



For Immediate Release

August 18<sup>th</sup>, 2014

**Shree Renuka Sugars Limited**

**Announces**

**Standalone Results for Quarter Ended 30<sup>th</sup> June 2014**

**Quarter ended June 2013 Performance vs. Quarter ended June 2014**

**Standalone revenues for quarter down by 41% Y-o-Y due to lower sugar sales  
Ethanol revenues up by 155% Y-o-Y due to increased sales volume & realisation  
Cane crushing in Brazil during quarter increased by 3% Y-o-Y  
Preferential allotment of Rs. 5,170 million to Wilmar Sugar Holdings in the quarter**

**Mumbai, India, August 18<sup>th</sup>, 2014** – Shree Renuka Sugars Limited (referred to as “Shree Renuka” or the “Company”, NSE: RENUKA, BSE: 532670), one of the largest integrated sugar and bio-energy producers globally, announces its Standalone Quarter results for period ended June 2014, in accordance with Indian GAAP.

Commenting on the results and performance, **Mr. Narendra Murkumbi, Vice Chairman and Managing Director of Shree Renuka Sugars Limited** said:

*“Profitability during the quarter for India Standalone business was under pressure due to low margins for sugar in the cane milling business on account of lower realisation in the domestic market and high cost of production which includes costs for the off-season quarter. Margins in the refinery segment were affected by lower realisations as well as lower refining spreads. In ethanol segment, revenues were up by 155% on account of higher sales & realisation. Ethanol blending program has received a major boost as OMCs have come up with the largest tender ever for the requirement of 1,560 million liters for supply between Nov’14 & Oct’15.*

*Our Indian mills were crushing for some of the quarter due to delayed start to the season. We were able to increase capacity utilisation of our Kandla refinery and the refinery was running at close to full capacity. Refining at our Haldia unit was lower due to lower refining margins.*

*India standalone business reported an EBITDA of Rs. 193 million for the quarter which was impacted by low margins in the cane milling and refining segment. The standalone business was also impacted by a foreign exchange loss of Rs. 186 million during the quarter. The standalone business reported a net loss of Rs. 806 million for the quarter.*

*In Brazil, we crushed 3.0 mn tons cane, higher by 3% compared to the same quarter last year. This was due to drier weather and early start to the crushing season. Sugar mix in Brazil was 29% during the quarter as ethanol was more remunerative compared to sugar in this period. Centre-South Brazil has witnessed a drought which has resulted into lower agricultural yields in this season.”*



## Standalone Financial Highlights

(Rs. Millions)	Standalone Financial Performance				
	Quarter Ended 30-06-2014	Quarter Ended 30-06-2013	<i>y-o-y Growth</i> (%)	Quarter Ended 31-03-2014	<i>q-o-q Growth</i> (%)
Net Sales	11,601	19,742	(41.2)%	18,666	(37.8)%
Operating EBITDA*	193	866	(77.7)%	1,105	(82.5)%
<i>EBITDA Margin (%)</i>	1.7%	4.4%		5.9%	
Foreign Exchange gain/(loss)	(186)	(874)	(78.7)%	(459)	(59.5)%
Net Profit	(806)	(636)	26.7%	(883)	(8.7)%
<i>Net Profit Margin (%)</i>	(6.9)%	(3.2)%		(4.7)%	
Basic EPS (Rs)	(1.05)	(0.95)		(1.32)	
Diluted EPS (Rs)	(1.05)	(0.95)		(1.32)	

\* Inclusive of dividend income of Rs. 336 million from Renuka DMCC for Quarter ended June 13

## Economic Environment

Global raw sugar prices remained range bound during the quarter on account of counter balancing factors like global sugar surplus, anticipation of drought in major sugar producers - Brazil & India. The raw sugar prices traded at an average of USD 17.23 cents/lb during the quarter ended 30th June, 2014. The gross refining spreads have been below USD 100/ton for the most part of the quarter.

This quarter has witnessed drier weather and there was anticipation of El-Nino effect in cane growing regions of the major sugar producers. As per India Meteorological Department, rainfall gap for the season in India stands at 18% below average as on 12<sup>th</sup> August. However, ISMA has projected 2014-15 domestic sugar production at 25.3 million tons in their preliminary estimate. This would be about 4% higher than the estimated sugar production of around 24.3 million tons in 2013-14 sugar season.

Quarter ended 30th June 2014 saw the start of new crushing season in Brazil. The quarter has seen improved crushing compared to last year on account of higher number of dry days. However, the drought observed since November 2013 has adversely affected sugarcane yields. Estimates of Centre-South Brazil cane harvest have been revised down by UNICA to 580 million tons against actual crushing of 597 million tons last season. As on 01<sup>st</sup> August 2014, the Centre-South Brazil had crushed a total of 280 million tons of cane which is 4% higher compared to the previous season. The sugar and ethanol production were higher by 9% and 4% respectively compared to the previous season. The recovery in the Centre-South region of Brazil has also improved from the previous season by 2%. 56% of the ATR was diverted towards production of ethanol in the current season compared to 57% in the previous season.



		As on 01st August			Season
		2014/15	2013/14	% Change	2013/14
<b>Cane Crushed</b>	mn tons	280	270	4%	597
<b>Sugar Produced</b>	mn tons	15.1	13.9	9%	34.3
<b>Ethanol Produced</b>	mn m <sup>3</sup>	11.9	11.4	4%	25.6
<b>ATR (Recovery)</b>	Kg/ton	128.8	125.8	2%	133.3
<b>% Sugar</b>		44.0%	43.0%	1.0%	45.2%

Source: UNICA

During the quarter, the prices of domestic white sugar in India were above the price levels in the previous quarter ended March '14. Increase was mainly on account of anticipated drought due to below average rainfall, rise in local demand and anticipation of El-Nino weather event. In the western region, average price of white sugar during the quarter was Rs. 31,372/ton, 12% higher compared to the previous quarter. Also, in Kolkata region, average price of white sugar during the quarter was Rs. 33,649/ton, 9% higher compared to the previous quarter.

### Financial Performance

The India standalone business recorded total revenues of Rs. 11,601 million for the quarter ended 30<sup>th</sup> June 2014, lower by 41% compared to same quarter last year. The decline in revenues was mainly on account of lower sugar sales volume from the mills & refineries.

The total sugar sales volume for the quarter ended 30<sup>th</sup> June 2014 stood at 333,487 tons, which is a decrease of 44% compared to the same quarter last year. The realization for sugar sold domestically stood at Rs. 29,978/ton for the quarter, a decrease of 2% Y-o-Y. The realization for export sugar stood at Rs. 28,509/ton for the quarter, a decrease of 1% Y-o-Y.

Ethanol sales volume for the quarter stood at 23,861 KL, 147% higher Y-o-Y basis due to higher production on account of increased availability of molasses. Realization for ethanol during this quarter improved by 3% Y-o-Y. Power export from Indian mills and refineries for the quarter stood at 82 million units, an increase of 7% compared to last year and realization was at Rs. 4.34/unit compared to Rs. 5.30/unit last year, a decrease of 18%.

The standalone EBITDA for the quarter ended 30<sup>th</sup> June 2014 was Rs. 193 million. For the same quarter of previous year, EBITDA included dividend income of Rs. 336 million from Renuka DMCC. The lower EBITDA Y-o-Y was due to lower volumes & prices resulting into lower margin in the sugar milling & refining business.

The company has reported a net loss of Rs. 806 million for the quarter for the standalone business.



## Operating Performance

### Sugar and Ethanol

(Tonnes, unless indicated)

	Brazil		India				
	3M ended 30-06-2014	3M ended 30-06-2013	3M ended 30-06-2014	3M ended 30-06-2013	y-o-y Growth (%)	3M ended 31-03-2014	q-o-q Growth (%)
Sugarcane Crushed	3,021,561	2,927,493	231,136	-	-	3,140,601	(92.6%)
Raw Sugar Processed	-	-	305,334	417,668	(26.9%)	248,502	22.9%
Recovery <sup>1</sup>	117.19	120.13	11.98%	-	-	11.86%	1.0%
<b>Sugar Production</b>							
<b>From Cane</b>	<b>96,113</b>	<b>110,820</b>	<b>31,024</b>	<b>-</b>	<b>-</b>	<b>376,783</b>	<b>(91.8%)</b>
Raw Sugar	96,113	110,820	-	-	-	-	-
White Sugar <sup>3</sup>	-	-	31,024	-	-	376,783	(91.8%)
Refined Sugar <sup>2</sup>	-	-	297,400	409,792	(27.4%)	241,124	23.3%
<b>Total Sugar Production</b>	<b>96,113</b>	<b>110,820</b>	<b>328,424</b>	<b>409,792</b>	<b>(19.9%)</b>	<b>617,907</b>	<b>(46.8%)</b>

Notes:

- 1 Recovery calculated as % in India and as ATR in Brazil
- 2 Refined sugar can be obtained from raw sugar and is produced from refineries
- 3 Includes sugar in process of 3,334 tons from previous quarter in the quarter ended 30th June 2014 □

	Brazil		India				
	3M ended 30-06-2014	3M ended 30-06-2013	3M ended 30-06-2014	3M ended 30-06-2013	y-o-y Growth (%)	3M ended 31-03-2014	q-o-q Growth (%)
<b>Ethanol Production (KL)</b>	<b>153,370</b>	<b>139,393</b>	<b>29,398</b>	<b>19,031</b>	<b>54.5%</b>	<b>45,540</b>	<b>(35.4%)</b>

### Performance of Brazilian Subsidiaries

Centre-South region in Brazil saw higher number of dry days in the April-June quarter compared to the previous season due to which we witnessed higher cane crushing Y-o-Y at our Brazilian units. Our mills in Renuka do Brasil S/A and Renuka Vale do Ivaí S/A crushed a total of 3.0 million tons in this quarter compared to 2.9 million tons of cane crushed in same quarter last year.

29% of the total sucrose was diverted to production of sugar during the quarter as compared to 34% same quarter previous year since ethanol was more remunerative product as compared to sugar in the period. We produced 96,113 tons of sugar in this quarter as compared to 110,820 tons in the same quarter last year.

Our mills in Brazil produced a total of 153 million liters of ethanol during the quarter which is an increase of 10% compared to the same quarter last year. 70% of the ethanol produced was anhydrous ethanol.

### Group Performance in India

In India, crushing for the season ended in the month of April with a total crushing of 4.8 million tons, 1.3% lower than the previous season. Sugar cane recovery increased from 10.88% in season 2012/13 to 11.63% in season 2013/14.

Both our refineries were operational during the quarter. In the quarter, our refineries processed 305,334 tons of raw sugar to produce 297,400 tons of refined sugar, which is 27% lower compared to the same quarter last year. Though raw sugar processed at Kandla



refinery during the quarter increased by 10% Y-o-Y, utilization of Haldia refinery was lower on account of lower margin in the region.

Our Indian distilleries produced 29.4 million liters of ethanol, from own and purchased molasses during the quarter. The ethanol production was higher by 54% compared to the same quarter last year.

#### Co-generation

	Brazil		India				
	3M ended 30-06-2014	3M ended 30-06-2013	3M ended 30-06-2014	3M ended 30-06-2013	y-o-y Growth (%)	3M ended 31-03-2014	q-o-q Growth (%)
Power Exports (mn units)	154	87	82	76	7.3%	181	(54.7%)

Our Brazilian units exported 154 million units of power during the quarter which is 77% higher than the same quarter last year mainly due to purchase of additional bagasse and higher contribution of traded power. The power exported from our Indian mills and refineries for the quarter stood at 82 million units compared to 76 million units in same quarter last year.

#### Outlook

The global raw sugar prices traded at an average of USD 17.23 cents/lb during the quarter ended 30<sup>th</sup> June 2014. Though Centre-South Brazil has seen accelerated crushing due to higher number of dry days as compared to previous quarter, lower rainfall may cause reduction in total cane availability for the season. UNICA has estimated a cane crush of 580 million tons in 2014/15 season as against crushing of 597 million tons in 2013/14 season. With 56.4% cane diverted towards ethanol production, UNICA estimates sugar production at 32.5 million tons and ethanol production of 25.9 billion liters in this season representing a 5.2% drop and 1.2% increase respectively, as compared to previous season.

As per ISMA estimate, total sugar cane acreage for the country would be about 5.2 million ha, which is 2% less than last year, primarily due to weak monsoon rainfall. ISMA has projected 2014-15 domestic sugar production at 25.3 million tons in their preliminary estimate. With regards to Ethanol blending program, OMCs have floated a 4<sup>th</sup> domestic tender to procure additional 1,560 million litres of ethanol for the period Nov'14 - Oct'15. It is the largest of the 4 tenders, which will further improve the marketability of domestic ethanol.



**Notes:**

1. Net Sales: Includes other operating income and is after excise duties
2. EBITDA: Earnings before interest, taxes and depreciation; includes other income and excludes foreign exchange gain/loss
3. Net Profit: Includes extraordinary items and after minority interest
4. All financial margins are calculated based on Net Sales
5. Net Worth: Share Capital and Reserves and Surplus
6. Basic EPS: Each share face value of Rs. 1.00; Based on 929 million shares outstanding on a weighted average basis

**Analyst / Investor / Media Enquiries:**

Vishesh Kathuria, Shree Renuka Sugars Limited +91 22 4001 1400

For further information on Shree Renuka visit [www.renukasugars.com](http://www.renukasugars.com)

***Safe Harbour***

*This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Shree Renuka’s future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Shree Renuka undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.*



## Shree Renuka Business Snapshot

### Global Market Position

- One of the largest sugar producers in the world with eleven cane mills globally and total crushing capacity of 22 million tons of cane per annum
- One of the largest sugar refiners globally with capacity of 2.3 MTPA
- Leading manufacturer of sugar in India, the world's largest consumer market
- Highly integrated with ethanol capacity of 4,160 KL per day and Co-Generation capacity of 271 MW in India and 317 MW in Brazil

### Best-in-Class Operations

- Higher flexibility to optimize product mix between Ethanol and Sugar in Brazil
- Approximately 100,000 hectares of company owned sugarcane plantations in Brazil with high level of mechanization
- Significant ethanol and power co-generation capacity provide greater resilience to down cycles
- Renuka VDI stake in four logistics companies in Brazil enables competitive export costs
- KBK Chem-Engineering subsidiary provides optimal solutions for fermentation and distillation industries

### Location Advantage

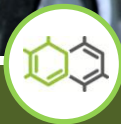
- Only sugar/ethanol producer globally with cane crushing operations year round due to complementary seasons in India and Brazil
- Presence in largest sugar producing and consuming regions globally provides better access to commodity price and production information
- Large operations in Brazil, where sugar/ethanol manufacture has low operating cost, high scalability and highly conducive climatic conditions
- Approximately 53% of sugarcane used in Brazil operations comes from owned cane plantations, enabling higher margins and assurance of raw materials
- Flexible cane pricing and sugarcane with higher recovery through presence in South and West India
- Strategically located port-based sugar refineries in India able to cover Indian, South Asian and Middle-Eastern markets competitively.



Sugar



power



ethanol



**Shree Renuka Sugars Ltd**  
**Audited Results for**  
**Quarter ended 30<sup>th</sup> Jun 2014**

**Earnings Presentation**

18<sup>th</sup> Aug 2014



## Forward Looking Statements

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# Highlights



- Standalone revenues for quarter down by 41% Y-o-Y due to lower sugar sales
- Ethanol revenues up by 155% Y-o-Y due to increased sales volume & realisation
- Cane crushing in Brazil during quarter increased by 3% Y-o-Y
- Preferential allotment of Rs. 5,170 million to Wilmar Sugar Holdings in the quarter

Commenting on the results and performance, Mr. Narendra Murkumbi, Vice Chairman and Managing Director of Shree Renuka Sugars said:

*"Profitability during the quarter for India Standalone business was under pressure due to low margins for sugar in the cane milling business on account of lower realisation in the domestic market and high cost of production which includes costs for the off-season quarter. Margins in the refinery segment were affected by lower realisations as well as lower refining spreads. In ethanol segment, revenues were up by 155% on account of higher sales & realisation. Ethanol blending program has received a major boost as OMCs have come up with the largest tender ever for the requirement of 1,560 million liters for supply between Nov'14 & Oct'15.*

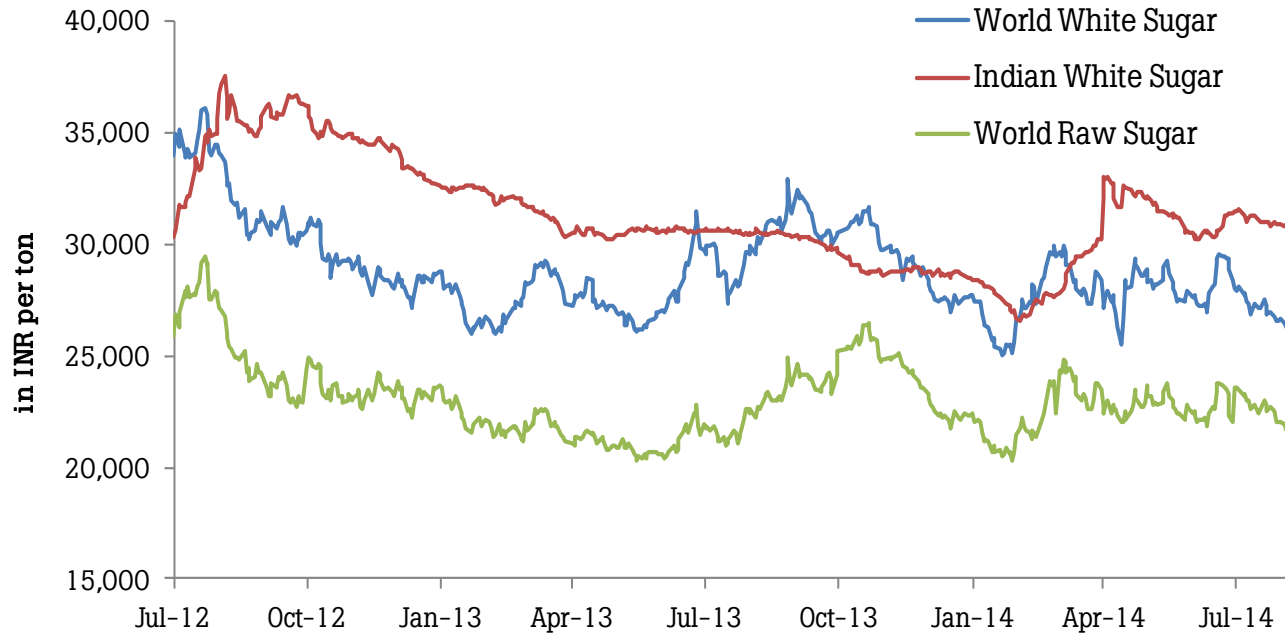
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## Global Sugar Price Trends (Rs / ton)



Source: ICE, Liffe, NCDEX

## Key Perspectives

- ❖ World raw sugar prices remained range bound during the quarter and traded at an average of USD 17.23 c/lb
- ❖ Domestic sugar prices were higher compared to last quarter due to anticipated drought resulting from below average rainfall, rise in local demand and anticipation of El-Nino effect
- ❖ Sugar production in the 2013/14 season at 24.3<sup>1</sup> million tons and for 2014/15 estimated at 25.3<sup>1</sup> million tons

<sup>1</sup> Source: ISMA Estimate

# Standalone Financial Performance



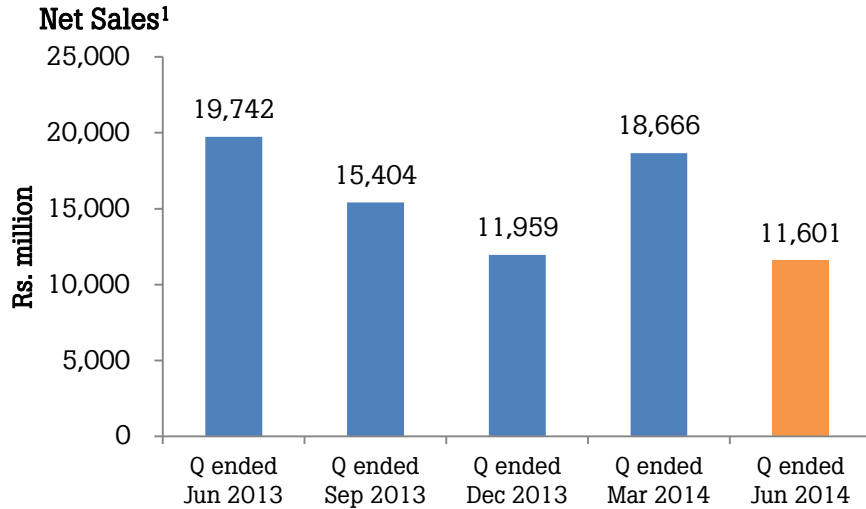
(Rs. in Million)

	3M ended 30-06-2014	3M ended 30-06-2013	% Y-o-Y Growth	Y-o-Y Key Perspectives
Net Sales <sup>1</sup>	11,601	19,742	(41)%	• Lower volumes & realisation in sugar segment
Operating EBITDA <sup>2</sup>	193	866	(78)%	• Lower margin & off-season cost in the cane milling segment • Lower spreads in the refinery segment • EBITDA of Quarter ended Jun'13 includes dividend income of Rs. 336 million
% Margin	1.7%	4.4%		
Foreign exchange gain/ (loss)	(186)	(874)	(79)%	
Net Profit <sup>3</sup>	(806)	(636)	27%	• Impacted due to higher interest expense
% Margin	(6.9)%	(3.2)%		
Basic EPS <sup>4</sup> (Rs.)	(1.05)	(0.95)		
Diluted EPS <sup>4</sup> (Rs.)	(1.05)	(0.95)		

## Notes:

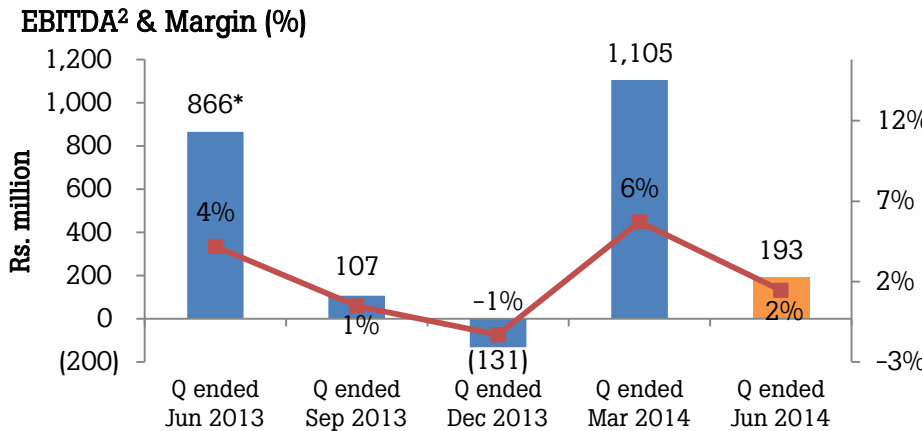
- 1 Net Sales excludes excise duties, foreign exchange gains and includes other income
- 2 EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income and excludes foreign exchange gain/loss; Inclusive of dividend income of Rs. 336 million from Renuka DMCC for the Quarter ended June 13
- 3 Net Profit is after minority interest and prior period adjustments
- 4 Non annualized

# Standalone Quarterly Financial Performance



### Trends

- ❖ Lower Sugar sales contribution from milling and refinery segments
- ❖ Higher ethanol sales volume and realization
- ❖ Lower revenue contribution from the Trading segment



### Trends

- ❖ Impacted due to lower spread in the refinery segment
- ❖ Lower margins in the milling segment & off-season cost
- ❖ Higher contribution by ethanol segment

Notes:

■ EBITDA    ■ Margin (%)

1 Net Sales excludes excise duties, foreign exchange gains and includes other income

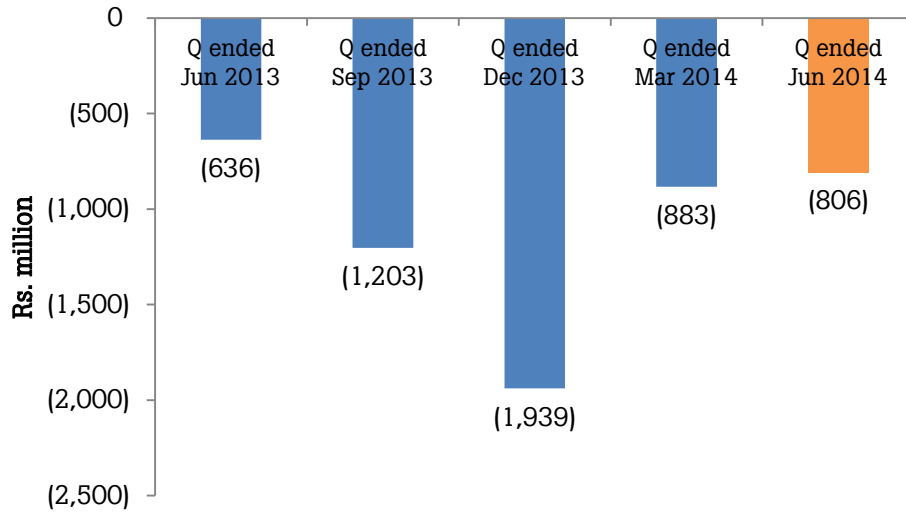
2. EBITDA defined as earnings before depreciation, interest, exceptional items and taxes; includes other income; excludes foreign exchange gain / loss

\* Inclusive of dividend income of Rs. 336 million from Renuka DMCC for the Quarter ended June 13

# Standalone Quarterly Financial Performance



## Net Profit<sup>1</sup>



## Trends

- ❖ Impacted due to higher interest expense
- ❖ Foreign exchange loss of Rs. 186 million on account of depreciation of INR against USD

### Notes:

1 Net Profit is after minority interest and prior period adjustments

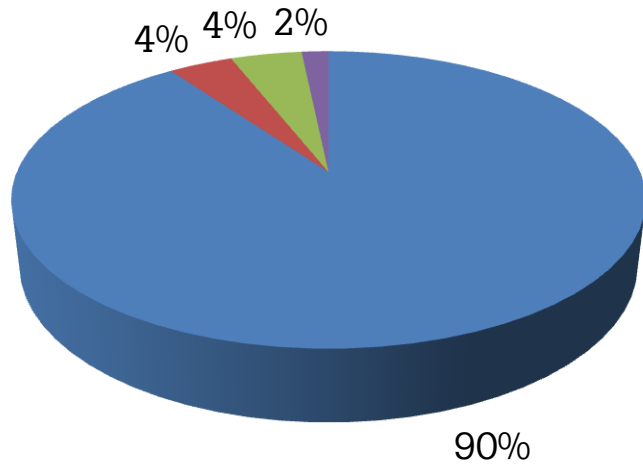


# Standalone Performance - Quarter Ended 30<sup>th</sup> Jun, 2014



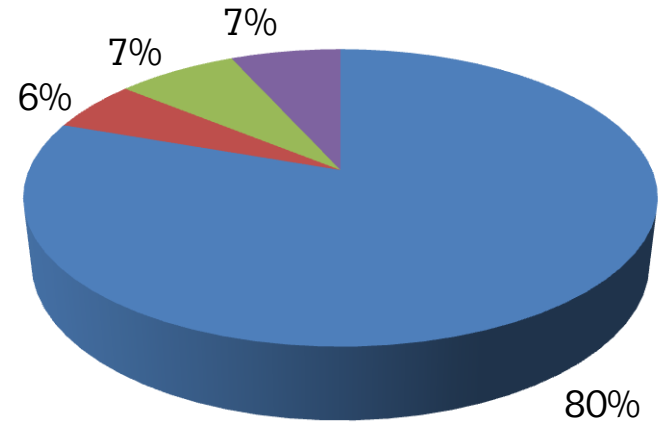
## Net Sales Breakdown - India

Quarter ended June 2013



■ Sugar ■ Trading ■ Cogeneration ■ Ethanol

Quarter ended June 2014



■ Sugar ■ Trading ■ Cogeneration ■ Ethanol

# Closing stock as on 30<sup>th</sup> Jun 2014 - India



## Standalone

	Unit of Measure	As on 30.06.2014
Sugar	MT	298,474
White Sugar	MT	251,901
Raw Sugar	MT	46,573
Ethanol	KL	42,610
Molasses	MT	41,041

# Sales Quantity – India



## Standalone

	3M ended 30-06-2014	3M ended 30-06-2013	% Y-o-Y Growth
Total Sugar Sold(MT)	333,487	598,530	(44.3%)
Export (in MT)	213,191	240,732	(11.4%)
Domestic (in MT)	120,296	357,798	(66.4%)
Ethanol (in KL)	23,861	9,677	146.6%
Co-gen (in million units)	82	76	7.3%

# Net Price Realization - India



## Standalone

	3M ended 30-06-2014	3M ended 30-06-2013	% Y-o-Y Growth
Average Manufactured Sugar (in Rs./MT)	29,039	29,812	(2.6%)
Export (in Rs./MT)	28,509	28,790	(1.0%)
Domestic (in Rs./MT)	29,978	30,500	(1.7%)
Ethanol (in Rs./KL)	34,641	33,553	3.2%
Co-gen (in Rs. per unit)	4.34	5.30	(18.1%)

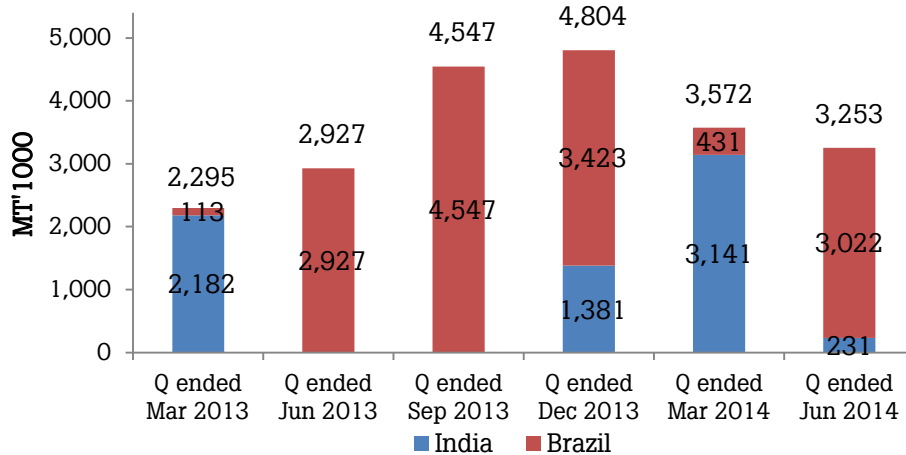
Notes:

1. Export Sugar realizations are FOB prices net of taxes

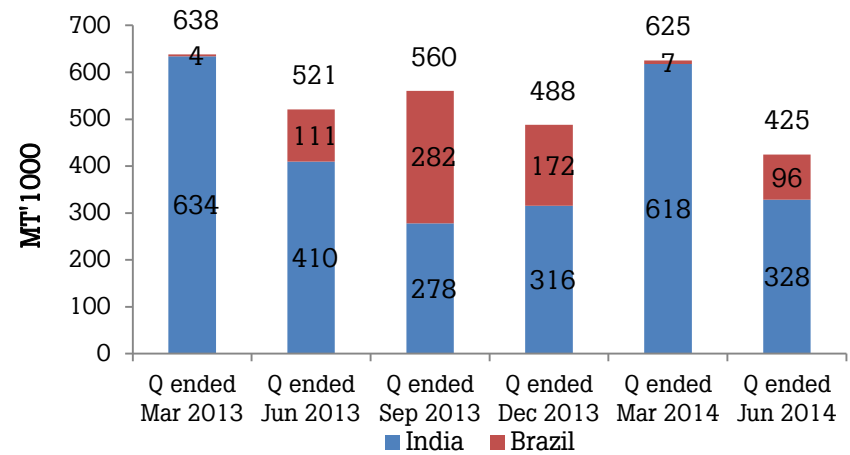
# Sugar: Quarterly Operating Performance



## Sugarcane Crushed



## Sugar Production<sup>1</sup>



- ❖ Higher crushing in Brazil mills this quarter on account of drier weather & early start
- ❖ Some of our Indian mills crushed during last quarter due to delayed start of crushing
- ❖ 29% of cane juice diverted towards sugar production in Brazilian units

- ❖ Sugar production in Indian refineries decreased by 27% Y-o-Y
- ❖ Y-o-Y, 2.4% decrease in recovery at Brazilian units
- ❖ Y-o-Y, 13% reduction in Brazil sugar production due to lower sugar mix of 29% as compared to 34% same quarter last year

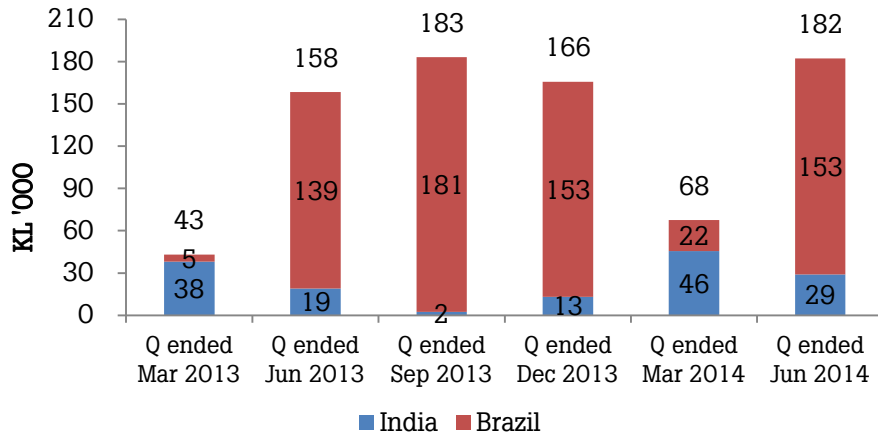
Note:

<sup>1</sup> Sugar produced includes raw sugar and white sugar produced from cane, as well as refined sugar produced from raw sugar

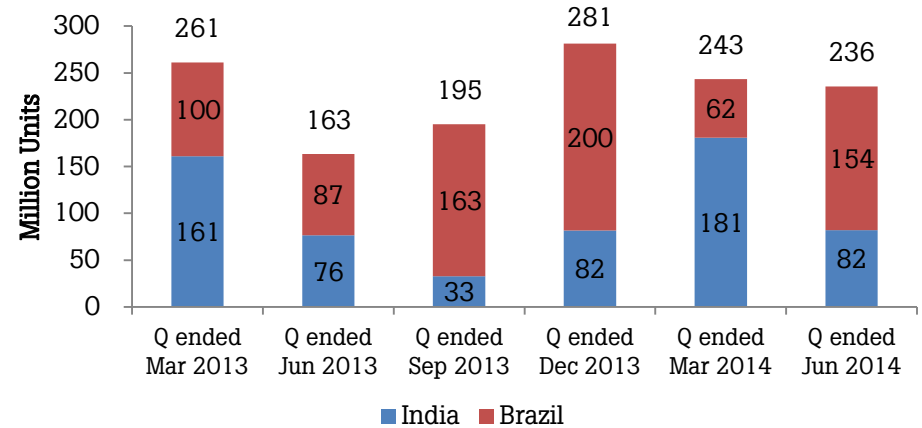
# Ethanol & CoGen: Quarterly Operating Performance



## Ethanol Production



## Co-Gen Power Exports



- ❖ Y-o-Y, 54% increase in ethanol production in India
- ❖ Y-o-Y, 10% increase in ethanol production in Brazil due to higher prices of ethanol
- ❖ Of the total ethanol produced in Brazil, 70% was anhydrous and 30% hydrous

- ❖ Y-o-Y, energy sales in India increased by 8% on account of higher utilization of mills and distilleries
- ❖ Y-o-Y, 77% increase in energy sales from Brazil units due to additional bagasse purchase and contribution from traded power



## COMPANY BACKGROUND

Shree Renuka Sugars is a global agribusiness and bio-energy corporation. The Company is one of the largest sugar producers in the world, the leading manufacturer of sugar in India, and one of the largest sugar refiners in the world. Shree Renuka operates in three segments:

**Sugar:** The Company operates eleven mills globally with a total crushing capacity of 22 million tonnes per annum (MTPA) or 101,520 tonnes crushed per day (TCD). The Company operates seven sugar mills in India with a total crushing capacity of 8.4 MTPA or 42,000 TCD and two port based sugar refineries with capacity of 2.3 MTPA.

The Company also has significant presence in South Brazil, through acquisitions of Renuka Vale do Ivaí on 19 March 2010 (100% owned) and Renuka do Brazil on 7 July 2010 (formerly Equipav Acucar e Alcool – 50.34% stake for USD 250 million). The company has exercised its option to increase its stake to 59.4% at the same valuation by a further investment of USD 115 million. The combined crushing capacity of the Brazilian subsidiary companies is 13.6 MTPA.

**Trading:** Operates a trading hub in Dubai to capitalize on trade opportunities in the Asian region.

**Power:** Shree Renuka produces power from bagasse (a sugar cane by product) for captive consumption and sale to the state grid in India and Brazil. Total Cogeneration capacity increased to 584 MW with exportable surplus of 371 MW. The Indian operations produce 271MW with exportable surplus of 150 MW and the Brazilian operations produce 313MW with exportable surplus of 221 MW.

**Ethanol:** Shree Renuka manufactures fuel grade ethanol that can be blended with petrol. Global distillery capacity is 4,160 KL per day (KLPD) with Indian distillery capacity at 930 KLPD (630 KLPD from molasses to ethanol and 300 KLPD from rectified spirit to ethanol) and Brazil distillery capacity at 3,230 KLPD.

The acquisition of a stake in KBK Chem-Engineering facilitates turnkey distillery, ethanol and bio-fuel plant solutions.

## INDUSTRY

The top 5 sugar producing countries are Brazil, India, China, Thailand and USA. The total sugar production was approximately 174mn tonnes in 2012-13 whereas in 2013-14 the production is expected at 181.5mn tonnes.

Improved weather conditions globally especially in Brazil have resulted in a good 2013-14 season across major producers. Estimated global surplus of sugar as per the latest estimate of ISO is close to 4.4 mn tonnes of sugar for 2013-14. Centre-South Brazil produced close to 34 mn tonnes of sugar while India produced 24 mn tonnes of sugar in 2013-14. Other key producing countries are Thailand, Australia etc.

India, the world's largest sugar consumer and second largest producer, is a key player in the global sugar supply/demand dynamics. The sugar industry in India is highly fragmented. There are 624 sugar factories, dispersed over UP, Maharashtra and other states, with average crushing capacity of approximately 3,500 TCD. While co-operative societies and government-

owned entities own ~50% of India's sugar capacity, the rest is owned by the private sector.

Brazil is the leading producer and exporter of sugarcane, sugar and ethanol. It is among the most efficient major sugar producers in the world. During the 2013/14 harvest, Center-South Brazil had crushed 596 million tonnes of cane, producing 34.3 million tonnes of sugar and 25.5 bn liters of ethanol.

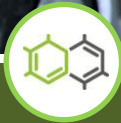
The Government has partially decontrolled the Indian Sugar sector with removing levy obligations and release quota mechanism as per the suggestions of Dr. C. Rangarajan to consider decontrol of the sugar industry.



sugar



power



ethanol



## Shree Renuka Sugars Ltd

Corporate Office

7th Floor, Devchand House

Shiv Sagar Estate, Dr. Annie Besant Road,

Worli, Mumbai-400 018.

[www.renukasugars.com](http://www.renukasugars.com)

Vishesh Kathuria  
*Shree Renuka  
Sugars Ltd.*

+91 22 4001 1400  
[vishesh.kathuria@renukasugars.com](mailto:vishesh.kathuria@renukasugars.com)