



# Your Market Entry & Regulatory Roadmap

India's Cosmetic Industry

MARKET ENTRY GUIDE

REGULATORY ROADMAP

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**Section 01 :**  
**Overview of India's Cosmetic Industry**

# The Rise of Beauty: India's Cosmetic Market at a Glance

India's cosmetics and personal care market is surging, fueled by young consumers, digital access, rising incomes, and growing beauty aspirations. The category is shifting fast from basic care to premium, science-backed products.

## \$21.8B

Market Value 2025–2026

India's cosmetics market valuation as of 2025–2026, establishing it as a major global player.

## \$72.4B

Projected by 2035

Expected market size by 2035, reflecting sustained consumer demand and market expansion.

## 11.5%

CAGR 2025–2035

Compound Annual Growth Rate, placing India among the fastest-growing cosmetics markets worldwide.

India is now the **fastest-growing major cosmetics market globally** in percentage terms. The opportunity is shifting from scale alone to a more sophisticated, premium-led consumer base.





# Beauty for All: India's Evolving Aspirations

Beauty has become an everyday essential across India.



## 550M+ Consumers

A huge, still underpenetrated market.



## Digital Discovery

Social media now drives product discovery.



## Clean Beauty

Ayurveda and naturals are fueling premium demand.



## Men's Grooming

One of the fastest-growing beauty segments.

# Key Growth Drivers: What's Fuelling the Boom?

India's beauty market is growing fast because several powerful trends are converging at once.

## Youthful Demographics

India has a very large young consumer base. This generation is beauty-aware, digital-first, and open to trying new products.

## Digital Transformation & E-Commerce

Beauty shopping is expanding quickly online, especially beyond major cities. Easier access, smartphones, and digital payments are removing friction.

## Premiumisation & Science-Backed Beauty

Consumers are shifting toward masstige and premium products. They increasingly want ingredients and claims they can trust.

## Direct-to-Consumer (D2C) Revolution

Homegrown D2C brands are growing by speaking directly to consumers. They move faster, test quicker, and build stronger relationships online.



# Market Segmentation: A Diverse Landscape

## Product Categories & Market Share

India's cosmetics market spans a wide spectrum of product categories, each with its own growth trajectory and consumer profile. **Skincare leads with a 28.4% market share**, driven by growing awareness of sun protection, anti-ageing, and skin hydration.

Category	Est. Share	Key Trend
Skincare	28.4%	Actives, SPF, Anti-Ageing
Hair Care	~24%	Scalp Health, Protein Treatments
Make-Up	~18%	Long-Wear, Inclusive Shades
Fragrances	~12%	Attar revival, Premium EDP
Bath & Body	~10%	Natural soaps, Body lotions
Nail Care	~4%	Gel, Non-toxic formulas

## Emerging High-Growth Segments


Two sub-segments stand out for exceptional growth velocity and represent major strategic opportunities for both domestic and international brands entering India:

### Ayurvedic / Herbal

CAGR: **19.8%**. Anchored in India's wellness traditions. Key ingredients: turmeric, neem, ashwagandha.

### Men's Grooming

CAGR: **16.4%**. Growing acceptance of male skincare and grooming routines. Key brands: Beardo, The Man Company.

 **Online channel growth: CAGR 24.2%** — fastest of all distribution channels.

- Euromonitor International India Beauty & Personal Care 2024
- Grand View Research India Cosmetics Market 2024
- Statista India Ayurvedic Cosmetics Segment Report



# Challenges and Opportunities for Brands



## Complex Regulations

Multiple licences and registrations can be hard to manage without local help.



## Huge Untapped Market

Most of rural India is still waiting for modern beauty brands.



## Counterfeit Products

Fake goods in online marketplaces can hurt trust and safety.



## Clean Beauty Demand

Shoppers want natural, sustainable, and transparent products.



## Price Sensitivity

Many shoppers are value-driven. Premium pricing needs a clear reason.



## Ayurvedic Heritage

India's botanical roots give local brands a strong global story.



## Ingredient Restrictions

Some ingredients used globally may not be allowed in India.



## Digital-First Growth

Social media, influencers, and D2C make growth faster and cheaper.

## Market Entry Considerations

01

### Assess Market Fit

Evaluate product-market fit, pricing architecture, and competitive positioning for the Indian market

02

### Structure Your Entry

Choose between direct import, JV, wholly-owned subsidiary, or contract manufacturing model

03

### Build Compliance Infrastructure

Secure registrations, licences, IAA appointment, and labelling compliance before launch

04

### Go-to-Market Execution

Define channel strategy (e-commerce, modern trade, pharmacy, D2C) and launch with regulatory confidence



# The Future of Beauty in India: Innovation and Expansion

The 2025–2035 decade is a major opportunity window for India's cosmetics industry, as demographics, digitalisation, income growth, and regulatory maturation align to create exceptional long-term value for brands that invest strategically today.

## Regulatory Maturation

India's regulatory framework is converging toward international standards, including ISO 22716 GMP and ASEAN Cosmetics Directive harmonisation. Brands that build compliance now will be better positioned as rules tighten post-2027.

## 2026–2030: The Leadership Window

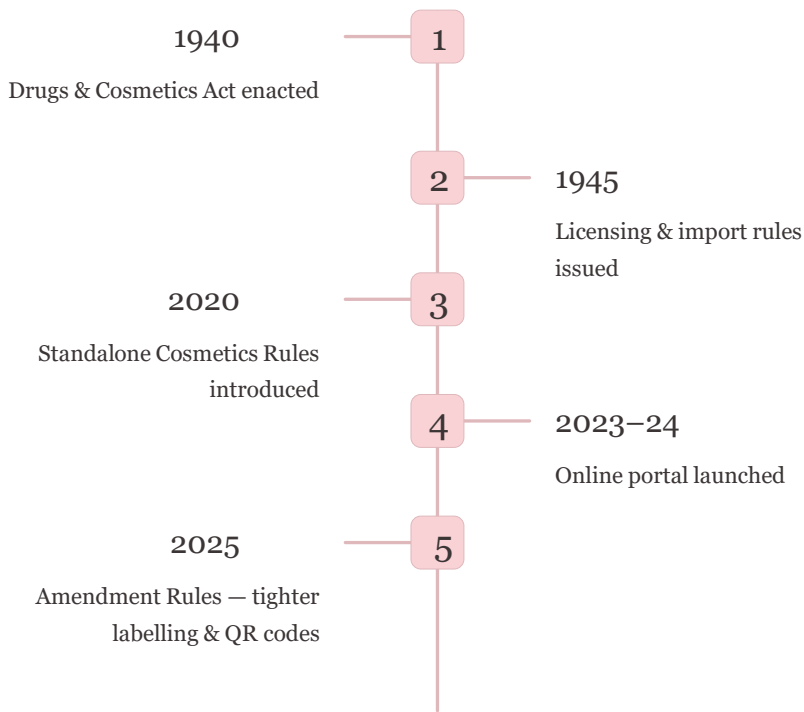
Brands that establish presence, compliance infrastructure, and consumer trust in this five-year window are likely to secure category leadership. Later entrants may find those positions much harder to displace.

## India as Export Springboard

Brands manufacturing in India can leverage the country's growing FTA network and "Made in India" positioning. This creates export opportunities across South-East Asia, the Middle East, and diaspora markets.

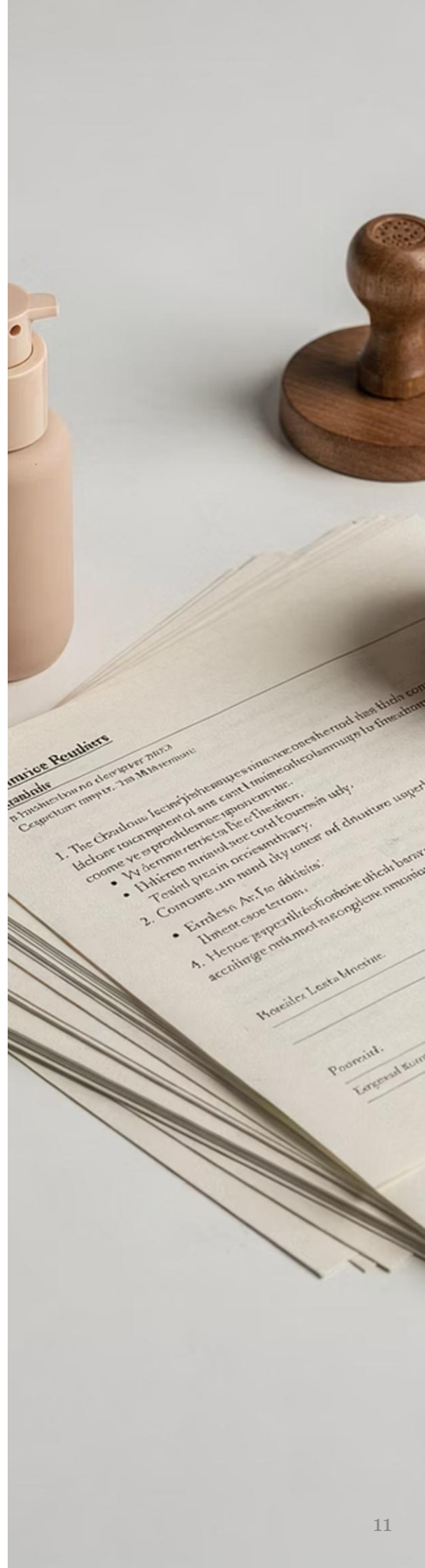
**Section 02 :**  
**Regulatory & FAQ w.r.t CDSCO**

# Regulatory Framework: Legislative Background



- Drugs & Cosmetics Act, 1940
- Cosmetics Rules, 2020
- BIS Standards (sunscreens, toothpastes)
- Under Ministry of Health & Family Welfare
- Led by the Drugs Controller General (DCGI)
- Covers registration, licensing & enforcement

⚠ No pre-market approval needed — but registration, licensing & surveillance are mandatory. Non-compliance risks seizure or prosecution.



# How to Import Cosmetics into India: Step-by-Step



## Step 1: Appoint an Indian Authorised Agent (IAA)

Appoint an IAA who will hold the import licence on your behalf and is legally responsible for compliance in India.



## Step 2: Obtain Import Licence (COS)

Apply via CDSCO's online (E-SUGAM) portal. The IAA files on behalf of the foreign brand. Licence is valid for 5 years.



## Step 3: Register Your Products

All cosmetics must be registered and license must be obtained before sale. Submit ingredient list, safety data, and label details per product.



## Step 4: Ensure Label Compliance

Labels must show: product name, ingredients (INCI), MRP, country of origin, expiry date, batch number, and IAA contact. QR code, as applicable



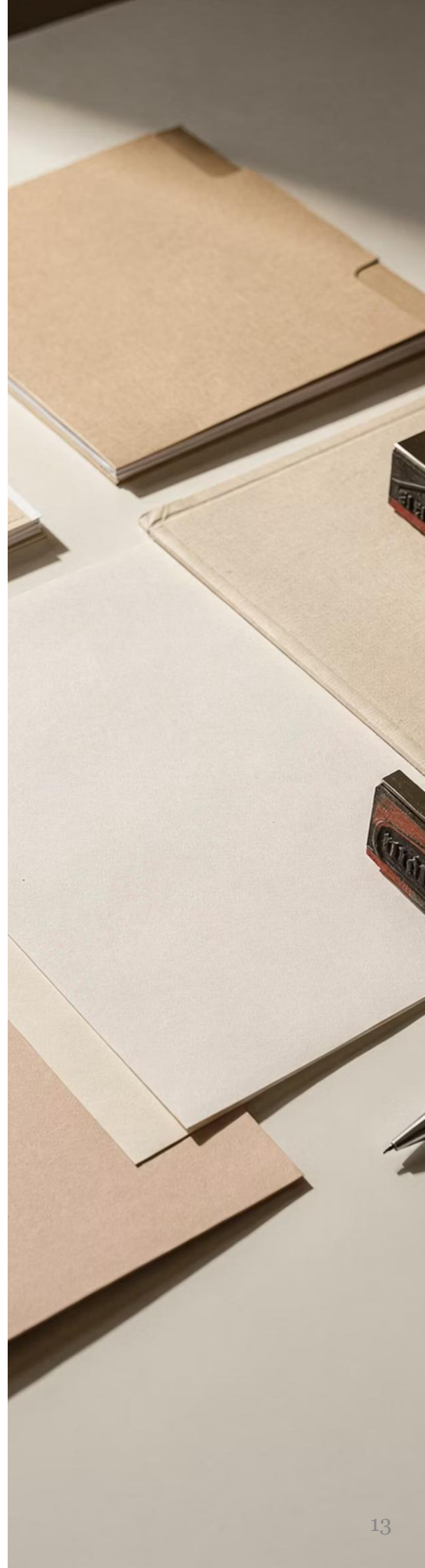
## Step 5: Register for EPR (Plastic Packaging)

Register as an Importer (PIBO) on the CPCB EPR portal. Meet annual plastic waste recycling targets. Maintain EPR certificates.



# What Documents Do You Need to Import Cosmetics into India?

The following preliminary documents are required for CDSCO registration and import licence application.



**⚠** Documents such as Power of Attorney and Letter of Authorization must be notarized and apostilled in the country of origin before submission to CDSCO.

# Government Fees for Cosmetic Registration in India

All fees below are statutory charges levied by the Government of India.  
Professional/service fees are separate.

<b>CDSCO</b>	<b>Legal Metrology</b>	<b>EPR Authorization (CPCB)</b>
USD 1,000 / EUR 920 / GBP 790 per product category	INR 500 per application	INR 10,000 per registration
USD 500 / EUR 460 / GBP 395 per manufacturing site	Approx. USD 5.5 / EUR 5 / GBP 4.5	Approx. USD 111 / EUR 102 / GBP 88
USD 50 / EUR 46 / GBP 40 per variant (in addition to each category)		

- i** CDSCO may in some cases require lab testing of samples at a CDSCO-recognised lab – lab charges would be additional. In rare cases, a manufacturing site visit may also be ordered.

Exchange rates are indicative. Fees are payable in INR to the respective Government authority.





## Frequently Asked Questions on India Market Entry



### Do accessories & tools require CDSCO registration?

Generally no. Basic accessories used during aesthetic treatments (bowls, towels, applicators) are not classified as cosmetics under Indian law. Confirm specific product details before any submission.



### Can a different Indian company import once registration is done?

No. Only the registered CDSCO licence holder may import the products. Transferring the registration to a different importing entity requires a formal transfer application — a complex and time-consuming process. If plan is to have a private company in India then first step should be to set-up one.

# CDSCO Registration: Common Questions

1

**Is CDSCO registration mandatory for imported cosmetics?**

Yes. All imported cosmetics require CDSCO registration before import and sale in India.

2

**Does every product require separate registration?**

Each product category requires separate registration. Variants (shades, tones, colours) can be added under the same category; different volume packs are generally treated as variants but require review.

3

**Do volume variants need separate registration?**

CDSCO requires a separate entry per product category; volume variants are typically added as sub-variants if all other parameters remain unchanged.

4

**Is a separate application required for each manufacturing site?**

Yes. Products manufactured at different factories generally require separate applications.

5

**How long does CDSCO registration take?**

The process typically takes 3–6 months. Professional and accurate documentation can help expedite the timeline.

6

**How long is the registration valid?**

Generally valid for 5 years under the Cosmetics Rules. Renewal is available thereafter with applicable fees.

7

**Does CDSCO require product samples?**

Registration is primarily document-based. However, authorities may request samples or testing in certain cases.

8

**Does CDSCO test every imported shipment?**

Not necessarily. Testing may be conducted selectively by the authorities.

9

**Can cosmetic samples be imported before registration?**

Limited quantities for testing or exhibition may be imported subject to applicable permissions. Samples for promotion require CDSCO approval.

10

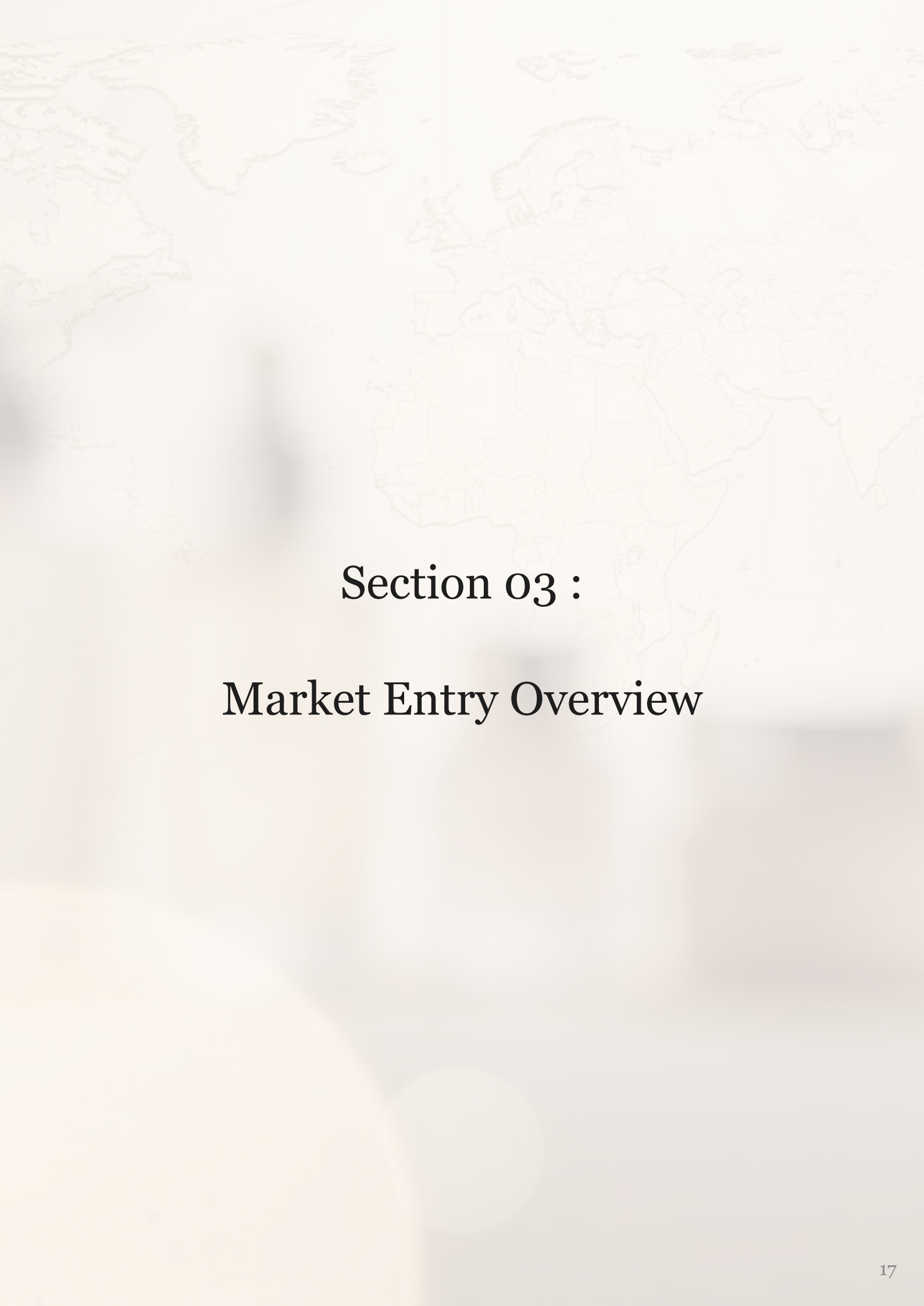
**Can foreign companies apply directly for CDSCO registration?**

Yes, by appointing an authorised Indian agent who handles filings and import activities on their behalf.

11

**Can products be sold online without CDSCO registration?**

No. Imported cosmetics sold through e-commerce platforms must also comply with all regulatory requirements.



## **Section 03 :**

# **Market Entry Overview**

# Market Entry Structures for Foreign Cosmetic Brands in India

Navigating the Indian market requires a clear understanding of available entry models, each with distinct trade-offs in control, capital, and speed to market.



## Direct Import via IAA

This is the fastest route to market. An Indian Authorized Agent (IAA) holds the import license and manages primary regulatory responsibility.



## Wholly Owned Subsidiary (WOS)

Set up a 100% FDI-owned Indian company for full operational control. This option suits long-term brands with significant investment plans.



## Joint Venture (JV) with Indian Partner

Partner with an established Indian business to share investment and risk. This can speed up access through local expertise and networks. Relationship with India party important.



## Contract Manufacturing in India

Use a licensed Indian manufacturer to produce locally under your brand. This supports cost efficiency and "Made in India" positioning. IP and know-how protection becomes critical.

## Comparison of Entry Models

Entry Model	Entry Speed	Capital Requirement	Control Level	Regulatory Complexity	Best For
Direct Import (IAA)	Fastest	Low	Moderate	Medium (IAA manages)	Market testing
Wholly Owned Subsidiary (WOS)	Slow	High	Highest	Highest	Long-term expansion
Joint Venture (JV)	Medium	Medium	Medium	Medium (shared)	Local reach
Contract Manufacturing	Medium	Medium	Medium	Medium (CMO manages production license)	Cost efficiency





## Setting Up in India: Choosing Your Structure



### Private Limited Company (Pvt Ltd)

Most popular for foreign brands. 100% FDI allowed under automatic route. Requires 2 directors (1 Indian resident) and 2 shareholders.



### Limited Liability Partnership (LLP)

Suited for smaller operations. FDI requires government approval – less common for cosmetics retail or manufacturing.



### Branch / Liaison Office

Restricted activities only. Cannot manufacture or trade directly. Requires RBI approval.

## Pvt Ltd. - Incorporation Steps

01	02	03
<b>DSC &amp; DIN</b>	<b>Name Reservation</b>	<b>File MOA, AOA &amp; SPICe+</b>
Digital signatures and director IDs for all proposed directors	Via MCA SPICe+ portal	With the Registrar of Companies (ROC)
04	05	06
<b>Certificate of Incorporation</b>	<b>Bank Account</b>	<b>FEMA/RBI Filing</b>
Issued by the Registrar of Companies (ROC).	Banking setup	FC-GPR filing within 30 days of FDI inflow

Process of company incorporation may take from 2 to 4 months.

# Post-Incorporation: Registrations & Ongoing Compliance

## Key Registrations



### IEC

DGFT import code. Mandatory for all imports.



### GST (Indian VAT)

Needed for inter-state supply or turnover above ₹20 lakhs.



### Shops & Establishment

State registration for commercial premises.

## Import from Group Co

### Customs & SVB Compliance

SVB (Special Valuation Branch) compliance required for imports from related parties. Customs filing and valuation declarations to be completed.

### Transfer Pricing Compliance

Annual transfer pricing documentation and study required for all related-party transactions with the foreign parent entity.

Other compliance: Annual ROC filings, board meetings, financial statements, GST returns, TDS, and income tax — managed as part of routine statutory compliance.



# How MGA Can Help: Your End-to-End India Market Entry Partner

Entering India's cosmetics market requires specialist expertise, and MGA is your dedicated India market entry partner across every stage of the journey.



## Market Entry Strategy & Advisory

- Market opportunity assessment and competitive landscape analysis
- Entry mode selection (IAA, WOS, JV, Contract Manufacturing)
- Go-to-market strategy: channel, pricing, and positioning



## Company Incorporation & Legal Setup

- End-to-end Private Limited Company incorporation
- Director and shareholder structuring for FDI compliance
- MCA, ROC, PAN, TAN, GST, and IEC registrations



## Regulatory Registration & Compliance

- CDSCO product registration and import licence via E-SUGAM
- Indian Authorised Agent (IAA) services — support in finding IAA
- Labelling compliance review (Cosmetics Rules 2020 + 2025 Amendments)



## Ongoing Compliance Support

- Annual statutory filings (MCA, ROC, GST returns, other compliance)
- License renewals and regulatory correspondence management





## Contact Us

For expert guidance on tax and regulatory matters in India, please contact our team.

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