



PRABANDHAN MANTRA

A
Quarterly Newsletter



Editor's Desk

As an institution which believes in academic pursuits which have practical implications, B.I.T Durg has always been a forerunner in academic endeavors setting benchmarks in education and industry.

This newsletter aims at empowering professionals everywhere to lead more productive work lives by disseminating knowledge processed here at our campus.

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The Advantages of Starting a Business in Chhattisgarh

The Benefits of Starting your Business;

You have little to no control over your tax burden when you work for someone else's paycheck. You can, however, change this by establishing a business. When you own a small business, you may deduct a lot of business costs, lowering your tax bill and putting more money in your pocket. When and if you start your business, you give yourself the gift of financial freedom, and your business can help you build huge wealth.

Starting your own business allows you to control your life's journey, define your goals, comprehend your beliefs, and then act on them. Small business ownership provides you with the necessary tools to build the life you choose. Creating jobs for the economy is one of the most empowering things a business owner can do.

What are the *advantages of starting a business in Chhattisgarh?*

Minerals in Chhattisgarh;

Chhattisgarh has the ideal geological setting to host a variety of lucrative mineral reserves, and the state has the highest mineral wealth in India. Diamond, coal, iron ore, limestone, dolomite, bauxite, and tin ore are among the important minerals in the state. Only Chhattisgarh is an Indian state that produces tin ore. The state also has atomic minerals and the valuable metal gold. Among the other minerals are corundum, clay, quartzite, base metals, fluorite, beryl, andalusite, kyanite, sillimanite, talc, soapstone, and garnet. The state also has vast amounts of granite in a variety of appealing shades that can be used as decorative stones.

Clays, quartzite, fluorite, andalusite, kyanite, sillimanite, talc, soapstone, steatite, marble, silica

sand, and other minerals have also been discovered in various locations of the State. Steel production and electric power generation are also prevalent in Chhattisgarh. Chhattisgarh produces over 15% of the country's steel.

Agriculture in Chhattisgarh;

Agriculture employs almost 80% of the state's population, while the state's fertile land is cultivated to the tune of 43%. Paddy is the main crop, and Chhattisgarh's central plains are renowned as the "rice bowl" of central India. Coarse grains, wheat, maize, groundnut, pulses, and oilseeds are among the other significant crops. Mango, banana, guava, and other fruits, as well as a variety of vegetables, can be grown in the area. It contains one of the most diverse biodiversity areas in the country, with forests covering 44% of its land area. Tendu leaves, Sal seed, and other small forest products abound. Other possible revenue generators for the state include medicinal plants, bamboo, lac, and honey.

Chhattisgarh's Ease of Doing Business;

Investor-friendly policies exist in Chhattisgarh, such as the Industrial Policy, the Electronics and ITES Policy, the Agro & Food Processing Policy, the Automotive Industry Policy, and the Solar Policy, among others. The state is ranked among India's top states for "Ease of Doing Business." To ensure that services are delivered on schedule, the Lok Sewa Guarantee Adhiniyam was established. State Investment Promotion Board (SIPB), Chhattisgarh State Industrial Development Corporation (CSIDC), Chhattisgarh Infotech Promotion Society (CHiPS), and Naya Raipur Development Authority are some of the high-level enabling institutions it has established.

A single-window facilitation centre for investment promotion in both industrial and infrastructure projects is being developed, as well as an online system for granting all forms of sanctions, approvals,



and other documents. All state levies and taxes can be paid online. Annual filing of online returns, VAT refunds are simplified by paying directly into the firm's account within 60 days.

In place of manual registration, the state has implemented e-Registration. A common application form for VAT, CST, Entry Tax, Luxury Tax, and other taxes is being developed. The state grants presumed approval for land diversification, labour compliance, voluntary compliance, and other activities. The number of returns has been reduced from 32 to simply two. In place of 65, only one register should be kept for nonhazardous industries, A once-per-five-year inspection, online application for electricity connections.

Infrastructure;

The road network of Chhattisgarh is excellent. Good all-weather roads connect all district headquarters, tehsils, and development blocks. The existing road network is being improved. The state of Chhattisgarh shares boundaries with six other states. Several routes have been prioritized for an upgrade to ensure a smooth ride for interstate traffic. According to a survey by Coeus Age Consulting, Chhattisgarh has emerged as the top state in terms of policy and infrastructure readiness, as well as mission mode project performance. According to the Digital States of India latest study, Chhattisgarh was followed by Maharashtra, Haryana, Andhra Pradesh, and Madhya Pradesh in the top five states.

Railways in Chhattisgarh;

Railways play a crucial part in Chhattisgarh's industrial development since they help move vast amounts of coal, iron ore, and other commodities both within and outside the state. The Indian railways developed a new Railway Zone entitled 'South-East Central Railway' with its headquarters in Bilaspur,

Chhattisgarh, in recognition of the potential for mining and metal industry-related traffic in the state. Chhattisgarh's integration with the national railway system and the state's competitiveness will be strengthened through new projects. The Rajdhani Express connects Chhattisgarh to the national capital, New Delhi.

Chhattisgarh has the greatest freight loading in the country, and it accounts for one-sixth of Indian Railway revenue. The state's rail network spans 1,187 kilometres.

There are direct daily trains connecting Delhi, Kolkata, Chennai, and Mumbai from Raipur, which is located on the main Mumbai-Kolkata line. Many cities, including Ahmedabad, Allahabad, Varanasi, Bangalore, Cochin, Pune, and Hyderabad, have direct trains. In the state, PPP rail routes of about 452 kilometres in length are being developed.

Airports;

There are two airports in the state, one in Raipur and one in Bilaspur. Bhilai, Bilaspur, Korba, Raigarh, Jagdalpur, Ambikapur, Jashpur Nagar, and Sarangarh are the state's eight airstrips.

Raipur Airport has won the 'National Tourism Award 2012-13' for being the finest non-metro airport in India. Raipur is connected to New Delhi, Mumbai, Kolkata, Bhubaneswar, Nagpur, Bhopal, Indore, Ahmedabad, and Hyderabad via daily flights.

During the 2013-14 fiscal year, Raipur Airport received 839,534 passengers and handled 9,279 flights. The Airports Authority of India (AAI) has proposed building two additional airports in Raigarh and Bilaspur. Raigarh Airport has received AAI approval, with an estimated cost of US\$ 48.8 million, and the state government is working on signing an MoU with AAI.

How to start a business in Chhattisgarh?



1. Begin with a sound Business Idea;

You must first ensure that you have a good idea. From there, you can create a product that meets consumer demand. However, before you get into anything, make sure you do your homework.

2. Do some research on your Business Idea?

Market research is essential, as is a thorough examination of your competitors. This will allow you to assess the level of interest in your audience and:

- Recognize your consumers' demands;
- Determine whether your product has any potential flaws.
- Reduce financial losses by making more informed decisions
- Discover niche markets you may not have been aware of.
- Set objectives that will lead your firm.
- Identify your target audience
- Analyze the competition.

3. Develop a Business Plan;

Your business plan lays forth your present and long-term objectives. This is a resource that successful businesses use to structure their company's direction. A business plan is essential since it can assist you in making more strategic and efficient decisions. It also assists you in focusing on your objectives and tactics. Another advantage of a business plan is that it can assist you with:

- Identifying potential flaws
- Getting your ideas through to stakeholders
- Organizing critical information regarding your company
- Hiring candidates who are right for your company

4. Register your New Business;

It's time to take your business to the next level by making it official once you've spent enough time exploring your idea and determining that it has the potential to do well in the market.

You'll need to do the following to accomplish this:

- Register your business
- Reserve Unique Name
- Apply Digital Signature Certificate
- Prepare Supporting Documents
- Submission of Documents
- Obtain a certificate of incorporation
- Obtain your Director Identification Number
- Obtain TAN & PAN.

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Documents You Need to Start a Business in India

Business documents required in India

While the documentation requirements of some businesses might differ from others, a company in its most nascent stage broadly requires the documents mentioned below. Please note, these are the documents required for any business that wants to register itself under the Government of India. The documentation requirement differs in regards to freelance or individual ownership.

Shareholder Agreement

Behind any company that is up and running, there are a number of pillars who have invested their money. These pillars are called shareholders.

They are given certain shares in the company in exchange for their money. Basically, this means that the shareholder becomes one of the owners of the company and has certain rights in crucial decision-making processes. A shareholder agreement is a legal document that is made between the company and the



shareholders. It lists out the rights, powers and provisions that they get. It ensures that no rule is violated and the rights are preserved. This document provides a clear understanding of the relationship between the company and its shareholders. In the long run, this helps in quicker solutions for any dispute that might occur and ensures smooth collaboration.

How to get a shareholder agreement and what does it comprise of?

A shareholder agreement can be drafted by your business lawyer or by a legal expert. Usually, a shareholder's agreement consists of the following basic provisions:

- In what proportion a shareholder is going to hold the shares?
- Will there be a different class of shares for different category of shareholders
- If there are new issues of shares in the market should the existing shareholders get the privilege of getting those shares first?
- Can the board of directors stop the issuance of any such share or can they stop the transfer of shares?
- What are the rules for transferring of shares?
- What are the ways to solve a dispute, how would a contract end and the exit policies?

Founders' Agreement

Oftentimes you must have seen colleagues turn co-founders. Well, this is the document they need. A Founders' Agreement is an official contract that is signed between all the co-founders of the firm.

This document states all the responsibilities, ownership, and initial investments made by each of the founders. It is advised to make a founders' agreement at the incorporation stage of a business as it will lay out the responsibilities and roles of each of

the co-founders. It is also advisable to have a written format of this document.

How to get a founder's agreement & what should a founders agreement comprise of?

Just like the shareholder agreement, you can draft a founder's agreement on a stamp paper with the help of your business lawyer or any

Now, let us look at the essentials that are a must in any founders' agreement. They are:

- Definition of the business
- Details of capital raised (by founders and investors)
- Ownership details (in the company)
- Roles and responsibilities of each of the co-founders
- Compensation (salary drawn by each of the co-founders)
- Details of exit formality for founders
- Dissolution of the firm
- Details of dispute resolution
- Miscellaneous provisions (assignment of intellectual property rights, non-compete clauses, etc.)

Certificate of incorporation

Just like every individual is obliged to get their birth certificate, every company is required to get a Certificate of Incorporation for themselves. A Certificate of Incorporation is the legal document that makes the company formation valid or brings the company into existence.

This comprises of the following components:

- The name of the corporation with its abbreviation
- A statement of business purpose



- The corporation's registered office's address and the name of the registered agent for the address
- Number of the shares of stock that are authorized to be issued and a description of the different types of stocks that can be issued by the company if there are more than one type
- The name and address of the corporation's incorporated

This is in line with the Companies Act 2006. Simply put, it's your company's birth certificate. Here is the process you need to follow to get this certificate for your business:

How to apply for a certificate of incorporation

Step 1: Acquire Director Identification Number (DIN)

As per the Companies Act, 2006 it is mandatory for every director to obtain their DIN. You can create an account on the MCA website and fill the form here. You will also be required to update the Registrar of Corporate about the information.

Step 2: Acquire Digital Signature Certificate (DSC)

The Information Act 2000 requires a valid digital signature on all the documents to ensure that the documents submitted are original and authentic; This is the only way to a quick and fast submission of the documents electronically.

Step 3: Application for a company incorporation certificate

The final step includes adding the company name, registering the office location/address, details of company directors, manager and secretary. Here, you will be asked to fill Form 1, Form 18 and Form 32.

On submitting all the forms, the MCA will review and approve the application and a further

confirmation email regarding the approval will be sent to your inbox.

No objection certificate (NOC)

There are chances you have signed at least one NOC in your life. Remember the time you purchased a second-hand vehicle or availed a loan from a bank!

No Objection Certificate (NOC) is a legal document that is issued by any company, individuals or a corporation. It has a list of items against which the signee has no objection. This document is used by businesses during employment, trade, immigration, partnership and a lot more. This legal document can be used for or against in the court of law. No Objection Certificate usually consists of basic details of the parties involved, and it is addressed to whosoever is concerned.

How to get a no-objection certificate

You can get a template of NOC for yourself which can be used on a recurring basis by your business lawyer or a legal expert. It can be printed on a stamp paper or a normal letterhead.

Company PAN card

Permanent Account Number (PAN) is a must-have a document for anyone who comes under the bracket of the taxpayer. This means it can be an individual, a sole proprietorship, partnership or a private limited company. Be it an Indian company or a foreign company, you need to get registered and have a PAN card. You can get a company PAN for yourself by following an easy process.

Documents required to apply for a PAN card

- An identity or address proof
- A copy of the certificate of incorporation
- A copy of a no-objection certificate issued by MCA (Ministry of Corporate Affairs)



TIN number

Tax Identification Number is a unique number assigned to a business by the Commercial Tax Department of the state that has received the application. It is an 11-digit number that serves as an identity for a business, which is registered under VAT for the trade of goods and services. Documents required for TIN might vary between states.

Documents required to apply for a TIN number

- Identity proof
- Address proof
- Address proof of the business that has applied for it
- PAN Card of the proprietor
- 4 to 6 passport sized photographs of the concerned proprietor

How to apply for the TIN number in India

Below is the procedure for the application of TIN. However, it is subject to change based on the state that has received the application.

- Sign up on the VAT portal of the relevant state government with a unique login ID
- Fill up the application available on the portal with required details and upload the essential documents
- The submitted application is verified by the Commercial Tax Department of the concerned state, following which a provisional certification and TIN is allotted
- A VAT inspector employed by the state government visits the business address as a part of the final verification and issues the final certification

Non-disclosure agreement

A non-disclosure agreement is a contract wherein two parties sign a document while agreeing not to disclose any confidential information outside of work. The main purpose of the non-disclosure agreement is to protect sensitive information. It is a legally binding contract between the two parties.

How to get an NDA for your business

To get an NDA for your business, you can take help of your business lawyer. Please note, it is not mandatory to get an NDA printed on a stamp paper. An NDA can be printed on a letterhead of the company and signed by the parties on both sides of each page of the NDA. However, if you choose to print the NDA on a stamp paper, get it printed on a non-judicial stamp paper or e-stamp paper (available in certain states). Always have the NDA signed in the presence of witnesses? After this, you are required to get the NDA notarized to bring it to the legal power.

GSTIN

Each taxpayer is assigned a state-wise PAN-based 15-digit Goods and Services Taxpayer Identification Number (GSTIN). A GSTIN is mandatory by the government for businesses with an annual turnover exceeding Rs.20 lakh. If you are a registered dealer, you need to file GST returns and make a payment if GST liability exists. Additionally, a GSTIN also helps when you are looking to avail a loan to fund your business.

Be sure you know what tax rate you're subject to for your goods and services.

Employee offer letter

Do you remember waiting for that one letter from the company you have been waiting to be a part of? Well, that's an offer letter! An employee offer letter is one of the most important documents at the time of employee on-boarding. It is a formal letter given by



the company offering employment to a selected candidate.

An offer letter is drafted on the letterhead of the company and is a very critical document containing important information relating to the employee's terms of employment.

If the candidate is satisfied with the terms of the contract and is willing to join the company, then he must accept the offer within the time period stipulated in the offer letter. This is because the company can withdraw the offer on expiry of such a stipulated time period.

Please note: Like a proper offer letter, there should also be a legally approved resignation letter for any employee who exits the company.

Both, the offer letter and the exit letter can be drafted in your company's letterhead by the administration, undersigned by the CEO or alike. With this, you will have all the documents that you need in hand while you take-off with your big idea! It is recommended to create a duplicate of all of these crucial documents and always have a soft copy by your side. While you get those documents for your business, make sure you are getting assisted by registered legal professionals! We hope this listicle help you start off on your idea.

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