(صفحه 1)

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**Advantages of economic plan:**

After launching the rolling lines of the Khuzestan Steel Company as the second largest steel producer in the country, it currently has an annual production capacity of 3.2 million tons of steel, and with the implementation phases of its development plans will reach 4 million tons of steel. The main sources of steel ingots are located at a distance of 6 kilometers from this plan.

As noted above, it is possible to produce part of the ingot needed by the rolling factories within the complex and the advantages of the project location, which made it possible to supply the bulk part of the ignots needed from the Khuzestan Steel Company (at a distance of less than 6 kilometers). Also, having access to rail and road transport facilities and easy access to international ports and international sea routes, the transportation cost of the raw materials required for this project is reduced to a minimum and it show as a significant advantage in supplying the raw material. It is worth noting that the supply of required ignot for rolling lines from Khuzestan Steel Company in order to complete production chains and increase value added and export reduce of non-finished products, as well as employment creation, are economic justification, nationally.

Access to energy, including water, electricity and gas, and the proximity to a significant Iraqi export market through rail, road and sea, are another important advantage of this plan.

**Check of service sales price:**

Various parameters will affect the service sales price, which some of the important parameters described below:

1. The materials price and services, which is one of the most important operating costs, plays a major role in determining the final price and services selling.

2. The geographical area of the unit's construction, especially in terms of access to supplies of consumables which Ahwaz is in a special condition. The related costs will be affected.

(صفحه 2)

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3. The cost of manpower required is directly affected by the variable production cost and the final cost of the product.

4. The quality and capacity of service delivery is effective on the sales price.

According to the above, the sales price of the service to financial evaluate of plan and the plan income at the start of activity is presented in the following table, In addition. it must provided fixed and variable operating costs

|  |  |  |  |
| --- | --- | --- | --- |
| The price of each unit sole in rial | Sale Unit | Product Description | Raw |
| 22000 | Kilograms | Types of rebar | 1 |

**Chapter 6**

**Manpower References**

(صفحه 4)

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**Salary:**

**A: Production Staff**

The cost and salary of the staffs in the operational part are calculated as follows. Also, 90% is added as additional benefits to annual salary costs.

|  |  |  |  |
| --- | --- | --- | --- |
| Job Title | Number | Monthly salary (Thousand rials) | Annual salary (Millionrials) |
| Technical Expert | 7 | 30000 | 2520 |
| |  |  | | --- | --- | |  |  |   Specialist | 21 | 20000 | 5040 |
| Technician | 40 | 15000 | 7200 |
| Skilled and semi-skilled worker | 100 | 12000 | 14400 |
| Total | 168 | - | 29160 |
| Job benefits 90% | | | 26244 |
| Total | | | 55404 |

**B: Administrative Staff**

The cost and salary of the staffs in the administrative part are calculated as follows. Also, 70% is added as additional benefits to annual salary costs.

|  |  |  |  |
| --- | --- | --- | --- |
| Job Title | Number | Monthly salary (Thousand rials) | Annual salary (Millionrials) |
| CEO | 1 | 100000 | 1200 |
| |  |  | | --- | --- | |  |  |   Administrative and Financial Staff | 9 | 15000 | 1620 |
| Service and Guardian | 15 | 12000 | 2160 |
| Secretary | 5 | 12000 | 720 |
| Total | 30 | - | 5700 |
| Job benefits 70% | | | 3990 |
| Total | | | 9690 |

**Chapter 7**

**Investment costs**

(صفحه 6)

|  |  |  |
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**Investment Costs:**

All investment costs of the plan and the forecast of working capital in the first year of operation of the plan are estimated below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Percent | Total | Required | Done | Description |
| 11 | 134400 | 0 | 134400 | land |
| 5 | 66800 | 0 | 66800 | Landscaping |
| 30 | 361700 | 0 | 361700 | Building |
| 42 | 513000 | 0 | 513000 | Equipment |
| 11 | 139974 | 0 | 139974 | Installations |
| 0 | 2000 | 0 | 2000 | Tools |
| 0 | 0 | 0 | 0 | Vehicles |
| 0 | 2000 | 0 | 2000 | Office Supplies |
| 0 | 0 | 0 | 0 | Miscellaneous and Unforeseen |
| 0 | 5800 | 1100 | 5800 | Before exploiting |
| 47 | 1225674 | 1100 | 1225674 | Total fixed costs |
| 53 | 1401880 | 1401880 | 1401880 | Working capital |
| 100 | 2627554 | 1402980 | 2627554 | Total plan costs |

(صفحه 7)

|  |  |  |
| --- | --- | --- |
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**Details of plan investment costs:**

**1-Land:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| The land of plan | | | | | | |
| Total Physical Progress (%) | Cost Progress (%) | Time Progress (%) | Total Costs | Remaining Cost | Done Cost | Description |
| 100 | 100 | 100 | 134400 | 0 | 134400 | The land of plan implementation with an area of 192000 square meters is located in km 10 Ahwaz road, Bandar-e Emam Khomeyni, Industrial Town No. 5 Ahwaz. This land has been awarded from Khuzestan Industrial Towns Company by signing the contract. The land has been purchased 700,000 rials in square meter. |