

POST GRADUATE DEPARTMENT OF BUSINESS LAW**Subject: CORPORATE GOVERNANCE**

In a developing society such as India, corporates play a pivotal role in the economic development of the Country. The faculties of commerce, business & management studies have gained much significance since the last decade with the adaptation of liberalization, privatization & globalization policy by the Government of India, whereby economic activities involving consumers, such as provision of goods & services have increased on a global scale. Moreover, corporate structuring of business is largely preferred by most people over other forms of business. Also, statutory provisions makes it mandatory to do business in corporate form if the capital / manpower involved in a business organization exceeds a certain level. These aspects make it indispensable that Students of a Masters programme [M.L.] in Business Law gain adequate knowledge on the subject of Corporate Finance & Governance which is the crux of efficient administration of any corporate system & be well equipped / trained in the same.

In view of the above perspectives the broad objectives of this course may be formulated as follows-

- a) To understand the Legal dimensions of business practices involved in corporate structures.
- b) To familiarize Students with the organizational set-up, functioning, lending & accountability aspects of international and state financing.
- c) To enable Students to comprehend & appreciate the process of the inflow & outflow of corporate finance as well as the facets of governance & decision making pertaining to the same.

I. INTRODUCTION:

- i. Evolution of companies & history of corporate Law.
- ii. Comparison with other forms of business organizations-advantages & disadvantages of doing business through corporate structure.
- iii. Meaning, significance & scope of corporate finance & governance.
- iv. Objectives of corporate finance-profit & wealth maximization.
- v. Constitutional perspectives-List I-Entries 37, 38, 43-47, 52, 82, 85 & 86; List II-Entry 24.
- vi. Memorandum of Association & Articles of Association.
- vii. Reports.
- viii. Competition Commission of India.

II. CORPORATE SECURITIES:

- i. Types & nature of corporate securities-Shares & Debentures.
- ii. Modes of securities Issue.

- a. Public issue.
- b. Rights issue.
- c. Private placement (preferential allotment).
- d. Qualified institutional placement (QIP)-difference between US Securities & Exchange Commission (SEC) & Indian SEBI QIP Scheme.
- e. International issue -
 - Global Depository Receipts.
 - American Depository Receipts.
 - Foreign Currency Convertible Bonds.
- f. Indian Depository System & dematerialization of securities.
- iii. Shares -
 - a. Types of shares & variation of class rights.
 - b. Allotment of shares.
 - c. Call on shares.
 - d. Share capital.
 - e. Alteration of capital.
 - f. Alienation of shares.
- iv. Debentures -
 - a. Types of debentures.
 - b. Debenture Trust Deed & debenture trustees.
 - c. Debenture redemption reserve.
 - d. Remedies of debenture holders.
- v. Comparison between shares & debentures.
- vi. Pre-requisites & disclosures to be made in public offering of securities.
- vii. Listing of securities in Stock Exchanges.

III. CORPORATE GOVERNANCE:

- i. Corporate Social Responsibility (CSR) & its contribution to sustainable development.
- ii. Promoters of companies & nature of their duty towards the corporate.
- iii. Directors & Auditors -
 - a. Scope of position of Directors & Auditors.
 - b. Qualification.
 - c. Appointment.
 - d. Remuneration.
 - e. Removal.
 - f. Powers & duties.
- iv. Accounts & Audit.
- v. Inter-corporate investments & charges.
- vi. Majority powers & Minority rights.
- vii. Prevention of Oppression & Mismanagement.
- viii. Reconstruction & amalgamation.
- ix. Doctrines of Ultra-vires, Constructive Notice & Indoor Management.
- x. Administrative Control-by Registrar of companies, Central Government NCLT & SEBI.
- xi. Need for & scope of investor & creditor protection.

IV. LIMITED LIABILITY PARTNERSHIP:

- i. Partnership Deed & LLP Agreement.
- ii. Registration requirement and procedure.
- iii. Number of partners, designated partners, sharing of profits.
- iv. Dissolution of partnership.
- v. Comparative study of Partnership Act and LLP Act.

V. GLOBAL PERSPECTIVE:

International corporate governance practices & implementation mechanisms in-

- i. United Kingdom.
- ii. United States of America [with specific reference to North America].
- iii. Japan.
- iv. Germany.
- v. Europe.

**READING MATERIAL:****A. Statutory Material:**

1. The [Indian] Companies Act, 1956.
2. The Securities & Exchange Board of India Act, 1992 [SEBI].
3. The Depositories Act, 1996.
4. The Foreign Exchange Management Act, 1999 [FEMA-Relevant Regulations].
5. Limited Liability Partnership Act, 2008.
6. Relevant statutory provisions relating to Corporate Law of UK, USA, Japan & Germany.

B. Reference Material:

1. Avtar Singh - Company Law.
2. Eillis Ferran – Company Law & Corporate Finance.
3. Gower & Davies – The Principles of Modern Company Law.
4. Ramaiya - A Guide to the Companies Act.
5. Fisher, Jonathan etal – The Law of Investor Protection.
6. Michel Blair & George Walker – Financial Markets & Exchange Laws.
7. Loss & Seligon – Fundamentals of Securities Regulation.
8. Brian Cheffins – Company Law: Theory, Structure & Opertion.
9. Sanjiv Agarwal – Corporate Governance Concept & Dimensions.
10. Sanjay Bhayana – Corporate Governance Practices in India.
11. Bala Subramaniam – Corporate Governance Realities & Reforms.
12. Alastair Hundson - The Law on Financial Derivatives.
13. Jonathan Charkham - Fair shares: the Future of Shareholder Power and Responsibility.
14. Austen R.P. - The Law of Public Company Finance.
15. R.M. Goode - Legal Problems of Credit and Security.

16. Altman and Subrahmanyam - Recent Advances in Corporate Finance.
17. Gilbert Harold - Corporation Finance.
18. Henry E. Hoagland - Corporation Finance.
19. Maryin M. Kristein - Corporate Finance.
20. R.C. Osborn - Corporation Finance.
21. Y.D. Kulshreshta - Government Regulation of Financial management of Private Corporate Sector in India.
22. Corporate Governance – [Modules of Best Practices] – The Institute of Company Secretaries of India.

୧୧.୧୧.୧୧