



# Setup a office in India to save 2/3 of your resource cost

Skilled Tech Talent | Low employee cost | Easy to setup



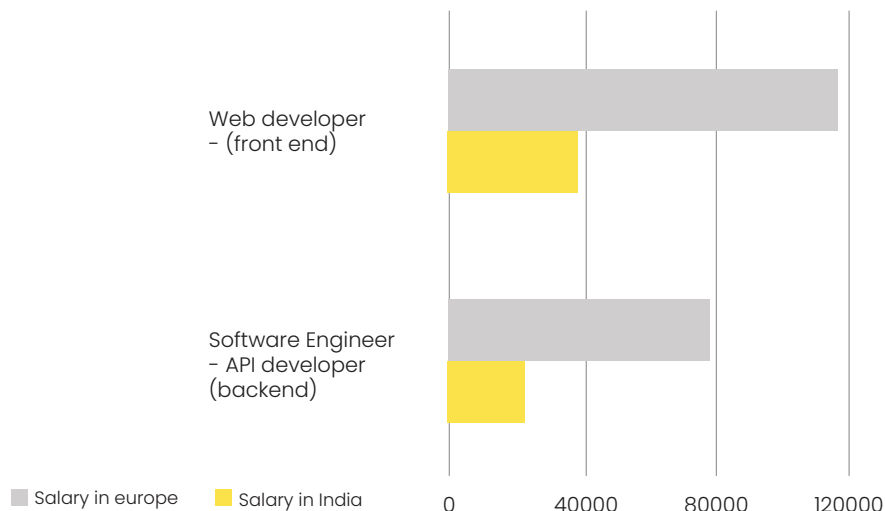
# Why India?

**Salaries in India are 1/3 of the salaries in USA/Europe/UK.**

## Tech Salary Comparison

Profile	Salary in India	Salary in Usa
Software Engineer – API Development (Backend)	USD 22000	USD 75000
Software Engineer – Web development (frontend)	USD 38000	USD 116000

Salary comparison - India vs West



<https://www.levels.fyi/comp.html?track=Software%20Engineer&country=65>

## Office rentals are 1/3 of that of USA

**The rentals in India are approximately USD 100/pp/month.** This is a fully furnished office space. A ten-seater private office will cost you approx. EURO 300/pp/month. We have coworking spaces like Regus and Wework in India.

## Compliance Cost and setup cost

**The setup cost including the government fees is as low as USD 1700** and the compliance cost for up to 20 employees is as low as USD 700 per month.

# 2 ways to hire employees in India

## i. Hire employees in India without registering a company

Start hiring in 4 days.

Fees - 150 USD/employee/month



### Process:

1. We incorporate a Company dedicated for your employees
2. You select a employee, we complete the onboarding process like employment agreement, salary structure, payroll setup, insurance benefits etc
3. We raise a monthly invoice on you on 1st of the month for employee salary + USD 150/employee/month
4. In case you want to terminate an employee, you can do that by giving 1 month notice.
5. In case you want to take the ownership of company and make it your subsidiary we transfer the company to you.



### Pros

1. No initial setup cost
2. You do not have to worry about incorporation process and documentation
3. Start hiring in 4 days
4. We can transfer the company to you any time in as low as EURO 3000



### Cons

1. Employees prefer to work directly for the company rather than a third party
2. Expensive if you have more than 5 employees

## ii. Setup a Subsidiary company and hire employees

Setup your own company in 12 days. Start hiring in 3 weeks



### Process

1. Register your subsidiary company along with bank account opening in 3 weeks, completely online
2. Get other registrations like GST etc in a week
3. Draft locally compliant employment contracts and setup a payroll system
4. Start hiring



### Pros

1. You own the company and you make your policies
2. Cost effective if you have more than 5 employees
3. Easy to attract and retain employees as they get to work for your brand directly
4. We manage all the compliances with a monthly fixed cost so you do not have to worry about it
5. 100% confidentiality and the employees are on your payroll



### Cons

1. Setup and bank account opening will take around 3 weeks so you can hire only after 3 weeks
2. Initial setup cost of USD 3000

# All about setting up a subsidiary company in India

## Setting up

**3 Weeks to setup and open Bank account- 100% online**

Particulars	Total Setup Cost
Company Registration with tax registrations	<b>USD 1700</b>
Employment contract and payroll setup	
Assistance with Bank Account opening	

## Monthly Compliance Cost

	Upto 20 Employees	20-50 employees	50-100 employees
Payroll management	<b>USD 700</b>	<b>USD 1200</b>	<b>USD 2000</b>
Book Keeping			
Monthly tax return filing			

## Bank Account

### Can be opened in 2 weeks without you having to visit India

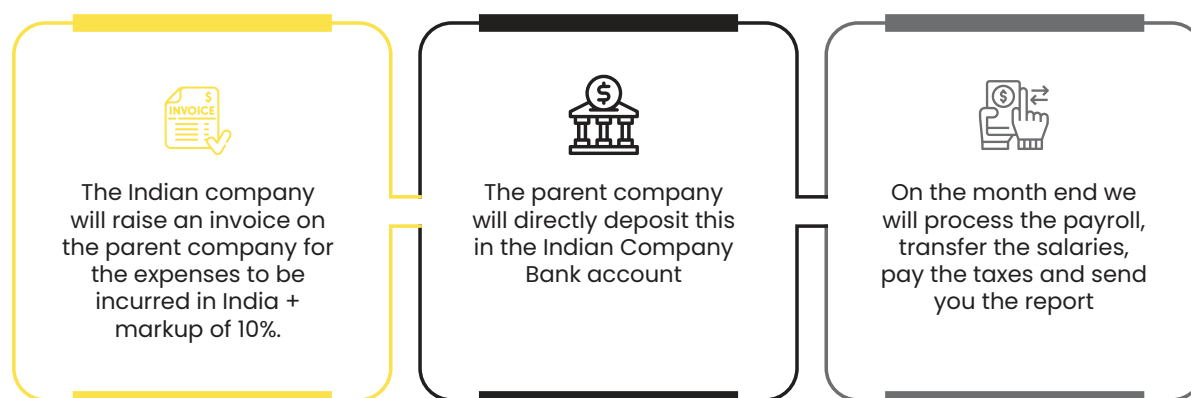
In India we have international banks like Citi, Standard Chartered, HSBC, DBS. The local Indian banks are ICICI, HDFC etc. We connect you with a banker and assist you with completing all the formalities. Bank account can be opened in 2 weeks, remotely.

## Income Tax

### You will pay approximately 3% of total expenses in India as income taxes (transfer pricing guidelines)

As per the transfer pricing guidelines your company should earn a minimum profit of 8-12% in the total expenses. The tax on profit is 25%. It converts to 3% of total expenses. For example if your monthly salary and overheads cost is 10000 Euro you will pay a tax of approx 300 Euro.

## How does Subsidiary work



The extra 10% you pay to the Indian Company can be repatriated to the parent company in form of Dividends. There is no dividend distribution tax.

## Labor Laws in India



### Insurance and benefits

Insurance for employees is not mandatory but we strongly advice you to have insurance for employees. Retirement benefits are the part of CTC (cost to company). They are Euro 20 per employee per month



### Termination of employee

Probation period of an employee is up to 6 months from date of joining. During this time, you can terminate the employee or employee can resign by giving you a weeks notice

After probation, the notice period of minimum 1 month or payment in lieu of notice is required to be given from either side.



### Leaves

Paid and Sick leaves of 21 days to be given in a year



### Public Holidays

10 days in a year



### Salary payment

To be paid by month end



### Employee Taxation

The deductions from the employee's salary are as below:

- Income Tax
- Retirement benefits like PF, ESIC etc – EURO 40/month
- Professional tax – Euro 3/month

## Closing a company

In case you want to shut down the operations of this entity, there are 2 options:

- 1) Apply for strike off of the company – You have to wait for 2 years. If there are no operations in past 2 years then the application may be filed.
- 2) Transfer the company to us and we manage it for 2 years and then apply for closure. Basically you transfer the company to us in a day so that there are no liabilities on you.

## Assisted 200+ companies setup in India






Business Setup is a team of chartered accountants, lawyers and company secretaries with a specialisation in India entry services. Along with the company formation we assist in book keeping, payroll management, tax filings and all compliances needed to run a company in India.


**Have questions?**


**Setup a discovery call now**

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