



Dehloran Sepehr Petrochemical Co.



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Dehloran Sepehr Petrochemical Complex (private joint stock) (Before the Operation)



Base Value for (10%) Shares: US\$ 1,114,286

(Exchange Rate: 35,000 IRR)

Assessment Date: April 2016

Assessment Method: Net Assets Market Value

Transferring Method: Tender

Part I: General Information

Dehloran Sepehr Petrochemical Complex was registered on 23 July, 2011 at Dehloran State Organization for Registration of Deeds and Properties as private joint-stock company. Currently, the company is considered as subordinated units of Oil Pension Fund Investment Company.

The location of implementation of the project is in an area of 200 hectares at Dehloran city and central office of the company is located at Tehran. The Elephene Project capacity (17th Elephene) is annually 658,000 tonnes and its products include High Density Poly Ethylene (HDPE), Ethylene, Propylene, Pyrolysis Gasoline and Fuel Oil.

The estimated investment to complete the project is IRR 12,458 billion and estimation of foreign expenses is about US\$ 644 million. The project performing period will be during 54 months and anticipated launch time of the project will be in March 2020.

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

Post Code: 1465834581

Website: www.ipo.ir

E-mail: marketing@ipo.ir

Tel: +982188085624

Fax: +982188085622

Part II: Main Information

Parent Company: National Petrochemical Company (NPC)

Shareholders: Oil Pension Fund Investment Company (89/97%), NPC (10%), Others (0.3%)

Capital: \$ 285,714

Chief Executive Officer: Mr. Niazi

Registration place/date: Dehloran/ July 2011 **Launch Date:** March 2020

Project Performing Period: 54 months

Project performing percentage: Scheduled: 70%- Real: 9%

The needed investment for the whole plan: \$ 828,571,429

Total Assets (evaluated): \$ 13,657,143 (Industrial royalties: \$ 13,000,000- land: 200 hectares, \$ 3,143)

Total Liabilities (evaluated): \$ 2,514,286 (Debts to parent company: \$ 1,585,714)

Net Profit (loss): \$ (257,143)

Retained earnings (loss): \$ (628,571)

Location: 15 km south east of Dehloran, Dehloran – Andimeshk Rd., next to 2 Towers installations, Ilam Province

Center Office: Unit 10, 2th Floor, No.22, 5th Alley, Khaled Slambolic St., Tehran. Tel/fax: 88554789- 88707465

Field of Activity: Producing, selling & exporting petrochemical products

Number of Staff: 11 (contractual: 8- permanent & temporary: 3)

Part III: Financial Information

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

(Exchange Rate: 35,000 IRR)

Title	Book value (December 2016)	Book value (December 2015)	Evaluated by Independent Expert (April 2016)
Intangible assets (industrial royalties)	714,286	714,286	13,000,000
Assets at completion (3-1-1)	1,628,571	1,628,571	514,286
Other assets (3-1-2)	114,286	85,714	142,857
Total	2,457,143	2,428,571	13,657,143

3-1-1- Assets at completion in US\$(construction of Elephene 17th project)

Completion Percentage		Estimation of Launch Date	Estimation of Completion Costs	Stored costs	
December 2016	December 2015			December 2016	December 2015
9%	9%	March 2020	828,571,429	1,628,571	1,628,571

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3-1-2-Land

The land of company in an area of 200 hectares is in Moosian section of Dehloran Township which has been divested by Ministry of Agriculture Jihad for implementing the project. It has no official title deed and has the lease contract, so it has not been assessed by evaluated expert and its book value (\$ 3,143) has been mentioned in the evaluated report.

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

Title	Details	Book value (December 2016)	Book value (December 2015)	Evaluated by Independent Expert (April 2016)
Liabilities	Long-term accounts payable (3-2-1)	2,468,571	2,182,857	2,182,857
	Other accounts & notes payable (3-2-2)	314,286	322,857	322,857
	Provision for employees termination benefits	17,143	8,571	8,571
Total liabilities		2,800,000	2,514,286	2,514,286
Owner's equity	Capital paid-in(3-2-3)	285,714	285,714	285,714
	Retained earnings(loss)	(628,571)	(85,714)	(85,714)
	Revaluation difference	0	0	10,942,857
Total owner's equity		(342,857)	200,000	11,142,857

3-2-1- Long-term Accounts Payable in US\$

Title	December 2016	December 2015
National Petrochemical Company (NPC)	1,411,429	1,411,429
Oil Pension Fund Investment Company	1,057,143	771,429
Total	2,468,571	2,182,857

3-2-2- Other Accounts & Notes Payable in US\$

Title	December 2016	December 2015
National Petrochemical Company (NPC)	114,286	171,429
Persian Gulf Petrochemical Industries Company	85,714	85,714
Others	114,286	65,714
Total	314,286	322,857

3-2-3-Capital Paid-in

The primary capital of the company was IRR 10 billion that during the extraordinary general assembly of shareholders dated 26 June, 2013 the capital increase to the amount of IRR 5,700 billion was approved and the board of directors was authorized to increase the capital during 4 years in different stages from the source of cash/non-cash contribution and current receivable of shareholders. The board of directors is obliged, immediately after holding the assembly, to increase the capital of first stage to IRR 500 billion from the source of current receivable of shareholders & cash contribution that with regard to minutes of meetings of the Board dated May 25, 2014, the capital increase of first stage was made null & void. According to the Board minutes of meeting, it was supposed that the Board increases the capital from IRR 10 billion to IRR 500 billion from the source of current receivable of shareholders/ cash contribution and the matter is going on.

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

Title	December 2016	December 2015
Administrative & general expenses	(260,000)	(302,857)
Operating profit (loss)	(260,000)	(302,857)
Net other non-operating revenues & expenses	2,857	5,714
Net profit (loss)	(257,143)	(297,143)

Part IV: Other Information

4-1-Annually Production Capacity

Products	Quantity (ton)
High Density Poly Ethylene (HDPE)	300,000
Ethylene	198,200
Propylene	81,300
Pyrolysis Gasoline	63,500
Fuel Oil	15,000
Total	658,000

4-2- Inputs: Annual consumption rate of C2+ gas liquids is 866,000 tonnes equals to 35,000 barrels daily which is provided from gas refinery and NGL 3100.

4-3-The Last Estimation of Elephene Project in the Process of Execution (17th Elephene, based on estimation of 2013-2014)

Title	Expenses (US\$)
Construction of Ethylene Unit	156,171,429
Construction of HDPE Unit	93,400,000
Construction of Side Services Unit	57,714,286
Construction of Ethylene Transfer Unit	23,628,571
Employer Expenses before performing	10,571,429
Other Expenses	14,457,143
Total Expenses	355,942,857

4-4-Conducted Expenses: Total conducted expenses till 21 December 2016 equals to \$ 2,742,857.

4-5- The estimated investment of the whole project: equals to \$ 815,885,714.

4-6- Launch Date: The launch date of the project will be on March 2020.