

Corporate Legal Framework

Topic - Meaning and definition of a Company Promoter

Company Promoter is the first step in company establishment. He is an individual, group, or entity that takes responsibility for the entire process, from generating a business idea to incorporating, registering, and operating a ~~business~~ company.

The term 'Promoter', we mean a person who does all the work related to bringing the company in existence and makes it capable of being operated. He conceives the formation of the company and motivates other persons to join that venture.

According to Lord Blackburn, "Promoters are those persons who initiate all those actions by which an incorporated body is established under the Companies Act."

In the words of Grestenberg, "Promotion involves the discovery of business opportunities, and afterward, the organisation of funds, property, and managerial ability for the purpose of making a profit."

According to Sir Francis Palmer, "A Promoter is a person who plans the formation of a company."

gets the Memorandum and Articles prepared, gets them registered, and selects the first directors, settles the terms of preliminary contracts and, if necessary, gets the prospectus prepared, published and arranges for collection of capital."

In the words of F. S. Hoagland, "Promotion is the act of creating a particular business or enterprise. The sum of all the activities of those who take part in the creation of an enterprise is also promotion."

On the basis of above meaning and definitions of promoter, we say that a promoter is a person who completes the first stage of the formation of a company. A promoter can be an individual, a group of individuals, a firm or an incorporated company.

Thus, a promoter is the founder of a company, who gives birth to it and is responsible for making it functional.

