

Comparative feature of different type of Business entity can be formed,

Compare Business Types

<b>Features</b>	<b>Sole Proprietorship</b>	<b>Partnership</b>	<b>Limited Liability Partnership)</b>	<b>Private Limited Company</b>
<b>Starting up</b>	No registration required	Registration is optional	Mandatory registration	Mandatory Registration
<b>Business Name</b>	No approval required. Should not infringe trademark or copyright	No approval required. Should not infringe trademark or copyright	Approval required prior to incorporation	Approval required prior to incorporation
<b>Legal Status</b>	Not a legal entity	Not a separate legal entity	Separate legal entity	Separate legal entity
<b>Foreign Nationals</b>	Not allowed	Not allowed	Allowed. Min 1 resident Designated partner needed	Allowed
<b>Repatriation</b>	Not allowed	Not allowed	Not allowed	Allowed
<b>Persons</b>	Min: 1, Max : 1	Min: 2, Max: 20	Min : 2, Max: No Limit	Min: 2, Max: 50
<b>Charter Document</b>	None	Partnership Deed	LLP Agreement	Memorandum of Association (MoA) and Articles of Association (AoA)
<b>Business Licenses</b>	Applicable as per business requirements	Applicable as per business requirements	Applicable as per business requirements	Applicable as per business requirements
<b>Validity</b>	Till death of Owner	Dissolved on death of a partner. Can be dissolved at the will of all partners or even one partner can give notice for dissolving.	Perpetual succession	Perpetual succession
<b>Registering Authority</b>	None	Registrar of Firms	Registrar of Limited Liability Partnerships, MCA	Registrar of Companies, MCA

<b>Governing Act</b>	None	The Indian Partnership Act, 1932	The LLP Act, 2008	The Companies Act, 1956
<b>Compliance Requirements</b>	Low	Low	Moderate	High
<b>Income Tax Rates</b>	Individual rates	30%	30%	30%
<b>Profit Sharing</b>	Taxable	Exempt from tax	Exempt from tax	Taxable
<b>Liability</b>	Unlimited. Personal property is also covered	Unlimited. Personal property is also covered	Limited upto contribution in LLP (except in case of Fraud)	Limited upto extent of shares hold (except in case of Fraud)
<b>Capacity to Sue</b>	Individual level	As a Firm (in case of registered firms). Individually/ Collectively (in case of not registered firms)	As a Firm	As a Company
<b>Market Reputation</b>	Low	Low	Moderate	High
<b>Winding up/ Dissolution</b>	Easy	Easy	Prescribed process to be followed	Prescribed process to be followed