



Shree Renuka Sugars Limited

ANNUAL REPORT 2009-10

**THE
CONVICTIONS
THAT PROPEL US.
THE ACTIONS
THAT DEFINE US.**



C

Contents

2	Defining Numbers
4	2009-10 in Retrospect
6	Corporate Overview
8	Presence and Key Milestones
10	Conviction and Action
16	Managing Director's Review
20	Corporate Social Responsibility
24	Board of Directors and Key Managerial Personnel
25	Corporate Information
26	Management Discussion and Analysis
34	Directors' Report
40	Corporate Governance Report
50	Financial Statements
106	Notice of AGM

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Shree Renuka Sugars Limited (SRSL) is driven by deep convictions.

A conviction in our ability to evolve a new paradigm in a traditional business.

A conviction to grow through acquisitions and turnarounds, nationally and internationally.

And to set into motion a system of corporate governance, based on transparency, meritocracy and socio-cultural sensitivity.

Our business strategy follows an intricate pattern.



Global leadership



Consolidation



Integration



Expansion



Strategic acquisitions

Strategic acquisitions> expansion>integration> consolidation>global leadership

Strategic acquisitions that converge diverse cultures and operations.

Expansion strategies that set into motion economies of scale.

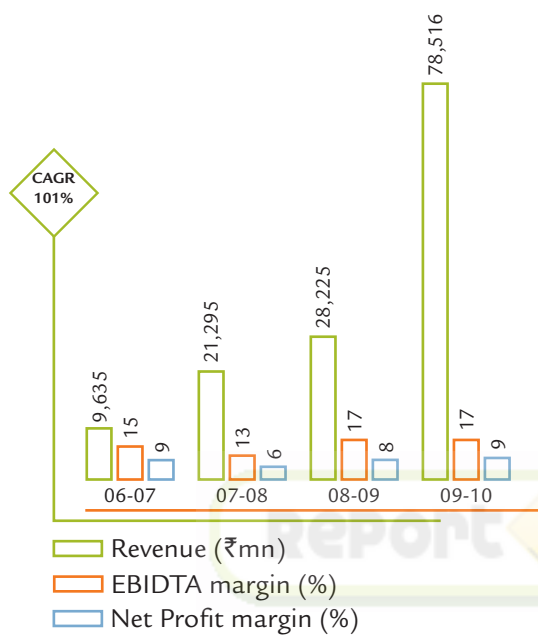
Integration that lends enhanced flexibility to the manufacture of end-products (sugar, ethanol and power) and enables an alignment with demand-supply dynamics.

A combination of the above three results in consolidation of resources and synergies to sustain and secure global leadership.

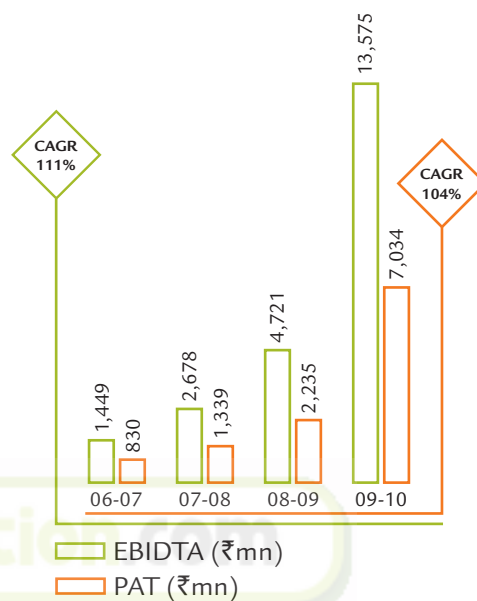


Defining Numbers[#]

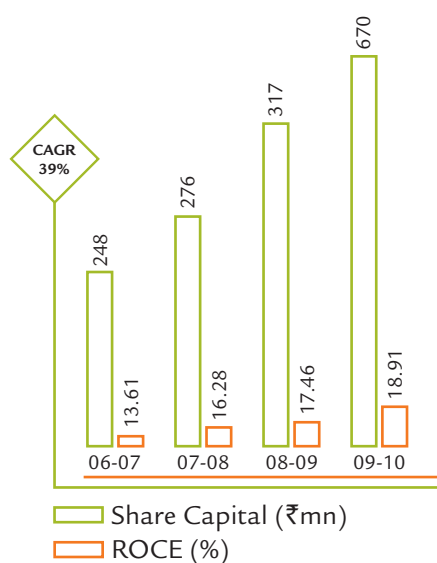
Topline growth and stabilising margins enhancing business sustainability



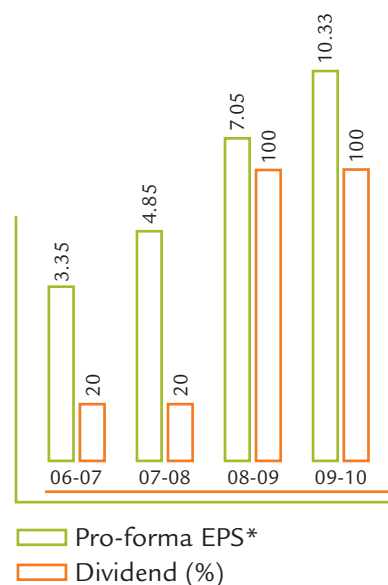
Profitability momentum growing attractively



Financial discipline providing stable returns

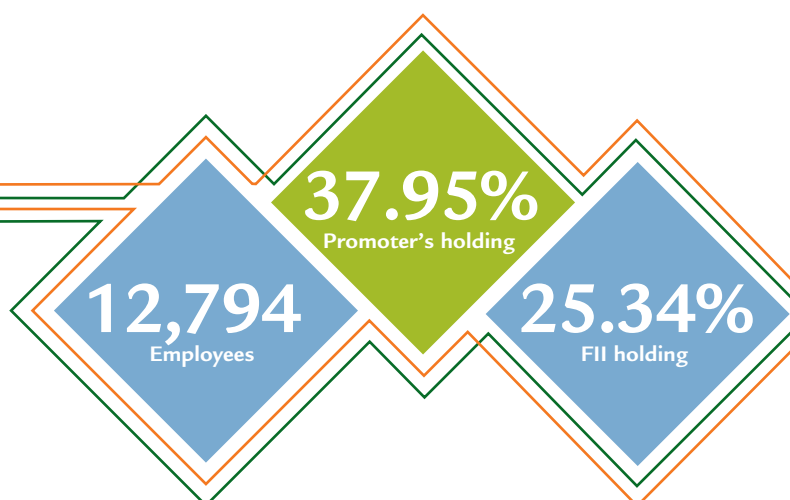


Regular shareholder returns

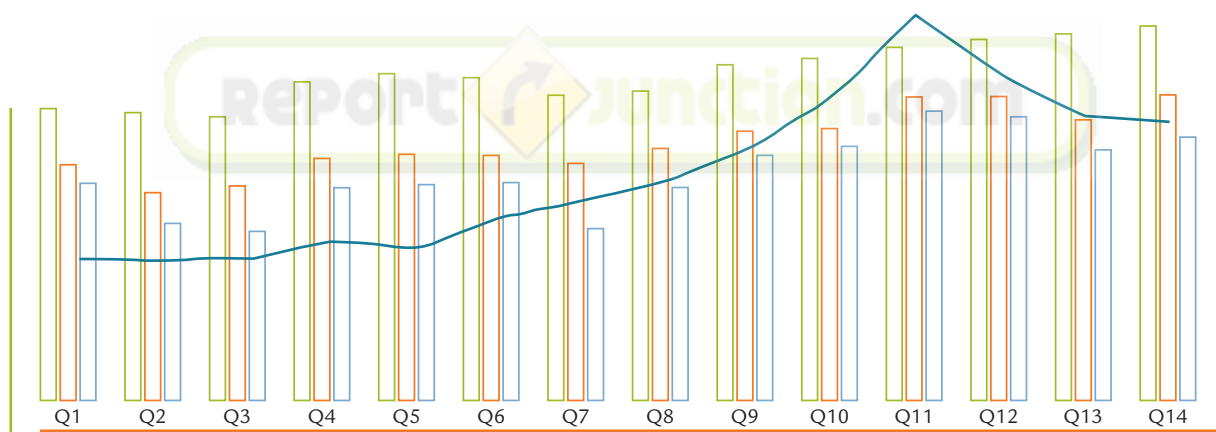


* Pro-forma EPS calculated at ₹ 1 per share and paid up capital at the end of the year

* The equity shares of the Company were sub-divided (split) from a face value of ₹ 10 to ₹ 1 each with effect from April 21, 2008; accordingly, the high/low/closing share prices from April to September 2008 are based on a face value of ₹ 1 each



Shree Renuka Sugars Ltd.'s performance over 14 quarters vis-à-vis sugar prices (June 2007 to September 2010)

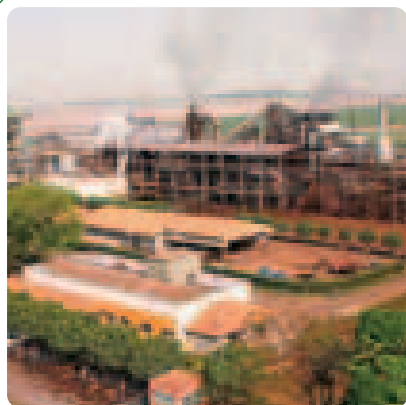


■ Revenue (₹mn)
■ EBIDTA (₹mn)
■ PAT (₹mn)
— Sugar Prices (₹/quintal)

Note: Sugar prices pertain to Kolhapur region for M grade sugar
1 quintal = 100 kilograms

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
Sugar prices (₹/quintal)	1334	1315	1330	1498	1428	1720	1875	2049	2361	2850	3630	3060	2670	2616
Revenue (₹ mn)	2,772	2,445	2,237	5,608	7,042	6,408	4,028	4,425	8,896	10,876	14,437	18,069	20,421	25,589
EBIDTA (₹ mn)	609	286	352	738	817	771	634	931	1,518	1,638	3,761	3,800	2,052	3,962
PAT (₹ mn)	367	128	104	320	365	367	110	332	781	1,020	2,609	2,242	902	1,283

*Consolidated Figures



2

2009-10 in Retrospect

Acquired 100% stake in Renuka Vale do Ivai S/A formerly Vale do Ivai Acucar e alcool (VDI), a Brazilian sugar and ethanol company in March 2010

Growing a multi-cultural and stimulating work environment



Started construction of standalone port based refinery at Kandla having capacity of 3,000 TPD; expected to start production in second half of 2011



Acquired a controlling stake of 50.34% in Equipav S.A. Açúcar e Álcool ("Equipav AA"), in July 2010; the Company was renamed Renuka do Brasil S/A

Received the letter of intent for largest order of supply of 118 million litres of ethanol under the Ethanol Blending Programme



Aerial View, Usina Equipav



Leveraging the latent potential of acquisition and integration



Distillery Section, Usina Equipav

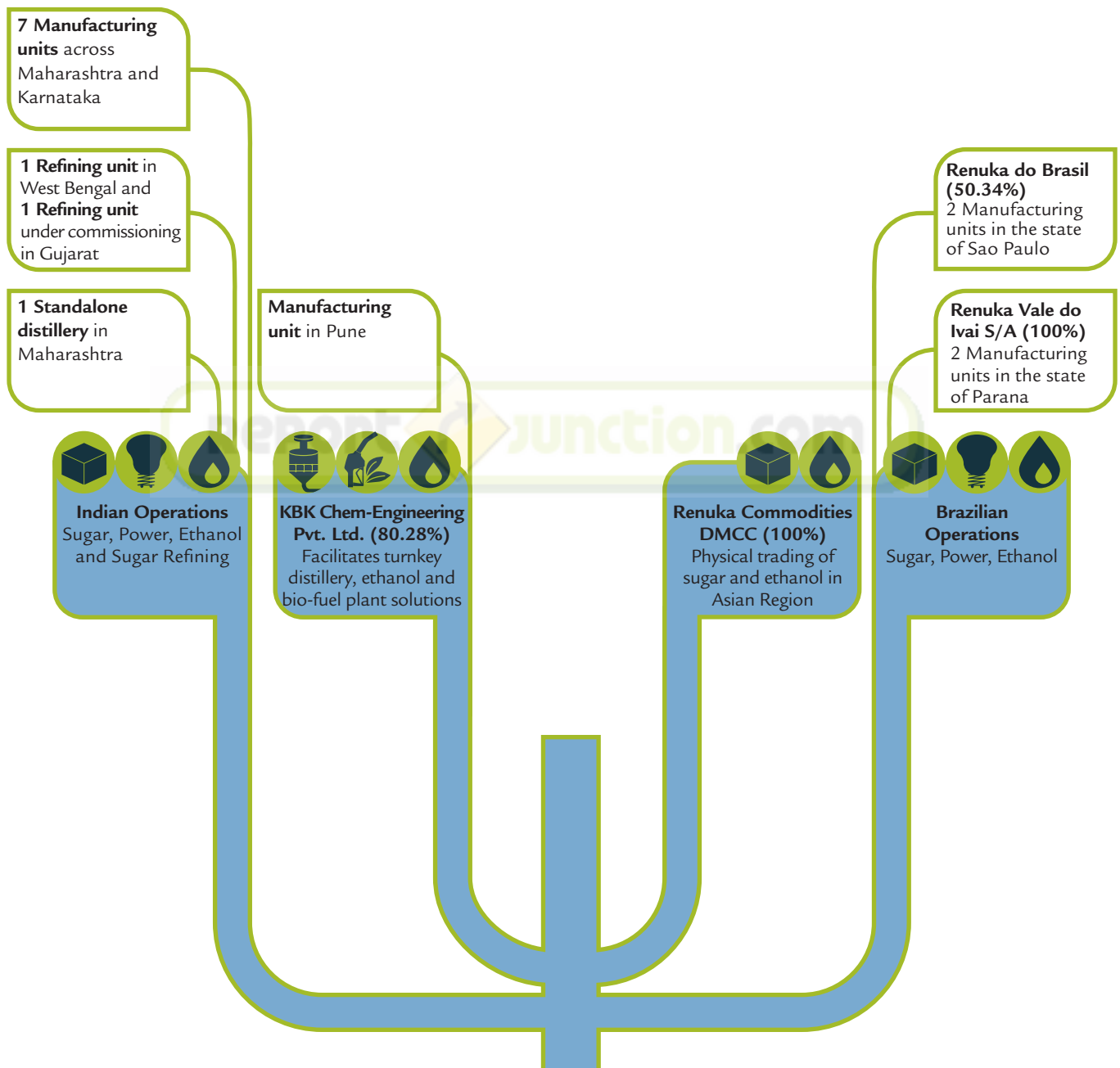
Shree Renuka Sugars Limited (SRSL) has emerged as one of the largest sugar manufacturer in the world and one of the largest refiners globally, besides being India's leading sugar producer.

Operational Statistics

	India	Brazil	Total
Crushing capacity (TCD)	35,000	59,520	94,520
Annual crushing capacity (mn MT)	7.1	13.6	20.7
Ethanol production capacity (KLPD)	930	5,310	6,240
Sugar refining capacity (TPD)	6,000	-	6,000
Raw sugar production capacity in (TPD)	-	4,694	4,694
Power generation capacity (MW)	173	221	394
Own cane plantation (in HA)	-	110,000	110,000

SRSL

Business Structure








Shree Renuka Sugars Limited

P

Presence

A. SRSL units in India

-  Standalone distillery
-  Sugar Mills
-  Sugar Mills with refinery
-  Dedicated refinery
-  Refinery under commissioning

Reportjunction.com



Key milestones

2005

Greenfield
project at Athani (Karnataka)

SRSL IPO launched

2006

Acquisition of sugar mill in
Sindhkheda and relocated to
Havalga (Karnataka)

2007

Acquisition of KBK Chem-
Engineering Pvt. Ltd.