



PRESS RELEASE

31<sup>st</sup> October, 2023

**DISSENT BY INSTITUTIONAL SHAREHOLDERS SHOWS SIGNS OF ABATING: [primeinfobase.com](http://primeinfobase.com)**

Shareholder resolutions in Nifty-50 companies where more than 20 per cent of Institutional Shareholders expressed their dissent by casting a negative vote decreased by 30 per cent to 44 in number (or 9.24 per cent of total) in the recently concluded proxy season (Shareholder meetings covering AGMs/EGMs/Postal Ballots and Court/NCLT Convened Meetings from 1<sup>st</sup> April 2023 till 30<sup>th</sup> September 2023) as compared to 63 (or 11.19 per cent of total) in the same period last year, according to [primeinfobase.com](http://primeinfobase.com), an initiative of PRIME Database Group (Annexure 1).

According to Pranav Haldea, Managing Director, PRIME Database Group, even across all companies listed on NSE (main board), the number of such resolutions where more than 20 per cent of institutional shareholders voted against plateaued at 1498 (or 17.36 per cent of the resolutions for which voting details of institutional shareholders is available) in the first half of 2023-24 in comparison to 1492 (or 16.88 per cent of total) in the same period in 2022-23 (and 1041 (or 15.67 per cent of total) in 2021-22).

Like in previous years, most number of such resolutions not voted in favour by institutional investors related to board changes and remuneration.

According to Haldea, this is an encouraging sign as it shows that companies have finally started taking cognizance of minority shareholders' interests and are also engaging with investors to understand their concerns prior to proposing resolutions. Credit for this needs to be given to the facility of e-voting being made mandatory a few years back, the stewardship codes which have been introduced by regulators, a greater role being played by proxy firms as also a steady increase in institutional holding as a whole courtesy the minimum public shareholding requirement.

Of the above mentioned 1498 resolutions though, a huge 1445 (or 96 per cent) still passed, mostly owing to high promoter holding in the companies.

On an overall basis, according to [primeinfobase.com](http://primeinfobase.com), in the first half of 2023-24, a total of 12,547 resolutions (excluding 12 resolutions which were withdrawn/not put to vote) were proposed to be passed in 2,515 shareholder meetings of 1,882 companies which were listed on NSE (main board) as on 30<sup>th</sup> September 2023, down from 13,228 resolutions in 1789 companies in the same period in 2022-23, a decrease of 5 per cent.

**Resolutions which did not pass:** There were 85 resolutions (or 0.68 per cent of total) which were completely voted against by shareholders at shareholder meetings held in the first half of 2023-24, an increase of 13 per cent from 75 resolutions (or 0.57 per cent of total) in the same period last year (and 59 resolutions (or 0.55 per cent of total) in 2020-21). Of these 85 resolutions, 14 were re-proposed to be passed, out of which 9 resolutions



eventually passed while 1 of them failed again. Meetings relating to 4 resolutions are yet to happen (**Annexure 2**).

**Break-up of Voting by Shareholder Type (Promoters, Public-Institutional & Public-Others):** 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	11,105	8,628	12,368
%age of shares voted	94.65	71.86	15.91
No. of resolutions voted against (by more than 20 per cent)	40	1,498	439
of which No. of Resolutions which did not get passed	13	53	36
And No. of Resolutions which got passed	27	1,445	403

Source: primeinfobase.com

As on 31<sup>st</sup> March 2023, by volume, across all companies listed on NSE, promoters held 55 per cent shares, institutional investors held 12 per cent, individual investors held 24 per cent with the balance 9 per cent being held by other non-institutional non-individual investors, according to primeinfobase.com.

According to Haldea, while expectedly promoters as a whole voted nearly 95 per cent of their holding, other non-institutional public shareholders voted an extremely low 16 per cent of their holding, showing their general apathy. Moreover, as can be seen, almost all resolutions were voted in favour by Promoters. The resolutions which were voted against by Promoters by more than 20 per cent have been given in **Annexure 3**.

**Related Party Transactions (RPTs):** As many as 861 resolutions pertaining to RPTs were proposed in the first half of 2023-24, slightly more than the 838 such resolutions in the first half of 2022-23. While 96 resolutions (or 11 per cent) of these resolutions were voted against by more than 20 per cent of institutional investors, just 11 resolutions (or 1.28 per cent) of such resolutions were defeated.

**Break up of resolutions by event type:** Of the 12,547 resolutions in the first half of 2023-24, 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	1,869	11,174	1,867	5.98	5.98
EGM	96	237	86	2.47	2.76
Postal Ballot	523	1,109	467	2.12	2.37
Court/NCLT Convened	27	27	23	1.00	1.17



Meetings					
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Source: primeinfobase.com

**Ordinary vs Special Resolutions:** The number of ordinary resolutions proposed were 8,573 (or 68 per cent of the total) while the number of special resolutions were 3,974 (32 per cent). While 53 special resolutions failed, 32 ordinary resolutions also failed.

**Shareholder Proposed vs Management Proposed:** While 12,139 (or 97 per cent of the total) resolutions were management proposed, 408 resolutions (or 3 per cent of the total) were shareholder proposed, of which just 3 failed.

**Resolution Types\*:** Most number of resolutions related to Board Changes at 4,901. This was followed by resolutions relating to Financial Results (2062), Board Remuneration (1767), Auditors (1351), KMPs (1089), Dividend (1040), Memorandum of Understanding/Agreements (850), Memorandum & Articles of Association (359), Investment/Loan Limit (263) and Subsidiary (254).

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

**Voting by Domestic Mutual Funds:** 46 Domestic Mutual Funds, as a whole, voted in favour in 92 per cent of the cases and against in 8 per cent of the cases (abstained in 0 per cent cases in the first half of FY 2023-24). SEBI making it mandatory for Mutual Funds to vote on all resolutions with effect from 1<sup>st</sup> 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	2023-24 (Apr-Sep)
<b>For</b>	74	85	87	87	83	85	84	93	93	92
<b>Against</b>	4	3	3	2	3	4	2	5	7	8
<b>Abstain</b>	21	12	10	11	14	11	14	2	0	0

Source: primeinfobase.com

**Scheduling of AGMs:** 210 AGMs took place on 29<sup>th</sup> September 2023. As always, bulk of the AGMs happened in September (1063 with 6090 resolutions), especially in the last one week of September. September was followed by August (473, 3064), July (234, 1398), June (84, 543), May (12, 64) and April (3, 15).

**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.



**About [www.primeinfobase.com](http://www.primeinfobase.com): Developed & Powered by PRIME Database Group**

[www.primeinfobase.com](http://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](http://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.

**About PRIME Database Group (PRIME)**

PRIME Database Group is India's leading provider of data on the capital markets. Apart from [www.primeinfobase.com](http://www.primeinfobase.com), the Group runs several other databases/ websites: [primedatabase.com](http://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](http://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, [primemfdatabase.com](http://primemfdatabase.com)- data on portfolios and league tables of AuMs of Mutual Funds, [primebbdatabase.com](http://primebbdatabase.com)- database of all bulk and block deals, [primecrmdatabase.com](http://primecrmdatabase.com)- database of credit rating migrations, [primecbdatabase.com](http://primecbdatabase.com)- database of public and privately placed corporate bonds containing both primary market (issuance) and secondary market (trading) data, [primemcadatabase.com](http://primemcadatabase.com)- database of RoC-filings of over 17 lakh companies, [primepevcdatabase.com](http://primepevcdatabase.com)- database of PE/VC Firms investing into India and Service Providers to this industry, [primedirectors.com](http://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](http://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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