

**Course Title: Business Law****Course Objectives:**

This course provides a detailed overview of the laws relating to corporations and their functioning. This course relates to Companies Act 2017 (revised) and its implications for corporation in Pakistan.

**Prerequisites:**

<b>Course Contents</b>	
Companies Act 2017: Definitions and introduction	Defining relevant terms and their application (Section 2 and 118) Holding company and subsidiary (Section 2(37), (68)) Powers and functions of commission and registrar (Section 7) Business and objects of company (section 26)
Memorandum of association (sections 27, 28, 29, 30, 31, 32, 33, 34, 35, 40, and 41)	Describe memorandum of association and its purpose Listing clauses of memorandum of association for various types of companies Describing effects of alteration of memorandum of association Relating to provision relating to printing, signing, and date of memorandum of association
Registration of memorandum and article of association (section 16, 17, 18, 36, 37, 38, and 39) Provisions with respect to names of companies/ its change (Section 10, 11, 12, and 13)	Defining article of association and its purpose Understanding information in article of association and procedure to change it Describing procedure of registration of memorandum and articles of association and its effects Relating to provision relating to printing, signing, and date of articles of association Describing provisions/ procedure/ prohibitions with regard to selection of name of company, change of name, and registration of change of name and its effect Explaining the procedures needed if company is registered with a prohibited name
Association not for profit (Section 42 and 43) Companies limited by guarantee (Section 45)	Understanding nature of association not for profit, their licensing, revocation of licenses Understanding provision relating to divisible profits and dividing the undertaking into shares or interest in relation to companies limited by guarantee
Prospectus, allotment, issue, and transfer of shares and debentures, deposits etc. (Section 87(2), (4), (5), (6), (7), 88(1-8), 90, 91, 92, and 93 of securities act 2015) (Section 57 of Companies Act of 2017) Share Capital and debentures	Defining prospects, its purpose, and requirements as of Securities Act 2015 Understanding provisions regarding settlement and consent of expert Understanding provisions relating to nature and number of shares, and other securities, classes of shares, fully paid shares, Understanding provisions relating to alteration of share capital and kinds of alterations Understanding rights of shareholder's and provisions relating to

(Section 58, 59, 60, 61, 62, 85, 86, and 87 of Companies Act 2017)	variation of rights Stating provisions with respect to prohibition of purchase of own shares by a company
Registration of mortgages, charges etc. (Section 100, 105, 109, 110, 112 of Companies Act 2017)	Understanding meaning of mortgage/ charge and requirement/duty of company and procedure for registration of charges Stating right of an interested party in respect of a registration of mortgage/ charge Stating provisions relating to the duty and procedure of payment or satisfaction of mortgage/ charge and power of registrar to make entries of satisfaction and release in absence of intimation from company Demonstrating familiarity with the provisions relating to the right to inspect the instrument creating a mortgage/ charge Understanding consequences of registered and unregistered mortgages/ charges
Registered office, publication of names, etc. (Section 21, 22, 24, 25 of Companies Act 2017) Commencement of business by a public company (Section 19 and 20 of Companies Act 2017)	Learning provisions with regard to having a registered office, publication name, penalties for non-publication of names and publication of authorized and paid-up capital Defining minimum subscription and other conditions to commence business by company Stating applicability and non-applicability of conditions on different kinds of company Consequences of non-compliance of section 19
Meeting and proceedings (Section 131 – 152 of companies act 2017)	Stating timing, matters, and reports relating to statutory meetings, general meetings, and extraordinary general meeting Stating who can call an annual general meeting, extra ordinary meeting Stating provisions relating to quorum for a general meeting Stating provisions with respect to appointment of proxy and conditions applicable thereon Describing the provisions relating to notice/ agenda/ resolution/ voting/ polling/ minutes of meetings State circumstances in which proceedings of the general meeting may be declared invalid
Appointment and removal of directors and disqualification by the commission (Section 153-168, 170-171, 174, 176-185 of Companies Act 2017)	Explaining legal provisions with respect to directors: ineligibility, minimum number and maximum number of directorships, appointment/ retirement of first and subsequent directors, independent directors, nominee director, term/ tenure of office of directors/ consent to act as director, elections, removal/ vacation of office, filling of casual vacancies, remuneration, powers, liabilities, limitations, protection to independent and non-executive directors, assignment of office and alternate directors, proceedings/ validity of acts of directors, compliance with code of corporate governance, passing of resolution, legal provisions relating to loans to directors,

	prohibition regarding political contributions/ distribution of gifts
Chief executive (Section 186 – 192, 194 – 196)	<p>Explaining provisions relating to appointment of first chief executive, and subsequent chief executives, restriction on appointment of chief executive, removal of a chief executive and his engagement in any business</p> <p>Stating provisions relating to appointment of a chairman and his responsibilities/ share registrar/ sole purchase/ sales agents/ secretary</p>
<p>Investment in associated companies and undertakings (Section 199 of Companies Act 2017)</p> <p>Investment of companies to be held in its own name (Section 200 of Companies Act 2017)</p> <p>Disclosure of interest by directors (Section 205 of Companies Act 2017)</p> <p>Interest of other officers etc. (Section 206 of Companies Act 2017)</p> <p>Interested director not to participate or vote in proceedings of directors (Section 207 of Companies Act 2017)</p>	<p>Describing conditions applicable to a company for making investment in associated companies and undertakings</p> <p>Discussing how a company can hold its investment in the name of other than its own name</p> <p>Explaining the provisions/ requirements of disclosure of interest by director and other officers in contract/ agreement entered into by or on behalf of the company</p> <p>Describing the provisions relating to participation of interested director in the proceedings of directors in contract/ agreement entered into by or on behalf of company</p>
Accounts (Section 220, 223, 226, 227, 232, and 233 of Companies Acts 2017)	<p>Understanding legal requirements of keeping books of accounts and their nature</p> <p>Understanding provisions relating to the financial statements</p> <p>Describing contents of directors' reports and statement of compliance/ duty to prepare directors' report and statement of compliance</p> <p>Describing provisions relating to approval and authentication of financial statements</p> <p>Understanding requirements of filing of financial statements with the registrar</p>
Dividends and Manner and Time of Payment thereof (Section 240 – 244 of Companies Act 2017)	<p>Explaining provisions/ requirements relating to declaration of dividend and identify/ explain certain restrictions on declaration of dividend</p> <p>Understanding provisions applicable to payment/ withholding of dividend</p> <p>Describing the provision applicable to unclaimed share and dividend to vest with the Federal Government</p>
Audit, Appointment,	Explaining provisions applicable to appointment, removal, and

Removal, Rights, and Duties of Auditors (Section 246 – 251 of Companies Acts 2017)	remuneration, of auditors; qualification and disqualification of auditors; powers/ duties of auditors and an auditor’s right to access the record and information; auditor’s duty to report and contents thereof Understanding audit of cost accounts and signature on an audit report
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**Teaching Methods:** Lectures, discussions, presentations, quiz & assignments

**Assessment Mechanism/Criteria**

40% (40 Marks)	Internal Assessment by affiliated institution	*15Marks for Assignments, Quizzes and others **25 Marks for Mid-term Exam
60% (60Marks)	External Assessment by the Punjab University	Final Term Examination

**Suggested Readings:**

CAF-03 Business Law: Study Text by ICAP