CHAIRMAN'S MESSAGE

Building for India. Building for what endures.

EACH OF THESE IS A SHIFT WHERE INDIA NEEDS TO PLAY A LARGER ROLE, AND EACH IS WHERE A TRIVENI BUSINESS ALREADY SITS. THESE DEVELOPMENTS ARE PLAYING OUT SIMULTANEOUSLY, AND AT A SCALE THAT DEMANDS SHARPER FOCUS AND A CAPITAL ALLOCATION STRATEGY ALIGNED TO RESPECTIVE BUSINESS NUANCES. THAT IS WHERE OUR RESTRUCTURING COMES INTO PLAY.

Good businesses deliver profits. Great ones solve problems and create lasting impact alongside. For over 90 years, we have built Triveni around this principle, investing in areas that the nation truly needed, whether sugar for farm prosperity, gears for engineering self-reliance, water for resource sustainability, ethanol for energy transition, or defence for indigenisation. Each of these businesses has been chosen thoughtfully, ahead of its time.

For many years, these investments have delivered meaningful results. But now, they have assumed greater relevance as global priorities align with the capabilities we have been building. This is our moment to sharpen our focus for what lies ahead and convert long-term conviction into enduring value creation.

A phase shift for the Company

FY 26 brought into focus the value of the choices we have made over the years. It was the year we moved from navigating challenges to accelerating and unlocking value, and from ensuring resilience to strengthening our core for the future.

Our progress reflects the strength of our strategy: a 10.6% increase in net revenue and EBITDA growth of ~16.9%, despite a challenging operating environment due to geopolitical headwinds. We are also in the process of completing the structural transformation in FY 27, initiated in the previous year through the Composite Scheme of Arrangement. This scheme includes the amalgamation of Sir Shadi Lal Enterprises Limited and the demerger of the Power Transmission Business into Triveni Power Transmission Limited.

Why now?

What is particularly noteworthy is why the scheme matters now. Obviously, our power transmission has built adequate capabilities and financial foundation, reaching an escape velocity to operate as an independent entity.

But the larger story is that the world around us is being rewritten. The pace of energy transition has accelerated, supply chains are shifting from the West to India and other trusted geographies, defence is deglobalising due to reduced trust among nations, and water security has reached critical levels. Back in India, farm productivity is an urgency because land is a constant, and increasing yields is the only possible way to meet growing requirements.

Each of these is a shift where India needs to play a larger role, and each is where a Triveni business already sits. These developments are playing out simultaneously, and at a scale that demands sharper focus and a capital allocation strategy aligned to respective business nuances. That is where our restructuring comes into play.

From FY 27, Triveni Engineering & Industries Limited will be a focussed enterprise built around Sugar, Distillery, IMIL, IMFL, and Water businesses, central to India's farm, energy, and water security priorities. Triveni Power Transmission Limited (TPTL), on the other hand, will be a global engineering platform focussed on precision gears and defence indigenisation opportunities.

We have walked this path before, with the demerger of our turbine business back in 2011. That business today has grown in scale, unlocking significant value for our valued shareholders in the process. That is the proof of the model, and we are confident of building TPTL with the same discipline.

Building disciplined value, not just scale

Growth in itself has never been our measure of success. It is rather the long-term nature of what we build and how it endures over cycles, delivering value year after year.

Over the last five years (FY 2022-26), we have generated ₹ 3,833 crores of cash, of which ~36%, amounting to ₹ 1,378 crores, has been returned to shareholders through dividends and buybacks. This year itself, the Board approved a dividend of 275%, amounting to ₹ 2.75 per share of the face value of ₹ 1, which will result in an outgo of ₹ 60.4 crores.

Our balance sheet has strengthened materially through this cycle. Our consolidated net debt to equity is at a comfortable 0.63x despite significant investments in capacity expansion, and our credit rating has been reaffirmed at ICRA AA+ (Stable). We have embedded technology, digital transformation, and operational discipline across the organisation to seize opportunities with agility as they come.

During FY 26, our businesses contributed a total of ₹ 1,580 crores to the exchequer and ₹ 9 crores towards development of communities, covering areas of education, healthcare, women's empowerment, sports, and environmental sustainability. 1,96,210 KL of ethanol was supplied to Oil Marketing Companies (OMCs), contributing to the government's Ethanol Blended Petrol (EBP) programme's target of 20% blending.

Aligned with India's growth journey

Looking ahead, India's next decade will be defined by energy and water security, agricultural transformation, and industrial and defence self-reliance. Our businesses will have a meaningful role in each.

In view of rising crude oil prices, conserving foreign exchange and ensuring fuel security, the government bodies are evaluating various plans and policies to increase ethanol usage and capacity. The horizon now includes a roadmap beyond E20 (20% ethanol blending), bio-isobutanol blending, ethanol stoves, and sustainable aviation fuel through the ethanol-to-jet pathway. Our existing capacities and multi-feedstock capability positions us to serve the expanded demand requirements.

In agriculture, we are supporting farmers across our command areas with varietal substitution, precision agriculture, AI and digitisation for crop health management, drone-enabled surveillance, and financial reliability. These efforts contribute to greater crop resilience, supporting farmers' income security and the nation's sugar and ethanol needs.

Our water business is supporting municipalities and industries in solving the imminent water crisis that has the potential to become a constraint in the coming decades.

Our Power Transmission Business is entering a new era. Powered by cost competitiveness, global qualifications, and technical depth, the demerged business is all set to move forward with greater rigour to seize new opportunities and drive the shift of global precision-engineering to India. Similarly, the defence segment has built adequate capabilities and is positioned as an indigenisation partner to the Indian Navy and Indian Coast Guard. Across both gears and defence, we added new capacity and scaled global presence to proactively address growing demand.

Looking ahead with confidence

We enter FY 27 with stronger fundamentals and two focussed platforms, positioned to deliver on distinct opportunity sets.

The macro environment is supportive, with the Indian economy placed more resiliently in a challenging global context. Domestic demand remains healthy and policy measures are supportive of growth, especially in sectors where we operate.

Our solid financial position, leadership strength, and operating discipline across both entities give us the ability to stay prepared and compound value over time.

I thank all our shareholders, farmers, customers, employees, business partners, and the communities for their trust and staying with us through cycles. These relations give us the strength to keep growing for the nation and creating value for stakeholders in the process.

With best regards,

Dhruv M. Sawhney

Chairman & Managing Director