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ISLAMABAD, MONDAY, FEBRUARY 12, 2024

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PART II

**Statutory Notifications (S.R.O.)**

GOVERNMENT OF PAKISTAN  
**MINISTRY OF PRIVATISATION**  
(Privatisation Division)

NOTIFICATION

*Islamabad, the 19th January, 2024*

**S.R.O. No. 73 (I)/2024.**— Whereas the Privatisation Commission *vide* section 26 of the Privatisation Commission Ordinance, 2000 (LII of 2000) is required to publish by notice in the official Gazette each privatisation transaction within thirty days of the completion thereof;

Whereas the privatisation of Heavy Electrical Complex (Pvt.) Ltd. (HEC) was completed on second day of January 02, 2024;

Now, THEREFORE, in pursuance of the aforesaid provisions of the said Ordinance, the Privatisation Commission is hereby pleased to publish by this notice, the following description of the said transaction, namely: -

**Section A**

Summary description of transaction including name and address of the contracting parties.

235 (1—4)

Price : Rs. 6.00

[6956(2024)/Ex. Gaz.]

HEC was incorporated in 1991 and commenced its commercial operations in 1998. The prime business of the HEC is to prepare high voltage electric transformers used by the power distribution companies. HEC is owned by State Engineering Corporation (Pvt.) Limited (SEC), working under the administrative control of Ministry of Industries and Production (MoIP). HEC manufactures power transformers of 132kV & 66kV with units ranging from 6.3 - 40 MVA (high voltage) along with services for testing, repairs and onsite commissioning of transformers. HEC is located in Hattar Industrial Estate, Haripur on the land leased by Khyber Pakhtunkhwa economic Zones Development and Management Company (KPEZDMC), for a period of 99 years.

2. In compliance with the decision of the Cabinet Committee on Privatisation (CCoP), dated August 08, 2019, the Board of the Commission, in its meeting held on December 27, 2019, approved the appointment of Financial Adviser (FA) consortium of Bridge Factor and NBP, for the privatisation of HEC.

3. The CCoP in its meeting held on November 16, 2020 approved the strategic sale of 96.6% shares in HEC owned by the Government of Pakistan (GoP). The CCoP decision was ratified by the Federal Cabinet *vide* decision dated December 01, 2020.

4. After running the entire process according to the PC Ordinance and rules and regulations made thereunder, finally the following three (03) investors, who submitted the earnest money and satisfied the bidding requirements set forth in the Instructions to Bidders (ITB), and were deemed eligible to participate in the bidding process (qualified potential purchasers):

- (i) M/s IMS Engineering Pvt. Limited, Pakistan;
- (ii) M/s Waves-Singer Pakistan Limited, Pakistan; and
- (iii) M/s Pak Elektron Limited, Pakistan.

5. The CCoP in its meeting held on February 21, 2022, approved Reserve Price of PKR. 98.23 per share for sale of 96.6% shares (14,100,012 shares) of GoP in HEC (Value of 96.6% shares is PKR.1,385,044,179/-).

6. The bidding for the sale of shares of HEC, representing 96.6% of the total issued HEC shares, was held on Monday, February 21, 2022 at 1525 hrs. at Marriott Hotel, Islamabad. The entire process was conducted in accordance with the guidelines specified in the ITB, and in the presence of representatives of the bidders, various stakeholders and electronic and print media.

7. The qualified potential purchasers submitted their bids in the form of a bid letter in sealed envelopes provided to the bidders with the ITB, verified by the Commission. Each qualified potential purchaser was requested to submit their sealed envelope to the Commission in the presence of representative of electronic and print media. After receipt of the sealed bids, the same were opened in front of the representatives of the bidders, various stakeholders and electronic and print media personnel. The bidding results are summarized below: -

Bidder's Name	Approved Reference Price per share (PKR.)	Bids				
		For Shares percentage	Nos.	Price per share (PKR.)	Percentage of reserve price	Total Bid Price (PKR.)
M/s IMS Engineering Pvt. Limited	98.23	96.6	14,100,12	99.999	102%	1,410,000,000/-
M/s Waves-Singer Pakistan Limited	-do-	-do-	-do-	26.25	27%	370,125,315/-
M/s Pak Elektron Limited	-do-	-do-	-do-	17.731	18%	250,007,313/-

8. As stated above, M/s IMS Engineering Pvt. Limited (IMS) submitted the highest bid of PKR.99.999 per share, which is 2% higher than the CCoP approved Reserve Price, in aggregate amounting to PKR. 1,410,000,000/- for 96.6% shares of HEC.

9. The CCoP in its meeting held on February 4, 2022 accepted and approved highest bid received from IMS upon the recommendation of the Board of the Commission in its meeting held on February 22, 2022. The bidding process was ratified by the Federal Cabinet *vide* decision dated March 14, 2022.

10. The GoP issued letter of acceptance to IMS on March 20, 2022. IMS (buyer) and the seller signed the share purchase agreement (SPA) on April 01, 2022 and the buyer made initial payment of 10% sale proceeds, including earnest money of PKR 50 million (PKR. 141,000,000/-).

11. The financial closure date initially communicated by the successful buyer (IMS) was August 18, 2022 which was later extended to September 01, 2022 by the Commission. Thereafter, MoIP and IMS mutually agreed to further extend the required completion date till the seller was able to complete all the condition precedent prescribed in SPA. However, no date could be agreed due to complexities and time intensive exercise in the transfer of Taxila land which was not part of privatisation of HEC. The land was finally transferred to Heavy Mechanical Complex on June 10, 2023. Subsequently, the purchaser completion documents were finalized between the buyer and seller, fulfilling the obligations as per signed SPA dated April 01, 2022. The

transaction requisite deliverables were mutually agreed on December 18, 2023, to finally sign-off the transaction by January 02, 2024. Accordingly, all the formalities were completed on the agreed date, after receipt of full sale proceeds by the Commission, the 96.6% of HEC shares and its management control were transferred to the IMS.

12. Name and Address of the Contracting Party

IMS Engineering (Pvt.) Limited, a company incorporated under the laws of Pakistan having its principal place of business at IMS Center, Plot # 29, Sector I-10, Street 3, Islamabad, Pakistan. Telephone No.: +92 (051) 444 3131, +92 (051) 444 5679. Fax: +92 (051) 443 4089.

**Section B**

Financial Adviser advising the PC on the privatisation transaction of HEC.

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BRIDGE FACTOR (PRIVATE) LIMITED  
1st Floor, Kalim Plaza, Kaghan Road, F-8  
Markaz, Islamabad, Pakistan

NATIONAL BANK OF PAKISTAN  
NBP Head Office, I.I. Chundrigar  
Road, Karachi

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**Section C**

Any other matter relating to the transaction considered appropriate by the Commission.

None.

[F. No. PC/Priv/HEC/06-2016.]

KHALID MAHMOOD,  
*Section Officer.*