

SIMBHAOLI SUGARS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / EIGHTEEN MONTHS ENDED
MARCH 31, 2012

(Rs. in Million)

Particulars	Quarter ended				Eighteen months ended	Year ended
	March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2012	September 30, 2010
	I	II	III	IV	V	VI
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Gross Sales	2,176.8	2,262.1	3,496.4	3,849.2	16,500.0	14,920.6
Excise duty	97.7	376.1	594.0	592.3	3,157.2	2,304.0
Net Sales/ income from operations	2,079.1	1,886.0	2,902.4	3,256.9	13,342.8	12,616.6
Other operating Income	20.4	28.8	39.4	24.7	159.3	349.6
Total income from operations	2,099.5	1,914.8	2,941.8	3,281.6	13,502.1	12,966.2
Expenditure						
Decrease/(Increase) in stock in trade and work in progress	(2,104.8)	(947.8)	(1,467.3)	(2,273.2)	(1,951.5)	(949.7)
Consumption of raw materials	3,522.3	2,334.7	2,902.6	5,054.0	11,204.8	12,134.1
Consumption of stores,oils & chemicals	151.1	141.6	222.1	177.4	916.6	533.6
Purchase of traded goods	1.5	3.2	474.5	0.1	487.3	5.8
Power and fuel	34.0	36.7	25.0	80.9	317.4	427.2
Employee cost	131.8	113.8	128.5	109.0	666.3	405.9
Depreciation (net of revaluation reserve)	104.0	104.3	100.3	98.6	622.0	400.9
Exchange fluctuation loss/(gain)	26.7	7.2	10.3	(129.2)	101.3	(221.0)
Other expenditure	312.5	207.3	296.7	205.7	1,173.3	706.4
Total expenditure	2,179.1	2,001.0	2,692.7	3,323.3	13,537.5	13,443.2
Profit/(loss) from operations before other income, interest, exceptional item and tax	(79.6)	(86.2)	249.1	(41.7)	(35.4)	(477.0)
Other income	289.8	13.0	30.9	8.8	372.0	63.9
Profit/(loss) before interest, exceptional item and tax	210.2	(73.2)	280.0	(32.9)	336.6	(413.1)
Interest	295.6	256.3	259.2	218.8	1,595.7	847.2
Profit/(Loss) before exceptional item	(85.4)	(329.5)	20.8	(251.7)	(1,259.1)	(1,260.3)
Exceptional item						
Differential cane price for sugar season 2007-08	-	251.1	-	-	251.1	-
Profit/(loss) before tax	(85.4)	(580.6)	20.8	(251.7)	(1,510.2)	(1,260.3)
Tax expense/ (benefit)	6.9	(188.4)	6.9	(80.0)	(428.5)	(513.3)
Current tax	37.8	-	-	-	37.8	-
Deferred tax (benefit)/ charge	(30.9)	(188.4)	6.9	(80.0)	(466.3)	(513.3)
Net Profit/(loss) after tax	(92.3)	(392.2)	13.9	(171.7)	(1,081.7)	(747.0)
Paid up equity share capital (face value Rs.10/- each)	277.0	277.0	263.6	233.3	277.0	233.3
Reserves (excluding revaluation reserve)	-	-	-	-	-	760.0
Earning Per Share (Rs.)						
Basic EPS before exceptional item	(3.34)	(8.39)	0.55	(7.40)	(35.30)	(32.21)
Basic EPS after exceptional item	(3.34)	(14.78)	0.55	(7.40)	(41.86)	(32.21)
Diluted EPS before exceptional item	(3.34)	(8.39)	0.55	(7.40)	(35.30)	(32.21)
Diluted EPS after exceptional item	(3.34)	(14.78)	0.55	(7.40)	(41.86)	(32.21)
PARTICULARS OF SHAREHOLDING						
1) Public shareholding						
- Number of shares	16,035,429	16,035,429	16,068,597	13,014,363	16,035,429	13,187,587
- Percentage of shareholding	58.16	58.16	61.26	56.11	58.16	56.85
2) Promoters and promoter group shareholding						
a) Pledged/ Encumbered						
- Number of shares	2,250,000	2,250,000	2,600,000	2,765,770	2,250,000	2,265,770
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	19.50	19.50	25.59	27.16	19.50	22.64
- Percentage of shares (as a % of the total share capital of the company)	8.16	8.16	9.92	11.92	8.16	9.77
b) Non - encumbered						
- Number of shares	9,285,881	9,285,881	7,560,213	7,415,767	9,285,881	7,742,543
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	80.50	80.50	74.41	72.84	80.50	77.36
- Percentage of shares (as a % of the total share capital of the company)	33.68	33.68	28.82	31.97	33.68	33.38

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED, UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**

(Rs. in Million)

Particulars	Quarter ended				Eighteen months ended	Year ended
	March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2010	March 31, 2012	September 30, 2010
	I	II	III	IV	V	VI
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(A). Segment Revenue						
(a) Sugar	2,222.2	1,851.3	2,883.5	3,545.3	12,553.0	12,841.1
(b) Distillery	426.1	353.8	575.6	550.7	2,801.3	1,836.7
(c) Power	850.0	550.7	656.8	919.0	2,521.1	1,848.5
Total	3,498.3	2,755.8	4,115.9	5,015.0	17,875.4	16,526.3
Less: Inter Segment Revenue	1,398.8	841.0	1,174.1	1,733.4	4,373.3	3,560.1
Total	2,099.5	1,914.8	2,941.8	3,281.6	13,502.1	12,966.2
(B). Segment Results						
Profit/(loss) before interest, unallocated expenditure, exceptional item and tax						
(a) Sugar	(313.2)	(185.0)	136.5	(166.6)	(403.0)	(508.5)
(b) Distillery	99.5	(2.8)	59.5	(35.6)	179.6	(102.2)
(c) Power	208.9	135.0	89.5	184.3	421.7	254.9
Total	(4.8)	(52.8)	285.5	(17.9)	198.3	(355.8)
Less: (i) Interest	295.6	256.3	259.2	218.8	1,595.7	847.2
(ii) Other un-allocated expenses (net of income)	(215.0)	20.4	5.5	15.0	(138.3)	57.3
(iii) Exceptional item - Differential cane price for sugar season 2007-08	-	251.1	-	-	251.1	-
Total Profit/(loss) before tax	(85.4)	(580.6)	20.8	(251.7)	(1,510.2)	(1,260.3)
(C).Capital Employed						
(a) Sugar	1,739.5	2,291.1	4,535.0	5,231.5	1,739.5	2,881.8
(b) Distillery	1,872.9	1,731.4	1,792.1	1,838.7	1,872.9	1,634.3
(c) Power	2,024.3	1,962.0	2,006.4	2,131.6	2,024.3	1,986.9
(d) Unallocated assets/(liabilities) (net)	1,564.3	1,363.1	1,085.9	512.6	1,564.3	1,036.9
Total Capital Employed	7,201.0	7,347.6	9,419.4	9,714.4	7,201.0	7,539.9

Notes:

1. The above results as reviewed by the audit committee were taken on record by the Board of Directors at its meeting held on May 15, 2012 at New Delhi.
2. Sugar, one of the major businesses of the Company, is a part of seasonal industry. The results may vary from quarter to quarter.
3. A vessel carrying 22,500 MT of raw sugar purchased by the Company sank in July 2009 for which an insurance claim for Rs. 478.0 million has been filed with the insurance Company. Following the repudiation of insurance claim by Cargo insurers, in an arbitrary manner, the Company has initiated legal proceedings against this decision. Simultaneously, in the London arbitration proceedings against the vessel owner/shipping company, an undertaking has been obtained from the P&I club of vessel owner for the compensation to the extent of USD 14.5 million, in case proceedings are decided in favour of the Company. Based on expert advice, management is confident that the insurance claim would be settled in the favour of the Company and no loss would arise in this regard. (Refer para 4 (e) (i) of auditors report for the year ended September 30, 2010).
4. (a) During the last two years Indian sugar industry had faced difficulties on account of higher sugar cane prices particularly in Uttar Pradesh. During the current season also, the country had a large surplus of sugar resulting in lower sugar realisation and under recovery of cost of production and higher finance cost leading to operating/cash losses and consequent erosion of its net worth. The Company has initiated a number of measures, including business and financial restructuring comprising of transfer of potable alcohol and power undertakings to separate SPVs, disinvestments of the shares in such SPVs, fresh capital infusion and Company's foray into sugar refining business in joint venture with a global major etc. to de-risk its businesses and improving its financial position which supports preparing these financial results on going concern basis. The state/central government has also initiated various steps to strengthen the sugar industry like opening sugar exports under OGL and working towards decontrol the sugar sector which will bring long term business viability.

(b) Relying upon the future projections prepared based upon the restructuring plans under implementation and changing sugar sector scenario, taken on records by the Board of Directors, deferred tax assets (net) amounting to Rs. 1,171.6 mn (Rs.30.9 mn provided during the quarter) has been recognised as there is a virtual certainty that sufficient future taxable income will be available against which these assets would be realized. (Refer para 4 (f) of auditors report for the year ended September 30, 2010).
5. In accordance with accounting policy consistently followed by the Company, off season expenditure up to December 31, 2011 aggregating Rs. 227.8 mn (previous period Rs. Nil), incurred to prepare the plant for production during the later part of the year and has been deferred for inclusion in the cost of sugar to be produced in the remainder of the year. Accordingly, all such off season expenditure has been charged off to the cost of sugar production during the quarter ended March 31, 2012.
6. The Scheme of Arrangement, under Sections 391-394 of the Companies Act, 1956, as approved by the Board of Directors, has been filed with Hon'ble High Court of Judicature at Allahabad, Uttar Pradesh for transfer and vesting of the Alcohol Undertaking at Simbhaoli Distillery Division into Simbhaoli Spirits Limited (wholly owned subsidiary company incorporated on April 4, 2011) by way of Slump Sale method. The appointed date has been fixed as October 1, 2010. Pending sanction of the scheme by the Hon'ble High Court, no financial effect has been considered in these results.
7. Pursuant to the joint venture agreement between the company and ED&F Man Sugar Ltd, UK (EDFM), the Company has been allotted 17.2 mn equity shares of Rs 10 each aggregating to Rs 344.0 mn by Uniworld Sugars Private Limited (USPL) against the Company's contribution made in cash and in kind and non compete fee of Rs 200.0 mn, The project, having a cost of Rs 2350 Mn involves setting up a 1000 TPD raw sugar refining facility near Kandla port, Gujarat.

8. Pursuant to the approval of Registrar of Companies, Kanpur, the current accounting period of the Company comprises a period of eighteen months from October 1, 2010 to March 31, 2012. Since the revised schedule VI format prescribed under Companies Act, 1956 is applicable with effect from accounting periods beginning on or after April 1, 2011, the same is not applicable to the Company presently. As such, the format prescribed under circular no. CIR/CFD/DIL/4/2012 dated April 16, 2012 issued by SEBI, has not been considered in the preparation of these results.
9. During the quarter, two investor complaints were received and resolved. No complaint was pending at the beginning and at the end of the quarter.
10. The previous period's figures have been regrouped/rearranged wherever necessary.

Limited Review

The Limited Review, as required under Clause 41 of Listing Agreement has been completed by the Statutory Auditors. The Limited Review Report for the quarter and eighteen months ended March 31, 2012 does not have any impact on the above results and notes in aggregate except notes no. 4(b) and 5 above.

For **SIMBHAOLI SUGARS LIMITED**

(G S C Rao)
CEO & Whole Time Director

Place: New Delhi

Date: May 15, 2012

Website: www.simbhaolisugars.com