LICENSED TO SCALE

Startup Compliance and Licensing

Startup India : The Law Front

A flagship Initiative by Gurinder and Partners

Building a Startup?
Begin with Legal Compliance

Success is built on a strong foundation, compliance ensures your startup stands tall.

Mandatory Business Registrations

Private Limited Company
(Preferred Structure)

Key Features

Limited liability, credibility with investors, and perpetual succession.

Registration Process

- File the SPICe+ form on the MCA portal.
- Submit a Memorandum of Association (MoA) and Articles of Association (AoA).
- Obtain PAN, TAN, and GST registration via AGILE-PRO-S.
- Directors need a Digital Signature Certificate (DSC) and a Director Identification Number (DIN).

Limited Liability Partnership (LLP)

Best For

Professional services and small businesses.

Registration Process

- File Form FiLLiP on the MCA portal.
- Create an LLP Agreement outlining roles and responsibilities.
- Annual compliance includes filing Form 11 (returns) and Form 8 (financials).

DPIIT Startup Recognition

Eligibility

- Registered as Private Limited, LLP, or Partnership.
- Turnover $\leq$ ₹100 crore; not older than 10 years.
- Focused on innovation or scalability.

Benefits

Income tax exemption (3 years), faster IP filings, self-certification for labor laws.

How to Apply

- Register on the Startup India Portal.
- Fill out the DPIIT form and upload incorporation documents, PAN, and pitch deck.

Industry–Specific Licenses

FSSAI License (For Food Businesses)

TYPES

- Basic: Turnover < ₹12L.
- State: Turnover ₹12L–₹20Cr.
- Central: Turnover > ₹20Cr or operations across multiple states.

APPLICATION STEPS

- Register on the FOSCOS portal.
- Submit PAN, address proof, and a food safety plan.

PROCESSING TIME

7–60 days based on license type.

Import Export Code (IEC)

REQUIRED

Businesses engaged in international trade.

REGISTRATION PROCESS

- Register on the DGFT Portal.
- Submit PAN, bank details, and business proof.
- Validate with DSC or Aadhaar OTP.
- Fee: ₹500.

Telecommunication Licenses

REQUIRED

Businesses offering IT services, internet provision, or app-based communication.

TYPES

- Unified License (UL) for telecom services.
- ISP License for internet services.

APPLICATION PROCESS

- Apply to the Department of Telecommunications (DoT).
- Provide proof of business, technical details, and financial capabilities.

Environmental Clearances

REQUIRED

Businesses in renewable energy, waste management, or eco-friendly products.

KEY REQUIREMENTS

- Obtain approvals from the State Pollution Control Board (SPCB).
- Secure certifications for waste treatment, emission control, and sustainability.

APPLICATION STEPS

- **Submit an Environmental Impact Assessment (EIA) report.**
- **Obtain consent to establish and operate under pollution control norms.**

MSME Udyam Registration

REQUIRED

Small and medium enterprises across sectors.

KEY BENEFITS

- Priority access to government tenders.
- Collateral-free loans and interest subsidies.

HOW TO REGISTER

- Visit the Udyam Portal.
- Provide Aadhaar, PAN, and business details.

BIS Certification
(For Consumer Goods Startups)

REQUIRED

Manufacturers of products like electronics, toys, and building materials.

PURPOSE

Ensure quality, safety, and reliability under the Bureau of Indian Standards (BIS).

HOW TO REGISTER

- Apply on the BIS Portal.
- Submit test reports, product samples, and business documents.

Drug License
(For Pharmaceutical Startups)

REQUIRED
Businesses dealing in manufacturing, importing, or distributing medicines.

TYPES

- **Wholesale License:** For large-scale distribution.
- **Retail License:** For pharmacies.

APPLICATION STEPS

- Apply through the State Drug Control Department.
- Submit manufacturing site details, quality certificates, and Good Manufacturing Practice (GMP) compliance.

Shops and Establishments Act License

REQUIRED
Retail stores, offices, and commercial establishments.

KEY COMPLIANCE
Working hours, wages, and leave policies.

HOW TO APPLY

- Register with the respective state labor department.
- Submit proof of business address, employee details, and PAN.

Factories Act Registration

REQUIRED
Manufacturing units employing ≥10 workers with power usage or ≥20 without power.

COMPLIANCE AREAS
Safety, health, and welfare of workers.

HOW TO APPLY
- Register with the Chief Inspector of Factories in your state.
- Submit layout plans, site approvals, and worker details.

Employee Welfare Compliance

1. ESIC REGISTRATION (EMPLOYEE INSURANCE)

Applicability
Businesses with ≥10 employees earning ≤₹21,000/month.

Steps
- Register on the ESIC portal within 15 days of eligibility.
- Provide employee details and pay contributions (3.25% employer + 0.75% employee).

2. EPFO REGISTRATION (PROVIDENT FUND)

Applicability

Businesses with ≥20 employees.

Steps

- Register on the EPFO Unified Portal.
- Submit employee details and pay contributions (12% of wages each from employer and employee).

GST Registration

Thresholds

- Goods: Turnover > ₹40L.
- Services: Turnover > ₹20L.

How to Register

- Visit GST Portal.
- Fill Part A of Form GST REG-01 (basic details).
- Use TRN to complete Part B (upload PAN, bank details, address proof).
- Verify with DSC or Aadhaar OTP.

Penalties for Non-Compliance

₹10,000 or 100% of unpaid tax.

Documents Checklist

SPICe+ (Simplified Proforma for Incorporation): *Combines company and tax registrations.* ☑

Digital Signature Certificate (DSC): *Mandatory for secure online filings.* ☑

Director Identification Number (DIN): *Unique ID for company directors.* ☑

MoA & AoA: *Defines company objectives and governance.* ☑