



8th June 2020

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**

Sub: Impact of Covid-19 on Company's Business Operations

Dear Sir/Madam,

The Covid-19 pandemic and the consequent lockdown restrictions imposed by the Central and State Governments has impacted business in general. In view of the same, it is important that all the information about the impact of these events on the Company and its operations are made available to various stakeholders.

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations"), read with SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20th May 2020; following are the brief details relating to the impact of the Covid-19 pandemic on the operations/business of the Company:

- 1. Impact of the Covid-19 pandemic on the business:** There has been no material impact on the business of the Company.
- 2. Ability to maintain operations including the factories/units/office spaces functioning and closed down:** The Company is engaged in manufacturing of sugar, generation of power and production of Ethanol and other Industrial Alcohol, which falls under the category of essential commodities and thus, the operations of the Company are being carried out in the normal course in accordance with the directives issued by the Ministry of Home Affairs. Segment wise status on the operations is provided below:

a) Sugar Segment:

Company's 7 sugar plants in the state of Karnataka (5 nos.) & Maharashtra (2 nos.) had completed their crushing season and hence, there was no impact on the same. Even though the exports have been sluggish on account of slow movement of dispatches from ports, our sugar refinery operation has not been impacted and is continuing in a planned way.

Shree Renuka Sugars Limited

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Registered Office: 2nd / 3rd Floor, Kanakshree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Po: Belagavi- 590 010 • Karnataka • India

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b) Cogen Segment:

Company's 4 cogeneration power plants are in operation to support the distillery and sugar refining activities in the states of Karnataka and Gujarat.

c) Distillery Segment:

All 3 distilleries of the Company have been continuing with their operations, as planned, in the lock-down period.

3. Steps taken to ensure smooth functioning of operations: The employees of the corporate office worked as per "Work from Home" policy. The Registered office of the Company has resumed functioning with minimum strength as per the guidelines of the State Government. The Company is complying with all the norms related to social distancing, thermal scanning, wearing of face mask, proper sanitization and hygiene at all its locations including factories to ensure smooth functioning of operations.

4. Estimation of the future impact of Covid-19 on its operational results and financial health: At this juncture, the Company does not foresee any significant impact on the operational results and the financial health as sugar and the allied products which the Company is manufacturing are all essential commodities and, as such, demand of the products will return to its normal level, to a large extent, as and when the lockdown gets lifted.

5. Details of impact of Covid-19 on listed entities:

a) Capital and financial resources: Company's capital and financial resources are well placed and have not been impacted because of the Covid-19.

b) Ability to service debt and other financing arrangements: All the debts/installments/interests/dues as per repayment schedule have been made even during this lock-down period without any extensions/default and the Company does not foresee any difficulty in meeting its future financial commitments as well.

c) Assets: NA

d) Internal financial reporting and control: There was no major impact as the Company has robust internal financial controls in place and during lockdown the IT/reporting systems worked seamlessly.

e) Demand for its products/services: Owing to the lock-down, demand for sugar was sluggish, however, as the sugar is sold as per the allotted quota, the impact on business is minimal. With the opening of lockdown, the demand of sugar is gradually rising to its normal level. In the distillery segment, off-take has been

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reduced by the Oil Marketing Companies, however, we believe that the full contracted quantity will be delivered during the contract period. Supply of potable alcohol has been sluggish due to supply chain disruptions of liquor in the country.

- 6. Credit Risk:** The Company is well positioned to fulfill its obligations under the contracts and also does not foresee any problem in respect of its agreements including contracts for export of sugar, sale of ethanol and power where the non-fulfilment of obligations by any party would lead to any material impact on the business of the Company. Also, as the major production of Ethanol and Power is contracted for sale to the government owned companies, there is no credit risk.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,

For **Shree Renuka Sugars Limited**

Deepak Manerikar

Company Secretary

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