



Stakeholders Empowerment Services

Analyze >>> Educate >>> Empower

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance research and advisory firm. SES assists investors to analyze governance practices including matters relating to sustainability, prevalent at listed entities and empower Investors to undertake meaningful engagement with Investee entities.

SES SERVICES

Proxy Advisory:

Advises investors on the matters that require shareholder approval at listed entities and identify Governance issues. [Read More](#)

ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors. [Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the governance practices with respect to global benchmarks. [Read More](#)

Governance Research:

In-depth and robust analysis on various topic to identify governance issues relating to companies, transactions, sectors and even the broader markets. [Read More](#)

E-Ballot:

Online Vote Management System to cater to requirements of Institutional Investors. One stop solution for investors – from accessing proxy reports and voting advice to recording votes and generating customized MIS reports. [Read More](#)

SES AIMS:

Designed primarily for Institutional investors to carry out their stewardship activities in an efficient manner. [Read More](#)

BRSR: SES has developed an Online web-based platform where in the Company can fill all its BRSR related data and generate its BRSR Report seamlessly online. [Read More](#)

BRSR Guide on relevant sector: [Read more](#)

Proxy Advisory Report (Addendum) CG Power and Industrial Solutions Ltd

COMPANY INFORMATION

BSE CODE: 500093

NSE SYMBOL: CGPOWER

ISIN: INE067A01029

Industry: Heavy Electrical Equipment

Email: investorservices@cgglobal.com

Phone: +91 22 2423 7777

Registered Office: 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030

MEETING DETAILS

Meeting Type: AGM

Meeting Date: 27th July, 2022 at 3:00 PM

Venue: Video Conferencing (VC) facility or other audio-visual means (OAVM)

Notice Date: 28th June, 2022

Notice: [Click here](#)

Annual Report: [FY 2021-22](#)

SES PA Report (AGM): [Report](#)

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 20th July, 2022

Remote E-voting:

- **Start:** 23rd July, 2022
- **Ends:** 26th July, 2022

ADDENDUM RELEASE DATE: 15th JULY, 2022

RESEARCH ANALYST: BHAVARAM KALBI

CONFLICT DISCLOSURE: SES - NO CONFLICT | ANALYST – NO CONFLICT

INTERACTION WITH THE COMPANY - NO INTERACTION



ADDENDUM

This Addendum is being issued based on the e-mail dated 15th July, 2022 sent by CG Power and Industrial Solutions Limited ('the Company') w.r.t. Proxy Advisory Report ('[PA Report](#)') issued by SES in relation to the upcoming AGM of the Company to be held on 27th July, 2022.

There is a change in SES recommendation as follows:

Resolution No.	Previous		Revised	
	SES Observation [#]	SES Recommendation	SES Observation [#]	SES Recommendation
#2	NC TC	AGAINST	LC	FOR

LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

Other than this, there is no change in SES recommendation.

BACKGROUND

SES, as per its policy, had e-mailed its Proxy Advisory Report ('[PA Report](#)') to the Company on 14th July, 2022 in respect of upcoming AGM of the Company.

Post release of the PA Report, SES received an email from the Company providing its view point, which is reproduced at the end in **blue text** along with the SES Response (**in black**).

It may be noted that the email of the Company (as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients 'as it is' on 15th July, 2022, without any inputs from SES. This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS TO COMPANY'S RESPONSE

Company's response:

*1. Financials of the subsidiaries of the Company- the Company has uploaded the financial statements of the subsidiaries. As the Company has migrated to a new website, it seems **there was some technical issues** due to which the financials were not reflected on the website. You may view the subsidiary financials on <https://www.cgglobal.com/financials>*

Go to Subsidiaries Financial Statements > 2021-22.

SES Comment: Shareholders may note that SES had raised a compliance concern in Resolution #2 regarding the non-disclosure of financial statements of subsidiaries for the FY 2021-22 on the website of the Company which is required as per the Companies Act, 2013 and the SEBI LODR Regulations.

Since the non-disclosure was due to the technical issues, as clarified by the Company and as the Company has **now** uploaded the same on its website, which can be accessed at this [website](#), the concern raised by SES stands addressed and therefore SES is changing its recommendation on resolution #2 from **AGAINST** to **FOR**.

2. On page 3 of your report, it is stated that the shareholding of the Promoter as pledged- We would like to clarify that the Promoter, Tube Investments of India Ltd., has created encumbrance on its shareholding in the Company by way of Non-Disposal Undertaking given to the Lenders of the Company.

SES Comment: Shareholders may read the SES comment on page #3 of the PA Report as "The Promoters have **encumbered** ~87% of their shareholding"

It is to be noted that the same has been stated correctly by SES on Page #5 of the PA report as "The encumbrance is on account of a Non-Disposal Undertaking with the consortium of Lenders."



COMPANY'S E-MAIL DATED 15TH JULY 2022

Dear Sir,

As discussed over the call, please find below our comments on the report:

1. Financials of the subsidiaries of the Company- the Company has uploaded the financial statements of the subsidiaries. As the Company has migrated to a new website, it seems there was some technical issues due to which the financials were not reflected on the website. You may view the subsidiary financials on <https://www.cgglobal.com/financials>

Go to Subsidiaries Financial Statements > 2021-22

2. On page 3 of your report, it is stated that the shareholding of the Promoter as pledged- We would like to clarify that the Promoter, Tube Investments of India Ltd., has created encumbrance on its shareholding in the Company by way of Non-Disposal Undertaking given to the Lenders of the Company.

In view of the above points, would request you to consider the same and issue the report accordingly.

Thanks & regards,

Xxxxxx



Meeting Type: 85th AGMMeeting Date: 27th July, 2022**Disclaimer Sources**

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit Initiative or its staff, has no financial interest in the companies covered in this report except what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information

Stakeholders Empowerment Services

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