



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 II	
<p>Course Learning Outcomes: On successful completion of the module students will be:</p> <ol style="list-style-type: none"> 1. Equipped with fundamental knowledge related to borrowed capital of a business 2. Cognizant of their rights as a lender to any company. 3. Acquainted with basic concepts of return on capital invested 4. Familiarized with legal aspects and procedures of management of a company 5. Equipped with basic knowledge about their protection as an investor, against any case of mismanagement or oppression. 		
<p>Gist of this course in maximum 3 to 4 lines</p>	<p>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 fundamental concepts of borrowed capital, instruments of borrowing and borrowing powers of a company 2. Legal aspects of dividend and interest paid by a company on its owned and borrowed capital 3. The legal aspects of management and governance of a company 4. The protection available to minority shareholders.</p>	
Unit	CONTENTS OF THE COURSE	No. of Lectures
<p>1. Other Sources of Finance-Borrowed Capital</p>	<p>1.1 Borrowing power of the company • Unauthorized or ultra vires borrowing • Intra vires borrowing but outside the scope of agent's authority • Distinction between debenture and shares • Types of debentures • Creation of Debenture Redemption Reserve • Debenture Trust Deed • Secured debenture to comply with certain conditions • Public sector bonds and foreign bonds, brokerage • Developments in corporate debt financing</p> <p>1.2 Definition of charge • Hypothecation, Mortgage, Pledge • kinds of a charge viz. fixed charge, floating charge • Crystallization of floating charge • Registration of charges • Condonation of delay by Registrar • Register of charges • Satisfaction of charges • Modification of charges • Purchase or Acquisition of a Property Subject to Charge • Condition of delay by Central Government. • Application for Registration of charge by charge holder.</p> <p>1.3 Prohibition of acceptance of deposit from public • Conditions for acceptance of deposit from members • Deposit repayment reserve • Damages for fraud • Acceptance of deposits from public by certain companies</p>	<p>14</p>
<p>2. Return on Capital (Owned and borrowed)</p>	<p>2.1 Definition and Meaning of Dividend • Difference between dividend and interest • Types of Dividend • Capitalisation of reserves- Bonus Shares</p> <p>2.2 Sources of Dividend • Dividend in case of absence of inadequacy of profits • Transfer of unpaid dividend to Investor Education and Protection Fund • Utilisation of Investor Education and Protection Funds • Penalties</p>	<p>4</p>

	and exceptions	
3. Company Management and Administration	<p>3.1 Concept of Director • Definition of Director • Types of Directors i.e. executive director, non-executive director, nominee director and independent director, woman director, resident director etc. • Legal position of Directors • Minimum and Maximum number of Directors • Maximum number of Directorships</p> <p>3.2 Appointment of Directors • Obtaining Director Identification Number(DIN) • Cancellation and surrender ofDIN•Removal of Directors • Retirement of Directors • Resignation of Directors • Vacation of office of directors •Retirement by rotation, proportionate representation.</p> <p>3.3Distribution of powers of a Company • Exercise of Powers • Board Committees • Restriction on powers of Board • Loans to Directors • Board’s sanction for contracts in which Directors are interested. • Related Party Transaction • Key managerial positions, Managing Director, CEO, CFO, Company Secretary</p> <p>3.4 Introduction to the concept of Corporate Governance</p>	16
4. Company meetings	<p>4.1 Introduction • Meaning of a Meeting • Kinds of Company Meetings</p> <p>4.2 Requisites of Valid Meeting (General Meeting) • Quorum • Proxy • Voting at General Meeting • Chairman •</p> <p>4.3Motion • Methods of ascertaining sense of the Meeting • Resolutions • Registration of Resolutions and Agreements • Passing of resolutions by remote voting- Postal Ballot/electronic voting •Annual General Meeting and Extra ordinary General meeting • Ordinary business and special business</p> <p>4.4Adjournment • Minutes of proceedings of Meetings • Report on Annual General Meeting• Time frame of AGM</p> <p>4.5Board Meetings • Quorum • Video Conferencing• frequency• Resolutions</p>	16
5. Rule of Majority and Minority Protection	<p>5.1 Concept of shareholders’ democracy• Powers of majority• Principle of non-interference or Rule in Foss v. Harbottlealong with its justification and advantages• Exceptions to the rule-Protection of minority rights and shareholders’ remedies• Actions by shareholders in common law• Statutory remedy under the Companies Act.</p> <p>5.2 Meaning of oppression and its prevention• Winding up order under just and equitable clause• Prevention of mismanagement• Persons entitled to apply• Powers of the Company Law Board and Central Government to prevent oppression or mismanagement</p>	4
	Total Number of Lectures	54
Suggested Reference Books:		
<ol style="list-style-type: none"> 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, Nai Sarak, Delhi-110 006. 3. A. Ramaiya :Guide to the Companies Act; Lexis Nexis, Butterworth Wadhwa, Nagpur 4. Study Material Executive Programme - Company Law- Paper One , 2018, by ICSI 5. https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf 		