



Bank Mellī Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

17. Other Assets

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Long-term Accounts Receivable	1,195,584,540,000	631,430,239,384	-	-
Long-term Notes Receivable	78,338,697,945	168,191,942,742	71,942,948,488	168,182,942,742
Long-term Portion of Personnel Loan	21,305,136,656	20,256,773,908	3,637,807,394	3,616,685,687
Payable Securities	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Blocked Funds		1,191,656,000	-	-
Catalysts (Arak Petrochemical Co.)	13,546,000,000	23,706,000,000	-	-
Receivable Deposits & Trusts	69,667,654,323	24,977,280,123	539,000,000	539,000,000
Other	<u>1,506,980,008</u>	<u>1,509,563,990</u>	-	-
	<u>1,389,949,008,932</u>	<u>881,263,456,147</u>	<u>86,119,755,882</u>	<u>182,338,628,429</u>

17.1. Long-term accounts receivable include RIs1,157 billion long-term portion of Leasing Khodro Company claims from automobile purchasers and long-term portion of National Industry & Construction International Company claims from purchasers of 7 apartments from Iran Zamin Project which is amounted to RIs3 billion. The above-mentioned title also includes RIs36 billion long-term claims of BMII GT Company from Unique Metal Technologies (UMT) - Investee Company - and other shareholders of the mentioned company.

17.2. Long-term receivable notes mainly relates to undue notes receivable of the Parent Company from Cheshmeh Dasht Bonab Agro-industrial Company (for selling shares of Dasht Morghab Company in the previous year) and Faravan Dasht Sabz Sabalan RIs67 billion and RIs5 billion respectively. Long-term portion of notes receivable of National Industry & Construction International Company amounted to RIs3 billion for sales of apartments of Iran Zamin Project.

17.3. The balance of payable securities amounted to RIs10 billion mainly related to the Parent Company and include RIs5 billion and RIs5 billion participation bonds of Central Bank of Iran and other securities held with Bank Mellī Iran respectively.

17.4. The balance of deposits and trusts receivable include RIs33 billion and RIs27 billion deposits receivable of Arak Petrochemical Company for 10% cash deposit of issued banking guarantee in favor of custom and payable deposit for guaranteeing financial facilities received respectively. The balance of deposits receivable include RIs3.8 billion banking investment deposit of Ardebil Cement Company as provision for employees work buyback in line with implementation of Direct Tax Law before its amendment. After the amendment of the said Law there is no need for such deposit.

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

18. Trade Accounts & Notes Payable

	Group		Parent Company	
	20/03/2007 Rls	20/03/2006 Rls	20/03/2007 Rls	20/03/2006 Rls
Trade Notes Payable	1,616,506,037,397	1,407,393,594,559	1,272,345,109,213	1,229,434,916,663
Bank Melli Iran Investment Department	59,984,157,987	-	59,984,157,987	-
Privatization Organization	26,118,750,000	26,118,750,000	-	-
Sellers of Goods & Services - Rials	300,309,716,009	458,264,742,395	-	-
Sellers of Goods & Services - Foreign Exchange	2,222,508,848	2,168,673,318	-	-
Investment Commitments	0	91,001,050,000	0	-
Group's Companies	-	-	0	-
Other Items	891,291,236	10,854,583,633	-	-
	<u>2,006,032,461,477</u>	<u>1,995,801,393,905</u>	<u>1,332,329,267,200</u>	<u>1,229,434,916,663</u>

18.1. Trade notes payable includes Rls1,238 billion notes payable of the Parent Company and Rls306 billion notes payable of Bank Melli Iran Khodro Leasing Investment Company. Notes payable of the Parent Company includes Rls1,218 billion notes payable to Privatization Organization for purchasing the shares of Sadra Company and Ardebil Cement Company as well as Rls20 billion notes payable to Bank Melli Iran Investment Department (subject of Note 18-2). In addition, notes payable of Khodro Leasing Company entirely relate to the notes payable to Iran Khodro Company as the price of purchased vehicles.

18.2. Debt balance of the Parent Company to Bank Melli Iran Investment Department amounted to Rls60 billion and Rls20 billion notes payable to the mentioned department (Note 18-1) related to purchase of a land piece located in south west of Shahid Fahmideh Sq. in Tabriz Province. This land piece abandoned to the Company instead of debt clearance of Tabriz Municipality to Bank Melli Iran Investment Department. Until the date of preparation of these notes Rls50 billion of this amount has been paid.

18.3. Debt balance to the Privatization Organization relates to the current portion of Kerman Cement Company debt for buying the shares of Ardebil Cement & Azarshahr Lime Company.



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

19. Other Accounts & Notes Payable

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Non-trade Notes Payable	74,452,468,688	70,271,666,719	-	-
Payable Legal Duties	38,242,915,208	46,035,178,457	-	-
Withholding Taxes	21,240,928,497	18,910,545,878	-	-
Payable Insurance Premium	145,875,761,217	112,609,519,463	59,449,694	154,547,820
Payable Deposits	203,878,424,305	57,965,905,472	644,613,953	305,067,087
Bank Melli Investment Management Co.	76,762,553,609	164,290,714,403	69,449,137,979	148,429,356,782
Provision for Allocated - but not Paid Expenses	138,367,197,580	105,909,658,179	1,807,494,116	2,811,879,711
Claims of Minority Shareholders	47,216,000,000	34,982,014,856	-	-
Personnel	76,663,911,536	52,228,775,153	-	-
Fara Sahel Co.	252,000,000,000	0	-	-
Banks - Remaining of Foreign Orders Amount	75,252,347,335	142,995,214,174	-	-
Brokerages	1,816,440,064	14,701,537,035	320,225,923	290,463,307
Other	528,492,527,135	270,686,210,362	16,840,748,352	16,321,651,373
	<u>1,680,261,475,174</u>	<u>1,091,586,940,151</u>	<u>89,121,670,017</u>	<u>168,312,966,080</u>

19.1. The balance of debt to Bank Melli Iran Investment Management Company relates to the Parent Company and Compressor Making Company, Mashhad Foodstuff Products Company and Kashan Velvet and Silk Company.

19.2. The balance of debt to minority shareholders mainly relates to Shomal Cement Company in relation to un-subscripted priority rights for several times of capital increase in that company.

19.3. The balance of debt to Fara Sahel Company relates to debts of Arak Petrochemical Company for purchasing shares of Petroshimiran Company.

19.2. The balance of debt to the banks is the remaining part of foreign purchases of Arj Company.

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

20. Advances Received

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Bank Tejarat (Sales of Behshahr Tower)	-	309,333,333,333	-	309,333,333,333
Advances Received from Clients - Rials	268,831,871,347	457,247,718,781	-	-
Advances Received from Clients - Foreign Exchange	3,366,970,567	11,889,108,300	-	-
Other Advance Receives	40,781,255,689	16,796,412,708	-	-
	<u>312,980,097,603</u>	<u>795,266,573,122</u>	<u>-</u>	<u>309,333,333,333</u>

20.1. According to the minute signed by Cultural Heritage Organization, Bank Tejarat and the Parent Company on 11th September 2005, all contracts of the Organization with Bank Tejarat and all agreements of the Organization with the Parent Company were terminated. Therefore, based on the minute dated 18th July, 2006 the above-mentioned property transferred to Bank Tejarat.

20.2. Advances received from clients (Rials) and other advanced received, stated in terms of the activities of the companies of the Group, are as follows:

	20/03/2007 RIs	20/03/2006 RIs
Petrochemical	98,747,000,000	212,526,000,000
Cement	116,368,401,371	117,238,092,493
Chemical	8,557,054,352	11,113,537,013
Home Appliances	529,810,582	45,429,785,261
Compressor Manufacturing	454,456,178	8,414,706,936
Agro - industrial & Foodstuff	5,283,245,114	32,547,636,636
Investment Leasing	32,689,000,000	23,607,000,000
Textile	6,202,903,750	6,370,960,442
	<u>268,831,871,347</u>	<u>457,247,718,781</u>

20.3. The advance received in foreign exchange from clients include RIs2.3 billion foreign exchange advance received of Arak Petrochemical Co.



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

21. Tax Provision

21.1. Turnover of the Group's tax provision account is as follows:

	Group	
	20/03/2007 RIs	20/03/2006 RIs
Tax Provision of Sub Companies	395,917,414,040	346,082,298,912
Tax Prepayment -Mainly the Parent Company	(129,562,231,946)	(128,080,902,613)
Total	266,355,182,094	218,001,396,299
Tax Provision Adjustment	-	6,312,746,291
	<u>266,355,182,094</u>	<u>224,314,142,590</u>

21.2. Turnover of the Group's tax provision account is as follows:

	Group	
	20/03/2007 RIs	20/03/2006 RIs
Balance at the beginning of the Fiscal Year	224,314,142,590	218,001,396,299
Tax Provision for Performance of the Year	331,933,439,242	274,446,156,118
Adjustments of Tax Provision for Performance of the Previous Years	-	6,312,746,291
Remittance during the Year	(289,892,399,738)	(274,446,156,118)
	<u>266,355,182,094</u>	<u>224,314,142,590</u>

Bankj Melli Iran Investment Company (Joint Stock)
Notes to the Financial Statements
Fiscal Year Ending March 20th, 2007

21.3. Tax prepayment includes RIs 127 billion tax prepayment of the Parent Company (deducted from belonged dividend in prior years). Also, summary of income tax situation of performance of the Parent Company from 1993 to 2002 and from 2002 to the date of balance sheet is as follows:

Fiscal Year	Declared Profit (Loss) RIs	Declared RIs	Tax 20/03/2007				20/03/2006	
			Recognized RIs	Definite RIs	Remittance RIs	Tax Provision RIs	Tax Provision RIs	Tax Provision RIs
2002/03	510,219,603,847		3,040,568	3,040,568	3,040,568	-	-	
2003/04	2,124,205,359,308		11,473,029	11,100,156	11,100,156	-	-	
2004/05	4,799,154,444,201		1,079,755,675	971,780,108	971,780,108	-	971,780,108	
2005/06	1,382,601,607,519		-	-	-	-	-	
2006/07	857,165,342,339		-	-	-	-	-	
Total								
Prepayment - Note 12						(127,015,450,683)	(127,015,450,683)	
						(127,015,450,683)	(126,043,670,575)	



Bankj Mellī Iran Investment Company (Joint Stock)
Notes to the Financial Statements
Fiscal Year Ending March 20th, 2007

21.4. Situation summary of tax provision of the Parent Company for the fiscal year ended 22nd September 1993 to 22nd September 2002 is as follows:

Financial Year Ended	Declared Profit RIs	Income Liabile to Declared Profit RIs	Profit Liabile to Tax based on Recognition or Definite Paper RIs	Tax			Settled from Prepayments RIs	Type of Recognition
				Declared RIs	Recognized RIs	Definite RIs		
22/09/1993	9,009,890,034	5,665,083,934	6,455,014,050	3,352,153,280	5,716,948,758	3,850,697,413	3,850,697,413	Definite paper issued, surveying tax prepayment
22/09/1994	25,039,535,100	8,928,149,966	9,007,831,995	3,905,358,222	5,049,608,845	5,049,608,845	5,049,608,845	Definite paper issued, surveying tax prepayment
22/09/1995	61,463,670,433	42,057,102,771	42,936,420,898	21,991,391,878	26,241,041,216	18,815,821,190	18,815,821,190	Definite paper issued, surveying tax prepayment
22/09/1996	321,895,373,050	183,565,958,374	222,159,759,131	86,116,996,953	128,083,601,270	102,449,951,320	102,449,951,320	Definite paper issued, surveying tax prepayment
22/09/1997	342,346,006,238	219,004,968,103	165,098,559,909	108,921,446,606	190,985,077,362	--	108,921,446,606	Decision of Judicial Settlement Board issued, but definite paper not issued
22/09/1998	282,214,233,389	122,839,187,190	130,243,455,672	61,798,670,717	152,800,036,203	62,075,861,610	62,075,861,610	Definite paper issued, surveying tax prepayment
22/09/1999	346,689,052,236	136,821,330,969	147,310,000,000	72,780,530,413	78,925,451,143	74,374,607,160	74,374,607,160	Definite paper issued, surveying tax prepayment
22/09/2000	653,048,740,144	170,820,856,001	177,482,731,142	90,681,548,519	97,094,492,452	90,101,546,247	90,101,546,247	Definite paper issued, surveying tax prepayment
22/09/2001	700,743,862,890	223,391,710,739	235,282,329,377	115,277,538,081	274,736,451,296	118,035,923,553	118,035,923,553	Definite paper issued, surveying tax prepayment
22/09/2002	1,108,999,833,676	16,484,984,720	23,301,516,997	5,073,816,823	5,242,841,324	5,242,841,324	5,242,841,324	Definite paper issued, surveying tax prepayment
				<u>569,899,451,492</u>	<u>964,875,549,869</u>	<u>479,996,858,662</u>	<u>588,918,305,268</u>	

21.5. In opinion of this company, with the follow up of the controller and removing deficiencies, there are no contingent liabilities for this company.

21.6. Based on the decision of tax judicial settlement board, for the fiscal year ended 22/09/1997 the income liable to tax reduced from RIs332,379 million to RIs165,099 million. The definite paper has not issued yet.

Bankj Melli Iran Investment Company (Joint Stock)
Notes to the Financial Statements
Fiscal Year Ending March 20th, 2007

22. Proposed & Payable Dividend

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Ratified Dividend:				
Parent Company	0	386,400,000,000	0	386,400,000,000
Minority Interest in Sub Companies	90,947,137,811	997,937,125,674	-	-
	<u>90,947,137,811</u>	<u>1,384,337,125,674</u>	<u>0</u>	<u>386,400,000,000</u>
Payable Dividend:				
Parent Company	1,237,967,414,987	1,081,257,675,612	1,239,931,414,987	1,077,282,303,732
Minority Interest in Sub Companies	221,770,128,420	635,586,876,691	-	-
	<u>1,459,737,543,407</u>	<u>1,716,844,552,303</u>	<u>1,239,931,414,987</u>	<u>1,077,282,303,732</u>
	<u>1,550,684,681,218</u>	<u>3,101,181,677,977</u>	<u>1,239,931,414,987</u>	<u>1,463,682,303,732</u>

23. Financial Facilities Received

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Bank Melli - Domestic Branches	4,103,927,737,552	2,508,179,912,537	-	-
Bank Melli PLC	132,711,544,579	485,697,542,783	86,524,544,579	427,218,542,783
Other Banks Abroad	401,150,012,500	180,168,266,025	-	-
Bank Sepah	120,824,186,620	101,836,968,014	-	-
Bank Karafarin	243,661,500,000	225,625,000,000	-	-
Bank Eghtesad Novin	610,000,000,000	44,811,000,000	-	-
Bank Saman	211,836,000,000	200,000,000,000	-	-
Bank Mellat	57,730,654,642	46,886,654,642	-	-
Other Banks & Financial Institutes	1,836,315,384,584	441,373,124,430	-	-
Commission Profit & Pending Penalties	229,444,262,371	198,090,766,325	-	-
Total	<u>7,947,601,282,848</u>	<u>4,432,669,234,756</u>	<u>86,524,544,579</u>	<u>427,218,542,783</u>
Less:				
Profit & Commission of Prior Years	(799,607,813,346)	(368,554,041,187)	-	-
Long-term Portion	<u>(3,525,041,821,979)</u>	<u>(1,939,673,432,464)</u>	<u>-</u>	<u>(84,945,714,599)</u>
	<u>3,622,951,647,523</u>	<u>2,124,441,761,105</u>	<u>86,524,544,579</u>	<u>342,272,828,184</u>



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

23.1. The loan received by the Parent Company from Bank Melli PLC is the Rial equivalent of 9.3 million Dollars (remnant of a loan received in 2005/06 which amounted to 65 million Dollars) and the interest rate of the mentioned credit facilities is 5.25% more than LIBOR. It is note worthy that as a guarantee, 141,727,270 shares of Behshahr Industries Development Company, 78,303,977 shares of Arak Petrochemical Company and 38,695,212 shares of Sadra Company have been blocked in favor of Bank Melli Iran.

23.2. Parts of the land, buildings, installations and machineries of the Group are in mortgage with the banks which have granted credit facilities. **23.3.** The financial facilities granted by the banks have been received in the framework of Islamic contracts and their guaranteed interests and their commissions are mainly 16% and the penalty for delayed payment is 6%.

23.4. The loans received from other foreign banks relate to overdraft of the current accounts and the loans received by BMIIGT from Dubai. In addition, the pledge of the received loans is the bank deposit of the said company (Note 6-4).

24. Long-term Accounts & Notes Payable

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Received Trusts from Sellers	815,000,000	755,000,000	-	-
Privatization Organization	-	137,145,856,080	-	133,528,500,000
	<u>815,000,000</u>	<u>137,900,856,080</u>	<u>-</u>	<u>133,528,500,000</u>

24.1. Long-term debt to Privatization Organization at the end of previous financial year relates to the long-term portion of the Parent Company and National Development Investment Company to the above-mentioned organization for buying the shares of Ardebil Cement Company and Kimidarou Company

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

25. Provision for Employees' Work Termination Benefit

	Group		Parent Company	
	20/03/2007 Rls	20/03/2006 Rls	20/03/2007 Rls	20/03/2006 Rls
Balance at the beginning of the Year	296,392,963,905	290,760,699,018	1,492,491,366	1,121,963,016
Amounts Paid During the Year	(27,521,884,053)	965,465,726,298)	(659,984,802)	(153,739,250)
Provided Reserve	99,807,304,530	74,890,287,647	1,033,548,205	524,267,600
Adjustments	(3,901,070,026)	(3,792,296,462)	-	-
Balance at the End of the Year	<u>364,678,314,356</u>	<u>296,392,963,905</u>	<u>1,866,054,769</u>	<u>1,492,491,366</u>

26. Capital

The capital of the Company amounted to Rls3,220 billion which includes 3,220,000,000 common share, (Rls1000 each). The information related to major shareholders at the date of balance sheet is as follows:

	20/03/2007		
	No.	%	No. of Shares
Bank Melli Iran (BMI)	2,061,096,383	64,01	1
Bank Melli Iran Investment Management Co.	409,684,407	12,72	1
Hamyari Kowsar Inst. (Power of Attorney of BMI Personnel)	155,633,328	4,83	1
Bank Maskan	94,739,571	2,94	1
Tadbir Investment	85,681,684	2,66	1
Other Legal Entities - (Less than 5%)	266,074,253	8,26	200
Other Real Entities - (Less than 5%)	147,090,374	4,58	34,484
	<u>3,220,000,000</u>	<u>100</u>	<u>34,689</u>



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

26.1. Share of the Parent Company in ownership of sub companies is as follows:

Sub Company	20/03/2007		20/03/2006
	No. Of Shares	Cost Price RIs	Cost Price RIs
National Development Investment Co.	55,855,770	152,542,107,870	180,618,823,810
Madar Co.	7,225,366	19,852,713,081	5,837,315,513
Shomal Cement	5,959,295	7,780,000,000	7,779,680,944
Kerman Cement	1,065,168	2,908,973,808	-
Mazandaran Cement	7,534	21,000,000	1,145,000,000
	<u>70,113,133</u>	<u>183,104,794,759</u>	<u>195,380,820,267</u>

27. Legal Reserve

As stipulated by Articles 140 and 238 of the Amended Commercial Code passed in 1969, every year five percent of the allocable profits of the Parent Company and sub companies are transferred to legal reserve account. According to above-mentioned articles allocating part of the profit to legal reserve is compulsory till the balance of the said reserve reaches to 10% of the capital of each company. The legal reserve may not be transferred to capital and is not distributable among the shareholders unless the company is being liquidated.

Turnover of the legal reserve account is as follows:

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Balance at the beginning of the Year	380,362,940,721	377,837,391,477	322,000,000,000	322,000,000,000
Allocation from Allocable Profit	27,995,962,048	3,906,358,032	-	-
Adjustments	(2,020,139,835)	(1,380,808,788)	-	-
Balance at the End of the Year	<u>406,338,762,934</u>	<u>380,362,940,721</u>	<u>322,000,000,000</u>	<u>322,000,000,000</u>

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

28. Capital Reserve

According to the Note of Article 73 of the Articles of Association of the Company, the net revenue resulted from selling of the shares shall be kept as Capital Reserve. The Capital Reserve may not be distributed among the shareholders but may be used for capital increase purpose. Only in exceptional cases for maintaining the profiting process, the company may transfer up to 20% of the Capital Reserve to dividend account upon recommendation of the Board of Directors and approval of the Ordinary General Assembly of the shareholders.

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Balance at the beginning of the Year	3,209,671,106,649	2,512,913,945,868	5,643,634,359,849	4,946,877,199,068
Transfer to Capital	-	-	-	-
Allocation from Allocable Profit	101,991,476,731	696,757,160,781	101,991,476,731	696,757,160,781
Balance at the End of the Year	<u>3,311,662,583,380</u>	<u>3,209,671,106,649</u>	<u>5,745,625,836,580</u>	<u>5,643,634,359,849</u>

The balance of transfer from allocable profit of the Group is after deducting the non-materialized profits related to transactions between National Development Investment Company and Cement Industry Development and Investment Company.

29. Other Reserves

The balance of other reserves at the date of balance sheet is RIs34, 040,553,278 (in the previous year the figure was RIs34, 276,364,705) and relates to the share of the Group from reserves of development, completion and precautionary of the sub company after the date of acquisition.



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

30. Minority Interest

Minority interest in sub companies consists of the following amounts:

	20/03/2007 RIs	20/03/2006 RIs
Capital	2,512,742,118,000	2,168,629,723,000
Reserves	175,290,642,345	155,289,446,166
Capital Increase on Account	404,739,663,378	126,302,000,000
Surplus of Reasonable Value of Assets & Liabilities of Firouzkouh Cement Co. at the Date of Acquisition	265,478,000,000	-
Retained Profit (Loss)	1,696,721,652,450	(53,621,039,195)
Total	5,054,972,076,173	2,396,600,129,971
Add:		
Surplus of Retained Loss of the Minority Interest	307,415,216,114	170,835,336,765
	<u>5,362,387,292,287</u>	<u>2,567,435,466,736</u>

31. Net Sales & Income from Rendered Services

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Sales of Products:				
Sales of Group's Products:				
Domestic	6,639,114,333,270	5,847,905,590,608	-	-
Export	1,919,355,198,504	1,307,360,717,792	-	-
Total	8,558,469,531,774	7,155,266,308,400	-	-
Committee of Selling Purchased Goods	5,757,192,500	7,765,092,225	-	-
Total	8,564,226,724,274	7,163,031,400,625	-	-
Less:				
Sales Returns & Allowances	(4,699,214,050)	(8,209,226,261)	-	-
Total Sales of Goods & Products	8,559,527,510,224	7,154,822,174,364	-	-
Profit from Sales of Properties & Construction Projects	458,129,694,674	-	399,662,369,428	-
Leasing Commission	246,053,000,000	132,712,000,000	-	-
Income from Rendered Services	31,889,436,202	8,776,444,814	-	-
	<u>9,295,599,641,100</u>	<u>7,296,310,619,178</u>	<u>399,662,369,428</u>	<u>-</u>

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

31.1. Export sales of the products of the Group mainly relates to Arak Petrochemical Company (RIs1,884 billion) and the remains related to Boroujerd Textile Company, Arj and the cement producing companies (Shomal, Kerman, Mazandaran and Ardebil Cement Companies).

31.2. The sales commission of the purchased goods entirely relates to BMIIGT Company in United Arab Emirates.

31.3. Profit from sales of properties and construction projects are as follows:

	<u>Group</u>		<u>Parent Company</u>	
	<u>20/03/2007</u> RIs	<u>20/03/2006</u> RIs	<u>20/03/2007</u> RIs	<u>20/03/2006</u> RIs
Behshahr Tower	207,187,265,819	-	207,187,265,819	-
Behshahr Tower -Joint	52,304,425,256	-	52,304,425,256	-
Hormozan Project	164,259,504,646	-	130,992,402,920	-
Moghaddas Ardebili Project	9,163,175,432	-	9,163,175,432	-
Iran Zamin Project	23,983,093,689	-	-	-
Other	<u>1,232,229,832</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>458,129,694,674</u></u>	<u><u>-</u></u>	<u><u>399,647,269,427</u></u>	<u><u>-</u></u>



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

31.3.1. According to the minute dated July 18th, 2006, Behshahr Tower transferred to Bank Tejarat. In addition, one third of the mentioned building owned by the Parent Company and Bank Melli Iran Investment Management Company (51% and 49% respectively), jointly.

31.3.2. Hormozan Project related to a land piece located in Shahrak Gharb of Tehran. This project jointly owned by the Parent Company and National Development Investment Company (75% and 25% respectively) and it is abandoned to Ta'avon Naja Foundation in the current year. In addition, sales profit of the mentioned project include Rls131 billion and Rls33 billion profit of the Parent Company and National Development Investment Company respectively.

31.3.3. Sales profit of Iran Zamin Project related to sales of 15 apartments from the above-mentioned project to real entities. The sales price and cost price of the sold apartments are Rls75 billion and Rls15 billion respectively.

31.4. The leasing commission revenue relates to the revenue of credit services rendered by Leasing Khodro Company of Bank Melli Investment Company.

31.5. The income from services rendered and rents mainly relates to Iran Poplin Company, Boroujerd Textile Company, Bank Melli Iran Investment Leasing Company, etc.

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

31.6. Sales and cost price of produced goods and services rendered by the Group companies based on different industries are as follows:

	2006/07		2005/06	
	Sales RIs	Cost Price RIs	Sales RIs	Cost Price RIs
Petrochemical	6,210,462,688,000	3,805,498,000,000	4,526,077,000,000	3,015,823,000,000
Textile	401,263,069,318	345,364,074,966	414,700,674,859	387,961,364,893
Agro-Industrial & Foodstuff	209,942,085,443	194,582,363,286	242,282,871,415	199,940,320,240
Cement	1,385,693,190,761	694,168,805,570	1,338,341,568,031	551,802,578,839
Chemical	79,290,383,242	65,031,901,210	78,927,460,875	63,082,113,292
Leasing	272,257,000,000	-	132,739,000,000	-
Commercial	5,757,192,500	-	7,765,092,225	-
Sales Profit of Properties & Construction Projects	458,129,694,674	-	-	-
Other	272,804,337,162	272,253,233,661	555,476,951,773	512,157,883,161
	<u>9,295,599,641,100</u>	<u>5,376,898,378,693</u>	<u>7,296,310,619,178</u>	<u>4,730,767,260,425</u>

Other industries are related to producing home appliances and producing compressor (Arj and Compressor Making Companies respectively)

32. Cost Price of Goods Sold & Services Rendered

	2006/07 RIs	2005/06 RIs
Direct Consumable Materials	3,588,378,748,183	2,897,164,249,263
Direct Wage (32-1)	342,442,133,261	295,068,471,954
Production Overhead (32-2)	1,718,130,646,218	1,726,385,051,151
Unabsorbed Costs in Production	(162,486,733,294)	(113,781,361,602)
Total Production Costs	5,486,464,794,368	4,804,836,410,766
Decrease (Increase) in Under Production Inventory	(25,541,070,216)	(36,469,200,271)
Extra Ordinary Wastes	(60,681,596)	(51,515,932)
Cost Price of Produced Goods	5,460,863,042,556	4,768,315,694,563
Purchase of Produced Goods	1,409,025,657	6,174,499,260
Decrease (Increase) in Produced Goods	(83,900,601,019)	(32,260,311,418)
Non-productive Consumptions, Adjustments & Other	(1,520,581,208)	(16,884,769,988)
Cost Price of Goods Sold	5,376,850,885,986	4,725,345,112,417
Cost Price of Services Rendered	47,492,707	5,422,148,008
Cost Price of Goods Sold & Services Rendered	<u>5,376,898,378,693</u>	<u>4,730,767,260,425</u>



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

32.1. Direct wage consist of the following items:

	2006/07 RIs	2005/06 RIs
Salary, Wage & Benefits	258,557,909,923	231,204,926,078
Insurance (Employer Quota) & Unemployment Insurance	39,464,493,303	38,616,515,954
Work Termination Benefits	44,419,730,035	25,247,029,922
	<u>342,442,133,261</u>	<u>295,068,471,954</u>

32.2. Production overhead expenses are as follows:

	2006/07 RIs	2005/06 RIs
Salary, Wage & Benefits	313,541,076,655	181,151,873,253
Insurance (Employer Quota) & Unemployment Insurance	22,227,923,435	19,668,552,536
Work Termination Benefits	20,532,289,460	14,090,159,096
Indirect Materials	396,881,820,411	525,519,820,819
Depreciation	289,292,742,654	231,197,249,851
Repair & Maintenance	144,756,905,808	494,345,991,112
Electricity & Energy	121,315,855,765	101,200,083,969
Property Insurance Premium	4,718,134,942	5,736,608,644
Transport	5,255,870,009	8,105,422,373
Other	399,608,027,079	145,369,289,498
	<u>1,718,130,646,218</u>	<u>1,726,385,051,151</u>

32.3. The cost price of goods sold and services rendered in terms of different industries and comparing them with sales and income from services rendered have been presented in Note 31-6.

32.4. Unabsorbed costs in production mainly related to Mazandaran Textile Company, Kashan Velvet and Silk Company, Iran Poplin, Shimi Keshavarz, Chin Chin International Agro-industrial Company, Pars Agro-industrial & Animal Husbandry Company and Arak Petrochemical Company.

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

33. Profit from Operating Investments

Profit from operating investments related to investment income of the Parent Company and National Development Investment Company, Cement Industry Investment & Development and Madar Company are as follows:

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Dividend of Sub Companies	-	-	826,504,971,577	649,221,724,788
Dividend of Affiliated Companies	-	-	143,630,239,547	207,144,419,454
Dividend of Other Companies	252,848,843,966	383,922,528,827	119,104,437,097	188,844,082,628
Total	<u>252,848,843,966</u>	<u>383,822,528,827</u>	<u>1,089,239,648,221</u>	<u>1,045,210,226,870</u>
Profit (Loss) from Sales of Investments	195,939,704,046	649,480,525,702	101,991,476,731	696,757,160,781
Profit of Participation Bonds & Banking Deposits	10,175,815,011	14,346,599,518	10,174,115,011	14,344,899,518
Total	458,964,363,023	1,047,749,654,047	1,201,405,239,963	1,756,312,287,169
Less (Add):				
Surplus (Decrease) of Stock Value	37,702,225,109	(335,455,057,826)	-	-
	<u>496,666,588,132</u>	<u>712,294,596,221</u>	<u>1,201,405,239,963</u>	<u>1,756,312,287,169</u>

33.1. Dividend of other companies mainly related to Behshahr Industries Development Company, Fars Khouzestan Cement, Margarine, Joint Stock, Behran Oil, Maskan Investment, Paksan, Kaf and harkheshgar Companies all acquired by the Parent Company and National Development Investment Company.

33.2. The profit earned from sales of investments relates to the Parent Company and National Development Investment Company. The profit of sold shares of National Development Investment Company mostly relates to selling the shares of Arak Petrochemical Company, National Investment Company, Khark Petrochemical Company, Paksan Company and Bank Eghtesad Novin. The profit earned from shares sold by the Parent Company and dividend of the Parent Company in sub companies, affiliated and other companies has been presented in the following pages.

33.3. Surplus (decrease) of investment value in shares of companies relates to short-term investment of National Development Investment Company in shares of the listed companies.

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007



33.4. Profit from investments of the Mother Company in shares of the investee companies based on the investee companies is as follows:

No.	Company	2006/07 RIs	2005/06 RIs
1	Arak Petrochemical	377,317,672,151	309,166,047,000
2	National Iranian Development Investment	152,555,325,930	83,829,053,150
3	Joint	148,794,673,272	182,929,004,178
4	Cement Industries Development Investment	89,999,999,760	53,338,769,490
5	Kerman Cement	67,617,576,000	84,541,186,000
6	Iran Transfo	58,210,306,780	-
7	Kerman Tire	41,865,043,267	42,957,165,360
8	Ardebil Cement	30,037,413,000	32,696,786,500
9	National Industry & Construction International	18,719,493,000	8,639,766
10	Behshahr Development Industries	15,917,772,041	61,092,857,370
11	Bank Melli Investment Leasing	10,999,956,000	13,499,946,000
12	Esfahan Tile	10,177,477,600	265,428,616
13	Amin Reinsurance	10,001,050,000	13,998,950,000
14	Fars & Khuzestan Cement	9,486,111,636	6,886,269,280
15	Iran Tractor Production & Forging	7,636,347,270	7,230,047,758
16	Pars Carbon Black	7,282,560,000	1,213,760,000
17	Golsar Fars	5,727,274,500	6,028,710,000
18	Maskan Investment	4,921,000,000	-
19	Boroujerd Textile	4,829,358,150	4,829,358,150
20	National Agro-industry	4,346,415,600	4,956,548,800
21	Iran Power Plant Investment (SANA)	3,120,000,000	520,000,000
22	Schools Equipments	2,695,000,000	4,200,000,000
23	Pars Agro-Industry & Animal Husbandry	1,952,040,000	3,938,479,989
24	Saipa	1,317,600,000	-
25	Motozhen	570,833,004	25,583,552
26	Iran Carton	488,635,200	1,137,883,721
27	Bank Sarmayeh	450,000,000	-
28	Shomal Cement	419,060,800	524,476,000
29	Bakhtar Petrochemical	316,982,981	32,237,099
30	Nirou Investment	184,458,100	543,522,000
31	Zamyad	171,870,400	-
32	Iran Khodro Diesel	135,000,000	105,000,000
33	Fan Ava Group	135,000,000	90,000,000
34	Behran Oil	87,500,000	-
35	Bank Melli Investment International Trade	86,014,392	-
36	Mehr Kam Pars	79,500,000	-
37	Behbahan Cement	67,500,000	-
38	Iran Leasing	52,000,000	-
39	Pars Switch	47,250,000	54,000,000
40	Iran Tractor Production	45,000,000	-
41	Sepah Investment	42,372,240	235,821,600
42	Ghayen Cement	35,613,300	31,074,350
43	Joushkab Yazd	35,100,000	-
44	Sobhan Pharmaceutical	33,600,000	-
45	Doroud Cement	29,440,000	21,344,000
46	Kerman Province Development Investment	28,000,000	24,400,000

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

No.	Company	2006/07 RIs	2005/06 RIs
47	Nirou Moharrekeh Industrial	26,000,000	25,000,000
48	Ghazvin Sugar Cube Factories	22,468,800	29,209,440
49	Production of Automobile Spare Parts	22,000,000	-
50	Petroshimiran	19,253,691	-
51	Iran Construction Investment	15,396,100	1,550,600
52	Production of Heavy Equipments - Hepco	15,000,000	-
53	Metal Mines Development Investment	12,600,000	10,000,000
54	Iran Motor Making Tractor Making	11,400,000	-
55	Bahman Group	11,323,250	36,122,010
56	Abadan Petrochemical	8,000,000	-
57	Shahid Ghandi Cable	2,000,000	-
58	Jaberebne Hayyan Pharmaceutical	1,800,000	11,600,000
59	Mazandaran Cement	1,215,000	2,250,000
60	Pars Packaging	613,500	-
61	Pars Fireproof Products	600,000	629,579
62	Ghadir Investment	443,310	1,203,270
63	Bank Melli Stock Brokerage	300,000	1,000,000
64	Industry & Mine Investment	266,600	635,053
65	Naghshe Jahan Sugar Cube	202,580	-
66	Iran Carbon	188,750	641,750
67	Iranian Zinc Mines Development	170,651	61,600
68	Osveh Pharmaceutical	75,000	105,000
69	National Shimi Keshavarz	59,200	-
70	Dashte Morghab	36,667	5,345,526
71	Iran Industry Development Investment	30,368	379,600
72	Shafa Darou	6,000	-
73	Kimidarou	2,380	17,000
74	Iran Marine Industries	-	116,005,881,500
75	Maskan Investment	-	5,000,000,000
76	Iran Khodro	-	1,669,097,000
77	Simorgh	-	1,181,179,301
78	Behshahr Industrial Group	-	280,143,840
79	Arak Machine Manufacturing	-	3,421,712
80	Margarine	-	1,661,800
81	Mellat Investment	-	441,560
		<u>1,089,239,648,221</u>	<u>1,045,210,006,870</u>



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

33.5. Profit from sales of investments by the Parent Company is as follows:

No.	Company	2006/07			2005/06
		No. Of sold Shares	Cost Price RIs	Sales Price RIs	Profit (Loss) from Sales RIs
1	Joint		46,494,662,711	77,814,968,365	31,320,305,654
2	Arak Petrochemical	2,760,000	5,902,122,894	36,231,878,280	30,329,755,386
3	Dashte Morghab			24,158,684,477	24,158,684,477
4	Bank Sarmayeh	25,000,000	25,000,000,000	31,250,000,000	6,250,000,000
5	Fars Agro-industry			5,187,456,593	5,187,456,593
6	Bafgh Melt & Zinc			3,815,434,216	3,815,434,216
7	Ardebil Meat Industrial Complex	1,317,645	14,270,031,673	15,571,503,371	1,301,471,698
8	Iran Khodro	118,190	189,178,701	377,905,171	188,726,470
9	Metal Mines Development Investment	208,000	598,786,743	785,970,227	187,183,484
10	Pars Carton			184,994,610	184,994,610
11	Nirou Investment	873,029	873,029,000	1,051,715,475	178,686,475
12	Parmit			171,036,777	171,036,777
13	Iran Tractor Production	134,000	690,538,024	837,702,989	147,164,965
14	Middle East Tide Water Marine Services	60,000	380,079,000	447,481,444	67,402,444
15	Kavian Steel	100,000	193,115,487	253,054,730	59,939,243
16	Jaberebne Hayyan Pharmaceutical Co.	10,000	99,848,442	117,748,376	17,899,934
17	Iran Construction Investment Co.	50,000	100,876,585	118,126,510	17,249,925
18	Abadan Petrochemical	10,000	104,909,848	121,500,705	16,590,857
19	Production of Heavy Equipments - Hepco	120,000	185,635,410	197,820,840	12,185,430
20	Sobhan Pharmaceutical	40,000	130,011,150	136,090,951	6,079,801
21	Mehr Kam Pars	265,000	337,561,432	337,263,502	(297,930)
22	Pars Oil	5,000	77,629,627	75,746,225	(1,883,402)
23	Rena Investment	50,000	111,550,170	107,954,450	(3,595,720)
24	Ghadir Leasing	50,000	58,821,750	48,485,499	(10,336,251)
25	Shahid Ghandi Cable	20,000	43,344,157	30,753,660	(12,590,497)

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

No.	Company	2006/07			2005/06	
		No. Of sold Shares	Cost Price Rls	Sales Price Rls	Profit (Loss) from Sales Rls	
26	Production of Automobile Spare Parts	70,000	245,658,652	208,394,637	(37,264,015)	
27	Iran Motor Making Tractor Making	90,000	276,462,681	234,681,636	(41,781,045)	
28	Joushkab Yazd	30,000	269,088,277	224,618,314	(44,469,963)	
29	Agricultural Poisons	30,000	358,348,871	308,358,578	(49,990,293)	
30	Iran Tractor Production & Forging	59,000	292,611,888	233,099,483	(59,512,405)	
31	Iran Leasing	205,670	297,945,758	231,076,312	(66,869,446)	
32	Iran Khodro Diesel	190,387	618,093,407	542,016,306	(76,077,101)	
33	Fars & Khouzestan Cement	80,000	357,630,204	269,846,545	(87,783,659)	
34	Sepah Investment	550,880	664,536,580	573,365,368	(91,171,212)	
35	Zamyad Co.	100,000	496,957,441	380,264,850	(116,692,591)	
36	Saipa Co.	672,000	2,614,300,641	2,334,854,754	(279,445,887)	
37	Maskan Investment	551,517	2,206,068,000	1,559,057,709	(647,010,291)	
38	Mazandaran Cement				203,339,890,922	
39	National Development Investment				38,040,732,419	
40	Naghshe Jahan Sugar Cube				10,535,414,673	
41	Ardebil Cement				10,228,735,817	
42	Iran Poly Acryl				9,589,997,914	
43	Piranshahr Sugar Cube				5,922,671,365	
44	Iran Coating Industries				2,041,102,560	
45	Iran Construction Investment				1,830,247,258	
46	Armitaj				56,721,380	
47	Naghshe Iran				9,960,138	
48	Bahman Group				2,927,153	
49	Nakhtab Firouzan				(6,003,600)	
50	Marine Industry				(465,653,700)	
			104,539,435,204	206,530,911,935	101,991,476,731	696,757,160,781



Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

34. General & Administrative Expenses

	Group		Parent Company	
	20/03/2007 RIs	20/03/2006 RIs	20/03/2007 RIs	20/03/2006 RIs
Salary, Wage & Benefits	179,765,475,128	134,491,929,660	7,823,359,258	7,675,568,959
Insurance (Employer Quota) & Unemployment Insurance	9,916,975,176	7,729,583,160	567,502,479	474,447,073
Provision for Work Termination Benefit	18,194,210,303	15,047,463,204	1,033,548,205	463,758,612
Provision for Investments Value Decrease	497,909,133	-	605,291,893,775	119,188,330,143
Transport	5,671,854,786	7,821,673,626	307,470,722	293,637,257
Professional & Contracting Services	171,673,000,000	136,711,000,000		
Rent	4,363,252,873	4,178,025,350	-	-
Repair & Maintenance	4,709,611,111	3,780,263,705	159,283,722	257,673,698
Sales, Distribute & Advertisement Expenses	22,751,606,853	17,821,585,513	-	-
Fixed Tangible Assets Depreciation	32,797,892,209	17,293,587,729	847,652,186	788,817,285
Consumable Supplies	1,133,300,627	16,770,211,761	60,619,281	138,742,487
Doubtful Debts	3,383,232,929	406,126,917	-	-
Trip & Mission Bonus	2,410,609,955	2,251,921,241	331,547,628	628,214,444
Other	96,769,488,710	1,712,017,241	8,733,259,820	13,279,417,501
	<u>554,038,419,793</u>	<u>366,015,389,107</u>	<u>625,156,137,076</u>	<u>143,188,607,459</u>

Professional and contracting services expenses related to Arak Petrochemical Company.

Bank Melli Iran Investment Co. (Public Joint Stock)
Notes to the Financial Statements
For the Year Ended March 20th, 2007

35. Other Operating Incomes & Expenses

	Group	
	2006/07 Rls	2005/06 Rls
Goodwill Depreciation - Note 15	(138,698,422,729)	(118,827,730,644)
Sales of Wastes	5,113,214,198	7,687,994,380
Profit from Sales of Raw Materials	635,129,612	80,953,822
Profit (Loss) from Conversion of Assets & Foreign Exchange Operating Liabilities	(2,780,712,212)	3,304,993,314
Unabsorbed Expenses in Production - Note 33-4	(159,091,995,168)	(119,541,636,770)
Loss from Value Decrease of Inventories	1,521,669,990	(4,236,709,457)
Net Surplus (Deficit) of Inventories	608,604,393	1,203,266,358
Other	9,102,027,406	7,504,492,132
	<u>(283,590,484,510)</u>	<u>(222,824,376,865)</u>

35.1. Other operating incomes include Rls10 billion other operating incomes of BMIIGT Company as commission of finance for clients and profit of credit facilities rendered.