



## Ease of Doing Business in India

Topic : Private Limited Company Registration made easy ...

10<sup>th</sup> August 2020



## India's quest for bettering Ease of Doing Business

- India's Recent Efforts to improve ranking in Ease of Doing Business for Corporate
  - Direct listing of securities by Indian public companies in permissible foreign jurisdictions.
  - Private companies which list NCDs on stock exchanges will not be considered as listed companies.
  - Provisions of Part IXA (Producer Companies) of Companies Act, 1956 to be included in Companies Act, 2013
  - Provision to create additional/ specialized benches for NCLAT.
  - Lower penalties for all defaults for Small Companies, One-person Companies, Producer Companies and Start-ups.



## Types of Companies for doing business in India



• In doing business in India, you can have following types of major organization structures:

- Proprietorship Firm
- Partnership Firm
- Limited Liability Firm
- One Director Company
- Private Limited Company
- Public Limited Company
- Social Service Company / Trust / NGO



• For Foreign Nationals the following type of company registration is also available:

- Registered Office
- Branch Office
- PR Office





# Private Limited Company



- A private limited company Is defined as a limited liability company as a voluntary association of
  - not less than two ( 2 ) members and not more than fifty ( 50 ) members, who become corporate bodies as one of the shareholders .
    - The directors are the major group of stakeholders of the company, who handle the operations of the company.
    - In case of Foreign Promoters, it is mandatory to have at least ONE INDIAN Director.
  - is the company, which arranges its funds from the owners and the relatives of the owners of the company only and not from outsiders.
  - The transfer of shares is restricted to members, not allowed the possibility of inviting the public to subscribe for shares .
  - A company whose ownership is private does not need to meet the strict Securities and Exchange Commission (SEBI) filing requirements as for the public companies.
  - The minimum authorized share capital or the minimum funds requirement for setting a private company in India is (INR) Rs. 1,00,000
- The Legal Status & position of the director :
  - As a Trustee- In relation to the company
  - As Agents- when they act on behalf of the company
  - As Managing Partner-as they are entrusted with the responsibility of the company.





## Procedure as per Ministry of Corporate Affairs



- (A) Company Structure is defined
  - Selection of Company type and capital availability
  - Selection of Company Name and identity most suitable to business activities
  - Apply Director's DIN (Director Identification No.) and DSC (Digital Signature)
- (B) Company is Registered
  - Drafting of Memorandum and Articles of Association ( MOA & AOA)
  - Fee, Stamping, digitally signing and e-filing of various documents with the Registrar.
  - Obtain Certificate of Incorporation (COI) and PAN Card
- (C) Company Business Compliance
  - Select Place of Business, and register GST, EXIM, MSME, TAN, EPF etc. certificates
  - Start business activities and keep track as per Indian Business & Accounts regulations
  - Periodic (M/Q/ Y) Compliances and Filings as per MCA and other procedures.





## (A) Company Structure is defined : Private Limited



- The Companies Act has the following features:
  - Separate legal entity
  - Incorporated body
  - Artificial legal person
  - Perpetual succession
  - Limited liability
  - Common seal
- A Private Limited Company is separate legal entity distinct from its shareholders.
- The Private Limited Company holds:
  - Right to sue
  - Right to enter in to contracts
  - Flexibility of investment
  - Separation of control from the ownership
  - Right to own property
- It is an important feature of the company form of business, that there is a gap between the ownership and control over the affairs of the company.
- Digital Signature Certificates are electronic format of physical signatures. DSC can be presented electronically to access information or services on the Internet, to prove the identity or to sign certain documents digitally.
- No person can be appointed as a Director without getting a DIN or DSC. Especially foreign residents, all the documents need to be NOTARISED in their country of origin. If the documents are not in English then translated version along with the original documents need to be NOTARISED.





## (B) Company is Registered: Private Limited



- Memorandum of Association ( MOA) & Articles of Association (AOA) are two key documents of the Private Limited Company
- MOA explains the type of business activities and share holding pattern as well as the registered office address of the business.
- AOA explains the internal functioning and procedural details of how the company will function as per the Ministry of Corporate Affairs and allied regulation and under law of the land.
- All registration process is started after the qualified Chartered Accountant (CA) is hired for the purpose.
- The successful registration process bring out the CERTIFICATE OF INCORPORATION (COI) and PERMANENT ACCOUNT NUMBER (PAN) for the business entity. The Date of CIO is the business registration date which is considered as business commencement date in India.
- After CIO and PAN receipt, a Current Bank Account is opened in choice of bank of the company.
- Choice of place of work is settled and office is opened. This can be separate from Registered Office Address of the Company (which is generally not mandatorily the address of one of the Directors )





## (C) Company Business Compliance



- After office is established, its important to obtain all the business related permissions and approvals from local, regional or Central Government as per the scope of business of the company.
- All process of obtaining permissions, certificates, taxation and compliance registration numbers are started with CIO, PAN, Bank Account as the key input in most cases.
- Once available, the business of the Company is started.
- Board Meetings are governed by the MOA & AOA guidelines and are must for compliances.
- Business need to establish various departments and all legally required Registers, documents, Lists, database or accounts transactional information / data is well captured during the process of business activities:
  - Certain activities like Accounting, Human Resource, Compliances, IT Support, Sales, Service etc can be outsourced to competent organizations with nominal costs and minimum head ache.
- For various taxation, income tax, Corporate affairs, EXIM, Employee Welfare, Employee Provident Funds, Employee Health and Labour regulation etc, there are periodic – monthly, quarterly and annual compliance that need to be fulfilled either online or offline based on carefully accounted data for each on daily routine basis.







## Your Partner : GramIndia IntelliMart Private Limited

- GramIndia is an Indo-Japan Joint Initiative for providing M&A, Market Research, Marketing Services and Business Services in Indian business domain.
- GramIndia is expert & highly accomplished in following domain:
  - Business Organization Establishment with best suited organizational structure for its Global clients from across the globe.
  - Merger & Acquisition (M&A), Blue Ocean & Brown Ocean Strategists, Technology Transfer Support Service, Technical Collaboration among Japanese and India Clients
  - Outsourced services of HR, Accounting, Market Research, Marketing, Compliances, Office & real estate provisions for start-up Japanese companies etc.



# GramIndia IntelliMart Services Spectrum





## Business Establishment Division : GramIndia



- Forming Private Limited company, is handled by a team of experts and specialists in the treatment of the client's business account.
  - The aim of this Division is to offer the best & latest solutions for its clients as per the current scenario.
- We offer multi-business solutions to meet the strategic objectives of companies and enterprises to simplify the problems with the new generation technology and services focus on the customer.
  - Establishing the Company as per client's best fit – QCDMS
  - Reputed Japanese Clients among Fortune 500 are in our Client's List.
  - Our Cost Optimized Service is best suited for the Japanese Organizations.
  - Our 360 degree approach of getting every aspect of business delivered to the client at its table is loved by all. We offer extra range of services, including strategic advice, tax dispute advice, business plan & financial projections services employee dispute advice and the provision of legal, compliance and due diligence.
  - Our extensive experience and a wealth of knowledge in Indian Market will bring higher ROI to Clients.
- We focus primarily on Indian, Japanese, Asian and Australian geo locations.





# GramIndia Services: Special Discounted Investment for Japanese Co.



S N	Business Type	Basic Package	Better Package	Best Package	Bestest Package
1	Private Limited Company (Pvt. Ltd.) upto expected Turn Over of approx INR 10 Million	<ul style="list-style-type: none"> <li>Company Formation                             <ul style="list-style-type: none"> <li>End to End till getting COI &amp; PAN +MOA &amp; AOA set</li> </ul> </li> <li>Bank Account Opening</li> </ul>	<b>BASIC PACKAGE +</b> <ul style="list-style-type: none"> <li>Taxation, MOA, Trademark, EXIM, TAN, TIN Registrations</li> <li>Share Certificates</li> <li>First Board Meeting</li> <li>Forex routing through RBI</li> </ul>	<b>BETTER PACKAGE +</b> <ul style="list-style-type: none"> <li><b>All Compliances &amp; Returns – Month / Quarter / Annual (approx. 50~100 returns)</b></li> <li>MSME &amp; Local business Registrations</li> </ul>	<b>BEST PACKAGE +</b> <ul style="list-style-type: none"> <li><b>Office Establishment in Modular Office (Minimum 2 Seat ~ 20 Seats) in client choice location. ( INR 5K ~ 15K / seat)</b></li> <li><b>Administration &amp; HR Service ( Rs 25K/ person)</b></li> </ul>
	Investment (INR) :	<b>59,000 (One Time) 100% Advance</b>	<b>1,80,000 (One Time) 100% Advance</b>	<b>3,80,000 50% Adv. + 20K / Month</b>	<b>Add Costs : Best Package + Seats + HR/Admin</b>
2	Private Limited Company ( Pvt. Ltd.) > 10 Million	Need Discussion and based on requirement quotation is provided.	Need Discussion and based on requirement quotation is provided	Need Discussion and based on requirement quotation is provided.	For Employees Seats beyond 20, we may negotiate further discount with Building Owner. Please tell exact demand





**GramIndia is your Most Trusted Partner in Indian Business Scenario**





**Thanks for your Valuable Time and Efforts**

Please Contact

**GramIndia IntelliMart Private Limited**

1022-A, Hemkunt Chambers, 89, Nehru Place,

New Delhi 110019 India

Contact: +91-9013496406, 8527010500, 8130189700

Email: [gram@gyantech.in](mailto:gram@gyantech.in), [sanjeev@gyantech.in](mailto:sanjeev@gyantech.in), [sanjeev@gram.ind.in](mailto:sanjeev@gram.ind.in)