
From: H.B. Trivedi
Sent: 23 February 2025 10:18
To: SES Governance <sesresearch@sesgovernance.com>
Cc: info@sesgovernance.com
Subject: RE: SES - Proxy Advisory Report - Apar Industries Limited

Dear Sir,

We are in receipt of your email dated February 21, 2025 at 18:13 hours with the attached document titled "Proxy Advisory Report – Apar Industries Ltd." requesting Company to reply/provide comments on the Advisory.

You have given us a time period of 48 hrs. to reply which is unreasonably short. However, it is important for us to clearly state our factual position and hence, we are replying you at the earliest.

At the outset, we are highly surprised to peruse through the contents of your Advisory citing benchmarking of proposed remuneration of Mr. Yuvraj C. Mehra, (Age 29) Senior Deputy General Manager – Information Technology and Automation with the same for our CFO & CS. The said Jobs roles and positions are not comparable, to begin with. Hence, we are astonished with your recommendation based on this incorrect comparison. We would have rather expected you to point out as to why the remuneration recommended for Mr. Yuvraj C Mehra is lower and not commensurate with his experience and qualification.

In the Advisory, you have rightly acknowledged that Mr. Yuvraj C. Mehra is adequately qualified by virtue of his superlative academic credentials, his five years of rich and varied experience in Product Management, AI, Data- Marketing, e-commerce and Digital Transformation with Reckitt Benckiser (14.6 Billion GBP Company) as a Technical Lead in global roles. Post his stint at Reckitt Benckiser he has earned a degree in Master of Business Administration and Artificial Intelligence from Northwestern University (J. L. Kellogg School of Management and Robert R. McCormick School of Engineering and Applied Science), USA and Under Graduate degree in Bachelor of Science in Systems Engineering & Design from University of Illinios, USA. Any comparison on these grounds is not only out of context but also demands different perceptive.

Prior approval of Shareholders not sought, not correct :

Your observation about prior approval of Shareholders not sought is incorrect due to following :

1. Mr Yuvraj has been appointed by the Board of Directors (Board) on the recommendation of Audit Committee as “Senior Deputy General Manager – Information Technology and Automation” for a remuneration upto of Rs. 2.50 Lakhs per month w.e.f 20th January 2025. Such an appointment does not warrant Shareholders’ Approval.
2. Further, in respect of the prior approval from Shareholders’, the Audit Committee and Board also recommended to enhance his remuneration to Rs. 4.59 Lakh per month which is exceeding Rs. 2.50 Lakh per month only, which will be effective post such approval from Shareholders.
3. Therefore, approval of the Shareholders sought, as above, is well within the limits of Section 188 of the Companies Act 2013 and the Rules made thereunder and hence, there is no violation of Companies Act.

Therefore, his proposed remuneration is Rs. 4.59 Lakh per month is effective only upon approval of Shareholders’ and effective from such date. This remuneration is having a cap of Rs. 10 Lakh per month (Rs. 1.20 Cr p.a.) at any point of time during his period of 5 years and it is incorrect to compare with the current remuneration of CFO and CS.

We would like to bring to your knowledge that :

1. Mr. Yuvraj C. Mehra is an MBAi, Master in Business Administration and Artificial Intelligence from Northwestern University – Kellogg School of Management and a Bachelor in Systems Engineering and Design from University of Illinois at Urbana-Champaign.
2. You must appreciate that Northwestern University - **Kellogg School of Management, ranks among the top 5 Business Schools, globally.**
3. Further, the MBAi Program is a joint AI-focused MBA degree of Northwestern University’s Kellogg School of Management and McCormick School of Engineering. This Program is designed uniquely to educate technically literate business leaders for the age of AI. The students develop and hone the skills needed to work effectively with the C-suite. Please visit <https://www.kellogg.northwestern.edu/news/blog/2024/12/12/employment-outcomes-2y-class-of-2024/> and <https://www.kellogg.northwestern.edu/programs/full-time-mba/mbai-program/> to enlighten yourself with the impact and importance of this specialised program as well as the employment outcomes of this program. You will realize that the offered median total remuneration in 2024 for the students of this MBAi program of Kellogg School of Management was \$187983, that

is, Rs.15.6 mn (1\$ = Rs.83 in 2024) excluding Sign-On bonus, etc. The Company's proposed remuneration to him is less than 3 times the median remuneration of Student passing out of Kellogg Business School.

4. Moreover, with his Bachelor's Degree in Systems Engineering and Design, Mr. Yuvraj C. Mehra's last drawn CTC (Cost to Company) at Reckitt Benckiser, India was Rs.4.89 mn incl. bonus in March 2023 (Form 16 attached).
5. After leaving his employment with Reckitt Benckiser with a remuneration of Rs. 4.89 mn (Form 16 attached), Mr. Yuvraj acquired additional skills in last 2 years in Business and Artificial Intelligence.
6. The skill-set of Mr. Yuvraj C. Mehra by virtue of his dual degree in Business Administration and Artificial Intelligence combined with his digital experience as a Global Lead of Tech Innovation and Digital Transformation in Reckitt Benckiser, a 14.6 Billion GBP Company, makes Mr. Yuvraj C. Mehra a highly special and rare professional.
7. The **Competencies and Rare and Special skill set** of Mr. Yuvraj C Mehra and that of a CFO and CS are totally different and incomparable.
8. Mr. Yuvraj C Mehra is related to the Chairman & Managing Director of the Company but his Selection has been purely on merit, based on the congruent fitment to the role, ensuring that his candidature was the most meritorious one.
9. In fact, we had not found it possible to source any other candidate in our vicinity with such credentials who had a proven track record of our required impact and that too on a global scale; more so at a Salary around this.

In light of the stated facts, we are confident that you will now be satisfied that the Resolution set out for the Shareholders approval of Mr. Yuvraj C. Mehra's remuneration is based not only on merit but also on fair compensation principles, considered sense of judgement pivoting on methodical calculations emanating from research and benchmarking exercises which have won APAR, the recertification of a 'Great Place To Work' again this year.

We request you to kindly consider the position of the Company in view of its business rationale and favourably consider for recommendation to vote "**FOR/in Favour**" for the Resolution proposed in agenda.

Kindly feel free to revert in case you need any further clarification in this regard. Also, we request, to post our rational/ clarification given above alongside your recommendations in your final report.

We may also like to bring to your kind notice that based on our reply on similar lines to the other Proxy Advisor i.e. IAS of your standing, they have revised their recommendation to **“FOR”**.

Thanking you,

Sanjaya Kunder
Company Secretary



APAR Industries Limited APAR House, Corporate Park, V N Purav Marg
Chembur, Mumbai 400 071, India
+91 22 2526 3400 / 6780 0400 www.apar.com



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From: SES Governance [<mailto:sesresearch@sesgovernance.com>]

Sent: 21 February 2025 18:13

To: H.B. Trivedi <com.sec@apar.com>

Cc: info@sesgovernance.com

Subject: SES - Proxy Advisory Report - Apar Industries Limited

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Sir/Madam,

SES has released its Proxy Advisory (PA) Report for the upcoming shareholders Postal Ballot Meeting of your Company / Entity to its Clients who may be investors in your company. As a Policy, a copy of the said Report is being emailed simultaneously to you as well. Accordingly, please find attached PA Report for the upcoming shareholders Postal Ballot Meeting of your company.

As per SES policy, our PA Reports are based on information available in public domain through authentic sources only. At SES, we rely only on information in official documents released by the concerned company in its communication to shareholders, regulators, stock exchanges and website of the Company. SES as a policy, believes that all the requisite information that is material and would enable a discerning investor to take an informed decision must be made available in official communication from Company to its shareholders. As a result, we do not seek any additional information from the company apart from what is otherwise available in public domain, as we do not wish to benefit from such additional information and information asymmetry, and want to place ourselves in the position of discerning investor(s) and experience challenges, if any, while taking a decision based on information available in the public domain alone. As a sense of duty, in our reports, we also indicate, wherever required, the gaps in information and why shareholders would not be able to make an informed decision.

Further, we wish to emphasize that while legal framework is important, at SES, good governance is what matters the most. Needless to mention, good governance is much beyond compliance.

SES, since its inception, as a practice, releases its Report to its Clients as well as the concerned Company at the same time. This practice is in line with the SEBI Circular on ['Procedural Guidelines for Proxy Advisors'](#) dated 3rd August 2020.

However, should you have a point of view that is different despite our explanation, or wish to highlight any factual error(s) in the Report, you may email us within 48 hours of the receipt of the Report. Any comments or clarification ('response of the Company') provided by you shall be analysed by SES with due consideration and if required, we will issue an addendum providing your comment / clarification and explanation(s) by SES, if so required.

Further, SES may still respond at its option, to any comment or clarification provided by the Company to its Report post elapse of 48 hours deadline after the release, on a case to case basis taking into account the exigency of work and at the sole discretion of SES.

Additionally, if you notice any factual error (other than non-material typographical error), please inform SES immediately. As a policy SES will circulate your response so received, without any addition/ deletion and without any comments to all its clients for their attention. An addendum may also be issued for correcting errors if SES feels that same may be warranted.

You may provide your response either in form of text in the e-mail body or in a separate word or PDF document along with page numbers of SES Report. However, please avoid marking comments on the PDF of PA Report itself.

We further affirm that SES policies regarding disseminating its reports to clients and companies/ Entities adhere to the SEBI Circular.

Please feel free to write back to us at info@sesgovernance.com for further queries or suggestions. In case you wish to add/ change your E Mail address, please let us know.

About SES

Stakeholders Empowerment Services (SES) is a not-for-profit Research and Proxy Advisory Firm, primarily focused on providing independent and objective research on the corporate governance practices of the listed Indian companies / Entities. Our vision is to achieve a state of Corporate Governance where all stakeholders are treated in just and fair manner. We feel that this vision can be achieved only if the stakeholders participate actively in the affairs of the company and exercise their valuable rights. We at SES, aim to play our role through our services, which enable stakeholders to effectively participate in corporate meetings and exercise their rights.

Analyst

Achintya Bhattacharyya

Mob: +916362601823

Stakeholders Empowerment Services - India's 1st non-profit Corporate Governance Advisory Firm

Ph:: +91 022 4022 0322 | E-mail: info@sesgovernance.com

Website: www.sesgovernance.com

From: H.B. Trivedi
Sent: 01 March 2025 09:52
To: 'Achintya Bhattacharyya' <achintya.bhattacharyya@sesgovernance.com>
Cc: SES Info <info@sesgovernance.com>; SES Research <sesresearch@sesgovernance.com>
Subject: RE: Clarifications w.r.t. Postal Ballot Meeting dated 8th March, 2025

Dear Mr. Achintya Bhattacharya,

This is in reference to your email received by us yesterday evening seeking further clarification on compliances and requesting the Company to upload the Company's clarification in the Public Domain.

Firstly, we have given you the detailed clarifications vide our email dated February 23, 2025 with regard to your concern on the non-compliances which was factually incorrect concern. The reason being the Shareholders' Resolution which we propose clearly specifies without any ambiguity that the proposed enhanced remuneration of Rs. 4,59,000/- per month will be effective from the date of passing of Shareholders' Resolution and not from January 20, 2025 being the original date of Appointment approved by the Board of Directors.

The extract of the proposed Shareholders' Resolution is given below for better reading which is very precise, clear and having no ambiguity on the non-compliances at our end.

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board and Its Powers) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to relevant/applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and as per the recommendation of Audit Committee and Board of Directors at their meetings held on January 28, 2025, the consent of the members be and is hereby accorded to pay **monthly remuneration of Rs. 4,59,000 (Rupees Four Lakhs Fifty Nine Thousand Only)** to Mr. Yuvraj C. Mehra, holding office or place of profit, as Senior Deputy General Manager – Information Technology and Automation, for his tenure i.e. upto January 19, 2030 with such enhancements, designation and responsibilities as per the HR Policies of

the Company subject to the maximum remuneration not exceeding Rs. 10,00,000 (Rupees Ten Lakhs only) per month at any event, **with effect from date of passing of this Resolution.**"

You may further observe from the above proposed Resolution of the Shareholders that no where mentioned either in the Resolution or in the Explanatory Statement thereto that the enhanced remuneration of Rs. 4,59,000/- per month shall have retrospective effect from January 20, 2025 rather it clearly mentions that it will be effective from date of passing of Shareholders' Resolution which will be effective from 8th March 2025 if requisite vote on above Resolution is obtained.

To add to that Proxy Advisory of your standing i.e. ISS has **recommended "FOR"** to the Resolution without seeking any clarification from the Company. Copy attached (Refer **Attachment no. 1**).

Another Proxy Advisory liAS has initially recommended "AGAINST" the Resolution on the ground of not providing details regarding the benchmarking of his remuneration against Company employees with similar experience **and not on the ground of non-compliances under the Companies Act** and therefore, they sought the clarification under this ground of bench marking and not on non-compliances. Thereafter, the Company has sent a detailed clarificatory note justifying the enhanced remuneration of Rs. 4,59,000 per month with a maximum cap of Rs. 10,00,000 per month and basis the same, liAS has appropriately revised their recommendation to **"FOR"**. Copy attached for your reference (Refer **Attachment no. 2**).

As requested, we shall upload Company's clarificatory note sent to you on February 23, 2025 along with this note on the Company's website www.apar.com under INVESTORS tab => FINANCIAL Section => 10. Postal Ballot just for more clarity.

Hope, we have clarified the concern raised by you and once again request you to review your recommendation positively to **"FOR"** and also put up the Company's clarification given vide our email dated February 23, 2025 including this email.

Sanjaya Kunder
Company Secretary



APAR Industries Limited APAR House, Corporate Park, V N Purav Marg
Chembur, Mumbai 400 071, India
+91 22 2526 3400 / 6780 0400 www.apar.com   

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From: Achintya Bhattacharyya [<mailto:achintya.bhattacharyya@sesgovernance.com>]
Sent: 28 February 2025 16:40
To: H.B. Trivedi <com.sec@apar.com>
Cc: SES Info <info@sesgovernance.com>; SES Research <sesresearch@sesgovernance.com>
Subject: IMP: Clarifications w.r.t. Postal Ballot Meeting dated 8th March, 2025

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Greetings of the day,

This is to inform you that SES is in the process of finalising the Addendum Report for the on-going Postal Ballot (Meeting Date: 8th March, 2025).

SES has taken into consideration the clarifications provided by the Company vide the e-mail dated 23rd February, 2025.

However, since the matter contained a Compliance Concern, the clarification w.r.t. the Resolution has to be made in the Public Domain (BSE/NSE Announcement and/or Company Website).

Reason: The original Notice contained a Compliance Concern. Public Shareholders are not privy to the clarifications sent by the Company to SES. Hence, to remove any ambiguity in the matter, SES requests the Company to upload the clarification in the Public Domain.

Note: The ambiguity is regarding the timeline of payment of remuneration to the Candidate - Whether the revised amount shall be paid only post the obtainment of shareholders' approval, without having any retrospective effect?

The Notice suggested that the increase in remuneration shall be w.e.f. 20th January, 2025, i.e., from the date of the Candidate's appointment as Sr. Deputy Manager, while the E-mail suggests that the remuneration shall increase post the obtainment of shareholders' approval.

Hence, to clarify the above discrepancy, SES requests that the Company upload the clarifications in the Public Domain.

In case of any further query on the matter, please contact the undersigned.

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Thanks and Regards,

Achintya Bhattacharyya

Research Analyst

Stakeholders Empowerment Services

Ph: +91 63626 01823 | Email: achintya.bhattacharyya@sesgovernance.com