

Assessing the legal framework for starting a business in India

ENTREPRENEURSHIP
MANAGEMENT



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Incorporating sole proprietorship firms

- ❖ Obtaining Shops and Establishment License
- ❖ Goods and Services Tax identification number
- ❖ Small Scale Industries Registration
- ❖ Intellectual Property Rights Registration
- ❖ Opening a current account

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Incorporation of partnership firm

- ❖ Partnership firms in India are governed by the Partnership Act, 1932.
- ❖ Section 4 of the Act defines Partnership as - "An agreement between persons who have agreed to share profits of the business carried on by all or any one of them acting for all."
- ❖ it is always **advisable to get your firm registered** at the
 - ❖ Registrar of Firms/Department of Industries of the Town/City
 - ❖ where you are planning to set up the business.

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Company incorporation

- ❖ Incorporation and management of companies in India have come a long way since 1956.
- ❖ The year 2013 marked a significant landmark with the introduction of the new Companies Act, 2013.
- ❖ The idea behind this new law was
 - ❖ to ease the process of setting up a company and
 - ❖ providing a more transparent legal system to the new generation of entrepreneurs.

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Company incorporation

- ❖ As a startup, you have two alternatives to incorporate your business organization as a company
- ❖ **Private Limited Company or**
- ❖ **One Person Company.**

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Limited liability partnership

- ❖ For **startups**, a partnership is one of the most common forms of organisation to commence business.
- ❖ Until 2008, any partnership formed in India implied unlimited liability for the partners.
- ❖ A need for protecting interests and supporting entrepreneurship was recognised by
 - ❖ JJ Irani Committee (2005), which suggested introducing **Limited Liability Partnerships** in India.

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