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**Iranian Privatization Organization (IPO)**



### “Block Offering of Share”

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 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 Method	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 the deal	Tender opening
							Block	Employees	Total		Each Stock (IRR)	Total (IRR)		Cash down payment	Installments duration (year)	Deadline for cash payment (business day)				
1	<b>Moghan Agro-industrial and Animal Husbandry Co.</b>	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	5,534	17,610,886,938,000	528,326,608,140	IRR 1,000 billion	9 (with 2 years break in payment of first installment)	20	✓	Envisioned at bid proposal form	2018/07/23	2018/07/24
2	<b>Esfarayan Industrial Complex</b>	1,358,000	Manufacturing steel products	IDRO (100%)	Very Large		1,290,100,000	67,900,000	1,358,000,000	100	4,504	6,116,432,000,000	183,492,960,000	10%	8	20	✓			
3	<b>Luleh Gostar Esfarayan Co.</b>	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	901	1,629,541,392,000	48,886,241,760	10%	8	20	✓			
4	<b>Magnesium Gostar Erish Production Co.</b>	65,000	Production & offering alloy parts for different industries	IDRO (40%), Iran Polyurethane Group (30%), Erish Khodro (30%)	--		24,700,000	1,300,000	26,000,000	40	1,228	31,928,000,000	957,840,000	30%	3	20	✓			

#### **For the attention of applicants interested in buying following enterprises:**

- 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.
- 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 1,595/7 hectares agricultural & forest lands, buildings & landscaping have been deducted from the base value of the company and are not transferrable. **C.** The purchaser will enjoy 2 years break in payment of installment (the first year after transferring) without considering interest rate of installment.
- Esfarayan Industrial Complex:** **A.** According to paragraph (16) 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 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.

- 4- **Luleh Gostar Esfaraven Co.** According to announcement of IDRO, all lands, building, installations and rights of factory have been pledged for IDRO.
- 5- **Gostar Erish Production Co.:** **A.** The purchaser is duty-bound to terminate the concession of paragraph 8-2 of the constitution of the company which says "transferring private sector shares will be done after agreement of IDRO" and this will be mentioned in transferring contract. **B.** The purchaser may pay debts of Parent Company with conditions, interest rate & the way of paying price of transferrable shares.

**For the attention of private/cooperative sector purchasers:**

Real private/cooperative sector purchasers, in case of winning tender, will enjoy the benefits of encouraging private/cooperative sectors in order to participate in privatization as following:

- 1- Increasing the whole time limit and the total number of installments for real private sector purchasers up to one third of the time and for cooperative sector up to two fifths of the time and number of approved installments.
- 2- Stepwise repayment of installments with the annual growth of "10%" inclination based on "100" for the mid-term instalments for private/cooperative sectors.
- 3- Interest rate of installment sale up to the "3%" lower than other buyers for real private sector purchasers & "3/6%" lower than cooperative sector purchasers.

<b>B) 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</b>									
<b>How to Receive Tender Documents and Get Information of Other Transferring Conditions</b>	<b>How to Visit the Enterprises</b>	<b>How to Settling the Amount of Tender/Competition Deposits</b>	<b>How to Present Tender Envelopes and the Place of Delivery</b>	<b>Tender Opening Session &amp; Conditions of Presence in the Tender Session</b>	<b>Guarantee Documents</b>	<b>How to Transfer Stock Ownership</b>	<b>Transferring Priority</b>	<b>General Conditions of Allocating Employees Shares</b>	<b>Interest rate of installment</b>
Tender documents & other general & exclusive conditions are accessible by referring to website of the Organization at the following address: <a href="http://www.ipo.ir">www.ipo.ir</a> 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.	<b>In case of Tender:</b> <b>Settling Cash basis:</b> 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. <b>Presenting Bank Guarantee:</b> Presenting unconditional bank guarantee issued by one of authorized banks with 3 months authority (by mentioning the phrase "extendable according to request of beneficiary" in guarantee text) 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	<b>Including:</b> 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. <b>Some Conditions:</b> 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

- 1- The applicants confess not to be prohibited on doing any shares transaction and are not subject to the Article 24 of Implementation of General Policies of Article 44 of the Constitution and its next corrections. Also previous purchasers of installment-based block shares from the Organization are not authorized to participate in bid notice and cannot purchase shares if their installments have deferred. So announcing the winner of tender will be depend on obtaining the desired response of the above mentioned items from the concerned authorities and also validation bank guarantee. In any case, announcing the winner of tender and finality of transaction shall not be negating the legal responsibility of purchaser against obligations of this paragraph.
- 2- If activity of the company is found vital and security at the sole discretion of Passive Defense Organization, purchaser of controlled block shares is committed to observe all criteria, rules and regulations as notified from the mentioned authorizing body meticulously.
- 3- The purchaser of controlled block shares is committed to observe the articles of guideline “to preserve and supervise divested firms ratified by Security Council”.
- 4- Public and nongovernmental institutions and affiliated companies, subject of Article 5 of General Auditing Law approved in 1987 and its next corrections are committed to observe provisions of Article 6 of “Law on Execution of General Policies of Article 44 of the Constitution” meticulously. It is obvious that these institutions are held responsible for not observing the aforementioned rules.
- 5- The purchaser is duty bound to observe Articles (44), (45) and (47) of “The law of the Enforcing of General Policies of Article 44 of the Constitution”, otherwise report of infractions shall be announced to Competition Committee.