

Board changes top list in 412 resolutions rejected by institutional investors YTD



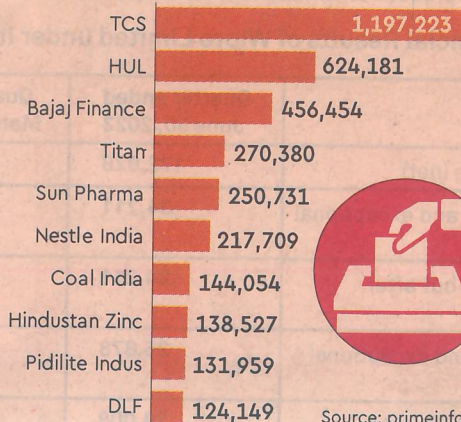
INSTITUTIONAL INVESTORS VOTED against 412 resolutions with more than 20% of their votes in the first six months of the calendar year, marginally up from 405 during the same period last year, reports **Rajesh Kurup**. Voting against board changes topped the charts, followed by board remuneration, key management persons and ESOPs. The reporting period also saw number of resolutions with voting data available down to 1,806 from 2,092.

"Despite opposition from institutional investors, most resolutions do go through because of high promoter holding. High remuneration to promoter directors, ESOPs to key managerial personnel and appointments of certain independent directors are usually contentious issues," Pranav Haldea, managing director at Prime Database Group, said.

Amit Tandon, founder & MD at Institutional

Nifty 200 companies whose resolutions were voted against by more than 20%

2023 (Jan 1 till June 30, 2023)



Source: primeinfobase.com

Voting by institutional shareholders

As on July 10, 2023

	2022*	2023**
No. of resolutions, where voting details were available	2,092	1,806
No. of resolutions voted against (by more than 20%)	405	412
No. of resolutions which were not passed	8	21
No. of resolutions which got passed	397	391

*Jan 1 till June 30, 2022, **Jan 1 till June 30, 2023

Investor Advisory Services said: "As far as board remuneration goes, investors want to see a more durable alignment between pay and performance. This is lacking, and hence the high level of investor dissent. On ESOPs, companies see this as deferred compensation while investor view it as pay at risk with payout only if the share price moves up. This fundamental disconnect explains the high level of dissent".

Shriram Subramanian, founder and MD, InGovern Research Services, said: "There was no discernible trend this year compared to last year. Investors are increasingly examining director compensations and director appointments. Companies need to be more transparent and disclose more on compensation proposals and on related party transactions proposals".

Break-up by resolution type, with more than 20% votes against

2023 (Jan 1 till June 30, 2023)

