

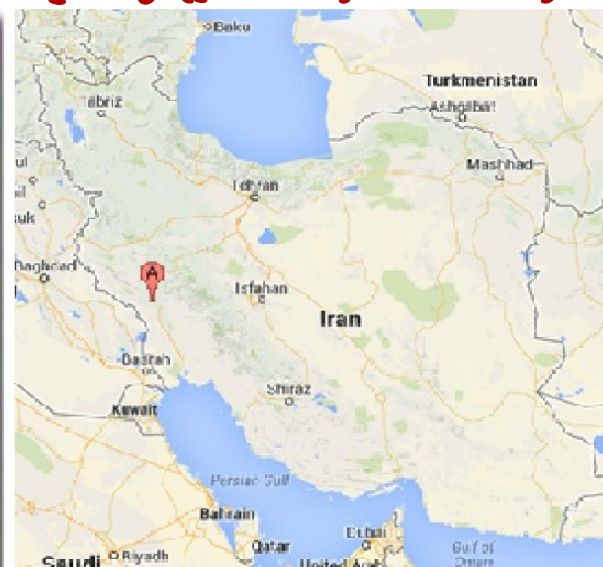


Haft Tappeh Sugarcane  
Agro Industrial Co



Iranian Privatization Organization  
Marketing & SOEs Divesting O

## **Cane Sugar Haft Tappe Company (private joint-stock)**



**Total Value of Divestible Shares (100%) - Start Bid:** US\$ 53,783,446    **Exchange Rate:** 29,563 IRR

**Assessment date:** May 2014

**Assessment Method:** Net Assets Market Value

**Transferring Method:** Tender

### **Part I: General Information**

Cane Sugar Haft Tappe Company, as one of 43 productive units of sugar and sugar cube in the country, was established at April 10, 1976 but exploitation of cane sugar started from November 22, 1961. The company is set as a subsidiary company of Industrial Development and Renovation Organization of Iran Co. (IDRO) and all shares of it, belongs to the mentioned organization. The capital of the company equals to 1,947 billion Rial including 194,691,333 shares and the value of each share is 10,000 Rial.

The number of staff at June 21, 2013 was 2,710 that 1,886 of them are permanent and the rest of 824, are temporary staff. The main center of the company is located at 50 km of Ahvaz-Andimeshk Road and has 2 representation offices at Tehran and Ahvaz. According to the latest evaluation, lands of the company have formed 63% of total assets. Total area of lands is about 23 thousand hectares that more than half of it, is dedicated to cultivated and drainage lands.

The main activity of the company is production of cane sugar. According to exploitation license, annual nominal production capacity of sugarcane factory is 100 thousands tones. Meanwhile sugar production at 2014 was equal to 41 thousand tones that represent the high potential for increasing the production that could be done by interested private sector. The total production capacity of sugar cube and sugar in the country (including 35 beet units and 8 sugarcane units) equals to 1/8 million tons per year.

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## **Part II: Main Information**

**Parent Company:** Industrial Development & Renovation Organization of Iran (IDRO)

**Shareholder:** IDRO (100%)      **Capital:** US\$ 65,859,351US\$

**Establishment Date:** April 1976      **Exploitation Date of Cane sugar Factory:** November 1961

**Registration Location:** Dezful      **Chief Executive Officer:** Mr. Kazemaini

**Market Value of Assets:** 213,273,348 US\$

**Main Assets:** Land: 133,815,919 US\$

**Market Value of Liabilities:** 149,646,518US\$

**Main Liabilities:** Short-terms Loans: 69,512,566US\$

**Net profit (loss):** (9,944,864) US\$

**Retained earnings (loss):** (112,234,888) US\$

**Location:** 50 km south of Andimeshk, Andimeshk – Ahvaz Rd., Khuzestan Province (with 2 representative offices at Tehran and Ahvaz)

**Field of Activity:** Production of sugarcane & other agricultural and animal husbandry products.

**Number of Staff in 2014:** 2,710

## **Part III: Financial Information**

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

(Exchange Rate: 29,563 IRR)

Title	Book value (June 2013)	Market Value (May 2014)
Land (3-1-1)	32,777,458	133,815,919
Machinery & equipments	16,473,294	29,090,417
Buildings	7,001,996	16,574,773
Nonproductive biological assets (9,010 hectares of exploitation sugarcane)	6,900,518	6,900,518
Installations	5,547,475	6,494,605
Bearer biological assets (3-1-2)	6,021,040	6,021,040
Inventories	2,909,042	2,909,042
Other assets	8,490,343	11,467,036
<b>Total</b>	<b>86,121,165</b>	<b>213,273,348</b>

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**3-1-1-Land Information in US\$****(Exchange Rate: 29,563 IRR)**

Title	Book value	Market Value	Area
Cultivated and drainage lands	28,684,504	133,207,049	12,112 hectares
Infertile lands	3,991,476		11,667 hectares
Land of Ahvaz office	101,478	608,869	Including lands with the area of 560 m <sup>2</sup> (without ownership document) and 2-classes building with the area of 527 m <sup>2</sup>
<b>Total</b>	<b>32,777,458</b>	<b>133,815,919</b>	--

\*According to auditor and legal inspector report, limits and boundaries of the lands of company are not clear and about 8,867 hectares of lands are without official ownership document and 3,098 hectares of lands belong to others (agricultural Jihad, Natural Resources, Shinghel sand mine Co. and individual). Also the ownership documents of about 10,000 hectares of lands of the company, due to demands of IDRO, are in collateral of the mentioned org.

\*According to evaluation report, 2,913 hectares of lands of the company to the amount of 4,363,563 US\$ belong to real/legal persons and the matter is pursuing through legal and court. Also 130 hectares of lands are transferred to real/legal persons that have not been evaluated at evaluation report.

\*According to financial statements ending in June 21, 2013, up to now the ownership documents of 14,912 hectares of lands have been issued to the name of the company and transferring the rest of lands (8,867) is pursuing through legal and court.

**3-1-2- Bearer Biological Assets in US\$****(Exchange Rate: 29,563 IRR)**

Title	Book value	Market Value
Productive fruit trees (3-1-2-1)	0	0
Growing sugarcane	6,021,040	6,021,040
<b>Total</b>	<b>6,021,040</b>	<b>6,021,040</b>

\*The area under cultivation of growing sugarcane during 2014 was 8,680 hectares and in 2013 was 7,754 hectares.

**3-1-2-1- Productive Fruit Trees****(Unit: trees)**

Products	June 2013	May 2014
Olive	7,000	7,000
Orange	485	485
Sour orange	604	604
Lime	222	222
Palm	500	500
Other trees	42	42

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\*The productive fruit trees are related to citrus and olive gardens that are mentioned on the part of the lands of the company and according to evaluation & pricing report, due to limited productions, the fruits are used for internal consumption of the company.

### 3-2-Main Items of Liabilities and Capital in US\$

(Exchange Rate: 29,563 IRR)

Title	Book value	Market Value
Short-term loans (3-2-1)	69,512,566	69,512,566
Trade accounts payable (3-2-2)	14,003,991	14,003,991
Other accounts payable (3-2-3)	23,204,682	45,597,537
Provision for employees termination benefits	10,993,472	15,729,121
Other liabilities	4,803,301	4,803,301
<b>Total liabilities</b>	<b>122,518,012</b>	<b>149,646,518</b>
<b>Profit(loss) from 21 June 2013 to 21 May 2014</b>	<b>0</b>	<b>(9,843,385)</b>
<b>Retained earnings(loss)</b>	<b>(102,391,503)</b>	<b>(112,234,888)</b>
<b>Capital</b>	<b>65,859,351</b>	<b>65,859,351</b>
<b>Owner's equity</b>	<b>(36,396,847)</b>	<b>53,783,446</b>

#### 3-2-1- Short-term Loans in US\$

(Exchange Rate: 29,563 IRR)

Title	Book Value	Market Value
Industrial Development & Renovation Organization of Iran (IDRO)	51,347,969	51,347,969
Agricultural Development Fund	676,521	676,521
National Iranian Copper Industries Co.	2,029,564	2,029,564
Loans received from banking system	18,096,946	18,096,946
Loans received from State civil plans	67,652	67,652
<b>Total</b>	<b>72,218,652</b>	<b>72,218,652</b>

\* Loans received from banking system are related to obtained facilities form Melli, Saderat, Agricultural and Tejarat Banks that main parts of them are on expiration.

**3-2-2- Trade Accounts Payable in US\$****(Exchange Rate: 29,563 IRR)**

<b>Title</b>	<b>Book Value</b>	<b>Market Value</b>
Operation of Irrigation Networks Co. for buying agricultural water	5,648,953	5,648,953
National Iranian Gas Co.	3,247,302	3,247,302
Others	5,107,736	5,107,736
<b>Total</b>	<b>14,003,991</b>	<b>14,003,991</b>

**3-2-3- Other Accounts Payable in US\$****(Exchange Rate: 29,563 IRR)**

<b>Title</b>	<b>Book Value</b>	<b>Market Value</b>
Social Security Organization (for deferred insurance right)	16,168,860	36,261,543
Iranian National Tax Administration	1,826,608	1,826,608
Others	5,209,214	7,509,387
<b>Total</b>	<b>23,204,682</b>	<b>45,597,537</b>

**3-3-Main Items of Income Statement in US\$****(Exchange Rate: 29,563 IRR)**

<b>Title</b>	<b>June 2013</b>	<b>June 2012</b>
Net sales (3-3-1)	22,122,247	19,280,858
Cost of goods sold	(21,513,378)	(17,792,511)
<b>Gross profit (loss)</b>	<b>608,869</b>	<b>1,488,347</b>
Sales, administrative and general expenses	(2,604,607)	(2,536,955)
Net other operating incomes & expenses	(13,395,122)	(9,200,690)
<b>Operating profit (loss)</b>	<b>(15,390,860)</b>	<b>(10,249,298)</b>
Gratuitous help of the State	6,934,344	0
Financial expenses	(2,029,564)	(1,894,260)
Net other revenues and non-operating expenses	541,217	(67,652)
<b>Net profit (loss)</b>	<b>(9,944,864)</b>	<b>(12,211,210)</b>

\*According to financial statements of the company ending in 2013, the gratuitous help of the State during 2013 was about 6,934,344 US\$ which was contributed by International Privatization Organization (IPO) and from credit of article 29 of the Constitution for reformation of manpower, was paid to retired and Social Security Organization.

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### 3-3-1- Net Sales

Products	2013		2012	
	Quantity (ton)	Amount (US\$)	Quantity (ton)	Amount (US\$)
White sugar	46,251	19,483,814	46,172	16,540,946
Molasses	38,307	1,657,477	45,172	1,251,564
Others	144,263	980,956	40,720	33,826
<b>Total</b>	<b>228,821</b>	<b>22,122,247</b>	<b>132,064</b>	<b>1,488,348</b>

## **Part IV: Other Information**

### 4-1-Comparison of Production with Nominal and Operational Capacity in 2013

Products	Nominal Capacity (ton)	Operational Capacity (ton)	Real Production (ton)
White sugar	100,000	100,000	40,904
Basic animal feed	60,000	55,000	11,841
Molasses	33,000	33,000	20,426
Bagasses	340,000	140,000	207,184

### 4-2- Main Customers of the Company

Customers (Name of the Company)	2013		2012	
	Percentage	Amount (US\$)	Percentage	Amount (US\$)
Sugar Cane Development Commercial Co.	32	7,001,996	1/8	338,261
Mianab Sugarcane Industry & Cultivation Co.	6	1,353,043	1/3	270,609
Pishgam Shafagh Aria Co.	5	1,014,782	0	0
Kala Avaran-e Sana't Co.	5	1,014,782	0	0
Others	52	11,737,645	96/9	18,671,989
<b>Total</b>	<b>100</b>	<b>22,122,247</b>	<b>100</b>	<b>19,280,858</b>

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