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Foreign Subsidiary Incorporation Cost Sheet

What it Actually Costs to Incorporate a Private Limited Subsidiary in India for Global Founders

Written by

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About This Cost Sheet

This cost sheet is built for foreign founders and CFOs evaluating India for subsidiary setup. It covers the cost of incorporating a Private Limited subsidiary, end to end. Every line item you will pay or be charged for to get a CIN issued, broken down by what is government fee, what is statutory paperwork, and what is professional service.

Banking setup, GST registration, statutory registrations like EPFO and ESIC, payroll setup, and ongoing compliance are deliberately out of scope. Those are post incorporation costs. This document is about what it takes to bring the entity into existence.

Important Notes

All amounts are in Indian Rupees (INR) unless otherwise noted. Government fees, statutory deposits, and stamp duty rates reflect the position as of April 2026. Stamp duty in particular varies materially by state and by authorised capital, so the ranges shown reflect the most common incorporation states (Delhi NCR, Maharashtra, Karnataka, Tamil Nadu). Professional service fees are shown as request quote because they vary by scope and provider.

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What Incorporation Actually Covers

Incorporation is the legal process of bringing a company into existence under the Companies Act 2013. For a Private Limited subsidiary of a foreign parent, the process runs through the Ministry of Corporate Affairs (MCA) using the SPICe+ integrated form. The output is a Certificate of Incorporation (COI), a Corporate Identity Number (CIN), a PAN, and a TAN. Everything else, including bank account opening, GST registration, and statutory compliance setup, happens after.

The cost of incorporation breaks into three categories

- ✓ **Government fees:** non negotiable, paid to MCA, NSDL, and state governments. Same regardless of who incorporates the company.
- ✓ **Statutory paperwork:** notarisation, apostille, translation of foreign documents. Cost depends on the home country of the foreign parent and the documents that need legalisation.
- ✓ **Professional fees:** charged by the CA or CS firm running the incorporation. Varies by scope, structure complexity (single jurisdiction parent versus multi-tier), and provider.

> **A pricing transparency note**
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> Be wary of any provider quoting government fees as part of their service fee. Government fees are pass through and should be itemised separately in any quote. Bundling them obscures what you are actually paying for professional service.

Government Fees and Statutory Costs

Every line below is paid to a government authority or NSDL, not to the professional firm. These are the same regardless of who incorporates your subsidiary.

Line item	Typical cost (INR)	Notes
Name reservation (RUN / SPICe+ Part A)	1,000	MCA fee for reserving the company name. Two name options can be submitted.
Incorporation form fees (SPICe+ Part B)	500 to 2,000	Scales with authorised capital. Up to INR 1 lakh authorised capital is INR 500.
Stamp duty on MOA and AOA	5,000 to 50,000+	State subject. Delhi, Karnataka, Maharashtra, Tamil Nadu rates differ materially. Scales with authorised capital.
PAN application	66	NSDL fee. PAN is bundled into SPICe+ but the fee is separate.
TAN application	65	NSDL fee. TAN is also bundled into SPICe+ filing.
Digital Signature Certificate (DSC)	1,500 to 2,500 each	Two directors minimum. Class 3 signing certificate, valid two years.
Director Identification Number (DIN)	Free with SPICe+	First time directors get DIN allotted along with incorporation. No separate fee.

Stamp duty is the swing variable

Stamp duty is the single largest variable in government fees. A foreign parent setting up in Delhi with INR 10 lakh authorised capital pays roughly INR 5,000 in stamp duty. The same setup in Maharashtra pays closer to INR 15,000. Karnataka and Tamil Nadu sit in between. Pick your registered state carefully if cost is a primary driver, but remember post incorporation factors like office availability and bank ecosystem matter more than a one time stamp duty saving.

Legalisation of Foreign Documents

Where the holding company is a foreign entity, every document filed with MCA on behalf of the foreign parent (board resolution, shareholder authorisation, identity proof of foreign directors) must be notarised and apostilled in the home country. If the documents are not in English, certified translation is also required. This is often the most underestimated part of the incorporation cost.

Line item	Typical cost (INR)	Notes
Notarisation in home country	5,000 to 20,000	Per document set. Cost varies widely by country.
Apostille (Hague Convention)	5,000 to 30,000	US apostille is fastest and cheapest. UAE, Middle East, and some EU jurisdictions are slower and more expensive.
Embassy attestation (non Hague)	10,000 to 50,000+	Required for parents from countries not party to the Hague Convention. Adds 2 to 4 weeks to timeline.
Certified translation (if not English)	5,000 to 25,000	Required for documents in languages other than English. Charged per page.
Courier and document handling	2,000 to 8,000	Original documents must reach India by tracked international courier.

Country specific lead times matter more than the cost

Two practical points. First, US based parents have the easiest path: notarisation plus apostille is well understood by US notaries and the Secretary of State offices, turnaround is roughly 5 to 10 business days. Second, UAE and other Middle East parents often face the longest lead time, since attestation may need to go through MOFA in addition to embassy. Build at least three weeks of buffer for document legalisation in any incorporation timeline involving a foreign parent.

Professional Service Fees

Professional fees for incorporation cover the work done by your CA or CS firm to prepare and file the SPICe+ form, draft the MOA and AOA tailored to your business, coordinate with the foreign parent on document legalisation, and manage the back and forth with MCA on any queries or resubmissions. These fees vary widely by provider.

What drives professional fee variation

- ✓ **Structure complexity:** single jurisdiction parent with one director costs less than multi-tier holding structure (LLC owned by trust owned by individuals).
- ✓ **Number of foreign directors:** each foreign director needs DSC, KYC documentation, and DIN application, all of which add coordination work.
- ✓ **MOA tailoring:** a generic objects clause is cheap to draft. A specialised business (NBFC, fintech, regulated sector) needs a tailored objects clause and may need RBI or sector regulator pre approval.
- ✓ **Sector specific structuring:** some sectors trigger FDI sectoral caps or require government approval route. Advisory work to navigate this adds materially to the fee.
- ✓ **Speed of execution:** firms that promise 7 to 10 day end to end incorporation typically charge a premium for the project management intensity.

Get itemised quotes, not lump sums

Get itemised quotes from at least two firms. A good quote separates the SPICe+ filing fee from the MOA drafting fee, the DSC processing, the legalisation coordination, and the post incorporation handover (PAN, TAN delivery, COI handover). Lump sum quotes are harder to compare and harder to scope creep against later.

Realistic Incorporation Timeline

Cost is one dimension. Time is the other. A foreign founder evaluating India needs to plan for 4 to 8 weeks from kickoff to having a usable Certificate of Incorporation, depending on the home country and document readiness.

Stage	Duration	Critical inputs
Kickoff and structure decisions	Week 1	Authorised capital, share capital structure, registered address, director allocation.
Foreign document collection and legalisation	Week 1 to 4	Slowest step in most cases. US is faster, UAE and EU Middle East slower.
DSC issuance for all directors	Week 2 to 3	Foreign directors need video KYC. Indian directors faster.
Name reservation (SPICe+ Part A)	1 to 3 days	MCA approval. Resubmission needed if name conflicts with existing entity or trademark.
SPICe+ Part B filing	Week 4 to 5	Once name is reserved and all KYC documents are in.
MCA processing and CIN issuance	5 to 10 business days	MCA may issue queries which add 1 to 2 weeks per query cycle.
PAN, TAN, and COI delivery	Within 7 days of CIN	Bundled with SPICe+ approval. Soft copies are immediate, originals follow.

Document readiness is the timeline lever

The single biggest predictor of timeline is document readiness from the foreign parent. If the parent has its house in order, with apostilled board resolutions and director KYC ready to courier in week 1, total time can be as short as 4 weeks. If the parent treats document legalisation as an afterthought, 8 to 10 weeks is realistic.

What Comes After Incorporation

Once you have the CIN, the company exists. But you cannot yet receive money from the foreign parent, hire employees, or invoice customers. Several post incorporation steps are needed before the company is operationally functional. These are out of scope for this cost sheet but worth knowing as you plan total go live cost.

The post incorporation checklist

- ✓ **Bank account opening** with an AD Category 1 bank, required before FDI capital can be received from the foreign parent.
- ✓ **FDI inward remittance and FC-GPR filing** with RBI within 30 days of share allotment, to formally record the foreign investment.
- ✓ **GST registration** if turnover crosses INR 20 lakh, or for any interstate supply, e-commerce activity, or specified categories.
- ✓ **Professional Tax registration** in most states, mandatory for both the company as employer and for individual employees.
- ✓ **EPFO registration** mandatory if employee count crosses 20.
- ✓ **ESIC registration** mandatory if employee count crosses 10 in a notified area, with salaries up to INR 21,000.
- ✓ **Shops and Establishment registration** in the state where the office is located.
- ✓ **Sector specific licences** if applicable (IEC for import or export, FSSAI for food, RBI authorisation for financial services, etc).

What we cover in a discovery call

If you want a comprehensive view of post incorporation cost and ongoing compliance, this is exactly what we cover in our discovery call. Most foreign founders we work with use this cost sheet to budget incorporation, then engage on a scoped basis for everything that comes after.

About the Author

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CA Nandini Hasija is a practicing Chartered Accountant and Co-Founder of Krystal7 Consultants, a Gurgaon based cross border advisory firm specialising in foreign subsidiary setup, FEMA compliance, and transfer pricing for global founders entering India.

Nandini owns the strategic and creative lead at the firm. She works closely with founders during the engagement evaluation phase, and her professional practice focuses on statutory audit and income tax advisory for foreign subsidiaries and growth stage Indian companies.

Before founding Krystal7, Nandini qualified as a Chartered Accountant and built her early practice in a high volume corporate services environment, where she watched repeatedly how cookie cutter approaches to cross border compliance leave foreign founders exposed. Krystal7 was built to solve that problem: a specialised practice for global founders, with transparent fixed fee pricing and proactive tracking of every FEMA, ROC, GST, and TP deadline.

Get in touch

If you have questions about your specific situation, the fastest way to get useful answers is a 30 minute discovery call. No obligation, no sales pressure, just a focused conversation about your situation.

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Book a call: calendly.com/business-krystal7/discovery-call