

## Types of Enterprise Ownership Details:

The most common ways to organize a business:

- Proprietorship
- Partnership
- Hindu Undivided Family
- Private Limited Company
- Public Limited Company
- Society/Trust/Associate of Persons
- Government Departments
- Public Sector Undertaking
- Unlimited Company
- Limited Liability Partner
- Local Authority
- Statutory Body
- Foreign Limited Liability Partnership
- Foreign Company Registered(in India)

**Proprietorship:** Proprietorship Firm Registration is Single Person Firm Registration i.e is the main objective is Open Current Bank Account on the Name of Business so it's a simply firm which is enable doing business in India with Less Compliance and Less Costing. a Sole Proprietorship Firm require minimum 2 Legal Entity Proof for open a Current Bank Account.

**Partnership:** A Partnership Firm is a popular form of business constitution for businesses that are owned, managed and controlled by an Association of People for profit. The law relating to partnership firm is contained in the Indian Partnership Act, 1932. Partnership is an agreement between two or more people to share the profits of a business. The business can be carried on together by all the partners or any one partner representing the others. A partnership can be for a fixed period of time or it may be limited to a specific project or it may be dissolved at will.

**Hindu Undivided Family:** The Joint Hindu Family Business or the Hindu Undivided Family (HUF) is a unique type of business entity. It is governed and dictated by the Hindu Law, which is one of the several religious laws prevalent in India. The head of such a Joint Family Business is the eldest member of the family, the "Karta". He is the main person responsible for the business and the finances.

**Private Limited Company:** A Private Limited company is a limited liability company with a minimum of two and a maximum of 200 Director and offers legal protection to its all shareholders. It is registration with ROC Under companies Act 2013. It lies between a partnership and a public company. A private limited company has all the advantages of partnership namely flexibility, greater capital combination of different and diversified abilities, etc. The directors of a private limited company have limited liability to creditors. In a case of default, banks / creditors can only sell company's assets but not personal assets of directors.

**Public Limited Company:** A Public Limited Company is a Company limited by shares in which there is no restriction on the maximum number of shareholders, transfer of shares and acceptance of public deposits. The liability of each shareholder is limited to the extent of the unpaid amount of the shares face value and the premium thereon in respect of the shares held by him. However,

the liability of a Director / Manager of such a Company can at times be unlimited. Public Limited Company Registration, the company must have minimum 3 Directors, 7 Shareholders and Maximum 50 Directors and need Rs 5 Lakhs of Paid up Capital.

**Society/Trust/Associate of Persons:** A **society** is an association of several individuals combined using a mutual accord to deliberate, govern and act cooperatively for some communal purpose. Societies are usually registered for the advancement of charitable activities like sports, music, culture, religion, art, education, etc. A **trust company** is a legal entity that acts as a fiduciary, agent or trustee on behalf of a person or business for the purpose of administration, management and the eventual transfer of assets to a beneficial party. **Association of Persons (AOP)**, according to the Income Tax Act, 1961, is the integration of two or more persons for a common purpose, and primarily with an intention to earn some income. A person, in AOP terminology, can be a company or a body of individuals, whether or not incorporated.

**Government Departments:** The public enterprises are owned and managed by the central or state government, or by the local authority. The government may either wholly own the public enterprises or the ownership may partly be with the government and partly with the private industrialists and the public. In any case the control, management and ownership remains primarily with the government.

**Public Sector Undertaking:** A state-owned enterprise in India is called a public sector undertaking (PSU) or a public sector enterprise. These companies are owned by the union government of India, or one of the many state or territorial governments, or both. The company stock needs to be majority-owned by the government to be a PSU.

**Unlimited Company:** Sole proprietorships, or unincorporated businesses owned by a single person, are the most common kind of enterprise, accounting for about three-quarters of small businesses. A sole proprietorship is an unlimited liability company. Legally, the business and the owner are one and the same, so the debts of the business are automatically those of the owner. General partnerships are also unlimited liability companies. Each partner is personally liable for all the debts of the business even those taken on by other partners.

**Limited Liability Partner:** In limited partnerships (LPs), at least one of the owners is considered a "general" partner who makes business decisions and is personally liable for business debts. It is an ideal set-up for the types of professions that normally operate as a traditional partnership, such as solicitors, accountancy firms and dental practices.

**Local Authority:** The state government designates an appropriate body or authority as "local authority" through notifications.

**Statutory Body:** The statutory bodies may be established to permit a certain level of independence from government, the government is still accountable to guarantee that taxpayers funds expended in the operations of statutory bodies are spent in the most, effective and economic way. These bodies are subject to varying degrees of ministerial control which are identified in the statutory body's enabling legislation.

**Foreign Limited Liability Partnership:** "Foreign Limited Liability Partnership" means a limited liability partnership formed, incorporated or registered outside India which establishes a place of business within India;

**Foreign Company Registered (in India):** Definition of Foreign Companies under the Act: The Act clearly defines a foreign company under Section 2(42). A foreign company is any company or body corporate incorporated outside India which—has a place of business in India whether by itself or through an agent, physically or through electronic mode; and conducts any business activity in India in any other manner. Hence, a foreign entity to be considered as a foreign

company, has to fulfill both the criteria mentioned above, i.e., having a place of business in any manner specified above, and conducting any business activity in India