



Iran Alumina Company



**Iranian Privatization Organization (IPO)**  
Marketing & SOEs Divesting Office

## **Iran Alumina Co. (Private Joint stock)**



*Base Value for 51% Shares:* US\$ 283,371,429

*(Exchange Rate: 35,000 IRR)*

*Assessment date:* February 2017

*Assessment Method:* Net Assets Market Value

*Transferring Method:* Iran Farabourse

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

Iran Alumina Company, according to approval of the Board of Ministers dated April 13, 1999 was established for exploitation of development plan to produce alumina from Jajarm's bauxite mines and was registered at Tehran State Organization for Registration of Deeds and Properties on May 10, 2000. According to approval of the Extraordinary General Assembly dated June 18, 2006, the central office of the company was transferred from Tehran to Jajarm and was registered at Jajarm Organization for Registration of Deeds and Properties.

The company is currently a subsidiary company of Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) that by virtue of the "Law of Enforcing of General Policies of Article 44 of Constitution" dated Sep. 19, 2007, was located at process of privatization.

**IPO Address:** No. 15, Mahestan St., Iran Zamin Ave., Shahrak-e Ghods , Tehran, Iran

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## **Part II: Main Information**

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

**Shareholder:** IMIDRO (100%)

**Capital:** \$ 57,142,857

**Establishment Date:** 1999

**Launch Date:** 2003

**Registration Place/Date:** Jajarm/ 2000

**Chief Executive Officer:** Mr. Tooraj Zareh

**Total Assets (evaluated):** \$ 753,657,143 (Machinery and equipments: \$ 252,800,000- building & installations: \$ 149,485,714)

**Total Liabilities (evaluated):** \$ 211,857,143 (Loans: \$ 66,028,571- trade & non-trade accounts & notes payable: \$ 63,942,857)

**Net Profit (Loss):** \$ 8,314,286

**Retained Profit (Loss):** \$ 1,200,000

**Location:** 8 Km of Sankhast Road, Jajarm, North Khorasan Province

**Field of Activity:** Production of alumina powder and aluminum hydroxide

**Nominal Production Capacity:** Aluminum Oxide: 250,000 tons  
Aluminum Hydroxide: 30,000 tons

**Number of Staff:** 1,529 (contractual: 1,516- official: 13)

## **Part III: Financial Information**

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

**(Exchange Rate: 35,000 IRR)**

<b>Title</b>	<b>Book value (March 2016)</b>	<b>Evaluated by Independent Expert (February 2017)</b>
Machinery & Equipments	30,914,286	252,800,000
Buildings & Installations (3-1-1)	14,400,000	149,485,714
Land (3-1-2)	628,571	70,057,143
Trade & non-trade accounts & notes receivable	92,457,143	64,000,000
Intangible assets (3-1-3)	3,428,571	97,171,429
Reconstruction	3,400,000	51,314,286
Inventories	46,828,571	47,657,143
Aluminum bar project (3-1-4)	57,800,000	2,857,143
Other assets	15,685,714	18,314,286
<b>Total assets</b>	<b>265,542,857</b>	<b>753,657,143</b>

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### 3-1-1- Buildings & Installations in US\$

Title	Book value (March 2016)	Evaluated by Independent Expert (February 2017)
Buildings of the factory	14,400,000	85,714,286
Installations		58,257,143
5 wells		1,857,143
Residential town buildings		1,514,286
Somayeh building		885,714
Yousefabad building		800,000
Mines installations		257,143
Buildings of Tash mine		200,000
<b>Total</b>		<b>14,400,000</b>

### 3-1-2- Lands

Title	Area (m <sup>2</sup> )	Address	Book value (March 2016)	Evaluated by Independent Expert (February 2017)
Lands of Jajarm factory	5,396,405	Jajarm	628,571	36,657,143
Land of residential town	545,799	Jajarm		10,000,000
Land of the airport	5,152,025	Jajarm		5,657,143
Land of the limestone Mine	12,500,000	Jajarm		5,000,000
Land of the Batele Dam	4,018,633	Jajarm		3,828,571
Land between Batele dam & factory	3,677,545	Jajarm		3,028,571
Land of Somayeh building	855	Somayeh St., Tehran		2,428,571
Land of Yousefabad building	312	Seyyed Jamaledin Asad Abadi St., Tehran		1,314,286
Land located at the west side of the factory	1,027,150	Jajarm		971,429
Lands of the railway	--	--		971,429
Land of the gas station reduction	163,752	Jajarm		200,000
<b>Total</b>	<b>32,482,476</b>	<b>--</b>	<b>628,571</b>	<b>70,057,143</b>

### *3-1-3- Intangible Assets in US\$*

<b>Title</b>	<b>March 2016</b>	<b>February 2017</b>
Mining exploration and development (3-1-3-1)	1,885,714	59,428,571
Industrial right of complex	0	18,571,429
Industrial right of aluminum bar factory	0	10,000,000
Right branch of water, electricity, gas & phone	742,857	8,371,429
Prepayment of intangible assets	800,000	800,000
<b>Total</b>	<b>3,428,571</b>	<b>97,171,429</b>

### *3-1-3-1- Mining Exploration & Development in US\$*

<b>Title</b>	<b>Evaluated by Independent Expert</b>
Jajarm Bauxite Mines	44,857,143
Tash Bauxite Mine	4,400,000
Gano Bauxite Mine	4,314,286
Dasht Dah Bauxite	1,971,429
Jajarm Limestone Mine	1,742,857
Kooh Baba Bauxite	1,200,000
Others	942,857
<b>Total</b>	<b>59,428,571</b>

### *3-1-4- Aluminum Bar Factory Project:*

The construction plan of production unit of aluminum bar of Jajarm was confirmed by financing of internal resources of Alumina Co. and by cooperation of IMIDRO with primary estimations of 900 Iran Billion Rials and Namvaran Consulting Co. was elected via holding bid as the engineering company for designing and presenting engineering services.

*The Preliminary Estimations of Performance and Percentage of Progress of Aluminum bar Project*

Title	Preliminary Estimation (US\$)	Performance (US\$)	Percentage of Progress	
			Financial	Physical
Building and Landscaping	8,200,000	7,085,714	86	50
Machinery & Installations	52,428,571	8,914,286	17	60
Power Post	48,142,857	33,257,143	69	
Designing and others	14,285,714	3,685,714	26	90
Power pre payment	0	2,000,000	--	--
Documentary credits	0	2,857,143	--	--
<b>Total</b>	<b>123,057,143</b>	<b>57,800,000</b>	<b>47</b>	<b>55</b>

*Aluminum Bar Factory Project in US\$*

Title	March 2016	February 2017
Documentary credits- China NFC Co.	2,685,714	2,685,714
Prepayment to the contractors	171,429	171,429
Machinery & equipments- 4 sets of trans, rectifier & trans oil	33,257,143	0
Machinery & equipments- treatment & crane roof	4,714,286	0
Confirmed status of contractors	11,457,143	0
Prepayment of power right	2,000,000	0
Others	3,514,286	0
<b>Total</b>	<b>57,800,000</b>	<b>2,857,143</b>

Market value of land, building & machineries of Aluminum Bar Factory Project has been assessed in section of land, building & machineries.

### 3-2-Main Items of Liabilities and Owner's Equity in US\$

Details		Book value (March 2016)	Evaluated by Independent Expert (February 2017)
Liabilities	Trade & non-trade accounts & notes payable	59,742,857	63,942,857
	Short – term loans (3-2-1)	61,400,000	61,400,000
	Dividend payable	43,314,286	44,171,429
	Long-term payables	16,457,143	16,457,143
	Tax payable	5,200,000	13,771,429
	Long – term loans (3-2-1)	4,628,571	4,628,571
	Provision for employees termination benefits	7,485,714	7,485,714
<b>Total liabilities</b>		<b>198,228,571</b>	<b>211,857,143</b>
Owner's equity	Capital	57,142,857	57,142,857
	Legal reserve	3,885,714	3,885,714
	Expansion & completion reserve	4,228,571	4,228,571
	Retained earnings(loss)	2,057,143	1,200,000
	Revaluation difference	0	475,314,286
<b>Total Owner's equity</b>		<b>67,314,286</b>	<b>541,771,429</b>

#### 3-2-1- Loans

Name of the Bank	Amount (US\$)	Commission Rate	Collateral
Tejarat Bank, Tehran	24,114,286	18%	IMMIDRO
Treasury of Ministry of Finance	24,485,714	11%	All assets & properties
<b>Total</b>	<b>48,600,000</b>	--	--
Profit and transitional commission of next years is deducted	(4,142,857)		
Long-term loans	(4,628,571)	--	--
Commission and outstanding fines is added	21,571,429	--	--
<b>Short-term Loans</b>	<b>61,400,000</b>	--	--

#### Based on Payment Schedule

Title	Amount (US\$)
Overdue up to March 2016	38,314,286
2017	2,571,429
2018	2,571,429
2019	2,571,429
2020	2,571,429
<b>Total</b>	<b>48,600,000</b>

#### Based on Type of Collateral

Title	Amount (US\$)
In lieu of check	42,457,143
In lieu of notarized partnership agreement	19,171,429
<b>Total</b>	<b>61,628,571</b>

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

Title	March 2016	March 2015
Operating income (3-3-1)	92,800,000	99,428,571
Cost of goods sold	(71,514,286)	(67,971,429)
<b>Gross profit (loss)</b>	<b>21,285,714</b>	<b>31,457,143</b>
Sales, administrative and general expenses	(5,057,143)	(5,285,714)
Other operating items	142,857	(1,885,714)
<b>Operating profit (loss)</b>	<b>16,371,429</b>	<b>24,285,714</b>
Financial expenses	(4,542,857)	(8,171,429)
Net other non operating revenues and expenses	(742,857)	(1,457,143)
Taxes	(2,771,429)	(2,800,000)
<b>Net profit (loss)</b>	<b>8,314,286</b>	<b>11,857,143</b>

#### 3-3-1- Net Sales

Title	2016		2015	
	Quantity (ton)	Amount (US\$)	Quantity (ton)	Amount (US\$)
Alumina (internal)	226,648	76,628,571	206,839	72,025,714
Alumina (export)	--	0	44,220	12,628,571
Hydrate	28,511	9,371,429	15,151	4,857,143
Industrial Lime	--	0	32	2,857
Aluminum Billet & Bar	3,935	6,800,000	5,238	9,914,286
<b>Total</b>	<b>259,094</b>	<b>92,800,000</b>	<b>271,480</b>	<b>99,428,571</b>

### Part IV: Other Information

#### 4-1-Production

Title	Measurement unit	Nominal Capacity (ton)	2016	2015	2014
Alumina	ton	250,000	241,268	245,770	250,043



## 4-2-Company's Customers

### 4-2-1- Sales Customers of Company's Productions

Title	Amount (US\$)	Percentage
Almahdi Aluminum Complex	41,685,714	48%
Iran Alumina Co.	30,571,429	36%
NFC Co. (china)	5,571,429	6%
Nokan Farayand Co.	1,314,286	2%
Others	6,857,143	8%
<b>Total</b>	<b>86,000,000</b>	<b>100%</b>

### 4-2-2- Sales Customers of Purchased Aluminum Bar by the Company

Title	Amount (US\$)	Percentage
Ravan Godaz Pardis Co.	1,457,143	21%
Alum Rol Novin Industries Co.	1,285,714	19%
Arvand Charkh productive Co.	800,000	12%
Others	3,257,143	48%
<b>Total</b>	<b>6,800,000</b>	<b>100%</b>