



NATIONAL LAW UNIVERSITY AND JUDICIAL ACADEMY, ASSAM

PROGRAMME: B.A., LL.B (HONS.) FYIC

DETAILS OF COURSE OFFERED

ODD SEMESTER (V) – ACADEMIC YEAR

SL. NO	COURSE CODE	COURSE TITLE	L	T/P	CR	CH
1.	503	COMPANY LAW	4 PER WEEK	1 PER WEEK	4	

A. CODE AND TITLE OF THE COURSE: 503,

COMPANY LAW

B. COURSE CREDIT: 4 (TOTAL MARKS 200)

C. MEDIUM OF INSTRUCTION: ENGLISH

D. COURSE COMPILED BY: MONMI GOHAIN

E. COURSE INSTRUCTOR: MONMI GOHAIN

1. COURSE OBJECTIVES:

Companies play a significant role in a country's economy and make a special contribution to national development. The working of companies affects all facets of national life. In a mixed economy, the government's major economic policies are implemented through corporate sector. A modern company has assumed the character of a major socio-economic institution and public at large is vitally interested in its activities. It should function not simply as an economic machine intended to churn out profits for its shareholders, but rather as an institution which has a social responsibility to a variety of interests. This course aims to impart to the students, basic principles of corporate law, the corporate management, control, possible abuses, the remedies and government regulation of corporate business and winding up of companies. As it is impossible to cover all the components of corporate law in one semester the thrust of the course is on company law while also touching upon important regulations on capital market and foreign investment. Following are the fundamental objectives of the course;

- 1) To train students in understanding the organizational structure of companies and various forms of business.
- 2) To train students in practical application of various components of corporate law right from incorporation, corporate finance, reconstruction, management, dispute resolution to dissolution of company.

2. TEACHING METHODOLOGY

The teaching methodology for the above subject will be aimed at gaining maximum theoretical as well as practical knowledge about the above subject. Different methods will be used which will help the students to be engaged in the subject apart from classroom teaching. The engagement of the students in the teaching learning process will be helpful for both the student and the teacher to carry on with the subject. It will be in the form of class room teaching and explanation of basic concepts by the teacher. It will also consist of assignment of seminar topics to the students, presentation assignment to the students, group discussions, organization of quiz etc.

3. COURSE OUTCOMES

After completion of completion of the course the students are expected to learn the following:

- In-depth knowledge about both the theoretical as well as the practical aspect of the course
- Take up research topics in the further study in the course
- Take up assignments related to the course which they might come across while doing internships and other activities.
- Organize various research and practical based activities related to the subject after completion of the course.

4. COURSE EVALUATION METHOD

The Course shall be assessed for 200 marks. The Evaluation scheme would be as follows

Internal Assessment: 70% (140 marks)

External Assessment: 30% (60 marks)

Sl. No.	Internal Assessment	
1.	Assignments (written or in presentation mode)(2 Assignments of 20 marks each)	40 marks
2.	Seminar/Group Discussion(topics will be announced by concerned course teacher)	20 marks
3.	Class Tests(twice in a semester)	2x 35 = 70 marks
4.	Attendance in class	10 marks
5	Semester End Examination	60 marks

5. DETAILED STRUCTURE OF THE COURSE (SPECIFYING COURSE MODULES AND PRESCRIBED READING)

MODULE I

Introduction to Company Law

Concept of Corporate Personality, Lifting of Corporate Veil, Classification of Companies, Distinction between Public and Private Company and OPC, Registration and Incorporation, Promoters - meaning and importance, Position of Promoters, Duties and liabilities of Promoters and position of Pre-incorporation contracts, Memorandum of Association, Articles of Association, Enforcing the Memorandum and Articles of Association, Alteration of Memorandum and Articles of Association, Doctrine of Ultra Vires, Doctrine of Constructive Notice, Doctrine of Indoor Management

MODULE II

Introduction- Issue of Shares and Equity Finance

Position of Promoters, Duties and liabilities of Promoters and position of Pre-incorporation contracts, Prospectus-Definition, Contents, Public Offerings & Private Placements, Statement in Lieu of Prospectus, Misstatement and Liabilities, Remedies for Misrepresentation, Types of Shares, Allotment of Shares, Transfer of Shares, Reduction of Capital, Buy-Back of Securities, Dividend, Debentures and Bonds, Charges and Mortgage: Floating and Fixed Charges.

MODULE III

Corporate Management:

Directors-Composition of the Board of Director, Kinds of Directors, Appointment of the Directors Disqualification of Directors, Meetings of Board of Directors, Position and Duties of the Directors, Meetings, voting, resolutions, Meetings, Meeting of the Board of Directors, , Prevention of Oppression and Mismanagement Section 397/398 of the Companies Act,1956 and section 241-246 of the Companies Act,2013,*FossV Harbottle Rule*, Rights of the Minority Shareholder, Class action suit, Jurisdiction of Company Law Board and NCLT, Power of the Central Govt. to prevent Oppression and Mismanagement

MODULE IV

WINDING UP AND LIQUIDATION

Winding up, Compulsory Winding Up, Voluntary Winding Up, Consequences of Winding Up, Powers of Liquidator, Liability of Companies Civil and Criminal, Sick Companies, Corporate Social Responsibility,

6. PRESCRIBED READINGS:

1. Ramaiya, *Guide To The Companies Act* (Providing Guidance On The Companies Act, 2013) LexisNexis; Eighteenth edition (1 December 2014)
2. Avtar Singh, *Company Law*; EBC Publication; Sixth Edition, (2015)
3. K.S. Anantharaman, ., *Lectures On Company Law & Competition Act*, 2011 LexisNexis
4. SEBI manual, Vol. 1 , Taxmann, Taxmann publications (P) ltd New Delhi, 15 th Ed, 2010
5. SEBI manual, Vol. 2 , Taxmann, Taxmann publications (P) ltd New Delhi, 15 th Ed, 2010
6. K.R.Sampath, *Law And Procedure On Corporate Restructure Leading To Mergers Amalgamations, Takeovers, Joint Ventures Llps And Corporate Restructure*, Snow White Mumbai, 6th Ed, 2010
7. Chandratre , *Corporate Restructuring*, Bharat Law house Pvt Ltd New Delhi, 2nd Ed, 2010
8. J.C.Verma , *Corporate mergers, amalgamations and takeovers: concept, practice and procedure*, Bharat Law House Pvt Ltd New Delhi, 2008
9. Ashok Saxena , *Foreign Exchange Management Manual* , Vol. 1 Bharat Law house 2007
10. G.K Kapoor and Sanjay Dhamija, *Company Law And Practice, A Comprehensive textbook On Companies Act, 2013*, Nineteenth Edition, Taxmann's.
11. *Palmer's Company Law* (25th Edn)

Committee Reports:

1. Report of the Committee for Reforming the Regulatory Environment for Doing Business in India
2. Report of the Study Group on the Valuation of Unquoted Equity Shares of Companies
3. Report of the Standing Committee of Finance on Companies Bill, 2011

4. Report of Expert Group on Guidelines on Valuation of Corporate Assets and Shares
5. Standing Committee Report on the Companies bill, 2009 -21st Report
6. Cadbury Report on the Financial Aspects of Corporate Governance
7. Naresh Chandra Committee Report
8. 8. Kumarmangalam Report on Corporate Governance
9. Report of The High Powered Expiry Committee on Companies and MRTP Acts
10. Report of Expert Group on Streamlining Prosecution Mechanism under the Companies Act, 1956

STATUTORY REFERENCES

1. Companies Act, 1956
2. Companies Act, 2013
3. Securities Exchange Board of India Act, 1992
4. Securities Contracts (Regulation) Act, 1956
5. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
6. Foreign Exchange Management Act, 1999
7. Foreign Trade Regulation and Development Act 1992
8. SEBI Issue of Capital and Disclosure Requirements, 2009
9. Sick Industrial Companies Act, 1985

JUDICIAL REFERENCES

1. *Bacha F Gulzdar v. CIT* AIR 1955 SC 74
2. *New Horizons Ltd v. Union of India* (1997) 89 Comp Cas 849
3. *Salomon v. Salomon & Co Ltd* 1897 AC 22 : ALL ER Rep 33 (HL)
4. *Lee Vs. Lee's Farming Co., Ltd.* (1960) 3 All ER 420
8. *Kondoli Tea Co. Ltd. (In Re)*, 1886 ILR 13 Cal 43
9. *Gilford Motor Co. Ltd. v. Horne* (1933) All ER 109
10. *Jones v. Lipman* (1962) 1 All ER 442
11. *State of UP v. Renusagar Power Co.* [1991] 70 Comp. Cas. 127

12. *Sir Dinshaw Maneckjee Petit, Re* AIR 1927 Bom. 371
13. *Sharda Bhandari vs. Aananya Electronics Ltd.* [1993] 78 Comp Cas 167(Delhi), 48 (1992) DLT723
14. *Vijay Industries vs. NATL Technologies Limited* AIR 2009 SC 1695
15. *IBA Health v. Info-Drive Systems* [2010] 159 CompCas 369(SC), (2010) 10 SCC 553
16. *Dolphin International Ltd. vs. Gavs Laboratories (P) Ltd.* [(1999) 1 CALLT 49 (SC)]
17. *Mediquip Systems (P) Ltd. v. Proxima Medical System* AIR 2005 SC 4175
18. *Severn Trent Inc. v. Chloro Controls (India) Pvt. Ltd.* (2008) 4 SCC 130
19. *Derry v. Peek* (1889) 14 AC 337
20. *Nash v Lynde* (1929) AC 158
21. *Pramatha Nath Sanyal v Kali Kumar Dutt* AIR 1925 Cal 714
22. *New Brunswick Co. v. Muggeridge* (1860) 3 LT 651
23. *Progressive Aluminium Ltd. v. ROC* (1997) 89 Com Cases 147
24. *Krishan Mehta v. Universal Luggage Manufacturing Co.* (1988) 63 Com Cases 398
25. *Delhi Cloth & General Mills Ltd. v. Union of India* AIR 1983 SC 937
26. *Sundaram Finance Service & Ltd v Grand Trust Finance Ltd* (2003) 42 SCL 89(Mad)
27. *SEBI v. Ajay Agarwal* AIR 2010 SC 3466
28. *Nikhil T. Parakh v. UOI* 2014 GLH (2) 582
29. *In the matter of : Sintex Industries Ltd,* 2010 CLC 337
30. *B. R Kundra Vs. Motion Pictures Associations* (1979) 46 Comp. Cas. 339
31. *Ferguson Vs. Wilson,* 1866 L.R. 2
32. *Tapan K. Chowdhury Vs. Registrar of Companies,* 2003 55 CLA 80

33. *T. V Mathew Vs. Nauokkara Agro Processing Co. Ltd*, 2002 46 CLA 101
34. *Pranchi Insurance Company Ltd. Vs. Chaudhary Madhusudan Das*, 1964 2. Comp.L.J.157
35. *Rajpal Singh Vs. State of UP* 1968 1 Comp .L. J
36. *Chatterjee Petrochem (I) (P) Ltd. V HaldiaPetrochemicals Ltd., and others*, (2012) Comp LJ (SC)
37. *Makhan Lal Jain and Anr. v. The Amrit Banaspati Co.Ltd. and Ors.* AIR 1953 All 326