

PRIVATE LIMITED COMPANY INCORPORATION GUIDE





Setting up a legal entity

Incorporating a company is regulated by the Ministry of Corporate Affairs (MCA)¹ as per the Companies Act 2013. A corporate entity can be established in India through various structures considering its nature of operations, tax liability, foreign investment regulations, etc. The process can be initiated online on the MCA portal² using the SPICe+ integrated web form. For operational reasons, setting up a private limited company is generally preferred over the other forms of legal structures in India.

A minimum of two shareholders (who may be corporate entities or individuals or a combination of the two) are required to subscribe to the private limited company's subscription shares (initial shares) and transfer the subscription fee to the Indian bank account of the private limited company proportionate to their shareholding.

The first directors of the private limited company may be foreign or Indian nationals appointed by the joint venture partners, and their names will be specified in the charter documents of the private limited company. The private limited company, being Indian, is subject to all applicable Indian regulations. Its running and management are influenced by its charter documents (the Articles of Association (AoA)³ and the Memorandum of Association (MoA)⁴).

¹Ministry of Corporate Affairs (MCA) Company Services
[\[https://www.mca.gov.in/MinistryV2/incorporation_company.html\]](https://www.mca.gov.in/MinistryV2/incorporation_company.html)

²MCA login [\[https://www.mca.gov.in/mcafoportal/login.do\]](https://www.mca.gov.in/mcafoportal/login.do)

³The AoA is a document that regulates the internal management of the company. The provisions of the JV agreement need to be incorporated in AoA.

⁴The MoA is the charter document of every company in India, which sets out the main aims and objectives of the company. The MoA needs to be clearly drafted from the beginning, as amending any clause is a lengthy and time-consuming process.



⁵Share capital is the funding a company has raised through issuing common or preferred stock.

⁶Authorized capital, nominal or registered capital, represents the maximum capital a company's shareholders can invest and own. It's defined in the Company's Memorandum of Association (MOA) under the Capital Clause. Notably, not all authorized capital may be issued—the issued capital is the amount given to investors.

Steps for incorporation of a Private Limited Company



Step 1: Name approval

1. The information and documents need to be submitted to the Central Registration Centre (CRC) with an application fee of INR 1,000 to initiate the process for name approval.
2. The main objects of the proposed private limited company will have to be submitted along with the application for name approval.



Step 2: Obtaining a digital signature certificate (DSC)⁷

1. At least one proposed director of the private limited company must obtain a DSC to incorporate the private limited company.
2. The information and documents need to be submitted to the respective authority to obtain DSC.



Step 3: Registration of the private limited company

1. All the proposed directors are required to have a Director Identification Number (DIN)⁸. If the proposed directors have not obtained the DIN, it must be obtained at the time of registration of the private limited company.
2. The information and documents need to be submitted to the respective Registrar of Companies (RoC) for the incorporation of the private limited company.
3. Upon name approval, the balance documents, declarations, forms, MoA, and AoA for incorporating the private limited company, along with instructions for filing with the RoC [eForm INC-32 (SPICe), INC-33 (MoA), INC-34 (AoA), INC-8, INC-9, DIR-2, DIR-8, etc.), have to be prepared.
4. Filings for step 3 have to be done within 20 calendar days from the date of the name approval under step 1.

⁷Digital Signature Certificates (DSC) are the digital equivalent (i.e., electronic format) of physical or paper certificates. Certificates serve as proof of identity of an individual for a certain purpose. Likewise, a digital certificate can be presented electronically to prove one's identity, to access information or services on the Internet or to sign certain documents digitally.

⁸DIN is a unique Identification Number allotted to an individual who is appointed as a director of a company, upon making an application in form DIR-3 pursuant to section 153 & 154 of the Companies Act, 2013.

Note:

Foreign documents or documents relating to foreign directors requested by the RoC will have to be apostilled, notarized, or consularized, depending on the location of the home country, as applicable.

Timelines:

Subject to all documents being made available in the required format, it is safer to assume that Steps 1 to 3 mentioned above will take 1-2 months to complete, depending on the state in India where the private limited company is being incorporated.

Frequently asked questions [FAQs]

1 What is the process of obtaining a DSC? [\[FAQs on DSC\]](#)

- DSC applicants can directly approach Certifying Authorities (CAs) with original supporting documents. Self-attested copies will be sufficient in this case
- DSCs can also be obtained wherever the CA offers, using Aadhar eKYC-based authentication. Supporting documents are not required in this case
- A letter or certificate issued by a bank containing the DSC applicant's information as retained in the bank's database can be accepted. Such a letter or certificate should be certified by the bank manager.

2 Is the RoC dependent on the registered office address in India?

- Every company incorporated under the Companies Act 2013 must have a registered office within 30 days of its incorporation. The promoters are required to declare a particular place (address) as the registered office of the company and need to get it registered at the MCA.
- Further, the location of the registered office of a company decides the registrar of the company (RoC), where the incorporation documents shall be submitted.
- Therefore, while incorporating the company, the company must file the necessary address proof of official address, such as a lease deed, ownership documents, or rent agreement.

3 What is the process for applying for a DIN, and how long does it take? [\[FAQs on DIN\]](#)

- Any person intending to become a director in an existing company shall have to make an application in eForm DIR-3 for allotment of DIN. For a new company, an application for allotment of DIN shall be made only through the SPICe e-form at the time of its incorporation.

Important:

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ABOUT GFI INDIA

Since our establishment in 2017, GFI India has served as the central thought leader and convening body in plant-based, cultivated, and fermentation-based meat, eggs, and dairy, collectively known as the alternative protein or smart protein sector. The regulatory team at GFI India is led by [Astha Gaur](#) and [Ojasvi Uppal](#), who aim to build regulatory pathways between smart protein manufacturers and government bodies, convene the Regulatory Advisory Council, and provide regulatory advisory and resources for stakeholders in the smart protein sector.

ABOUT BTG ADVAYA:

[BTG Advaya](#) is a pan India full-service law firm. Their practices include TMC advisory, e-commerce and online retail, fintech, corporate transactions, commercial contracting, regulatory advisory, labor, disputes, and investigations. They have been actively advising clients in the F&B and tech sectors in regulatory compliance, advocacy, policy analysis, corporate structuring, product assessments, policy advocacy for emerging developments, etc. Their collaboration with GFI India is led by [Vikram Jeet Singh](#) and [Ayan Sharma](#), whose collective experience spans more than 25 years, and advisory covers the full spectrum of the legal and regulatory facets of the sector.