

CG Power and Industrial Solutions Limited

Registered Office:

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Corporate Identity Number: L99999MH1937PLC002641



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Our Ref: COSEC/101/2024-25

24th July 2024

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: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”).

We wish to inform you that CG Power and Industrial Solutions Limited (“CG” or “the Company”) has today i.e. 24th July, 2024 entered into definitive agreements for acquisition of 55% stake of M/s G G Tronics Private Limited (“GGT”) through a combination of purchase of equity shares from the Promoters of GGT and by way of subscription to Compulsorily Convertible Preference Shares for an aggregate consideration of up to Rs 319.38 Crores.

The details as required under Regulations 30 of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023, are enclosed as **Annexure A**.

A copy of the Press Release issued in the above regard is further attached for information.

We request you to kindly take the above on record.

Thanking you.

Yours faithfully,

For **CG Power and Industrial Solutions Limited**

Sanjay Kumar Chowdhary
Company Secretary and Compliance Officer

Encl. as above.

Annexure A

Disclosure requirement	Details
(a) Name of the target entity, details in brief such as size, turnover etc.;	<p>G. G. Tronics Private Limited (GGT), established in 2003 and headquartered in Bengaluru, specializes in designing, manufacturing, supplying, and installing Electronic Safety Embedded Signalling Systems for the Railway Transportation segment. Among its notable offerings is the Train Collision Avoidance System (TCAS), also referred to as Automatic Train Protection Systems (IRATPS) or 'KAVACH, for which it is a developmental vendor and in advanced stages of getting an approval for the latest version (4.0) along with LTE compatibility from RDSO, Indian Railways.</p> <p>Latest Financial Parameters (As per unaudited management accounts for 31st March, 2024)</p> <p>Issued and Paid-up Share capital – INR 3.65 Crs Networth: INR 55.04 Crs Turnover: INR 105.43 Crs Profit before Tax- INR 10.84 Crs</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 “arm’s length”;	The acquisition will not fall within the meaning of related party transaction. The promoter /promoter group/ group companies do not have any interest in the entity being acquired.
(c) Industry to which the entity being acquired belongs;	GGT is a key player in the Railways Electronic Signalling Sector
(d) Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	This acquisition is in line with CG's strategic intent to expand its Railway product portfolio by diversifying into closely related or adjacent areas poised for growth. The integration is anticipated to leverage synergies between the companies. CG's extensive expertise in manufacturing, engineering, and project management, complemented by GGT's specialized knowledge in Railway Transport Safety, particularly in the Train Collision Avoidance System 'KAVACH,' and embedded systems will enable CG to actively pursue 'KAVACH' and other Rail Safety projects, in the areas of Electronic Signalling Sector through this vehicle.
(e) Brief details of any governmental or regulatory approvals required for the acquisition;	Not Applicable
(f) Indicative time period for completion of the acquisition;	The acquisition is expected to be completed on or before 23 rd August, 2024 (“ Closing date ”).
(g) Consideration- whether cash consideration or share swap or any other form and details of the same;	All cash consideration upto INR 319.38 crores towards purchase of stake from existing promoters and subscription of fresh securities.
(h) Cost of acquisition and/or the price at which the shares are acquired;	Cost of acquisition is as follows: (i) Upto INR 173 Crores towards purchase of 1,45,622 equity shares from the founders of GGT equivalent to 40% of share capital; and (j) Upto INR 146.38 towards subscription to 1,46,37,704 Compulsorily Convertible Preference Shares to be issued

Disclosure requirement	Details
	<p>by GGT (conversion ratio of CCPS into equity shares is subject to closing adjustments at the time of conversion)</p> <p>(k) GGT will become subsidiary of the Company on the Closing date</p>
(l) percentage of shareholding / control acquired and / or number of shares acquired;	CG proposes to acquire 55% stake of the equity share capital of GGT (this includes the equity shares to be acquired upon conversion of CCPS into equity)
(m) 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 the acquired entity has presence and any other significant information (in brief);	<p>GGT incorporated on 10th January, 2003 and headquartered in Bengaluru, specializes in designing, manufacturing, supplying, and installing Electronic Safety Embedded Signalling Systems for the Railway Transportation segment. GGT also provides comprehensive services for system and software verification and validation for railway signalling products and projects. GGT operates state-of-the-art facilities for manufacturing, testing, and Research & Development.</p> <p>Turnover of GGT (as per Audited financials)</p> <p>FY 2022-23- INR 98.13 Crs</p> <p>FY 2021-22- INR 75.28 Crs</p> <p>FY 2020-21- INR 73.88 Crs</p>



CG POWER AND INDUSTRIAL SOLUTIONS LTD

PRESS RELEASE

CG acquires 55% stake in G.G.Tronics India Private Limited, a company specializing in Electronic Safety Embedded Signalling Systems including 'KAVACH,' for the Railway Transportation Segment

MUMBAI, India, July 24, 2024:

CG Power and Industrial Solutions Ltd (CG), a leader in the Electrical Engineering Industry, today has entered into definitive agreements to acquire 55% stake in G.G.Tronics India Private Limited (GGT) for an aggregate consideration of up to Rs. 319.38 crores.

With a legacy spanning over 86 years, CG has established a strong foothold in the Railway Industry, offering a comprehensive portfolio that includes: Traction Machines & Systems, Rail Transportation Traction Electronics (complete Railway Propulsion Systems), and Railway Signalling Products (Electro-Mechanical Signalling Products).

G.G.Tronics India Private Limited (GGT), established in 2003 and headquartered in Bengaluru, specializes in designing, manufacturing, supplying, and installing Electronic Safety Embedded Signalling Systems for the Railway Transportation segment. Among its notable offerings is the Train Collision Avoidance System (TCAS), also referred to as Automatic Train Protection Systems (IRATPS) or 'KAVACH,' for which GGT is a developmental vendor and currently, is in the advanced stage of getting an approval for the latest version (4.0) along with Long-Term Evolution (LTE) compatibility, from the Research Designs and Standards Organisation (RDSO), Indian Railways. GGT's product lineup also includes Single & Multi Section Digital Axle Counters and High Availability Digital Axle Counters, both certified by RDSO and compliant with CENELEC SIL 4 standards. In addition to its diverse product range, GGT provides comprehensive services for system and software verification and validation for railway signalling products and projects. These services adhere to the latest CENELEC standards including EN50126, EN50129, EN50128, EN50159, and EN50125. GGT has state-of-the-art facilities for manufacturing, testing, and Research & Development. With deep domain expertise, proven capabilities, and a track record of over two decades, GGT has earned the trust of the Indian Railways, solidifying its position as a key player in the Indian Railways Electronic Signalling sector.

This acquisition is in line with CG's strategic intent to expand its Railway product portfolio by diversifying into closely related or adjacent areas poised for growth. The integration is anticipated to leverage synergies between the companies. CG's extensive expertise in manufacturing, engineering, and project management, complemented by GGT's specialized knowledge in Railway Transport Safety, particularly in the Train Collision Avoidance System 'KAVACH,' and embedded systems will enable CG to actively pursue 'KAVACH' and other Rail Safety projects, in the areas of Electronic Signalling Sector through this vehicle.



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On the occasion, Mr. Natarajan Srinivasan, Managing Director, CG Power and Industrial Solutions Limited, said, *“This is a crucial step forward for CG in further consolidating our position in the Railway Industry. It underscores our commitment to advancing our product portfolio with cutting-edge railway safety signalling technologies such as the 'KAVACH' Train Collision Avoidance System, as well as innovating further with developments like Moving Block System for line capacity enhancement, Electronic Interlocking for Indian Railways, and CBTC for metro rail, amongst others. By integrating GGT's specialized capabilities, we are poised to deliver enhanced value and reliability to our customers in the Indian Railways sector, reaffirming our commitment to innovation and operational excellence. With a steadfast commitment to Make in India, for the World, we anticipate significant potential for expanding these technologies internationally.”*

Mr. N Manjunath, Founder, G.G.Trionics, speaking for their Board, added, *“By partnering with CG, we will be able to leverage their advanced manufacturing and engineering expertise, thereby bolstering our growth, and further strengthening our position in the Railway Transport Safety Signalling sector. This partnership will enable us to expand our geographical footprint, achieve economies of scale, and optimize our supply chain management. These synergies with CG having expertise in Locomotives – Power Electronics, Propulsion Systems, and Electricals & Rolling Stock, and GGT's prowess in Railway Signalling will drive technological integration through joint R&D efforts and facilitate global market expansion.”*

About CG Power and Industrial Solutions Limited

CG Power and Industrial Solutions Limited is an engineering conglomerate headquartered in Mumbai, India. The Company is a leader in the Electrical Engineering Industry and has two business lines—Industrial Systems and Power Systems. It manufactures Traction Motors, Propulsion systems, Signalling Relays etc., for the Indian Railways, and wide range of Induction Motors, Drives, Transformers, Switchgears, and other allied products for the Industrial and Power sectors. Recently, the Company also made a foray into the business of Consumer Appliances such as Fans, Pumps, and Water Heaters.

The Company has world-class manufacturing plants across 9 locations in India and one in Sweden, and a Pan India network of 5 Regional and 14 Branch offices, with around 3,113 employees. The Company's consolidated revenue for FY24 was Rs 8,046 crores (USD 964 million).

The Company continues to excel and maintain its leadership position across its businesses, backed by its outstanding expertise, customer-centric approach, and enhanced focus on innovation and sustainability.

Since November 2020, the Company has become a part of the renowned Murugappa Group.



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About Murugappa Group

A 123-year-old conglomerate with presence across India and the world, the INR 742 billion Murugappa Group has diverse businesses in agriculture, engineering, financial services and more.

The Group has 9 listed companies under its umbrella — Carborundum Universal Limited, CG Power & Industrial Solutions Limited, Cholamandalam Financial Holdings Limited, Cholamandalam Investment & Finance Company Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, EID Parry (India) Limited, Shanthy Gears Limited, Tube Investments of India Limited and Wendt India Limited. Brands such as Ajax, Hercules, BSA, Montra, Montra Electric, Mach City, Gromor, Paramfos, Parry's are part of the Group's illustrious stable.

Abrasives, technical ceramics, electro minerals, electric vehicles, auto components, fans, transformers, signaling equipment for railways, bicycles, fertilizers, sugar, tea and several other products make up the Group's business interests.

Guided by the five lights — integrity, passion, quality, respect and responsibility — and a culture of professionalism, the Group has a workforce of over 73,000 employees.

For more details, visit <https://www.murugappa.com/>

Media Contacts:

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