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Easiest Process to start a Company in India

Ministry of Corporate Affairs ('MCA') recently (in May, 2015) introduced an '**Integrated Incorporation Procedure**' to incorporate a Private/Public Limited Company via filing **Form INC-29** which will make you surprised. This Process will take 2-4 days to get the Company Incorporated (after making an application).

This initiative by MCA has been taken after Government of India has made emphasis on making India as one of the Top 'Ease of Doing Business' and 'Ease of Starting Business' Country in the World.

As of now, Form INC-29 is not a replacement of existing procedure but it is an optional procedure to incorporate a Private Limited Company. Existing Procedure includes filing of following forms

1. Form DIR-3 – Application for obtaining Director Identification Number ('DIN')
2. Form INC-1 – Application for Name Reservation for proposed company
3. Form INC-7 – Filing Incorporation Documents [other than One Person Company ('OPC')]
Form INC-2 – Filing Incorporation Documents (For OPC)
4. Form DIR-12 – Filing intimation of appointing Proposed Directors of the Proposed Company
5. Form INC-22 – Filing details about Registered Office of the Proposed Company

You can see that existing procedure (mentioned above) includes filing of so many forms for different stages of the process. This entire procedure used to take time of 20-30 days to get the registered Company.

However, Form INC-29 is combination of all above forms. That means you are required to file only One Form for incorporation of Company in India. This will save your substantial time to start up a new business.

Steps to Incorporate a Company using Form INC-29

Please note that each Form to be filed with MCA shall be done via online mode and therefore, it requires Digital Signature Certificate ('DSC') of the applicant who is signing the form. Hence, it is necessary to obtain DSC of atleast one promoter/director of the proposed Company.

Step 1: Obtaining DSC and DIN

We need to obtain DSC and DIN of atleast one person for making application through Form INC-29. It will hardly take 3-4 days to complete this process.

Step 2: Preparing for Form INC-29

It is to be noted that, since this form is clubbing of all the Forms mentioned above for Existing procedure, preparing Form INC-29 will take 2-3 days because it will require lot many documents and information to be filled/attached with Form INC-29.

Important Matters to be kept in mind while preparing Form INC-29

1. Proposed Name of the Company: Existing procedure provides an option to request for Six different names for proposed company, out of which one would be approved. However,



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Form INC-29 asks to provide only one name for proposed company. Hence, it is necessary to ensure that the name which you are proposing should be unique and should not be even partially similar to existing names which are already registered.

2. DIN upto 3 Directors: Form INC-29 provides facility for obtaining DIN for upto 3 Directors. Hence, if you have more than 4 persons in the proposed company who do not have DIN, then we need to apply DIN for such additional Director separately by filing Form DIR-3 (this will increase our cost).
3. Non-eligible Companies: We can incorporate following types of Company using Form INC-29
 - a. Private Limited Company
 - b. Public Limited Company
 - c. Producer Company

However, MCA won't allow us to incorporate Section 8 Company (Non-Profit Company) using Form INC-29.

We need to attach certain number of documents with Form INC-29. Out of these documents, few documents are statutory formats as per the Companies Act, 2013 whereas the other documents includes applicants' PAN Card, Address proof, proof of proposed registered office etc.

You also need to ensure that all the information/documents, which you are providing, are true, because false information (substantial in nature) might get a trouble for you in future.

Step 3: Filing Form INC-29

Once we are done with all the documents/information required, we can continue with the filing of Form INC-29. Before filing the Form, it is necessary to attach DSC of applicant with the Form. Further, one Practicing Professional (CA/CS/CWA) is also required to certify this form.

On successful uploading of the Form, you will be redirected to pay the Fees for the same. The minimum fees to be paid for this process is

Form INC-29	- Rs 2,000
Other MCA Fees	- Rs. 2,300*
Stamp Duty	- Rs. 1,300*

*These amount will vary based on the amount of Authorised Capital of the Company.

E.g. If authorised capital of proposed company is Rs 1 Lac, then you need to pay above mentioned amount. And if authorised capital of proposed company is Rs 10 Lac, then you need to pay following amount

Form INC-29	- Rs 2,000
Other MCA Fees	- Rs. 2,400
Stamp Duty	- Rs. 2,300

Once you pay the amount, you will get the acknowledgement for the same and your form will reach to MCA successfully.



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Step 4: Incorporation Certificate

MCA will check the application whether every information and document is provided or not. If they will find any discrepancies, they will ask you to resubmit the form with corrected details/documents. They will give you only one chance to resubmit the form (without paying any additional amount).

If MCA do not find any discrepancies in the form after submission/resubmission, then they will approve the form. On the date of approving the form, a new Company will be formed and Corporate Identification Number will be issued. On this day itself, the Certificate of Incorporation will be issued. MCA hardly takes 3-4 days to process application under Form INC-29.

Author's View

This entire procedure hardly takes 7-10 days, provided each document/information is ready. I really recommend to go for this process as it really helps Entrepreneurs to save substantial time while Starting up their own business.

I hope you will find this Article very helpful to have basic idea about this new process. Feel free to contact me on below for any further help on incorporation of new company.

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