

## ABOUT US

Kashyap Partners & Associates brings both global expertise and homegrown experience to handle even the toughest of cases.

We are a boutique law firm specializing in Intellectual Property, Media Law, Immigration Law, Medical Law, Commercial Law, Consumer Protection Law, & Alternative Dispute Resolution. Our attorneys provide the complete ambit of services in each of our specialties – from counselling, drafting, negotiation, ADR and even litigation.

Kashyap Partners & Associates works to provide a bridge between both the US and India. Our attorneys are licensed in the state of New York, Washington DC, New Jersey, as well as the courts of India. This allows us to handle legal matters involving both jurisdictions.



# ORGANIZATING YOUR BUSINESS For StartUps

Business  
Formation  
Options



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Starting your own business is a professionally and personally fulfilling experience – but it is not easy. The effort of starting your new firm will demand your complete focus and intention. The first step is creating a detailed business plan – to understand what your business will do, and how. But in order to turn your business plan into a business, you need to find the right business structure to meet your goals.

There are several factors to be considered while selecting an appropriate form of business organization, including: the nature of your business, volume of the business, area of operation, finance, ownership and control, liability, independence. The Indian law gives a plethora of options to an entrepreneur to choose from:

### **Private Company**

The most common structure for small and medium businesses is the private company. This is a formal organization that is owned by a limited number of people – though the level of ownership, control, and investment between these owners may vary greatly. If you are looking for a structure that allows for easy investment, limited personal liability, and easy expansion, a private company may be the right fit for you.

### **Sole Proprietorship**

If you are looking to get into business by yourself, a sole proprietorship is the best way to go. A sole proprietorship works similar to a limited liability or company – except it is run by a single person. For the solo entrepreneur, a sole proprietorship offers the advantages of a company, but with fewer compliance and relaxations of certain restrictions.

### **Non-Profit Organization (NPO)**

If your business' object is charitable or to promote arts, science, or the public good a Non-Profit Organization may be the right way to go. An NPO functions like a limited company with a few additional regulations, but comes with significant advantages in terms of tax and filing fees. However, the income of an NPO must be used to promote only charitable objects and cannot be issued as dividends.

### **Micro, Small and Medium Enterprise (MSME)/ Small Scale Industry (SSI)**

Smaller sized industries in the manufacturing and service sector can become a MSME or SSI. This includes any manufacturing enterprises with less than 10 crores invested in machinery and plants, and any service enterprises with a total investment less than 5 crores. The benefits of this form include priority sector lending, power tariff subsidies, capital investment subsidies and excise and direct tax exemptions. It is therefore ideal for professional and software firms.

### **Society**

If you are a group of like-minded individuals looking to do good in the world, you may want to set up a society. A society is a relatively flat organization structure that exists for the purpose of charitable activities such as poverty relief, arts, education, religion, and the like. There must be at least 7 members to have an organization registered as a Society, all of whom are equal – and all of whom share a limited liability for the society.

### **Partnership**

If you are a small or medium sized business, and want a simpler, flatter structure than a company, a partnership may be a viable option. A partnership is a business structure in which two or more equals manage and operate their business in accordance with the terms and goals set out in a partnership deed.

While a partnership offers less internal flexibility than a company, it is easier to set up and is subject to fewer government regulations. The liability of the partners in a partnership is absolute – each partner will be liable for the actions of the partnership.

### **Limited Liability Partnership (LLP)**

For those smaller businesses daunted by the absolute liability required by an ordinary partnership, an LLP may be a better option. It offers many of the advantages of a partnership, with only a few added formalities. The partners in an LLP, however, will have limited liability and will not be responsible for other partner's misconduct.

