

*Steps for Company
Formation in India*



SUMMARY

Effective from 23rd Feb, 2020, a new integrated web based form “**SPICe+**” pursuant to the Companies (incorporation) Amendment Rules, 2020 has been introduced by Ministry of Corporate Affairs (MCA) which will facilitate:

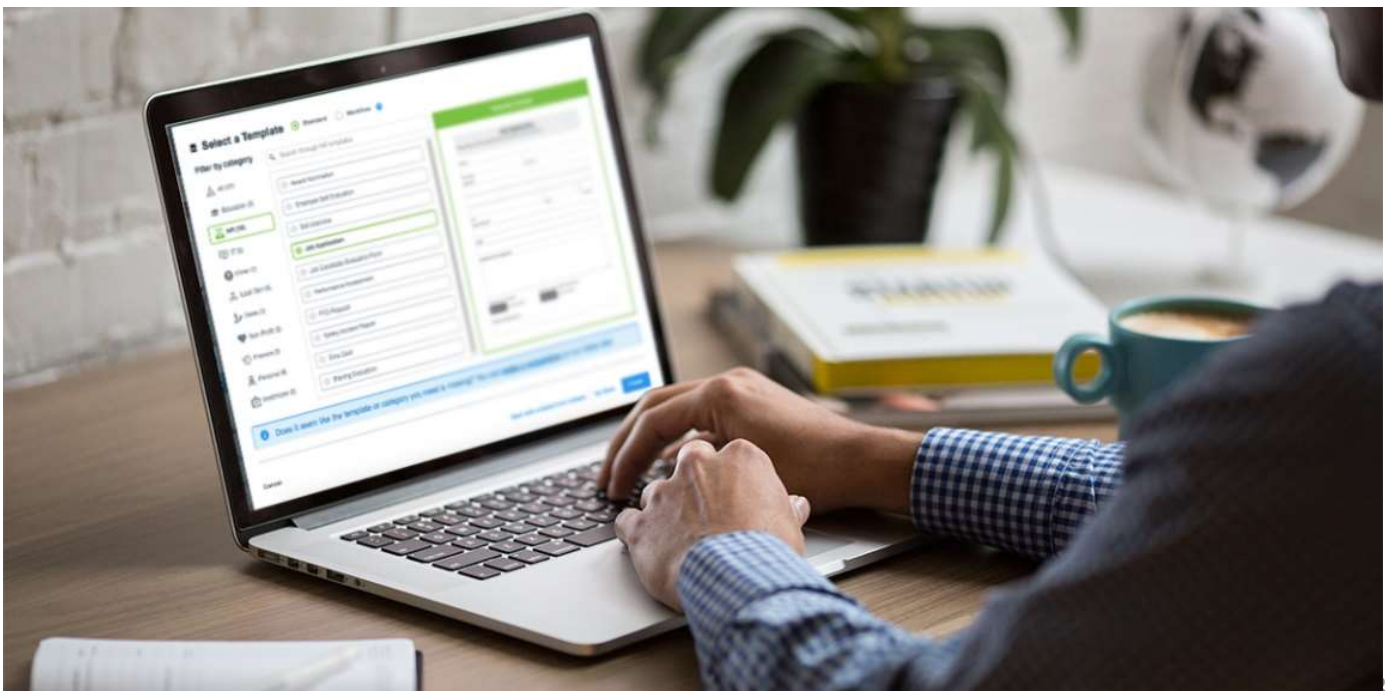


PRE-REQUISITES FOR SIGNING THE WEB FORM SPICE+

- Sequence as follows to proceed for Incorporation:



- All the shareholders must have Digital Signature Certificate (DSC) and at least one director must have PAN (Permanent Account Number)/ DIN (Director's Identification number) and DSC.
- This Web Based form is filed online with Registrar of Companies along with the necessary documents, ID and Address proofs of Directors and Subscribers and SPICe-MOA, SPICe-AOA, AGILE Pro, and Form INC 9. It generally takes 3-5 working days for approval of Web Form SPICe+.



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graph TD; A[Digital Signature Certificate (DSC) of shareholders/ directors of the company] --> B[Required Details and Documents]; B --> C[For Indian Nationals: Name, date of birth, Mobile No. Address Proof, ID proof, PAN, Email ID and 1 passport size photograph.]; B --> D[For Foreign Nationals: Name, date of birth, Mobile No., Address Proof, Passport, Email ID, Nationality and DSC application form and 1 passport size photograph.]; B --> E[DSC E-Sign and Video verification: DSC E-Sign and Video verification both are required for Indian nationals as well as Foreign National, also they are required to show their Original ID and Address Proofs during the Video Verification. It takes usually 1-2 business days to process the DSC after getting video verifications and E-sign verifications done.];
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Digital Signature Certificate (DSC) of shareholders/ directors of the company

Required Details and Documents

For Indian Nationals:

Name, date of birth, Mobile No. Address Proof, ID proof, PAN, Email ID and 1 passport size photograph.

For Foreign Nationals:

Name, date of birth, Mobile No., Address Proof, Passport, Email ID, Nationality and DSC application form and 1 passport size photograph.

DSC E-Sign and Video verification:

DSC E-Sign and Video verification both are required for Indian nationals as well as Foreign National, also they are required to show their Original ID and Address Proofs during the Video Verification.

It takes usually 1-2 business days to process the DSC after getting video verifications and E-sign verifications done.

DIN Approval for the directors of the company

Requirements

DIN can be applied with the application of Incorporation of the company in Spice+

Details and documents:

Complete name, father's name, address, date of birth, address proof, identity proof, PAN card copy.

If director is based outside India, his address proof, passport copy, and DIN application form are required.

In case proposed director is holding non-Indian passport then PAN is not mandatory. This is regarding verification/ declaration of/ by the applicant for DIN. DIN number is generated online along with the Certificate of Incorporation of the company.

REQUIREMENTS FOR NAME APPROVAL

**Application in Web Based
SPICe+
for name approval in Part A**

Case (A)

Maximum two names can be proposed along with the main business activity of the Company and the main objects shall be attached through an attachments in pdf format in name reservation application.

Case (B)

Along with the requirement as mentioned in point (a) here, the Board Resolution and PAN card of the parent company is required if the proposed Indian company is the subsidiary of some other Indian company.

In case the parent company is foreign company, the Board Resolution and Certificate of Foreign Company has to be attested by Apostille/Indian embassy located in the country in which the parent company is registered.

Web Form SPICe +/AGILE PRO/Form INC 9

Issue of E-PAN/ E-TAN

Income Tax Authorities shall allot E-PAN and E-TAN according to the area code through SPICe+

Allotment of GSTIN

It also facilitates the allotment of GSTIN wherever so applied for by the Stakeholders through Web form AGILE PRO.

Registration under EPFO/ ESIC/ Professional Tax (Maharashtra)

Registration certificate under EPFO/ESIC as per details filled in Form AGILE PRO.

Declaration by Subscribers/ First Directors

Needs to be filled by the subscriber/ director under the Web Form INC 9.

Opening of Bank Account

Opening of Bank Account with the Authorized Signatory as filled in the Form AGILE PRO.

NAME APPROVAL GUIDELINES

- The proposed name is not undesirable/ identical with names of existing companies
- The proposed name(s) is/are not infringing the registered trademarks or a trademark which is subject of an application for registration, of any other person under the Trade Marks Act, 1999.
- The proposed name(s) is/are not in violation of the provisions of Emblems and Names (Prevention of Improper Use) Act, 1950 as amended from time to time
- The proposed name(s) is not such that its use by the company will constitute an offence under any law for the time being in force
- The proposed name is not offensive to any section of people, e.g., proposed name does not contain profanity or words or phrases that are generally considered a slur against an ethnic group, religion, gender or heredity
- In determining whether a proposed name is identical with another, the following shall be disregarded:
 - (i) The words Private, Pvt, Pvt., (P), Limited, Ltd, Ltd., LLP, Limited Liability Partnership;
 - (ii) The words appearing at the end of the names – company, and company, co., co, corporation, corp, corpn, corp.;
 - (iii) The plural version of any of the words appearing in the name;
 - (iv) The type and case of letters, spacing between letters and punctuation marks;
 - (v) Joining words together or separating the words, as this does not make a name distinguishable from a name that uses the similar, separated or joined words. Such as Ram Nath Enterprises Pvt. Ltd. will be considered as similar to Ramnath Enterprises Pvt. Ltd.;

NAME APPROVAL GUIDELINES

(vi) The use of a different tense or number of the same word, as this does not distinguish one name from another. Such as, Excellent Industries will be similar to Excellence Industries and similarly Teen Murti Exports Pvt. Ltd. will be to Three Murti Exports Pvt. Ltd.;

(vii) Using different phonetic spellings or spelling variations, as this does not distinguish one name from another. For example, J.K. Industries limited is existing then J and K Industries or Jay Kay Industries or J n K Industries or J & K Industries will not be allowed. Similarly if a name contains numeric character like 3, resemblance shall be checked with 'Three' also;

(viii) The addition of an internet related designation, such as .COM, .NET, .EDU, .GOV, .ORG, .IN, as this does not make a name distinguishable from another, even where (.) is written as 'dot';

(ix) The addition of words like New, Modern, Nav, Shri, Sri, Shree, Sree, Om, Jai, Sai, The, etc., as this does not make a name distinguishable from an existing name such as New Bata Shoe Company, Nav Bharat Electronic etc. Similarly, if it is different from the name of the existing company only to the extent of adding the name of the place, the same shall not be allowed.

For example, 'Unique Marbles Delhi Limited' can not be allowed if 'Unique Marbles Limited' is already existing.

Such names may be allowed only if no objection from the existing company by way of Board resolution is produced/ submitted;

NAME APPROVAL GUIDELINES

(x) Different combination of the same words, as this does not make a name distinguishable from an existing name, e.g., if there is a company in existence by the name of “Builders and Contractors Limited”, the name “Contractors and Builders Limited” should not be allowed;

(xi) Exact Hindi translation of the name of an existing company in English especially an existing company with a reputation. For example, Hindustan Steel Industries Ltd. will not be allowed if there exists a company with name ‘Hindustan IspatUdyog Limited’;

In addition to above, the user shall also adhere to following guidelines: -

(i) It is not necessary that the proposed name should be indicative of the main object.

(ii) If the Company’s main business is finance, housing finance, chit fund, leasing, investments, securities or combination thereof, such name shall not be allowed unless the name is indicative of such related financial activities, viz., Chit Fund/ Investment/ Loan, etc.

(iii) If it includes the words indicative of a separate type of business constitution or legal person or any connotation thereof, the same shall not be allowed. For eg: cooperative, sehkari, trust, LLP, partnership, society, proprietor, HUF, firm, Inc., PLC, GmbH, SA, PTE, Sdn, AG etc.

(iv) Abbreviated name such as ‘BERD limited’ or ‘23K limited’ cannot be given to a new company. However the companies well known in their respective field by abbreviated names are allowed to change their names to abbreviation of their existing name (for Delhi Cloth Mills limited to DCM Limited, Hindustan Machine Tools limited to HMT limited)

(v) If the proposed names include words such as ‘Insurance’, ‘Bank’, ‘Stock Exchange’, ‘Venture Capital’, ‘Asset Management’, ‘Nidhi’, ‘Mutual fund’ etc., the name may be allowed with a declaration by the applicant that the requirements mandated by the respective Act/ regulator, such as IRDA, RBI, SEBI, MCA etc. have been complied with by the applicant.

NAME APPROVAL GUIDELINES

(vi) If the proposed name includes the word State, the same shall be allowed only in case the company is a government company. Also, if the proposed name is containing only the name of a continent, country, state, city such as Asia limited, Germany Limited, Haryana Limited, Mysore Limited, the same shall not be allowed;

(vii) If the proposed name contains any word or expression which is likely to give the impression that the company is in any way connected with, or having the patronage of, the Central Government, any State Government, or any local authority, corporation or body constituted by the Central or any State Government under any law for the time in force, unless the previous approval of Central Government has been obtained for the use of any such word or expression;

(viii) If a foreign company is incorporating its subsidiary company, then the original name of the holding company as it is may be allowed with the addition of word India or name of any Indian state or city, if otherwise available;

(ix) Change of name shall not be allowed to a company which is defaulting in filing its due Annual Returns or Balance Sheets or which has defaulted in repayment of matured deposits and debentures and/or interest thereon;

OTHER REQUIREMENTS

E-Memorandum and E-Article of Association of the proposed company

In case of Indian Subscribers, e-MoA (INC-33) & e-AoA (INC-34) requires to be filed & signed digitally and in case of non-resident subscribers, needs to be signed manually and subscriber sheet of MOA and AOA have to be attested by Indian embassy/ Apostille based in foreign country.

However, if the non-resident subscribers visit India on Business Visa for signing the documents for company registration, the MOA and AOA require to be signed Digitally instead of manual signatures and such physical MoA and AoA have to be attached in form SPICE + to proceed with the Incorporation application.

Processing of SPICE+, AGILE PRO, INC 9 and other documents by ROC

After attaching documents and submission of Web Forms online using DSC, documents are processed by the ROC in approximately 3-5 working day's.

After processing the application, the company is incorporated.

Certificate of Registration

Certificate of Incorporation is generated online and sent through email to registered e-mail address of the company.

APPROVAL OF PAN/ TAN OF COMPANY

E-PAN (Permanent Account Number)

- After Company Registration, the PAN No. will be generated along with the Certificate of Incorporation containing the name and date of incorporation of the Indian Company.

E-TAN (Tax Deduction Account Number)

- After Company Registration, the TAN No. will be generated along with the Certificate of Incorporation and PAN of the Indian Company.

ABOUT US

Neeraj Bhagat & Company is a team of distinguished **chartered accountants**, corporate financial advisors and **tax consultants in India**. Our firm of chartered accountants represents a coalition of specialized skills that is geared to offer sound financial solutions and advices. The organization is a congregation of professionally qualified and experienced persons who are committed to add value and optimize the benefits accruing to clients.

We are prominent Chartered Accountants in India. We offer services of accounts outsourcing, auditing, company formation in India, Business taxation, corporate compliance, starting business in India, registration of foreign companies, transfer pricing, tax due diligence, taxation of expatriates etc.





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