**LESSON PLAN FOR CORPORATE LAWS**

(Core Paper)

Semester II

March -July,2021

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Course Contents

Unit I:

 Introduction Meaning and characteristics of a company; Lifting of corporate veil; Administration of Company Law [including National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), Special Courts]; Types of companies including private and public company, government company, foreign company, one person company, small company, associate company, dormant company and producer company; Association not for profit; Illegal association; Formation of company, promoters, their legal position and pre incorporation contracts; Online registration of a company.

Unit II: Documents and shares Memorandum of Association and its alteration, Articles of Association and its alteration, doctrine of constructive notice, doctrine of ultra vires and indoor management; Prospectus, Shelf and Red herring prospectus, misstatement in prospectus; book building; Allotment and Forfeiture of share, Sweat Equity, ESOPs, Bonus issue, and Further issue of shares, buyback and provisions regarding buyback; Membership of company.

Unit III: Management and Meetings

Classification of directors-Additional, Alternate and Casual directors, Women directors, Independent director, Small shareholder’s director; Director Identity Number (DIN); Appointment, Disqualifications, Removal of directors; Legal positions, Powers and Duties; Key managerial personnel, Managing director, Manager and Whole Time Director; Board Meetings: meeting through video conferencing; Shareholder meetings: AGM and EGM. Convening and Conduct of meetings: Requisites of a valid meeting; Resolutions; Postal ballot; e-voting.

Unit IV: Dividends, Audit and Winding up

Provisions relating to payment of Dividend, Company Audit-auditor’s qualification and disqualifications, Auditor’s appointment, Rotation of auditors, Auditor’s removal, Auditors' report and Auditor’s powers. Winding Up: Concept and Modes of Winding Up; Provisions of winding up under Insolvency and Bankruptcy Code 2016.

Unit V: The Depositories Act 1996

Definitions; Depositories system; Rights and obligations of depositories; Participants issuers and beneficial owners; Inquiry and inspections; Penalty.

**Course Description**

To impart basic knowledge of the provisions of the Companies Act 2013 and the Depositories Act, 1996. Case studies involving issues in corporate laws are integral part of teaching learning process to enable the student to have a deeper understanding of business world both from theoretical and practical perspective. It also enables the student to apply knowledge comprehended in the graduation in the dynamic corporate world. The student applies his/her disciplinary knowledge pertaining to theories and principles to find solution to problems of business world.

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*Week 1-3*

**Introduction**

Introduction and overview of the subject

Meaning and characteristics of a company

Special stress on the case laws like

Solomon Vs Solomon,

Lee vs Lee’s Air Farming Ltd.

Abdul Haq vs Das Mal

Macaura vs Northern Insurance Company Ltd

Re Dinshaw Maneckjee Petit,1927

Gilford Motor Co. Ltd. vs Horne

Jones Vs Lipman etc.

Lifting of corporate veil under judicial decisions and under the statute

Illegal association , company whether a citizen or not, company vs Corporation

Types of companies;

Diagrammatic presentation of classification of companies on different basis

 Registered company, statutory company, guarantee company, unlimited company, private and public company, conversion from private limited to public limited and vice versa, holding and subsidiary company, associate company, government company, foreign company, one person company, small company, , dormant company and producer company; Association not for profit;

Formation of company

Definition of promoters, their legal position and liability

 Pre incorporation contracts; Online registration of a company.

**After completion of this unit a doubt class and a class test of 10 marks**

**Learning Outcome**

The student should understand the definition and characteristic of company. He should understand the regulatory aspects involved in different types of companies covering the Companies Act 2013 and Rules there under.The student should learn the various steps involved in online registration and the legal implications of preliminary contracts.

**UNIT-2**

**Week 4-6**

**Documents and shares**

Memorandum of Association and alteration of name, registered office, objective, liability and capital clause.

Articles of Association and its alteration, doctrine of constructive notice, doctrine of ultra vires and indoor management.

The case laws to be covered in specific are

**-**Ashbury Railway Carriage & Iron Co. Ltd. vs Riche

-Re Jon Beauforte (London) Ltd.

-Royal British Bank vs Turquand

-Howard vs Patent Ivory Co.

-Anand Bihari Lal vs Dinshaw & co.

-Ruben vs Great Fingall

Prospectus, Shelf and Red herring prospectus, misleading prospectus and the remedies available to the subscriber, GDR; book building.

Flow Chart on bookbuilding procedure

CASELAWS TO BE COVERED

-Peek vs Gurney

-Rex vs Kylsant

-Smith vs Chadwick

Shiromani Sugar mills limited Vs Debi Prasad

Allotment and Forfeiture of share, issue of Sweat Equity, ESOPs, Bonus shares, Rights shares. Tabular Comparison between Bonus Issue and Rights Issue

Transmission of shares

Buyback and provisions regarding buyback.

Share certificate; D-Mat system; Membership of company.

**Learning Outcome**

To understand the basic legal documents and their usage essential for operations and management of company. To understand the implications of Doctrine of Ultra vires and Doctrine of Indoor management

After studying this unit the student should also know the procedural requirements for issue, forfeiture and buyback of shares. Also to know the different ways to become member of a company

**An assignment will be given to the students from this unit of 10 marks**

**Unit-3**

**Week 7-9**

**Management and Meetings**

Classification of directors-Additional, Alternate and Casual directors, Women directors, Independent director, Small shareholder’s director; Director Identity Number (DIN); Appointment, Disqualifications, Removal of directors; Legal positions, Powers and Duties; Key managerial personnel, Managing director, Manager and Whole Time Director;

Also explain the difference between MD, WTD and Manager. Board Meetings and procedure of board meeting through video conferencing.

Shareholder’s meetings: AGM and EGM. Convening and Conduct of meetings: Requisites of a valid meeting; Resolutions; Postal ballot; e-voting.

**Learning Outcome**

To understand the types of and procedure for appointment of directors. Also the roles of KMPs

To understand the procedure for issue of DIN.

To understand about various voting methods used in meetings

To understand the difference between ordinary resolution and special resolution

This unit enables the students to synthesis company processes, meetings and decisions.

**Unit-4**

**Week 10-11**

**Dividends, Audit and Winding up**

Provisions relating to payment of Dividend.

Company Audit-auditor’s qualification and disqualifications, Auditor’s appointment, Rotation of auditors, Auditor’s removal, Auditors' report and Auditor’s powers.

Administration of Company Law [including National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), Special Courts.

Winding Up:

Concept and Modes of Winding Up:

Explain difference between winding up and dissolution

Discuss chart on modes of winding up

An overview of The Insolvency and Bankruptcy Code, 2016 will also be given.

**A class test of 10 marks after completion of this unit**

**Learning Outcome**

Equips the students with framework of dividend distribution and role of auditors in a company.

Student familiarises with various company law authorities and modes of winding up .

**Unit-5**

**Week 12-13**

**The Depositories Act 1996**

Definitions;

Explain the drawbacks of old system of holding securities in physical form

Then deal with the meaning, features and functioning of depository system

Rights and obligations of depositories; Participants issuers and beneficial owners; Inquiry and inspections; Penalty.

**Learning Outcome**

Comprehend and evaluate working of depositories and their functions in stock markets.

**ASSESSMENT**

Internal Assessment: 25 Marks

Students will primarily be assessed in following ways

 1) Written assignment

2) Class Test

1. One assignments of 10 marks . The assignment will be given by the end of April from unit II and marks input will be out of 5.
2. Students are asked to revise the portion taught in the previous class and are assessed out of 5 marks.
3. There will be a Class Test of 10 marks. It will take place tentatively in the first week of April and second test in the 4 th week of June. Better of the two test will be considered for internal assessment.
4. 5 marks are for attendance

**Suggested Readings**

• Bhushan, Bharat. Kapoor, N.D., Abbi, Rajni, “Elements of Company Law”. Sultan Chand & Sons Pvt. Ltd.

 • Chadha R. & Chadha, S.(2018). Company Laws. Scholar Tech Press, Delhi.

• Hicks, Andrew & Goo S.H., (2017) Cases and Material on Company Law, Oxford University Press.

 • Kumar, A., (2019) Corporate Laws, Taxmann Pvt Ltd

• Sharma, J.P.(2018). An Easy Approach to Corporate Laws, Ane Books Pvt. Ltd., New Delhi

• The Depositories Act,1996.Bare Act.

**Additional Resources**

• Gowar, LCB. (1969). Principles of Modern company Law, Stevens & Sons,London.

• Hanningan, Brenda.(2018). Company Law, Oxford University Press,U.K.

 • Ramaiya.(2015). A Guide to Companies Act. Nagpur. Wadhwa Book Company.

* Study material of ICSI, ICAI