

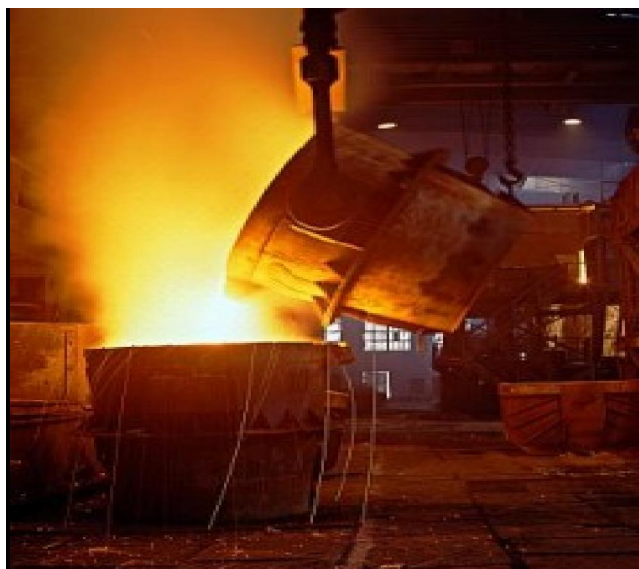


Mashin Sazi Tabriz Foundry Co.



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Machine Sazi Tabriz Foundry Company



Base Value for 100% Shares: US\$16,439,468

(Exchange Rate: IRR 29,563)

Assessment Date: August 2015

Assessment Method: Net Assets Market Value

Transferring Method: Tender

Part I: General Information

Machine Sazi Tabriz Foundry Company is established in 23 September, 2005 as a private joint-stock and it is registered at Tabriz Organization for Registration of Deeds and Properties, in the same year. The company's activities are started in 1970, simultaneous with establishing Machine Sazi Tabriz Group and it became independent since 2005, with separating from Machine Sazi Tabriz Group. Separation project of Mashin Sazi Tabriz Group is ratified on 3 November, 2005 based on the minutes of managing board of Industrial Development and Renovation Organization of Iran (IDRO).

Main center of the company and the factory are located at Gharamalek Industrial Zone in Tabriz. Total number of the company's staff was 319 (158 permanent staff and 161 contractual staff) on June, 2015.

The company's field of activity is producing cast iron parts and nominal capacity of the company is 14,000 tons annually. On Iranian fiscal year 1393 (since March 2014 till February 2015), its production was about 9,500 tonnes which has had an increase about 2,600 tonnes in comparison with the fiscal year 1392 (since March 2013 till February 2014).

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Part II: Main Information

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

Shareholder: IDRO (100%)

Capital: US\$ 3,805,432

Chief Executive Officer: Mr. Ramezani

Establishment Date: 2005

Registration Date: 2005

Registration Place: Tabriz city

Operation Date: The company's activities started with establishment of Machine Sazi Tabriz group in 1970. Since 2005 it separated from Machine Sazi Tabriz Group and continued its activities as an independent company.

Total Assets (evaluated): US\$ 31,931,807 (Land: US\$ 17,893,989)

Total Liabilities (evaluated): US\$ 14,545,209 (Trade & nontrade payables: US\$ 9,505,125)

Net profit (loss): US\$ (1,082,434)

Retained earnings: US\$ (10,519,907)

Location: Gharamalek Industrial Zone, Tabriz city, East Azerbaijan Province

Field of Activity: Producing cast iron parts from 100gr to 10 tones

Number of Staff in June 2015: 319 (158 permanent staff & 161 contractual staff)

Part III: Financial Information

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

(Exchange Rate: 29,563 IRR)

| Title | Details | Book value (March 2015) | Evaluated by Expert Market (August 2015) |
|---------------------|--------------------------------------|------------------------------------|---|
| Assets | Land (Area: 240,830 m ²) | 947,130 | 17,893,989 |
| | Machinery & equipment | 1,995,738 | 4,600,345 |
| | Buildings (3-1-1) | 710,347 | 3,856,172 |
| | Inventories | 1,657,477 | 1,657,477 |
| | Trade & nontrade receivables | 1,555,999 | 1,555,999 |
| | Other assets | 1,522,173 | 2,367,825 |
| Total assets | | 8,388,864 | 31,931,807 |

3-1-1- Building

| Title | Area (m²) | Total current value (US\$) |
|-------------------------|---------------------------------|---------------------------------------|
| Production Building | 22,500 | 2,131,042 |
| Administrative Building | 3,100 | 338,261 |
| Other Buildings | 9,500 | 473,565 |
| Business Right | - | 913,304 |
| Total | 35,100 | 3,856,172 |

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

| Title | Details | Book value (March 2015) | Evaluated by Expert Market (August 2015) |
|---|-----------------------------------|------------------------------------|---|
| Liabilities | Trade & nontrade payables (3-2-1) | 9,099,212 | 9,505,125 |
| | Short-term loans (3-2-2) | 3,957,650 | 3,957,650 |
| | Other liabilities | 1,116,260 | 1,082,434 |
| Total liabilities | | 14,173,122 | 14,545,209 |
| Profit(loss) from 21 March to 22 August 2015 | | - | (947,130) |
| Retained earnings | | (9,572,777) | (10,519,907) |
| Capital | | 3,805,432 | 3,805,432 |
| Owner's equity | | (5,784,257) | 16,439,468 |

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3-2-1- Short-term trade & nontrade payables in US\$

| Title | Book value | Evaluated by Expert Market |
|--|-------------------|----------------------------|
| Trade: | | |
| Notes payable of other parties | 236,782 | 236,782 |
| Accounts payable of other providers of goods & services | 2,300,173 | 2,300,173 |
| Total short-term trade payables | 2,536,955 | 2,536,955 |
| Nontrade: | | |
| Accounts payable of related parties | 4,837,127 | 4,837,127 |
| Value added tax (VAT) | 1,488,347 | 1,792,782 |
| Others | 1,217,738 | 1,319,217 |
| Total short-term nontrade payables | 7,543,213 | 7,949,126 |
| Total | 10,080,168 | 10,486,081 |
| Offsetting with some part of trade & nontrade receivables | (980,956) | (980,956) |
| Balance | 9,099,212 | 9,505,125 |

3-2-2- Short-term loans in US\$

a) Based on the suppliers in US\$

| Title | Book value | Evaluated by Expert Market |
|------------------------------------|------------------|----------------------------|
| Banks | 3,010,520 | 3,010,520 |
| Future years charge & profit | (507,391) | (507,391) |
| Balance (current portion) | 2,503,129 | 2,503,129 |
| Profit, charge & outstanding fines | 1,454,521 | 1,454,521 |
| Total | 3,957,650 | 3,957,650 |

b) Based on the security in US\$

| Title | Book value | Evaluated by Expert Market |
|----------------------------|------------------|----------------------------|
| In lieu of land & building | 947,130 | 947,130 |
| In lieu of promissory note | 3,010,520 | 3,010,520 |
| Balance | 3,957,650 | 3,957,650 |

* Charge & profit of US\$ 3,010,520 of loans is 20-25% and loans maturity is 2015. During the reported year, some part of Bank Mellat loans (Tabriz branch) in amount of US\$ 33,826 is paid by Mashin Sazi Tabriz Company.

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

| Title | March 2015 | March 2014 |
|--|--------------------|--------------------|
| Operating revenues (3-3-1) | 9,741,907 | 6,325,474 |
| Cost of goods sold & services | (9,724,994) | (7,171,126) |
| Gross profit (loss) | 16,913 | (845,652) |
| Sales, administrative & general expenses | (930,217) | (1,150,086) |
| Other operating items | (236,782) | (541,217) |
| Operating profit (loss) | (1,150,086) | (2,536,955) |
| Financial expenses | (642,695) | (676,521) |
| Other non-operating revenues & expenses | 710,347 | 33,826 |
| Net profit (loss) | (1,082,434) | (3,179,650) |

3-1-1-Operating revenues

| Products | 2014 | | 2013 | |
|----------------------------|----------------|-------------------|----------------|------------------|
| | Quantity (ton) | Amount (US\$) | Quantity (ton) | Amount (US\$) |
| Casting parts | 9,467 | 10,012,516 | 7,158 | 6,376,214 |
| Forged parts | 0 | 0 | 14 | 16,913 |
| Gross sales | 9,467 | 10,012,516 | 7,172 | 6,393,127 |
| Sales returns & allowances | (278) | (270,609) | (62) | (67,652) |
| Net sales | 9,189 | 9,741,907 | 7,110 | 6,325,474 |
| Services revenues | 0 | 0 | 0 | 0 |
| Operating revenues | 9,189 | 9,741,907 | 7,110 | 6,325,474 |

Part IV: Other Information

4-1-Production

| Products | Unit | Nominal capacity | Practical capacity | Production 2014 | Production 2013 |
|------------|------|------------------|--------------------|-----------------|-----------------|
| Cast parts | ton | 14,000 | 12,000 | 319,690,153 | 231,708,555 |

4-2-Raw materials purchase

| Raw materials | Provider | Amount (US\$) | Percent to total |
|----------------------------|----------|------------------|------------------|
| Scrap iron | Iran | 3,889,998 | 68% |
| Ferrosilicon | Iran | 541,217 | 9% |
| Petroleum coke with sulfur | Iran | 270,609 | 5% |
| Alcott | Iran | 135,304 | 3% |
| Others | - | 913,304 | 15% |
| Total | - | 5,750,431 | 100% |

4-3-Samples

- **Automobile Industry:**
Disc



- **Railway Industry:**
Brake shoe



- **Pump & Turbine Industry:**
Big pump



- **Agricultural Machinery Industry:**
Axel

