

Shareholders Engagement and sustainability of Companies

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Abstract

Shareholders' engagement in companies is a prerequisite for good corporate governance. Accordingly, company laws across all jurisdictions contain provisions to ensure such fundamental requirement and take measures for improving shareholders' engagement with the companies in which they are shareholders. The Council for European Union felt the need to review the Shareholders' Rights Directive (2007/36/EC) after the financial crisis due to deficient standards of corporate governance observed in companies. The Council is of the opinion that to ensure long term sustainability of companies, shareholder engagement needs to be strengthened. The present chapter discusses five major issues reviewed by the Council and provides Indian position on such issues. The chapter has been converted from the keynote speech that was delivered in 9th International Conference on Corporate Governance, Fraud, Ethics and Social Responsibility.