

DURGA
MAHAVIDYALAYA

COMPANY LAW

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Company Law

"Introduction to Company Law"

A *company* is a legal entity formed by a group of people (shareholders) to carry on a business, with the objective of earning profits. It is a separate legal entity from its shareholders, directors, and employees.

Key characteristics of a company include:

1. *Separate legal entity* - A company has its own identity, distinct from its members.

2. *Limited liability* - Shareholders'

liability is typically limited to their investment in the company.

3. ***Perpetual succession*** - A company continues to exist despite changes in shareholders or directors.

4. ***Management by directors*** - Directors oversee the company's operations and make decisions.

Importance - Regulates relationships between companies, shareholders, directors, and stakeholders

Objective - Protects interests of stakeholders, promotes transparency and accountability

Types of Companies

Private Limited Company - Owned by

private shareholders, limited liability

Public Limited Company - Listed on stock exchange, open to public investment

One Person Company (OPC) - Single-member company with limited liability

Other types - Partnership firms, LLP, etc.

Key Concepts in Company Law

Memorandum of Association (MoA) - Defines company's purpose, powers, and scope

Articles of Association (AoA) - Internal rules and regulations

Directors - Responsible for company management and decision-making

- ***Shareholders*** - Owners of the company, entitled to dividends and voting rights

Corporate Governance and Compliance

Importance - Ensures transparency, accountability, and fairness

Key aspects - Board composition, audit committee, disclosure requirements

Consequences of non-compliance - Penalties, fines, reputational damage

Conclusion and Future Directions

Summary - Company law regulates companies, protects stakeholders, and promotes transparency

Future directions - Evolving regulatory landscape, digitalization, and globalization

Call to action - Understanding company law is essential for businesses, investors, and stakeholders.

Thank you