

B.A.LL.B.VII SEMESTER
SUBJECT: COMPANY LAW
BL-702
TOPIC: Company

Company – According to sec 2(20) of The companies Act ,2013

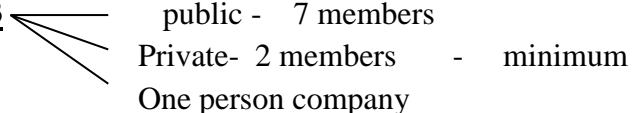
“A company to mean a company incorporated under this Act or under any previous company Law.”

Prof. Haney – “A company is an artificial person created by law, having separate entity” with a perpetual succession and common seal.”

Lord Justice Lindley- “A company is an association of many persons who contribute money or monies worth to a common stock and employed in some trade or business and who share the profit and loss arising therefor.”

Characteristic feature of a Company

1. Incorporated association – incorporated or registered under the companies act.

Sec-3 

2. Separate legal entity –

Solomon’s case - lord McNaughton puts it,

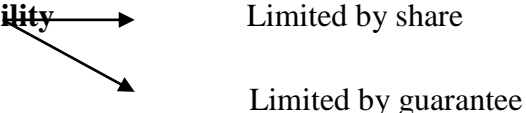
“The company is at law a different person altogether from the subscribers-----“

Kondoli tea co.ltd ,Re –

Lee v. lee’s Air framing ltd. 1960

Bacha f.Cruzdar v. the commission of income tax Bombay,1955

3. Artificial person

4. **Limited liability** 

5. Separate property

Principle laid down in *Bacha f. guzdar v. CIT*, Bombay the S.C held that a shareholder is not the part owner of the company or its property.

6. Transferability of shares

Sec-44: Declares that "the shares, debentures or other interest of any member in a company shall be movable property, transferable in the manner provided by the article of the company."

7. Perpetual succession

Prof .L.Gower: Said "Member may come and go but the company can go for ever "it continues even if all its human members are dead .even where during the war all the members of a private company, while in general meeting were killed by a bomb ,the company survived .not even a hydrogen bomb could have destroyed it,"

8. Common seal

Sec -22- As amended by the companies (amendment) Act ,2015 A company may, under its common seal, if any, through general or special power of attorney empower any person to execute deeds on its behalf in any place either in or outside India.

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