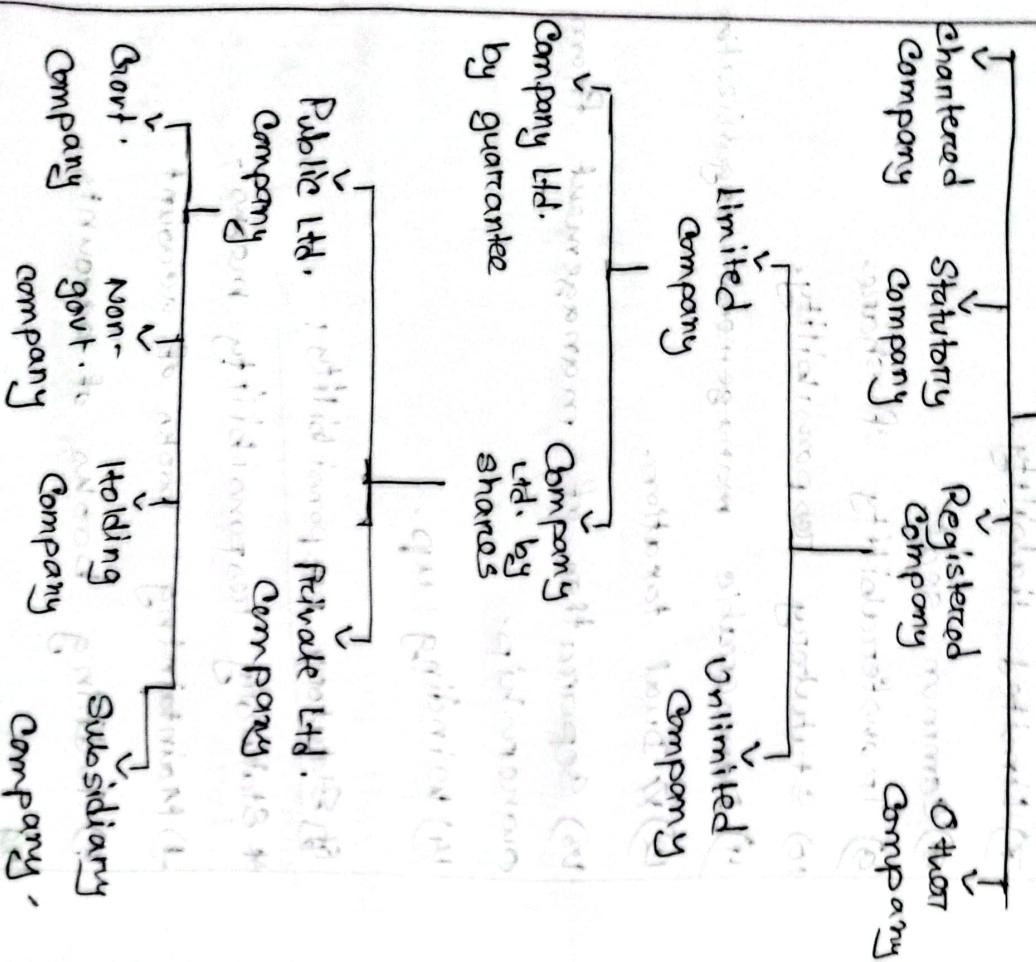


1st Paper

Ch-5

5/12/25

Types of Company



Chartered Company

1. East India Company.
2. Bank of England.
3. The chartered bank of England.
4. Chartered mercantile bank of India.

Statutory Company

1. Bangladesh Bank.
2. BPTE
3. RAKUK
4. WASA

S. Bangladesh Rural Electrification Board.

Company limited by guarantee

A company Ltd. by guarantee is such a registered company where the extent of liability of members is specified in the MOA. The liabilities of its members in case of need may exceed the face value of shares held by them.

Chapter - 5Types of Company

PLC → Certificate of incorporation

u registration

u a common concern

Holding Company

The company which holds majority voting rights of another company.

→ A holding company is one that directly or indirectly holds more than 50% of equity share capital or control is the composition of BOD of some other companies. A company may become a holding company of another company in any of the following 3 ways:

1) By holding more than 50% of equity share capital of another company.

Differences between PLC and Pvt. Ltd.

2) By holding more than 50% of the voting rights.

3) By holding the right to appoint the majority of directors of another company.

Subsidiary Company

A subsidiary company is one which more than 50% of paid up equity share capital is held by another company on whose majority of the directors are appointed by another company, or whose more than 50% of the voting rights are exercised by another company.

→ Minimum no. of members = 2 to 50.

→ Shares can be transferred.

→ Formation is harder.

→ Shares cannot be transferred.

→ Formation is easier.

→ Can start by collecting memorandum certificate

→ Can start by collecting certificate of incorporation.

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Date 9/17/2019 2020-21 JIPMER

18/12/20

Limitations

⇒ Complexity

⇒ Delay in decision making

⇒ Lack of secrecy

⇒ Huge administrative exp.

1. Permanent existence
2. Lawful organization / Legal entity
3. Huge amount of capital
4. Limited liability
5. Efficient direction
6. Public trust
7. Employment opportunity
8. Research and development
9. Use of modern technique
10. Social welfare
11. Expansion opportunity
12. Advantages of credit.