

## Chief Executive Officer's Message

Your Company has initiated a major business reorganization programme. The exercise involves hiving off our potable alcohol business (of the Simbhaoli distillery division) and our power generation business into subsidiary companies (details given below in the right hand column).

This initiative will position Simbhaoli Sugars as a future-ready group - lean, agile and growth driven. Most significantly, it will boost the profitability of our by-product businesses by insulating it from the cyclicity of the sugar business, unlocking latent market value and enhance the revenue generation capacities of the group. The reorganization exercise will be subject to approvals from the regulatory authorities and the Honourable Court, as the case may be.

The sugar industry is passing through a critical phase. Realizations continue to be under stress as the margins are low relative to cost of production. The adverse situation has been compounded by the absence of any significant government policy initiatives. Therefore, new strategies become critical not only for the growth of business but also for its sustainability.

The crushing season in Uttar Pradesh is likely to be short as most sugar mills have already been closed. As on March 31, 2011, Simbhaoli, Chilwaria and Brijnathpur crushed over 160 lakh quintals of sugarcane.

Unusually low recovery in the last two years is reflective of the poor cane varietal balance, mainly on account of poor varieties released by the state. The need of the hour is to popularize proven varieties such as CO238, CO239 and CO118. Your Company has taken the lead in promoting these varieties in its command areas. I am confident that Simbhaoli's initiative will find a positive response across the industry, with the active support of the Uttar Pradesh government.

The technical initiatives of Integrated Casetech, a Simbhaoli Sugars subsidiary are growing in scale and complexity.

I am positive that in the days ahead, Integrated Casetech will deliver world-class solutions in cane-sugar related areas on a global basis.

Dr. G.S.C. Rao

O  
V  
E  
R  
V  
I  
E  
W

## IMFL NEWS

### Exclusive partnerships with international companies

In order to cater to a new generation of consumers, enlarge its product basket, enter new markets and diversify its revenue stream, Simbhaoli Sugars is actively considering forging exclusive partnerships with reputed international companies. Under the proposed agreement, Simbhaoli will be the sole importer and marketer of world renowned single malt, vodka and beer brands. The plan is to have a bouquet of brands across price points. In the first phase, these international brands will be launched in Delhi, Haryana, Chandigarh, Punjab and West Bengal markets.

The discussions about these partnerships, which are currently underway, should be finalized by the next quarter.

## ED&F Man and Simbhaoli Sugars to establish 1000-TPD, Port-based Sugar Refinery



- ED & F Man, a reputed MNC, with a long and successful track record in international sugar business
- Refinery to be based at Kandla, Gujarat
- Stake of the Simbhaoli Sugars and joint venture partner in the ratio 57.50 : 42.50

Simbhaoli Sugars has inked a joint-venture agreement with ED&F Man, a 227-years-old business group, to establish a 1000-TPD green-field sugar refinery at Kandla, Gujarat. The project cost is estimated at Rs. 2280 mn, which will be financed with long term debt and promoter's equity.

After achieving financial closure, the project will be implemented in 18 months. With the addition of the refinery, the Company will be integrated into the global raw refinery markets.

## Potable Alcohol and Power Businesses Hived Off!

In a major restructuring exercise to strengthen its potable alcohol business by way of new brands, new markets and new product tie-ups; and boost earning capacities, the Company has decided to transfer the potable alcohol business of Simbhaoli Distillery Division to a separate entity. Presently, Simbhaoli Distillery has an alcohol manufacturing capacity of 90 KLD. This unit achieved a gross turnover of Rs. 3167 mn in FY 10. The potable alcohol business in India is currently growing at the rate of 10-12% per annum.



Similarly, the Company is also considering spinning off its bio-mass based power generation business into a separate company. This move will be a first for the sugar industry. The new entity will chalk out its growth plans soon. It will also create connectivity to the grid by laying down transmission lines at its Brijnathpur power unit, which has, at present, an 8-MWH capacity.

The total power generation capacity of the group which is 64 MWH at present, has the potential to double in three years.

The new companies will be subsidiaries of Simbhaoli Sugars.





## Sipp Sponsors All India Karate Championship



Trust Sipp was a part sponsor of the All India Karate Championship held on 11-12 March at the Talkatora stadium, New Delhi. A special vending machine was set up at the venue for the convenience of all those who were present in the stadium. Simbhaoli's health drink was heartily lapped up by sports persons, officials and spectators.

## Trust at Aahar International Food and Hospitality Fair 2011



In order to promote customer awareness about Trust Specialty sugars and our institutional business, we participated in the Aahar International Food and Hospitality Fair 2011 held at Pragati Maidan between 10th and 14th March. On display was the bouquet of Trust specialty sugars - sugar sachets, sugar cubes, breakfast sugar, icing sugar and Demerara sugar for the bakery segment. We also displayed products (in their original packing) we sell to institutional customers like Café Coffee Day, IRCTC, Jet Airways, Radisson and Air India.



In addition to the above, a vending machine was installed at the stall so that visitors could sample Trust Sipp, the instant fruit drink mix.

The customer response to our range of specialty sugars and instant fruit drink mix was positive.



## International Business Exports January-March, 2011

### Potable Spirits : Over 12,000 cases

Note: IMFL export sales have grown almost 5 times - from 6,477 cases in 2009-10 to over 36,000 cases in 2010-11.

**Sugar** : Over 20,000 MT of 45-ICUMSA grade sugar was exported to Lebanon, Kuwait, UAE, Oman, Saudi Arabia, Syria, Iran and Algeria.

## Quality Circle, Simbhaoli

The old paradigm was "knowledge is power". Today, it needs to be understood that "Sharing knowledge is power".

As a company that believes in sharing knowledge with other organizations and industries, Simbhaoli Sugars readily agreed to share quality circle insights with Elecon Conductors Limited, a well-known, Meerut based company.

Simbhaoli's Prerna Quality Circle (Boiling House) team conducted a one-day workshop for Elecon employees on 1st February.

Members of the team included: Mr. Roprajinder Singh, Co-ordinator; Deepak Babu, Dy. Facilitator; Rakesh Kumar, Leader; Kanti Prasad, Member; Deep Chand, Member; Daya Ram, Member.

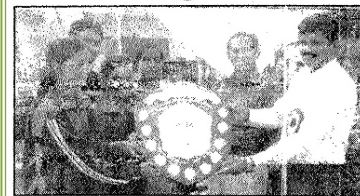
## SIMBHAOLI INDIA FOUNDATION

### Taekwondo State Competition, Chilwaria

The U.P. State Open Invitation Taekwondo Competition was held at Chilwaria plant. The 2-day event was inaugurated by Mr. Daddan Mishra, State Minister on 26th March. Mr. Govind Raju N.S., District Magistrate, Bahraich gave away the prizes on the concluding day of the event. The sports programme was organized by the District Sports Department and District Administration, Bahraich under the direction of the Uttar Pradesh Sports Directorate. The prizes, in the form of shields was sponsored by Simbhaoli India Foundation.



## प्रतिभागियों को किया गया पुरस्कृत



बहराइच। सिम्हावली शुगर लि० द्वारा अपने एम. सी. वर्गगत पर ग्रामीण क्षेत्रों में गरीबी रेखा के नीचे जीवन यापन करने वाले संस्थान से संबंधित क्षेत्रों में ग्रामीण के लिये सामाजिक कार्यों हेतु स्थापित सिम्हावली इण्डिया फाउण्डेशन नई दिल्ली द्वारा जनपद बहराइच में बिलाल खेल क्लब द्वारा आयोजित ओपेन राज्य आमंत्रण टाक्वण्डो प्रतियोगिता को प्रतिभागियों को

**Scholarships for needy students:** SIF continued its efforts to support needy, but meritorious students in its cane areas by awarding them scholarships. Scholarship schemes for identified children are in operation at Simbhaoli and Brijnathpur command areas.

At present, Rs. 24,000 worth of scholarships are disbursed every month. A scholarship scheme for Chilwaria is under consideration.

The SIF-sponsored Taekwondo State Competition was covered in the Tarunamitra, on 29th/30th March.

## INTEGRATED CASETECH NEWS

• Two senior Casetech consultants visited Sri Lanka to study the rehabilitation programme of three sugar factories on behalf of a client.

• Two Casetech consultants visited a private sugar mill in Punjab for effecting process stabilization and enhanced operational efficiency.

• A 15-member Casetech team was deputed for two months in Vijainagar Sugar plant, Karnataka for process stabilization and quality improvement.

• A 6-member Casetech team visited a cooperative sugar factory in Karnataka for an energy optimization programme and establishing a 33% steam-on-cane operation.

• A high powered delegation of Ethiopian Sugar Corporation led by its Director General, His Excellency, Abay Tsehaye spent two days with the Casetech team discussing various issues of mutual interest. At the end of the visit, Ethiopian Sugar and Casetech signed an MOU for green field projects, training, plant design, plant operations and plant maintenance, etc.

• Plant operation and maintainace contract has been renewed for one more year at HAFED Sugar Mill, Assandh, Haryana.

• Plant operation and maintainace contract has been extended for the fourth year at URC Group, Phillipines.

• Carried out survey of 4 sugar plants in Sri Lanka.



## Ethanol Report

### Simbhaoli production for the quarter ended March 2011

Forty percent of the total supply commitment has been met. The Company plans to fulfil its balance commitment in the off-crushing season.

## In a Lighter Vein! Know Your Customer

A disappointed salesman of Coca-Cola returned from his assignment to Saudi Arabia.

A friend asked, "Why weren't you successful with the Saudis?"

The salesman explained, "When I got posted, I was very confident that I would make a good sales pitch.

But I had a problem. I didn't know how to speak Arabic. So I planned to convey the message through three posters."



First poster: A man lying in the hot desert sand totally exhausted and fainted.

Second poster: The man is drinking Coca-Cola.

Third poster: Our man is now totally refreshed.

And then these posters were pasted all over the place.

"Terrific! That should have worked!" said the friend.

"The hell it should have!" said the salesman. "No one told me they read from right to left!"

Contributed by Kamal Samtani, Company Secretary



## Visitors to Simbhaoli Plant

### JANUARY

- **International Trading Company team:** Kiran Wadhwa, Sugar and Bio Fuel Analyst, Charlotte Kingsman
- **Chekka Sugar Refinery S.A.L team:** Youssef J. Harb, Delegated Member of the Board; George K. Trad, Production Manager; Challita K. Trad, Plant Engineer

### FEBRUARY

- **Diftech** - Sanjay Jain, Managing Director
- **Concave Consultancy Services** - Ranjit Singh Saluja, Director
- **Golden Oil Industries** - R. K. Mirchandani

### MARCH

- **Coca-Cola team:** Stuart Kyle, Director, Work Place Accountability; Shubha Sekhar, Workplace Accountability Manager; Ankush Singal, Associate Manager, Supply Chain
- **JIMS (Jagannath International Management School) MBA students**



Members of the Brazilian delegation who visited Simbhaoli sugar plant.

- **Ethiopian Sugar Corporation:** A high-powered delegation visited Simbhaoli sugar plant and the corporate office and held detailed discussions on research, capacity building and training and the possibility of technical co-operation between the two entities.



Members of the Ethiopian Sugar Corporation delegation:

- H.E. Ato Abay Tsehaye, Director General
- Ato Ambachew Damtie, Deputy Director General, Research and Training
- Ato Zewdu Nigate, Director, Factory Projects

## Simbhaoli team visits Compact India

A 12-member team from Simbhaoli's sugar manufacturing, specialty sugar and sugar godown departments visited the Compact India plant on 31st March. Compact India is our esteemed customer for Trust icing sugar.

The objectives of the visit were to update our employees on the latest hygiene and housekeeping practices; and give them a first-hand feel of issues of vital concern to customers.

The following employees made the trip: Mr. Saurabh Chadha, Manager-Marketing, Mr. Rooprajinder Singh, Manager-CHR, Mr. Amit Kumar Mani Tripathi, Assistant Manager-Production, Mr. Devendra Kumar Srivastava, Sr. Executive-Production and 8 workmen.



## Know your General Manager

### S.P. Tripathi, General Manger (Production)

A sugar technologist by profession, Mr. Tripathi has a post-graduation degree in physical chemistry and an associateship in sugar technology. He is a gold medalist of his batch.

He started his career with the State Sugar Corporation and has over 35 years experience in the sugar industry. He has published and presented ten technical papers, out of which, two were awarded Gold Medals and two Silver Medals. He received a letter of appreciation from the Government of India for his role in achieving higher technical efficiency. He won the second best performance state award for the state-owned factories category. He has been honoured with the prestigious Noel Deer Gold Medal. Mr. Tripathi is active in the state and national lecture circuits.

He is credited with two process conversion projects and one major expansion project at Kichha Sugar Company, Nainital.

Mr. Tripathi joined Simbhaoli Sugars in 2005 as head of the production department. He is well versed with all aspects of the sugar manufacturing process; process equipment designing; process formulations for improved efficiency and proper capacity utilization; capacity balancing; and energy conservation.

He is married to Mrs. Nirmala Tripathi. They have two daughters and one son.

## 26 January Celebrations, Chilwaria Complex



Republic Day celebrations are a time-honoured tradition at Simbhaoli Sugars. This year, too, Republic Day was celebrated with great enthusiasm at Simbhaoli, Chilwaria and Brijnathpur plants. Shown here, a picture of the flag-hoisting function organized at the Chilwaria plant. Employees and their families turned up in large numbers for the event.



India's largest integrated sugar refinery  
• Simbhaoli • Brijnathpur • Chilwaria

An ISO 9000:2008, 14001:2004 & 22000:2005 Certified Company

3rd Floor, E-13/29, Harsha Bhawan, Middle Circle, Connaught Place  
New Delhi 110001 India Tel: +91-11-43214100  
E-mail: info@simbhaolisugars.com Website: www.simbhaolisugars.com

Please mail your suggestions to [harmeet@simbhaolisugars.com](mailto:harmeet@simbhaolisugars.com)

Editorial Team : Harmeet Kaur, Gursimran Kaur, Gopalkrishna Iyer, K.K. Tyagi

Editorial & Design : [spawncommunications@gmail.com](mailto:spawncommunications@gmail.com)