

Essential Permits and Licenses for Business Setup in India - A Comprehensive Guide

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India is a growing economy and becoming a hub for unicorn startups. Growing businesses in different sectors contribute to India's success. However, one needs various permits and licenses for a business set up in India. The ability to operate a business depends heavily on getting the permits and licenses necessary to conduct business legally. Each state, county, and municipality have particular standards of their own. For some business categories, there are also federal regulations. India, however, has made great strides in recent years, making it much simpler for entrepreneurs to set up a business in India.

Many influencing criteria, such as the number of employees, industry, kind of business, location of the firm, etc., affect the licensing procedure differently for each type of business.

Licenses and permits are crucial in every type of business in every sector or industry. Businesses that have obtained all the permits and licenses stay out of legal trouble. This guarantees that no one is harmed in any manner as a result of a business's disruption. It keeps a check that no one is involved in illicit commercial operations and that the business or trade is being

conducted in a certain area and place. Therefore, business registration in India is compulsory for the own benefit of the business entity.

To allow businesses to function, the government of a particular municipality or state issues licenses and permits. Companies are permitted to carry out specific operations in a particular location. Also, these licenses and permits are used to check on firms to see if they are abiding by the law's requirements.

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Eligibility to Apply for a Business License

The eligibility criteria to apply for permits and licenses for business set up in India only requires three conditions to be fulfilled:

1. The applicant must be at least eighteen years old.
2. There should be no criminal record of the applicant, applying for the licenses and permits.
3. The business entity or the business for which such license and permit is required should be lawful to operate.

List of Business Licenses in India

The list of licenses and permits required for [setting up a business in India](#) is as under:

- **Business registration**

The first step to starting a business is to get the business registered as per the structure of the company. There are different types of business configurations like Company, Limited Liability Partnership, One Person Company, Partnership, [Private and Public Limited Company](#). These business entities can register under regulations issued by the Ministry of Corporate Affairs. Business registration in India is mandatory for every type of business.

- **PAN Card**

A PAN card is necessary for anyone doing business with an Indian company or in India. Regardless of whether the company is registered, has a permanent establishment, or has an office in India, it is also necessary for anybody who is involved in the generation of income out of India. PAN cards for businesses or companies can be obtained by submitting of PAN application form – Form49A.

- **GST Registration**

All businesses and individuals with annual revenues of more than Rs. 20 lakhs in the majority of areas and Rs. 10 lakhs in Special Category Provinces are required to register for GST. Regardless of income, anyone delivering products for intra-state sale must register for GST.

- **Professional Tax Registration**

Each individual who receives income from the practice of a profession, occupation, or trade is subject to professional tax, which is a direct tax. Professional tax in India is collected by the government of a state or union territory.

Professional Tax Registration is mandatory within 30 days of employing staff in a business, in the case of professionals, 30 days from the start of the practice. Application for the Registration Certificate should be made to the assessed state tax department within 30 days of employing staff for his business.

- **Shop and Establishment Act License**

[Shop and Establishment Act](#) licenses or registrations, which differ by state, are provided by state governments. As a result, depending on the State where the company is located, the appropriate State Public body should be contacted to get a Shop and Establishment Act License.

- **Trade License**

To conduct business activities including importing, exporting, and manufacturing, one must have a trade licence. You must submit an application and fulfil the conditions to obtain a trade licence. The requirement and procedure to apply for the same can be different depending on the state where

business is carried on.

- **FSSAI License**

Under FSSAI, the license or registration is divided into three categories namely: FSSAI Central License, FSSAI State License, and FSSAI State Registration.

- **Fire Department NOC**

The Indian Fire Department issues a No Objection Certificate (NOC) to protect against fire-related damages. The NOC is provided following evaluation of the impacted premises, fire assistance and fire safety mechanisms. The evaluation findings must adhere to all fire safety requirements set forth by the Bureau of Indian Standards.

- **Environmental Clearance**

The Environmental Clearance Certificate is a mandatory requirement for the project activities included in the Schedule of EIA notification dated 14th September 2006 under the Environment (Protection) Act 1986 before initiating any project-related activities on the site.

- **Import Export Code**

Everyone involved in importing or exporting products or services from India is required to get an Import Export Code from the DGFT Department. An Import Export Code can only be issued to a company that has both a PAN and a bank account.

- **MSME Registration**

Udyam Registration, also known as [MSME](#) Registration, is nothing more than a government registration that comes with a certificate of recognition and a special identification number. This registration serves to certify small, medium-sized, and microbusinesses. Small business has to get their business registration in India under MSME Act.

- **Trademark Registration**

A trademark may be registered under the Trademark Act of 1999. It permits the owner to have sole ownership rights and forbids other parties from using the mark in a way that benefits the registered mark's owner. Once a trademark application has been approved, the applicant and the brand may use the "TM" symbol. Trademark registration in India is necessary to safeguard the brand name.

Conclusion

All types of businesses require certain licenses and permits from government agencies to register their businesses. It all depends on the type of business you plan to conduct. To evaluate and understand the legal requirements involved with obtaining a business license and permission in India, speak with an expert before beginning a business.

FAQs

What is the process for obtaining permits and licenses for business setup in India?

Many factors, like the number of employees, the industry, the type of business, the location of the company, and others, might affect the licensing procedure differs depending on the industry.

How long does it take to obtain permits and licenses for business setup in India?

The new changes brought by the MCA have made it easy to register businesses of any nature with the government. It can take 10 – 15 days to register your business and the time for permits depends on its type.

How can a business owner ensure compliance with all legal and regulatory requirements for business setup in India?

One can take care of the following:

1. Audit all workplace policies and procedures.
2. Understanding responsibilities and obligations as a business owner.
3. Invest in workplace safety management systems and accreditations.
4. Check for compliance practices and policies through qualified professionals.

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