

# COMPANY LAW

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# Company Law

- ▣ **Introduction-**
- ▣ A company is a "corporation" - an artificial person created by law.
- ▣ A human being is a "natural" person.
- ▣ A company is a "legal" person.
- ▣ A company thus has legal rights and obligations in the same way that a natural person does.

# Meaning

- ▣ A company, in common parlance means a group of persons,
- ▣ associated together for the attainment of a common end, social or economic.
- ▣ It has “no strictly technical or legal meaning”.

- ▣ The word 'company' is derived from the Latin word (Com=with or together; panis =bread), and it originally referred to an association of persons who took their meals together.
- ▣ In the leisurely past, merchants took advantage of festive gatherings, to discuss business matters.

# Historical Background of Company Law in India

- ▣ The history of Indian Company Law began with the Joint Stock Companies Act of 1850.
- ▣ Since then a cumulative process of amendment and consolidation brought us to the most comprehensive and complicated piece of legislation, the Companies Act 1956.
- ▣ The Companies Act 2013 has replaced Companies Act 1956. The Act has 470 sections and 7 schedules as against 658 sections and 15 schedules in the 1956 Act.

# Definition of Company

- ▣ In the legal sense, a company is an association of both natural and artificial persons (and is incorporated under the existing law of a country).
- ▣ In terms of the Companies Act, 2013 (Act No. 18 of 2013) a “company” means a company incorporated under this Act or under any previous company law [Section 2(20)].