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IMPORTANCE OF REGISTRATION OF THE COMPANY FOR YOUR BUSINESS

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Starting up any new business it can be a daunting task, and there are many important decisions to be made. The most important decisions we will make is whether or not is to register your company; first of all when you decide to start a business registration of a company is an essential part of your business. And the other you should plan, preparing, registering, launching, and establishing the business is the right way of starting a business.

First, we should know what company is registration? Company registration is the most important process is to registering your business with the appropriate authorities is known as company registration. It denotes that formal permission to engage in commercial activity is granted to you if you register as a company. In the modern era a crucial step is taken by to start a new business. Earlier, company registration was a time – consuming and expensive procedure for startup but with the development of the internet business takes a drastic change. Regardless of the firm's size, business registration is necessary to safeguard your company legally. If you register your firm, you gain access to a variety of advantages for your fledgling enterprise.

There are several benefits to registering your business, and in this post, we will examine some of them. To operate a business in the Indian market, a company must be registered. Understanding the benefits of company registration is crucial for all new business organisations to launch their ventures successfully.

A legal commercial organisation of this kind is a company. Typically, it consists of a group of individuals who have come together to form a business organization and who have a common seal, everlasting succession, and a different legal entity. It is a legitimate existence covered by the 2013 companies Act or any other prior acts that were prevalent in india.

DIFFERENT TYPES OF COMPANIES IN INDIA:

- 1. ONE PERSON COMPANY OR OPC :** it can be implemented by a single person, as the name suggests. This new business category was created specifically to support young and beginning business owners. Also, it promotes the idea of corporation's commerce. You should be aware that OPC has separate legal existence and very minor financial obligations, unlike the sole proprietorship firm.
- 2. PRIVATE COMPANY:** to register a private company under the companies act, at least two people are required. It is not permitted to trade on a licenced exchange or accept shares or debts obligations from the general public. Up to 200 people may be members of a private business.
- 3. PUBLIC COMPANY:** to establish a public company, seven members are required at the very least. the securities are freely transferable and are posted on a stock exchange. The number of members is not limited in any way.

There are some reasons why company registration is so important:

LEGAL PROTECTION: it is one of the very important tools for safeguard your business from any dispute arising related to your company because legal protection would save you from any problem relating to your business. when you register your company, a legal entity is created by you that is separate from its owners. Company and the owner both have different legal entity if any problem is arising to your company than you would not personally be liable. This means that any business debts or legal issues are protected by your personal assets. Any issues regarding the any business-related debts you would be personally liable without the company registration. For safeguard your personal finance and assets you would register your company.

BRAND PROTECTION: when you are registering your company your brand identity would be save there no one have any option to copy your company name and logo it can protect your brand identity. It can prevent your company from copying your branding and creating confusion in the market. It can save your company form any misconduct or any fraudulent activity relating to your company. Registering your company people don't hesitate to buy a product because they know company have a legal protection and they have their own legal entity as well as brand protection.

CREDIBILITY: when you register your company, you are demonstrating that you are serious about your business that you registered your company and that have taken the necessary steps to establish it as a legitimate entity. If company have no any credibility, brand protection or unregistered business customers, suppliers or investors, they may hesitate to work because unregistered company have not given any guarantee to customers , investors and supplier they should not take any responsibility on their own. The most probably chance is to unregistered company are fraud they have no any legal entity. Company registration lends credibility to your business.

EASY TRANSFERABILITY: when we register a company, it is easy to sell the business and make a profit and also we required is to change the entire shareholding rights to the buyer and therefore it is easy to transfer the ownership and management by simple agreement. In this way, money, time and importantly the big process of stamp duty are also saved in a company. It will get easier to transfer the business property to other businesses seller.

BPRROWING FUNDS: when you register your business as a company, we can enjoy all types of funds. Large financial assistance usually is offered by banks and financial institutions and investors prefer to work with registered company because they are stable, and they have their own legal identity and other than the unregistered company. bank or investors don't hesitate to give loan to any registered company because they know they are the trustworthy company.

TAXATION: company tax on their profits will be paid by organisations that are registered as a company. In registered companies they are entitled to a range of tax benefits and incentives. It can include lower tax rates, tax deductions, and exemptions. Additionally, it offers a large range of latitude and costs that are tax deductible and can be offset against a company's profits.

DUAL OR MORE RELATIONSHIP: your business can enter into legally binding contracts with any of its directors and shareholders by registering as a company form of organization. The person is simultaneously in charge of the company in addition to their job. For instance, a person may simultaneously occupy the position of shareholder, creditor, employee, and director of the business. And a person can gain from all of his jobs, for instance, if he/she is a shareholder of the company and also a creditor, they can both collect dividends and interest.

COST AND RISK FACTORS: given the considerable financial risk inherent with high – tech projects, it is always preferable and advantageous to pursue large capital expenditure or hi-tech initiatives. Even banks and other financial institutions urge that businesses be registered as corporations rather than choosing other organisational structures when obtaining business loans or financial support.

In conclusion, registering your business is a crucial step in starting a successful enterprise. It offers legitimacy, trademark protection, legal protection, finance access, and tax advantages. A legal expert should be consulted if you are beginning a new business endeavour to determine the optimal business structure to all legal criteria for company registration.

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