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Company formation in India

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Flag



State Emblem

Common form	Private limited company (Pvt Ltd) [1]
Registry	Ministry of Corporate Affairs (Registrar of Companies), via SPICe+ [1]
Minimum capital	No minimum [1]
Directors	2 directors [1]
Local director	At least 1 director must have stayed in India for 182 days or more in the previous year [1]
Corporate tax	22% under the optional new regime, otherwise 25% or 30%, plus surcharge and cess [2]
VAT / sales tax	GST; 18% for most goods and services [2]
Typical timeline	Usually 1–3 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Indian rupee (INR)

In short: To set up a company in India, most founders form a private limited company, registered with the Ministry of Corporate Affairs (Registrar of Companies), via SPICe+. [1] Minimum capital: no minimum. Corporate tax: 22% under the optional new regime, otherwise 25% or 30%, plus surcharge and cess. Registration: usually 1–3 weeks (as of November 2026).

A **private limited company** in **India** is incorporated online with the **Ministry of Corporate Affairs** using the SPICe+ form, which also issues the company's tax numbers. It needs at least two directors, one of them resident in India.

Business structures

Most founders in India form a private limited company, registered with the Ministry of Corporate Affairs (Registrar of Companies), via SPICe+. [1] Other forms are listed below.

- **Private limited company** – the usual choice; 2 to 200 shareholders
- **One Person Company (OPC)** – for a single Indian founder
- **Limited liability partnership (LLP)** – popular with professional firms
- **Branch or liaison office** – for foreign companies, with central bank approval

Requirements

Minimum share capital in India (2026): no minimum. Directors required: 2 directors. Local resident director: at least 1 director must have stayed in India for 182 days or more in the previous year. [1]

- A company name that is available, checked with the registry.
- Share capital: no minimum.
- Directors: 2 directors.
- Local residency: at least 1 director must have stayed in India for 182 days or more in the previous year.
- A registered office address in India.
- Articles of association; standard templates are often available.
- Beneficial owners reported to the significant beneficial owner filings with the Registrar.

Registration process

Typical time to register a company in India (2026): usually 1–3 weeks. [1] The usual steps are:

1. Choose the company form and check that the name is available.

2. Prepare and sign the articles of association.
3. File the registration with the Ministry of Corporate Affairs (Registrar of Companies), via SPICe+.
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Income Tax Department.

Taxation

The corporate tax rate in India in 2026 is 22% under the optional new regime, otherwise 25% or 30%, plus surcharge and cess. [2] **Standard VAT or sales tax: GST; 18% for most goods and services.** [2]

Tax	Rate and notes
Corporate income tax	22% under the optional new regime, otherwise 25% or 30%, plus surcharge and cess
VAT / indirect tax	GST; 18% for most goods and services
Withholding tax on dividends to non-resident companies	20%

Ongoing compliance

Annual compliance in India: Companies file annual returns and financial statements with the Registrar, an income tax return, and GST returns. [1]

Double tax treaties

India has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
20%	4 to 20%	20%

Surcharge and cess are added; treaty rates often apply instead.

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for India lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in India?

Typical registration time in India: usually 1–3 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in India?

Minimum share capital in India: no minimum (as of November 2026).

What is the corporate tax rate in India in 2026?

The corporate tax rate in India in 2026 is 22% under the optional new regime, otherwise 25% or 30%, plus surcharge and cess. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in India?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in India: at least 1 director must have stayed in India for 182 days or more in the previous year.

What withholding tax applies to dividends paid from India?

India withholds 20% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- Ministry of Corporate Affairs (Registrar of Companies)
- Income Tax Department

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in Australia
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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