



## **FACULTY OF JURIDICAL SCIENCES**

**Course : B.A.LL.B./BBALL.B IInd Semester**

**SUBJECT: COMPANY LAW**  
**SUBJECT CODE: BAL 406/BBL 406**

**NAME OF FACULTY: Ms. Anjali Dixit**  
**Assistant Professor**



## *LECTURE-3*

Companies Limited by Shares may be Public or Private:

(i) Public Companies:

"a company limited by shares which has a memorandum stating that it is to be a public company and which complies with the requirements of the Act for registration as a public company."

## **Main requirements:**

- A company cannot be registered as a public company unless it has a minimum allotted share capital of £50,000, at least one quarter of which has actually been paid.
- A public company must have at least two shareholders and at least two directors.

## **(ii) Private Companies**

"any company that is not a public company".

Private companies have no authorised minimum share capital. A private company is only required to have one director and, since 1992, it can be formed with only one member.

Only Public Companies can have their shares listed

on the Stock Exchange - but Public Companies are regulated much more strictly than Private Companies.

### MCQs

**1. Registration Companies Limited by Shares may be Public or Private:**

- i. True
- ii. False
- iii. Can not say
- iv. None of the above

**2. A public company must have at least two shareholders and at least two directors.**

- i. True
- ii. False
- iii. Can not say
- iv. None of the above

**3. A public company must have at least two shareholders and at least two directors.**

- i. True

- ii. False
- iii. Can not say
- iv. None of the above

**4. A private company is only required to have one director.**

- i. True
- ii. False
- iii. Can not say
- iv. None of the above

**5. Only Public Companies can have their shares listed on the Stock Exchange - but Public Companies are regulated much more strictly than Private Companies.**

- i. True
- ii. False
- iii. Can not say
- iv. None of the above

