Address by
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Launch of Proxy Advisory Recommendations Feature on the e-voting system in the Investor App

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Good Morning Everyone,

Today, we are taking an important step to empower retail investors. This will help them participate in shareholders' resolutions with ease and also contribute to strengthening the corporate governance ecosystem.

Corporate governance thrives when shareholders actively participate in decision-making. Voting on shareholder resolutions is one of the most powerful tools available to investors to hold company management accountable and to ensure that their voices are reflected in key corporate actions.

Whether it is approving director appointments, deciding on executive remuneration, or endorsing corporate restructuring, shareholder voting directly influences the direction and integrity of a company.

Retail investors collectively hold significant stakes across listed entities, and their involvement ensures a broader representation of investor interests. Encouraging and enabling their participation is essential for a more inclusive and resilient capital market.

Role of Proxy Advisors

In this context, proxy advisory firms play an important role. By offering independent, research-based recommendations on shareholder resolutions, they facilitate investors — especially those lacking the resources for in-depth analysis — to make informed decisions.

These firms aid in enhancing transparency, accountability, and corporate governance standards by analyzing proposals in the light of global best practices, regulatory frameworks, and long-term shareholder value.

Insights from proxy advisors support informed voting and nudge companies toward more responsible governance practices.

Technological and Regulatory Enablers – E-Voting

Over the years, SEBI has taken several initiatives to make it easier for shareholders to access and participate in voting on resolutions proposed by the listed companies.

We have seen significant strides in simplification and improvement of e-voting process over time. Earlier exercising of voting right by shareholders - either through physical participation in the meeting or through postal ballot - was a cumbersome process. Setting up of e-voting system allowed investors to vote remotely and securely, overcoming logistical and geographic barriers. It reduced paperwork and administration cost for the companies and led to a faster and transparent voting process.

However, with multiple E-Voting Service Providers (ESP), investors were required to login separately on each ESP website, which seemed time consuming and complex process to many investors. To address this and further simplify the system, we enabled a single-login e-voting access through depository systems. This made the process more user-friendly particularly for retail investors who may find difficult to deal with multiple platforms.

Using the Unified Investor App offered by the depositories, today investors in securities market ecosystem can seamlessly access the e-voting system. They can have a consolidated view of their demat portfolio in securities market, while having the flexibility to transact through multiple intermediaries. They can view their open positions, margin utilization status and statement of financial transactions - all at one place.

Today, we are taking a new initiative to provide proxy advisory recommendations feature integrated within the unified investor app of depositories. This marks yet another milestone in investor empowerment and ease of access to the shareholders.

With this move, retail investors can not only cast their votes easily but also access the recommendations of registered proxy advisors in respect of resolutions proposed by the companies. While the system will provide investors an additional option of voting as per selected proxy advisor's recommendation, it will give full control to them to modify any of the recommendation on any resolution before submission of their vole.

Common Contract Note

As we gather here today, let me also highlight another significant step we have taken to promote ease of doing business for market participants. Recently we have facilitated issuance of Common Contract Note (CCN), which will provide a Single Volume Weighted Average Price (VWAP) per security across exchanges - eliminating the need to process multiple contract notes.

This mechanism would reduce compliance burden for brokers and custodians, lower reconciliation and administrative overheads for investors and ensure consistent trade reporting aligned with the latest interoperability framework.

Support Behind the Initiatives

I would like to take this opportunity to acknowledge and appreciate the collective efforts of various stakeholders who have contributed to the conceptualization and development of CCN mechanism, which are - Stock Exchanges, Clearing Corporations, STP Providers, Custodians, Back Office Vendors, Stock Brokers, Stock Broker Associations and AMFI.

For making the unified investor app more useful to the investors with new integrated feature of proxy advisory recommendations, I express my thanks to both the depositories - NSDL and CDSL, E-Voting Service Providers, namely, K Fintech, MUFG Intime, Bigshare Services and Purva Sharegistry.

Last but not the least, I appreciate Market Intermediaries Regulation and Supervision Department (MIRSD) of SEBI for spearheading both the initiatives.

Let us continue to work towards a system where every investor - institutional or retail - is truly empowered to participate actively in the securities market ecosystem.

Your commitment to innovation, adoption of technology, and investor centric solutions is instrumental in building a robust and inclusive capital market.

Thank You.

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