

PRESS RELEASE

2018 WITNESSES GREATER ADVOCACY BY INSTITUTIONAL SHAREHOLDERS: nseinfobase.com

Shareholder meetings in calendar year 2018 saw high level of advocacy by institutional shareholders who made their voices heard by voting against resolutions proposed by managements. The number of resolutions where more than 20 per cent of institutional shareholders voted against the resolution, thus showing their displeasure, increased by 14 per cent to 716 in 2018 from 629 in 2017 and 639 in 2016, according to nseinfobase.com.

According to Pranav Haldea, Managing Director, PRIME Database Group which has developed and powers nseinfobase.com, as in the previous year, most number of such resolutions related to board appointments followed by stock options and board remuneration.

According to Haldea, this reflects an increase in advocacy on the part of institutional investors, which is on account of the facility of e-voting being made mandatory a few years back as also the stewardship code brought about by regulators. It is also attributable to a greater role being played by proxy firms as also a steady increase in institutional holding as a whole.

Of these 716 resolutions though, a huge 700 (or 98 per cent) still got passed, mostly owing to high promoter holding in the companies.

Resolutions which did not pass: There were 45 resolutions which were completely voted against by shareholders at AGMs/EGMs/Postal Ballots and Court/NCLT Convened Meetings held in 2018. The similar figure was 34 in 2017 and 28 in 2016. However, of these 45 resolutions, 5 were re-proposed to be passed, out of which all 5 resolutions eventually got passed.

Break-up of Voting by Shareholder Type (Promoters, Public - Institutional & Public - Others): In 2018, a total of 12,972 resolutions were proposed to be passed in 2,478 AGMs, EGMs, Postal Ballots and Court/NCLT Convened Meetings of 1,744 companies which were listed on NSE as on 1st January 2018 (excluding companies which have been suspended or delisted subsequently), up from 12,341 resolutions in 2017, a rise of 5 per cent.

Voting by promoters, institutional shareholders and other public shareholders was as follows:

	Promoters	Institutional Shareholders	Other Public Shareholders
No.of resolutions, where voting details were available	9,969	6,822	10,635
No. of resolutions voted against (by more than 20 per cent)	31	716	422
of which No. of Resolutions which did not get passed	8	16	21
And No. of Resolutions which got passed	23	700	401

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

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

Voting by Domestic Mutual Funds: Domestic Mutual Funds, as a whole, voted in favour in 84 per cent of the cases, against in 3 per cent of the cases and abstained in a high 13 per cent cases (from January 2018 till December 2018). As can be seen in the table below, the trend has remained fairly constant over the last 4 years.

	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2018
For	85	88	87	84
Against	3	3	2	3
Abstain	12	9	11	13

Break up of resolutions by event type: Postal ballots are increasing by the day. During 2018, as many as 980 resolutions were put up for shareholders' approval through this means. The break-up by event type was as follows:

Event Type	No. of Events	No. of Resolutions	No. of companies	Resolutions per event	Resolutions per company
AGM	1,738	11,520	1,738	6.62	6.62
EGM	186	395	148	2.12	2.67
Postal Ballot	477	980	395	2.05	2.48
Court/NCLT Convened Meetings	77	77	69	1.00	1.12

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

To access the detailed report, [click here](#).

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www.nseinfobase.com is a joint initiative of NSE and PRIME Database to provide value added corporate data on Insider Trading, Share Pledging, transactions under Takeover Code, Shareholding, Board of Directors, AGM/EGM/Postal Ballot Resolutions, Board Meeting Resolutions, Investor Meets, Auditors, Annual Reports, CSR, Corporate Actions, Key Managerial Personnel, Company Contact Details, Financial Results, All-in-1 Shareholding and Corporate Event Calendar. All databases are updated daily and are available on an annual subscription basis on the website www.nseinfobase.com. The key idea behind these databases is to provide timely, complete, credible and clean information on corporates in an extremely easy-to-use and searchable manner. Apart from the above databases, we also offer a unique service of creating, maintaining & hosting the Investors section of the websites of listed and unlisted corporates in India.

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About PRIME Database Group (PRIME)

PRIME Database Group is India's leading provider of data on the capital markets. Apart from www.nseinfobase.com, the Group runs several other databases/ websites: primedatabase.com- India's first and still the only database dedicated to the primary capital market covering fund raising by the Indian corporate sector and the Government through equity, debt or securitisation, in India or abroad, watchoutinvestors.com- a website which aims at alerting and protecting the investors, and is a national registry of information on companies/persons who have been indicted for an economic malpractice/non-compliance of laws/regulations/default by over 35 regulatory bodies, primemfdbase.com- data on portfolios and league tables of AuMs of Mutual Funds, primebbdatabase.com- database of all bulk and block deals, primecrmdatabase.com- database of credit rating migrations, primecbdatabase.com- database of public and privately placed corporate bonds containing both primary market (issuance) and secondary market (trading) data, primemcadatabase.com- database of RoC-filings of over 17 lakh companies, primeivcadatabase.com- database of PE/VC Firms investing into India and Service Providers to this industry, primedirectors.com- an online platform to enroll professionals who are competent and willing to become independent directors on companies and for the companies to search for them and msmementor.in- an online platform for helping MSMEs in finding Professionals who can add value to their enterprises. The Group also provides a variety of other services including database creation and management, content generation, website development and management, information consulting and data cleaning and standardization. By leveraging our deep understanding of information management, our clients are able to take better business decisions, improve their internal information processes and systems and also significantly enhance their public information platforms.

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