



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

E-BRSR Tool: Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

Contact for Demo – esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

[Read More](#)

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](#)

E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

[Read More](#)

Proxy Advisory Report (Addendum) Aeroflex Industries Ltd.

COMPANY INFORMATION

BSE CODE: 543972

NSE SYMBOL: AEROFLEX

ISIN: INE024001021

Industry: Iron and Steel Products

Email: corporate@aeroflexindia.com

Phone: 022-61467100

Registered Office: Plot No. 41,42/13,42/14 & 42/18, Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh - 410208

MEETING DETAILS

Meeting Type: EGM

Meeting Date: 15th January, 2026 at 11:00 A.M

Venue / Mode of Meeting: Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

Notice Date: 18th December, 2025

Notice: [Click here](#)

Annual Report: [FY 2024-25](#)

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

E-VOTING DETAILS

e-Voting Platform: [CDSL](#)

Cut-off Date: 8th January, 2026

Remote E-voting:

- **Start:** 12th January, 2026
- **Ends:** 14th January, 2026

ADDENDUM REPORT RELEASE DATE: 9th January, 2026

Research Analyst: Pravar Bhatnagar

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION



ADDENDUM

There is a change in the SES recommendation for Resolution #1 from '**AGAINST**' to '**FOR**' based on the Company's clarification and additional disclosures.

EXISTING RECOMMENDATION					
S. No	Resolution	Type	SES Observation #	Rec.	Rationale
1.	Issuance of Equity Shares to Non-Promoters on a preferential allotment basis.	S	LC + GC + TC	AGAINST	<i>No clarity regarding selection of allottees, and inadequate disclosures w.r.t source of funds</i>
REVISED RECOMMENDATIONS					
1.	Issuance of Equity Shares to Non-Promoters on a preferential allotment basis.	S	LC	FOR	<i>No major governance concern has been identified.</i>

S - Special Resolution, Rec. - Recommendation

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

BACKGROUND

SES as per its policy, had emailed its PA Report ([Weblink](#)) to the Company on 6th January, 2026 in respect of the EGM of the Company.

Post release of PA Report, SES received an email from the Company on 7th January, 2026. The Company, through the email, provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the email of the Company dated 7th January, 2026 (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, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS TO COMPANY'S RESPONSE

Company's View:

Query 1: Inadequate disclosures of Capex and Funding Structure

Response:

The Company would like to clarify that the disclosures made in the EoGM Notice and the accompanying Explanatory Statement fully comply with the requirements prescribed under the Companies Act, 2013 and the SEBI Regulations.

The EoGM agenda item under consideration is specifically for approval of the proposed preferential issue, and accordingly, the Notice clearly discloses all information mandatorily required in relation to the preferential allotment.

As per applicable regulations, there is no requirement to disclose or explain the funding of internal accruals in the EoGM Notice for a preferential issue. The deployment of internal accruals is a matter approved by the Board and has already been appropriately disclosed to the stock exchanges through the Board outcome announcement, in line with disclosure norms.

Therefore, the Company has ensured that:

- All disclosures relevant to shareholder approval for the preferential issue were included in the EoGM Notice, and*
- Additional information relating to internal accruals was disclosed through exchange filings as part of Board approvals.*

The Company believes that this approach is fully compliant, transparent, and consistent with established governance and disclosure practices.

SES View:



Shareholders may note that SES, in its PA report, has merely highlighted the absence of a rationale for the proposed preferential issue; however, SES did not raise any concern in this regard due to the availability of the same in the public domain.

The Company, in its response, has stated that it has provided a corporate announcement to the stock exchanges w.r.t. the board approval for the deployment of internal accruals and is compliant with the relevant legal requirements.

To this extent, SES reiterates that it has not raised any compliance concern in this regard, nor has it raised any governance or transparency concern in this regard due to the availability of the rationale in the public domain. However, SES highlight the need to include the same in the notice as it enhances the shareholders' ability to understand and evaluate the proposal in a wholistic manner.

As a result, SES maintains that while the disclosure fulfils the legal requirement, as a good governance practice the Company should include all relevant details in the Explanatory Statement.

SES is simply highlighting this issue for the Company's notice and expects the Company to include such crucial information in their notice itself w.r.t. their respective future proposals. SES may take a stricter stance in future in this regard.

Company's View:

Query 2: No clarity regarding the process of selection of allottees

Response:

The Company hereby clarifies that the proposed allottees to the preferential issue consist of reputed HNIs and UHNIs, investing through their respective companies.

As part of the fundraising exercise, the Company had approached a wide spectrum of potential investors, including mutual funds, institutional investors, HNIs, and Ultra HNIs.

All proposed allottees meet the eligibility criteria prescribed under applicable SEBI regulations.

The Company has followed a fair process and believes that the selected investors are long-term oriented participants.

Query 3: Disclosure on Source of Funds

Response:

The Company confirms that it has obtained all disclosures, confirmations, and documentation as required under applicable SEBI regulations and stock exchange requirements from the proposed allottees, including:

- KYC documentation,*
- Declarations*
- Regulatory confirmations prescribed for preferential issues.*

All procedural and disclosure requirements mandated by SEBI and the stock exchanges have been duly fulfilled.

Accordingly, the Company confirms that the preferential issue process is fully compliant with applicable laws, regulations, and disclosure standards.

SES View:

SES has raised a **governance** and **transparency concern** in its PA Report due to inadequate disclosures regarding the process of selection of allottees, and inadequate disclosures w.r.t the origin of the source of funds.

The Company, in its response, has provided additional disclosures in regards to the process undertaken by the Company for the selection of the particular set of investors.

Further, the Company has provided assurance w.r.t the selection process, stating that it has obtained all relevant disclosures regarding, "KYC documentation, Declarations, Regulatory confirmations prescribed for preferential issues".

SES is of the opinion that such assurance is adequate to believe that the funds are arising from a legitimate source, as the Company has exercised prudent due diligence, protecting the interests of the shareholders. Based on the above, SES is changing its recommendation from **'AGAINST'** to **'FOR'** on the proposed preferential issue.

COMPANY'S EMAIL

Dear Sir/Ma'am,

Hope you are doing well. Please find below our responses to the queries.

Query 1: Inadequate disclosures of Capex and Funding Structure**Response:**

The Company would like to clarify that the disclosures made in the EGM Notice and the accompanying Explanatory Statement fully comply with the requirements prescribed under the Companies Act, 2013 and the SEBI Regulations.

The EGM agenda item under consideration is specifically for approval of the proposed preferential issue, and accordingly, the Notice clearly discloses all information mandatorily required in relation to the preferential allotment.

As per applicable regulations, there is no requirement to disclose or explain the funding of internal accruals in the EGM Notice for a preferential issue. The deployment of internal accruals is a matter approved by the Board and has already been appropriately disclosed to the stock exchanges through the Board outcome announcement, in line with disclosure norms.

Therefore, the Company has ensured that:

- All disclosures relevant to shareholder approval for the preferential issue were included in the EoGM Notice, and*
- Additional information relating to internal accruals was disclosed through exchange filings as part of Board approvals.*

The Company believes that this approach is fully compliant, transparent, and consistent with established governance and disclosure practices.

Query 2: No clarity regarding the process of selection of allottees**Response:**

The Company hereby clarifies that the proposed allottees to the preferential issue consist of reputed HNIs and UHNIs, investing through their respective companies.

As part of the fundraising exercise, the Company had approached a wide spectrum of potential investors, including mutual funds, institutional investors, HNIs, and Ultra HNIs.

All proposed allottees meet the eligibility criteria prescribed under applicable SEBI regulations.

The Company has followed a fair process and believes that the selected investors are long-term oriented participants.

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- KYC documentation,*
- Declarations*
- Regulatory confirmations prescribed for preferential issues.*

All procedural and disclosure requirements mandated by SEBI and the stock exchanges have been duly fulfilled.

Accordingly, the Company confirms that the preferential issue process is fully compliant with applicable laws, regulations, and disclosure standards.

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, Sustainability 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 with 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

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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

SEBI Reg. No. INH000000016

CIN No. -

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Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.



