

## **Summary of guest lecture**

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We were taught as to how to start a start up from scratch and also were made aware of the various government schemes and regulatory rules which would help us save cash and also receive an initial push from the government of India until the startup flourishes into a full time business.

**There are 5 types of companies that can be registered in India**

- Sole Proprietorship Company
- Partnership Company
- One Person Company
- Limited Liability Partnership
- Private Limited Company

### **Sole Proprietorship Company**

This is the easiest way to start a business in India.

When the business is owned and managed by a single person Sole Proprietorship Company may be formed.

A business can be up and running in this format within 15 days

There is no separate registration required for Sole Proprietorship firm. Tax and other mandatory registrations like VAT, Service Tax, Professional Tax, Shops & Establishments Registration, etc., will certify the existence of this firm

## **Partnership Firm**

A General Partnership is a business structure in which two or more individuals manage and operate a business in accordance with the terms and objectives set out in the Partnership Deed. The Partnership Company may or may not be registered under Indian Partnership firms Act-2003.

The Partnership deed has to be printed on a Stamp Paper and has to be notarized. After this, an application is to be made to registrar of Firms of the state to get registered. The registrar of firms accepts the request and allots a registration number to the firm.

This registration can be done anytime i.e. either at the time of starting the company or during the continuation of the operation of the company

## **Advantages of Registering a Partnership Firm**

- The Partner of the registered Partnership firm can file a case against the firm or other partners of the firm
- Case can be filed against Third Party by having the partnership firm as one of the Parties

## **One Person Company**

One Person Company is the improvement over Sole Proprietorship firm which gives complete control to one founder and gives a benefit of Limited Liability to the founder.

OPC is registered with Registrar of Companies (RoC) under Ministry of Corporate Affairs (MCA)

Once we have chosen the type of startup we want, we move ahead

The first thing we do is design and get our:

Business Name & Office Address

Logo

Domain Name & Email id

Business Card

Letter Head

Envelopes

## Rubber Stamps

We also need to ensure that we have our pan cards

We then need to get a rental agreement made on a Rs 20 stamp paper

We then Get Digital Signature by applying online

We then register our business with the state government, in this case it is TNVAT and CST

Get **RCMC** from **Export Promotion Councils** :

This helps us to get the licence to export our goods

## **IMPORTER EXPORTER CODE NUMBER**

IMPORTER EXPORTER CODE ( in short IEC ) is a **ten** digit number granted by Directorate General of Foreign Trade under Ministry of Commerce and Industry, to any bonafide person/ company for carrying out import/export.

We apply online for this.

Here are the prerequisites:

1. A scanned or digital copy of valid Permanent Account Number (PAN). Image file should consist of both side of PAN.
2. Scanned or digital photograph of applicant.
3. Scanned copy of Bank Certificate.
4. Scanned copy of PAN , applicant Photograph , Bank Certificate should in gif format. Exporters are advised to used the compressed version of gif formats.
5. Other mandatory documents as per the Para 2.9 of Handbook of Procedures of Vol I 2009-14. These documents must be in pdf format only. Please refer to Appendix A.
6. Make sure that size of individual document requires to be submit online in gif /pdf format should not exceed 300 KB.
7. Exporter must have a Net banking account with one of the following designated banks a) HDFC BANK b) ICICI BANK c) BANK OF INDIA d) STATE BANK OF INDIA e) CENTRAL BANK OF INDIA f) PUNJAB NATIONAL BANK g) IDBI h) UTI/AXIS BANK i) UNION BANK OF INDIA
8. All date should be entered in DD.MM.YYYY format.
9. If an applicant is Non resident Indian (NRI) and there is non-resident interest in the firm/company and non-resident investment with repatriation

benefits in the firm it is mandatory to submit the scanned copy of RBI approval letter.

10. All fields marked as (\*) are mandatory. 11. Please make the popup blocker off in your browser setting.

We apply here [www.dgft.gov.in](http://www.dgft.gov.in)

**We then get the RCMC i.e. registration cum certification certificate from the export promotion councils**

## **Essential Registrations for Exports**

**1.PAN CARD**

**2.VAT & CST**

**3.CURRENT ACCOUNT**

**4.IEC**

**5.RCMC**

## **Subsidies by Tamil Nadu government for helping startups:**

Tamil Nadu has emerged as one of the leading states for starting up business in India. An annual Small and Medium Enterprises (SME) survey conducted by India

SME Forum in June 2014 reveals that Tamil Nadu is the most preferred destination for start-ups, as the state has a highly entrepreneur friendly conducive business climate. Unemployed Youth Employment Generation Programme (UYEGP) provides financial assistance to economically backward classes in manufacturing, service and business sector except any direct agricultural activities like raising crops.

#### Objective:

- Provide employment opportunities for the weaker unemployed youth in their native places
- To put an end to mass migration from rural to urban areas due to unemployment
- To facilitate provisions of collateral free assistance under Credit Guarantee Trust for Medium , Small and Micro Enterprises (CGTMSME) merging with Unemployed Youth Employment Generation Programme (UYEGP)

#### Benefits:

Maximum project cost

Sector	Loan
Manufacturing Sector	5 lakh

Service Sector	3 lakh
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Business Sector	1 lakh
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- Under this scheme, loans can be availed from nationalized banks, private banks and Tamil Nadu Industrial Cooperative Bank
- No collateral security is needed to get loans under this scheme.

#### Promoter's contribution

- For general category, the owner's contribution should be of 10%
- For special category (SC/ST/OBC/Minorities/Women/Ex-servicemen/Physically Challenged/Transgender) owners' contribution should be of 5%.

#### Subsidy

At the rate of 15% of the project cost, subsidy will be provided to the beneficiaries.

#### Training

A compulsory training of 7 days will be given to the beneficiaries in Entrepreneur Development Programme



organized by Entrepreneur Development Institute of Government of Tamil Nadu.

### Eligibility Criteria

- Age– Any individual over 18 years of age (for General category-maximum age should not exceed over 35 years of age, for Special category- maximum age should not exceed over 45 years)
- Education– Should have minimum education of standard 8
- Income ceiling– The family income of the beneficiary along with the spouse should not exceed Rs 1.5 lakh per annum
- Residence– Should be a resident of Tamil Nadu for at least 3 years

### Implementing agencies

District Industries Centre (DICs) of the concerned Districts and the Office of the Regional Joint Director of Industries and Commerce in respect of Chennai District