

Discipline Specific Core Course- Commerce

DSC-5 : Company Law

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Company Law DSC- 2.2	4	3	1	0	Pass in XII	NIL

Learning Objectives

The course aims to develop and comprehend business and its processes in accordance with the provisions of the Companies Act, 2013 while analysing case laws.

Learning Outcomes

After completion of the course, learners will be able to:

1. Analyse the regulatory aspects and the broader procedural aspects involved in different types of companies covering the Companies Act, 2013 and Rules.
2. Prepare the basic legal documents required for formation of a company.
3. Analyse the process and documents required for raising capital for the company.
4. Analyse the managerial composition of companies and examine the process of company meetings.
5. Evaluate the framework of dividend distribution and develop understanding of the winding up process including Insolvency Resolution.

SYLLABUS OF DSC-2.2

Unit 1: Introduction (9 hours)

Meaning and characteristics of a company; Lifting of corporate veil; Overview of administration of Company Law; 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.

Unit 2: Formation and Incorporation documents (9 hours)

Formation of company, promoters, their legal position and pre-incorporation contracts; Online registration of a company. Memorandum of Association and its alteration, Articles of

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

Unit 3: Share Capital (9 hours)

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, split of sharers and provisions regarding buyback; Transfer and transmission of shares; Demat system.

Unit 4: Management and Meetings (9 hours)

Directors: Legal position, Disqualifications, Director Identification Number (DIN); Classification of directors-Additional, Alternate and Casual directors, Women directors, Independent director, small shareholder's director; Appointment, Removal of directors; Powers and Duties; Key managerial personnel (KMP); Board Meetings; Shareholders' meetings: AGM and EGM. Convening and conduct of meetings: Requisites of a valid meeting; Resolutions (Virtual meetings); Postal ballot; e-voting.

Unit 5: Dividends, Audit and Winding up (9 hours)

Provisions relating to payment of Dividend. Company Audit: auditor's qualification and disqualifications, Auditor's appointment, rotation and removal, Secretarial Audit. Winding Up: Concept and Modes of Winding Up; Provisions of winding up under Insolvency and Bankruptcy Code 2016.

Practical Exercises

The learners are required to:

1. Identify the type of company based on information available on NSE/BSE website and then analyse the regulatory and procedural aspects covering the Companies Act, 2013.
2. Fill dummy SPICe+ form for incorporation of a company.
3. Write about the timeline and details of the book building process of an actual IPO/FPO.
4. Identify the actual composition of the Board of Directors and examine the minutes of AGM/EGM of listed companies.
5. Analyse a case study on the winding up of a company.

Suggested Readings

- Jagota, R. (2021). *Corporate Laws*. New Delhi: Taxmann Pvt Ltd.
- Kapoor, N. D. (2022). *Corporate Laws*. New Delhi: Sultan Chand.
- Kaur, H. (2022). *Company Law*. New Delhi: Kitab Mahal.
- Kuchhal, M. C. & Kuchhal, A. (2013). *Company Law*, Mahavir Publications.
- Kumar, A. (2021). *Corporate Laws*. New Delhi: Taxmann Pvt. Ltd.
- Maheshwari, S. N., & Maheshwari, S. K. (2015). *Elements of Corporate Laws*. New Delhi: Himalaya Publishing House Pvt. Ltd.