Page: 987-1034 *URL: www.lijdlr.com*

ISSN: 2583-7753

LawFoyer International Journal of Doctrinal Legal Research

[ISSN: 2583-7753]

Volume 4 | Issue 3

2026

DOI: https://doi.org/10.70183/lijdlr.2026.v04.302

PROTECTION OF MINORITY SHAREHOLDERS THROUGH CORPORATE GOVERNANCE REFORMS: A CRITICAL ANALYSIS

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I. ABSTRACT

This paper aims to discuss the protection of minority shareholders in India, mainly through the prism of corporate governance reforms. The Companies Act 2013 and current corporate governance rules and regulations will be examined to identify mechanisms and remedies for the oppression and mismanagement of minority shareholders. Particular attention will be paid to the provisions of the Companies Act 2013, namely Sections 241-246, the requirements for a petition under Section 244, and the reliefs available from the National Company Law Tribunal (NCLT) under Section 245. In addition, SEBI's listing and disclosure rules regarding related-party transactions and changes in control are also considered. Using the doctrinal method, this paper analyses actual cases when minority shareholders can and do overcome the difficulties of proving and providing relief from oppression and mismanagement. For example, the famous conflict between Tata and Mistry is considered through the lens of the oppression and mismanagement doctrine. Furthermore, this paper compares India's approach and its effectiveness in protecting minority shareholders with those of several foreign countries, namely the UK unfair prejudice remedy under Section 994 of the Companies Act 2006 and Australia's approach of oppression under Section 232 of the Corporations Act 2001. By assessing the relevance of India's corporate governance and legal framework for minority shareholders, this paper concludes that India has managed to take steps toward balancing the interests of minority and majority shareholders and ensuring the efficiency of the company's management. However, it still has problems with implementing the current law, which is due to several factors, such as high thresholds for minority shareholders, heavy onus of proof, and a restrictive interpretation of "just and equitable" and oppression. Therefore, this paper proposes to consider steps to reforming corporate law, governance rules, and regulation, and

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practice to improve the current situation from the perspectives of both minority and majority shareholders. This paper also highlights topics for future research, including an assessment of minority shareholders' rights and their enforcement, analysis of institutional investors' behaviour, and examining ESG-related corporate governance reforms on minority shareholders.

II. KEYWORDS

Minority Shareholders; Oppression and Mismanagement; Corporate Governance; Companies Act, 2013; Related Party Transactions.

III. INTRODUCTION

A. Background

Modern company law is based on the principle of corporate democracy that provides that decisions are made by the majority of shareholders in the general meeting. According to the classic case of Foss v Harbottle, when the directors or controllers of the company commit wrongs, the company itself is the only wrongdoer, thus excluding minority shareholders from suing in their own names. Although the majority-veto principle creates fewer lawsuits and suits, it allows oppression, exclusion, and exploitation of minority shareholders and results in "fraud on the minority," "oppression," and "mismanagement." Thus, the doctrine of the derivative suit is necessary to address these issues.[2]

In response to this perceived inequity, company law creates certain remedies and exceptions which enable minority shareholders to challenge ultra vires acts, illegal dealings, or even oppressive or unfair conduct on the part of the majority which is not up to standard of fair dealing and fair play. In promoter-controlled companies and closely held companies, the problem of minority oppression is particularly acute in India, where the domination or control by the promoters or a small group is likely to lead to a situation where the board of directors is also likely to be highly partisan without the ability of the minority shareholders to take action on grounds of lack of

[2] CA S. Srikanth, *Prevention of Oppression and Mismanagement*, Board of Studies (Academic), The Institute of Chartered Accountants of India (ICAI), available at: https://live.icai.org/bos/vcc-2nd-batch-recorded-lectures/pdf/Prevention%20of%20Oppression%20and%20Mismanagement.pdf (last visited Aug. 7, 2026).

knowledge or information. Consequently, it emerges as a policy objective both in statutory and non-statutory company law, to which remedies and measures have been drawn up to address issues of minority oppression.

B. Research problem

Over the last two decades, corporate governance reforms, both in India and other common law jurisdictions, have focused on introducing independent directors, strengthening audit and nomination committees, tightening disclosure requirements for related party transactions, and enhancing shareholder rights in general. Indian laws relating to corporate governance, in particular the Companies Act 2013 and SEBI's listing regulations, provide a range of remedies to address oppression and mismanagement, enable class action lawsuits, and deter cross-shareholding and other abusive control behaviors. The question arises as to what extent do such measures actually protect the minority shareholders, and to what extent, if at all, they serve only as window-dressing exercises and fail to address the root causes of the takeovers and expropriation of minority shareholders.

Thus, the research problem of this paper is to determine the extent to which the current corporate governance reforms, laws, and regulations, both hard and soft, can be considered as an effective remedy for minority shareholders' oppression. The paper will assess whether the legal and regulatory changes that have taken place in recent years actually help in empowering minority shareholders or whether, in practice, they only serve to adjust the formalities while leaving the actual economic exploitation untouched. In particular, the paper will focus on issues of legal remedies' availability and effectiveness, the ability of boards to empower minority shareholders, and the effectiveness of disclosure and shareholder voting reforms in curbing expropriation and oppression.[3]

[3] OECD, "The rights of shareholders and key ownership functions", in *OECD Corporate Governance Factbook 2025* (OECD Publishing, Paris, 2025), *available at:* https://www.oecd.org/en/publications/oecd-corporate-governance-factbook-2025_f4f43735-en/full-report/the-rights-of-shareholders-and-key-ownership-functions_b8fa461b.html (last visited Aug. 7, 2026).

C. Research Objectives

Against this background, the present paper is set to achieve the two objectives discussed below:

1. Elaborating of the core legal and governance mechanisms that offer protection to the minority shareholders. This includes the oppression and mismanagement remedies, class action lawsuits, related party transactions, board and committees' governance, and shareholders' rights in general.
2. Conducting the critical assessment of the effectiveness of the mechanisms aforementioned. For this purpose, particular attention will be drawn to the issue of the procedural and substantive accessibility, the costs and delays, evidence and judicial trends, corporate governance in the promoter-ruled or close corporations, and the overall impact on the anti-abuse capacity and minority participation.

Elaborating on the objectives 1 and 2 above will enable the present paper to provide a comprehensive analysis and go beyond the mere description of the legal and governance mechanisms aimed at protecting the minority shareholders. In this sense, it will facilitate moving from the descriptive to the prescriptive, thus enabling developing the critical assessment of the governance mechanisms and their capacity to foster the corporate democracy in a meaningful way.

D. Research Questions

The present paper seeks to address the following research questions:

1. Do the oppression and mismanagement remedies under Sections 241–246 of the Companies Act, 2013 provide effective relief to minority shareholders, particularly in light of the eligibility thresholds prescribed under Section 244?
2. To what extent do SEBI's disclosure requirements and related-party transaction rules substantively curb expropriation of minority shareholders, as opposed to merely formalising compliance?

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3. Whether corporate governance reforms relating to independent directors, board committees, shareholder voting, and disclosure have meaningfully reduced promoter dominance in Indian companies?
4. What lessons can India draw from the UK unfair prejudice remedy and the Australian oppression remedy for strengthening minority shareholder protection?

E. Scope and methodology

The paper will focus on India as the main jurisdiction due to the Companies Act 2013 and the prevalence of promoter controlled corporate structures throughout the country. The research will be concentrated on the laws and cases concerning oppression and mismanagement, class actions lawsuits, and rules regarding the board of directors, as well as the relevant cases and acts of NCLT, NCLAT, and the Supreme Court. To evaluate the context of oppression of minority shareholders in India, the paper will also review similar concepts and rules in common law jurisdictions, namely, UK and Australia, where oppression and unfair prejudice remedies have been developed and tested over a greater period of time.

The research will be conducted using a doctrinal methodology, relying on evaluating the existing statutory and case law resources. Additionally, the paper will review policy-related documents, including the G20/OECD Principles of Corporate Governance, IOSCO reports on minority shareholders' protections, and other relevant articles and research papers, to identify the trends in minority shareholder protections in India. When available, the data and statistics regarding the application of oppression remedies, independent boards of directors, and lawsuits in India will be analyzed to identify the correlation between theoretical foundations and practical implementations. Such an approach will allow for assessing the state of minority shareholders' protections in India against the backdrop of international standards.

IV. CONCEPTUAL FRAMEWORK

A. Majority rule vs minority protection

In corporate law, the principle of majority rule is typically applied, according to which, whenever a decision must be made, it should be delivered by the majority of shareholders present at general meetings. Moreover, whenever the issue of a company decision of any kind arises, unless the law provides otherwise, the courts will generally refrain from intervening in company management, even if the minority shareholders disagree with the majority. The leading case illustrating the dominance of the majority is Foss v. Harbottle, which established the doctrine of the proper plaintiff. This doctrine, among other things, provides that whenever a company suffers damage, the only proper plaintiff is the company itself. Thus, when it comes to legal disputes and their resolutions, the power to manage and control rests with the majority of shareholders and not with the minority. Therefore, when a dispute arises, the company can be the only party that takes action against the wrongdoers who have damaged it.

Numerous cases of the House of Lords provide grounds to accept the majority's rule in corporate law. It is based on several essential policy considerations, including avoiding multiple, irreconcilable, and inconsistent litigation decisions for the company. As well as not disturbing the internal management of the company, thus leaving it to make its own decisions and manage its internal affairs.[4]

However, the same principle leaves the minority shareholders vulnerable, particularly where the very wrongdoers are in the position to dominate the company and organs through which it is governed. As a result, the minority can be deprived of any remedy, including the right to sue, being excluded from the management, denied the vital information, or other forms of oppression. Therefore, the company law and corporate governance now trends towards the qualification of the majority principle and carving out various exceptions to protect the minority shareholders.[5]

B. Exceptions: oppression, mismanagement, unfair prejudice

To counter the risk of majority oppression, statutory and common law jurisdictions contain various exceptions which enable the minority to obtain relief against the

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[4] CA S. Srikanth, *Prevention of Oppression and Mismanagement*, Board of Studies (Academic), The Institute of Chartered Accountants of India (ICAI), *available at:* https://live.icai.org/bos/vcc-2nd-batch-recorded-lectures/pdf/Prevention%20of%20Oppression%20and%20Mismanagement.pdf (last visited Aug. 7, 2026).

[5] Samridhi Gupta, "Oppression and Mismanagement in Companies", *SSRN Electronic Journal* (2024), *available at:* https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4770969 (last visited Aug. 7, 2026).

majority on the grounds of 'oppression', 'mismanagement', or 'unfair prejudice'. Indian law, through the Companies Act 2013, offers a bouquet of remedies under Sections 241 to 246 for 'oppression and mismanagement' by the majority. This enables the minority shareholders to approach the National Company Law Tribunal if the affairs of the company are being conducted in a manner that is prejudicial to their interests or to the public interest. Statutes in other common law jurisdictions also provide similar relief, for instance, the UK Companies Act 2006 Section 994, also known as the 'unfair prejudice' remedy which allows minority shareholders to approach the Court if the company's affairs are being conducted in a manner that is unfairly prejudicial to their interests.

The rationale behind such 'unfair prejudice' lies in the principle that majority control should not override minimum standards of commercial ethics, fairness, and good faith in dealing with minority shareholders, which is why the Court will find 'oppression' in 'a perversion of probity'. The Companies Act 2013 does not define the term 'oppression' and the Courts have interpreted it to be in-built safeguards to prevent the majority from taking any action, through the management of the company, for the benefit of the dominant shareholders and to the detriment of the minority shareholders. The determination that an oppressive action has been taken by the majority is not as straightforward as an action merely disagreeable to the minority, but the existence of such remedies ensures that minority shareholders are not entirely at the whims and caprices of the majority shareholders.[6]

C. Definition and typology of minority shareholders

The term 'minority shareholder' usually refers to members in a company holding a lesser fraction of the issued share capital or voting power in a firm, which does not give them control over the decision-making process. There is a number of subcategories of such investors, for instance, small shareholders and minority shareholders in different types of firms. The latter can belong to either private or publicly owned companies. The former designates small investors holding only a

[6] CA S. Srikanth, *Prevention of Oppression and Mismanagement*, Board of Studies (Academic), The Institute of Chartered Accountants of India (ICAI), *available at:* https://live.icai.org/bos/vcc-2nd-batch-recorded-lectures/pdf/Prevention%20of%20Oppression%20and%20Mismanagement.pdf (last visited Aug. 7, 2026).

minuscule number of shares. Particularities of these two groups define the main differences between minority shareholders in private and listed firms.

To begin with, minority shareholders inhabiting closely held businesses are deprived of liquidity, face a high risk of being exploited, encounter information asymmetry, and experience difficulties managing their own affairs. Contrariwise, minority shareholders in public firms can rely on a liquid market, have access to information, and benefit from activism performed by institutional investors. However, they remain vulnerable to 'tunnelling' conducted by controlling shareholders and can be subjected to squeezes as well.[7]

Indian company law grants small shareholders as a distinct category of shareholders and provides them with specific rights, such as the right to elect a small shareholder director in the case of some listed companies, thereby acknowledging the particularities of their low agency cost. Nevertheless, the law also recognizes the risks associated with such a status by limiting the rights of small shareholders in terms of the oppression remedy and class action, where the relevant legislation (the Companies Act 2013) presumes the insignificance of their shareholding. However, the definition of small shareholders is determined by particular thresholds of either the number or the proportion of shares, which should also be considered in terms of the categories of minority shareholders. This is essential for understanding which actors in the corporate world can actually rely on the remedies provided by the law and the rules they may need to reformulate in the future.[8]

D. Corporate governance and minority protection

Corporate governance as it is defined in international frameworks is built around protection of minority shareholders. The G20/OECD Principles of Corporate Governance states that in order to achieve governance goals, shareholders must secure ownership registration, conveyance of securities, participation in general meetings,

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[7] OECD, *Related Party Transactions and Minority Shareholder Rights* (OECD Publishing, Paris, 2012), *available at:* https://www.oecd.org/content/dam/oecd/en/publications/reports/2012/03/related-party-transactions-and-minority-shareholder-rights_g1g19317/9789264168008-en.pdf (last visited Aug. 7, 2026).

[8] Shubham Saini, "Minority Shareholder Protection in India: A Critical Analysis of Oppression and Mismanagement Under the Companies Act, 2013" 6(6) *Indian Journal of Legal Review* 945 (2026), *available at:* https://ijlr.iledu.in/wp-content/uploads/2026/04/V6I698.pdf (last visited Aug. 7, 2026).

 (ISSN: 2583-7753)

and right to vote on significant matters. For example, The II principle states the rights of shareholders and explicitly says that minority shareholders have the right to "secure in their share ownership registration, dealings in shares, participation in general meetings, and exercise voting power on fundamental company decisions." The III rd principle covers equitable treatment of shareholders and says that minority shareholders should be free from oppression and take advantage of the protection mechanisms, including protection from "unjust exploitation or self-dealing by controllers or other shareholders."

IOSCO recommendations contain plenty of guidance on minority shareholders ownership. Reports cover such items as control function – for example, requiring majority of minority votes for certain transactions, ensuring disclosure of related party transactions, and establishing independent board oversight to prevent expropriation of minority shareholders. In addition, the reports suggest implementing the following: monitoring and enforcement – by imposing penalties for misbehavior; transparency – by disclosing related party transactions and beneficial ownership; and controlling major shareholders – by making sure that they act in the best interests of the minority shareholders, including ensuring that they do not take advantage of their control position. Overall, corporate governance principles mandate that minority shareholders need to be protected in a variety of areas and this should be ensured through proper organization of board structure, committees, disclosure policies and voting procedures etc.[9]

In the Indian context corporate governance codes and the SEBI regulations operationalize the international normative expectations by laying down rules regarding independent directors, audit and stake holder committees and extensive disclosure of related party transactions in an attempt to make Indian practice congruent with global principles of fair treatment of minority investors. The underlying logic therefore is that corporate governance rules both hard law and soft law are aimed at plugging the gaps which give rise to the need for the oppressed

[9] OECD, *G20/OECD Principles of Corporate Governance 2023* (OECD Publishing, Paris, 2023), *available at:* https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/09/g20-oecd-principles-of-corporate-governance-2023_60836fcb/ed750b30-en.pdf (last visited Aug. 7, 2026)

minority to approach the courts for the remedies of mismanagement and oppression, thus providing ex-post governance.[10]

V. LEGAL FRAMEWORK FOR MINORITY SHAREHOLDER PROTECTION (INDIA FOCUS)

A. Statutory remedies under the Companies Act 2013 (Sections 241–246)

Indian company law provides a statutory remedy for minority shareholders through the oppression and mismanagement provisions of the Companies Act 2013, Sections 241-246. Section 241 enables any member to approach the National Company Law Tribunal if the company is being unfairly managed or mismanaged, or any member is oppressed by such management, or any of the company's affairs concern prejudicially; or there is a possibility that a significant change in the control of the company may happen or has occurred, and its management may be detrimental to the company's members or the public. In addition, when the Central Government feels that the company's affairs concern matters prejudicially to the public, it may also approach the Tribunal. Hence, it may be concluded that the matter of the oppression provisions in the Companies Act 2013 is concerned with both private and public issues.[11]

The Act does not provide concrete definitions of oppression and mismanagement; it leaves it to the courts to interpret these terms. Judicial decisions indicate that oppression means an act which is unfair or unjust exercise or use of power, and mismanagement is dishonest or prejudicial or grossly incompetent use of management. However, courts have to evaluate whether particular acts constitute oppression or mismanagement and determine the remedy or declare that a petition under section 241,245, or any other provision applies.

Thus, the cases decided by the courts are of immense importance. They show that the acts complained of, when carried beyond a point, fall under oppression and mismanagement. The acts include excluding the shareholders from management,

[10] OECD, *Related Party Transactions and Minority Shareholder Rights* (OECD Publishing, Paris, 2012), *available at:* https://www.oecd.org/content/dam/oecd/en/publications/reports/2012/03/related-party-transactions-and-minority-shareholder-rights_g1g19317/9789264168008-en.pdf (last visited Aug. 7, 2026).

[11] ClearTax, "Oppression and mismanagement in a company", *ClearTax* (Apr. 21, 2025), *available at:* https://cleartax.in/s/opression-mismanagement (last visited Aug. 7, 2026).

misappropriation of company property, or alteration of company procedures. In addition, the Act makes provisions under section 246 for penal and investigative powers available to courts in cases that require them.[12]

B. Eligibility thresholds under Section 244

The section 244 stipulates the minimum number of members required to seek the relief in the section 241. Thus, in case of a company with share capital the number of members should be either (a) not less than 100 members or members holding at least one tenth of the total number of members, or (b) any member or members holding not less than one tenth of the issued share capital, provided that all the calls due on the shares have been paid. However, in case of companies having no share capital, the number shall be not less than one fifth of the total number of members.[13]

These numerical and percentage thresholds are designed to prevent the abuse of the derivative action mechanism as a tool by minority shareholders to pursue non-meritorious claims. At the same time, as some commentators and courts have noted, such thresholds may thwart the derivative action remedial function when it comes to dispersed minority shareholders, who may face significant challenges in uniting to achieve the necessary level of support, especially in closely held firms. Section 244 therefore provides that the NCLT has the discretion to relax these requirements in appropriate cases. Notably, the section also allows for one or more members to apply on behalf of the others, provided that they have received the written consent of the others, thus acknowledging the difficulties caused by a lack of unity amongst minority shareholders in closely held firms.[14]

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[12] S.S. Rana & Co., "Oppression and Mismanagement", *S.S. Rana & Co. Advocates*, *available at:* https://ssrana.in/corporate-laws/company-laws-india/oppression-and-mismanagement/ (last visited Aug. 7, 2026)

[13] ClearTax, "Oppression and mismanagement in a company", *ClearTax* (Apr. 21, 2025), *available at:* https://cleartax.in/s/opression-mismanagement (last visited Aug. 7, 2026).

[14] Aditya Vikram Jalan and Urvashi Misra, "Action against Oppression and Mismanagement – An Effective Tool?", *AZB & Partners* (Jun. 10, 2022), *available at:* https://www.azbpartners.com/bank/action-against-oppression-and-mismanagement-an-effective-tool/ (last visited Aug. 7, 2026).

C. Powers of NCLT under Section 242

Once oppression or mismanagement has occurred, Section 242 NCLT gives a wide power to tribunal to 'bring to an end the matters complained of'. It is not confined to giving only declaratory relief. The tribunal may make orders necessary or proper to regulate the affairs of the company in future. Further, it may direct that the shares or interest of any member be purchased by other members or by the company and the purchase of the shares or the interest will result in a reduction of share capital. Further, the order may restrict the transfer or allotment of shares. Further, the tribunal may also terminate, rescind or vary any agreement of the company with its managing director, other directors, or manager or any other agreement which causes oppression unless notice and consent had been given as to the terms and conditions of their continuation.[15]

Section 242 also enables the tribunal to remove managing directors, managers, or other directors, and to determine the manner in which they are re-appointed, the recovery of any benefits accrued by them to the Investor Education and Protection Fund or as compensation to victims, and the appointment of new directors subject to reporting to the Tribunal. The Tribunal may also make interim orders and any other orders it considers just and equitable and any variation of the memorandum and articles of association by virtue of such order shall be binding on the company and shall file copies thereof certified by the tribunal with the registrar within a specified period. The powers enumerated in this section further demonstrate that oppression and mismanagement remedies were primarily intended to remedy and prevent oppressive and improper management of a company and serve as protective measures to manage minority shareholders and not as punitive measures to penalize wrong-doing by majority against minority shareholders.[16]

[15] Sandeep Kanoi, "Oppression & Mismanagement | Section 241-246 | Companies Act, 2013", *TaxGuru* (Mar. 26, 2022), *available at:* https://taxguru.in/company-law/oppression-mismanagement-section-241-246-companies-act-2013.html (last visited Aug. 7, 2026).
[16] Supra

D. Class action suits under Section 245

Section 245 provides for class action, where under the management or control of the company, or the affairs of the company, or any member or depositor is prejudicial to the interest of the company, its members or depositors. The number or proportion of members or depositors specified may apply to the NCLT by at least one hundred members or ten percent of total members or by depositors holding not less than a prescribed proportion of the issued share capital for seeking relief. The reliefs to be applied by the NCLT are the same as mentioned in Section 244. These reliefs may restrain the company from committing ultra vires acts, acts contrary to the memorandum and articles of association, or acts done by resolutions passed by taking advantage of misstatements and concealment of facts. The reliefs also include damages or compensation from the company, directors, auditors, or experts.[17]

Although for some time it was gathering dust, it seems that Section 245 is now ready to see some action. The recent decision in the Jindal Poly Films case shows that both the NCLT and NCLAT are now willing to use class action lawsuits as an instrument to enable minority shareholders of promoter owned companies to stand up to the promoters. First off, the Tribunal accepted that a shareholder class action could be brought in respect of related party transactions by the company in which value was transferred. Second, it held that for listed companies the "trigger" for initiating a class action was "4.99 percent shareholding" (since 5% shareholding would give the shareholder status of a promoter). Third, it interpreted Section 245 as a "positive" enactment which means there is no limitation on its remedy or applicability, but which rather has far-reaching implications for a company and its management which have acted "prejudicially" against the shareholders. This decision marks a shift from simply acknowledging the existence of a law to its actual use for the stated purposes.[18]

[17] K Yashwanth Rao, "Class Action Suits Under Companies Act, 2013", *iPleaders Blog* (Aug. 29, 2016), *available at:* https://blog.ipleaders.in/class-action-suits-companies-act-2013/ (last visited Aug. 7, 2026).

[18] Hiral Gupta and Subhalaxmi Sen, "Minority shareholders revive class actions for accountability", *Law.asia* (Mar. 25, 2026), *available at:* https://law.asia/section-245-class-action-india/ (last visited Aug. 7, 2026).

E. Small shareholder director and board representation

Indian law recognises the vulnerability of small shareholders and provides a limited mechanism for their representation on the board of listed companies. However, this mechanism must be accurately described as permissive rather than mandatory. Section 151 of the Companies Act, 2013 provides that a listed company may have one director elected by small shareholders, and does not impose a default obligation on every listed company to appoint such a director. Rule 7 of the Companies (Appointment and Qualification of Directors) Rules, 2014 further provides that such election may take place upon notice by not less than 1,000 small shareholders or one-tenth of the total number of small shareholders, whichever is lower. The Rules also permit a listed company to appoint a small shareholders' director suo motu, in which case the requisition requirement does not apply.

Accordingly, the earlier characterisation that listed companies "have to allow" such election when "a few hundred" shareholders request it should be corrected. The small shareholders' director mechanism is better understood as an optional participatory device designed to improve minority representation, but its practical significance remains limited because it depends either on voluntary adoption by the company or on mobilisation by a large number of small shareholders. This limited uptake also supports the paper's broader argument that formal governance mechanisms may exist in law but may not always translate into effective minority protection in practice.This feature supplements the requirement of independent directors and boards committees by various corporate governance rules, thus ensuring the incorporation of minority and small shareholder views at the level of the board of directors.

Nevertheless, the practical and doctrinal perspectives highlight the limitations of the representativeness of small shareholder directors due to the overall domination of promoters in most of the Indian companies. Despite this fact, the existence of such policies contributes to an understanding that the representation and the possibility of legal recourse are essential ways to ensure that minority shareholders have an opportunity to control and object to the management's decisions.[19]

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[19] Shubham Saini, "Minority Shareholder Protection in India: A Critical Analysis of Oppression and Mismanagement under the Companies Act, 2013" 6(6) *IJLR* 945 (2026).

F. SEBI listing regulations, takeover rules, and disclosure requirements

In addition to the Companies Act, SEBI regulations protect minority shareholders in listed companies through disclosure, board oversight, takeover regulation, and related-party transaction controls. The SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 require listed companies to disclose material financial information, governance events, and related-party transactions in a timely manner. Earlier reforms had moved toward stricter scrutiny of related-party transactions through audit committee review, shareholder approval for material RPTs, and restrictions on voting by related parties.

However, this position must now be read with the SEBI (LODR) (Fifth Amendment) Regulations, 2025, notified in November 2025, which recalibrated the RPT framework by introducing scale-based materiality thresholds and easing certain approval and disclosure requirements. SEBI's own board memorandum records that the review concerned thresholds for material RPTs of listed entities and subsidiaries, relaxation in information to be furnished to audit committees and shareholders, and clarification of RPT provisions.

Accordingly, the paper should not describe SEBI's RPT regime as a purely unidirectional move toward stronger minority-protective voting. The current position is more nuanced: while SEBI continues to recognise RPT regulation as a minority-protection tool, the 2025 amendment also reflects an "ease of doing business" approach that narrows the range of transactions requiring shareholder or majority-of-minority approval, especially by raising materiality thresholds for larger listed entities. SEBI's memorandum notes that the earlier ₹1,000 crore or 10% turnover threshold was considered onerous for high-turnover listed entities and that the new scale-based framework was intended to reduce the compliance burden.[20]

The SEBI takeover regulations are designed to protect minority shareholders in takeover scenarios by requiring open offers at specified thresholds, thus obliging the acquirer to offer an exit opportunity at a price deemed fair to minorities, and by

[20] Securities and Exchange Board of India, *Review of regulatory provisions on Related Party Transactions*, Board Memorandum (Nov. 2021), *available at:* https://www.sebi.gov.in/sebi_data/meetingfiles/nov-2021/1635849275396_1.pdf (last visited Aug. 7, 2026).

imposing detailed disclosure requirements to enable minority shareholders to make informed choices. Additionally, by virtue of continuous disclosure requirements and corporate governance, the SEBI regulations enable the minority shareholders to obtain and act on information pertinent to control changes and other governance issues. Taken together, SEBI regulations and the Companies Act remedies form a set of measures within which minority shareholders can act to prevent or respond to oppressive or improper action on the part of the majority or management. However, the effectiveness of these measures will always be determined by their implementation and the willingness and ability of the NCLT, SEBI, and other agencies to enforce them.[21]

VI. CORPORATE GOVERNANCE REFORMS RELEVANT TO MINORITY PROTECTION IN THE INDIAN CONTEXT

A. Board structure and independence

Corporate governance reforms in India have focused on ensuring board composition and independence as a mechanism to protect minority shareholders' interests. As per the Companies Act 2013 and SEBI's listing requirements (earlier Clause 49, now LODR Regulations), listed companies are required to have a minimum percentage of independent directors on the Board – one-third in case of non-executive Chairman and one-half in case of executive Chairman, promoter or his nominee as Chairman. Independent directors are supposed to provide objectivity and prevent the domination of the promoter and related parties and deal with matters pertaining to financial reporting and related party transactions, which safeguard the economic interests of minority shareholders.[22]

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[21] Organisation for Economic Co-operation and Development, "The Rights of Shareholders and Key Ownership Functions" in *OECD Corporate Governance Factbook 2025* (OECD Publishing, Paris, 2025), *available at:* https://www.oecd.org/en/publications/oecd-corporate-governance-factbook-2025_f4f43735-en/full-report/the-rights-of-shareholders-and-key-ownership-functions_b8fa461b.html (last visited Aug. 7, 2026).

[22] Nishith Desai Associates, "Independent Directors: Steering the Governance Wheel", *Nishith Desai Associates Hotline* (Aug. 14, 2023), *available at:* https://www.nishithdesai.com/fileadmin/user_upload/Html/Hotline/Yes_Governance_Matters_Aug1423_M.htm (last visited Aug. 7, 2026)

Reforms also provide that key committees such as the audit committee, nomination and remuneration committee and stakeholders' relationship committee should be comprised of majority independent directors and independent chairpersons. The audit committee which should have at least three directors, majorly independent ones and with at least one member having financial expertise, oversees the financial reporting process, transaction with related parties, internal control systems, and whistle blower policies. This implies that independent directors are tasked with the responsibility of monitoring management and controlling shareholders' activities. Thus, the independent directors enable the board of directors to undertake its role as a policy maker and decision maker body for approving commercial activities for the company, as opposed to merely being a rubber stamp for the promoters' decisions.[23]

Indian practice has since then also witnessed a clear differentiation between the roles of chairperson and chief executive, with governance codes and committee recommendations promoting the appointment of non-executive or independent chairs, and seeking to de couple chairman positions from those of major promoter groups. The objective being to limit undue managerial override, while giving room for independent directors and committees to act as check and balance ongoing management decisions, risky adventures and dealings which may prejudice minority interests. Although such practices do not necessarily guarantee effective control, they do represent a healthy move away from promoter capture of the board, towards a more equitable governance structure.[24]

B. Disclosure and transparency reforms

A second class of corporate governance reforms mandated by the Kotak Committee, subsequent takeover reforms, and applicable regulations concern enhanced disclosure and transparency, notably in the areas of related party transactions (RPTs), beneficial ownership, directorships, and executive compensation. SEBI's LODR Regulations, as

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[23] Board of Studies, Institute of Chartered Accountants of India, *Chapter 7: Audit Committee and Corporate Governance*, Final Level Paper 3: Advanced Auditing and Professional Ethics (2021), *available at:* https://live.icai.org/bos/vcc-2nd-batch-recorded-lectures/pdf/Audit%20Committee%20&%20Corporate%20Governance.pdf (last visited Aug. 7, 2026).
[24] Deloitte India, "Governance 101: All You Need to Know on Corporate Governance Practices in India", *Deloitte Perspectives*, *available at:* https://www.deloitte.com/in/en/issues/climate/governance-101.html (last visited Aug. 7, 2026).

advised by the Kotak Committee and subsequent reforms, require disclosure of RPTs including the terms and basis for determining whether the transactions are at arm's length, as well as board and audit committee approvals, and in some cases shareholder approvals, for such transactions. It addresses the concern that controlling shareholders may engage in value diversion through related party transactions and cause undisclosed losses to minority shareholders.[25]

Regulatory reforms also provide for enhanced disclosure of beneficial ownership and promoter holdings to ensure that there is no secrecy in regard to ownership structure and that investors are aware of who is likely to benefit from a particular business decision. In addition, the reforms require disclosure of director's interest and remuneration through annual reports and notices of meetings. This enables the minority shareholders to question whether the board of directors acts in their best interest or the promoters'. The reforms also mandate timely reporting of financial information to enable investors to make reasonable judgments on the performance of the business and detect any irregularities. Listed companies are expected to provide quarterly and annual reports that are audited by the audit committee which improves monitoring by minorities of the company's financial performance.[26]

In addition, corporate governance principles address the importance of providing timely notice of general meetings, and the need to ensure that shareholders are fully informed, for example, by means of explanatory statements, proxy forms, and circulation of relevant reports, registers, and minutes. In this regard, the guidance provided by several agencies including CFA Institute requires that all shareholders be notified of meetings and their agendas well in advance. This enables them to ask pertinent questions and raise any demands for polls with regard to specific issues coming before the meeting. Such disclosure and reporting facilitate better scrutiny on the part of the minority shareholders who can then act to ensure that appropriate policies are enforced if they feel that their interests have been harmed.[27]

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[25] Securities and Exchange Board of India, Memorandum on "Review of Regulatory Provisions on Related Party Transactions" (Nov. 2021), *available at:* https://www.deloitte.com/in/en/issues/climate/governance-101.html (last visited Aug. 7, 2026).
[26] Supra.
[27] CFA Institute, "An Investor's Guide to Shareholder Meetings in India: Rights, Roles, and Responsibilities" (Position Paper, May 2014), *available at:*

C. Shareholder rights reforms

Corporate governance reforms also contribute to the enhancement of the shareholders' rights as a mechanism of minority protection. First, at the level of company law and listing rules, preemptive rights are granted to the shareholders, which allows them to subscribe first to new issues of shares so that their ownership is not diluted without their consent. Second, the fundamental decisions, such as changes in the memorandum and articles of association, mergers, and sales of significant assets, require a qualified majority in the general meeting, which reflects their special importance and the need for a broader shareholder consensus.[28]

One significant reform in India has been the use of majority-of-minority approval for selected related-party transactions under Regulation 23 of the SEBI LODR Regulations. Under this mechanism, related parties are excluded from voting, and approval must come from disinterested shareholders who bear the economic consequences of the transaction. This gives minority shareholders an important, though limited, veto over conflicted transactions. However, the strength of this protection has been recalibrated by the SEBI (LODR) (Fifth Amendment) Regulations, 2025. The amendment introduced a scale-based threshold for material RPTs, replacing the earlier lower-of ₹1,000 crore or 10% of annual consolidated turnover test with turnover-linked thresholds and an upper ceiling of ₹5,000 crore for larger listed entities. SEBI justified the change on the ground that the earlier threshold resulted in an onerous "one-size-fits-all" approach for high-turnover companies.

Therefore, majority-of-minority approval should be analysed as a valuable but increasingly selective safeguard. While it remains consistent with international best practice for conflicted transactions, the 2025 amendment reduces the number of RPTs likely to reach shareholder approval by raising materiality thresholds and relaxing certain disclosure and approval burdens. This development is directly relevant to

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https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/position-paper/an-investors-guide-to-shareholder-meetings-in-india.pdf (last visited Aug. 7, 2026).

[28] The Conference Board and Russell Reynolds Associates, *Handbook on Corporate Governance in India* (2021), *available at:* https://www.primeinfobase.com/indianboards/files/CORPORATE_GOVERNANCE_IN_INDIA_31MARCH2021.pdf (last visited Aug. 7, 2026).

minority protection because transactions that earlier required shareholder scrutiny may now remain within audit committee or internal governance oversight.

The paper should therefore recognise the tension between its reform recommendation for stronger majority-of-minority approval and SEBI's 2025 regulatory shift toward calibrated compliance relaxation. Reuters reported during the 2025 reform process that SEBI's proposed relaxation could reduce the number of RPTs requiring shareholder approval by around 60% when applied to the top 100 NSE-listed firms in the previous two financial years.[29]

Procedurally, the shareholders, including minority shareholders, have enhanced rights in relation to calling meetings, proposing resolutions and voting by way of proxy or electronically. According to the Companies Act 2013, a minority shareholder holding not less than 10% of the paid-up share capital can requisition an Extraordinary General Meeting (EGM) and propose agenda items thereat. Thus, minority shareholders can approach the EGM to raise certain governance issues before the company.

The shareholders may also appoint proxies, who need not be the shareholders, to attend meetings and vote on their behalf on matters placed before the meeting including voting on equitable shares on a poll, if so authorized by the articles of association and such proxies shall be entitled to the same rights as the members. The companies act 2013 and the listing requirements provide that listed companies and companies with large number of shareholders should provide e voting facilities to members. This will enable minority shareholders to vote electronically and avoid the difficulties attendant to voting at meetings.[30]

Collectively, the shareholder rights reforms identified in this chapter are designed to make minority shareholders of a firm more active players in the corporate game. Taken together with board independence and improved disclosure, they provide a general governance framework within which minority shareholders are in a position

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[29] Securities and Exchange Board of India, Memorandum on "Strengthening Corporate Governance at Listed Entities – Empowering Shareholders, Highlighting ESG Disclosures and Streamlining Related Party Transactions" (Apr. 2023), *available at:* https://www.sebi.gov.in/sebi_data/meetingfiles/apr-2023/1681703127125_1.pdf (last visited Aug. 7, 2026).
[30] Supra.

to (a) obtain ex post remedies for oppression, poor performance, and litigation risks and (b) act in ways that directly affect transactions, control fights, and board elections, thus influencing events before they happen.[31]

D. Overall impact of governance reforms

Indian corporate governance reforms in independent directors, boards committees, disclosure, and SEBI's LODR regime, have indeed provided minority shareholders with new avenues of recourse. Yet, the issue of minority oppression and mismanagement remains far from resolved in promoter controlled and closely held companies. Recent academic literature and high-profile disputes demonstrate that despite improvements in boardroom formalism, the legal and institutional framework continues to be insufficient in addressing the exploitation of minority shareholders by promoters in closely held companies.

The literature on board independence and oppression jurisprudence reveals that the issue of minority exploitation persists despite the existence of a comprehensive legal and governance framework. A number of analyses indicate that there are limitations in the effectiveness of the mechanisms by which minority shareholders redress big holder oppression in the context of family businesses.[32]

E. Empirical and case-law review (Tata–Mistry and others)

The Tata-Mistry dispute is a prime example of oppression and mismanagement remedies. After Mistry's removal as Executive Chairman of Tata Sons in 2016, Shapoorji Pallonji group companies initiated legal action before the National Company Law Tribunal (NCLT) against Tata Sons on grounds of oppression and mismanagement under Sections 241-244 of the Companies Act. The petitioners argued that Mistry's removal, along with a series of other decisions, and the conversion of Tata Sons from a deemed public company to a private company, constituted

[31] Pammy Jaiswal and Sikha Bansal, "Majority of Minority to Ensure Economic Interest of Transactions with Related Parties", *Vinod Kothari Consultants* (Mar. 28, 2020), *available at:* https://vinodkothari.com/2020/03/majority-of-minority-to-ensure-economic-interest-of-transactions-with-related-parties/ (last visited Aug. 7, 2026).

[32] Utkarsh Mishra, "Comparative Analysis of NCLT & NCLAT Orders in the Tata-Mistry Case", *SSRN Electronic Journal* (2020), *available at:* https://pure.jgu.edu.in/id/eprint/2068/1/SSRN-id3632948.pdf (last visited Aug. 7, 2026).

oppressive conduct. The Mumbai bench of NCLT dismissed the petition on grounds of corporate democracy, the principle of majority rule, and the limitations of minority control. The tribunal held that unless specific oppression or illegality was demonstrated, minority shareholders could not challenge decisions made by the majority.[33]

On appeal, NCLAT overturned NCLT's decision, finding Mistry's termination illegal due to governance failures and directing his reinstatement, thus adopting a broader interpretation of oppression, quasi-partnership doctrines, and minority expectations. Nevertheless, in Tata Consultancy Services Ltd v. Cyrus Investments Pvt Ltd, the Supreme Court ruled against NCLAT's decision, reinstating NCLT's dismissal of his petition and highlighting an onus on minority shareholders to demonstrate beyond reasonable doubt that oppression, as a ground for winding up, was indeed severe. The Court concluded that termination of a chairman on its own did not constitute an oppression that would require a company's dissolution, but rather that minority shareholders must demonstrate a quantum of oppression. Scholars argue that the ruling demonstrates the challenges facing minority shareholders seeking to pursue remedies and protect their interests, even in high-profile cases with considerable investment and serious governance concerns raised.[34]

Besides Tata-Mistry, empirical examination of oppression petitions in the NCLT reveals that in practice, such oppression and mismanagement rarely find grounds for remedy. Courts tend to adopt a conservative approach, demanding substantial proof of continuous oppression and decline to intervene in cases where the oppression is interpreted as a dispute of business judgment or "loss of confidence" by the minority shareholders in the managing board's decisions. Thus, despite being available as a remedy, it appears that the tool is rarely used to deter majority shareholders from exploiting their power.[35]

[33] Supra.
[34] *Tata Consultancy Services Ltd.* v. *Cyrus Investments Pvt. Ltd.*, (2021) 9 SCC 449.
[35] S.S. Rana & Co., "Oppression and Mismanagement under Company Law in India", *S.S. Rana & Co. Corporate Laws*, *available at:* https://ssrana.in/corporate-laws/company-laws-india/oppression-and-mismanagement/ (last visited Aug. 7, 2026).

F. Procedural and structural barriers

One procedural hurdle which may dissuade potential applicants from utilizing the Section 244 oppression remedy is the requirement for at least 100 members or 10% of issued share capital (or its equivalent) to apply, which can be waived by the tribunal on justiciable grounds. In Tata-Mistry, the Shapoorji Pallonji group's 2.82% of issued share capital in Tata Sons was below the 10% threshold and thus they had to approach the NCLT for waiver which was denied by the tribunal indicating its disinclination to dilute the requirements for any large minority shareholder. Researchers feel that such a threshold may be particularly detrimental to promoter dominated companies with a dispersed public shareholding in which a minority shareholder may find it extremely difficult to mobilize the numbers required for oppression proceedings.

Additional structural barriers to the minority shareholders' rights realization include not only the costs and delays associated with the NCLT process, but also the challenge of proving continued oppressive actions and the need to overcome the possible prejudice to individual shareholders as well as the company or the public in the case of an oppressive company in many cases. Commentaries on oppression litigation reveal that the evidence required to prove ongoing oppressive behavior is onerous for the minority shareholders, who have to demonstrate the pattern of conduct which has been detrimental to them and possibly to the company as a whole and therefore requires the analysis of financial as well as governance issues. Coupled with the evidentiary hurdles, the threshold required to establish oppression and mismanagement is another factor which decreases the potential deterrent effect of such remedies.[36]

G. Substantive limitations in doctrine

Substantively the Indian judiciary continues to grapple with the same "pattern" requirement as highlighted in Shanti Prasad Jain v. Kalinga Tubes Ltd, where oppression was defined as a series of oppressive acts of a continuing nature, substantially oppressive, highly burdensome, wrongful or even harsh to the minority, rather than an isolated even if disagreeable incident. In oppression jurisprudence, a

[36] Ujjwal Sheth, "Oppression & Mismanagement: Taking Snippets from the Tata Mistry Saga", 5 (1) *International Journal of Law Management & Humanities* 1290 (2022).

lack of goodwill on the part of the majority or even bad faith on the part of the directors in relation to the minority is not sufficient to constitute oppression, it has to go further to show some sort of a departure from probity and fair dealing on a consistent or continuing basis, which is not conducive to the needs of the company.[37]

Moreover, the Court's interpretation of Section 241 makes any form of relief depend on its being "just and equitable" in the context of the winding up, which requires showing that while the circumstances would be appropriate for winding up the company, this would prejudice the minority. The problem is that, as per TATA-MISTRY case, any just and equitable removal of the chairman would fail to meet this exacting standard of the oppression remedy, and hence any form of oppressive relief would be denied. By making it harder for minorities to secure any relief, the Court has in fact narrowed down the scope of 'oppression' to an extremely limited set of situations, thus, constraining the scope for remedies available under the Companies Act, 2013, for the wrongs done to the minority shareholders. Therefore, it can be argued that the judgment has in fact removed a key safety valve for minority shareholders, by making it excessively difficult to prove the applicability of Section 241.

H. Governance practice gap: independence and effectiveness

Going back to governance structures, there is a sizeable literature addressing the issue that although formal independence of the board is postulated, the reality is that the true minority interests are seldom protected, particularly in promoter-controlled companies. The Companies Act, 2013 along with SEBI's LODR Regulations provide for independent directors as a measure to improve corporate governance and to promote the interests of minority shareholders and other stakeholders. In practice, however, it is the dominating shareholders who appoint, nominate and remove independent directors. Thus, unless such directors are truly independent, they may not be in a position to act contrary to the promoters' interests

Therefore, independent directors may end up being mere nominees of the promoter and may not oppose promoter-friendly transactions and decisions.

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[37] Supra.

Studies of board behaviour and corporate failures suggest that independent directors are unlikely to oppose publicly or to investigate thoroughly even the clearest evidence of lack of value or governance problems, possibly explaining why governance reforms often do not lead to effective monitoring. Some key factors contribute to this phenomenon including the pro-promoter culture, limited information flows to independent directors, restricted board agenda, and insufficient performance assessments. Consequently, minority shareholders often find that governance changes are ineffective because independent directors act more as symbols required by regulation than as true monitors of the promoter's activities.[38]

I. Compliance-box ticking vs genuine protection

Several reports on Indian corporate governance reveal that many companies practice "compliance box ticking". While there may be a superficial adherence to the requirements of board composition, committees and disclosures, the reality is that of continuing domination by the controlling shareholders. Independent directors, audit committees, RPT approvals and so on, rarely act to frustrate promoter directed transactions or votes on related party transactions. Even the much talked about issue of loss of confidence by the Tata's board in Mistry does not give minority shareholders much confidence in terms of their ability to influence decision-making or key appointments at the top.[39]

From a critical perspective, therefore, it is safe to conclude that reforms in corporate governance in India represent expansion of the formalities which offer limited protection to the minority shareholders, and do not wholly address doctrinal, procedural and practical shortcomings that undermine their effectiveness, and hence require modification in thresholds, relaxed tests, greater enforcement and enhanced

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[38] Umakanth Varottil, "Corporate Governance in India: The Transition from Regulatory Compliance to Board Engagement", *SSRN Electronic Journal* (2018), *available at:* https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3118250 (last visited Aug. 7, 2026).
[39] Nishith Desai Associates, *The Tata Mistry Saga: Corporate Governance Lessons and Legal Insights* (Research Paper, 2021), *available at:* https://www.nishithdesai.com/fileadmin/user_upload/pdfs/Research_Papers/The_Tata_Mistry_Saga.pdf (last visited Aug. 7, 2026).

reliance on the role and resources of boards and committees to act as agencies of empowerment to minority shareholders.[40]

VII. COMPARATIVE AND INTERNATIONAL PERSPECTIVES.

A. OECD and IOSCO standards on minority protection

International corporate governance standards require ex ante and ex post minority shareholder protection within the framework of measures. The G20 / OECD Principles of Corporate Governance, in particular Principle II (Shareholder Rights) and Principle III (Equitable Treatment of Shareholders), stipulate that the corporate governance system should ensure that shareholders' rights are protected and that all shareholders, including minority and foreign shareholders, are treated equally. The principles contain a number of ex ante norms intended to protect minority shareholders. These include pre-emptive rights to subscribe for new shares, the need for qualified majorities for fundamental decisions, with the corresponding minimum participation of shareholders (usually 10% of the total number of shares) in order to convene a meeting of shareholders, and other measures.[41]

The OECD methodology is particularly interesting with its clear distinction between ex ante and ex post mechanisms that seek to prevent rights abuses or provide remedies for when they do occur, respectively. The former category includes such measures as automatic pre-emption rights on share issues, shareholder approval for large-scale disposals of assets (51%), and restrictions on the combination of the office of chairman and chief executive. These are all designed to prevent dilution, deal locking, and oppression by controlling the concentration of power. The latter category encompasses derivative actions, oppression/unfair prejudice remedies, and

[40] SCC Online Blog, "Tata v. Mistry: A Case for Greater Protection of Minority Shareholders' Rights", *SCC Online Blog* (May 15, 2021), *available at:* https://www.scconline.com/blog/post/2021/05/15/tata-v-mistry-a-case-for-greater-protection-of-minority-shareholders-rights/ (last visited Aug. 7, 2026).

[41] Organisation for Economic Co-operation and Development, *G20/OECD Principles of Corporate Governance*, OECD Legal Instruments (2023), *available at:* https://legalinstruments.oecd.org/public/doc/151/body-text.en.html (last visited Aug. 7, 2026).

approaches of seeking court or tribunal remedies, which serve to stop related party transactions, expropriation, or unfairly prejudicial changes to the control structure.[42]

The IOSCO report on the protection of minority shareholders in listed issuers develops further the recommendation set out in OECD Principle III on the need to protect minority shareholders from the oppression of the controlling shareholders and provides appropriate remedies. The report covers multiple areas in this regard including the need to consider the balance between voting power and economic risk, minority shareholder rights and remedies, protection of minority shareholders in the case of change of control and related party transactions, and general responsibilities of securities regulators. IOSCO considers various good practices in this regard including disclosure of information on significant shareholders and their voting rights, requiring shareholder approval of all material related party transactions with the controlling shareholders, applying the principle of abstention by interested directors, and implementing mandatory tender offer obligations to equalize the position of controlling shareholders and minorities, particularly in the case of realization of control premia.[43]

The IOSCO survey also shows that in many countries, minority shareholders may call meetings, demand ballots, vote electronically, and in some countries, vote cumulatively or nominate directors so as to participate in decision-making processes. In several countries, minority shareholders can nominate members for the board of directors or the audit committee through either cumulative voting or the allocation of reserved seats, thus influencing company policy. The standards set above can be used by countries such as India to develop their own corporate governance policies for ensuring minority shareholders' rights since they represent international best practices.[44]

[42] International Organization of Securities Commissions, *Board Independence of Listed Companies* (Report FR04/09, Mar. 2009), *available at:* https://www.iosco.org/library/pubdocs/pdf/IOSCOPD295.pdf (last visited Aug. 7, 2026).
[43] Ibid.
[44] Organisation for Economic Co-operation and Development, *G20/OECD Principles of Corporate Governance*, OECD Legal Instruments (2023), *available at:* https://legalinstruments.oecd.org/public/doc/151/body-text.en.html (last visited Aug. 7, 2026).

B. Comparative remedies: UK unfair prejudice (Section 994) and Australian oppression (Section 232)

1. UK: unfair prejudice remedy (Section 994 Companies Act 2006)

In the UK, minority protection stands out as a key area of law; it is most notably addressed through the unfair prejudice remedy under Section 994 of the Companies Act 2006. S.994 allows any member to apply to the court if the company affairs have been or are being conducted in a manner that is unfairly prejudicial to the members' interest (or some of them) or would be unfairly prejudicial to the members' interest if carried out by the company. The standing in such cases is broad: the court has repeatedly ruled that even a one-shareholder member can apply, and in some situations, a beneficial owner or transferee can apply if their remedy otherwise would be denied due to registration specifics.[45]

The statutory test requires that a petitioner demonstrate that the petitioner has been prejudiced in his or her interests as a shareholder, usually in the form of deprivation of business opportunity, dilution, or exclusion from management in a quasi-partnership framework, and such prejudice was objectively unfair, having regard to the company's articles of association, any shareholders' agreements, and legitimate expectations. Courts consider the entire body of conduct, including negotiations at the board level and any contractual terms, to discern what a reasonable commercial person, having regard to the relevant agreements and legitimate expectations, would regard as unreasonable or unfair. Typical forms of such prejudice may include exclusion from management, where a right to participate had been legitimately expected, creation of value captured by controlling shareholders, and manipulation of share issues and dividends to the disadvantage of minority shareholders.[46]

Remedies under Section 994 are extremely wide, with courts having an ability to make "such order as they think fit" in order to remedy the situation. The most common orders are purchase orders, requiring the majority or wrongdoers to buy the

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[45] Section 994, Companies Act 2006 (UK), *available at:* https://www.legislation.gov.uk/ukpga/2006/46/section/994 (last visited Aug. 7, 2026).

[46] Harrison Clark Rickerbys Solicitors, "Who Can Present an Unfair Prejudice Petition under Section 994?", *HCR Law* (May 20, 2021), *available at:* https://www.hcrlaw.com/news-and-insights/who-can-present-an-unfair-prejudice-petition-under-section-994/ (last visited Aug. 7, 2026).

petitioner's shares at a price to be determined, usually without a minority discount, thus providing "clean break" and compensating the petitioner for the unfair conduct. The courts could also make orders regulating the conduct of the company's affairs, or any other order to prevent further oppression or depriving of the power of the petitioner or his rights as a shareholder. Recent cases and commentaries show that the remedy of the petition for unfair prejudice is becoming increasingly common in England and Wales, being used to enable the minority to obtain substantial compensation if he is oppressed by the majority in the company.[47]

2. Australia: oppression remedy (Section 232 Corporations Act 2001)

Australian Law provides for wide oppression remedy by virtue of section 232 of the Corporations Act 2001. Specifically, if a company's affairs, actual or proposed act or omission, or a resolution of the members or class of members is "oppressive or unfairly prejudicial or unfairly discriminatory" to any member or members or contrary to the interests of the members as a whole. The wording is deliberately wide to enable courts to develop a policy of commercial fairness, which is particularly important for private companies, which often have a strong family element, where minority shareholders can be squeezed out or where there may be a need to prevent wrongful diversion of company profits.[48]

Relief under Section 233 is wide, encompassing orders relating to the management of a company, rescission and variation of resolutions, share purchases, and even the winding up in the most serious cases. Law reform discussion and case law indicate that Australian courts are not adverse to innovative remedies in appropriate cases to achieve a commercially just outcome, rather than being tied to theoretical niceties of oppression or injustice. The commentators suggest that, overall, the oppression remedy has provided reasonably effective relief in a range of difficult cases, but there

[47] Section 994, Companies Act 2006 (UK), *available at:* https://www.legislation.gov.uk/ukpga/2006/46/section/994 (last visited Aug. 7, 2026).
[48] Victorian Law Reform Commission, "3. The Oppression Remedy in the Corporations Act", *Trading Trusts: Oppression Remedies Report* (Report No. 3, 2021), *available at:* https://www.lawreform.vic.gov.au/publication/trading-trusts-oppression-remedies-report-3/3-the-oppression-remedy-in-the-corporations-act/ (last visited Aug. 7, 2026).

have been significant difficulties with costs and complexity, and concerns about the lack of clarity in relation to legitimate expectations.[49]

From a comparative perspective, UK and Australia have comparatively lower entry barriers and broader judicial discretion than India's oppressive and mismanagement-oriented provisions, making them worthy of consideration for minority protection reforms.[50]

C. Lessons for India and other emerging markets

1. Cumulative voting and minority board representation

According to OECD and IOSCO research, the practice of cumulative voting, and the allocation of reserved seats for minority shareholders are implemented in many jurisdictions to ensure minority representation in boards of directors. Under cumulative voting, shareholders can entitle a single candidate or more to the number of votes allocated to the seat on the board while apportioning the remaining votes to other candidates. This way, a united minority can overcome the control of the majority of shareholders in the selection of at least one director while allocating votes to other directors as they see fit. IOSCO reports that in at least 15 jurisdictions, a minority of shareholders can elect directors through cumulative voting, and in the cases of Italy, among others, the allotment of at least one director seat is mandatory.[51]

For India and other emerging markets, formalizing and extending these mechanisms beyond the small shareholder directorships would make good sense. It would provide a useful input to the board on issues affecting minority shareholders. There is a need to consider giving minority shareholders explicit rights to appoint and elect directors by cumulative voting or separate slates with protection against capture by the promoters of nominally independent or minority friendly directorships. Experience in other countries suggests that minority representation on the board together with

[49] Paul Hess, "Shareholder Oppression in Australia: Comparative Perspectives and Proposals for Reform", 45 (4) *UNSW Law Journal* 1541 (2022).
[50] Victorian Law Reform Commission, "3. The Oppression Remedy in the Corporations Act", *Trading Trusts: Oppression Remedies Report* (Report No. 3, 2021), *available at:* https://www.lawreform.vic.gov.au/publication/trading-trusts-oppression-remedies-report-3/3-the-oppression-remedy-in-the-corporations-act/ (last visited Aug. 7, 2026).
[51] Supra.

enhanced independence and access to information can contribute meaningfully to effective monitoring of related party transactions as well as other decisions affecting the minority shareholders.[52]

2. Mandatory majority-of-minority approval

International practice and IOSCO guidance continue to support majority-of-minority approval as an effective ex ante protection mechanism for conflicted transactions, especially related-party transactions involving controlling shareholders. Under such a regime, controlling or interested shareholders abstain from voting, and the transaction must be approved by disinterested shareholders who bear the economic risk of the transaction. India's earlier movement toward majority-of-minority approval for material RPTs was broadly consistent with this approach. However, after the SEBI (LODR) (Fifth Amendment) Regulations, 2025, the Indian position is no longer accurately described as a simple, continuing expansion of majority-of-minority voting. The 2025 amendment raises materiality thresholds, introduces scale-based thresholds for listed entities, and relaxes certain information and approval requirements, thereby narrowing the practical scope of transactions that must be placed before shareholders.

For India and other emerging markets, majority-of-minority approval should still be recommended for substantial RPTs, squeeze-outs, major restructurings, and value-transfer transactions. However, the paper must also acknowledge that the current SEBI trajectory partly moves in the opposite direction by prioritising ease of doing business and reducing approval burdens for certain RPTs. This does not eliminate minority protection under Regulation 23, but it weakens the claim that Indian regulation is steadily expanding shareholder veto rights. The more accurate conclusion is that India now follows a calibrated model: material and high-value conflicted transactions remain subject to scrutiny, but a broader class of smaller or threshold-excluded RPTs may escape shareholder-level approval.[53]

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[52] World Bank Group, *Corporate Governance and Minority Shareholder Protection: Policy Options and Implementation* (Report No. P170614, 2023), *available at:* https://documents1.worldbank.org/curated/en/099062323142094335/pdf/P1706140d0f70906409b290315ff02767d7.pdf (last visited Aug. 7, 2026).

[53] Supra.

For India and other emerging markets, a requirement of majority of minority approval for a substantial related party transaction, squeeze-out, or major restructuring would better align economic incentives, deter tunnelling, and improve minority confidence in the capital markets. The IOSCO recommendations therefore call for such voting structures, together with enhanced disclosure, director abstention requirements, and regulatory enforcement, to ensure minority shareholder consent to major related party transactions in order to prevent their dilution.[54]

3. Strengthening enforcement and ex-post remedies

International researches make clear that not only the existence but also the effectiveness of specific authorities mandate the protection of minority shareholders, including courts, tribunals, and securities regulators. By devoting an entire chapter to the role of securities regulators, IOSCO highlights the critical importance of their supervisory and oversight responsibilities in relation to IPO prospectuses, RPT approvals, changes in control, market abuse, and mismanagement. In many of the jurisdictions covered in the report, securities regulators have the power to annul transactions, take sanctions against majority shareholders and directors, and require that steps be taken to remedy wrongs, thus supplementing the remedies available to minority shareholders through private litigation.[55]

Lessons for India and other emerging markets include the need to bolster institutional capacity of NCLT/NCLAT/securities regulators, streamlining of minority litigation processes, and possible lowering or rationalisation of thresholds for accessing ex post remedies. By looking to the alternatives in the UK, and to a lesser extent Australia, which utilise broader tests for oppression/unfair prejudice, more flexible purchase orders (without minority discounts), and a sharper focus on commercial wrongfulness than just technical lawfulness, emerging markets can make remedies for oppression/mismanagement more accessible and effective. Combined with ex ante minority protection mechanisms, such as cumulative voting, minority board seats, and majorities of minorities, this would go a long way in approximating the ideal

[54] Supra.

[55] Organisation for Economic Co-operation and Development, *G20/OECD Principles of Corporate Governance*, OECD Legal Instruments (2023), *available at:* https://legalinstruments.oecd.org/public/doc/151/body-text.en.html (last visited Aug. 7, 2026).

minority shareholder protection model contemplated by OECD and IOSCO for modern corporate governance.[56]

VIII. SUGGESTIONS AND RECOMMENDATIONS

A. Lowering and rationalising thresholds; cost and fee-shifting

Scholars and Courts alike have acknowledged the fact that the Section 244 criteria of 100 members or 10% of issued share capital for bringing oppression or mismanagement before the National Company Law Tribunal defeats the very purpose of the law in case of promoter controlled public limited companies having very small public shareholding. IJCRT study on Oppression and Mismanagement suggests that such thresholds, while being a deterrent to abusive forum shopping, create barriers for minority shareholders and recommends lowering of the thresholds as well as amendments to the waiver guidelines to make the process more accessible to small and scattered shareholders. Same has been echoed by the NLS Bangalore article which highlights the un-constitutionality of higher thresholds in light of fundamental rights and argues for need to "debunk" such thresholds in favour of rights-based approach and better corporate governance.[57]

Judicial developments indicate that although the proviso to Section 244 enables the NCLT to relax the threshold, its exercise has been inconsistent, leaving room for unpredictability for minorities. The recent guidelines by the NCLAT, however, indicate that tribunals have wide powers to waive the requirements if they are found to be "in exercise of powers" and "the same shall be in the larger interest of justice" but also note the desirability of laying down objective principles so that the waiver on the part of the tribunal is not "arbitrary, capricious or wholly irrational as per the applicable law of tribunal jurisdiction". Some reform options could include (i) reducing the thresholds (e.g. for listed companies, the 5% threshold for class action has already been accepted) (ii) codifying the factors that tribunals may utilise (such as

[56] Supra.
[57] Animesh Bordoloi & Hitoishi Sarkar, "Oppression and Mismanagement under Indian Companies Act, 2013: Debunking the Threshold for Waivers", *NLSBLR Blog*, June 27, 2021, *available at*: https://forum.nls.ac.in/nlsblr-blog-post/oppression-and-mismanagement-under-indian-companies-act-2013-debunking-the-threshold-for-waivers/ (last visited on Aug. 7, 2026).

relevance of the claim, shareholding pattern, etc.), and (iii) exploring other mechanisms (ombudsman or regulator) for small shareholders.

In addition, doctrinal and policy discussions also highlight the need to address the cost and fee shifting rules as high litigation costs and long-drawn cases discourage minorities from initiating and pursuing claims. Recommendations include amending the NCLT rules to enable the tribunal to award costs more liberally in favour of the minority petitioner and also allow partial shifting of petitioner's fees where a petition raises governance issues and enable cap on fees or staggered payments in class action under Section 245 to reduce the risks for small investors. Such steps would make it easier for retail shareholders to approach the NCLT against predatory bids as opposed to being dependent only on promoters or large institutional shareholders as mandated by the Companies Act 2013, which defeats the very purpose of the law.[58]

B. Strengthening board and committee independence and accountability

A second set of reforms relates to giving substance to independence and committee responsibility, not simply relying on their existence. Evidence from Indian Corporate Governance Research indicates that independent directors and audit committees within promoter dominated corporate structures are subject to manipulation, with appointments and removals made by the same dominating promoters. The IJCRT article on oppression and mismanagement makes a similar observation, arguing that without independence and accountability, mechanisms designed to prevent and detect oppressive and mismanagement cannot be effective.[59]

Reform proposals include improving the appointment processes for independent directors and for directors on key committees, such as those responsible for finances and human resources, for example, by establishing a more open and formalized nomination process, by disclosing the factors considered in selecting directors, and by

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[58] Roopali Singh, Yugank Goel, et al., "Collective Redress & Class Actions 2025: India – Trends and Developments", *Chambers Global Practice Guides*, Nov. 6, 2025, *available at*: https://practiceguides.chambers.com/practice-guides/collective-redress-class-actions-2025/india/trends-and-developments (last visited on Aug. 7, 2026).

[59] Afra Afsharipour & Manali Paranjpe, *Handbook on Corporate Governance in India: Legal Standards and Board Practices* (2021 ed., The Conference Board, Inc., 2021), *available at*: https://www.primeinfobase.com/indianboards/files/CORPORATE_GOVERNANCE_IN_INDIA_31MARCH2021.pdf (last visited on Aug. 7, 2026).

giving a larger role to nonpromoter shareholders in the selection. The authors suggest that the board of directors periodically evaluate itself, with an outside party reporting to shareholders on how much directors and committees act independently and hold promoters and management accountable on matters such as related-party transactions, risk management, and strategic decision making. Furthermore, more disclosure of information about attendance at meetings, voting, and dissents by independent directors and committees on important issues would help ensure that they are not "captives" of the promoters but are in fact influencing or checking them.[60]

In addition, several commentators argue that fit and proper as well as independence requirements by SEBI and stock exchanges need to be tightened to alleviate conflicts of interest and "captured independence" and that steps such as laying down stricter norms on pre-independence involvement with promoters and cross directorships and making independent directors file detailed annual declarations of independence with the board and shareholders would help in the process.

Such measures would be effective in changing capture-prone independent directorships and committees into capture-proof agencies which in turn have the potential to act as a potent first line of defense against oppression and mismanagement thus reducing the need for post-facto minority litigation and protection.[61]

C. Enhancing minority participation: e-voting, activism, institutional investors

Corporate governance literature emphasizes that for minority protection, aside from relying on the availability of remedy, it is necessary to provide opportunities for participation and influence through technology and collective action. E voting is already available in India for listed companies as well as companies with a significant number of shareholders. Minority shareholders can vote from the comfort of their home without having to travel to the meeting place, which is especially important for widely held companies. However, studies and practice show that minority

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[60] Ibid.

[61] Deloitte India, "Governance 101: All You Need to Know on Corporate Governance Practices in India", *Deloitte*, *available at*: https://www.deloitte.com/in/en/issues/climate/governance-101.html (last visited on Aug. 7, 2026).

shareholders often do not know about such tools or are afraid to use them, so education and simplification of the interface are needed.[62]

Reform proposals concur that the role of shareholders in general and institutional investors (e.g., mutual and pension funds) in particular, in promoting responsive corporate governance, is critical. It is recommended that institutional investors promote stewardship, including through disclosure of voting policies and extensive two-way dialogue with companies on corporate governance matters, and that they further apply pressure on companies to improve governance policies and practices. IOSCO and OECD reports concur that stewardship by institutional investors can facilitate the enhancement of governance by enabling the expression of minority views and the consequent exertion of pressure on companies to amend governance policies and practices. In India, there is a need for improved stewardship, particularly with regard to the exercise of voting rights by institutional investors, through the promulgation of SEBI guidelines and monitoring of their implementation if these are not already in place, to ensure that institutional investors are not passive shareholders.[63]

Further, it is proposed that steps be taken to facilitate easier calling of meetings and moving of resolutions by shareholders, including the use of electronic requisitions, and relaxing of requisites for inclusion of certain agenda items in the meeting notice, as the case may be. It may also be considered to make greater use of collective tools such as the statutory class action in section 245, which has now been significantly interpreted in the Jindal Poly Films case, to rally minority shareholders around a common agenda to take on promoters in cases of related party transactions or governance issues.[64]

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[62] Technical Committee of the International Organization of Securities Commissions, *Protection of Minority Shareholders in Listed Issuers*, June 2009, *available at*: https://www.iosco.org/library/pubdocs/pdf/IOSCOPD295.pdf (last visited on Aug. 7, 2026).

[63] OECD, *Principles of Corporate Governance*, 2004, *available at*: https://legalinstruments.oecd.org/public/doc/151/body-text.en.html (last visited on Aug. 7, 2026).

[64] Supra.

D. Improving regulatory enforcement and NCLT capacity

Finally, comparative and domestic analyses highlight the importance of enforcement of the tribunals and regulators in order to provide adequate protection against oppression and mismanagement. The IJCRT study shows that the NCLT has faced issues with jurisdiction, infrastructural shortcomings, and high pendency rates, which contribute to the delays in adjudication of oppression and mismanagement cases. As a result, the tribunal is unable to provide timely and effective remedies for continuing oppression or fraudulent transactions and schemes. The reforms, therefore, must include specialized benches for addressing complex corporate governance and shareholder disputes as well as the enhancement of personnel and judicial resources, including fast-track courts for oppression and class-action lawsuits, as proposed by the Insolvency Law Practitioners Association.[65]

Regulatory enforcement by SEBI and other regulators also needs to be strengthened, besides tribunal-based remedies. IOSCO's report notes that securities regulators have a critical role to play in overseeing disclosure, related party dealings, and change of control, and in taking regulatory action such as imposing sanctions, unwinding abusive transactions, and requiring remedies to restore the wrongdoer's gain to the injured party, in order to prevent misconduct. In India, there is a need for more aggressive surveillance of related party transactions, stronger enforcement of majority of minority voting requirements, and focused regulatory oversight of auditors, valuers, and other intermediaries, in order to prevent shareholder expropriation by promoters and managers. Clarity on the standards of oppression and mismanagement – through case law or circulars – would also help uniformity of approach by the National Company Law Tribunal benches, thus restoring confidence amongst minority shareholders.[66]

Taken together, the reform proposals that would enhance the low thresholds and equity norms, facilitate independent and accountable governance, empower the

[65] *Dr. Dipen Kailash Chandra Agarawal v. Nag Vidarbha Chamber of Commerce*, C.A. No. 654/2022 in C.P. No. 276/2022, NCLT Mumbai Bench-I (Order dated 02.04.2024), available at: https://nclt.gov.in/gen_pdf.php?filepath=/Efile_Document/ncltdoc/casedoc/2709138132952022/04/Order-Challenge/04_order-Challange_004_1712058433317645494660bf04177f11.pdf (last visited on Aug. 7, 2026).
[66] Supra.

minority, and improve the capacity to enforce rules seek to narrow the hiatus between the elaborate theoretical framework and the limited practical coverage of minority shareholder rights in India.[67]

IX. CONCLUSION

The research work reveals how India's well-developed formal corporate governance mechanisms fail to protect the minority shareholders' rights effectively. The legal remedies such as oppression and mismanagement remedies described in sections 241-246, class action lawsuits (section 245), and SEBI's disclosure and governance laws create the strong illusion of minority shareholders' rights' protection in India. However, the reality shows that the majority of minority shareholders are unable to exercise their rights due to various legal, regulatory, and economic barriers. The issue of oppression and mismanagement remedies is particularly acute in closely held controlled companies and promoter-driven enterprises.

Although corporate governance reforms have provided avenues for independent directors, audit committees, better oversight of related party transactions, and improved shareholder voting, the tendency of courts and tribunals has been to apply these measures in a "box ticking" manner. The cases of Tata–Mistry and others reveal that in practice, even in major public limited companies, the oppression remedies available to minority shareholders tend to be limited by a combination of doctrinal and evidential hurdles. Courts have shown reluctance to intervene unless there was a pattern of oppressive and wrongful behaviour by the majority and have related any remedy to the just and equitable winding up test. Thus, while the papers are positive about reforms such as the 2013 Act and changes made after the Satyam scandal, this review suggests that governance mechanisms in India continue to pay only limited attention to the needs of the minority shareholders.[68]

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[67] Hiral Gupta and Subhalaxmi Sen, "Minority shareholders revive class actions for accountability", *Law.asia* (March 25, 2026), available at: https://law.asia/section-245-class-action-india/ (last visited on Aug. 7, 2026)
[68] Dhruv A. Thaker, "Minority Shareholders: Fighting for a Fair Share in India" *SSRN Electronic Journal* (June 30, 2023), *available at:* https://ssrn.com/abstract=4496694.

 (ISSN: 2583-7753)

A. Assessment of the balance between majority rule, autonomy, and minority rights

The current system is one of compromise, as it seeks to provide a measure of protection for minorities who are subject to the will of majorities and managers, but it overwhelmingly favors the majority and promoters. The principle underlying the current system is that majority voting and the judgment of the board are the primary policy tools of corporate law, which are only subject to judicial review and control over extremely broad forms of oppression or prejudicial management. Although this approach gives the court sufficient latitude to act in the face of egregious power imbalances, it appears that the area of judicial review in the field of oppression is narrowly drawn and the protection provided is inadequate for many forms of severe but non-cumulative abuses.[69]

While minority rights in India have been advanced through ex ante governance mechanisms such as independent boards, RPT regulation, e-voting, and stewardship codes, as well as ex post remedies including oppression petitions, buy-out orders, and emerging class-action litigation, the reality is that these measures are insufficient to fully counter promoters' entrenched power, information asymmetries, and procedural hurdles. Tribunal doctrine, jurisprudence, and enforcement realities suggest that India's reforms have improved the theoretical fairness of the system but do not yet deliver truly equitable outcomes for minority shareholders, who often face insurmountable barriers in challenging promoter dominance.[70]

B. Areas for future research

Future research should also examine the effect of the Corporate Laws (Amendment) Bill, 2026, particularly if enacted after Joint Parliamentary Committee review. A key issue will be whether the proposed reduction of fast-track merger approval thresholds from the existing 90% standard to a 75% present-and-voting model promotes efficient

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[69] Samridhi Gupta, "Oppression and Mismanagement in Companies" *SSRN* (Mar. 25, 2024), *available at:* https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4770969 (last visited Aug. 7, 2026).
[70] M. Rishi Kumar Dugar, "Minority Shareholders Buying Out Majority Shareholders – An Analysis" 22(2) *NLSIR* 105-110 (2010), *available at:* https://repository.nls.ac.in/cgi/viewcontent.cgi?article=1108&context=nlsir (last visited Aug. 7, 2026).

restructuring without unduly weakening minority shareholder hold-out protection. Subsequent scholarship should evaluate whether safeguards such as independent valuation, dissenting shareholder exit rights, enhanced disclosure, and regulatory scrutiny are sufficient to prevent promoter-driven restructurings from becoming a vehicle for minority expropriation. As the Bill remains a pending legislative development, its final form and practical impact should be treated as an important area for further doctrinal and empirical research.

The analysis suggests several fertile areas for future research:

1. **Empirical analyses of the outcomes of minority claims:** Although the literature provides an extensive doctrinal treatment of various forms of minority oppression and methods of their remedies, there is a lack of studies quantifying the number of oppression petitions, class-action lawsuits, and RPTs filed with NCLT/NCLAT and assessing their outcomes (the time of resolution, the nature of relief granted, and the trends in tribunal rulings). There is a need for both descriptive and evaluative studies to identify the extent to which the reform agenda has contributed to alleviating the minority plight or failed to deliver on its promises.[71]
2. **Role of institutional investors and stewardship:** Recent studies have identified institutional investors as rising "titan's of corporate governance" both in terms of their potential impact on improving board level monitoring and their own propensity to adopt more ESG oriented approaches. Further research is needed to understand how Indian institutional investors vote on governance related proposals, bargain on related party transactions and director appointments, and utilize or otherwise respond to stewardship codes, and how these behaviors affect the governance outcomes of the firms in which they are investors. Norms of conduct and enforceability of various

[71] Shraddha CS Jain and Rajendra Kumar Meena, "Oppression, Mismanagement, And the Role of Class Actions in Strengthening Corporate Governance in India" 4(1) *Indian Journal of Law and Society* 104-120 (2026), *available at:* https://zenodo.org/records/18670109 (last visited Aug. 7, 2026)

policy levers (e.g. enhanced tiers of disclosure) as a means to strengthen stewardship conduct would be of interest for future research.[72]

3. **Impact of ESG governance on minority protection:** The existing international evidence suggests a correlation between minority shareholder protection and ESG innovation; in other words, the development of ESG governance policies can contribute to improved minority treatment and promote social and environmental impact in the host communities. Further research in the Indian context would benefit from exploring whether the implementation of ESG-friendly governance mechanisms (e.g., gender-diverse directorships, sustainability reporting requirements, ESG-related advisory services) can reduce the likelihood of oppression disputes and improve the overall state of minority shareholders' rights. Such research would frame the ESG-related minority protection within the emerging paradigm of stakeholder capitalism and demonstrate how addressing such issues contributes to both financial and social performance.[73]

Collectively, these research directions would allow to not only elaborate the doctrinal basis of the topic but also gather the empirical evidence on the ways minority shareholders' protection affects institutional capacity, investor behaviour, and ESG governance. This could contribute to the enhancement of legislative and regulatory practices.[74]

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