Startiqo

Built for Business.

THE COMPLETE GUIDE · 2026 EDITION

Company Registration in India

From idea to incorporated, explained in plain English



What a company is, which structure to choose, how to name it, what it really costs, every step on the MCA portal, the first 180 days after incorporation, tax, startup benefits and annual compliance. Everything a founder needs, as the law stands today.



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Based on the Companies Act, 2013, the Companies (Incorporation) Rules, 2014 and the LLP Act, 2008

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BEFORE YOU BEGIN

About this guide

This guide is for first-time founders, freelancers turning into companies, and professionals helping them. You don't need a legal or finance background. Every term is explained the first time it appears, and a glossary sits at the back.

It follows the journey in the order you will meet it: choose a structure, name it, set up the people and capital, file, then run the first 180 days and the annual cycle. Where the law changed recently, or a change is pending, the guide says so plainly. The law is stated as on 14 November 2026.

The 10 things every founder should know

1. **A company is a separate legal person.** It owns assets and signs contracts in its own name. Your risk as a shareholder is limited to the unpaid value of your shares.
2. **There is no minimum capital.** A company can be incorporated with any paid-up capital, including a very small one.
3. **If you plan to raise equity, choose a Private Limited Company.** LLPs cannot issue shares or stock options, which is what investors expect.
4. **Incorporation is online and mostly one form.** SPICe+ covers name, DINs, PAN, TAN and optional registrations such as GST, EPFO and ESIC.
5. **An approved company name is not a trademark.** The Registrar approves names; only a trademark registration protects the brand.
6. **You need an Indian registered office and a resident director.** A resident director is one who stayed in India for at least 182 days in the previous calendar year.
7. **The first 180 days have hard deadlines.** First board meeting and first auditor within 30 days, share certificates within 2 months, INC-20A within 180 days.
8. **A company cannot start business until subscribers pay for their shares** and INC-20A is filed. This is the most commonly missed step.
9. **Your tax regime choice is a real decision.** The 22% regime and the startup tax holiday do not go together. Model both before you opt.
10. **Paper the founder arrangements early:** shareholders' agreement, vesting, and assignment of IP to the company. They decide how your first funding round goes.

HOW TO USE THIS GUIDE

Read chapters 1 to 9 before you file. Use chapters 10 and 11 as checklists. Chapters 12 to 17 cover tax, startup benefits, foreign money and compliance. Chapter 18 lists what changed in 2025 and 2026.

INSIDE

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THE BASICS

1 What a company really is

A company is a legal person created by registration under the **Companies Act, 2013**, separate from the people who own and run it. That one idea explains almost everything that follows.

SECTION 9 From the date of incorporation named in the Certificate of Incorporation, the subscribers become a body corporate with perpetual succession, able to hold property, make contracts, sue and be sued.

What you get

A separate person

The company owns the assets, signs the contracts and holds the bank account. If a founder leaves, the company carries on.

Limited liability

A shareholder's risk is limited to the unpaid amount on the shares. Business debts belong to the company, not to you.

Shares you can issue

Equity can be sold to investors and shared with early employees through stock options.

Credibility

Banks, large customers and investors treat a registered company as the default counterparty.

What you take on

- **Compliance that does not depend on revenue.** Annual financial statements and annual returns must be filed even in a year with no business.
- **A mandatory audit.** Every company must appoint a statutory auditor and have its accounts audited, whatever its size.
- **Directors' duties.** Directors owe duties to the company under section 166, and can be penalised for filing defaults.

WHERE LIMITED LIABILITY STOPS

Banks usually ask founders for personal guarantees. Courts can look past the company in cases of fraud. Directors can also be held personally responsible for certain statutory defaults. Limited liability is protection for honest risk, not a licence for loose practice.

Common misunderstandings

"Once my company name is approved, the brand is mine."
No. The Registrar approves a name for the company register. Brand rights come from a trademark registration. A registered trademark owner can object to a company name later, and the company can be told to change it.

"I need ₹1 lakh in the bank to incorporate."
No. There is no minimum paid-up capital. Choose a number that matches real needs, and remember that every subscriber must actually pay for the shares taken.

"A company needs two people."
A Private Limited Company does. A One Person Company (OPC) is built for a single founder, with a nominee named in the documents.

"A company is registered for GST automatically."
No. GST, Udyam, shops and establishment, EPFO and ESIC are separate registrations. SPICe+ lets you apply for some of them together, but you decide which.

"I can use my home as the office."
Often yes, with the owner's consent and a recent utility bill. The address must be real and able to receive official letters. Chapter 7 explains what the Registrar looks for.

"Incorporation is the finish line."
It is the starting line. The first board meeting, first auditor, subscriber payments and the commencement declaration all fall due soon after.

"Limited liability means I can never be sued."
The company can be sued, and in specific situations so can its directors. Keep personal and company money apart, and never sign a guarantee without understanding it.

IN SIMPLE WORDS A company is a separate legal person that you own and steer. You get protection and credibility. In return you accept formal records and annual filings.

START HERE

2 Choosing your structure

For most founders only two structures are serious candidates: the **Private Limited Company** and the **LLP**. The table lists all of them so you can see why the others drop out.

Structure	Law	Liability	Minimum people
Sole proprietorship	No separate statute. GST and Udyam registrations as needed.	Unlimited. You and the business are one.	1
Partnership firm	Indian Partnership Act, 1932	Unlimited, joint and several	2 partners
LLP	Limited Liability Partnership Act, 2008	Limited to the agreed contribution	2 partners, 2 designated partners (one resident)
One Person Company	Companies Act, 2013	Limited to unpaid shares	1 member and 1 nominee, 1 director
Private Limited Company	Companies Act, 2013	Limited to unpaid shares	2 members, 2 directors (one resident)
Public Limited Company	Companies Act, 2013	Limited to unpaid shares	7 members, 3 directors
Section 8 company	Companies Act, s.8, with a licence	Limited. Profits cannot be distributed.	As for private or public company

A private company can have at most 200 members, not counting current or former employees who hold shares. It cannot invite the public to subscribe to its shares.

A few details that decide the choice

One Person Company

For one founder, who can be a resident Indian or an NRI. Since 2021 there is no forced conversion on crossing a size limit, and an OPC can convert voluntarily. It cannot take co-founders or equity investors.

Public company

Needed only to raise money from the public or list on an exchange. A private company can convert later, so starting public only adds rules.

Partnership firm

Cheap to create, but each partner is personally liable for the firm's debts, including those caused by another partner.

Sole proprietorship

Fine for testing an idea. No separate legal person, no shares, no equity route. Many founders incorporate once revenue or hiring begins.

Which structure fits your situation?

Each row names the best fit and says why the other options usually lose. This is a starting point, not advice for your facts.

Your situation	Best fit	Why the others usually do not suit
Solo founder testing demand, no employees yet	**Sole proprietorship**	A company adds audit and annual filings before there is revenue. Move to a company once you hire, sign big contracts or need protection.
Solo founder who wants limited liability	**One Person Company**	A private company needs two members. An LLP needs two partners. A proprietorship has unlimited liability.
Two or more founders planning angel or VC money, with stock options	**Private Limited Company**	An LLP cannot issue shares or options. An OPC has one member. Investors are set up to hold shares and negotiate a shareholders' agreement.
Consultants, designers or professionals who share profits and will not raise equity	**LLP**	A private company costs more to run. A partnership gives no limited liability. Check professional-body rules for regulated professions first.
Foreign parent setting up an Indian subsidiary	**Private Limited Company**	A foreign company cannot be an OPC member. A subsidiary company is the cleanest way to hold shares and receive foreign investment under FEMA.
Social or charitable venture that will not distribute profits	**Section 8 company**	A private company is built to pay dividends. A trust or society is another route, with different rules.
Plans to list on a stock exchange one day	**Private Limited, converted later**	Only a public company can list. Converting from private to public is routine, so there is no need to start public.
Family business holding property or investments	**Take advice**	The choice turns on tax, succession and stamp duty. Private company and LLP both work, with different exit costs.

THINK ABOUT THE EXIT BEFORE YOU START

Converting later is possible but costs money and creates tax questions. Pick the structure you will want in three years, not the one that is cheapest this week.

COMPARE CLOSELY

3 Private Limited or LLP: the founder's view

	Private Limited Company	LLP
Ownership	Shares, which can be of different classes	Partnership interest set by the LLP agreement
Raising equity	Yes: equity, preference shares, convertibles, stock options	No shares or options. Investment is possible, but investors rarely accept it
Owners	2 to 200 members	2 or more partners, no upper limit
Audit	Mandatory every year	Only if contribution exceeds ₹25 lakh or turnover exceeds ₹40 lakh
Entity-level tax	22% regime: 25.168% with surcharge and cess. Or the regular rate with incentives	30% plus surcharge and 4% cess: 31.2% up to ₹1 crore of income, 34.944% above
Taking money out	Salary, or dividend. Dividend is taxed again in the shareholder's hands	Share of profit is not taxed again in the partner's hands. Remuneration and interest are allowed within limits
Annual filings	AOC-4, MGT-7 or 7A, board and general meetings, DPT-3, MSME-1, ADT-1 on appointment	Form 11 (by 30 May) and Form 8 (by 30 October)
Foreign investment	Automatic route in most sectors, reported on FIRMS	Allowed only in sectors with 100% automatic route and no performance conditions
Switching later	Can convert to an LLP under the LLP Act	Converting to a company is possible but needs a fresh process and tax planning

LLP audit and Form 11/8 dates are under the LLP Act, 2008 and LLP Rules, 2009. Tax rates are for tax year 2026-27 under the Income-tax Act, 2025 and the Finance Act, 2026. Surcharge and cess are re-set every year.

What the tax difference looks like

The same profit, taxed at entity level, before any founder salary and before tax on dividends. It shows why the gap matters more as profit grows.



Company: 22% plus 10% surcharge plus 4% cess = 25.168%. LLP: 30% plus 4% cess, with 12% surcharge above ₹1 crore of income. Bars on each profit level are drawn to the same scale. Dividends paid by the company are taxed again in the shareholder's hands at slab rates.

How to read the numbers

- **Take-home matters, not only entity tax.** A company that pays out all profit as dividends triggers a second layer of tax. An LLP does not. For owner-managed businesses that distribute most profit, the gap can narrow.
- **Salary changes the picture.** Founder salary is a deductible expense for the company and taxable for you. Chapter 13 sets out how founders usually split pay between salary, dividend and loans.
- **LLP compliance is lighter,** but the cost saving is small next to the tax gap once profit passes a few lakh.
- **Funding settles the matter.** If an investor will ever hold equity, the LLP route usually ends in a conversion, a re-papering of contracts and a fresh set of registrations.

OUR RECOMMENDATION FOR MOST FOUNDERS

Start as a Private Limited Company when you have co-founders, plan to hire with stock options, or expect to raise money. Choose an LLP for a professional practice that will never sell shares.

NAME IT RIGHT

4 Choosing a company name

The name is reserved in **Part A of SPICe+**. You propose up to two names in order of preference, and the Registrar approves or rejects them.

The rules your name must pass

Rule	What it means in practice
Correct ending	"Private Limited" or "Pvt. Ltd." for a private company, "(OPC) Private Limited" for an OPC, "Limited" for a public company, "LLP" for an LLP.
Not identical or too similar	It must not be the same as, or resemble, an existing company or LLP name. Adding "India", "Services" or a plural rarely helps.
No trademark conflict	It must not be identical or similar to a registered or applied-for trademark, unless the owner consents. A trademark owner can later object, and the company may be told to change its name.
Nothing "undesirable"	Names that suggest government patronage, use national emblems, or imply a bank, insurer or stock exchange without authority are refused. So are offensive names and the names of prominent persons without consent.
Fits the business	The name should not mislead about what you do. A name built on "Pharma" with only software objects will be questioned.

Step by step

STEP 1
Search before you fall in love
Check the MCA name search, the IP India public trademark search, domains and social handles.

STEP 2
Prepare two names
Put them in order of preference. Choose distinctive, coined or arbitrary words over plain descriptions.

STEP 3
File Part A and pay the ₹1,000 fee
A clean application is usually decided within a few working days. A rejected name needs a fresh application.

STEP 4
File Part B within the reservation period
An approved name is held for a limited period, currently 20 days. If you miss it, the name is released.

NAME APPROVAL IS NOT BRAND PROTECTION

A company name gives no trademark right. File a trademark application in the right classes as early as you can. See our **Trademark Registration in India** guide.

WHO DOES WHAT

5 Founders, directors and shareholders

Founders usually wear three hats at once. The law treats each hat separately, so it helps to know which one you are wearing when you sign.

Role	What it means	Who can hold it
Shareholder (member)	Owns shares and votes on big decisions such as appointing directors and changing the articles. Does not run the company day to day.	Any person or company. In a private company, from 2 to 200 members.
Director	Sits on the board and manages the company. Owes duties to the company under section 166 and signs filings.	Individuals only, with a DIN. Minimum 2 for a private company, 1 for an OPC, 3 for a public company.
Subscriber	A person who signs the Memorandum and agrees to take shares at incorporation. Pays for them within 180 days.	At least 2 for a private company, 1 for an OPC.
Officer or key managerial personnel	Managers and other officers who run operations. Public companies need a CS, CEO or MD and CFO above prescribed limits.	Employees or directors, as appointed.

What every first director needs

Digital Signature Certificate

A Class 3 DSC lets you sign the forms. Each director and subscriber signing on the portal needs one.

Director Identification Number

SPICe+ allots DINs for the first directors. You do not apply separately, but you must be eligible and verified.

A resident director

At least one director must have stayed in India for 182 days or more in the previous calendar year. A new company counts the period proportionately.

Three-yearly KYC

Since 31 March 2026 a director's KYC is updated once every three years instead of every year. The Registrar can deactivate a DIN for failure.

Who cannot be a director

Section 164 disqualifies a person who is of unsound mind, an undischarged insolvent, convicted of certain offences, or has not paid calls on shares. It also disqualifies directors of companies that have not filed financial statements or annual returns for three consecutive years. That disqualification lasts for five years and applies across every company the person serves.

Designing the founder group

Founder and director
Most early founders are both shareholders and directors. That works while the founders agree. It breaks down when a founder leaves but still holds shares and a board seat.

Founder, not a director
You can be a shareholder with no board seat, and an employee with no shares. Splitting roles avoids deadlock and prepares for investors who want board seats.

Agree these before you file

- **Who holds how many shares,** and why. Equal splits feel fair and create deadlocks. Name a tie-breaker or a casting vote.
- **Who is on the board,** and what needs shareholder approval. Put reserved matters in the articles or a shareholders' agreement.
- **Vesting.** Founders' shares usually vest over four years with a one-year cliff, so a departing founder cannot walk away with a full holding. This is a contract term, not a legal rule.
- **Intellectual property.** Founders who built the product before incorporation must assign the code, designs and brand to the company in writing.
- **Time and roles.** Who works full time, who has other income, and what happens when someone stops contributing.

SECTION 166 A director must act in good faith to promote the objects of the company for the benefit of its members, and exercise due care, skill and independent judgement. These duties bind even the founder who owns every share.

FOREIGN NATIONALS AND NRIS

A foreigner or NRI can be a director and a shareholder. Their documents must be apostilled or notarised in the home country. The company still needs a resident director, and foreign share capital brings FEMA filings. Chapter 15 explains them.

When the founders disagree

A shareholders' agreement records the commercial deal: board seats, reserved matters, transfer limits, drag-along and tag-along, and exit. Chapter 16 covers it.

MONEY AND OWNERSHIP

6 Capital and shares

Two numbers appear in your incorporation papers. They look alike and mean different things.

Authorised capital
The ceiling on the shares the company is allowed to issue. It is in the Memorandum. Raising it later needs a shareholder resolution and a filing, and extra fee and stamp duty.

Paid-up capital
The money shareholders have actually paid for shares. There is no minimum. The subscribers' payment must be made within 180 days of incorporation.

A worked example

Two founders form a company with authorised capital of ₹10 lakh, divided into 1,00,000 equity shares of ₹10 each. They subscribe for 10,000 shares and pay ₹1 lakh.

Founder	Shares	Share of company	Paid-up
Founder A (builds the product)	6,000	60%	₹60,000
Founder B (sells and operates)	4,000	40%	₹40,000
Total issued and paid up	**10,000**	**100%**	**₹1,00,000**

Unissued shares (90,000 here) remain available for the next hires, advisers and investors, up to the authorised capital.

Choices that matter

- **Face value.** ₹10 is the common default. A lower face value, such as ₹1, gives more shares for the same money and makes later splits and options simpler.
- **Share premium.** Shares can be issued above face value. Premium is common in later rounds. For foreign investors the price cannot be below fair value.
- **Classes of shares.** Equity shares carry votes. Preference shares and compulsorily convertible preference shares (CCPS) are what investors often take.
- **Stock options.** A company can reserve a pool for employees. In a DPIIT-recognised startup, promoters and directors holding more than 10% may also receive options for ten years from incorporation.
- **Right-sizing.** A very high authorised capital raises stamp duty and fees. A very low one forces a filing at the first round. Pick a figure with a margin, not a headline.

PAY FOR THE SHARES

Each subscriber must pay the agreed amount into the company's bank account. INC-20A, which allows the company to start business, requires proof of that payment. Do not skip it or pay it back out.

WHERE YOU ARE FOUND

7 Your registered office

Every company needs a registered office in India. It is where the Registrar, tax departments and courts send notices. The address and its proof go into SPICe+ at filing.

If the premises are...	Documents you will need
Owned by a director or shareholder	Latest utility bill (electricity, water, gas or telephone), not older than two months. Ownership proof such as a sale deed, property tax receipt or house tax receipt. Owner's no-objection certificate (NOC) to use the premises as the registered office.
Rented	Registered rent or leave-and-licence agreement. Landlord's NOC. A recent utility bill in the landlord's name, not older than two months.
Provided by a company or relative	Written consent or NOC from the owner, with the owner's ownership proof and a recent utility bill.
A co-working or virtual office	The operator's agreement, NOC and utility bill. The operator must be able to receive official letters and make the address available for physical verification.

What the Registrar cares about

- **It must be real.** The Registrar can verify the address. A company that cannot be found can be struck off.
- **It must be lawful for business use.** A residential flat is generally accepted for a small company if the owner consents. Check society rules and local licensing.
- **Names on the proofs must match.** A utility bill in a third person's name needs an NOC from that person.
- **It must be consistent.** The same address should appear in your GST, bank and tax applications.

Display and stationery rules

- Paint or affix the company's name outside every office and place of business, in a conspicuous position, and in letters easily legible.
- Print the name, registered office address, CIN, telephone number, email and website on letterheads, bills, invoices, notices and other official documents.
- Show "(OPC)" below the name on an OPC's documents.

CHANGING THE OFFICE LATER

Within the same city, a board resolution and intimation to the Registrar are enough. A move to another state is a bigger step: it needs shareholder approval and approval from the Regional Director and changes your tax and GST registrations. Pick an address you can stay at.

NO SURPRISES

8 What it costs

A company registration has three separate costs: **government fees**, **stamp duty** and the **professional fee** of whoever prepares and files the application.

Government and statutory costs

Item	Amount	Notes
Name reservation (SPICe+ Part A)	**₹1,000**	Paid when you apply for the name.
MCA incorporation fee	**Nil up to ₹15 lakh**	No filing fee for companies with authorised capital up to ₹15 lakh. A capital-linked fee applies above that.
PAN and TAN	**Small fee**	Allotted through SPICe+ with the Certificate of Incorporation. The fee is a few hundred rupees at most.
Stamp duty on MoA and AoA	**Varies by state**	Depends on the state and the authorised capital. Usually paid online in SPICe+. High authorised capital raises it.
Digital signature certificates	**Per person**	One Class 3 DSC for each director and subscriber who signs. Price depends on the provider and validity.

Fee amounts follow the Companies (Registration Offices and Fees) Rules, 2014 and the SPICe+ fee schedule. Stamp duty is set by each state. Check the live MCA fee page or the fee calculator on Startiqo.com for your state and capital before you file.

What drives the total

- **Authorised capital.** It drives stamp duty in most states and the MCA fee above ₹15 lakh.
- **State.** Stamp duty on the same capital can differ widely between states.
- **Number of directors and subscribers.** Each signer needs a DSC, and foreign signers add document costs.
- **Professional fee.** Quotes vary. Ask for a price that lists every government payment separately, and that covers re-filing if the Registrar raises queries.

Costs after incorporation

The incorporation fee is the smallest part of owning a company. Budget for these every year.

Recurring cost	What it covers
Statutory audit	Mandatory. The first auditor is appointed within 30 days of incorporation. Fees depend on size and complexity.
Annual ROC filings	AOC-4 and MGT-7 or MGT-7A, plus event filings. Late fee is ₹100 per day with no cap.
Income tax filings	Return, advance tax, TDS deposits and quarterly TDS returns, and a tax audit where thresholds apply.
GST	Monthly or quarterly returns and an annual return, if registered.
Bookkeeping and payroll	Accounts, invoices, salary, PF and ESI, professional tax, as applicable.
Registered office	Rent or virtual-office fee, and its utility bill, kept current.
DSC renewals	Typically every one to three years, depending on the certificate.

CHEAPER IS NOT ALWAYS CHEAPER

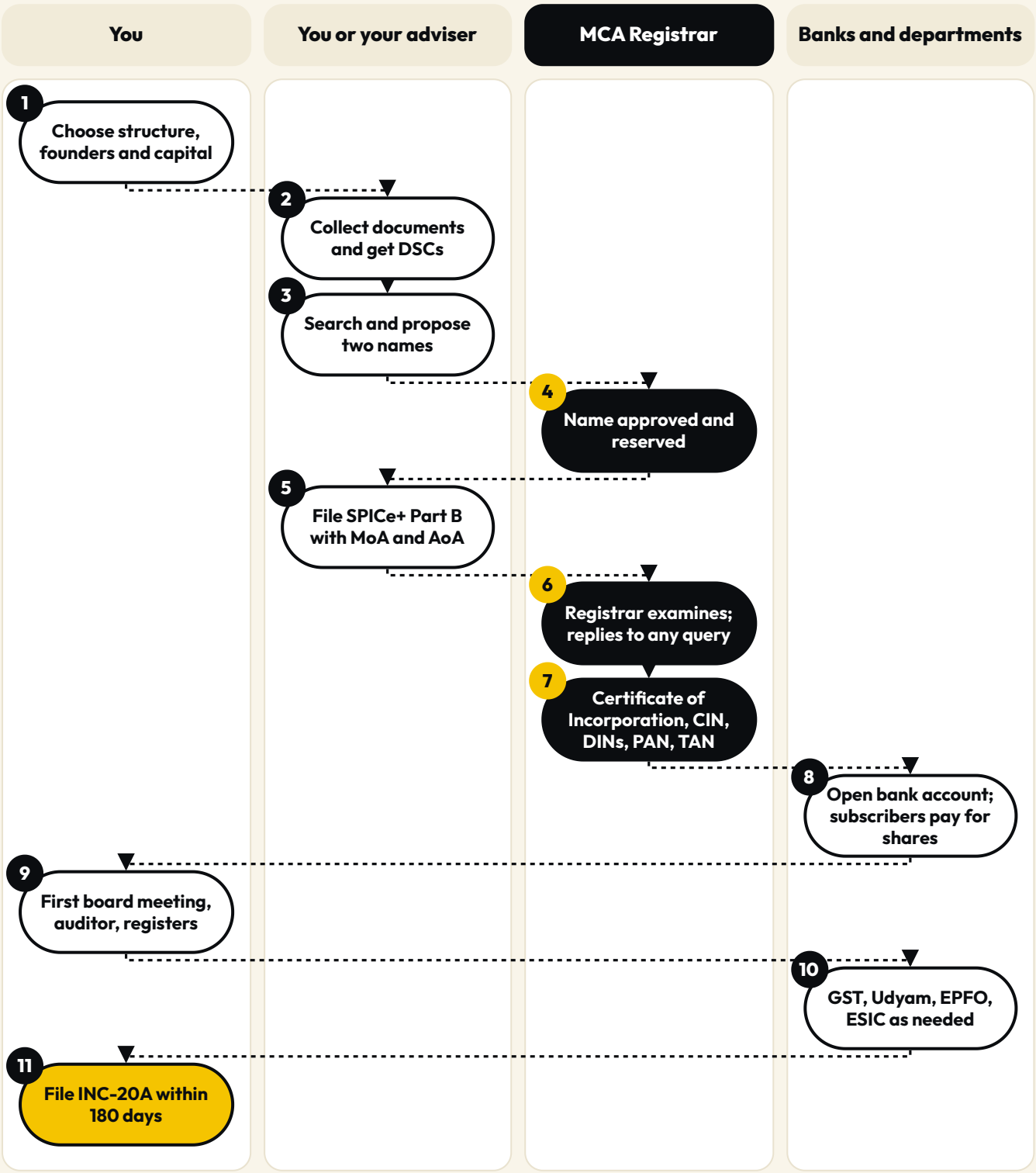
A low incorporation quote that leaves out first-year compliance, or charges again for each Registrar query, often costs more by month three. Compare what is included, not just the headline price.

TIP Keep the first year simple: sensible authorised capital, a clean registered office proof, a named auditor and a compliance calendar. Every missed filing costs more than the work it avoids.

THE PATH

9 The registration journey, step by step

Eleven steps from idea to a company that is allowed to trade. The shaded steps are done by the Registrar.



Inside the SPICe+ filing

SPICe+ is the integrated incorporation form on the MCA portal. It replaced a string of separate forms for name, DIN, PAN, TAN and the Memorandum and Articles. You file it in two parts.

BEFORE YOU START

Get Class 3 DSCs

One for each director and subscriber who signs. A professional (CS, CA or Cost Accountant) in practice also signs the declaration.

PART A

Reserve the name

Propose up to two names with the main objects. Pay the fee. The Registrar approves or rejects.

PART B

Enter the company details

Registered office, authorised and subscribed capital, objects, and the details of every director and subscriber. Attach the address proofs and NOC.

LINKED FORMS

eMoA and eAoA

The Memorandum (INC-33) and Articles (INC-34) are generated inside the form. Use the standard model articles or customise them, for instance to add investor-ready clauses.

OPTIONAL

AGILE-PRO-S

Apply together for GST registration, EPFO, ESIC, professional tax in some states, and a company bank account through participating banks.

SIGN AND PAY

Affix DSCs and pay fees and stamp duty

Every signer attaches their DSC. Stamp duty is paid online in most states.

AFTER FILING

Examination and certificate

The Registrar scrutinises the application. If it is in order, you receive the Certificate of Incorporation, PAN, TAN and DINs, usually by email and on the portal.

HOW LONG IT TAKES

A clean filing is usually completed within one to two weeks of starting. Queries from the Registrar, especially on addresses and names, are the main cause of delay.

Reading your CIN

The Certificate of Incorporation carries a 21-character **Corporate Identity Number (CIN)**. It is the company's permanent ID on every filing, invoice and letterhead.



U	Unlisted company (L means listed)
62013	Five-digit industry code that matches the main business (this example is a software activity)
MH	State where the registered office is (here Maharashtra)
2026	Year of incorporation
PTC	Type of company: PTC private, PLC public, OPC one person, NPL Section 8, and others
123456	Registration number allotted by the Registrar of Companies

Illustrative CIN only. The industry code shown is an example.

Why Registrars send queries back

Most delays come from a short list of avoidable errors.

Address problems

Utility bill older than two months, owner's name differs, NOC missing, or the proof does not match the address typed in the form.

Name problems

The name resembles an existing company or trademark, or does not fit the objects and main activity.

Identity mismatches

Names, dates of birth or addresses that differ between PAN, Aadhaar and the form. Photographs or signatures not matching.

Paperwork gaps

Foreign documents not apostilled or notarised, stamp duty short paid, or a DSC that does not match the signer.

TIP Fix the address proof and the identity data before you file. They cause more resubmissions than everything else together.

BE READY

10 Your document checklist

Gather these before you start. Every item is needed for each director and subscriber unless noted.

Indian founders, directors and subscribers

- [ ] **PAN card**
  Mandatory for Indian citizens.
- [ ] **Passport-size photograph**
  Recent and clear.
- [ ] **Aadhaar**
  Or another identity proof such as passport, voter ID or driving licence.
- [ ] **Email and mobile number**
  Each person needs a personal, working email and mobile.
- [ ] **Proof of address**
  Bank statement, utility bill or Aadhaar. Not older than two months where a bill or statement is used.
- [ ] **Class 3 DSC**
  For every signer on the portal.

Registered office

- [ ] **Utility bill, not older than two months**
  Electricity, water, gas or telephone.
- [ ] **Rent agreement**
  If the premises are rented or licensed.
- [ ] **Owner's NOC**
  Consent to use the premises as the registered office.
- [ ] **Ownership proof**
  Sale deed or property tax receipt, if the owner is a director.

Foreign individuals and foreign companies

- [ ] **Passport**
  Notarised and apostilled in the home country, or consularised by an Indian embassy.
- [ ] **Foreign company documents**
  Certificate of incorporation, charter documents and a board resolution authorising the subscription, all apostilled.
- [ ] **Foreign address proof**
  Utility bill or bank statement, with the same attestation.
- [ ] **Authorised signatory ID**
  Passport and address proof of the person signing for the foreign company.

Information you decide

- Two proposed names, the main business activity and the objects of the company.
- Authorised capital, shares to be subscribed by each founder, and the share price.
- Names of the first directors and, for an OPC, the nominee with written consent.

SPICe+ generates the subscriber declaration (INC-9) and director consent (DIR-2) as part of the package. Under the Companies (Incorporation) Rules, 2014 as they stand today, you sign them with your DSC.

11

START THE CLOCK

After incorporation: the first 180 days

The Certificate of Incorporation does not let you trade yet. Several deadlines start the day the company is born.

DAY 0

Certificate of Incorporation

You receive the CIN, PAN, TAN and the directors' DINs. Save the certificate, MoA and AoA safely.

WITHIN 30 DAYS

Hold the first board meeting

Section 173(1). Note the incorporation, confirm the registered office, appoint the first auditor, open the bank account and take directors' disclosures.

WITHIN 30 DAYS

Appoint the first auditor

Section 139(6). The Board appoints within 30 days of incorporation. Then file Form ADT-1 within 15 days of the appointment. If the Board misses the 30 days, shareholders must appoint at a general meeting within 90 days.

WITHIN 2 MONTHS

Issue share certificates

Subscribers' certificates must be issued within two months of incorporation, under section 56(4).

WITHIN 180 DAYS

Pay for the shares and file INC-20A

Subscribers pay the agreed amount into the company bank account. The company then files the declaration for commencement of business with proof of payment. Until it does, the company cannot start business or exercise borrowing powers.

WITHIN 30 DAYS OF EACH EVENT

Event filings

PAS-3 for every share allotment, BEN-2 if a significant beneficial owner exists, and MGT-14 for special resolutions.

MISS INC-20A AND YOU RISK THE COMPANY ITSELF

Failing to file it brings penalties on the company and on each officer in default. The Registrar can also begin strike-off proceedings against a company that has not commenced business.

The first board meeting: a ready agenda

1. Elect the chairperson of the meeting and record the quorum.
2. Take on record the Certificate of Incorporation, the Memorandum and the Articles.
3. Take the directors' disclosures of interest and declarations (MBP-1, DIR-8).
4. Confirm the registered office and approve displaying the name outside it.
5. Appoint the first statutory auditor and authorise the filing of ADT-1.
6. Fix the financial year end, usually 31 March.
7. Open the bank account, name the authorised signatories and approve the limits.
8. Approve the issue of share certificates and the register of members.
9. Take note of pre-incorporation expenses and approve their reimbursement, if any.
10. Authorise the filing of INC-20A and the applications for GST, Udyam and other registrations.
11. Fix the date of the next meeting and close.

Registers and records to keep

Statutory registers

Register of members, register of directors and key managerial personnel, register of share transfers, register of charges, and register of contracts in which directors are interested.

Minutes and files

Minutes books for board and general meetings under the Secretarial Standards (SS-1 and SS-2), signed share certificates, and copies of every form filed.

WHERE TO KEEP THEM At the registered office or another place the Board approves, in the form the Act allows. A well-kept file saves weeks at due diligence.

DO THESE IN THE SAME MONTH

Open the company bank account, file for GST or Udyam if needed, assign founders' intellectual property to the company, sign the founders' agreement, and file your trademark application.

GET SET UP TO TRADE

12 Tax and other registrations

Incorporation gives you PAN and TAN. Everything else depends on what you do and where. Register for what you need, when you need it.

Registration	When you need it	Good to know
GST	Turnover above ₹40 lakh for goods or ₹20 lakh for services (lower in special category states). Also needed for interstate supply of goods, e-commerce selling and some reverse-charge cases.	You can register earlier to claim input tax credit. A faster, simplified registration route exists for eligible small taxpayers.
Udyam	Optional, for micro, small and medium enterprises.	Free, online, no fee. It halves the trademark fee and eases bank credit and some public tenders. Limits: micro ₹2.5 crore investment and ₹10 crore turnover, small ₹25 crore and ₹100 crore, medium ₹125 crore and ₹500 crore.
Shops and establishment	When you open an office, shop or commercial place, in most states.	State law. Registration window and fee differ by state. Some states fold it into labour registrations.
Professional tax	In states that levy it, once you pay salaries.	State-specific. Employer registration and monthly payment, plus enrolment for directors in some states.
EPFO and ESIC	Generally when you employ 20 or more people for EPF and 10 or more for ESI, or when you choose to opt in earlier.	Monthly contributions due by the 15th. The four Labour Codes came into force on 21 November 2025, and state rules are still being notified, so check current thresholds.
Import-Export Code	Only if you import or export goods or services.	One-time registration with the DGFT, linked to your PAN.
Sector licences	Food (FSSAI), drugs, financial services, education and similar.	The regulator's licence is separate from incorporation and can take longer than the company itself.

Thresholds and limits change. Confirm GST, Udyam, EPFO and ESIC limits on the official portals before you register.

How a company is taxed

From 1 April 2026 income tax is governed by the **Income-tax Act, 2025**, which replaces the 1961 Act. It talks about a "tax year" instead of a previous year and an assessment year. Rates and rules for companies largely carry over.

Regime	Rate	What you give up or keep
Concessional regime, section 200	**22% plus 10% surcharge and 4% cess = 25.168%**	You give up most profit-linked deductions and incentives. No minimum alternate tax. You must opt on or before the due date of the first return, and cannot withdraw it later.
Regular regime	**Higher base rate, plus surcharge and cess**	You can claim eligible deductions and incentives, including the startup tax holiday. Minimum alternate tax can apply.

A REAL DECISION FOR STARTUPS

The 22% regime and the startup tax holiday do not usually go together. A company expecting no profit for three years may gain more from the holiday. A profitable company from year one often gains from the lower rate. Model both before you opt.

Founders' tax in brief

- **Salary** is a deductible expense for the company and taxable for you, with TDS deducted every month.
- **Dividends** are paid from profit after tax. The company's tax is already paid, and the shareholder pays tax again at slab rates.
- **Advance tax** applies once the company's liability for the year is ₹10,000 or more, in four instalments.
- **TDS** must be deducted on salaries, professional fees, contractor and rent payments, and deposited by the 7th of the following month. Quarterly TDS returns follow.
- **Angel tax**, the tax on shares issued above fair value, was abolished from 1 April 2025 for all investors.

Key dates for a 31 March year-end

What	When
Advance tax	15 June, 15 September, 15 December, 15 March
Quarterly TDS returns	31 July, 31 October, 31 January, 31 May
Income tax return of a company	31 October after the tax year, where an audit report is required

Company rates are for tax year 2026-27 under the Income-tax Act, 2025 and the Finance Act, 2026. Section numbers in the 2025 Act differ from the 1961 Act; confirm section references with your tax adviser.

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KEEP IT CLEAN

Paying yourself and moving money

The company's money is not your money. Every rupee that moves between you and the company needs a label and, often, a paper trail.

Route	How it works	The catch
Salary	You are an employee and director. The company deducts TDS and pays you monthly. The caps on managerial pay in section 197 apply to public companies, not private ones.	Pay must be reasonable and recorded. Keep the board approval, the appointment terms and the payslips.
Dividend	Paid out of profits after the Board declares it and the company has paid its taxes.	Taxed again in your hands. Cannot be paid from capital or out of a loss.
Loan from you to the company	Common in the first months. A private company can accept it from a director if you give a written declaration that the money is not borrowed.	Record it as a loan, not a gift. Report outstanding amounts in DPT-3 each year. Repay by bank.
Loan from the company to you	Restricted by section 185. Loans to directors or related entities are allowed only in narrow cases.	Avoid it. Use salary, advance for expenses with bills, or a dividend instead.
Reimbursements	The company repays business expenses you paid personally, against bills.	No bills, no reimbursement. Personal spending through the company account is a compliance and tax problem.
Related-party deals	Renting your own property to the company, or buying from your other firm.	Section 188 and tax rules require arm's-length terms and, above limits, board or shareholder approval.

GOLDEN RULE Pay the company's expenses from the company's account and your own from yours. If you must cross the line, write it down before the money moves.

Pre-incorporation expenses

Costs you paid before the company existed, such as registration fees or software subscriptions, can be reimbursed to you if the Board approves them after incorporation and you have the bills. Keep them separate from personal spending.

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BENEFITS WORTH CLAIMING

Startup India and DPIIT recognition

Recognition by the DPIIT is free and unlocks several benefits. The definition was widened by a notification dated 4 February 2026.

Who qualifies

Test	Requirement
Entity type	Private Limited Company, registered partnership or LLP. Sole proprietorships are not eligible.
Age	Up to 10 years from the date of incorporation or registration. Deep-tech startups get longer periods and higher limits under the same notification.
Turnover	Not more than ₹200 crore in any financial year since incorporation.
Purpose	Working to innovate, develop or improve products, processes or services, or running a scalable business model with high potential for jobs or wealth creation.

What you get

Tax holiday

Under section 140 of the Income-tax Act, 2025, eligible startups incorporated before 1 April 2030 can claim a 100% deduction on profits for any three consecutive years out of ten. Turnover must stay within ₹100 crore, and you need an inter-ministerial board certificate in addition to recognition.

Intellectual property fees

An 80% rebate on patent filing fees, expedited patent examination, and the lower trademark fee of ₹4,500 per class for online filing.

Easier compliance

Self-certification under specified labour and environment laws, and simpler winding up for a defunct startup.

Funding and tenders

Fund of Funds for Startups access through SEBI-registered AIFs, and relaxed experience rules in public procurement.

APPLY EARLY, APPLY HONESTLY

Apply on the Startup India portal with your Certificate of Incorporation and a short description of what is innovative. Recognition alone does not give the tax holiday; that needs the board certificate.

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BEYOND THE BORDER

Foreign founders and foreign money

A foreign person can own shares in an Indian company, and a foreign company can set up an Indian subsidiary. Money coming in is governed by the Foreign Exchange Management Act, 1999 (FEMA) and the Non-debt Instruments Rules, 2019.

Two routes

Automatic route
For most sectors. No prior approval. Investment is reported to the Reserve Bank after the money arrives.

Government route
For some sectors, or for investors from land-border countries. Prior approval is needed, through the DPIIT and the relevant ministry.

The three deadlines

Day 0
Funds reach the company through a bank, with KYC

60 days
Allot the shares, or refund the money

30 days
After allotment, file FC-GPR on the FIRMS portal

- **Price.** Shares issued to non-residents must be priced at or above fair value, certified under the Rules by a registered valuer or other prescribed professional.
- **Annual return.** Companies with foreign investment file the Foreign Liabilities and Assets return by 15 July each year.
- **Share transfers** between residents and non-residents are reported separately in Form FC-TRS.
- **Resident director.** At least one director must be a resident of India, even if every shareholder is foreign.
- **Documents.** Foreign signers' documents must be apostilled or notarised, and foreign companies must provide their charter documents and a board resolution.

LAND-BORDER COUNTRIES: WHAT CHANGED IN MARCH 2026

Press Note 3 of 2020 requires government approval for investment from countries sharing a land border with India. In March 2026 the Union Cabinet approved relaxations: non-controlling investors with up to 10% beneficial ownership from such countries can use the automatic route, and decisions on specified manufacturing proposals are to be made within 60 days. Check the DPIIT notification for the operative terms before you structure a deal.

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WHEN YOU NEED CAPITAL

Raising money

A clean company is a faster raise. Investors check the paperwork before they check the pitch.

Source	How it works	What the company must do
Founder money	Share capital or a director's loan.	Record it correctly. Share capital goes in subscriber accounts; loans need the DPT-3 declaration.
Friends and family	Equity or convertible instruments.	Issue shares through a board and shareholder process. File PAS-3 within 30 days.
Angel investors	Equity or convertible instruments, often through a term sheet.	Valuation, a shareholders' agreement, share allotment and the filings. Angel tax no longer applies.
Venture funds	Preference shares or CCPS with investor protections.	Due diligence, a shareholders' agreement, a revised articles of association and a fresh cap table.
Venture debt, bank loans	Loans against revenue or assets, sometimes with warrants.	Register charges (CHG-1 within 30 days) and keep covenants.
Grants and schemes	Government and incubator funding.	Reporting and use-of-funds conditions apply.

What a shareholders' agreement usually covers

Control
Board seats, reserved matters that need investor consent, and information rights.

Economics
Liquidation preference, anti-dilution protection, and the stock option pool.

Transfers
Right of first refusal, tag-along, drag-along, and lock-ins.

Founder terms
Vesting, leaver provisions, non-compete limits and intellectual property assignment.

ARTICLES BIND THE COMPANY. THE AGREEMENT RECORDS THE DEAL.

Key terms from a shareholders' agreement should also go into the Articles of Association, because the Articles are what bind the company and its members as a matter of company law.

Investor-readiness checklist

Run through this a month before you start talking to investors. Each item removes a delay in due diligence.

- [ ] **Certificate of Incorporation, MoA and AoA**
  In one folder, current.
- [ ] **INC-20A filed**
  With proof of subscriber payment.
- [ ] **First auditor appointed, ADT-1 filed**
  And annual filings up to date.
- [ ] **Statutory registers and minutes**
  Written up for every meeting.
- [ ] **Clean cap table**
  Every allotment, PAS-3 and share certificate matches.
- [ ] **Founders' agreement and vesting**
  Signed and stamped.
- [ ] **IP assignment**
  Code, designs and brand assigned to the company.
- [ ] **Trademark filed**
  In the right classes, in the company's name.
- [ ] **DPIIT recognition, if eligible**
  And the board certificate if you want the tax holiday.
- [ ] **Employment and consultant contracts**
  With confidentiality and IP clauses.

Stock options and the pool

A company can set aside shares for employees through an Employee Stock Option Plan. It needs a special resolution and a written scheme. A common market practice is a pool of roughly 10% to 15% of the fully diluted capital, though this is a commercial choice, not a legal requirement. Founders who hold more than 10% cannot normally receive options, except in a DPIIT-recognised startup during its first ten years.

What dilution looks like

Founders' holding after each round (example)



Illustration only. Each round dilutes all existing holders pro rata. Actual percentages depend on the terms negotiated.

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AFTER INCORPORATION

Annual compliance, month by month

Dates below assume a 31 March financial year-end and a company that holds its AGM by 30 September. Event-based filings come on top.

When	What	Form or note
Every quarter	Board meeting. At least four a year, with no more than 120 days between two meetings.	Minutes within 30 days. Written agenda and notice to all directors.
Monthly	GST returns, TDS deposit by the 7th, PF and ESI by the 15th where applicable.	Late fee and interest apply on delay.
15 Jun, 15 Sep, 15 Dec, 15 Mar	Advance tax instalments.	Where liability is ₹10,000 or more.
30 June	Return of deposits, including director and member loans outstanding on 31 March.	Form DPT-3.
30 September	Directors' KYC. AGM due by this date (first AGM within nine months of the first year-end).	Form DIR-3 KYC. Audit must be complete before the AGM.
31 October	Income tax return where audit applies. MSME-1 for payments pending over 45 days, April to September.	Form MSME-1 again by 30 April for October to March.
AGM + 30 days	File financial statements with the Registrar.	Form AOC-4.
AGM + 60 days	File the annual return.	Form MGT-7, or MGT-7A for small and one person companies.

NO REVENUE IS STILL A FILING YEAR

A company with zero turnover must still hold meetings, get its accounts audited, and file AOC-4, MGT-7 and its tax return. Nil activity is not nil compliance.

Check the MCA and Income Tax portals each year for extended due dates and one-time amnesty schemes. Rules for small and one person companies differ in places.

Event-based filings

Event	Form	Time limit
Appointment of a director or auditor	**DIR-12, ADT-1**	30 days and 15 days
Resignation of a director	**DIR-11, DIR-12**	30 days
Allotment of shares	**PAS-3**	30 days
Change of registered office within the city	**INC-22**	30 days
Change of articles or objects	**MGT-14**	30 days
Creating or modifying a charge on assets	**CHG-1**	30 days
Foreign investment received	**FC-GPR**	30 days from allotment
Annual foreign liabilities and assets return	**FLA**	15 July

What happens when you miss them

Additional fees

Late filing of most annual forms attracts a fee of ₹100 per day of delay, which adds up quickly with no overall cap on many forms.

Penalties

The company and its officers in default can face penalties under the Act. Amounts differ by provision.

Disqualified directors

Under section 164(2), a director of a company that has not filed financial statements or annual returns for three continuous years is disqualified for five years, across all companies.

Strike-off

The Registrar can remove a company that has not filed for two years under section 248. Revival takes time and money.

IF YOU WILL PAUSE

A company that is dormant can apply for dormant status under section 455 using Form MSC-1, which reduces compliance. A company with no future can apply for voluntary strike-off through STK-2 once its dues and filings are clean.

STAY CURRENT

18 What changed in 2025 and 2026

The last twelve months moved several limits that founders plan around. Verify each against the current notification before you rely on it.

1 APRIL 2025

Angel tax abolished

Section 56(2)(viib) no longer taxes shares issued above fair value, for resident and non-resident investors alike.

21 NOVEMBER 2025

Four Labour Codes in force

The Codes on Wages, Industrial Relations, Social Security and Occupational Safety replace 29 earlier laws. State rules and some thresholds are still being notified.

1 DECEMBER 2025

Larger "small company" limits

Paid-up capital up to ₹10 crore and turnover up to ₹100 crore, as reported from the amended rules. Small companies get lighter compliance. Check the notification text for your year.

4 FEBRUARY 2026

Wider startup definition

DPIIT notification G.S.R. 108(E): ten years of eligibility and ₹200 crore turnover, with longer periods for deep-tech startups.

MARCH 2026

Relaxation for land-border investment

Cabinet decision easing Press Note 3 for small non-controlling stakes and some manufacturing proposals. Operative terms depend on the DPIIT notification.

1 APRIL 2026

Income-tax Act, 2025 takes effect

It replaces the 1961 Act. Tax rates for companies largely carry over, but section numbers and some terminology change.

STILL PENDING

The Corporate Laws (Amendment) Bill and draft changes to the incorporation rules were under consideration at the time of writing. They may change filing steps and timelines, so check the MCA website before you file.

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LEARN FROM OTHERS' ERRORS

Twelve mistakes to avoid

1. Splitting equity casually
Equal shares with no vesting and no agreement. Put vesting and leaver terms in writing on day one.

2. Choosing a name first, checking later
Check the trademark register and domains before you fix the company name.

3. Missing INC-20A
Without it the company cannot start business and you face penalties. Subscribers must actually pay up.

4. Skipping the first board meeting and auditor
Both have 30-day deadlines. Auditor ADT-1 follows within 15 days.

5. Mixing personal and company money
Use the company account for company costs. Document every founder loan.

6. Registered office without proof
Keep a rent agreement or consent and a utility bill ready. The Registrar can verify it.

7. Ignoring nil-year filings
No income still needs accounts, AOC-4, MGT-7 and an audited return.

8. Taking foreign money late
Allot within 60 days, file FC-GPR within 30 days of allotment, and get the valuation right.

9. Informal IP
Code, designs and brand created by founders must be assigned to the company in writing.

10. Wrong structure for the plan
Choosing an LLP or proprietorship, then trying to raise venture equity.

11. Letting director KYC lapse
A deactivated DIN blocks filings. Complete DIR-3 KYC every year.

12. Closing by neglect
An abandoned company still accumulates fees and disqualifies its directors. Strike it off properly.

QUICK ANSWERS

20 Frequently asked questions

How long does incorporation take?
With clear documents and an approved name, SPICe+ is commonly completed in about a week. Name rejections or document queries add time.

Can I incorporate alone?
Yes, as a One Person Company. A Private Limited Company needs at least two directors and two shareholders.

Do I need a physical office?
You need a registered office address with proof of right to use it. It can be a rented or consented space, including a home address with the owner's no-objection letter.

Is there a minimum capital?
No minimum paid-up capital is required for a private company. Authorised capital and the number of shares affect the fees.

Can an NRI or foreigner be a director?
Yes, but at least one director must be a resident of India under section 149(3).

Private Limited or LLP for a startup?
Private Limited if you plan to raise venture capital or issue options. LLP for professional or closely held businesses with simple needs.

Do I need an auditor?
Yes. Every company must appoint a statutory auditor and get its accounts audited each year, whatever its size.

Can I change the company name later?
Yes, with a special resolution and filings with the Registrar, but it takes time and money. Choose carefully the first time.

Does the company name protect my brand?
No. A company name gives no brand rights. Register the brand as a trademark.

When should I register for GST?
Once you cross the threshold for your state and supply type, or earlier if customers need input credit or you sell across states or online.

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PLAIN-LANGUAGE REFERENCE

Glossary

Term	Meaning
AGM	Annual General Meeting of shareholders, held every year to approve accounts and appoint auditors.
AoA, MoA	Articles of Association (internal rules) and Memorandum of Association (objects and capital).
CCPS	Compulsorily convertible preference shares, common in venture rounds.
CIN	Corporate Identity Number, the company's 21-character registration number.
DIN	Director Identification Number, held for life by an individual.
DSC	Digital Signature Certificate, used to sign MCA forms.
DPIIT	Department for Promotion of Industry and Internal Trade, which recognises startups.
ESOP	Employee Stock Option Plan.
FEMA	Foreign Exchange Management Act, 1999.
FIRMS	The RBI's portal for reporting foreign investment.
LLP	Limited Liability Partnership under the LLP Act, 2008.
MCA	Ministry of Corporate Affairs, which runs the V3 portal.
OPC	One Person Company with a single member and a named nominee.
RoC	Registrar of Companies, the authority that registers companies and receives filings.
SHA	Shareholders' Agreement between investors and founders.
SPICe+	The integrated web form for incorporation, PAN, TAN, EPFO, ESIC and bank account.
Subscriber	A person who signs the Memorandum and takes the first shares.
TAN	Tax Deduction Account Number, needed to deduct and deposit TDS.

Startiqo

Built for Business.

Ready to incorporate?

Name, structure, SPICe+ filing, first board meeting, bank account and the compliance calendar, handled end to end by a practising Company Secretary.

Company Registration

Private Limited, LLP, OPC and Section 8, from name check to Certificate of Incorporation.

Post-incorporation set-up

INC-20A, first board meeting, auditor, registers and share certificates.

Startup and FEMA

DPIIT recognition, foreign investment filings and shareholders' agreements.

Trademark and IP

Search, filing and protection of your brand, in the company's name.



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This guide is general information based on the Companies Act, 2013, the LLP Act, 2008 and related rules and notifications as understood in November 2026. It is not legal advice. Fees, thresholds and due dates change; verify them against current official sources before acting. © 2026 Startiqo. All rights reserved.