



SYMBIOSIS COLLEGE OF ARTS & COMMERCE

An Autonomous College | Under Savitribai Phule Pune University

Reaccredited 'A+' with 3.51 CGPA For Third Cycle By NAAC | College with Potential for Excellence

COURSE TITLE

Elements of Company Law I

Course Learning Outcomes:

On successful completion of the module students will be:

1. Equipped with fundamental and contemporary knowledge of most prevalent form of business organisation at global level.
2. Familiarized with legal aspects of starting a new business in the form of a company
3. Prepared with fundamental and contemporary knowledge about main source of business finance- Share Capital
4. Aware about their rights as an investor in share market.

Gist of this course in maximum 3 to 4 lines

This course aims at providing basic knowledge of framework of company law from the point of view of an entrepreneur, investor and an employee in corporate sector. It covers – 1. The fundamentals of company form of organisation by critically evaluating its peculiar nature. 2. Legal aspects of the process of formation of a company and importance of legal documents required for formation. 3. Legal aspects of the process of issuing the share capital 4. The rights and duties associated with membership of a company.

Detailed syllabus

Unit	CONTENTS OF THE COURSE	No. of Lectures
1. Nature and Types of Companies	1.1 Introduction to basic legal framework in India 1.2 Company as a business medium • Meaning and definition of company • Nature and characteristics of a company • 1.3 Basic characteristics of partnership under Partnership Act 1932 • Difference between company and partnership • Basic Characteristics of Limited Liability Partnership under LLP Act 2008 • Difference among Company, Partnership and LLP • Concept of Corporate Personality • Lifting of Corporate Veil • Citizenship • Personal liability of directors or members • Illegal association 1.4 Introduction and basis of classification of companies • Private company, its privileges. • One-person company • Small Company • Public company. • Limited company. • Unlimited company. • Association not for profit and its privileges. • Government companies, its privileges. • Holding/Subsidiary companies. • Associate Companies • NBFC • Producer companies • Dormant Companies • Public Financial Institutions • Statutory Corporations.	16
2. Promotion and incorporation	2.1 Definition of the word 'promoter'. • Promoters' contract and the ratification thereof. • Promoter's legal position. • Duties of a promoter • Promoter's duties under Indian Contract Act, 1872 and	16

of Companies	<p>the termination of their duties. • Remedies available to the company against the promoter. • Liabilities of promoters. • Rights of promoters. • Remuneration of promoters. • Procedural Aspects in the formation of companies. • Certificate of incorporation as conclusive evidence.</p> <p>2.2 Memorandum of Association (MoA) • Articles of Association (AoA) • Purpose and Contents of MoA and AoA • Printing and signing of MoA • Name, situation, objects, liability, capital clauses in MoA • Contents of AoA • Doctrine of Constructive Public Notice, Doctrine of ultra-vires. • Alteration of MoA and AoA • Distinction between MoA and AoA • Legal effect and interpretation of Memorandum and Articles of Association. • Doctrine of indoor management and exceptions to it.</p> <p>2.3 Preliminary Contracts/Pre-incorporation contracts • Provisional contracts. • Conversion of private company into public company and vice versa. • Conversion of public company into private company. • Commencement of business</p>	
3. Main source of Finance (Owned Capital) and Issue of Shares	<p>3.1 Meaning and classification of capital • Meaning and kinds of shares. • Various sources of capital.- Issue of shares/securities at premium/discount • Issue of shares with differential voting rights • Types of preference shares • Issue and redemption of preference shares • Further issue of shares • Rights issue • Bonus shares • Preferential issue by existing companies • Employee stock option scheme • Issue of Sweat equity shares • Power of company to purchase its own securities (buy-back of securities) and conditions for buy-back. • Prohibition for buy-back in certain circumstances.</p> <p>3.2 Meaning and definition of prospectus • Private placement- Deemed prospectus • Public offer • Matters to be disclosed in the prospectus. • Reports to be set out in the prospectus • Shelf Prospectus • Red-herring prospectus and book building procedure • Liability for untrue statement. • Remedies for misrepresentation in prospectus</p> <p>3.3 Allotment of securities • General principles regarding allotment • Judicial pronouncements relating to allotment of shares • Statutory provisions regarding allotment • Return of allotment • Share certificate • Issue of duplicate share certificate • Calls and forfeiture • Requisite of a valid call • Reissue of forfeited shares • Surrender of shares</p>	14
4. Membership	<p>4.1 Definition of member • Modes of acquiring membership • Subscribers to memorandum • Allotment/transfer/transmission etc. • Who may become member? • Minimum number of members • Cessation of membership • Expulsion of members • Personation and Penalty • Register of members • Power of the Central Government to Investigate into the Ownership of Company • Rights of members • Variation of Member's Rights • Liabilities of members • Difference between shareholder and member</p> <p>4.2 Provision regulating transfer of Securities • Power of Board of</p>	8

	Directors to refuse registration • Statutory Remedy against Refusal • Rectification of Register of Members • Transmission of securities • Legal framework for Depository Systems- Introduction to Depository Act and role of SEBI as a regulator • Safeguards on transfer of Securities in Dematerialized mode	
	Total Number of Lectures	
<p>Suggested Reference Books:</p> <ol style="list-style-type: none"> 1. 1. A.K. Mujumdar, Dr. G.K. Kapoor, Company Law and Practice; Taxmann, 59/32, New Rohtak Road, New Delhi-110 005. 2. M.C. Kuchhal : Modern Indian Company Law; Shri Mahavir Book Depot, 2603, NaiSarak, Delhi-110 006. 3. A. Ramaiya : Guide to the Companies Act; Lexis Nexis, Butterworths Wadhwa, Nagpur 4. Study Material Executive Programme - Company Law- Paper One , 2018, by ICSI 5. https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf 		