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**CHARTERED ACCOUNTANTS**

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**Steps in Formation of Start Ups**

Following are the steps involved in formation of Start Ups –

**Step 1 Deciding the Constitution of Your Start Ups**

Start Ups can select constitution as Sole Proprietary concern or Partnership Firm or LLP or Private Limited company. Decision as to which form to be selected is based on several factors viz . nature of business, number of persons, capital requirements, expected customers, estimation about infrastructure and employee related requirements etc.

**Step 2 Obtaining Registrations**

Once the Constitution is finalised, then the next step is to obtain registrations statutorily required for such Start Ups.

Common registrations which are required to be obtained by all Start Ups may include – Constitution Registration (sole Proprietary, Partnership, LLP or Company), Obtaining PAN, Shop Act Registration, Profession Tax (Employment Tax) registration, Goods and Services Tax (GST) Registration, MEME (Udyog Aadhar) and IEC Code.

Additional registrations may also be required depending upon nature of business, number of employees or type of Industrial Licenses required etc.

**Step 3 Opening of Bank account and Capital contribution**

For doing business activities and also for certain registrations, opening of bank account is must. Bank account to be opened in the name of the business entity and necessary documentation requirements based on constitution as well as nature of business need to be completed by Start Ups.

Selection of bank must be made keeping in mind – existing relationship, expected nature of business, internet and other facilities made available by such bank, expected nature of customers etc.

**Step 4 Business Material**

This may include visiting cards, sales and quotations formats, price catalogues, proposal formats, delivery challans, vendor registration forms etc. even the logo or trademark, if any must also be made ready.

Now your start up is all ready to start the business activities.