

FORMATION OF COMPANIES

K. K. AGGARWALA & COMPANY

(Chartered Accountants)

SUNIL AGGARWAL

CA-Final Student

Contact detail: - 8527145819

Email Id: - sunilagggarwal_2007@icai.org

REQUIRED STEPS (AT GLANCE)

INCORPORATION OF A NEW COMPANY STEPS INVOLVES

- ✓ Approved Directors Identification Number (DIN) and Digital Signature Certificate (DSC).
- ✓ Approval of the Name.
- ✓ Preparation of documents.
- ✓ Stamping of Documents.
- ✓ Uploading of the pre-vetted documents and payment of requisite filing fees.
- ✓ Approval of Registration.

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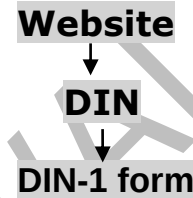
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Approved Directors Identification Number (DIN) and Digital Signature Certificate (DSC)

- 1) Open website and then click on "MCA21" Icon
- 2) Click on "Directors Identification Number (DIN)"
- 3) Click on Apply for DIN Number "DIN-1 FORM"



- 4) Documents are to be attach with DIN-1 Form
 - ✓ Scan valid "Address & ID Proof" in PDF format
 - ✓ Scan "PHOTO" in .jpg format,
 - ✓ Annexure-1 (Affidavit) on Rs 10/- non-judicial stamp paper.
- 5) Fill form carefully and make necessary attachments
- 6) DIN-1 Form shall be attested by Practicing CA/CS/ICWAI with own DSC then,

✚ DIN no. generate immediately after filling with Roc.

ATTENTION



- **Provisional:** when submitted details are identified duplicate.
- **Approved:** when submitted details are not identified duplicate.

- 7) Payment must made online
- 8) No need to send physical or hard copy of original documents to ROC.

POINTS TO BE KEPT IN MIND

- ✓ First of all, create a login ID on MCA21 as "REGISTERED USER"
- ✓ Documents Attached Proof (ID & Address) shall be attested by the Practicing professionals.
- ✓ Registered Digital Signature of Professionals on MCA21 website.

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Approval of the Name

- **Download E-Form-1A** (Website → MCA21 → download form)
 - **Information required :**
 - Information about the applicant — Name, address, occupation and email id, contact details etc.
 - Names (Maximum 6), in order of preference, of the proposed
 - Company. (**Clearly mention** also at the last of proposed name whether it is **Private or Public Limited Company**)
 - + **Significance** of the names
 - How do you **create/think/found/decide** such proposed name?
- ATTENTION** 
- Example,** **lovely Pvt Ltd**
Significance "IT IS MY SON NAME"
- **Main object** of the proposed company (**7-8 first line of the MOA**)
 - Names of the Promoters. In case of a Private Limited Company — minimum 2 and in case of a Public Limited Company minimum 7 names are required.
 - Information of the Proposed Directors :
 - ✓ Approved Director Identification Number (DIN)
 - ✓ Name of Father/Husband
 - ✓ Corporate Identity Number (CIN), in case already a Director/Promoter of an existing company.
 - ✓ Date of Birth
 - ✓ Permanent & Present Residential Address
 - Proposed Authorized Capital
 - Email Id must be valid/correct

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Points to be kept in mind

- All the proposed Directors should have **valid/approved** Director Identification Number (DIN).
- In case any Director is not having DIN, apply for DIN and thereafter make an application for name approval.
- The **one applicant** should have valid **Digital Signature Certificate** (Class 2 or above) from one of the approved Certifying Authorities e.g. **Tata Consultancy Service (TCS) or E-Mudhra etc.)**
- Ensure that the name **does not resemble** the name of any other **already registered company**. The MCA Portal provides the facility of online checking of the names of existing companies/names already approved under the link **(Website→ MCA21→ Other Service→ Check Company Name)**
- The use of words in the **BEGINNING** of the Proposed name of Company like "National", "Global", "Industries", "Enterprises", "Universal", "International", "Hindustan", "India", "Corporation" etc. is allowed only if Authorised Capital of Company is as prescribed e.g. for National – Rs.50 Lacs, for Global – Rs.1 Crore etc. **[See at second last page]**
- The word **"INDIA"** in between proposed name is ALLOWED by ROC with **ONE LAKH AUTHORISED CAPITAL**(Rs 100,000/-)
 - **Example: FMODEL INDIA PVT LTD**
- After issue of DSC firstly it shall be registered with ROC. **[Website → MCA21 DSC registered → Select Director(after approved DIN)]**

ATTENTION

STEPS (Required after filed e FORM-1A)

- **Filed electronically** completed e-Form 1A. (**Website → Login → e forms → e form upload → e form upload**)
- Make the payment **online** for Rs. **1000/-**.
- **Check Status** of FILED E-FORM **daily on MCA21 website**(**Website→ Login→ Track Transaction Status**)
- The **name approval** is conveyed through **email** on the **given E-MAIL ID**.
- Such approved name shall be valid for **60 days only**.

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Prepare Following Documents

Following Documents are required:

- **Form 1** — Declaration of compliance of all provisions
- **Memorandum of Association (MOA)** — It should contain following clauses:
 - ✓ Name of the company must be correct (which is approved)
 - ✓ On last page each director shall write the below detail in own hand writing:-
 - ❖ Name
 - ❖ Father's Name
 - ❖ Address (which is given in approved DIN)
 - ❖ Occupation
 - ❖ Number of Share(s) subscribed
 - ❖ Signature
- **Articles of Association (AOA)**
 - ✓ AOA must not be **contradicted with** the Act or the MOA.
 - ✓ On last page each director shall write the below detail in own hand writing:-
 - ❖ Name
 - ❖ Father's Name
 - ❖ Address (which is given in approved DIN)
 - ❖ Occupation
 - ❖ Signature

New Inserted Requirement

✚ **DECLARATION** by the proposed director of the company that they will not ACCEPT DEPOSIT UNLESS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE SEBI ACT, 1992. (see at last FORMAT)

✚ Such declaration shall be print on **RS 10/-** NON-JUDICIAL stamp paper.

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- **e-Form 18** – for situation of the registered office
 - ✓ Address of Registered Office
 - ✓ Address of Jurisdictional Police Station also to be mentioned.
 - ✓ **Valid Address proof** (Electricity Bill/Telephone Bill/Property tax paid receipt bill/Rent agreement/Lease Deed etc.)
 - **ATTENTION**: Such Bill should not be **2 Month Older**.
- **e-Form 32-** for appointment of the first Directors
 - ✓ Approved DIN Number
- **E-Stamping is Mandatory** in Delhi to pay **Electronically** on **Form-1, MOA and AOA**
 - ✓ Option to pay electronically is given in the **e Form-1**.

Points to be kept in mind

- ✓ Form 1A **SRN or Challan Number** is also required for filing above forms.
- ✓ **No Stamp paper** is requiring for MOA, FORM-1 and AOA because stamp duty is to be paid electronically.
- ✓ **No Rubber stamp** shall use for preparing above document any where (whether of proposed Company/director or Professional C.A)
- ✓ Approved Director Identification Number (DIN).
- ✓ It is to be digitally signed (DSC) by any one of the Applicant.
- ✓ Ensure that none of the Directors is disqualified.

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STAMPING OF DOCUMENTS

- Following Documents are to be stamped (In Delhi decided by ROC):
 - ✓ **Memorandum of Association** — Rs. 500(**no stamp paper required to purchase**)
 - ✓ **Articles of Association** — 0.5% of the Authorized Capital or 25,00,000.00 whichever is Less (**no stamp paper required to purchase**)
 - ✓ **Form 1** – Rs.10.00 (**no stamp paper required to purchase**)

Uploading of the pre-vetted/Prescrunity documents and payment of requisite filing fees

- Following Documents to be submitted to the concerned ROC, for vetting/Prescrunity:
 - ✓ Form 1
 - ✓ Form 32
 - ✓ Form 18
- **Following forms to be uploaded/filed electronically:**
 - ✓ e-Form 1: with following attachments:
 - ❖ Scanned copy of MOA
 - ❖ Scanned copies AOA
 - ❖ **Scanned copy of AFFIDAVIT – declaration (Newly Inserted).**
 - ✓ e-Form 18
 - ❖ Scanned copy of REGISTERED ADDRESS PROOF
 - ✓ e-Form 32
- Generate Challan/make on line payment for filing of the above Forms.

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• Points to be kept in mind

- ✓ All the scanned documents shall be made in "PDF" format only. The MCA portal does not accept files in any other format.
- ✓ All the document are to be scanned only in black and white not in colour.
- ✓ Most important thing is that the scanned copy size must not be greater than 2.6MB (Maximum attachment Size in single form).
- ✓ The e-forms being used should be latest version. There should not be much time gap between downloading of the blank form and uploading of the duly filled in form.
- ✓ After e-filing, the user should regularly visit MCA Website to check the status of the documents filed (**Website → Login → Track Transaction Status**). The queries raised, in respect of documents filed, are normally mentioned as "remarks".

Approval of Registration

- The concerned ROC generates the **Corporate Identity Number (CIN)** on satisfactory completion of all the formalities.
- Department shall send via E-mail incorporation certificate

After Incorporation

- Private Limited Company can directly start its activities / business immediately after the receipt of Certificate of Incorporation.

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Guidelines as to use of Key words

<u>Key Words Required</u>	<u>Authorized Capital</u>
✓ Corporation	Rs. 5 Crore
✓ International, Globe, Universal, Continental, Inter Continental, Asiatic, Asia being the first word of the name	Rs. 1 Crore
✓ If any of the words at (2) above is used within the name (With or without brackets)	Rs. 50 Lakh
✓ Hindustan, India, Bharat being first word of the name	Rs. 50 Lakh
✓ If any of the words at (4) above is used within the name (with or without brackets) EXCEPT INDIA	Rs. 5 Lakh
✓ Industries / Udyog	Rs. 1 Crore
✓ Enterprises, Products, Business, Manufacturing	Rs. 10 Lakh

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Affidavit

We, _____, S/o _____, R/o. _____, Promoters and First Directors of _____ do hereby solemnly affirm and declare that:

(a) The Company / Directors shall not accept deposits unless it complies with the applicable provisions of Companies Act, 1956, RBI Act, 1934 and SEBI Act, 1992 and rules / directions / regulations made there-under.

We, solemnly affirm that this declaration is true, that it conceals nothings and that no part of it is false.

Date:

Director 1

Place:

Director 2

Director 3



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