

20th September, 2016

PRESS RELEASE

BOARD CHANGES RESOLUTIONS DOMINATE AGM SEASON: PRIME DATABASE

11,252 resolutions have been proposed to be passed in AGMs, EGMs, Postal Ballots and Court Convened Meetings of 1,534 NSE-listed companies from January 2016 till 13th September 2016 (for resolutions coming up until 30th September 2016), down from 12,432 resolutions in the same period last year, a drop of 9 per cent, according to PRIME Database.

Significantly, most number of resolutions, according to Pranav Haldea of PRIME, relate to '**Board Changes**', at 3,837. This is followed by resolutions relating to the auditors, which also involves changes in auditors consequent to the requirement of rotation of auditors.

Only about half the companies (829) had a resolution relating to dividends. The total number of resolutions relating to raising of capital (debt and equity) stood at 380.

The top 10 types of resolutions, by number, are as follows:

Resolution Type	No. of Resolutions in which appearing*
Board Changes	3,837
Auditors	2,363
Financial Results	1,529
Board Remuneration	1,311
Key Management Persons	867
Dividend	829
Memorandum & Articles Of Association	363
Memorandum Of Understanding/ Agreements	325
Investment/ Loan Limit	192
Private Placement-Bonds/ Debentures	175

* One resolution may be classified under two or more resolution types

11,252 resolutions translate into an average of **5.46 resolutions per meeting** and **7.33 resolutions per company**.

Break up of resolutions by event type

Postal ballots are increasing by the day. During the above cited period, as many as 793 resolutions were put up for shareholders' approval through this means.

Of the 11,252 resolutions since January 2016, the break-up by event type is as follows:

Event Type	No. of Events	No. of Resolutions	No. of companies	Resolutions per event	Resolutions per company
AGM	1,518	10,210	1,517	6.73	6.73
EGM	107	194	86	1.81	2.26
Postal Ballot	380	793	330	2.09	2.40
CCM	54	55	49	1.02	1.12

ORDINARY vs SPECIAL RESOLUTIONS

The number of ordinary resolutions proposed to be passed have been 8,617 (77 per cent) while the number of special resolutions have been 2,635 (23 per cent).

SCHEDULING OF AGMs

The maximum number of AGMs shall again take place on 30th September 2016 (**203**). As always, bulk of the AGMs happen in September, especially in the last one week of September.

The month-wise distribution is as follows:

Month	No. of AGMs	No. of Resolutions
Jan-16	1	6
Feb-16	0	0
Mar-16	2	13
Apr-16	9	70
May-16	10	59
Jun-16	55	279
Jul-16	198	1,430
Aug-16	333	2,348
Sep-16	909	6,001
Oct-16	1	4

This continues to be a disturbing phenomenon as studies have shown that a large majority of companies which have late AGMs are typically poor performers.

*Note: This analysis is based on **2,059 AGMs, EGMs, Postal Ballots and Court Convened Meetings** held/proposed to be held by **1,534 NSE listed companies** from 1st January 2016 till 13th September 2016 (for resolutions coming up until 30th September 2016). A comprehensive report on the overall voting season shall be released later, once all voting details of all companies are available.*