

Institutional investors' dissent vote falls to 13% in H1: Prime Database

Our Bureau

Mumbai

Shareholder resolutions, where more than 20 per cent of institutional shareholders cast negative vote, across all NSE (main board) listed companies came down sharply to 13 per cent or 1,545 out of 12,134 resolutions, according to primeinfobase.com, an initiative of the Prime Database Group.

This was in comparison to 16 per cent of total such resolutions in the same period in FY25.

In Nifty 50 companies too, shareholder resolutions where over 20 per cent of Institutional Shareholders voted 'against' resolutions decreased to 9 per cent or 54 resolutions as compared to 11 per cent or 64 resolutions in the same period last year.

Pranav Haldea, Managing Director, Prime Database Group, said the trend reflects that companies are continuing to take cognisance of minority shareholders interest and are engaging with investors and proxy advisory firms to understand their

Voice of shareholders

	Promoters	Institutions	Public
No. of resolutions	14,401	12,134	16,118
Percentage of shares voted	95.09	68.12	14.55
Against (more than 20%)	33	1,545	707
Resolutions fail to pass	6	36	32
Resolutions get passed	27	1,509	675

Source: primeinfobase.com

concerns prior to proposing resolutions. Like in previous years, institutional investors have largely voted against board changes and remuneration.

According to Haldea, board appointments attract more dissent because investors often question the independence of directors. Institutional investors rely heavily on proxy advisory firms which often have stricter guidelines than what regulations stipulate. Excessive promoter and executive remuneration, of course, continues to be a hot topic, both in India and globally.

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Despite the institutional investors taking a stern view, out of 1,545 resolutions re-

lating to board appointments and remuneration, 1,509 (or 98 per cent) were still passed.

According to Haldea, high promoter shareholding in Indian companies ensures that almost all ordinary resolutions and even special resolutions are passed despite opposition from other shareholders.

Increasing the minimum public shareholding from the current 25 per cent and making more resolutions special in nature are ways in which this can be improved.

Overall, a total of 16,693 resolutions were proposed to be passed in 2,967 shareholder meetings of 2,124 NSE-listed companies in the first half of this fiscal. About 12 resolutions were withdrawn/not put to vote.