliated Industries Development Company:** **A.** The financial statements of the company has not been approved by shareholders. According to the letter of managing directors of Melli Bank of Iran & Saderat Bank, the debts of the company is IRR 29,627 billion and the company has announced its debts IRR 22,211 billion and the amount of IRR 2,769 billion has been reflected in the base value as reverse. **B.** Of 120,605 hectares lands in use of group companies, the ownership document of 47,113 hectares lands has not been transferred to the company yet. **C.** Debts to the parent company is IRR 29 billion in list of other accounts payable and IRR 40,000 billion in list of dividend payable. **D.** Other shareholders intend to transfer their shares as conditions mentioned in the advertisement and its detail will be mentioned in the bid proposal form.
- 6- **Esfarayen Industrial Complex:** **A.** According to paragraph (6) of report of Independent Auditor & Legal Inspector in the financial year ending in March 20, 2017, the major ownership documents of the lands & buildings & 111 vehicles of the company are nominated to IDRO and to the plan to set up casting & forging heavy parts factory. But but there is no effective action on transferring ownership documents in the name of the firm. **B.** According to financial statements ending in March 20, 2017, all immovable property of transferred national land, and all factory’s land has been pledged for banking loan. **C.** According to approval of Divesture Board, it was supposed to transfer two plots of lands totally to the area of 103/77 hectares, also the lands marked as airport totally to the area of 397/69 hectares to be transferred to the Parent Company and their value have been deducted from the base value.
- 7- **Luleh Gostar Esfarayen Co.** According to announcement of IDRO, all lands, building, installations and rights of factory have been pledged for IDRO.
- 8- **Iran Silkworm Rearing Co:** **A.** About 52/5 hectares lands for allocating to sericultures to value of IRR 178 billion and one apartment to the value of IRR 18 billion has been transferred to the parent company and the value has been deducted from the base value. **B.** The purchaser is obliged to eliminate the phrase “National” from the name of the company. **C.** The purchaser is not authorized to change the usage.
- 9- **Khoozestan Refining Co:** Capital of the company includes IRR 350 billion that IRR 122/5 billion has been paid and IRR 227/5 billion are in shareholders commitments.
- 10- **Zarand Power Plant:** **A.** Zarand Gas Power plant has 2 steam units each with the nominal capacity of 30 MGW and totally 60MGW. **B.** According to announcement of Tehran Power Generation Company, well No.2 because of allocating to Zarand Combined Cycle Power plant and the power plant next to Motahar

Abad Power Post will not be transferrable. So its value, IRR 86 billion, has been deducted from the base value. **C.** According to announcement of Parent company, of 1,566,885 m² lands, 659,885 m² of it has been transferred to Municipality personals and are not transferrable. Also area of power plant land is 197,500 m² and 18,784 m² of lands are not transferrable. **D.** The land in range of high pressure lines, with condition of establishing easement right in favor of relevant Regional Power Company, will be in use of power plant. **E.** Electrical substation belongs to Regional Power Company. **F.** The purchaser is obliged, during at most 3 months, to change the entity of the power plant to a new company (legal entity) and employee's shares of Zarand Power Generation Management Co. will be allocated from new company's shares, otherwise the employee's share will be allocated from the source of value of power plant. **G.** All costs & incomes of the Zarand steam power plant up to transferring time belongs to previous owner. **H.** Any of Governmental institutions claims including Social Security Org., Tax Affairs Department, etc. up to transferring period will be borne by previous owner. **K.** Any of commitments between previous owner of the power plant and Thermal Power Plants Holding in relation with exploitation of the power plant will be borne by the purchaser. **I.** It will be held one bid coincidentally for both Zarand Power plant & Zarand Power Generation Management Co & the highest value for 2 cases in total will be the winner of tender.

11- Zarand Power Generation Management Co. **A.** The employee's shares of the company will be allocated from the source of current value of Zarand Power plant. **B.** It will be held one bid coincidentally for both Zarand Power plant & Zarand Power Generation Management Co & the highest value for 2 cases in total will be the winner of tender.

D) Other Transferring Conditions: By emphasizing that the Organization is reserved the right to accept or reject any or all of the bid proposals, participating in the tender is meant that applicants have accepted all rules and regulations and transferring contract wholeheartedly									
How to Receive Tender Documents and Get Information of Other Transferring Conditions	How to Visit the Enterprises	How to Settling the Amount of Tender/Competition Deposits	How to Present Tender Envelopes and the Place of Delivery	Tender Opening Session & Conditions of Presence in the Tender Session	Guarantee Documents	How to Transfer Stock Ownership	Transferring Priority	General Conditions of Allocating Employees Shares	Interest rate of installment
Tender documents & other general & exclusive conditions are accessible by referring to website of the Organization at the following address: www.ipo.ir - the transferring enterprises & properties section. 1- Bid proposal form, sample of contract, power of attorney registered at Notary Public Office. 2- Financial statements and other relevant documents. 3- The Instruction of "How to Exert Financial and Nonfinancial Incentives" 4- The Instruction of " How to Receive Commitments, and Granting Discounts" 5-The regulation of allocating Employees shares. 6- The Instruction of the How to review and proposal of granting discounts to the shares purchasers (in installments-based transactions) 7- The instruction of encouraging private sector to participate in privatization. 8- The instruction of monitoring after transferring	Interested applicants can send the visiting request via the following fax number: +98 21 880 85622 to the Marketing Office. The office will issue visiting letter.	In case of Tender: Settling Cash basis: Settling into SHABA. No. IR170100004001001506374577 to the Central Bank of Iran in the name of IPO- by emphasizing on disallowance of presenting any kind of check and recommendation to ensure of transferring deposit fund into the set account in due date. Presenting Bank Guarantee: Presenting unconditional bank guarantee issued by one of authorized banks with 4 months authority by accepting all rules & regulations related to guarantee issuing.	Putting up the original bank deposit receipt and completed bid proposal form in the form of two separate envelopes inside a sealed envelope and delivering it up by the end of business hour of aforementioned date to Guard Management Office, 7th Floor, No. 15, Mahestan St., Iran Zamin Ave., Phase 1, Shahrak-e Ghods, Tehran – IRAN	Envelopes of participating in the bid notice will be opened at 14:00 O'clock with presence of bidders or their legal representatives in the session with owning identification documents and representation letter	Keeping shares equivalent of remaining amount of installments until full payments of the installments + receiving guarantee documents on minimum 50% of the remaining total installments.	Through share register book / stock market transaction system/notary public/(in case of properties), within mutual framework	Priority of Cooperative Sector in equal conditions in offering shares/properties via bid/negotiation notice	Including: Managers and employed staff and assignee personnel in enterprise subject to stock transfer and also those who assignee to other enterprises that more than 50 percent of their capital belong to the transferable company and also the retirements. Some Conditions: having minimum one-year experience and paying insurance, not allowing simultaneous use of advantages of voucher privatization plan (Saham Edallat) and Employee Shares for the retired. The shares are totally installments during 10 years base on the above base price	13%
									Time interval of installments
									6 months