

SIMBHAOLI SUGARS LIMITED

Regd. Office : Simbhaoli- 245207 Dist. Ghaziabad (U.P.)

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / FIFTEEN MONTHS ENDED

DECEMBER 31, 2011

(Rs. in Million)

Particulars	Quarter ended				Fifteen months ended	Year ended
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2009	December 31, 2011	September 30, 2010
	I	II	III	IV	V	VI
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Gross Sales	2,262.1	2,534.2	3,559.6	3,764.0	14,323.2	14,920.6
Excise duty	376.1	752.6	666.3	681.0	3,059.5	2,304.0
Net Sales	1,886.0	1,781.6	2,893.3	3,083.0	11,263.7	12,616.6
Other operating Income	28.8	44.6	19.2	181.9	138.9	349.6
Total income	1,914.8	1,826.2	2,912.5	3,264.9	11,402.6	12,966.2
Expenditure						
Decrease/(Increase) in stock in trade	(947.8)	983.2	531.6	(978.4)	153.3	(949.7)
Consumption of raw materials	2,334.7	280.3	1,783.6	3,029.4	7,682.5	12,134.1
Consumption of stores, oils & chemicals	141.6	151.3	156.0	128.9	765.5	533.6
Purchase of traded goods	3.2	4.7	-	0.9	485.8	5.8
Power and fuel	36.7	64.4	85.1	87.4	283.4	427.2
Employee cost	113.8	92.7	103.2	97.1	534.5	405.9
Depreciation (net of revaluation reserve)	104.3	104.9	104.4	97.0	518.0	400.9
Exchange fluctuation loss/(gain)	7.2	(10.7)	54.7	(91.9)	74.6	(221.0)
Other expenditure	207.3	140.3	122.3	243.4	860.8	706.4
Total expenditure	2,001.0	1,811.1	2,940.9	2,613.8	11,358.4	13,443.2
Profit/(loss) from operations before other income, interest, exceptional item and tax	(86.2)	15.1	(28.4)	651.1	44.2	(477.0)
Other income	13.0	19.9	5.8	20.8	82.2	63.9
Profit/(loss) before interest, exceptional item and tax	(73.2)	35.0	(22.6)	671.9	126.4	(413.1)
Interest	256.3	271.7	231.6	157.2	1,300.1	847.2
Profit/(Loss) before exceptional item	(329.5)	(236.7)	(254.2)	514.7	(1,173.7)	(1,260.3)
Exceptional item	251.1	-	-	-	251.1	-
Profit/(loss) before tax	(580.6)	(236.7)	(254.2)	514.7	(1,424.8)	(1,260.3)
Tax expense/(benefit)	(188.4)	(76.7)	(84.4)	76.9	(435.4)	(513.3)
Net Profit/(loss) after tax	(392.2)	(160.0)	(169.8)	437.8	(989.4)	(747.0)
Paid up equity share capital (face value Rs.10/- each)	277.0	263.6	233.6	233.3	277.0	233.3
Reserves (excluding revaluation reserve)	-	-	-	-	-	760.0
Earning Per Share (Rs.)						
Basic EPS before exceptional item	(8.39)	(6.10)	(7.31)	18.89	(32.15)	(32.21)
Basic EPS after exceptional item	(14.78)	(6.10)	(7.31)	18.89	(38.80)	(32.21)
Diluted EPS before exceptional item	(8.39)	(6.10)	(7.31)	18.83	(32.15)	(32.21)
Diluted EPS after exceptional item	(14.78)	(6.10)	(7.31)	18.83	(38.80)	(32.21)
Public shareholding						
- Number of shares	16,035,429	16,050,290	13,105,906	13,014,363	16,035,429	13,187,587
- Percentage of shareholding	58.16	61.19	56.42	56.11	58.16	56.85
Promoters and promoter group shareholding						
a) Pledged/ Encumbered						
- Number of shares	2,250,000	2,250,000	2,600,000	2,760,950	2,250,000	2,265,770
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	19.50	22.11	25.68	27.12	19.50	22.64
- Percentage of shares (as a % of the total share capital of the company)	8.16	8.58	11.19	11.90	8.16	9.77
b) Non - encumbered						
- Number of shares	9,285,881	7,928,520	7,522,904	7,420,587	9,285,881	7,742,543
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	80.50	77.89	74.32	72.88	80.50	77.36
- Percentage of shares (as a % of the total share capital of the company)	33.68	30.23	32.39	31.99	33.68	33.38



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

(Rs. in Million)

Particulars	Quarter ended				Fifteen months ended	Year ended
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2009	December 31, 2011	September 30, 2010
	I	II	III	IV	V	VI
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(A). Segment Revenue						
(a) Sugar	1,851.3	1,368.4	2,760.4	3,197.7	10,330.8	12,841.1
(b) Distillery	353.8	602.9	397.9	304.1	2,375.2	1,836.7
(c) Power	550.7	10.1	385.7	491.1	1,671.1	1,848.5
Total	2,755.8	1,981.4	3,544.0	3,992.9	14,377.1	16,526.3
Less: Inter Segment Revenue	841.0	155.2	631.5	728.0	2,974.5	3,560.1
Total	1,914.8	1,826.2	2,912.5	3,264.9	11,402.6	12,966.2
(B). Segment Results						
Profit/(loss) before interest, unallocated expenditure, exceptional item and tax						
(a) Sugar	(185.0)	123.4	(87.6)	644.5	(89.8)	(508.5)
(b) Distillery	(2.8)	(29.6)	10.0	(41.5)	80.1	(102.2)
(c) Power	135.0	(55.9)	80.4	85.9	212.8	254.9
Total	(52.8)	37.9	2.8	688.9	203.1	(355.8)
Less: (i) Interest	256.3	271.7	231.6	157.2	1,300.1	847.2
(ii) Other un-allocated expenses (net of income)	20.4	2.9	25.4	17.0	76.7	57.3
Exceptional item (Refer note 4)	251.1	-	-	-	251.1	-
Total Profit/(loss) before tax	(580.6)	(236.7)	(254.2)	514.7	(1,424.8)	(1,260.3)
(C). Capital Employed						
(a) Sugar	2,291.1	2,981.2	2,892.9	3,598.1	2,291.1	2,881.8
(b) Distillery	1,731.4	1,725.8	1,746.3	1,609.9	1,731.4	1,634.3
(c) Power	1,962.0	1,821.5	2,003.9	2,097.2	1,962.0	1,986.9
(d) Unallocated assets/(liabilities) (net)	1,363.1	1,138.3	1,095.4	258.6	1,363.1	1,036.9
Total Capital Employed	7,347.6	7,666.8	7,738.5	7,563.8	7,347.6	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 February 10, 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. During the current period, the Company's operations adversely affected by decline in the sugar prices, under recovery of cost of production and higher finance cost resulting in significant operating/cash losses to the Company and consequent erosion of its net worth. However, in view of the improved industry outlook on account of better sugar prices, policy steps being taken by the Government of India and after considering the business restructuring measures under implementation which includes hiving off/transfer of potable alcohol and power undertakings of the Company to separate SPVs, disinvestments of the shares in such SPVs etc. by the Company for improving its financial position, the management is confident about the long term operation outlook for the future. Further based upon the future projections prepared considering the restructuring plans under implementation and taken on record by the Board of Directors, deferred tax assets (net) amounting to Rs. 1,140.7 million (Rs. 188.4 million provided during the quarter) has been recognized as there is a virtual certainty that sufficient future taxable income will be available against which these assets would be realized. (Refer to para 4 (f) of auditors report for the year ended September 30, 2010).
4. As per the order dated January 17, 2012, passed by Hon'ble Supreme Court, the Company has accounted for the differential cane price for sugar season 2007-08 amounting to Rs 251.1 million.
5. 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 to para 4 (e) (i) of auditors report for the year ended September 30, 2010).
6. Consequent to change in financial year end, the Company has deferred the off- season expenditure aggregating Rs. 62.5 million and Rs. 227.8 million (Corresponding previous period Rs. Nil) for the quarter and fifteen months ended December 31, 2011 respectively for inclusion in the cost of sugar to be produced in the remaining part of the financial year and has considered such expenses as 'inventory' for these results.
7. 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.
8. In pursuance to a Joint Venture Agreement, with Sindicatum Captive Energy Singapore Pte Ltd, (SCES), an investor in power sector, for investment in an SPV namely, Simbhaoli Power Limited (SPL), the Company will transfer the existing power assets of the cogeneration plants located within its Simbhaoli, Chilwaria and Brijnathpur complexes to SPL in consideration of cash, shares, and other securities at a business valuation of Rs 1,959.0 million. SCES will acquire 49% of the share capital in SPL. Following the acquisition, SPL shall carry out the expansion of power generation business from existing 60 mwh to 115 mwh. The arrangement will be subject to approval of Company's bankers as a part of its ongoing business restructuring exercise.
9. 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.
10. The previous year of the Company ended on September 30, 2010 and therefore there are no comparable figures in the previous period for fifteen months ended December 31, 2010. The figures for the quarter ended December 31, 2010 have been given for comparison with the results for the quarter ended December 31, 2011.
11. During the quarter, the Company has issued and allotted 13,42,500 equity shares on conversion of 13,42,500 warrants to a promoter at a price of Rs. 46/- (including premium of Rs. 36/-) per equity share under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue.



12. During the quarter, two investor complaints were received and resolved. No complaint was pending at the beginning and at the end of the quarter.
13. 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 fifteen months ended December 31, 2011 does not have any impact on the above results and notes in aggregate except note no. 3, 5, & 6 above.

For SIMBHAOLI SUGARS LIMITED


(G. S. C. Rao)

CEO & Whole Time Director

Place: New Delhi
Date: February 10, 2011
Website: www.simbhaolisugars.com




Handwritten initials and a signature, possibly "SR" and "S", located to the left of the Deloitte Haskins & Sells stamp.