



Stakeholders Empowerment Services

Analyze >>> Educate >>> Empower

### 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](#)

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**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.

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**ESG Scores:**

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

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**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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# Proxy Advisory Report (Addendum) HDFC Bank Ltd

### COMPANY INFORMATION

**BSE CODE:** 500180

**NSE SYMBOL:** HDFCBANK

**ISIN:** INE040A01034

**Industry:** Private Sector Bank

**Email:** [shareholder.grievances@hdfc.bank.in](mailto:shareholder.grievances@hdfc.bank.in)

**Phone:** +91 022 66316000

**Registered Office:** HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013

### MEETING DETAILS

**Meeting Type:** PB

**Voting Deadline:** 26<sup>th</sup> April, 2026

**Notice Date:** 26<sup>th</sup> March, 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:** 20<sup>th</sup> March, 2026

**Remote E-voting:**

- **Start:** 28<sup>th</sup> March, 2026
- **Ends:** 26<sup>th</sup> April, 2026

**ADDENDUM REPORT RELEASE DATE:** 17<sup>th</sup> April, 2026

**Research Analyst:** Vinod Kalbi

**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 9<sup>th</sup> April, 2026 in respect of the Ongoing PB of the Company.

Post release of PA Report, SES received an email from the Company on 10<sup>th</sup> April, 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> April, 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)**

HDFC Bank Limited (the "Bank") has released a Postal Ballot Notice dated March 26, 2026 **seeking approval of the Members of the Bank for the re-appointment of Dr. (Mrs.) Sunita Maheshwari (DIN: 01641411) as an Independent Director of the Bank for a period of 3 years with effect from March 30, 2026 up to March 29, 2029 (both days inclusive).**

....

*(i) It is very pertinent to look at sub-clause (8) of the Section 149, which is reproduced hereunder for ready reference:*

*"149 (8). The company and independent directors shall abide by the provisions specified in Schedule IV." [Emphasis supplied]*

*The relevant portions of Schedule IV are reproduced hereunder for ready reference: "Schedule IV*

*Part IV. Manner of appointment:*

*(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.*

*(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.*

*(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.*

...

*Part V: Re-appointment:*

*The re-appointment of independent director shall be on the basis of report of performance evaluation.*

...

*Part VIII: Evaluation mechanism.*

*(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.*

*(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director."*

*It must be noted that the provisions of Schedule IV are mandatory in nature and not recommendatory, which is clear from sub-section (8) of Section 149. The 'determination' of whether to extend the term (i. e. whether to give second term or not) of the independent director is done by the Board on the basis of the performance evaluation of the independent director. Thus, role of the Board in*



performance evaluation and then ‘determining’ the decision of extension have been very clearly specified. Therefore, unless the Board makes this determination, the approval of the shareholders by way of special resolution can not be sought for.

*(ii) Section 149(10) does not in any manner alter the role of shareholders in case of re-appointment of independent director. **That role is only ‘approval’ and ‘approval’ pre-supposes appointment by the Board subject to such approval.** Sub-section (10) does not shift the decision per se of appointment or extension of the term (i.e. to re-appoint for second term) from the Board to the shareholders.*

*(iii) Further, looking at the broader context of the Act, together with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is clear that the ‘determination’ of whether to extend the term (i.e. whether to give second term or not) of the independent director is done by the Board of Directors on the basis of the performance evaluation of the independent director, and as recommended by the Nomination & Remuneration Committee (“NRC”). Thus, role of the NRC and the Board in performance evaluation and then ‘determining’ the decision of extension have been very clearly specified. Therefore, unless the NRC and subsequently the Board makes this recommendation, the approval of the shareholders by way of special resolution cannot be sought for.*

*(iv) Section 149(10) can not be read to alter the role of shareholders in case of re-appointment of independent director. That role is only ‘approval’ and ‘approval’ pre-supposes appointment by the Board subject to such approval. Sub-section (10), therefore, can not be read to shift the decision per se of appointment or extension of the term (i.e. to re-appoint for second term) from the Board to the shareholders.*

*(v) The harmonious reading of all the aforesaid provisions leads to a deduction that it is **not mandatory to get ‘prior’ approval of the shareholders for re-appointment of the independent director** by the Board and such re-appointment can be made by the Board subject to the approval of the shareholders to be obtained subsequently, even after the end of the First Term.*

#### **SES Comment:**

SES would like to reiterate that the provision relating to re-appointment of IDs on the Board under Section 149 of the Companies Act, 2013 states that:

*(10) Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, **but shall be eligible for reappointment on passing of a special resolution** by the company and disclosure of such appointment in the Board's report.*

*(11) Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.*

Although, the above law does not explicitly use the term ‘prior’, however, the word ‘eligible’ itself intends to mean pre-requisite or pre-condition. Therefore, eligibility cannot be ratified at a later date.

SES view, in this regard, is further supported by Guidance note of ICSI. The note specifies that unless a special resolution is passed by shareholders in general meeting, an existing ID who is serving his/her first term as ID under section 149 of the Act is not eligible for reappointment. Though the Company has proposed a Special Resolution for shareholder’s approval, the same was required to be obtained before completion of the first term of concerned ID.

*Extract from the Guidance Note: “If the shareholders’ approval by special resolution for his re-appointment for second term is not taken as on the last date of the first term, then such Independent Director cannot be re-appointed by Board as an Additional Director for second term, as he does not possess the eligibility to get reappointed for second term and hence, he ceases to be a director at the end of his first term.”*

SES opines that it is not always possible for the legal provisions / texts to write and specify the spirit as intended by the lawmakers. That is the reason why such Guidance Notes etc. are released by the Regulators and other legal authorities from time-to-time.

The Board evaluates the Director's performance shall appoint/re-appoint the director on the Board; however, for the re-appointment of an Independent Director, shareholders’ approval must be obtained before the expiry of the term. Accordingly, SES has raised concern,

on account of the fact that the shareholders' approval of the ID's eligibility for reappointment has not been sought, prior to the completion of the second term.

**Shareholders may consider the justification provided by the Company along with SES comments thereon and take an informed decision.**

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**COMPANY'S EMAIL**

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Dear \_\_\_,

In connection with the trail email and as per our discussions, please find attached a clarification letter with respect to re-appointment of Dr. (Mrs.) Sunita Maheshwari (DIN: 01641411) as an Independent Director of HDFC Bank Limited for a period of 3 years with effect from March 30, 2026 up to March 29, 2029 (both days inclusive).

We request you to kindly consider the attached clarification and review your recommendation.

In case you need any further clarification, we would be pleased to provide additional details.

Regards,

**Click [here](#) to view attachment. Extract of the same has been reproduced below**

Dear \_\_\_,

HDFC Bank Limited (the "Bank") has released a Postal Ballot Notice dated March 26, 2026 seeking approval of the Members of the Bank for the re-appointment of Dr. (Mrs.) Sunita Maheshwari (DIN: 01641411) as an Independent Director of the Bank for a period of 3 years with effect from March 30, 2026 up to March 29, 2029 (both days inclusive).

We refer to the voting recommendation issued by your firm in relation to the said resolution wherein your firm has recommended to vote "Against" citing that "Prior shareholders' approval was not obtained for 2nd Term" of Dr. Maheshwari on the Board of the Bank.

We appreciate the role played by your firm in promoting transparency and informed shareholder participation. However, we wish to place on record the following:

**(i) It is very pertinent to look at sub-clause (8) of the Section 149, which is reproduced hereunder for ready reference:**

"149 (8). The company and independent directors shall abide by the provisions specified in Schedule IV." [Emphasis supplied]

The relevant portions of Schedule IV are reproduced hereunder for ready reference: "Schedule IV

Part IV. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

...

Part V: Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

...

Part VIII: Evaluation mechanism.



*(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.*

*(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.”*

*It must be noted that the provisions of Schedule IV are mandatory in nature and not recommendatory, which is clear from sub-section (8) of Section 149. The ‘determination’ of whether to extend the term (i. e. whether to give second term or not) of the independent director is done by the Board on the basis of the performance evaluation of the independent director. Thus, role of the Board in performance evaluation and then ‘determining’ the decision of extension have been very clearly specified. Therefore, unless the Board makes this determination, the approval of the shareholders by way of special resolution can not be sought for.*

*(ii) Section 149(10) does not in any manner alter the role of shareholders in case of re-appointment of independent director. That role is only ‘approval’ and ‘approval’ pre-supposes appointment by the Board subject to such approval. Sub-section (10) does not shift the decision per se of appointment or extension of the term (i.e. to re-appoint for second term) from the Board to the shareholders.*

*(iii) Further, looking at the broader context of the Act, together with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is clear that the ‘determination’ of whether to extend the term (i.e. whether to give second term or not) of the independent director is done by the Board of Directors on the basis of the performance evaluation of the independent director, and as recommended by the Nomination & Remuneration Committee (“NRC”). Thus, role of the NRC and the Board in performance evaluation and then ‘determining’ the decision of extension have been very clearly specified. Therefore, unless the NRC and subsequently the Board makes this recommendation, the approval of the shareholders by way of special resolution cannot be sought for.*

*(iv) Section 149(10) can not be read to alter the role of shareholders in case of re-appointment of independent director. That role is only ‘approval’ and ‘approval’ pre-supposes appointment by the Board subject to such approval. Sub-section (10), therefore, can not be read to shift the decision per se of appointment or extension of the term (i.e. to re-appoint for second term) from the Board to the shareholders.*

*(v) The harmonious reading of all the aforesaid provisions leads to a deduction that it is not mandatory to get ‘prior’ approval of the shareholders for re-appointment of the independent director by the Board and such re-appointment can be made by the Board subject to the approval of the shareholders to be obtained subsequently, even after the end of the First Term.*

*In view of the above legal opinion and our understanding, we believe that the resolution proposed for re-appointment of Dr. (Mrs.) Sunita Maheshwari is fair, transparent and in the best interest of the Bank and its shareholders and in accordance with the provisions of the Act.*

*Therefore, we request you to consider the above clarifications and review your recommendation. In case you need any further clarification, we would be pleased to provide additional details.*

*Yours faithfully,*

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## 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

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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.



