MARKET ENTRY BRIEFING

REGISTRATIONS, LICENCES & COMPLIANCE IN INDIA

What You Need to Operate - And When You Actually Need It

Article 4 of the Doing Business in India series.
Previous editions covered Why India, Business Structures and Incorporation Models.

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GUIDE STRUCTURE

Contents

ADVISORY NOTE

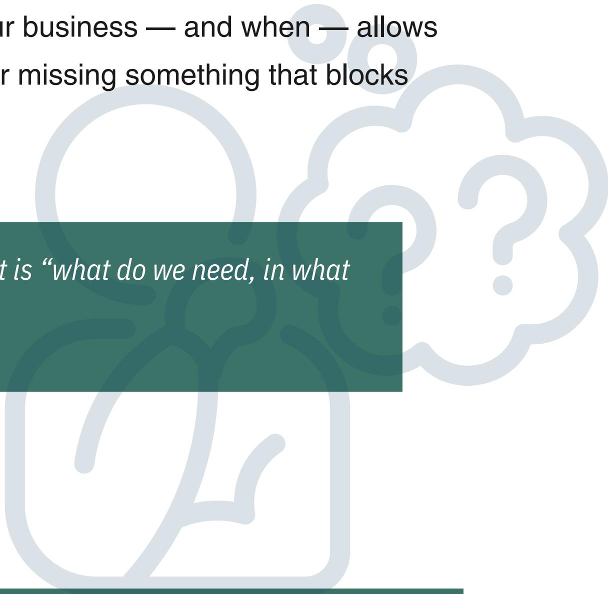
This document is prepared for strategic orientation. Market entry decisions should be supported by localised due diligence and professional advisory services.

01 The Real Compliance Question

Receiving your Certificate of Incorporation is a significant milestone. It confirms that your Indian legal entity exists. What it does not confirm is that you are ready to operate.

This distinction matters more than most foreign businesses initially appreciate. In India, legal existence and operational readiness are two separate states — separated by a compliance layer that is real, structured, and consequential. Operating without the right registrations does not simply create an administrative problem. It can create tax exposure, regulatory liability, and commercial disruption at precisely the moment when your business is trying to build momentum.

The good news is that India's compliance framework, while layered, follows a clear logic. Most requirements are triggered by specific business activities rather than by the mere fact of incorporation. Understanding which registrations apply to your business — and when — allows you to move efficiently without either rushing unnecessarily or missing something that blocks operations.



> *The right question is not "what do we need to comply with?" – it is "what do we need, in what sequence, before we can do what we are here to do?"*

This article answers that question directly.

> ***Note:*** *This article covers the registrations and compliance obligations that apply generally to most businesses operating in India. Industry-specific licences and approvals – some of which are covered later in this article – will vary depending on the nature of your business and must be assessed separately based on your specific sector and activities.*

02 Mandatory Registrations - What Every Business Needs

Some registrations are universal. Every incorporated entity operating in India will require these, regardless of sector, structure, or scale.

PAN — Permanent Account Number

PAN is India's foundational tax identity number. Without it, a company cannot open a bank account, file taxes, issue invoices, receive payments above certain thresholds, or enter into most formal commercial arrangements.

PAN is now issued automatically as part of the SPICe+ incorporation process and is received along with the Certificate of Incorporation. No separate application is required.

When you need it: Available from Day 1 (received with COI).

Foreign investor note: The Indian company's PAN is separate from any identification held by the foreign parent or directors. All are required.

TAN — Tax Deduction and Collection Account Number

TAN is required by any entity that deducts tax at source (TDS). This applies to salary payments, vendor payments above prescribed thresholds, rent, professional fees, and a range of other transactions.

TAN is now issued automatically as part of the SPICe+ incorporation process and is received along with the Certificate of Incorporation. No separate application is required. Without TAN, the company cannot legally deduct TDS, cannot remit deducted tax to the government, and will face exposure in tax assessments for under-deduction.

When you need it: Available from Day 1 (received with COI). Required before making any salary or vendor payment subject to TDS.

GST — Goods and Services Tax Registration

GST registration is mandatory when annual turnover crosses the prescribed threshold limit (which varies depending on whether the business supplies goods or services, and whether it operates in a normal or special category state), when conducting interstate supply of goods or services, when engaged in e-commerce, or when supplying through an e-commerce operator.

In practice, most B2B businesses register for GST early, often before the threshold is crossed, because Indian business counterparts typically require a GSTIN (GST identification number) to claim input tax credit on purchases. Operating without GST registration in a B2B context creates friction with customers and vendors from day one.

GST rates range from 0% to 28% depending on the category of goods or services. The standard rate for most services is 18%. Input tax credit is available on most business purchases, making GST largely a pass-through for compliant businesses.

Filing obligations: Monthly GSTR-1 (outward supplies), monthly or quarterly GSTR-3B (summary return), annual GSTR-9. Businesses with annual turnover exceeding INR 5 crore must also file GSTR-9C (self-certified reconciliation statement).

When you need it: Before invoicing any customer for goods or services in India. Register early rather than waiting for the threshold.

Corporate Bank Account

A corporate bank account is an operational prerequisite, not a compliance registration, but it sits at the centre of everything. Capital cannot be injected, payroll cannot be run, vendor payments cannot be made, and tax cannot be remitted without a functioning corporate account.

As covered in earlier articles in this series, bank account opening for foreign-owned entities requires careful preparation: KYC documentation, UBO (Ultimate Beneficial Owner) disclosure, board resolutions, authorised signatory powers, and FDI source documentation. Allow adequate time, and choose banks experienced with foreign-owned entities.

When you need it: As soon as possible after incorporation. This is often the most significant operational bottleneck for foreign businesses and should be prioritised in parallel with other post-incorporation steps.

Professional Tax (PT)

Professional Tax is a state-level levy on employed individuals, collected and remitted by the employer. It applies in certain Indian states. Not all states impose Professional Tax, and the applicable rates, thresholds, and registration processes vary by state.

For companies with employees in applicable states, PT registration must be obtained before the first salary payment, and monthly or annual returns must be filed.

When you need it: Before the first salary payment in an applicable state.

Shops and Establishments Registration

The Shops and Establishments Act is state-level legislation that governs working conditions, hours, leave, and other employment matters for commercial establishments. Registration is required in most states for any premises where business is conducted — including offices, not just shops or factories.

Registration is typically required within 30 days of commencing operations at a premises. It is both a compliance requirement and a document frequently requested by banks, landlords, and other counterparties.

When you need it: Within 30 days of opening your first office or commercial premises.

EPF - Employees' Provident Fund

EPF registration is now allotted as part of the SPICe+ incorporation process (via the linked AGILE-PRO-S form). However, the registration remains dormant and must be activated with the Employees' Provident Fund Organisation (EPFO) once the company begins employing staff and reaches the statutory threshold of 20 or more employees. Many companies activate voluntarily before reaching the threshold, particularly if they anticipate growth.

Under EPF, both the employer and employee contribute 12% of basic salary to the provident fund. The employer also contributes to the Employee Pension Scheme (EPS) and the EDLI (Employees' Deposit Linked Insurance) scheme within the overall employer contribution.

EPF compliance involves monthly contribution filings (ECR:- Electronic Challan cum Return) and annual returns.

When you need it: Upon reaching 20 employees, or voluntarily before. Begin preparing systems well before the threshold.

ESIC — Employees' State Insurance Corporation

ESIC registration is also allotted as part of the SPICe+ incorporation process (via the linked AGILE-PRO-S form). However, the registration remains dormant and must be activated with the Employees' State Insurance Corporation once the company employs 10 or more employees (in most states) where the monthly gross salary of any employee is INR 21,000 or below. ESIC provides health insurance and medical benefits to eligible employees.

The employer contributes 3.25% of gross wages; the employee contributes 0.75%. Monthly contributions and half-yearly returns are required.

When you need it: Upon reaching the applicable employee threshold. Check state-specific applicability, as a few states have different thresholds.

Import Export Code (IEC)

IEC is mandatory for any company that imports goods into India or exports goods or services from India. It is a 10-digit code issued by the Directorate General of Foreign Trade (DGFT) and is linked to the company's PAN.

Without IEC, customs clearance for imports or exports is not possible. For companies with cross-border supply chains, this is a day-one requirement.

When you need it: Before any import or export transaction. Service exporters (including software and IT companies) also require IEC to receive foreign currency remittances under certain payment models.

03 Optional but Strategically Valuable Registrations

Not every registration is mandatory. Some are optional but carry meaningful commercial and operational benefits that make them worth pursuing early.

Udyam / MSME Registration

India's Micro, Small, and Medium Enterprise (MSME) classification is based on investment in plant and machinery or equipment, and annual turnover. Companies meeting the thresholds can register on the Udyam portal and receive MSME certification.

Benefits include priority access to government procurement, collateral-free loan schemes, lower interest rates on credit, protection against delayed payments from buyers under the MSMED Act (buyers must pay within 45 days), and eligibility for various state and central government incentive schemes.

Foreign-owned entities can register under Udyam, subject to the applicable investment and turnover thresholds.

When to consider it: Shortly after incorporation, if turnover and investment thresholds are met. There is no cost to registration, and the protections and benefits can be materially valuable for smaller operations.

Trademark Registration

Trademark registration protects the brand identity of a business operating in India. Without registration, the business can rely only on common law rights in its brand, which are harder to enforce and provide less certainty.

Foreign companies entering India should consider India-specific trademark registration even where global trademarks are already held, as India operates its own trademark register and protection depends on registration in India.

The registration process typically takes 18–24 months, but protection is effective from the date of filing. Trademark registration is administered by the Office of the Controller General of Patents, Designs and Trade Marks.

When to consider it: At or before commencement of operations. Filing early protects the application date even while the registration is pending.

BIS / ISO Certifications and Quality Marks

Certain product categories require Bureau of Indian Standards (BIS) certification for sale in India, including electronics, electrical goods, and certain consumer products. For companies manufacturing or importing regulated products, BIS certification is legally mandatory, not optional.

For other businesses, ISO certification (particularly ISO 9001, ISO 27001, and relevant sector standards) is not mandatory but is commercially valuable — particularly when dealing with enterprise customers, government procurement, or regulated counterparties.

When to consider it: Before product launch for BIS-mandatory categories. As part of commercial readiness for enterprise B2B businesses.

04 Sector-Specific Licences and Approvals

Beyond the universal registrations, India's regulatory framework is deeply sector-specific. The requirements for a manufacturing business differ substantially from those of a fintech company, a healthcare provider, or a food and beverage brand. Understanding which sector-specific approvals apply, and building them into the operational timeline, is one of the most important planning exercises for any new market entrant.

The following covers the most common sectors for European businesses entering India.

Manufacturing

Manufacturing businesses in India operate within a layered approval framework spanning central, state, and local levels.

Factory Act registration is required for factories employing above prescribed thresholds (under the Factories Act, 1948: 10 workers with power or 20 without power). Note: the Occupational Safety, Health and Working Conditions Code, 2020 revises certain thresholds, but since the Labour Codes have not been fully notified in all states, the Factories Act, 1948 thresholds continue to apply in most states as of June 2026. Registration is with the state's Inspector of Factories and covers safety, health, and working conditions.

Pollution Control Board (PCB) approvals - specifically Consent to Establish (CTE) and Consent to Operate (CTO), are required from the relevant State Pollution Control Board for most manufacturing operations. The applicable category (Red, Orange, Green, White) determines the level of scrutiny and compliance burden.

Building plan approvals and fire NOC are required for factory premises from local municipal authorities and the fire department. Electricity connection approvals, hazardous waste management licences (where applicable), and boiler registration (where pressure vessels are used) may also apply depending on the nature of manufacturing.

Timeline implication: Manufacturing licences and approvals can add 3–6 months to the timeline before operations commence. These must be planned from the earliest stages of site selection and plant design.

Food and Beverage

The Food Safety and Standards Authority of India (FSSAI) licence is mandatory for all businesses involved in the manufacture, processing, storage, distribution, import, or sale of food products. The category of licence (Basic, State, Central) depends on the scale and nature of operations.

FSSAI compliance involves product labelling requirements, hygiene standards, inspections, and periodic licence renewals. Import of food products additionally requires FSSAI import approval and product registration for specified categories.

AGMARK certification is relevant for agricultural products. BIS hallmarks apply to certain packaged food items. Businesses involved in alcohol manufacturing or distribution face additional state-level excise approvals, which vary significantly across states.

Pharmaceuticals and Healthcare

Pharmaceutical manufacturing in India requires licences under the Drugs and Cosmetics Act, 1940, issued by the Central Drugs Standard Control Organisation (CDSCO) for certain categories and by State Drug Controllers for others. Good Manufacturing Practice (GMP) compliance is mandatory and subject to inspection.

Healthcare facilities — hospitals, clinics, diagnostic centres — require Clinical Establishment Act registration (where applicable in the state), biomedical waste management approvals, and state-specific healthcare licences. Medical devices require CDSCO registration under the Medical Devices Rules, 2017.

Timeline: European pharmaceutical and medtech companies should allow for 6–18 months of regulatory preparation time depending on the complexity of the product and the type of activity.

Financial Services and FinTech

Financial services in India are heavily regulated and require specific licences and registrations before any regulated activity can commence. Attempting to operate without the required authorisations carries serious legal consequences.

Key regulators include the Reserve Bank of India (RBI) for banking, non-banking financial companies (NBFCs), payment system operators, and lending platforms; the Securities and Exchange Board of India (SEBI) for securities intermediaries and investment advisors; and the Insurance Regulatory and Development Authority of India (IRDAI) for insurance-related activities.

Payment aggregators and payment gateways require RBI authorisation. Lending businesses require NBFC registration with RBI. Investment advisors and portfolio managers require SEBI registration. Insurance brokers require IRDAI licence. Prepaid Payment Instrument (PPI) licences, Digital Lending Guidelines compliance, and KYC/AML obligations add further layers for fintech businesses.

Practical advice: Foreign fintech companies entering India should engage experienced regulatory counsel from the outset. The approval timelines are long, the capital requirements are significant, and the regulatory framework continues to evolve.

E-Commerce

E-commerce businesses in India do not require a specific sector licence, but face a complex regulatory environment spanning multiple domains.

FDI restrictions apply to B2C e-commerce: marketplace models are permitted under the automatic route; inventory-based models face significant restrictions under Press Note 2 of 2018 Series. Foreign investment in multi-brand retail remains restricted.

Legal Metrology Act compliance applies to pre-packaged goods sold online. Information Technology Act compliance, including privacy policy and terms of service requirements, applies to all online businesses. The Digital Personal Data Protection Act, 2023 adds further obligations around data collection, consent, and processing. Consumer Protection (E-Commerce) Rules impose specific obligations including grievance officer appointments, seller disclosure requirements, and return and refund policies.

Education

Education in India is a regulated sector, and the applicable regulatory framework depends significantly on the type of educational activity. Online education and EdTech platforms do not require sector-specific licences for unregulated skill development content, but businesses offering certified courses require university or board affiliations or recognition from bodies such as UGC or AICTE.

K-12 schools operated by foreign entities face additional restrictions, with most states requiring that schools operate as non-profit trusts or societies. EdTech companies offering software platforms or services to Indian educational institutions must comply with DPDP Act requirements regarding children's data.

Technology and IT Services

IT services and software businesses face a relatively light regulatory environment. Software Technology Parks (STPI) registration is available for software exporters and provides customs duty exemptions and export-related benefits. Special Economic Zone (SEZ) approval involves a more complex process but delivers significant tax and duty benefits.

Information security and DPDP Act compliance applies to businesses handling sensitive personal data. Cybersecurity incident reporting to CERT-In within prescribed timelines applies to certain categories of technology businesses.

Import / Export Businesses

Beyond the IEC discussed in Section 02, import and export businesses face additional compliance layers. Customs compliance, import duties, GST on imports, customs valuation, and product-specific import restrictions, applies. Certain goods require import licences under the Foreign Trade Policy.

Authorised Economic Operator (AEO) status is available for frequent importers and exporters and provides faster customs clearance and reduced inspections. Export promotion schemes — including duty drawback, Advance Authorisation, Export Promotion Capital Goods (EPCG), and Remission of Duties and Taxes on Exported Products (RoDTEP) — provide significant cost benefits for eligible exporters.

05 State-Level and Location-Specific Approvals

India’s federal structure means that certain approvals, incentives, and obligations are determined at the state level rather than the central level. This has important practical implications for foreign businesses selecting their operating locations.

What Varies by State

While the core legal framework — Companies Act, FDI Policy, Income Tax Act, GST — is centralised and uniform, the following are state-governed and vary across India:

Labour law implementation and enforcement - the four unified Labour Codes have been enacted centrally but are yet to be notified by all states. Until full notification, state-specific legacy labour laws continue to apply. This creates real variability in compliance requirements across operating locations.

Shops and Establishments Act - state-specific legislation with different definitions, requirements, and renewal timelines.

Professional Tax - applicable in some states, not in others; rates and payment schedules vary.

State industrial policy incentives - states actively compete for investment through incentive packages covering capital subsidies, power tariff concessions, land allotment, interest subvention, and employment generation incentives. These are state-specific and typically require entering into an investment agreement with the state government.

Pollution Control Board approvals - while the framework is national, administration is state-level, and processing times vary.

Land and property approvals - for manufacturing or warehousing, land use permissions, building plan approvals, and occupancy certificates are administered by state and local bodies.

> ***Location Selection:*** *The choice of operating location is not merely commercial — it has direct compliance, cost, and incentive implications. The right state and location decision, made early and with local advisory support, can materially improve the financial and operational case for the India operation.*

06 Annual Filing and Ongoing Compliance Obligations

Incorporation and initial registration are one-time exercises. Ongoing compliance is a permanent feature of operating in India. Foreign-owned entities face a compliance calendar that, when managed well, runs smoothly in the background, but when neglected, creates regulatory exposure and financial penalties that are entirely avoidable.

Company / ROC Filings

Under the Companies Act, 2013, every Private Limited Company must file the following with the Registrar of Companies (ROC):

Annual Return (Form MGT-7 / MGT-7A) - details of shareholders, directors, and company information, filed within 60 days of the Annual General Meeting (AGM).

Financial Statements (Form AOC-4) - audited balance sheet, profit and loss account, and notes, filed within 30 days of the AGM.

Annual General Meeting - for the first AGM, it must be held within 9 months from the close of the first financial year (Section 96 of the Companies Act). Subsequent AGMs must be held within 6 months of the financial year end (India's financial year runs 1 April to 31 March) and not later than 15 months from the last AGM.

Board meeting minutes and resolutions - must be properly maintained, recorded, and filed where required.

Director KYC (Form DIR-3 KYC) - annual KYC update for all directors, typically due by 30 September each year.

MSME payment disclosure - companies with outstanding payments to MSME vendors beyond 45 days must disclose this half-yearly.

Non-compliance with ROC filings results in daily penalties, and sustained non-compliance can lead to director disqualification.

Income Tax Compliance

All references to income tax provisions below reflect the Income Tax Act, 2025 (which replaced the Income Tax Act, 1961).

Corporate tax return (ITR-6) - filed annually, typically by 31 October (or 30 November for companies subject to transfer pricing). India's financial year ends 31 March; the tax return covers the preceding year.

Advance tax payments - companies are required to pay advance tax in quarterly instalments (15 June, 15 September, 15 December, 15 March) if annual tax liability exceeds INR 10,000.

TDS returns - quarterly returns (Form 24Q for salary TDS, Form 26Q for other payments) must be filed, and TDS certificates (Form 16 / 16A) issued to deductees.

TDS challan payments - monthly, due by the 7th of every month. For March, the payment is due by 30th April.

Transfer pricing compliance - for companies with related-party international transactions, a Transfer Pricing Study and Form 3CEB (certified by a Chartered Accountant) are mandatory. Due date: 30 November. This is a significant compliance obligation for all foreign-owned entities.

Tax audit - companies with turnover above INR 1 crore (or INR 10 crore where cash receipts and payments do not exceed 5% of total receipts and payments) require a tax audit by a Chartered Accountant (Form 3CA/3CB and 3CD).

GST Returns

GSTR-1 (monthly or quarterly) - outward supply details, typically due by the 11th of the following month.

GSTR-3B (monthly or quarterly) - summary return with tax payment, typically due by the 20th of the following month.

GSTR-9 - annual return, due by 31 December following the financial year end.

GSTR-9C - self-certified reconciliation statement required for businesses with annual turnover exceeding INR 5 crore. (Note: the earlier requirement for CA-audited GSTR-9C was removed from FY 2020-21 onwards; it is now self-certified.)

Late filing attracts daily late fees plus interest on outstanding tax. Inaccuracies in GST filings are a common area of scrutiny during audits.

Statutory Audit

Every Private Limited Company in India, regardless of turnover, is required to have its accounts audited by a Chartered Accountant (CA) registered with the Institute of Chartered Accountants of India (ICAI). There is no small company exemption to this statutory audit requirement.

First auditor appointment: The Board of Directors must appoint the first statutory auditor within 30 days of the company's registration (Section 139(6) of the Companies Act). This first auditor holds office until the conclusion of the first AGM. At the first AGM, the members ratify the appointment and appoint the auditor for a full term. Do not delay this — selecting a competent auditor before the first financial year end is important.

EPF and ESIC Monthly Compliance

Registered companies must remit EPF contributions by the 15th of the following month and file the Electronic Challan cum Return (ECR). ESIC contributions must be remitted by the 15th of the following month, and returns filed half-yearly. Non-remittance or delayed remittance attracts penalties, interest, and, in serious cases, prosecution of directors.

FEMA and RBI Reporting (Foreign-Owned Entities)

This is the compliance area most frequently overlooked by foreign-owned businesses, and the consequences of non-compliance are among the most serious.

FC-GPR - must be filed within 30 days of share allotment for foreign investment received. Missing this deadline creates regulatory complications that are costly and time-consuming to resolve.

Annual Return on Foreign Liabilities and Assets (FLA Return) - filed annually by 15 July with the RBI for all companies that have received FDI or made overseas investments.

External Commercial Borrowings (ECB) reporting -if the Indian entity receives loans from its foreign parent or any overseas lender, ECB compliance is required under the RBI's revised ECB framework. Reporting is now done through the ECB reporting module on the RBI's FIRMS (Foreign Investment Reporting and Management System) portal. Borrowers must report ECB transactions on a monthly basis through their AD bank.

FEMA compliance applies to all cross-border transactions, intercompany loans, management fees, royalties, service fees, dividends, and pricing for these transactions is governed by both FEMA and transfer pricing regulations.

> ***FLA Return, FC-GPR, and ongoing FEMA filings are areas where qualified advisory support is not optional — they are a prerequisite for compliance.***

07 Practical Implementation Roadmap

Understanding what is required is useful. Understanding the sequence in which to address it is what allows a business to move efficiently from incorporation to operational readiness.

Immediately After Incorporation

At this stage, the legal entity exists but has no operational capability.

Requirement	Action	Timeline
PAN	Received with COI (via SPICe+)	Day 1
TAN	Received with COI (via SPICe+)	Day 1
Corporate bank account	Begin KYC process with chosen bank	Week 1
FC-GPR filing	File within 30 days of share allotment	Day 1–30
Capital injection	Coordinate with bank once account is active	Week 2–4
Registered office	Ensure address is documented and notified to ROC	Week 1–2
First auditor	Board to appoint within 30 days of registration	Day 1–30

> ***FC-GPR is the single most time-critical compliance obligation immediately after incorporation. Foreign businesses frequently miss this deadline because they are focused on banking and operational setup. It must be tracked from day one.***

Before Commencing Operations at a Premises

Requirement	Action	Notes
Shops & Establishments	Register within 30 days of commencing operations	State-specific; mandatory
GST registration	Apply before first invoice	Based on place of business
Professional Tax	Apply before first salary payment	Applicable states only
Import Export Code	Apply if any cross-border goods/services	Day 1 for trade businesses
Factory/pollution approvals	Must precede commencement of manufacturing	Allow 3–6 months

Before Hiring Employees

Requirement	Action	Notes
Professional Tax	Register and set up payroll deduction	State-specific
Shops & Establishments	Confirm active registration	Required for employee
EPF registration	Register if 20+ employees (or voluntarily)	Mandatory at threshold
ESIC registration	Register if 10+ eligible employees	Check state thresholds
Employment contracts	Prepare compliant contract templates	Indian law applies
Payroll system	Set up with TDS, EPF, ESIC, PT capability	Required for compliance

Before Selling Products or Services

Requirement	Action	Notes
GST registration	Active registration with GSTIN	Mandatory for most businesses
Sector-specific licences	FSSAI, CDSCO, RBI, SEBI,	Sector-dependent
BIS certification	For regulated product categories	Product-specific
Trademark registration	File application	Protection from filing date
IEC	For any import/export	Mandatory

Ongoing Annual Compliance Calendar

Obligation	Deadline	Authority
GST returns (monthly/quarterly)	11th / 20th of following month	GST portal
TDS returns	Quarterly (Jul, Oct, Jan, May)	Income Tax portal
TDS challan payments	7th of every month (March: 30 April)	Income Tax portal
EPF monthly contribution	15th of following month	EPFO portal
ESIC monthly contribution	15th of following month	ESIC portal
Advance tax instalments	15 Jun / 15 Sep / 15 Dec / 15 Mar	Income Tax portal
Annual statutory audit	Complete by Sep–Oct	ICAI-registered CA
Income tax return	31 Oct (30 Nov for TP cases)	Income Tax portal
Transfer pricing (Form 3CEB)	Nov 30, 2026	Chartered Accountant
ROC annual return (MGT-7)	Within 60 days of AGM	MCA portal
ROC financial statements (AOC-4)	Within 30 days of AGM	MCA portal
Director KYC (DIR-3 KYC)	Sep 30, 2026	MCA portal
FLA Return (RBI)	Jul 15, 2026	RBI portal
Professional Tax return	Monthly/annual (state-specific)	State portal
MSME payment disclosure	Half-yearly	MCA portal

08 Common Mistakes Foreign Businesses Make

- **Missing the FC-GPR deadline.** This is the most common and serious compliance failure for newly incorporated foreign-owned entities. The 30-day deadline from share allotment is firm. The consequences — late filing fees, regulatory scrutiny, and complications in future transactions — are entirely avoidable with a structured post-incorporation checklist.

- **Treating GST as optional until turnover is crossed.** For B2B businesses, the commercial reality is that customers need your GSTIN to claim input tax credit. Not having GST registration from the start creates friction that damages early commercial relationships.

- **Delaying statutory auditor appointment.** The Board must appoint the first statutory auditor within 30 days of registration (Section 139(6)). Many foreign businesses treat this as an afterthought and scramble at year-end. A good statutory auditor requires lead time to understand the business and set up proper accounting systems.

- **Underestimating sector-specific approval timelines.** Manufacturing, pharma, food, and financial services businesses face approval processes that take months, not weeks. Building these into the entry timeline from the outset is essential.

- **Ignoring transfer pricing from day one.** Every intercompany transaction between the Indian entity and its foreign parent is subject to transfer pricing. Businesses that do not document pricing from day one face significant exposure during tax audits.

- **State-level compliance as an afterthought.** Shops and Establishments registration, Professional Tax, and state-specific labour law compliance are frequently overlooked by businesses focused on central-level registrations.

- **Using a single email or login for all compliance portals.** India's compliance ecosystem operates across multiple portals — MCA, GST, Income Tax, EPFO, ESIC, DGFT, RBI. Each requires separate registration and login credentials. Establishing proper access management from the outset avoids missing notices and deadlines.

09 Final Perspective

India's compliance framework is neither irrational nor impenetrable. It is layered, sequential, and, once understood, manageable with the right support.

The businesses that encounter problems are usually not those that tried and failed. They are the ones that treated compliance as a back-office afterthought while focusing entirely on the commercial opportunity. In India, the commercial opportunity and the compliance framework are inseparable. You cannot build a sustainable revenue business on a non-compliant foundation.

The businesses that get this right share a common approach: they map their compliance requirements against their operational plans at the outset, appoint qualified local advisors before they need them, and build compliance milestones into their market entry timeline as firmly as they build commercial milestones.

> ***Registration creates the licence to operate.***
> ***Compliance creates the foundation to grow.***

Disclaimer: This document is intended for informational purposes only and does not constitute legal, tax, or regulatory advice. Compliance requirements change periodically, and applicability depends on specific business activities, structure, state of operation, and sector. References to income tax provisions reflect the Income Tax Act, 2025. Readers should consult qualified Indian legal, tax, and regulatory advisors before making compliance decisions. Information reflects the regulatory framework as understood in June 2026.

INDIA MARKET ENTRY ADVISORY

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