

CG Power and Industrial Solutions Limited

Registered Office:
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgplnhal.com
Corporate Identity Number: L99999MH1937PLC002641



Our Ref: COSEC/220/2019-20

January 24, 2020

By portal

The Corporate Relationship Department

BSE Limited
1st Floor, New Trading Ring
Rotunda Building,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
Scrip Code : 500093

The Assistant Manager – Listing

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

Scrip Id : CGPOWER

Dear Sir/Madam,

Subject: Outcome of Board Meeting held on January 24, 2020 – Application to Central Government for removal of Joint Auditor u/s 140(1) of the Companies Act, 2013.

Ref: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the course of review of payments made in the past years, the Company has come across certain unexplained payments made to M/s K K Mankeshwar & Co, one of the Joint Auditors of the Company (KKM), from the Company and its subsidiaries as well association of its partner with certain identified entities named in Phase I investigation report (“Identified Entities”).

KKM in its response confirmed the association of one of its partners with the identified entities during the year 2016-17 which was not disclosed at the time to appointment of KKM as statutory auditors for the financial year 2017-18. Further, they have stated it had not received any payments other than in capacity of statutory auditors, though it has been found that significant unexplained payments were made to KKM and its related entities during 2016-17 to 2018-19. Consequently, the Risk and Audit Committee (RAC) issued show cause under Section 140 (1) of the Companies Act, 2013 and provided KKM opportunity of being heard. Despite follow up and reminders no submissions were made by KKM on the show cause notice.

After due consideration, the Board of Directors of the Company has determined that KKM cannot be considered to be independent. Accordingly, the Board has decided to seek approval of the Central Government for removal of KKM as Joint Statutory Auditor and subject to such approval being granted, seek approval of the shareholders under Section 140 (1) of the Companies Act, 2013.

In view of KKM not being considered independent and the process for removal of KKM having been initiated the Company has been advised that KKM will not be required to continue to sign



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and give report on the financials of the Company since it will be counter-intuitive to the Company's above action.

We would appreciate if you could take the same on record.

Thanking you

Yours faithfully,
For **CG Power and Industrial Solutions Limited**

Nimesh S. Shah
Company Secretary & Compliance Officer

