

Simbhaoli Sugars Enters into a Clean Power Generation Joint Venture with Sindicatum Sustainable Resources

- **Joint Venture Company to acquire power generation business of Simbhaoli Sugars**
- **Joint Venture with Sindicatum Sustainable Resources Group, a leading developer and operator of clean energy projects globally**
- **Expansion in biomass based power generation capacity to 115 mw**
- **Estimated cost of expansion project, Rs 3.3 bn**

New Delhi, December 6, 2011: Simbhaoli Sugars Limited (SSL), one of the country's largest sugar refiners, announced that it has entered into a joint venture with Sindicatum Sustainable Resources Group ("Sindicatum") a global developer, investor and operator of clean energy projects.

SSL will transfer the existing power assets of the cogeneration plants located within its Simbhaoli, Chilwaria and Brijnathpur complexes to **Simbhaoli Power Limited** (SPL), the joint venture company, in consideration of cash, shares, and other securities. The existing power assets are to be transferred at a value of Rs 1.96 bn. Sindicatum through its subsidiary, Sindicatum Captive Energy Singapore Pte Limited, will acquire 49% of the share capital in SPL. Following the acquisition, SSL and Sindicatum will, via SPL, jointly carry out the power generation business, the sale to the Utility Companies and the upgrading of the power assets.

SSL established SPL to transfer its power undertakings on a going concern basis. The power plants shall operate in a complete synergy with the sugar operations and power generation based on bagasse and other biomass. The arrangement will be subject to approval of SSL banks as a part of its ongoing business restructuring exercise.

The expansion project involves the enhancement of the power generation capacity from the existing 60MW to 115MW. Following the expansion, which is expected to be completed 18 months from financial closure, the power plants will have the capacity to generate 80MW of surplus power, exportable to third parties. The total cost of the expansion is expected to be Rs 3.3 billion which is being provided by the banking institutions via debt funding. The occurrence of the transaction is subject to achieving the complete financial closing.

The expansion project will specifically include:

- (i) expansion of the power generation capacities of the existing power plants at Simbhaoli, Chilwaria and Brijnathpur; and
- (ii) connection the Brijnathpur power plant to the state electricity Grid of Uttar Pradesh.

SPL, the joint venture Company, will be managed by the Board of Directors comprising of representatives from both SLL and Sindicatum.

On this occasion, **Mr. Gurmit Singh Mann, Chairman and Managing Director, Simbhaoli Sugars** stated

***“The joint venture will enhance the total power generation capacity of our plants from 60 MW to 115 MW and provide a surplus of 80 MW. The expertise of both JV partners in the power business will contribute towards meeting the renewable energy requirements in the country and the State. The proposed arrangements will also reduce SSL’s dependence on revenues from sugar and will assist us in mitigating the cyclicity of the sugar industry.*”**

Commenting on the transaction, **Mr. Guralp Singh, Deputy Managing Director, Simbhaoli Sugars** said that

“The joint venture will enhance our earnings power and improve the operational efficiencies of our sugar plants by allowing us to focus on the reduction in steam and power consumption.”

Speaking about their Indian bagasse to power business, **Mr. Assad Razzouk, CEO of Sindicatum** said

“We want to build the leading biomass platform in the Indian sugar sector because of the large and predominantly untapped renewable power generation potential it offers. We believe that, by using our financial and human capital we can build a portfolio in excess of 500 MW of bagasse to power projects in India within the next 3-5 years. We are honoured to have partnered with SSL, one of India’s most distinguished companies, the leading producers of high quality refined sugar and operating one of the country’s largest integrated sugar complexes”

SSL has received approval from the shareholders under the provisions of section 293 (1) (a) of the Companies Act, to hive off the power businesses to SPL.

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 tons 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 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 Nine Indian States with 11 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 ISO 9001:2008, ISO 14001:2004 and ISO 22000:2005 and HACCP, which signifies that the Company ensures highest product quality.

ABOUT SINDICATUM SUSTAINABLE RESOURCES GROUP

Sindicatum is a sustainable resources company headquartered in Singapore. It finances and operates clean energy projects worldwide and produces sustainable resources from the utilisation of natural products waste. With a team of over 350 engineers, technicians, climate change specialists and other professionals and administration personnel, Sindicatum brings together strengths in project development, finance and technology. Sindicatum partners with leading providers in order to deliver the optimum solution for each project.

Sindicatum's projects fall into four keys sectors: agricultural solutions, municipal waste to energy, coal mine methane and low carbon energy. These include the development and operation of 33 fully financed projects worldwide.

Sindicatum's investors include three leading US university endowments, five prominent US charitable foundations and global financial institutions representing the commodity, banking, insurance and alternative investment sectors.

For more information on Sindicatum visit www.sindicatum.com

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