



Sugarcane & Affiliated  
Industries Development Co.



**Iranian Privatization Organization (IPO)**  
Marketing & SOEs Divesting Office

## **Sugarcane & Affiliated Industries Development Co.** **(Private joint stock)**



**Base Value for 20% Shares:** US\$ 339,457,143

**(Exchange Rate:** 35,000 IRR)

**Assessment Date:** Decembre 2016

**Transferring Method:** Farabourse Iran

**Assessment Method:** the average of Book Value & Net Assets Market Value

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

Since long times ago, Khuzestan Province has been one of the most important centers of sugarcane cultivation, so that production of 220 tons cane per hectare has been seen in this province. So sugarcane cultivation in this province is considered as a respective vantage.

Sugarcane Development Holding, one of the biggest producers of sugar in the country, located at Khuzestan Province and with the production capacity of 700,000 tons of white sugar, has allocated half of the sugar production in the country to itself. Along with the main activity, the company produces industrial boards from megass (MDF), pulp and medical alcohol from molasses and also performs the projects to produce medical sugar, brown sugar, flavored sugar and powdery sugar.

The primary predictions of the project includes sugarcane cultivation to the area of 84,000 hectares lands of Khuzestan and establishing 7 agro-industry units each of which to the area of 12,000 hectares and estimation of 700,000 tons sugar production, harvesting 7 million tons cane and also raw materials of paper factories (with operational capacity of 350,000 tones paper annually), 100,000 tons of industrial boards, biotechnological products (10,000 tons of dry active pulp and 33 million liters of industrial alcohol) and production of 700,000 tons of livestock feed.

This holding includes Agro Industry of Imam Khomeini, Amir Kabir, Dabal Khazae, Mirza Koochak Khan, Salman Farsi, Hakim Farabi, Shoaybie Livestock Feed Company, Sugarcane Development Mercantile Company, Aban Bespar Tosee, Rased Sanaat Tosee, Razi Pulp and Alcohol, Dekhoda Sugarcane Cultivation and Industry, Sugarcane Sadad Fam, Lohe Sabze Jonub, Sugarcane Development Research and Training Institute.

**IPO Address:** No. 15, Mahestan St., Iran Zamin Ave., Shahrak-e Ghods , Tehran, Iran

**Post Code:** 1465834581

**Website:** [www.ipo.ir](http://www.ipo.ir)

**E-mail:** [marketing@ipo.ir](mailto:marketing@ipo.ir)

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**Fax:** +982188085622

## **Part II: Main Information**

**Parent Company:** Ministry of Agricultural Jihad

**Shareholders:** Bank Saderat Iran (40%), Bank Melli Iran (30%), Ministry of Agricultural Jihad (20%), Ayandeh Pouya Plan & Development Management Co. (10%)

**Capital:** \$ 326,600,000

**Registration place/date:** Tehran/1990

**Launch Date:** 1990

**Chief Executive Officer:** Mr. Sadeghi

**Total Asset (evaluated):** \$ 3,727,085,714 (lands: 120,605 hectares, \$ 1,520,028,571- Machineries: \$ 1,244,485,714)

**Total Liabilities (evaluated):** \$ 803,028,571 (Loans: \$ 541,828,571)

**Net profit (loss):** \$ 40,971,429

**Retained earnings (loss):** \$ 116,600,000

**Location:** No.88, second 12 yards, be lower than Niyayesh crossroad, Seoul St., Tehran (subsidiary companies are located at Khoozestan Province)

**Field of Activity:** Sugar production & selling, pulp, livestock feed, printing & writing paper, condensed fiber and alcohol.

**Number of Staff up to Dec. 2015:** The main company: 282, Group: 8,411

## **Part III: Financial Information**

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

**(Exchange Rate: 35,000 IRR)**

<b>Title</b>	<b>Book value (December 2015)</b>	<b>Evaluated by Independent Expert (November 2016)</b>
Land (120,605 hectares) (3-1-1)	321,685,714	1,520,028,571
Machineries	98,742,857	1,244,485,714
Installations	150,742,857	298,428,571
Buildings	145,114,286	228,342,857
Non-bearer biological assets (3-1-2)	101,914,286	101,914,286
Inventories	53,971,429	54,142,857
Bearer biological assets	53,257,143	53,257,143
Cash	48,114,286	48,114,286
Trade accounts & notes receivable (3-1-3)	41,571,429	41,571,429
Orders & prepayments	37,742,857	37,742,857
Other assets	144,228,571	99,057,143
<b>Total assets</b>	<b>1,197,085,714</b>	<b>3,727,085,714</b>

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### 3-1-1-Lands in US\$

Name of the company	Book value (December 2015)	Evaluated by Independent Expert (November 2016)
Dehkhoda	69,200,000	232,857,143
Imam Khomeini	40,514,286	209,228,571
Hakim Farabi	42,828,571	206,342,857
Dabal Khazae	39,285,714	190,485,714
Amir Kabir	57,857,143	180,971,429
Mirza Koochak Khan	6,971,429	171,371,429
Salman Farsi	58,571,429	167,885,714
Sugarcane Development Holding	1,400,000	146,685,714
Others	6,971,429	14,200,000
<b>Total</b>	<b>323,600,000</b>	<b>1,520,028,571</b>
<b>Consolidation Adjustments</b>	<b>(1,914,286)</b>	<b>0</b>
<b>Balance</b>	<b>321,685,714</b>	<b>1,520,028,571</b>

➤From 120,605 hectares lands in use of group companies, the ownership documents of 47,133 hectares has not transferred to these companies yet.

### 3-1-2- Non-Bearer Biological Assets

Title	Group	
	Hectares	December 2015 (US\$)
Growing cane at the beginning of the year	78,616	80,828,571
Cultivation costs during the year	64,900	12,142,857
Harvesting costs during the year	0	74,114,286
<b>Total</b>	<b>143,516</b>	<b>167,085,714</b>
Produced cane during the year is deducted	(63,597)	(65,371,429)
<b>Growing cane at the end of the year</b>	<b>79,919</b>	<b>101,714,286</b>
Total livestock for selling	0	200,000
<b>Total</b>	<b>79,919</b>	<b>101,914,286</b>

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### 3-1-3- Trade Accounts & Notes Receivable in US\$

Title	Group	Main Company
Trade notes receivable	11,971,429	0
Trade accounts receivable	32,657,143	0
Demand of group companies for brokerage costs	0	1,142,857
Dividend receivable	0	64,685,714
<b>Total</b>	<b>44,628,571</b>	<b>65,828,571</b>
Estimated uncollectible accounts receivable reserves	(3,057,143)	0
<b>Remaining</b>	<b>41,571,429</b>	<b>65,828,571</b>

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

Title	Details	Book value (December 2015)	Evaluated by Independent Expert (November 2016)
Liabilities	Long-term loans (3-2-1)	504,628,571	510,000,000
	Other accounts & notes payable	74,085,714	81,885,714
	Pre received	43,171,429	43,171,429
	Dividend payable	5,714,286	34,285,714
	Tax reserve	2,257,143	33,828,571
	Provision for employees termination benefits	33,228,571	33,228,571
	Short-term loans (3-2-1)	31,828,571	31,828,571
	Other liabilities	34,771,429	34,800,000
<b>Total liabilities</b>		<b>729,685,714</b>	<b>803,028,571</b>
Owner's Equity	Capital	326,600,000	326,600,000
	Capital reserve	1,685,714	1,685,714
	Legal reserve	17,028,571	17,028,571
	Retained earnings(loss)	123,371,429	116,600,000
	Revaluation difference surplus	0	2,484,457,143
<b>Total Owner's Equity</b>		<b>468,685,714</b>	<b>2,946,371,429</b>

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

Title	Annual Interest Rate	December 2015		Adjustments	November 2016
		Group	Main Company		
Bank Saderat Iran	14%	299,200,000	163,371,429	5,371,429	536,200,000
Bank Melli Iran	14%	231,628,571	120,600,000		
Bank Saderat Iran (Tehran,Jomhoori Branch)	14%	2,085,714	2,085,714	0	2,085,714
Fuel Subsidy	3%	2,057,143	0	0	2,057,143
Social Security Organization	-	1,485,714	1,485,714	0	1,485,714
<b>Total</b>	-	<b>536,457,143</b>	<b>287,542,857</b>	<b>5,371,429</b>	<b>541,828,571</b>
<b>Long-term loans is deducted</b>	-	<b>(504,628,571)</b>	<b>(286,171,429)</b>	<b>(5,371,429)</b>	<b>(510,000,000)</b>
<b>Short-term loans</b>	-	<b>31,828,571</b>	<b>1,371,429</b>	<b>0</b>	<b>31,828,571</b>

\* Check is the promissory note of all loans.

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

Title	December 2015	December 2014
Operating revenues (3-3-1)	342,000,000	298,142,857
Cost of goods sold& services	(219,600,000)	(189,114,286)
<b>Gross profit(loss)</b>	<b>122,400,000</b>	<b>109,028,571</b>
Sales, administrative & general expenses	(31,285,714)	(26,342,857)
Net other operating revenues & expenses	(10,285,714)	(7,371,429)
<b>Operating profit (loss)</b>	<b>80,828,571</b>	<b>75,314,286</b>
Financial expenses	(44,742,857)	(45,142,857)
Net other non-operating revenues & expenses	5,485,714	685,714
Tax	(600,000)	(485,714)
<b>Net profit (loss)</b>	<b>40,971,429</b>	<b>30,371,429</b>

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### 3-3-1-Operating revenues

Title	December 2015		December 2014	
	Quantity (kg)	Amount (US\$)	Quantity (kg)	Amount (US\$)
White sugar	529,235,171	289,428,571	486,122,629	244,514,286
Alcohol	25,166,469	20,314,286	22,993,058	24,057,143
All kinds of industrial boards & derivatives	--	12,542,857	--	12,914,286
Pulp	6,682,490	10,028,571	6,069,857	8,914,286
Concrete Products	--	4,828,571	--	3,000,000
Livestock Feed	35,714,810	2,400,000	32,089,410	2,257,143
Molasses	--	0	--	314,286
Revenues of Raw Sugar Refining	628,030	22,857	50,181,916	1,514,286
Contracting income of Faleq San'at Co.	--	1,565,714	--	0
Other Services	--	868,571	--	657,143
<b>Total</b>	--	<b>342,000,000</b>	--	<b>298,142,857</b>

### Part IV: Other Information

#### 4-1-Some Important Operational Information of the Company

Title	Measurement unit	2014-2015	2013-2014	Increase (decrease)
Lands of harvested canes (maximum 70,000 hectares)	Hectare	63,597	62,801	1/2%
Total of harvested sugarcanes in agro-industrial companies	Ton	4,885,854	4,724,544	2/78%
Produced raw sugar in agro-industrial	Ton	506,788	451,554	12/2%
Produced white sugar in agro-industrial	Ton	474,083	445,936	6/32%
Produced live-stock feed in Shoaybieh Livestock Feed Co.	Ton	35,715	32,071	11/37%
Produced alcohol in Razi Pulp and Alcohol Co.	Liter	30,000,000	31,000,000	(3/23)%
Produced industrial board in Lohe Sabze Jonub Co.	M <sup>3</sup>	61,457	61,286	0/28%
Sum of selling white sugar in Sugarcane Development Co.	US\$	289,428,571	244,485,714	18%
Operational income of Group	US\$	342,000,000	298,114,286	14/7%
Cost of group products	US\$	219,314,286	189,114,286	16%
Gross (profit) loss	US\$	122,400,000	109,028,571	12%
Operating (profit) loss	US\$	80,828,571	75,314,286	7/3%
Net (profit) loss after tax deduction	US\$	40,971,429	30,371,429	34/91%

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#### 4-2-Financial Ratios

Title	2015	2014
Return on Sales (ROS)	8/3%	9/8%
Cost to sale	(1/6)%	(1/6)%
Return on Investment (ROI)	0/03%	0/03%

#### 4-3-Launched & Executed Projects up to December 2015

- Utilization of refinement industrial sewage in Salman, Mirza koochkan, Dabal & Farabi companies.
- Utilization of drug sugar with the capacity of 15,000 tons in Farabi Co.
- Brown sugar project with the capacity of 7,000 tons in Mirza Koochakkan agro-industry Co.
- Starting different cultivating projects in more than 14,000 hectares agricultural lands in subsidiaries companies.
- Starting recycling industrial water projects in agro-industrial companies.
- Pursuing to perform 200,000 tons printing & writing paper project in Salman Farsi Company

#### 4-4-Table of Harvested Agricultural Lands & Efficiency of Cane Lands during Past 2 Years

Harvesting Year	Measurement Unit	Imam Khomeini	Amir Kabir	Dabal Khazae	Mirza Khoochakkhan	Salman Farsi	Hakim Farabi	Dehkhoda	Total/Average
2014-2015	Harvested hectares	10,035	8,900	8,199	9,150	8,350	8,513	10,450	63,597
	Harvested tons	782,075	597,128	510,455	721,200	576,528	621,735	1,079,723	4,888,854
	Ton per hectare	77/9	67/1	58	78/8	69	73	103/3	76/9
2013-2014	Harvested hectares	10,015	9,000	8,800	8,565	7,571	9,050	9,800	62,801
	Harvested tons	760,284	577,039	673,200	494,456	522,430	643,496	1,053,620	4,724,544
	Ton per hectare	75/9	64/1	76/5	57/7	69	71/1	107/5	75/2

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