

KEL/SEC/SKC/02/2021

February 16, 2021

National Stock Exchange of India

Exchange Plaza, C-1
Block G, Bandra Kurla Complex
Bandra East
Mumbai – 400 051

Company Symbol : **KARMAENG**

Sub : **Clarification on Announcement of Amalgamation / Merger**

Sir,

We refer to your email dated 16th February, 2021 on the subject seeking clarification.

1. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"; -
The Transferor Company is wholly Owned Subsidiary of Karma Energy Ltd.
2. Area of business of the entity (ies); -
Both Companies are Power generation from Renewable Energy Sources – Holding Company is in Wind Power and 100% Subsidiary in Hydro Power.
3. Rationale for amalgamation/ merger;-
The amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation. This Scheme of amalgamation would result in merger and thus consolidation of business of the Transferor Company and the Transferee Company in one entity. The merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise and infrastructure of both the companies. The Scheme of amalgamation will result in cost saving for both the companies as they are capitalizing on each others core competency and resources which is expected to result in stability of operations, cost savings.
4. In case of cash consideration amount or otherwise share entitlement/exchange ratio; -
Not Applicable since Transferor Company is wholly Owned Subsidiary of Karma Energy Ltd.

We hope the queries stand clarified.

Thanking you.

For **KARMA ENERGY LIMITED**

T V Subramanian
CFO & Company Secretary

KARMA ENERGY LIMITED

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