TYPES OF COPMANIES UNDER COMPANIES ACT , 2013

Under the Companies Act, 2013 in India, there are several types of companies that can be registered. The Act provides for various forms of companies, each with its own characteristics and requirements. Here are the main types of companies under the Companies Act, 2013:

Private Limited Company:

1. Requires a minimum of two and a maximum of 200 members.
2. Shares of a private limited company cannot be freely traded or transferred to the public without the consent of existing members.
3. A minimum of two directors and a maximum of 15 directors are needed to manage the company.

Public Limited Company:

1. Shares of the company can be freely bought and sold by the general public.
2. Requires a minimum of seven shareholders.
3. A minimum of two directors and a maximum of fifteen directors are required to manage the company.

One Person Company (OPC):

1. An OPC can have only one member/shareholder, who can also be the director of the company.
2. While there can be only one member, an OPC can have a maximum of fifteen directors to manage the company's affairs.

Section 8 Company (Non-Profit Company):

1. It is established for promoting various charitable and social purposes such as education, health, environment, and more.
2. All profits and incomes generated by the company are used to further its charitable activities. No dividends are distributed to members.
3. Unlike other types of companies, Section 8 companies are prohibited from paying dividends to their members.

Holding Company:

1. It holds the majority of voting rights in another company, known as the subsidiary.
2. The holding company is the parent company, which means it exercises authority over the subsidiary's policies, assets, and management decisions.
3. While it controls the subsidiary, the holding company typically remains uninvolved in the day-to-day operations of the subsidiary. It sets strategic direction but doesn't manage daily activities.

Subsidiary Company:

1. It is either partially or entirely owned by another company, known as the holding company.
2. The holding company controls the subsidiary by either influencing its board composition or having more than 50% of its voting powers.
3. If a holding company owns 100% of the voting powers in a subsidiary, it is referred to as a Wholly Owned Subsidiary (WOS). In this case, the holding company has full control over the subsidiary.

Listed Company:

1. It is registered and traded on recognized stock exchanges, either within India or abroad.
2. Its shares are freely traded on these stock exchanges, allowing the general public to buy and sell them.
3. Must adhere to the guidelines and regulations set forth by the Securities Exchange Board of India (SEBI) and the respective stock exchange.

Unlisted Company

1. It is not listed on any recognized stock exchange, and its shares are not publicly traded.
2. Typically raises capital from sources such as friends, family, relatives, financial institutions, or private placements.

Limited By Shares:

1. The liability of its members is limited to the unpaid amount on the shares they hold. In other words, they are not personally responsible for the company's debts beyond the value of their shares.

2. Members' ownership in the company is determined by the number of equity shares they hold. These shares represent their stake in the company's ownership and profits.

Limited by Guarantee:

1. The liability of its members is limited to the specific amount they guarantee to contribute to the company's assets in the event of winding up. They are not personally liable for the company's debts beyond this guaranteed amount.
2. Members commit to contributing the guaranteed amount as stated in the Memorandum of Association (MOA) in case the company faces liquidation.
3. The percentage of ownership and control a member has in the company is typically determined by the amount they have guaranteed to contribute.

Unlimited Company:

1. Members have no limit on their liability for the company's debts. Their personal assets can be used to cover the company's obligations if needed.
2. It's not a common choice for entrepreneurs because it exposes personal assets to business risks, making it riskier than limited liability company structures.