

Plan: colored metal sheets manufacturing

Introduction to the products:

The main goal of this plan is to establish the colored metal sheets manufacturing factory in Lorestan province, Iran. The ISIC code of the products is 2892512327 from fabric metal products manufacturing except equipment and machineries (28) and metal processing coating subgroup, general mechanics engineering, based on the wage or contract (2892)

Pre-colored sheets are imported and exported in accordance with Iran Custom regulation 7210 of tariff chapters entitled non-alloy rolled flat iron or steel products with width of 600 mm and more with coating, electroplated and lined based on tariff 72107000, colored and lacing or lined with plastic materials based on tariff 72109000, unmentioned recapped or lined in other place and based on tariff 72109010, pre-colored sheets for furniture as well as the tariff 7212 entitled the rolled flat products from non-alloy steel or iron with widths of 600 mm with coating and electroplating or lining based on tariff 72124000, colored, laced or lined with plastic materials.

The main conditions on their importing is to take the permission from the department of commerce and ministry of industries and mines, paying 20% of the importing fees in 2016 (custom fee is 4% and commercial profit is 17%).

Introducing the product's application:

At present, pre-colored sheets are applied to different industries as follow:

- In furniture industry such a refrigerator, Freezer, washing machine, heater, water heater, microwave and etc.
- In construction and building industry in exterior and interior cover of the buildings, door, partition, encasement and so forth
- In electronics such as TV, tape recorder and computer
- In office supplies such as coy machine, office equipment and so on.
- In packing industry for barrels and so forth

Plan suggested sites

Based on the advantages of the establishment in industrial parks and zones, the Lorestan province industrial parks are suggested for implementing the plan.

Raw, auxiliary materials and consumables

Raw materials of this unit are galvanized sheets which are provided by importing as well as local sheet manufacturing units.

The cost of galvanized sheet; 05/2016

Cost (kg/R)	Material description
26000	Galvanized sheet 0.4, Haft Almas, 1000 factory rolls

Cost (kg/R)	Material description
243000	Galvanized sheet 0.5, Haft Almas, 1250 factory rolls
247000	Galvanized sheet 0.5, Share Kord, 1250 factory rolls
274000	Galvanized sheet 2.5, Hend Isar, 1250 Tehran corporation rolls

Sales plan and target market

The products price as the factory price for sale is as follow. Based on the lack of sufficient supply and demand level, the target market will be local industries.

Sales price; 05/2016

Product	Cost (kg/R)
Colored sheet 0.47, China, 1250 blue rolls	28500
Colored sheet 0.47, China, 1250 glossy rolls	28800
Colored sheet 0.5, Mobartake Steel, 1000 glacier white rolls	32200
Colored sheet 0.5, Mobartake Steel, 1000 red rolls	29700
Colored sheet 0.5, Mobartake Steel, 1250 orange rolls	29200

Annual sales

No.	Description	Capacity (t)	Unit price (irr)	Annual sales (m.R)
1	Colored galvanized sheet	50000	29500000	1475000
Sum		50000		1475000

Annual nominal and practical capacity

Product's annual manufacturing capacity in 2 working shifts, each with 8 working hours daily and 300 days per year is approximately 50000 tones. Considering unpredicted and unexpected factors of process stop as well as maintaining and repairing processes, the plan practical capacity for this unit is 90% of the nominal one equivalent to 45000 tones.

Manufacturing procedure and technology

Manufacturing procedure is as follow, respectively:

1. Surface preparation
2. Applying the primary color
3. Primary color curing
4. Applying final color or cover
5. Final color curing
6. Applying protective film on the colored sheet surface

List of the manufacturing line machineries:

1. Mechanical machines:
 - 1-1- Inlet section
 - 1-2- Preparation and washing raw sheet
 - 1-3- Coating and curing
 - 1-4- Outlet section
 - 1-5- Hydraulic systems
2. Electrical machines
3. Control system
 - 3-1- manufacturing line control system
 - 3-2- Utility control systems
4. general installations
 - 4-1- water cooling system, sewage, harness-free water, liquid gas station, boiler and so forth
 - 4-2- transportation
 - 4-3- Instruments
 - 4-4- Packing instruments
 - 4-5- Laboratory tools
 - 4-6- Maintaining and repairing
 - 4-7- Manufacturing section parts
 - 4-8- Auxiliary parts
5. Spare parts

Investment costs

The fixed investment costs include 270 billion Rials and the working capital is 94 billion Rials.

Description	Total Cost(m.Rial)	%
Land purchase	14,000	4%
Site preparation and development	5,363	1%
Civil works, structures and buildings	50,130	14%
Machinery and equipment	160,580	44%
Branches And Installation	14,787	4%
Vehicles	800	0%
Service equipment	87	0%
official equipment	387	0%
Other and unpredicted costs (5% of above costs)	12,307	3%
Total FIXED ASSETS	258,440.89	71%
pre-production expenditures	10,828.84	3%
TOTAL FIXED INVESTMENT COSTS	269,269.74	74%

Working capital in 100% of capacity	94,152.76	26%
Other assets	0	0%
TOTAL INVESTMENT COSTS	363,422.49	100%

Annual costs of the manufacturing process include 1300 billion Rials estimated.

#	Description	Total Cost(m.Rial)
1	Raw and packing material	1250000
2	Personnel's salary	14956.8
3	Energy	5769.45
4	Building and livestock insurance	481.35
5	Repair, maintenance and spare parts	9219.19
6	Marketing and Advertising	640.21
7	Unpredicted	640.21
8	Depreciation	21727.11
Total operational and non-operational production costs		1303434.32

Economic indices

Description	Amount-measurement scale
NPV	306631 m Rial
IRR	39.9 %
PBP	2.18 years

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

1. Project title: **colored metal sheets manufacturing**

2. Sector: **fabric metal products manufacturing except equipment and machineries**

Sub sector: **metal processing coating subgroup, general mechanics engineering, based on the wage or contract (2892)**

3. Products/Services: **colored metal sheets**

4. Location: ... Free zone Economic special zone Industrial Estate Main Land

5. Project description:

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6. Annual capacity: 50000 t

Project Status

7. Local / internal raw material access 100 %

8. Sale: 100% locally

- Anticipated export market 0 %

9. Construction Period 24 month

Beginning of activity

In-site beginning of activity:

End of project:

Commercial activity beginning:

Project Status

10. Project Status:

- Feasibility study available? Yes No
- Required land provided? Yes No
- Legal permissions (establishment license, foreign currency quota, environment, etc) taken? Yes No
- Partnership agreement concluded with local/foreign investor? Yes No
- Financing agreement concluded? Yes No
- Agreement with local / foreign contractor(s) concluded? Yes No
- Infrastructural utilities (electricity, water supply, telecommunication, fuel, road, etc) procured? Yes No
- List of know-how, machinery, equipment, as well as seller / builder companies defined? Yes No
- Purchase agreement for machinery, equipments and know- how concluded? Yes No

Financial Structure

11. Financial Table

Description	Local Currency Required			Foreign Currency Required Million Dollar	Total Million Dollar
	Million Rials	Rate	Equivalent in Million Dollar		
Fix Capital	108689.74	31000	3.51	5.18	8.69
Working Capital	94103.68	R for each Dollar	3.04	0	3.04
Total Investment	202793.41		6.54	5.18	11.72

- Value of foreign equipment/machinery million dollar
- Value of local equipment/machinery million dollar
- Value of foreign technical know- how million dollar
- Value of local technical knows- how million dollar
- Net Present Value (NPV): 306631 Million Rial for 10 Year, discount rate: 20%
- Internal Rate of Return (IRR) 39.9%
- Payback Period (PP) 45.87

General Information

12. Project Type : Establishment Expansion and completion

13. Company Profile:

-Name (legal /natural persons):

-Company Name:

-Address:

-Tel: Fax:

-E-mail: Web site:

-Local entrepreneur : private sector public sector other

Please attach follow documents if available

- Pre-feasibility study ■
- Feasibility study □
- Legal permissions (establishment license, foreign currency quota, environment, etc) □

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