

For immediate release

Simbhaoli Sugars hives off its Potable Alcohol and Power businesses

- **Simbhaoli Sugars expands into separate potable alcohol and power businesses**
- **Simbhaoli Distillery includes the entire potable alcohol business of SSL, Ethanol, ENA, and Rectified Spirit**
- **Power generation capacity enhancement envisaged from 64 mwh to 115 mwh in three years**

New Delhi, March 24, 2011: Simbhaoli Sugars Limited (SSL, or the Company), one of the country's largest sugar refiners announced hiving off of its Simbhaoli Distillery mainly comprising of its potable alcohol (IMFL) business and Power Businesses of the Company to new subsidiary companies.

Presently alcohol manufacturing is carried out in all the three units of the Company namely, Simbhaoli Distillery on (90 kld capacity), Brijnathpur Ethanol Division and Chilwaria Ethanol Division. The business of the Simbhaoli Distillery which includes Potable Alcohol Business is being carved out into a separate company. The Simbhaoli Distillery business achieved a gross turnover of Rs. 3167 mn in FY10. All the three facilities of SSL have power generation capacities aggregating 64 mwh and two of the units have a capacity to export 34 mwh of surplus power to the State Grid. The new companies shall be wholly owned subsidiaries of Simbhaoli Sugars Limited and chalk out their own growth plans.

On this occasion, **Dr G S C Rao, CEO and Executive Director, Simbhaoli Sugars**, told that "the Distillery division of Simbhaoli (SDD) comprises of potable alcohol, Country Liquor, Ethanol, Rectified Spirits, ENA, and. SDD is being hived- off and its business shall be transferred to a new company. The main objective behind this exercise shall be to achieve growth in potable alcohol business by exploring new business and marketing areas for creation of new brands, their promotion and capacity enhancement. The potable alcohol business has an aggressive growth plan with a back drop of 10 to 12% year on year basis natural growth in domestic drinking alcohol segment.

The Company has also decided to transfer its existing business of power generation in to a separate entity. The total power generation capacity of the group at present is 64 mwh and is expected to increase to 115 mwh in three years time. New entity will tie up its own financing and implement the project in time bound manner."

He also told that the Company is planning to create connectivity to the grid by laying down the transmission lines at its Brijnathpur power unit, with a present capacity of 8 mwh. Bio

mass/ bagasse shall be transferred to the new Company for conversion into steam and power.”

Speaking about the transactions, **Mr. Sanjay Tapriya, CFO and Director Finance of Simbhaoli Sugars** told that “this is a part of the overall business restructuring exercise being carried out by the Company to generally improve its financial position, earning capacities and the net worth. These measures shall bring insulation to the by-product businesses by reducing the impact of the cyclicity of the sugar business and the revenue generation capacity of the group shall increase manifold. The by-products businesses shall grow independently with their business development strategies and will open immense opportunities for product development and growth in their own pursuit and in collaboration with others.”

ABOUT SIMBHAOLI SUGARS LIMITED:

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. In addition; the capacities are capable to refine raw sugar upto 300,000 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) and 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 34 mwh is surplus and sold to the state power grid. 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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