

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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31st October, 2022

To,
The General Manager
Department of Corporate Services
BSE Limited,
P.J.Towers, Dalal Street
Mumbai - 400 001

Dear Sir/ Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") for the proposed Scheme of Arrangement between the Company and its Shareholders to be filed under Section 230 and other applicable provisions of Companies Act, 2013 ("the Act").

Re: Reasons for non-applicability of valuation report and fairness opinion for the Scheme.

In connection with the above application, we hereby confirm the following reasons for non-applicability of valuation report and fairness opinion:

- a) Part I(A)(4)(a) of Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, issued by Securities and Exchange Board of India ("SEBI Master Circular") requires all listed entities to submit a valuation report from an independent chartered accountant. However, such valuation report will not be applicable in case there is no change in the shareholding pattern of the listed entity.
- b) Change in shareholding pattern has been defined in Part I(A)(4)(c) of the SEBI Master Circular as follows:
 - i. change in the proportion of shareholding of any of the existing shareholders of the listed entity in the resultant company; or
 - ii. new shareholder being allotted equity shares of the resultant company; or
 - iii. existing shareholder exiting the company pursuant to the Scheme of Arrangement

The above mentioned points under (b) are not applicable pursuant to the Scheme.

- c) The proposed Scheme provides for Capital Reorganisation of the Company, pursuant to the Scheme, no consideration shall be issued by the Company to its shareholders. Hence, the pre and post Scheme shareholding pattern of the Company shall remain unchanged.
- d) The Scheme does not fall within the ambit of any of the conditions mentioned in Part I(A)(4)(c) of the SEBI Master Circular. Thus, there is no requirement for obtaining a valuation report from an independent chartered accountant.
- e) Part I(A)(2)(d) of the SEBI Master Circular specifies that a listed entity shall obtain a fairness opinion from a SEBI Registered merchant banker in case there is a valuation of assets/ shares done by the valuer for the listed entity and unlisted entity. Pursuant

LM



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to the Scheme, no shares shall be issued by the Company as consideration for the proposed Scheme, thus, there is no valuation of assets/ shares of the Company.

- f) Further, pursuant to the Scheme no assets/ liabilities of the Company are conveyed/ transferred to any party.
- g) Hence, in view of our observations as mentioned in paragraph (a) to (f) above, there is no requirement for obtaining valuation report and fairness opinion in relation to the proposed Scheme.

For CG Power and Industrial Solutions Limited

**P Varadarajan
Company Secretary**

