

Proxy Advisory Report (Addendum)

Spencers Retail 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 HDFC, Hero, M&M, L&T, UPL, Wipro, Reliance group and many others. [Read More](#)
Contact for Demo –
esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional investors to carry out their stewardship activities in an efficient manner. [Read More](#)

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:

One stop solution for investors – Online Vote Management System to cater to requirements of Institutional Investors. [Read More](#)

COMPANY INFORMATION

BSE CODE: 542337

NSE SYMBOL: SPENCER

ISIN: INE020801028

Industry: Diversified Retail

Email: spencers.secretarial@rpsg.in

Phone: 033-24871901, 66257600

Registered Office: Duncan House, 31, Netaji Subhas Road, Kolkata - 700001

MEETING DETAILS

Meeting Type: AGM

Meeting Date: 4th August, 2023 at 03:00 PM

Venue: Video Conferencing (VC) facility or other audio-visual means (OAVM)

Notice Date: 22nd May, 2023

Notice: [Click here](#)

Annual Report: [FY 2022-23](#)

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

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 28th July, 2023

Remote E-voting:

- **Start:** 1st August, 2023
- **Ends:** 3rd August, 2023

ADDENDUM REPORT RELEASE DATE: 30th July, 2023

Research Analyst: Shambhavi Jha

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



ADDENDUM

This Addendum is being issued based on the e-mail dated 29th July, 2023 sent by Spencer Retail Ltd ('the Company') w.r.t Proxy Advisory Report ('[PA Report](#)') issued by SES in relation to the ensuing AGM of the Company to be held on 4th August, 2023.

There is no change in any of the SES recommendations.

BACKGROUND

SES, as per its policy, had e-mailed its PA Report to the Company on 28th July 2023 in respect of upcoming AGM of the Company to be held on 4th August, 2023.

Post the release of the PA Report, SES received as an email providing its view point, which is reproduced in **blue text** along with the SES Response (**in black**) and full mail is appended at the end.

It may be noted that the email of the Company (as per SES policy framed to comply with SEBI Circular dated 3rd 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 on 29th July, 2023. This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS ON COMPANY'S RESPONSE

Company Response: *As per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, (Listing Regulations) we draw your kind attention to the following provisions;*

17A(1):

Provided that a person shall not serve as an independent director in more than seven listed entities.

17A(2) of Listing Regulations, Notwithstanding Reg. 17A(1), *any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than three listed entities.*

For the purpose of this regulation, the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

Resolution no.3 - Reappoint Mr. Utsav Parekh as Independent Director for a period of five years

His directorship details are given below:

a. Listed Entities - 7

As Independent Director: 5 including Spencer's Retail Limited

As Non-independent : 2

b. Unlisted Entities : 6 including Whole-time Director in 1 Company

Mr. Parekh brings with him a wealth of experience from diverse industries and his core experience is in the field of investment banking which gives us boost to our board and is the key to shareholders interest.

Mr. Parekh fulfil the criteria requirement of the Listing Regulations and based on his expertise, experience, domain knowledge including his directorship in varied and diversified industries, the Board strongly recommends his re-appointment for a further period of 5 years as Independent Director of the company.

SES Comments: **SES Understands that, the Directorships limit of Mr.Parekh is in line with the Regulatory Limits.** SES in its Report has raised concern is purely on the governance basis regarding the re-appointment of Mr. Utsav Parekh, as an ID, on account of his time commitments being excessive as well as transparency concerns regarding his past resignation.

SES, as a policy, has formulated its benchmarks giving due consideration to relevant factors which include the nature of positions, the number of positions held, nature of operations of the Companies where the positions are held, the attendance performance of the



concerned directors amongst other factors. SES reiterates that no concern has been identified w.r.t his merits and past attendance. However, SES has raised concern on account of the proposed re-appointment not satisfying the **governance parameters** which SES has addressed in its report.

Furthermore, the concern in relation his past resignations from other listed companies, as an ID, persist.

Hence, SES recommendation remains unchanged.

However, shareholders may consider the Company's response and SES' comments and make a voting decision accordingly.

.

COMPANY'S EMAIL DATED 29TH JULY 2023

Dear Sir/Madam,

This is in reference to your voting recommendations for the Resolutions proposed to be passed at the upcoming Annual General Meeting of the Company. We sincerely thank you for your kind consideration and giving favourable recommendations for the resolutions mentioned in item no. 1, 2, 4 and 5. We earnestly requesting you to reconsider your decision for the Resolution mentioned in item no.3 after taking into consideration the following:

As per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, (Listing Regulations) we draw your kind attention to the following provisions;

17A(1):

Provided that a person shall not serve as an independent director in more than seven listed entities.

17A(2) of Listing Regulations, Notwithstanding Reg. 17A(1), **any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than three listed entities.**

For the purpose of this regulation, the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

Resolution no.3 - Reappoint Mr. Utsav Parekh as Independent Director for a period of five years

His directorship details are given below:

b. Listed Entities - 7

As Independent Director: 5 including Spencer's Retail Limited

As Non-independent : 2

c. Unlisted Entities : 6 including Whole-time Director in 1 Company

Mr. Parekh brings with him a wealth of experience from diverse industries and his core experience is in the field of investment banking which gives us boost to our board and is the key to shareholders interest.

Mr. Parekh fulfil the criteria requirement of the Listing Regulations and based on his expertise, experience, domain knowledge including his directorship in varied and diversified industries, the Board strongly recommends his re-appointment for a further period of 5 years as Independent Director of the company.

We therefore request you to please reconsider your decision and give a positive and favourable recommendation to the above appointment and oblige.

Best Regards,



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. -

U74120MH2012NPL232154

This Report or any portion hereof may not be reprinted, sold, reproduced or redistributed without the written consent of Stakeholders Empowerment Services

Contact Information

Stakeholders Empowerment Services

109, Shyam Baba House,
Upper Govind Nagar,
Malad East,
Mumbai – 400097
Tel +91 22 4022 0322

research@sesgovernance.com

info@sesgovernance.com

www.sesgovernance.com



Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

