



PRESS RELEASE

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FY23 WITNESSED HUGE SURGE IN ADVOCACY BY INSTITUTIONAL SHAREHOLDERS: primeinfobase.com

Shareholder meetings in financial year 2022-23 saw a surge in advocacy by institutional shareholders who made their voices heard by voting against several resolutions proposed by managements. **The number of resolutions where more than 20 per cent of institutional shareholders expressed their dissent, increased by a huge 44 per cent to 1833 in 2022-23 in companies listed on NSE (main board) from 1256 in 2021-22 (and 636 in 2020-21), according to primeinfobase.com, an initiative of PRIME Database Group.**

According to Pranav Haldea, Managing Director, PRIME Database Group, like in previous years, most number of such resolutions related to board changes and remuneration, specifically ESOPs.

Resolutions where more than 20 per cent of Institutional Shareholders cast a negative vote, **for companies belonging to Nifty 50 also increased by 35 per cent to 73 in number (as compared to 54 last year).** These are given in [Annexure 1](#).

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 codes 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 the above mentioned 1833 resolutions though, a huge 1774 (or 97 per cent) still passed, mostly owing to high promoter holding in the companies.

Resolutions which did not pass: There were **102 resolutions which were completely voted against by shareholders** at AGMs/EGMs/Postal Ballots and Court/NCLT Convened Meetings held in 2022-23, **an increase of 42 per cent from 72 resolutions in the previous year** (and 48 resolutions in 2020-21). Of these 102 resolutions, 21 were re-proposed to be passed, out of which 18 resolutions eventually passed while 3 of them failed again ([Annexure 2](#)).

Related Party Transactions (RPTs): As many as **1,005 resolutions pertaining to RPTs were proposed in 2022-23, more than double of the 474 such resolutions in 2021-22.** While 102 or 10.15 per cent of these resolutions were voted against by more than 20 per cent of institutional investors, just 16 or 1.59 per cent of such resolutions were defeated.

Break-up of Voting by Shareholder Type (Promoters, Public - Institutional & Public - Others): In 2022-23, a total of **15,232 resolutions** (excluding 22 resolutions which were withdrawn/not put to vote) were proposed to be passed in **3,254 AGMs, EGMs, Postal Ballots and Court/NCLT Convened Meetings of 1,832 companies** which were listed on NSE (main board) as on 31st March 2023, up from 12,708 resolutions in 1736 companies in 2021-22, a rise of 20 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	13,421	10,088	14,938
%age of shares voted	93.79	73.08	17.27
No. of resolutions voted against (by more than 20 per cent)	64	1,833	776
of which No. of Resolutions which did not get passed	33	59	46
And No. of Resolutions which got passed	31	1,774	730

Source: primeinfobase.com

As can be seen, almost all resolutions were voted in favour by Promoters. The resolutions voted against by Promoters by more than 20 per cent are given in [Annexure 3](#).

Break up of resolutions by event type: Of the 15,232 resolutions in 2022-23, 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	1,820	11,913	1,811	6.55	6.58
EGM	245	668	200	2.73	3.34
Postal Ballot	1,116	2,578	786	2.31	3.28
Court/NCLT Convened Meetings	73	73	70	1	1.04

Source: primeinfobase.com

Ordinary vs Special Resolutions: The number of ordinary resolutions proposed were 9,970 (or 65 per cent of the total) while the number of special resolutions were 5,262 (35 per cent). While 62 special resolutions failed, 40 ordinary resolutions also failed.

Resolution Types: Most number of resolutions related to 'Board Changes' at 6,138. This was followed by resolutions relating to the auditors, remuneration and financial results.

Voting by Domestic Mutual Funds: 47 Domestic Mutual Funds, as a whole, voted in favour in 93 per cent of the cases and against in 7 per cent of the cases (abstained in 0 per cent cases in FY 2022-23). SEBI making it mandatory for Mutual Funds to vote on all resolutions with effect from 1st April 2022 has resulted in the abstinence number becoming nil.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
For	74	85	87	87	83	85	84	93	93



Against	4	3	3	2	3	4	2	5	7
Abstain	21	12	10	11	14	11	14	2	0

Source: primeinfobase.com

Scheduling of AGMs: The maximum number of AGMs took place on 30th September 2022 (**204**). As always, bulk of the AGMs happened in September, especially in the last one week of September. The month-wise distribution is as follows:

Month	No. of AGMs	No. of Resolutions
Apr-22	8	58
May-22	10	62
Jun-22	115	738
Jul-22	229	1612
Aug-22	415	2889
Sep-22	992	6269
Oct-22	7	35
Nov-22	9	50
Dec-22	27	162
Jan-23	0	0
Feb-23	3	15
Mar-23	5	23

Source: primeinfobase.com

Notes:

1. Only companies whose equity shares are listed on NSE main board have been considered for the purpose of this report. Companies which are exclusively listed on BSE or whose only debt is listed or companies on the SME platform of NSE and BSE are not covered.
2. In case an AGM or EGM is adjourned for some resolutions (while some resolutions are passed) which are then taken up on a future date, the subsequent shareholders meeting of the company shall appear as a fresh EGM record.



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www.primeinfobase.com is an initiative of PRIME Database Group 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.primeinfobase.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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