

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

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)

CARE Ratings Ltd

COMPANY INFORMATION

BSE CODE: 534804

NSE SYMBOL: CARERATING

ISIN: INE752H01013

Industry: Ratings

Email: investor.relations@careedge.in

Phone: +91 22 67543456

Registered Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400022

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 16th October, 2025

Notice Date: 5th August, 2025

Notice: [Click here](#)

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

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

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 12th September, 2025

Remote E-voting:

- **Start:** 17th September, 2025
- **Ends:** 16th October, 2025

ADDENDUM REPORT RELEASE DATE: 7th October, 2025

Research Analyst: Abhishek Yadav

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



ADDENDUM

This Addendum is issued based on email dated 3rd October, 2025 received by SES from **CARE Ratings Ltd** ('the Company'), (reproduced in *verbatim* at the end of this addendum) w.r.t. Proxy Advisory Report [PA report](#) issued by SES on 1st October, 2025 in relation to the upcoming Postal Ballot of the Company to be held on 16th October, 2025.

There is no change in the SES's recommendations. However, shareholders may take note of the Company's clarification and SES' comments thereon and take an informed voting decision.

BACKGROUND

SES as per its policy, had emailed its PA Report ([weblink](#)) to the Company on 1st October, 2025 in respect of the PB of the Company.

Post release of PA Report, SES received an email from the Company on 3rd October, 2025. 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 3rd October, 2025 (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.

This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS TO COMPANY'S RESPONSE

Resolution 2: Re-appointment of Mr. Venkatadri Chandrasekaran as an Independent Director of the Company:

We would like to affirm that pursuant to the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), there is no regulatory restriction on re-designation of director from non-executive director to independent director and there is no requirement of maintaining cooling period in such matter. We have highlighted the same to you vide our earlier reply in January 2023.

Further we would also like to affirm that pursuant to Regulation 25(2) of the SEBI Listing Regulations, the maximum tenure of independent directors shall be in accordance with the Act and the Rules made thereunder.

Mr. V. Chandrasekaran (DIN: 03126243) was appointed as a Non-Executive Non-Independent Director of the Company with effect from 15th November, 2017 and his appointment was further approved by the Members of the Company at the Annual General Meeting held on 24th September, 2018.

Subsequently, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. V. Chandrasekaran as an Independent Director of the Company with effect from 7th December, 2022, for a term of 3 years ending on 6th December, 2025 and his appointment was further approved by the Shareholders through a Postal Ballot resolution passed on 21st January, 2023.

We would like to submit that Mr. V. Chandrasekaran was first appointed as an Independent Director in December 2022 for a tenure of 3 years only i.e. less than the maximum permitted term of 5 years under the Act. Accordingly, his total tenure as an Independent Director will be of 6 years only and will not exceed the statutory maximum limit of 10 years. His continuation as an Independent Director is fully compliant with the Act and SEBI Listing Regulations.

SES Comment: SES in its PA report has raised **governance concern** on re-appointment of **Mr. V. Chandrasekaran** as a Non-executive Independent Director of the company on account of the fact that their transition from NED to Independent Director was carried out without cooling off period of 3 years and the proposed term will lead to prolonged association with the Group.

SES re-iterates that the given resolution is **legally compliant** however, SES is of the view that past NEDs should serve a cooling off period of at least 3 years before appointment as an ID. Though, independence of a director is subjective in nature and SES is not raising any question over that, however, since the given re-designation took place without serving any cooling-off period this may vitiate the Independence of the concerned director.



Further, the Company in its reply has stated that the total tenure (including the proposed term) of Mr. V. Chandrasekaran as an Independent Director of the Company will be of 6 years and will not exceed the statutory limit of 10 years. However, shareholders may note that Mr. V. Chandrasekaran was appointed as a Non-Executive Non-Independent Director of the Company with effect from 15th November, 2017. Hence, he is associated with the Company since 15th November, 2017. SES as a policy considers association of a director with the Company, irrespective of the office of the respective director.

SES understands that independence is an individual trait and can be a subjective matter; however, SES as a policy, opines IDs who have continued association with the Company or the group (beyond 10 years) is not indicative of a good governance practice as it may infringe on the independence of the proposed appointee.

In the extant case, Mr. V. Chandrasekaran has been associated with the Company for almost 8 years. Now, the Company is seeking shareholders' approval for his re-appointment as ID for another period of 3 years. Hence, the proposed term of 3 years will lead to his total association exceeding 10 years with the Company.

Therefore, in view of the above observations, the **governance concerns raised by SES prevails.**

Hence, there is no change in SES's recommendations on the proposed resolution. However, shareholders may take a note of the Company's response, SES's comments thereon and take an informed voting decision accordingly.

COMPANY'S EMAIL

Dear ***,

We would like to highlight that for Resolution number 2 of the Postal Ballot Notice dated August 5, 2025, you have recommended to vote "Against" the resolution. On the same, we would like to present our views as under:

We would like to affirm that pursuant to the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), there is no regulatory restriction on re-designation of director from non-executive director to independent director and there is no requirement of maintaining cooling period in such matter. We have highlighted the same to you vide our earlier reply in January 2023.

Further we would also like to affirm that pursuant to Regulation 25(2) of the SEBI Listing Regulations, the maximum tenure of independent directors shall be in accordance with the Act and the Rules made thereunder.

Mr. V. Chandrasekaran (DIN: 03126243) was appointed as a Non-Executive Non-Independent Director of the Company with effect from 15th November, 2017 and his appointment was further approved by the Members of the Company at the Annual General Meeting held on 24th September, 2018.

Subsequently, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. V. Chandrasekaran as an Independent Director of the Company with effect from 7th December, 2022, for a term of 3 years ending on 6th December, 2025 and his appointment was further approved by the Shareholders through a Postal Ballot resolution passed on 21st January, 2023.

We would like to submit that Mr. V. Chandrasekaran was first appointed as an Independent Director in December 2022 for a tenure of 3 years only i.e. less than the maximum permitted term of 5 years under the Act. Accordingly, his total tenure as an Independent Director will be of 6 years only and will not exceed the statutory maximum limit of 10 years. His continuation as an Independent Director is fully compliant with the Act and SEBI Listing Regulations.

We also respectfully submit that he is on the Board of respectful listed companies and brings valuable experience to the Board.

In light of the foregoing, we respectfully urge you to reconsider your opinion on this matter and make the necessary amendments accordingly.

Thanks,

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.

