



Hegmataneh Petrochemical Co.



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Hegmataneh Petrochemical Company (private joint-stock) **(Before the operation)**



Base Value for 32% shares: US\$ 3,822,345 (75% of the assessed price)

(Exchange Rate: 29,563 IRR)

Assessment Method: Net Assets Market Value

Transferring Method: Tender

Part I: General Information

Hegmataneh Petrochemical Company is established on 10 September, 2002 and is registered at Tehran Office for Registration Companies and Industrial Properties. The company is licensed by Ministry of Industries, Mines and Trade to produce petrochemical products and different kinds of Polyvinyl Chloride Granules (PVC Granules) and it has purchased necessary machinery and equipments from IGS Italian Company.

The investment needed for completion of the project is estimated IRR 180 Billion and investment needed for purchasing chemical raw materials and catalysts, etc in first three months after starting production is estimated IRR 150 Billion that should be financed by shareholders or banking system. In this condition, it is predicted an appropriate field for activities and profitability.

PVC Powder and Granule produced by Hegmataneh Petrochemical Company, is needed in medical industry and completion of this project would meet the requirements of the country from importing these products.

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Part II: Main Information

Parent Company: National Petrochemical Company (NPC)

Shareholder: NPC (32%), Alaghbandian Family (56.7%), Industry Generally Company (IGS) (10%), other shareholders (1.3%)

Capital: US\$ 2,536,955

Chairman of the Board: Mr. Mohammad Taghi Alaghbandian

Establishment Date: 2002

Registration place: Tehran

Total Assets (evaluated): US\$ 66,671,177 (Machinery, equipments & Installations: US\$ 47,559,449)

Total Liabilities (evaluated): US\$ 50,536,143 (Short-term Loans: US\$ 30,714,068)

Net profit (loss): US\$ (169,130)

Retained earnings (loss) (Market value): US\$ (947,130)

Factory Place: 10 Km Northeast of Hamedan, Hamedan province

Central Office: North Shiraz Ave., Molasadra St., Teharn

Field of Activity: Producing & selling petrochemical products

Annual Production Capacity: Polyvinyl Chloride Suspension: 50,000 tons, Polyvinyl Chloride Emulsion: 100,000 tons, different kinds of Polyvinyl Chloride Granules: 20,000 tons.

Physical Progress of Project at March 2015: 94.58%

Number of Staff in 2014: 166

Part III: Financial Information

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

(Exchange Rate: 29,563 IRR)

Title	Book value (March 2015)	Evaluated by Independent Expert (October 2015)
Production line machinery (3-1-1)	26,959,375	47,559,449
Machinery & installations in completion (3-1-1)	13,767,209	
Tools (3-1-1)	33,826	
Installations (3-1-1)	2,030	
Royalty due to Petrochemical Industry	0	9,809,559
Building in completion (18 cases)	6,799,039	5,209,214
Lands (3-1-2)	372,087	1,386,869
Other assets	2,365,795	2,706,085
Total assets	50,299,361	66,671,177

3-1-1-Machinery, equipments & installations in US\$

Title	Evaluated by Independent Expert (October 2015)
Production machinery and equipments	32,134,763
Mechanical and auxiliary equipments	4,938,606
Electrical equipments	4,938,606
Tools and spare parts	2,875,216
Water, fuel and sewage installations	2,672,259
Total	47,559,449

3-1-2- Land: From 146,818 m² lands of the company, the title deeds of about 100,543 m² are transferred to the company which is in lieu of Bank Melli Iran for loans. The title deeds of other lands in the area of 27,142 m², 14,300 m² and 4,833 m² are not transferred to the company, yet.

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

Title	Book value (March 2015)	Evaluated by Independent Expert (October 2015)
Short-term Loans (3-2-1)	28,887,461	30,714,068
Other accounts payable	17,893,989	17,961,641
Long-term Loans	1,555,999	1,657,477
Provision for staff redundancy	202,956	202,956
Total liabilities	48,540,405	50,536,143
Net profit (loss)	-	(169,130)
Retained earnings	(778,000)	(947,130)
Capital	2,536,955	2,536,955
Owner's equity	1,758,955	15,965,903

3-2-1- Loans

Loans	Bank	Amount	Interest Rate	Amount of Interest	Total (Book Value)	Assessment Amount (Billion IRR)	Type of Security
US\$	Bank Melli Iran (Central Branch)	19,486,786.52 US\$ = 546 Billion IRR	2%+LIBOR	9,652,302 US\$ = 270 Billion IRR	29,139,088 US\$ = 816 Billion IRR	873*	Project + promissory note
IR Rials	Bank Melli Iran (Central Branch)	60 Billion IRR	14%	24 Billion IRR	84 Billion IRR	84	promissory note
Total	-	606 Billion IRR	-	294 Billion IRR	900 Billion IRR	957	-
Long-term share deduction	-	-	-	-	(46 Billion IRR)	(49)	-
Current share	-	-	-	-	854 Billion IRR	908	-

* The book value of the loans is converted in dollar rate of IRR 27,994. Regarding currency exchange rate was IRR 29,963 equivalent per US\$ at the period of the company's shares assessment, the amount of IRR 57 Billion adds to the total of US\$ loans.

Reimbursement of US\$ loans would be in 5 years in 6 months installments. The first installment had to be paid after the end of the period of using the loans. The date of ending the project was 27 August, 2006 and after the mentioned date, the company had to pay 6 months installments as US\$ accompanying interest rate at that time.

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

Title	March, 2015	March, 2014
Administrative & general expenses	(111,626)	(84,565)
Operating profit (loss)	(111,626)	(84,565)
Net other non operating incomes & costs	10,148	16,913
Net profit (loss)	(101,478)	(67,652)