



**G S P U & ASSOCIATES**  
CHARTERED ACCOUNTANTS

# COMPANY FORMATION INDIA

# PRIVATE LIMITED COMPANY



+91-8590790111  
+91-9847236982



[gspuca.com](http://gspuca.com)



[gspuindia@gmail.com](mailto:gspuindia@gmail.com)

# PRIVATE LIMITED COMPANY

Private Limited Companies are suitable for small businesses that require registration as a private entity with a group of shareholders. The total capitals of such businesses are the total shares of all the members and cannot be publicly traded or transferred.. The liability is distributed among the shareholders to protect their personal assets. Also, the personal and business assets are considered separately, for better protection and security.

According to Companies Act, 2013 the eligibility for private limited company must meet the following criteria;

1. Must have a registered office address within India.
2. At least one of the directors must be an Indian resident.
3. Minimum of 2 and maximum of 15 directors.
4. Minimum of 2 and maximum of 200 shareholders or members.
5. Additionally, an authorized capital fee of at least INR 1 Lakh.

## **Private Limited Company can categorize as:**

1. Limited by Shares: For such private limited companies the memorandum to amount unpaid on shares allotted to the members determines their liability.
2. Limited By Guarantee: Here, the memorandum of the amount of members will contribute or guarantees to pay if the company goes bankrupt determine their liability.
3. Unlimited: Moreover, such types of business entities do not have any limit on the liability of its members. As a result, if the company assets fail to pay off creditors, members will have to use their private assets to clear debts, increasing the risk factor involved.

## **How to Register?**

Step 1: Apply for DSC (Digital Signature Certificate) and DIN (Director Identification Number)

Step 2: Apply for the name availability

Step 3: File the MOA and AOA to register the private limited company

Step 4: Apply for the PAN and TAN of the company

Step 5: Certificate of incorporation will be issued by RoC with PAN and TAN

Step 6: Open a current bank account on the company name

## **Key Highlights**

### **Easy Transferability**

As the ownership of a company is represented by shares, the ownership of a company can be transferred to any other legal entity or person in India or abroad easily - in part or whole. The directors can also be replaced to ensure business continuity.

### **Limited Liability**

A private limited company provides limited liability protection to its shareholders. In case of any unforeseen liabilities, it would be limited to the company and not impact the shareholders.

## **Funding**

A company can raise equity capital from persons or entities interested in becoming a shareholder. Entrepreneurs can raise money from angel investors, venture capital firms, private equity firms and hedge funds.

### **Documents Required**

#### Directors

- Digital Signature
- PAN for Indians & Passport for Foreigners ( mandatory)
- Aadhaar
- Passport/Driving license/Voters id (Bank statement with address – not older than 2 months)
- Telephone bill or mobile bill with address ( not older than 2 months)
- If promoter is foreign national the id proof and address proof need to be attested by the respective consulate

#### Registered Office

- Building tax receipt/ ownership certificate
- Utility bill (gas bill, phone bill with address)- not older than two months
- NOC / rent agreement

#### Other Details

- Main Object
- Name
- Authorized Capital & Paid-up Capital
- Ratio of share between partners
- Email ID
- Promoter's Educational Qualifications
- Phone number
- Duration of stay at present residential address