



Iranian Privatization Organization (IPO)
Marketing & SOEs Divesting Office

Iran Silkworm Rearing Company (Private Joint-Stock)



Base Value for 100% Shares: US\$ 51,600,000

(Exchange Rate: 35,000 IRR)

Assessment date: December 2016

Assessment Method: Net Assets Market Value

Transferring Method: Iran Farabourse

Part I: General Information

Iran Silkworm Rearing Company started its activity since 1980. The main centre 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 (\$ 72,028,571) 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

Chief Executive Officer & chairman of the Board: Farzam Pour Ramezan

Establishment Date: 1979

Launch Date: 1980

Total Assets (evaluated): \$ 72,028,571 (Land: \$ 58,200,000- building & installations: \$ 4,085,714)

Total Liabilities (evaluated): \$ 19,542,857 (Loans: \$ 15,028,571)

Net Profit (Loss): \$ (1,314,286)

Retained Profit (Loss): US\$ (14,400,000)

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 2014-2015: 32 (permanent: 30- contracting: 2)

Part III: Financial Information

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

(Exchange Rate: 35,000 IRR)

Title	Book value (March 2016)	Evaluated by Independent Expert (December 2016)
Land	5,971,429	58,200,000
Buildings and Installations	428,571	4,085,714
Mulberry garden	28,571	3,914,286
Trade and non-Trade receivables	5,771,429	3,600,000
Machineries, equipments & agricultural & production tools	57,143	485,714
Other assets	314,286	1,742,857
Total assets	12,571,429	72,028,571

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

Title	Details	Book value (March 2016)	Evaluated by Independent Expert (December 2016)
Liabilities	Loans	15,028,571	15,028,571
	Trade and non-Trade payable	3,428,571	3,542,857
	Provision for employees termination benefits	571,429	971,429
Total liabilities		19,028,571	19,542,857
Owner's Equity	Capital	9,285,714	9,285,714
	Capital decrease	(2,542,857)	(2,542,857)
	Unregistered capital	314,286	314,286
	Retained earnings (loss)	(13,514,286)	(14,400,000)
	Revaluation difference	0	58,942,857
Total Owner's Equity		(6,457,143)	51,600,000

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

Title	2016	2015
Operating Income	142,857	171,429
Cost of services	(1,257,143)	(1,200,000)
Gross profit (loss)	(1,114,286)	(1,028,571)
Administrative and general expenses	(314,286)	(371,429)
Other operating items	(171,429)	(28,571)
Operating profit (loss)	(1,600,000)	(1,428,571)
Financial expenses	(1,028,571)	(1,028,571)
Net other non operating revenues and expenses	142,857	371,429
Loss compensation of buying warranty wet cocoon and production of silk worm eggs	1,171,429	1,028,571
Net profit (loss)	(1,314,286)	(1,057,143)

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Part IV: Other Information

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

Title	Measurement Unit	2016	2015	2014
Production:				
Silk worm eggs (hybrid)	Box	29,179	36,788	42,600
Silk worm eggs (hybrid & race)	Box	0	0	1,500
Dried cocoon (mixed & race)	Kg	4,912	13,572	16,218
Mulberry saplings	Trees	0	198,300	0
Selling:				
Silk worm eggs (hybrid)	Box	27,682	31,195	25,519
Dried cocoon	Kg	4,912	6,852	7,875
Razor cocoon & race/ silk worm yarn	Kg	307,720	0	1,798
Mulberry saplings	Trees	9,800	189,470	327,250

- Production & selling silk worm eggs has been lead to gross loss during past years.