Public limited company characteristics. Main features of public limited company. Five characteristics of public limited company pdf.

A Public Limited Company (PLC) is a legal entity that offers shares to the general public and provides limited liability protection for its shareholders. In this article, we'll explore the key characteristics of a PLC. Firstly, a PLC is a distinct entity from its shareholders or members. This means that shareholders can easily transfer their shares to the public without any restrictions. Additionally, the company's existence is not dependent on the individuals involved. Even in the event of death or disability, the company will continue to operate until it's either closed or liquidated. Another important characteristic of a PLC is limited liability for its shareholders and directors. This means that their personal assets are protected from potential losses or debts suffered by the company. To register a PLC, an individual must have a minimum paid-up capital of Rs. 5,00,000.

To register a PLC, an individual must have a minimum paid-up capital of Rs. 5,00,000. Furthermore, the name of the public company will be prefixed with "LTD" to indicate its status as a PLC. In terms of governance, a PLC can have a minimum of three directors and no maximum limit. These directors must possess a Director Identification Number (DIN) issued by the Ministry of Corporate Affairs (MCA). One of the key advantages of a PLC is its ability to raise funds through various means, including issuing debentures (secured or unsecured), shares (equity or preference), and seeking loans from banking and other financial institutions. A PLC must also have a minimum of seven members, with no maximum limit. The Board of Directors (BOD) must consist of at least three and a maximum of 12 members, elected by shareholders in the Annual General Meeting. Finally, when it comes to buying or selling shares, a PLC offers ease of entry and exit for its investors. Additionally, the company must receive at least 90% of the total subscription amount before proceeding with its business operations. Before starting a business, it is essential to understand the difference between private and public companies. A Certificate of Incorporation is required for both types, but there are other crucial documents that vary between the two.

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To illustrate the key differences between private and public companies, refer to the following table: **Private Company vs. Public Company** | **Particulars** | **Public Company** | **Private Company** | | --- | --- | --- | | Minimum members | 72 | No maximum limit | | Commencement of business | Certificate of incorporation and certificate of commencement | Only certificate of incorporation required | | Minimum subscription | Rs. 500,000 | Rs. 100,000 | | Issue of prospectus | Can make prospectus for public invitation | No prospectus required | | Transfer of shares | Easily transferable | Restriction on public transfers | | Statutory meeting | Must hold within 6 months | No requirement | | Articles of association | Can adopt table under schedule I | Can create own articles | | Number of directors | 32 | No fixed number | | Consent of directors | Required in writing | Not required | | Qualification shares | Minimum shares for director qualification | No such requirement | | Retirement of directors | Minimum two-thirds retirement by rotation | No compulsory retirement | | Name of the company | Must contain "ltd" at the end | Must contain "pvt ltd" at the end | | Meeting quorum | 52 | Not applicable | | Inspection of accounts | Open for public inspection | Not open to public inspection | | Annual return | Must file with declaration | Must file without declaration | Considering the current market and economy, forming a public company can be an excellent option. It is often suitable for businesses with large capital investments. By inviting the public to subscribe to shares, it improves the company's capital and reduces overall risk. This ultimately provides growth opportunities. --- Please note that this is paraphrased text without any additional comments or explanations.

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