

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: L99999MH1937PLC002641



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Our Ref: COSEC/72/2020-21

2 September, 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”).

As we had informed you previously under our letter nos. COSEC/41/2020-21 dated August 7, 2020, COSEC/44/2020-21 dated August 11, 2020, and COSEC/65/2020-21 dated 28 August, 2020, the Board of Directors (**Board**) of the Company at their meeting held on 7 August 2020 had approved the execution of a securities subscription agreement dated 7 August 2020 (“**SSA**”) with Tube Investments of India Limited (“**Subscriber**” or “**Prospective Investor**”) for the issuance and allotment of 64,25,23,365 equity shares of the Company and 175,233,645 warrants of the Company on a preferential allotment basis (“**Original Offer**”).

Subsequent to the execution of the SSA and on further assessment of financial liabilities and outlook of the Company by the Subscriber, the Company has received a letter dated 30 August 2020 from the Subscriber indicating their offer to infuse additional capital in the Company aggregating up to INR 100 Crore (Rupees One Hundred Crore Only) (approximately) by way of subscribing to additional equity shares of the Company on a preferential allotment basis (“**Additional Offer**”), to meet the Company’s funding requirements for meeting the Company’s liabilities, stabilizing its operations and improving its liquidity position. We hereby inform you that the Board of the Company at their meeting held today, have *inter-alia* considered and approved the Additional Offer, and consequently, execution of an amendment agreement to the SSA (**SSA Amendment**) with the Subscriber dated 2 September 2020 for the further issuance and allotment to the Prospective Investor on a preferential basis (“**Preferential Allotment**”) of 68,728,522 equity shares of the Company of face value of INR 2/- each (“**Equity Shares**”) at a price of INR 14.55/- (including premium) per Equity Share aggregating up to INR 99,99,99,995.10 (Indian Rupees Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred Ninety Five decimal Ten Only), in compliance with Regulation 164A and other applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI ICDR Regulations**”) and other applicable laws.

Such Preferential Allotment pursuant to the Additional Offer has been approved subject to (A) the completion of the conditions precedent under the SSA (as amended by the SSA Amendment)



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executed between the Company and the Subscriber, which *inter alia* include the Subscriber having received the approval from the Competition Commission of India for its investment into the Company pursuant to the Original Offer and Additional Offer, and (B) the completion of the preferential allotment pursuant to the Original Offer subject to the approval by the Members of the Company at the extra-ordinary general meeting to be held on September 2, 2020. If any of the conditions precedent set out in the SSA (as amended by the SSA Amendment) are not fulfilled, the issue and allotment pursuant to the Additional Offer shall not take place.

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.

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 the SSA Amendment which is being executed 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 24, 2020 for seeking their approval for the Preferential Allotment pursuant to the Additional Offer.

The Relevant Date for the purpose of determination of minimum price for the issue and allotment of Equity Shares pursuant to Additional Offer in accordance with SEBI ICDR Regulations is August 25, 2020, being the date 30 (thirty) days prior to the date of the EGM.

The meeting of the Board of Directors commenced at 8.00 am and concluded at 9.20 a.m.

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

Encl: as above



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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. | Equity Shares of face value of INR 2/- each |
| 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) | 68,728,522 equity shares (" Equity Shares ") of the Company of face value of INR 2 (Rupees two) each at a price of INR 14.55/- (including premium) per Equity Share aggregating up to INR 99,99,99,995.10 (Indian Rupees Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred Ninety Five decimal Ten Only). |
| 4. | <p><u>In case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):</u></p> <p>a) Names of the Investors</p> <p>b) Post allotment of securities- outcome of the subscription, issue price/allotted price (in case of convertibles), number of investors;</p> | <p>Tube Investments of India Limited</p> <p>i) <u>Outcome of subscription</u></p> <p>Post allotment of securities pursuant to the Original Offer, Tube Investments will acquire control over the Company and will have the right to appoint a majority of the director on the board of the Company. As such, pursuant to the completion of the allotment of Equity Shares pursuant to the Additional Offer (which is the subject matter of this disclosure), there will be no further change in control.</p> <p>ii) <u>Issue Price</u></p> <p>The Equity Shares will be issued and allotted at a price of Rs. 14.55/- per Equity Share (including premium).</p> |



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| Sr. No. | Particulars | Details |
|---------|--|--|
| | c) In case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument: | The price has been fixed in accordance with SEBI ICDR Regulations. N.A. |



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Annexure B Amendment Agreement to the Securities Subscription Agreement

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1 | Name(s) of parties with whom the agreement is entered | The Amendment Agreement to the Securities Subscription Agreement, dated 2 September 2020, is being executed between CG Power and Industrial Solutions Limited and Tube Investments of India Limited. |
| 2 | Purpose of entering into the agreement | To issue and allot additional Equity Shares to the Prospective Investor on preferential basis, subject to fulfilment of the conditions precedent set out under the SSA (as amended by the SSA Amendment) and completion of allotment of securities pursuant to the Original Offer. |
| 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 Allotment of Equity Shares pursuant to the Additional Offer by the Company to the Subscriber/ Prospective Investor is subject to:</p> <p>A) the completion of the conditions precedent under the SSA (as amended by the SSA Amendment) executed between the Company and the Subscriber, which <i>inter alia</i> include the Subscriber having received the approval from the Competition Commission of India for its investment into the Company pursuant to the Original Offer and the Additional Offer, and</p> <p>B) the completion of the preferential allotment pursuant to the Original Offer subject to the approval by the Members of the Company at the extra-ordinary general meeting to be held on September 2, 2020.</p> |
| 5 | Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship | The Subscriber will be the controlling shareholder of the Company as of the date when the allotment to be made under the Original Offer is completed. The requirements of Regulation of 31A of the SEBI LODR Regulations will be complied with. |



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| Sr. No. | Particulars | Details |
|---------|--|---|
| | | As on the date of the meeting of the Board held for approving this Preferential Allotment pursuant to the Additional Offer i.e. on 2 September 2020, the Subscriber is not a promoter/part of the promoter group of the Company. |
| 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 | Pursuant to the Additional Offer, 68,728,522 equity shares of the Company of face value of INR 2 (Rupees two) each at a price of INR 14.55/- (including premium) per Equity Share aggregating up to INR 99,99,99,995.10 (Indian Rupees Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred Ninety Five decimal Ten Only) will be issued to the Subscriber. |
| 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 | The other terms of the SSA as disclosed to the stock exchanges on 7 August 2020 will remain the same. |
| 9 | In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): 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. | Relevant disclosures in respect of the amendment to the SSA are captured above. |

