

B.Com. (Hons.)
Paper – CH 2.4: Semester - II
CORPORATE LAWS

Duration: 3 hours

Max. Marks: 100
Lectures: 75

Objective: The objective of the course is to impart basic knowledge of the provisions of the Companies Laws and the Depository Laws along with relevant case law.

Course Contents:

1. **Introduction:** Characteristics of a company, doctrine of lifting of corporate veil with examples and case law. **4 Lectures**
2. **Types of Company** including private and public company, guarantee company, statutory company, government company, holding and subsidiary company, foreign company, producer company; association not for profit, illegal association with examples and case law. **5 Lectures**
3. **Formation of Company** including promoters, their legal position, status, duties and liabilities, process of formation, pre-incorporation contract and provisional contracts with examples and case law. **5 lectures**
4. **Documents** – memorandum of association including process of alteration in its clauses, articles of association including contents and process of alteration; binding effect of memorandum and articles of association; doctrine of constructive notice and indoor management, prospectus including concepts of abridged, red-herring, shelf, deemed prospectus and book building; contents of prospectus; requirements of registration of prospectus, consequences of misrepresentation; excluding doctrine of ultra vires; statement in lieu of prospectus with examples and case law. **8 Lectures**
5. **Share Capital** including types of shares; provisions on issue, allotment and forfeiture of share; effect of irregular allotment; concepts of stock, sweat capital, buyback, dmat; excluding issue of shares at discount, share certificate and share warrant, buy back procedure, issue of bonus share, stock option, right shares, transfer and transmission of shares with examples and case law. **7 Lectures**
6. **Members and Shareholder** including their rights and duties, procedure for becoming a member, minor as a member, termination of membership. **2 Lectures**
7. **Shareholders Meetings including** kinds of shareholders meetings, convening and conduct of meetings including provisions on notice, agenda, chairman, quorum, proxy, voting, polls, resolutions, and minutes with examples and case law. **7 Lectures**
8. **Management** – Directors, classification of directors including the concept of deemed director, shadow director, first director, additional director, casual director, alternate director, executive director, independent director, small shareholder director, nominee director, managing director and manager; appointment of directors (section 252 to 259), who can appoint directors; qualifications and disqualifications of director; legal position, powers and duties of directors, disclosures of interest, removal of directors (section 284, 388, 402, , board meetings including

provisions on convening and conduct, other managerial personnel and managerial remuneration with examples and case law. **10 Lectures**

9. Dividend Provisions including investor's education and protection fund; concept of bonus share **excluding procedure for issue of bonus shares.** **4 Lectures**

10. Investigations including who can order investigation. **3 Lectures**

11. Winding Up including the concepts of winding up and dissolution; modes of winding up **excluding provisions on liquidators and contributory rights.** **4 Lectures**

12. Emerging Issues In Company Law including concepts of one person company (OPC), small company, postal ballot, small shareholders on board, director identity number (DIN), corporate identity number (CIN), mca-21, online filing of documents, online registration of company, national company law tribunal (NCLT), limited liability partnership (LLP), insider trading, rating agencies, producer company, class action suits, auditor's rotation, secretarial audit, CSR. **10 Lectures**

13. Depositories Act 1996 including definitions, rights and obligations of depositories, participants issuers and beneficial owners, **excluding inquiry and inspections, penalty.** **6 Lectures**

NOTE: Number of questions from each unit in the examination is as follows:

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| S No 1 to 4--Introduction, Types of Company, Formation of Company and Documents ----- | 1.5 |
| S No 5 to 8--Share Capital, Members, Shareholders Meetings, and Management----- | 1.5 |
| S No 9 to 11-Dividend Provisions, Investigations and Winding Up----- | 0.5 |
| S No 12----- Emerging Issues in Company Law----- | 1.0 |
| S No 13-----Depositories Act, 1996----- | 0.5 |

Case Law and Judicial Interpretations

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| Solomon v Solomon & Co Ltd 1897 AC (HL) 22: (1895-99), All. ER 33 (HL) |
| Lee v Lee's Air Farming Ltd, 1961 AC 12; (1960) 3 All. ER 420 (PC) |
| Rajendra Nath Dutta v Shibendra Nath Mukherjee Calcutta, 1982, 52 Comp. Cos. 293 (Cal). |
| Macaura v Northern Assurance Co Ltd (1925) AC 619; 1925 ALL ER 51. |
| Re: Meat Suppliers Guildford Ltd (1966) 1 WLR 1112 |
| Daimler Company Ltd v Continental Tyre & Rubber Co (Great Britain) Ltd, (1916) 2 AC 307. |
| Re: Sir Dinshaw Maneekjee Petit, AIR 1927, Bombay, 371 |
| Gilford Motors Company v Horne 1933, 1 CH 935 |
| Velayudhan v Registrar of Companies, 1980, 50 Comp Cas 33 (Ker) |
| Framroze Rustomji Paymaster v British Burmah Petro Co Ltd, 1976, 46 Comp. Cas. 597 Bom. |
| Kumaraswami Chettiar v Chinnathambi Chettiar (M.S.M.) 1950, 20 Comp Cas 286 (Mad) |
| Madras Hindu Mutual Benefit Fund v Raghava Chetti 1895, ILR 29 Mad 200 |
| Ram Kishun v Baij Nath 1911, 8 ALJ 32: 9 IC 25 |
| Erlanger v New Sombrero Phosphate Company, 1878, 3 App Cas 1218 (HL); 39, LT 269 |
| Lidney & Wigpool Iron Ore company v Bird , 1866, 33 Ch. D 85 |
| Jublee Cotton Mills Ltd v Lewis 1924, 1923, 1 Ch 1, 1924, AC 958 |
| Ex Board of the Methodist Church in India v Union of India, 1985, 57 Comp Cas 443 (Bom) |
| Ewing v Buttercup Margarine Co Ltd, 1917, 2 Ch. 1. |

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| Society of Motor Manufacturers and Traders Ltd v Motor Manufacturers & Traders Mutual Assurance Ltd 1925, 1 Ch. 675. |
| Orient Paper Mills Ltd v State, AIR 1957, Orissa, 232 |
| Minerva Mills Ltd v Govt of Maharashtra, 1975, 45, Comp Cas. 1 Bombay |
| Irrigation Development Employees' Association v Government of AP, 2005, 55 SCL 459 (AP) |
| Mathrubhumi Printing & Publishing Co. Ltd. v Vardhaman Publishers Ltd. 1992, 73 Comp Cas 80 (Ker) |
| Globe Motors Ltd. v Globe United Engg. & Foundary Co. Ltd. (1975) 45 Comp Cas 429 (Del) |
| Ernest v Nicholls 1857, 6 HLC 401, 419 |
| Kotla Venkat Swamy v Chinta Rama Murthy, AIR 1934, 579, Madras |
| Royal British Bank v Turquand, 1856 6 E&B 327 |
| Re: South of England Natural Gas and Petroleum Company Ltd, 1911, 1 Ch., 573 |
| Nash v Lynde, 1929, A.C., 158 |
| Maneckji v Wadilal Sarabhai & Co. 1926, ILR 50 Bom 360: 30 CWN 890 |
| Bihar State Financial Corporation v CIT 1976, 46 Comp Cas 155 (Pat) |
| Changa Mal v Provincial Bank Ltd. 1914, ILR 36 All 412: 25 IC 210 |
| Mutual Bank of India Ltd. v Sohan Singh AIR 1936, Lahore 790 (DB) |
| Changamal v Provincial Bank, 1914, ILR 36, 412, Allahabad |
| Re: Universal Banking Corporation, 1867, LR 3 CH APP 40 (CA) |
| Ramanbhai v Ghasi Ram, 1918, L.R. 595, Bombay |
| Secretary of State for trading and industry (4F) v Deverell (2001) Ch 340 |
| Oriental Metal Pressing Ltd. v B.K. Thakoor (1961) 31 Comp Cas 143. |
| Dale & Carrington Investment (P.) Ltd. v Prathapan (P.K.), 2004, 54 SCL 601 (SC) |
| Shubh Shanti Services Ltd. V Manjula S. Agarwalla, 2005, 125 Comp Cas 477 (SC): 2005, 60 SCL 280 (SC) |
| Ref: Express Engg. Works (1920) 1 Ch. 466 |
| S.R. Subramaniam v Drivers & Conductors Bus Service (P) Ltd. (Mad) 1978(48) Comp Cas 672 |
| B.R.Kundra v Motion Picture Asson. 1978 (48) Comp. Cas. 564 (Del). |
| Hungerford Investment Trust Ltd. v Turner Morrison Co. Ltd. ILR (1972) Cal. |
| Dineker Rai Desai v R.P.Bhasin (1986) 60 Comp Cas. 14 (Delhi) |
| Bejoy Kumar Karnani v Asstt ROC, 1985(1) Comp. LJ 21, Cal (DB) 1985 (58) Comp Case.293 |
| M.D.Mundra v Asstt. ROC (1980) 50 Comp. Cas. 346 (Cal) |
| Sree Meenakshi Mills Co. Ltd. V Asstt.Registrar (1938) 8 Comp Cas. 175 (Mad) |
| Kumaranunni v Mathrubhumi Printing & Publishing Co. Ltd. 1983 (54) Comp Cas. 370 (Ker) |
| Hindustan Coop. Insurance Society Ltd. 1961 (31) Comp Cas. 193. |
| LIC v Escorts Ltd. (1986) 59 Comp. Cas. 548 (SC) |
| AP Provincial Potteries Ltd v ROC (AP FB) 1969 (39) Comp. Cas 1000; 1970 (1) Comp LJ 172 |
| State of Bihar v Linkers (P) Ltd. 1970 (40) Comp.Cas17 (Pat).1969 (1) Comp. LJ 240. |
| Nungambakkm Dhanarakshaka Saswatha Nidhiv Ltd v ROC (1972) 42 Comp.Cas 632 (Mad) |
| Ref: Asia Udyog (P) Ltd.(1961) 31 Comp Case. 269 |
| V.Selvaraj v Mylapore Hindu Permanent Fund by its Secretary 1968 (1) Comp. LJ 92 (Mad) |
| State of Kerala v West Coast Planners Agencies (P) Ltd. (1958) 28 Comp Cas 13. |
| Kastoor Mal Banthiya v State, AIR 1951, Ajmer 39 |
| Kuldip Singh Dhillon v Paragon Utility Financiers (P) Ltd. (1986) 60 Comp. Cas. 1075 (P & H) |
| MRS Rathnavelusami Chettiar v MRS Manickavelu Chettiar (1951) 21 Comp Cas. 93 (Mad). |

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| Re: Haycraft Gold Reduction and Mining Co (1900) 2 Ch 230 |
| John Shaw and Sons (Salford) Ltd V Shaw (1935) 2 KB 113 |
| Re: Parikh Engineering & Body Building Co. Ltd. (1975) 45 Comp Cas. 157 (Pat) |
| Bharat Kumar Dilwali v Bharat Carbon & Ribbon Manufacturing Co. Ltd. 1972 (1) 1LR (Del) 837 (DB) 1973 (43) Comp Cas 197 (Del) (DB) |
| Re: West Canadian Collieries Ltd. (1962) Ch. 370 |
| Mussel White v CH. Mussel White and Sons Ltd. (1962) Ch. 964 |
| Amalgamated Commercial Traders (P) Ltd. v ACK. Krishnaswami, 1965, 35 Comp Cas 456 (SC)] |
| Praneet Enviroquips Pvt. Ltd., Chandigarh v Vishal Papertech (India) Ltd. (1999) 4 CLJ 280 (P&H) |