

Ques. 2

Define the company under company act 2013? What are the features of a company in your opinion.

Ans

A company follows the provision mentioned in the Companies Act 2013, which says that a - "company" means a company incorporated under this Act or any previous company law, in other words, a company is a legal entity which is formed by different individuals to generate profits through their commercial activities.

• Features of company-

1. Separate legal entity - It is that it acquires a unique character of being a separate legal entity.

2. perpetual succession - It is that it continues to carry on its business not with standing the death or change of its

members until it is wound up on the grounds specified by the Act.

3. Limited liability -

One company is the limited liabilities of its members. The liabilities of member depends on the type of company.

4. Artificial legal person - It is that it is known as an artificial legal person.

5. Common seal -

While a company is an artificial person and works through the agency of human beings, it has an official signature.