Sept 2011

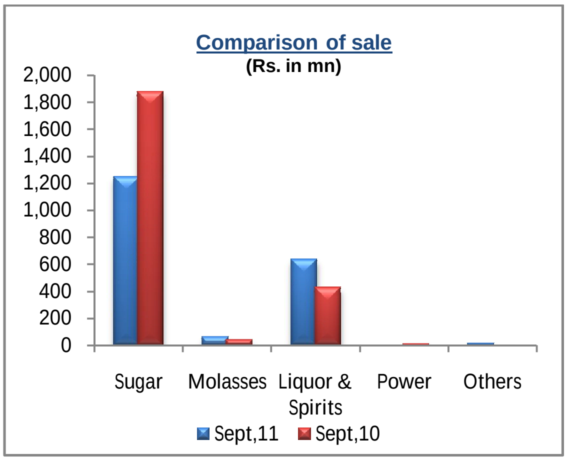
Investor Update

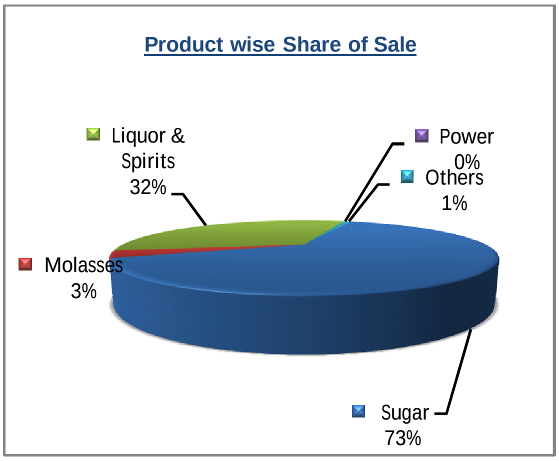
Financial Results for the period ended Sept 30, 2011

Simbhaoli Sugars Limited

Highlights of the Financial Results

- Net turnover for the quarter Rs 1782 mn (Rs 2307 mn in Q4 FY10)
- Positive EBIDTA Rs 140 mn, against a negative one of Rs 258 mn
- Loss after tax Rs. 160 mn, against 392 mn loss in Q4 FY10
- Off season expenses aggregating Rs 306 mn deferred for inclusion in cost of sugar to be produced in coming season
- Undergoing Business restructuring for Drinking alcohol and Power businesses to achieve growth and improve earnings
- 2.5 lacs cases of IMFL sold. Increased presence in Delhi and NCR
- No cane crushing, raw refining and power generation during the quarter.
- Average sugar realisation Rs 28.9 per kg
- Exports of 2100 mt sugar at an average realisation of Rs 33.5 p kg





Financial Highlights
(All comparatives with quarter ended September 30, 2010)

- Turnover has decreased by 23% on account of lower sugar sale by 2.8 lacs qtl. Average sugar realisation witnessed an increase of about Rs. 250 per qtl.
- The Company exported 0.21 lacs quintals of refined sugar on an average realisation of Rs. 3350 per qtl. The international markets have been giving higher realisations and higher margins.
- Manufacturing expenses decreased by 41% on account of no production out of cane crushing and raw sugar processing.
- IMFL sales increased by 1.12 lacs cases. Increased sale in Delhi state.
- 72 lacs BL Ethanol supplied to oil companies by the Company.
- Power and fuel cost is 58% lower than the last year.
- Interest cost at Rs 271 mn, on account of higher deployment of working capital.
- Stores and spares increased due to higher production of potable spirits (by 2 lacs cases) and Country Liquor (by 12 lacs cases).
- Receivables are lower by Rs. 164 mn.
- Deferred tax assets (net) amounting to Rs. 952.3 mn (Rs. 76.7 mn provided during the quarter) has been recognized on the basis of future projections.
- Consequent to change in accounting year, deferred the off- season expenditure aggregating Rs. 306.5 mn including Rs. 142.4 mn related to this quarter for inclusion in the cost of sugar to be produced in the ensuing season.

Change in Accounting Year

The Company has changed its Accounting year from October-September to April-March, from current financial year onwards to have a uniform accounting period for company law and income tax purposes. To give effect to the change in accounting year on transitional basis, the current accounting period will consist of 18 months i.e. from October 1, 2010 to March 31, 2012. The annual general meeting for the FY 10-12 shall be held after the finalisation of the financial accounts for the period ending March 31, 2012.

Results at a Glance

Extracts of the published unaudited financial results for the quarter ended September 30, 2011. For complete results, please refer our website, www.simbhaolisugars.com (Rs in mn)

Particulars	Quarter ended		Year ended
	Sept 30, 2011	Sept 30, 2010	Sept 30, 2010
	Unaudited	Unaudited	Audited
Net Sales	**1,781.6**	**2,306.8**	12,616.6
Exchange fluctuation gain/ (loss)	10.7	53.0	221.0
Other operating Income	44.6	22.2	349.6
Total income	1,836.9	2,382.0	13,187.2
Expenditure			
Decrease/(Increase) in stock in trade	983.2	911.2	(949.7)
Consumption of raw materials	280.3	1,251.3	12,134.1
Consumption of stores, oils & chemicals	151.3	113.2	533.6
Purchase of traded goods	4.7	4.8	5.8
Power and fuel	64.4	153.3	427.2
Employee cost	92.7	94.8	405.9
Depreciation	104.9	102.4	400.9
Other expenditure	140.3	130.3	706.4
Total expenditure	1,821.8	2,761.3	13,664.2
Profit/(loss) from operations before other income, interest and tax	15.1	(379.3)	(477.0)
Other income	19.9	18.8	63.9
Profit/(loss) before interest and tax	35.0	(360.5)	(413.1)
Interest	271.7	239.9	847.2
Profit/(loss) before tax	(236.7)	(600.4)	(1,260.3)
Tax expense/ (benefit)	(76.7)	(208.6)	(513.3)
Net Profit/(loss) after tax	(160.0)	(391.8)	(747.0)
Earnings Per Share	(6.1)	(16.9)	(32.21)

Insurance Claim

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 mn has been filed with the Oriental Insurance. Following the repudiation of insurance claim by Cargo insurers in an arbitrary manner, the Company has initiated legal proceedings against this decision. Simultaneously, the Company has commenced recovery proceedings against the vessel owner/shipping company and an undertaking has been obtained from the P&I club of vessel owner for the compensation upto USD 14.5 mn, in case proceedings are decided in favour of the Company. Meanwhile, it has obtained an interim settlement offer form the Shipping company/P&I Club, which is being discussed with them and Indian underwriters. Based on expert advices, the Company is confident that the insurance claim would be settled in the favour of the Company and no loss would arise in this regard.

Operational Performance during the quarter

Hiving off the Power Undertakings and Expansion

The total power generation capacity of the three sugar complexes of the Company presently at 60 mw is planned to be enhanced to 115 mwh with a surplus of about 80 mwh. The green field power plant at Brijnathpur complex and expansion of existing capacities at Simbhaoli and Chilwaria would require an additional capital outlay of approx Rs 310 crores involving setting up high pressure boilers power turbines (extraction and condensing mode) and inter connectivity with the Grid. The biomass based power assets are eligible for preferential benefits in terms of the UP State Electricity Policy and enable the Company to exploit growth opportunities effectively and optimise earnings.

A new company in the name of 'Simbhaoli Power Limited' (SPL), having its registered office at Simbhaoli, has been incorporated for implementing the expansion plans, and own steam and power generating equipment of the Company on a going concern basis. The transfer of the equipment to SPL will be on slump sale basis against the purchase consideration to be discharged by way of issue of shares of SPL, cash payment or in any other manner deemed fit by the board of directors of both companies. In addition to transfer of equipment as aforesaid, sufficient land to house the project will be given on long term lease basis to SPL.

The Company believe that the expanded power generation businesses would be entitled for credit under Clean Development Mechanism of United Nations Framework Convention on Climate Change and Renewable Energy Certifications (REC) under the Electricity Act, 2003 and National Action Plan on Climate Change (NAPCC).

The new entity will run and operate the power plants, implement the expansion projects and arrange its own finance with bank/financial institution(s). This will also include capital raising by way of participation from outside investors as considered necessary. The Company is considering various alternatives to meet the additional finance required for achieving the expansion. It has already obtained the shareholders' approval under the provisions of Section 293 (1) (a) of the Companies Act, to transfer or otherwise dispose-off its business undertaking(s). These initiatives will enable the Company to improve its financial position, earning capacities, the net worth and result in enhancement of overall shareholders values. This shall also bring insulation to the by-product businesses by reducing the impact of the cyclicality of the sugar business and the revenue generation capacity of the group.

Kandla Sugar Refinery Project: Uniworld Sugars Pvt Ltd (USPL)

The 1000 tpd green field stand alone raw sugar refinery project near Kandla port, Gujarat is slated to be implemented in joint venture arrangement with ED &F Man Sugar, London. The funding structure of the project has been revised and certain modifications are being discussed in the shareholding participation. Revised Project Cost is INR 2,350 mn (Rupees two billion and three hundred fifty mn only), to be funded by way of loan from banks and equity from partners. The project is likely to take 15 months to complete after commencement of project related work.

Integrated Casetech Consultants Pvt Ltd (Casetech)

Casetech, a subsidiary of SSL, has been creating its footprints at diverse destinations and has obtained a number of assignments and projects associated with sugar industry. Since inception, it has delivered international level of expertise, project management and technology supports in the fields of cane, sugar, alcohol and power. It had enjoyed a presence in over 8 countries and has achieved a turnover of Rs 79.1 mn with a net profit of Rs 10.5 mn during the FY 2010-11. The projects in hand include operation of Sugar Corporation at Ethiopia, management of 100 KLD fuel ethanol distillery at Philippines and others in Australia, Zimbabwe, Romania, Sudan under discussion at various stages. The business is likely to multiply in current fiscal. Casetech is a joint effort of SSL and its key technical professionals, and is jointly owned by them.

Recent policy changes: SAP Announcement

UP Government has, through a November 8, 2011 order, announced a Rs. 35-40 per quintal increase in the State advised price (SAP) of sugarcane for the sugar year 2011-12. Landed cost of cane (inclusive of basic SAP, purchase tax, society commissions and inward freight costs) shall be around Rs. 260/qtl. The rise in cane price shall affect the costs of sugar manufacturing and reduce the margins. Mills are now required to pay farmers at least Rs 240 per qtl for general variety of cane, and Rs 250 per quintal for early maturing varieties that have higher recovery against Rs 205, and Rs 210 per qtl respectively during the last season.

The higher cane price shall mean the cost of production to increase by about Rs 3.60 per kg (taking into account a recovery of 9.5%). The sustainability of the mills such a high price is possible only if the sugar price equate by at least Rs 5 per kg.

Segment wise Performance

Sugar Segment Results

(Rs in mn)

Parameters	Qtr Sept 11	Qtr Sept 10	Change%
Total Income	1368	2405	43
EBIDTA	176.1	(206.1)	100
EBIDTA %	12.9	(8.6)	-

- Average sugar realisation has been higher by Rs 250 per qtl.
- 4.3 lacs qtl of sugar is sold which is lower by 2.8 lacs qtl.
- 21000 qtl of sugar is exported against 60,000 qtl in Q4 FY10
- Company continued selling its branded and specialty grade sugars to various institutional buyers and retailers.

Distillery Segment Results

(Rs in mn)

Parameters	Qtr Sept 11	Qtr Sept 10	Change%
Total Income	603	442	27
EBIDTA	(11.6)	(37.8)	100
EBIDTA %	(1.9)	(8.5)	-

- Country liquor sold 43.34 lacs BL as compared to 31.83 lacs BL.
- Potable spirits sale increased by 1.12 lacs cases
- Ethanol sale is at 72 lacs BL against nil in the Q4 FY10

Power Segment Results

(Rs in mn)

Parameters	Qtr Sept 11	Qtr Sept 10	Change%
Total Income	10	193	-
EBIDTA	Na	(5.2)	-
EBIDTA %	Na	(2.7)	-

- No off season power generation in the quarter.
- Total income represents the foreign currency impact and CDM benefits

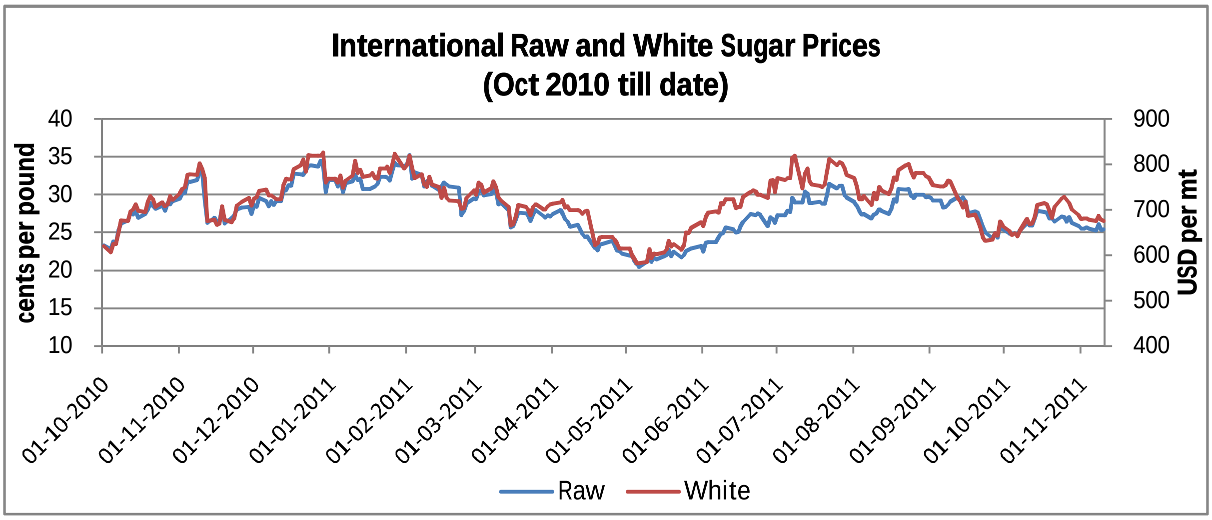
International Sugar Industry

A global sugar surplus of 8.45 mmt is expected for 2011-12 against the earlier estimate of 9.95 mmt. The prices are holding on account of near period shortages.

As per UNICA, sugar production in Brazil's centre-south in the second half of October dipped 23.5% from a year ago, as more mills ended crushing the 2011-12 cane crop. From April through October, sugar production reached 29.2 mmt, down 4.3% from the same period in 2010, while cane crush fell 8.3% to 459.6 mmt. Brazil's Real had strengthened against the dollar for much of the year, but a spike in global risk aversion in recent months, prompted investors to dump the assets in BRICS nations and the weakening in the real has affected earnings of the mills for the quarter.

The impressive beet harvests across Europe have largely offset some reductions to the Mexican and Thai crops. However, supply side risks, exacerbated by low inventory levels, are still a cause for concern.

The floods in Thailand have impacted the sugar production only marginally and the country is likely to exceed 100 mmt of cane and 10 mmt of sugar production, inspite of the delayed start. Harvesting delays are also likely to affect the Indian crop because of cane price dis-agreement between farmers and millers in Maharashtra and prolonged monsoon rains. Indian millers have been requesting the government to permit early exports in the backdrop of a likely production of 25 mmt.



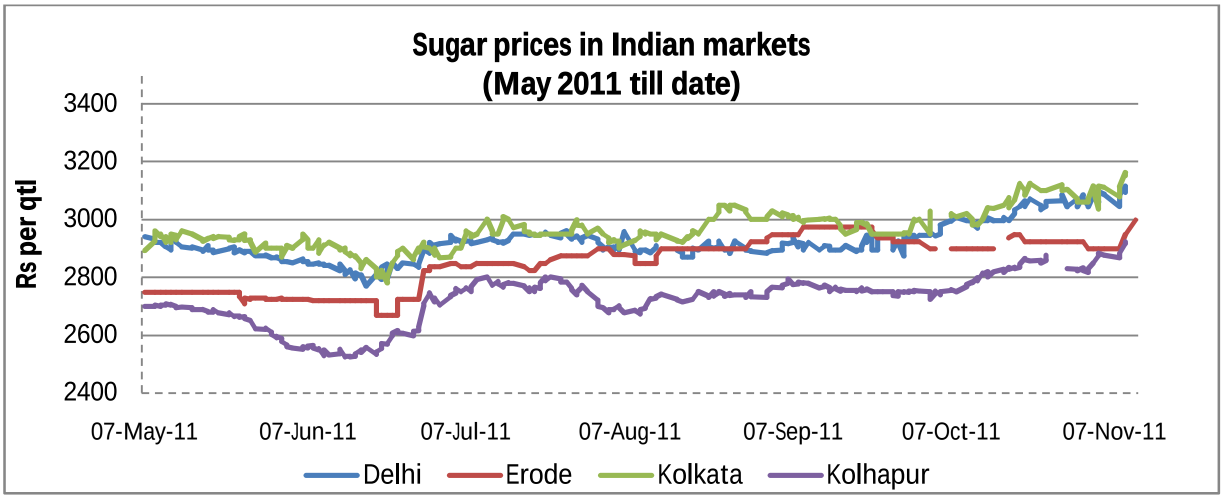
Indian Sugar Industry

Sugar year 2010-11

In 2010-11, the sugar consumption reached about 22.5 mmt, a similar level to that of the previous season. Production at around 24.5 mmt allowed end-of-season stocks to rise to about 15 days of consumption. Exports were at 2.5 mmt within the highly regulated policy structure of the Government of India. The OGL scheme benefitted the mills to export at the time when world sugar prices were at a premium over domestic sugar prices. In 2010-11, the government had allowed 2.6 mmt of sugar exports, of which 1.5 mmt were under OGL in three equal tranches. The GOI decisions on exports timings and quantities in future shall depend upon the likely domestic demand pattern and the crop assessment. (In mmt)

Particulars Sugar Year	2010-11	2011-12
Opening Stock as on 1st Oct. (Govt.)	4.9	3.9
Production during the Season	24.5	25.8
Imports	0.3	0.05
Total Availability	**29.7**	**29.7**
Consumption	22.5	23.0
Exports	2.8	2.0
Closing Stock as on 30th Sept. (Govt.)	3.9	4.6
Stock as % of Usage	17	20

The sugar prices, M-30, have been in the range of Rs 2400 to 3200 per qtl and is expected to be in the same range due to delayed crushing in Maharashtra and UP, expected export announcement, lower pipeline stocks, increase in acreage compared to last year.



Sugar year 2011-12

The cane crop should rise again in 2011-12 to reach to cross 25 mmt due to both an increase in the cane areas and regular rainfall and satisfying agricultural cane yields similar to those of the previous season. In Maharashtra, sugar production forecasts are up and the area under cane has increased. The agricultural yield is expected to be lower because of a larger share of ratoon cane.

Simbhaoli Sugars Limited

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Subsidiaries

1. Simbhaoli Global Commodities DMCC
   Dubai, UAE
2. Integrated Casetech Consultants Pvt Ltd
   E- 13/29, IIIrd Floor, Harsha Bhawan,
   Connaught Place, New Delhi, India
3. Uniworld Sugars Private Limited
   Simbhaoli, Ghaziabad, Uttar Pradesh, India
4. Simbhaoli Spirits Limited
   Simbhaoli, Ghaziabad, Uttar Pradesh, India
5. Simbhaoli Power Limited
   Simbhaoli, Ghaziabad, Uttar Pradesh, India

Simbhaoli Sugars Limited (SSL) (BSE SCRIP ID: SIMBHALS, NSE SYMBOL: SIMBHSUGAR), is a 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. In addition; the capacities are capable to refine raw sugar upto 300,000 MTPA. SSL also has three alcohol distilleries alongside its sugar facilities with a combined capacity of 210 kilo liters of alcohol/ ethanol per day (KL/D) and is capable of producing and marketing a mn cases of quality spirits in Ten Indian States. 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 grid. The sugar refineries of the Company have quality control certifications including ISO 9001:2008, ISO 14001:2004 and ISO 22000:2005 and HACCP, which signifies that the Company ensures highest product quality.

For any Investor Relations queries please contact:

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