

MAKING AGMs MORE MEANINGFUL

5th Edition



Virtual AGMs: Convenient, But Are They Democratic Enough?

Annual General Meetings (AGMs) provide a forum for discussions and debate on matters that are of significant interest to shareholders. **Since almost all AGMs are virtual, the significance of the forum has undergone a change. Without reinventing the format, AGMs conducted through Video Conferencing (VC) risk becoming little more than well-managed compliance webinars.** AGMs are the right occasion for shareholders, the owners of the company, to raise questions that they expect the management to respond to. This is central to the governance process.

The Loss of Corridor Conversations

In physical AGMs, shareholders found their voice heard not only in the meeting hall, but in the corridors — informal exchanges, whispered dissent, collective energy. VC AGMs have muted the spirit of shareholder democracy. VC AGMs reduce the shareholder involvement significantly, and often they can do no more than listen in on the conversation.

What companies can do:

Create digital corridor chats, breakout rooms or moderated fora before and after AGMs where shareholders can interact informally with management.

Generational Divide in Participation

In a digital age, those that are less proficient with technology are at a disadvantage, compared to those who can navigate digital platforms. This unintended consequence tends to place the digitally competent in an advantageous situation. Shareholder democracy tilts toward the digitally fluent. Login procedures, unfamiliar interfaces, and connectivity issues can discourage participation.

What companies can do:

Offer helplines in multiple languages, prepare clear step-by-step guides to aid in participation, and have low-bandwidth access options to make participation easy and inclusive. This will ensure that technology does not become a barrier to shareholder voice.

Tech Trails for Seamless AGMs

The most important aspect of VC AGMs is that all shareholders who have joined in should be enabled to participate, without any technology breakdowns or failures. When these breakdowns happen, participants are understandably frustrated, and might opt out of the AGMs. Shareholders unable to log in, directors dropping off mid-sentence, or voting systems not working are all avoidable.

What companies can do:

Some companies conduct rehearsals involving directors and persons acting as shareholder participants. The glitches that arise during these rehearsals should be fully addressed before the AGM. As for other companies, they should see merit in rehearsals since issues relating to audio/ video stability and smooth logins can be addressed. AGMs should not become sub-optimal because of technology glitches.

When the Clock Silences Shareholders

Virtual meetings are often run with the discipline of a webinar, having a fixed agenda and a fixed end time. Once the allocated slot ends, the meeting closes even if many shareholder questions remain unanswered. Physical AGMs did not operate so rigidly. When discussions became intense, meetings simply continued.

What companies can do:

Companies should avoid artificial time limits. If questions remain unanswered, the meeting should continue or be extended. A silent AGM may be efficient, but is not effective, and in any case, is rarely democratic.

Directors Behind the Screen

Virtual formats insulate directors from uncomfortable moments. In a physical hall, directors sit in front of shareholders and cannot ignore the mood of the room. Behind a screen, that pressure is inevitably reduced.

What companies can do:

- Shareholders value the opportunity to see and hear the directors that they had appointed. Ensure that all directors attend the AGM, unless there are very compelling reasons not to.
- Independent moderators should ensure that directors respond to all shareholder queries.

More Pages, Less Communication

With every passing year, Annual Reports have become more voluminous. However, this does not lead to better communication to the shareholders. Sometimes, important issues are lost in voluminous documents.

A few companies are experimenting with very crisp summaries of the Annual Reports, focussing on the more important issues that shareholders need to understand.

What companies can do:

Focus on clarity of disclosures, rather than volume. Yes, detailed disclosures are important, but they can be paired with shorter, easy-to-read summaries that clearly highlight the company's strategy, performance, and key risks in a reader friendly manner.

Gatekeeping of Voices

In many VC AGMs, speaker shareholder questions are filtered, batched, or ignored. Moderators decide which voices are heard, when, and for how long — leaving many speaker shareholders invisible. Inconvenient questions are often ignored, with the oft heard comment that there is time pressure, and the company will respond to them later. This selective engagement erodes trust and makes shareholder democracy feel performative, rather than genuine.

What companies can do:

- Publish, after the meeting, a complete log of all questions received and the board's responses thereto.
- Board must ensure that tough questions are not buried but addressed transparently.
- When filing AGM proceedings with Regulators/Stock Exchanges, disclose shareholder questions and answers in full so that accountability is documented, not just claimed.
- The members of the Stakeholders' Relationship Committee should oversee question management and ensure that all shareholder concerns / questions are recorded and that appropriate responses are provided by the Board.

The Role of the Secretarial Auditor

Resolutions relating to the appointment or re-appointment of Secretarial Auditors are put up for voting at the AGMs. Yet it is not always clear whether the individual being appointed is present during the meeting.

This is an important governance moment. Shareholders approving the appointment should have the opportunity to hear from the professional who would be responsible for independently examining the company's compliance processes.

While the Secretarial Auditor of the Company often acts as the scrutinizer for the AGM, the minutes rarely show their attendance or participation explicitly. This omission undermines transparency and accountability.

What companies can do:

When the appointment or re-appointment of the Secretarial Auditor is placed before shareholders, companies should ensure that the Secretarial Auditor is present at the AGM and available to respond to any questions from shareholders. AGM minutes should also explicitly record the attendance of the Secretarial Auditor to maintain a complete and transparent record.

The Forgotten Record: AGM Minutes

After the meeting ends, the official minutes become the only public record of what actually happened. In some cases, though, these minutes are extremely brief and may often be limited to just a list of resolutions passed.

That hardly tells the full story of the discussion that took place. Shareholders, or anyone reading minutes, are left guessing about what was really asked and answered.

What companies can do:

- Try to capture the essence of the discussion — key questions, board responses, and any noteworthy conversations/debates.
- Upload the minutes to Stock Exchanges, so the record is publicly accessible. It does not mean that it has to be an exact transcript, but it should feel like a real account of the meeting, not just a checklist of resolutions.

Shareholder Power in Low Resolution

AGMs used to be symbolic events — shareholders showing up in numbers, media coverage, collective theatre. VC AGMs strip away spectacle, reducing them to compliance webinars.

The AGM itself should not be the only point of annual engagement for the shareholders. Very few companies actually ask shareholders what their experience was. Shareholder engagement should be seen not as a compliance exercise, but as a core element of corporate governance.

What companies can do:

- Reimagine VC AGMs as shareholder festivals - integrate live polls, interactive dashboards, and real-time voting displays to restore energy and visibility.
- Introduce post-AGM feedback or shareholder satisfaction surveys. The findings of the survey should be reviewed by the board, more particularly by the Stakeholders' Relationship Committee — so that shareholder experience in future meetings can be improved.

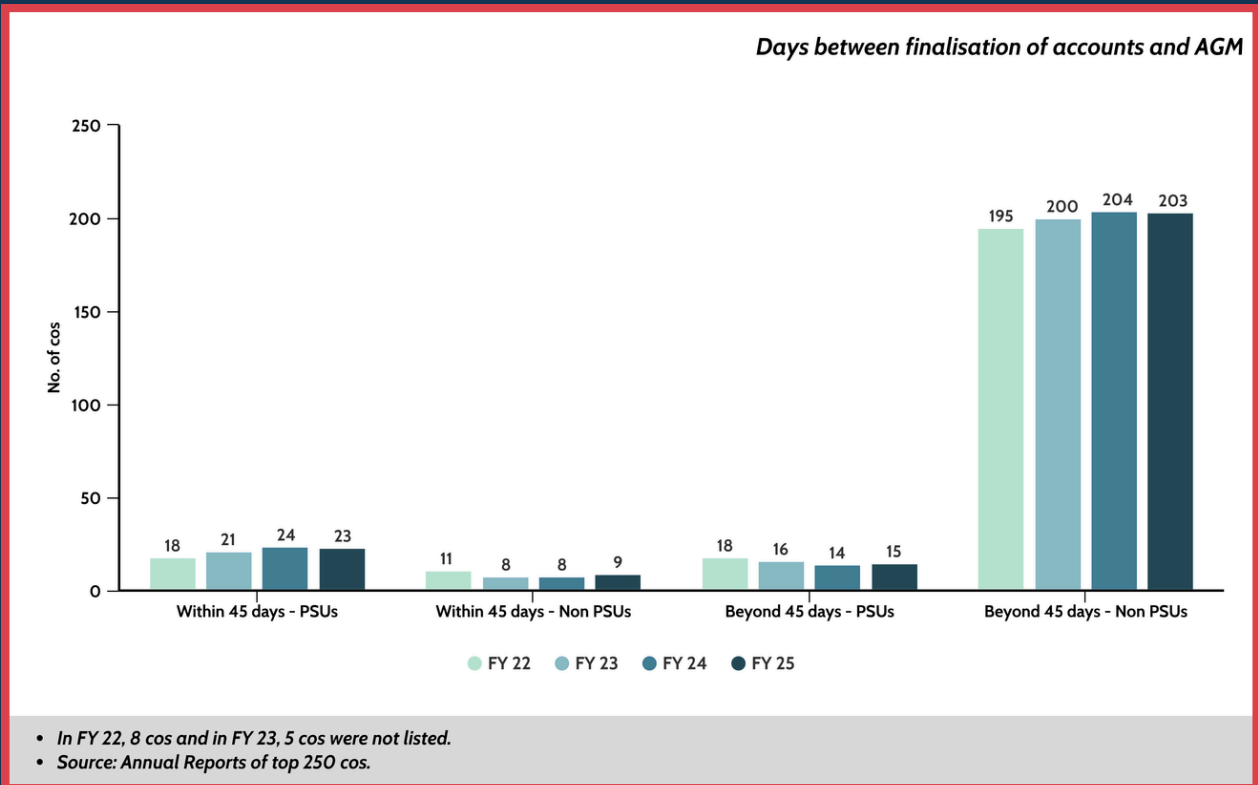
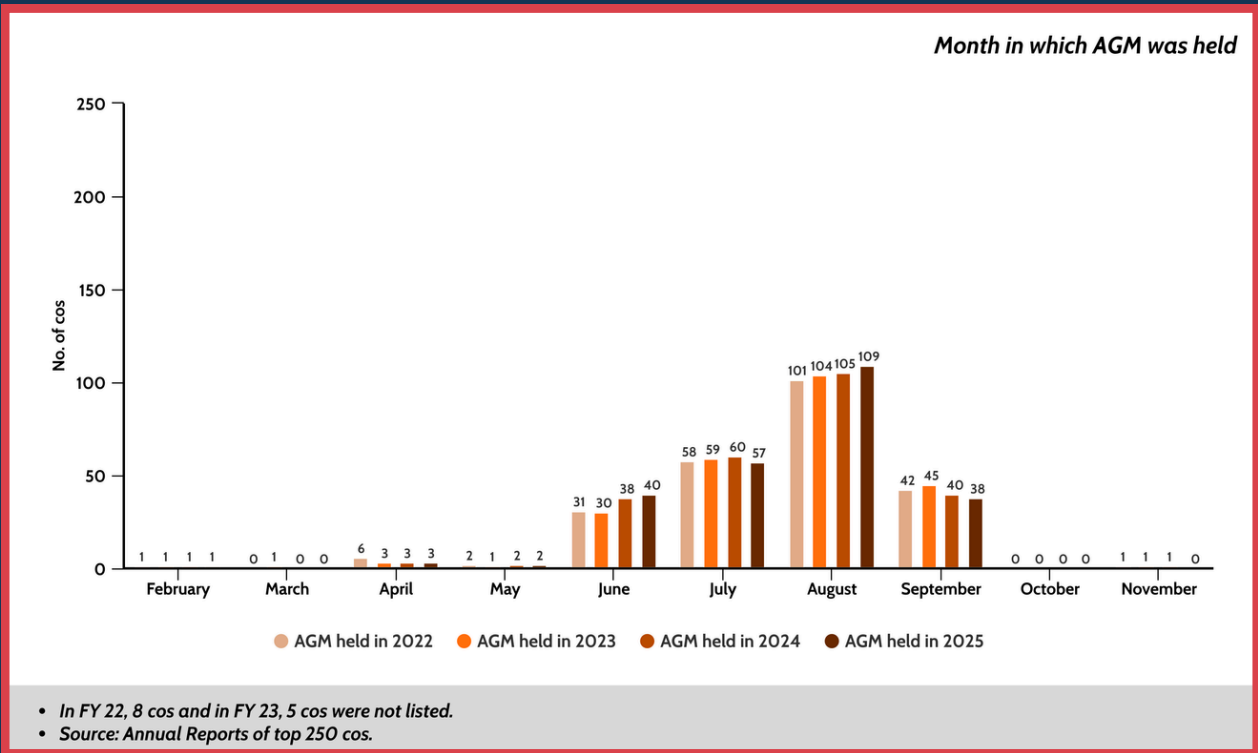


Closing Thought

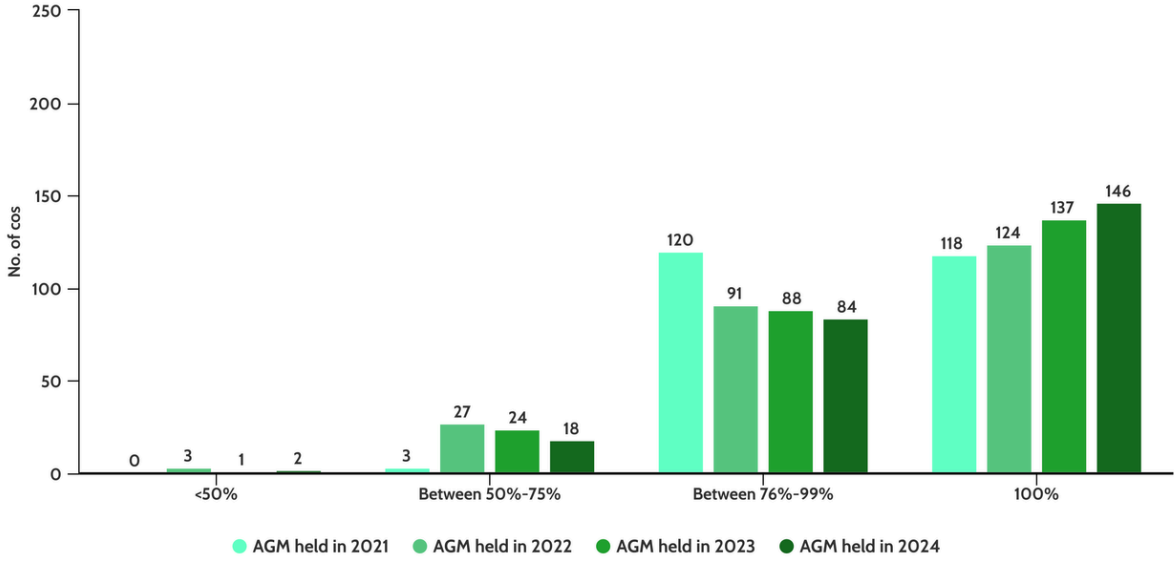
VC AGMs are here to stay. But unless companies reimagine them, they risk becoming soulless compliance rituals. The challenge is not technology — it is courage. Courage to let shareholders speak freely, to embrace discomfort, and to make democracy vibrant even through a screen.

Important to accept that VC AGMs are the future, companies need to prove they are not just convenient — but constructive.

Where are we now?

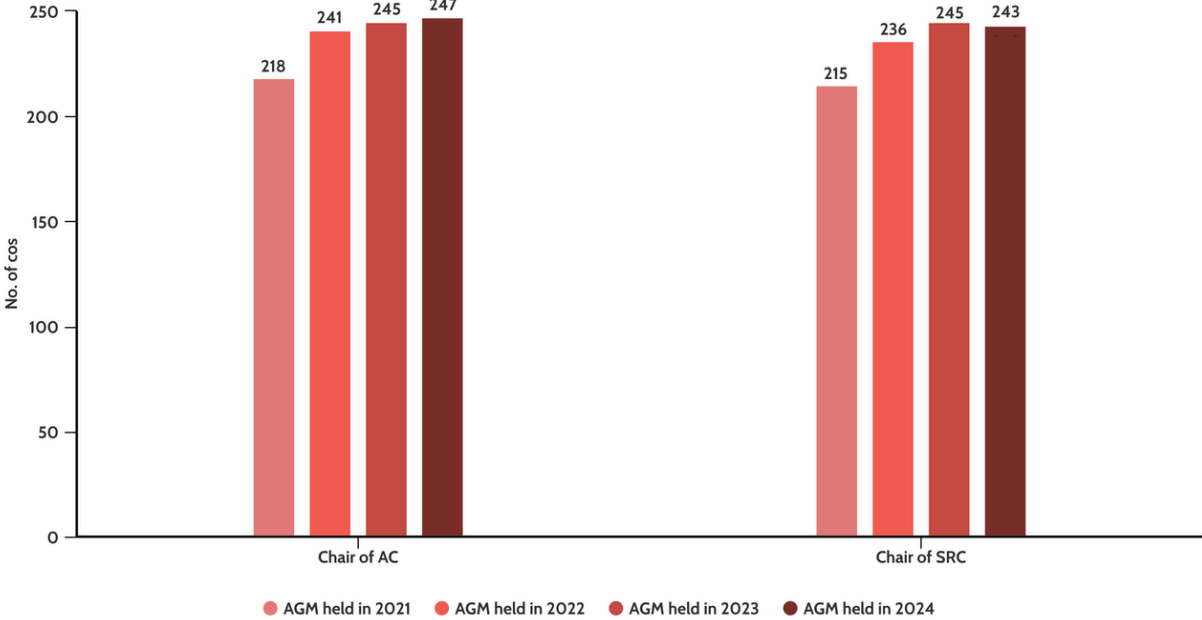


Directors' Attendance at AGMs



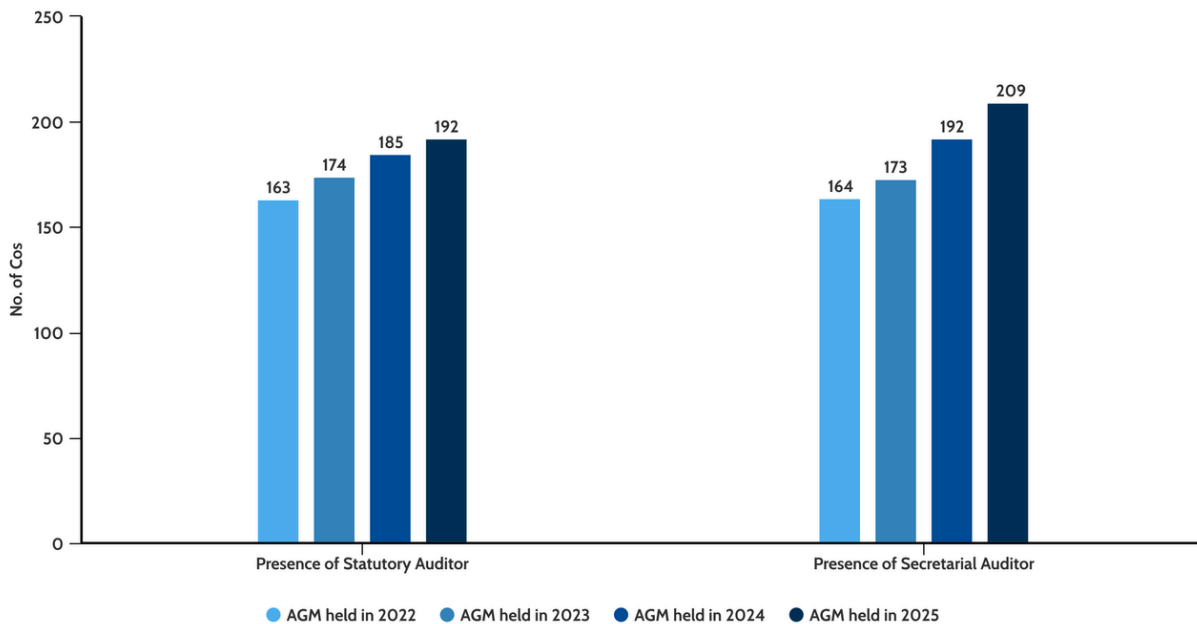
- Attendance is based on details disclosed by cos.
- Cos listed during the FY have not been considered for AGM attendance in the previous year.
- Source: Annual Reports of top 250 cos.

Attendance of AC and SRC Chairs in AGMs



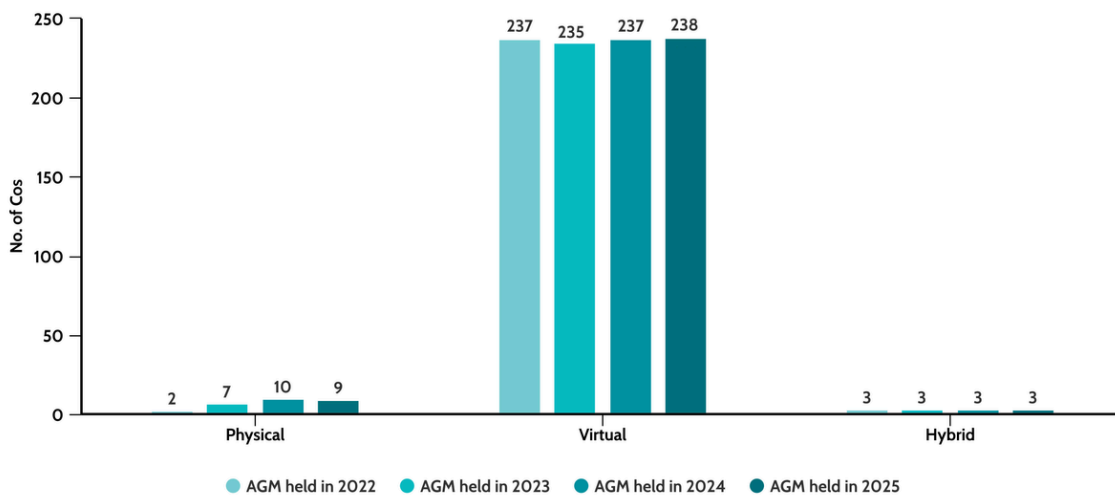
- Details available have been considered.
- Cos listed during the FY have not been considered for AGM attendance in the previous year.
- Source: Annual Reports of top 250 cos.

Presence of Statutory Auditors and Secretarial Auditors in AGMs



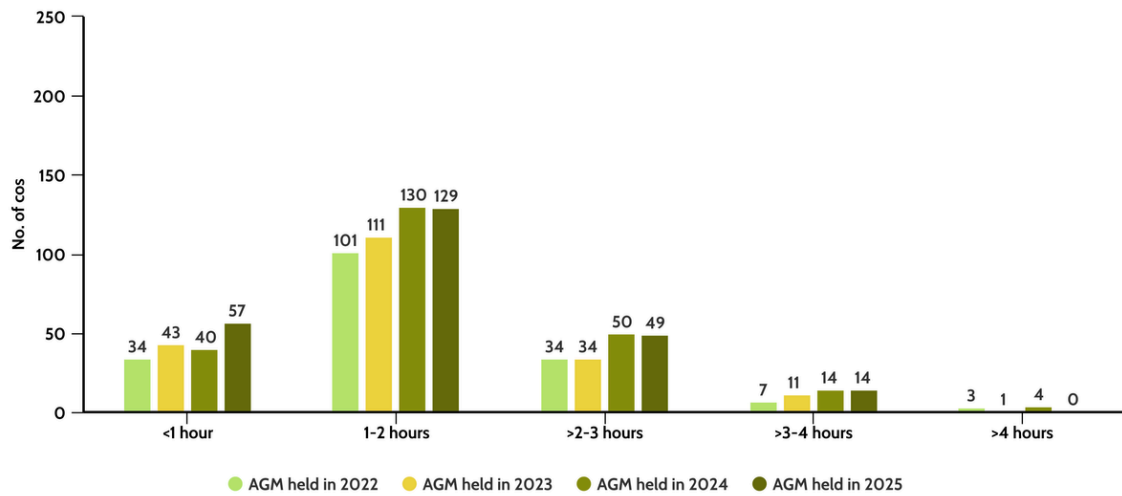
- Details available have been considered.
- Source: Proceedings of AGMs and Scrutiniser Reports of top 250 cos filed with Stock Exchanges.

Mode of AGM - Physical/Virtual/Hybrid



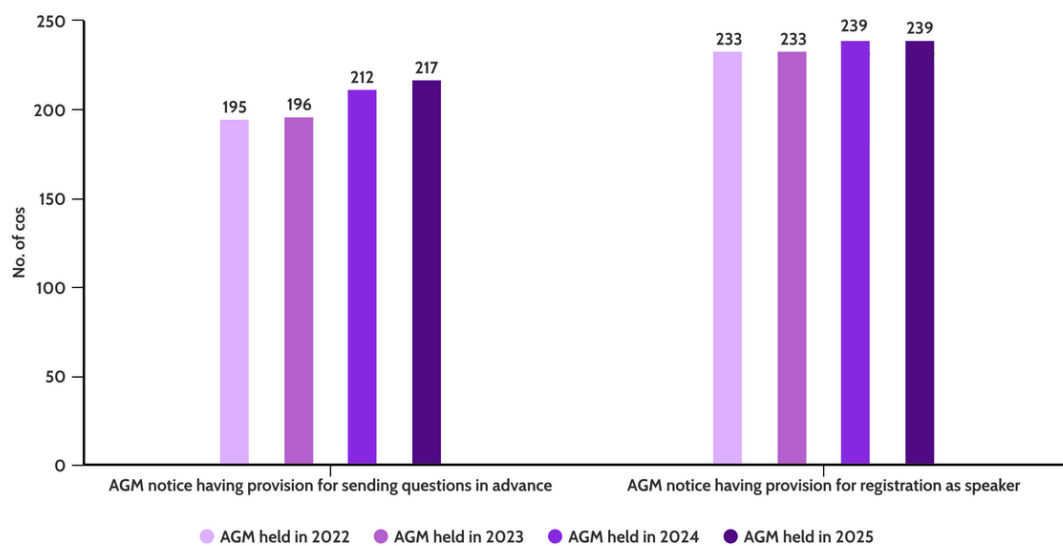
- In FY 22, 8 cos and in FY 23, 5 cos were not listed.
- Source: Notice of AGMs of top 250 cos.

Duration of AGMs



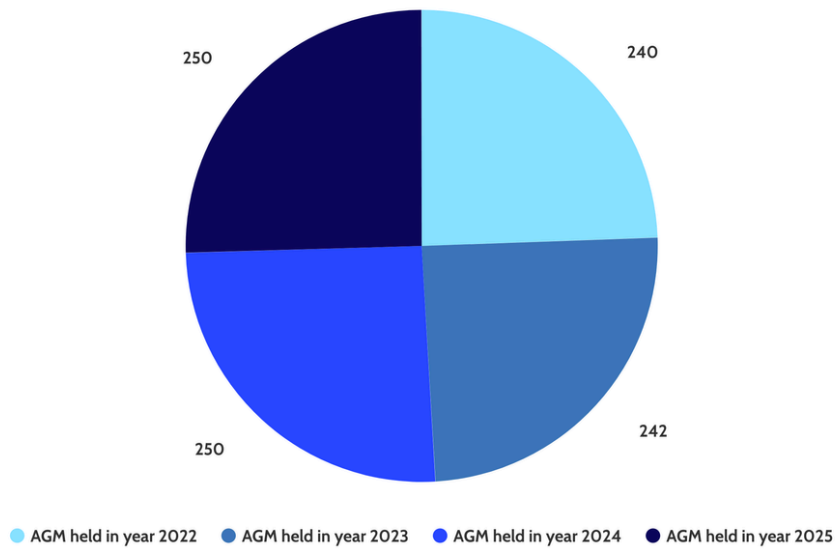
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Shareholders' participation in AGMs



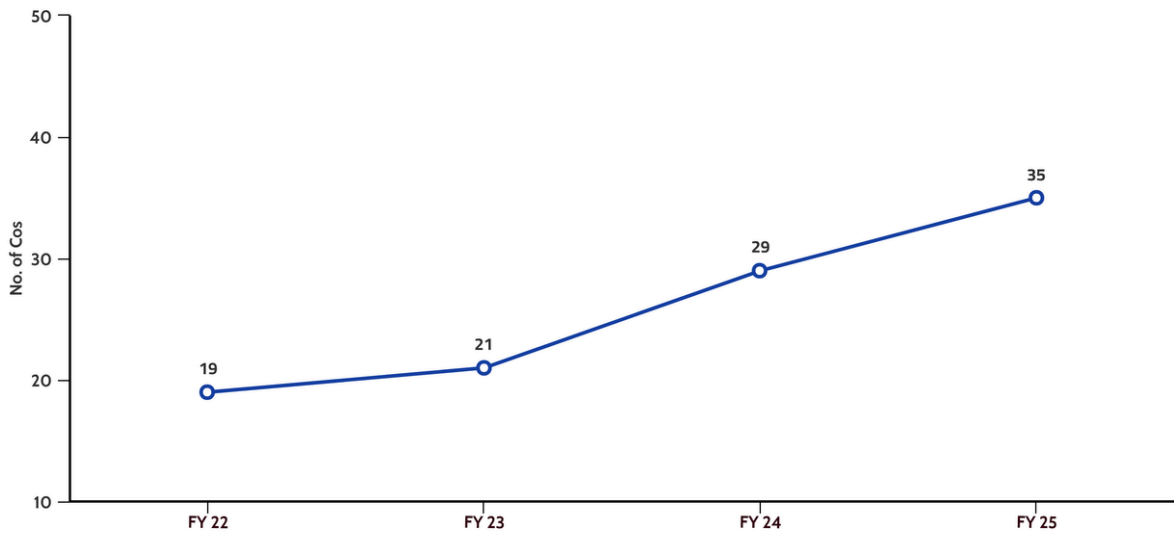
- In FY 22, 8 cos and in FY 23, 5 cos were not listed.
- Source: Notice of AGMs of top 250 cos.

Cos with less than 1% shareholders present at AGMs



- Only listed cos have been considered.
- Source: Proceedings of AGMs, Scrutiniser Reports and Voting Results of top 250 cos filed with Stock Exchanges.

Cos which conducted Shareholder Satisfaction Surveys



- In FY 22, 8 cos and in FY 23, 5 cos were not listed.
- Source: Annual Reports of top 250 cos.

ABOUT EXCELLENCE ENABLERS

We are a niche Corporate Governance advisory firm. We do not attempt to be all things to all persons. Improving Corporate Governance policies and practices is our *raison d'etre*. Our mission is to demystify Corporate Governance and to persuade corporates that it is nothing more than doing the right things at the right time in the right manner for the right reasons.

We do not tick boxes. We help you think out of the box.



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