

NIRMA UNIVERSITY

Institute:	Institute of Law
Name of Programme:	B.A., LL.B (Hons.), B.Com.LL.B(Hons.)
Course Code:	2BUL843
Course Title:	Law on Corporate Finance
Course Type:	Department Elective
Year of Introduction	2021-2022

Credit Scheme

L	T	Practical component				C
		LPW	PW	W	S	
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Course Learning Outcomes (CLO)

At the end of the course, students will be able to:

1. Appraise the principles of Corporate Financing.
2. Analyse the regulatory checks on Corporate Finance activities to prevent leakages.
3. Compare pros and cons of Equity and Debt Financing in Financial Decision making of companies.
4. Explain the legal framework surrounding Corporate Finance in India.
5. Examine Investor Protection Regime in India.
6. Discuss about regulatory oversight exercised by various administrative bodies like SFIO, SEBI, RBI, etc. on corporate entities.

Syllabus:

Unit

Syllabus

Total teaching hour: 60

Teaching hours

Unit-I

Introduction to Principals of Corporate Finance

12 hours

- 1.1. Meaning, importance and scope of corporation finance
- 1.2. Meaning, importance and scope of corporation finance
- 1.3. Capital needs - capitalization -working capital – securities borrowings-deposits, debentures, General discussion regarding the term corporate finance and Concept of Risk and Return.
- 1.4. Objectives of corporation finance- profit maximization and wealth maximization
- 1.5. Constitutional perspectives -see the following entries 37, 38, 43, 44, 45, 46, 47, 52, 82, 85, and 86 of List 1 - Union List; entry 24 of List 11 - State List 2 Corporate governance in corporate sector



Unit-II	Equity Financing 2.1. Share capital 2.1.1. Public Issues of Shares 2.1.2. Prospectus – information disclosure 2.1.3. Issue, Pricing and Allotment 2.2. Shares without monetary consideration 2.3. Private Equity 2.4. SME Financing 2.5. Institutional Trading Platform 2.6. ICO (Initial Coin Offering)	12 hours
Unit-III	. Debt Financing 3.1. Debentures 3.1.1. Classification of Debentures 3.1.2. Issue of debentures by listed companies 3.3.3. Issue by unlisted public companies 3.3.4. Issue by private companies 3.2. Corporate Bonds 3.3. Deposits and acceptance 3.5. Securitized Debt Instruments	10 hours
Unit-IV	Conservation of Corporate Finance 4.1. Regulation by disclosure 4.1. Control on payment of dividends 4.2. Managerial remuneration 4.3. Payment of commissions and brokerage 4.4. Inter-corporate loans and investments 4.5. Pay-back of shares 4.6. Other corporate spending	10 Hours
Unit- V	Protection of Inventors: Shareholders & Creditors 5.1. IOSCO Recommendations on Investor Protection 5.2. Protection of Equity Investors 5.2.1 Individual shareholder Right 5.2.2. Shareholders Agreement 5.3. Derivative actions 5.4. Investors Dispute Resolution 5.4.1. Investor Protection Fund 5.5. Creditors Protection 5.5.1. Creditors Protection under Company Law 5.5.2 Creditors Protection under Insolvency Law	9 Hours
Unit-VI	Administrative regulation on corporate Finance 6.1 Inspection of accounts 6.2 SEBI 6.3 Central government control	6 Hours

- 6.4 Control by Registrar of companies
- 6.5 National Financial Reporting Authority
- 6.6 Serious Fraud Investigation Office
- 6.7 NCLT & NCLAT
- 6.8 RBI control
- 6.9 Regulatory Overlapping and Reforms

Suggested Reading
Reference:

- Eilís. F. (2014). Principles of Corporate Finance Law. Oxford University Press India. New Delhi.
- Jarrow, R., Maksimovic, V., & Ziemba, W. (1995). Finance. North-Holland.
- Damodaran. A. (2003). Corporate finance. Wiley. New York.
- Ferran. E. (2008). Principles of Corporate Finance Law. Oxford University Press. New York
- Ahuja. N. (2016). Corporate Finance. Prentice-Hall of India. New Delhi.
- Taxmann's SEBI Manual. Vol I & II. (2020). Taxmann India Pvt. Ltd., New Delhi.
- Tripathi. B. K. (2020). Company Law and Corporate Finance. Sumit Enterprises. New Delhi.
- Bhandari. M. C. (2019). Guide to Company Law Procedures. Lexis-Nexis. New Delhi.
- Ramaiya. A. Guide to the Companies Act. Wadhwa Nagpur.
- Baby. J. & Aggarwal. S. (2019). SEBI Act, Taxmann India Pvt. Ltd., New Delhi.
- Bhasin. N. (2021). Foreign Direct Investment (FDI) in India: Policies, Conditions & Procedures. New Century Publications. New Delhi.