



Mashin Sazi Tabriz Foundry Co.



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Machine Sazi Tabriz Foundry Company



Base Value for 100% Shares: US\$13,885,714

(Exchange Rate: IRR 35,000)

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: \$ 3,214,286

Chief Executive Officer: Mr. Ramezani

Establishment Date: 2005

Registration Place/ Date: Tabriz /2005

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): \$ 26,971,429 (Land: 24 hectares, \$ 15,114,286)

Total Liabilities (evaluated): \$ 12,285,714 (Trade & nontrade payables: \$ 8,028,571)

Net profit (loss): \$ (914,286)

Retained earnings (loss): \$ (8,885,714)

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)

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Part III: Financial Information

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

(Exchange Rate: 35,000 IRR)

Title	Details	Book value (March 2015)	Evaluated by Independent Expert (August 2015)
Assets	Land (Area: 240,830 m ²)	800,000	15,114,286
	Machinery & equipment	1,685,714	3,885,714
	Buildings (3-1-1)	600,000	3,257,143
	Inventories	1,400,000	1,400,000
	Trade & nontrade receivables	1,314,286	1,314,286
	Other assets	1,285,714	2,000,000
Total assets		7,085,714	26,971,429

3-1-1- Building

Title	Area (m ²)	August 2015 (US\$)
Production Building	22,500	1,800,000
Administrative Building	3,100	285,714
Other Buildings	9,500	400,000
Business Right	-	771,429
Total	35,100	3,257,143

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

Title	Details	Book value (March 2015)	Evaluated by Expert Market (August 2015)
Liabilities	Trade & nontrade payables (3-2-1)	7,685,714	8,028,571
	Short-term loans (3-2-2)	3,342,857	3,342,857
	Other liabilities	942,857	914,286
Total liabilities		11,971,429	12,285,714
Owner's Equity	Capital	3,214,286	3,214,286
	Legal reserve	571	571
	Retained earnings	(8,091,429)	(8,885,429)
	Revaluation difference	0	19,563,714
Total Owner's equity		(4,876,571)	13,893,143

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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	200,000	200,000
Accounts payable of other providers of goods & services	1,942,857	1,942,857
Total short-term trade payables	2,142,857	2,142,857
Non-trade:		
Accounts payable of related parties	4,085,714	4,085,714
Value added tax	1,257,143	1,514,286
Others	1,028,571	1,114,286
Total short-term non-trade payables	6,371,429	6,714,286
Total	8,514,286	8,857,143
Off-setting with some part of trade & nontrade receivables	(828,571)	(828,571)
Balance	7,685,714	8,028,571

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

a) Based on the suppliers

Title	Book value	Evaluated by Independent Expert
Banks	2,542,857	2,542,857
interests & commissions of future years	(428,571)	(428,571)
Balance (current value)	2,114,286	2,114,286
interests, commissions & outstanding fines	1,228,571	1,228,571
Total	3,342,857	3,342,857

b) Based on the security in US\$

Title	Book value	Evaluated by Expert Market
In lieu of land & building	800,000	800,000
In lieu of promissory note	2,542,857	2,542,857
Balance	3,342,857	3,342,857

* Interest & commission rates of receivable loans to the amount of \$ 2,542,857 are 20-25% and its overdue will be on 2015. During the reported year, some parts of Bank Mellat loans (Tabriz branch) to the amount of \$ 28,571 has been paid by Machine Sazi Tabriz Company.

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

Title	March 2015	March 2014
Operating revenues (3-3-1)	8,228,571	5,342,857
Cost of goods sold & services	(8,214,286)	(6,057,143)
Gross profit (loss)	14,286	(714,286)
Sales, administrative & general expenses	(785,714)	(971,429)
Other operating items	(200,000)	(457,143)
Operating profit (loss)	(971,429)	(2,142,857)
Financial expenses	(542,857)	(571,429)
Other non-operating revenues & expenses	600,000	28,571
Net profit (loss)	(914,286)	(2,685,714)

3-1-1-Operating revenues

Products	2014		2013	
	Quantity (ton)	Amount (US\$)	Quantity (ton)	Amount (US\$)
Casting parts	9,467	8,457,143	7,158	5,385,714
Forged parts	0	0	14	14,286
Gross sales	9,467	8,457,143	7,172	5,400,000
Sales returns & allowances	(278)	(228,571)	(62)	(57,143)
Net sales	9,189	8,228,571	7,110	5,342,857
Services revenues	0	0	0	0
Operating revenues	9,189	8,228,571	7,110	5,342,857

Part IV: Other Information

4-1-Production

Products	Unit	Nominal capacity	Practical capacity	Production 2014	Production 2013
Cast parts	ton	14,000	12,000	9,451	6,850

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4-2-Purchasing Raw materials

Raw materials	Provider	Amount (US\$)	Percentage
Scrap iron	Iran	3,285,714	68%
Ferrosilicon	Iran	457,143	9%
Petroleum coke with sulfur	Iran	228,571	5%
Alcott	Iran	114,286	3%
Others	-	771,429	15%
Total	-	4,857,143	100%

4-3-Samples

- **Automobile Industry:**
Disc



- **Railway Industry:**
Brake shoe



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



- **Agricultural Machinery Industry:**
Axel

