

CLASS - LL.M. III SEMESTER
COMPANY LAW L-3007
CORPORATE PERSONALITY

- Company is a separate Legal Entity- or Corporate Personality , Artificial Person , Legal Person .
- All these or any of these term may be used as an identity of a company.
- Basically company is a creation of law. Which is incorporated through the process prescribed by the company legislation.
- In common law company is carries a distinct personality from its promoters or directors etc.
- Oakes V Turquand and Harding - 1867 For the first time , the concept was recognized in the year 1867 in this case . But firmly approved in Salomon V Salomon's Case
- In the case of Salomon V Salomon 7 Co. Ltd. 1897 it is well recognized that a company having a distinct personality.
- In the case of Kondoli tea Co. Ltd. Re.1886 the distinct Personality or separate legal identity is recognized by Indian Court.
- It is done through the incorporation of a body or organization incorporation is done through the process prescribed by the concerned company legislation/law.
- This mechanism of incorporation carries their own advantages and disadvantages of its own.
- The major advantages of incorporation are independent corporate existence.
 - Salomon V Salomon & Co. Ltd. (1897) AC 22
 - Trustees of Darmouth College V wood Ward (1819) 17 U.S. 518
 - Tata Engineering & Locomotive Co. Ltd. V State of Bihar (AIR 1965 SC 40)
 - LEE V LEE'S AIR FARMING Ltd. 1961 AC 12

- Limited Liability of members
- Perpetual Succession
- Separate Property
- Transferable Shares – Macaura Vs Northern Assurance Co. Ltd. 1925 AC 619
- Capacity to Sue
- Management divorced from Capital
 - Bacha F. Guzdar V Commissioner of the Income Tax , Bombay, AIR 1955 SC. 74
 - Income of dividend is not part of agriculture income.
 - Electrical Cable Development Association V Arun commercial premises co-operative Housing Society. Ltd. (1998) 18 SCL 12 – Distinct Personality ,
 - Indian Overseas Bank V R.M. Marketing and Services Pvt. Ltd. (2001) 107 Comp. Case 606

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