

COMAPANY

Q1. What is a Private Limited Company?

The utmost typed question in the FAQ on the private limited company is a what is private limited company. A private limited Company restricts the number of members to 200. The private limited company can start with just two members only. A private company is a separate legal entity having perpetual succession, with limited liability only up to the share of capital. A shareholder is not personally liable to the amount of the debt and its personal assets won't attach to pay the debt.

Q2. Does for small business, the private limited company registration is benefited?

Yes, a small business can get its business register under private limited company registration in India. It provides them with the credibility and an image of their business in the eye of the financial institution, suppliers and potential clients. It helps the company to get the loans at little compliance from banks or potential clients while entering into the deals.

Q3. Is there any high qualification required to become a director or shareholder in the private limited company.

No, professional or educational qualification is required to become a shareholder in the private limited company. Any individual in the capacity of the person, with the sound of mind, can start a company.

Q4. What are the eligibility criteria for shareholder or director to be appointed for Private company registration?

The person should be of –

- Sound Mind
- Major of age
- Citizen or resident of India

Q5. What is the Director Identification Number (DIN)?

Any individual intends to become the director of the company must apply to the Director Identification Number, there is no special form is required to have the DIN from now onwards. One can apply for the DIN with the SPICe form. No special form is required.

Proof of the Identity and address is required to be submitted along with the requisite fee. The DIN usually takes 3-4 days to get approved. Once you get the DIN, the same can be used for the lifetime.

Q6. What will be the address of the registered office of the company?

The Registered Office does not mean to be owned only; it can be rented premises also. The registered office is used for the purpose of holding a general meeting, keeping records and

receiving correspondence from all the statutory government timely. It also specifies the jurisdiction of the registered office.

Q.7 Can we change the Registered Office of the Company?

Yes, we can easily change the registered office of the company any time after the specified procedure is completed. The changed address can be situated within the same state or in a different state, depending upon the conditions.

Q. 8 For small businesses, what are the benefits of a Private limited company?

It provides creditability to business in the eyes of financial institutions, suppliers and potential clients. As it makes easier for companies to get loans at favorable terms from banks or convincing potential clients while entering into deals.

Q.9 Can sole proprietorship be converted in private company registration?

Yes, the private limited company can be converted into private company registration after following the companies act, 2013 procedures.

Q10. Is a foreign entity allowed to be Director or shareholder of the private limited company?

Yes, any foreign nationals, entity or an NRI can become a director or shareholder of a private limited company in India.

Q11. What are the forms that are required for Private Limited Company Registration in India?

Ministry of Corporate Affairs has introduced a new form called the SPICe INC- 32 forms for the faster company incorporation. Apart from this, to register a private limited company, an e- MoA (INC-33) and e- AoA (INC- 34) are also to be submitted with the above form.

Q.12 How much Capital is required for a Private Limited Company Registration?

To run a private company, an amount equals to Rs 15,000 are spent on the ROC Compliances of the private limited company. It would hardly take 40,000 to 50,000 to register a private limited company.

Q.13 Can private limited company invites the general public for shares?

No, a private limited Company cannot invite the general public to subscribe to the company shares.

Q.14 How many directors are required for company registration?

A private limited company needs a minimum of 2 directors and a maximum of 15 directors to register a company.

Q.15 Can Private Limited Company has FDI or Foreign direct investment?

Yes, a private company is allowed to have foreign direct investment in their company.

Read our article: [Private Limited Company Registration Procedure in India](#)

Q.16 How to Register a Private Limited Company?

- Apply for Digital Signature Certificate which is required to file the forms of company registration. The Procedure to register a company is online and requires DSC.

- Obtain Director Identification Number as early as possible. You can file your DIN within the SPICe form up to three directors. Or you can just choose not to do any work and can do this only contacting us.
- Get your name approval by filing RUN form. RUN stands for Reserve Unique name. You can file your name with the prescribed fees.
- File the Incorporation form i.e. SPICe form on Ministry of Corporate Affairs. No ROC fees for incorporation of Company up to the rupees 10 lakh of authorized capital is required.
- File the necessary documents like MoA, AoA, Identity Proof, Address proof, Pan and Tan to go for **Private limited company registration**.

Q. 17 Is a Private Limited Company Suitable for making FDI in India?

Yes, perfectly suitable! The private limited companies have been a hugely popular form of business entity amid foreign investors for making the direct foreign investment (**subject to FDI Guidelines**)¹ in any country, by means of a wholly-owned subsidiary, a joint venture, etc.

Conclusion

So, we have tried to discuss some most important FAQ on Private Limited Company for your understanding. Hope you like it, therefore, to know more kindly read our article on [Private Limited Company Registration](#)