

Some Proxy Firms Oppose RIL's Move to Give a Board Seat to Anant Ambani

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Mumbai: Domestic proxy advisory firm Institutional Investor Advisory Services (IIAS) has advised shareholders of Reliance Industries, India's most valuable company, to vote against the appointment of Anant Ambani to the board of the conglomerate. US-based firm Institutional Shareholder Services (ISS), according to Bloomberg, has also made a similar recommendation to investors.

While IIAS has cited Ambani's age—28 years—as a reason for its opposition on the ground that it does not align with its voting guidelines, ISS, according to Bloomberg, cited his limited leadership or board experience of six years as a reason for its recommendation.

Other proxy advisory firms, Stakeholders Empowerment Services (SES) and InGovern Research have recommended voting in favour and have not raised any concerns.

Voting by way of postal ballot, which started on September 27, will close on October 26. The proposed resolution is ordinary, necessitating only a simple majority vote—51%—from all shareholders, including promoters.

While promoters held a 50.39% stake in the company, foreign portfolio and domestic institutional investors owned 22.55% and 16.13%, respectively. Others, including retail investors, own about 11%.

Historical voting patterns reveal limited opposition from institutional investors to resolutions proposed by Reliance Industries.

In 2021, IIAS suggested a vote against Yasir Othman H. Al Rumayyan as an independent director. IIAS cit-

Shareholding Pattern of RIL

SHAREHOLDERS	% HOLDING AS ON JUNE '23
Promoters	50.39
FPIs	22.55
Insurance Cos	8.70
Retail	8.59
Mutual Funds / UTI	6.45
Others	3.32

Source: BSE



Most Opposed RIL Resolutions by Inst. Investors Since '17

MONTH	RESOLUTION	VOTE (%)	
		AGAINST	FAVOUR
Sep'17	Employee Stock Option Scheme 2017	37.60	62.40
Aug '19	Raminder Singh Gujral as an ID	24.00	76.00
Sep'17	Authorised share capital, MOA changes	22.03	77.97
Jul'20	KV Chowdary as a director	13.20	86.80
Jul'20	Hital Meswani as a director	11.36	88.64
Jul'20	PMS Prasad as a director	10.92	89.08
Aug'23	Mukesh Ambani as MD	5.45	94.55
Oct'21	YOH Al Rumayyan as an ID	5.10	94.90
Aug'23	PMS Prasad as a director	4.76	95.24
Aug'23	Arundhati Bhattacharya as an ID	4.76	95.24

None of these resolutions were defeated; ID: Independent Director

Source: BSE

RIL Resolutions Opposed by Mutual Funds in Five Years

Month	Mutual Fund	Resolution	
Oct-21	LIC	Bank of India	
Oct-21		ITI	
Oct-21		Quant	
Oct-21		Quantum	
Oct-21		Taurus	
Oct-21	Union	YOH Al Rumayyan as an Independent Director	
Aug-22	Bank of India		
Aug-22	DSP		
Aug-22	Taurus		
Aug-22	Union		
Jun-21	Franklin Templeton		Raminder Singh Gujral as Director
Jun-21			Pawan Kumar Kapil as Director
Jun-21			Nikhil Meswani as Director

Source: primeinfobase.com

ted a conflict of interest as Al Rumayyan was the Governor of the Public Investment Fund of Saudi Arabia (PIF) and the non-executive chairperson of the Saudi Arabian Oil Company (Aramco).

PIF has invested ₹1,370 crore in Jio Platforms for a 2.32% stake and has also invested ₹9,560 crore for a 2.04% stake in Reliance Retail Ventures.

Aramco has also negotiated with RIL for a strategic partnership in RIL's O2C business. However, about 95% of institutional investors voted in favour of the resolution, while only 5%, including Bank of India Mutual Fund, ITI MF, Quantum MF, Taurus MF, and Union MF, voted against it.

Over the past five years, there have been 15 instances in which mutual

funds opposed resolutions by Reliance Industries. In July 2018, LIC Mutual Fund voted against the re-appointment of Mukesh Ambani, citing governance concerns due to his simultaneous roles as chairman and managing director. In June 2021, Franklin Templeton voted against the appointment of Nikhil Meswani as director.

