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A comparative analysis of the provisions of corporate laws on minority shareholder protection in Nigeria and India

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Abstract
Minority shareholders constitute a critical component of modern corporate governance because they provide investment capital while remaining particularly vulnerable to majority control, managerial opportunism and inequitable corporate decision-making. Although Nigeria and India have undertaken significant corporate governance reforms through the enactment of the Companies and Allied Matters Act 2020 and the Companies Act 2013 respectively, questions remain regarding the adequacy and effectiveness of their legal frameworks in safeguarding minority shareholder interests. This article undertakes a comparative doctrinal analysis of the legal and institutional mechanisms for minority shareholder protection in both jurisdictions with a view to identifying regulatory strengths, implementation gaps and reform opportunities. The study relies on primary sources, including statutes, judicial decisions and regulatory instruments, complemented by recent academic literature on corporate governance and shareholder protection. It finds that while both jurisdictions recognise important minority shareholder rights, India provides a more integrated statutory framework supported by specialised institutional mechanisms and stronger enforcement architecture. Nigeria, by contrast, continues to rely on a fragmented regulatory framework in which several important governance safeguards are located outside the principal company legislation, thereby creating challenges relating to coherence, enforcement and regulatory certainty. The article argues that effective minority shareholder protection requires not only the recognition of substantive shareholder rights but also robust institutional enforcement, transparent governance structures and accessible remedial mechanisms. It concludes that Nigeria can substantially strengthen investor confidence and corporate accountability by adopting selected legislative and institutional reforms drawn from the Indian experience while adapting such reforms to its domestic corporate governance environment.

Keywords: Minority shareholders, corporate governance, companies And Allied Matters Act (CAMA) 2020, Companies Act 2013 (India), shareholder rights, Nigeria

Introduction

Corporate governance seeks to ensure that corporate power is exercised in a manner that promotes accountability, transparency, fairness and long-term value creation. Central to this objective is the protection of minority shareholders, whose comparatively limited voting power often places them at a disadvantage in corporate decision-making despite their financial investment in the company. The effectiveness of minority shareholder protection has consequently emerged as one of the principal indicators of sound corporate governance and an important determinant of investor confidence, capital market development and sustainable economic growth. Contemporary international corporate governance standards therefore emphasise that minority shareholders must be afforded meaningful legal protection against oppression, unfair prejudice, abuse of majority power and conflicts of interest [1]. The separation of ownership from management inherent in modern corporations creates agency problems capable of undermining shareholder interests. While corporate law traditionally regulates the relationship between shareholders, directors and management, experience has demonstrated that statutory recognition of shareholder rights alone does not necessarily guarantee effective protection. The practical effectiveness of minority shareholder protection depends upon the existence of coherent legal rules, independent oversight institutions, accessible judicial remedies, robust disclosure obligations and effective enforcement mechanisms capable of restraining managerial misconduct and majority shareholder abuse [2]. Consequently, jurisdictions across the world have progressively strengthened their corporate governance frameworks to improve investor protection and enhance corporate accountability.

Nigeria has undertaken notable corporate governance reforms over the last two decades, culminating in the enactment of the Companies and Allied Matters Act 2020 (CAMA 2020) and the continued implementation of the Nigerian Code of Corporate Governance 2018 (NCCG 2018). These reforms introduced significant improvements relating to directors' duties, derivative actions, disclosure obligations, minority remedies and shareholder participation [3]. Nevertheless, concerns persist regarding the fragmentation of Nigeria's corporate governance framework, regulatory overlap among sectoral regulators and the effectiveness of institutional enforcement. Recent scholarship suggests that legislative reform has not always translated into improved governance outcomes, particularly in relation to minority shareholder protection and regulatory compliance [4].

India presents an instructive comparative model. Following extensive corporate governance reforms triggered by corporate scandals and changing investor expectations, the Companies Act 2013 introduced a comprehensive statutory framework addressing independent directorship, board committees, related-party transactions, minority shareholder remedies and enhanced corporate disclosures. These statutory reforms are complemented by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, specialised adjudicatory institutions and an increasingly active corporate governance jurisprudence [5]. The Indian experience therefore offers valuable comparative insights for evaluating the strengths and limitations of Nigeria's existing legal framework.

This article undertakes a comparative doctrinal analysis of minority shareholder protection under Nigerian and Indian company law. It examines the conceptual foundations of minority shareholder protection, analyses the principal statutory and institutional safeguards available in both jurisdictions, evaluates their relative effectiveness and identifies lessons capable of strengthening corporate governance reform in Nigeria. The article argues that while both jurisdictions recognise minority shareholder rights, India's more integrated legislative architecture and stronger institutional enforcement mechanisms provide useful reform lessons for Nigeria's evolving corporate governance regime.

Legal Framework for Minority Shareholder Protection in Nigeria and India

Minority shareholder protection constitutes one of the principal objectives of modern company law and corporate governance regulation. While the doctrine of majority rule remains fundamental to corporate decision-making, contemporary corporate governance recognises that the legitimate interests of minority shareholders must equally be protected against oppression, unfair prejudice, abuse of corporate control and conflicts of interest. Consequently, both Nigeria and India have progressively strengthened their legal frameworks by introducing statutory rights, governance obligations and institutional mechanisms designed to balance managerial discretion and majority shareholder control with the protection of minority investors. Although both jurisdictions pursue similar governance objectives, the legislative techniques, institutional arrangements and enforcement mechanisms adopted differ considerably. The following discussion examines the legal framework governing minority shareholder protection in each jurisdiction.

1. **Minority Shareholder Protection under Nigerian Law**

Nigeria's legal framework for minority shareholder protection is principally founded upon the Companies and Allied Matters Act 2020 (CAMA 2020), complemented by the Financial Reporting Council of Nigeria Act, the Nigerian Code of Corporate Governance 2018 (NCCG 2018) and sector-specific governance regulations issued by financial and other regulatory authorities. Together, these instruments establish a framework intended to promote equitable treatment of shareholders, enhance corporate accountability and strengthen investor confidence within Nigerian companies [6].

The cornerstone of minority shareholder protection under Nigerian company law remains the statutory recognition of directors' fiduciary obligations. CAMA 2020 imposes duties upon directors to act in good faith, exercise their powers for proper purposes, avoid conflicts between personal interests and those of the company, and exercise reasonable care, skill and diligence in the management of corporate affairs [7]. These duties operate primarily for the benefit of the company as a whole and serve as important safeguards against managerial abuse capable of prejudicing minority shareholders. By imposing legally enforceable standards of conduct upon directors, the Act seeks to minimise agency conflicts arising from the separation of ownership and management. Beyond directors' duties, CAMA 2020 significantly expands the procedural rights available to minority shareholders through the statutory recognition of derivative actions. Historically, the rule in *Foss v Harbottle* [8] restricted the ability of individual shareholders to institute proceedings in respect of wrongs committed against the company, except under limited common law exceptions. CAMA 2020 substantially modifies this position by expressly empowering eligible members to institute derivative proceedings on behalf of the company where those controlling the company refuse or fail to protect its interests [9]. This statutory innovation strengthens corporate accountability by enabling minority shareholders to challenge breaches of directors' duties, fraudulent conduct and other corporate wrongs that may otherwise escape judicial scrutiny because of majority control.

The Act further provides important remedies against oppressive and unfairly prejudicial conduct through provisions empowering members to seek judicial intervention where the affairs of the company are conducted in a manner that unfairly discriminates against or prejudices minority interests. These remedies provide greater flexibility than traditional common law actions by enabling courts to fashion equitable relief appropriate to the circumstances of each case, including orders regulating the future conduct of the company's affairs or granting other remedies necessary to prevent continuing injustice.

Protection of minority shareholders under Nigerian law is also reinforced through statutory disclosure obligations and corporate governance requirements intended to promote transparency and informed shareholder participation. CAMA 2020 prescribes extensive obligations relating to financial reporting, annual general meetings, directors' reports and shareholder access to corporate information. These statutory obligations are supplemented by the Nigerian Code of Corporate Governance 2018, which requires boards to uphold accountability, integrity, transparency, effective risk management and equitable treatment of shareholders [10]. Collectively, these measures seek to reduce information asymmetry between controlling shareholders, directors and minority investors while facilitating effective monitoring of corporate management.

Notwithstanding these legislative improvements, Nigeria's minority shareholder protection regime remains institutionally fragmented because many of the governance mechanisms designed to protect minority investors are dispersed across multiple statutes, codes and sector-specific regulatory instruments rather than being consolidated within the CAMA 2020. For example, while CAMA 2020 establishes the general framework governing directors' duties, derivative actions, shareholder meetings and remedies for corporate misconduct, important governance safeguards relating to board composition, board independence, board evaluation, risk management, whistleblowing, sustainability reporting and corporate ethics are principally regulated by the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council of Nigeria [11]. In addition, listed companies are simultaneously subject to the Securities and Exchange Commission's Rules and Regulations governing disclosure obligations, related-party transactions, insider dealings and continuing listing requirements. Companies operating in regulated sectors are further required to comply with industry-specific governance codes issued by regulators such as the Central Bank of Nigeria for banks, the National Insurance Commission for insurance companies and the National Pension Commission for pension fund administrators [12]. Consequently, the scope, content and enforcement of corporate governance obligations frequently depend upon the nature of the regulated entity rather than a single coherent legislative framework. This multiplicity of governance instruments often creates overlapping compliance obligations, duplication of regulatory oversight and uncertainty regarding the applicable governance standards, particularly where different regulators prescribe similar governance requirements using different compliance mechanisms or enforcement procedures [13]. Recent scholarship therefore observes that the principal challenge confronting minority shareholder protection in Nigeria lies less in legislative inadequacy than in fragmented institutional regulation and inconsistent enforcement across multiple governance regulators [14].

2. Minority Shareholder Protection under Indian Law

India's minority shareholder protection framework is principally governed by the Companies Act 2013, complemented by the Securities and Exchange Board of India Act 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR Regulations) [15] and an increasingly specialised institutional framework for corporate dispute resolution. Unlike Nigeria, where important governance safeguards are dispersed across multiple regulatory instruments, the Indian Companies Act 2013 incorporates within a single legislative instrument many of the substantive corporate governance mechanisms designed to protect minority shareholders, thereby promoting greater legislative coherence and regulatory certainty. A defining feature of the Companies Act 2013 is the statutory recognition of independent directors as an integral component of corporate governance. Section 149 mandates the appointment of independent directors in prescribed classes of companies and further subjects such directors to the Code for Independent Directors contained in Schedule IV of the Act [16]. The statutory codification of independent directorship seeks to strengthen board objectivity, minimise conflicts of interest and ensure that corporate decisions adequately protect the interests of minority shareholders who would otherwise have limited influence over board of directors deliberations.

The Act further strengthens minority shareholder protection by imposing comprehensive fiduciary obligations upon directors. Section 166 requires every director to act in good faith in promoting the objects of the company for the benefit of its members as a whole, exercise independent judgment, avoid conflicts of interest and refrain from obtaining undue personal advantage through the office of director [17]. Unlike many earlier company statutes which relied heavily upon common law fiduciary principles, the Companies Act 2013 expressly codifies these duties, thereby enhancing legal certainty and facilitating judicial enforcement against directors whose conduct prejudices shareholder interests.

Institutional oversight is further reinforced through the mandatory establishment of specialised board committees. Sections 177 and 178 respectively require qualifying companies to constitute Audit Committees and Nomination and Remuneration Committees with clearly defined statutory responsibilities. These committees perform critical governance functions relating to financial reporting, internal controls, auditor independence, director appointments, executive remuneration and related-party oversight [18]. Their statutory recognition significantly reduces opportunities for majority shareholder dominance and managerial abuse while enhancing board accountability to all shareholders.

Minority shareholders also benefit from extensive statutory remedies against oppression and mismanagement. Sections 241 to 246 of the Companies Act 2013 empower eligible members to petition the National Company Law Tribunal (NCLT) where the affairs of a company are conducted in a manner that is oppressive, prejudicial or detrimental either to the interests of members or to the public interest. The Tribunal is vested with broad remedial powers, including regulating the future conduct of the company's affairs, restraining unlawful corporate actions, removing directors and granting any order considered just and equitable under the circumstances. These statutory remedies provide minority shareholders with accessible judicial mechanisms capable of addressing both completed and continuing corporate misconduct.

The statutory framework is complemented by the SEBI LODR Regulations 2015, which impose extensive corporate governance obligations upon listed entities. These regulations prescribe detailed requirements relating to board composition, independent directors, audit committees, related-party transactions, disclosure obligations, annual corporate governance reporting and shareholder approvals for significant corporate decisions [19]. In particular, the requirement that material related-party transactions receive approval from shareholders, with interested parties excluded from voting, provides an additional safeguard against the expropriation of minority shareholder interests by controlling shareholders.

The effectiveness of India's minority shareholder protection regime is further strengthened by its institutional enforcement architecture. The Securities and Exchange Board of India exercises extensive supervisory and enforcement powers over listed companies, while the National Company Law Tribunal provides specialised adjudication of corporate disputes. This combination of statutory governance obligations, specialised regulatory oversight and dedicated judicial institutions has contributed to a more integrated system of minority shareholder protection than is presently obtainable in many developing corporate governance jurisdictions [20]. Nevertheless, academic commentators continue to observe that challenges relating to enforcement delays, concentrated ownership structures and promoter influence remain significant issues requiring continuing regulatory attention despite the substantial reforms introduced under the Companies Act 2013 [21].

Comparative Analysis of Minority Shareholder Protection in Nigeria and India

A comparative evaluation of the Nigerian and Indian legal frameworks reveals substantial convergence in the recognition of minority shareholder rights but significant divergence in legislative architecture, institutional design and enforcement effectiveness. Both jurisdictions acknowledge that minority shareholders require legal protection against oppressive conduct, conflicts of interest and abuse of majority control. However, the mechanisms through which these protections are achieved differ considerably. While Nigeria relies upon a combination of statutory provisions, corporate governance codes and sector-specific regulatory instruments, India incorporates many of its governance safeguards directly within the Companies Act 2013 and complements them with specialised regulatory oversight and adjudicatory institutions. The comparative discussion below identifies the principal similarities and differences between both jurisdictions and highlights the implications of these differences for effective minority shareholder protection.

1. Legislative Architecture and Regulatory Coherence

One of the most significant distinctions between the Nigerian and Indian corporate governance regimes lies in the organisation of their legal frameworks. Nigeria adopts a fragmented regulatory model in which minority shareholder protection is distributed across the Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance 2018 and numerous sector-specific governance codes issued by different regulators. Consequently, important governance obligations relating to board independence, board evaluation, whistleblowing, sustainability reporting and risk management are located outside the principal company legislation. Financial institutions, insurance companies and pension fund administrators are further subject to separate governance requirements issued by their respective regulators. Although this approach allows sector-specific regulation, it also creates overlapping compliance obligations and increases regulatory complexity.

India adopts a more integrated legislative model. The Companies Act 2013 incorporates within a single statute many of the governance mechanisms that Nigeria regulates separately through non-statutory codes and sectoral regulations. Matters such as independent directors, board committees, directors' duties, related-party transactions, board evaluation and minority shareholder remedies are expressly regulated within the Act itself [22], while the SEBI LODR Regulations [23] primarily supplement governance obligations applicable to listed companies. This integrated legislative structure promotes greater certainty by enabling directors, shareholders and regulators to identify the principal governance obligations within one comprehensive statutory framework. The Indian approach arguably provides greater legal certainty and enhances compliance because the principal corporate governance obligations derive directly from legislation enacted by Parliament rather than from multiple regulatory instruments issued by different agencies [24]. Conversely, Nigeria's fragmented framework may create uncertainty regarding the applicable governance standards, particularly where sector-specific requirements overlap with the Nigerian Code of Corporate Governance or the Companies and Allied Matters Act. This distinction represents one of the most significant comparative advantages of the Indian corporate governance regime.

2. Directors' Duties, Board Independence and Corporate Accountability

The effectiveness of minority shareholder protection depends significantly on the legal standards governing directors' conduct and the institutional mechanisms designed to ensure objective corporate decision-making. Although both Nigeria and India impose fiduciary obligations upon directors and recognise the importance of board accountability, the two jurisdictions differ considerably in the manner these governance principles are structured, enforced and institutionalised. Nigeria's corporate governance framework imposes comprehensive fiduciary duties upon directors through the Companies and Allied Matters Act 2020. Directors are required to act honestly, in good faith and in the best interests of the company, exercise their powers for proper purposes, avoid conflicts between personal interests and those of the company, and exercise reasonable care, skill and diligence in the discharge of their responsibilities [25]. These statutory duties provide an important legal foundation for protecting minority shareholders against abuse of managerial authority and diversion of corporate opportunities. Where directors act in breach of these obligations, the Act permits appropriate judicial remedies, including derivative proceedings instituted on behalf of the company [26].

However, unlike India, Nigerian company legislation does not comprehensively regulate board independence or several key governance mechanisms within the principal company statute. Matters relating to the appointment of independent directors, board evaluation, board diversity, succession planning, board committees, whistleblowing, ethics and board effectiveness are addressed primarily by the Nigerian Code of Corporate Governance 2018 rather than by CAMA itself [27]. Although the Code represents an important governance instrument, its principles operate largely through a "Apply and Explain" compliance model and do not possess the same legislative force as statutory provisions enacted by the National Assembly. Consequently, many governance safeguards intended to strengthen board accountability derive from soft-law regulation rather than primary legislation.

The Indian framework adopts a markedly different approach. The Companies Act 2013 incorporates many of these governance mechanisms directly within the statute. Section 149 requires prescribed classes of companies to appoint independent directors, while Schedule IV establishes a statutory Code for Independent Directors prescribing standards of independence, objectivity, professional conduct and accountability [28]. The Act further requires the establishment of Audit Committees and Nomination and Remuneration Committees with clearly defined statutory responsibilities relating to financial oversight, internal controls, executive appointments and remuneration [29]. These statutory requirements are reinforced by the SEBI LODR Regulations, which prescribe additional governance standards for listed companies, including detailed requirements relating to board composition, committee independence and shareholder approval for significant corporate transactions [30]. The significance of this distinction extends beyond legislative drafting. By embedding board independence and committee governance within the Companies Act itself, India elevates these governance safeguards from recommended best practices to legally enforceable statutory obligations. This legislative approach promotes greater certainty regarding corporate governance standards and reduces dependence upon non-binding governance codes. Conversely, Nigeria's continued reliance upon governance codes to regulate many aspects of board effectiveness may weaken enforcement where compliance depends principally upon regulatory persuasion rather than statutory sanctions.

Nevertheless, both jurisdictions continue to encounter practical challenges despite these legislative safeguards. Concentrated ownership structures, dominant promoters or controlling shareholders, and information asymmetry remain capable of limiting the practical independence of boards. Consequently, statutory recognition of directors' duties and independent directorship alone cannot guarantee effective minority shareholder protection unless supported by active regulatory oversight, judicial enforcement and a corporate governance culture that prioritises accountability over formal compliance [31]. The comparative analysis therefore demonstrates that while both jurisdictions recognise directors' fiduciary accountability as the foundation of minority shareholder protection, India provides a more integrated statutory framework for ensuring board independence and institutional accountability. Nigeria's governance regime could be strengthened by incorporating selected governance mechanisms presently contained in the Nigerian Code of Corporate Governance into the Companies and Allied Matters Act, thereby providing a more coherent legislative basis for protecting minority shareholder interests.

3. Minority Shareholder Remedies and Judicial Protection

The availability of effective legal remedies constitutes one of the most important indicators of the strength of a minority shareholder protection regime. Minority shareholder rights become meaningful only where adequate judicial and regulatory mechanisms exist to prevent oppressive conduct, restrain abuse of majority power and provide timely relief where corporate governance failures occur. Although both Nigeria and India recognise the need to protect minority shareholders against unfair treatment, their remedial frameworks differ considerably in institutional design, scope of judicial intervention and accessibility of enforcement mechanisms.

Under Nigerian law, minority shareholders principally rely upon derivative actions, statutory remedies for unfairly prejudicial conduct and common law principles developed from the rule in *Foss v Harbottle*. The enactment of CAMA 2020 represents a significant departure from the restrictive common law position by expressly authorising derivative proceedings in appropriate circumstances where those controlling the company fail or refuse to institute proceedings against directors or other wrongdoers [32]. In addition, members may seek judicial intervention where the affairs of the company are conducted in a manner that is oppressive, unfairly prejudicial or discriminatory against minority interests. These statutory innovations substantially improve the remedial framework available to minority shareholders compared with the repealed Companies and Allied Matters Act. Despite these improvements, practical challenges continue to affect the effectiveness of judicial protection in Nigeria. Minority shareholders frequently encounter procedural delays, high litigation costs and prolonged judicial proceedings associated with general civil litigation before the Federal High Court. Moreover, corporate governance disputes are determined alongside other commercial matters without the benefit of specialised company law tribunals possessing dedicated expertise in corporate governance and shareholder disputes. Consequently, the availability of statutory remedies does not always translate into timely or effective protection in practice. Recent Nigerian scholarship observes that deficiencies in enforcement institutions continue to undermine the practical effectiveness of otherwise progressive corporate governance legislation [33].

India adopts a more specialised institutional approach to minority shareholder protection. The Companies Act 2013 establishes a comprehensive statutory framework enabling members to petition the National Company Law Tribunal (NCLT) in cases involving oppression, mismanagement or conduct prejudicial to minority shareholders or the public interest. [34] Unlike ordinary civil courts, the NCLT functions as a specialised adjudicatory body with jurisdiction over company law disputes and possesses extensive statutory powers to grant remedies tailored to the circumstances of each case. These include regulating the future conduct of the company's affairs, restraining unlawful corporate actions, removing directors, setting aside improper transactions and granting such other relief as may be just and equitable [35].

The effectiveness of the Indian remedial framework is further strengthened by the complementary enforcement powers exercised by the Securities and Exchange Board of India (SEBI). Beyond adjudicating disputes through the NCLT, minority shareholders benefit from active regulatory supervision of listed companies through mandatory disclosure obligations, related-party transaction oversight, shareholder approval requirements and administrative enforcement measures available to SEBI [36]. This combination of judicial remedies and regulatory intervention creates multiple institutional avenues through which minority shareholder interests may be protected without exclusive reliance upon private litigation.

The Indian system is not without limitations. Academic commentators continue to identify concerns relating to judicial delays before the National Company Law Tribunal, increasing litigation arising from promoter-controlled companies and continuing challenges associated with concentrated ownership structures [37]. However, these practical difficulties arise within a legal framework specifically designed to address shareholder disputes through specialised institutions rather than through general commercial litigation. The comparative analysis demonstrates that while both jurisdictions now provide statutory remedies against oppression and corporate misconduct, India offers a more comprehensive institutional framework for enforcing minority shareholder rights. The establishment of specialised company law tribunals, supported by an active capital market regulator, enables a more coordinated and responsive system of shareholder protection than presently exists in Nigeria. The Nigerian framework would therefore benefit from institutional reforms capable of improving the speed, consistency and effectiveness of corporate governance adjudication without necessarily expanding the substantive rights already recognised under the Companies and Allied Matters Act 2020.

4. Institutional Enforcement and Regulatory Effectiveness

The effectiveness of minority shareholder protection ultimately depends not only upon the existence of legal rights but also upon the capacity of regulatory institutions to enforce those rights consistently and effectively. A robust corporate governance framework therefore requires competent regulators, specialised adjudicatory institutions and enforcement mechanisms capable of ensuring compliance with statutory and governance obligations. While both Nigeria and India possess comprehensive regulatory institutions, their enforcement structures differ considerably in institutional coordination, regulatory authority and practical effectiveness. Nigeria's corporate governance enforcement framework is dispersed among several regulatory agencies, each exercising oversight within its respective statutory mandate. The Financial Reporting Council of Nigeria is responsible for promoting compliance with the Nigerian Code of Corporate Governance 2018, while the Securities and Exchange Commission regulates listed companies and protects investors within the Nigerian capital market. Sector-specific regulators, including the Central Bank of Nigeria, the National Insurance Commission and the National Pension Commission, exercise additional governance oversight over institutions operating within their respective industries [38].

This multi-regulatory approach has the advantage of allowing specialised supervision within highly regulated sectors. Financial institutions, insurance companies and pension fund operators are subject to governance standards reflecting the peculiar risks associated with their industries. However, the existence of multiple regulators exercising overlapping governance responsibilities has also generated concerns regarding institutional coordination, duplication of regulatory functions and inconsistent enforcement practices. Similar governance issues, such as board composition, directors' independence, board committees and risk management, are frequently regulated simultaneously under CAMA 2020, the Nigerian Code of Corporate Governance and sector-specific governance codes, often without a clearly harmonised enforcement framework [39].

Another challenge concerns the legal status of the Nigerian Code of Corporate Governance itself. Although the Code has significantly improved governance expectations across Nigerian companies, its "Apply and Explain" approach places considerable emphasis on voluntary compliance supported by regulatory oversight rather than direct statutory enforcement. Consequently, the effectiveness of the Code depends substantially upon the willingness and institutional capacity of regulators to monitor compliance and impose appropriate sanctions where governance failures occur. The absence of publicly available empirical assessments demonstrating the overall impact of the Code on minority shareholder protection further complicates objective evaluation of its practical effectiveness.

By contrast, India's enforcement architecture exhibits a higher degree of institutional integration. The Securities and Exchange Board of India (SEBI) possesses extensive statutory powers to regulate listed entities, investigate governance breaches, impose administrative sanctions and enforce compliance with securities legislation and corporate governance regulations [40]. In addition, company law disputes involving oppression, mismanagement and minority shareholder protection are determined by the National Company Law Tribunal, a specialised adjudicatory body established specifically to resolve corporate disputes [41]. The existence of distinct but complementary institutions performing regulatory and adjudicatory functions contributes to a more coherent enforcement framework.

Furthermore, the interaction between the Companies Act 2013 and the SEBI LODR Regulations enables regulatory enforcement to complement judicial remedies. Governance failures involving disclosure obligations, related-party transactions, insider dealings and board governance may attract regulatory sanctions independently of private shareholder litigation. This proactive regulatory approach strengthens investor confidence by reducing exclusive reliance upon minority shareholders to initiate court proceedings before governance failures are addressed.

Notwithstanding these institutional advantages, India's enforcement regime continues to face practical challenges arising from increasing case volumes before the National Company Law Tribunal, delays in adjudication and the continuing influence of promoter-controlled corporate structures. Nevertheless, comparative evidence suggests that India's specialised regulatory institutions provide a more coordinated framework for enforcing minority shareholder protections than Nigeria's fragmented institutional model. The comparison here demonstrates that the principal distinction between both jurisdictions lies less in the existence of legal rules than in the institutional capacity established to enforce them. Nigeria has developed a comprehensive body of corporate governance legislation and regulatory instruments. However, greater coordination among governance regulators, stronger enforcement mechanisms and improved institutional accountability remain necessary if minority shareholder protection is to achieve the level of practical effectiveness observed within the Indian corporate governance framework.

5. Disclosure, Transparency and Protection against Majority Shareholder Abuse

Disclosure and transparency constitute fundamental pillars of modern corporate governance because they reduce information asymmetry between controlling shareholders, management and minority investors. Where corporate information is timely, accurate and accessible, minority shareholders are better positioned to monitor management conduct, challenge improper transactions and make informed investment decisions. Conversely, weak disclosure standards create opportunities for majority shareholders and directors to conceal self-dealing, divert corporate opportunities and engage in transactions that prejudice minority interests. Nigeria has made significant progress in strengthening corporate disclosure obligations through the Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance 2018 and sector-specific regulatory instruments administered by the Securities and Exchange Commission and other financial regulators. Companies are required to maintain proper accounting records, prepare annual financial statements and present audited financial reports to members in accordance with applicable statutory requirements [42]. The Nigerian Code of Corporate Governance further promotes transparency by requiring boards to establish effective internal control systems, maintain appropriate risk management frameworks and ensure timely disclosure of material corporate information to relevant stakeholders [43]. Notwithstanding these regulatory developments, practical challenges remain. The effectiveness of disclosure obligations continues to depend largely upon regulatory monitoring and the willingness of enforcement agencies to investigate and sanction non-compliance. Furthermore, because disclosure obligations are dispersed across multiple regulatory instruments issued by different supervisory authorities, companies operating in regulated sectors may be subject to overlapping reporting requirements without a harmonised enforcement framework. This fragmented approach has the potential to create regulatory inconsistencies while simultaneously increasing compliance complexity.

India adopts a more integrated regulatory model. The Companies Act 2013 establishes comprehensive statutory obligations regarding financial reporting, directors' responsibility statements and disclosure within the Board's Report [44]. These statutory requirements are complemented by the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, which impose extensive continuing disclosure obligations upon listed entities concerning financial performance, material events, shareholding patterns, related-party transactions and corporate governance compliance [45]. Listed companies are further required to publish detailed corporate governance reports, thereby enhancing market transparency and facilitating informed shareholder participation. Particularly significant is India's regulatory treatment of related-party transactions. Recognising that controlling shareholders may exploit their dominant position through transactions that transfer corporate value to connected persons, both the Companies Act 2013 and the SEBI LODR Regulations subject such transactions to enhanced disclosure requirements, independent oversight and, where applicable, shareholder approval [46]. These safeguards significantly reduce opportunities for abuse by requiring greater transparency before potentially conflicted transactions may proceed. The comparative analysis demonstrates that both jurisdictions recognise transparency as an essential mechanism for protecting minority shareholders. However, India's legislative framework provides a more coordinated disclosure regime in which statutory company law and capital market regulation operate together to promote continuous corporate transparency. Nigeria's framework, although substantially strengthened by recent reforms, continues to rely upon multiple regulatory instruments administered by different institutions without the same degree of legislative integration.

Accordingly, effective minority shareholder protection extends beyond recognising substantive shareholder rights. It equally requires an institutional environment in which disclosure obligations are clear, consistently enforced and capable of exposing corporate misconduct before minority interests suffer irreparable prejudice. In this regard, the Indian framework provides useful legislative and regulatory lessons capable of informing future reforms to Nigeria's corporate governance architecture.

Reform Imperatives

The comparative analysis undertaken in this article demonstrates that the principal weakness of minority shareholder protection in Nigeria does not arise from the complete absence of legal safeguards. Rather, it stems from limitations in legislative design, fragmented institutional enforcement and inadequate implementation mechanisms. While the Companies and Allied Matters Act 2020 introduced significant improvements in corporate governance, comparison with India's Companies Act 2013 and its complementary regulatory framework reveals several areas requiring further legislative and institutional reform. The following reform imperatives are therefore proposed.

First, the National Assembly should consider amending the Companies and Allied Matters Act 2020 to incorporate a more comprehensive statutory framework on minority shareholder protection. Presently, several governance standards applicable to Nigerian companies are dispersed across the Nigerian Code of Corporate Governance, Securities and Exchange Commission Rules and sector-specific governance regulations. Although these instruments collectively strengthen corporate governance, their fragmented nature reduces legislative coherence and may create uncertainty regarding the legal status of certain governance obligations. Drawing from India's Companies Act 2013, key governance principles relating to board independence, board evaluation, board committees, related-party transactions, minority shareholder participation and directors' accountability should be expressly codified within CAMA itself. A more comprehensive statutory framework would improve legal certainty, reduce excessive reliance on subsidiary regulatory instruments and provide stronger legislative protection for minority investors.

Second, the Financial Reporting Council of Nigeria should undertake a comprehensive review of the Nigerian Code of Corporate Governance 2018 with particular emphasis on strengthening its enforcement framework. While the "Apply and Explain" approach promotes flexibility, the absence of clearly articulated enforcement mechanisms has created uncertainty regarding regulatory consequences for persistent non-compliance. The Financial Reporting Council should, in collaboration with the Securities and Exchange Commission and sector regulators, develop measurable compliance indicators, establish periodic public compliance reporting and publish enforcement outcomes demonstrating the practical effectiveness of the Code. Such institutional transparency would strengthen regulatory credibility while encouraging greater corporate compliance.

Third, the Financial Reporting Council, Securities and Exchange Commission, Central Bank of Nigeria, National Insurance Commission and National Pension Commission should establish a formal inter-agency corporate governance coordination mechanism for the harmonisation of governance standards and enforcement practices. Although sector-specific governance regulation remains necessary, overlapping regulatory requirements currently increase compliance complexity while creating opportunities for inconsistent regulatory interpretation. A coordinated enforcement framework would reduce duplication, improve regulatory consistency and provide clearer compliance expectations for regulated companies operating across multiple sectors.

Fourth, the National Assembly, in collaboration with the National Judicial Council, should consider establishing specialised corporate governance or company law divisions within the Federal High Court to determine shareholder disputes involving oppression, derivative actions, directors' breaches of fiduciary duties and other corporate governance matters. India's National Company Law Tribunal demonstrates the institutional advantages associated with specialised adjudication of company law disputes. While the creation of an entirely separate tribunal may require broader institutional reforms, specialised commercial divisions within existing courts would significantly improve judicial efficiency, consistency of decisions and the timely resolution of minority shareholder disputes.

Fifth, the Securities and Exchange Commission should strengthen regulatory supervision of related-party transactions by introducing more robust disclosure obligations, independent review mechanisms and enhanced shareholder approval requirements for transactions involving controlling shareholders or directors with material conflicts of interest. Greater transparency in related-party transactions would reduce opportunities for corporate asset diversion while enhancing investor confidence in Nigerian capital markets. In addition, harmonised disclosure requirements across regulatory institutions would improve consistency

Sixth, the Financial Reporting Council of Nigeria should publish periodic national corporate governance assessment reports evaluating the implementation and effectiveness of the Nigerian Code of Corporate Governance across regulated sectors. Unlike India, where continuous regulatory supervision and market disclosure provide measurable indicators of governance compliance, Nigeria presently lacks comprehensive empirical assessments demonstrating the practical impact of its corporate governance reforms. Periodic public evaluation would facilitate evidence-based policy reforms, strengthen regulatory accountability and enable continuous improvement of Nigeria's corporate governance framework.

Conclusion

Minority shareholder protection remains an indispensable component of modern corporate governance because it promotes investor confidence, enhances corporate accountability and contributes to sustainable economic development. As ownership structures become increasingly concentrated and corporate decision-making more complex, legal systems must continually evolve to ensure that minority investors are adequately protected against abuses of majority power and managerial misconduct. This article has comparatively examined the legal and institutional frameworks governing minority shareholder protection in Nigeria and India. The analysis demonstrates that although both jurisdictions recognise the importance of protecting minority shareholder interests, they differ significantly in the design and implementation of their governance regimes. Nigeria has made commendable progress through the enactment of the Companies and Allied Matters Act 2020 and the continued implementation of the Nigerian Code of Corporate Governance 2018, both of which have strengthened directors' duties, improved corporate accountability and expanded statutory remedies available to minority shareholders. Nevertheless, important governance safeguards remain dispersed across multiple regulatory instruments, enforcement responsibilities are fragmented among several regulatory institutions, and the practical effectiveness of minority shareholder protection continues to depend largely upon institutional capacity rather than the existence of legal rules alone.

India presents a comparatively more integrated governance framework in which the Companies Act 2013, the Securities and Exchange Board of India Act 1992 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 operate in a complementary manner. The establishment of specialised adjudicatory institutions, stronger statutory regulation of board governance, enhanced disclosure obligations and more coordinated regulatory oversight collectively provide minority shareholders with a more coherent system of legal protection and corporate accountability. The comparative analysis further establishes that the future development of minority shareholder protection in Nigeria should not necessarily depend upon wholesale legislative transplantation from other jurisdictions. Rather, the more appropriate approach lies in adapting proven governance mechanisms to Nigeria's legal, regulatory and institutional environment. Legislative consolidation of core governance safeguards, stronger institutional coordination, improved enforcement capacity and greater regulatory accountability would significantly enhance the practical effectiveness of Nigeria's existing corporate governance framework without fundamentally altering its underlying legal architecture.

Ultimately, effective minority shareholder protection is measured not by the quantity of governance rules enacted but by the ability of legal institutions to enforce those rules consistently, predictably and fairly. As Nigeria continues to strengthen its corporate governance regime, the Indian experience provides valuable comparative lessons capable of informing future legislative and institutional reforms. By adopting a more coordinated and enforcement-driven governance framework, Nigeria will not only improve minority shareholder protection but also strengthen investor confidence, deepen its capital market and promote more sustainable corporate governance practices in the years ahead.

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