

Start Your Business

Grow With Flow

Citizen Guide

People Friendly Version

This handbook is for informational purposes only. The information given in this book is merely for reference and must not be taken as binding in any way. This Manual is intended to provide guidance to the readers, but cannot be a substitute for the Act and the Rules made thereunder.

If any comments or suggestions please connect us at: contact@citizensupport.in

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Start A Business In India

Arise! Awake! Approach the great and learn.
Like the sharp edge of a razor is that path,
so the wise say—hard to tread and difficult to cross.

Swami Vivekananda



Starting a business is not much difficult as it run. But India ranked 142th position in Global Ranking Index by The World Bank due to the atmosphere and administartive bariccades. Present Central Government is trying to reduce the number days to start a business from 27 to 1. If Governmnet simplify the proccedues and increase functional abilities, would stimulate our business sector and reduce unexpected delay of services. It is our duty to understand proccedures, rules and other important aspects while starting a business. Citizensupport.in is trying to produce as much as inforamtion regarding this particular subject to our customers. On this way, this booklet may help entrepreneurial aspirants to understand the matters before going to set up a new initiative.

Best Of Luck.....We With You.

Procedures To Start A Business

☑ Obtain PAN Number from Income Tax Department

The first procedure is to apply for PAN Card, it is essential while filing returns and other financial operations.

☑ Open Current Account

Open a current account with Bank. Choose nearest bank with having maximum customer friendly.

☑ Service tax Registration

☑ Registration for VAT/Sales Tax

☑ Obtain TAN

All those persons who are required to deduct tax at source or collect tax at source on behalf of Income Tax Department are required to apply for and obtain TAN.

☑ File entrepreneurship Memorendum at District Level

Although not mandatory, you may File Part I of Entrepreneurs Memorandum to the District Industries Centre. This may be necessary for claiming certain incentives / subsidies and for certain formalities at the state level.

☑ Employees Provident Fund/Insurance

Applicable for establishments employing 20 or more persons and engaged in industry notified under Section 6 of Act. The Act is applicable to non-seasonal factories employing 10 or more persons.

The Insurance Scheme has been extended to shops, hotels, restaurants, cinemas including preview theatres, road-motor transport undertakings and newspaper establishments employing 20 or more persons.

Useful Terms

PAN Card: Permanent Account Number (PAN) is a ten-digit alphanumeric number, issued in the form of a laminated card, by the Income Tax Department
service Tax: It is a tax levied on the transaction of certain services specified by the Central Government under the Finance Act, 1994. It is an indirect tax (akin to Excise Duty or Sales Tax) which means that normally, the service provider pays the tax and recovers the amount from the recipient of taxable service.

VAT/ Sales Tax: VAT is a multi-point destination based system of taxation, with tax being levied on value addition at each stage of transaction in the production/ distribution chain. The State Governments, through Taxation Departments, are carrying out the responsibility of levying and collecting VAT in the respective States. While, the Central Government is playing the role of a facilitator for the successful implementation of VAT.

Digital Signature certificate: A Digital Signature establishes the identity of the sender or signee electronically while filing documents through the Internet. The Ministry of Corporate Affairs (MCA) mandates that the Directors sign some of the application documents using their Digital Signature. Hence, a Digital Signature is required for all Directors of a proposed Company.

Designated Partner Identification Number: Designated Partner Identification Number is a unique identification number assigned to all existing and proposed Designated Partner of a LLP. It is mandatory for all present or proposed Designated Partner to have a Designated Partner Identification Number. Designated Partner Identification Number never expires and a person can have only one Designated Partner Identification Number.

Director Identification Number[DIN]: Director Identification Number is a unique identification number assigned to all existing and proposed Directors of a Company. It is mandatory for all present or proposed Directors to have a

Director Identification Number. Director Identification Number never expires and a person can have only one Director Identification Number.

Authorised Capital Fee: Authorized capital of a Company is the amount of shares a company can issue to its shareholders. Companies have to pay the Government an authorized capital fee to issue shares in a Company. Companies have to pay authorized capital fee for a minimum of Rs.1 lakh.

Trade marks

Any word, name, device, label, numerals or a combination of colors that can be represented graphically (in a paper) can be registered as a trademark. The trademark to be registered must also be distinctive for the services or goods for which it is proposed to be registered. Any trademark, which is identical or deceptively similar to an existing registered trademark or trademark for which application for registration has been made, cannot be registered. Also trademark that would likely cause deception or confusion or is offensive may not be registered. Geographical names, common names, common trade words and common abbreviation can also not be registered as a trademark. Trademark registrations are distinctive to the goods or services it represents. Therefore, trademark registration are made under a "Class" of goods or service it represents. The trademark registration will therefore be valid for the entire class of goods or service it represents. A copy of the trademark to be registered along with the address and identity proof of the trademark owner is required. In case of Company, the name of the Company along with its Certificate of Incorporation and Address proof is required. In case there is infringement on a registered trademark, there are several ways to stop it or sue for damages. A legal suit can be filed in a District Court where infringement has occurred or arbitration proceedings can be initiated or other legal measures can be initiated to stop the trademark infringement.

Copyright

Any literary, dramatic, musical and artistic works including cinematograph films and sound recordings can be copyrighted. Copyright protects the expression and not the idea. Therefore, ideas, procedures, methods of operation or mathematical concepts cannot be copyrighted. Copyright protection normally comes into existence as soon as a work is created and without any formality. However, in case there is a dispute with respect to the ownership of a work, then copyright registration would be helpful as it serves as prima facie evidence in the court of law with reference to copyright disputes. Copyright registration gives the owner of the copyright - the rights of reproduction, communication to the public, and adaptation and translation of the work. Copyright ensures there are safeguards for the rights of authors over their creations. A copy of the work to be registered along with the address and identity proof of the trademark owner is required. In case of Company, the name of the Company along with its Certificate of Incorporation and Address proof is required. Any person who knowingly infringes or abets the infringement of the copyright in any work commits criminal offence under Section 63 of the Copyright Act. The minimum punishment for infringement of copyright is imprisonment for six months with the minimum fine of Rs. 50,000/-. In the case of a second and subsequent conviction the minimum punishment is imprisonment for one year and fine of Rs. one lakh.

Time taken for Registration process[World Bank 'Doing Business Data]

| No. | Procedure | Time to Complete | Associated Costs |
|------|--|---|--|
| 1 | Obtain director identification number (DIN) online | 1 day | INR 100 |
| 2 | Obtain a digital signature certificate | 1 day | INR 400 to INR 2,650 |
| 3 | Reserve the company name with the Registrar of Companies (ROC) online | 2 days | INR 1,000 |
| 4 | Pay stamp duties online, file all incorporation forms and documents online and obtain the certificate of incorporation | 5 days on average | see comments |
| 5 | Request and obtain Certificate to Commence Operation | 5 days | INR 400 for a company with capital between INR 500,000-2,499,999 |
| * 6 | Make a seal | 1 day (simultaneous with previous procedure) | INR 350-500 |
| 7 | Obtain a Permanent Account Number (PAN) from an authorized franchise or agent appointed by National Securities Depository Services Limited (NSDL) or Unit Trust of India (UTI) | 7 days | INR 93 |
| * 8 | Register with Employees' Provident Fund Organization | 12 days, simultaneous with previous procedure | no charge |
| * 9 | Register for VAT online | 10 days, simultaneous with previous procedure | INR 500 (Registration Fee) + INR 25 (Stamp Duty) for compulsory VAT registration |
| * 10 | Register for medical insurance (ESIC) | 9 days, simultaneous with previous procedure | no charge |
| * 11 | Obtain a tax account number for income taxes deducted at source from the Assessing Office in the Mumbai Income Tax Department | 7 days, simultaneous with previous procedure | INR 55 application fee |
| 12 | Register with Office of Inspector, [state] Shops and Establishment Act | 2 days | INR 1,200 (registration fee) + 3 times registration fee for Trade Refuse Charges (INR 3,600) |
| * 13 | Register for profession tax | 2 days, simultaneous with previous procedure | no charge |

Types of Business Entities

Registrars of Companies (ROC) appointed under Section 609 of the Companies Act covering the various States and Union Territories, are vested with the primary duty of registering companies floated in the respective States and Union Territories and of ensuring that such companies comply with statutory requirements under the Act. These offices function as registries of records relating to the companies registered with them, which are available for inspection by members of the public on payment of the prescribed fee.

The Registrars of Companies in different States primarily deal with the Incorporation of companies, change of name of companies, change of financial year, conversion of companies from Private to Public and vice versa, striking off of the names of companies, and default action against companies.

The steps to be followed for registering a private limited or a public limited company are enlisted here.

Single Person Company

Once a Company is incorporated, it will be active and in-existence as long as the annual compliances are met with regularly. In case, annual compliances are not complied with, the Company will become a Dormant Company and maybe struck off from the register after a period of time. A struck-off Company can be revived for a period of upto 20 years.

Number of People Required: To incorporate a One Person Company, a Director and a nominee is required. A nominee member is one, who shall, in the event of promoter member's death or incapacitation become a member of the Company.

Eligibility: Only a natural person who is an Indian citizen and a resident in India is eligible to incorporate a One Person Company or be a nominee member. The Director or Nominee must also be over 18 years of age. A person can incorporate upto five One Person Companies.

Capital: One Person Company can be started with any amount of capital. However, fee must be paid to the Government for issuing a minimum of shares worth Rs.1 lakh [Authorized Capital Fee] during the incorporation of the OPC.

There is no requirement to show proof of capital invested during the incorporation process.

Office requirement: An address in India where the registered office of the One Person Company will be situated is required. The premises can be a commercial / industrial / residential where communication from the MCA will be received.

Documents required: Identity proof and address proof is mandatory for all the proposed Director and Nominee of the One Person Company. PAN Card is mandatory. In addition, the landlord of the registered office premises must provide a No Objection Certificate for having the registered office in his/her premises and must submit his/her identity proof and address proof.

Proprietorship

A sole proprietorship is the oldest and the most common form of business. It is a one-man organisation where a single individual owns, manages and controls the business. Its main features are :-

- ❑ Ease of formation is its most important feature because it is not required to go through elaborate legal formalities. No agreement is to be made and registration of the firm is also not essential. However, the owner may be required to obtain a license specific to the line of business from the local administration.
- ❑ The capital required by the organisation is supplied wholly by the owner himself and he depends largely on his own savings and profits of his business.
- ❑ Owner has a complete control over all the aspects of his business and it is he who takes all the decisions though he may engage the services of a few others to carry out the day-to-day activities.
- ❑ Owner alone enjoys the benefits or profits of the business and he alone bears the losses.
- ❑ The firm has no legal existence separate from its owner.
- ❑ The liability of the proprietor is unlimited i.e. it extends beyond the capital invested in the firm.
- ❑ Lack of continuity i.e. the existence of a sole proprietorship business is dependent on the life of the proprietor and illness, death etc. of the owner brings an end to the business. The continuity of business operation is therefore uncertain.

People Required: Only one person is required to start a Proprietorship and a Proprietorship can have only one promoter.

Documents: PAN Card for the Proprietor along with identity and address proof

is sufficient to start a Proprietorship and obtain other registration, as applicable or required.

Capital: There is no limit on the minimum capital for starting a Proprietorship. Therefore, a Proprietorship can be started with any amount of minimum capital.

Bank account: To open a bank account for a Proprietorship, Reserve Bank of India mandates that the proprietor provide two forms of registration for the Proprietorship along with the PAN Card, identity proof and address proof of the Proprietor. The two forms of registration can be any two of the following: service tax registration, MSME registration, VAT/TIN/CST registration, shop & establishment Act registration, Professional license, Chartered Accountant certificate or others as provided in the RBI Know Your Customer norms.

Legal entity: The Proprietorship firm and the Proprietor are one and the same. The PAN Card of the Proprietor will be the PAN Card of the Proprietorship business. Therefore, there will be no separate legal identity for the business. The assets and liabilities of the Proprietorship business and the Proprietor will also be one and the same.

Registration: There is no registry or regulation for the registering the name of a Proprietorship. Therefore, proprietorship firms can adopt any name that do not infringe on registered trademarks. Since there are no registry or regulation for registering the name of a Proprietorship, the only way to ensure exclusive use of the business name is to obtain a trademark registration of the business name.

Investment: Proprietorship firms are business entity that are owned, managed and controlled by one person. So Proprietorship firms cannot issue shares or have investors.

Expansion: There are procedures for converting your Proprietorship business into a Company or a LLP at a later date. However, the procedures to convert a proprietorship business into a Company or LLP are cumbersome, expensive and time-consuming. Therefore, it is wise for many entrepreneurs to consider and start a LLP or Company instead of a Proprietorship.

Hence, this form of organisation is suitable for the businesses which involve moderate risk, small financial resources, capital requirement is small and risk involvement is not heavy like automobile repair shops, small bakery shops, tailoring, etc. It accounts for the largest number of business concerns in India.

Partnership

No. of people required: A minimum of two Persons is required to start a Partnership firm. A maximum number of 20 Partners are allowed in a Partnership firm.

Documents: PAN Card for the Partners along with identity and address proof is required. It is recommended to draft a Partnership deed and have it signed by all

the Partners in the firm.

Capital: There is no limit on the minimum capital for starting a Partnership firm. Therefore, a Partnership firm can be started with any amount of minimum capital.

Legal identity: Partnership firm has no separate legal existence of its own i.e., the Partnership firm and the partners are one and the same in the eyes of law. Liability of the Partners is also unlimited, and the partners are said to be jointly and severally liable for the liabilities of the firm. This means that if the assets and property of the firm is insufficient to meet the debts of the firm, the creditors can recover their loans from the personal property of the individual partners.

Investment: Indian Nationals and Indian Residents are allowed to invest in a Partnership firm without any approval. Usually those who invest in the Partnership firm become a Partner of the firm and in the absence of any agreement to the contrary, all partners will have a right to participate in the activities of the business.

Taxes: Partnership firm will have to file their annual tax return with the Income Tax Department. Other tax filings like service tax filing or VAT/CST filing may be necessary from time to time, based on the business activity performed. However, annual report or accounts need not be filed with the Ministry or Corporate Affairs, which is required for Limited Liability Partnerships and Companies.

Under Section 58 of the Act, a firm may be registered at any time (not merely at the time of its formation but subsequently also) by filing an application with the Registrar of Firms of the area in which any place of business of the firm is situated or proposed to be situated.

- Application shall contain:-
 - name of the firm
 - place or principal place of business
 - names of any other places where the firm carries on business.
 - date on which each partner joined the firm
 - name in full and permanent address of partners.
 - duration of the firm
- Application shall be signed and verified by all the partners or their duly authorized agents.
- Application shall be accompanied by prescribed fee as well as the

following documents:

- Prescribed Registration Form for Incorporation of a Company. ([Form No. 1](#) and [Specimen of Affidavit](#))
 - certified true copy of the Partnership deed entered into.
 - ownership proof of the principal place of business
- Name of the firm should not contain any words which may express or imply the approval or patronage of the government except where the government has given its written consent for the use of such words as part of the firms name.
- Under Section 59 of the Act, when the Registrar of Firms is satisfied that the provisions of section 58 have been duly complied with, he shall record an entry of the statement in the Register of Firms and issue a Certificate of Registration.
 - penalty for furnishing false particulars (Section 70)

Any person who signs any statement, amending statement, notice or intimation under this Chapter containing any particular which he knows to be false or does not believe to be true or containing particulars which he knows to be incomplete or does not believe to be complete, shall be punishable with imprisonment which may extend to three months, or with a fine or with both.

- Any alterations, subsequent to Registration shall be notified to the registrar:-
 - Change in firm name and principal place of business (Section 60) shall require sending of a new application form along with the prescribed fee, duly signed and verified by all the partners.
 - Change relating to opening and closing of branches. (Section 61)

When a registered firm discontinues business at any place or begins to carry on business at any place, such place not being its principal place of business, any partner or agent of the firm may send intimation thereof to the Registrar.

- Change in the name and permanent address of any partner (Section 62)

When any partner in a registered firm alters his name or permanent address, an intimation of the alteration may be sent by any partner

or agent of the firm to the Registrar

- Change in the constitution of the firm and its dissolution [Section 63(1)]

when change occurs in the constitution of the firm, any of the new, continuing or the outgoing partner, while when a registered firm is dissolved, any person who was a partner immediately before the dissolution or the agent of any such partner or person specially authorized on his behalf, may give notice of such a change to the Registrar, specifying the date thereof.

- Under Section 63(2), when a minor who has been admitted to the benefits of partnership in a firm attains majority and elects to become or not to become a partner, he or his agent specially authorized in this behalf, may give notice to the Registrar that he has or has not become a partner.
- Accordingly, the various forms prescribed under the Indian Partnership Act, 1932, for the alterations in the registered partnership firm are:-
 - a. Form No. II :- For change of principle place of business & change in the name of the firm.
 - b. Form No. III :- For change of the other then principle place of business.
 - c. Form No. IV :- For change of name of the partners & permanent address of the partners.
 - d. Form No. V :- For change of constitution of forms & addition or retirement of partner.
 - e. Form No. VI :- For Dissolution of the firm
 - f. Form No. VII :- For minor partner attains the age of majority.
- Partnership Act, 1932 does not provide for compulsory registration of firms. It is optional for partners to set the firm registered and there are no penalties for non-registration.

However, Section 69 of the Act which deals with the effects of non-

registration denies certain rights to an unregistered firm. Under the Act :-

- A partner of an unregistered firm cannot file a suit in any court against the firm or other partners for the enforcement of any right arising from a contract or right conferred by the Partnership Act unless the firm is registered and the person suing is or has been shown in the Register of Firms as a partner in the firm.
- No suits to enforce a right arising from a contract shall be instituted in any Court by or on behalf of a firm against any third party unless the firm is registered and the persons suing are or have been shown in the Register of Firms as partners in the firm.
- An unregistered firm or any of its partners cannot claim a set off (i.e. mutual adjustment of debts owned by the disputant parties to one another) or other proceedings in a dispute with a third party. Hence, every firm finds it advisable to get itself registered sooner or later.
- However, non-registration of a Partnership firm shall not affect:-
 - The rights of third parties to sue the firm and/or its partners.
 - The firms or partners in the firms which have no place of business in the territories to which this Act extends, or whose places of business in the said territories are situated in areas to which the act does not apply.
 - any suit or claim or set-off not exceeding one hundred rupees in value which, in the Presidency-towns, is not of a kind specified in Section 19 of the Presidency Small Cause Courts Act, 1882 (15 of 1882), or outside the Presidency- towns, is not of a kind specified in the Second Schedule to the Provincial small Cause Courts Act, 1887 (9 of 1887), to any proceeding in execution or other proceeding incidental to or arising from any such suit or claim.
 - the enforcement of any right to sue for the dissolution of a firm or for accounts of a dissolved firm, or any right or power to realise the property of a dissolved firm.
 - the powers of an official assignee, receiver or Court under the Presidency-towns Insolvency Act, 1909 (3 of 1909), or the Provincial Insolvency Act, 1920 (5 of 1920), to realise the property

of an insolvent partner.

- Rectification of mistakes (Section 64 of the Act)
 - The Registrar shall have power at all times to rectify any mistake in order to bring the entry in the Register of Firms relating to any firm into conformity with the documents relating to that firm filed under this Act.
 - On application made by all the parties who have signed any document relating to a firm filed under this Act, the Registrar may rectify any mistake in such document or in the record or note thereof made in the Register of Firms.
- Inspection of Register and filed documents (Section 66 of the Act:)
 - The Register of Firms shall be open to inspection by any person on payment of such fee as may be prescribed.
 - All statements, notices and intimations filed under this Act shall be open to inspection, subject to such conditions and on payment of such fee as may be prescribed.
- Grant of copies (Section 67 of the Act)

The Registrar shall on application furnish to any person, on payment of such fee as may be prescribed, a copy, certified under his hand, of any entry or portion thereof in the Register of Firms.

Limited liability Company

People required: To incorporate a Limited Liability Partnership, a minimum of two people are required. A Limited Liability Partnership must have a minimum of two Partners and can have a maximum of any number of Partners.

Requirements to be a partner: The Designated Partners needs to be over 18 years of age and must be a natural person. There are no limitations in terms of citizenship or residency. Therefore, the LLP Act 2008 allows Foreign Nationals including Foreign Companies & LLPs to incorporate a LLP in India provided at least one designated partner is resident of India.

Capital: You can start a Limited Liability Partnership with any amount of capital. There is no requirement to show proof of capital invested during the

incorporation process. Partner's contribution may consist of both tangible and/or intangible property and any other benefit to the LLP.

Documents required: Identity proof and address proof is mandatory for all the proposed Designated Partners of the LLP. PAN Card is mandatory for Indian Nationals. In addition, the landlord of the registered office premises must provide a No Objection Certificate for having the registered office in his/her premises and must submit his/her identity proof and address proof.

Tax: LLPs are required to file an annual filing with the Registrar each year. However, if the LLP has a turnover of less than Rs.40 lakhs and/or has a capital contribution of less than Rs.25 lakhs, the financial statements do not have to be audited.

LLP is a new corporate structure that combines the flexibility of a partnership and the advantages of limited liability of a company at a low compliance cost. In other words, it is an alternative corporate business vehicle that provides the benefits of limited liability of a company, but allows its members the flexibility of organising their internal management on the basis of a mutually arrived agreement, as is the case in a partnership firm.

Owing to flexibility in its structure and operation, it would be useful for small and medium enterprises, in general, and for the enterprises in services sector, in particular. Internationally, LLPs are the preferred vehicle of business, particularly for service industry or for activities involving professionals.

LLP is governed by the provisions of the Limited Liability Partnership Act 2008, the salient features of which are as follows: -

- ❑ The LLP shall be a body corporate and a legal entity separate from its partners. Any two or more persons, associated for carrying on a lawful business with a view to profit, may by subscribing their names to an incorporation document and filing the same with the Registrar, form a Limited Liability Partnership. The LLP will have perpetual succession.
- ❑ The mutual rights and duties of partners of an LLP inter se and those of the LLP and its partners shall be governed by an agreement between partners or between the LLP and the partners subject to the provisions of the LLP Act 2008 . The act provides flexibility to devise the agreement as per their choice.
- ❑ The LLP will be a separate legal entity, liable to the full extent of its assets, with the liability of the partners being limited to their agreed contribution in the LLP which may be of tangible or intangible nature or

both tangible and intangible in nature. No partner would be liable on account of the independent or un-authorized actions of other partners or their misconduct. The liabilities of the LLP and partners who are found to have acted with intent to defraud creditors or for any fraudulent purpose shall be unlimited for all or any of the debts or other liabilities of the LLP.

- ❑ Every LLP shall have at least two partners and shall also have at least two individuals as Designated Partners, of whom at least one shall be resident in India. The duties and obligations of Designated Partners shall be as provided in the law.
- ❑ The LLP shall be under an obligation to maintain annual accounts reflecting true and fair view of its state of affairs. A statement of accounts and solvency shall be filed by every LLP with the Registrar every year. The accounts of LLPs shall also be audited, subject to any class of LLPs being exempted from this requirement by the Central Government.
- ❑ The Central Government has powers to investigate the affairs of an LLP, if required, by appointment of competent Inspector for the purpose.
- ❑ The compromise or arrangement including merger and amalgamation of LLPs shall be in accordance with the provisions of the LLP Act 2008.
- ❑ A firm, private company or an unlisted public company is allowed to be converted into LLP in accordance with the provisions of the Act. Upon such conversion, on and from the date of certificate of registration issued by the Registrar in this regard, the effects of the conversion shall be such as are specified in the LLP Act. On and from the date of registration specified in the certificate of registration, all tangible (moveable or immovable) and intangible property vested in the firm or the company, all assets, interests, rights, privileges, liabilities, obligations relating to the firm or the company, and the whole of the undertaking of the firm or the company, shall be transferred to and shall vest in the LLP without further assurance, act or deed and the firm or the company, shall be deemed to be dissolved and removed from the records of the Registrar of Firms or Registrar of Companies, as the case may be.
- ❑ The winding up of the LLP may be either voluntary or by the Tribunal to be established under the Companies Act, 1956. Till the Tribunal is established, the power in this regard has been given to the High Court.
- ❑ The LLP Act 2008 confers powers on the Central Government to apply

provisions of the Companies Act, 1956 as appropriate, by notification with such changes or modifications as deemed necessary. However, such notifications shall be laid in draft before each House of Parliament for a total period of 30 days and shall be subject to any modification as may be approved by both Houses.

- The Indian Partnership Act, 1932 shall not be applicable to Limited Liability Partnerships.

Private limited company

People required: To incorporate a private limited company, a minimum of two people are required. A private limited company must have a minimum of two Directors and can have upto a maximum of fifteen Directors. A minimum of two shareholders and a maximum of upto 200 shareholders are allowed in a private limited company.

Director requirement: The Director needs to be over 18 years of age and must be a natural person. There are no limitations in terms of citizenship or residency. Therefore, even foreign nationals can be Directors in a Indian Private Limited Company.

Capital: You can start a Private Limited Company with any amount of capital. However, fee must be paid to the Government for issuing a minimum of shares worth Rs.1 lakh [Authorized Capital Fee] during the registration of the Company. There is no requirement to show proof of capital invested during the registration process.

Office: An address in India where the registered office of the Company will be situated is required. The premises can be a commercial / industrial / residential where communication from the MCA will be received.

Documents required: Identity proof and address proof is mandatory for all the proposed Directors of the Company. PAN Card is mandatory for Indian Nationals. In addition, the landlord of the registered office premises must provide a No Objection Certificate for having the registered office in his/her premises and must submit his/her identity proof and address proof.

Board meeting: A private limited company must hold a Board Meeting atleast once in every 3 months. In addition to the Board Meetings, an Annual General Meeting must be conducted by the Private Limited Company, atleast once every year.

Investment: 100% Foreign Direct Investment is allowed in India in many of the industries under the Automatic Route. Under the Automatic Route, only a

post-investment filing is necessary with the RBI indicating the nature of investment made. There are a few industries that require prior approval from the RBI, in such cases, approval must first be obtained from RBI prior to investment.

Procedure for Registration of a Private Limited Company

- Select, in order of preference, a few suitable names, not less than four, indicative of the main objects of the company. Ensure that the name does not resemble the name of any other company already registered and also does not violate the provisions of Emblems and names (prevention of improper use) Act, 1950
- Apply to the concerned ROC to ascertain the availability of name in e-Form 1 A of General Rules and Forms along with a fee of Rs. 500/-. If proposed name is not available apply for a fresh name on the same application the digital signature of the applicant proposing the company has to be attached in the form.
- After the name approval the applicant can apply for registration of the new company by filing the required forms (e-Forms 1, 18,32) within six months of name approval.
- Arrange for the drafting of the Memorandum and Articles of Association by the solicitors, vetting of the same by ROC and printing of the same.
- Arrange for stamping of the Memorandum and Articles with the appropriate stamp duty.
- Get the Memorandum and Articles signed by atleast two subscribers in his own hand, his father's name, occupation, address and the number of shares subscribed for and witnessed by atleast one person.
- Ensure that the Memorandum and Article is dated on a date after the date of stamping.
- Pay the prescribed registration fee and filing fee.
- The following documents are required to be filed with the Registrar of Companies:

- Memorandum of Association (duly stamped) and a duplicate thereof.
 - Articles of Association (duly stamped) and a duplicate thereof.
 - The agreement, if any, which the company proposes to enter into with any individual for appointment as its managing or whole time director or manager.
 - A copy of the agreement, if any, referred to in the articles.
 - A power of attorney, if any (with prescribed stamps).
 - A copy of the letter of the Registrar of Companies intimating the availability of the proper name.
 - e-Form No. 1 (with prescribed stamps) for incorporation of a Company.
 - e-Form No. 18, if desired for change of situation of registered office.
 - e-Form No. 32 and e-Form 32 Addendum, if desired for Particulars of appointment of managing director, directors, manager and secretary and the changes among them or consent of candidate to act as a managing director or director or manager or secretary of a company and / or undertaking to take and pay for qualification shares
 - Document evidencing payment of prescribed registration and filing fee.
 - The promoters, as being the subscribers to the Memorandum and Articles should be the same person whose names are appearing in the original application for availability of name (e-Form 1A). If the names have changed, ROC will not register the company until and unless, the name is got re-validated with the new subscribers as applicants, by paying another fee of Rs 500.
- Obtain Certificate of Incorporation from ROC. If the registrar is satisfied that all the requirements have been complied with by the companies, it will register the company and issue a Certificate of Incorporation of the company. The date mentioned in the certificate is the date of incorporation of the company.
 - Under Section 149(7) of the Companies Act, a private company can commence business right from the date of its incorporation.

Public limited company

People required: To incorporate a Limited Company, a minimum of seven people are required. A Limited Company must have a minimum of three Directors and seven shareholders.

Director requirement: The Director needs to be over 18 years of age and must be a natural person. There are no limitations in terms of citizenship or residency. Therefore, even foreign nationals can be Directors in a Indian Private Limited Company.

Capital: You can start a Limited Company with any amount of capital. However, fee must be paid to the Government for issuing a minimum of shares worth Rs.5 lakhs [Authorized Capital Fee] during the incorporation of the Company. There is no requirement to show proof of capital invested during the incorporation process.

Office: An address in India where the registered office of the Company will be situated is required. The premises can be a commercial / industrial / residential where communication from the MCA will be received.

Documents required: Identity proof and address proof is mandatory for all the proposed Directors of the Company. PAN Card is mandatory for Indian Nationals. In addition, the landlord of the registered office premises must provide a No Objection Certificate for having the registered office in his/her premises and must submit his/her identity proof and address proof.

Board meeting: A limited company must hold a Board Meeting atleast once in every 3 months. In addition to the Board Meetings, an Annual General Meeting must be conducted by the Private Limited Company, atleast once every year.

Investment: 100% Foreign Direct Investment is allowed in India in many of the industries under the Automatic Route. Under the Automatic Route, only a post-investment filing is necessary with the RBI indicating the nature of investment made. There are a few industries that require prior approval from the RBI, in such cases, approval must first be obtained from RBI prior to investment.

- A Public Limited Company, in addition to the steps followed by a Private Limited Company has to obtain a certificate of Commencement of Business before they can commence the business.

To obtain Commencement of Business Certificate after incorporation of the company the public company has to:-

- File a declaration of compliance with the provisions of Section 149(2)(b) of the Act in eForm 20 and attach the statement in lieu of

the prospectus(schedule III)

OR

- File a declaration of compliance with the provisions of Section 149 (1)(a),(b),(c) of the Act in eForm 19 and attach the prospectus (Schedule II) to it.

Section 149 of the Act, explains the Restrictions on the commencement of Business:-

Where a company having a share capital has issued a prospectus inviting the public to subscribe for its shares, the company shall not commence any business or exercise any borrowing powers, unless -

- shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription;
- every director of the company has paid to the company, on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription;
- no money is, or may become, liable to be repaid to applicants for any shares or debentures which have been offered for public subscription by reason of any failure to apply for, or to obtain, permission for the shares or debentures to be dealt in on any recognized stock exchange.
- 149(2)(b):- Where a company having a share capital has not issued a prospectus inviting the public to subscribe for its shares the company shall not commence any business or exercise any borrowing powers, unless every director of the company has paid to the company, on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares payable in cash.

Common Causes of Small Business Failure (SIDBI)

Business without Business Plan

One of the biggest mistakes made by Small Business Owners is – Lack of Planning. You don't need a business plan just for outside funding. Business Planning Process forces you to go through all areas which require careful thinking. Your plan must always be based on realistic assumptions with careful analysis of future scenarios.

Undercapitalization –Running Out Of Money before Revenue Starts Flowing In

Lack of Operating Funds is one of the most common causes of business failure. New Business Owners tend to underestimate costs. At other times, their expectation of business revenues tends to be over optimistic. Simply put – plan for extra cash – you will need it.

Underestimating the Importance of Strategic Planning

Business can face competition from many areas. Business Owners need to have a clear understanding of the Industry, its direction, various market segments and the niche that can represent profitable opportunity. The business must understand all aspects of competition and its offering must score over other alternatives—for the Target Segment. Many business owners fail to do this hard work – to their peril.

Lack of Financial Analysis & System of Review

Small Business Owners tend to do many things. Financial Analysis and a regular system of review happens to be one of the most neglected areas. Importance of Systems and Processes keeps increasing with business growth.

Lack of Expertise in Critical Areas (& Not Seeking Outside Help)

No individual, however capable, can have expertise in all areas. To compete effectively, Business, on the other hand, needs expertise in Marketing, Selling, Finance, Purchasing, Production, Hiring, Motivating and Managing. Small Business Owners, unfortunately, fail to recognize the need for outside help.

Incorrect Choice of Business Location

Location, as they say – is everything. For many businesses, location is the difference between success and failure. Customer Convenience, Subsidies, Taxation, Manpower Availability, Cost of Raw Material, Customer Traffic, Ease of Parking, Availability of Electricity, Water, Transportation are all dependent on where your business location is.

Business Expansion without Putting Systems, Processes & Resources in Place

Business expansion is - unfortunately – one of the common causes of business failure. Expansion puts a huge amount of additional stress on SMEs. Apart from Financial & Manpower Resources, the need for Systems & Processes is greatly enhanced when an SME goes on business expansion overdrive.

Lack of Professionally Designed Website

Many opportunities are lost simply because a number of businesses have still not realized the need for a professionally designed website. Websites, perhaps, have now become one of the most important part of customer acquisition process. A carefully designed website can now automate many tasks relating to routine interactions with Prospects, Customers, Suppliers as well as prospective employees. You must take immediate steps if your existing website is not providing you customer leads and is not designed for Smart Phones & Tablets.

Sources of Long Term Capital

Reinvestment of Profits

Profitable companies do not generally distribute the whole amount of profits as dividend but, transfer certain proportion to reserves. This may be regarded as reinvestment of profits or ploughing back of profits. As these retained profits actually belong to the shareholders of the company, these are treated as a part of ownership capital. Retention of profits is a sort of self financing of business. The reserves built up over the years by ploughing back of profits may be utilised by the company for the following purposes:

- Expansion of the undertaking
- Replacement of obsolete assets and modernisation
- Meeting permanent or special working capital requirement
- Redemption of old debts

The benefits of this source of finance to the company are:

- It reduces the dependence on external sources of finance
- It increases the credit worthiness of the company
- It enables the company to withstand difficult situations
- It enables the company to adopt a stable dividend policy
- It increases the debt raising capacity of the company

Loans from Commercial Banks / Financial Institutions

Medium and long term loans required for setting up projects can be obtained from banks and \or financial institutions for all viable projects. Similarly, funds required for modernisation and renovation schemes can be borrowed from them. Such loans are generally secured by mortgage of the Company's properties, pledge of shares, personal guarantees etc..

Public Deposits

Companies often raise funds by inviting their shareholders, employees and the general public to deposit their savings with the company. The Companies Act permits such deposits to be received for a period up to 3 years at a time. Public deposits can be raised by companies to meet their medium-term as well as short-term financial needs. The increasing popularity of public deposits is due to:

- The rate of interest the companies have to pay on them is attractive.

- These are easier methods of mobilising funds than banks, especially during periods of credit squeeze
- They are unsecured

Risk Capital

Risk capital denotes the provision of capital where the provider reduces the risk burden of the entrepreneur, and in turn bears some part of the overall risk involved in a productive activity. As per a definition widely used in India – The term 'risk capital' includes equity as well as mezzanine/ quasi equity financial products that have features of both debt and equity. Risk Capital is an important instrument for not only start-ups and innovative / fast growing companies but is also critical to those companies looking at growth. Risk capital substitutes promoter's contribution, thereby reducing the capital to be brought by the entrepreneurs. Under such cases, Risk capital is one of the most viable options for raising capital for MSMEs. Some of the major risk capital options available for MSMEs include Venture Capital, Angel Investment and Public Listing.

Issue of Shares

It is the most important method. The liability of shareholders is limited to the face value of shares, and they are also easily transferable. A private company cannot invite the general public to subscribe for its share capital and its shares are also not freely transferable. But for public limited companies there are no such restrictions. There are two types of shares :-

- Equity shares: the rate of dividend on these shares depends on the profits available and the discretion of directors. Hence, there is no fixed burden on the company. Each share carries one vote.
- Preference shares: dividend is payable on these shares at a fixed rate and is payable only if there are profits. Hence, there is no compulsory burden on the company's finances. Such shares do not give voting rights.

Issue of Debentures

Companies generally have powers to borrow and raise loans by issuing debentures. The rate of interest payable on debentures is fixed at the time of issue and the debentures have a charge on the property or assets of the company, which provide the necessary security. The company is liable to pay interest even if there are no profits. Debentures are mostly issued to finance the long-term requirements of business and do not carry any voting

rights.

The Long-Term Finance

Capital Market

Capital market denotes an arrangement whereby transactions involving the procurement and supply of long-term funds takes place among individuals and various organisations. In the capital market, the companies raise funds by issuing shares and debentures of different types. When long-term capital is initially raised by new companies or by existing companies by issuing additional shares or debentures, the transactions are said to take place in the market for new capital called, as 'New Issue Market'. But, buying and selling of shares and debentures already issued by companies takes place in another type of market called as 'the Stock market'.

Individuals and institutions which contribute to the share capital of the company become its shareholders. They are also known as members of the company. Before shares are issued, the directors of the company have to decide on the following matters:-

- The amount of capital which is to be raised by issue of shares.
- The types of shares which will be issued.
- The time of issuing shares.

When a company decides to issue additional shares at any time after its formation or after one year of the first allotment of shares, it is required under law that such shares must be first offered to the existing shareholders of the company. If the offer is declined by the existing shareholders, only then shares can be issued to the public. Such an issue is called 'rights issue' and these shares are known as 'right shares'. The Government controls the issue of shares and debentures under the Capital Issues (Control) Act, 1947.

Special Financial Institutions

A large number of financial institutions have been established in India for providing long-term financial assistance to industrial enterprises. There are many all-India institutions like Industrial Finance Corporation of India (IFCI); Industrial Credit and Investment Corporation of India (ICICI); Industrial Development Bank of India (IDBI), etc. At the State level, there are State

Financial Corporations (SFCs) and State Industrial Development Corporations (SIDCs). These national and state level institutions are known as 'Development Banks'. Besides the development banks, there are several other institutions called as 'Investment Companies' or 'Investment Trusts' which subscribe to the shares and debentures offered to the public by companies. These include the Life Insurance Corporation of India (LIC); General Insurance Corporation of India (GIC); Unit Trust of India (UTI) , etc.

Leasing Companies

Manufacturing companies can secure long-term funds from leasing companies. For this purpose a lease agreement is made whereby plant, machinery and fixed assets may be purchased by the leasing company and allowed to be used by the manufacturing concern for a specified period on payment of an annual rental. At the end of the period the manufacturing company may have the option of purchasing the asset at a reduced price. The lease rent includes an element of interest besides expenses and profits of the leasing company.

Foreign Sources

Funds can also be collected from foreign sources which usually consists of :-

- Foreign Collaborators :- If approved by the Government of India, the Indian companies may secure capital from abroad through the subscription of foreign collaborator to their share capital or by way of supply of technical knowledge, patents, drawings and designs of plants or supply of machinery.
- International Financial Institutions :- like World Bank and International Finance Corporation (IFC) provide long-term funds for the industrial development all over the world. The World Bank grants loans only to the Governments of member countries or private enterprises with guarantee of the concerned Government. IFC was set up to assist the private undertakings without the guarantee of the member countries. It also provides them risk capital.
- Non-Resident Indians :- persons of Indian origin and nationality living abroad are also permitted to subscribe to the shares and debentures issued by the companies in India.

Reinvestment of Profits

An important source of long-term finance for ongoing profitable companies is the amount of profit which is accumulated as general reserve from year to year. To the extent profits are not distributed as dividend to the shareholders, the

retained amount can be reinvested for expansion or diversification of business activities. Retained profit is an internal source of finance. Hence it does not involve any cost of floatation which has to be incurred to raise finance from external sources.

Short-Term Finance

Trade Credit

It is the credit which the firms get from its suppliers. It does not make available the funds in cash, but it facilitates the purchase of supplies without immediate payment. No interest is payable on the trade credits. The period of trade credit depends upon the nature of product, location of the customer, degree of competition in the market, financial resources of the suppliers and the eagerness of suppliers to sell his stocks.

Installment Credit

Firms may get credit from equipment suppliers. The supplier may allow the purchase of equipment with payments extended over a period of 12 months or more. Some portion of the cost price of the asset is paid at the time of delivery and the balance is paid in a number of installments. The supplier charges interest on the installment credit which is included in the amount of installment. The ownership of the equipment remains with the supplier until all the installments have been paid by the buyer.

Accounts Receivable Financing

Under it, the accounts receivable of a business concern are purchased by a financing company or money is advanced on security of accounts receivable. The finance companies usually make advances up to 60 per cent of the value of the accounts receivable pledged. The debtors of the business concern make payment to it which in turn forwards to the finance company.

Customer Advance

Manufacturers of goods may insist the customers to make a part of the payment in advance, particularly in cases of special order or big orders. The customer advance represents a part of the price of the products that have been ordered by the customer and which will be delivered at a later date.

Bank Credit

Commercial Banks play an important role in financing the short-term

requirements of business concerns. They provide finance in the following ways :-

- Loans :- When a bank makes an advance in lump sum, the whole of which is withdrawn to cash immediately by the borrower who undertakes to repay it in one single installment, it is called a loan. The borrower is required to pay the interest on the whole amount.
- Cash credit :- It is the most popular method of financing by commercial banks. When a borrower is allowed to borrow up to a certain limit against the security of tangible assets or guarantees, it is known as secured credit but if the cash credit is not backed by any security, it is known as clean cash credit. In case of clean cash credit the borrower gives a promissory note which is signed by two or more sureties. The borrower has to pay interest only on the amount actually utilised.
- Overdrafts :- Under this, the commercial bank allows its customer to overdraw his current account so that it shows the debit balance. The customer is charged interest on the account actually overdrawn and not on the limit sanctioned.
- Discounting of bills :- Commercial banks finance the business concern by discounting their credit instruments like bills of exchange, promissory notes and hundies. These documents are discounted by the bank at a price lower than their face value.

NTREES - Trade Receivables Engine for E-discounting

SIDBI and NSE have joined hands to set up an electronic platform for e-discounting of accounts receivable of suppliers, particularly MSMEs. The platform called, NTREES, replaces the paper-based physical mechanism with e-trading which will make discounting of bills transactions cost-effective, expeditious, and more transparent. The initiative is designed to address the liquidity issues of the suppliers, particularly MSMEs in an effective and efficient manner and in the bargain make it a self-sustaining platform.

One of the main challenges facing the MSMEs today is meeting capital requirements at reasonable costs. NTREES is a unique and exciting platform to address these challenges for MSMEs.

Bank Overdraft and Cash Credit

It is a common method adopted by companies for meeting short-term financial requirements. Cash credit refers to an arrangement whereby the

commercial bank allows money to be drawn as advances from time to time within a specified limit. This facility is granted against the security of goods in stock, or promissory notes bearing a second signature, or other marketable instruments like Government bonds. Overdraft is a temporary arrangement with the bank which permits the company to overdraw from its current deposit account with the bank up to a certain limit. The overdraft facility is also granted against securities. The rate of interest charged on cash credit and overdraft is relatively much higher than the rate of interest on bank deposits.

Appendix

List Registrars

| | |
|--|--|
| Andaman (The Deputy Chief Commissioner is Ex-officio Registrar of Companies) | The Registrar of Companies Andaman, Port Blair, ANDAMAN-744 101. |
| Andhra Pradesh | Registrar of Companies Andhra Pradesh, 2nd Floor, CPWD Bldg., Kendriya Sadan, Sultan Bazar, Koti, HYDERABAD - 500 195 Ph. 040-4657937, 4652807 Fax: 040-4652807 E-mail: rochyd.sb[at]sb[dot]nic[dot]in |
| Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh, Mizoram and Shillong | Registrar of Companies Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh, Mizoram and Shillong Morello Building, Ground Floor, Kachari Road, SHILLONG - 793 001 Ph. 0364-223665 E-mail: rocshi.sb[at]sb[dot]nic[dot]in |
| Bihar and Jharkhand (ROC, Patna shall act as Registrar for registration of companies in Jharkhand State vide Notification No. S.O. 1144 (E), dt. 21.12.2000. | Registrar of Companies Maurya Lok Complex, Block-A, 4th Floor, Dak Banglow Road, PATNA - 800 001 Ph. 0612-222172 E-mail: rocpat.sb[at]sb[dot]nic[dot]in |
| Chhattisgarh Delhi & Haryana-I | Refer under Madhya Pradesh and Chhattisgarh Registrar of Companies Delhi & Haryana, II Floor, B Block, Paryavaran Bhawan, CGO Complex, Lodi Road, NEW DELHI - 110 003 Ph. 011-24362708, 24362523, 24362771 Fax: 011-24364570 E-mail : rocdel.sb[at]sb[dot]nic.in |
| Delhi & Haryana-II (for private limited companies and certain other business) | Registrar of Companies Jawaharlal Nehru Stadium, Lodhi Road NEW DELHI - 110 003 Ph. 24369740, 24369742 E-mail: rociln.sb[at]sb[dot]nic[dot]in |
| Goa, Daman & Diu | Registrar of Companies Goa, Daman & Diu, EDC Complex, Plot No. 21, Patto, Panaji, GOA - 403 001 Ph[dot]/Fax: 0832-2438617/2438618 E-mail: roc-goa[at]hub[dot]nic[dot]in |

| | |
|--|---|
| Gujarat | Registrar of Companies Gujarat ROC Bhawan, Opp. Rupal Park Society Behind Ankur Bus Stand, Naranpur, AHMEDABAD-380013 Ph. 079-27437597 Fax: 079-27438371 E-mail: rocahm.sb[at]sb[dot]nic[dot]in |
| Jammu & Kashmir | Registrar of Companies Jammu & Kashmir H. NO. 405 to 408, Bahu Plaza South Block, Rail Head Complex, Jammu, J&K-180012 Ph. 0364-470306 Fax: 0191-470306 E-mail: rocjam.sb[at]sb[dot]nic[dot]in Office of ROC SRINAGAR - 470595 |
| Jharkhand Karnataka | Refer under Bihar and Jharkhand Registrar of Companies Karnataka 'E' wing, 2nd Floor, Kendriya Sadan Koramangala, BANGALORE-560 034 Ph. 080-5538531 Fax. 080-5528531 E-mail: rocban.sb[at]sb[dot]nic[dot]in |
| Kerala, Union territories of Amindivi, Minicoy and Lakshadweep Islands | Registrar of Companies Kerala, M.G. Road, Ernakulam, COCHIN-682 011 Ph. 0484-355231 Fax: 0484-361424 E-mail: rocern.sb[at]sb[dot]nic[dot]in |
| Madhya Pradesh and Chhattisgarh (ROC, Gwalior shall act as Registrar for registration of companies in Chattisgarh State vide Notification No. S.O. 1144 (E), dt. 21.12.2000. | Registrar of Companies Madhya Pradesh, 3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, GWALIOR Ph. 0751-2321907 Fax: 0751-2331853 E-mail: rocgwa.sb[at]sb[dot]nic[dot]in |
| Maharashtra-I (except for districts covered by ROC Pune), Dadra and Nagar Haveli (Nasik District has been re-transferred to ROC Mumbai vide DCA F. No. 11013/1/98 - Admn. II, dt 26.2.1999 | Registrar of Companies Maharashtra 100, Everest Marine Drive, MUMBAI-400 002 Ph. 022-22812639 Fax: 022-22811977 |
| Maharashtra-II | Registrar of Companies Hakoba Mills Compound, 2nd Floor, Dataram Lal Marg |

Chinchpokli, Kalachowki, Mumbai
Ph. 022-23782497
E-mail: [rocom.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:rocom.sb[at]sb[dot]nic[dot]in)

Odisha

Registrar of Companies
Odisha
2nd Floor, Chalchitra Bhawan,
OFDC, Buxi Bazar,
CUTTACK-753001
Ph. 0671-2305361, 2306958
Fax: 0671-2305361
E-mail: [roccut.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:roccut.sb[at]sb[dot]nic[dot]in)

Pondicherry

Registrar of Companies
No. 35, I Floor, Elango Nagar,
PONDICHERRY-605 011
Ph. 0413-2240129
E-mail: [rocpon.sb\[at\]nic\[dot\]in](mailto:rocpon.sb[at]nic[dot]in)

Pune, Kolhapur, Ratnagiri, Satara,
Sindhudurga, Sangli, Sholapur and
Ahmednagar districts in Maharashtra

Registrar of Companies
Pune, PMT Building, 3rd Floor,
Pune Stock Exchange,
Deccan, Gymkhana,
PUNE-411 004.
Ph. 5530042/ 5521376
E-mail: [rocpun.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:rocpun.sb[at]sb[dot]nic[dot]in)

Punjab, Himachal Pradesh and Union
Territory of Chandigarh

Registrar of Companies
Punjab, Himachal Pradesh & Chandigarh,
Kothi No. 286, Defence Colony,
JALLANDHAR - 144 001
Ph. 0181-223843
Fax: 0181-223843
E-mail: [rocjal.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:rocjal.sb[at]sb[dot]nic[dot]in)

Rajasthan

Registrar of Companies
Rajastha, 132, Vijay Nagar, Kartarpura
Near Kartarpura Railway Crossing,
JAIPUR-302 006
Ph. 0141-500564/5
Fax: 0141-500564
E-mail: [rocjai.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:rocjai.sb[at]sb[dot]nic[dot]in)

Tamil Nadu-I

Registrar of Companies
Tamil Nadu,
Block No. 6, B Wing
2nd Floor, Shastri Bhavan
26, Haddows Road
CHENNAI-600 039
Ph. 044-8277182, 8272676, 8276652, 8276654
Fax: 044-8234298
E-mail: [rocmad.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:rocmad.sb[at]sb[dot]nic[dot]in)

Tamil Nadu II Coimbatore, Nilgiris, Periyar
Salem, Dharmapuri and Dindigul, Quaid-e-
Milleth

Registrar of Companies
Coimbatore Stock Exchange Building
2nd Floor, 683-686, Trichy Road
Singanallur,

COIMBATORE-641 005
Ph. 0422-2318170, 2318089
Fax: 0422-2324012
E-mail: [roccoi.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:roccoi.sb[at]sb[dot]nic[dot]in)

Uttar Pradesh and Uttarakhand(ROC,
Kanpur shall act as Registrar for registration
of companies in Uttarakhand State vide
Notification No. S.O. 1144(E), dt.
21.12.2000

Registrar of Companies
Uttar Pradesh,
37/17, Westcott Building, The Mall
Mahatma Gandhi Marg
KANPUR - 208 001
Ph. 0512-352304, 367253, 360656
Fax: 0512-291769
E-mail: [rockan.sb\[at\]sb\[dot\]nic\[dot\]in](mailto:rockan.sb[at]sb[dot]nic[dot]in)

Uttarakhand
West Bengal

Refer under Uttar Pradesh and Uttarakhand
Registrar of Companies
West Bengal
Nizam Palace, II MSO Building,
2nd Floor, 234/4
Acharya Jagdish Chandra Bose Road
CALCUTTA-700 020
Ph. 033-2800409/ 2473795
Fax: 033-2473795
E-mail: [roccalsb\[at\]sb\[dot\]nic\[dot\]in](mailto:roccalsb[at]sb[dot]nic[dot]in)

Appendix2
Regional Offices of Company Law Board

| S.No. | Region and Address | States/Union Territories |
|-------|---|--|
| 1. | Eastern Region, Company Law Board, 9, Old Post Office Street, Kolkata. | States of Arunachal Pradesh, Assam, Bihar, Manipur, Meghalaya, Nagaland, Orissa, Sikkim, Tripura, West Bengal and Union Territories of Andaman and Nicobar Island and Mizoram. |
| 2. | Northern Region, Company Law Board, 5 th Floor, 'A' Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001 | States of Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh and Union Territories of Delhi and Chandigarh. |
| 3. | Southern Region/Addl. Principal Bench Company Law Board, Shastri Bhawan, Block-1, 26, Haddows Road, Chennai. | States of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Union Territories of Pondicherry and Lakshadweep Island. |
| 4. | Western Region. Company Law Board, NTC House, N.M.Marg Ballard Estate, Mumbai | States of Goa, Gujrat, Madhya Pradesh, Maharashtra and [Union Territories of Dadra and Nagar Haveli and Daman and Diu] |

Form No. 4 of Company Law Board Regulations

(See Regulation 37)

APPLICATION BY DEPOSITOR UNDER SECTION 58 A (9) OF THE ACT OR SECTION 45
QA of the RBI ACT, 1934.

Before the Company Law Board (..... BENCH)

In the matter of the Companies Act, 1956 (1 OF 1956), (Section 58 A of the Act or Section
5QA of the RBI ACT, 1934)

AND

IN THE MATTER OF: (Name of the Depositor-applicant)

AND

IN THE MATTER OF: (Name of the Company)

1. Name and address of the Depositor-applicant :
2. Name of the company and address of its Registered Office :
3. Name(s) of Depositor(s) with full address.
4. Amount of Deposits:
5. Fixed Deposit Receipt No. & Date (Photostat copy to be enclosed):
6. Terms and Conditions of Deposit as also date of maturity of Deposit:
7. Details of payment made, by the company, if any:
8. Actual amount due as on date of application (Principal/interest):
9. Details of correspondence, if any, made between the company and the Depositor (copy of correspondence to be enclosed):
10. Any other particular(s) as may be considered relevant:

The Depositor -applicant, therefore, prays : -

(i) that the company be directed to make repayment of the aforesaid Deposit(s) along with interest due thereon in accordance with the Terms and Conditions of the Deposit.

(ii) that such further orders be passed as the Company Law Board may deem fit in the circumstances of the case.

(Signature of the Depositor-applicant)

Place

Date

Notes:

1. The application is required to be accompanied by a demand draft of Rupees Fifty, drawn in favour of "The Pay and Accounts Officer, Department of Company Affairs, New Delhi/ Bombay/ Calcutta/Chennai."

2. Application is to be submitted in duplicate at one of the following addresses (suited to your territorial jurisdiction).

| <u>ADDRESS OF CLB BENCH</u> | <u>TERRITORIAL JURISDICTION</u> |
|---|---|
| <p>Bench Officer Western Region Branch 2nd Floor, N.T.C.House, 15, Narottam Morarjee Marg, Ballard Estate, Bombay : 400 038.</p> | <p>Madhya Pradesh, Goa, and Union territories of Dadra Haveli, Daman & Diu.</p> |
| <p>Bench Officer, Company Law Board Southern Region Bench, Amindivi, Shastri Bhavan, 'A' Wing, 5th floor, Block 8 No.26, Haddows Road, Chennai : 600 006.</p> | <p>Tamil Nadu, AndhraPradesh, Kerala, Karnataka and Union Territories of Amindivi, Minicoy and Lakshadweep Islands and Pondicherry</p> |
| <p>Bench Officer, Company Law Board, Eastern Region Bench, 9, Old Post Office Street, 6th Floor, Calcutta : 700 001.</p> | <p>West Bengal, Orissa, Bihar, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.</p> |
| <p>Bench Officer, Company Law Board, Principal Bench at New Delhi Shastri Bhavan, 5th Floor, 'A' Wing, Dr.Rajendra Prasad Road, New Delhi : 110 001.</p> | <p>Jammu & Kashmir, Punjab, Himachal Pradesh, Rajasthan, Haryana and Union territories of Chandigarh, Delhi, and Uttar Pradesh.</p> |

List Of Important Websites

<http://msme.gov.in>
<http://dcmsme.gov.in/>
<http://www.mca.gov.in/>
<http://www.companyliquidator.gov.in/>
<http://www.iepf.gov.in/>
<http://www.archive.india.gov.in/business/>
<http://smallb.sidbi.in/>

Since it is a compilation of work from different official websites, readers must assure the authenticity of the content from Government websites before taking any action.