

Legal Aspects of Business

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Recapitulate

Lifting of Corporate Veil

- Introduction
- Exceptions: Corporate Veil
- Statutory Exceptions

Classification/Kinds of a Company

Incorporation

Charter Company

Statutory Company

Registered Company

Liability

Limited Liability

Unlimited Liability Number of Members

Private Company

Public Company Control

Holding Company

Subsidiary Company **Ownership**

Government Company

Foreign Company

Classification/Kinds of a Company

Incorporation

Companies Registered under King or Queen's Ruling

Companies created by a special Act of the Legislature

All other companies formed & registered under the companies

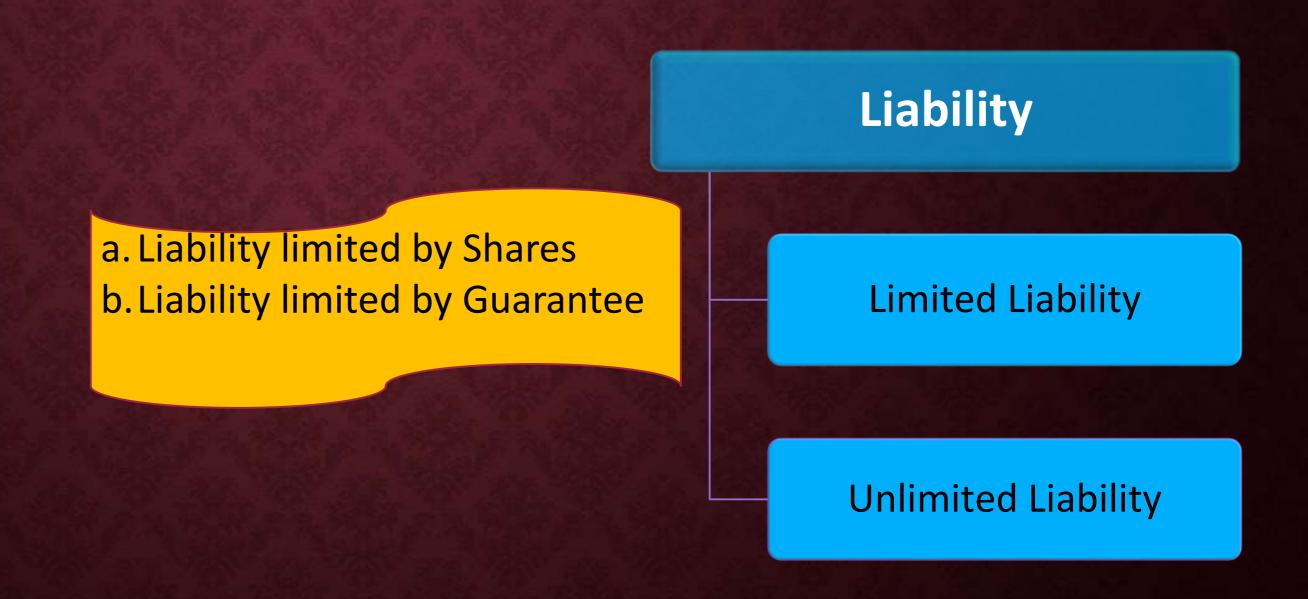
Act

Charter Company

Statutory Company

Registered Company

The Companies Act, 2013 Classification/Kinds of a Company



Classification/Kinds of a Company

Number of Members

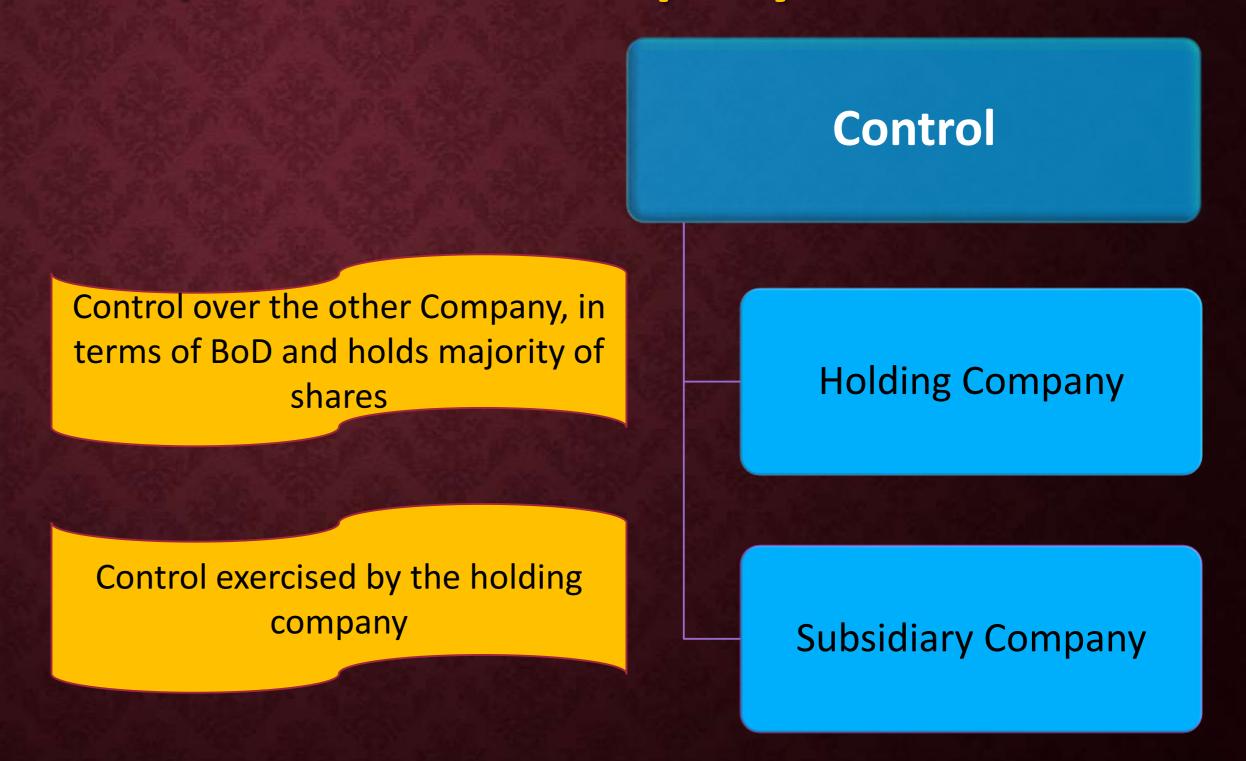
Minimum No. of Members – Two Maximum No. of Members – Two Hundred

Private Company

Minimum No. of Members –
Seven
Maximum No. of Members –
Unlimited

Public Company

Classification/Kinds of a Company



Classification/Kinds of a Company

Not less than 51% of the paid-up share capital held up by the Central Government or the State Government or partly by both

Company incorporated outside India, which is established place of business in India. 50% paid up share capital held by Indian Citizens

Ownership

Government Company

Foreign Company

Classification/Kinds of a Company

With the approval of Central Government by granting licence to an association (Commerce, Science, Charity, etc.)

One man holds the whole of the share capacity, in order to meet the minimum no. of members, some dummy members hold just 1 or 2 shares

Other Kinds of Company

Association for Non-Profit

One-Man Company

Review Questions

- 1. A husband and wife, who were the only two members of a private limited company, are shot dead by dacoits. Does the company also die with them?
- 2. During the war, all the members of a public company, while in general meeting were killed by a bomb. Is the company no longer in existence?
- 3. The Board of directors or members does have direct proprietary rights over the company's property. True or False

Answer

1. A husband and wife, who were the only two members of a private limited company, are shot dead by dacoits. Does the company also die with them?

Answer: No, the company will continue as it has a perpetual succession

2. During the war, all the members of a public company, while in general meeting were killed by a bomb. Is the company no longer in existence?

Answer: No, it will continue

3. The Board of directors or members does have direct proprietary rights over the company's property.

Answer: False