

Simbhaoli sugars poised for extensive cane development

New Delhi, Feb 16, 2009: Simbhaoli Sugars Ltd. (SSL), one of the largest manufacturers of refined sugar and specialty sugars, has initiated major cane development programme in their three sugar units located at Simbhaoli, Brijnathpur and Chilwaria in Western and Eastern Uttar Pradesh. These cane development measures are aimed at improving the cane yield, increasing cane area and improving the quality of cane.

For the first time, Uttar Pradesh has experienced crop competition for sugarcane from wheat and paddy combination owing to increase in the Minimum Support Price of these two crops. Lower sugarcane prices entangled in legal battles also contributed to decreasing the cane area. As a result of above negative factors, the farmers did not invest in the crop management of sugarcane.

In crushing season 2008-09, sugarcane area of India in general and Uttar Pradesh in particular has reduced by 25-30%. To add further difficulties, the cane yield has been substantially lower to the extent of 25%. Furthermore, the recovery percentage cane is lower by 0.75 – 1.0% as compared to the season 2007-08. It is, therefore, necessary to increase the production of sugarcane and also ensure remunerative returns from sugarcane crop.

To meet challenges of low sugarcane availability to the mills, Simbhaoli, Brijnathpur and Chilwaria Units of SSL have taken up a cane development drive in which healthy cane seeds, pesticides to protect crops from pest and disease, and agro chemicals are being given as subsidy. The farmers will be eligible for Rs.15/- per quintal incentive for cane supplies made from February, 2009 onwards which will be given in the form of agri-crop inputs. The farmers will be getting subsidy after planting the sugarcane. Quantum of

subsidy will be equivalent to Rs.15/- per quintal on the cane supplied from 1st February, 2009. This scheme will ensure that plant crop is retained for seed purpose and not diverted to Kholus.

According to Dr. G S C Rao, Executive Director, “ the idea of linking cane planting and disbursement of incentives as physical inputs such as seed, agro-chemicals, pesticides, etc. will ensure that the incentive reaches the target, the sugarcane crop, as there will be no diversion of the funds. Incentivesing farmers with a cane development of Rs.15/- per quintal of cane supplied, is the new way of encouraging sugarcane farming,” says Dr. Rao.

He also said that time has come when the industry has to seriously look into cane development activities to meet the milling capacities which has been created in Uttar Pradesh between 2005 and 2008.

Apart from this, SSL is encouraging in a big way, intercropping of sugar cane with wheat, mustard and potato with the sole aim of improving farmers’ income and sugarcane yield.

SSL is contributing in Indian Sugar Mills Associations’ cane development programme of varietals selection, and sugarcane crop improvement. This programme will go a long way in identifying best of the varieties for Northern India by coordinated research amongst Sugar Mills.

Simbhaoli Sugars Limited (SSL) (BSE SCRIP ID: SIMBHALS, NSE SYMBOL: SIMBHSUGAR), is a 75 year old Indian Company, operates 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. In addition; the capacities are capable to toll raw sugar to the extent of 60,000 MTPA. SSL also has three alcohol distilleries alongside its sugar facilities with a combined capacity of 210 kilo liters of alcohol/ ethanol per day (KL/D) is capable of producing and marketing a million cases of quality spirits in Ten Indian States. Simbhaoli and Chilwaria sugar complexes house bagasse based cogeneration facility of 64 mwh, out of which 33 mwh is surplus and sold to the state power grid. Simbhaoli has got accredited ISO

systems certifications namely, ISO 9001:2000 for adopting the international quality management system standard to improve customer orientation and overall quality system, ISO 14001:2004 for discharging the responsibility towards environmental issues as a responsible corporate citizen; and HACCP- Hazard Analysis and Critical Control Point, which signifies that the Company ensures highest product quality, so that all its customers get the best quality product made hygienically. The Company has also got certified as star trading house for its export operations.

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