

Generic Elective Course- 8.4 (GE-8.4): Legal Aspects of Business

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/Practice		
Legal Aspects of Business GE:8.4	4	3	1	0	Pass in XII	NIL

Learning Objectives

To develop an understanding of the legal intricacies governing business entities, enabling strategic compliance, risk mitigation and ethically sound decision-making within a dynamic regulatory landscape.

Learning outcomes

After completion of the course, learners will be able to:

1. Discuss contract law principles, including enforceability, modes of discharge, and legal remedies, to facilitate sound and legally compliant business transactions.
2. Interpret the legal principles governing special contracts
3. Comprehend and analyse the fundamental principles of company law, company formation, structure, governance, and regulatory compliance.
4. Develop a comprehensive understanding of company management, key roles, and the legal framework for conduct of valid meetings and resolutions.
5. Enable to form an LLP, its governance, and undertake compliance related to LLPs.

Course Contents

Unit 1: The Indian Contract Act, 1872 (10 hours)

Contract – meaning, characteristics and kinds; Essentials of a valid contract - offer and acceptance, consideration, contractual capacity, free consent, the legality of objects; Void agreements; Quasi-contracts; Discharge and remedies for breach of contract.

Unit 2:

Part A: Introduction to Special Contracts (9 hours)

Contract of Indemnity - Definition and Rights of indemnity holder; Contract of Bailment – Definition, kinds of bailment, Rights and duties of Bailor and Bailee; Contract of Agency -

Definition, essentials; Principal Agent relationship; kinds of agent; creation of agency; Extent of agent's authority.

Part B: Introduction of the Companies Act, 2013 (9 hours)

Definition of Company; Kinds of companies; Incorporation of company; Memorandum and Articles of Association; Prospectus - Shelf and Red herring prospectus, misstatement in prospectus; Allotment of Securities.

Unit 3: Company Management and Meetings (10 hours)

Directors: Legal position, Disqualifications, Director Identification Number (DIN); Classification of directors; Appointment, Removal of directors; Powers and Duties; Key managerial personnel (KMP): Concept and types; Board Meetings; Shareholder's meetings: AGM and EGM; Convening and conduct of valid meetings; Resolutions.

Unit 4: The Limited Liability Partnership Act, 2008 (7 hours)

Meaning and Nature of LLP; Difference between LLP and Partnership, LLP and Company; Incorporation of LLP; LLP Agreement; Partners and their Relations; Extent and limitation of liability of LLP and partners.

Exercises

The learners are required to:

1. Identify the essential components of valid contracts present in rent agreements, sale deeds, and appointment letters commonly used in daily life.
2. Research and classify real-life examples of different types of agents (e.g., mercantile agents, brokers, commission agents, and del credere agents).
3. Fill out a dummy SPICe+ (Simplified Proforma for Incorporating Company Electronically) form for incorporating a company.
4. Identify the composition of the Board of Directors in a listed company from NSE/BSE and analyze their roles. Framework for drafting notice and agenda of a valid meeting.
5. Fill out a dummy FiLLiP (Form for Incorporation of LLP) on the MCA portal.

Essential/ Recommended readings

- Chadha R. & Chadha, S., Company Law (2025) Scholar Tech Press, Delhi.
- Jagota R. Business Laws (2022), MKM Publishers Scholar Tech Press.
- Jagota, R. (2021) Corporate Laws, Taxmann Pvt Ltd, Delhi.
- Kuchhal M. C., & Kuchhal V., (2023) Business Legislation for Management, Vikas Publishing House Pvt. Ltd.
- Kuchhal, M. C. and Kuchhal, A. (2021) Company Law, Mahavir Publications.
- Padhi P. K. (2024) Legal Aspects of Business, PHI
- Sharma, J. P., & Kanojia, S., (2019) Business Laws, New Delhi. Bharat Law House Pvt. Ltd.
- Sharma, J.P. (2022) An Easy Approach to Corporate Laws, Ane Books Pvt. Ltd., New Delhi.
- Sulphey, M. M., & Basheer, AZ-HAR (2021) Laws for Business, 5th ed. PHI Learning
- Tulsian, P. C. (2017) Business Law. New Delhi. 3rd edition, Tata McGraw Hill.

Additional Readings

- Arora, S. (2024) Business Laws. New Delhi. Taxmann.
- Das S. K. and Roy P. K. (2018) Business Laws, Oxford University Press.
- Das & Roy (2021) Company Laws Oxford University Press.
- Gowar, LCB. Principles of Modern company Law, Stevens & Sons, London.
- Hanningan, Brenda. Company Law, Oxford University Press, U.K.
- Hicks, Andrew & Goo S.H. Cases and Material on Company Law, Oxford University Press.
- Sharma, J. P., & Kanojia S. (2015) Vyavsayik Sanniyam, Delhi University Hindi Cell. (For Hindi)
- Ramaiya, A. A Guide to Companies Act, LexisNexis, India.
- The Companies Act, 2013
- The Indian Contract Act, 1872.
- The Limited Liability Partnership Act, 2008.

Note: Suggested readings will be updated by the Department of Commerce and uploaded on Department's website.