

## Executive Director's Message

Simbhaoli Sugars, as also other sugar companies, continue to be adversely affected by structural infirmities dogging the industry: Stagnating farm productivity, rising input costs and declining cane cultivation on account of changing farmer preferences.

The above industry dynamic coupled with high interest and depreciation charges due to completion of new projects and higher cane development expenses to support expanded capacities have led to less than satisfactory Q4 and full year results.

2008-09 crushing season started in mid or late November 2008 and like other sugar plants, we are struggling for full cane supply and operating at 0.6 to 0.8% lower recoveries, which is leading to lower volumes and higher production cost of sugar and alcohol.

The silver linings, however, are improving sugar prices and our power units, which are generating robust revenues. I sincerely hope that 2009 will see a turnaround in the sugar industry's and your company's fortunes.

Here's wishing you and your family a very Happy and Prosperous New Year.

Dr. G.S.C. Rao

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## Xing vodka test launched!

Simbhaoli Sugars has entered the premium segment of the vodka market with Xing brand. Positioned for young professionals in the 25-35 years age group, Xing has been test launched in Uttar Pradesh. To begin with, Xing will be marketed in Noida, Agra, Moradabad, Meerut, Saharanpur and Lucknow.



BRAND NEW

## IMFL sales continue to surge!

- Highest ever sales (one lac cases plus) clocked in November 2008
- In Kerala, collections in the current quarter have crossed Rs. 1 cr
- In West Bengal, more than 6000 cases sold
- Business plan is to achieve sales of one million plus cases by the end of this fiscal

## New ethanol plant at Brijnathpur operational for trial run!

On November 7, the doors opened on our new 60 KLD, molasses based ethanol plant at Brijnathpur. Set up at a cost of Rs. 40 cr, Brijnathpur will hike our ethanol/alcohol production capacity to 210 KLD. According to Dr. Rao, "Simbhaoli has become one of the largest producers of ethanol in the country. We envisage higher revenues from our ethanol/alcohol businesses as Simbhaoli is poised to benefit from Government of India's ethanol blended petrol programme and because of its proximity to key markets like Delhi, UP and Haryana."



New! Sunehra in sachets!



## CO-GENERATION NEWS

### 2nd phase of Chilwaria cogen plant to be commissioned



Co-generation switchyard at Chilwaria plant

With the commissioning of the second phase of the co-generation plant, Chilwaria's exportable power capacity will jump to 11 Mwh. The third phase, involving the installation of a 80 TPH, 87 Kg/Cm<sup>2</sup> boiler is in full swing; trials should start in March 2009; and operations should commence by October 2009.

### New generation co-generation technology enhances efficiency of Simbhaoli sugar plant

The 14.2 MW capacity Simbhaoli co-generation plant has added a new VFD AC motor driven mill drive for improving the energy efficiency of the sugar plant. This will result in an additional 2 MW surplus power for export to UPPCL.



Biomass-based co-generation plant at Simbhaoli

## Autumn Planting Seminar

As part of its programme to empower farmers and expose them to the latest developments in the field, Simbhaoli Sugars held an Autumn planting seminar at Chilwaria. Besides Dr. R.R. Singh, Ex. Director, U.P. Council of Sugarcane Research, Dr. S.N. Singh, Sr. Scientist, IISR, Dr. D.C. Singh, Asst. Director, Ganna Kisan Sansthan, Balrampur and Mr. Shaminder Singh, a prominent cane grower, over 500 farmers participated in the event. A special exhibition was held, displaying modern agri implements and machineries.



Highlights of the meet on page 3

### IMFL National Marketing & Sales Strategy Meet

The IMFL division held its first national marketing and sales strategy meet at Brijnathpur on December 9-10. Dr. G.S.C. Rao, Mr. Sinha, Mr. Indip Bhatia, Mr. Rajeev Bhatia and other senior executives finalized targets, strategies and execution plans for promoting IMFL products.

## Q4 ended September 30, 2008

### FINANCIAL RESULTS

- Net turnover increased by Rs. 264 mn, up by 29%
- EBIDTA turned positive, from Rs. (47) mn to Rs. 32 mn – up by 167%
- Extraordinary loss on foreign exchange fluctuation of Rs. 143 mn against Rs. 29 mn in previous quarter
- Loss before tax higher at Rs. 249 mn as compared to Rs. 237 mn in the previous period
- Cash loss reduced to Rs. 30 mn as compared to Rs. 158 mn in the previous quarter

## FY ended September 30, 2008

- Net turnover increased by Rs. 582 mn, up by 15%
- EBIDTA up by 240% - from Rs. (321) mn to Rs. 451 mn
- Extraordinary loss on foreign exchange fluctuation of Rs. 211 mn against gain of Rs. 24 mn in the earlier period
- Loss before tax lower at Rs. 440 mn as compared to Rs. 784 mn in the previous period
- Cash loss curtailed to Rs. 32 mn as against Rs. 663 mn in the previous fiscal

Detailed results are available on the Company's website – [www.simbhaolisugars.com](http://www.simbhaolisugars.com)

## Proactive Selling Workshop

A two day training programme on "Proactive Selling – A step towards excellence" was organized on 3rd and 4th October, 2008 at Simbhaoli distillery division for the distillery marketing team. Dr. Sunil K Longani, a well-known organizational development consultant was the faculty. 17 employees (13 executives and 4 non executives) attended the programme.



## New Institutional Customers (Sugar)

Cocoberry Coffee Chain; Alturka, Saket City Mall; The Leela, Gurgaon; The Grand, Vasant Kunj; India Habitat Centre; Cuppa Coffee, Bangalore; Park Inn, Lucknow; Piccadelli, Lucknow and KFC, Delhi.



## SUGAR NEWS

In this quarter, the company undertook several marketing initiatives in Delhi, aggressively targeting the institutional and retail segments. The programmes included heightened street activity – making direct contact with customers in upmarket locales such as Khan Market, Jor Bagh, Lodhi Colony, Vasant Kunj and Defence Colony. The consumers were offered attractive schemes and free sampling.



### Meri Dilli Utsav

### Lion's Club Mela



Meri Dilli Utsav, Diwali Mela, Delhi



Lion's Club Diwali Mela, Hapur

Simbhaoli Sugars exhibited its range of Trust speciality sugars at the Meri Dilli Utsav, Diwali Mela held at Punjabi Bagh Stadium, Ring Road from October 17-19; and at the Lion's Club Diwali Mela, Hapur.

Special schemes and free sampling drives were organised for the benefit of consumers who turned up in large numbers. Trust sugar, in particular Sunehra, received an overwhelming response.

### Integrated Casetech - the consultant to the sugar industry

The technical division of Simbhaoli Sugars has established a consultancy company – Integrated Casetech Consultants (P) Ltd. Embodying solid technical skills and years of hands-on experience at working out innovative solutions, Integrated Casetech is providing complete techno-commercial solutions such as design and engineering of sugar refineries and bagasse based co-generation plants, conversion of double sulphitation plants into refineries, technical and equipment selection and inputs on best agricultural practices. Initial orders have been received from SSL and other mills. For more details, visit [www.intcasetech.com](http://www.intcasetech.com) or write to [dilipjain@simbhaolisugars.com](mailto:dilipjain@simbhaolisugars.com)

## 69th STAI Conference

Senior Simbhaoli Sugar executives attended the 69th Sugar Technologists Association of India (STAI) conference held at Aurangabad and presented technical papers on critical issues affecting the industry.



### Special scheme for staff members

Simbhaoli employees can now pick up Trust sugar at attractive prices. Plus, they stand a chance to win wonderful gifts in a lucky draw that's held every month. For order forms and other details, please contact the reception in your plant/office.

#### Winners of the December lucky draw

First prize – Sugar Gift Hamper – Kirtiwant Patak; Second prize – Trust Sunehra 5kg pack – Harbhajan Singh; Third prize – Set of 4 coffee mugs – Deepak Goyal



### Key highlights of National Marketing & Sales Strategy Meet

- Plan to enter three new states during the next financial year, taking the total number of states to ten.
- Target a volume of one million cases by the year end. And, achieve an ambitious target of two million cases during 2009-10.
- State heads presented their volume plans along with the required product mix for the next fiscal.
- Highlights of 2009-10 will be Kerala and West Bengal. Uttar Pradesh is also poised to register higher growth rate.
- Participants included Dr. Rao, Mr. S.K. Sinha, Mr. R.K. Singh, Mr. Indip Bhatia, sales managers, senior sales personnel, C&F promoters from West Bengal, Kerala and Bihar and department heads of Simbhaoli and Brijnathpur distilleries.

## IMFL range



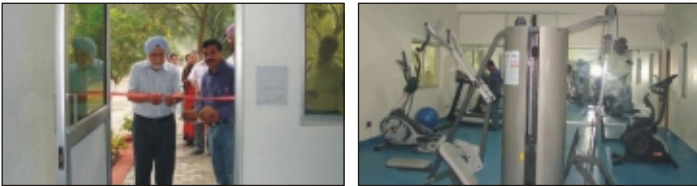


## Simbhaoli Sugars to host international conference

Simbhaoli Sugars has been selected to host an international conference which will be held in April 2009. The Executive Director of SIT (Sugar Industry Technologists), Mr. Leon Anhaizer along with his wife (shown in the picture given below) visited the Simbhaoli Sugar Division on 26th October to finalize the arrangements for the above said conference.



## New gym setup at Simbhaoli



Mr. Gurmit Singh Mann inaugurated a state of the art gymnasium on 26th October at Simbhaoli Sugar plant for the use of resident Simbhaoli officials and their families.

## Commencement of New Sugar Season

Simbhaoli Sugars ushered in the new cane crushing season at the Simbhaoli plant on October 22 with traditional prayers and puja. Special ardas was offered at a function which was attended by Mr. Gurmit Singh Mann, Mr. Gural Singh, Dr. G.S.C Rao and Mr. Sanjay Tapiya, senior executives, workers and farmers. Cane crushing started at Chilwaria and Brijnathpur on October 22 and November 6 respectively. Like earlier years, Simbhaoli Sugars was the first company to commence cane crushing in Uttar Pradesh a reflection of its preparedness and close relationship with farmers in the region.



Simbhaoli



Chilwaria

## Know your unit head

Mr. Ajai Kumar Verma, 55, joined the Chilwaria Sugar Division as Vice-President on 26th April, 2008. He is a mechanical engineer from Bangalore University. He has degrees in sugar engineering and boiler operations engineering as well.



Mr. Verma has over 28 years work experience in companies such as Bajaj Hindustan, Birlas, Oswal, Triveni Engineering, KCP Sugars and Seksaria Sugar. He has erected five sugar factories, two TPH boilers and completed the expansion projects of three sugar plants. He's married to Ms. Shashi Verma, and they have one daughter, Niharika, who has completed B.E in information technology.

## Congratulations Ruchit!

Admiral S. Mehta, Navy Chief honoured Ruchit Gaur, son of Mr. J. P. Sharma, Manager, Administration, Corporate Office with the Rajya Raksha Mantra trophy for 'The most promising cadet of the course' (2nd NDA batch of 2008) at a function held at the Naval Academy, Goa on November 22, 2008.

## Miscellaneous News

- ISO awareness programme: An ISO training workshop was organized for the cane departments at Simbhaoli and Brijnathpur
- New administration building inaugurated at Chilwaria

### FOOD FOR THOUGHT

“ Attempt easy tasks as if they were difficult, and difficult as if they were easy; in the one case that, confidence may not fall asleep, in the other that, it may not be dismayed. ”

Baltasar Gracian



India's largest integrated sugar refinery

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