



Azerbaijan Steel Co.



Iranian Privatization Organization (IPO)  
Marketing & SOEs Divesting Office

## **Azerbaijan Steel Company (Public Joint-Stock)**



### **Part I: General Information**

Azerbaijan Steel Company was established at March 11, 2000 and was registered on Tehran State Organization for Registration of Deeds and Properties Company Registration General Office. In May 10, 2001 the company was transferred to East Azerbaijan, Miyaneh Township. The company, by investment of Iranian Mines and Mining Industries Development and Renovation Org. (IMIDRO) and purchasing equipments and machineries from Daniely Company of Italy, started its activity since 2001.

The main activity of the company includes producing and selling round bar in different sizes. Launching of the company with production capacity of 258,500 tonnes annually has been started since 2001 and from 2004; its nominal capacity has been increased to 550 thousand tonnes annually.

In the vicinity of the company, Miyaneh Steel Project by purpose of raw materials production with investment of IMIDRO is being implemented which is considered as a relatively good privilege for the company to gain raw materials. The main center of the company is located at Miyaneh Township, next to railway station.

The factory of the company is located in an area of 47 hectares in 3 km southeast of Miyaneh Township that 18 hectares of it is allocated to Miyaneh Steel Project.

## **Part II: Main Information**

**Parent Company:** Iranian Mines and Mining Industries Development and Renovation Org. (IMIDRO)

**Shareholder:** IMIDRO (100%)

**Capital:** US\$ 11,839,123

**Chief Executive Officer:** Mr. Aslanian

**Establishment Date:** March 11, 2000      **Launching Date:** 2001

**Total Assets:** US\$ 25,843,115 (Machinery & Equipment: US\$ 7,306,430)

**Total Liabilities:** US\$ 105,909,414 (Loans: US\$ 78,882,387)

**Net Profit (loss):** US\$ (16,067,382)      **Retained earnings (loss):** US\$ (100,936,982)

**Location:** Miyaneh Township, East Azerbaijan Province

**Field of Activity:** Production of round bar in different sizes

**Capacity:** **Nominal Capacity:** 550,000 tonnes annually

**Number of Staff in 2014-2015:** 542 (permanent: 187- contractual: 44- temporary: 286- contracting: 25)

## **Part III: Financial Information**

### ***3-1-Main Items of Assets in US\$***

**(Exchange Rate:** 29,563 IRR)

<b>Title</b>	<b>Book Value (March 2015)</b>	<b>Book Value (March 2014)</b>
Inventories	8,050,604	11,940,601
Machinery & Equipment	7,306,430	7,847,647
Land	2,333,999	2,333,999
Building	2,300,173	2,401,651
Other Assets	5,851,909	18,333,728
<b>Total Assets</b>	<b>25,843,115</b>	<b>42,857,626</b>

### 3-2-Main Items of Liabilities and Capital in US\$

Title	Book Value (March 2015)	Book Value (March 2014)
Short-term Loans (3-2-1)	78,882,387	57,301,356
Other accounts payable	18,401,380	9,606,603
Long-term Loans	0	14,409,904
Other liabilities	8,625,647	20,058,857
<b>Total liabilities</b>	<b>105,909,414</b>	<b>101,376,721</b>
<b>Retained earnings (loss)</b>	<b>(100,936,982)</b>	<b>(79,389,778)</b>
<b>Capital</b>	<b>11,839,123</b>	<b>11,839,123</b>
<b>Cash transferrable to the capital</b>	<b>8,862,429</b>	<b>8,862,429</b>
<b>Owner's equity</b>	<b>(88,928,728)</b>	<b>(67,381,524)</b>

#### 3-2-1- Short-term Loans in US\$

##### A) Separated by Suppliers

Title	2015 Amount (US\$)
Banks	29,191,895
Interest Rate & Commissions of future years	(3,551,737)
<b>Current Portion</b>	<b>25,640,158</b>
Interest Rate, Commission & Outstanding fines	53,242,228
<b>Total</b>	<b>78,882,387</b>

##### B) Separated by Interest Rate & Commission

Interest Rate & Commission	2015 Amount (US\$)
25% to 30%	15,932,077
20% to 25%	2,401,651
15% to 20%	10,858,167
<b>Total</b>	<b>29,191,895</b>

##### C) Separated by Payment Schedule

All debts excluding debts to Mellat Bank are matured debts. In 2014-2015, According to the correspondences made with Mellat Bank, 460 billion IRR overdue debts to the mentioned bank were requesting a delay to payment for 7 years and its installments has begun since March 2015.

##### D) Collaterals:

All loans received from banks have been guaranteed by IMIDRO.

### 3-3- Main Items of Income Statement in US\$

Title	March 2015	March 2014
Net sales & service revenue (3-3-1)	126,035,923	183,675,540
Cost of goods sold& services	(127,896,357)	(182,119,541)
<b>Gross profit(loss)</b>	<b>(1,860,434)</b>	<b>1,555,999</b>
Sales, administrative & general expenses	(2,097,216)	(2,164,868)
Net other operating revenues & expenses	(3,788,519)	(1,285,391)
<b>Operating profit (loss)</b>	<b>(7,746,169)</b>	<b>(1,894,260)</b>
<b>Financial expenses</b>	<b>(8,388,864)</b>	<b>(8,541,082)</b>
Net other non-operating revenues & expenses	67,652	16,913
<b>Net profit (loss)</b>	<b>(16,067,382)</b>	<b>(10,418,428)</b>

#### 3-3-1- Net sales & services revenue

Title	2015		2014	
	Quantity (ton)	Amount (US\$)	Quantity (ton)	Amount (US\$)
Round bar & low quality products	227,254	126,035,923	309,812	179,819,369
Commission services	--	0	94,281	3,856,172
<b>Total</b>	<b>227,254</b>	<b>126,035,923</b>	<b>404,093</b>	<b>183,675,540</b>

## Part IV: Other Information

### 4-1-Comparison between Production and Capacity

(unit: ton)

Nominal Capacity	Operational Capacity	Production 2015	Production 2014
550,000	550,000	212,206	372,039