

# MFs cast 4.5% 'against' votes in 2021, most in 7 years

**Mutual funds** (MFs) might still be hesitant to take on India Inc head-on but their share of votes against shareholder resolutions had risen last calendar year.

The percentage of 'against' votes rose to 4.53 per cent in 2021, the highest in the past seven years for which the data was analysed. It was 2.87 per cent in 2020 and 4.18 per cent in 2019. In developed markets, institutional investors typically vote against 5-10 per cent of shareholder resolutions floated by companies.

In absolute terms, MFs have cast 61,000 votes last year, 11 per cent higher than the previous year but 13

per cent lower than 2019. As much as 92 per cent of these are 'for' votes, with 2.91 per cent abstentions, the lowest in the last seven years.

Franklin Templeton cast the most 'against' votes, totalling 533 of a total of 5,161 votes. BOI AXA MF (219) and DSP MF (195) are the other two to have cast a lot many 'against' votes.

Voting at general meetings is a tool available to minority shareholders to influence decision-making. Indian MFs' vote assumes significance because they have grown in clout over the years. With



an equity corpus of over ₹13 trillion, MFs are increasingly dictating market direction.

Voting patterns also assume

## VOTING BY MUTUAL FUNDS

CY 2021

	No. of Votes	%
FOR	56,151	91.92
AGAINST	2,769	4.53
ABSTAIN	1,776	2.91
OTHERS	393	0.64
<b>TOTAL</b>	<b>61,089</b>	<b>100.00</b>

Source: primemfdatabase.com

importance in light of the increasing stress on corporate governance.

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