

SIMBHAOLI SUGARS LIMITED



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

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / TWELVE MONTHS ENDED
SEPTEMBER 30, 2011**

(Rs. in Million)

| Particulars | Quarter ended | | Twelve months ended | Year ended | |
|--|--------------------|--------------------|---------------------|--------------------|--------------------|
| | September 30, 2011 | September 30, 2010 | September 30, 2011 | September 30, 2010 | September 30, 2010 |
| | I | II | III | IV | IV |
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Gross Sales | 2,534.2 | 2,811.8 | 12,061.1 | 14,920.6 | 14,920.6 |
| Excise duty | 752.6 | 505.0 | 2,683.4 | 2,304.0 | 2,304.0 |
| Net Sales | 1,781.6 | 2,306.8 | 9,377.7 | 12,616.6 | 12,616.6 |
| Exchange fluctuation gain/ (loss) | - | - | - | 221.0 | - |
| Other operating Income | 44.6 | 22.2 | 110.1 | 349.6 | 349.6 |
| Total income | 1,826.2 | 2,329.0 | 9,487.8 | 13,187.2 | 12,966.2 |
| Expenditure | | | | | |
| Decrease/(Increase) in stock in trade | 983.2 | 911.2 | 1,101.1 | (949.7) | (949.7) |
| Consumption of raw materials | 280.3 | 1,251.3 | 5,347.8 | 12,134.1 | 12,134.1 |
| Consumption of stores, oils & chemicals | 151.3 | 113.2 | 623.9 | 533.6 | 533.6 |
| Purchase of traded goods | 4.7 | 4.8 | 482.6 | 5.8 | 5.8 |
| Power and fuel | 64.4 | 153.3 | 246.7 | 427.2 | 427.2 |
| Employee cost | 92.7 | 94.8 | 420.7 | 405.9 | 405.9 |
| Depreciation (net of revaluation reserve) | 104.9 | 102.4 | 413.7 | 400.9 | 400.9 |
| Exchange fluctuation loss/(gain) | (10.7) | (53.0) | 67.4 | 706.4 | (221.0) |
| Other expenditure | 140.3 | 130.3 | 653.5 | 706.4 | 706.4 |
| Total expenditure | 1,811.1 | 2,708.3 | 9,357.4 | 14,370.6 | 13,443.2 |
| Profit/(loss) from operations before other income, interest and tax | 15.1 | (379.3) | 130.4 | (1,183.4) | (477.0) |
| Other income | 19.9 | 18.8 | 69.2 | 63.9 | 63.9 |
| Profit/(loss) before interest and tax | 35.0 | (360.5) | 199.6 | (1,119.5) | (413.1) |
| Interest | 271.7 | 239.9 | 1,043.8 | 847.2 | 847.2 |
| Profit/(Loss) before exceptional item (5-6) | (236.7) | (600.4) | (844.2) | (1,966.7) | (1,260.3) |
| Exceptional item | - | - | - | - | - |
| Profit/(loss) before tax | (236.7) | (600.4) | (844.2) | (1,966.7) | (1,260.3) |
| Tax expense/ (benefit) | (76.7) | (208.6) | (247.0) | (513.3) | (513.3) |
| Current tax (net of MAT credit) | | | | | |
| Deferred tax (benefit)/ charge | (76.7) | (208.6) | (247.0) | (513.3) | (513.3) |
| Fringe benefit tax | - | - | - | - | - |
| Net Profit/(loss) after tax | (160.0) | (391.8) | (597.2) | (1,453.4) | (747.0) |
| Paid up equity share capital (face value Rs.10/- each) | 263.6 | 233.3 | 263.6 | 233.3 | 233.3 |
| Reserves (excluding revaluation reserve) | - | - | - | 760.0 | 760.0 |
| Earning Per Share (Rs.) | | | | | |
| Basic/ Diluted | (6.10) | (16.89) | (23.66) | (32.21) | (32.21) |
| Diluted | (6.10) | (16.89) | (23.66) | (32.21) | (32.21) |
| Public shareholding | | | | | |
| - Number of shares | 16,050,290 | 13,187,587 | 16,050,290 | 13,187,587 | 13,187,587 |
| - Percentage of shareholding | 61.19 | 56.85 | 61.19 | 56.85 | 56.85 |
| Promoters and promoter group shareholding | | | | | |
| a) Pledged/ Encumbered | | | | | |
| - Number of shares | 2,250,000 | 2,265,770 | 2,250,000 | 2,265,770 | 2,265,770 |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 22.11 | 22.64 | 22.11 | 22.64 | 22.64 |
| - Percentage of shares (as a % of the total share capital of the company) | 8.58 | 9.77 | 8.58 | 9.77 | 9.77 |
| b) Non - encumbered | | | | | |
| - Number of shares | 7,928,520 | 7,742,543 | 7,928,520 | 7,742,543 | 7,742,543 |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 77.89 | 77.36 | 77.89 | 77.36 | 77.36 |
| - Percentage of shares (as a % of the total share capital of the company) | 30.23 | 33.38 | 30.23 | 33.38 | 33.38 |

| SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED, UNDER | | | | |
|--|--------------------|--------------------|---------------------|--------------------|
| CLAUSE 41 OF THE LISTING AGREEMENT | | | | |
| | | | | (Rs. in Million) |
| Particulars | Quarter ended | | Twelve months ended | Year ended |
| | September 30, 2011 | September 30, 2010 | September 30, 2011 | September 30, 2010 |
| | I | II | III | IV |
| | Unaudited | Unaudited | Unaudited | Audited |
| (A). Segment Revenue | | | | |
| (a) Sugar | 1,368.4 | 2,347.7 | 8,479.5 | 12,841.1 |
| (b) Distillery | 602.9 | 447.3 | 2,021.4 | 1,836.7 |
| (c) Power | 10.1 | 192.9 | 1,120.4 | 1,848.5 |
| Total | 1,981.4 | 2,987.9 | 11,621.3 | 16,526.3 |
| Less: Inter Segment Revenue | 155.2 | 658.9 | 2,133.5 | 3,560.1 |
| Total | 1,826.2 | 2,329.0 | 9,487.8 | 12,966.2 |
| (B). Segment Results | | | | |
| Profit/(loss) before unallocated expenditure, interest and tax | | | | |
| (a) Sugar | 123.4 | (257.4) | 95.2 | (508.5) |
| (b) Distillery | (29.6) | (55.8) | 82.9 | (102.2) |
| (c) Power | (55.9) | (36.7) | 77.8 | 254.9 |
| Total | 37.9 | (349.9) | 255.9 | (355.8) |
| Less: (i) Interest | 271.7 | 239.9 | 1,043.8 | 847.2 |
| (ii) Other un-allocated expenses (net of income) | 2.9 | 10.6 | 56.3 | 57.3 |
| Total Profit/(loss) before tax | (236.7) | (600.4) | (844.2) | (1,260.3) |
| (C).Capital Employed | | | | |
| (a) Sugar | 2,981.2 | 2,881.8 | 2,981.2 | 2,881.8 |
| (b) Distillery | 1,725.8 | 1,634.3 | 1,725.8 | 1,634.3 |
| (c) Power | 1,821.5 | 1,986.9 | 1,821.5 | 1,986.9 |
| (d) Unallocated assets/(liabilities) (net) | 1,138.3 | 1,036.9 | 1,138.3 | 1,036.9 |
| Total Capital Employed | 7,666.8 | 7,539.9 | 7,666.8 | 7,539.9 |

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Million)

| Particulars | As at | | |
|---|-----------------------|-----------------------|-----------------------|
| | September 30, 2011 | September 30, 2010 | September 30, 2010 |
| | Unaudited | Unaudited | Audited |
| | I | II | II |
| Shareholders' funds: | | | |
| (a) Share capital | 263.6 | 233.3 | 233.3 |
| (b) Equity warrants | 28.8 | - | - |
| (c) Employee option outstanding | 4.2 | 4.3 | 4.3 |
| (d) Reserves and surplus | 915.0 | 804.1 | 804.1 |
| Loan funds | 7,625.4 | 7,071.2 | 7,071.2 |
| Total liabilities | 8,837.0 | 8,112.9 | 8,112.9 |
| Fixed assets | 5,673.3 | 5,869.5 | 5,869.5 |
| Investments | 7.3 | 4.0 | 4.0 |
| Deferred tax assets | 952.3 | 704.0 | 704.1 |
| Current assets, loans and advances | | | |
| (a) Inventories | 2,097.5 | 4,005.0 | 4,005.0 |
| (b) Sundry debtors | 571.1 | 727.4 | 727.4 |
| (c) Cash and bank balances | 759.3 | 1,392.4 | 1,392.4 |
| (d) Other current assets | - | - | - |
| (e) Loans and advances | 1,604.9 | 1,621.5 | 1,621.5 |
| | 5,032.8 | 7,746.3 | 7,746.3 |
| Less: Current liabilities and provision | | | |
| (A) Liabilities | 3,935.3 | 6,691.9 | 6,691.9 |
| (B) Provisions | 63.6 | 92.1 | 92.1 |
| Net current assets | 1,033.9 | 962.3 | 962.3 |
| Miscellaneous expenditure (not written off or adjusted) | - | - | - |
| Profit and loss account | 1,170.2 | 573.0 | 573.0 |
| Total assets | 8,837.0 | 8,112.9 | 8,112.9 |

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 November 11, 2011 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. The cane purchases for sugar season 2007-08 were accounted for at Rs. 110 per quintal, the rate at which payment was made to the cane growers as per the interim order of the Hon'ble Allahabad High Court and Hon'ble Supreme Court, against the state advised price of Rs. 125 per quintal. Necessary adjustments will be made in accordance with subsequent orders of the Hon'ble courts in the matter. (Refer para 4 (e) (ii) of auditors report for the year ended September 30, 2010).
4. 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).
5. Deferred tax assets (net) amounting to Rs. 952.3 million (Rs. 76.7 million provided during the quarter) has been recognized on the basis of future projections taken on record by the Board of Directors and on going businesses restructuring plans that 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).
6. 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.
7. Consequent to change in financial year end referred to in note 6 above, the Company has deferred the off- season expenditure aggregating Rs. 306.5 million including Rs. 142.4 million related to the quarter ended June 30, 2011 (Corresponding previous period Rs. Nil) 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.
8. 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.
9. During the quarter, one investor complaint was 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.

For **SIMBHAOLI SUGARS LIMITED**

(G S C Rao)
CEO & Whole Time Director

Place: New Delhi
Date: November 11, 2011

Website: www.simbhaolisugars.com