



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\$ 3,228,571 (75% of the assessed price)

(Exchange Rate: 35,000 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\$ 2,142,857

Chairman of the Board: Mr. Mohammad Taghi Alaghbandian

Establishment Date: 2002

Registration place: Tehran

Total Assets (evaluated): \$ 56,314,286 (Machinery, equipments & Installations: \$ 40,171,429)

Total Liabilities (evaluated): \$ 42,685,714 (Loans: \$ 27,342,857)

Net profit (loss): US\$ (85,714)

Retained profit (loss): US\$ (800,000)

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

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Part III: Financial Information

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

(Exchange Rate: 35,000 IRR)

Title	Book value (March 2015)	Evaluated by Independent Expert (October 2015)
Production line machinery (3-1-1)	22,771,429	40,171,429
Machinery & installations in completion (3-1-1)	11,628,571	
Tools (3-1-1)	28,571	
Installations (3-1-1)	1,714	
Royalty due to Petrochemical Industry	0	8,285,714
Building in completion (18 cases)	5,742,857	4,400,000
Lands (3-1-2)	314,286	1,171,429
Other assets	1,998,286	2,285,714
Total assets	42,485,714	56,314,286

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

Title	Evaluated by Independent Expert (October 2015)
Production machinery and equipments	27,142,857
Mechanical and auxiliary equipments	4,171,429
Electrical equipments	4,171,429
Tools and spare parts	2,428,571
Water, fuel and sewage installations	2,257,143
Total	40,171,429

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.

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3-2-Main Items of Liabilities & owner's equity in US\$

Title		Book value (March 2015)	Evaluated by Independent Expert (October 2015)
Liabilities	Short-term Loans (3-2-1)	24,400,000	25,942,857
	Other accounts payable	15,114,286	15,171,429
	Long-term Loans	1,314,286	1,400,000
	Provision for staff redundancy	171,429	171,429
Total liabilities		41,000,000	42,685,714
Owner's equity	Capital	2,142,857	2,142,857
	Retained earnings	(657,143)	(800,000)
	Revaluation difference	0	12,142,857
Total owner's equity		1,485,714	13,485,714

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 X = IRR 546 Billion	2%+LIBOR	\$ 9,652,302 = IRR 270 Billion	29,139,088 = IRR 816 Billion	873*	Project + promissory note
IRR	Bank Melli Iran (Central Branch)	IRR 60 Billion	14%	IRR 24 Billion	84 Billion IRR	84	promissory note
Total	-	IRR 606 Billion	-	IRR 294 Billion	IRR 900 Billion	957	-
Long-term share deduction	-	-	-	-	(IRR 46 Billion)	(49)	-
Current share	-	-	-	-	IRR 854 Billion	908	-

Repayment of foreign exchange facilities 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	(94,286)	(71,429)
Operating profit (loss)	(94,286)	(71,429)
Net other non operating incomes & costs	8,571	14,286
Net profit (loss)	(85,714)	(57,143)

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