



Esfarayen Industrial Complex



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Esfarayen Industrial Complex (private joint-stock)



Base Value for 100% Shares: US\$ 333,761,797

(Exchange Rate: 29,563 IRR)

Assessment Date: September 2014

Assessment Method: Net Assets Market Value

Transferring Method: Tender

Part I: General Information

Esfarayen Industrial Complex as the largest manufacturer of parts and sections of alloy steel in Middle East has the capability to produce any kinds of bars up to weight of 100 tones. The company has been registered at March 1992 in Tehran Companies Registration Office & Industrial Property and is included as a subsidiary company of Industrial Development and Renovation Organization of Iran Co. (IDRO). The capital of the company is 1,358 Billion Rial and the value of each share is 1,000 Rial.

The company consists of 3 line productions: Radial Forging, Pressing and Melting. The radial forging section has been established officially at 1996 and after completion of melting and pressing lines; the operation has been started from 2005. During 1998, exploitation of radial forging unit with the capacity production of annual 49,000 tones of any kinds of steel sections in a 12-hour working shifts has been started. In 2009 also, the exploitation license for casting of steel sections with the capacity of 120,000 tones and forging steel sections with the capacity of 81,000 tones has been issued in 3 working shifts. To point some of the manufacturing products of the company we can refer to all kinds of axis parts with different shapes and sizes, any kinds of functional parts like rotator, forging mold, rings, drilling pipes, glass molds, heavy & light rollers, disks, flinch, planned pipelines molds, high pressure seamless pipes and power plants parts like turbine axis and generators.

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Part II: Main Information

Parent Company: Industrial Development and Renovation Organization of Iran (IDRO)

Shareholder: IDRO (100%) **Capital:** US\$ 45,935,798

Establishment Date: March 1992 **Launch Date:** 1998

Registration Location: Tehran **Chief Executive Officer:** Mr. Ali Vafamehr

Total Assets (evaluated): US\$ 454,182,593 (Machinery and equipments: US\$ 143,422,521)

Total Liabilities (evaluated): US\$ 120,488,448 (Long-term loans: US\$ 77,461,692)

Net Profit (Loss): US\$ 135,304

Retained Profit (Loss): US\$ (18,638,163)

Location: Esfarayen city, North Khorasan Province

Field of Activity: Production of steel parts

Nominal Production Capacity: Steel bar: 120,000 tons, Round bar: 81,000 tons

Number of Staff in 2013: 778

Part III: Financial Information

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

(Exchange Rate: 29,563 IRR)

Title	Book value (March 2013)	Evaluated by Independent Expert (September 2014)
Machinery and Equipments (3-1-1)	7,746,169	143,422,521
Complementary plan	91,533,336	102,323,851
Installations (3-1-2)	1,386,869	89,131,685
Buildings and landscaping	6,257,822	51,584,751
Inventories	24,219,464	24,253,290
Intangible assets (water/electricity/industrial rights)	405,913	15,390,860
Land (3-1-3)	67,652	10,722,863
Other assets	15,796,773	17,352,772
Total assets	147,413,997	454,182,593

3-1-1-Machinery and Equipments in US\$

Title	Book value	Evaluated by Independent Expert
Machinery and equipments of melting and casting unit	7,746,169	75,601,258
Machinery and equipments of pressing and forging unit		64,100,396
Machinery and equipments of dedusting and scraping unit		3,720,867
Total	7,746,169	143,422,521

3-1-2-Installations in US\$

Title	Book value	Evaluated by Independent Expert
Machinery and equipments of electric installations	1,386,869	44,143,017
Mechanical machinery and equipments		31,864,155
Lateral and auxiliary machinery and equipments of production		9,809,559
Machinery and equipments of oxygen unit		3,314,955
Total	1,386,869	89,131,685

3-1-3-Land in US\$

Title	Area	Address	Book value	Evaluated by Independent Expert
Land of the factory (3-1-3-1)	873 Hectares	Esfarayen	67,652	6,190,170
Land of the training centre of the complex (3-1-3-2)	7/99 Hectares	Esfarayen		2,875,216
Land of the central office in Tehran (3-1-3-3)	560 M ²	Ghaem Magham St., Tehran		1,657,477
Land of the Golriz Building (3-1-3-4)	536/40 M ²	Golriz St., Tehran		0
Total	--	--	67,652	10,722,863

3-1-3-1- Land of the factory: is about 873 Hectares which is in the possession and ownership of the complex and is dedicated to casting and forging plan.

3-1-3-2- Area of the training centre: is about 8 Hectares that 6 hectares of it belong to Civil Urban Organization and in the near future, final transferring documents to Esfarayen Industrial Complex will be issued. About 1 hectare also belongs to Endowment Organization that is in rent of the complex.

3-1-3-3- The instructed building is consisted of 5 floors (including basement, ground floor and first to third floors) and the infrastructure equals to 1,728 m². This building is located at No.7, Alvand alley, below Motahhari St., Ghaem Magham Av., Tehran Province.

3-1-3-4- Golriz Building: is located at Golriz St., Ghaem Magham Av., Tehran Province. As the ownership document of the building has not been issued to the complex, and the ownership is in the use of the Ministry of Industry, mining and trade, so the value of it has not been evaluated in the assessment report.

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

Title	Book value (March 2013)	Evaluated by Independent Expert (September 2014)
Long – term loans (3-2-1)	77,461,692	77,461,692
Other accounts and notes payable (3-2-2)	17,555,728	17,792,511
Other liabilities (3-2-3)	25,065,115	25,234,246
Total liabilities	120,082,536	120,488,448
Profit(loss) from 21 March 2014 to 22 September 2014	0	67,652
Retained earnings	(18,638,163)	(18,638,163)
Capital	45,935,798	45,935,798
Owner's equity	27,331,462	333,761,797

3-2-1-Long-term Loans in US\$

3-2-1-1- Base on Facilities Suppliers in US\$

Title	Book value	Evaluated by Independent Expert
Bank of Industry and Mine *	76,886,649	76,886,649
Melli Bank- Boujnord central branch	2,300,173	2,300,173
Industrial Development and Renovation Organization of Iran (IDRO)	1,555,999	1,555,999
Saderat Bank Esfarayen branch	575,043	575,043
Energy financial facilities	169,130	169,130
Interest and commission of future financial period is deducted:	(338,261)	(338,261)
Total	81,148,733	81,148,733
Long-term Loans	77,461,692	77,461,692
Short-term Loans	3,687,041	3,687,041

*receivable facilities of Bank of Industry and Mine is in foreign exchange and its repayment should be as foreign exchange too.

3-2-1-2-Based on type of Interest Rate & Commission

3-2-1-3- Based on Payment Schedule

Title	Amount (US\$)
1 to 5 percent	77,089,605
10 to 15 percent	3,551,737
20 to 25 percent	507,391
Total	81,148,733

Title	Amount (US\$)
2015	3,687,041
2016	16,270,338
2017	15,390,860
2018	15,390,860
2019 and above	30,409,634
Total	81,148,733

3-2-2- Other Accounts and Notes Payable

6,968,170 US\$ has been received from Industrial Development and Renovation Organization of Iran as part payment for providing monetary and the foreign exchange confirmed status of Steel Development Co. for complementary plan equals to US\$ 6,359,300.

3-2-3- Other Liabilities

Other liabilities consist of accounts and trade notes payable to the amount of 2,706,085 US\$, transferring incomes to the future periods to the amount of 4,972,432 US\$ and prepayments to the amount of 7,374,082 US\$.

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

Title	March 2013	March 2012
Net sales & services (3-3-1)	38,257,281	24,828,333
Cost of goods sold	(31,221,459)	(23,238,508)
Gross profit(loss)	7,035,822	1,589,825
Sales, administrative & general expenses	(3,754,693)	(3,044,346)
Net other operating revenues & expenses	(3,314,955)	(1,894,260)
Operating profit (loss)	(33,826)	(3,348,781)
Financial expenses	(372,087)	(405,913)
Net other non-operating revenues & expenses	541,217	507,391
Net profit (loss)	135,304	(3,247,302)

3-3-1-Net Sales and Services

Title	2013	
	Quantity (ton)	Amount (US\$)
Internal sales	29,027	30,139,025
Net export sales (3-3-1-1)	8,121	7,949,126
Services income (internal)	450	169,130
Total	37,598	38,257,281

3-3-1-1- Net Export Sales in Euro

Title	Country	Quantity (ton)	Unit Price	Total Sale
Any kinds of Steel Sections	Italy	787	879/14	692,250
	Turkey	7,334	700/74	5,139,039
Total	--	8,121	--	5,831,289

Part IV: Other Information

4-1-Productions

Title	Measurement Unit	Nominal Capacity	Operational Capacity	2013	2012
Steel bar	Ton	120,000	105,000	50,635	53,318
Any kinds of round bar	Ton	81,000	70,000	36,107	40,532
Total	--	201,000	175,000	86,742	93,850

4-2-Productions of the Company at Different Sections

Annual Capacity in 3 Shifts	
Title	Quantity (ton)
Melting and Bars forming section	75,000
Opened and Closed Forging section	90,000
Steel Sections Casting section	20,000
Iron Casting section	13,5000
Total	198,500

4-3-Samples of Products

