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Introduction to Public and Private Companies

Public Company:	**Private Company:**
A company that can sell its shares to the general public and is listed on a stock exchange.	Company owned by a limited number of people and cannot sell shares to the public.

1. Ownership and Shareholding

- **Public Company**:
  - Shares are traded on the stock exchange.
  - Can have unlimited shareholders, allowing anyone to invest.
- **Private Company**:
  - Shares are privately held, usually by a small group (friends, family, or private investors).
  - Limited to 200 shareholders (in most countries).

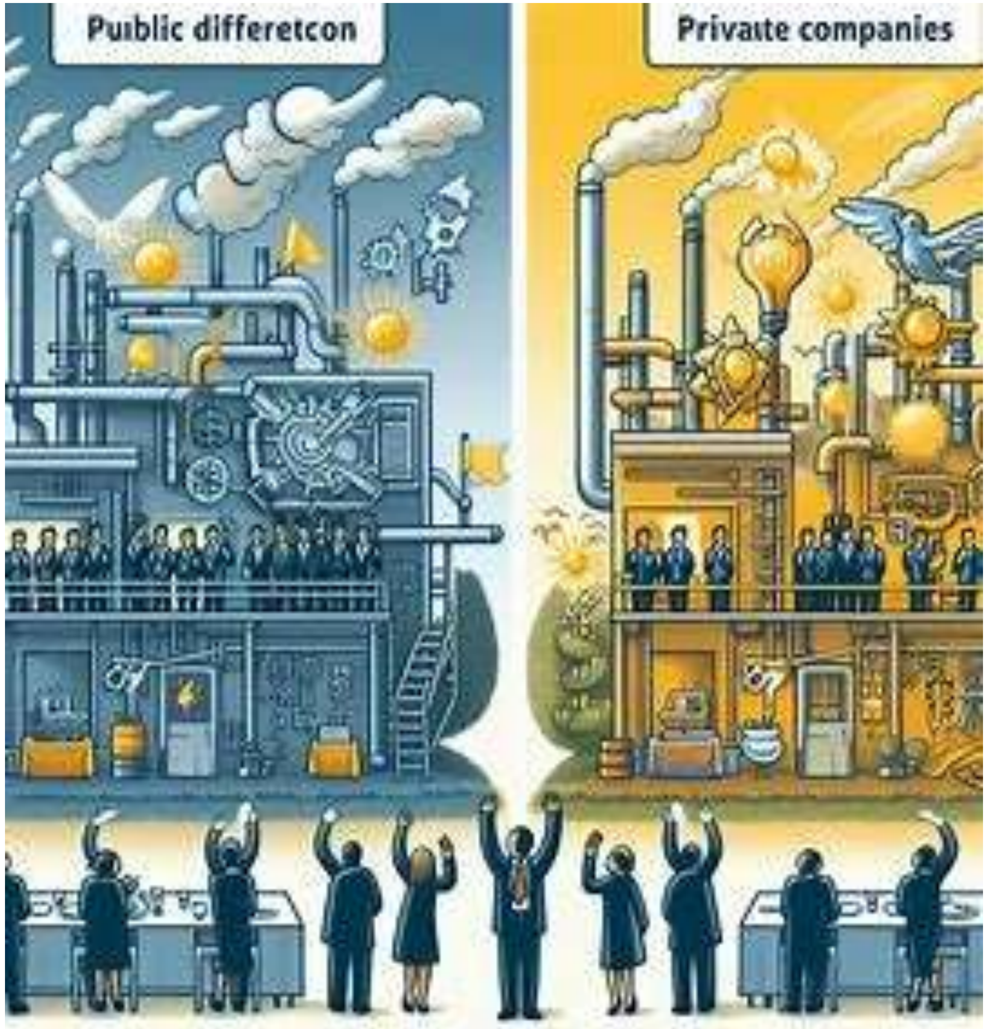
2. Capital and Fundraising

- **Public Company**:
  - Raises capital by selling shares to the public (Initial Public Offering or IPO).
  - Easier access to large amounts of funding.
- **Private Company**:
  - Raises funds through private investors or internal sources.
  - Limited fundraising options compared to public companies.

3. Regulatory and Reporting Requirements

- **Public Company**:
  - Must follow strict rules from regulatory bodies like the SEC (in the U.S.) or SEBI (in India).
  - Required to publish detailed financial reports for transparency.
- **Private Company**:
  - Less regulatory oversight; reporting requirements are lighter.
  - Financial details are typically private and not available to the general public.

4. Advantages and Disadvantages



- **Public Company**:
  - **Advantages**: Easier to raise funds, greater brand recognition.
  - **Disadvantages**: High regulatory costs, loss of control for founders.
- **Private Company**:
  - **Advantages**: More control for owners, fewer regulations, and privacy.
  - **Disadvantages**: Limited funding options, restricted growth potential.


Thank you!