

7.5 Course – V, Company Law

Objectives:

In view of the important developments that have taken place in the corporate sector, the course is designed to understand the formation, management and other activities of the companies. Important regulations pertaining to the issue of shares and the capital raising have come into force. This course aims to impart the students, the corporate management, control, possible abuses, the remedies and government regulation of corporate business and winding up of companies.

Course outcomes:

By the end of this course it is expected that the student will be able to:

1. Explain and apply to various fact scenarios the concept of separate legal entity.
2. To explain the basic documents such as MOA and AOA required for company.
3. To develop the ability to identify and effectively use the corporate law resources and to develop the ability to learn company law both independently and cooperatively in a professional environment.
4. To evaluate and analyze socially reasonable corporate behavior.

Contents:

UNIT-I: Introduction and Concept

Company – historical development – nature and characteristics of Company – kinds of Company – Corporate personality – limited liability – lifting of corporate veil – promoters – duties and liability of promoters

UNIT – II: Incorporation

Procedure of incorporation – certificate of incorporation – MOA – AOA – Doctrine of indoor management - Prospectus

UNIT – III: Management and Control of Companies

Board of Directors- powers and functions: Distribution of Powers between Board of Directors and general meeting

Directors: appointment – qualifications – position of directors – types of directors – powers and duties of directors – remuneration – removal

Meetings: Meetings of Board and Committees - Kinds of Meetings – Procedure Relating to Convening and Proceedings at General and Other Meetings – Resolutions – Prevention of Oppression and Mismanagement

Corporate social responsibility

UNIT – IV: Financial structure of company

Sources of capital: shares – types – allotment – transfer of shares – rights and privileges of shareholders – dividends- – declaration and payment of dividends, prohibition of buy back Private placement- Debentures – floating charge – appointment of debenture trustees and their duties – kinds – remedies of debenture holders – redemption

Acceptance of Deposit by Companies, charge on assets

UNIT – V: Reconstruction and amalgamation and winding up

Reconstruction, rehabilitation and amalgamation : concept – Jurisdiction and powers of Court and NCLT – vesting of rights and transfer of obligations – takeover and acquisition of minority interest Winding up: Concept – modes of winding up – who can apply – procedure under different modes.

Prescribed Books:

Taxman's Companies Act, 2013 Avtar Singh, *Company Law*

Reference Books:

Gower & Davies, *Principles of Modern Company Law*

Statute: Companies Act, 2013

Note: The course teachers have to keep track of the notification regarding enforcement of the Companies Act, 2013 and teach the provisions enforced. For the provisions not enforced, the parallel provisions from the Act of 1956 are to be taught.