



SIMBHAOLI SUGARS

Simbhaoli Sugars Limited

(An ISO 9001 : 14001 & 22000 Certified Company)

Corporate Office :

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Ref: SSL: SE
May 15, 2012

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001
Fax No. 022-22721072/2037

The National Stock Exchange of India Limited
Exchange Plaza, Bandra –Kurla Complex,
Mumbai- 400051
Fax No. 022-26598237/38

Ref: Scrip code: BSE - 507446; NSE – SIMBHSUGAR
Sub: Outcome of the Board Meeting

Dear Sir,

The Board of Directors of the Company in its meeting held on May 15, 2012 has approved the unaudited financial results as reviewed by the statutory auditors of the Company for the quarter/eighteen months ended on March 31, 2012.

A copy of the financial results along with limited review report is enclosed for your information and record.

Thanking You,
Yours faithfully,
For Simbhaoli Sugars Limited

Kamal Samtani
(Company Secretary)

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	(2,104.8)	(947.8)	(1,467.3)	(2,273.2)	(1,951.5)	(949.7)
Decrease/(Increase) in stock in trade and work in progress	3,522.3	2,334.7	2,902.6	5,054.0	11,204.8	12,134.1
Consumption of raw materials	151.1	141.6	222.1	177.4	916.6	533.6
Consumption of stores, oils & chemicals	1.5	3.2	474.5	0.1	487.3	5.8
Purchase of traded goods	34.0	36.7	25.0	80.9	317.4	427.2
Power and fuel	131.8	113.8	128.5	109.0	666.3	405.9
Employee cost	104.0	104.3	100.3	98.6	622.0	400.9
Depreciation (net of revaluation reserve)	26.7	7.2	10.3	(129.2)	101.3	(221.0)
Exchange fluctuation loss/(gain)	312.5	207.3	296.7	205.7	1,173.3	706.4
Other expenditure	2,179.1	2,001.0	2,692.7	3,323.3	13,537.5	13,443.2
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	-	251.1	-	-	251.1	-
Differential cane price for sugar season 2007-08	(85.4)	(580.6)	20.8	(251.7)	(1,510.2)	(1,260.3)
Profit/(loss) before tax	6.9	(188.4)	6.9	(80.0)	(428.5)	(513.3)
Tax expense/(benefit)	37.8	-	-	-	37.8	-
Current tax	(30.9)	(188.4)	6.9	(80.0)	(466.3)	(513.3)
Deferred tax (benefit)/ charge	(92.3)	(392.2)	13.9	(171.7)	(1,081.7)	(747.0)
Net Profit/(loss) after tax	277.0	277.0	263.6	233.3	277.0	233.3
Paid up equity share capital (face value Rs.10/- each)	-	-	-	-	-	760.0
Reserves (excluding revaluation reserve)	-	-	-	-	-	-
Earning Per Share (Rs.)	(3.34)	(8.39)	0.55	(7.40)	(35.30)	(32.21)
Basic EPS before exceptional item	(3.34)	(14.78)	0.55	(7.40)	(41.86)	(32.21)
Basic EPS after exceptional item	(3.34)	(8.39)	0.55	(7.40)	(35.30)	(32.21)
Diluted EPS before exceptional item	(3.34)	(14.78)	0.55	(7.40)	(41.86)	(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

Place: New Delhi

Date: May 15, 2012

Website: www.simbhaolisugars.com


(G S C Rao)
CEO & Whole Time Director




**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
SIMBHAOLI SUGARS LIMITED**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **SIMBHAOLI SUGARS LIMITED** ("the Company") for the quarter and eighteen months ended March 31, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our report,
 - (a) attention is invited to note 3 which sets out the position regarding repudiation by the insurance company of the Company's insurance claim amounting to Rs. 478.0 million on account of sinking of ship carrying raw sugar purchased by the Company. Pending completion of legal proceedings in the matter, the effect thereof in these accounts cannot be determined at this stage.
 - (b) attention is invited to note 4(a) regarding preparation of financial results of the Company on a going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon the Company's ability to complete various business restructuring initiatives and to generate cash flows from operations in future to meet its obligations.
4. (a) Attention is invited to note 4(b) wherein it is stated that deferred tax assets (net) amounting to Rs.1171.6 million has been recognised on the basis of future projections prepared based upon the restructuring plans under implementation and taken on record by the Board of Directors that there is a virtual certainty that sufficient future taxable income will be available against which these assets would be realised. However, in our opinion, recognition of such deferred tax credit is not in line with the virtual certainty requirement of Accounting Standard 22 "Accounting for Taxes on Income". Had such deferred tax credit not been recognised, loss after tax and debit balance in profit and loss account would have been higher by Rs. 1171.6 million and deferred tax asset would have been lower by the same amount.



Contd..2

- (b) Attention is invited to note 5 indicating that as per the policy followed by the Company for preparation of quarterly results, the sugar off-season expenditure amounting to Rs. 227.8 million up to December 31, 2011 has been charged off to cost of sugar production during the quarter ended March 31, 2012. Had the Company charged expenditure so incurred to the accounting period in which such expenses were incurred, increase in stock-in-trade and work-in-progress would have been higher by Rs. 227.8 million and loss after tax would have been lower by Rs. 227.8 million for the quarter ended March 31, 2012.
5. Further to our comments in paragraphs 3 above and except for the matters referred to in paragraph 4 above, based on our review nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management/Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 015125N)



Manjula Banerji
Partner
(Membership No. 086423)



Place: Gurgaon
Date: May 15, 2012