



# SOBHAGYA

CAPITAL OPTIONS PVT. LTD.

(Formerly Known as Sobhagya Capital Options Ltd.)  
A SEBI Registered Merchant Banking Company

CORPORATE OFFICE  
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Phase-II Extension, Noida-201 305  
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Date: December 9, 2024  
Ref. : SOBHAGYA/Valuation/24-25/Dec

To,

The Board of Directors  
SIR Shadi Lal Enterprises Limited  
A-44, Hosiery Complex, Phase II Extension,  
Nepz Post Office, Gautam Buddha Nagar,  
Noida, Uttar Pradesh, India, 201305

Dear Sirs,

**Subject:** Fairness Opinion for the purpose of the proposed Composite Scheme of Arrangement for amalgamation of Sir Shadi Lal Enterprises Limited with Triveni Engineering & Industries Limited and demerger of Power Transmission Business of Triveni Engineering & Industries Limited into Triveni Power Transmission Limited and their respective shareholders under sections 230 to 232 of the Companies Act, 2013

## 1. Background

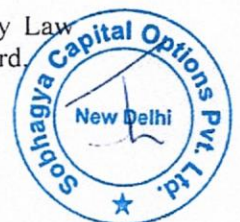
We, M/s Sobhagya Capital Options Private Limited, a Category I Merchant Banker registered with SEBI, have been appointed by M/s Sir Shadi Lal Enterprises Limited having its registered office at A-44, Hosiery Complex, Phase II Extension, Nepz Post Office, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201305 (SSEL or the "Amalgamating Company") to provide a fairness opinion on share exchange ratio and share entitlement ratio as recommended by the registered valuer(s) M/s Finvox Analytics, Registered Valuer - Securities or Financial Assets, having IBBI Registration Number: IBBI/RV-E/06/2020/120 having office at D-15/15, Ground Floor, Ardee City, Sector 52 Gurgaon - 122 011 and M/s SSPA & Co., Chartered Accountant, Registered Valuer - Securities or Financial Assets IBBI Registration No. IBBI/RV-E/06/2020/126 1st Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (West), Mumbai - 400 058 (Hereinafter collectively referred to as "Valuers") under the scheme, who were appointed valuers for the proposed scheme of arrangement. Further, for the purpose of making necessary filings with stock exchanges and the National Company Law Tribunal, the Board of Directors of Triveni Engineering & Industries Limited and Sir Shadi Lal Enterprises Limited have also acknowledged the report issued by the Valuers for ascertaining the share exchange ratio and share entitlement ratio.

The Scheme shall be subject to (i) Receipt of approval from the National Company Law Tribunal ("NCLT") and (ii) Other Statutory Approval(s) as may be required in this regard.

## 2. Brief Background about the Companies

### A. TRIVENI ENGINEERING & INDUSTRIES LIMITED

Triveni Engineering & Industries Limited (hereinafter referred to as the "Amalgamated Company" or the "Demerged Company"), having CIN L15421UP1932PLC022174, was originally incorporated as a public limited company under the name 'Ganga Sugar Corporation Limited', under the Indian Companies Act, 1913 on July 27, 1932 vide certificate of incorporation issued by the Registrar of Joint Stock Companies, Punjab; and it was granted the certificate of commencement of business on February 06, 1933 by the Registrar of Joint Stock Companies, Punjab. Pursuant to the necessary resolution passed in terms of Section 21 of the Companies Act, 1956 and the approval of Central Government having been accorded thereto, the



name of the Amalgamated Company was subsequently changed to 'Gangeshwar Limited' on April 03, 1973, vide fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, Delhi. The registered office of the Amalgamated Company was then changed from the state of NCT of Delhi to the state of Uttar Pradesh, and the alteration of its memorandum of association in this regard having been confirmed by an order of C.L.B (N.R.) Bench, New Delhi bearing the date April 01, 1997 in C.P. No. 127/17/95 CLB, the said order was registered on June 20, 1997. Thereafter, pursuant to the necessary resolution passed in terms of Section 21 of the Companies Act, 1956 and the approval of Central Government having been accorded thereto, the name of the Amalgamated Company was further changed to 'Triveni Engineering & Industries Limited' on March 31, 2000, vide fresh certificate of incorporation consequent on change of name, issued by the Registrar of Companies, Uttar Pradesh, Kanpur.

The registered office of the Amalgamated Company is situated at A-44, Hosiery Complex, Phase-II Extension, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201305. The equity shares of the Amalgamated Company are listed on BSE Limited and National Stock Exchange of India Limited (collectively, "Stock Exchanges").

#### **B. SIR SHADILAL ENTERPRISES LIMITED**

Sir Shadi Lal Enterprises Limited (hereinafter referred to as the "SSEL" or "Amalgamating Company"), having CIN L51909UP1933PLC146675, was originally incorporated as a public limited company under the name 'Upper Doab Sugar Mills Limited', under the Indian Companies Act, 1913 on January 13, 1933, vide certificate of incorporation issued by the Deputy Registrar of Joint Stock Companies, Lucknow. Pursuant to the necessary resolution passed in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government having been accorded thereto, the name of the Amalgamating Company was changed to 'Sir Shadi Lal Enterprises Limited', vide fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, Delhi and Haryana on September 25, 1982. The registered office of the Amalgamating Company was changed from the state of Delhi to the state of Uttar Pradesh, and the alteration of its memorandum of association in this regard having been confirmed by an order of the Regional Director bearing the date September 29, 2020, a certified copy of the said order was registered with the Registrar of Companies-Kanpur on May 31, 2021.

The registered office of the Amalgamating Company is situated at A 44, Hosiery Complex, Phase II Extension, Nepz Post Office, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201305. The shares of the Amalgamating Company are listed on BSE Limited.

#### **C. TRIVENI POWER TRANSMISSION LIMITED**

Triveni Power Transmission Limited (hereinafter referred to as "TPTL" or "Resulting Company"), having CIN U28110UP2024PLC212958, is a company incorporated as a public limited company under the Companies Act, 2013 on 4<sup>th</sup> December, 2024, vide certificate of incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Kanpur, Uttar Pradesh. The Resulting Company has its registered office at A-44, Hosiery Complex, Phase-II Extension, Noida, Ncpz Post Office, Noida, Gautam Buddha Nagar, Uttar Pradesh, India, 201305. It is a wholly owned subsidiary ('WOS') of Amalgamated Company. The main object of TPTL is manufacture and sale of Gears including built to print and after-market service.



### 3. About Sobhagya Capital Options Private Limited

Sobhagya Capital Options Private Limited (hereinafter referred to as "SOBHAGYA") is a Private Limited Company incorporated under the Companies Act, 1956 and governed by the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana.

Our Company is a Category 1 Merchant Banker registered with Securities and Exchange Board of India (SEBI), Mumbai with Registration No.: MB/INM000008571.

### 4. Scope and Purpose of the Opinion

The Fairness Opinion is being issued in terms of the requirement of SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Circular") The purpose of the Opinion is to safeguard the interest of the shareholders of the Companies and this opinion shall be made available to the Board of Directors and Shareholders of the Companies at the time of their respective meetings to review and consider the necessary resolutions for the purpose of approving and adopting the proposed Scheme of Arrangement as defined aboveand, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with proposed Scheme of Arrangement as defined above.

The Opinion is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes

### 5. Sources of Information

As on Valuation date, in connection with this exercise, we have used the following information received from the Management and/or gathered from public domain:

1. MOA and COIs of Companies
2. Draft Composite Scheme of Arrangement
3. Joint Valuation Report dated December 9, 2024 issued by registered valuer M/s Finox Analytics, Registered Valuer -Securities or Financial Assets, having IBBI Registration Number: IBBI/RV-E/06/2020/120 having office at D-15/15, Ground Floor, Ardee City, Sector 52 Gurgaon – 122 011 and M/s SSPA & Co., Chartered Accountant, Registered Valuer -Securities or Financial Assets IBBI Registration No. IBBI/RV-E/06/2020/126 having office at 1st Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (West), Mumbai – 400 058.
4. Audited Balance Sheet of TEILand SSEL as on 31st March, 2024.
5. Limited reviewed financial statements of TEIL and SSEL for six months period ended 30<sup>th</sup> Sept., 2024.
6. Shareholding pattern of TEIL, SSEL and TPTL as at the date of Report.  
Applicable Laws and Public Circulars under SEBI Regulations and applicable provisions of the Companies Act, 2013.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executive and representatives of the Company.



## 6. Valuation Report

Valuers have recommended fair exchange ratio and fair entitlement ratio vide its report dated December 9, 2024, on the basis of analysis and analytical review and relative valuation of the respective companies and opined that the share exchange ratio and share entitlement ratio as described below are fair and reasonable for all the shareholders and the companies involved in the scheme.

## 7. Fairness Opinion–

We have reviewed the important factors considered by the Valuers in their Joint valuation Report dated December 9, 2024 for the purpose of valuation analysis.

### I. *With respect to Recommendation of Exchange Ratio for the proposed amalgamation of SSEL with TEIL*

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the exchange ratio as follows:

*“To the equity shareholders of SSEL “100 (One Hundred) equity shares of TEIL having a face value of INR 1 each fully paid-up shall be issued for every 137 (One Hundred and Thirty -Seven) equity shares held in SSEL having face value of INR 10 each fully paid-up”.*

### II. *With respect to the Recommendation of Entitlement Ratio for the proposed demerger of Demerged Business of Demerged Company into TPTL*

In light of the above, the Entitlement Ratio as indicated below is fair and reasonable considering that the Proposed Demerger will not have any impact on the economic and beneficial interest of the equity shareholders of the Demerged Company and is value neutral.

**Entitlement Ratio (rounded off):**

*“1 (One) equity share of INR 1 each fully paid up of TPTL for every 3 (Three) equity shares of INR 1 each fully paid up held in Demerged Company.*

Based on the information and data made available to us including the Valuation Report and the proposed Composite Scheme of Arrangement for amalgamation of Sir Shadi Lal Enterprises Limited with Triveni Engineering & Industries Limited and demerger of Power Transmission Business of Triveni Engineering & Industries Limited into Triveni Power Transmission Limited and their respective shareholders under sections 230 to 232 of the Companies Act, 2013 and subject to the Disclaimers as mentioned in this Report, we are of the opinion that, the Share exchange ratio and share entitlement ratio, as suggested by the registered valuer(s) M/s Finvox Analytics, Registered Valuer -Securities or Financial Assets, having IBBI Registration Number: IBBI/RV-E/06/2020/120 and M/s SSPA & Co., Chartered Accountant, Registered Valuer -Securities or Financial Assets IBBI Registration No. IBBI/RV-E/06/2020/126, is fair and reasonable.



## 8. Disclaimer

- a) Our scope of work did not include the following:
  - An audit of the financial statements of Amalgamated/Demerged Company;
  - Carrying out market survey/ financial feasibility for the Business of Amalgamated/Demerged Company;
  - Conducting Financial and legal due diligence of Amalgamated/Demerged Company.
- b) It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.
- c) We assume no responsibility and make no representations with respect to the accuracy for completeness of any information provided by the management of management of Amalgamated/Demerged Company.
- d) We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.
- e) We do not assume any obligation to update, revise or reaffirm this Share Exchange Ratio Report because of events or transactions occurring subsequent to the date of the Report.
- f) We understand that the management of Amalgamated/Demerged Company during our discussions would have drawn our attention to all such information and matters, which may have impact on our opinion. In this Opinion we have included all such information and matters as was received by us from the management of management of Amalgamated/Demerged Company.
- g) The fee for our services is not contingent upon the result of the proposed Merger.
- h) The management of Amalgamated/Demerged Company or their related parties are prohibited from using this Opinion other than for its sole limited purpose and not to make copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified in this opinion, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions.
- i) We would not be responsible for any litigation or other actual or threatened claims.
- j) In no event, will SOBHAGYA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provisions of this opinion.

Thanking you.

For Sobhagya Capital Options Private Limited

(Rishabh Singhvi)  
Director

