

Identifying Laws applicable to various Industries and their Initial Compliances

Lesson 12

KEY CONCEPTS

■ Business structure ■ Private Company ■ Public Company ■ Section 8 Company ■ SPICe+ ■ Business Licenses ■ Industrial and Labour Laws ■ Contract Management

Learning Objectives

To understand:

- Laws Applicable to Various Industries
- Laws Applicable to the Setting up of Various Industries
- Details of their Initial Compliances

Lesson Outline

- Introduction
- Formalizing and Deciding the Business Structure
- Parameters for Deciding Business Structure
- Formation of a Company including documentation
- Applying for Business Licenses
- Adherence to Laws relating to Intellectual Property
- Ensuring Effective Contract Management
- Laws relating to Industries in specific
- Lesson Round-Up
- Test Yourself

COMPLIANCE OF INDUSTRY SPECIFIC LAWS APPLICABLE TO AN ENTITY AT THE TIME OF SETTINGUP OF THE ENTERPRISE

Introduction

As of 2025, India stands three years into its transformative journey through Amrit Kaal—the 25-year period leading to the centenary of independence in 2047. This era marks a collective national mission to evolve into a fully developed, inclusive, and globally competitive nation. The Government of India's vision for 2047 encompasses economic prosperity, social equity, environmental sustainability, and tech-driven governance. Citizens are called to rise to the occasion, embracing their duties with full commitment and purpose. From digital innovation and green growth to global leadership and institutional reform, Amrit Kaal is not just a policy framework—it is a generational opportunity to shape India's destiny with vision, vigor, and unity.

By 2025, India has firmly established itself as a dynamic and influential emerging market, building on the transformative momentum of Vision New India 2022. This strategic shift has accelerated the nation's rise as one of the world's largest and fastest-growing economies, driven by robust reforms in infrastructure, digital innovation, entrepreneurship, and global trade. The achievements of the past three years have laid a strong foundation for the ongoing Amrit Kaal—a 25-year journey toward becoming a developed nation by 2047. India's economic trajectory is now intertwined with its commitment to inclusive growth, sustainability, and citizen-led progress, positioning the country as a key architect of the global future. Few of the major flagships including "Make in India" coupled with "Ease of Doing Business in India" (EoDB), "Skill India", "Digital India", "Atmanirbhar Bharat", etc., were started to build the interest and ease among various domestic and overseas stake holders to set up and advance entrepreneurship in India.

Among the chosen 190 countries, India ranked 63rd in Ease of Doing Business 2020 according to the World Bank Report. In 2014, the Government of India launched an ambitious program of regulatory reforms aimed at making it easier to do business in India. The program represents a great deal of effort to create a more business-friendly environment. India as one of the top 10 improvers, for the 3rd time in a row, with an improvement of 67 ranks in 3 years.

India has emerged as one of the most attractive destinations not only for investments but also for doing business. With the aim to improve the ease of living and the ease of doing business in India, more than 25,000 compliances have been reduced by the Government of India. Positive changes have led to this impressive improvement in India's ranking in the EoDB index.

Indeed, when the entrance and advancement to Indian business market would be of ultimate fortune, there are various laws which need to be abided for successfully setting up and taking forward an enterprise in India.

Certain concepts taught in Lesson 1 and Lesson 2 are recapitulated below to read the same in sync with industries specific laws. A quick understanding of setting up the enterprise along with the laws applicable to them could be learnt at below:

Formalizing and Deciding the Business Structure

The foremost requirement for setting up this business is to understand and decide what kind of business venture it would be. For example, if it's a company, it would be governed under Companies Act, 2013; Limited Liability Partnership is governed by the LLP Act 2008; in case of Partnership, the Partnership Act, 1932 would be applicable; if it is an MSME, the MSME Act, 2006 would come into picture. It shows that there is a plethora of laws which need to be complied with the respective form of businesses.

Therefore, the first thing for starting any business is to determine the nature and type of the business. Founders need to incorporate the business as a specific business type - sole proprietorship, private limited, public limited, partnership, limited liability partnership etc. It is very essential to have this clarity at the very beginning as this will be integral to the business' overall vision and goals, both short term and long term.

Each business type comes with its own set of legal requirements and regulations and businesses should pay special attention to them before they are incorporated or registered.

Here is a quick look into the legal implications for the major business types in India

<i>Legal Details</i>	<i>Business Types</i>				
	<i>Proprietorship</i>	<i>Partnership</i>	<i>Limited Liability Partnership (LLP)</i>	<i>Public/Private Limited Company</i>	<i>One Person Company</i>
Registration	No formal registration required	Registration is optional	Has to be registered with the Ministry of Corporate Affairs under the LLP Act 2008	Has to be registered with the Ministry of Corporate Affairs under the Companies Act 2013	Has to be registered with the Ministry of Corporate Affairs under the Companies Act, 2013
Legal Status	Not recognised as a separate entity and promoter is personally responsible for all liabilities	Not recognised as a separate entity and promoters are personally responsible for all liabilities	Is a separate legal entity. The promoters of the LLP are not personally liable towards the LLP	Is a separate legal entity. The promoters of the company are not personally liable towards the company	Is a separate legal entity. The promoter of the company is not personally liable towards the company
Member Liability	Unlimited liability	Unlimited liability	Limited liability to the extent of contribution towards to the LLP	Limited Liability to the extent of share capital or the amount of guarantee undertaken, unless the company is an unlimited company.	Limited Liability to the extent of share capital or the amount of guarantee undertaken, unless the company is an unlimited company
Number of Members Required	Can only have one person	Minimum of two persons required to start a Partnership (Max: 50)	Minimum of two persons required to start a LLP (Max: No limit)	Minimum of two persons required to start a Private Limited Company (Max: 200) and seven persons for a public limited company (No Max limit)	One person is required to start a One Person Company. Appointment of nominee is mandatory

<i>Legal Details</i>	<i>Business Types</i>				
	<i>Proprietorship</i>	<i>Partnership</i>	<i>Limited Liability Partnership (LLP)</i>	<i>Public/Private Limited Company</i>	<i>One Person Company</i>
Transferability	Not transferable	Not transferable	Ownership can be transferred	Ownership can be transferred by means of share transfer	Ownership can be transferred by means of share transfer.
Taxation	Taxed as individual, based on total income of proprietor	Partnership profits are taxed as per the slabs provided under Income Tax Act, 1961 plus surcharge and cess as applicable	LLP profits are taxed under Income Tax Act, 1961 plus surcharge and cess as applicable.	Profits of both Public and Private Limited Company are taxed under Income Tax Act, 1961 plus surcharge and cess as applicable	Profits of One Person Company are taxed as per the provisions of the Income Tax Act, 1961.
Annual / Statutory Meetings	No requirement for annual / statutory meetings	No requirement for annual / statutory meetings	No requirement for annual / statutory meetings	Board and General Meetings should be conducted periodically, as the case maybe	Board Meetings should be conducted twice a year
Annual Filings	No requirement to file annual report with the Registrar of Companies. Income tax return to be filed on the income of the proprietorship	No requirement to file annual report with the Registrar of Companies. Income tax return to be filed for the partnership	To file Statement of Accounts & Solvency and Annual Return with the Registrar every year. Tax returns must also be filed annually	To file Balance Sheet, Profit and Loss and Annual Return with the Registrar every year. Tax returns must also be filed annually	To file Balance Sheet, Profit and Loss and Annual Return with the Registrar every year. Tax returns must also be filed annually
Legal Details	Proprietorship	Partnership	Limited Liability Partnership (LLP)	Public/Private Limited Company	One Person Company

Legal Details	Business Types				
	Proprietorship	Partnership	Limited Liability Partnership (LLP)	Public/Private Limited Company	One Person Company
Existence or Survivability	Proprietorship existence is dependent on proprietor	Partnership existence is dependent on partners. Can be dissolved at will or upon the death of partner(s)	Existence not dependent on partners. Can be dissolved voluntarily or by order of the Company Law Board	Existence not dependent on directors or shareholders. Can be dissolved voluntarily or by Regulatory Authorities	Existence not dependent on directors or shareholder. Can be dissolved voluntarily or by Regulatory Authorities
Foreign Ownership	Foreigners are not allowed to be sole proprietors	Foreigners are not allowed to be part of a partnership	Foreigners are allowed in invest with/ without the approval of the Reserve Bank of India (RBI) and other applicable permissions for the relevant Government of India authorities depending on the category of business they are interested to invest.	Foreigners are allowed to invest with/ without the approval of RBI and other applicable permissions for the relevant Government of India authorities depending on the category of business they are interested to invest.	Foreigners are not allowed to be part of OPC

India is an emerging market with wide scope and opportunities for both Indian and foreign investors. The Government of India offers entrepreneurial friendly policies which makes invasion and growth of businesses in India easier. Before starting a business, it is very important to prepare a blueprint of the business. Other business structures are as follows:

Section 8 Company

A Section 8 Company, also called as a Non-profit Company, can be incorporated under the provisions of the Companies Act, 2013 having the status of limited company without the addition to its name of the word “Limited” or “Private Limited” for the purpose of promoting commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object and the Company shall use its profits or other income in promoting its objects only and prohibit the payment of any dividend to its members as well.

Section 8 company shall enjoy all the privileges and be subject to all the obligations of limited companies. A firm may also be a member of section 8 company.

Eligibility to apply for Section 8 Company License

An individual or an association of individuals are eligible to be registered as Section 8 Company if it has below-mentioned objectives. The objectives must be confirmed to the satisfaction of the Central Government.

- When the company intends to promote science, commerce, education, art, sports, research, religion, charity, social welfare, protection of the environment or alike other objectives;
- When the company holds an intention to invest all the profits (if any) or any other income generated after incorporation in the promotion of such objects only;
- When the company does not intend to pay any dividend to its members;
- Any failure to meet the prescribed norms formulated by the Central Government may lead to the closure of the Company on the orders of the Central Government.

The Companies registered under the Section 8 of Companies Act, 2013 enjoy the following advantages:

- *Access to Tax benefits:* Since Section 8 companies are charitable institutions, they have access to the various exemptions available under the Income Tax Act. Section 80G of the Income Tax Act renders plenty of tax-related benefits to these companies.
- *Zero Stamp Duty:* The Section 8 Companies are not liable to pay stamp duty on the Memorandum of Association (MOA) and Articles of Association (AOA), unlike other entities incorporated under the Companies Act, 2013.
- *Minimal share capital:* Unlike private limited, public limited, or OPC, a Section 8 company can be set up without the requirement of having minimum paid-up share capital of the Company.
- *Exempted from suffix/prefix of name:* Section 8 companies do not have the compulsion to affix the term like Limited or Private Limited in their name. These entities are registered with limited liability.
- *Separate legal entity:* Section 8 company possesses a distinct legal status which implies that entity's existence is independent of its members. The section 8 entity has perpetual existence.
- *Improved Credibility:* The flexible and transparent constitutional framework of Section 8 companies allows them to garner better credibility than other types of NGOs such as Society and trust.

Reliance Foundation, Infosys Foundation, TATA Foundation, Reliance Research Institute are some commendable examples of successful Section 8 companies registered in India.

Exemptions Granted to section 8 companies

- ❖ **General Meetings:** The Annual General Meetings (AGM) for the Companies can be convened after the short notice period of 14 days under section 101 of the Companies Act, 2013.
- ❖ **Minutes of the Meeting:** Recording of minutes of General Meetings, Board Meeting and other resolutions is not applicable. However, the minutes of meetings may be recorded within 30 days of conclusion of the meeting in cases where the company's articles provide for confirmation by way of circulation of minutes.
- ❖ **Audited Financial Statements:** Copies of the audited financial statements and documents can be sent 14 days to the members instead of 21 days (SS-1).

- ❖ **Directorship:** The maximum limit of 15 directors and appointment of more than 15 directors by passing special resolution are not applicable to Section 8 Company. (Sec 149)
- ❖ **Appointment of Independent Director:** There is no requirement to appoint an independent director for Section 8 Company. (Sec 149)
- ❖ **Holding of Board Meetings:** The companies are required to hold one Board Meeting within six months. As the companies have to keep four board meetings annually will not apply.
- ❖ **Constitution of nomination and remuneration committee and related compliances:** Section 178 of the Act is not applicable to Section 8 Company. Accordingly, Section 8 Companies are not required to have a Nomination and Remuneration Committee and nor a Stakeholders Relationship Committee.
- ❖ **No appointment of Company Secretary:** As per the new notification, they do not have to appoint a company secretary.
- ❖ **Power of Board to borrow, invest and grant loans :** Matters referred to in clause (d), (e) and (f) of section 179(3) may be decided by the Board by circulation instead of at a meeting i.e. instead of requirement of resolution passed at meeting of Board of Directors, it can be decided by Board by a resolution by circulation in case of exercising power d) to borrow monies; (e) to invest the funds of the company; (f) to grant loans or give guarantee or provide security in respect of loans;

Exemptions Granted to section 8 companies

General Meetings at shorter notice period

Recording of Minutes of the Meeting not required unless Articles states so

Audited Financial Statements can be sent before 14 days to the members

No maximum limit of 15 directors

No Appointment of Independent Director

One Board Meeting within six months

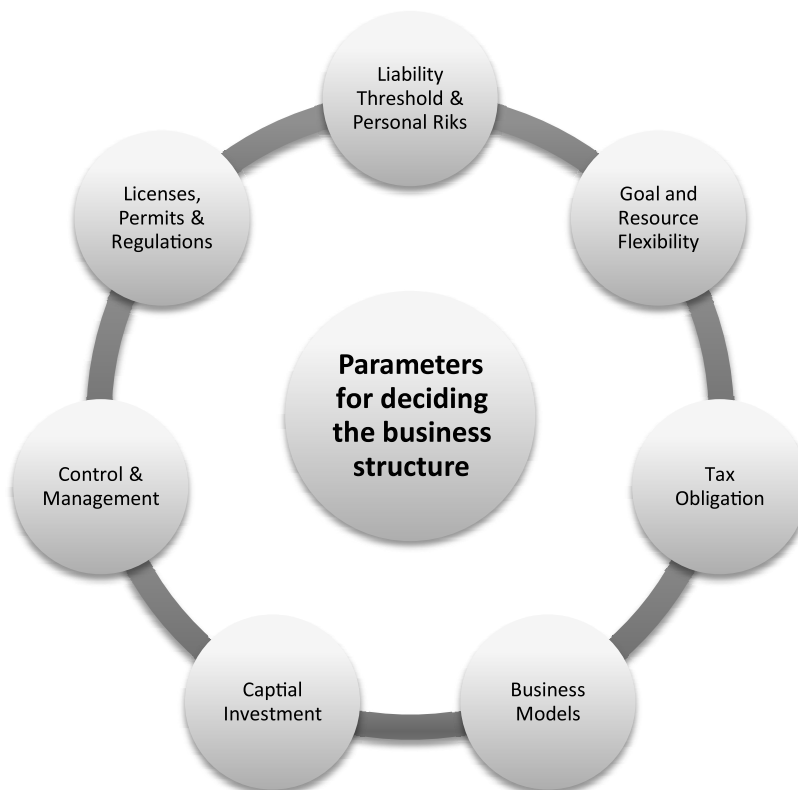
No appointment of Company Secretary

Power of Board to borrow, invest and grant loans can be exercised by a resolution by circulation

PARAMETERS FOR DECIDING BUSINESS STRUCTURE

The business structure could be a decisive element in ensuring the success of the organization. Selecting the right structure from various structures can be an intimidating task for anyone but the clarity about the goal and

scale of business ease out the process to a considerable extend. The parameters for deciding the business structure are listed below:



- **Control & Management:** Single Business Owners who has the ownership of all the investments should rather go for a One Person Company. However, entrepreneurs with 2 or more proposed owners/directors looking to attract more investments into the firm should rather go for an LLP or a Public / Private Limited Company.
- **Capital Investments:** If you wish to obtain funds from an outside entity, such as an investor, bank, or venture capitalist, you must opt for an authentic business model such as private limited company. Unlike sole proprietorships, Corporations don't necessarily encounter any complication while raising funds from an outside source.

Also, bigger companies have the liberty to escalate funds by selling shares of stock whereas, sole proprietors can only raise funds via their personal accounts or by taking on partners in case of partnership. An LLP can encounter identical issues, although, as its own entity, it is not always required for the owner to utilize their personal assets or credit.

- **Liability Threshold & Personal Risk:** Owners would want to safeguard their risk under financial pressure. The right business structure could limit exposure to such risks. In the case of partnerships, the partner shares the responsibility to confront risk individually. Certain business structures such as HUF, Sole Proprietors and Partnerships have unlimited liability. Therefore, in case there is any default in the repayment of loans, the money will be recovered from the members or partners in profit sharing ratios. In these cases, the risk to the personal assets of the owners is high.

Meanwhile, the business models like LLP & Company provide comprehensive protection to the owner's liability with a few exceptions. Furthermore, one can also opt for a One Person Company if he/she wishes to mitigate the personal risk to a larger extend.

- **Tax Obligation:** A tax obligation for an LLP owner is more or less equal to the sole proprietor. The income generated from the business is considered personal income and taxed accordingly.

Small business owners do not wish to confront double taxation in the early stages. The LLP structure prevents that mishap and allows the owner to reap more income. Individuals in a partnership claim their respective profits as a personal income.

A corporation addresses their tax liability each year, paying taxes on profits after deducting the expenses and payroll. If you pay yourself from the company, you will be liable to pay personal taxes such as for medical care and social security, on your personal return.

- **Licenses, Permits, & Regulations:** Apart from getting legal registration for the business, specific permits and licenses may be required to obtain to operate. Depending on the type of activities and business nature, it may require to be licensed at the local, state, and central levels.

States imposed distinctive requirements for different business models. Based on where the business is established, there could be different prerequisites at the municipal level as well. There is no such thing as “generalized structure”, so the business must be observant of what applies to them. Liability, tax structure, and industry regulations are the few key parameters that one has to take into account before opting for a business structure.

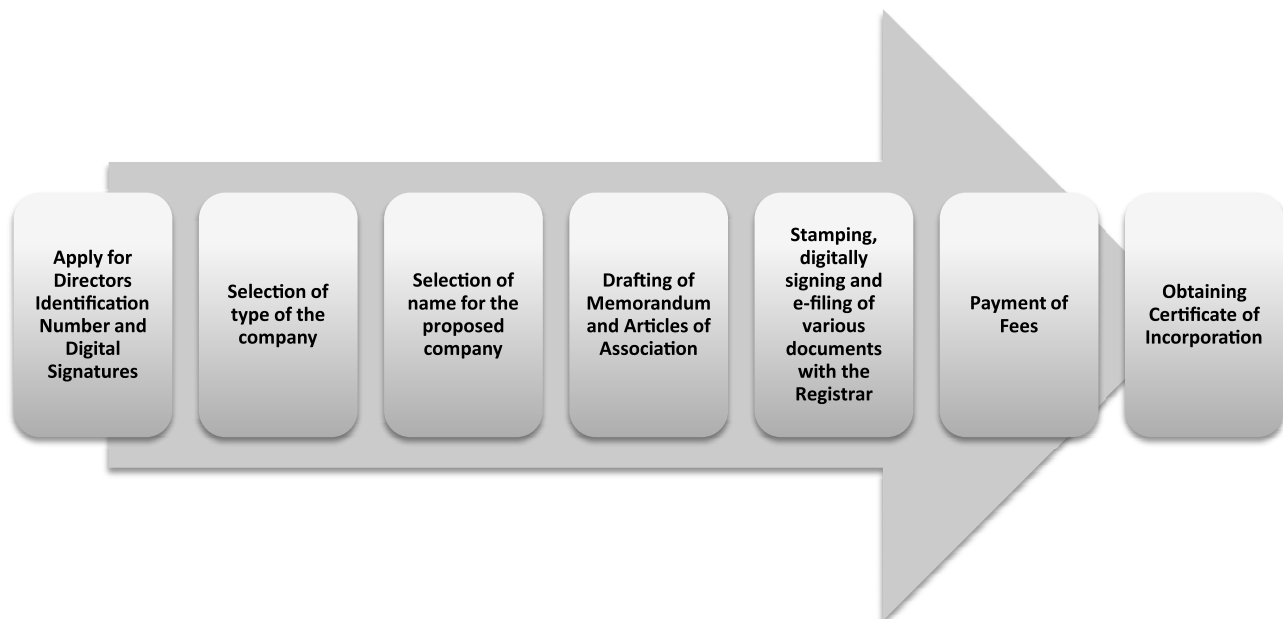
- **Attracting Investors:** Having an unregistered business structure can be a hindering obstacle to attract an investor to raise some capital for the business. Legally established business structures like OPC, Public Company, LLP etc. are much more likely to get the vote confidence from investors firm.

Among others, one important form of business is the Company which is governed under the Companies Act, 2013. The procedure for setting up an enterprise in the form of company could be seen as below:

FORMATION OF A COMPANY

Company registration is also referred to as incorporation of company or formation of a business. Registering the company makes it a distinguished entity and gives legal existence. The company registration process in India is done under the Ministry of Corporate Affairs.

It is crucial to be well informed by the registration process and a step-by-step guide to the company registration process in India is given below:



(i) Apply for Director Identification Number (DIN)

The first step towards the company registration process in India begins by obtaining the unique identification number. According to the Companies Amendment Act 2006, all directors in a company need to acquire their Director Identification Number (DIN). DIN is a unique 8-digit number that is issued under section 153 of the Companies Act. The requirements for DIN include full name, father's name, date of birth, identity proof, address with proof, PAN card copy and two photographs of all the directors proposed.

The application form is available online on the official website of the Ministry of Corporate Affairs (MCA Website) as the DIN-1 Form. The DIN-1 Form must be duly filled and uploaded after paying the applicable fees.

(ii) Apply for Digital Signature Certificate (DSC)

The authenticity of the documents and information provided in the DIN-1 Form can only be assured by getting a valid digital signature on all the documents submitted in the e-filing process.

The company registration process in India requires every business to acquire a Digital Signature Certificate (DSC) to ensure a secure way to get the documents submitted electronically. The requisites for application of digital signature includes proposed directors' full name, father's name, date of birth, address with proof, PAN card copy, identity proof and a photograph.

A DSC is distinguished for every business entity and should not be shared by businesses. Normally this digital certification is valid for a period of one or two years, and after expiry, it should be renewed by the Controller of Certification Agencies (CCA) again.

(iii) Filing for New User Registration

It is important to get registered on the MCA portal. A user account needs to be created for filing an e-Form carrying out different transactions and paying the prescribed fees. The Ministry of Corporate Affairs does not charge any fee for creating an account.

(iv) Application for Company Name

The proposed company name should be unique and descriptive of the products and services offered by the business. It provides them with a distinguished entity from their competitors in the same field.

The Ministry of Corporate Affairs (MCA) has a RUN (Reserve Unique Name) web service for incorporating a company. However, this service can be used only once. Due to a similarity in names or failure to abide by the Companies Incorporation Rules, once rejected, RUN cannot be re-used.

Hence, the proposed name must be unique and fulfils all the guidelines prescribed. In case of rejection, the applicant must re-file another RUN form after paying the prescribed fees.

(v) Filing for Charter Documents

In a company registration process, the applicants are required to create charter documents like Memorandum of Association (MOA) and Articles of Association (AOA).

Charter Documents of a Company

Before the registration of the company under the Companies Act 2013, the company should comply with the various charter documents made essential under the concerned law. These are:

Memorandum of Association

The MoA sets out the objects for which the company is proposed to be incorporated in the manner provided hereunder:

- The first and foremost clause in MoA shall be the name of the proposed company suffixed with the words limited or private limited, as the case may be;
- The second is the Registered Office Clause, stating the place where the registered office of the company shall be situated;
- The third clause contains the main objects for which the company is going to be formed / incorporated;
- The MoA binds the area of operation of the company in respect to the objects mentioned therein and any decision or actions taken in contravention of the MoA shall be void. A company cannot run any business contrary to the main objects mentioned in their MoA.

The MoA and AoA of a company can be modified post incorporation in accordance with the applicable provisions of the Companies Act.

Articles of Association

The articles of a company contain regulations for the management of the company. This document is confined to the applicability of the provisions of the Companies Act on private limited company or public limited company, as the case may be.

The Constitutional documents of the Company should be prepared diligently as in many cases, the authorization from Memorandum and Articles are required.

Example- Issuance of new class of shares, Buy-back of shares, Issue of Bonus Shares

(vi) Stamping of Company Documents

The Memorandum of Association and Articles of Association are the most important documents to be submitted to the ROC for the purpose of incorporation of a company. The Memorandum of Association is a document that states the constitution of the company, objectives, scope of activities of the company and also defines the relationship of the company with the outside world. The Articles of Association contain the rules and regulations of the company for the management of its internal affairs. These documents should be stamped and submitted to the ROC along with relevant forms and registration fee.

(vii) Certificate of Incorporation

The ROC scrutinizes the documents and, if necessary, instructs the authorised person to make necessary corrections. Thereafter, a Certificate of Incorporation is issued by the ROC, from which date the company comes into existence. It takes one to two weeks from the date of filing of the Memorandum of Association and Articles of Association to receive a Certificate of Incorporation. Although a private company can commence business immediately after receiving the certificate of incorporation, a public company cannot do so until it obtains a Certificate of Commencement of Business from the ROC.

(viii) Register Other Details

The next step in the company registration process in India includes registering the company name & address and notice for appointment of directors, secretary and manager.

Following this, the company is required to register with the Office of Inspector, Shops and Establishment Act (State/Municipal). The form provides details about the manager's and employer's name, the establishment's name, postal address, the legitimate category. It should be sent to the office of the local shop inspector along with applicable fees. It is obligatory to register the Establishment Act within a month of the opening of your business.

Documents required for Company Registration

The general documents that are to be submitted for registration of LLP, One Person Company, Private Limited and Public Limited Company are as follows:

Documents of the Directors and Shareholders of the company/ Partners of the LLP

- Proof of identification of all the company's directors and shareholders (partners in case of LLP). Any one of the below documents can be submitted as proof of identification:
 - Pan card
 - Aadhar card
 - Driving license
 - Passport
- Proof of address of all the directors and shareholders (partners in case of LLP). Any one of the below documents can be submitted as address proof:
 - Latest telephone bill (not older than 2 months)
 - Latest electricity bill (not older than 2 months)
 - Bank account statement having address
- DIN (DPIN in case of LLP) and DSC of all the directors (partners in case of LLP)

Documents of the Company/LLP

- Proof of registered office of the company. The below documents must be submitted as address proof of the company:
 - Tenancy/rental agreement between the landlord and company/LLP.
 - Letter or NOC from the landlord of his/her permission to use the office/premises as the LLP's/ company's registered office.
 - Sale deed of the company/LLP office premises in the name of the company/LLP.
- The Memorandum of Association (MoA) which contains the objects of the company for which the company is going to be incorporated and the liability of the members of the company.
- The Articles of the Association (AoA) which lays down the by-laws on which the company will operate.

Reservation of name or change of name

An application for reservation of name shall be made through the web service available at www.mca.gov.in by using web service SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32), and for change of name by using web service RUN (Reserve Unique Name) along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014, which may either be approved or rejected, as the case may be, by the Registrar, Central Registration Centre after allowing re-submission of such web form within fifteen days for rectification of the defects, if any.

The SPICe+ is an integrated Web form offering multiple services viz. name reservation, incorporation, DIN allotment, mandatory issue of PAN, TAN, EPFO, ESIC, Profession Tax (Maharashtra) and Opening of Bank Account. This Form will also facilitate allotment of GSTIN wherever so applied for by the stakeholders. In case the applicant wants to apply for name, incorporation and other integrated services together, he can do so together by filling necessary information in Part A and Part B.

Features of Spice+ Form

<i>Part A</i>	<i>Part B</i>
<p>Part A represents the section wherein all details with respect to name reservation for a new company has to be entered.</p> <p>Part A can either be submitted individually ONLY for name reservation or can be submitted together with SPICE+ Part B for both name reservation as well as incorporation. In case SPICE+ Part A is submitted individually for name reservation, Part B and all other linked forms shall be enabled only after the SRN of SPICE+ Part A is 'Approved' i.e. the name is reserved.</p>	<p>Part B represents the section wherein all remaining details required for incorporation of a company has to be entered.</p> <p>Part B of SPICE+ offers following services viz. (i) Incorporation (ii) DIN allotment (iii) Mandatory issue of PAN (iv) Mandatory issue of TAN (v) Mandatory issue of EPFO registration (vi) Mandatory issue of ESIC registration (vii) Mandatory issue of Profession Tax registration (Maharashtra) (viii) Mandatory Opening of Bank Account for the Company and (ix) Allotment of GSTIN (if so applied for).</p>

An approved name is valid for a period of:

- 20 days from the date of approval (in case name is being reserved for a new company), or
- 60 days from the date of approval (in case of change of name of an existing company).

Users are permitted to apply for two proposed names and one Resubmission (RSUB) is permissible while Reserving Unique Names for companies through the Spice+ Form.

Guidelines to reserve a company name

The name of a company should be:

- Unique
- Contain a noun and an activity word that reflects its objectives
- Be in line with Company Name Guidelines issued by Ministry of Corporate Affairs.

The Company Name should not be:

- Be same, similar, identical or resembling to the name of an existing Company or LLP registered. Phonetically similar names are also to be avoided.
- Be similar to a registered trade mark or a trade mark for which an application has already been filed.
- The name chosen should not constitute an offence under any law and should not be undesirable in the opinion of the Central Government.
- The company name should not have any word or expression which is likely to give the impression that the company is in any way connected to the government central or state or any other local authority when it is actually not unless the approval from the respective government authority has been attained.
- If a company's name indicates any activities relating to financing, leasing, chit-fund, investment, securities etc., though the company's business activity is not related to any of such activities than such names shall not be allowed.
- Any descriptive name, wherein the name contains any commonly used words that describe any business activity.

Simplified Proforma for Incorporating Company [Electronically Plus (SPICe+)]

(Rule 38 of Companies (Incorporation) Rules, 2014)

- (1) The Application for incorporation of a company shall be in [SPICe+ (Simplified Proforma for Incorporating company Electronically Plus: INC-32)] along with e-Memorandum of Association (e-MOA) in Form No. INC-33 and e-Articles of association (e-AOA) in Form no. INC-34.

Provided that in case of incorporation of a company falling under section 8 of the Act, SPICe+ shall be filed along with Form No. INC- 13 (Memorandum of Association) and Form No. INC-31 (Articles of Association) as attachments.

Provided further that in case of incorporation of a company having more than seven subscribers or where any of the subscriber to the MOA/AOA is signing at a place outside India or in case of Section 8 Company, MOA/AOA shall be filed with SPICe+ in the respective formats as specified in Table A to J in Schedule I without filing form INC-33 and INC-34.

- (2) The application for allotment of Director Identification Number upto three Directors, PAN/ TAN, reservation of a name, incorporation of company and appointment of Directors of the proposed for One Person Company, private company, public company and a company falling under section 8 of the Act shall be filed in SPICe+ with the Registrar, within whose jurisdiction the registered office of the company is proposed to be situated along with the fee of rupees five hundred in addition to the registration fee as specified in the Companies (Registration of Offices and Fees) Rules. 2014:

Provided that where an applicant has applied for reservation of a name and which has been approved therein, he may fill the reserved name as proposed name of the company.

Provided further that in case of companies incorporated, with effect from the 26th day of January, 2018, with a nominal capital of less than or equal to rupees fifteen lakhs or in respect of companies not having a share capital whose number of members as stated in the articles of association does not exceed twenty, fee on INC- 32 (SPICe) shall not be applicable.

- (3) For the purposes of filing SPICe Form, the particulars of maximum of three directors shall be allowed to be filled in SPICe+, and allotment of Director Identification Number of maximum of three proposed directors shall be permitted in SPICe+ in case of proposed directors not having approved Director Identification Number.
- (4) The promoter or applicant of the proposed company shall propose only one name in SPICe+ .
- (5) The promoter or applicant of the proposed company shall prepare Memorandum of Association (e-MoA) in Form No. INC-33 and Articles of Association (e-AoA) in Form no. INC-34.

Provided that the subscribers and witness or witnesses shall affix their digital signatures to the e-MoA and e-AoA

- (6) For incorporation using application as provided in this rule, provisions of the sub-clause (i) of sub-section (5) of section 4 of the Act. Rule 9, and clause (a) of sub-rule (1) of rule 16 to the extent of affixing recent photograph shall not apply.
- (7) A company using the provisions of this rule may furnish verification of its registered office under sub-section (2) of section 12 of the Act by filing SPICe+ in which case the company shall attach along with such Form No. INC-32 (SPICe), any of the documents referred to in sub-rule (2) of rule 25.
- (8) Form No. INC-22 shall not be required to be filed in case the proposed company maintains its registered office at the given correspondence address.

- (9) Declaration by first subscribers and Directors inform INC-9 shall be generated in PDF and have to be submitted in electronic form except where total number of subscribers and / or directors is greater than 20 or any such subscribers and/ or directors does not have DIN/ PAN. (Rule 15 of the Companies (Incorporation) Rules, 2014)
- (10) (a) Where the Registrar on examining SPICe+, finds that it is necessary to call for further information or finds such application or document to be defective or incomplete in any respect, he shall give intimation to the applicant to remove the defects and re-submit the e-form within fifteen days from the date of such intimation given by the Registrar.
- (b) After the resubmission of the document, if the registrar still finds that the document is defective or incomplete in any respect, he shall give one more opportunity of fifteen days to remove such defects or deficiencies.

Provided that the total period for re-submission of documents shall not exceed thirty days.

- (11) The Certificate of Incorporation of company shall be issued by the Registrar in Form No. INC-11.

Application for registration of Goods and Service Tax Identification Number (GSTIN). Employee State Insurance Corporation (ESIC) Registration, Employees' Provident Fund organisation (EPFO) Registration and Profession Tax Registration, Opening of Bank Account and Shops and Establishment Registration

Rule 38A of the Companies (Incorporation) Rules, 2014)

The application for incorporation of a company shall be accompanied by e-form [AGILE-PRO-S] (INC- 35) containing an application for registration of the following numbers, namely:-

- GSTIN - Optional
- EPFO - Mandatory
- ESIC - Mandatory
- Profession Tax Registration – Mandatory in Maharashtra
- Opening of Bank Account - Mandatory
- Shops and Establishment Registration – Mandatory

APPLYING FOR BUSINESS LICENSES

Licenses are integral to run any business. Depending on the nature and size of business, several licenses are applicable in India. Knowing the applicable licenses for the enterprises and obtaining them is always the best way to start a business. The lack of relevant licenses can lead to costly lawsuits and unwanted legal battles. Business licenses are the legal documents that allow a business to operate while business registration is the official process of listing a business (along with relevant information) with the official registering authority.

For instance, an e-commerce company may require additional licenses like GST Registration, Professional Tax etc. while a restaurant may require licenses like Food Safety License, Certificate of Environmental Clearance, FSSAI Act, Health Trade License etc. along with the above mentioned licenses.

There are many factors affecting authorizations of business licenses which may include the type of business ownership, such as partnership, sole proprietor or company, & the number of employees, location of business etc. Business licenses are not only required for new business entity but also required for already established Companies.

The common license that is applicable to all businesses is the Shop and Establishment Act which is applicable to all premises where trade, business or profession is carried out. Other business licenses vary from industry to industry.

Tax Deduction and Collection Account Number (TAN) is a 10-digit alphanumeric identifier issued under Section 203A of the Income Tax Act, 1961. It is mandatory for all entities responsible for deducting or collecting tax at source (TDS/TCS). To obtain TAN, application must be made for allotment of TAN in Form 49B along with the required supporting documents. The form can be submitted online via TIN NSDL Portal and offline at authorized TIN facilitation centres. Based on the application, the TAN will be allotted to the entity and the entity must quote the TAN in all TDS/TCS returns, TDS/TCS payment challans and all TDS/TCS Certificates.

Employee's State Insurance Registration: Employee's State Insurance (ESI), governed by the ESI Act, 1948/ Code on Social Security, is a self-financing social security and health insurance scheme for Indian workers. It offers an economic & medical assurance to workers and its dependents. Besides providing medical benefits to workers and its dependents, it also insures worker from temporary or permanent disablement and sickness.

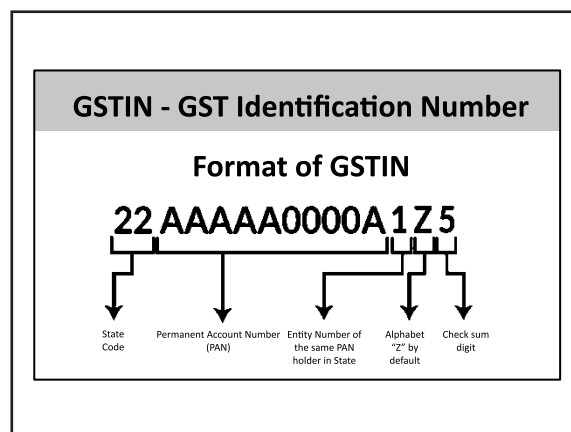
Any non-seasonal factory or establishment having more than 10 employees (in some states it is 20 employees) who have a maximum basic wages/salary of Rs. 21,000 per month (Rs.25,000 per month in the case of persons with disability) are covered under the ESI scheme and thus, they have to mandatorily register with the ESIC within 15 days from the date of its applicability. Under this scheme, the employer needs to contribute an amount of 3.25% of the total monthly wage payable to the employee whereas the employee needs to contribute only 0.75% of his monthly wage every month of the year. The only exemption to the employee in paying his contribution is whose daily wage is less than Rs.176/- per day. This compulsory insurance also helps employers to cover up their contingent liability of treatment and medical expenses, which may be incurred if any accident is happened at the business premises or factory.

EPF Registration: The Employees' Provident Fund & Miscellaneous Provisions Act, 1952/Code on Social Security is social security legislation for the retirement benefits and family pension of employees.

The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act)/Code on Social Security which applies to specific scheduled factories and establishments employing 20 or more employees and ensures terminal benefits to provident fund, superannuation pension, and family pension in case of death during service. Every establishment which is a factory engaged in any industry specified in Schedule I and in which twenty or more persons are employed and other establishment employing 20 or more persons notified by Central Government shall register with the Employees' Provident Fund Organization.

EPF Registration has to be done within one month from the date of reaching 20 employees. Any delay in EPF Registration may result in a penalty. Those establishments which do not have the prescribed number of employees but willing to register themselves to provide the benefits of Provident Fund to their employees can register voluntarily with the Regional Provident Fund Office, i.e. covered voluntarily registration.

GST Registration: GST Registration is mandatory for every business or corporation involved in buying and selling of goods or services. Those with an annual turnover of more than 20 lakh rupees for supply of services and 40 lakh rupees in case of supply of goods is the threshold limit (exemptions provided to special category states e.g. NE states). If a business is carried on without registering under GST, then it will be an offence under GST law. A casual taxable person/ Non-Resident Taxable Person, e-commerce aggregator, agents of supplier and input service distributor etc. are required to register under GST. Moreover, Every GST taxpayer is given a unique identification number called GSTIN during the registration process.



CATEGORY	REGION	AGGREGATE ANNUAL TURNOVER (INR)
Services	Special Category States- Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand & Himachal Pradesh.	10 Lakhs
Services	Rest of India	20 Lakhs
Goods	Special Category States- Assam, Arunachal Pradesh, Manipur, Mizoram, Meghalaya, Nagaland, Tripura, Sikkim, Uttarakhand & Himachal Pradesh	20 Lakhs
Goods	Rest of India	40 Lakhs

Udyam Registration: The Udyam online site handles India's small businesses, there are several advantages to registering, including government credit programmes, subsidies, etc. The requirements for Udyam registration are specified in terms of a composite criteria that takes into account business revenue (turnover) and investment in machinery and plants. This is applicable to enterprise falling under the definition of Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

Revised MSME Classification (Effective 1 April 2025)

Category	Investment in Plant & Machinery / Equipment	Annual Turnover
Micro	Not more than ₹2.5 crore	Not more than ₹10 crore
Small	Not more than ₹25 crore	Not more than ₹100 crore
Medium	Not more than ₹125 crore	Not more than ₹500 crore

Applies to both manufacturing enterprises and service enterprises.

FSSAI Registration or License (In case of business of edibles): This is the national authority for ensuring the safety and standardization of food items in India. FSSAI stands for Food Safety and Standard Authority of India. All retail establishments, trade outlets, kiosks, eateries, caterers, food aggregators and cloud kitchens must follow to FSSAI regulations, get licenses, and periodically renew their registrations.



Classification of FSSAI Licenses

Under FSSAI, the license or registration is divided into three categories based on business scale and turnover namely:

FSSAI Central License – For large-scale Food Business Operators (FBOs) operating across multiple states or with turnover above ₹20 crore.

FSSAI State License – For medium-sized FBOs operating within a single state with turnover between ₹12 lakh and ₹20 crore.

FSSAI Registration – For petty food businesses with turnover below ₹12 lakh.

Comparative Table: FSSAI Licensing & Registration – Earlier vs Latest (2025)

Aspect	Earlier Provisions	Latest Provisions (2025)
Renewal Timeline	Renewal allowed up to expiry date; grace period often granted	Must renew 30 days before expiry; no grace period; blackout after 15 days post-expiry
Late Fee	₹100 per day post expiry	₹100 per day + ₹5,000 reactivation fee if blackout occurs
Mode of Application	Online and offline modes accepted	Only via FoSCoS portal; offline applications discontinued
Display Requirements	FSSAI license number to be displayed	QR code of “Food Safety Connect” app must be displayed for consumer verification
Business Categories	No specific category for Ayurveda-based food	New category: Ayurveda Aahara under FoSCoS with distinct licensing norms
Inspection Frequency	Periodic inspections based on risk profile	Increased inspections, especially for water, dairy, and e-commerce food businesses
E-commerce Compliance	Aggregators required to list licensed vendors	Stricter norms for online platforms; mandatory FSSAI compliance for all listed vendors
Labelling Norms	Basic nutritional and expiry info required	Front-of-pack labelling emphasized; clearer expiry and nutritional disclosures
Packaging Standards	No specific sustainability mandate	Encouragement of eco-friendly packaging (e.g., recycled PET)
License Categories	Central License, State License, State Registration	No change in structure, but renewal and enforcement rules tightened

Import Export Code

1. Introduction

In India, IEC is a unique identification number for international trade transactions. The Import Export Code (IEC) is a mandatory registration for any business entity engaged in the export or import of goods and services from India. It is issued by the Directorate General of Foreign Trade (DGFT) under the Ministry of Commerce and Industry.

2. Legal Basis

IEC registration is governed by the Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy (FTP) issued periodically by DGFT. The current procedural framework is aligned with the FTP 2023–28, which emphasizes digital governance, ease of doing business, and trade facilitation.

3. Applicability

IEC is required for:

- All exporters and importers (including service exporters claiming benefits under FTP)
- Proprietorships, partnerships, LLPs, companies, trusts, and HUFs engaged in cross-border trade
- Entities availing benefits under schemes such as RoDTEP, SEIS, Advance Authorization, etc.

4. Registration Procedure

IEC registration is fully online and processed via the DGFT portal: <https://dgft.gov.in>

Required Documents:

- PAN Card of the applicant entity
- Identity proof with photograph and address (e.g., Aadhaar, Passport, Voter ID)
- Business address proof (e.g., utility bill, rent agreement, ownership document)
- Bank account proof (cancelled cheque or bank certificate)
- Digital Signature Certificate (DSC) or Aadhaar-based e-authentication

Key Features:

- No physical documentation required
- IEC is issued within 1–2 working days
- No renewal required; IEC remains valid for the lifetime of the entity unless surrendered or cancelled

5. Summary of latest updates

Provision	Latest Update (2025)
Application Mode	Only via DGFT portal; Aadhaar-based e-authentication enabled
Document Authentication	Integrated PAN–GST–Bank validation via API; DSC optional for Aadhaar holders
IEC Modification	Real-time modification enabled via DGFT portal dashboard
Suspension & Cancellation	Automated suspension for non-compliance with export obligations or FTP violations
Integration with Customs	Auto-integration with ICEGATE, GSTN, and SEZ portals for seamless trade operations
Deactivation Policy	Auto-deactivation if not used for 1 year; reactivation via online request

6. Practical Implications

Businesses must ensure:

- Timely registration and validation of IEC details
- Alignment of PAN, GST, and bank details across DGFT and Customs portals
- Regular monitoring of DGFT dashboard for compliance alerts and scheme eligibility
- Prompt updating of IEC in case of change in entity name, address, or bank account

Trade License for Indian Online Businesses: With the rise of digital entrepreneurship and MSME-friendly loan schemes, many small business owners are choosing the virtual medium to operate e-commerce, service, and content-based ventures. For such businesses, a sole proprietorship remains the most accessible structure due to minimal compliance requirements. However, even online businesses must obtain a Trade License under the Shop and Establishments Act, as long as they operate from a fixed physical location. A sole proprietorship can obtain a trading license in the same manner as a traditional shop under the Shop and Establishments Act.

The Shop and Establishments Act is a state-specific legislation that governs commercial establishments, including online businesses operating from homes, offices, or warehouses. Contrary to popular belief, online businesses are not exempt from local trade licensing. Even if customer interaction is entirely virtual, the physical base of operations triggers licensing requirements.

Following are the changes introduced in this respect as follows:

Provision	Earlier Practice	Latest Update (2025)
Application Mode	Offline or semi-digital in many states	Fully online via municipal portals; Aadhaar-based authentication enabled
Home-Based Businesses	Often overlooked or exempted	Explicitly included under commercial activity if space is used for business purposes
Documentation Requirements	Basic ID and address proof	Mandatory PAN, Aadhaar, business address proof, bank account proof
License Validity	Typically 1–3 years	Standardized to 1 year in most states; auto-reminder for renewal
Penalties for Non-Compliance	Rarely enforced	Active enforcement by municipal bodies; fines and closure notices issued
Integration with MSME Schemes	Not linked	Linked to Udyam Registration for loan eligibility and subsidy access

Procedure for Obtaining Trade License (Online Business)

1. Visit Municipal Portal (e.g., MCD Delhi, BBMP Bangalore)
2. Register with Aadhaar or PAN
3. Upload Documents:
 - PAN Card
 - Aadhaar or other ID proof
 - Business address proof (utility bill, rent agreement)
 - Bank account proof (cancelled cheque or certificate)
4. Pay Fee: Varies by state and business type
5. Receive License: Typically issued within 7–10 working days

Practical Implications of Trade License:

- Enables legal operation and access to MSME benefits
- Required for opening current bank accounts and payment gateways
- Mandatory for GST registration and FSSAI licensing (if applicable)
- Protects against local enforcement actions and penalties

Licenses needed for an Indian Factory: Under the Factories Act of 1948, registration is required to operate a factory in India which is granted by the State Government. According to the type of company and state laws governing safety, welfare, and labor standards, there can be extra permission requirements.

Additional Licensing and Registration: There are many more company categories that are not included in the list above. Wherever it is judged essential, the government requires licenses and permits to guarantee the welfare of the public and the environment. For example, the Insurance Regulatory and Development Authority supervises insurance firms, while the Reserve Bank of India oversees the banking and microfinance industries.

Understanding Taxation and Accounting Laws

Taxes are part and parcel of every business. There are a broad variety of taxes, such as, GST state tax and even local taxes that may be applicable for certain businesses. Different business and operating sectors attract different taxes and knowing this beforehand can prove to be useful.

Adhering to Labour Laws

Labour Laws are needed to ensure that the workers in an organization are not exploited. It acts as a safety net for the weakest segment of society. Hence, the objective of the Labour Laws is to protect the employees and hold the employers accountable for their actions. Thus, these laws are only enforceable in the work environment. The main goal of the said labour law is to create a good atmosphere in the workplace so that people can be productive and can be ensured of their security, both physical and mental. If a company or organisation doesn't comply with the Labour Laws, punitive actions can be taken against them, i.e. they can be punished.

Adhering to labour laws is integral to every organization, small or big. When you are established as a company and have hired people to work for your organization, you are subject to several labour laws regardless of the size of the organization. Laws with regards to minimum wages, gratuity, PF payment, weekly holidays, maternity benefits, Prevention from sexual harassment, payment of bonus among others will need to be complied with.

Objective of the labour laws

Labour Laws aim to correct the power disbalance between the employees and employers. It provides the employees with security so that they can't be unjustly dismissed. Therefore, they give the employees power to negotiate and ensure a good working conditions. The most important factors that the labour laws aim to work on are:

- Productive Work & Adequate Earning
- Proper Working Hours
- Security to the Employees
- Work-Life Balance

- Secure Working Environment
- Sickness and Accident benefits to the employees
- Social Security
- Labour Welfare
- Fair Treatment in the Workplace
- Prevention of Children at Work
- Forced Labour.

Labour Codes

Reforms in labour laws are an ongoing process. The Government continuously works to modernize and streamline the legislative framework in line with the evolving economic and industrial landscape of the country. The codification of 29 existing labour laws into four Labour Codes was undertaken to address long-standing challenges and make the system more efficient and contemporary. The codification aims to enhance ease of doing business, promote employment generation, ensure safety, health, social & wage security for every worker.

In a historic decision, the Government of India has announced the implementation of the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 with effect from **21st November 2025**, rationalising 29 existing labour laws. By modernising labour regulations, enhancing workers' welfare and aligning the labour ecosystem with the evolving world of work, this landmark move lays the foundation for a future-ready workforce and stronger, resilient industries driving labour reforms for Aatmanirbhar Bharat. This historic reform ensures that workers gain easier access to security, dignity, health, and welfare measures, reinforcing India's commitment to a fair and future-ready labour ecosystem.

Code 1: The Code of Wages, 2019

The Code on Wages, 2019 seeks to simplify, consolidate, and rationalize the provisions of four existing laws- The Payment of Wages Act, 1936; The Minimum Wages Act, 1948; The Payment of Bonus Act, 1965; and The Equal Remuneration Act, 1976. It aims to strengthen workers' rights while promoting simplicity and uniformity in wage-related compliance for employers.

Code 2: The Industrial Relations Code, 2020

The Industrial Relations Code (IR Code) has been prepared after amalgamating, simplifying and rationalizing the relevant provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947. The Code acknowledges the fact that survival of worker depends upon survival of industry. In this backdrop, it simplifies laws related to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes.

Code 3: The Code on Social Security, 2020

The Code on Social Security incorporates existing nine Social Security Acts viz; The Employee's Compensation Act, 1923; The Employees' State Insurance Act, 1948; The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; The Maternity Benefit Act, 1961; The Payment of Gratuity Act, 1972; The Cine-Workers Welfare Fund Act, 1981; The

Building and Other Construction Workers' Welfare Cess Act, 1996 and; The Unorganised Workers' Social Security Act, 2008. The Code extends social security to all workers- including unorganized, gig, and platform workers- covering life, health, maternity, and provident fund benefits, while introducing digital systems and facilitator-based compliance for greater efficiency.

Code 4: The Occupational Safety, Health and Working Conditions Code 2020

The Code has been drafted after amalgamation, simplification and rationalization of the relevant provisions of the 13 Central Labour Acts- The Factories Act, 1948; The Plantations Labour Act, 1951; The Mines Act, 1952; The Working Journalists and other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955; The Working Journalists (Fixation of Rates of Wages) Act, 1958; The Motor Transport Workers Act, 1961; The Beedi and Cigar Workers (Conditions of Employment) Act, 1966; The Contract Labour (Regulation and Abolition) Act, 1970; The Sales Promotion Employees (Conditions of Service) Act, 1976; The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979; The Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981; The Dock Workers (Safety, Health and Welfare) Act, 1986 and; The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

Adherence to Laws relating to Intellectual Property

The twenty-first century witnessed the emergence of "Intellectual Capital" as a key wealth driver of international trade between countries, thanks to rapid globalization and liberalization of economies the world over. Intellectual property rights have become an irreplaceable element of India's business fraternity, whether in terms of new statutes or judicial pronouncements. India's consent of the WTO (World Trade Organization) agreement has paved the way for its compliance with TRIPS (Trade Related Aspects of Intellectual Property Rights).

Further, Intellectual property is vital for most businesses in the contemporary regime of knowledge and innovation, especially for tech centric businesses. Codes, algorithms and research findings among others are some of the most common intellectual property owned by organizations. Therefore, one has to ensure strict adherence to the Laws relating to Intellectual Property in India as well as of International Application to which India is a signatory. For the effective implementation of the IP Laws, facilitators have been empanelled

by the Controller General of Patents, Trademarks and Design. Such facilitators help the new enterprises in setting up their business under the vigil of IPRs by providing advisory services, assisting in patent filing and disposal of patent application among other services at a minimum charge.

The well-timed and careful examination of IP rights of third parties can prevent, or at least shorten, the infringement of rights and the associated long legal processes. For this reason, these processes are now considered as compliance for many companies. Patent attorneys can assist companies in developing tailored solution for its industry requirements and setting up corresponding IP guidelines.

"Recent amendments under the Jan Vishwas Act, 2023 have decriminalized several offenses under the Patents Act, replacing imprisonment with monetary penalties. Draft Patent Rules, 2025 introduce civil adjudication mechanisms and digital filing of complaints."

The TRIPS agreement has made way for the harmonization of Indian laws connected with Intellectual Property Rights. The agreement was implemented with the minimum standards for the protection of IPR. A time-frame has been specified within which the participating countries are required to effect changes in their respective laws to meet the requisite compliance standards. The rest of the article seeks to highlight the amendments brought forth by the agreement in intellectual property laws.

The Office of the Controller General of Patents, Designs and Trademarks controls all patents in India.

World Intellectual Property Organization (WIPO), international organization designed to promote the worldwide protection of both industrial property (inventions, trademarks, and designs) and copyrighted materials (literary, musical, photographic, and other artistic works). The organization, established by a convention signed in Stockholm in 1967, began operations in 1970 and became a specialized agency of the United Nations in December 1974. It is headquartered in Geneva.

WIPO cooperates with intellectual property (IP) offices, users and other stakeholders to develop shared IP tools, services, standards, databases and platforms. This technical infrastructure is designed to help IP institutions collaborate more effectively and deliver more efficient services to their users; as well as enabling innovators and information-seekers worldwide to freely access the knowledge contained in the IP system. WIPO provide human capacity building across the full spectrum of intellectual property (IP) rights: patents, trademarks, industrial designs, geographical indications and copyright. Training takes place through in-depth programs offered by the WIPO Academy or tailor-made technical workshops.

Ensuring Effective Contract Management

Contracts lie at the crux of running any business. A contract is required to ensure the smooth functioning of work and is a great mechanism to ensure recourse in case of non-fulfilment of work. Having basic knowledge about various aspects of contract management can prove to be useful for entrepreneurs. As per the Indian Contract Act, 1872, all agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration with a lawful object, and are not expressly declared to be void.

Employee contracts are one of the most crucial aspects to be looked into while starting a venture. Founders many a time collaborate with their own trusted circle of friends in the beginning and while this ensures a certain ease and efficiency to business operations, outlining and formalizing employee contracts with details about salary, scope of work and stock options (if any) with even your first few employees is always recommended. Having this clarity from the very beginning helps the new businesses to reduce risks at a later point in time.

Contract management involves overseeing agreements made with suppliers, customers, partners and employees. Effective oversight is critically important because sales can be lost and regulatory penalties can ensue from poor contract management. In the early stage of operations and post operation too, there are various contracts that a company has to abide by, therefore, the adherence to contract law is one of the most important requirement for the company.

Details about winding up the business:

Closing a company is a difficult call to make for any entrepreneur. When a company decides to shut down, all the stakeholders from vendors to employees to customers and investors need to be informed in advance and the whole process must be properly planned and executed in order to make the exit easy on everyone.

It is the last stage of existence of a company and all its assets are used to pay off the creditors, shareholders and other liabilities.

LAWS RELATING TO INDUSTRIES SPECIFIC LAWS**Specific Laws and General Laws**

Segregation of laws applicable on the Company into the Industry specific and general is essential for Secretarial Audit. After considering the following factors the auditor should make the segregation of the same based on the laws being applicable on the Company:

- Key financial parameters such as turnover, paid-up share capital, net worth, borrowings, etc.
- Geographic location of registered office, units / divisions / plants / branches, etc.
- Status of company such as listed / unlisted.
- Type / class of company such as Private, Public, Holding, Subsidiary, Foreign, Nidhi, Producer, Section 8, etc.
- Registration with various authorities such as SEZ, Sectoral Regulators, etc.
- Segment such as manufacturing / trading / service / e-commerce and industry classification thereof.
- Agreements governing rights, obligations of shareholders such as Joint venture, shareholders' agreements.
- Number, class and category of employees / workers such as women, contractual employees, etc.

Trading & Retail Industry

List of laws that are specifically applicable to trading and retail industries:-

1. The Trade Marks Act, 1999;
2. The Patents Act, 1970;
3. The Indian Copyright Act, 1957;
4. Legal Metrology Act, 2009;
5. Shops and Establishment Act & Rule (State wise);
6. The Food Safety & Standard Act, 2006;
7. Local Municipal Corporation Act & Bye Laws (city-wise);
8. Acts prescribed related to Retail activities;
9. The Consumer Protection Act, 2019 and Rules & Regulations made thereunder;
10. Acts prescribed under prevention and control of Pollution;
11. Acts prescribed under Environmental protection;
12. Acts as prescribed under Direct Tax and Indirect Tax including GST and others;
13. Land Revenue laws of respective States;
14. Labour Welfare Act of respective States;
15. Local laws as applicable to various stores as per the respective Municipal Authority;
16. Whistle Blowers Protection Act, 2014;
17. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

IFSC & Bullion Exchange Industry

List of laws that are specifically applicable to IFSC and bullion exchange companies: -

Act and Guidelines

1. SEZ Act, 2005;
2. The Securities and Exchange Board of India Act, 1992;
3. The Insurance Regulatory and Development Authority Act, 1999;
4. The International Financial Services Centres Authority Act, 2019;
5. The Foreign Exchange Management Act, 1999
6. The Pension Fund Regulatory and Development Authority Act, 2013;
7. The Payment and Settlement Systems Act, 2007;
8. The Government Securities Act, 2006;
9. The Credit Information Companies (Regulation) Act, 2005;
10. The Depositories Act, 1996;
11. The General Insurance Business (Nationalisation) Act, 1972.

Start-ups

List of laws that are specifically applicable to Startups:-

1. Shop and Establishment Act, (State-wise);
2. Environment and Protection Act, 1986;
3. Competition Act, 2002;
4. Labour Codes.
5. Foreign Investments - For encouraging foreign investment in the start-up there are regulations for foreign venture capital investors (FVCI). Foreign Exchange Management Act (FEMA), 1999;
6. The Government has provided an exemption from labour inspection for a start-up if they apply all the major 9 labour laws of the country regularly for worker's benefit;
7. Whistle Blower Protection Act, 2014;
8. The Consumer Protection Act, 2019 and rules made thereunder;
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Non-Banking Financial Company (NBFC)

List of laws that are specifically applicable to NBFCs:-

1. The Reserve Bank of India Act, 1934 & Rules, Regulations, guidelines, circulars, directions, and notifications made there under;
2. Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Deposit taking Non-Banking Financial Companies, Non-Deposit taking NBFC; Systematically Important NBFC;

3. Prevention of Money Laundering Act, 2002;
4. The Competition Act, 2002;
5. The Labour Codes.

Pharma Industry

List of laws that are specifically applicable to Pharma Industries:-

1. The Food Safety and Standards Act, 2006;
2. The Narcotic Drugs and Psychotropic Substances Act, 1985;
3. The Drugs and Cosmetics Act, 1940 and Drugs Rules, 1945;
4. The Drugs and Cosmetics Act, 1940 and The New Drugs and Clinical Trials Rules, 2019;
5. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954;
6. The Essential Commodities Act, 1955 - Drug Price Control Order, 2013;
7. Pharmacy Act, 1948;
8. Drugs (Price Control) Order, 1995;
9. Uniform Code for Pharmaceutical Marketing Practices, 2014;
10. Bio Medical Waste (Management and Handling) Rules, 1998;
11. The Air (Prevention and Control of Pollution) Act, 1981;
12. The Water (Prevention and Control of Pollution) Act, 1974;
13. The Indian Standard Code of Practice for Selection, Installation and Maintenance of Portable First Aid Fire Extinguishers;
14. The Maharashtra Non-Biodegradable Garbage (Control) Act, 2006;
15. The Water (Prevention and Control of Pollution) Act, 1974;
16. The Environment (Protection) Act, 1986 and allied rules;
17. The Electricity Act, 2003;
18. The Explosives Act read with the Gas Cylinder Rules, 2016;
19. The Explosives Act read with the Static and Mobile Pressure Vessels (Unfired) Rules, 2016;
20. The Petroleum Act, 1934;
21. The Boilers Act, 2025;
22. State Shop and Establishment Act (Respective States where Company has presence);
23. The Cigarette and Other Tobacco Products (Prohibition of Advertisement and the Regulation of Trade and commerce, Production, Supply and Distribution) Act, 2003;
24. The Rights of Persons with Disabilities Act, 2016;

25. The Industries (Development and Regulation) Act, 1951;
26. The Legal Metrology Act, 2009;
27. Trademarks Act, 1999;
28. The Patents Act, 1970;
29. The Sales Promotion Employees (Conditions of Service) Act, 1976.

Banking Industry

List of laws that are specifically applicable to Banking industries:-

1. The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 read with The Banking Regulation Act, 1949;
2. Banking Regulation Act, 1949, Master Circulars, Notifications and Guidelines issued by the RBI from time to time;
3. The Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970;
4. The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
5. Recovery of Debts Due to Banks and Financial Institutions Act, 1993;
6. Transfer of Property Act, 1882;
7. Negotiable Instruments Act, 1881;
8. Sale of Goods Act, 1930;
9. Foreign Contribution Regulation Act, 2010;
10. Prevention of Money Laundering Act, 2002;
11. Credit Information Companies (Regulation) Act, 2005;
12. Micro, Small and Medium Enterprises Development Act, 2006;
13. Public Liability Insurance Act, 1991;
14. Insurance Act, 1938 and Insurance Rules, 1939;
15. The Shops and Establishments Act, 1953;
16. Indian Stamp Act, 1899;
17. Indian Contract Act, 1872;
18. The Foreign Trade (Development and Regulation) Act, 1992;
19. The Reserve Bank of India Act, 1934 and Guidelines issued by RBI;
20. Limitation Act, 1963;
21. Indian Trusts Act. 1882;
22. Society Registration Act, 1860;
23. Information Technology Act, 2000;

24. Energy Conservation Act, 2001;
25. Right to Information Act, 2005;
26. Trade Marks Act, 1999;
27. Copyright Act, 1957;
28. Patents Act, 1970;
29. Labour Laws (Exemptions from furnishing returns and maintaining returns) by certain Establishments Act, 1988;
30. Weekly Holiday Act, 1942;
31. General Clauses Act, 1897.

Insurance Industry

List of laws that are specifically applicable to Insurance industries:-

1. Insurance Act, 1938 and Insurance Rules, 1939;
2. Insurance Regulatory and Development Authority (IRDAI) Act, 1999;
3. Anti-Money Laundering Regulation issued by IRDAI;
4. The State Shop and Establishment Act;
5. Indian Stamp Act, 1899 and the State Stamp Acts;
6. Copyright Act, 1957;
7. Prevention of Money Laundering Act, 2002;
8. Trademarks Act, 1999;
9. Indian Contract Act, 1872;
10. Negotiable Instruments Act, 1881;
11. Registration Act, 1908;
12. Limitation Act, 1963;
13. Information Technology Act, 2000;
14. The Labour Codes;

Housing Finance Companies

List of laws that are specifically applicable to Housing Finance Companies:-

1. National Housing Bank Act, 1987;
2. The Housing Finance Companies (NHB) Directions, 2010;
3. Guidelines on Know your Customer and Anti-Money Laundering Measures;
5. Guidelines for Asset Liability Management System in Housing Finance Companies;

6. Housing Finance Companies- Issuance of Non-convertible Debentures on private placement basis (NHB) Directions, 2014;
7. Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016;
8. Housing Finance Companies - Auditor's Report (National Housing Bank) Directions, 2016;
9. Guidelines on Fair Practices Code for Housing Finance Companies; 10. Guidelines on Reporting and Monitoring of Frauds in Housing Finance Companies;
11. Information Technology Framework for HFCs – Guidelines;
12. Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018;
13. Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015;
14. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

Real Estate Companies

List of laws that are specifically applicable to Real Estate Companies:-

(A) Pre-constructions

1. Real Estates (Regulations & Development) Act, 1916
2. Environment (Protection) Act, 1986;
3. The Air (Prevention and Control of Pollution) Act, 1981;
4. The Water (Prevention and Control of Pollution) Act, 1974;
5. The Aircraft Act;
6. The Electricity Act, 2003;
7. The Control of National Highways (Land and Tariff) Act, 2002;
8. The Forest (Conservation) Act, 1980;
9. The Mines and Minerals (Development and Regulation) Act, 1957;
10. The Petroleum Act, 1934;
11. The Railways Act, 1989;
12. The Transfer of Property Act, 1882 and Registration Act, 1908;
13. The Wildlife Protection Act 1972;
14. The Works of Defence Act 1903;
15. The Ancient Monuments and Archaeological Sites and Remains Act, 1958;
16. The Special Economic Zones Act, 2005;
17. Housing Board Act, 1965.

(B) During the constructions

1. The Air (Prevention and Control of Pollution) Act, 1981;
2. The OSHWC Code

3. The Electricity Act, 2003;
4. The Environment (Protection) Act, 1986;
5. The Explosives Act;
6. The Water (Prevention and Control of Pollution) Act, 1974;
7. The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003;
8. The Emblems and Names (Prevention of Improper Use) Act, 1950;
9. The Food Safety and Standards Act, 2006;
10. The Forest (Conservation) Act, 1980;
11. The Motor Vehicles Act, 1988;
12. The Indian Wireless Telegraphy Act, 1933;
13. The Private Security Agencies (Regulation) Act, 2005;
14. The State municipal Corporation Act; The State Town & Country Planning Act; The State Building By-laws; The Development Control Regulations;
15. The Real Estate (Regulation and Development) Act, 2016 including rules & regulations made thereunder;
16. The Labour Codes;
17. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(C) Post constructions

1. The Air (Prevention and Control of Pollution) Act, 1981;
2. The Electricity Act, 2003;
3. The Emblems and Names (Prevention of Improper Use) Act, 1950;
4. The Environment (Protection) Act, 1986;
5. The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003;
6. The OSHWC Code;
7. The Human Immunodeficiency Virus and Acquired immune Deficiency Syndrome (Prevention and Control) Act, 2017;
8. The Telecommunication Act, 2023;
9. The Motor Vehicles Act, 1988;
10. The Petroleum Act, 1934;
11. The Public Liability Insurance Act, 1991;
12. The Representation of the People Act, 1951;
13. The Rights of Persons with Disabilities Act, 2016;

14. The Water (Prevention and Control of Pollution) Act, 1974;
15. Transgender Persons (Protection of Rights) Act, 2019;
16. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Telecom Industry

List of laws that are specifically applicable to Telecom industries:-

1. The Telecommunication Act, 2023;
2. The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made thereunder;
3. The Information Technology Act, 2000;
4. Guidelines on Corporate Governance by Department of Public Enterprises (DPE);
5. Department of Telecommunication guidelines and License Agreements.

Information & Technology Industry

List of laws that are specifically applicable to Information & Technology industries:-

1. The Information Technology Act, 2000;
2. The Digital Personal Data Protection Act, 2023;
3. The Special Economic Zones Act, 2005;
4. The Copy Rights Act, 1957;
5. The Patents Act, 1970;
6. The Trade Marks Act, 1999;
7. The Registration Act, 1908;
8. Indian Stamp Act, 1899 and amendments thereto;
9. Limitation Act, 1963;
10. Indian Contract Act, 1872;
11. Negotiable Instrument Act, 1881 and amendments thereto;
12. Sale of Goods Act, 1930;
13. Social Security Code, 2020;
14. Weekly Holidays Act, 1942;
15. The Telecom Regulatory Authority of India Act, 1997;
16. The Insurance Act, 1938;
17. Foreign Trade (Development and Regulation) Act, 1992;
18. Bureau of Indian Standards Act, 2016;
19. The Information Technology (Certifying Authorities) Rules, 2000;

20. The State Acts, rules, guidelines and regulations to the extent applicable to the Company based on the location of its offices across India.

Media and Communication Industry

1. List of laws that are specifically applicable to Media and Communication industries:-
2. The Right to Information Act, 2005;
3. The Information Technology Act, 2000;
4. The Telecom Regulatory Authority of India Act, 1997;
5. Copyright Act, 1957;
6. State Emblem of India (Prohibition of Improper Use) Act, 2005;
7. The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007;
8. The Cable Television Networks (Regulation) Act, 1995;
9. The Delivery of Books and Newspapers (Public Libraries) Act, 1954;
10. The Newspaper (Prices and Pages) Act, 1956;
11. The Labour Codes;
12. Registration of Newspapers (Central) Rules, 1956;
13. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954;
14. The Emblems and Names (Prevention of Improper Use) Act, 1950;
15. The Parliamentary Proceedings (Protection of Publication) Act, 1977;
16. The Young Persons (Harmful Publications) Act, 1956;
17. The Dramatic Performances Act, 1876 (Relevant Provisions);
18. The Cinematograph Act, 1952;
19. The Cine-workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981;
20. The Cine-Workers Welfare Cess Act, 1981;
21. The Cine-Workers Welfare Fund Act, 1981;
22. The Prasar Bharati (Broadcasting Corporation of India) Act, 1990;
23. The Press and Registration of Books Act, 1867;
24. The Press and Registration Appellate Board (Practice and Procedure) Order, 1961;
25. The Press Council Act, 1978;
26. The Telecommunication Act, 2025;
27. The Post Office Act, 2023 (Relevant Provisions);
28. The Common Charter of Telecom Services, 2005;
29. The Regulation on Quality of Service of Basic and Cellular Mobile Telephone Services, 2005.

Infra Industry

List of laws that are specifically applicable to Infra industries:-

1. OCHWC Code & Rules Regulation made thereunder.

Environment Laws

India's economic development propelled by rapid industrial growth and urbanization is causing severe environmental problems that have local, regional and global significance. Recognizing the need for regulating the factors which are affecting environment, Government of India has established an environmental legal and institutional system to meet these challenges within the overall framework of India's development agenda and international principles and norms.

In response to growing environmental concerns and India's commitment to sustainable development, the Ministry of Environment, Forest and Climate Change (MoEFCC) introduced Extended Producer Responsibility (EPR) as a statutory obligation under the Plastic Waste Management (Amendment) Rules, 2022, further refined through notifications in 2023 and 2024. EPR shifts the responsibility of managing plastic waste from municipalities to producers, importers, and brand owners (PIBOs), making them accountable for the life cycle of plastic packaging.

Legal Framework India has an elaborate legal framework with number of laws relating to environmental protection. The key national laws include the following:

- a. Water (Prevention and Control of Pollution) Act, 1974;
- b. Water (Prevention and Control of Pollution) Cess Act, 1977;
- c. Air (Prevention and Control of Pollution) Act, 1981;
- d. Environment (Protection) Act, 1986;
- e. The Public Liability Insurance Act, 1991;
- f. The Biodiversity Act, 2002;
- g. The National Green Tribunal Act, 2010;
- h. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules;
- i. Plastic Waste Management Rules;
- j. Bio-Medical Waste Management Rules;
- k. Construction and Demolition Waste Management Rules;
- l. E-waste Management Rules, 2016;
- m. The Batteries (Management and Handling) Rules made under the Act.

LESSON ROUND-UP

- The foremost requirement for setting up this business is to understand and decide what kind of business venture it would be. For example, if it's a company, it would be governed under Companies Act, 2013; Limited Liability Partnership is governed by the LLP Act 2008; in case of Partnership, the Partnership Act, 1932 would be applicable; if it is an MSME, the MSME Act, 2006 would come into picture.
- Each business type comes with its own set of legal requirements and regulations and businesses should pay special attention to them before they are incorporated or registered.
- Among others, one important form of business is the Company which is governed under the Companies Act, 2013.
- Licenses are integral to run any business. Depending on the nature and size of business, several licenses are applicable in India. Knowing the applicable licenses for the enterprises and obtaining them is always the best way to start a business.
- The common license that is applicable to all businesses is the Shop and Establishment Act which is applicable to all premises where trade, business or profession is carried out. Other business licenses vary from industry to industry.
- There are many factors affect for authorizations of business licenses which may include the type of business ownership, such as partnership, sole proprietor or company, & the number of employees, location of business etc. Business licenses are not only required for new business entity but also required for already established Companies.
- Taxes are part and parcel of every business. There are a broad variety of taxes, such as, GST state tax and even local taxes that may be applicable for certain businesses.
- Adhering to labour laws is integral to every organization, small or big. When you are established as a company and have hired people to work for your organization, you are subject to several labour laws regardless of the size of the organization.
- Intellectual property is vital for most businesses in the contemporary regime of knowledge and innovation, especially for tech centric businesses. Codes, algorithms and research findings among others are some of the most common intellectual property owned by organizations. Therefore, one has to ensure strict adherence to the Laws relating to Intellectual Property in India as well as of International Application to which India is a signatory.
- Contract management involves overseeing agreements made with suppliers, customers, partners and employees. Effective oversight is critically important because sales can be lost and regulatory penalties can ensue from poor contract management.
- There are several legislations which regulate the conditions of employment, work environment and other welfare requirements of certain specific industries. These enactments deal with factories and workshops; mines and minerals; plantations; shops and establishments as well as transportation.

TEST YOURSELF

(These are meant for re-capitulation only. Answers to these questions are not to be submitted for evaluation)

1. Explain the various essential licenses applicable for starting a business.

