



Tube Investments of India Limited

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Website: www.tiindia.com CIN: L35100TN2008PLC069496

2nd September 2020

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

BSE Ltd
1st Floor
New Trading Ring, Rotunda Building
P J Towers, Dalal Street, Fort
Mumbai 400 001

Dear Sirs,

Sub: Company's bid for acquiring controlling interest in M/s. CG Power and Industrial Solutions Ltd – Updates – Additional Investment up to Rs.100 Cr.

Further to our letters dated 7th August 2020 and 28th August 2020, we write to inform that the Board of Directors of our Company viz., Tube Investments of India Limited (“TII”) at the meeting held today (2nd September 2020), approved an additional investment in 6,87,28,522 equity shares of M/s. CG Power and Industrial Solutions Limited (“CG Power”) to be issued to TII at Rs.14.55/- per equity share on a preferential issue basis under Regulation 164A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The additional investment into CG power is being proposed in order to meet the additional funding requirements of CG Power and is subject to necessary corporate authorizations and statutory approvals.

The proposed investment is in addition to Rs.700,00,00,005/- approved for investment in the equity shares and share warrants of CG Power by TII's Board of Directors on 7th August 2020.

We further inform that the TII has, today (2nd September 2020) entered into an Amendment Agreement (“**Amendment Agreement**”) to the Securities Subscription Agreement dated 7th August 2020 (“**SSA**”) with CG Power to provide for the additional investment as aforesaid.

The investment / acquisition of controlling interest in CG Power by TII is subject to the approval of the Competition Commission of India and satisfactory fulfilment of conditions precedents contained in the SSA, as amended by the Amendment Agreement, executed between the TII and CG Power.

Separate disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 with regard to the Amendment Agreement to the SSA entered into with CG Power is annexed.

We request you to kindly take the above on record. We will keep the Stock Exchanges informed of the developments in the aforesaid regard.

Thanking you,

Yours faithfully,
For TUBE INVESTMENTS OF INDIA LIMITED

S SURESH
COMPANY SECRETARY
Encl.



Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to additional investment up to Rs.100 Cr. in equity shares of CG Power and Industrial Solutions Limited and execution of the Amendment Agreement to the Securities Subscription Agreement dated 7th August 2020

Disclosure requirement	Details
a) Name of the target entity, details in brief such as size, turnover etc.	<p><u>Target entity:</u> M/s. CG Power and Industrial Solutions Ltd. ("CG Power")</p> <p>Total Income: Rs.3169.48. Cr. for FY 2019-20</p>
b) Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms' length".	<p>The acquisition will not fall within the meaning of a related party transaction. The Promoter/Promoter Group/Group companies do not have any interest in the entity being acquired.</p>
c) Industry to which the entity being acquired belongs.	<p>CG Power is engaged in the industrial and power sectors.</p>
d) Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if the business is outside the main line of business of the listed entity).	<p>Tube Investments of India Limited ("TII") considers that its operational, financial and governance capabilities and experience will help remove the present difficulties and hardships of CG Power and facilitate create value creation for both TII and CG Power.</p> <p>Since both the companies are in the engineering business, the acquisition is expected to provide synergy for both the companies.</p>
e) Brief details of any governmental or regulatory approvals required for the acquisition.	<p>The investment and issue & allotment of equity shares on a preferential basis are subject to the approval of shareholders of CG Power and approval of Competition Commission of India.</p>
f) Indicative time period for completion of the acquisition.	<p>The acquisition would be completed before 120 days from the date of the Securities Subscription Agreement (SSA).</p>
g) Nature of consideration – whether cash consideration or share swap and details of the same.	<p>The additional investment of about Rs.100 Crores will be in the form of cash consideration by way of investment through subscription in the equity shares of CG Power.</p>
h) Cost of acquisition or the price at which the shares are acquired.	<p>The additional investment will be by way of subscription to 6,87,28,522 equity shares of CG Power to be issued to TII at Rs.14.55/- per equity share on a preferential issue basis under Regulation 164A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018.</p>

Disclosure requirement	Details						
i) Percentage of shareholding /control acquired and/or number of shares acquired.	After subscription to the equity capital including additional investment and conversion of Warrants, the shareholding of TII will be 88,64,85,532 equity shares representing 58.58% (approx.) of expanded issued and subscribed share capital of CG Power.						
j) Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which acquired entity has presence and any other significant information (in brief).	<p>CG Power is a public limited company and was incorporated on 28th April 1937. The business of CG Power is in the industrial and power sectors. It has 13 manufacturing facilities and employs over 3,000 people directly and 8,000 people indirectly.</p> <p>The details of total income of CG Power (standalone basis) for the last three financial years are furnished below:</p> <table border="1"> <tbody> <tr> <td>2019-20</td> <td>Rs.3,169.48 Cr.</td> </tr> <tr> <td>2018-19</td> <td>Rs.5,355.60 Cr.</td> </tr> <tr> <td>2017-18</td> <td>Rs.5,008.00 Cr.</td> </tr> </tbody> </table>	2019-20	Rs.3,169.48 Cr.	2018-19	Rs.5,355.60 Cr.	2017-18	Rs.5,008.00 Cr.
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2017-18	Rs.5,008.00 Cr.						

ADDITIONAL DETAILS ON THE AMENDMENT AGREEMENT TO THE SECURITIES SUBSCRIPTION AGREEMENT ('SSA')

Disclosure requirement	Details
a) Name of parties to the Agreement	Tube Investments of India Limited ("TII") and M/s. CG Power and Industrial Solutions Limited ("CG Power").
b) Nature of the Agreement	The Amendment Agreement to the SSA provides for an additional investment by TII in 6,87,28,522 equity shares of CG Power to be issued at Rs.14.55/- per equity share on a preferential issue basis under Regulation 164A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018.
c) Date of execution of the Agreement	The Amendment Agreement was executed on 2nd September 2020.
d) Details of amendment and impact thereof (or) reasons for termination and impact thereof - (NA)	<p>The Amendment Agreement to the SSA provides for the additional investment in CG Power up to Rs.100 Cr. in equity shares of CG Power in addition to investment of Rs.700,00,00,005/- in equity shares and Warrants as provided in the SSA.</p> <p>The additional investment into CG power is being proposed in order to meet the additional funding requirements of CG Power subject to necessary corporate authorizations and statutory approvals.</p>

