

Simbhaoli Sugars Limited

Investor Update

On the financial results for the quarter ended Dec 09
(Q1 FY10)

Registered Office

Simbhaoli, District Ghaziabad, Uttar Pradesh-245207

Phone: +91-5731-223117-9 Fax: +91-5731-223039

www.simbhaolisugars.com

Corporate Office

C- 11, Connaught Place, New Delhi- 110001

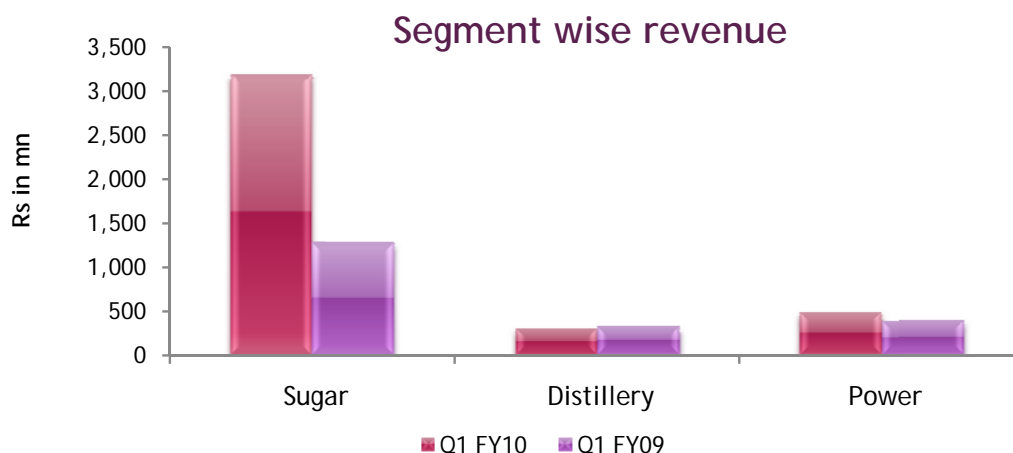
Phone: +91-11-43214100 Fax: +91-11-23413088

Email: info@simbhaolisugars.com

www.simbhaolisugars.com

Key Financial Highlights

- Gross turnover Rs 3764 mn, up by 93%
- Net income at Rs 3357 mn up by 170%
- PBT Rs 515 mn, cash profit Rs 612 mn
- Refining of 63,000 mt of raw sugar in the quarter
- Average realisation of free sale sugar Rs 32,800 per mt
- Sugar sales: 83,800 mt (both levy and free)
- Implementing systematic plans to reduce leverage by deploying
 - Major cash generation
 - Any further long term fund raising
- Reduced FCCB liability by 94%. Total repurchase USD 31.11 mn at 53.7% discount
- Inventory of sugar: 94,400 mt
- EPS for the quarter : Rs 18.89
- ROCE: 23.1% (annualized)
- P/E: 4



Setting up a 1000 TPD port based sugar refinery expandable to 1200 TPD

Technology advantage

- Technology available in house
- Least conversion costs
- Conversion losses below 4%
- Most competitive production

Marketing advantage

- Already producing and selling 45 icumsa sugar in Northern India
- Locational advantages: proximity to domestic deficit areas
- International market -Re export

Important Corporate

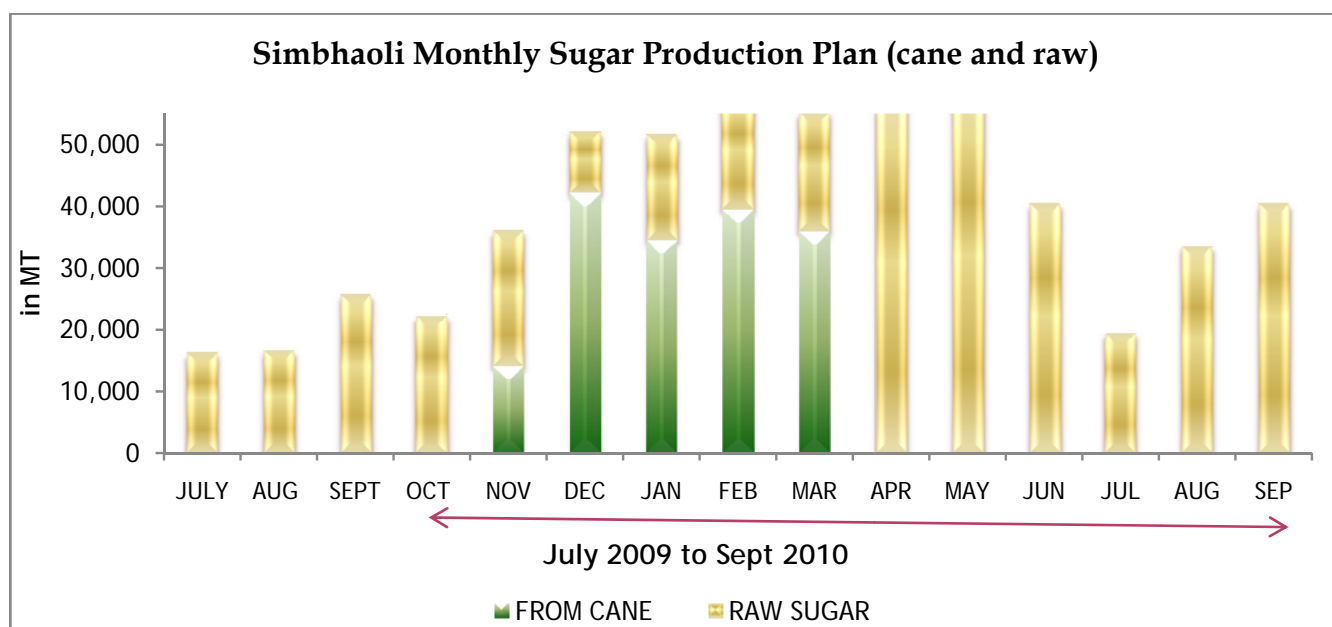
Announcement

- Location: Kandla, West Coast, Gujarat, India
- Estimated investment Rs 180 Cr
- Financed by way of combination of equity and debt
- To be implemented in a SPV (subsidiary of SSL)
- Slated for mid 2011 commissioning
- 1000 tons of refined sugar (below 45 icumsa in L/M/S form) per day expandable to 1200 tpd
- 300,000 mt white sugar p.a.
- 90 to 95% capacity utilisation



Simbhaoli Raw Refining Program

- Season and off season raw refining capabilities with the lowest conversion losses
- Imported/ contracted 2.4 lakh mt raw for this crop period (already refined 0.06 mmt) at an average price of US\$ 525 pmt
- Plan to refine 3.6 to 4 lakh mt raw in 2009-10 season in addition to sugar production from sugarcane crushing



SSL White Sugar Balancing (mt)

Year	Op stock	Production		Import	Dom sales	Export	CI Stock
		Cane	Raw				
2008-09	85,305	159,983	79,000	113,222	239,961	12,287	72,040
2009-10 (E)	72,040	160,000	360,000	360,000	480,000	-	112,040

Comparatives Quarter Dec 09 vs Dec 08

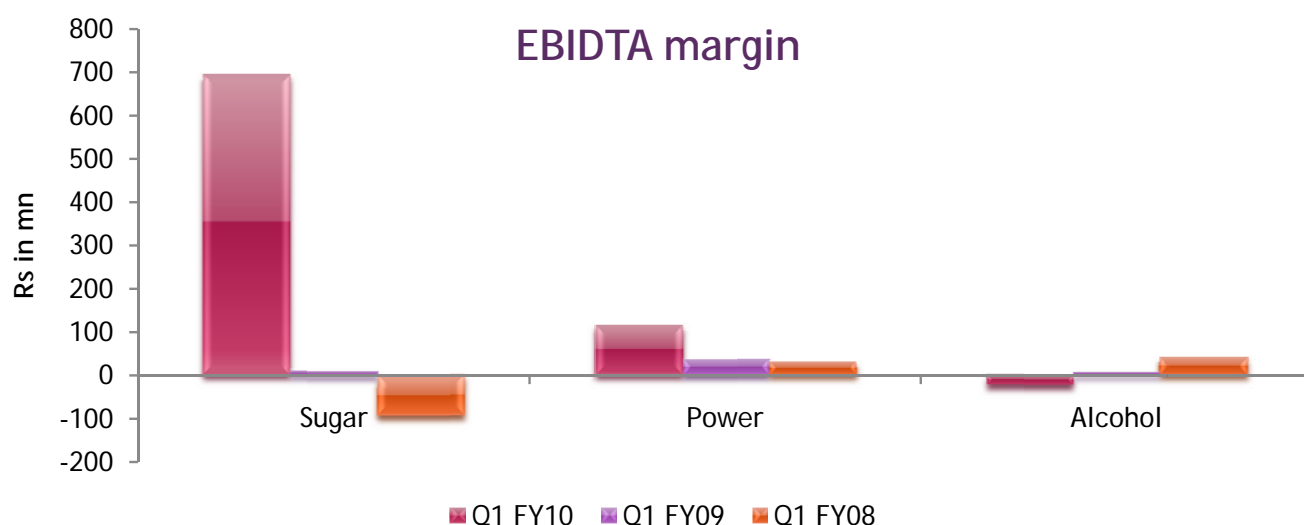
A jump of 169% in turnover and PAT at Rs 515 mn turns positive

- Produced 108,692 MT sugar in the quarter, 87% higher
- Free sale realization of sugar higher by Rs 15,180 PMT and 34,100 MT more sugar sold
- Interest cost higher by 21% on account of increase in business size, raw sugar processing and consequently regular utilisation of cash credits limits
- Depreciation higher by 10% on account of capitalisation of Brijnathpur Ethanol plant and other capital expenditure
- Alcohol operations resulted negative margin as the raw material (molasses) was in short supply. Lower realisations under IMFL segment.
- The power sale is lower by 2 mn kwh with higher selling price at Rs 3.91 per kwh. UPPCL has revised upward the price of power by approx Re 1 per unit
- USD 1.5 mn FCCB buyback added over Rs 3 Cr to the net worth

Operational highlights

- Mills paid higher cane price than SAP to the sugarcane farmers in the current season (in the range of Rs 205 to 245 per qtl) in its command areas. The ratoon crop supply is 70% of the capacity. Sugar recovery is higher by 20 points than previous season
- Plant cane, starting Feb 2010 onwards is expected to be healthier with higher yields
- All the facilities operated at optimum capacities as the raw refining operations were also carried out at all the refineries.
- Changing brand mix for an optimum combination of potable liquor in all segments. Market is giving encouraging response to new IMFL brands
- Two of IMFL brands, Seven Knights Whisky and Rum, are being supplied to the Canteen Store Department (CSD) of the armed forces
- Operating 19 bottling tie-ups and with a presence in 11 states. Exporting ENA to several countries
- Achieved off season power cogeneration with saved bagasse as well as usage of coal alongside refining of raw, ensuring optimum utilization of the equipment and lowering the fixed costs

Segment wise results



Segment	Total income	% of the total revenue		EBIDTA margin	EBIDTA margin
	Rs in mn	Q1 FY10	Q1 FY09	Rs in mn	%
Sugar	3289.6	80%	64%	694.2	21.1
Power	491.1	8%	16%	114.9	23.4
Alcohol	304.1	12%	19%	(24.1)	(7.9)

Reduction in the share of power and alcohol is on account of improvement in the top line of sugar business. Size of alcohol and power businesses did not increase in same proportion. Negative EBIDTA under alcohol segment is attributed to lower capacity usage, higher molasses cost and steeper discounts in potable liquor segment

Results at a glance

(Rs in mn)

Particulars	Quarter ended		
	Dec, 09	Dec, 08	% Change
Gross Sales/ Income	3764.0	1947.4	-
Net Sales / Income	3083.0	1239.9	149
Other Operating Income	181.9	5.9	-
Exchange Gain on raw sugar	91.9	-	-
Other Income	20.8	1.6	
Total Income	3377.6	1247.4	170
Manufacturing Expenses	2180.8	818.7	130
Staff Cost	97.1	81.4	19
Other Expenditure	330.8	233.5	42
Interest	157.2	129.6	21
Depreciation	97.0	88.5	10
Total Expenditure	2862.9	1351.7	121
Profit / (Loss) Before Tax	514.7	(104.3)	-
Tax Expense : Deferred	76.9	14.3	-
Profit After tax	437.8	(118.6)	-
Cash Profit / (Loss)	611.7	(15.9)	-
Earnings Per Share (Rs)	18.89	(5.6)	-
Avg. Realisation- Sugar (Rs. PMT)	32800	17620	86

Industry Update

Indian Sugar balancing

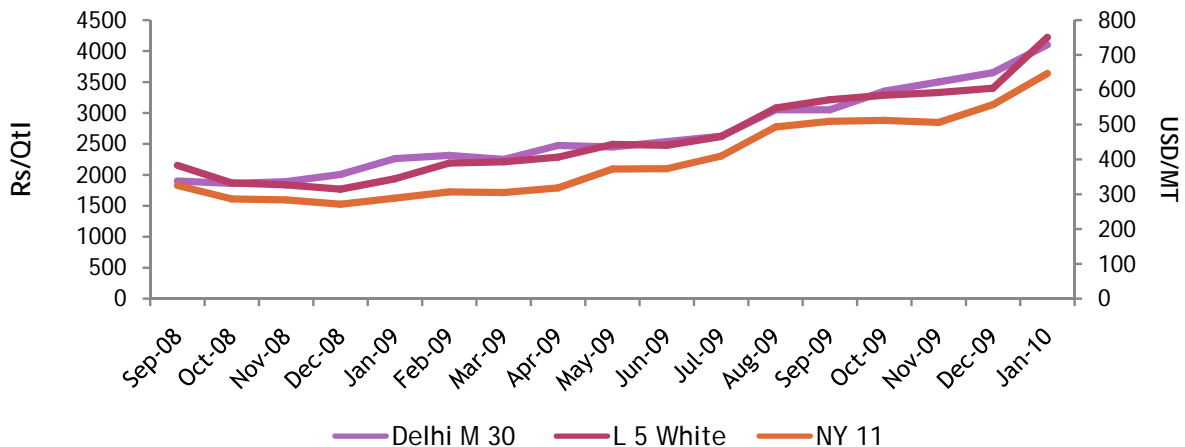
SSL research estimates

(in mmt)

Particulars	2009-10	2010-11	2011-12	2012-13
Opening Balance	2.30	1.32	2.66	5.34
Production				
-Sugar Cane	14.50	20.00	25.00	27.00
Imports				
-Raw Sugar	5.75	4.00	3.00	-
-White Sugar	2.00	1.00	-	-
Total Imports*	7.52	4.84	2.88	-
Total Availability	24.32	26.16	30.54	32.88
Demand				
-Domestic	23.00	23.50	24.00	24.50
-Export	-	-	1.20	2.00
Closing Stock	1.32	2.66	5.34	6.38
Day's requirement	21 days	34 days	67 days	78 days
*Including 96% of Raw sugar after reprocessing				

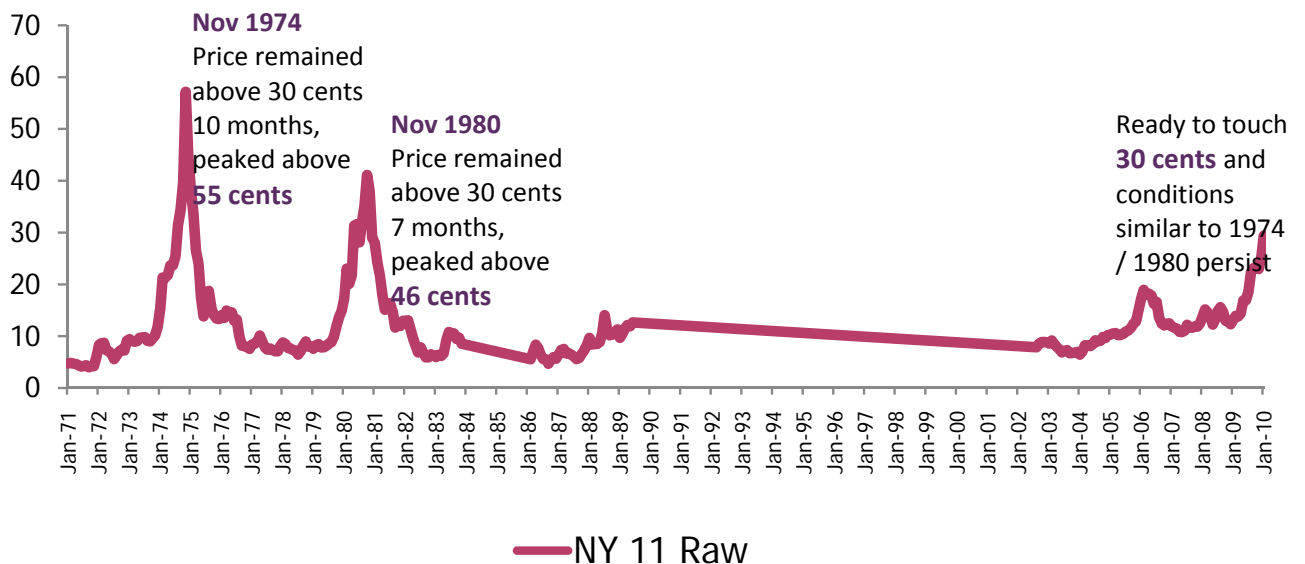
- In the years 2009 to 2012, anticipated import of 15-16 mmt of raw/white sugar as India is facing a structural deficit of sugar and shall be a net importer regularly for at least 3 to 4 years going further
- Indian demand 19 kg/pa per capita still lower than world average
- There has been a substantial reduction in pipeline stocks in past few months of shortages
- With increase in GDP/ PDI, per capita sugar consumption tends to rise at a higher rate
- This sugar cycle may be historically the biggest and with the stocks levels going down to 4/5 weeks consumption at the year end, the prices might be exponentially high

Correlation between London White, Delhi M 30 and NY 11



- World raw sugar prices have reached 29 years high
- Domestic prices, in view of large imports, getting in sync with global prices. Presently at the levels of over US\$ 750 (FOB) for white
- Measures taken by the Govt to curb the prices will be very short lived because of rising world prices and sustained demand

Historical price movement of International Raw Sugar (cents/ pound)



Only two times in past 40 years prices touched 30 cents/pound and each time they gone up way above that level for a period of 7/8 month. However, in real terms, price increase in the past has been much higher giving adjustment of inflation over the period

Company Profile

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 for institutional/ domestic usages. In addition; the Company is capable to refine raw sugar, both domestic or 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. Simbhaoli and Chilwaria sugar complexes house bagasse based cogeneration facility of 64 mwh, out of which 34 mwh is surplus and sold to the state power corporation under PPA.

Being a regular exporter, Simbhaoli is a star trading and has got accredited ISO systems certifications namely, ISO 9001:2000, ISO 14001:2004; and HACCP, which signifies that the Company ensures highest product quality. For the ongoing season, Company has a business plan to refine 360,000 MT raw sugar to meet sugar deficit in the Country.

For further information, please contact:

Ms Harmeet Kaur
Corporate Communication Manager
Simbhaoli Sugars Ltd
Tel: +91 99119 87419
Email: harmmeet@simbhaolisugars.com

Mr Sanjay Tapriya
CFO and Director Finance
Simbhaoli Sugars Limited
+91 11 43214121
stapriya@simbhaolisugars.com