

EXECUTIVE PROGRAMME

SETTING UP OF BUSINESS ENTITIES AND CLOSURE

There are various business structures such as Companies, LLP, Trusts, and Societies etc. which one can choose to start a business. Choosing a form of business entity is crucial to a successful organization. The choice of a business entity will depend on an object, benefits, size of the business of such entity and many other factors. The main types of business entities in India are Sole Proprietorship, Partnership, Hindu Undivided Family (HUF) Business, Limited Liability Partnership (LLP), Co-operative Societies, Branch Office and Company which may be any kind of company including One Person Company (OPC), private company, public company, company limited by guarantee, subsidiary company, statutory company, insurance company or unlimited company, company formed under section 8 of the Companies Act, 2013 or under section 25 of the earlier Companies Act, 1956.

Various laws are applicable for proceeding to incorporate a business entity. Initial Registrations like Shops & Establishment, FSSAI, ISO, MSME, copyright, patent etc. and licences from the regulatory authorities like RBI, IRDA, GST, Income Tax, IPR, etc. need to be obtained.

In this scenario of various options for the kind of business entity and the plethora of laws applicable to the businesses, it becomes quite crucial to know and understand the laws associated with a particular form of the business in order to initiate successful setting up of the business and prolific closure, when preferred to serve the best end of all the stakeholders.

Therefore, with the objective to provide the working knowledge and understanding of the various procedural requirements involved in the setting up of business entities and overview of procedures involved in closure of entities to the students, this study material is published to cover the entire subject into three parts. Part A discusses the Setting up of Business and its various aspects, Part B is devoted to the exhaustive list and detailed procedures related to Registration, Licenses and Compliances applicable for setting up the businesses successfully and Part C deliberates upon Insolvency, Winding up and Closure of Business.

With this, the study material to this subject becomes a One Spot Source of knowledge and understanding for efficaciously setting up business in India while subsuming compliance with all requirements of Registration and Licences, along with overview of the procedures related to Insolvency, Winding Up and Closure.

After going through this study material and the practical training, the student should be able to - Assist in formation of various kinds of Companies (Certification part would be at Professional Programme); Setting of trust, societies, LLP; Setting up of other various entities at small level: Sole Proprietorship, Partnership, HUF etc.; Assist in post formation activities like - PAN; TAN; Open bank account; Assist in post formation registration including MSME registration; GST registration; IPR registration; Registration under shop & establishment law; Compliance under various pollution & environmental laws; Registration under various labour laws; Assist in regular compliances under various labour laws; Assist in closing up of business and alike.

With this objective in mind, a number of procedures have also been included at relevant places.

The legislative changes made upto **July, 2021** have been incorporated in the study material. However, on hand, where the subject of Setting up of Business Entities and Closure is inherently fundamental to start any kind of business in India, on the similar end it is subject to the refinement of Legislation, Rules and Regulations.

Henceforth, it becomes necessary for every student to constantly update with legislative changes made as well as judicial pronouncements rendered from time to time by referring to the Institute's

monthly journal 'Chartered Secretary', E-Bulletin 'Student Company Secretary' as well as other legal and professional journals along with the aid of reference books related to the subject.

In the event of any doubt, students may contact the Directorate of Academics at academics@icsi.edu.

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