SHREE RENUKA SUGARS

19th November 2019

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

NSE Symbol: **RENUKA**

Dear Sir/Madam,

Sub: Clarification sought from Shree Renuka Sugars Limited (Company) regarding the announcement dated 10 November 2019 (Original Announcement) in connection with the 'in-principle' approval of the Board of Directors of the Company (Board) for the merger of Gokak Sugars Limited, a subsidiary of the Company, with the Company, at its meeting held on 10 November 2019

With reference to the Original Announcement in connection with the 'in-principle' approval of the Board for the merger of Gokak Sugars Limited, a subsidiary of the Company, with the Company, at its meeting held on 10 November 2019, we wish to provide the following clarifications as sought by National Stock Exchange of India Limited (**NSE**), pursuant to its email dated 15 November 2019:

<table>
<tr><th>S. No.</th><th>Clarification Sought by NSE</th><th>Company Response</th></tr>
<tr><td>1.</td><td>Name of the entities forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.</td><td>Name of Transferor Company:
Gokak Sugars Limited having its registered office at S. No. 238 and 263, Kolvi Village, Taluka Gokak, District Belgaum, PIN - 591344, Karnataka.

Name of Transferee Company:
Shree Renuka Sugars Limited, having its registered office at 2nd and 3rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi PIN – 590010, Karnataka.

Details of the respective turnovers and net worth of the Transferor Company and the Transferee Company in accordance with their respective latest audited financial statements for financial year ended 31 March 2019 are as below:

<table><tr><th>Entity</th><th>Turnover (INR crore)</th><th>Net Worth (INR crores)</th></tr><tr><td>Transferor Company</td><td>193.42</td><td>(50.05)</td></tr><tr><td>Transferee Company</td><td>4296.86</td><td>592.02</td></tr></table>* Networth Calculated as per definition under Companies Act, 2013</td></tr>
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Shree Renuka Sugars Limited
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W www.renukasugars.com • Corporate Identification No. : L01542KA1995PLC019046

2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	The Transferor Company is a subsidiary of the Transferee Company. However, the proposed merger does not fall within the purview of proviso to Section 188 of the Companies Act, 2013 as clarified pursuant to the general circular number 30/2014 dated July 17, 2014 issued by the Ministry of Corporate Affairs.
3.	Area of business of the entities.	The Transferor Company is primarily engaged in the business of (a) manufacture, import, export and dealing in all types and grades of sugar and its related products such as molasses and bagasse, manures, breweries etc.; and (b) generation, distribution, supply and use of electricity, all kinds of power and energy out of steam generated in the process of manufacture of sugar and its related products. The Transferee Company is primarily engaged in the business of (a) purchase, manufacture, produce, boil, refine, prepare, brew, import, export, buy, sell and generally to deal in all varieties of sugar, sugar candy, jaggery, khandsari sugar, sugar beet, sugar cane, molasses, syrups, melada, alcohol, spirits and all related products and by-products, thereof such as confectionery, glucose, bagasses, bagasse boards, paper, paper pulp, butyl alcohol, acetone, carbon-di-oxide, hydrogen, potash, cane wax, fertilizers, cattle feed and food products generally; and (b) generation of power by traditional and/or using, any latest technology for the captive consumption and also to distribute, sell such surplus generation if necessary to outsiders.
4.	Rationale for amalgamation/ merger.	The proposed merger of the Transferor Company into the Transferee Company would result in consolidation of their respective businesses into a single entity. The anticipated benefits of such a merger for the shareholders, creditors and other stakeholders of the entities would be set out in the draft scheme of merger (**Scheme**) to be placed before the Board for its consideration and approval at a subsequent meeting.
5.	In case of cash consideration amount or otherwise share entitlement/ exchange ratio.	The amount and form of consideration shall be determined by the Board based on a valuation report prepared by a registered valuer, and as confirmed by a fairness opinion prepared by an independent SEBI registered merchant banker, each of which shall be placed before the Board for its consideration at a subsequent meeting.
6.	Brief details of change in shareholding pattern (if any) of listed entity.	Changes in the shareholding pattern (if any) of the Company shall be computed and disclosed once the consideration is finalized in the manner described above.

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As stated in the Original Announcement, (a) the Scheme (along with a valuation report by a registered valuer, fairness opinion prepared by an independent SEBI registered merchant banker, the report of the audit committee of the Company, and other requisite documents) shall be placed before the Board for its consideration and approval at a subsequent meeting, and (b) the Scheme, if subsequently approved by the Board, shall be subject to all requisite approvals, disclosures and other compliances in accordance with the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For **Shree Renuka Sugars Limited**

Deepak Manerikar
Company Secretary