

For immediate release

Simbhaoli Sugars and ED&F Man Tie the Knot

§ **Joint Venture Company in the name of Uniworld Sugars Limited**

§ **Joint Venture Partner, an MNC, ED & F Man, having long expertise in international sugar business**

§ **Port Based Green field sugar refinery in Gujarat**

§ **Estimated cost of Rs 2.28 bn with Debt Equity of 1:1**

§ **The stake of the Indian promoters and joint venture partner is 57.50: 42.50**

New Delhi, January 27, 2011: Simbhaoli Sugars Limited (SSL, or the Company), one of the country's largest sugar refiners announced a joint venture arrangement with ED & F Man Holdings (EDFM), representing a 227 years old business group comprising of an internationally renowned sugar trading house, to set up a green field sugar refinery with a capacity of 1000 tones of sugar per day, at Kandla, West Coast, Gujarat, India through the joint venture company, Uniworld Sugars Limited (USL).

SSL, along with its promoters and EDFM have agreed to enter into a joint venture by contributing in the share capital of USL in the ratio of 57.5:42.5, for setting up port based refinery of raw sugar in India and trading of white sugar within the Indian market and in markets other than India. The estimated cost of the project is Rs 2280 mn, which is proposed to be financed by way of long term loans and promoters' equity.

USL, the new venture, will be governed by a newly formed Board of Directors comprising of representatives from both companies, drawing their best expertise with Mr Gurmit Singh Mann as the first Chairman.

EDFM is one of the leading providers of sugar, providing a comprehensive range of supply chain services from production, sourcing, storage and delivery to risk management.

On this occasion, **Mr Gurmit Singh Mann, Chairman and Managing Director, Simbhaoli Sugars** announced that the joint venture shall bring in the expertise of both operational management and international marketing. The refinery is intended to be commenced in current sugar cycle itself, to reap maximum benefits from changing business cycles. The joint venture brings together two of the leading entities in sugar industry and some of the most experienced professionals in the industry.

Commenting on the Sugar Industry, he said: "Keeping in view of the consistent increase on the rate of growth of sugar consumption in India and neighbouring countries, the sugar produced is expected to be marketed in the deficit areas within the country and exported in the surplus years. The refinery model can be altered as per the sugar demand and supply situation in the market. In domestic

deficits, it can import raw and sell it in local markets; whereas in case of surplus, it can import raw and export it back to the international markets after refining and creating value addition.”

Speaking about the transaction, **Mr. Sanjay Tapriya, CFO and Director Finance of Simbhaoli Sugars** told: “The joint venture has been approved by the Boards of Directors of both the companies, and is expected to close in the month of February 2011, subject to regulatory approvals and other usual closing conditions.”

He also said that “After achieving the financial closing, the project will be implemented in 16 to 18 months. With the addition of this port based refinery, the Company will be able to integrate into global raw refining markets.”

The Company is already refining raw sugar at its UP based sugar complexes and the new raw processing facility is being set up in proximity to the port for reducing the transportation charges under the joint venture arrangement. SSL has technical capabilities to set up such refining capacities and operate it.

ABOUT SIMBHAOLI SUGARS LIMITED:

Simbhaoli Sugars Limited (SSL) is an over 75 year old Indian Company, operating three technologically advanced sugar manufacturing facilities in North India and are capable of manufacturing up to 300,000 metric tons per annum (MTPA) of sugar from sugarcane. It is one of the leading sugar companies producing all types of specialty/ branded sugars for institutional/ domestic usages. In addition; the Company is capable to refine raw sugar, both domestic and imported to the extent of 400,000 MTPA in its refineries. SSL also has three ethanol distilleries alongside its sugar facilities with a combined capacity of 210 kilo liters of alcohol/ ethanol per day. Its branded alcohol division is capable of producing and marketing two million cases of quality spirits annually and presently operating in Nine Indian States with 11 bottling tie ups. Simbhaoli and Chilwaria sugar complexes house bagasse based cogeneration facility of 64 mwh, out of which 34 mwh is surplus and sold to the state power corporation under PPA.

Being a regular exporter, Simbhaoli has got certification of a star trading house. The sugar refineries of the Company have quality control certifications including ISO 9001:2008, ISO 14001:2004 and ISO 22000:2005 and HACCP, which signifies that the Company ensures highest product quality.

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