

**Being an
Entrepreneur**

A Guide on Employment Related Compliance for Start-Ups Registration under various Labour Legislations

(where other Basic Registration is also required)

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Hi All, Greetings from HR Vidyalaya. I am Anandan Subramanian, dedicating this Blog series, for all those who supported me, to my earlier series, on HR and Employment Law. After a gap of almost 3 months, I am commencing my writing activity and wish to publish blogs in www.hrvidyalaya.com.

Ease of Doing Business in India (EoDB)

It is Ease of Doing Business (EoDB) in India, now. Any enterprising individual or group of individuals can commence a Business activity (a) by providing a Service (b) developing a Product (c) manufacture or (d) do trading, etc, at ease.

Let us discuss, in detail, the preliminary effort they need to put in conforming with the Regulatory Related and Employment Related legislations in India.

1. Have sincere partners in completing the Regulatory provisions required for your smooth Business operation. Or have thorough process knowledge to complete the formalities, on your own.
2. Be aware that few are One time conformation and many are continuous periodical conformation under various Regulatory and Employment related legislations
3. Decide on location/s to perform the operations (which will have an impact on few Registrations)
4. Determine the number of persons to be engaged to deliver the Service / Produce / Activity, even before Registration – to decide on conformation under various Legislations
5. Similar to choosing the Business Activity, it is mandatory that you choose the Right and appropriate manpower – Age, Skill, Nationality, etc (Under Age is prohibited, Persons more than Superannuation Age may be engaged than being employed and skill level decides the Minimum wages to be paid. Nationality determines legislative requirements in employing and deduction of Social Security contribution)
6. More focus is to be made in structuring the Compensation than deciding the Compensation, which would be meaningful to both Employee and Employer. Compensation Structure is one of the Key Retention Factor.

Basic Registration requirements of any entity:

- a. Registration of Name
- b. Preparation of MoU / AoA
- c. Registration as Company (Proprietorship, Partnership, LLP, Private, Limited, etc)
- d. Apply and obtain PAN & TAN
- e. Apply and obtain GST
- f. Register and obtain Operating License/Registration certificate under Regulatory Act (Factory or Shop or Establishment or Motor Vehicle or Catering or Mine or Plantation)
- g. Apply and obtain PF and ESIC codes (upon threshold applicability)
- h. Register under the Payment of Gratuity Act (wherever required)
- i. Register under PT and LWF (wherever required)

Documentation requirements for various Statutory Registration

| | Photo Of person | Mobile Number person | Active Email ID person | AADHAR person | ID Proof person | Address Proof | PAN | Company Registration | Bank details Company |
|-------------------------------|-----------------|----------------------|------------------------|---------------|-----------------|---------------|-------------|--------------------------|----------------------|
| PAN | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ----- | ✓ (for company PAN card) | ----- |
| GST | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ (Both) | ✓ | ✓ | ✓ |
| Company registration | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ Person | ✓ | ✓ |
| Office / Factory Registration | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ (both) | ✓ | ✓ |
| PF/ESI | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| LWF & PT | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

*** Both**

Persons & Company

Few Documental proof (For Office/Factory/LWF/PT Registration) are required in one State may not be required in the other State/s of India

Persons

Proprietor, Partners, Directors, etc.

**Address proof
of the person/s**

AADHAR, Electricity Bill, Landline Telephone Bill, Municipal Tax Bill, Rental Lease agreement or Consent letter from the owner in case of shared premise)

**ID proof of the
persons**

AADHAR, PAN card, Passport, Voter ID, Driving License

Digital Signature is mandatory for few Registrations

DIN may be useful while registering in GST

Government of India has advised the State governments to restrict themselves from strict inspection on the ambit of compliance of Nine labour laws (which the Government of India has exempted from inspection in first few years based on the self-certification). This is to not only to give relief but also to have a regulated mechanism.

Further, this will ensure the start-ups being encouraged to be self-disciplined and adhere to the rule of law.