



MAWANA SUGARS LIMITED

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For immediate attention

FY2009 Net Sales at Rs. 6763 million

FY2009 Sugar contribution 66%

FY2009 Allied / Chemical business contribution at 34%

New Delhi

Mawana Sugars Limited – a producer of sugar/co-generated power and ethanol in Uttar Pradesh, India – announced its results for the year ended September 30, 2009.

FY2009 Performance review:

Net Revenues stood at Rs. 6763 million from Rs. 10159 million due to lower Sales Volume of sugar despite uptrend in realisations of sugar. Sales from Sugar were at Rs. 6161 million from Rs. 8442 million. India is witnessing a sugar deficit situation and consequently realisations are likely to trend firm. Sales from Chemicals business stood at Rs. 1546 million from Rs. 2649 million. EBITDA was at Rs. 663 million from Rs. 21.3 million. Interest costs were at Rs. 706 million from Rs. 945 million and were in keeping with the Company's expenditure on augmenting its facilities into an integrated operation. Depreciation charged was at Rs. 525 million from Rs. 753 million. The PBT was at Rs. (568) million from Rs. (1677) million and Net Profit stood at Rs. (572) million from Rs. (1669) million. The current period consisted of 12 months ended Sept. 30, 2009 as against previous period of 18 months ended Sept. 30, 2008 hence not directly comparable.

Commenting on Mawana Sugars' results Mr. Sunil Kakria, Managing Director – Mawana Sugars said:

“The yearly performance has been in line with the trends set in the previous period. Sales of sugar, which is our largest product, were lower on account lower production. The Sugar presents an interesting opportunity for integrated companies like Mawana. Given the combination of low stocks and a higher cane price there are expectations of cane plantation increasing. This should result in better cane availability for everyone involved. Thanks to our focused cane development efforts we are better placed to target higher production in the new season. Demand for chlor-alkali products globally is as yet low and is expected to remain subdued for some time. Demand from India is looking up and is likely to relieve partially the pressure on realisations.”

Key highlight/developments:

- The average Sugar realisation in FY2009 was at Rs. 21/Kg.
- Sale of sugar stood at 22 lakh quintals in FY2009 as compared to 44.49 lakh quintals previously.
- During sugar season 2008-09, there has been substantial drop in sugar production in the country. Anticipating an expected mismatch in production of sugar vis-à-vis its consumption in the country, the company has contracted for import of approx. 23000 Tones of Raw Sugar at US \$ 356 per MT CIF Kandla which will be processed in the next sugar season 2009-10.
- Looking at the then prevailing market conditions it was expected that the prices of molasses and industrial alcohol would move up in the ensuing months. Therefore, the company did not sell large quantities of molasses and industrial alcohol in the year ended September 30, 2009.
- Due to significant drop in demand of Chlor Alkali products because of global and domestic slowdown, the sales of these products were adversely affected in the year ended September 30, 2009 as against sales achieved in previous period ended September, 2008. The sales of Caustic soda was 48578 MT in YE 2008-09 as against 88345 MT in the previous period. This adversely impacted the profitability in Chemical business.
- Company has contracted for forward sale of Certified Emission Reductions (CERs) with Asian Development Bank (ADB). Under the terms of the contract, 308000 CERs are to be delivered to ADB by 31st October, 2012. The company has received the proceeds amounting to US \$ 6.4 million towards the forward sale of CERs. This amounts to US \$ 20.82 per CER.

Included: Details to the announcement**About Mawana Sugars Limited**

Mawana Sugars is a multi-product company with business interests in Sugar, Power, Chemicals and Edible Oils. Formed as a result of the amalgamation of MSL – one of India's largest sugar manufacturers with SIEL Ltd., the Company has operations spread across the following locations:

Mawana, U.P.: (13,000 TCD sugar & 15 MW co-gen.)

Titawi, U.P.: (10,500 TCD sugar & 17 MW co-gen.)

Nanglamal, U.P.: (6,000 TCD sugar, 11 MW co-gen. & 120 Kltrs. per day distillery)

Rajpura, Punjab: (250 TPD caustic soda, 200 MT/day HCl, 222 MT/day Chlorine.)

At its integrated chemicals complex situated at Rajpura, Punjab, the Company makes use of environmentally-sound 'Membrane Cell' process to produce Caustic Soda, Liquid Chlorine, Hydrochloric Acid, Sodium Hypochlorite, Hydrogen, SHRIRAM Stable Bleaching Power and STB.

Operational Subsidiary Companies***Siel Industrial Estate Limited***

This company owns about 455 acres of land in Rajpura for development of Industrial Estate.

Siel Edible Oils Limited

This company is a wholly owned subsidiary engaged in the business of marketing Vanaspati, Edible Oils and Soap on third party manufacturing basis. This company owns some strong brands in Northern India: Panghat in Vanaspati and Ruby, Sunbeam, Cornola, Kohinoor in Refined Oils segment. It also distributes consumer pack "Mawana" sugar.

To learn more about Mawana Sugars Limited and its products log on to: www.mawanasugars.com

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Note: Some of the statements made in this document may be forward-looking. These statements remain subject to various contingencies and risks. Mawana Sugars would not in any way be responsible for action taken based on these forward-looking statements. Moreover, the Company does not undertake to update them publicly to reflect changed eventualities.

New Delhi**Details to the announcement**

- **Results table**
- **Segmental table**
- **Operational overview table**

FY2009 Results table:**Rs. Million**

	Year ended September 30, 2009	Period ended September 30, 2008
Net Sales	6763	10159
EBITDA	663	21
Depreciation	525	753
Interest	706	945
PBT	(568)	(1677)
Tax – Current		
– Deferred		(15)
– FBT	4	7
PAT	(572)	(1669)
EPS –Basic & Diluted (Rs.)	(18.68)	(64.67)
Equity Share Capital	350	306

FY2009 Segmental table:**Rs. Million**

	Year ended September 30, 2009	Period ended September 30, 2008
Sales		
<u>Sugar</u>	6161	8442
<u>Power</u>	1556	2195
<u>Chemicals</u>	1546	2649
<u>Other</u>	78	310
PBIT		
<u>Sugar</u>	128	(1204)
<u>Power</u>	222	513
<u>Chemicals</u>	(1)	228
<u>Other</u>	1	36

FY2009 Operational overview table (Sugar):

Mawana Sugars Ltd.	Year ended September 30, 2009	Period ended September 30, 2008
Cane crushed (Lakh/Qtl.)	230	400
Sugar production (M.T.)	204745	393291
Average recoveries (%)	8.9	9.8
Average realisations (Rs./Qtl.)	2148	1400