

# Corporate Legal Framework

## Topic - Legal Position and duties of Promoters

### Legal position of the promoter

1. No secret profit - A promoter has a fiduciary relationship with the company. Due to the fiduciary relationship with the company, the promoters cannot make any secret profits through the company.
2. Disclosure - If, promoters have earned secret profit, they ~~have to~~ still have to account for it to the company and return the amount of that profit.
3. Providing information - Promoters have to provide all the informations related to the company to the board or directors or shareholders.
4. Binding the contract - After the formation of the company, the directors of the company can bind the promoters to any contract that the promoters have made in the ~~a~~ situation of promoting the company.

### Duties of Promoters

Following are the main duties of a company promoter -