Corporate personality : Meaning Definition and Kinds of Corporate Personality.

Corporate personality is a fiction of law. It is an artificial personality given to corporation whereby certain rights and duties are attributed to it. The doctrine of Corporate personality was approved for the first time in a leading case **Soloman vs Soloman & Co. Ltd. (1897) A.C 22 (1895-99) All E.R. 33 (H.L).** a corporation has a personality of its own which is different from the personalities of the individuals. A corporation can sue and be sued. A Corporation can enter into contracts. A Corporation can have property and rights and duties. unlike natural person Corporation can act only through its agents. It does not die in the way natural persons. Law provides special procedure for the winding of a corporation

CORPORATION -

A corporation or Company is an artificial or fictitious Person created by the personification of a group or a series of individuals. The individuals forming the corpus of the corporation is called its members. In simple words, it is an organized the body of coexisting or successive persons, which by a legal fiction is regarded and treated as itself a person.There are two types of Corporation, Corporation aggregate or Corporation sole. The municipal corporation or company incorporated and registered under the Companies Act is an example of Corporation aggregate, on the other hand, a sovereign is a corporation sole.

Essential conditions for the existence of Corporation -

There are three conditions necessary for the existence of a corporation -

1. There must be a group or body of human being associated for certain purposes

2.There must be organs through which the body or the group acts.

3. A will is attributed to corporation by a legal fiction

A CORPORATION IS EITHER A CORPORATION AGGREGATE OR A CORPORATION SOLE.

There are two kinds of Corporation or a Company. 1) Corporate sole and 2) Corporate Aggregate.

1) CORPORATION AGGREGATE -

A Corporation aggregate is an incorporated group or body of coexisting persons United for the purpose of advancing certain points of interests. The number of corporations aggregate is very large and they are of various kinds. Their importance is also very great in the field of law. Thus, we have a very large number of Limited companies having millions of shareholders spread in different parts of the world. It is to be observed that a limited company is something different from its shareholders. It has a personality of its own which is different from its shareholders. The property of the company is not the property of the shareholders. The assets and liabilities of the company are different from those of its members. a company can contact with its shareholders. It is liable for tort. Even if the member of shareholders is reduced to one the shareholder and the company are two distinct persons. Corporation aggregate maybe Trading Corporation or non-Trading Corporation.

2] CORPORATION SOLE -

Corporation Sole is an incorporated series of successive persons. It is a corporation, which has one member at a time. It is a body of politic having a perpetual succession. It is constituted in a single person who, in right of some office or function, has the capacity to take, purchase, hold and demise land and hereditaments. A corporation sole is perpetual but there may be and mostly are periods in the duration of corporations sole, occurring irregularly, in which there is vacancy or no one in existence in whom the Corporation resides and is visibly represented.

Examples -

Offices of the Postmaster General, the minister of agriculture, the minister of health, public trustee, **Comptroller and Auditor General of India**, The **President of India** etc.

Theories of Corporation

There are many theories of Corporate Personality. Different Jurists propounded different theories to explain the nature of Corporate personality, but the best-known theories of a Corporate Personality are as follows

1) Fiction Theory:

The Fiction theory was propounded by Savigny. According to Savigny "a personality is attached to corporations, institutions and funds by a pure legal fiction. The Personality of Corporation is different from the personality of its members, that means there is a double fiction in the case of Corporation. Salmond and Holland are the supporters of this theory. According to Salmond, corporation is nothing more than the outcome of metaphor and fiction. The main defect of this theory is that it exists in the eyes of law only.

2) Realist theory:

Realist Theory was propounded by the great German Jurist Gierke. It was followed by Sir Fredrick Pollock, Geldart, Maitland etc. According to Gierke, Corporation is a real but mysterious entity, every group has a real mind, a real will and real power of action. According to this theory, every group comes to have personality of its own whether that group is social or political one.

3) Concession Theory:

Salmond, Savigny and Dicey are the main supporters of this theory. According to this theory, the only realities are sovereign and individual. the other groups cannot claim recognition as persons. they are treated as persons merely by a concession and the part of the sovereign. Legal personality is conferred only by law.

Corporate personality is nothing but a concession given to group or body of individuals by law to act as one body.

4) Purpose Theory:

According to this theory, Personality is only enjoyed by human being. German jurist Brinz and Bekker are the main supporter of this theory.

Salmond criticised this theory, According to him, it is not applicable to a corporation sole.

5) Bracket Theory:

Ihering is the chief exponent of Bracket theory. Bracket theory is also known as symbolise theory. According to this theory, the members of a corporation are the bearers of the rights and duties which are given to the corporation for the sake of convenience It is not always practicable or convenient to refer to all the innumerable members of a corporation. A bracket is placed around them to which a name is given. That bracket is the corporation.

The weakness of this theory lies in the fact that it is not able to indicate when the bracket may be removed and the mask lifted for the purpose of taking note of the members constituting the corporation.