



AVANTHA

Press Release

For immediate publication

New Delhi, March [10], 2019

Avantha Group – Restructuring Initiatives

Delhi-headquartered Avantha Holdings Limited (“AHL”) today announced a transaction involving the movement of 10.80% of equity shares of CG Power and Industrial Solutions Limited (“CG Power”) from AHL to Vistra ITCL (India) Limited (“Vistra”), pursuant to an invocation of a pledge by Vistra. Vistra serves as Debenture Trustee for the benefit of Debenture Holders (including KKR India Financial Services Private Limited) of AHL and its subsidiary Salient Financial Solutions Limited.

AHL Chairman Gautam Thapar said, “I strongly believe that the current value of CG Power does not reflect the intrinsic value of the company. That’s why we offered to work constructively with AHL’s lenders – which have continued to be supportive of our efforts through the years – to allow us to buy time to focus on creating value for all stakeholders and better evaluate options for value enhancement. This pledge has been invoked in line with the request by AHL to its lenders to work on a solution to the repayment of the AHL debt by working with AHL to create value in CG Power for all stakeholders. The transaction is in continuation of the constructive approach between AHL and its lenders, and I look forward to working with AHL and CG Power to help build on CG Power’s success and further support its growth.”

As a first step towards addressing these objectives, the Board of CG Power has approved the constitution of an Operations Sub-Committee of the Board, under the chairmanship of one of its independent directors to focus on operational improvement, credible decisions on the international business, any capital restructuring required, and other similar matters, so as to enable CG Power to leverage the strong growth in its industrial and railways businesses.

Once the AHL debt owed to the Debenture Holders is repaid, any CG Power shares that continue to be held by the Debenture Trustees as collateral could be released to AHL. Mr. Thapar reiterated, “the intent and commitment from our side is to ensure that all obligations owed to lenders of AHL are settled.”

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