For Immediate Release **February 17th, 2014**

Shree Renuka Sugars Limited
Announces
Standalone Results for Quarter Ended 31st December 2013
Quarter ended December 2012 Performance vs. Quarter ended December 2013

Standalone revenues decrease by 35% Y-o-Y due to delay in start of crushing
Sugar Recovery increased to 11.06% from 10.26% Y-o-Y
Ethanol sales increase by 89% Y-o-Y
Higher Foreign exchange loss of INR 1,225 million

Mumbai, India, **February 17th, 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 December 2013, 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:

"The company had a difficult quarter as turnover of our Indian Operations got impacted by the delay in start of season leading to lower crushing in the quarter and subsequently, lower sales in sugar segment. Domestic sugar prices also declined significantly in the quarter. Sugar recovery was higher at 11.06% as compared to 10.26% in same quarter last year. There was also a significant reduction in the cost of cane compared to the previous year. Higher foreign exchange loss was on account of cost of hedging and loss in cancellation of long-term hedges.

In ethanol segment, revenues increased by 89% Y-o-Y with a 12% increase in sales realization as sales to Oil Marketing Companies picked up.

Sales in the refining segment were down by 44% Y-o-Y due to reduced refining spread and lower capacity utilisation of Haldia refinery.

Our Brazilian units continued their better operating performance during the quarter and for the season 2013-14 we crushed 8.9 million tons in Renuka do Brasil S/A (RdB) and 2.4 million tons in Renuka Vale do Ivai S/A (RVdI). Thus, Y-o-Y the crushing was up by 22% and 8% respectively in both the companies.

The sugar mix was particularly skewed towards ethanol with 43% sugar mix in RdB as against 60% last season and 44% sugar-mix in RVdI as against 72% in last season.

Giving some relief to the Indian sugar industry, Cabinet Committee on Economic Affairs (CCEA) in December announced an interest subsidy of up to 12% on loans totalling Rs. 6,600 cr to be utilised for clearing cane price arrears and cane payment for season 2013-14. The duration of the loan is to be 5 years including 2 years of moratorium period.

Recently, CCEA also approved a cash subsidy of Rs. 3,333 per ton on production of upto 4 million tons of raw sugar. The subsidy is available for a period of two sugar seasons. "

Standalone Financial Highlights

	Standalone Financial Performance				
(Rs. Millions)	Quarter Ended 31-12-2013	Quarter Ended 31-12-2012	*y-o-y Growth (%)*	Quarter Ended 30-09-2013	*q-o-q Growth (%)*
Net Sales	11,959	18,488	*(35.3)%*	15,404	*(22.4)%*
Operating EBITDA	(131)	1,852	*(107.1)%*	107	*(222.4)%*
EBITDA Margin (%)	*(1.1)%*	*10.0%*		*0.7%*	
Foreign Exchange gain/(loss)	(1,225)	(255)	*(380.4)%*	(759)	*(61.4)%*
Net Profit	(1,939)	175	*(1,208.0)%*	(1,203)	*(61.2)%*
Net Profit Margin (%)	*(16.2)%*	*0.9%*		*(7.8)%*	
Basic EPS (Rs)	(2.89)	0.26		(1.79)	
Diluted EPS (Rs)	(2.89)	0.26		(1.79)	

Economic Environment

Global raw sugar prices reduced during the quarter from USD 19.5 cents/lb to USD 15.9 cents/lb due to higher surplus of sugar in the international market. Also, countries like China and Indonesia reduced their import volumes compared to last year. The raw sugar prices traded at an average of USD 17.6 cents/lb during the quarter ended 31st December 2013. The gross refining spreads have been below USD 100/ton during the quarter.

Centre-South Brazil has completed its 2013/14 sugarcane harvest. Compared to the previous cane crushing estimate by UNICA of 587 million tons, the Centre-South region in Brazil crushed a total of 596 million tons. This was higher by 12% compared to the previous season. The ATR reduced by 2% compared to the previous season on account of impact of frost in regions of Parana and Mato Grosso do Sul and longer season in Centre South Brazil.

Sugar production and ethanol production in the Centre-South were higher by 1% and 20% respectively as compared to the previous season. 45% of the ATR was diverted towards the production of sugar in the current season as compared to 50% in the previous season.

		As on 31st January			2013/14 (P)
		2013/14	**2012/13**	**% Change**	
Cane Crushed	mn tons	596	532	12%	587
Sugar Produced	mn tons	34.3	34.1	1%	34.2
Ethanol Produced	mn m^3	25.5	21.3	20%	25.0
ATR (Recovery)	Kg/ton	133	136	(2%)	134
% Sugar		45.3%	49.6%	(4.3%)	45.6%

Source: UNICA

After delay in the start of crushing season in India, the crushing operations began during later half of the quarter. Total sugar production in the country till 31st January 2014 was 11.54 million tons which is 17% less than same time last year. Lower production this year is due to late start of mills because of prolonged cane pricing negotiations.

The Cabinet Committee on Economic Affairs (CCEA) has approved a 12% interest subsidy on Rs. 6,600 crore of loans to the sugar industry for paying off cane arrears. Mills would have to repay the loans in five years and can avail of a moratorium on repayment for the first two years. Your company and its subsidiaries are eligible for loan of Rs. 1,619 million under the scheme. Recently, the CCEA has approved a cash subsidy of Rs. 3,333 per ton for the production of 4 million tons of raw sugar over a period of two years. The subsidy will be funded from the SDF (Sugar Development Fund).

Financial Performance

The performance of the India standalone business during the quarter was impacted due to lower utilization of our mills and refineries. The company recorded total standalone revenues of Rs. 11,959 million for the quarter ended 31st December 2013, lower by 35% Y-o-Y. The reduction in revenue was on account of lower turnover from the sugar and power segments.

The total sugar sales volume for the quarter was 299,061 tons, a reduction of 33% compared to the same quarter last year. The sales in the sugar segment were impacted majorly due to lower utilization of the refineries where we sold 199,113 tons of sugar in the quarter compared to 352,764 tons in the same quarter last year. The domestic sugar realization for the quarter was Rs. 29,252/ton, a decrease of 10% Y-o-Y whereas the export sugar realization stood at Rs. 31,731/ton for the quarter, an increase of 3% Y-o-Y.

The ethanol sales volumes for the quarter ended 31st December 2013 increased by 69% compared to last year as we carried higher inventory during the quarter. Also, the realization in the ethanol segment for the quarter stood at Rs. 37.5/liter, an increase of 12% Y-o-Y. The power sales quantity for the quarter from Indian mills and refineries was 82 million units which is a decrease of 47% compared to last year due to lower utilization of the mills and refineries. The power sales realization for the quarter was Rs. 4.52/unit compared to Rs. 4.75/unit last year.

The standalone EBITDA loss for the quarter ended 31st December 2013 was Rs. 131 million. The margins in the sugar milling segment were impacted due to drop in sugar prices. The refining spreads were consistently below USD 100/MT resulting into lower capacity utilisation of our refineries.

During the quarter, cost of hedging and loss on cancellation of long-term hedges led to a foreign exchange loss of Rs. 1225 million. Company has reported a net loss for the quarter for the standalone business of Rs. 1,939 million.

Operating Performance

Sugar and Ethanol

(Tonnes, unless indicated)	Brazil		India				
	3M ended 31-12-2013	3M ended 31-12-2012	3M ended 31-12-2013	3M ended 31-12-2012	*y-o-y Growth (%)*	3M ended 30-09-2013	*q-o-q Growth (%)*
Sugarcane Crushed	3,423,284	2,938,251	1,380,860	2,635,242	*(47.6%)*	-	-
Raw Sugar Processed	-	-	176,262	408,757	*(56.9%)*	281,992	*(37.5%)*
Recovery[1]	132.18	131.33	11.06	10.26	*7.8%*	-	-
Sugar Production							
From Cane	172,183	213,693	145,692	270,315	*(46.1%)*	-	-
Raw Sugar	172,183	213,693	-	-		-	
White Sugar[3]	-	-	145,692	270,315	*(46.1%)*	-	-
Refined Sugar[2]	-	-	169,882	398,729	*(57.4%)*	278,138	*(38.9%)*
Total Sugar Production	172,183	213,693	315,574	669,044	*(52.8%)*	278,138	*13.5%*

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 Does not include sugar in process of 7,020 tons for the quarter ended 31st Dec 2013

	Brazil		India				
	3M ended 31-12-2013	3M ended 31-12-2012	3M ended 31-12-2013	3M ended 31-12-2012	*y-o-y Growth (%)*	3M ended 30-09-2013	*q-o-q Growth (%)*
Ethanol Production (KL)	152,653	95,687	13,188	28,157	*(53.2%)*	2,436	*441.4%*

Performance of Brazilian Subsidiaries

Particulars	Season 2013/14	Season 2012/13	Y-o-Y Change
Sugarcane Crushed (mn tons)	11.3	9.5	19%
ATR (kg/ton of cane)	129	130	-1%
Sugar Production ('000 tons)	573	725	-21%
Ethanol Production (mn ltrs)	493	278	77%
Sugar Mix (%)	43%	63%	

Brazilian subsidiaries continued with their improved operational performance for the season 2013/14 over previous two seasons where we crushed about 11.3 million tons of cane which is 19% higher than crushing for season 2012/13 and 37% higher than season 2011/12. The recovery or ATR for the season was marginally low by 1% compared to previous season where as we diverted about 43% of juice towards sugar compared to 63% in the last season.

During the quarter, our Brazilian subsidiaries crushed 3.4 million tons of cane which is 17% higher than the same quarter last year. The increase was on account of higher cane availability which allowed us to extend the season by few days. The sucrose recovery or ATR for the quarter was higher by 1% compared to last year.

About 41% of the total sucrose was diverted into production of sugar during the quarter as compared to 60% in the previous year. As a result, we produced 172,183 tons of raw sugar in the quarter ended 31st December 2013 as compared to 213,693 tons in the same quarter last year.

During the quarter, our Brazilian mills produced a total of 153 million litres of ethanol which is an increase of 60% as compared to the same quarter last year. This was due to higher diversion of cane towards production of ethanol. Approximately 75% of the total ethanol produced during the quarter was anhydrous ethanol.

sugar ethanol power

Group Performance in India

Quarter ending 31st December 2013 saw the commencement of crushing operations for our domestic mills after delayed start to the season which impacted our crushing volumes. Our Indian mills crushed about 1.4 million tons during the quarter compared to 2.6 million tons last year but the sugar recovery was higher by almost 8%. Our mills produced 145,692 tons of sugar during the quarter compared to 270,315 tons in the same quarter last year.

Also, the utilization of our domestic refineries reduced during the quarter on account of lower domestic sugar prices (leading to lower utilisation of Haldia Refinery) and weak refining spread. During the quarter, our refineries processed 176,262 tons of raw sugar to produce 169,882 tons of refined sugar which is 57% lower compared to last year.

Our Indian distilleries produced about 13 million liters of ethanol during the quarter compared to 28 million liters last year due to lower crushing because of delayed start of the crushing season. As a part of the Ethanol Blending Program, we have dispatched 29 million liters of ethanol to the OMCs (Oil Marketing Companies) under the first domestic tender and 2.3 million liters under the second domestic tender.

Co-generation

	Brazil		India				
	3M ended 31-12-2013	3M ended 31-12-2012	3M ended 31-12-2013	3M ended 31-12-2012	*y-o-y Growth (%)*	3M ended 30-09-2013	*q-o-q Growth (%)*
Power Exports (mn units)	268	226	82	153	*(46.7%)*	33	*149.4%*

Our Brazilian units exported 268 million units of cogeneration power during the quarter compared to 226 million units in the same quarter last year. The power exported from our mills and refineries in India for the quarter ended 31st December 2013 stood at 82 million units compared to 153 million units last year due to lower utilization of our mills and refineries.

Outlook

The ISO (International Sugar Organization) have recently revised its 2013/14 global sugar surplus estimate to 4.73 million tons from an August'13 estimate of 4.5 million tons. Currently, raw sugar prices are trading at about USD 16 cents/lb on account of increasing global sugar surplus.

Though there was a delay in starting of domestic crushing, the sugar production estimates for India for the coming season have been pegged at 25 million tons[1] as a result of better yields and higher recovery. The domestic sugar prices are still on a downslide due to abundant availability. However recent updates indicate sharply lower cane yields in North India and could reduce overall India production this season below 24 million tons.

CCEA's incentive of Rs. 3,333 per ton of raw sugar produced would help to reduce the domestic surplus at the start of the next season. Incentive on interest-free loans would help mills clear cane arrears in this season.

With regards to ethanol, OMCs have further floated a 3rd domestic tender to procure additional 243 million litres of ethanol for the period Mar'14 – Nov'14.

1. ISMA estimates

Notes:

1. Net Sales: Includes other operating income and is after excise duties
2. Operating 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 671 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

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 313 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.

Shree Renuka Sugars Ltd

Audited Results for Quarter ended 31st Dec 2013 Earnings Presentation

Important Notice

Forward Looking Statements

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Highlights

- ❖ Standalone revenues down by 35% Y-o-Y due to delay in start of crushing
- ❖ Sugar Recovery increased to 11.06% from 10.26% Y-o-Y
- ❖ Ethanol sales increased by 89% Y-o-Y
- ❖ Higher Forex loss of INR 1,225 million

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

"The company had a difficult quarter as turnover of our Indian Operations got impacted by the delay in start of season leading to lower crushing in the quarter and subsequently, lower sales in sugar segment. Domestic sugar prices also declined significantly in the quarter. Sugar recovery was higher at 11.06% as compared to 10.26% in same quarter last year. There was also a significant reduction in the cost of cane compared to the previous year. Higher foreign exchange loss was on account of cost of hedging and loss in cancellation of long-term hedges. In ethanol segment, revenues increased by 89% Y-o-Y with a 12% increase in sales realization as sales to Oil Marketing Companies picked up. Sales in the refining segment were down by 44% Y-o-Y due to reduced refining spread and lower capacity utilisation of Haldia refinery.

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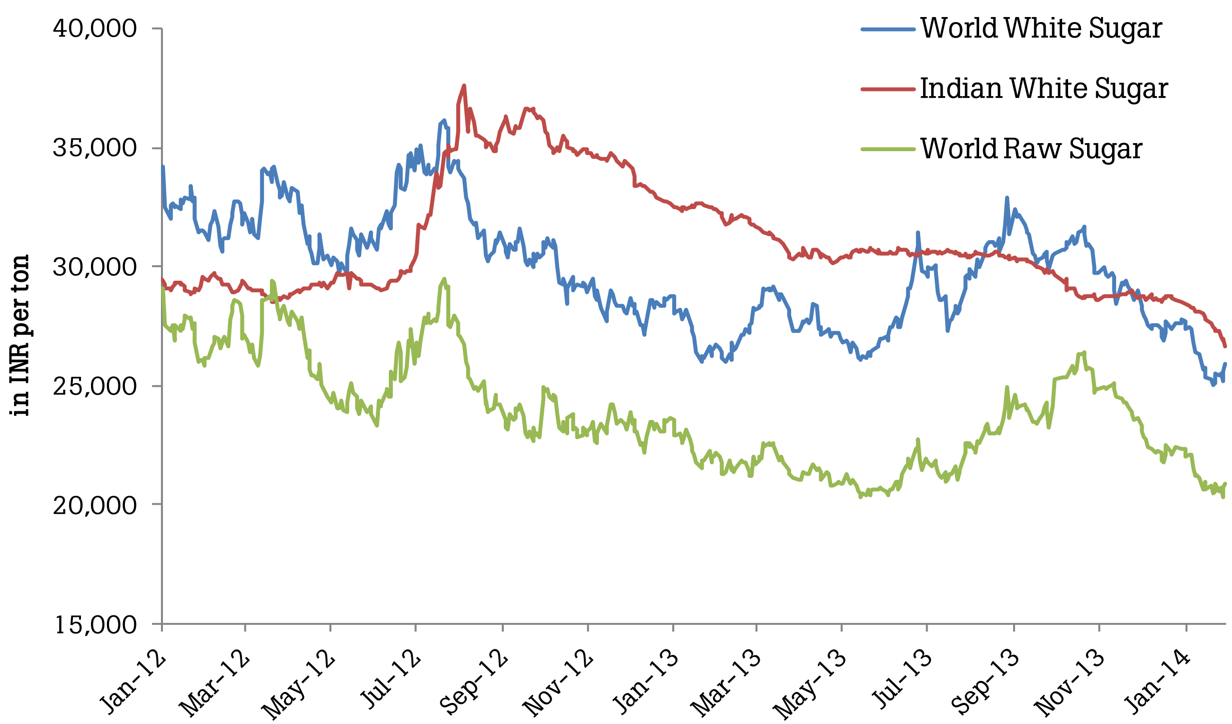
Giving some relief to the Indian sugar industry, Cabinet Committee on Economic Affairs (CCEA) in December announced an interest subsidy of up to 12% on loans totalling Rs. 6,600 cr to be utilised for clearing cane price arrears and cane payment for season 2013-14. The duration of the loan is to be 5 years including 2 years of moratorium period. Recently, CCEA also approved a cash subsidy of Rs. 3,333 per ton on production of upto 4 million tons of raw sugar. The subsidy is available for a period of two sugar seasons."

Market Overview

Global Sugar Price Trends (Rs / ton)



Source: ICE, Liffe, NCDEX

Key Perspectives

- World raw sugar prices reduced during the quarter and traded at average of 17.63 c/lb
- Increasing world sugar surplus impacting the global raw sugar price
- Decrease in domestic sugar prices due to higher surplus carried forward
- Sugar production in the 2013/14 season is estimated to be 25 million tons[1]

1 Source: ISMA Estimate

Standalone Financial Performance

(Rs. in Million)

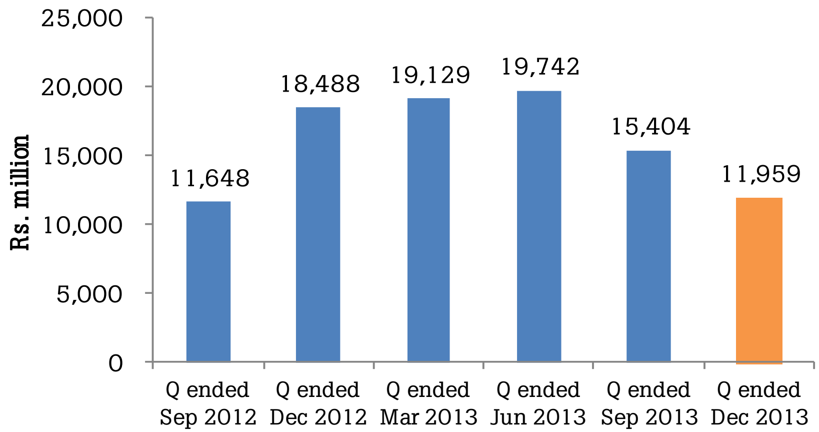
	3M ended 31-12-2013	3M ended 31-12-2012	*% Y-o-Y Growth*	Y-o-Y Key Perspectives
Net Sales[1]	11,959	18,488	*(35)%*	• Lower sales due to delay in start of crushing and subdued sugar prices • Lower capacity utilisation of refineries due to shrinking margins
EBITDA[2]	(131)	1,852	*(107)%*	• Low sugar realisations due to surplus sugar scenario • Lower margins from refining segment due to reduced spreads
% Margin	*(1.1)%*	*10.0%*		
Foreign exchange gain/ (loss)	(1225)	(255)	*(380)%*	• Cost of hedging and loss in cancellation of long-term hedges
Net Profit[3]	(1,939)	175	*(1208)%*	
% Margin	*(16.2)%*	*0.9%*		
Basic EPS[4] (Rs.)	(2.89)	0.26		
Diluted EPS[4] (Rs.)	(2.89)	0.26		

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
3 Net Profit is after minority interest and prior period adjustments
4 Non annualized

Standalone Quarterly Financial Performance

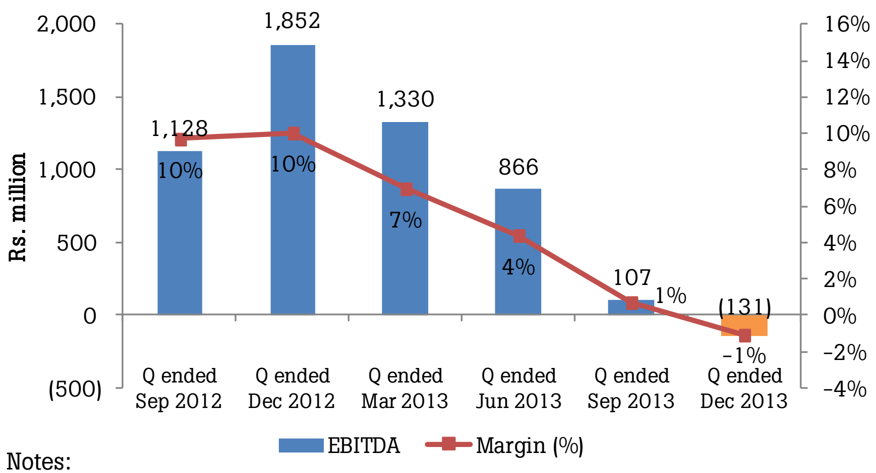
Net Sales[1]



Trends

- Lower sugar sales volume due to delay in crushing and lower refinery utilization
- Surplus sugar scenario leading to lower domestic sugar realization
- Higher ethanol sales volume and realization

EBITDA[2] **& Margin (%)**



Trends

- Low margin in the sugar segment due to steep fall in domestic sugar prices and reduced refining spreads
- Lower margin in the co-generation and ethanol segment

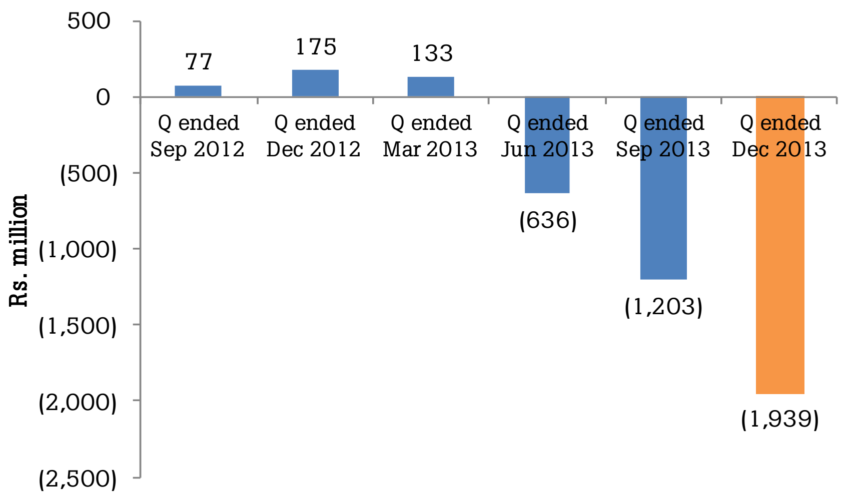
Notes:

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; excludes foreign exchange gain / loss

Standalone Quarterly Financial Performance

Net Profit[1]



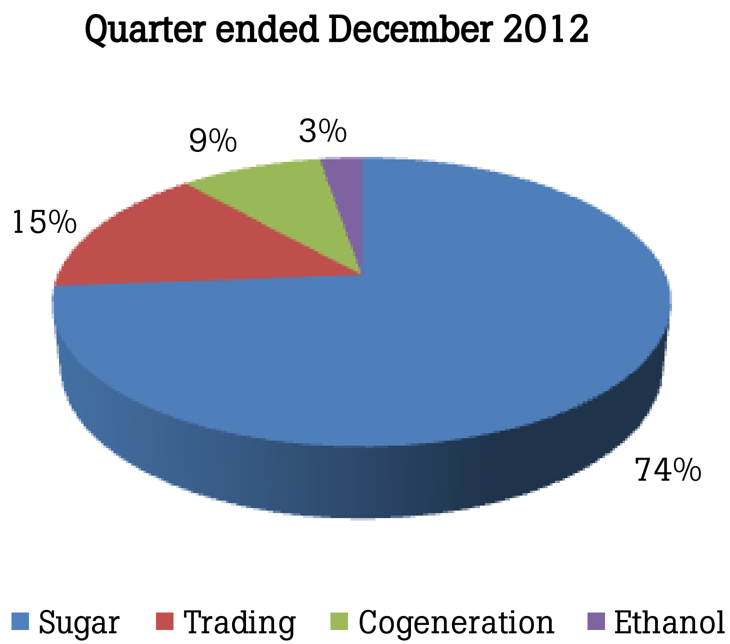
Notes:
1 Net Profit is after minority interest and prior period adjustments

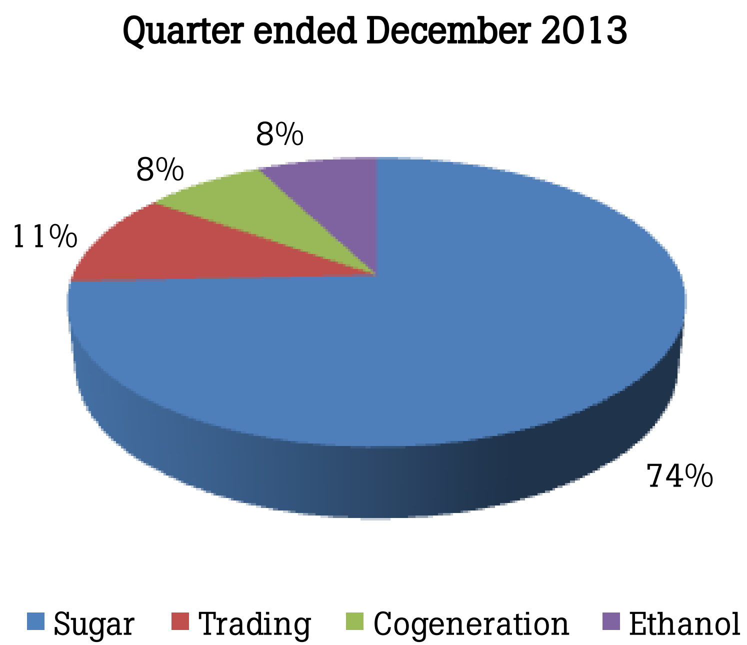
Trends

- Cost of hedging and loss in cancellation of long-term hedges leading to foreign exchange loss of Rs. 1,225 million during the quarter

Standalone Performance – Quarter Ended 31st Dec, 2013

Net Sales Breakdown – India





Closing stock as on 31st Dec 2013 – India

Standalone

	Unit of Measure	As on 31.12.2013
Sugar	MT	221,553
White Sugar	MT	173,525
Raw Sugar	MT	48,029
Ethanol	KL	22,528
Molasses	MT	69,758

Sales Quantity – India

Standalone

	3M ended 31-12-2013	3M ended 31-12-2012	*% Y-o-Y Growth*
Total Sugar Sold(MT)	299,061	448,380	*(33.3%)*
Export (in MT)	172,536	209,736	*(17.7%)*
Domestic (in MT)	126,525	238,644	*(47.0%)*
Ethanol (in KL)	26,294	15,539	*69.2%*
Co-gen (in million units)	82	153	*(46.7%)*

Net Price Realization – India

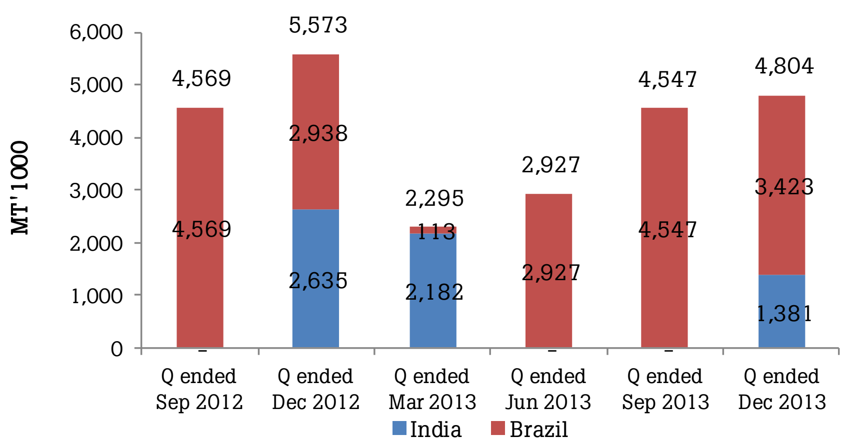
Standalone

	3M ended 31-12-2013	3M ended 31-12-2012	*% Y-o-Y Growth*
Average Manufactured Sugar (in Rs./MT)	30,682	31,833	*(3.6%)*
Export (in Rs./MT)	31,731	30,970	*2.5%*
Domestic (in Rs./MT)	29,252	32,592	*(10.2%)*
Ethanol (in Rs./KL)	37,515	33,591	*11.7%*
Co-gen (in Rs. per unit)	4.52	4.75	*(4.9%)*

Notes:
1. Export Sugar realizations are FOB prices net of taxes

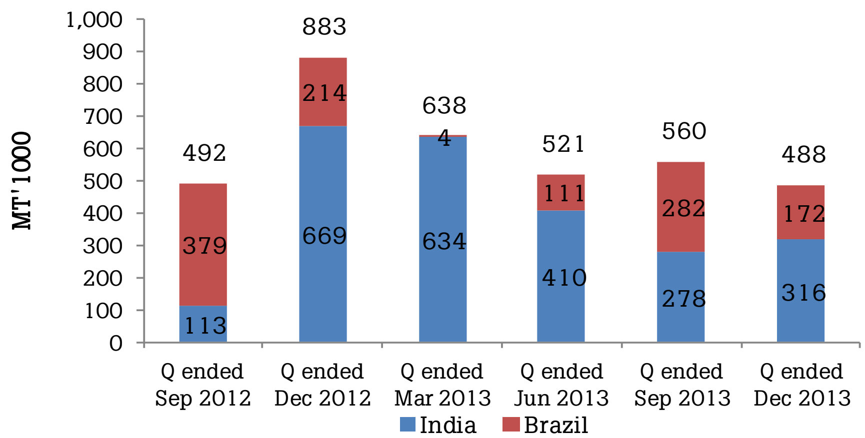
Sugar: Quarterly Operating Performance

Sugarcane Crushed



- Delay in the start of crushing operations in India
- Y-o-Y cane crushing in Brazil increased by 17% due to more operating days
- 2013/14 crushing season concluded for Brazilian subsidiaries with total crushing of 11.3 million tons, increase of 19% over previous season

Sugar Production[1]

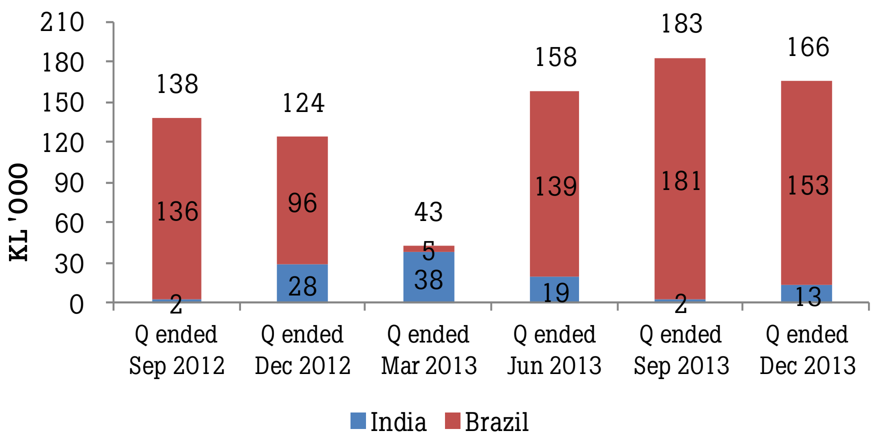


- Lower sugar production in India due to reduced crushing volumes in milling business and lower utilization from refineries
- Lower sugar production in Brazil Y-o-Y due to lower sugar mix of 41% as compared 60% last year
- Y-o-Y, 8% increase in recovery in India cane milling business

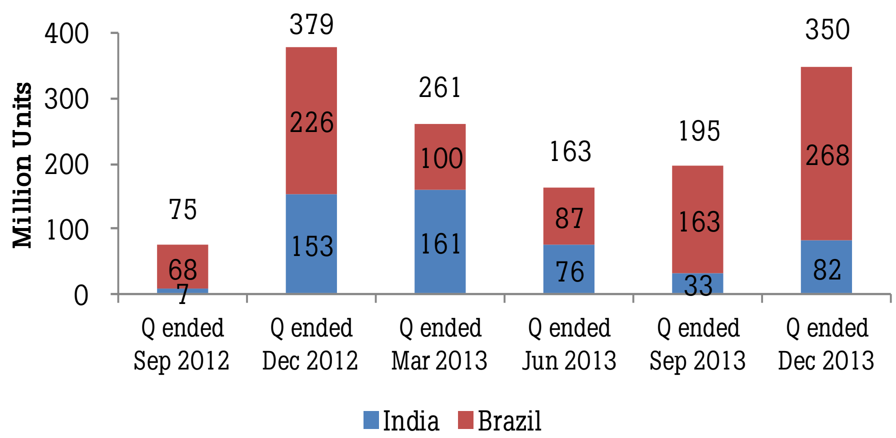
Note:
1 Sugar produced includes raw sugar and white sugar produced from cane, as well as refined sugar produced from raw sugar

Ethanol & CoGen: Quarterly Operating Performance

Ethanol Production



Co-Gen Power Exports



- Decrease in ethanol production in India due to lower molasses availability on account of reduced crushing volumes
- Y-o-Y, 60% increase in ethanol production in Brazil due to higher ATR diverted towards ethanol
- Of the total ethanol produced in Brazil, 75% was anhydrous and 25% hydrous

- Low energy sales in India due to lower utilization of mills and refineries
- Y-o-Y increase in energy sales from Brazil units due to increased crushing

Fact Sheet

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 Ivai 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 583.5MW with exportable surplus of 371.4MW. The Indian operations produce 271MW with exportable surplus of 135MW 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 4.73 mn tonnes of sugar for 2013-14. Centre-South Brazil has produced close to 34 mn tonnes of sugar while India is expected to produce 25 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.

Source: UNICA, Kingsman, ISO, Company Research

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