

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.cgglobal.com

Corporate Identity Number: L99999MH193/PLCOU2611



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Our Ref: COSEC/41/2020-21

August 7, 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,

Sub: Outcome of Meeting of the Board of Directors

Ref: Intimation under Regulation 30 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)

With reference to the above and in compliance with Regulation 30 of SEBI LODR, we hereby inform you that the Board of Directors (the “Board”) of the Company at their meeting held today have inter-alia considered and approved the execution of a securities subscription agreement with **Tube Investments of India Limited (“Prospective Investor”)** dated 7 August 2020 (“SSA”) for the issuance and allotment of following securities to the Prospective Investor on a preferential basis (“**Preferential Allotment**”) *inter alia* subject to the fulfilment of the conditions precedent set out in the SSA (key conditions precedent for the transaction have been set out on the following page):

- (i) 64,25,23,365 equity shares of the Company of face value of Rs. 2 (Rupees two) each (“**Equity Shares**”) at a price of Rs. 8.56/- (including premium) per Equity Share aggregating to Rs. 550,00,00,004/- (Indian Rupees Five Hundred Fifty Crores Four Only); and
- (ii) 17,52,33,645 warrants (“**Warrants**”), each carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant within 18 months from allotment. Aggregate consideration for subscribing to equity shares upon exercise of the warrants is Rs. 150,00,00,001/- (Indian Rupees One Hundred Fifty Crores One only), of which INR 37,50,00,000 (Indian Rupees Thirty Seven Crores Fifty Lakhs only) constituting 25% (Twenty Five per cent) of the aggregate consideration will be paid on warrant subscription by the Prospective Investor;

in compliance with the applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and other applicable laws.



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The details as required under Regulation 30 of the SEBI LODR read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 with respect to issuance of securities is enclosed as **Annexure A** in this letter.

Under the terms of the **SSA**, the Preferential Allotment is subject to the fulfillment of all the conditions precedent set out under the SSA, which *inter alia* include the following:

- (i) the Prospective Investor being declared the winner of the swiss challenge process to be undertaken by the lenders of the Company (**Lenders**) by 28 August 2020;
- (ii) the Lenders accepting one time settlement and restructuring of funded facilities and guaranteed debt in accordance with the terms of the offer made by the Prospective Investor to the Company and Lenders on 7 August 2020 in a manner that is mutually acceptable, which shall be disclosed appropriately in accordance with applicable laws once the Company and the Lenders enter into any binding agreement for such restructuring;
- (iii) Approval of the shareholders of the Company and Prospective Investors in accordance with applicable laws; and
- (iv) the Prospective Investor having received approval of the Competition Commission of India for the Preferential Allotment.

If any of the conditions precedent set out in the SSA are not fulfilled, the SSA will be terminated and the Preferential Allotment will be cancelled in accordance with the terms of the SSA.

In terms of Regulation 164A inserted in the SEBI ICDR Regulations vide Notification No. SEBI/LAD-NRO/GN/2020/18 dated June 22, 2020 ('**SEBI Circular**'), the Company and the Prospective Investor are availing the relaxations in the pricing methodology for preferential issues by listed companies having stressed assets and exemptions to allottees of preferential issues from open offer obligations in such cases, having fulfilled the conditions / eligibility criteria as stated therein.

Further, the details as required under Regulation 30 of the SEBI LODR read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 with respect to SSA is enclosed as **Annexure B** in this letter.

Please note that an Extraordinary General Meeting ("EGM") of the Members of the Company will be held on September 2, 2020 for seeking their approval for the said Preferential Allotment.

The Relevant Date for the purpose of determination of minimum price for the issue and allotment of Equity Shares and Warrants in accordance with SEBI ICDR Regulations is August 03, 2020, being the date 30 (thirty) days prior to the date of the EGM.



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The meeting of the Board of Directors commenced at 9.00 am and concluded at 1.10 pm.

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

Thanking you

Yours faithfully,

For **CG Power and Industrial Solutions Limited**

Alen Ferns
Company Secretary and Compliance Officer



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Annexure A Issuance of Securities

| Sr. No. | Particulars | Details |
|---------|---|---|
| 1 | Type of securities proposed to be issued (viz. equity shares, convertibles, etc.) | a) Equity Shares of face value of Rs. 2 each b) Warrants with a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant within 18 months from allotment |
| 2 | Type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.) | Preferential Allotment |
| 3 | Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately) | a) 64,25,23,365 equity shares of the Company of face value of Rs. 2 (Rupees two) each (" Equity Shares ") at a price of Rs. 8.56/- (including premium) per Equity Share aggregating to Rs. 550,00,00,004/- (Indian Rupees Five Hundred Fifty Crores Four Only) b) 175,233,645 warrants (" Warrants "), each carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant within 18 months from allotment. Aggregate consideration for subscribing to equity shares upon exercise of the warrants is Rs. 150,00,00,001/- (Indian Rupees One Hundred Fifty Crores One only), of which INR 37,50,00,000 (Indian Rupees Thirty Seven Crores Fifty Lakhs only) constituting 25% (Twenty Five per cent) of the aggregate consideration will be paid on warrant subscription by the Prospective Investor |
| 4. | <u>In case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):</u> a) Names of the Investors b) Post allotment of securities- outcome of the subscription, issue price/allotted price (in | Tube Investments of India Limited i) <u>Outcome of subscription</u> Post allotment of securities, Tube Investments will acquire control over the Company and will have the |



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| Sr. No. | Particulars | Details |
|---------|--|---|
| | <p>case of convertibles), number of investors;</p> <p>c) In case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument:</p> | <p>right to appoint a majority of the directors on the board of the Company.</p> <p>ii) Issue Price The equity shares will be issued and allotted at a price of Rs. 8.56/- per share.</p> <p>The warrants ("Warrants"), each carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant within 18 months from allotment, will be issued and allotted at Rs. 8.56, being the aggregate consideration payable by the Prospective Investor for exercising the right to subscribe to 1 (one) Equity Share under each Warrant (Warrant Price).</p> <p>The price has been fixed in accordance with SEBI ICDR Regulations.</p> <p>An amount equivalent to 25% (twenty five per cent) of the Warrant Price shall be payable at the time of subscription of each Warrant and the balance 75% (seventy five per cent) of the Warrant Price shall be payable by the Warrant holder against each warrant prior to the allotment of Equity Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Equity Share(s). The amount paid against Warrants shall be adjusted / set-off against the issue price for the resultant Equity Shares.</p> <p>Each warrant is convertible into One (1) equity share and the conversion can be exercised by the Subscriber at any time within a period of 18 months from the date of allotment, in one or more tranches, as the case may be and on such other terms and conditions under the SSA.</p> <p>The Equity Shares to be allotted on exercise of the Warrants shall be fully paid up and rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, and be</p> |



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|---------|-------------|--|
| | | <p>subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.</p> <p>The Equity Shares allotted pursuant to such conversion shall remain locked-in in accordance with the provisions of the SEBI ICDR Regulations.</p> <p>To the extent of the underlying Equity Shares of the Warrants remaining un-exercised by the Warrant holder within 18 (eighteen) months from the date of allotment, such Warrants shall lapse and the amount paid to the Company at the time of subscription of the Warrants shall stand forfeited.</p> |



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Annexure B Securities Subscription Agreement

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1 | Name(s) of parties with whom the agreement is entered | The Securities Subscription Agreement (“SSA”) is entered between CG Power and Industrial Solutions Limited (“the Company”) and Tube Investments of India Limited (“Prospective Investor”) |
| 2 | Purpose of entering into the agreement | To issue and allot Equity Shares and Warrants with a right exercisable by the Warrant holder to subscribe to one equity share per warrant to the Prospective Investor on preferential basis, subject to fulfilment of the conditions precedent set out under the SSA. |
| 3 | Shareholding, if any, in the entity with whom the agreement is executed | NIL |
| 4 | Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc | <p>The preferential issue of Equity Shares and Warrants to the Prospective Investor is subject to fulfilment of the all the conditions precedent set out in the SSA, which <i>inter alia</i> include the following:</p> <ul style="list-style-type: none">(i) the Prospective Investor being declared the winner of the swiss challenge process to be undertaken by the lenders of the Company (Lenders) by 28 August 2020;(ii) the Lenders accepting one time settlement and restructuring of funded facilities and guaranteed debt in accordance with the terms of the offer made by the Prospective Investor to the Company and Lenders on 7 August 2020 in a manner that is mutually acceptable, which shall be disclosed appropriately in accordance with applicable laws once the Company and the Lenders enter into any binding agreement for such restructuring;(iii) Approval of the shareholders of the Company and Prospective Investors in accordance with applicable laws; and(iv) the Prospective Investor having received approval of the Competition Commission of |



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| Sr. No. | Particulars | Details |
|---------|---|--|
| | | India for the Preferential Allotment. |
| 5 | Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship | The Prospective Investor is not related to the promoter/ promoter group / group companies in any manner. |
| 6 | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length" | Not applicable |
| 7 | In case of issuance of shares to the parties, details of issue price, class of shares issued | Issue and allotment on preferential basis: a) 64,25,23,365 equity shares of the Company of face value of Rs. 2 (Rupees two) each (" Equity Shares ") at a price of Rs. 8.56/- (including premium) per Equity Share aggregating to Rs. 550,00,00,004/- (Indian Rupees Five Hundred Fifty Crores Four Only) b) 17,52,33,645 warrants (" Warrants "), each carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant within 18 months from allotment. Aggregate consideration for subscribing to equity shares upon exercise of the warrants is Rs. 150,00,00,001/- (Indian Rupees One Hundred Fifty Crores One only), of which INR 37,50,00,000 (Indian Rupees Thirty Seven Crores Fifty Lakhs only) constituting 25% (Twenty Five per cent) of the aggregate consideration will be paid on warrant subscription by the Prospective Investor |
| 8 | any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc | NIL |
| 9 | In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): | Not applicable |



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| Sr. No. | Particulars | Details |
|---------|---|---------|
| | a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof. | |

