

PRESS CLIPPING

NAME OF PUBLICATION	DATE	PAGE NO
THE TIMES OF INDIA	29-08-2012	19

THE TIMES OF INDIA, CHENNAI
WEDNESDAY, AUGUST 29, 2012

TIMES BUSINESS

Sanmar to raise \$300m for Egypt facility expansion

Aparna Ramalingam | TNN

Chennai: TCI Sanmar Chemicals SAE, the Egyptian chemical venture of the Rs 5,500-crore Sanmar Group, plans to raise \$300 million to expand its PVC production in the region, even as it has signed up with the corporate debt restructuring (CDR) cell to restructure the group's debt.

Sanmar's Egyptian acquisition ran into rough weather due to the Arab Spring and forced the group to negotiate debt repayment with its bankers. In the process, production at Egypt was disrupted, the company's



BROADER PLAY

long-term project finance loan of \$565 million had to be restructured and is on an extended moratorium of another two years. Principal repayment will commence from next year and the entire loan is expected to be repaid by

2021, senior Sanmar officials said.

With a Rs 350-crore funding lifeline from PE giant KKR, Sanmar plans to realign its debt portfolio, across group companies. KKR pumped in Rs 350 crore to various promoter holding companies (Sanmar Holdings and Sanmar Consolidations) of the Sanmar Group. "This would be used to realign shorter term debt in longer term debt at the group level," Vijay Sankar, vice chairman of the group, said.

The current production is at 75,000 kilo tonnes in Egypt and the company

hopes to reach a level of 150,000 kilo tonnes by the end of the year. "We would not require any funding up to the 200,000 kilo tonnes level. As we look to expand our production, we would require funds and have commenced talks," Sankar said.

The company is looking to raise equity from players who have exposure in the petrochemicals space. And with the business climate improving in the region, Sanmar is optimistic of getting funds from investors. "There is a stable government in place now that is committed to attract new investments," he said.