

## **Press Release:**

28<sup>th</sup> September 2015 – Shree Renuka Sugars Ltd. (SRSL) announces today that its Brazilian subsidiary Shree Renuka do Brasil Participações Ltda (SRDBPL) together with all of its subsidiaries (collectively 'Renuka Brazil'), has filed for protection under Judicial Recovery (Law 11.101/2005-Recuperação Judicial) in the designated court in the capital of the state of São Paulo. Renuka Brazil expects that the court will authorise it to continue to conduct its business as usual while it devotes efforts to find a long term sustainable solution for its capital structure.

After acceptance of the request under the Judicial Recovery Law, Renuka Brazil will be under Judicial Protection for a period of 180 days during which Renuka Brazil has to present a plan to the Court for approval with the creditors including Banks.

SRSL believes that reorganisation under judicial recovery is the best way to reorganise, protect our Brazilian subsidiaries and provide a path to our eventual turnaround in Brazil. Underlying operating business has been quite steady this year in these companies with combined cane crushing of 5.7 million tons till 27<sup>th</sup> September 2015.

SRDBPL has 2 major subsidiaries in Brazil, Renuka do Brasil S.A. located in the state of São Paulo and Renuka Vale do Ivaí S.A. located in the state of Paraná.

### **About Renuka do Brasil S.A.**

Shree Renuka Sugars Ltd. (SRSL) acquired the company, Renuka do Brasil S.A. (RdB) from Grupo Equipav on 7<sup>th</sup> July 2010 and holds a 59.4% equity stake in the company with equity investment of INR 13,126 million. RdB has a cane crushing capacity of 44,400 tons per day or 10.5 million tons per annum. Post its acquisition, the operations of RdB were severely impacted by drought and frost in 2011 and another drought in 2014. These vagaries of weather coupled with low sugar prices for last 2 years have negatively impacted the cash generation capability of RdB. In the current crushing season 2015-16, RdB has crushed 4.4 million tons of cane till 27<sup>th</sup> September 2015 as compared to 5.4 million tons in the previous season.

### **About Renuka Vale do Ivaí S.A.**

Shree Renuka Sugars Ltd. (SRSL) acquired 100% stake in Renuka Vale do Ivaí S.A. (RVdl) on 19<sup>th</sup> March 2010 with equity investment of INR 4,525 million. RVdl has a cane crushing capacity of 15,120 tons per day or 3.1 million tons per annum. RVdl has been reporting profit till FY-2012-13 and its operations have been impacted due to vagaries of weather including severe frost in 2013 and low sugar prices during last couple of years. In the current crushing season 2015-16, RVdl has crushed 1.3 million tons of cane till 27<sup>th</sup> September 2015 which is same as compared to the previous season.



*D. Mangharam*