

Company incorporation in India

In India, company can be incorporated either as a Private Limited or Public Limited. The incorporation procedure all over India is same. First one has to get the name approval of the proposed company from Registrar of Companies (ROC). After name approval, along with the application for incorporation, the Memorandum and Articles of Association in addition to other necessary prescribed documents has to be submitted with the ROC.

The Memorandum of Association stipulates the constitution and objects of the company. The Articles of Association contains the rules and regulations of the company for the management of its affairs. After examining the documents the ROC issues a Certificate of Incorporation. Thereafter a private company becomes entitled to commence its business and a public company after obtaining the certificate of commencement of business from ROC.

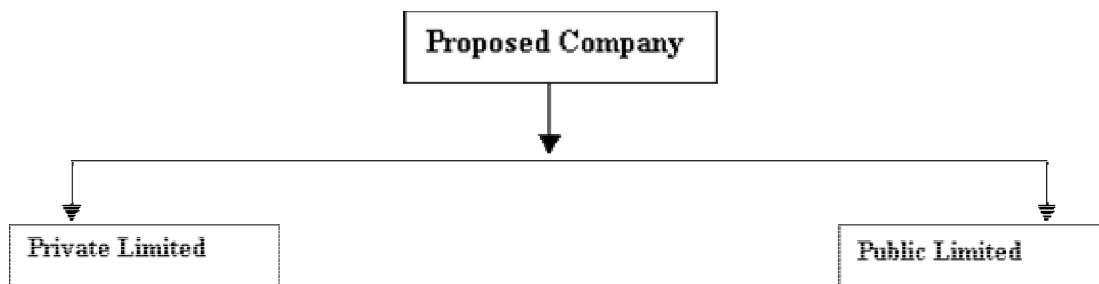
Since year 2007 ROC have introduced a new system of e-filing, under which all forms are to be submitted online and the original documents in person.

The procedure for incorporating a company in India is as under

1. Obtain Director Identification Number (DIN) and Digital Signature Certificates (DSC) for each Director / Promoter before making any application to ROC.
2. Apply for the name availability of the proposed company to ROC. For this one has to fill Form 1A and submit online along with requisite fee with ROC.
3. Once Name is approved and made available by the ROC it remains valid for 6 months. If you do not incorporate the proposed company within 6 months you can renew the name by paying prescribed fee.
4. After getting the name following documents are prepared
 1. Memorandum of Association
 2. Articles of Association
 3. Letter of authority to a person for carrying out corrections
 4. Declaration by the Promoter Directors
 5. Form 32 for the Directors
 6. Form 18 for registered office address
 7. Demand Draft in favour of Registrar of companies for the prescribed amount towards registration fee.

5. Memorandum and Articles of Association are to be duly stamped before filing with ROC
6. All the above documents are also filed in original with ROC,
7. On the receipt of the documents ROC will scrutinize the papers and if any modification is required he will direct to make such changes accordingly.
8. Once ROC is satisfied and scrutiny is completed he will issue certificate of Incorporation. The company would come into existence from the date of certificate of incorporation.

Following Chart would make it clearer



Minimum Shareholders required = 2
 Minimum Directors required = 2
 Minimum Paid up Capital - INR 100,000

Minimum Shareholders required = 7
 Minimum Directors required = 3
 Minimum Paid up Capital INR 500,000

Some Important things to know about companies in India

1. Any person whether Indian or Foreigner can be the Director in Indian Company.
2. Any Individual/Company whether Indian or Foreigner can be the Shareholder in Indian Company, however foreigner would be required to comply with foreign exchange laws in India.
3. Minimum 4 meetings of Board of Directors are required to be held in one year. Board meeting can be held any where in the world. It is not necessary to hold such meetings only in India.
4. The registration fee and Stamp Duty depends upon the authorized capital of the proposed Company.