

1. CRITICALLY EXAMINE THE IMPLICATIONS OF CLASS ACTION SUITS FROM THE POINT OF VIEW OF (1) AN INVESTOR IN COMPANY (2) AN OWNER OF COMPANY. TO WHAT EXTENT THE CLASS ACTION SUITS HAVE BEEN SUCCESSFUL IN INDIA IN COMPARISON TO WEST? WHAT CAN BE DONE IN THIS REGARD? SUGGEST.

Class action is simply filing a law suit in a larger group instead of individual suits where there are numerous persons having the same interest in that suit.

It is useful for investors in many ways. Aggregation in number of appellants can increase the efficiency of the legal process and lower the cost of litigation. It is advantageous to small investors as they become party under a class action suit. Even more important than the compensation is that class treatment of claims may be the only medium to impose the costs of wrongdoing on the wrongdoer, thus deterring future wrongdoing.

Class action suit is a corrective measure against company arbitrariness. However, if shareholders file the suit on flimsy ground, this may land them in long and unnecessary legal battles. It may affect trade and commerce.

Unlike the USA, India has not been a substantial gainer from class action suits. Nothing could help the victims of the Bhopal Gas tragedy, 1984. Following the Satyam case such a class action suit was filed by many shareholders in India but in vain. This was one of the reasons provisions for bringing in class action suits were introduced in the Companies Act, 2013. It remains to be seen how far this measure help victims of companies' negligence and injustice. There is also need for effective function of the tribunal to this effect.