



Stakeholders Empowerment Services

Analyze >>> Educate >>> Empower

# Proxy Advisory Report (Addendum)

## Garware Hi-Tech Films Ltd

### 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](mailto:esgdata@sesgovernance.com)

#### SES AIMS:

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

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#### 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.

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### COMPANY INFORMATION

**BSE CODE:** 500655

**NSE SYMBOL:** GRWRHITECH

**ISIN:** INE291A01017

**Industry:** Plastic Products - Industrial

**Email:** [cs@garwarehitech.com](mailto:cs@garwarehitech.com)

**Phone:** +91 22 6698 8000

**Registered Office:** Naigaon, Post Waluj, Chhatrapati Sambhajinagar - 431 133.

### MEETING DETAILS

**Meeting Type:** PB

**Voting Deadline:** 23<sup>rd</sup> June, 2026

**Notice Date:** 6<sup>th</sup> May, 2026

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

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

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

### E-VOTING DETAILS

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

**Cut-off Date:** 19<sup>th</sup> May, 2026

**Remote E-voting:**

- **Start:** 25<sup>th</sup> May, 2026
- **Ends:** 23<sup>rd</sup> June, 2026

**ADDENDUM REPORT RELEASE DATE:** 13<sup>th</sup> June, 2026

**Research Analyst:** Pragati Puthran

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

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION



## ADDENDUM

There is no change in the SES' Recommendations on any 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 8<sup>th</sup> June, 2026 in respect of the PB of the Company.

Post release of PA Report, SES received an email from the Company on 10<sup>th</sup> June, 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 10<sup>th</sup> June, 2026 (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

#### *Company's Views: (in Blue colour) & SES Reply: (in Black colour)*

1. *With regard to Agenda Item No. 1 regarding "Appointment of Ms. Sonali Rajesh Mehta as an Independent Director of the Company";*
  - *The Company has made compliances as per applicability of provisions of section 149(10) the Companies Act, 2013, which state that "an independent director shall hold office for a term up to five consecutive years on the Board of a company," and provisions of section 149(11) says "no independent director shall hold office for more than two consecutive terms"..*
  - *The proposed appointment is for first term of one year. So, the period of one year shall be considered as one term in compliance with aforesaid provisions. There are several precedents where the companies have appointed Independent Directors for less than five years.*

**SES Comment:** As already acknowledged in the original report, the proposed appointment is **compliant with the law**.

Concern raised by SES was purely on the basis of governance parameters as per SES' policy. SES reiterates that the appointment of an Independent Director for such a short duration is contrary to the spirit and intent of the law and appears to serve merely as a technical compliance measure, unless the Company has provided an adequate rationale for limiting the appointment to a one-year term.

However, the Company, in its response, has only cited the legal provisions and has not provided any adequate explanation or supporting rationale for the proposed tenure.

Hence, there is no change in the SES recommendation under resolution #1.

2. *With regard to Agenda Item No. 2 regarding "Re-appointment of Ms. Monika Garware as Vice-Chairperson and Joint Managing Director"; ...*
  - *The Company has made appropriate disclosures in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the Explanatory Statement with the requisite details as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2).*
  - *The increase in remuneration of 28% since last approval obtained at the 66<sup>th</sup> AGM held in FY 2023 translates to an annual average increase of approximately 9%, which is in line with the shareholder approvals. Therefore, there has been no material or substantial revision in remuneration other than what has been approved by the shareholders. Therefore, your statement that granting such discretionary powers to the Board/NRC defeats the purpose of seeking shareholders' approval is mere an assumption which has no base.*



- *Further, Ms. Monika Garware has attended all Board Meetings and AGMs during the last several years. She handles overall and day to day business affairs of the Company. With her extensive experience and leadership, the Company has demonstrated consistent growth over the years. Her performance is closely aligned with the Company's performance and profitability.*
- *The Company's growth can be measured in terms of turnover, net profit, and dividend payout to shareholders which maximises the shareholders' value which is clearly evident from EPS and share price which has gone multifold in past years. These financial performances are already provided in the Explanatory Statement to the Postal Ballot Notice and available in the public domain.*
- *Additionally, comparison of remuneration paid to Non-promoter Executive Director (who are either Technical director or Plant Head) can not be compared with Promoter Executive Directors who are actively involved in day-to-day affairs of the Company including strategic decision-making and responsible for the Company's vision, growth and business expansion which has been clearly demonstrated over past several years.*
- *Moreover, the peer company's size, financial performance, along with profitability ratio should also be compared with our Company for at least five years.*

**SES Comment:** Firstly, the Company has paid significantly higher remuneration to its promoter directors compared to its non-promoter directors. SES acknowledges that professional directors cannot be directly compared with promoter directors, considering their roles and responsibilities and involvement in the decision-making activities. Accordingly, a reasonable difference in remuneration may be justified. However, where the disparity is significant, the Company should maintain adequate transparency to enable shareholders to assess the fairness and appropriateness of the remuneration.

Further, the Company has stated that a direct comparison between non-promoter directors as they are either technical directors or plant heads and promoter directors is not appropriate. However, in the absence of adequate disclosure regarding the respective roles, responsibilities, and contributions of promoter and non-promoter directors, neither SES nor the shareholders are in a position to independently assess the justification for such high remuneration differences.

Regarding the discretion to Board/NRC to revise the terms of appointment & remuneration, SES generally does not raise concerns where a Company states that future remuneration increments will be determined at the discretion of the NRC, provided that the past remuneration practices have been fair and balanced. In the present case, however, the remuneration framework appears disproportionately favourable to promoter directors. Therefore, SES had raised concern on discretion proposed to Board/NRC.

Moreover, with respect to the performance of Ms. Monika, the Company has stated that its improved financial position is attributable to her involvement. This raises the question of whether the Company considers only the promoter director to be making a significant contribution? As the Company was paying substantially higher remuneration to promoter directors compared to non-promoter directors, including those with over 40 years of experience with the Company. (Refer [PA Report](#) for detailed analysis)

Additionally, the Company has stated that, *the peer company's size, financial performance, along with profitability ratio should also be compared with our Company for at least five years.* In this regard, it is to be noted that, SES has not raising any concern on the quantum of remuneration paid or proposed to Ms. Monika Garware, rather the concerns were arising from the Company's remuneration practices towards Promoter Executives vs Non-Promoter Executives.

**In view of the above, there is no change in SES recommendation under resolution #2. However, shareholders may take note of the Company's clarification along with SES' comments thereon, and take informed voting decision in this regard.**

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**COMPANY'S EMAIL**

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Dear Sir / Madam

This is with reference to your trail email and Proxy Advisory Report, we are submitting our response which are given hereunder;

1. With regard to Agenda Item No. 1 regarding "Appointment of Ms. Sonali Rajesh Mehta as an Independent Director of the Company";

- The Company has made compliances as per applicability of provisions of section 149(10) the Companies Act, 2013, which state that "an independent director shall hold office for a term up to five consecutive years on the Board of a company," and provisions of section 149(11) says "no independent director shall hold office for more than two consecutive terms".
- The proposed appointment is for first term of one year. So, the period of one year shall be considered as one term in compliance with aforesaid provisions. There are several precedents where the companies have appointed Independent Directors for less than five years.

Therefore, you should withdraw your comment.

2. With regard to Agenda Item No. 2 regarding "Re-appointment of Ms. Monika Garware as Vice-Chairperson and Joint Managing Director";

- The Company has made appropriate disclosures in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the Explanatory Statement with the requisite details as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2).
- The increase in remuneration of 28% since last approval obtained at the 66<sup>th</sup> AGM held in FY 2023 translates to an annual average increase of approximately 9%, which is in line with the shareholder approvals. Therefore, there has been no material or substantial revision in remuneration other than what has been approved by the shareholders. Therefore, your statement that granting such discretionary powers to the Board/NRC defeats the purpose of seeking shareholders' approval is mere an assumption which has no base.
- Further, Ms. Monika Garware has attended all Board Meetings and AGMs during the last several years. She handles overall and day to day business affairs of the Company. With her extensive experience and leadership, the Company has demonstrated consistent growth over the years. Her performance is closely aligned with the Company's performance and profitability.
- The Company's growth can be measured in terms of turnover, net profit, and dividend payout to shareholders which maximises the shareholders' value which is clearly evident from EPS and share price which has gone multifold in past years. These financial performances are already provided in the Explanatory Statement to the Postal Ballot Notice and available in the public domain.
- Additionally, comparison of remuneration paid to Non-promotor Executive Director (who are either Technical director or Plant Head) can not be compared with Promotor Executive Directors who are actively involved in day-to-day affairs of the Company including strategic decision-making and responsible for the Company's vision, growth and business expansion which has been clearly demonstrated over past several years.
- Moreover, the peer company's size, financial performance, along with profitability ratio should also be compared with our Company for at least five years.

Considering the aforesaid facts, you should withdraw your comments.

Regards,

XXXXXXX



## 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

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

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.

