

Breaking New Grounds with International Competence

- ❖ **SSL and E D & F Man Joint Venture**
- ❖ **SSL, engaged in cane sugar production and refining in the state of Uttar Pradesh**
- ❖ **E D & F Man, having long expertise in international sugar businesses**
- ❖ **Port based green field sugar refinery in Gujarat**
- ❖ **Estimated Project cost of Rs 2.35 bn**
- ❖ **The equity stake of SSL and E D & F Man, 50:50**

New Delhi, April 18, 2012: Simbhaoli Sugars Limited (SSL, or the Company), one of the country's largest sugar refiners, in a joint venture arrangement with E D & F Man Holdings (E D & F Man), representing a 229 years old business group comprising of an internationally renowned sugar trading house; announce the ground breaking and commencement of the project construction activities at site, to set up a green field 1,000 metric tonnes per day sugar refinery, at Kandla, West Coast, Gujarat, India. The project is being implemented through their joint venture company, Uniworld Sugars Private Limited (USL).

This new raw processing facility is being set up in proximity to the Kandla port (approximately 21 km) for eliminating the transportation charges while import of raw and export of white sugar. This is going to be one of the least cost sugar refineries in the region.

The estimated cost of the project, Rs 2,350 million, is being financed by way of long term loans and promoters' equity. The debt finance for the project has been secured from banks. SSL and E D & F Man along with their affiliates are contributing into the share capital of USL in equal ratio, and first instalment of capitalisation of Rs 689.5 million has already taken place. USL, the JV Company is governed by the Board of Directors comprising of representatives from SSL and E D & F Man, drawing their best expertise with Mr. Gurmit Singh Mann as the first Chairman. By combining the SSL refining and raw procurement/marketing and international trading expertise of E D & F Man, the business will benefit from the sugar production and trading processes.

SSL shall provide the expert services of management and day to day operations, based upon its refining experience. E D & F Man will provide the advisory services on all aspects of the international market for raw and white sugar and issues related to the hedging of USL's market risks in connection therewith.

On this occasion, **Mr. Gurmit Singh Mann, Chairman and Managing Director, Simbhaoli Sugars** said that “the joint venture shall bring in the expertise of both operational management and international marketing. The refinery is intended to be commissioned within 15 months, i.e. along-side the expected change in current sugar cycle, to reap the maximum benefits from the changing sugar cycles. The joint venture brings together two of the leading entities in sugar industry and some of the most experienced professionals in the industry. With the addition of this port based refinery, the Company will be able to integrate into global raw refining markets.”

Speaking of the event, **Mr. Philip de Pass, Operations Director of E D & F Man Sugar**, said: “The facility can be an ideal raw processing and export destination because of proximity to deficit markets around India, keeping in view the consistent increase of the rate of growth of sugar consumption in India and neighbouring countries. The refinery model can be modified as per the sugar demand and supply situation in the market. In times of domestic deficits, it can import raw and sell it in local markets; whereas in times of surpluses, it can import raw and either market locally or export it back to the international markets after refining and creating value addition.”

The civil and structural designing work for the factory including equipment foundation has already been started. The refinery will be built with technical support from Integrated Casetech Consultants Private Ltd., a technology and operation-maintenance Company engaged in the technical consultancy in sugar, alcohol and related energy areas.

At full capacity, the refinery will be producing 300,000 metric tonnes of high quality white sugar (45 icumsa or other qualities) having a current market value of approximately Rs 8,700 million annually. The refinery will not only be producing imported raw sugar but can also process domestic raws to take care of the surplus inventory within the country.

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 tonnes per annum (MTPA) of sugar from sugarcane. It is one of the leading sugar companies producing all types of specialty/ branded sugars by the name of "Trust" 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 litres 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 eleven bottling tie ups and supplies to the Defence forces. Simbhaoli and Chilwaria sugar complexes house bagasse based cogeneration facility of 64 MW,

out of which 34 MW is surplus and sold to the state power corporation under PPA which is being further enhanced to 115 MW.

Being a regular exporter, Simbhaoli Sugars has got certification of a star trading house. The sugar refineries of the Company have quality control certifications including FSSC 22000:2011, ISO 9001:2008 and ISO 14001:2004, which signify the highest product quality.

ABOUT E D & F MAN SUGAR LIMITED:

E D & F Man, established in 1783, has a long and proud history of successful participation in the agricultural products markets. Today, as an employee-owned company with approximately 3,400 employees in around 60 countries, E D & F Man is a global agribusiness group with leadership positions in the merchandising of sugar, molasses and coffee. This global infrastructure provides an in depth knowledge of the markets and enables it to deliver a consistently high quality of service in terms of logistics, risk management services and brokerage of certain agricultural products and commodities to customers and partners. The management remains committed to a highly accountable collegiate structure that puts much emphasis on corporate governance and responsibilities. It is a multicultural and diverse company that encourages initiative and entrepreneurial talent. .

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