

RISING SHAREHOLDER ACTIVISM AND CORPORATE RESPONSE IN INDIA

Dr. Sonali Ahuja Dua

Associate Professor, Gargi College, University of Delhi, India

Received: 10 Mar 2020

Accepted: 05 Apr 2020

Published: 15 Apr 2020

ABSTRACT

Conventionally businesses in our country have been set up around strong promoters. Retail investors had surrendered complete control to the promoters of the company. They just looked forward to earning dividends and capital appreciation on their investments. There was a lack of sufficient regulation which could give the investors an opportunity to voice their opinions. Due to these reasons investors did not take much initiative in the affairs of the company and thus were unable to protect their interests. Promoters also adhered to the minimum levels of disclosures. The investors of the company are not only becoming more and more aware of the actions of their investee company, but they also have access to opinions of experts. From the information and opinions gathered the minority and institutional shareholders define how these companies are run. This research paper attempts to explain the evolution of activism by the shareholders in the country. It recommends measures companies and board of directors can take so that no unfavourable actions are taken by the shareholders.

KEYWORDS: *Blockchain, Corporate Governance, Institutional Investors, PAFs, Shareholder Activism, Small Shareholder*