

ABSTRACT

COMMENCEMENT OF BUSINESS BY PUBLIC AND PRIVATE COMPANIES

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The formation of the company is very early and the initial stage. Before establishing a company, one needs to follow certain rules and regulations in order to form a strong base for working. These rules and regulations are in most of the cases mandatory while dealing with any legal venture. There are some rules and regulations prescribed by the government that one needs to follow while setting up their business. A company can only be formed once all the legal formalities are being done with proper procedures. The authorities have the special powers and a system that has to be followed by each and every business organization that has to be followed for the commencement of its business. These rules and regulations give the entity a legal identity and provides other benefits as well. For example: when an individual takes birth, its body parts are the immense element which is being formed before taking the birth, similarly when a company is formed, before that it has its several aspects and parts which has to be build after which the company is taken into an account to commence its business. Before the commencement of business there are some mandates that needs to be followed, which are:

- Promotion of a company
- Registration of a company
- Certificate of incorporation
- Certificate of Commencement of business

Obtaining Certificate of Commencement of business is one of the mandatory steps that needs to be followed by the companied before running business and after the registration of the company. It was a mandatory step until Companies Act, 2015 was introduced. The Act has now been removed and the previous compulsion of having this certificate now depends. It depends on the company, whether the company wants to obtain the certificate or not. But before looking into what is certificate of commencement of business and what are the mandates of certificate of commencement of business. Firstly, the paper will look into other rules and regulations that needs to be followed then there will be discussion about certificate of commencement of business.