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# Proxy Advisory Report (Addendum)

## Triveni Engineering & Industries Ltd.

## COMPANY INFORMATION

**BSE CODE:** 532356

**NSE SYMBOL:** TRIVENI

**ISIN:** INE256C01024

**Industry:** Sugar

**Email:** [shares@trivenigroup.com](mailto:shares@trivenigroup.com)

**Phone:** +91 12043 08000

**Registered Office:** A-44, Hosiery Complex, Phase-II Extension, Gautam Buddha Nagar, Noida – 201 305, U.P.

## MEETING DETAILS

**Meeting Type:** TCM

**Meeting Date:** 7<sup>th</sup> December, 2025 at 10:00 AM

**Venue / Mode of Meeting:** Video Conference (VC) or Other Audio-Visual Means (OAVM)\*\*

**Notice Date:** 3<sup>rd</sup> November, 2025

**Notice:** [Click here](#)

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

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

## E-VOTING DETAILS

**e-Voting Platform:** [KFintech](#)

**Cut-off Date:** 30<sup>th</sup> November, 2025

**Remote E-voting:**

- **Start:** 3<sup>rd</sup> December, 2025
- **Ends:** 6<sup>th</sup> December, 2025

**REPORT RELEASE DATE:** 2<sup>nd</sup> December, 2025

**Research Analyst:** Achintya Bhattacharyya

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

\*\*Deemed venue for the Meeting shall be the Registered Office of the Company at A-44, Hosiery Complex, Phase-II Extension, Gautam Buddha Nagar, Noida - 201305, Uttar Pradesh, India.



## ADDENDUM

**There is no change in the SES Recommendation on the proposed resolution. However, shareholders may take note of the Company's clarification and SES' comments thereon.**

### BACKGROUND

SES as per its policy, had emailed its PA Report ([Weblink](#)) to the Company on 25<sup>th</sup> November, 2025 in respect of the upcoming meeting of the Company.

Post release of the PA Report, SES received an email from the Company on 27<sup>th</sup> November, 2025. The Company, through the email, provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the aforesaid email of the Company (as per SES policy framed to comply with SEBI Circular dated 3<sup>rd</sup> 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

#### Concern in brief:

SES had raised governance and transparency concern on the proposed scheme of arrangement as concerns were identified with the demerger of Power Transmission Business (PTB) of Triveni Engineering & Industries Ltd (TEIL) into Triveni Power Transmission Ltd (TPTL). Although Notice did not provide clarity in this regard, an investor call transcript mentioned that the decision of TEIL retaining 30% stake in TPTL was driven by balance-sheet considerations when bidding for defence projects.

SES raised two major concerns. Firstly, concerns were identified as the current scale of defence operations is not sizable and the potential growth remains uncertain. In the absence of clarity on the likely contribution of the defence business to the consolidated business, it was difficult to assess whether structuring TPTL in the proposed manner is reasonable or justified. Secondly, concerns were also identified due to the disproportionate voting right that the promoter may be able to influence as a result of the 30% stake held by TEIL.

#### Company Response:

##### 1. Commercial rationale/ business justification in relation to retention of ~30% in TPTL by TEIL

- a) *The primary objective of the Demerger of the PTB Undertaking of TEIL into TPTL is to give focused attention to the Power Transmission Business (which is more particularly described under the Scheme as 'PTB') in view of its enormous growth potential, particularly in the defence segment, and in the international markets. From a business point of view, holding an equity stake of ~30% by TEIL is a strategic decision so as to continue TPTL's affiliation to a large group with sound financial standing to gain the confidence of new customers in new markets and to meet the pre-requisite conditions of several international customers and Government departments / companies for the prequalification of, TPTL as a vendor, and its products.*

**SES Comment:** An investor had asked for the rationale behind TEIL retaining 30% stake in TPTL. In response, the Company stated that the defence business is in a growth phase and establishing pre-qualifications for this business involves balance sheet considerations that even from a Group perspective are important. The Company has now explained that affiliation is required for TPTL's products and no linkage is specifically drawn to defence business. Notwithstanding the inconsistent disclosures, even if the structuring is to support TPTL as an entity and not just defence business, SES has concerns which are discussed below.

#### Company Response:



- b) *With respect to the scale of operations of PTB, we would like to clarify that PTB has already attained a meaningful size and scale in its market segment, with strong fundamentals and has a large headroom for growth. This has also been highlighted in the rationale of the Scheme.*

**SES Comment:** SES had sought clarity on the scale of defence business, to which the Company has given clarity on PTB's scale. The response does not adequately address the growth forecast for defence business. Nonetheless, irrespective of the contribution of the defence business over the prospective period, SES identifies concerns which are discussed below.

**Company Response:**

- c) *To **build credibility with defence and international customers (which is proposed to be the focus and thrust of TPTL)**, PTB needs to establish its **affiliation to a large group of sound financials** to be able to instil confidence in prospective customers to place orders with the Resulting Company. Association with TEIL is therefore considered essential for TPTL's growth and competitiveness against established global players.*
- d) *Additionally, TPTL will operate as an independent PTB focused listed entity, and TEIL's shareholding will allow it to continue to **leverage TEIL's institutional strengths, strong brand equity and goodwill for sustained value creation** for its public shareholders.*
- e) *The proposed structure will thus create a strong foundation for accelerating growth and sustained value creation by providing **long-term stability and strategic support to TPTL** and instil a sense of assurance among stakeholders including shareholders, partners, customers, creditors, employees and general public which is critical to ensure business continuity and value preservation.*

**SES Comment:**

SES acknowledges the advantages that come with affiliation to a financially strong and reputable group. However, the Company itself has consistently emphasised that the PTB business has achieved meaningful growth and demonstrates strong future prospects. These factors, in SES's view, position the demerged company as a robust standalone entity. Further, the demerged entity will continue to benefit from the presence of stable, long-term promoters who will remain associated post-demerger. Operational and commercial support can also be maintained through appropriately structured, fairly priced, and transparently governed RPTs with the listed company.

SES, as a matter of practice, does not ordinarily question management's strategic decisions. However, given the governance concerns emerging from the proposed structure, it becomes necessary to evaluate the transaction comprehensively rather than accept the stated rationale at face value.

In this context, the governance risks arising from the proposed arrangement cannot be disregarded merely because group affiliation may offer certain advantages. Shareholders have supported the growth and development of the very business that is now being demerged. A 30% dilution in voting rights, without a compelling and consistently articulated justification, does not appear warranted.

**Company Response:**

- f) *Lastly, we wish to re-iterate that the ultimate shareholding of TPTL will remain consistent pursuant to the Demerger, as the shareholding of TPTL shall only comprise of TEIL itself and the shareholders of TEIL. This would imply that the shareholders of TEIL will hold ~70% shareholding directly in TPTL, and ~30% shareholding indirectly in TPTL through TEIL.*

**SES Comment:** SES has raised no concerns on the economic ownership of the investors as a result of the proposed structure.

**Company Response:**

**2. Concerns with respect to voting rights with TEIL promoters**

- a) At the Board level:

*At the board level of TPTL, it is pertinent to understand that TPTL will function as an independent, PTB-focused listed entity with its own duly constituted board of directors and management. The governance framework will ensure that the board of directors of TPTL act in the best interest of TPTL, operate free from external influence, and are fully responsible for the strategic direction and day-to-day management of TPTL. TEIL will not interfere in the affairs of/ decisions taken by, the board of directors of TPTL, in any manner.*



**SES Comment:** The concerns raised pertain to shareholder decisions at TPTL level and not Board decisions.

**Company Response:**

*b) At the shareholders' level:*

- i. *At the shareholders' level of TPTL, as rightfully pointed out in the Report, in respect of the proposed ~30% stake of TEIL in TPTL, TEIL shall have to authorise a person to act as its representative at the shareholders' meetings of TPTL in terms of Section 113 of the Companies Act, 2013.*

*However, one crucial aspect which has not been taken into account in this respect for the purposes of the Report, is the board structure of TEIL.*

*We therefore wish to highlight and bring to your kind attention that the board of directors of TEIL comprises of 5 independent directors (out of a total of 8 directors) thereby ensuring that the aforesaid decision is subject to independent oversight. This composition provides a safeguard against any disproportionate influence by promoters and ensures that the said authorisation process remains compliant with governance norms.*

*The authorized representative shall thus operate within a framework of accountability to the board of TEIL (which evidently comprises of majority of independent directors), which itself is guided by principles of fairness, transparency, and stakeholder orientation. This important aspect has however not been touched upon in the Report.*

- ii. *Furthermore, it must be noted that the decisions/ matters where the law requires approval by majority of public shareholders of TEIL, the public shareholders shall anyway be in a capacity to block any such resolutions, even when the promoters of TPTL vote in favour of any particular resolution.*

*As regards the other decisions/ matters to be passed at the shareholders' level of TPTL, one may note that the shareholding of the promoters (even after taking into account the ~30% stake of TEIL) under the proposed structure in the Scheme would anyway be less than 75%, which would also have been the case if the proposed structure involved a mirror image of TEIL. This therefore ensures that the key decisions under the Companies Act, 2013 which require special resolutions, cannot be passed without the consent of the public shareholders.*

**SES Comment:**

The concerns raised by SES relate to the inherent control that the promoters will be able to exercise under the proposed structure. The Company has attempted to address this by explaining the implications in scenarios requiring a public majority or a special majority. However, SES believes that the impact of inherent control cannot be assessed solely by analysing how specific resolutions may or may not pass. Rather, the very fact that the promoters will acquire control disproportionate to their economic ownership is, in itself, a significant governance concern. Such structural control, irrespective of the immediate outcome of any proposal, creates an imbalance between economic interest and voting power, which SES considers materially relevant.

**In view of the above, the concerns raised by SES continue to prevail. However, shareholders may take note of the clarifications provided by the Company, SES' comments thereon and take a voting decision accordingly.**

**Company Response:**

- a) *Reference Page 5 of the Report, the reference of PTB Undertaking has been provided as Clause 1.2.19 of the Scheme, while, the same needs to be rectified to Clause 1.2.20 of the Scheme.*
- b) *Reference Page 8 of the Report, please note that only the definition of Appointed Date has been provided, which should be changed to "Amalgamation Appointed Date"; whereas, the definition of the "Demerger Appointed Date", defined as the same date as the Effective Date or such other date as may be mutually agreed by TEIL and TPTL, or such other date as may be directed by the NCLT, has not been provided in the Report.*
- c) *There are certain typographical errors, whereby, PTB and PTB Undertaking have been mentioned as PBT and PBT Undertaking.*



**SES Comment:** Shareholders may take note of the above clarification given by the Company while reading the report. The same has no implications on the recommendation made by SES.

**Company Response:**

*We also submit that the Company's management has consistently provided clarifications on the above during various investor calls, with the objective of comprehensively addressing any stakeholder concerns and offering full assurance regarding the fairness, commercial rationale, and requisite governance of the proposed structure.*

**SES Comment:**

The Notice does not address the rationale or implications of TEIL's 30% stake retention in TPTL. As the Notice together with the explanatory statement constitutes the primary basis for informed shareholder decision-making, it must be self-contained and include all information material to the resolution. In this case, the rationale for retaining a 30% stake is central to shareholders' evaluation; however, it has been disclosed only in response to an investor query, and the Company's subsequent clarification now provides additional context not captured in the Notice.

A company should not expect investors to sift through multiple documents or rely on queries to obtain information that is fundamental to understanding a proposed resolution. All key disclosures relevant to the decision should be presented comprehensively within the Notice itself.

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**COMPANY'S EMAIL**


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Dear Achintya,

Thank you for sharing the SES' Proxy Advisory Report ("**Report**") as received by us on November 25, 2025, in connection with the upcoming NCLT-convened shareholders' meeting of Triveni Engineering & Industries Limited ("**TEIL**" / "**Company**") to consider the Composite Scheme of Arrangement amongst the Company, Sir Shadi Lal Enterprises Limited ("**SSEL**"), and Triveni Power Transmission Limited ("**TPTL**"), and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder ("**Scheme**").

We have carefully examined the observations and recommendations set out in the Report. Before we provide our comments in relation to the same, we hereby submit that the concerns/ issues raised in the said Report provide only a limited perspective/ point of view, and we are therefore not aligned with the recommendation provided in the Report. We accordingly kindly urge you to reconsider the recommendation made in relation to the resolution concerning the Scheme from '**Against**' to '**For**'.

In relation to the concerns mentioned in the Report, we hereby submit as follows:

**1. Commercial rationale/ business justification in relation to retention of ~30% in TPTL by TEIL**

With respect to the proposed retention of a ~30% stake by TEIL in TPTL pursuant to the demerger of the PTB Undertaking (as defined in the Scheme) from TEIL to TPTL under the Scheme ("**Demerger**"), in light of the concerns raised in the Report on this matter, we would like to first clarify the following:

(a) The primary objective of the Demerger of the PTB Undertaking of TEIL into TPTL is to give focused attention to the Power Transmission Business (which is more particularly described under the Scheme as '**PTB**') in view of its enormous growth potential, particularly in the defence segment, and in the international markets. From a business point of view, holding an equity stake of ~30% by TEIL is a strategic decision so as to continue TPTL's affiliation to a large group with sound financial standing to gain the confidence of new customers in new markets and to meet the pre-requisite conditions of several international customers and Government departments / companies for the prequalification of, TPTL as a vendor, and its products.

(b) With respect to the scale of operations of PTB, we would like to clarify that PTB has already attained a meaningful size and scale in its market segment, with strong fundamentals and has a large headroom for growth. This has also been highlighted in the rationale of the Scheme.

(c) To build credibility with defence and international customers (which is proposed to be the focus and thrust of TPTL), PTB needs to establish its affiliation to a large group of sound financials to be able to instil confidence in prospective customers to place orders with the Resulting Company. Association with TEIL is therefore considered essential for TPTL's growth and competitiveness against established global players.

(d) Additionally, TPTL will operate as an independent PTB focused listed entity, and TEIL's shareholding will allow it to continue to leverage TEIL's institutional strengths, strong brand equity and goodwill for sustained value creation for its public shareholders.

(e) The proposed structure will thus create a strong foundation for accelerating growth and sustained value creation by providing long-term stability and strategic support to TPTL and instil a sense of assurance among stakeholders including shareholders, partners, customers, creditors, employees and general public which is critical to ensure business continuity and value preservation.

(f) Lastly, we wish to re-iterate that the ultimate shareholding of TPTL will remain consistent pursuant to the Demerger, as the shareholding of TPTL shall only comprise of TEIL itself and the shareholders of TEIL. This would imply that the shareholders of TEIL will hold ~70% shareholding directly in TPTL, and ~30% shareholding indirectly in TPTL through TEIL.

**2. Concerns with respect to voting rights with TEIL promoters**





*In addition to the above, as regards the observations made in the Report with respect to the alleged disproportionate voting rights with the promoters of TEIL, on account of TEIL holding ~ 30% stake in TPTL pursuant to the Demerger, the following must be noted:*

*(a) At the Board level:*

*At the board level of TPTL, it is pertinent to understand that TPTL will function as an independent, PTB-focused listed entity with its own duly constituted board of directors and management. The governance framework will ensure that the board of directors of TPTL act in the best interest of TPTL, operate free from external influence, and are fully responsible for the strategic direction and day-to-day management of TPTL. TEIL will not interfere in the affairs of/ decisions taken by, the board of directors of TPTL, in any manner.*

*(b) At the shareholders' level:*

*(i) At the shareholders' level of TPTL, as rightfully pointed out in the Report, in respect of the proposed ~30% stake of TEIL in TPTL, TEIL shall have to authorise a person to act as its representative at the shareholders' meetings of TPTL in terms of Section 113 of the Companies Act, 2013.*

*However, one crucial aspect which has not been taken into account in this respect for the purposes of the Report, is the board structure of TEIL.*

*We therefore wish to highlight and bring to your kind attention that the board of directors of TEIL comprises of 5 independent directors (out of a total of 8 directors) thereby ensuring that the aforesaid decision is subject to independent oversight. This composition provides a safeguard against any disproportionate influence by promoters and ensures that the said authorisation process remains compliant with governance norms.*

*The authorised representative shall thus operate within a framework of accountability to the board of TEIL (which evidently comprises of majority of independent directors), which itself is guided by principles of fairness, transparency, and stakeholder orientation. This important aspect has however not been touched upon in the Report.*

*(ii) Furthermore, it must be noted that the decisions/ matters where the law requires approval by majority of public shareholders of TEIL, the public shareholders shall anyway be in a capacity to block any such resolutions, even when the promoters of TPTL vote in favour of any particular resolution.*

*As regards the other decisions/ matters to be passed at the shareholders' level of TPTL, one may note that the shareholding of the promoters (even after taking into account the ~30% stake of TEIL) under the proposed structure in the Scheme would anyway be less than 75%, which would also have been the case if the proposed structure involved a mirror image of TEIL. This therefore ensures that the key decisions under the Companies Act, 2013 which require special resolutions, cannot be passed without the consent of the public shareholders.*

*In view of the above, it must be noted that the proposed structure under the Demerger reflects a carefully considered commercial decision, balancing strategic, operational, and financial factors with due regard to governance and shareholder interests. It is expected to provide long-term stability, strengthen confidence in TPTL's growth, and sustain value creation for shareholders.*

*We also submit that the Company's management has consistently provided clarifications on the above during various investor calls, with the objective of comprehensively addressing any stakeholder concerns and offering full assurance regarding the fairness, commercial rationale, and requisite governance of the proposed structure.*

*We trust that the foregoing clarifications adequately address the concerns highlighted in the Report. In light of the rationale and grounds set out herein, we firmly urge a reconsideration of the recommendation pertaining to the resolution contained in the Report.*

*Lastly, we have noted that there are certain factual inaccuracies in the Report, provided as follows; Request if the same could be rectified.*

*(a) Reference Page 5 of the Report, the reference of PTB Undertaking has been provided as Clause 1.2.19 of the Scheme, while, the same needs to be rectified to Clause 1.2.20 of the Scheme.*

*(b) Reference Page 8 of the Report, please note that only the definition of Appointed Date has been provided, which should be changed to “**Amalgamation Appointed Date**”; whereas, the definition of the “**Demerger Appointed Date**”, defined as the same date as the Effective Date or such other date as may be mutually agreed by TEIL and TPTL, or such other date as may be directed by the NCLT, has not been provided in the Report.*

*(c) There are certain typographical errors, whereby, PTB and PTB Undertaking have been mentioned as PBT and PBT Undertaking.*

*Considering that we have provided a comprehensive and detailed response addressing the concerns raised in the Report, we request that our submission be formally incorporated and issued as an addendum to your Report, so that it may be read in conjunction with the Report for ensuring that the stakeholders are able to take a well-informed decision, while being cognizant of all the material facts.*

*Yours Sincerely,*

*For **Triveni Engineering & Industries Ltd.***



## 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.

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## 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.

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## 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.

