



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Iran Silk Worm Rearing Company (Private Joint-Stock)



Base Value for 100% Shares: US\$ 67,428,571

(Exchange Rate: 35,000 IRR)

Assessment date: November 2017

Assessment Method: Net Assets Market Value

Transferring Method: Tender

Part I: General Information

Iran Silk Worm Rearing Company started its activity since 1980. The main center of the company is located at Rasht city. Currently, the company is considered as the only custodian of silkworm industry in the country. Some of activities of the company include: preparation, production and supplying silkworm eggs needed for sericulture of the country, development of silk farming, hatching and supplying young silk worms, production & distribution of modified berry seedlings and supplying technical services, buying produced wet silkworm cocoons of sericulture and drying them, keeping and offering them to the market.

The company with 3 productive farms in Some'eh Sara and Fooman (Gilan Province) and Ahangar Kola (Mazandaran Province), with aim of silkworm breeding and 7 production workshops of silkworm eggs in Rasht, Anzali, Fooman and Some'eh Sara, Ahangar Kola, Torbat Heidarieh (Khorasan Razavi Province) and Natanz (Esfahan Province), is capable to produce more than 200,000 boxes of Hybrid silkworm eggs annually.

Also the company with one special farm for production of seedling in Fooman city is capable to produce modified berry seedling. It is to be mentioned that produced silkworm eggs of the company, has been exported to different countries including Tajikistan, Azerbaijan, Georgia and Greece during past years. Disproportion between the amount of assets (\$ 85,371,429) and the amount of sales (\$ 142,857) reflects low capital productivity of the company and it seems that by divesting the company to private sector and optimum use of resources, productivity will be increased significantly.

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Part II: Main Information

Parent Company: Agricultural, Livestock and Natural Resources Production Company

Shareholder: Agricultural, Livestock and Natural Resources Production Co. (100%)

Capital: \$ 9,285,714

Chairman of the Board: Mr. Poor Hossein

Registration Date: 1979

Launch Date: 1980

Total Assets (evaluated): \$ 85,371,429 (Land: 891 hectares, \$ 64,057,143- building & installations: \$ 4,085,714)

Total Liabilities (evaluated): \$ 11,771,429 (Trade & non-trade payables: \$ 11,485,714)

Net Profit (Loss): \$ (114,286)

Retained Profit (Loss): US\$ (13,857,143)

Location: Main centre of the company is located at Gilan Province, Rasht city. But its branches and farms are in Anzali, Astaneh Ashrafiyeh, Lahijan, Langrud, Some'eh Sara, Fooman, Sari, Qaem Shahr, Torbat Heidarieh, Natanz, Shelman and Kasa.

Field of Activity: Preparation, production and supplying silkworm eggs needed for sericulture of the country, development of silk farming, hatching and supplying young silk worms, production & distribution of modified berry seedlings and supplying technical services, buying produced wet silkworm cocoons of sericulture and drying them, keeping and offering them to the market.

Number of Staff in 2016-2017: 61 (permanent: 14- contractual: 2- contracting: 46)

Part III: Financial Information

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

(Exchange Rate: 35,000 IRR)

Title	Book value (March 2017)	Evaluated by Independent Expert (November 2017)
Land (891 hectares) (3-1-1)	5,542,857	64,057,143
The right of water, electricity, gas, phone & wells	142,857	7,742,857
Trade and non-Trade receivables	6,971,429	5,971,429
Buildings and Installations	314,286	4,085,714
Mulberry garden	28,571	2,800,000
Machineries, equipment & agricultural & production tools	57,143	542,857
Other assets	114,286	171,429
Total	13,171,429	85,371,429

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3-1-1-Land: in US\$

Title	Usage	Area (m ²)	March 2017	November 2017
Parnian Farm Land (Som'eh Sara)	Agricultural	5,199,481	1,028,571	22,742,857
Parand Farm Land (Fooman)	Agricultural	1,910,546	971,429	15,085,714
Parand Land (Fooman)	Agricultural	525,000	0	4,142,857
Nobel branch Land	Administrative	27,378	1,085,714	6,257,143
Torbat Heidariyeh Land	Administrative	21,684/5	857,143	4,200,000
Som'eh Sara Land	Administrative-training	13,687/59	400,000	2,342,857
Others	--	1,213,259/70	1,200,000	9,285,714
Total	--	8,911,036/79	5,542,857	64,057,143

Assets & Properties Transferred to the Parent Company that its value has been deducted from the Base Value

Title	Comments	November 2017
Parand Farm Land	Part 520 & parts of 510 plot of Fooman farm	4,142,857
Parand Farm Trees		228,571
Buildings		600,000
Machinery & equipment		114,286
Mashhad building	A 3 floor building in Mashhad	400,000
Tehran building	North Kargar Ave.	114,286
Total	--	5,600,000

3-2-Main Items of Liabilities & Owner's Equity in US\$

Title	Details	Book value (March 2017)	Evaluated by Independent Expert (November 2017)
Liabilities	Trade and non-Trade payables *	11,171,429	11,485,714
	Provision for employees termination benefits	142,857	142,857
	Pre-received	85,714	85,714
	Tax payable	8,571	57,143
	Loans	8,020,000	0
Total liabilities		19,428,571	11,771,429
Owner's Equity	Capital	9,285,714	9,285,714
	Current capital decrease	(2,542,857)	(2,542,857)
	Unregistered capital	314,286	314,286
	Retained earnings (loss)	(13,285,714)	(13,857,143)
	Revaluation difference	0	79,828,571
Total Owner's Equity		(6,228,571)	73,028,571

Debts to the State: \$ 7,542,857

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3-2-1-Loans in US\$

Title	Comments	November 2017
Principle of loan	--	4,157,143
Interest up to due date	--	142,857
Interest after due date	--	9,014,286
Bail bond	--	2,257,143
Sum		15,571,429
Debts to the State	In order to exercise implementing regulation of note 35 and the table No.3 of note 36 of Budget law of 2016-2017 of the country	(7,542,857)
Modifications according to document 320 dated Oct.21, 2017	Transferring to the retained profit	(8,028,571)
Total		0

3-3-Main Items of Income Statement in US\$

Title	2017	2016
Operating Income	142,857	142,857
Cost of services	(1,114,286)	(1,257,143)
Gross profit (loss)	(971,429)	(1,114,286)
Administrative and general expenses	(371,429)	(314,286)
Other operating items	(171,429)	(142,857)
Operating profit (loss)	(1,514,286)	(1,571,429)
Financial expenses	(542,857)	(1,028,571)
Net other non-operating revenues and expenses	971,429	114,286
Loss compensation of buying warranty wet cocoon and production of silk worm eggs	971,429	1,171,429
Net profit (loss)	(114,286)	(1,314,286)

Part IV: Other Information

4-1- Production & Selling of the Company during Past 3 Years

Title	Measurement Unit	2017	2016	2015
Production:				
Silk worm eggs (hybrid)	Box	16,681	29,179	36,788
Dried cocoon (mixed & race)	Kg	3,955	4,912	13,572
Mulberry saplings	Trees	--	--	198,300
Selling:				
Silk worm eggs (hybrid)	Box	28,925	27,682	31,195
Dried cocoon	Kg	3,955	4,912	6,852
Razor cocoon & race/ silk worm yarn	Kg	303,830	302,720	--
Mulberry saplings	Trees	--	9,800	189,470

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