

Chanakya National Law University, Patna
B.A.LL.B (H) / B.B.A., LL.B. (H) 2022-23
SEMESTER- V

Course Title: Company Law

Course Overview

This is an elementary introductory course in Company Law. The main source of statutory material, the Companies Act, 2013 contains over 470 sections, VII Schedules and Rules. It is for students approaching company law for the first time, and assumes no prior knowledge on the part of students. The curriculum is designed to focus on behind the corporate veil; constitutional matters, the duties and liabilities of directors; shareholders' rights and remedies, contracting with the company, corporate transparency, and theoretical introductions to the company and corporate governance. Students seeking more advanced corporate law modules should choose Specialization (Honours) Course as Corporate Law.

Module one deals with features of the law and its evolution and provide an insight into how the legislation works, how it falls to be construed, and how far it succeeds in its actual or apparent aims.

Module two focuses on Incidents of corporate personality. Differences between incorporated and unincorporated associations. The rule in *Salomon v Salomon & Co Ltd* and its development. Tortious liability as an alternative to veil lifting.

Module three deals with the provision of limited liability (though one can have separate legal personality without limited liability, as in the unlimited liability company). Although 'limited liability' is a well-known phrase, at least three (not necessarily mutually exclusive) meanings can be attached to it. At its narrowest, limited liability means that that claims of the company's business creditors cannot be asserted against the assets of the shareholders.

Module four covers the nature of and principles governing the statutory contract between the company

and its members. Different capacities of members and relations between one member and another. Alteration of the statutory contract and remedies for breach.

Module five covers the general duties of directors, and the codification of those duties. Statutory controls on directors, including rules on self-dealing and the criminalization of insider trading. The enforcement of directors' duties, including rule in **Foss v Harbottle** and the statutory derivative claim. Company disclosure and investigations by the Department for Business, Energy and Industrial Strategy.

Module six deals with the statutory remedies for the protection of minority shareholders. Shareholders' personal rights, including under the statutory contract.

Learning Outcomes

The course aims to give students an introduction to Company Law and to enable them to gain knowledge of its main features and some of its specific 'technical' rules; to analyse and evaluate this knowledge; and to gain some understanding of how corporate law operates in practice in the commercial world

On completion of the course, students will be able to:

1. Understand the core principles of company law.
2. develop their analytical faculties by identifying and resolving legal issues relating to the operation of companies in terms of the relationship between the board of directors and the General Meeting
3. develop their critical faculties by evaluating the rules, policies, and principles of Indian company law
4. evaluate legal materials and effectively apply them to practical corporate problems;

List of Topics/ Modules

Topic/ Module	Contents/ Concepts	Sessions / Lectures
Module I: Historical Evolution of Company Law	<ul style="list-style-type: none">• Evolution of Company Law Colonial and Post-Colonial Period	1-8

	<ul style="list-style-type: none"> • Core Features of company Law 	
Module II: Corporate Personality/Corporate Personhood	<ul style="list-style-type: none"> • The Concession to Separate Legal Personality • How does a Company Act and identify? • Contracting • Tortious Liability • Criminal Liability 	9-18
Module III: Limited Liability and Claim of creditors	<ul style="list-style-type: none"> • Concept of Limited Liability • Rationale for Limited Liability • The costs of Limited Liability 	19-29
Module IV: Shareholders	<ul style="list-style-type: none"> • Integrated Management and Dispersed Shareholdings • Principal and Agent Cost • Shareholders participation in decision-making • Choice Rights • Exit or Voice? 	29-39
Module V: Directors	<ul style="list-style-type: none"> • Duty of Care • Duty to act within powers • Role and Responsibilities • Enforcement • Liabilities 	39-50
Module VI: Majority and Minority Shareholders	<ul style="list-style-type: none"> • Standards • Rights of decisions • Derivative Action • Oppression and Mismanagement • Affiliation Strategies 	50-60

Recommended/Reference Text Books and Resources:

Text Books

One or any of the following books:

1. **Dignam, A. and J. Lowry Company law. (Oxford: Oxford University Press, 2022) 12th edition [ISBN 9780192865359].**
2. **A. Ramaiya Guide to Companies Act, Lexis Nexis Butterworths, Wadhwa, Nagpur**
3. **Dr.Avtar Singh Company Law, EBC, Latest edition.**
4. **Pettet’s Company Law and Corporate Finance J. Lowry and A. Reisberg (Harlow, Longman, latest ed)**
5. **Gower and Davies’ Principles of Modern Company Law (latest ed)**
6. **Hannigan’s Company Law (Oxford: OUP, latest ed)**
7. **L.S. Sealy and S. Worthington Cases and Materials in Company Law (Oxford, OUP latest edition)**

Web Resources

<https://www.mca.gov.in/content/mca/global/en/acts-rules/ebooks.html>

Instructor Details

Name of the Instructor:	Nandita S Jha
Email:	nanditasjha@cnlu.ac.in
Website:	www.cnlu.ac.in

Signature