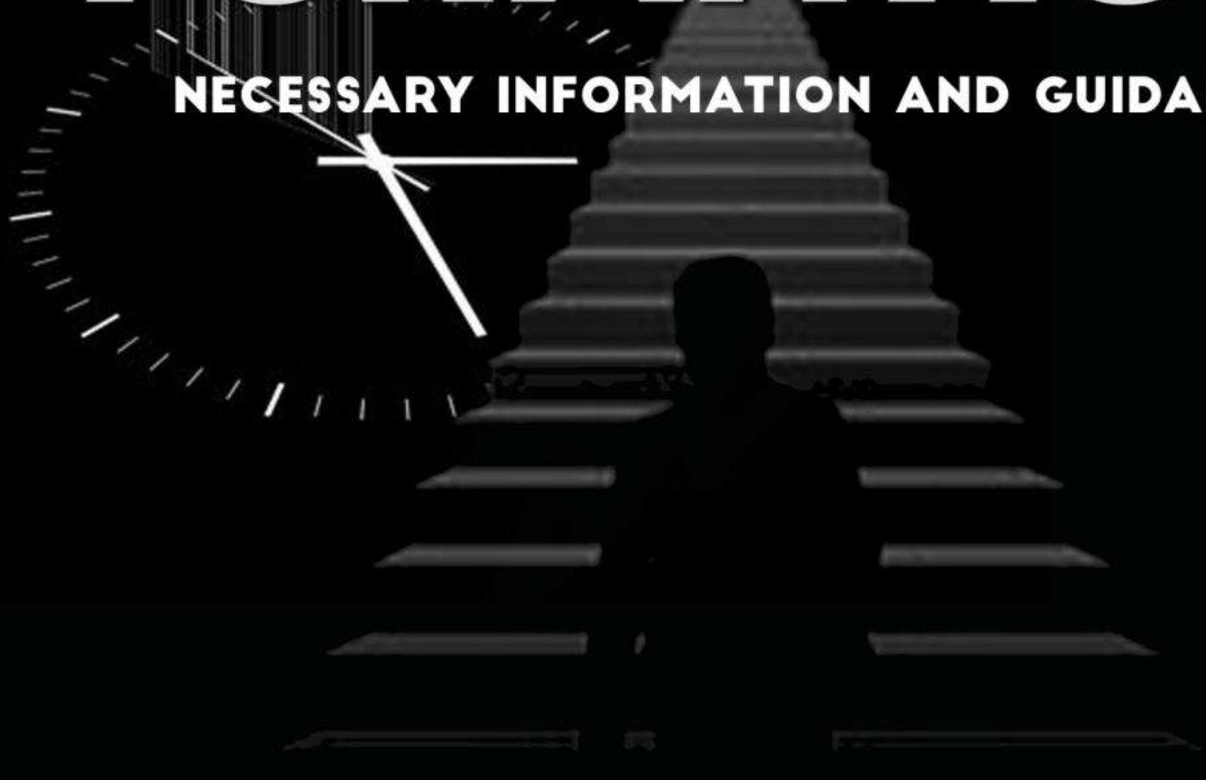
NeuSource STARTUP MINDS®
HELPING STARTUPS TO START

COMPANY FORMATION

NECESSARY INFORMATION AND GUIDANCE



"JUST AS THE FIRST CHAPTER OF A BOOK MARKS THE BEGINNING OF EVERY STORY, SIMILARLY, THE REAL JOURNEY OF A STARTUP BEGINS AFTER CHOOSING THE RIGHT COMPANY FORMAT "

WE HELP STARTUPS TO START

Ever wondered how an idea becomes company? The journey of realising a dream is filled with risks and challenges, but if everything is done correctly, success in shaping that dream is achievable. In India, the process of company formation, the thinking behind it, and the necessary information are not known to everyone. But if you have the curiosity and the enthusiasm, come, let's understand this seemingly complex process in simple terms.

The first step is the idea! Yes, you need to have a strong idea that you want to work on. This idea will be the foundation of your business. Then comes the selection of the type of company. If you are a startup, you need to decide whether you want to go with an OPC, an LLP, or a Private Limited Company. Each type of company has its advantages and disadvantages. Once you have decided on the type of company you want to form, you need to follow some legal procedures, such as registering your company name with the Ministry of Corporate Affairs, Registrar of Companies in India. Additionally, you need to prepare some essential documents. For instance, the Memorandum of Association (MOA) & Articles of Association (AOA) for a company, and a Limited Liability Partnership Deed in the case of an LLP. These documents strengthen the foundation of your company and outline its activities and office procedures.

Company formation is not just a legal process but a journey to realise a dream. It is your hard work, enthusiasm, and passion that will help you succeed in this journey. So, dream big and stay committed to making those dreams come true.

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To find a successful startup idea, deeply understand the problem and find a solution within it.

POPULAR FORMAT OF COMPANY FORMATION FOR STARTUPS

The Secret to Startup Success: Proper Structure, Continuous Effort, and Firm Determination

Since the term "startup" has become popular in our country, everyone has been trying to adapt themselves accordingly. However, merely having an idea is not enough. As time changes, so do the rules and regulations for company formation. In the startup world, the format of a Private Limited Company is the most talked about. This is the format where your company gets a unique identity, like having its own unique identity number. It offers limited liability, meaning your personal assets are protected in case of business setbacks. Another significant advantage is that shareholders benefit greatly, especially when seeking funding. However, like everything good, there are some downsides. Private Limited Companies come with more administrative responsibilities and certain rules and regulations that must be followed. Those seeking a bit more freedom can also form their company as a Limited Liability Partnership (LLP). In an LLP, the partners' liabilities are also limited, making it a suitable option for small businesses. Before entering the startup world, think carefully and choose the right format, as changing it later is not easy. And remember, finalizing the company formation format is just the beginning; the real hard work starts afterwards.

01

Proprietorship & Partnership

Proprietorship means a shop owned by one person. There is no separate registration or company formation involved, similar to an uncle's tea shop in your neighbourhood. The shop is owned by the uncle, the profit is his, and any loss is also his. The partnership is a bit different. Business formation in a partnership is based on an agreement called a Partnership Deed, which decides what each partner will get and what their duties and responsibilities will be.

02

Limited Liability Partnership

In the old days, partnership businesses often meant that if the business failed, the partners' finances were also at risk. But now, there is a new format called LLP (Limited Liability Partnership) for doing business. The interesting thing about this is that partners no longer need to worry. Even if something goes wrong, it won't affect the partners' personal finances/assets.

03

One Person Company

If you are thinking of starting your own business but want to run it alone, then the 'One Person Company' format is for you. The concept is straightforward - one person, the sole owner, and the only member. This is a new concept in company formation introduced under the Companies Act 2013 in India. And the best part? It offers all the benefits that large private limited companies enjoy.

04

Private Limited Company

When we talk about Indian startups, most often, you will hear the term "Private Limited Company." The Private Limited Company is the most widely used organizational structure in India, especially for startups, and it can be started with just two people. Even big investors are not afraid to invest in this format because they understand and trust it.

OTHER FORMATS OF COMPANY INCORPORATION

Do you want business success? The first step is to choose the right format. The format determines the progress

In today's era, when discussing startups, most people's attention immediately turns to private limited companies.' However, not every type of business can be done in the 'private limited' format. There are several other 'fantastic' formats available, which hold significant importance in everyday life. The first is 'Trust and Society.' When it comes to the welfare of society and the spirit of 'service' and 'support,' this format gains prominence. Whether it's education, health, or social service, here you will find a true platform.

Next is the 'Public Limited Company' format. For the big players! When you feel you have a 'sensational' idea that the whole country should know about, you can consider this format. The 'Nidhi and NBFC Company' format is for those who speak the language of money. If you want to provide financial services and know how to work magic with money, you should move in this direction.

Then there's the 'Producer Company'! When farmers and producers create a storm in the market, when they need to bring their production power to one platform, this format comes into play. So, in the end, it's right to say that there are many formats, but choose the one that can give the right direction to your story.

01 Trust, Society & Section-8-NGO's

These formats are where people come together for charitable and good deeds, established for social and religious purposes. A trust involves property held for a specific purpose, while a society is registered by law and is formed for educational, cultural, or other public welfare activities. Section-8 companies are incorporated with the same objectives. In today's time, when everyone is in a race to make money, Trust, and Section 8 are formats where the primary goal is the welfare of society.

02 Public Limited Company

When you hear that the shares of a company are soaring in the market, it's a public limited company. This means the shares can be bought by the general public. To register a company in this format, there must be at least seven members. A company in this format can be listed on the stock exchange, which means it must adhere to the highest levels of transparency and regulatory compliance.

03 Nidhi & NBFC Company

If you hear the name 'Nidhi Company,' understand that it's a place where members lend and deposit money within their members. It operates outside the regulations of the RBI, but it is still monitored. An 'NBFC' is a type of financial institution that performs banking-like activities, but the Banking Regulation Act, of 1949 does not govern it.

04 Producer Company

A 'Producer Company' is like a cricket team with players of all types; similarly, this 'team' consists of farmers, agriculturists, and some landlords who all run towards a single goal. Their sole purpose is to produce as much agricultural produce as possible and deliver it to the market efficiently. Moreover, these people help each other, meaning that the farmers get good prices and necessary materials for excellent crops.

BEST FORMAT FOR YOU

Choose the best format for your business based on your business needs and goals, because your success will depend on it

These days, everyone dreams of starting a startup, but not everyone understands how to turn it into a reality. Hey, a startup only works if it has the right framework, and choosing that right framework is real art. To select the right framework for your startup, you need to understand the nature of your business and its regulatory requirements. For example, in a business like pharmaceuticals, you might need to establish a private limited company because there are more rules and regulations involved. Then comes the issue of scaling and expansion. If you have growth and expansion in mind, you need to choose a format that will assist you in expansion, such as a private limited company or LLP. Next is the flexibility in control and operations. If you want your startup to be entirely under your control and you want complete flexibility, you should prioritise formats like sole proprietorship or partnership. After all, money is also important, right? To avoid financial issues at the beginning of your startup, you need to choose a format that doesn't burn a hole in your pocket. So, before stepping into the world of startups, make a well-thought-out decision.

01

Nature of Business and Regulatory Requirements

The rules for running a business are different for everyone. For instance, a tea shop has health and safety standards, while a design company has copyright and other agreements to consider. So, when choosing the format, you need to think about what your business is like and its characteristics and select the format that benefits your business the most.

02

Scaling and Expansion

If you think, "Hey, my shop is famous all over the city, why not expand it further?" then you might be considering growth. Where to open new branches? How many people to hire? For this, the private limited company format could be the best option. A private limited company gives you the structure to bring in more investors, and it also provides stability to the business.

03

Control and Operational Flexibility

Some people want to be the king in their business - meaning they want everything in their hands. They make all decisions and run every aspect. But some people want to go easier, with more flexibility. A sole proprietorship is a format where you are both the boss and the employee. You don't need to take advice from anyone, but yes, whatever happens, good or bad, the responsibility is yours alone.

04

Cost and Formalities

When starting your business, the first test is how many resources you have and what kind of company fits within your budget. Formats like partnership and sole proprietorship involve little 'hassle,' but there are more formalities when it comes to a private limited company. But that doesn't mean it's bad. This format might be the most suitable for big business goals and scale.

BENEFITS OF COMPANY INCORPORATION

Incorporation will make your business the 'don' of the market, no one can refuse!

When someone starts their own business, their first question is, "Should I get the company registered or not?" Understand that this is not just a simple paperwork process; it's a procedure that gives your business an identity. Once your company is registered, people take your business seriously. Your words carry weight.The second thing is Limited Liability. What does that mean? Think about it, if something goes wrong in your company, your loss will be limited to the capital you invested. Your home, your car, all of that will remain safe.Then comes Credibility. When your company is registered, people trust you. They feel secure doing business with you. And this very credibility helps you secure big deals. Now, let's move on to the fourth benefit. When your company is registered, you also get government benefits. Yes, the government encourages you and says, "Expand your business, only then will the country progress!"And lastly, when you are registered, you have rights. Your company's name, your brand, all these things are protected. No one can steal your hard work. So understand, company registration is not just a paperwork formality. It's a magic wand that gives your business new heights. So if you are serious about your business, don't fear registration and give your business a new identity.

01 Separate Legal Entity

When you register your company, it becomes a world of its own. It is considered a separate legal entity with its own identity. The company now takes on its own personality, with its own rights and duties, and it can enter into commercial relationships with others.

02 Limited Liability & Perpetual Succession

The biggest benefit of company registration is that the liability of its owners is limited. This means, if something goes wrong in the company, like a loss or debt, only the money that the owner has invested in the company will be lost, nothing else. Also, the company has a special feature; it continues to exist like a young person who never ages. Even if the owner passes away, the company continues to run as it is.

03 Credibility & Access to Funding

Because it is a registered company, it is considered more credible in the market. Not only do the general public, who buy its products, trust it, but also big investors and banks that lend money. A registered company is a symbol of trust. Hence, it's easier to invest and trust in it. And yes, those who are not registered are viewed with suspicion.

04 Ownership Transferability

When your company is registered, buying or selling its shares becomes easy. This means if you wish, you can sell parts of your company or even the entire company easily. Ownership can be transferred smoothly, like changing the TV channel with a button. This gives freedom and flexibility in business.

SHARE CAPITAL & SHAREHOLDERS

"Shareholders carry forward the story of a business, with a dream of owning a large stake"

In startups, terms like 'share capital,' 'shareholder,' 'promoters,' etc., hold significant importance. Imagine Ankit sitting with his hot tea, and a fantastic idea strikes him. He approaches his friends with that idea and says, "Friends, I need money to make my dream come true." Now, those friends who invest money into that dream become 'shareholders,' and the money they invest is called 'share capital.' But who are the 'promoters'? Think of Ankit as the person who is running the entire company, pushing it forward. He is the 'promoter,' the one who has prepared the entire design and plan. Additionally, 'authorized share capital' refers to the maximum amount a company can raise, while 'paid-up' and 'subscribed' are the amounts given and promised by the shareholders. Thus, understanding these terms is essential because the entire foundation of the company rests on them.

01 Shareholders & Promoters

Shareholders are individuals who hold shares in the company. They own the company to the extent of their shares holding percentage. The individuals who start the company are called promoters. When the promoters themselves invest money in their company and subscribe to shares, they also become shareholders.

02 Authorized Share Capital

This is the amount for which the company is authorized to issue shares and raise capital. This amount can be chosen at the time of incorporating the company or even increased after incorporation if needed. This amount should initially be chosen based on how much the promoters can invest in shares.

03 Paid-up & Subscribed Share Capital

Paid-up Share Capital is the actual amount received from shareholders. Subscribed Share Capital is the amount subscribed by the shareholders. For example, if the company sells shares worth ₹5 lakhs but only ₹3 lakhs are collected, then ₹3 lakhs is the Paid-up Share Capital.

04 Rights of Shareholders

Shareholders are the owners of the company whose money is invested in the company. When the company makes a profit, the shareholders receive their share. If the company decides to work on a new project, nothing can happen without the consent of the shareholders. Shareholders have the right to participate in company decisions, share in the profits, and receive meaningful information about the company.

OBJECTIVES OF THE COMPANY

The objective of a company is not just to do some work, but to do something that can turn our dreams into reality

Whenever we discuss a company, there is always an underlying goal, such as providing a service or creating a product. This objective is outlined in the Memorandum of Association (MOA), which clearly states the company's ultimate aim. For example, in the MOA of 'Sharma Ji's Tea,' it might state that their goal is to provide excellent tea. The Articles of Association (AOA) explain how the company will achieve its objective. This includes all the rules and regulations of the company. Then there are the bylaws of trusts and societies, which are important for non-profit organizations. These documents clarify how and why the organization will function. Finally, the partnership deed tells us how profit and loss will be distributed when two or more people start a business together. Through all these documents, the company's objective is clarified, and it is also explained how the company will achieve its goals.

01

Memorandum of Association (MOA)

You need to show the world what your company is and what it will do. Here, our document Memorandum of Association 'MOA' is ready. This document states the name of your company, its address, and most importantly, what your company will do (main objectives of the company). Whenever someone or an investor wants to know about the company, they can directly refer to the MOA and understand what the company is all about.

02

Articles of Association (AOA)

The AOA is the rulebook where the 'rules and regulations' of the company are written for the shareholders. This 'rulebook' clearly states how much share the shareholders will get, when they will get it, and which company decisions they can participate in and which they cannot. For the directors, it outlines how they will be selected, what their responsibilities will be, and how long they will remain in their positions. It also details how every small and large meeting in the company will be organized, how often they will be held, and who will be involved.

03

Bylaws

Trusts and societies are formats chosen by people to do good work. Just like every vehicle has a manual, they have 'Bylaws.' Bylaws are the rulebooks that determine how members will be selected, how meetings will be held, how funds will be collected, and how they will be spent.

04

Partnership Deed

A partnership deed is essential for forming a partnership firm. This is the document that clarifies the responsibilities and rights of the partners. For the partners, it ensures that all terms and conditions are written, such as who will invest how much money, who will get how much profit, who will do what work, and how much time each partner will devote to the business, to avoid any misunderstandings later like 'You never told me that.'

DIRECTORS AND THEIR ROLES AND RESPONSIBILITIES

Sometimes, to win something, you have to lose something, and the one who wins after losing is called a Director

Have you ever wondered who runs the companies? Who makes the most of the small and big decisions? Yes, you guessed it right, we are talking about the directors of the company. These are the people who have their hands on the steering of the company. When it comes to a company, the director is like the captain of the company. They decide in which direction to take the company. When we look at the role of a director, it is very important to understand that they are not just decision-makers but also prepare the strategy and plan behind every decision. They are the ones who operate all departments of the company and give them the right direction. Along with this, their responsibilities include the protection of the company's assets, the welfare of the employees, and making decisions in the interest of the stakeholders. So the next time you hear the name of a company director, understand that they are not just sitting in a position, but they are also the guardian, and main operator for the entire company. Salute to them for their excellence in their work!

01

Nominee Director in OPC

A One Person Company (OPC) is where one person is the sole hero. But now think, what if something happens to this lone hero? That's why they have a formidable ally known as the "Nominee Director". If the main director is unable to fulfill their responsibilities, this nominee director steps in and takes over everything. Imagine, a side hero who comes to play the main role when needed.

02

Director Identification Number (DIN)

You want to present yourself as a 'Director'. But, the government says, "Hold on! First, get a 'Director Identification Number (DIN)'." Just like there is an Aadhaar card for every individual, similarly, DIN is for every director. It is a unique number issued by the MCA, and with this one number, you can become a director in permitted number of companies.

03

Role

Running a company is not child's play, and in this big game, the real craftsman and mastermind is the Director. Yes, it is they who steer the company's ship in the right direction, no matter how many storms come in the sea. When it comes to strategy and decision-making, the director is the person standing at the front. Everyone else follows behind them. They understand which move to make and when to keep the company always at the top.

04

Responsibility

Every small and big task of the company falls under the responsibilities of its directors. They make decisions and ensure that everything in the company is running smoothly. Directors also see where and how the company's money is being spent. Directors ensure that all legal and other standards are being met. They are the ones who dream big and then, together with the entire team, turn those dreams into reality.

INCORPORATION PROCESS

"Today I have a company, a brand, a directorship. What do you have?"

In today's world, starting a business in India has become a dream for many young people. However, there is a big difference between dreaming and fulfilling it. Company formation is the first step towards realizing this dream. The very first task is to choose the name of the company. According to the Indian Companies Act, you have to select a name that is not already in use and that reflects the identity and uniqueness of the company. The second most important thing is to gather the necessary documents. This includes identity proof, PAN card, bank passbook, MOA, AOA, and rent agreement. These documents help the government understand what type of business you are running and ensure that you are fully capable of managing it. The third crucial step is obtaining a digital signature. In this digital age, where everything is done online, the government has also recognized digital signatures. Another important aspect is the 'Director Identification Number (DIN)'. Every director has an identification number called DIN, which is a unique number provided by the government to each director. Once your company is fully registered, the government automatically provides you with facilities like a bank account, PF, ESI registration, PAN, and TAN. And yes, patience and perseverance are essential for entrepreneurial success. So, without fear, take steps towards fulfilling your dreams.

01

Name Approval

When you are thinking about your new company, a unique name is required for it. Before naming it, you need to check whether the name is available or not. For this, you need to approach the Registrar of Companies. If the name is not already taken and does not cause any confusion, the name gets approved. However, all this is done online in the digital era.

Required Documents

02

If you want to register your company, what documents will you need? First, you will need everyone's PAN card, along with ID proof and address proof, for which a passport, driving license, or voter ID will be required. Additionally, passport-sized photos of everyone and a rent agreement of the business premises, along with the landlord's NOC, stating that they have no issues with your business activities at that address.

03

Digital Signature

What is a digital signature? A digital signature is a secure electronic method for signing documents. When registering a new company, you'll need to digitally sign certain documents. This entire process can be completed online, eliminating the need for physical visits.

Auto Allotment

04

Now, when your company gets registered, consider it as a surprise gift that some things come along with it. For instance, a bank account where you can deposit all your business capital, PF and ESI registration, ensuring the future security of your employees. PAN and TAN, which are the identity of your company and are required for every financial transaction, and in some states, professional tax registration is also provided.

COMPLIANCES IMMEDIATE AFTER INCORPORATION

"For God's sake, don't forget these compliances, otherwise, the business's cash flow will be disrupted by penalties"

arried is everything, but the real challenges begins after marriage. The first step is the appointment of an auditor. Until an independent third party looks at your company's financial status, how will you know if everything is okay? The auditor is the one who examines the financial status of the company every year and sees where and how the money has been spent. The second chapter is the commencement of business. Registering a company does not mean that you can relax now. Now the real business needs to start. The third chapter is the accounting system. Until the accounting is correct, everything is incomplete; you must know how much money came in, how much went out, and where it is flowing. The fourth and most important chapter is the statutory register. This register must contain all essential information, such as who invested how much money, who are the people in the company, and what their roles are. After registering the company, do not ignore these things. If you haven't done it yet, do it quickly, otherwise, you will regret it later.

01

Auditor Appointment

The first and foremost task! Every company must appoint its auditor, i.e., a chartered accountant, within the first 30 days. Think of it as having a friend who counts every penny for you, making everything so much easier! Similarly, this accountant thoroughly examines the financial status of your company and provides information to both you and the government on how the company is performing financially.

02

Commencement of Business

After the company is formed, it's time to let the world know that you are now in business. Even though you are fully prepared to run the company, you must also file a declaration (Form 20-A: Commencement of Business) on the MCA portal. This must be filed within 180 days of the company's formation.

03

Accounting System

Money is very important, my friend! Therefore, it is crucial to keep accurate accounts of every penny in your company. Whether it's income or expenditure, everything must be properly recorded. This ensures that all types of compliances can be completed on time, and MIS reports can be obtained for the smooth running of the company.

04

Statutory Register at Registered Office

A statutory register must be kept at the company's registered office, containing all details of the company's shareholders, directors, and minutes of the meetings along with other relevant details. It is important to note that MCA officials can visit your registered office at any time, and if such a register is not found, a fine can be imposed.

REGULAR COMPLIANCES

"Avoid non-compliance, or else the government will say, 'Give me this penalty, Thakur!'"

Just as we need to adhere to some basic things in our daily lives, companies also need to fulfil their regular compliances. First and foremost, these compliances act as a protective shield. How? Suppose you made a mistake in your company and all your company's compliances are up to date, your mistake might be forgiven to some extent. But if those compliances are not met, then, brother, consider yourself in trouble. Secondly, these compliances also enhance your company's reputation. Nowadays, anyone investing money first checks how honestly the company is working. If they know that the company fulfils all its compliances, they feel confident. Thirdly, timely compliance helps avoid late fees and penalties. Just as in school, there were punishments for coming late, similarly, the company has to pay a fine for late compliance. Fourthly, when you do business with other companies, they want to know if all your company's compliances are in order. Lastly, whenever a government department audits your company, if you have all the compliances in place, you don't need to worry. A company should regularly fulfil its compliances on time to ensure a smooth and peaceful operation.

01

Director KYC

'KYC' means 'Know Your Customer', but in the context of a company, 'Customer' is replaced by 'Director'. Every year, all directors of the company need to update their information. This ensures that all the details of the directors are up-to-date and accurate.

02

AGM & Board Meetings

As the name suggests, the Annual General Meeting (AGM) is held every year where all the company's shareholders are present. Here, information about the company's annual progress is provided. The appointment of the auditor is also considered, while in board meetings, directors make important decisions for the company

03

MGT-7 & AOC-4

MGT-7 is the annual return that every company needs to file. It includes all the key details of the company. AOC-4 is the form that the company needs to submit to record its annual accounts and financial information, such as the Profit & Loss statement, balance sheet, cash flow, fund flow, etc.

04

Additional Compliances for Nidhi Companies

Among these compliances, the most important is the 'NDH' form. NDH-1 is filed annually and provides details of membership and loans provided. If a Nidhi company is unable to meet the prescribed requirements, it needs to be recorded in NDH-2, explaining why it is unable to meet the requirements. NDH-3 is filed half yearly to provide information about the company's progress.

PENALTY OF NON-COMPLIANCES

"What will happen if you don't comply? The penalty will say, "Won't you welcome us?"

Under the Indian Companies Act 2013, these startups are required to adhere to certain mandatory compliances. If they do not pay attention to these, they may have to pay fines later. Imagine your dream startup has been launched, but you have sidelined the legal formalities. These small oversights can cause you major troubles down the road. For example, if you did not appoint an auditor or did not file the ADT-1 form, the penalty amount increases over time. It doubles in the first 30 days, quadruples in 60 days, and continues to increase in this manner. Did you know that failing to submit the DIR-3 KYC form on time can result in a penalty of ₹5000? The same applies to the MGT-7 and AOC-4 forms. For startups entering the entrepreneurial world for the first time, these penalties can be a significant burden. Therefore, if you are stepping into the startup world, read these compliances carefully and complete them on time to avoid fines. The satisfaction of complying on time is the real benefit. So, start your startup, and do business, but never ignore the legal formalities.

01

Fail to Appoint an Auditor

If the ADT-1 form is filed after the deadline but within 30 days, a delay fee of twice the normal filing fee will be charged. If the form is filed after 30 days but within 60 days, the delay fee will be four times the normal fee. If the form is filed after 60 days from the deadline, the delay fee will be six times the normal fee.

02

Fail to Commence Business

If you file the form within 30 days, you have to pay twice the normal fee. If filed after 30 days but not exceeding 60 days, you have to pay four times the normal fee. If filed after 60 days but not exceeding 90 days, the fee is six times the normal fee. If you do not file for more than 90 days but not exceeding 180 days, you have to pay ten times the normal fee. If more than 180 days pass, you have to pay twelve times the normal fee.

03

Fail to Update Director KYC

If the DIR-3 KYC form is submitted by the specified date of the financial year (30th September), no fee is charged. If submitted after the specified date, and if the DIN has been deactivated due to non-filing of DIR-3 KYC, a fee of ₹500 (five hundred rupees) will be charged from September 21 to October 5, 2018 (both days inclusive). After October 6, a fee of ₹5000 (five thousand rupees) will be charged.

04

Fail to File Annual Compliances

Companies are required to submit their annual report and audit report every year. If the company does not file AOC-4 and MGT-7 forms, the penalty for not submitting form MGT-7 is ₹100 (one hundred rupees) per day of delay, and the penalty for not submitting form AOC-4 is also ₹100 (one hundred rupees) per day of delay. Therefore, the company should ensure that financial details are submitted annually on time in this form.

Myths and Truths

Myth: Starting a company is very difficult. Many people think that starting a company is a big task meant only for those with a lot of money, connections, and business experience.

Truth: It is not necessary to have everything in place to start a company. Yes, there are risks, but nothing in life is certain, right? Many successful entrepreneurs started small, without big investments or extensive knowledge. They just moved forward with their ideas and enthusiasm. Gradually, they learned, made connections, and developed their business. So, if you have an idea, don't be afraid. Take small steps at the beginning, understand your situation, and gather the necessary resources. Slowly, you too can achieve your goals. Remember, every great success starts with a small idea. So, if you have passion and determination, starting a company is not as difficult as people think. All it takes is the right guidance and hard work.

Myth: Government processes take a lot of time.

Truth: In Digital India, government processes have become very simple and fast. To start a company, you need to follow a few steps, all of which can be completed online, usually within 2 to 3 weeks.

Myth: A large investment is needed to start a company.

Truth: The notion that starting a company requires a large investment is completely false. Yes, some money is needed, but it all depends on the type of company and your plan.

Myth: All companies get tax exemptions.

Truth: Tax exemptions and incentives depend on the type and activities of each company. The government takes various steps to encourage investment in different sectors, such as the 'Startup India' and 'Make in India' initiatives.

Myth: You will receive a notice in the first year if something goes wrong.

Truth: If you are operating correctly, this rumour poses no serious problem. In the first year, there is usually no need to pay taxes, as companies often do not make a profit in the initial stages.

Myth: A company cannot be run without a good team.

Truth: Having a commendable and dedicated team is indeed important for business, but this does not mean that a large team is needed in the initial stages. Some large companies started from garages. You can run a company alone in the beginning and expand your team as your business grows. A big team is needed when your business expands and you have more resources.

Myth: A company cannot operate without an office.

Truth: In the era of work-from-home and co-wokring space, virtual offices, this thinking is incorrect.

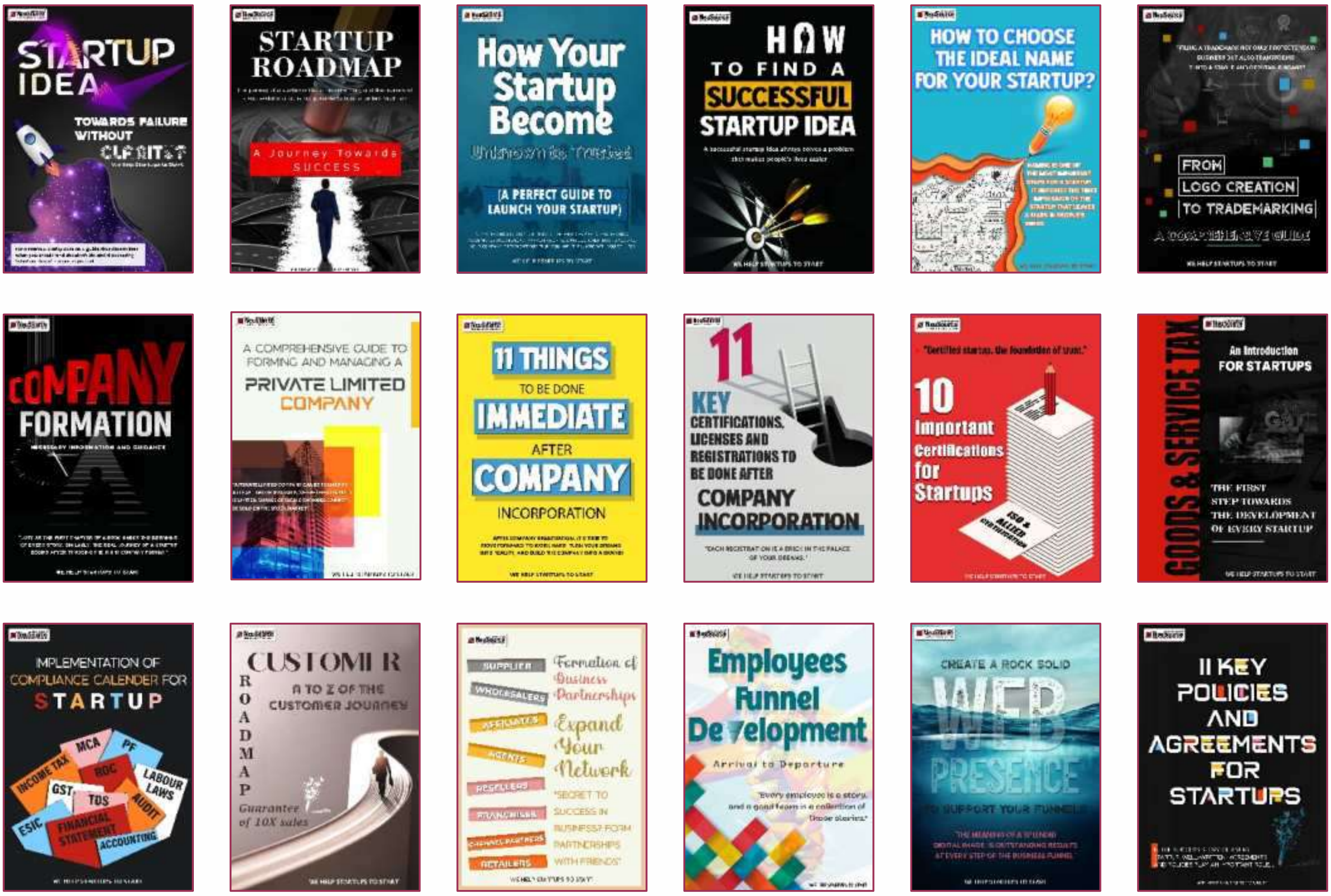
Myth: Many people believe that once they start their company, everything in their life will be settled. They think they can work on their terms and not be accountable.

Truth: After starting a company, you will need to work harder to grow and establish it. You will have the responsibility to make it successful, requiring time, energy, and effort. Even after starting a company, you will need to balance your life. You must make time for your family and health, and remember that upgrading yourself is also important. Starting a company gives you a new means to achieve your goals, but it now depends on your hard work, decisions, and steps in the right direction.

Myth: Only MBA graduates can run a company.

Truth: If you have a business idea and courage, an MBA is not necessary, but wisdom and perseverance are essential. By understanding the real business world, you can become a successful entrepreneur.

OUR OTHER PUBLICATIONS



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