

COMPANY LAW

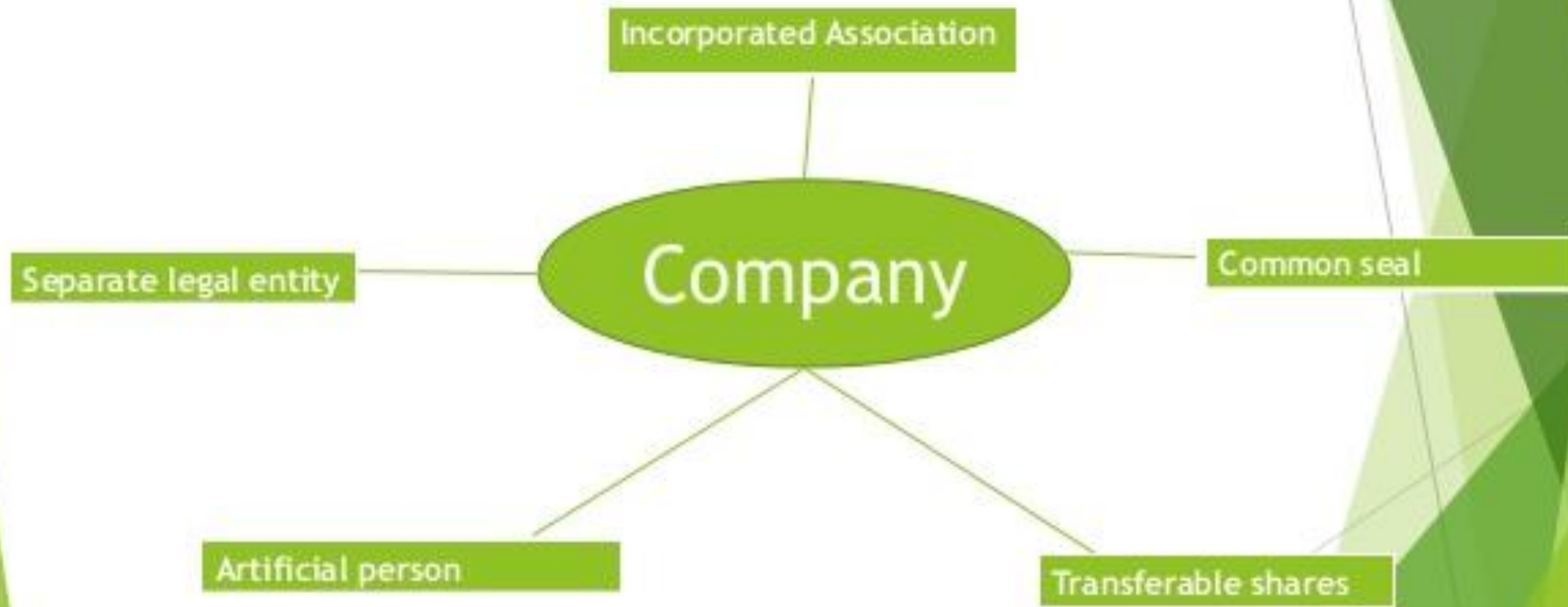
SEMESTER 2

Classification of company

COMPANY

The term company means a group or an association or person for carrying on business with a view to earn profit. Company is an artificial person created by law and destroyed by law. It is an association of persons to start a business under a legal guidance. The precise definition of company varies from country to country.

Feature of Company



Classification of company

1. ON the basis of formation of company



Statutory company

A company which is incorporated by the means of special act of the parliament or any state legislature. These are governed by acts creating them.

in such type of companies MOA& AOA is not required and annual reports are presented in parliament.



Classification of company

2. ON the basis of Liability of Members

Limited by share

Limited by guarantee

Unlimited liability



Registered company

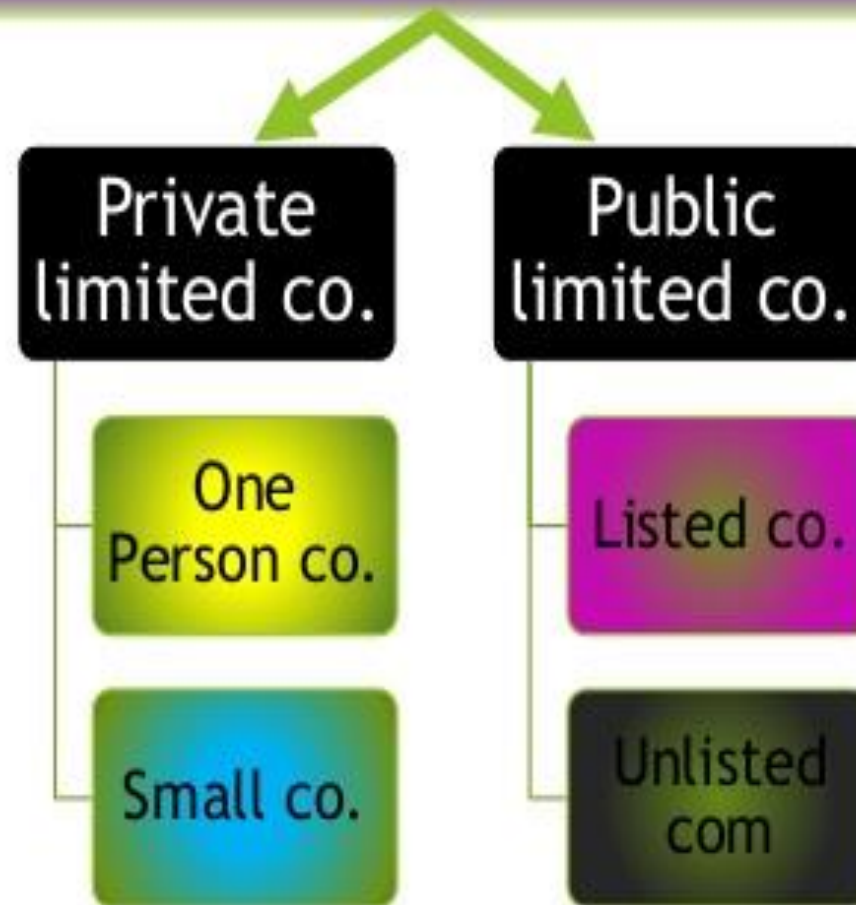
Companies registered under companies act 2013 or earlier act are registered companies. Such companies cannot come into existence until it is registered and certificate of Incorporation has been granted by registrar.

Chartered company

Companies created by special charter by monarch (head of states).the powers of chartered companies is defined by the charter (a document to incorporate institution) under which it is incorporated.
E.g.: east India company, bank of England.
not exist in India.

Classification of company

3.ON the basis of membership pattern



Limited by share

These types of company is have a share capital and the liability of each member or the company is limited by the memorandum to the extent of face value of share subscribed to by him .Such company is called limited by share .A company limited by share may be public or private company.

Limited by guarantee

These types of companies may or may not have a share capital. Each member promise to pay a fixed sum of money specified in the memorandum in the event of liquidation of the company for payment of the debt and liabilities of the company. These amount promised by him is called guarantee.

Unlimited labiality

Section 2(92) of companies Act. 2013 gives option to promoters to form a company with unlimited liability. A company not having any limit on the liability of its member is called an unlimited company. An unlimited company may be public or private company.

The private company can be further categorized as;

Private
limited co.

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graph LR; A((Private limited co.)) --> B[One person co.]; A --> C[Small co.]; B --- D[• OPC is incorporated as a private limited co.  
• Minimum paid up capital 1 lakh  
• No right to transferability of share  
• The word OPC mention in bracket below the name of such co.]; C --- E[• It is a private co.  
• Paid up capital of not more than Rs. 50 lakh or turnover not more than Rs. 2 cr.  
• OPC is a type of small co.]
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One
person co.

- OPC is incorporated as a private limited co.
- Minimum paid up capital 1 lakh
- No right to transferability of share
- The word OPC mention in bracket below the name of such co.

Small co.

- It is a private co.
- Paid up capital of not more than Rs. 50 lakh or turnover not more than Rs. 2 cr.
- OPC is a type of small co.

Public limited
co.(2(71))

- Minimum paid up capital is Rs. 5 lakh
- Minimum number of members are 7
- There is no limit for maximum no. of members
- Shares are freely transferable
- They have to invite public to subscribed to its shares



Government co.

- Section 2(45) a government com. is a company in which at least 51% of the paid up share is held by the government. A government company may be private or public Company. Employee of government company are not the employees of the central/state government.

Holding co.

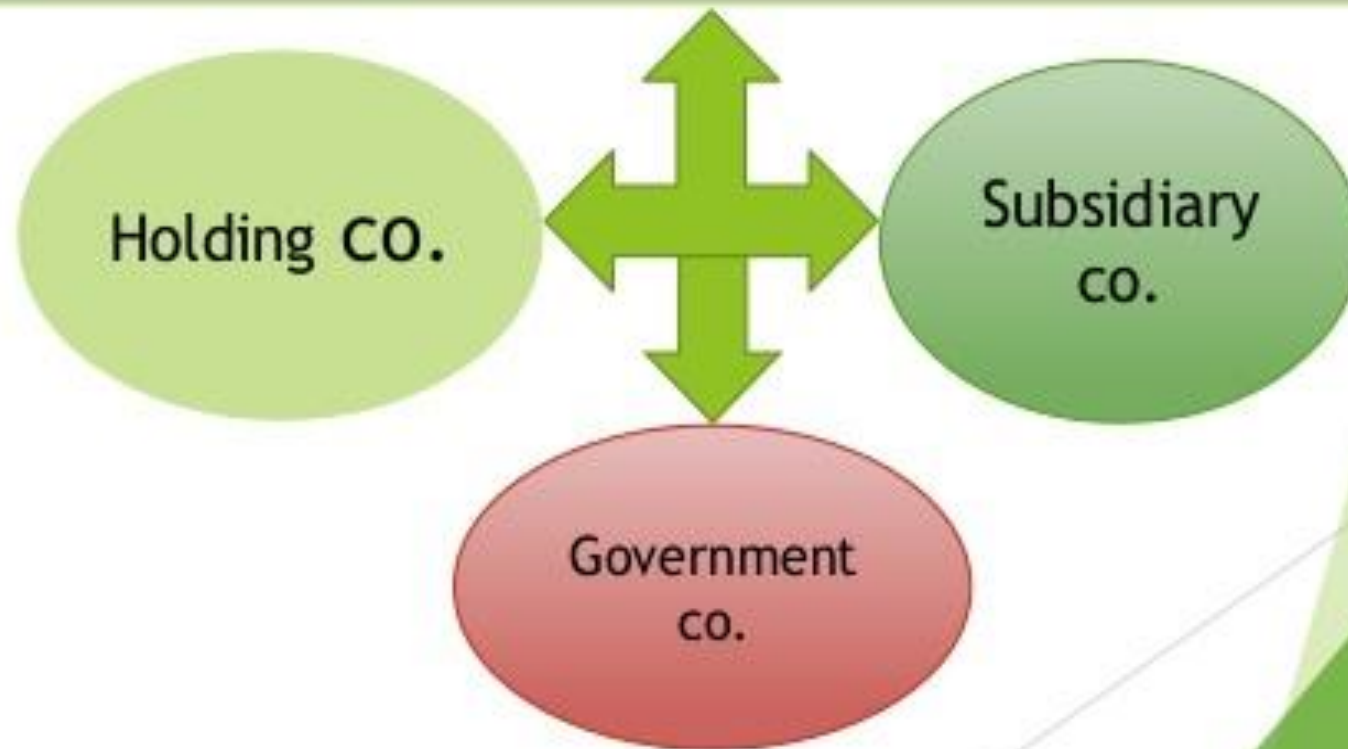
- According to section 2(46) of the company act 2013, A company which control another company is known as the holding company.

Subsidiary co.

- According to section 2(87) of the companies act, a subsidiary company in relation to any other company (that is to any the holding company) means a company in which the holding company.

Classification of company

4. ON the basis of Liability of Members



Foreign co.

As per section 2(42) "foreign company" means any company or body corporate in corporate outside India which

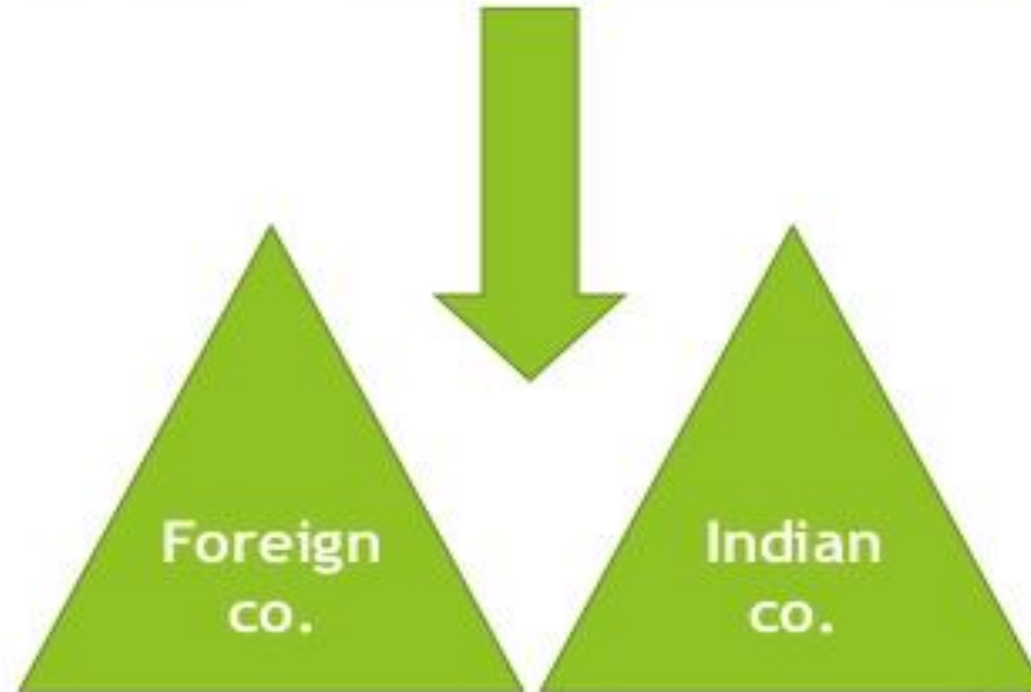
- (a). Has place of business in India whether by itself or through an agent and carries on business, physically or through electronic mode, and
- (b) Conduct any business activity India in any other manner

For example :- Samsung, Apple etc.....



Classification of company

5. On the basis of place of registration



OTHER CLASSIFICATIONS

- SMALL COMPANY

- DORMANT COMPANY

- PRODUCER COMPANY



= A company other than a public company –

1. Paid – up share capital does not exceed 50lakh and not be more than 5 crore.
2. Turn over doesn't exceed 2 crore and not be more Than 20 crore

sec . 2 (85)

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= A company which has not been carrying on any or operation or has no significant accounting

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Transaction during the last two financial years..sec. 455

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= A body corporate having objects or activities specified in section 581B and registered as Producer Company under the Companies Act , 1956.

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THANK YOU

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