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PRESS RELEASE

2016 WITNESSES GREATER ACCEPTANCE OF RESOLUTIONS BY INSTITUTIONAL SHAREHOLDERS: PRIME DATABASE

The number of resolutions since January 2016 where more than 20 per cent of Institutional Shareholders voted against the resolution stood at 619 as on 14th October 2016, according to Pranav Haldea, Managing Director, PRIME Database. This figure was 771 in the entire calendar year 2015 (717 in the same period, a drop of 14 per cent) and a huge 1015 in calendar year 2014 (975 in the same period). Like in the previous year, most number such resolutions related to board appointments followed by auditor appointments and stock options.

Of these 619 resolutions though, a huge 609 still got passed, mostly owing to high promoter holding.

Specific resolutions, where more than 20 per cent of Institutional Shareholders cast a negative vote, **for companies belonging to Nifty 50** were 36 in number (as compared to 62 in same period last year) as follows:

Company	Resolution	% age of votes by institutional shareholders against resolution
ADANI PORTS & SPECIAL ECONOMIC ZONE LTD.	Approval of offeror invitation to subscribe to Securities for an amount not exceeding Rs.10,000 Crores (Special Resolution)	21.48
AMBUJA CEMENTS LTD.	Extension of the Services availed from Mr. B.L. Taparia, Director	32.51
	To appoint a Director in place of Ms. Usha Sangwan, who retires by rotation and being eligible, offers herself for re-appointment.	22.98
	Revision in Remuneration of Mr. B. L. Taparia, Director	38.77
BAJAJ AUTO LTD.	Re-appointment of Manish Kejriwal, who retires by rotation	48.72
BHARAT HEAVY ELECTRICALS LTD.	Re-appointment of Shri D. Bandyopadhyay who retires by rotation	33.78
	Re-appointment of Shri Amitabh Mathur who retires by rotation	32.40
	Appointment of Shri Subrata Biswas as Director	32.41
	Appointment of Shri T. Chockalingam as Director	35.06
	Appointment of Dr. Subhash Chandra Pandey as Director	32.41
	Appointment of Shri Akhil Joshi as Director	32.41
BHARAT PETROLEUM CORP.LTD.	To appoint a Director in place of Shri Shrikant Prakash Gathoo, Director, who retires by rotation and being eligible, offers himself for re-appointment	59.44
	Appointment of Shri Anant Kumar Singh as Government Nominee Director	64.97
		50.33

	Appointment of Shri Ramesh Srinivasan as Director (Marketing).	
	Appointment of Shri Ramamoorthy Ramachandran as Director (Refineries).	50.31
CIPLA LTD.	Re-appointment of Mr. S. Radhakrishnan as a Whole-time Director	25.41
COAL INDIA LTD.	Appointment of Shri Rajesh Kumar Sinha as an Official Part Time Director of the Company w.e.f 5th August' 2016	20.15
EICHER MOTORS LTD.	To consider and approve payment of Remuneration to Mr Siddhartha Lal as Managing Director	21.96
GAIL (INDIA) LTD.	Appoint a Director in place of Shri Ashutosh Jindal, who retires by rotation, and being eligible, offers himself for re-appointment	26.58
	Appoint a Director in place of Shri Subir Purkayastha, who retires by rotation, and being eligible, offers himself for re-appointment	22.24
HDFC BANK LTD.	To appoint a director in place of Mrs. Renu Karnad, who retires by rotation and, being eligible, offers herself for re-appointment.	30.77
	To grant equity stock options	30.26
HERO MOTOCORP LTD.	Appointment of Mr. Paul Bradford Edgerley as an Independent Director of the Company.	50.64
HINDALCO INDUSTRIES LTD.	Re-appointment of Smt. Rajashree Birla, Director retiring by rotation.	46.08
INFOSYS LTD.	Approval of 2015 Stock Incentive Compensation plan and grant of stock incentives to the eligible employees of the Company under the Plan	20.26
	Approval of 2015 Stock Incentive Compensation plan and grant of stock incentives to the eligible employees of the Company's subsidiaries under the Plan	22.46
NTPC LTD.	Re-appointment of Shri S.C.Pandey, who retires by rotation	27.23
	Re-appointment of Shri Kulamani Biswal, who retires by rotation	25.69
	Appointment of Shri Aniruddha Kumar, as Director	28.43
POWER GRID CORP.OF INDIA LTD.	To appoint a Director in place of Dr. Pradeep Kumar, who retires by rotation and being eligible, offers himself for re-appointment.	45.00
	To appoint a Director in place of Ms. Jyoti Arora, who retires by rotation and being eligible, offers herself for re-appointment	45.06
RELIANCE INDUSTRIES LTD.	Appointment of Auditors and fixing their remuneration	36.99
SUN PHARMACEUTICAL INDUSTRIES LTD.	Ratification of appointment of Statutory Auditors	23.57
TATA POWER CO.LTD.,THE	Increase in limits of investments in other bodies corporate	35.44
ULTRATECH CEMENT LTD.	Re- appointment of Mrs. Rajashree Birla, Director retiring by rotation.	42.10
ZEE ENTERTAINMENT ENTERPRISES LTD.	Re-appointment of Dr. Subhash Chandra as a Director of the Company	77.17

According to Haldea, 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. In view of this, there has been far greater public scrutiny of the resolutions forcing the companies to propose only such resolutions

which are more likely to pass. Of course, new regulations, both the Companies Act as also the SEBI Listing Obligations & Disclosure Requirements, have also brought about a renewed focus on corporate governance. The National Company Law Tribunal (NCLT) too has now been established.

Resolutions which did not pass: There were 30 resolutions which were completely voted against by shareholders at AGMs/EGMs/Postal Ballots and Court Convened Meetings held since January 2016. The similar figure for calendar year 2015 was 25 (23 in same period) and for calendar year 2014 was 40 (27 in same period). Of these 30 resolutions, surprisingly, no resolution was re-proposed to be passed (unlike previous years wherein a bulk of such resolutions were re-proposed to be passed. However, it may be noted that companies may re-propose the same in the next 2-3 months).

Company	Resolution
AARTI DRUGS LTD.	Alteration of Articles of Association
ESSAR SHIPPING LTD.	To approve and authorise to Board of Directors to fix charges for service of documents to member(s) through any particular mode
INDIABULLS VENTURES LTD.	Re-appointment of Mr. Ashok Kumar Sharma designated as Whole-time Director, who is liable to retire by rotation and, being eligible offers himself for re-appointment.
IDFC LTD.	Re-pricing and re-granting of Employee Stock Options (ESOPs) granted under IDFC Employee Stock Option Scheme, 2007 and reduction of ESOP pool by 40% (from current 7% to 4.2% of the issued and paid up share capital of the Company from time to time) by passing a Special Resolution.
JAMMU & KASHMIR BANK LTD.,THE	Resolved that Mst. Masooda Jabeen, in respect of whom the Bank has received a notice under Section 160 of the Companies Act, 2013, signifying her candidature to the position of Director under Section 152(6)(a) of the Companies Act, 2013, be and is hereby appointed, as Director on the Board of Directors of the Bank, whose period of office will be liable to retire by rotation.
MCLEOD RUSSEL INDIA LTD.	Special Resolution for approval of payment of remuneration for 2015-16 and waiver of recovery of excess remuneration paid to Mr. Aditya Khaitan as the Managing Director of the Company during the year ended 31st March 2016.
PAE LTD.	To approve a Related Party Transaction pertaining to sale of PAE Renewables Private Limited, a wholly owned subsidiary to Prospective Buyer(s) or Promoter(s) / Promoter Group of the Company pursuant to Section 188 of the Companies Act, 2013.
R SYSTEMS INTERNATIONAL LTD.	Re-appointment of Mr. Raj Kumar Gogia, as an Independent Director.
R SYSTEMS INTERNATIONAL LTD.	Re-appointment of Mr. Suresh Paruthi as an Independent Director.
R SYSTEMS INTERNATIONAL LTD.	Re-appointment of Mr. Gurbax Singh Bhasin as an Independent Director.
R SYSTEMS INTERNATIONAL LTD.	Re-appointment of Mr. Amardeep Singh Ranghar as an Independent Director
TRANSWARRANTY FINANCE LTD.	To approve the issue of Equity Shares on a Preferential basis – consideration other than cash (share swap)
THIRUMALAI CHEMICALS LTD.	Reappointment of Mr. S. Santhanam, Director who retires by rotation.

ZEE ENTERTAINMENT ENTERPRISES LTD.

Special Resolution for consideration by all the Equity Shareholders of the Company to authorise the Board under Section 180(1)(a) of the Companies Act, 2013, to facilitate creation of charge on any assets/ undertakings of the Company to secure any current and/ or future borrowings.

BREAK-UP OF VOTING BY SHAREHOLDER TYPE (PROMOTER, PUBLIC - INSTITUTIONAL & PUBLIC - OTHERS)

	Promoters	Institutional Shareholders	Other Public Shareholders
No.of resolutions, where voting details were available	10,097	6,696	10,647
No. of resolutions voted against (greater than 20 per cent)	53	619	451
<i>of which</i> No. of Resolutions which did not get passed	8	10	14
<i>And</i> No. of Resolutions which got passed	45	609	437

As can be seen, almost all resolutions were voted in favour by Promoters.

Voting by Domestic Mutual Funds

40 Domestic Mutual Funds, as a whole, voted in favour in 88 per cent of the cases, against in 3 per cent of the cases and abstained in 9 per cent cases (from January 2016 till June 2016).

Note: This analysis is based on 2,113 AGMs, EGMs, Postal Ballots and Court Convened Meetings held by 1,542 NSE listed companies since January 2016.