

Simbhaoli Sugars- off season campaign

- Contracted 112,000 mt of raw so far
- 60,000 mt is received and 52,000 mt is under shipment
- Has a capacity to refine 125,000 mt by the end of off crop period
- Steam generated out of the process shall be used for power generation and surplus will be exported
- Total value of raw sugar converted will be Rs 2016 mn with a value

New Delhi, June 24, 2009: One of the India's largest sugar producers, Simbhaoli Sugars Limited (SSL) announced that it has contracted 112,000 mt of raw sugar of Brazilian origin for processing during the off season before November 2009.

Simbhaoli has been one of the first sugar manufacturing companies to identify the raw import possibilities to meet current sugar deficit and already imported and refined 20,000 mt by April 2009. In line with Government of India initiatives of providing sufficient sugar for domestic consumption, the Company has decided to carry out a sizeable raw refining programme involving about 250,000 mt of raw sugar processing in year 2009-10, which is almost of the size of its sugarcane crushing capacities. Majority of the processing will be in Simbhaoli plant of the Company.

Simbhaoli Sugars has two fully functional refineries having capacities of 1200 mt/ day, at Simbhaoli and Brijnathpur, both strategically located in the western Uttar Pradesh, in close proximity to national capital region. In last sugar deficit cycle, it imported duty-free raws from Brazil to refine and export whites, mostly to Asian countries.

Simbhaoli Sugars has executed contracts for raw aggregating to 112,000 tonnes, 60000 out of which has already been received and 20,000 is refined and sold as per government of India guidelines. In April, the Central Government allowed mills to import duty- free raw sugar till 1st August, under open general license, without any export obligation. Earlier, mills were allowed to source raw sugar from overseas markets at zero duty but they had to export the same consignment in three years time.

According to government data, sugar prices have stabilised in the domestic market since May and are presently ruling at around Rs 24.50 a kg (ex-mill).

Dr G S C Rao, Executive Director of Simbhaoli Sugars said, SSL is having best raw refining efficiencies conforming to international standards, and it may process up to 125,000 mt of raws by the end of current off season. Government of India has now permitted to sell imported raw in three months time. Given the size of the Company, SSL would be one of the largest refiners of raw sugar in northern India with least costs of conversion.

"In the next one year, we have a capacity for refining 250,000 mt at our refineries," He told. "Refining raw sugar and exporting refined sugar is a commercially viable business."

Dr Rao further added that 2008-09 was one of the shortest crushing seasons in the last 25 years. As a result, in spite of the availability of the expanded capacity, plants in the industry operated at 50 to 60%. The two refining plants of the Company also closed in March 09. Brijnathpur was the one exception amongst the sugar plants in the State as it crushed more cane this year than in last season.

He also told that "this year, sugar production will be about 14.7 mmt and stocks at the yearend will be one of the lowest. The next crop of 2009-10 may be better, but likely to be around 18 to 20 mmt. The import of raws and refining thereof is a better value proposition than import of white sugar directly, on account of saving in foreign exchange, domestic value addition and utilisation of profits earned by the sugar mills to pay more money to the farmers. Going ahead, raw refining is expected to be our major strength and growth drivers but performance will be influenced by sugar cane and sugar prices, which continue to be State administered.

Mr. Sanjay Tapriya, Director (Finance) of Simbhaoli Sugars Limited clarified that 1,12,000 MT of raw sugar imported by the Company will translate into an additional sugar segment turnover of about Rs.300 Crores. The import of raw sugar, in order to justify the operations, may give a margin of Rs 3 to 4 per kg on gross contribution basis.

He also informed that "The sugar is subject to sale as per recent guidelines of Government of India with regard to sale of sugar imported from outside India with zero percent duty".

Simbhaoli Sugars Limited (SSL) (BSE SCRIP ID: SIMBHALS, NSE SYMBOL: SIMBHSUGAR), is a 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 In addition; the Company is capable to refine raw sugar, both domestic or imported to the extent of 150,000 MTPA in its two states of the amount of sugar 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 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 corporation under PPA.

Being a regular exporter, Simbhaoli is a star trading and has got accredited ISO systems certifications namely, ISO 9001:2000, ISO 14001:2004; and HACCP, which signifies that the Company ensures highest product quality. For the

ongoing season, Company has drawn up ambitious plans to refine Brazilian Raw to meet sugar deficit in the Company.

For more information, please contact

Ms Harmeet Kaur

+91 9911987419

harmeet@simbhaolisugars.com

Simbhaoli Sugars Limited,

C-11, Connaught Place,

New Delhi- 110001