

CORE COURSE 110 COMPANY LAW

OBJECTIVES:

Industrialization plays a very vital role in the economic development of India. In the post-Independence era industrial regulation is employed as a principal means in the strategy for attaining constitutional values. Companies are no doubt powerful instruments for development. Besides bringing returns and financial benefits to the capital and Labour they help amelioration of the living conditions of masses. In a developing society like India, vast varieties of consumer goods are manufactured or produced and different kinds of public utility services are generated both for general welfare and consumption purposes obviously, it is beyond the capacity of one or a few entrepreneurs to engage into such activities. Because the problem of raising large capital needed for such enterprises, there is a looming danger of market risk... Hence taking recourse to the device of incorporation is the only efficacious way to surmount all such hurdles.

Syllabus:

1. Introduction, Memorandum & Article of Association:

- 1.1 Company: Definition, Theories of Corporate personality
- 1.2 Kinds of Companies: Private Companies – nature and advantages – Government Companies- holding and subsidiary companies,
- 1.3 Registration and Incorporation of company
- 1.4 Memorandum of Association, Various clauses, Alteration therein, Doctrine of ultra-virus, Consequences of ultra-virus transaction
- 1.5 Articles of Association: binding force, alteration, its relation with Memorandum, doctrine of constructive notice and indoor management

2. Prospectus, Promoters, Shares, Shareholder & Members, Share Capital etc.

- 2.1 Prospectus: contents, Shelf Prospectus, Misrepresentation in prospectus, Remedies for misrepresentation and liabilities thereof, Red Herring Prospectus
- 2.2 Promoters, Shares: General Principles for allotment, statutory restrictions, Share Certificates, Transfer of shares, dematerialized shares (DEMAT)
- 2.3 Shareholder and members of company: Distinction, Modes of becoming members of company
- 2.4 Share Capital: Kinds, alteration and reduction of share capital, Buy- Back of shares

3. Directors, Dividends, Audit, Accounts, Oppression & Mismanagement etc.

- 3.1 Directors: Position, appointment, qualifications, vacation of office, removal, resignation, powers and duties of directors, Managing Director
- 3.2 Dividends, Audits and accounts, Debentures, Fixed and floating charges, kinds of debentures, protection of minority rights
- 3.3 Prevention of Oppression and Mismanagement

4. Provisions for Reconstruction, Amalgamation & Winding up of company:

- 4.1 Reconstruction and Amalgamation of Company
- 4.2 Types of winding up under the Companies Act, 2013: Reasons, grounds, who can apply? Procedure, powers of liquidator, powers of court
- 4.3 Corporate Social Responsibility
- 4.4 Corporate liability: Civil and Criminal

SUGGESTED READING:

Note: Provisions of Companies Act, 2013 shall be in the syllabus.

1. Avtar Singh, Introduction to Company Law, Eastern Book Co., Lucknow
2. Avtar Singh, Company Law, Eastern Book Co.
3. L.C.B. Gower, Principles of Modern Company Law, Sweet and Maxwell, London
4. Palmer, Palmer's Company Law, Stevens, London R.R. Pennington, Company Law, Butterworths.
5. A. Ramaiya, Guide to the Companies Act, Wadhva
6. S.M. Shah, Lectures on Company Law, Tripathi, Bombay. Kailas Rai : Company Law, Allahabad Law Agency
7. Shah S. M., Lectures on Company Law
8. N. D. Kapoor & G. K. Kapoor, Company Law, Sultan Chand & Sons Law Pub., New Delhi.