SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35

Legal Aspects of Business

Unit IV – COMPANY LAW 2013 & IPR

Presented by,

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Design Thinker.

1st Indian Institution to Implement

Design Thinking Curriculum

Redesigning Common Mind and Business Towards Excellence

Guess the Topic!!!

| Memorandum of Association |
| Articles of Association |

IN CASE YOU MISSED IT

SYNOPSIS

➢Prospectus
➢Definition
➢Contents of a prospectus
➢Requirements of Prospectus
➢Types of Prospectus
➢Liability for misstatements in the prospectus

Prospectus

A Document described or issued as prospectus and includes any notice, circular, advertisement. Prospectus is filed for offerings of stocks, bonds, and mutual funds.

Definition and objectives of prospectus

A Prospectus is defined under sec2(36) of the companies act as "any document described or issued as prospectus include any notice, circular, advertisement inviting offers deposit from public for subscription or purchase of any shares in or debentures of a body corporate"

❖To inform the public about forming of new company

❖To induce the investors to invest in its shares , debentures and deposits.
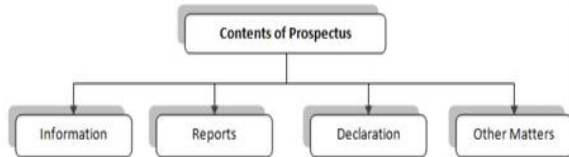
Contents of prospectus

Prospectus

Contents of the Prospectus

□ It contains the following details about the company:

1. Name and Address of the Registered Office
2. Name of the Stock Exchange where the application for the listing is made
3. Details related to the Minimum Subscription
4. Capital Structure of the Company
5. Terms of the present issue.
6. Particulars about the Issue.
7. Company Management and the Project.
8. Financial Information of the company.
9. Statutory information as per the provisions of Section 56 of the Companies Act,1956

CORPORATE LAW   MEANING OF PROSPECTUS   unacademy

Contents of Prospectus

Section 26 of the Companies Act, 2013 provides for the following matters to be stated and the information to be given in the prospectus

Contents of Prospectus
- Information
- Reports
- Declaration
- Other Matters

Reqirements of prospectus
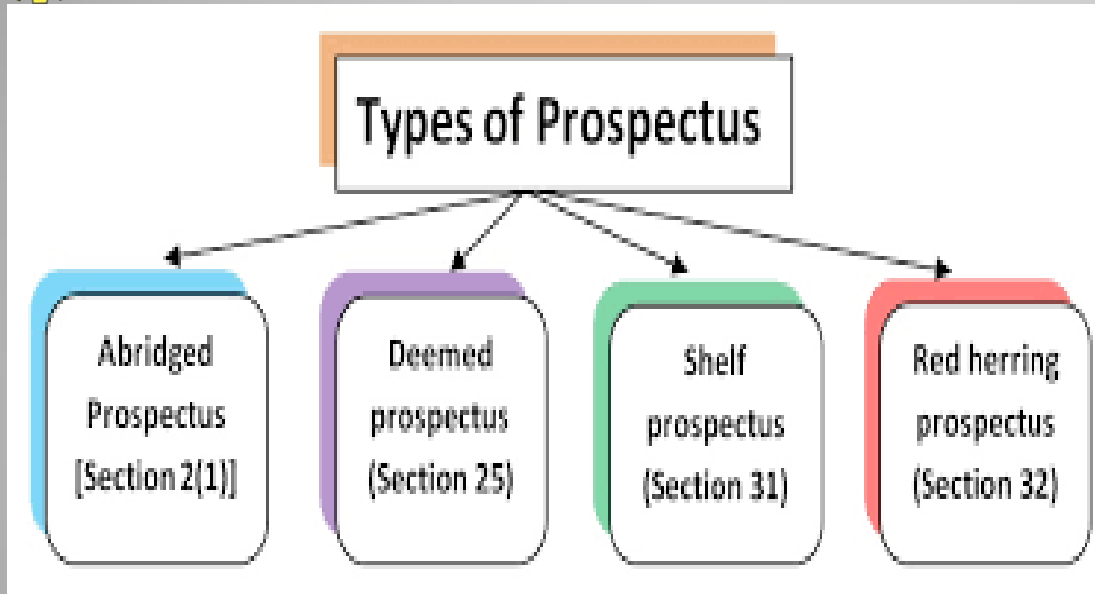
Provision of law regarding the issue of prospectus

- A prospectus must be dated and signed by all the directors
- A copy of prospectus must be accompanied with every application form for shares
- Every prospectus must disclose the matters as required by schedule –II of the companies act
- When prospectus includes a statement by an expert (such as legal advisor), it must contain a written consent of that expert

Arun Verma (c)

REQUIREMENTS OF PROSPECTUS

1. Prospectus must be dated i.e. publication date.
2. It must include an auditor's report on last five years profit and loss account and on balance sheet at last date on which accounts were prepared being a date not more than 120 days before the date of issue of the prospectus.
3. It must be issued/published not less than seven or more than thirty days before the subscription date.
4. If prospectus includes a statement made by an expert, the expert must not be engaged or interested in the formation or promotion or in the management of the company. A written consent of the expert should also be obtained before the issue of prospectus with the statement.
5. In case of a listed company approval of the SEBI must be obtained within sixty days before the date of issue of prospectus. However, Commission may, impose such conditions as it may deem necessary.

Prospectus - Types

Types of Prospectus

- Abridged Prospectus [Section 2(1)]
- Deemed prospectus (Section 25)
- Shelf prospectus (Section 31)
- Red herring prospectus (Section 32)

Liability for misstatements for prospectus

Recap

❖ Prospectus
❖ Definition and objectives
❖ Content of prospectus
❖ Requirements of prospectus
❖ Types of prospectus
❖ Liability for misstatements for prospectus
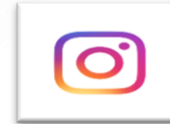
I just need the main ideas

References

- http://legislative.gov.in/sites/default/files/A1881-26.pdf
- https://www.indiacode.nic.in/handle/123456789/2189?locale=en

Thanks!

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