

Number of company resolutions rejected by stakeholders dropping

Mumbai, Oct 17: Indicating an improvement in quality of company resolutions, the number of such proposals voted against by institutional shareholders stands at 619 so far this year — down from 717 in the year-ago period.

As per the latest estimates by Prime Database, the number of resolutions since January 2016 where more than 20% of institutional shareholders voted against the resolution, stood at 619 as on October 14, this year.

Comparatively, 717 resolutions were voted against by over 20% institutional investors in 2015, while the figure stood at 975 resolutions in 2014.

Of the 619 resolutions rejected by the institutional investors, a vast majority (609) still got passed, mostly owing to high promoter holding. Most number of such resolutions were related to board appointments followed by auditor appointments and stock options, Prime Database said.

“This reflects an improvement in the quality of resolutions being proposed at shareholder events. There has also been an increase in the participation of institutional investors, which is on account of the facility of e-voting being made mandatory a couple of years back,” Prime Database managing director Pranav Haldea said.

PTI