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Startup Registration Guide

Choosing a structure and getting registered — what each option commits you to, and what follows incorporation.

Deciding the structure

- [ ] How many founders are involved
- [ ] Whether you need personal liability protection
- [ ] Whether you will raise equity investment
- [ ] How much ongoing compliance you are willing to carry
- [ ] Expected turnover and team size in the first two years

Proprietorship

- [ ] Single owner; the business and the person are the same in law
- [ ] Unlimited liability — personal assets stand behind business debts
- [ ] Lightest compliance; taxed at individual slab rates
- [ ] Best for freelancers, consultants and testing an idea

Partnership and LLP

- [ ] Partnership: two or more partners, unlimited joint liability, deed-governed
- [ ] LLP: limited liability, lighter compliance than a company, no equity shares
- [ ] LLP agreement must be filed in Form 3 within 30 days of incorporation
- [ ] Best for professional firms, agencies and bootstrapped ventures

Private limited company

- [ ] Two to two hundred shareholders; at least two directors
- [ ] Limited liability; can issue shares and grant ESOPs
- [ ] Statutory audit regardless of turnover, plus annual ROC filings
- [ ] The structure institutional investors expect

After incorporation

- [ ] Open a current account in the entity name
- [ ] Appoint the first auditor within 30 days, for a company

After incorporation (continued)

- [ ] File INC-20A before commencing business, for a company
- [ ] Obtain Udyam registration — it is free and brings payment protections
- [ ] Register for GST if a threshold or compulsory trigger applies
- [ ] Set up books from day one; it makes every later filing cheaper

Need help with this?

The structure selector at mymoneynest.in/services/business-registration gives an indicative answer in a minute.