

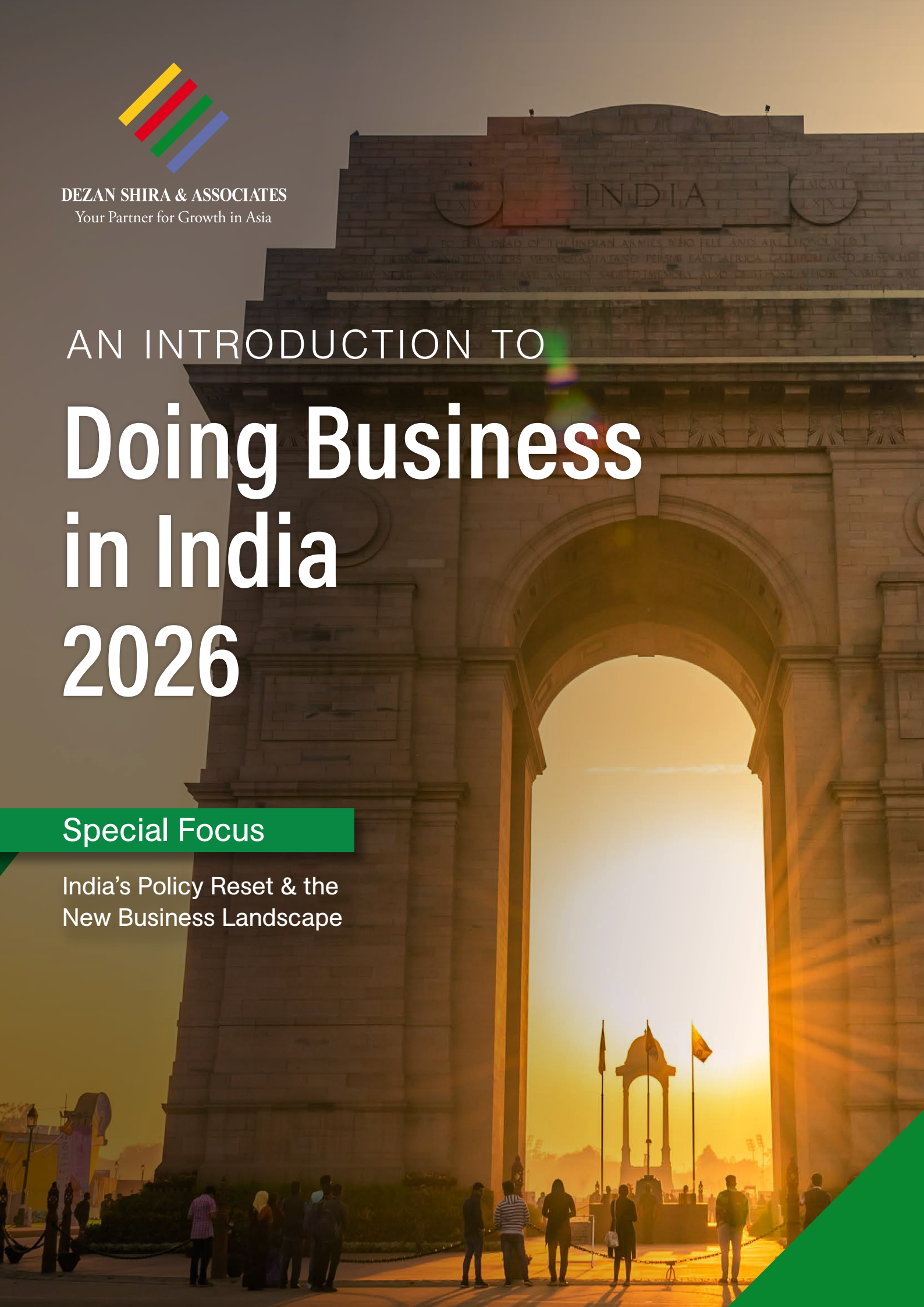


DEZAN SHIRA & ASSOCIATES
Your Partner for Growth in Asia

AN INTRODUCTION TO Doing Business in India 2026

Special Focus

India's Policy Reset & the
New Business Landscape





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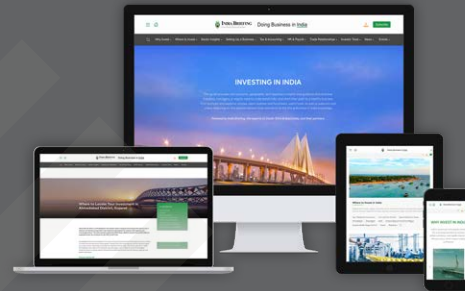
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This edition of Doing Business in India was produced by a team of professionals at Dezan Shira & Associates, with Archana Rao as Technical Editor and Melissa Cyrill as Lead Editor. Creative design of the guide was provided by Miguel Enrico Anciano.

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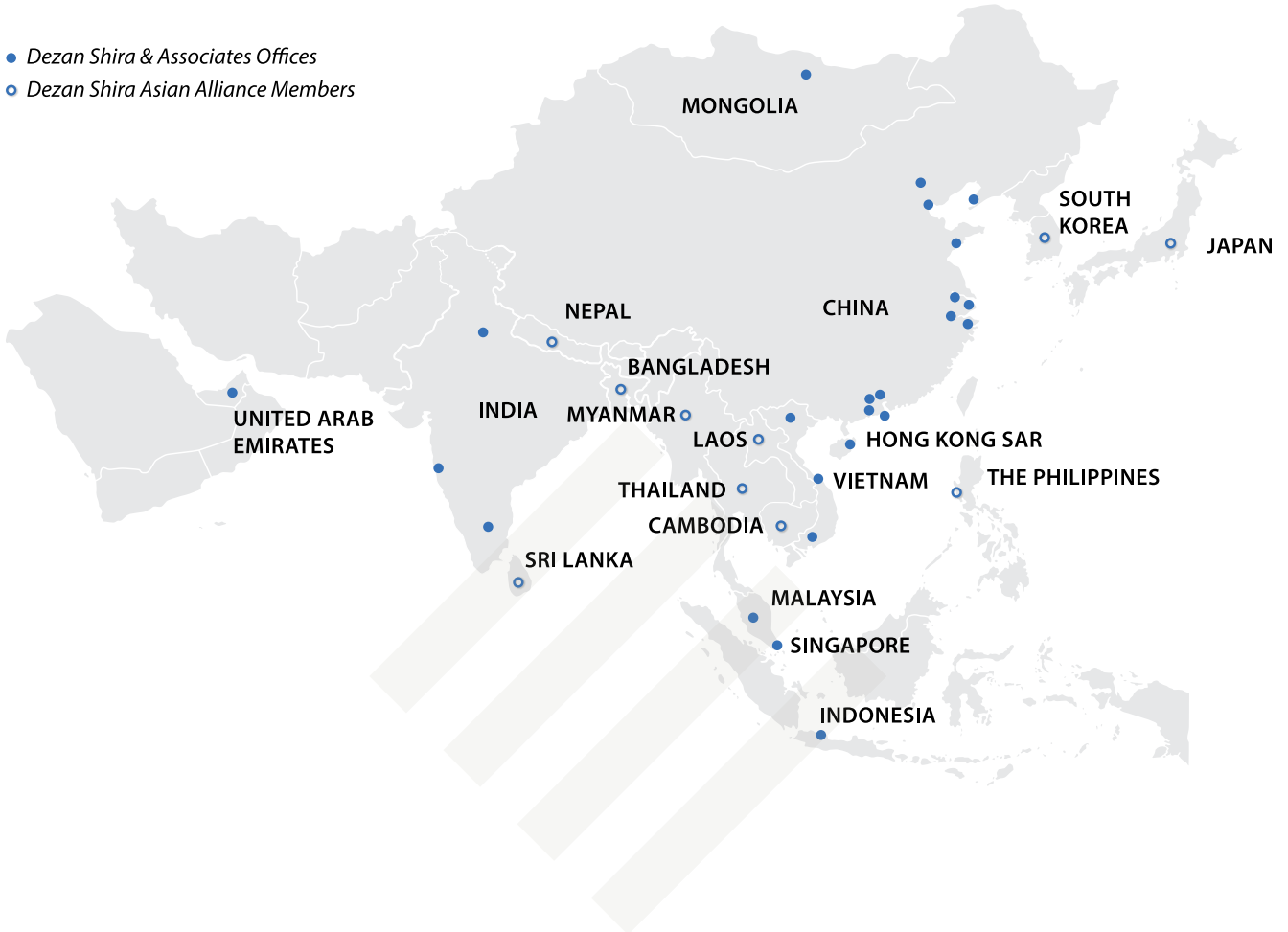
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About Dezan Shira & Associates

At Dezan Shira & Associates, our mission is to guide foreign companies through Asia's complex regulatory environment and assist them with all aspects of establishing, maintaining and growing their business operations in the region. Since its establishment in 1992, Dezan Shira & Associates has grown into one of Asia's most versatile full-service consultancies with operational offices across China, Hong Kong, India, Singapore, and Vietnam as well as liaison offices in Italy, Germany and the United States, and partner firms across the ASEAN region and in Bangladesh. With over 30 years of on-the-ground experience and a large team of professional advisers, we are your reliable partner in Asia.

Preface

An Introduction to Doing Business in India 2026 provides a comprehensive, investor-focused overview of the major regulatory, tax, labor, and digital compliance reforms reshaping India's business environment. As India enters 2026 with strong economic momentum, companies must navigate a converging wave of policy updates that directly impact market entry, corporate structuring, payroll, taxation, data protection, and cross-border trade.

This guide explains the implications of GST 2.0 reforms, including simplified rate structures, corrected inverted duties, and deeper integration between GST, customs, and e-invoicing. Together, these changes aim to reduce compliance friction and improve cash-flow planning. It also explains the implementation of India's four Labor Codes, highlighting changes to wage definitions, social security coverage, industrial relations processes, and inspection systems that require businesses to recalibrate HR, payroll, and workforce policies. Moreover, with the rollout of the Digital Personal Data Protection (DPDP) Rules 2025, companies face new obligations for consent management, breach reporting, cross-border data transfers, and security safeguards, overseen by the Data Protection Board.

For foreign investors evaluating the market, we outline the operational, tax, and compliance implications of choosing between liaison offices, LLPs, joint ventures, and wholly owned subsidiaries. The guide also covers India's fully digitalized customs ecosystem, updated HS classifications, and expanded export-control rules that align with global trade benchmarks.

Prepared by the experts at Dezan Shira & Associates, this resource offers practical, strategic insights for businesses looking to enter, expand, or optimize their operations in India. It delivers the clarity needed to adapt internal systems, strengthen governance, and make informed decisions in a regulatory landscape that is more predictable yet increasingly sophisticated.

For professional support with market entry, compliance, or restructuring in India, contact our team at india@dezshira.com

What this guide covers

Doing Business in India 2026 provides essential insights across the following areas:

- Policy overhaul of 2025
- India's investment climate
- Structuring India operations
- Audit and financial reporting
- HR and payroll
- Trade environment
- DPDP law



ANKUR MUNJAL

Country Director
Dezan Shira & Associates
New Delhi Office



CONTACT

Dezan Shira & Associates

india@dezshira.com

www.dezshira.com



What's New in This Guide

An Introduction to Doing Business in India 2026 offers a comprehensive overview of the key fundamentals of investing in India. Compiled by the professionals at Dezan Shira & Associates in November-December 2025, this guide is tailored for international firms exploring entry into the Indian market and for companies already operating in India that seek to stay informed about the latest and most relevant policy updates.

Key updates for your attention include the following:

Special Focus: India's Policy Reset & the New Business Landscape

The year 2025 marks a pivotal turning point for India's regulatory and business environment, characterized by a coordinated push to modernize key economic frameworks. The central government has introduced a series of landmark reforms spanning taxation, data governance, and labor regulation, each aimed at improving efficiency, strengthening investor confidence, and aligning India with global standards.

The 2026 edition of *An Introduction to Doing Business in India* puts the spotlight on the country's top policy reforms and their business implications, including:

1. Goods and services tax (GST) rate overhaul
2. Digital Personal Data Protection (DPDP) Rules, 2025
3. Four New Labor Codes notified

Why India: India recorded a robust 6.7 percent GDP growth in Q1 of FY 2025-26, supported by strong early-year economic momentum. Despite the global disruptions created by US tariff actions and ongoing geopolitical tensions, India is projected to maintain a steady 6.5 percent growth in FY 2026-27, reflecting its underlying economic resilience.

The country continues to accelerate its manufacturing capabilities while modernizing key regulatory frameworks governing business setup, foreign investment, workforce management, and digital data governance. These reforms are strengthening India's competitiveness and making it an increasingly attractive destination for global enterprises.

Taxation in India: In 2025, India introduced several new reforms to simplify, automate, and modernize its taxation system, making compliance more predictable, transparent, and business-friendly. This chapter provides an overview of the latest tax rates, incentives, and regulatory changes implemented during the year. Key updates include revised TDS rates, major GST system enhancements, streamlined exemptions, and a reduction in routine compliance requirements.

Transfer Pricing in India: Businesses engaged in cross-border or international transactions must ensure strict adherence to India's transfer pricing regulations. This chapter has been refreshed to include an updated Transfer Pricing compliance calendar, offering companies a clear and structured guide to annual filing obligations, documentation requirements, and assessment timelines, supporting smoother and more accurate tax compliance.

Human Resources and Payroll in India: This chapter has been comprehensively updated to reflect the latest developments under India's new Labor Codes, which reshape regulations on minimum wages, working hours, social security, and employer obligations. It also highlights recent updates in payroll processes, compliance requirements, and India's evolving visa and employment policies.

India's Trade Environment: This chapter presents the latest updates to India's export–import framework, including revised procedures, enhanced guidelines on HSN Codes, and fresh data on the country's top trading partners and trade flows. It also highlights key government initiatives designed to streamline customs processes, strengthen trade facilitation, and improve ease of cross-border operations.

India's Digital Privacy and Data Protection: This edition introduces an entirely new chapter dedicated to India's Digital Personal Data Protection (DPDP) Rules, the country's first comprehensive digital privacy law, notified on November 14, 2025. The chapter outlines the core principles of the DPDP framework, its compliance requirements, and its implications for organizations handling personal data in India.

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Our Offices in India

Delhi NCR

+91 0124 4001785
delhi@dezshira.com

Unit No. 1101-A, 11th Floor,
Emaar Capital Tower 2, MG Road,
Near Guru-Dronacharya Metro Station
Gurugram-122002, Haryana, India

Mumbai

+91 22 44807040
mumbai@dezshira.com

Office No: 907, 9th Floor, The
Summit Business Bay By Omkar,
Andheri East, Mumbai - 400093,
Maharashtra, India

Bengaluru

+91 80 6185 2024
bengaluru@dezshira.com

Supreme Overseas Exports Building,
1st and 2nd Floor, Jayanagar,
7th Block, KR Road,
Bengaluru, Karnataka 560070, India

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