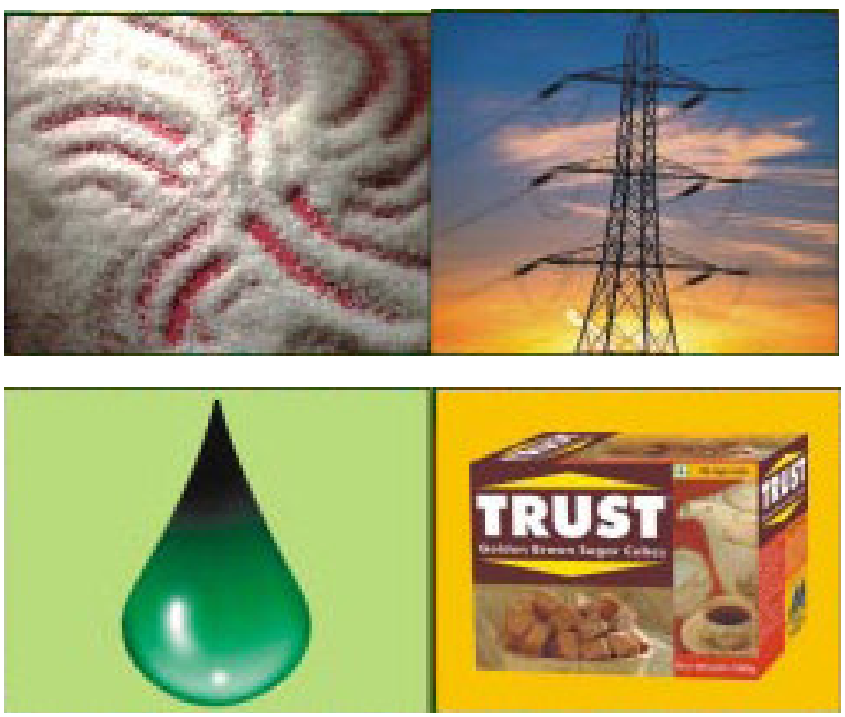
SIMBHAOLI SUGARS LIMITED
Investor Update
July-Sept, 2006



QUARTER ENDED SEPTEMBER 2006

The ongoing expansion will significantly increase capacities across businesses and firmly place Simbhaoli Sugars in a growth orbit.

Sugarcane crushing capacity will increase to 20,100 TCD; alcohol/ethanol capacity will rise to 210 KLD; and surplus co-generation power capacity to 39 MW/Hr.

These capacity expansions will positively impact the company's topline and bottom line in the years to come.

Key Highlights

Financial Highlights: Q2 FY07

- Net Sales of the company at Rs 108.25 crore in Q2 FY07, an increase of 55.26% from Rs 69.72 crore in Q2 FY06 on account of
  - ✓ 71.48% increase in the revenue from sugar business at Rs 93.92 crore in the second quarter of current fiscal as compared Rs 54.77 crore in the corresponding quarter last year
  - ✓ 6.29% increase in revenue from the distillery segment to Rs 66.07 crore in Q2 FY07 from Rs 62.16 crore in Q2 FY06
- Operating profit at Rs 11.04 crore
- Profit before tax at Rs 2.59 crore
- Net Profit at Rs 2.02 crore

Other Highlights

- Simbhaoli Sugars successfully implemented its capex plan of over Rs 403 crore for enhancing sugar, ethanol and cogeneration capacities
- All the expansions would be complete by March 2007
- The Company commissioned its ethanol plant at Chilwaria Distt., Bahraich, Uttar Pradesh in October, 2006 with a capacity of 60,000 litres per day
- The Company has started supplying IMFL in two new states
- Significant client addition in Q2 FY07, particularly in the pharmaceutical grade sugar sector on account of extra-refined sugar
- The Company received an order of approx 3,000 tonnes of sugar from Cadbury's, an order of approximately 500 tonnes of pharmaceutical sugar from a number of companies and an order for supplying sugar sachets from Taj Hotels

Why did the profits decline…?

- Despite the fact that the industry margins have come down, the average realization has increased by Rs. 74 per quintal in Simbhaoli Sugar Division and by Rs. 61 per quintal in Chilwaria Sugar Division.

- Lower quantity of sugar was sold in the September quarter as compared to the first quarter of current fiscal, difference being 150700 quintals. However, the quantity of sugar sold in Q2 of current fiscal was more than that sold in Q2 of FY06 by 147590 quintals.

- The lower sugar recovery on in the previous season contributed to the higher cost of production.

- The expansion of the distillery, high molasses prices and higher interest costs in the September quarter resulted in lower margins in the distillery segment.

- Product development and launches in the distillery and specialty sugar segments increased the marketing expenditure of the Company.

- There was a write back of Rs 12.03 crore on account of settlement of debt with UTI, resulting in extra-ordinary income in Q2 FY06. To that extent, the net profits are not comparable

- Being the off-season, there were lower revenues from the power segment.

- Ethanol was supplied at a price of Rs 18.75 per liter which was determined as per prior tenders. Molasses prices being higher, the ethanol segment could not fetch margins.

Financials - Quarterly

Summary of unaudited financial results for the quarter ended Sept. 30, 2006

(Figures in Rs. Crore)

S. No.	Particulars	Quarter ended Sept. 30, 2006	Quarter ended Sept. 30, 2005	Year ended March 31, 2006 (Audited)
1.	Sales/Income from operations	155.62	110.32	591.29
2.	Less: Excise Duty	47.37	40.60	159.12
3.	Net Sales/Income from operations	108.25	69.72	432.17
4.	Other Income	1.66	1.50	6.42
5.	Total Income	109.91	71.22	438.59
6.	Total Expenditure	98.87	47.47	358.97
(a)	(Increase) / Decrease in stock in trade	72.27	28.00	(29.07)
(b)	Consumption of raw materials	8.20	13.98	306.15
(c)	Purchase of finished goods	-	0.12	0.72
(d)	Staff cost	4.88	4.31	20.20
(e)	Other expenditure	13.52	13.09	72.16
(f)	Exceptional item (interest liability written back)	-	(12.03)	(11.19)
7.	Interest	4.96	4.48	21.59
8.	Depreciation	3.49	3.09	12.57
9.	Profit before tax	2.59	16.18	45.46
10.	Provision for tax and FBT	0.57	4.47	15.86
11.	Profit after tax	2.02	11.71	29.60
12.	Earnings per Share (Rs.)	0.97	10.51	18.19

Segmental Performance

(Figures in Rs. Crore)

S. No.	Particulars	Quarter ended Sept. 30, 2006	Quarter ended Sept. 30, 2005	Year ended March 31, 2006 (Audited)
1.	**Segment Revenue**			
	Sugar	93.92	54.77	371.82
	Distillery	66.07	62.16	243.49
	Others	-	-	1.44
	Total	**159.99**	**116.93**	**616.75**
	Less: Inter Segment Revenue	3.76	5.16	20.02
	Less: Excise Duty on Sales	47.37	40.60	159.12
	Net Segment Revenue	108.86	71.17	437.61
	Add: Unallocated income	1.05	0.05	0.98
	Total Revenue	**109.91**	**71.22**	**438.59**
2	**Segment Results**			
	Profit/ (loss) (before unallocated expenditure, Interest and Tax)			
	Sugar	5.99	6.73	43.21
	Distillery	2.09	2.38	15.01
	Others	(0.01)	(0.01)	(0.32)
	Total	**8.07**	**9.10**	**57.90**
	Add: Other un-allocated income (net of expenses)	(0.52)	11.56	9.15
	Total	**7.55**	**20.66**	**67.05**
	Less: Interest	4.96	4.48	21.59
	Total Profit before Tax	**2.59**	**16.18**	**45.46**
3	**Segment Capital Employed**			
	Sugar	421.38	234.81	363.55
	Distillery	80.97	41.11	64.48
	Other assets	19.14	0.52	1.09
	Unallocated assets (net)	11.89	0.77	112.59
	Total Segment Capital Employed	**533.38**	**277.21**	**541.71**

Industry Talk

- The Government banned export, which deprived us to reap the benefits out of the high international prices.
- Additional sugar releases by Government to curb the prevailing sugar prices in the domestic markets resulted in a downward trend in the sugar prices.
- Ethanol tenders floated in October and the negotiation for fixing the prices are on. This process has delayed the decision of price fixation due to which ethanol is still being sold at the prior prices.
- The international prices have come down.

Future Outlook

- All the projects of the company under the capacity expansion plan would be completed by the end of this fiscal
- The Company's Chilwaria plant - where both the ethanol plant and the sugar division have come up, would start commercial production in this quarter
- The Greenfield Brijnathpur sugar division - which would produce sugar of very high quality of less than 30 ICUMSA, would also start commercial production in the current quarter.
- The Company plans to launch 2 to 3 new states every year to its IMFL bandwagon and expects considerable revenues from the same
- The Company has added a number of customers in the pharmaceutical grade sector because of the extra refined quality of sugar
- The Company plans to significantly increase the number of institutional buyers in future

Our Vision…

Diversification of revenue

Quality based production

Development of brands

Competitive cost of production

Innovations and technical upgradation

"The key elements of our growth strategy are to de-risk our business model by achieving multiple revenue streams, consolidate core strengths through green field and brown field expansions, leverage brands and harness human capital"

About Simbhaoli Sugars Ltd

Simbhaoli Sugars Limited (SSL) (BSE SCRIP ID: SIMBHALS, NSE SYMBOL: SIMBHSUGAR), formerly known as The Simbhaoli Sugar Mills Limited (SSML), is one of India's leading producers of high quality sugar and operates one of the largest integrated sugar complexes in India. It produces and sells international standard refined, pharmaceutical-grade and specialty sugars to the retail and bulk institutional consumer segments. Its sugar brand, Trust, commands a significant share of the north Indian market. SSL is a major supplier to a multinational and domestic customer base that includes Railways, Airlines, Coca-Cola, Heinz, PepsiCo, GlaxoSmithKline, Haldiram's, Oberoi Hotels, Taj Group of Hotels, Cadbury's etc. Presently, SSL operates two technologically advanced sugar-manufacturing facilities in Simbhaoli and Chilwaria, both located in Uttar Pradesh. The Company's facilities have a total installed sugarcane crushing capacity of 13,300 TCD and are capable of manufacturing up to 200,000 MTPA of sugar. With the ongoing growth plan in place, the sugar crushing capacity will go upto 20,100 TCD from November 2006 onwards. The Company also utilizes a significant proportion of the by-products from the sugar production process to co-generate power and manufacture ethanol, alcohol and bio-manure for sale to third parties. Simbhaoli Sugars Ltd (SSL) has recently announced commissioning of its new Ethanol plant at Chilwaria (District Bahraich, UP) with an installed capacity of 60 KL/D. For more information, visit http://www.simbhaolisugars.com.

Forward Looking Statement

Certain statements in this document with words or phrases such as "will", "should", etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward-looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company

For any Investor Relations queries please contact:

Mr. Sanjay Tapriya
Simbhaoli Sugars Limited
+91 11 41510424

Mr. Rajiv Goel
+91 9810048675
rajiv.goel@adfactorspr.com