

Paper - III : Company Law (Semester-III) (3 Year Law) (Semester-VII)  
(5 Year Law)

**Objective :**

The course is designed to understand the formation, management and other activity of the companies. In view of the changing facts of global governance corporate governance plays a vital role in the development of an economy both national and international level. The companies Act 1956 has not been repealed but certain provisions replaced by the new Act of 2013. The notified sections which replace the provisions of Companies Act 1956 will be highlighted. Accordingly the paper aims to introduce to the students the nuance of corporate law and the obligations of it towards society in discharging its trade relations and to be a good corporate citizen. Therefore the paper needs to be taught in light of the New companies Amendment Act 2013.

**Teaching Learning Methods :** Lectures including special lectures of experts may be a good process of learning. Interactive sessions, Tutorials, Projects and Paper Presentation are the good forms of teaching and learning.

**Evaluation :** Theory Examination - 100 marks

**Syllabus :**

**Unit - I Company and its Nature and Scope**

- 1.1 Meaning, Definition and characteristics of company.
- 1.2 Historical background of company
- 1.3 Kinds of companies
- 1.4 Merits and Demerits of Incorporation of company - Lifting the corporate veil.

**Unit - II Procedure for Incorporation of companies**

- 2.1 Role of promoters, Legal Position of Promoter
- 2.2 Pre-incorporation contracts
- 2.3 Memorandum of Association - Meaning, Purpose, Contents, Ultravires and Doctrine of Ultravires
- 2.4 Articles of Association - Meaning Purpose, Content. Alteration, Constructive Notice.
- 2.5 Doctrine of Indomment Exceptions

**Unit - III Prospectus, Shares and Debentures**

- 3.1 Meaning - Formalities of issue Prospectus - Misrepresentation of Prospectus - Golden Rule
- 3.2 Shares - Meaning, Types of Shares and Transfer of shares
- 3.3 Share Capital, Meaning, Kinds, Alteration, Reduction and Voting Rights
- 3.4 Debenture - Meaning, Types, Charge-Fixed and Floating, Crystallisation of Floating charge
- 3.5 Borrowing Powers - Effectiveness of unauthorized borrowings

**Unit - IV Members and Membership Rights**

- 4.1 Modes of acquiring Membership
- 4.2 Rights and Privileges of Members and Shareholders
- 4.3 Transfer and Registration of Transfer of Securities
- 4.4 Transmission of Securities
- 4.5 Dividend - Rules as to Payment of Dividend

**Unit - V Management and Administration of Company**

- 5.1 Directors - Appointment, Qualifications, Types
- 5.2 Directors Position, Powers, Functions
- 5.3 Duties and Liabilities of Directors
- 5.4 Meetings, Kinds, Requisites of Valid Meeting
- 5.5 Audit and Accounting System - Legal Position of Audit

**Unit - VI Oppression and Mismanagement**

- 6.1 Meaning of Oppression and Mismanagement
- 6.2 Prevention of Oppression and Mismanagement - Rule in Foss v/s Harbottle (1843)

- 6.3 Powers of Company Law Board and Central Government
- 6.4 Inspection and Investigation
- 6.5 Role of Serious Fraud Investigation Office (SFIO).

**Unit - VII Amalgamation and winding up**

- 7.1 Merger and Demerger of Company
- 7.2 Amalgamation, Compromise and Arrangement
- 7.3 Winding up - Meaning, Types, Procedure
- 7.4 Payment of Liabilities in the event of winding up
- 7.5 Role of Official Liquidator, Court and National Company Law Tribunal.

**Unit - VIII Corporate Governance**

- 8.1 Significance of Corporate Governance
- 8.2 Corporate social Responsibility
- 8.3 Corporate Criminal Liability
- 8.4 Corporate Liability under Environmental Laws
- 8.5 Offences and Penalties of Company under Companies Act, 2013

**Book Recommended**

1. C.A.Kamal Garg, Bharat's Corporate and Allied Laws, 2013
2. Institute of Company Secretaries of India, Companies Act 2013, CCH Wolter Kluver Business, 2013
3. Lexis Nexis, Corporate Laws 2013 (Palmtop Edition)
4. Avtar Singh : Company Law
5. Dutta on Company Law
6. N.D.Kapoor on Company Law, Charles Wild and Stuart Weinstein Smith and Keenan, Company Law, Pearson Longman, 2009
7. The Companies Acts from 1956 to 2014 as amended up to the date.
8. The New Company Law, Dr. N.V. Paranjape, Central Law Agency.