# SES PROXY IMPACT REPORT 2026

## THE PURPOSE, THE VOTE AND THE IMPACT

# Preface

The conclusion of the 2025-26 Proxy Season provides an opportunity to reflect on the evolving landscape of shareholder voting in India, the issues shaping investor sentiment and the role of proxy advisory in promoting informed and effective shareholder participation.

The SES Proxy Impact Report 2026 brings together data, observations and analysis from SES's work during the year. It captures the scale of SES's coverage, its recommendations and the voting trends across companies, resolutions and sectors. It also examines the impact of certain policy positions adopted by SES and certain significant regulatory developments.

However, a meaningful assessment of corporate governance must also acknowledge the challenges that remain, including those within our own ecosystem.

At SES, the growing breadth of coverage has brought with it the challenge of balancing delivery timelines with the quality and depth of analysis. While quality has been and remains non-negotiable, strengthening our ability to deliver on time is an important priority going forward.

At the company level, although improvement is noted across select companies, on an overall basis, gaps persist in the quality of disclosures, accountability, management of conflicts of interest and meaningful engagement with shareholders. Compliance alone cannot be the measure of good governance.

At the investor level, growing portfolios, limited time and the increasing complexity of governance matters make effective stewardship more challenging. The objective must go beyond merely exercising the right to vote. It must be about making an informed decision. This requires greater investor awareness and understanding of governance, alongside a revised legal framework that provides investors adequate time and opportunity to assess, engage, question and decide.

These challenges call for continued efforts from all stakeholders. Companies must move beyond compliance, investors must strengthen their stewardship practices, SES must improve the timeliness of its work, and regulators must ensure that the framework facilitates meaningful shareholder participation.

This report is an attempt to take stock of where we stand, recognise the progress made, identify the gaps that remain and reflect on the way ahead. SES hopes that it contributes meaningfully to the ongoing discourse on corporate governance and shareholder rights in India.

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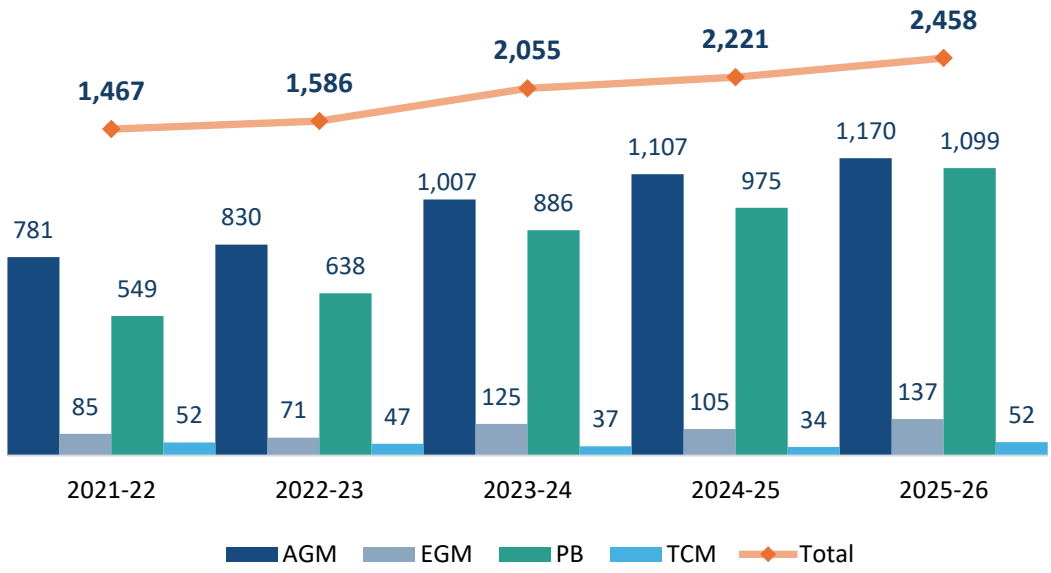

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## 1. THE COVERAGE

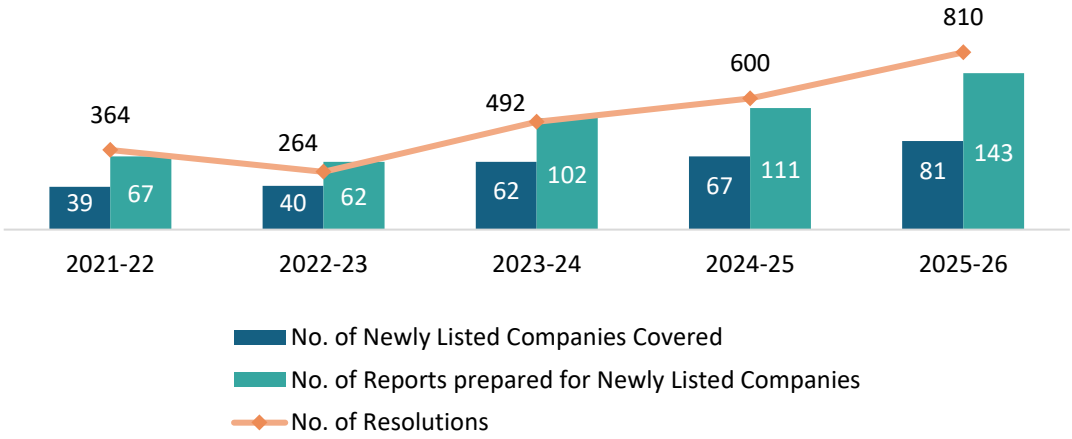
The graph below illustrates the number of reports prepared by SES over the last five years, reflecting a consistent year-on-year increase in coverage.

While new client onboarding and expanded coverage of existing clients have contributed to this growth, the increasing number of companies getting listed has also been a key driver, further expanding the universe of companies covered by SES.

**No. of Reports (Y-o-Y)**




**Newly Listed Companies covered in SES Coverage (Y-o-Y)**

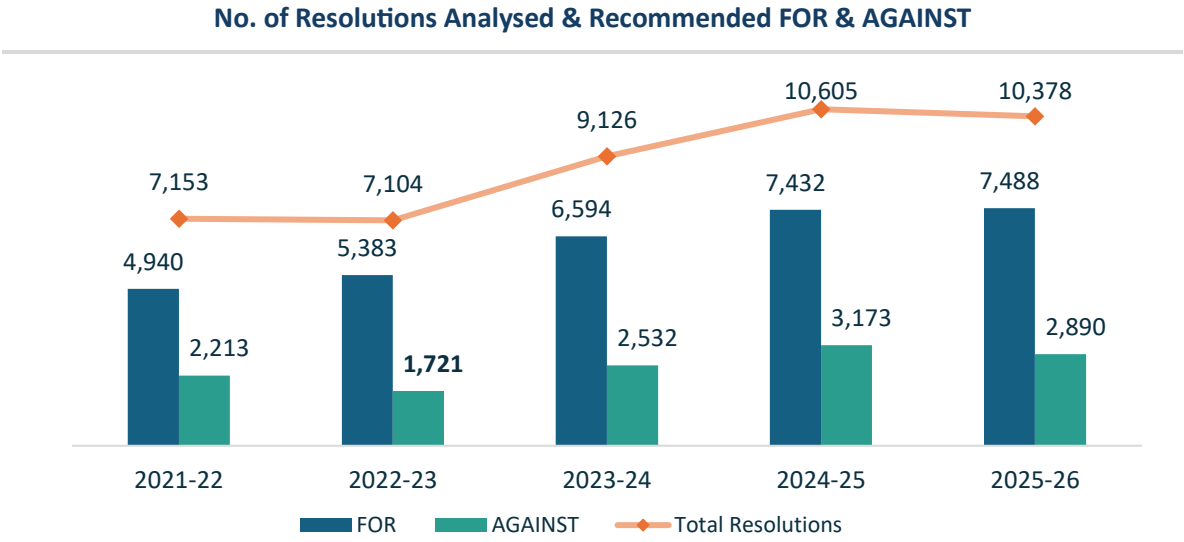



The graph above presents the increase in the number of companies covered by SES driven by new listings, reports prepared for these companies and number of resolutions proposed by such newly listed companies.

The trend indicates that SES's coverage is likely to continue expanding in the coming years.

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## 2. TREND IN RESOLUTIONS ANALYSED AND RECOMMENDATIONS ISSUED




The graph above illustrates the number of resolutions covered in SES Reports and the corresponding voting recommendations, indicating whether SES recommended FOR or AGAINST on each resolution.

The decline in AGAINST recommendations in 2022-23 was primarily due to a more measured stance on low Cost Auditor remuneration, considering industry feedback on reduced scope of work due to technology advancements and competitive pricing pressures.

In further years, the expansion in SES's report coverage, as discussed in Point 1, led to an increase in the volume of resolutions analysed, leading to a corresponding rise in both FOR and AGAINST recommendations.

A further increase in 2024-25 was driven by SEBI's mandate requiring shareholder approval for Secretarial Auditor appointments for the first time. Consequently, several listed companies sought such approval during the said year, increasing the overall number of resolutions. A sizeable portion of Secretarial Auditor resolutions received AGAINST recommendations by SES due to lack of clarity on change in fees between the outgoing and proposed auditors, as disclosure of the reason for material variation is mandated as per SEBI LODR Regulations. Hence, the number of AGAINST recommendations also increased.

However, both the numbers declined in 2025-26, as such approvals were sought only by newly listed companies, companies that changed their Secretarial Auditors, or those that had not obtained the requisite approval in the previous year.

Apart from the above, a lower proportion of AGAINST recommendations reflect, among other factors, certain policy changes adopted by SES pursuant to its annual policy update. Below are some of the key policy changes contributing to this trend.

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1. **Unclear Legal Positions with Limited Governance Impact**

   Where the language of certain legal provisions did not clearly convey the legislative intent, and the company's practices did not indicate any significant governance concerns, SES adopted a more measured approach.

   One such example is the prior approval requirement for the re-appointment of Independent Directors. Although SES continues to believe that the law expects shareholder approval to be sought prior to Independent Directors commencing their second term, SES only highlights its interpretation until the law brings specific clarity in this regard. From a governance standpoint, such re-appointments are nonetheless required to be placed before shareholders within the earlier of three months of re-appointment or at the general meeting next to re-appointment, ensuring that the approval is not unduly delayed after the commencement of the second term.

2. **Combined Position of Board Chairperson and Executive / Managing Director**

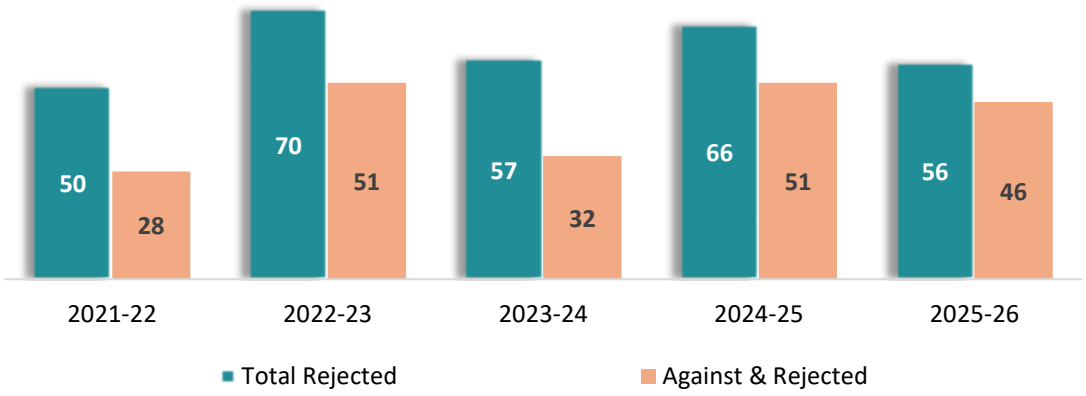
   SES moved away from its earlier blanket approach of recommending AGAINST resolutions involving the combination of these positions. Instead, each case is assessed on company-specific factors, with AGAINST recommendations made where the combined position gives rise to identifiable governance concerns, such as remuneration practices that disproportionately favour the individual or their related parties, unfair practices in related party transactions favouring self or related parties, or any other concern arising from the combination of these positions.

SES reviews and updates its Proxy Advisory Guidelines annually, with interim revisions made where circumstances warrant a change in approach. The annual updates and any mid-year changes in approach are communicated to all companies covered by SES and also, SES' clients. These evolving policies guide SES's voting recommendations, ensuring that they remain responsive to emerging legal and governance issues and, proportionate to the concerns identified.

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## 3. RESOLUTION NOT SUPPORTED: BY INVESTORS AND SES

**Resolutions Recommended and Voted Against**




A key reason for certain resolutions being rejected, despite SES not identifying any legal or governance concerns, is the lack of support from a section of the promoters, often arising from disputes among different promoter groups in companies with multiple promoters.

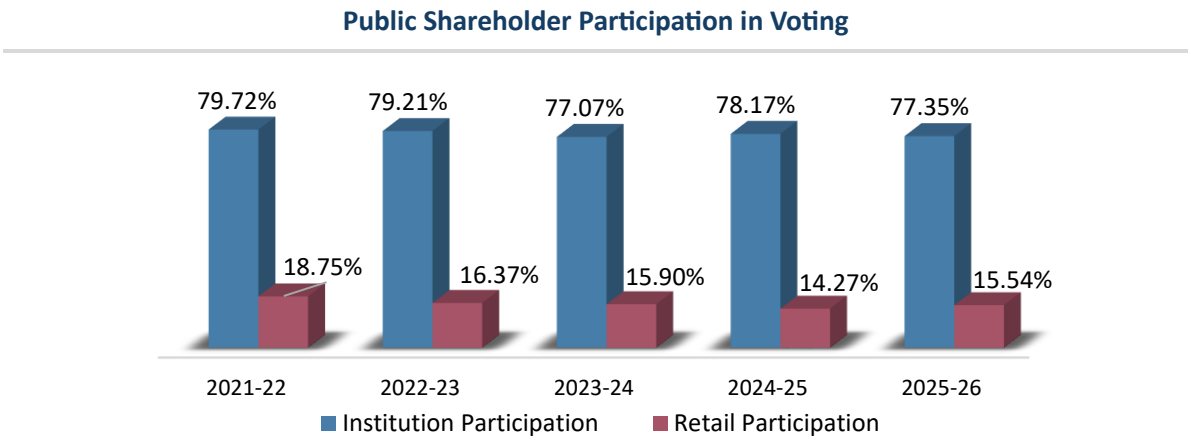
The overall data indicates that the number of resolutions not passed has remained relatively low.

However, in India, promoter shareholding accounts for a significant portion of the votes cast in many companies and can therefore have a considerable influence on the overall voting outcome, except for resolutions where promoter voting is disapproved or majority approval of public shareholders is required for resolutions to pass.

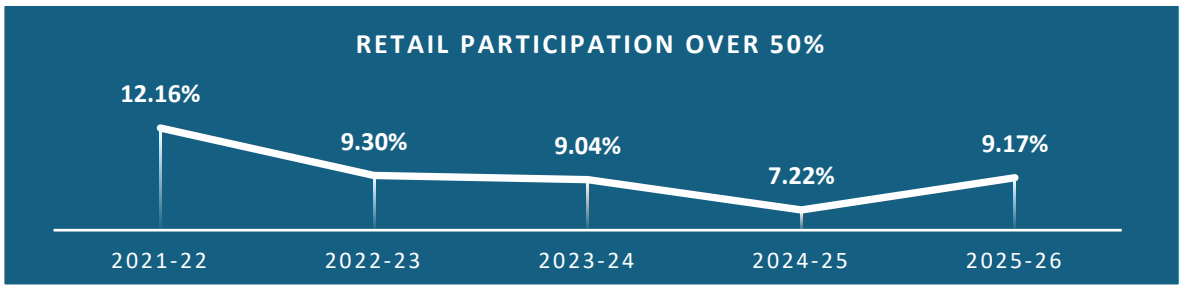
As a result, it is important to separately examine public shareholder participation and voting trends to understand their level of engagement, identify areas of dissent, assess how resolutions would have fared in the absence of promoter votes, and gauge investor sentiment towards the resolutions placed before them.

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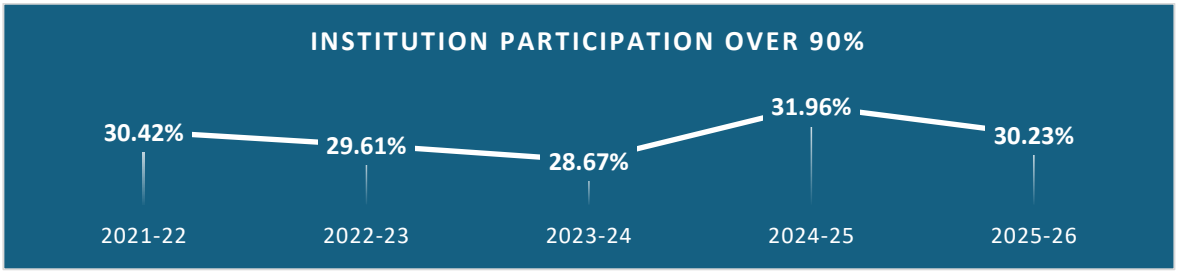
## 4. PUBLIC PARTICIPATION: INSTITUTIONAL AND RETAIL




The above data shows the average public shareholder participation across the entire set of resolutions covered by SES over the last five years. On this average basis, while institutional participation has declined marginally in 2025-26, retail participation has increased compared to the previous year.




Approx. 9% of the total resolutions analysed had retail participation over 50% in 2025-26, with participation reaching as high as 80% to 100% in certain cases. Such unusually high participation raises questions about the profile of these investors and the factors driving participation levels significantly above industry averages. SES will issue an in-depth study in this matter.



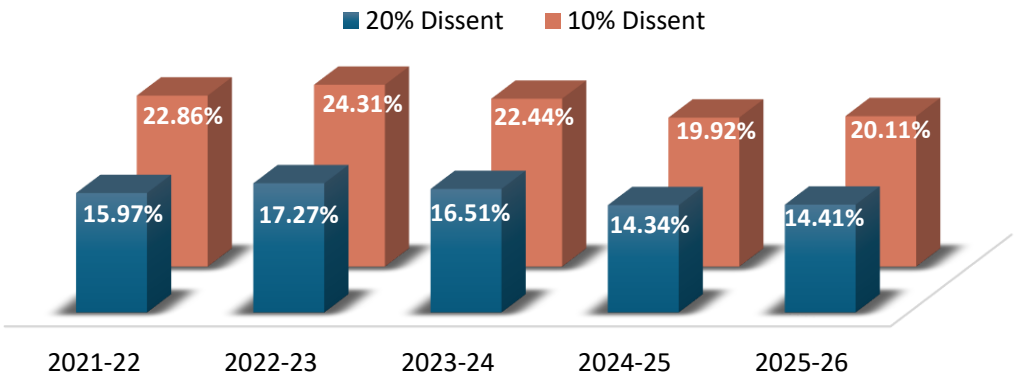

Over approx. 30% of the resolutions had institutional participation over 90%.

Overall, the data points to stable participation, but also highlights the considerable scope to strengthen public shareholder engagement. Nevertheless, the sustained levels of participation indicate resilience in shareholder engagement and provide a positive basis for further improvement in the years ahead.

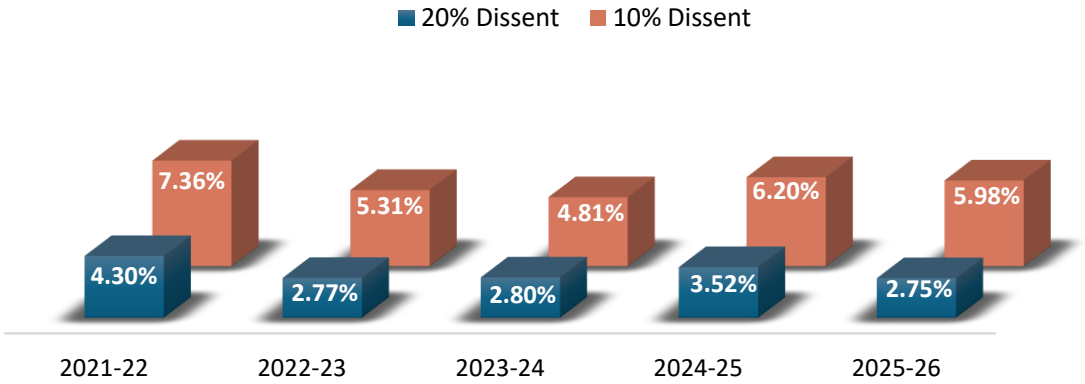
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## 5. PROPORTION OF RESOLUTIONS WITH SIGNIFICANT OPPOSITION BY PUBLIC SHAREHOLDERS

### Proportion of Resolutions with High Institutional Dissent




### Proportion of Resolutions with High Retail Dissent




SES considers dissent to be significant when more than 20% of the total votes polled are cast AGAINST a resolution, while dissent exceeding 10% also warrants attention and consideration.

The above data presents the proportion of resolutions that attracted significant dissent from institutional and retail investors over the last five years.

Over the past 5 years, among institutional investors, approximately 14% to 17% of the total number of resolutions attracted dissent exceeding 20%, while around 20% to 24% of the resolutions attracted dissent exceeding 10%. Although both measures have declined in 2024-25 and 2025-26 compared with earlier years, institutional dissent remains noteworthy.

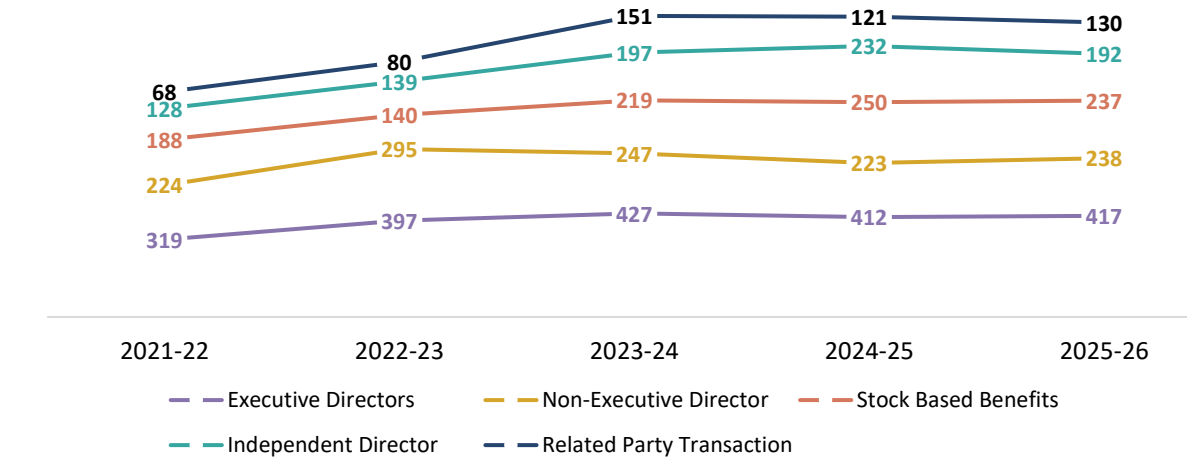
Among retail investors, approximately 3% to 4% of resolutions attracted dissent exceeding 20%, while around 5% to 6% attracted dissent exceeding 10% in recent years.

Retail investors have consistently exhibited substantially lower dissent than institutional investors, with a significantly smaller proportion of resolutions attracting AGAINST votes beyond both thresholds. This reflects a clear difference in the extent of opposition expressed by the two investor categories.

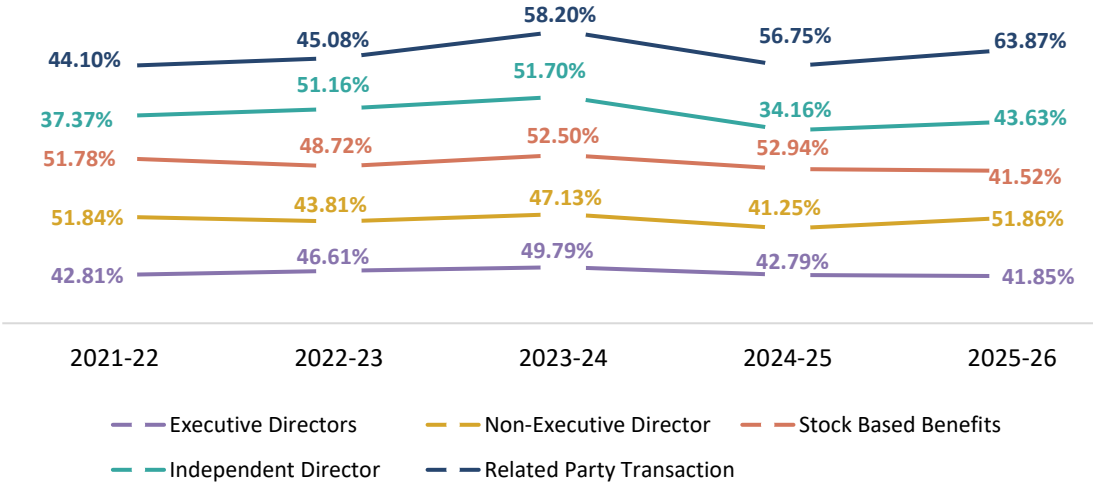
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## 6. KEY RESOLUTIONS: FREQUENCY AND INTENSITY OF PUBLIC DISSENT

**Number of Key Resolutions Attracting Institutional Investor Dissent Above 20%**




**Average Institutional Investor Dissent on Above Selected Resolutions**



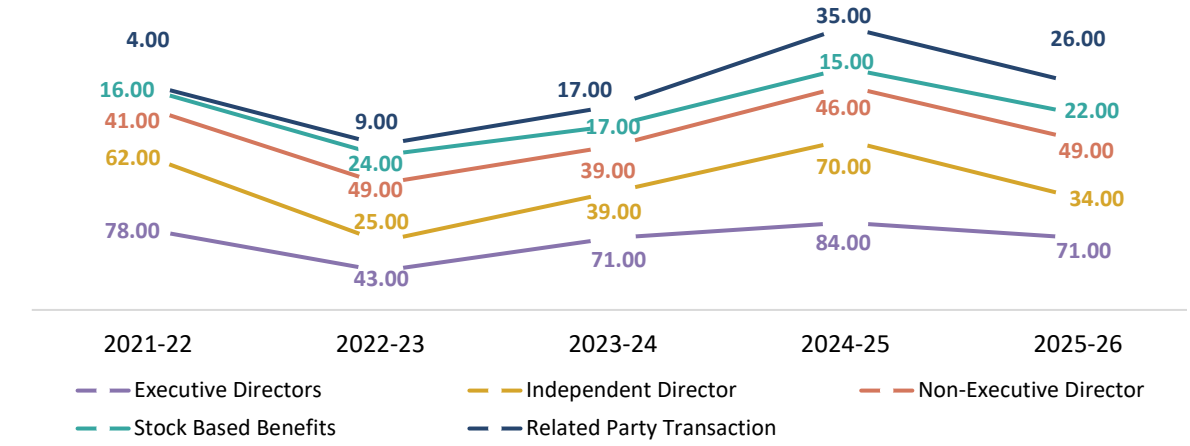

**Institutional Investors: Frequency and Intensity of Dissent**

Resolutions relating to Directorships (Executive, Non-Executive and Independent), their remuneration, Related Party Transactions (RPTs) and Stock-Based Benefits are among the more frequently proposed resolutions. They also have a direct bearing on key governance considerations, including board composition and effectiveness, accountability, related party oversight and alignment of managerial interests with those of shareholders.

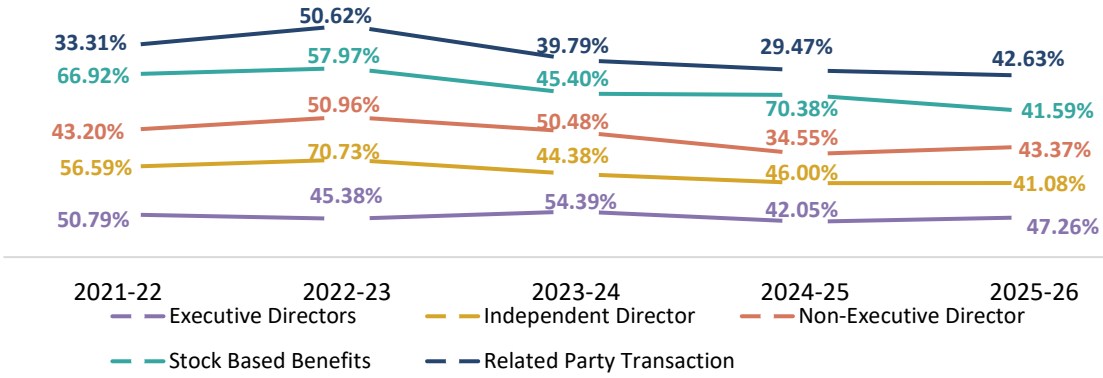
Over the last five years, a significant number of resolutions across these categories have attracted Institutional Investor dissent exceeding 20%. The average dissent on such resolutions has also remained relatively high, suggesting that the opposition is not confined to a large number of resolutions, but is also substantial at the individual resolution level.

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**Number of Key Resolutions Attracting Retail Investor Dissent Above 20%**




**Average Retail Investor Dissent on Above Selected Resolutions**




**Retail Investors: Lower Participation, but Significant Dissent**

In comparison with Institutional Investors, Retail Investor dissent on the above matters has generally been lower in absolute numbers. However, the data indicates that, among resolutions attracting dissent exceeding 20%, the level of opposition from Retail Investors has also been considerable.

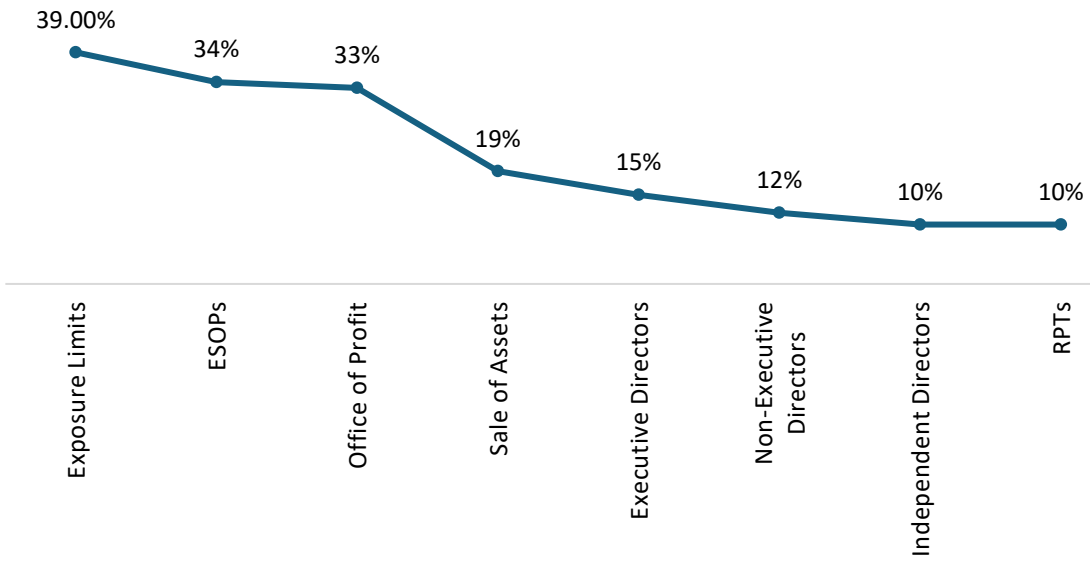
This distinction is important, as the relatively lower number of resolutions attracting high retail dissent needs to be viewed in the context of continued low participation by Retail Investors in voting. The data therefore suggests that, while retail opposition is less widespread, it can be significant when shareholders choose to express their dissent.

The above trends highlight the importance of considering both the extent of dissent and the level of opposition expressed by shareholders. While Institutional Investors have consistently demonstrated broader dissent across key governance matters, Retail Investor dissent, despite being lower in absolute numbers, can also reach significant levels.

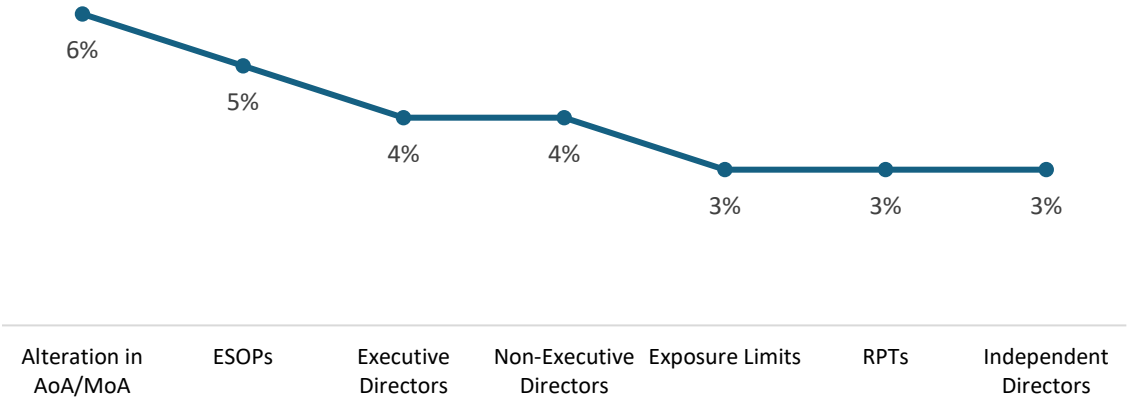
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## 7. RESOLUTION-WISE TRENDS IN PUBLIC SHAREHOLDER DISSENT

**Average Against by Institutional Investors across Resolutions in 2025-26**




**Average Against by Retail Investors across Resolutions in 2025-26**



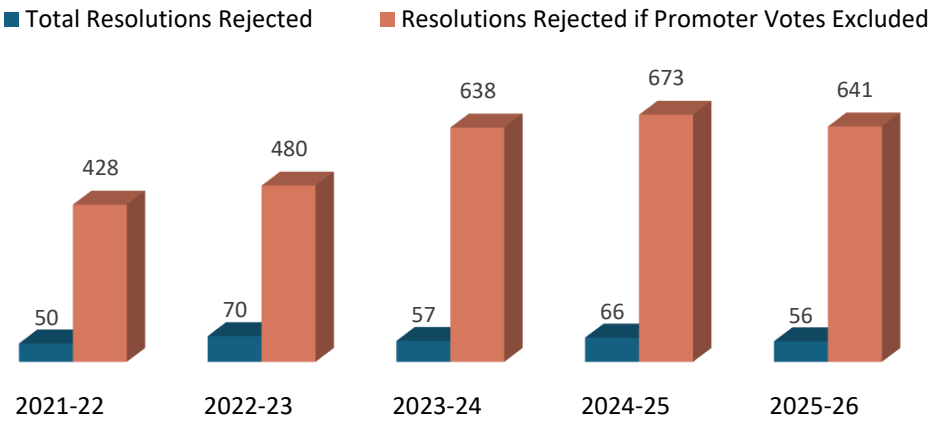

The above data identifies the resolution categories that have attracted relatively higher average dissent from both Institutional and Retail Investors. The considerable overlap between the two sets of resolutions indicates that similar governance matters have drawn opposition from both investor groups, although the extent of dissent differs. While Retail Investor dissent has generally been more moderate, Institutional Investors have expressed comparatively higher levels of opposition.

The overall analysis suggests that shareholder dissent can gain significant traction in certain instances, but its extent and intensity vary across such respective cases. Nevertheless, a consistent trend emerges: shareholder vigilance is gaining momentum, and resolutions are increasingly being subjected to scrutiny rather than being accepted at face value.

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## 8. PROMOTER INFLUENCE ON VOTING

**Voting Outcome Had Promoter Votes Were Excluded**




The significant promoter shareholding in many Indian companies has a considerable influence on voting outcomes and can dilute the impact of dissent expressed by institutional and other public shareholders.

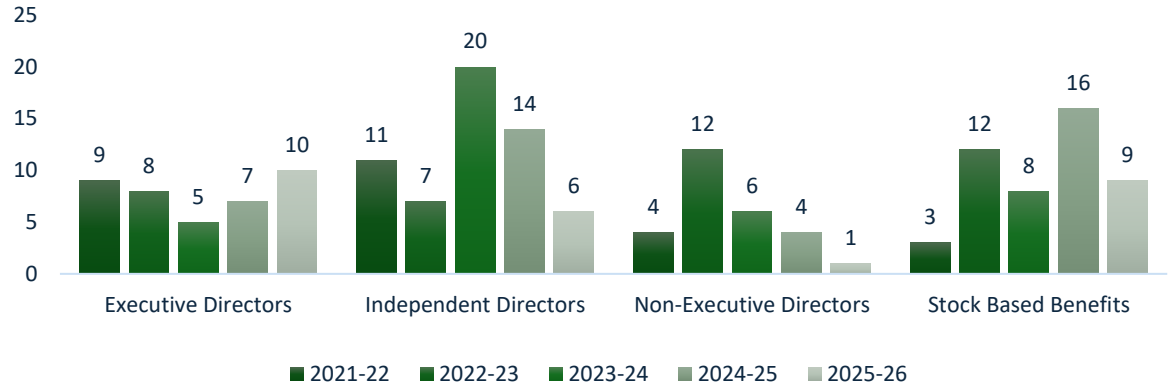
The above data presents an alternative view of voting outcomes by excluding promoter votes and illustrates the number of resolutions that would otherwise have not passed. The difference is considerable. It indicates that public shareholders have expressed dissent on several proposals, but such concerns often do not translate into the overall voting outcome due to the weight of promoter votes.

This is not to directly suggest that promoters should have any lesser voting rights or say in shareholder decisions, as every shareholder has an equal right to exercise their voting rights in accordance with the applicable framework. Instead, the idea is to draw attention to an important question that the difference in voting patterns does raise: what explains the divergence between the views of promoters and public shareholders?

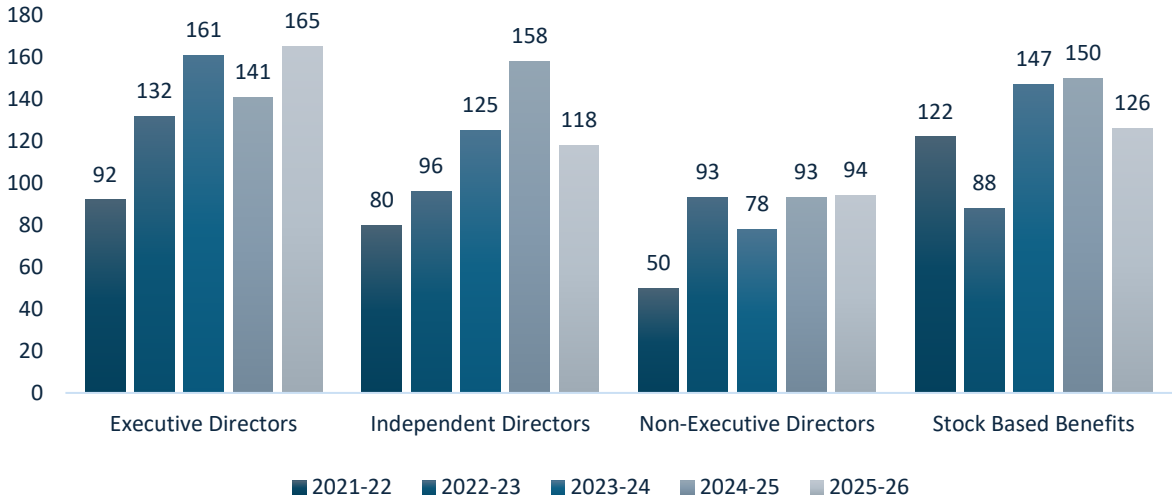
To examine this further, SES has analysed the categories of resolutions that witnessed the highest dissent when promoter votes were excluded.

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**Proposals Faced Dissent Even With Promoter Support**




**Proposals Faced Dissent Without Promoter Support**




The data indicates that resolutions concerning director appointments and remuneration, as well as stock-based benefits, would have witnessed considerably greater dissent had promoter votes been excluded.

Investor sentiment has traditionally been sceptical of proposals relating to stock-based benefits given its implications on share price, entailing dilution and the inherent conflicts of interest arising from the involvement of the Board and the Management. Hence, greater dissent on these proposals is therefore understandable.

However, the data on director-related proposals raises an important question regarding the concerns of public shareholders and the extent of promoter influence on such decisions. These concerns become more significant where promoters participate in voting on proposals in which they have a direct or indirect personal interest.

Unlike RPTs, where interested shareholders are restricted from voting, there is no general restriction on promoters' or other interested shareholders' voting on resolutions concerning the appointment or remuneration of directors.

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This legal distinction may reflect the nature of these decisions. Director appointments and remuneration are matters of corporate governance and shareholder oversight, in which all shareholders have a legitimate interest. Promoters, as significant investors, also have an economic interest in the company's performance and governance and are therefore entitled to participate in such decisions. Further, these matters are subject to prescribed approval processes and other safeguards, which may have been considered sufficient to address potential conflicts without requiring interested shareholders to abstain from voting.

Hence, a blanket exclusion of promoter votes on resolutions may also not be appropriate, as promoters, being significant shareholders, have a legitimate interest in the company's governance and leadership.

However, the potential for conflict remains, particularly where promoters can leverage their substantial shareholding to influence resolutions concerning their own appointment or remuneration or those of their related parties, resulting in public shareholder dissent having limited influence over the outcome.

In this regard, SES notes that while a meaningful number of such resolutions would have faced greater opposition in the absence of promoter votes, at the same time, the extent of such opposition is not overwhelming, which indicates that shareholders are not indiscriminate in exercising their voting rights and appear to raise concerns where warranted.

Hence, SES believes that a balanced approach would be to retain promoters' voting rights while introducing additional safeguards for proposals involving potential conflicts of interest. One such safeguard could be to require a minimum level of affirmative support from non-promoter shareholders. This need not extend to a majority-of-minority approval requirement, as that would effectively render promoter votes inconsequential. Instead, a threshold of, say, 25% affirmative support from non-promoter shareholders could be considered. Such a requirement would preserve promoters' participation in the voting process while ensuring that significant dissent among public shareholders is meaningfully taken into account.

The objective should be to ensure that promoter participation does not dilute the significance of public shareholder dissent, without making promoter participation itself meaningless.

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## 9. CASES INVOLVING PROMOTER DISSENT

It is relatively uncommon for promoters in India to oppose resolutions placed before shareholders.

Promoters are generally privy to management proposals, either through their presence or representation on the Board or through special rights provided under the Articles of Association, which may include enhanced information rights or veto powers over management decisions. These rights enable them to access information and provide an opinion on management decisions, often before the proposals are placed before the shareholders for approval.

However, instances have been identified where differences arise between the promoters and the management leading to promoters voting AGAINST the proposed resolutions.

Further, the reasons for such opposition may extend beyond concerns over the merits of the proposal itself. They may arise from internal family disputes and fractures within the promoter group, particularly where competing factions differ over board representation or control of the company. Opposition may also reflect resistance to a potential change in control or takeover, or an attempt to protect the promoter's shareholding and voting rights against potential dilution.

In certain instances, AGAINST votes have also resulted from technical or procedural errors rather than an intended disagreement with the proposal.

The following table presents the number of resolutions covered by SES on which promoters have expressed dissent over the last five years:

| 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|
| 64 | 53 | 80 | 52 | 42 |

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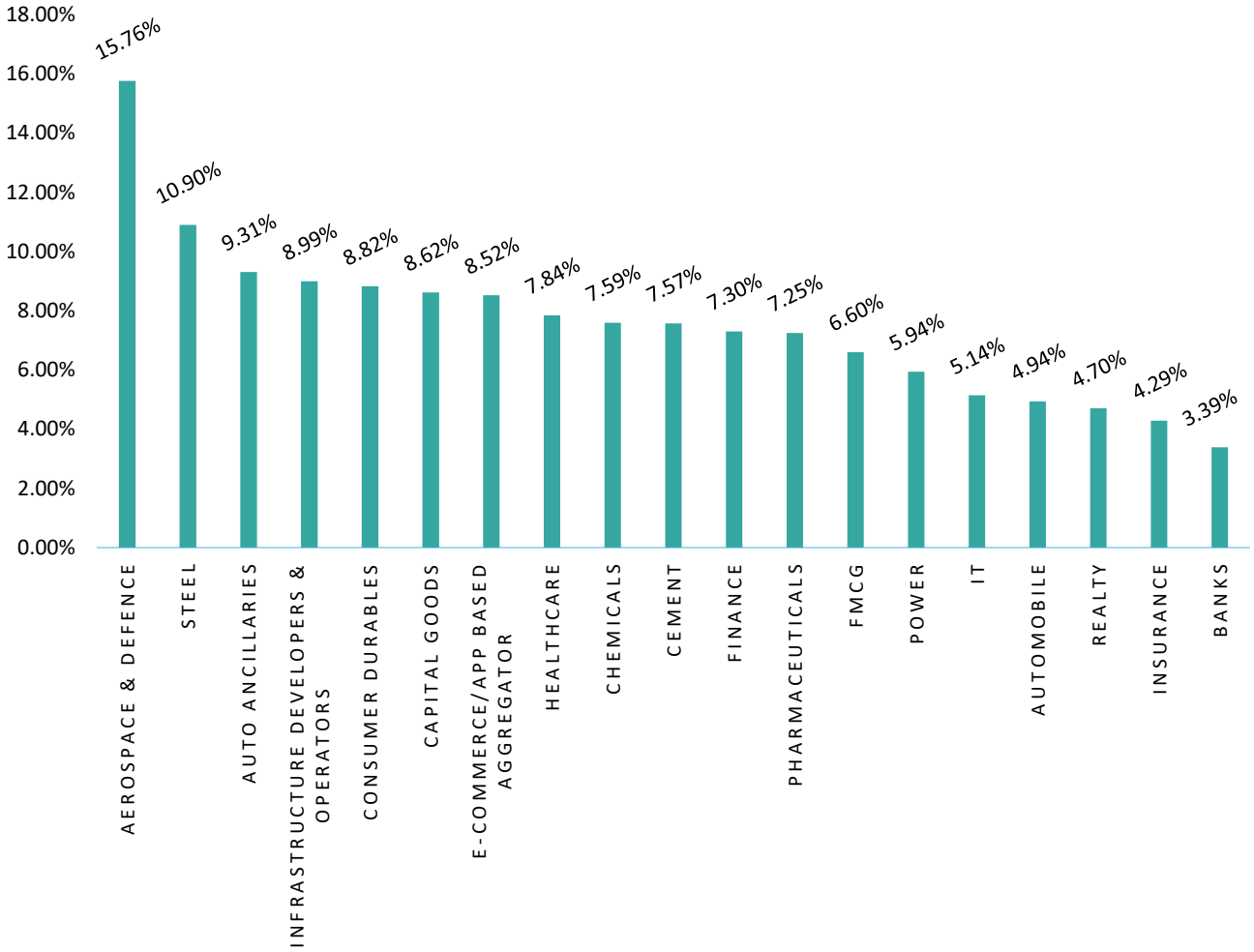
## 10. KEY OBSERVATIONS ON VOTING AT TOP 500 COMPANIES BASED ON MARKET CAPITALISATION FOR 2025-26 (BSE & NSE)

| Total No. of Resolutions Analysed by SES | SES Recommended FOR | SES Recommended AGAINST |
|---|---|---|
| 5,021 | 3,724 | 1,297 |
| **No. of Resolutions Rejected** | **Resolutions That Would Have Been Defeated if Promoter Votes Were Excluded** | |
| 17 | 294 | |
| **Voting Observations** | **Institutional Public Shareholders** | **Retail Public Shareholders** |
| Participation | 73.83% | 19.61% |
| Average Against | 11.48% | 3.56% |
| No. of Resolutions with Dissent over 20% | 692 | 123 |
| Average Dissent at Resolutions with over 20% Dissent | 42.08% | 50.58% |

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## 11. SECTOR-WISE TRENDS IN INSTITUTIONAL INVESTOR DISSENT

### Average Dissent by Institutional Investors at Major Sectors (Top 500 basis Market Capitalisation)




The data above presents the average percentage of dissent expressed by Institutional Investors across major sectors represented among the top 500 companies by market capitalisation listed on BSE and NSE. While dissent levels may vary considerably across individual resolutions within a sector, the sector-wise averages provide an indication of the broader voting sentiment of Institutional Investors.

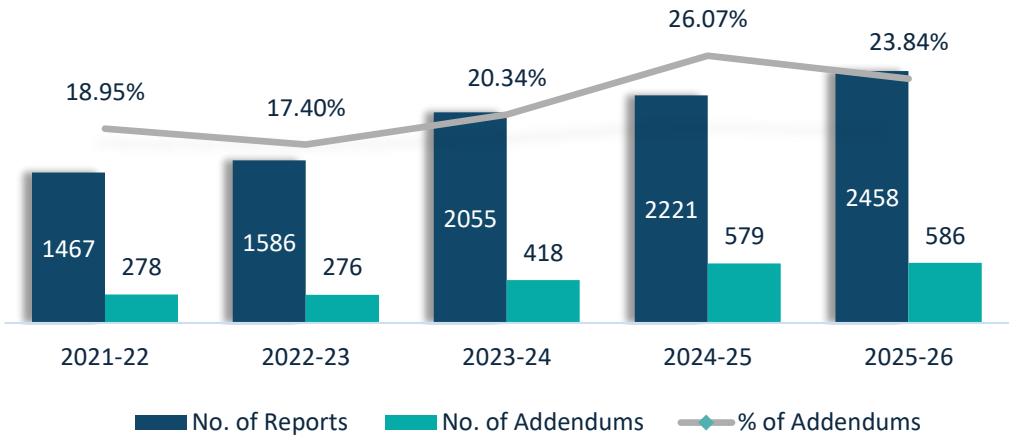
For the purpose of this analysis, SES has considered only those sectors with a reasonable representation of companies and an adequate number of resolutions to ensure meaningful comparisons.

Among the selected sectors, Aerospace and Defence recorded the highest average dissent at 15.76%, while Banks and Insurance recorded the lowest. The relatively lower dissent in the latter sectors may, in part, be attributable to the additional regulatory oversight and safeguards prescribed by regulators such as the RBI and IRDAI, which may have been providing greater assurance to investors.

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## 12. ENGAGEMENT BY COMPANIES

**Addendums issued by SES on Company Responses**




In line with SEBI requirements and SES Proxy Advisory Guidelines, SES shares its Proxy Report with the concerned Company at the same time as it is released to its clients. The above data presents the number of responses received from Companies to the Proxy Reports issued by SES.

The broader trend suggests that Companies are increasingly taking Proxy Recommendations into consideration.

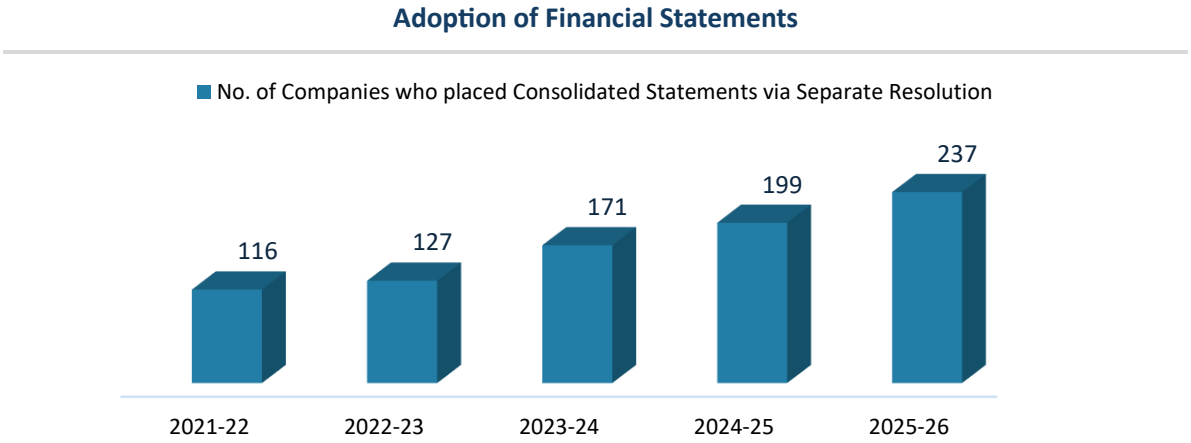
Beyond the data, SES's experience suggests that Companies have varying perceptions of Proxy Advisors. While some view them as entities that question or challenge their decisions, others view them as a source of exchanging learnings and experiences; as partners in maintaining and strengthening corporate governance.

The objective of SES is not to see resolutions defeated or to encourage shareholder dissent. Rather, it is to help bridge gaps in governance at the Company level, whether arising from intentional or unintentional lapses, and gaps at the investor level, including limitations in expertise, experience and the practical feasibility to conduct research across a diverse range of companies and proposals. Proxy Advisors seek to address these gaps by providing investors with independent analysis and informed perspectives on matters requiring their attention.

SES's experience indicates that the perception of Proxy Advisors as partners in strengthening governance is gradually, yet steadily, gaining momentum. This shift is encouraging, as it reflects a growing understanding of the complementary roles that Companies, Investors and Proxy Advisors can play in improving governance standards.

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## 13. SEPARATE PLACEMENT OF CONSOLIDATED FINANCIAL STATEMENTS




One of the most common yet significant resolutions placed before shareholders each year is the adoption of financial statements. While the applicable legal provisions mandate that both standalone and consolidated financial statements be placed before shareholders, they do not require these to be put to vote through separate resolutions.

SES believes that shareholders' views on the two sets of financial statements may not necessarily be aligned. Shareholders may have no concerns with the Standalone Financial Statements, but may have certain concerns regarding the Consolidated Financial Statements. A combined resolution may therefore not adequately reflect shareholders' views on each of these aspects. Accordingly, SES has consistently advocated for the adoption of standalone and consolidated financial statements through separate resolutions, enabling shareholders to exercise their voting rights independently on each.

The above data indicates that the practice of placing separate resolutions for the adoption of financial statements has been gradually gaining traction.

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## 14. THE ALTERNATE ROUTE FOR APPOINTMENT – INDEPENDENT DIRECTORS

SEBI mandates the appointment and re-appointment of Independent Directors through a Special Resolution. However, certain companies faced challenges in securing the requisite approval, particularly those with multiple promoter groups holding substantial shareholding. In such cases, internal disagreements among promoter groups could result in one group opposing the appointment of an Independent Director proposed by another, thereby preventing the Special Resolution from being passed. Therefore, the opposition was not necessarily attributable to concerns regarding the merits or suitability of the proposed appointee, but rather stemmed from underlying disputes among promoter groups. Such disagreements could, in turn, affect Board continuity and the broader functioning of the Company.

To address this challenge, an alternative mechanism was introduced with effect from 14th November, 2022, allowing the appointment of Independent Directors even where the Special Resolution fails to secure the requisite majority, provided the resolution receives the approval of a simple majority of all shareholders and a simple majority of non-promoter shareholders, i.e., the "majority of minority".

This alternative route was introduced as a measure to empower minority shareholders (i.e., public shareholders) and enable them to play a more meaningful role in the appointment of Independent Directors.

Pursuant to this provision, the following Independent Directors were appointed through the alternative route, despite the Special Resolution not securing the requisite majority:

| Financial Year | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|
| Resolutions passed through Alternative Route | 4 | 9 | 8 | 9 |

Many of these cases involved companies with ongoing disputes among promoter groups. The regulatory initiative has therefore played a meaningful role in enabling such companies to appoint Independent Directors, thereby contributing to greater order and stability at such Boards.

It is important to note that the alternative route is not available for the re-appointment of Independent Directors. However, SES had observed a few instances where companies had treated resolutions for re-appointment as having been passed through this mechanism. SES brought the incorrect interpretation to the attention of the concerned companies, following which they took corrective action.

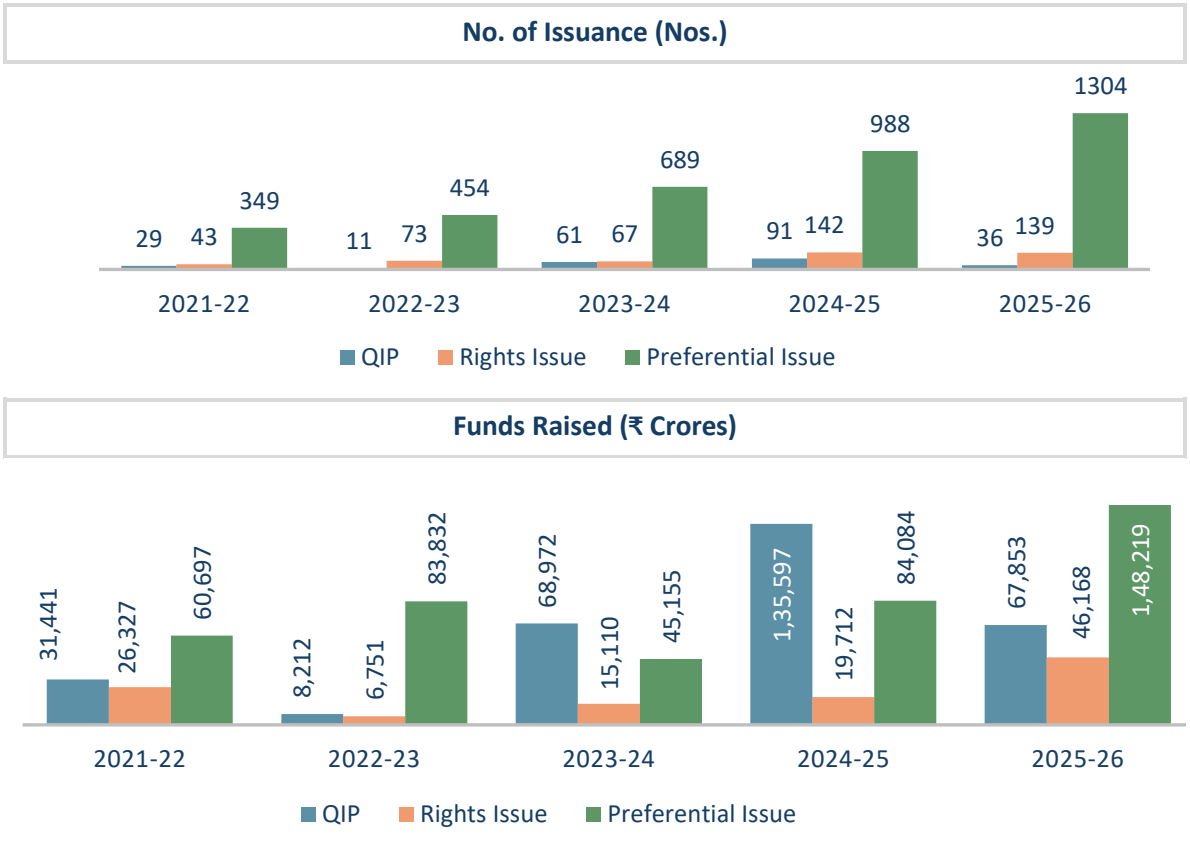
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## 15. RIGHTS ISSUE – STILL NOT THE PREFERRED MODE

A rights issue provides existing shareholders with the opportunity to participate in the Company's growth while maintaining their proportionate shareholding. SES believes that shareholders who have already invested in the Company should be given the first opportunity to contribute additional capital, rather than having their shareholding diluted through the issuance of shares to select investors.

Accordingly, SES has consistently advocated that a rights issue should be the first method considered for raising equity capital, unless it is genuinely not feasible or an alternative route offers demonstrable benefits that justify its preference over a rights issue. In the absence of cogent reasons for choosing an alternative route, SES has not supported such fund raising proposals. However, companies generally did not prefer rights issues, citing the time-consuming process and uncertainty of the outcome as key deterrents.

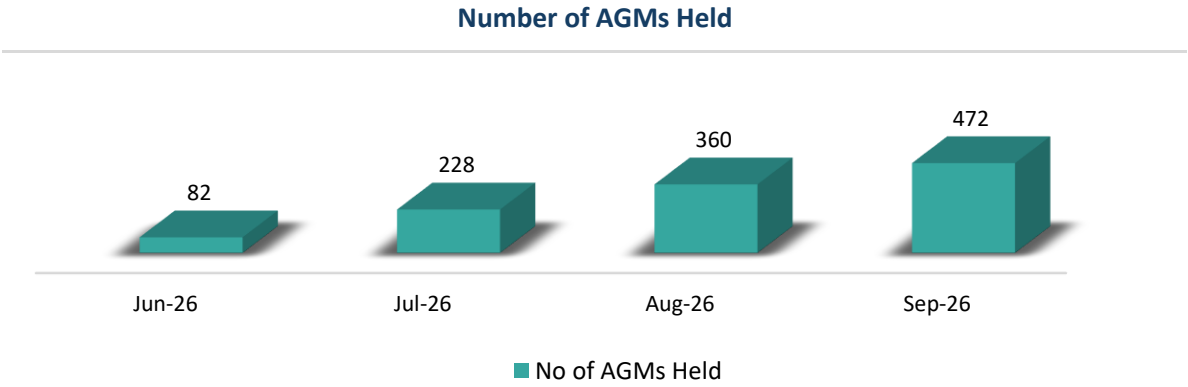
In April 2025, SEBI introduced measures to streamline the rights issue process, including reducing procedural requirements, shortening the timeline to 23 working days and providing greater flexibility in allotment mechanisms, by allowing allotment to specific investors. These measures were intended to make rights issues more efficient and accessible, thereby encouraging their adoption. Despite these efforts to address the practical challenges associated with rights issues, the data below shows that the rights route is yet to emerge as the preferred method of raising equity capital.




***Data Source:*** *SEBI, BSE and NSE |* ***Note:*** *During 2025-26, the largest rights issue was particularly dominant, accounting for approximately 54% of the total amount raised through rights issues.*

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## 16. AGM TIMELINES AND STAKEHOLDER PREPAREDNESS




In general cases, while the Companies Act, 2013 requires Companies to hold their AGMs within six months from the end of the financial year, SEBI LODR prescribes a shorter timeline of five months for the top 100 listed entities.

The above data covers AGMs held between June and September 2026, which is the period during which the largest number of AGMs take place during the year. Even within this period, a significant proportion of AGMs are concentrated in August and September, with the highest numbers being held during these months.

SES believes that the shorter timeline currently applicable to the top 100 listed entities could be extended to a wider set of Companies. A more staggered distribution of AGMs would help distribute AGMs more evenly across the year, thereby allowing all stakeholders more time to undertake their respective responsibilities during the AGM process. The same would create a more conducive environment for all stakeholders involved in the voting process.

The concentration of AGMs within a relatively short period also places considerable demands on the research and analysis undertaken by SES. The challenge is to ensure that Reports are delivered in a timely manner while maintaining the depth, consistency and quality of research expected of them. SES recognises the importance of continuously refining its internal processes to achieve this balance and further improve report delivery timelines.

A more evenly distributed AGM schedule would benefit not only Proxy Advisors but also investors, who would have more time to read and understand the Reports and engage with Companies, wherever necessary, on the observations raised.

Irrespective of any changes in regulatory timelines, SES remains committed to further improving its report delivery timelines while maintaining the quality and rigour of its research.

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## 17. CONFLICT-FREE: THE PILLAR

Independence is not merely a principle at SES. It is the foundation on which the organisation was built, the standard by which it operates, and the boundary it will not cross.

Over the years, SES has encountered opportunities that could have generated additional revenue. Yet, when commercial opportunity and independence have stood on opposite sides, SES has chosen independence. Every time. Because the credibility of a proxy advisor rests not on the revenue it generates, but on the trust its recommendations command.

SES does not undertake paid consultancy assignments or assist companies in drafting their meeting notices. However, independence does not mean isolation. SES recognises that companies may wish to understand its assessment approach, governance expectations, and interpretation of legal requirements. It has therefore kept communication channels open outside the blackout period, without charging any fee. The blackout period extends from the date a company releases the notice for its general meeting to the date SES releases its Proxy Report for that meeting. The distinction is deliberate: SES is willing to explain its approach, but not to sell it.

SES also permits companies to subscribe to its Reports on other companies, while providing each company with its own Reports free of charge in accordance with SEBI requirements. From the outset, SES makes its position clear: subscriptions should be undertaken only where the Reports offer genuine learning value, helping companies understand governance practices, learn from the experiences of their peers, and identify the do's and don'ts. A subscription is access to information, nothing more. It offers no preferential treatment, no special consideration, and no avenue to influence SES's recommendations.

There is also a fundamental distinction in how SES operates. It is a not-for-profit company, with its earnings utilised solely for employee-related expenses and charitable purposes. Its Founders, Shareholders and the Managing Director derive no personal benefit from the organisation's earnings.

SES aspires to grow, innovate, and set higher standards. But growth is not the end goal, nor will it come at the cost of independence. The organisation may evolve in its methods, expand in its reach, and strengthen its impact. Its independence, however, is not up for negotiation.

And that brings us to the myth, if one exists, that a proxy advisor's independence can be compromised by commercial relationships. At SES, the commitment to remain conflict-free is not merely a stated position, but a principle reflected in how it operates, engages with companies, and safeguards the integrity of its recommendations.

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# THE WAY AHEAD

It is often said that Proxy Advisors make recommendations without having "skin in the game". Yet, every recommendation carries a stake of its own. An incorrect recommendation may not result in a direct monetary loss, but it can cost a Proxy Advisor its credibility, reputation and the trust on which its work depends. In this sense, the stakes are no less significant.

At SES, every resolution is assessed with objectivity, transparency, diligence and sincerity.

Our policies provide a framework for consistency, but are never a substitute for reasoned judgement. We remain open to engagement, willing to listen and receptive to relevant information, while ensuring that such engagement does not compromise the independence or integrity of our work. We will change positions on our recommendations, provided we are provided with legitimate responses.

SES remains committed to bringing its best to every resolution, every engagement and every recommendation. Our endeavour is to serve companies, our clients and, above all, the stakeholders whose interests our name represents.

The way ahead is not merely about doing more. It is about doing better, without losing sight of what we stand for.

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