

STOCKS FALL UP TO 7%

Sugar Export Ban may Give Liquidity Pain to Mill Owners



India has banned the export of sugar till September 30 as the government seeks to stabilise local prices

amid tightening supply. This is likely to hurt liquidity of mill owners in the short term. The move triggered up to 7% decline in shares of sugar producers such as Dhampur Sugar Mills, Dalmia Bharat Sugar & Industries. ►► **16**

Sugar Exports Banned till Sept 30, Pre-loaded Freights to be Cleared

Applies to raw, white and refined forms; net local production lower than estimates in 2025-26

Our Bureau

New Delhi: India has banned the export of sugar till September 30 as the government seeks to stabilise domestic prices amid tightening supply conditions.

The world's second-largest sugar producer amended the export policy for sugar, moving it to the "prohibited" category from "restricted", in a notification issued Wednesday. The ban would apply to exports of raw, white, and refined sugar, per the notification.

Sugar exports were earlier under a restricted category, necessitating a licence for outbound shipments.

"This prohibition is not applicable to Sugar being exported under: EU and USA under CXL (Codex Maximum Residue Limit) and TRQ (Tariff Rate Quota) quota, Advance Authorization Scheme, Government-to-Government exports, and consignments already in physical export pipeline," the Director General of Foreign Trade (DGFT) said.

Outbound shipments of the kitchen staple would be allowed where loading on ships had commen-

Building A Buffer

India is world's second-largest sugar producer, following Brazil

Sugarcane harvest may be hit by El Niño this year

Exports curb to make available additional 4-5 lakh tonnes



Domestic sugar prices up 4% on-year between Oct '25 and Apr '26

India's sugar exports in FY25 \$1.9b

Key export markets: Sudan, Libya, Bangladesh, and Sri Lanka



ced prior to publication of the notification and where the shipping bill has been filed and the vessel has berthed or arrived and anchored in a domestic port, with its rotation number allocated by the port authorities. Consignments handed over to customs or custodians before the issuance of the notification will also be cleared.

"Sugar is an essential commodity and there is a thinking to build its buffer amid the ongoing crisis," said a government official.

India had exported \$1.9 billion of these varieties of sugar in FY25, with the top destinations being Su-

dan, Libya, Bangladesh, and Sri Lanka.

Shipments handed over to customs or custodians before the issuance of notification will also be cleared

The daily average retail price of sugar was ₹46.68 per kg on Thursday, up from ₹45.82 per kg a year ago, according to data from the Department of Consumer Affairs.

"The ban on sugar exports is a response to tightening domestic supplies," said Pushan Sharma, director, Crisil Intelli-

gence. "Domestic sugar prices have risen around 4% on-year between October 2025 and April 2026 and are expected to be overall almost 5% higher for sugar season 2026."

Rating agency Icra said net sugar production—post diversion for ethanol production—is likely to remain at around 28 million metric tonnes (MT) in the 2025-26 sugar season till September, lower than earlier expectations.

"Considering the domestic consumption of 28.3 million MT and export of 0.7 million MT (already done), the closing sugar stock level is expected to remain around 4.3 million MT by September 2026, which is about two months of consumption, indicating slightly lower sugar inventory levels compared to previous years," Icra said in a note.

The sugar season is also expected to be impacted by forecasts of El Niño conditions this year, which could hit production of the sweetener. Output in key cane-growing states, particularly Maharashtra and Uttar Pradesh, fell short of projections due to lower-than-expected yields and adverse weather conditions.