

**RIGHTS ENTITLEMENT LETTER FOR THE RIGHTS ISSUE OF DAVANGERE SUGAR COMPANY LIMITED  
FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY.**

**THIS LETTER CONTAINS 4 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**



**DAVANGERE SUGAR COMPANY LIMITED**

**Registered Office:** 73/1, post box number 312, Shamanur Road, Davangere – 577 004, Karnataka, India; **Tel:** +91 81 9220 1623;  
**Corporate Office:** No. 19, Shivashankar Plaza, 3<sup>rd</sup> floor, Richmond Circle, Lalbagh Road, Bengaluru - 560 027, Karnataka, India; **Tel:** +91 80 2227 2183;  
**E-mail:** davangeresugars@gmail.com; **Website:** www.davangeresugar.com;  
**Contact Person:** Musale Mohanbabu Pooja, Company Secretary and Compliance Officer;  
**Corporate Identification Number:** L37100KA1970PLC001949

**CAF NO: 220001**

**DP ID- Client ID/Folio Number: DSS0745**

**Sole/First Holder Name: SATHISHKUMAR ARYA  
B-20, W Z 91  
MAHAVEER NAGARA  
NEW DELHI  
- 110018**

**J/W1:**

**J/W2:**

Dear Shareholder,

Date May 26, 2022

**SUB: ISSUE OF UPTO 3,84,00,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF DAVANGERE SUGAR COMPANY LIMITED (THE “COMPANY”) FOR CASH AT A PRICE OF ₹ 12.50/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 2.50/- PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 4,800 LACS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 69 RIGHTS EQUITY SHARE(S) FOR EVERY 100 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON MAY 27, 2022 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.25 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 169 OF THIS LETTER OF OFFER.**

**Ref: Letter of Offer dated May 26, 2022 and Abridged Letter of Offer dated May 26, 2022, issued by the Company to the Eligible Equity Shareholders pursuant to the Rights Issue.**

We are happy to inform that our Company is proposing a Rights Issue of Equity Shares as mentioned in the captioned subject in the ratio of Sixty-nine (69) Rights Equity Share for every Hundred (100) fully paid-up Equity Share(s) held by the existing Equity Shareholders on the Record Date that is on Friday, May 27, 2022.

With reference to the above, please find below the details of the Equity Shares held by you as on the Record Date, i.e., Friday, May 27, 2022 along with your Rights Entitlements calculated on the basis of the above-mentioned ratio for your kind information:

<b>FOLIO NUMBER/ DP OR CLIENT ID</b>	<b>NUMBER OF EQUITY SHARES HELD BY YOU ON RECORD DATE I.E., FRIDAY, MAY 27, 2022</b>	<b>NUMBER OF RIGHTS ENTITLEMENT</b>
<b>DSS0745</b>	<b>50</b>	<b>34</b>

You are requested to kindly note that the Issue price is ₹12.50/-.

You are requested to take note of the Issue Schedule as provided

<b>ISSUE OPENS ON</b>	<b>LAST DATE FOR MARKET RENUNCIATION</b>	<b>ISSUE CLOSES ON</b>
<b>THURSDAY, JUNE 16, 2022</b>	<b>MONDAY, JUNE 27, 2022*</b>	<b>THURSDAY, JUNE 30, 2022</b>

**\*Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlement are credited to the demat account of the Renounees on or prior to the Issue Closing Date.**

Kindly note that pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Rights Entitlements, as mentioned above, shall be credited only in dematerialized form in your demat account before the Issue Opening Date i.e., Thursday, June 16, 2022 with ISIN – INE179G20011.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date are required to furnish the details of their name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date i.e., Thursday, June 30, 2022, after which they can apply through ASBA facility. For further details, please refer to the chapter titled “*Terms of the Issue*” at page 169 of the Letter of Offer.

You can obtain the details of your respective Rights Entitlements from the website of the Registrar of the Issue at <https://rights.integratedindia.in> by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). You may also communicate with the Registrar with the helpline number (+91 80 2346 0815 to 819) and through their email address [irg@integratedindia.in](mailto:irg@integratedindia.in).

#### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 69 Rights Equity Share(s) for every 100 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 100 Equity Share(s) or not in the multiple of 100, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement. For further details, see “*Terms of the Issue*” beginning on page 169 of the Letter of Offer.

#### **Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

Pursuant to provisions of the SEBI ICDR Regulations read with SEBI Rights Issue Circular and in terms of the Letter of Offer, the Rights Entitlements of the Eligible Equity Shareholders have been credited in their respective demat account under the ISIN - INE179G20011. For details of credit of the Rights Entitlements, see “*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on pages 170 of the Letter of Offer.

#### **Trading of the Rights Entitlements**

In accordance with the SEBI Rights Issue Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN - INE179G20011. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism. For more details, see “*Procedure for Renunciation of Rights Entitlements*” on page 179 of the Letter of Offer.

#### **Renunciation of Rights Entitlement**

The Issue includes a right exercisable by you to renounce the Rights Entitlements credited in your demat account either in full or in part in favour of any other person or persons in India only. The renouncement of Rights Entitlements credited in your demat account can be made either a) by using the secondary market platform of the Stock Exchange through a registered stock broker (“**On Market Renunciation**”) or b) through off market transfer through a depository participant (“**Off Market Renunciation**”) during the Renunciation Period. For more details, see “*Procedure for Renunciation of Rights Entitlements*” on page 179 of the Letter of Offer.

Kindly note that, in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of Res (Rights Entitlements) not later than two working days prior to Issue Closing Date i.e., Thursday, June 30, 2022 such that credit of REs in their demat account takes place at least one day before Issue Closing Date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 176 OF THE LETTER OF OFFER.**

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

#### **Application Process for Rights Issue**

If you are desiring to make an Application in this Issue, kindly note that you are mandatorily required to use either the ASBA process. Further, if you are holding Equity Shares in physical form as on the Record Date, you will have to apply through ASBA facility only. For details, see “*Procedure for Application through the ASBA Process*” and “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 178 and 184 respectively.

**ASBA facility** – Investors can submit the Application Form in physical mode to the designated branch of the Self-Certified Syndicate Banks (“SCSBs”), or make online/electronic Application through the website of the SCSBs (if the facility is made available by such SCSB). SCSBs are self-certified syndicate banks registered with SEBI, which offer the facility of ASBA. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process and details on designated branches of SCSBs collecting the Application Form, please refer to - <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=35>.

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

If you are desirous of making an application in this Issue, you should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “*Terms of the Issue- Procedure for Application through the ASBA Process*” on page 178 of the Letter of Offer.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, you may choose to accept the offer to participate in this Issue by making plain paper Applications. The SCSBs shall accept such application forms only if all details required for making the application as per these regulations are specified in the plain paper application. Please note that Eligible Equity Shareholder making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. If you make an application both in an application form as well as on a plain paper, both applications are liable to be rejected. For details, see “*Application on Plain Paper under ASBA process*” on page 180 of the Letter of Offer.

In accordance with SEBI ICDR Regulations, we are sending herewith the Abridged Letter of Offer and Application Form through email to the email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

#### **ATTENTION FOR PHYSICAL SHAREHOLDERS**

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date are required to furnish the details of their name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date i.e., Thursday, June 30, 2022, after which they can apply through ASBA facility. For further details, please refer to the chapter titled “*Terms of the Issue*” at page 169 of the Letter of Offer.

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, i.e., Thursday, June 30, 2022, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process only.

**PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

#### **Availability of Issue materials**

You can also access the Letter of Offer, the Abridged Letter of Offer and Application Form (provided that you are eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at [www.davangeresugar.com](http://www.davangeresugar.com);
- b) the Registrar to the Issue at [www.integratedindia.in](http://www.integratedindia.in)
- c) the Lead Manager at [www.saffronadvisor.com](http://www.saffronadvisor.com); and
- d) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

#### **Other important links and helpline numbers**

You can visit the following links for below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.integratedindia.in>
- b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: <https://rights.integratedindia.in>
- c) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: <https://rights.integratedindia.in>

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA AND MAY NOT BE OFFERED, SOLD, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS ANY STATE OF THE UNITED STATES, AND THE DISTRICT OF COLUMBIA (“UNITED STATES”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES ARE BEING OFFERED AND SOLD ONLY (A) TO PERSONS IN THE UNITED STATES WHO ARE

REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“U.S. QIBS”) PURSUANT TO SECTION 4(A)(2) OF THE SECURITIES ACT AND (B) TO PERSONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT (“REGULATION S”). IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THE RIGHTS EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN “SELLING RESTRICTIONS” IN CHAPTER TITLED “OTHER REGULATORY AND STATUTORY DISCLOSURES” ON PAGE 164 OF LETTER OF OFFER.

In case of any queries, you may contact the Company or the Lead Manager or Registrar as per the details mentioned herein:

COMPANY DETAILS	REGISTRAR TO THE ISSUE	LEAD MANAGER TO THE ISSUE
		
<p><b>DAVANGERE SUGAR COMPANY LIMITED</b>            73/1, post box number 312, Shamanur Road, Davangere – 577 004, Karnataka, India  <b>Tel:</b> +91 81 9220 1623  <b>Contact Person:</b> Musale Mohanbabu Pooja, Company Secretary and Compliance Officer;  <b>E-mail:</b> <a href="mailto:davangeresugars@gmail.com">davangeresugars@gmail.com</a>;  <b>Website:</b> <a href="http://www.davangeresugar.com">www.davangeresugar.com</a>;  <b>Corporate Identification Number:</b> L37100KA1970PLC001949</p>	<p><b>INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED</b>            No 30 Ramana Residency, 4th Cross Sampige Road, Malleswaram, Bengaluru - 560 003, Karnataka, India  <b>Tel:</b> +91 80 2346 0815 to 819  <b>Contact person:</b> S Giridhar/ K Harish  <b>Facsimile:</b> +91 80 2346 0819  <b>E-mail:</b> <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a>  <b>Website:</b> <a href="http://www.integratedindia.in">www.integratedindia.in</a>  <b>Investor grievance:</b> <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a>  <b>SEBI Registration No:</b> INR000000544</p>	<p><b>SAFFRON CAPITAL ADVISORS PRIVATE LIMITED</b>            605, Center Point, 6<sup>th</sup> floor, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India.  <b>Telephone:</b> +91 22 4973 0394  <b>E-mail:</b> <a href="mailto:rights.issue@saffronadvisor.com">rights.issue@saffronadvisor.com</a>  <b>Website:</b> <a href="http://www.saffronadvisor.com">www.saffronadvisor.com</a>  <b>Investor grievance:</b> <a href="mailto:investorgrievance@saffronadvisor.com">investorgrievance@saffronadvisor.com</a>  <b>Contact Person:</b> Amit Wagle / Gaurav Khandelwal  <b>SEBI Registration Number:</b> INM 000011211  <b>Validity of Registration:</b> Permanent</p>

Note: All capitalized terms, unless defined herein, shall have the meaning ascribed to them in the Letter of Offer.

For DAVANGERE SUGAR COMPANY LIMITED

Sd/-  
**Musale Mohanbabu Pooja,**  
**Company Secretary and Compliance Officer**