Thursday, 22 November 2012, 4:00 pm
T3, Global Auditorium
O.P. Jindal Global University
Sonipat Narela Road, Near Jagdishpur Village, Sonipat, Haryana - 131001

“The Advent of Shareholder Activism in India”

SPEAKER

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Umakanth Varottil is an Assistant Professor at the Faculty of Law, National University of Singapore (NUS). He specializes in corporate law and governance, mergers and acquisitions and cross-border investments. While his work is generally comparative in nature, his particular focus is on India. He has co-authored a book on Singapore corporate governance, published articles in international journals and founded the Indian Corporate Law Blog. He has also taught on a visiting basis at the Fordham Law School, New York and at a number of law schools in India. He is the recipient of several academic medals and honours. Prior to his foray into academia, Umakanth was a partner at Amarchand Mangaldas. During that time, he was also ranked as a leading corporate/mergers & acquisitions lawyer in India by the Chambers Global Guide.

Abstract

The recent spate of crises afflicting the corporate and financial sectors around the world has triggered a new wave of corporate governance reforms, which call for greater empowerment of institutional and retail shareholders. The need for such reforms cannot be greater than in India where controlling shareholders, or promoters, dominate the corporate landscape. Consistent with reforms in several countries that seek to confer greater power in the hands of shareholders, the recent regulatory developments in India signify a greater opportunity for shareholder participation in the form of postal ballot, e-voting and the like. The rapid proliferation of proxy advisory firms, a hitherto non-existent phenomenon in India, bestows shareholders with the advice necessary to exercise their corporate franchise in an informed manner. The presence of activist institutional shareholders such as private equity funds and hedge funds has already caused an upheaval in some corporate boardrooms in India.

This lecture will deal with the theoretical framework of shareholder participation in corporate democracy, comment on the inefficiencies in the present structure, analyze recent reform efforts in India along with case studies that highlight contemporary issues, and conclude with some educated guesses on the efficacy of these efforts. The lecture will draw upon the findings contained in a working paper that is available at http://ssrn.com/abstract=2165162.

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