

Shareholder dissent is moderating, says study

The number of resolutions floated by Nifty50 companies where more than 20 per cent of institutional shareholders casted 'against' votes has decreased by 30 per cent to 44 (9.24 per cent of total) in the recently concluded proxy season, shows a study by PRIME Database.

The data tracking firm analysed resolutions voted on during annual general meetings (AGMs), extraordinary general meetings (EGMs), and court-convened meetings between April 1 and September 30, 2023.

During the same period last year, 63 resolutions (11.2 per cent of total) saw over 20 per cent institutional shareholders cast 'against' votes.

Even across all companies listed on NSE (main board), the number of

such resolutions where more than 20 per cent of institutional shareholders voted against plateaued at 1,498 (17.36 per cent of the resolutions for which voting details of institutional shareholders is available) in the first half of 2023-24 in comparison to 1,492 (16.88 per cent of total) in the same period in 2022-23 and 1,041 (or 15.7 per cent of total) in 2021-22, shows PRIME Database study.

"This is an encouraging sign as it shows that companies have finally started taking cognizance of minority shareholders' interests and are also engaging with investors to understand their concerns prior to proposing resolutions," said Pranav Haldea, Managing Director, PRIME Database Group.

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VOTING MATTERS

Only a few resolutions got defeated

	Promoters	Shareholders Institutional	Other public
No. of resolutions, where voting details were available	11,105	8,628	12,368
% of shares voted	94.65	71.86	15.91
No. of resolutions voted against (by over 20%)	40	1,498	439
▶ which did not get passed	13	53	36
▶ which got passed	27	1,445	403

Source: primeinfobase.com