



11th August 2023

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

Dept. of Corporate Service
BSE Limited
P. J. Towers, Dalal Street
Mumbai – 400 001

NSE Symbol: **RENUKA**

BSE Scrip Code: **532670**

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 11th August 2023

Pursuant to the provisions of Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the meeting of the Board of Directors of the Company was held today i.e. Friday, 11th August 2023, which commenced at 2:30 pm and concluded at 5:15 pm. In the said meeting, the following agendas were approved by the Board, amongst other things:

1. Unaudited Financial Results for the quarter ended 30th June 2023

Pursuant to Regulations 30, 33 & 52 of SEBI Listing Regulations, we are enclosing the following documents:

1. Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June 2023; and
2. Auditors' Report on the Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June 2023;

Highlights of the financial results:

- This quarter's results must be seen in the light of inflationary headwinds, high interest rates, weakening currency and disruption caused at our Kandla refinery by cyclone Biparjoy.
- Total income up by **18%** over the previous year from INR 19,401 Mn to INR 22,865 Mn. Refinery contributed ~ **70%** of the topline.
- Gross profit has improved from INR 3,048 Mn to 3,562 Mn up by **17%**.
- EBITDA has improved from INR 1,102 Mn to 1,468 Mn up by **33%**. EBITDA margin improved by **74 bps**.
- Distillery had a record production of 4.67 crore litres despite being off season due to availability of stored molasses, compared to 4.62 crore litres produced in the previous year.

Shree Renuka Sugars Limited

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2. **Continuation of directorship of Mr. Kuok Khoon Hong (DIN: 00021957)** as a Non-executive, Non-independent Director of the Company after attaining the age of 75 years during his tenure, liable to retire by rotation, subject to the approval of the shareholders of the Company. Mr. Khoon Hong is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.
3. **Amendments to Articles of Association of the Company** for insertion of clause pertaining to appointment of nominee director in accordance with the provisions of Regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993 read with Regulation 23(6) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, subject to the approval of the shareholders of the Company.
4. **Merger of Gokak Sugars Limited, a subsidiary of the Company, with the Company, subject to necessary approvals.**
5. **Annual General Meeting (AGM)**

The 27th Annual General Meeting (AGM) of the members of the Company will be held on **Monday, 25th September 2023 at 11.00 a.m.** IST through Video Conferencing (VC) / Other Audio Video Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder and SEBI Listing Regulations read with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with SEBI circular dated SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023 in respect of point No. 2 and 5 are provided in the Annexure hereto.

We hereby request you to take the above information on records.

Thanking you,

Yours faithfully,

For **Shree Renuka Sugars Limited**

DEEPAK MADHAV

MANERIKAR

Deepak Manerikar
Company Secretary

Digitally signed by DEEPAK
MADHAV MANERIKAR
Date: 2023.08.11 17:22:34 +05'30'

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Annexure

1. Continuation of directorship of Mr. Kuok Khoon Hong (DIN: 00021957)

| Sr. No. | Disclosure requirements | Kuok Khoon Hong (DIN: 00021957) |
|---------|--|--|
| 1. | Reason for change viz. appointment, resignation, removal, death or otherwise | Continuation of directorship of Mr. Kuok Khoon Hong (DIN: 00021957) as a Non-executive, Non-independent Director of the Company after attaining the age of 75 years during his tenure, liable to retire by rotation, subject to the approval of the shareholders of the Company. |
| 2. | Date of appointment (as applicable) & term of appointment | Mr. Khoon Hong was originally appointed as an Additional Director (Non-executive, Non-independent) w.e.f. 25 th October 2019, liable to retire by rotation. |
| 3. | Brief profile | <p>Mr. Khoon Hong, 74, is the Chairman and Chief Executive Officer of the Wilmar Group. He is overall in charge of the management of the Group with a particular focus on new business developments. He has extensive experience in the industry and has been involved in the grains, edible oils and oilseeds businesses since 1973. Mr. Kuok has completed many projects involving the establishment of oil palm plantations in Asia and Africa, as well as the processing of grains, edible oils and oilseeds.</p> <p>Mr. Khoon Hong graduated from the then University of Singapore with a Bachelor of Business Administration degree.</p> |
| 4. | Disclosure of relationships between directors | There is no relationship between Mr. Khoon Hong and any of the Directors on the Board of the Company. |

2. Merger of Gokak Sugars Limited, a subsidiary of the Company with the Company, subject to necessary approvals

a. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

Transferor Company: Gokak Sugars Limited (“GSL”), was incorporated as a private limited company, under the Companies Act, 1956 on 22nd February 2000 in the name of Gokak Sugars Private Limited, in the State of Karnataka. The name of the Company was changed from Gokak Sugars Private Limited to Gokak Sugars Limited on its conversion

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into public limited company and a fresh certificate of incorporation consequent upon change of name was issued on 8th July 2003. The registered office of the Company is situated at S. No. 238 and 263, Kolavi Village, Taluka Gokak, District Belgaum, PIN - 591344, Karnataka. GSL is not listed on any Stock Exchanges.

Transferee Company: Shree Renuka Sugars Limited (“SRSL”), was incorporated as a public limited company under the Companies Act, 1956 on 25th October 1995 in the State of Karnataka. The Certificate of Commencement of Business of the Transferee Company was received on 5th January 1996. The Registered Office of the Company is situated at 2nd & 3rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi – 590010. SRSL is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The summarized financial position of the Transferor Company and the Transferee Company as per their respective latest Audited Accounts as on 31st March 2023 is as under:

| Particulars | (Amount in Mn) | |
|--|----------------|----------|
| | SRSL | GSL |
| Income including other income | 86,861.73 | 2,709.58 |
| Profit/(Loss) before financial expenses and depreciation | 6,477.07 | 324.03 |
| Depreciation and Amortization | 2,291.11 | 76.70 |
| Financial Expenses | 5,413.09 | 182.93 |
| Profit/(Loss) before provision for tax | (1,227.13) | 64.40 |
| Income Tax | 0 | 0 |
| Deferred tax (Liability)/Asset | (130.17) | (17.02) |
| Net Profit/ (Loss) for the Year | (1,357.30) | 47.38 |

b. Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”

Gokak Sugars Limited is a subsidiary of Shree Renuka Sugars Limited. The proposed merger does not fall within the purview of related party transaction in lieu of general circular No. 30/2014 dated 17th July 2014 issued by the Ministry of Corporate Affairs and since the same is subject to the sanction of the National Company Law Tribunal, Bengaluru Bench, Karnataka.

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c. Area of business of the entity(ies)

Gokak Sugars Limited is primarily engaged in the business of

- i) manufacturers, importers, exporters and dealers in all types and grades of sugar and its allied products as molasses and bagasse, manures, breweries etc.;
- ii) Generation, distribution, supply and employ electricity, all kinds of power and energy out of steam generated in the process of manufacture of sugar and its products.

Shree Renuka Sugars Limited is primarily engaged in the business of

- i) 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 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;
- ii) 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.

d. Rationale for amalgamation/ merger

GSL and SRSL are engaged in the same activity of manufacture of sugar and allied products. This Scheme of merger of GSL into SRSL, will result in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. Accordingly, it would be in the best interests of the Transferor Company and the Transferee Company and their respective shareholders, creditors, customers and employees.

The proposed amalgamation of GSL into SRSL is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value. The merged entity is likely to achieve higher long-term financial returns than could be achieved by the companies individually. The Company believes that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Company believes that the Scheme of Amalgamation would benefit the respective companies and other stakeholders of respective companies.

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e. In case of cash consideration – amount or otherwise share exchange ratio

As per the Valuation Report, GSL is valued at Rs. 6.99 per share and SRSL has been valued at Rs. 46.58 per share. Accordingly, the swap ratio is 0.15:1 (i.e. 15 shares of Re 1 each of SRSL for every 100 shares of Rs. 10 each of GSL).

Based on the swap ratio, around 3,35,610 equity shares of the Company will be issued to the eligible shareholders of GSL, which will be approx. 0.0158% of the post issue capital.

f. Brief details of change in shareholding pattern (if any) of listed entity

Upon the scheme becoming effective, the Transferee Company will issue equity shares as mentioned in (e) above to the equity shareholders of Transferor Company as on the record date and all the equity shares of the Transferor Company shall stand extinguished. The pre-issue and post-issue shareholding pattern are as follows -

| Category | Pre-issue | | Shares to be issued under merger scheme | Post-issue | |
|--------------|----------------------|---------------|---|-----------------------|---------------|
| | Nos. of shares | % of shares | | Nos. of shares | % of shares |
| Promoters | 132,98,75,232 | 62.48 | - | 1,32,98,75,232 | 62.47 |
| Public | 79,86,14,541 | 37.52 | 3,35,610 | 79,89,50,151 | 37.53 |
| Total | 212,84,89,773 | 100.00 | 3,35,610 | 2,12,88,25,383 | 100.00 |

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