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**COIMBATORE – 641049**

**Department of commerce with professional accounting**

**21UCP552 – CORPORATE LAW**

**Unit 3**

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# Qualification of Company Secretary

## Corporate Law – Module Overview

Welcome to this foundational module on **Corporate Law** as part of the Company Secretary qualification pathway. This session is designed to build your understanding of the legal framework governing corporations, director responsibilities, shareholder rights, and regulatory compliance – equipping you with the practical knowledge needed for professional practice.

COMPANY SECRETARY

CORPORATE LAW

UNDERGRADUATE MODULE



# Topics We Will Cover Today

This session walks through the core pillars of Corporate Law relevant to Company Secretarial practice. Each topic is paired with structured classroom activities to reinforce understanding.

**1 Formation & Constitution of Companies**  
Incorporation, Memorandum & Articles of Association, types of companies.

**2 Directors' Duties & Liabilities**  
Fiduciary duties, duty of care, statutory obligations under company law.

**3 Shareholder Rights & Meetings**  
AGMs, EGMs, resolutions, voting rights, minority protection.

**4 Regulatory Compliance & Governance**  
Stock exchange rules, filing obligations, corporate governance codes.

④ Each topic includes: **Quick Poll (3 min)** → **Think-Pair-Share (3 min)** → **Word Cloud Activity (3 min)** → **Reflection (2 min)** → **Group Activity with Outcome**

# Core Content: Corporate Law Explained

## Formation & Constitution

- A company is incorporated by registering with the relevant authority (e.g., Companies House in the UK)
- The **Memorandum of Association** sets out the company's name, registered office, and objects
- The **Articles of Association** govern internal management rules
- *Example:* Tesla Inc.'s Delaware incorporation — how state law shapes governance structure

## Directors' Duties

- Duty to act within powers (Companies Act 2006, s.171)
- Duty to promote the success of the company (s.172)
- Duty to exercise independent judgment (s.173)
- *Real Example:* The collapse of Carillion plc — directors' failure of duty highlighted

## Shareholder Rights & Meetings

- Shareholders exercise power through **Annual General Meetings (AGMs)** and **Extraordinary General Meetings (EGMs)**
- Ordinary resolutions require a simple majority; special resolutions require 75%
- Minority shareholders are protected through derivative claims and unfair prejudice petitions
- *Example:* Apple's AGM proxy voting battles over executive compensation

## Regulatory Compliance & Governance

- Listed companies must comply with stock exchange listing rules and corporate governance codes
- The Company Secretary ensures timely filing of annual returns, accounts, and statutory forms
- Non-compliance carries civil and criminal penalties
- *Example:* Enron scandal — governance failure and the birth of Sarbanes-Oxley

- 📄 **Classroom Interaction Activities:** (1) **Quick Poll — 3 min:** "Which director duty do you think is most frequently breached in practice?" | (2) **Think-Pair-Share — 3 min:** Discuss with a partner: What responsibilities would YOU have as a Company Secretary at a listed company? | (3) **Word Cloud — 3 min:** Submit one word describing "good corporate governance" | (4) **Reflection — 2 min:** Write down one thing that surprised you about directors' legal duties | (5) **Group Activity:** In groups of 4, review the Carillion case summary and identify three governance failures — present findings to the class

# Interactive Case Study & Assignments



## Case Study 1: The Enron Collapse

- How did the board fail its fiduciary duties?
- What role did the Company Secretary play — or fail to play?
- Which provisions of corporate law were violated?



## Case Study 2: Carillion plc (UK)

- Analyze the audit committee's failure to flag financial irregularities
- Did shareholders exercise their rights effectively at AGMs?
- What governance reforms followed the collapse?



## Case Study 3: Minority Shareholder Dispute

- A 15% shareholder alleges unfair prejudice by majority directors
- What legal remedies are available?
- How should the Company Secretary have managed the AGM process?

## Take-Home Assignment

### Task 1 — Research Brief

Select a publicly listed company of your choice. Download its latest Annual Report and identify how the Company Secretary's role is described. Write a 500-word analysis of compliance with corporate governance codes.

### Task 2 — Legal Scenario

A director of ABC Ltd. votes in favor of a contract from which she personally benefits, without disclosing her interest. Advise the board on the legal position under the Companies Act 2006. (400 words, citing statutory provisions.)

### Task 3 — Reflective Journal

Write a 200-word personal reflection: What aspect of Corporate Law do you find most challenging, and how will you address this gap as a future Company Secretary?

# Summary, Key Learnings & Q&A

## Company Formation

Companies are legal persons created through registration. Their constitution – Memorandum and Articles – defines powers and governance rules.

## Directors' Duties

Seven statutory duties under the Companies Act 2006 govern director conduct. Breach attracts personal liability, disqualification, and reputational damage.

## Shareholder Rights

Shareholders govern through resolutions at meetings. Minority protections prevent majority abuse. The Company Secretary is the custodian of this process.

## Compliance

Ongoing regulatory filing, governance code adherence, and board support are the Company Secretary's core compliance responsibilities.



## Know the Law


Understand statutes, constitution and compliance

## Advise the Board

Provide clear governance and procedural guidance

## Protect the Company

Manage risks, records and regulatory obligations

 **Final Q&A Session:** Now is your chance to ask anything! Consider: Which topic challenged your assumptions most? How does Corporate Law connect to your future career as a Company Secretary? What real-world scenario would you like to explore further? *Remember – there are no wrong questions in this room.*

"The Company Secretary is the guardian of good governance – not just a record-keeper, but a trusted adviser at the heart of corporate decision-making."