

**Corporate Law**  
**Applied Corporate Law**

**Semester III**

**Subject Code: C31605**

**Lectures: 60**

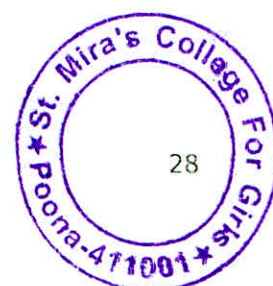
**Objectives:**

- To enable students in comprehending and analyzing the different provisions of the Companies Act, with reference to the New Companies Act, 2013.
- To acquaint the students with the practical aspects in corporate law.

**Unit 1: Joint Stock Company**

14

- Joint Stock Company
  - Concept of Corporate Personality - Lifting of the Corporate Veil.
  - Case Studies relating to Corporate veil: (a) Solomon v. Solomon and Co. Ltd.; and (b) Lee v. Lee Air Farming Ltd.
- An overview of types of Companies
  - On the basis of Incorporation : Statutory Companies and Registered Companies
  - Types of Registered Companies: a) On the basis of number of members - One Person Company (OPC), Private Ltd. Companies and Public Companies; b) On the basis of Liability of Members - Companies limited by Shares, Companies Limited by Guarantee and Unlimited Companies
  - On the basis of Control: Holding Companies and Subsidiary Companies
  - On the basis of Ownership: Government Companies and Foreign Companies
  - Other Companies - Non-Profit Making or Sec. 8 Companies
- Steps involved in the formation of a Joint Stock Company
  - Promotion Stage : Case Study on Legal Position of a Promoter relating to Preliminary Contracts (1)
  - Incorporation Stage : Case Study on Legal Significance of Certificate of Incorporation (3); Allotment of Company Identification Number (CIN)
- Legal Significance of Memorandum of Association and Articles of Association
  - Doctrine of Constructive Notice as to Memorandum of Association and Articles of Association (Case Study -1)
  - Doctrine of Indoor Management (Case Studies on exceptions to the Doctrine of Indoor Management - 4)
- Prospectus
  - Red herring Prospectus and Abridged form of Prospectus
  - Mis-statement in the Prospectus (Case Study - 1)
  - Liabilities for Mis-statement in the Prospectus



**Unit 2: Membership of a Joint Stock Company**

08

- Meaning of a Member and Share Holder
- Difference between Member and Shareholder
- Nomination by a Member
- Majority powers and Minority Rights
  - Rule of Majority – Foss v. Harbottle case
  - Exceptions to the Rule of Majority
- Prevention of Oppression and Mis-management

**Unit 3: Company Management and Control**

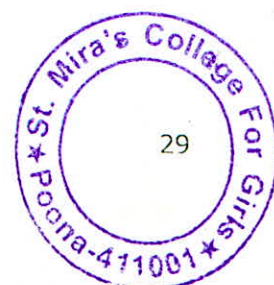
14

- Key Managerial Personnel (KMP)
- Director and Board of Directors
  - Definition
  - Legal Position of Directors
  - Provisions relating to Appointment of Directors – Modes of Appointing Directors (Case study on appointment of directors in Annual General Meeting - 1), Number of Directors, Statutory Requirements for Appointment, Restrictions on number of Directorships and Remuneration of Directors
  - Powers of Directors
  - Duties and Liabilities of Directors
- Managing Director (MD), Manager and Whole-time Director (WTD)
  - Meaning and Definition
  - Provisions relating to Appointment of Managing Director. (Case Studies relating to age limit and residential status for appointment - 4)
  - Provisions relating to Appointment of Manager. (Case Studies relating to age limit and residential status for appointment - 4)
  - Provisions relating to Appointment of Whole Time Director
- Chief Financial Officer (CFO), Chief Executive Officer and Company Secretary – Provisions relating to Appointment and Remuneration

**Unit 4: New Companies Act, 2013**

12

- Rationale for the New Companies Act, 2013
- Important Provisions of the New Companies Act, 2013
  - Accounting and Financial Reporting – Uniform financial year, Board Report, Internal Financial Controls (Directors responsibilities), Consolidated financial statements, Subsidiary financial statements (including definition of Subsidiary), Abridged Financial Statements, Declaration and payment of dividend, Utilization of securities premium, Free reserves, Debenture Redemption Reserve, Re-opening/ Revision of accounts, Depreciation, Registered Valuer
  - Audit and Auditors – Appointment of Auditors, Rotation of Auditors, Eligibility, Qualification and Disqualification, Prohibited Services, Reporting Responsibilities (Internal Financial Controls, Fraud Reporting and CARO Reporting), Penalty on Auditors
  - Related Party transactions – Identification of related parties - Definition of Relative, Identification of Relevant Transactions, Approval process.



Disclosure in the Board Report

- Loans and Investments - Loans to Directors and Subsidiaries and Loans and Investments by Companies

**\*Assignments and Library Hours – 12 hours**

**Pre-course reading:**

1. Joint Stock Company - Definition, Characteristics, Merits and Demerits of corporate form of enterprise.
2. Documents incidental to the formation of a Joint Stock Company – Memorandum of Association, Articles of Association and Prospectus - Contents.

**Recommended Text Books:**

1. N.D Kapoor. *Elements of Company Law*. 30<sup>th</sup> Ed. Sultan Chand and Sons Educational Publishers: New Delhi; 2016
2. Dr. G.K. Kapoor and Sanjay Dhamija. *Company Law: A Comprehensive Text Book on Companies Act 2013*. University Edition. 18<sup>th</sup> Ed. Taxmann's. Taxmann's Publishing Pvt. Ltd. New Delhi.

**Reference Books:**

1. Ramaiya A. "Guide to Companies Act, 2015. 18<sup>th</sup> Ed. Lexis Nexis.
2. Dr. Ravichandran K.S. "Offences under Corporate Laws. (2016). 1<sup>st</sup> Ed. Bloomsbury.
3. Dr. K.R. Chandratre's Landmark cases in Corporate Law. (2015). Company Law Institute of India.
4. Taxmann's "Companies Act, 2013 with Rules". 4<sup>th</sup> Ed. 2016. Taxmann Publishers.
5. Dr. T. P. Ghosh "T.P. Ghosh on Companies Act, 2013. Taxmann's Publications Pvt. Ltd. 2014.

**Corporate Law**  
**Corporate Accountability**

**Semester IV**

**Subject Code: C41605**

**Lectures: 60**

**Objectives:**

- To acquaint the students with the practical aspects in corporate law
- To help in comprehending and analyzing the different aspects of Corporate Accountability with reference to the New Companies Act, 2013

**Unit 1: Corporate Democracy**

12

- Pre-requisites of a Valid Meeting
- Formalities of Company Meeting
  - Formalities of Convening a Meeting: Proper Authority, Notice and Agenda
  - Formalities for Proper Constitution of a Meeting: Chairman, Quorum, Proxy  
**Case Studies on Quorum and Proxy (1 case study each)**
  - Formalities for Proper Conducting of a Meeting: Motions, Amendments, Voting (including E-voting and Remote E-voting), Resolutions and Minutes
- Kinds of Company Meetings
  - Shareholders/ General Meetings : a) Annual General Meeting : Legal provisions **(Case Studies – First Annual General Meeting, Subsequent Annual General Meetings and Default in holding subsequent Annual General Meeting – 3 Case Studies)**; b) Extra Ordinary General Meeting : Legal Provisions
- Board Meetings : Legal provisions (Case Study -1) including Video Conferencing

**Unit 2: Corporate Governance**

12

- Corporate Governance in India – A historical background
- Need and Importance of Corporate Governance
- New Companies Act, 2013 on Corporate Governance and Risk Management
  - Resident Director, Executive and Non-Executive Directors, Independent Directors, Nominee Directors
  - Women Representation on the Board
  - Directors Training and Evaluation
  - Committees of the Board (Audit Committee, Risk Management Committee, Nomination & Remuneration Committee – Role and Functions)
  - Internal Audit
  - Serious Fraud Investigation Office (SFIO) – Definition of Fraud, Punishments for Fraud, Special Court
  - Subsidiary Companies
  - Compliance
  - Vigil Mechanism



**Unit 3: Corporate Social Responsibility**

12

- Meaning
- Need for Corporate Social Responsibility in India
- Corporate Social Responsibility with special reference to Investors
  - CSR towards Share-holders (Case Studies on Insider Trading and Dividend declaration and payment - 2)
  - CSR towards Debenture – holders (Case Studies on rights of secured and unsecured debenture holders - 3), Fixed Charge and Floating Charge.
  - CSR towards Public Depositors (Case Studies on repayment of principal and payment of interest on public deposits- 1)
- Corporate Social Responsibility – Constitution of CSR Committee, CSR Expenditure and its Accounting with reference to the New Companies Act, 2013

**Unit 4: Corporate Sustainability**

12

- Corporate Sustainability
  - Definition
  - The Case for Sustainability (Need)
- Elements of Corporate Sustainability
  - Sustainable Development
  - Corporate Social Responsibility
  - Stakeholder Theory
  - Corporate Accountability
- Sustainability Reporting in India
  - Key Drivers for Sustainability Reporting – Recognition of Influence of Environmental and Social Aspects on Financial Performance, Regulations, Access to Capital, Expanded Consumer Base, Social License to Operate, Innovation, Brand Reputation, Operational Efficiency.
  - Key Enablers for Sustainability Reporting –Governance Structure and Monitoring and Reporting.
- Evidence of Sustainability Reporting in India

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3. Taxmann's, "Corporate Governance". Indian Institute of Corporate Affairs.
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