

Elevating Corporate Melodies: A Serenade to Embrace Fundamental Rights

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Abstract

Corporate entities have become ubiquitous in modern business and are often afforded legal personhood, but the question of whether they enjoy the same fundamental rights as natural persons under the Indian Constitution has sparked a heated debate. Corporate entities are legal entities that can enter into contracts, own property, and file lawsuits. Yet, because they are not natural entities, there is ongoing discussion regarding whether they enjoy the same fundamental rights as natural entities under the constitution. This has spurred discussion on the nature of corporate personality and the ideas around it. The Indian Constitution makes it clear through its Articles 15, 16, and 19 that only citizens are granted basic legal protections, while companies do not quite get similar treatment under this statute. The first part of our research looks at the fundamental rights provided by the Indian Constitution, which are founded on the notion of Indian citizenship. The second portion assesses prior precedents established by Indian courts in implementing the constitution and evaluating whether corporations incorporated in India have basic rights. The third and last portion of the research finishes by evaluating a company's attitude on safeguarding fundamental rights. This article intends to give an impartial and objective analysis of the basic rights afforded to corporations through a research study.

Keywords: Fundamental rights, own property, file lawsuits, corporate personality, Articles 15, 16 and 19

INTRODUCTION

According to Section 2 (20) of the Companies Act, 2013 “Company” means a company incorporated under the Act or any previous company law [1] The Oxford Dictionary defines “Company” as “a commercial company [2].”

Despite this legal status, companies are not accorded the same fundamental rights as natural persons, despite the fact that they are sometimes referred to as “legal persons.” This is true because legal people who are also natural persons often have access to fundamental rights. Companies cannot assert their basic rights in the same way that individuals may since they are artificial entities. To understand why there are not any basic rights for corporations, this article discusses the idea of fundamental rights in the context of business law.

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The concept of ensuring universal liberties like non-discrimination based on race, gender or social standing has always been considered an essential component of any modern democracy according to Black's laws dictionary. Such inherent freedoms are traditionally recognized by most societies and legal systems worldwide under the umbrella term “rights.” Even national constitutions emphasize their paramount importance for all citizens without

exceptions whatsoever. However, what remains subject to scrutiny is whether businesses should enjoy similar privileges despite being categorized legally distinct entities from human beings.

Companies are legally recognized as people, but they do not have the same fundamental rights as people. This is so because people with moral and ethical standards and the capacity to feel both pleasure and misery are accorded basic rights. Contrarily, businesses lack these moral and ethical traits since they are artificial individuals formed by law. Therefore, the issue of whether or not corporations have a right to basic freedoms is still up for dispute.

The extent and scope of fundamental rights granted to corporations have been subject to ongoing litigation and vigorous contention among legal experts throughout India for some time now. In *TATA Steel v. State of Jharkhand* (2019) [3] landmark decision, India's top court decisively stated that companies could not claim protection under Article 21 [4] provisions like their human counterparts since they are not human entities entitled to enjoy such privileges individually.

The judges affirmed that only natural people could claim access or make reference under this section, while business enterprises lacked "humanity" and, as such, could not take recourse through this channel. As was previously the case in *National Legal Services Authority v. Union of India* (2014) [5], where transgender people were explicitly excluded from the entitlement under Article 21.

EMPOWERING THE CORPORATE REALM: EMBRACING COMPANIES' RIGHT TO PURSUE PROFESSIONS AND TRADES

In step with Article 19(1)(g) [6] of the Indian constitution, residents have the right to have interaction in any profession, employment, trade, or commercial corporation. This critical right allows humans to engage inside the monetary activities of their choice without being excessively interfered with the aid of the government or different establishments. Furthermore, this authority is problem to low-cost regulations installation for the agency's and its principal stakeholders' pastimes.

Organizations have to balance the right to career with the interests of all stakeholders to make sure their lengthy-term achievement and sustainability. This calls for considering the pursuits of shareholders, directors, personnel, customers, and the broader community. By means of doing so, corporations can construct accept as true with and goodwill with a view to contribute to their lengthy-time period fulfillment. Corporations that prioritize shareholder hobbies at the fee of different stakeholders may experience brief-term profits, but they risk negative their popularity and undermining their lengthy-time period viability.

Reasonable restrictions on shareholder and director rights are essential to protect the organization from adverse takeovers and make certain powerful management. For instance, regulations at the switch of shares can save you undesirable or antagonistic acquisitions that can be adverse to the advantages of the organization and its key stakeholders. Furthermore, restrictions at the appointment and elimination of administrators can help save you conflicts and make certain effective control. Regulations on the distribution of dividends can make certain that the agency retains enough income to fund increase and development, thereby reaping rewards all stakeholders. Applicable case regulation, together with *Mohinder Singh Gill v. The leader Election Commissioner* (1978) [7], supports the idea that the proper to career is open to legitimate constraints installed inside the first-rate pastimes of the organization and its various stakeholders. The SC ruled in this example, to vote is restricted by justified constraints placed inside the context of elections which can be free from bias. This choice addresses the idea that the proper to preserve to work might be curtailed through reasonable constraints that gain the business enterprise and its contributors.

The Companies Act, 2013 [8] and other legislation impose regulations on shareholder and director rights to serve the dreams of the commercial enterprise and its companions. As an example, the

Companies Act of 2013 mandates that as a minimum one-1/3 of the board have to be independent and unfastened from any big financial ties to the business. This requirement is meant to make certain that the board acts in the organization's and its stakeholders' greater true.

In conclusion, companies must balance the right to occupation in order to guarantee their long-term achievement and stability in line, with the benefit of the company and its various stakeholders. Reasonable restrictions on shareholder and director rights are necessary to protect the company from hostile takeovers and ensure effective management. By way of reaching a stability among the proper to occupation and the hobbies of the company and its stakeholders, corporations can function themselves for lengthy-time period success and sustainability. Businesses ought to do not forget the pursuits of all stakeholders when making decisions that impact shareholder and director rights, thereby contributing to the improvement of a greater equitable and sustainable financial system.

NOT PRIVATE PEOPLE, BUT THE STATE, CAN BE SUED

The essential right to education any career or to interact in any career, alternate, or enterprise is guaranteed beneath Article 19(1)(g) of the Indian constitution. Those rights are to be had to each citizen of India, and is protected against the nation beneath Article 32 [9] and Article 226 [10] of the constitution.

However, it is essential to notice that this fundamental right is not always available against private individuals or entities. In different phrases, if a non-public individual or employer restricts a person's right to exercise their profession or keep on their commercial enterprise, the affected individual cannot are searching for comfort beneath Article 19(1)(g) of the constitution.

The essential rights stipulated by way of the constitution are basically meant to guard humans from the operations of the nation, now businesses, which locations a limit on the applicability of Article 19(1)(g).

In the context of corporations, which means that organizations have the right to carry on their business and pursue their business pursuits, challenge to the legal guidelines and policies that follow to them. But this proper is not absolute, and companies have a social responsibility to ensure that their moves do now not harm the general public hobby or violate the rights of others.

For instance, companies cannot interact in unfair exchange practices, or discriminate in opposition to individuals based on caste, gender, faith or some other ground. In end, businesses have the right to pursue their actions, but need to additionally comply with the legal guidelines and guidelines that observe to them, and make certain that their moves do not harm the majority interest or violate the rights of others.

THE COMPLEX QUESTION: CAN A COMPANY ATTAIN LEGAL CITIZENSHIP?

Companies Act, 2013, a company is considered a separate entity from its shareholders and is dealt with as a "person" [11] but, whether a company may be considered a "citizen" is a complicated question. At the same time, as the constitution handiest recognizes individuals as residents, a corporation is identified as a "man or woman" underneath the regulation with criminal rights and duties.

Several interpretations have emerged on whether a company can be considered a "citizen," and one argument in favor is that it is a separate felony entity with its personal identification. It could enter into contracts, proudly owning assets, and filing court cases in its own name. An organization can also take part in political activities via donations to political events and be held chargeable for violating laws.

In *Tata Engineering and Locomotive Co. Ltd. Vs. Nation of Bihar* [12], the Indian SC ruled that a business enterprise is taken into consideration a "person" and might exercise fundamental rights. Similarly, inside the case of *trendy Standard Chartered Bank vs. Directorate of Enforcement* [13], the court held that a company is entitled to the essential right to behavior its enterprise.

A FEW LEADING CASES RELATING TO A COMPANY'S FUNDAMENTAL RIGHTS

The question arose whether “Company” comes under the ambit of “State” and can avail Fundamental Rights. It is in this context; it is very necessary to take note of the following cases:

1. *Chiranjit Lal Chowdhuri vs The Union of India and Others* [14]

Under Article 32 of the Indian Constitution, anyone whose basic right has been violated may file a complaint with the Supreme Court. Not only are the fundamental rights guaranteed to natural persons, but also to businesses and their stockholders. A shareholder cannot file a lawsuit on the company's behalf. The petitioner must provide evidence that the statute not only lacks legislative competence but also infringes rights protected by Section III of the Constitution in order for the case to be upheld. The request was granted by the Hon'ble court.

2. *The Jupiter General Insurance Co. . . . vs Rajagopalan and Anr.* [15]

The court denied the petition filed by Jupiter General Insurance Company, Ltd. and other insurance firms including Empire of India Life Assurance Company, Ltd. and Tropical Insurance Company, Ltd., stating that since a corporation is not a citizen, it is not permitted to argue that the challenged legislation has violated Article 19(1)(f) [16] and (g) of the Indian Constitution.

CONCLUSION

Even after elaborate discussions, the question regarding whether companies should have Fundamental rights just like the citizens of the country is controversial and debatable due to the fact that even after having the right to enter into Contracts like a living person, one of its core characteristics is that it is an artificial person. Companies should be allowed to have certain fundamental rights to enhance smooth functioning and better opportunities.

Freedom of speech and expression ought to be granted to groups so that they might explicit their opinions and thoughts freely with none worry of censorship. The claim that companies must be granted the right to an honest trial underneath the regulation is any other one in favor of giving them fundamental rights. This argument is founded on the notion that businesses, like human beings, ought to have the right to an honest and objective judicial method while they are accused of wrongdoing. In instances related to the enforcement of policies and crook prosecutions, this defense has been invoked.

The claim that companies have to be granted assets rights is every other argument in favor of giving them essential rights. This defense is based on the belief that agencies, like human beings, should have the liberty to own and manipulate assets without intervention from the kingdom or different events. In cases addressing topics like eminent area and environmental safety, this defense has been invoked.

Finally, a few contend that companies have to be granted the identical criminal safety as individuals. This argument relies on the belief that businesses, like human beings, should be protected against discrimination primarily based on things like color, gender, and faith. This justification has been put out in cases concerning company discrimination and different forms of prejudice.

Presently as of the current scenario companies do not have fundamental rights protecting them like citizens of the country but we can only hope that they get shielded under Part III of the Constitution and in that was their interests can also be protected if violated or exploited.

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