



**For immediate release**

## **Simbhaoli Sugars bought back more than 94% FCCBs**

### **Editor Synopsis**

- Bought back at an average discount of 53.7%
- Realised a profit of Rs 743 mn on this account
- Over 94% of the total liability redeemed
- FCCBs worth USD 1.9 mn remaining (Issue size of USD 33 mn)
- Crossed Rs 10 bn sales mark in FY09

New Delhi, December 17<sup>th</sup>, 2009: Simbhaoli Sugars Limited (SSL), having one of the country's largest sugar refining capacities, announced buy back of USD 1.5 mn foreign currency convertible bonds achieving aggregate buy- back of USD 31.11 mn bonds out of total USD 33.0 mn FCCBs issued in March 2006 and having maturity of five years (March 2011). These bonds were optionally convertible into equity at Rs 153 per share or redeemable with 37% premium on the principal amount on maturity.

The Company has extinguished the FCCBs from its balance sheet by buying back over 94% of the total FCC Bond liability, having face value of USD 31.11 mn at an average discount of 53.7% by utilizing external commercial borrowings (ECB). Following the buyback and resulted cancellation of these bonds the FCCB liability will stand reduced to Rs 113.1 mn, comprising Rs 88.8 mn (USD 1.9 mn) on principal account and balance on account of premium. The buy- back has improved the net worth of the Company by Rs 1.23 bn and reduced the long term debts by this amount.

These bonds were issued in March 2006 to part finance the company's growth plan of Rs 4.80 bn, involving enhancing and setting up of fresh sugar, alcohol and power capacities at its sugar plants. All these capacities are complete and operational.

Commenting on this, Mr. Sanjay Tapriya, Director (Finance) and CFO of Simbhaoli Sugars told that "The Company has drawn systematic plans to de- leverage the financials and we are working towards reducing the long term debt to at least 50% of existing levels by early repayments. The current buy back and cancellation of bonds has improved the financial position of the Company substantially and has contributed in achieving a favorable debt- equity ratio. The growth plan envisaged and implemented during last 4 years made the balance sheet highly geared, and therefore management started corrective efforts in this regard. To achieve reduction in financial costs is one of the major thrust areas and we have conserved cash during the last two quarters for this purpose."

Earlier this quarter, the Company unveiled the financial results for the year ended September 30, 2009. SSL reported a net profit of Rs 717 mn for the year ended September 30<sup>th</sup>, 2009 compared to net loss of Rs. 291 mn in the corresponding period last year. Net sales rose by 62.2% at Rs. 70.63 bn compared to Rs. 43.54 bn during the same period last year.

The EBIDTA margin for the year ending Sept 30<sup>th</sup>, 2009 stood at 23.8% and Earnings per share (EPS) stood at Rs 33.1 for the fiscal period FY 2008-09 (October – September). Even after discounting FCCB gains, the EBIDTA margin is at 13.6%. The performance for the last quarter (Sept 09) was buoyant with a net profit during the quarter stood at Rs 236 mn as against net loss of Rs 74 mn in the same period last year.

**The Company is continuing crushing operations in all its sugar plants since November 2009. Uptill now apart from cane sugar, the sugar mills of SSL have refined nearly 1.25 lacs mt of raw sugar as a part of its season and off season refining.**

**ABOUT SIMBHAOLI SUGARS LIMITED:**

Simbhaoli Sugars Limited (SSL) (BSE SCRIP ID: SIMBHALS, NSE SYMBOL: SIMBHSUGAR), started in 1933, is one of the initial sugar plants in western Uttar Pradesh with a moderate capacity of 400 TCD. It is amongst the top 10 integrated sugar companies of India. SSL has an aggregate sugar cane crushing capacity of 20,100 TCD with refining capacities of 1850 TPD in season and 1450 TPD in off-season. In addition, it has a capacity to export surplus power of 34 Mwh to the Utility companies. Apart from sugar and cogenerated power, SSL has a capacity to produce rectified spirit up to 210 Kl/day in aggregate inclusive of ethanol/extra-neutral alcohol (180 Kl/day) and potable liquor of two mn cases per annum. The Company has an arrangement with bottling plants all over the country and presently its IMFL products are being marketed in over 8 states and being exported too. SSL is pioneer in manufacturing specialty sugars comprising pharmaceutical grade, superfine grade, breakfast, candy, icing, and natural golden brown sugars. The retail packs in sugar are available under the 'Trust' brand. It also manufactures and sells Bio manure and has a total capacity to produce up to 60 tons/day at these locations.

**For more information, please contact**

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