

INVEST IN INDIA · SECTOR BRIEF

Professional Services & GCCs

FDI rules, central and state incentives, tax and the set-up route for foreign groups opening Global Capability Centres or professional-services operations in India.

2,110+

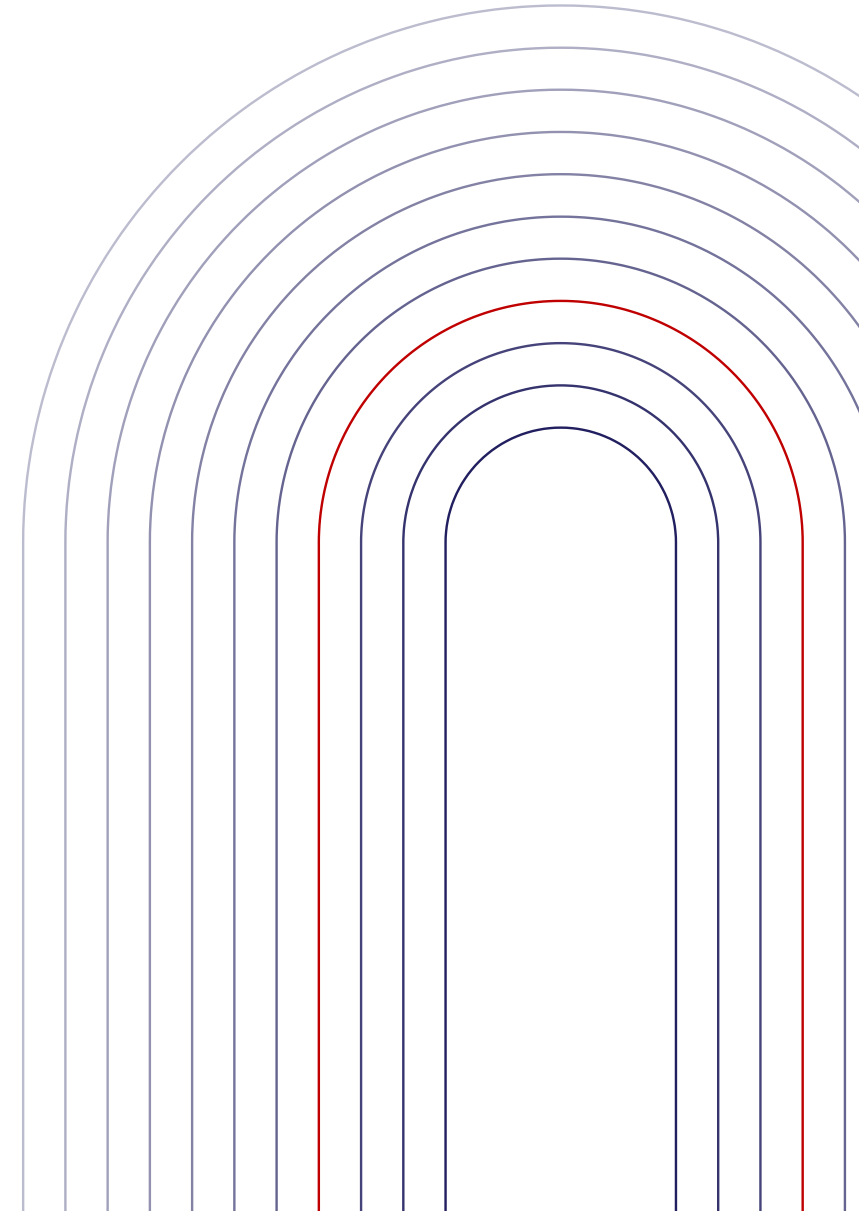
Global Capability Centres in India, FY2026E (Zinnov)

1.9 mn+

professionals employed in GCCs, FY2023-24 (Economic Survey 2025-26)

100%

FDI under the automatic route for IT, business and engineering services



SECTOR SNAPSHOT

India has over 2,100 GCCs (Zinnov, FY2026E), and states compete for more

Global Capability Centres (GCCs) are units that multinational groups own and run in India for technology, engineering, analytics and business operations. Industry and official counts differ by basis and year; each figure carries its source and year.

2,110+

GCCs in India, operating across 3,728+ units

FY2026E; Zinnov

USD 98 bn

revenue generated by India's GCCs (USD 98.4 bn)

FY2026E; Zinnov estimate

1.9 mn+

professionals employed in over 1,700 GCCs

FY2023-24; Economic Survey 2025-26

USD 14 bn

FDI equity into computer software and hardware, FY2025-26

USD 13,946 mn; DPIIT, provisional

The work has moved up the value chain

The Economic Survey 2025-26 notes that GCCs now undertake product development, engineering, analytics, cybersecurity operations and AI-enabled digital functions, not only support work.

Growth has been steady

The Economic Survey 2025-26 reports that GCCs grew at a 7% compound annual rate from FY2019-20 to FY2024-25, citing the availability and diversity of talent as key drivers.

Talent is concentrated and spreading

Bengaluru alone holds over 30% of India's GCCs and 35% of the GCC workforce (Invest India), while tier-2 and tier-3 cities such as Coimbatore, Indore and Vizag are drawing new centres (Zinnov).

Policy support is now explicit

Karnataka, Maharashtra, Tamil Nadu, Uttar Pradesh, Gujarat and Odisha offer GCC-specific capital, rent, payroll or EPF support, and Budget 2026-27 announced a single 15.5% safe harbour for IT services.

Sources: Zinnov, India GCC landscape (FY2026E); Economic Survey 2025-26, paras 7.33–7.34; DPIIT FDI Factsheet to March 2026; Invest India, Karnataka page (retrieved 1 Oct 2026); Budget Speech 2026-27.

WHERE THE OPPORTUNITY IS

Foreign groups are building six kinds of capability in India



CORE GCC WORK

Engineering, software and product development

The Economic Survey 2025-26 lists product development and engineering among core GCC activities. T-Mobile's Hyderabad centre, inaugurated in June 2026, covers software engineering, DevOps, product development, data analytics and cybersecurity.



2ND IN AI SKILLS

AI, data and analytics

India ranks second globally in AI skill penetration, at 2.5 against 2.6 for the US (Stanford AI Index 2025, cited in the Economic Survey 2025-26), which lists AI-enabled digital functions among the work GCCs now do.



GIFT IFSC OPTION

Financial services and operations

Billtrust, a B2B financial technology company, opened a Hyderabad GCC on 28 September 2026 with a commitment of ₹450 crore over three years. In GIFT IFSC, IFSCA approved new Global In-House Centre Regulations on 22 December 2025.



SMALLER FIRST SITES

Mid-market GCCs

The Economic Survey 2025-26 credits mid-sized and emerging multinationals with diversifying the GCC base. Entry thresholds can be modest: Uttar Pradesh's Level-1 category starts at ₹15 crore of investment or 100 employees outside Gautam Buddha Nagar and Ghaziabad.



82,000+ PROFESSIONALS

Tier-2 and tier-3 cities

Over 82,000 GCC professionals worked from tier-2 and tier-3 cities such as Coimbatore, Indore and Vizag in FY2024 (Zinnov). Several state policies pay more for locations outside the main metros.



BEYOND IT

Life sciences and industrial GCCs

In July 2024 AstraZeneca announced an expansion making its Chennai GCC its largest worldwide; Lonza announced plans for a Hyderabad GCC on 5 March 2026. Business Standard counted over 50,000 GCC jobs in Tamil Nadu from more than 40 global companies in three years to July 2024.

Sources: Economic Survey 2025-26; Zinnov (FY2024 data); IFSCA, 23 Dec 2025; IndexBox, 4 Jun 2026; BusinessToday, 5 Mar 2026; Business Standard, 14 Jul 2024 and 23 Sep 2026; UNI, 28 Sep 2026 (secondary).

RECENT FOREIGN INVESTMENTS

US and European groups opened or announced GCCs in 2024–2026

Selected announcements reported by the companies, state governments or the press. Headcounts are company plans, not commitments.

INVESTOR (COUNTRY)	WHAT AND WHERE	SIZE	DATE
AstraZeneca (UK–Sweden)	Expansion of its Chennai GCC, which the company describes as its largest such centre worldwide	Not disclosed	July 2024
Lonza (Switzerland)	Plans for a new Global Capability Centre in Hyderabad, announced by the Swiss contract development and manufacturing group	Not disclosed	5 Mar 2026
T-Mobile (US)	Technology centre (GCC) in Hyderabad for software engineering, DevOps, data analytics and cybersecurity	250,000 sq ft; about 1,000 staff by 2027	Jun 2026
JLL (US)	Second JLL Business Services hub in India, after Gurugram: 120,000 sq ft in Hyderabad	Workforce to scale to 1,600	6 Aug 2026
Billtrust (US)	Global Capability Centre in Hyderabad	₹450 crore over three years	28 Sep 2026

Sources: Business Standard, 14 Jul 2024 and 6 Aug 2026; BusinessToday, 5 Mar 2026; Republic World and IndexBox, 4 Jun 2026; UNI, 28 Sep 2026 (secondary; retrieved 1 Oct 2026).

FDI RULES

GCCs and most professional services take 100% FDI without prior approval

Captive centres are usually wholly owned private companies. Caps are from the Consolidated FDI Policy as amended by later Press Notes; professional regulators' rules apply on top.

ACTIVITY	CAP AND ROUTE	KEY CONDITIONS
IT, ITeS and BPM, engineering, R&D and consulting services	100%, automatic route	Not listed in the FDI policy; for unlisted sectors FDI is permitted up to 100% under the automatic route, subject to applicable laws, pricing rules and FEMA reporting.
Limited liability partnership (LLP)	100%, automatic route	Allowed for LLPs in sectors where 100% FDI is automatic and there are no FDI-linked performance conditions. A company or LLP with FDI may invest downstream on the same basis.
Legal services by foreign lawyers and law firms	Registration with the Bar Council of India	BCI rules of March 2023, amended on 13 May 2025: registered foreign lawyers and firms may advise on foreign and international law and arbitration, in non-litigious work only; no practice before Indian courts.
Global In-House Centre in GIFT IFSC	IFSCA registration	Group finance and operations centres in the IFSC are regulated by IFSCA. After reviewing its 2020 GIC regulations, IFSCA approved the IFSCA (Global In-House Centres) Regulations, 2025 on 22 December 2025.
Investors with land-border beneficial owners	Government route; automatic up to 10% non-controlling	Press Note 2 (2026), given legal effect on 2 May 2026: beneficial ownership tested as under PMLA (over 10% or control). Up to 10% non-controlling is automatic, with prior reporting on the FIF/NSWS portal; otherwise government approval.

Sources: DPIIT Consolidated FDI Policy (2020, as amended), para 3.2.4; Press Note 2 (2026) and RBI Master Direction; India Briefing on BCI rules, 21 May 2025 (secondary); IFSCA press release, 23 Dec 2025.

REGULATORS AND REGISTRATIONS

A captive needs company, labour, data and FEMA filings before go-live

APPROVAL OR REGISTRATION	AUTHORITY AND PORTAL	WHEN IT IS NEEDED
Company incorporation with GST, EPFO and ESIC registration	Ministry of Corporate Affairs: SPICe+ with AGILE-PRO-S	At incorporation; GSTIN, EPFO and ESIC registrations are applied for through the same integrated filing.
FC-GPR (reporting shares issued to the foreign parent)	RBI, through the authorised dealer bank on the FIRMS portal	Within 30 days of issuing shares against the foreign remittance.
STPI or SEZ unit approval (optional)	STPI or SEZ authorities	Before operations start, if the centre will work from an STPI or SEZ; several state GCC policies tie stamp duty relief to IT parks, SEZs and STPIs.
Shops and Establishments, professional tax and labour-code registrations	State labour and tax departments; EPFO	Before staff join. The EPF Scheme, 2026 was notified on 29 June 2026 under the Code on Social Security.
Importer-Exporter Code (IEC)	Directorate General of Foreign Trade	Before importing IT equipment or other goods.
Employment visas for expatriate leaders	Ministry of Home Affairs; Indian missions	Before travel. Employment visas are for highly skilled professionals and not for routine or ordinary jobs.
Personal-data compliance (DPDP Act 2023)	MeitY; Data Protection Board of India	DPDP Rules notified 13 November 2025: Consent Managers register from 13 November 2026; notice, consent and breach-reporting duties apply from 13 May 2027.
State GCC policy registration	State IT or industries department (Maharashtra: Commissionerate of Services)	Before claiming incentives. Maharashtra issues a Registration Certificate and requires units to stay operational for at least 10 years.

Sources: Invest India, Doing Business in India 2025-26 and Legal and Regulatory Framework (Dec 2025); RBI FEMA 395; EPF Scheme 2026 Gazette; MHA visa annex; Maharashtra GCC guidelines (Aug 2026, secondary).

CENTRAL INCENTIVES (1 OF 2)

Budget 2026-27 cut transfer-pricing friction for IT and captive services

Status as of 1 October 2026. Terms are summarised; the Income-tax Act 2025, the rules and scheme guidelines govern eligibility.

SCHEME	WHAT THE INVESTOR GETS	WHO QUALIFIES	STATUS
IT services safe harbour	A single 15.5% margin on cost for software development, ITeS, KPO and contract R&D, approved through an automated process and available for five years once chosen.	IT services companies with operating revenue up to ₹2,000 crore (threshold raised from ₹300 crore)	● RULES NOTIFIED 2026
Fast-track unilateral APA for IT services	Government to fast-track unilateral advance pricing agreements for IT services and endeavour to conclude them within two years.	IT services companies wanting certainty beyond the safe harbour	○ ANNOUNCED 1 FEB 2026
Tax holiday for foreign cloud services using Indian data centres	Income of a notified foreign company from procuring data-centre services from a specified data centre in India is exempt to the tax year ending 31 March 2047.	Foreign companies serving Indian users only through an Indian reseller, not owning or operating the data centre	● ENACTED; TO 31 MAR 2047
Employment Linked Incentive (PM Viksit Bharat Rozgar Yojana)	Employer gets up to ₹3,000 a month for each additional job sustained for at least six months; first-time employees get one month's EPF wage, up to ₹15,000.	EPFO-registered employers adding jobs between 1 August 2025 and 31 July 2027	● JOBS CREATED TO 31 JUL 2027

● **OPEN** available or accepting applications
 ● **CLOSING** a stated window or period ends on the date shown
 ○ **CLOSED** no new applicants
 ○ **ANNOUNCED** announced or approved; check operating guidelines

Sources: Budget Speech 2026-27, paras 125–131; Memorandum to Finance Bill 2026; CLC Law on Income-tax Rules 2026 (secondary); PIB on ELI, 2025.

CENTRAL INCENTIVES (2 OF 2)

R&D finance, IFSC tax relief and a national GCC framework are in train

SCHEME	WHAT THE INVESTOR GETS	WHO QUALIFIES	STATUS
Research, Development and Innovation (RDI) Scheme	₹1 lakh crore corpus giving low or nil interest long-term finance for private-sector R&D, through second-level fund managers.	Companies with R&D and deep-tech projects	Approved Jul 2025; fund launched Nov 2025
IFSC unit deduction (GIFT City)	100% deduction of eligible income for 20 consecutive years out of 25 (s.147, Income-tax Act 2025). Budget 2026-27 proposed 15% on IFSC business income after the holiday; it is not in the Finance Act 2026.	Units in an IFSC; confirm that the planned activity qualifies	● ENACTED; 20 OF 25 YEARS
IFSCA Global In-House Centre Regulations, 2025	Framework for group entities to set up GIC units in GIFT IFSC serving the group's financial-services operations.	Financial-services groups setting up GIC units	Approved by IFSCA 22 Dec 2025
National framework for GCCs in tier-2 cities	Guidance to states on attracting and supporting GCCs, announced in Union Budget 2025-26.	States; GCCs choosing tier-2 cities	○ DRAFT STAGE, JAN 2026

● **OPEN** available or accepting applications
 ● **CLOSING** a stated window or period ends on the date shown
 ○ **CLOSED** no new applicants
 ○ **ANNOUNCED** announced or approved; check operating guidelines

Sources: PIB and PM India on RDI Scheme, 1 Jul 2025; Memorandum to Finance Bill 2026; IFSCA press release, 23 Dec 2025; Outlook Business, 21 Jan 2026 (secondary).

TAX AND ZONES

Transfer pricing, PE exposure and GST on exports set a captive's tax cost



15.5% MARGIN

Cost-plus pricing and the safe harbour

Captives are usually paid cost plus a margin by the parent. Budget 2026-27 merged IT services into one safe-harbour category at a 15.5% margin, raised eligibility from ₹300 crore to ₹2,000 crore and allowed a five-year election.



TWO-YEAR AIM

Advance pricing agreements

Larger centres or unusual functions may prefer a unilateral APA. The Budget proposes to fast-track IT-services APAs and endeavour to conclude them within two years.



FINANCE ACT 2026

Transfer-pricing documentation

The Finance Act 2026 replaced the penalty for not furnishing the transfer-pricing accountant's report (s.172) with a fee (s.428); the report itself is still required.



HYATT, JULY 2025

Permanent establishment and secondment

In Hyatt International (25 July 2025) the Supreme Court found a fixed place PE under Article 5(1) of the treaty where the foreign group controlled Indian operations. Parent staff who direct the captive's work need careful structuring.



INTERMEDIARY CHANGE

GST on services exported to the parent

The Finance Act 2026 (s.157) removed the special rule for intermediary services from the IGST Act, so they follow the general place-of-supply rule and can qualify as exports.



20 OF 25 YEARS

GIFT IFSC for group finance centres

IFSC units get a 100% deduction for 20 consecutive years out of 25 (s.147). IFSCA approved Global In-House Centre Regulations, 2025 on 22 December 2025 for group finance and operations units.

Sources: Budget Speech 2026-27; Memorandum to Finance Bill 2026; EY alert on Hyatt International, Jul 2025 (secondary); IFSCA press release, 23 Dec 2025.

STATE GCC POLICIES (1 OF 2)

Karnataka, Maharashtra and Tamil Nadu support capex, rent and payroll

Amounts are ceilings; each state's policy and operational guidelines set eligibility, caps and claim windows. Apply before committing investment where the policy requires registration first.

STATE	POLICY AND VALIDITY	HEADLINE INCENTIVES
Karnataka	GCC Policy 2024–29; final version released 19 November 2024 (the draft targeted 500 new GCCs and 350,000 jobs by 2029).	Innovation lab or centre-of-excellence support up to ₹5 crore in Bengaluru Urban (two projects a year); in six named clusters including Mysuru and Mangaluru, up to 75% of cost, capped at ₹3 crore. 100% reimbursement of electricity duty. Bengaluru holds over 30% of India's GCCs and 35% of the GCC workforce.
Maharashtra	Maharashtra GCC Policy 2025, valid to FY2029–30; operational guidelines notified August 2026. Units must operate 10 years. Target ₹50,600 crore, about 400,000 jobs.	Capital subsidy up to 20% (capped ₹10–100 crore by size) or rent support of 10% (Mumbai/Pune) or 20% (rest of state), capped ₹1–4 crore a year. Payroll: 40% (Mumbai/Pune) or 50% (rest) of salary above ₹1 lakh a month, up to ₹50,000 per employee a year for 100 employees, 3 years. Stamp duty relief 75–100% in IT parks, SEZs and STPIs.
Tamil Nadu	Special Scheme to promote GCCs, G.O.(Ms.) No. 34 of 12 March 2024; runs 1 April 2024 to 31 March 2027 for up to 50 GCCs.	For new GCCs: payroll subsidy of 30% in year 1, 20% in year 2 and 10% in year 3 on basic wages of jobs paying ₹1 lakh a month or more, for employees domiciled in Tamil Nadu. The parent must be in the Forbes Global 2000 or Fortune 1000 (exceptions by committee) and the centre must create 200 direct jobs in the scheme period.

Sources: Karnataka draft GCC Policy 2024–29 (Invest India); Mondaq/Khaitan on final policy, 5 Dec 2024; Maharashtra press note and Khaitan alert, Nov 2025; IANS, 20 Aug 2026; Tamil Nadu G.O.(Ms.) No. 34, 12 Mar 2024.

STATE GCC POLICIES (2 OF 2)

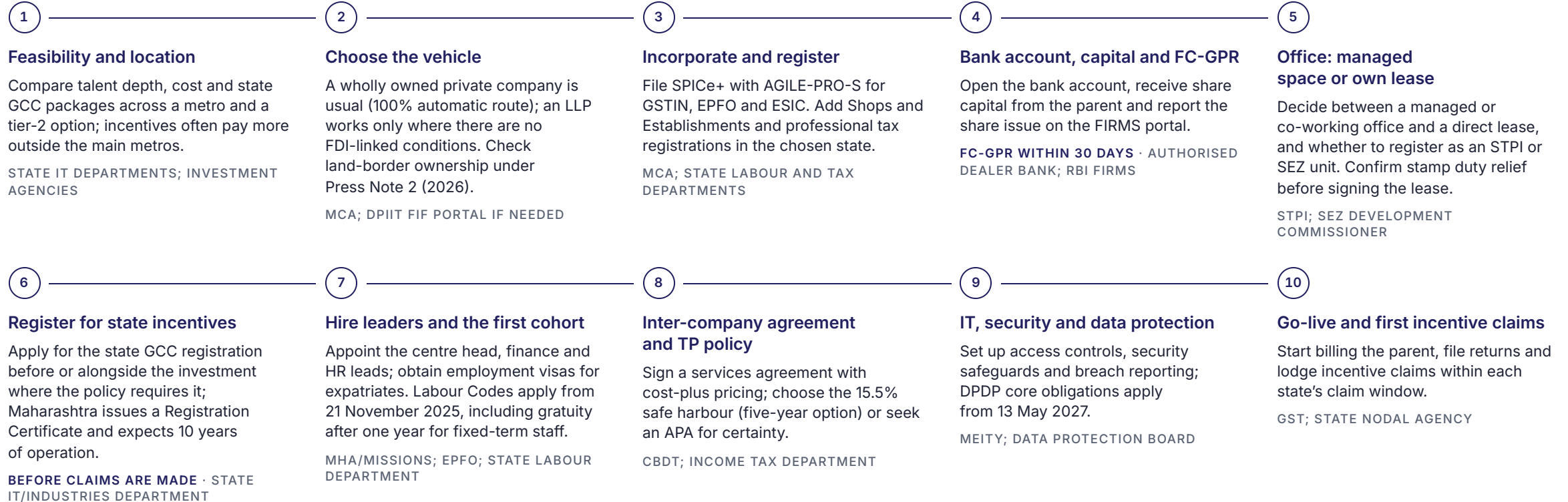
Uttar Pradesh, Gujarat and Odisha add opex, payroll and EPF reimbursement

STATE	POLICY AND VALIDITY	HEADLINE INCENTIVES
Uttar Pradesh	UP GCC Policy 2024, notified 7 May 2025; five years from notification; implementation Rules 2025.	Capital subsidy 25% (up to ₹10 crore Level-1, ₹25 crore Advanced GCC, over seven years); land subsidy 30–50%; full stamp duty exemption; 20% opex reimbursement up to ₹40–80 crore a year; payroll reimbursement for 3 years (4 outside Gautam Buddha Nagar and Ghaziabad) up to ₹10–20 crore a year; 5% interest subsidy up to ₹1 crore a year.
Gujarat	Gujarat GCC Policy 2025–30, resolution of 11 February 2025; in force to 31 March 2030.	For investment under ₹250 crore: capex up to 20% (buildings) and 30% (IT hardware, software), ceiling ₹50 crore; opex up to 15%, capped ₹20 crore a year for five years (mega projects ₹200 crore and ₹40 crore); job incentive up to ₹50,000 (men) or ₹60,000 (women); EPF 75–100% for five years; 7% interest subsidy capped ₹1 crore a year.
Odisha	Odisha GCC Policy-2025, valid five years from 31 December 2025.	Lease rental reimbursement up to ₹2,000 per employee a month for five years; 100% reimbursement of the employer's ESI and EPF contributions for five years, for employees domiciled in Odisha; 5% a year interest subsidy on long-term loans, capped ₹10 crore a year for five years; power tariff reimbursed at ₹2 per unit for five years.

Sources: Khaitan & Co, 11 Jun 2025, and Business Standard, 23 Sep 2026, on the notified UP policy; Gujarat GCC Policy 2025–30 text (GIFT City); Khaitan & Co on Odisha, 20 Feb 2026 (secondary).

SET-UP ROADMAP

From location choice to go-live for a 100–500 seat captive centre



Sources: Invest India investor guides 2025–26; RBI FEMA 395; DPIIT FDI Policy; Press Note 2 (2026); PIB on Labour Codes, Nov 2025; Budget Speech 2026–27; state GCC policies.

WHAT TO WATCH

Control of the captive, pricing and new labour and data rules drive risk

Compliance watch-outs

Permanent establishment

After Hyatt International (25 July 2025), parent-company control over Indian operations can create a fixed place PE. Keep decision rights and secondees roles documented.

Transfer-pricing margin

The 15.5% safe harbour suits routine cost-plus centres; higher-value R&D or AI work may attract a higher margin claim. Benchmark annually or seek an APA.

Labour Codes

In force from 21 November 2025. Fixed-term employees get benefits equal to permanent staff and gratuity after one year; review offer letters and pay structures.

Personal data

DPDP core obligations apply from 13 May 2027; failing to take reasonable security safeguards can attract a penalty of up to ₹250 crore.

Incentive lock-ins

State incentives carry conditions: Maharashtra requires 10 years of operation from registration; UP and Gujarat pay over several years against claims.

Expatriate staffing

Employment visas are for highly skilled professionals, not routine jobs; plan leadership transfers early.

What changed since 2025

13 May 2025: BCI amends foreign-lawyer rules

Foreign lawyers and firms may practise foreign and international law in India in non-litigious matters after registration.

25 July 2025: Supreme Court rules in Hyatt

Operational control by a foreign group can create a fixed place PE under the treaty.

13 November 2025: DPDP Rules notified

Phased start: Data Protection Board immediately, Consent Managers from 13 November 2026, core duties from 13 May 2027.

22 December 2025: new IFSCA GIC Regulations

IFSCA approved Global In-House Centre Regulations, 2025 for GIFT IFSC.

1 February 2026: single IT safe harbour

Budget 2026-27 announced a 15.5% margin for IT services and raised the threshold to ₹2,000 crore.

August 2026: Maharashtra GCC guidelines notified

Operational guidelines and SOPs set rent support of 10–20% by zone, stamp duty exemptions and a 10-year minimum operating period.

Sources: EY on Hyatt, Jul 2025; Invest India Legal and Regulatory Framework, Dec 2025; PIB on Labour Codes, Nov 2025; Budget Speech 2026-27; IFSCA, Dec 2025; India Briefing, May 2025; IANS, Aug 2026.

COMPANY SET-UP · ENTRY VEHICLES

Most investors use a private limited subsidiary; offices serve narrow aims

A company or LLP is an Indian resident entity. Branch, liaison and project offices are extensions of the foreign parent, opened through an authorised dealer bank under RBI rules.

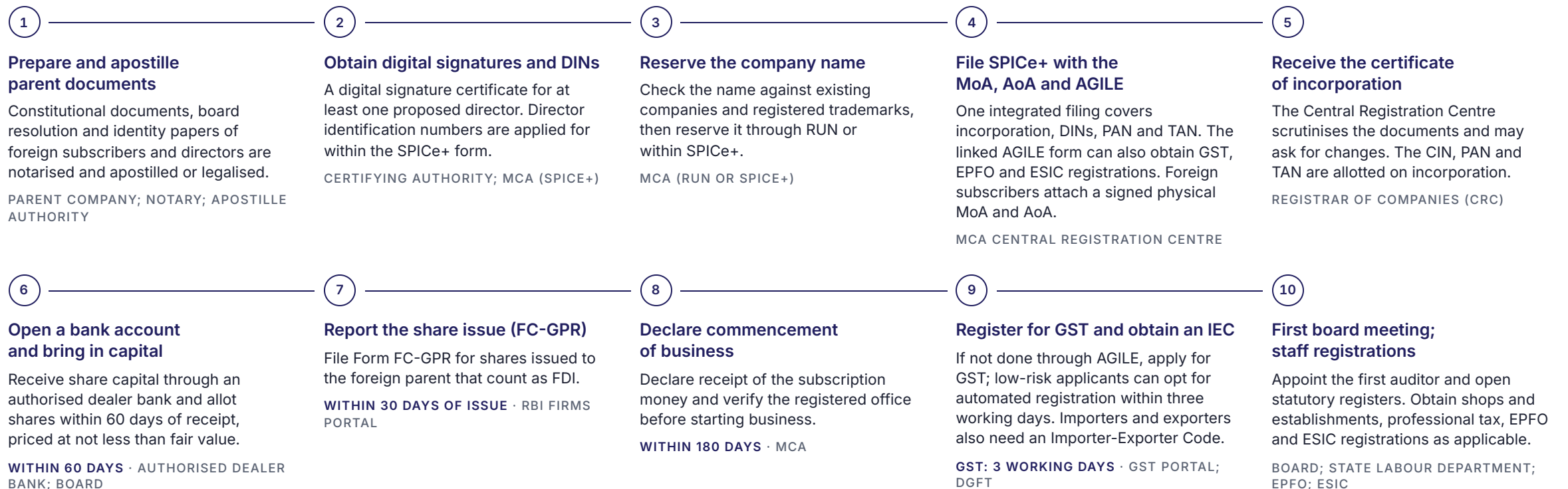
VEHICLE	WHAT IT MAY DO	APPROVAL NEEDED	SUITS
Wholly owned subsidiary (private limited company)	Any lawful business within its objects and the FDI policy. At least 2 shareholders (up to 200) and 2 directors, one meeting the 182-day residence test.	None on the automatic route without a land-border owner; else government route. Incorporated with the Registrar through SPICe+.	Operating businesses that want full control and limited liability.
Joint venture company	As a subsidiary, with an Indian partner; caps and conditions apply to the total foreign stake.	As for the sector. Land-border investors taking up to 49% in a fast-track sector, where resident Indians keep majority ownership and control, have a 60-day decision target.	Capped sectors, or where a partner brings licences, land or customers.
Limited liability partnership (LLP)	Business with partnership-style governance and limited liability; at least 2 designated partners, one resident. LLP agreement filed within 30 days.	Automatic route only in sectors fully open under the automatic route with no FDI-linked performance conditions.	Service businesses in fully open sectors.
Branch office	Activities RBI permits for branches, such as export and import, consultancy and research on behalf of the parent.	Authorised dealer bank; parent needs a sound financial track record. RBI approval in specified cases, such as defence or telecom.	Serving Indian clients directly without a subsidiary.
Liaison office	Represents the parent in India; may not carry on business. Valid generally for three years.	Authorised dealer bank, with the same track-record test and RBI referral cases as a branch.	Market study and relationship building before committing capital.
Project office	Executes a specific contract in India; valid for the tenure of the project.	Authorised dealer bank under RBI's project office rules.	Contractors delivering a defined Indian project.
No entity yet: distributor or employer of record	Sell through an Indian distributor or importer; engage staff through a third-party employer of record.	None for the foreign company itself.	Testing demand; review tax and contract exposure first.

Sources: Invest India, Doing Business in India 2025-26 and Legal and Regulatory Framework (Dec 2025); RBI Master Direction on branch, liaison and project offices; DPIIT SOP, 4 May 2026.

COMPANY SET-UP · INCORPORATION

From decision to first invoice: ten steps for a foreign-owned company

The sequence for a private limited subsidiary in an automatic-route sector. Times are shown only where a rule fixes them; state registrations depend on location and activity.



Sources: Invest India, Doing Business in India 2025-26; RBI FEMA 395 Regulations; RBI Master Direction, Jun 2026; Tribune/ANI and KPMG on GST registration (secondary).

TAX AT A GLANCE (1 OF 2)

A foreign-owned company can pay 25.168%; a branch pays 36.40–38.22%

Rates for tax year 2026-27, the first year under the Income-tax Act 2025, which replaced the 1961 Act from 1 April 2026. Effective rates add surcharge and the 4% health and education cess. Treaty rates can be lower where treaty conditions are met.

TAX	RATE OR RULE	NOTE
Corporate tax: concessional regime (s.200)	22% + 10% surcharge + 4% cess = 25.168% effective, whatever the level of income	Optional for any Indian company, including a foreign-owned subsidiary. Most deductions and exemptions are given up; MAT does not apply.
Corporate tax: normal regime	30%, or 25% if turnover in FY2024-25 was up to ₹400 crore. Surcharge 7% on income above ₹1 crore, 12% above ₹10 crore; 4% cess	Top effective rate 34.944% (30% band). Deductions and incentives remain available, but MAT applies.
Foreign company: branch or permanent establishment	35% on income other than special-rate income. Surcharge 2% on income above ₹1 crore, 5% above ₹10 crore; 4% cess	Effective 36.40% (income up to ₹1 crore), 37.128% (₹1–10 crore), 38.22% (above ₹10 crore).
Minimum alternate tax (MAT, s.206)	14% of book profit (was 15%) from tax year 2026-27; a final tax for companies in the old regime, with no new MAT credit	Credit built up to 31 March 2026 is usable only after moving to the new regime, up to 25% of the year's tax (domestic companies).
15% regime for new manufacturing companies (s.201)	Closed to new entrants: only companies that began manufacturing or production by 31 March 2024 qualify	Budget 2026-27 left corporate tax rates unchanged (only the MAT rate was cut) and added no replacement regime; new manufacturers compare s.200 with the normal regime.
Dividends paid to a non-resident parent	20% withholding under domestic law, plus surcharge and cess	Taxed in the shareholder's hands. Treaties can reduce withholding on dividends, interest, royalties and technical fees, subject to treaty conditions.

Effective rate = base rate × (1 + surcharge) × 1.04.

Sources: Finance Act 2026 (No. 4 of 2026); Budget 2026-27 speech and memorandum (1 Feb 2026); BDO and RSM on the Finance Act 2026; PIB, 56th GST Council (3 Sep 2025) and safe harbour (1 Feb 2026); CLC Law and Aurtus on the 2026 rules.

TAX AT A GLANCE (2 OF 2)

Withholding, capital gains, buy-backs, GST and transfer pricing in brief

Domestic-law rates for tax year 2026-27, before surcharge and cess unless stated. The applicable treaty may reduce withholding where its conditions are met.

TAX	RATE OR RULE	NOTE
Royalties and fees for technical services	20% on payments to a foreign company, plus surcharge and cess	A lower treaty rate may apply, subject to treaty conditions.
Capital gains of non-residents: listed shares	Short-term (s.196): 20%. Long-term (s.198): 12.5% on gains above ₹1.25 lakh	Plus surcharge and cess. Treaty exemptions are open to challenge under GAAR (Tiger Global, January 2026).
Capital gains of non-residents: unlisted shares	Long-term: 12.5%. Short-term: at the rate for other income, 35% for a foreign company	Plus surcharge and cess; treaty relief subject to treaty conditions.
Share buy-backs	Taxed as capital gains in the shareholder's hands from 1 April 2026, no longer as dividend	Promoters pay an additional tax on buy-backs under s.68 of the Companies Act 2013. It takes long-term gains, and short-term gains on listed shares, to 22% where the promoter is an Indian company and 30% for any other promoter, including a foreign parent (before surcharge and cess).
GST (from 22 September 2025)	Two main rates, 5% (merit) and 18% (standard), plus 40% for a select few goods and services	Approved by the 56th GST Council on 3 September 2025. Tobacco products were initially kept on earlier rates and compensation cess.
Transfer-pricing safe harbour: IT services	15.5% operating margin on cost for software, ITeS, KPO and contract R&D, for taxpayers within the ₹2,000 crore eligibility threshold (raised from ₹300 crore)	Budget 2026-27; notified with the 2026 rules. Approval is automated and the option can run for five years.

Withholding rates are domestic-law rates for tax year 2026-27; the applicable treaty may reduce them.

Sources: Finance Act 2026 (No. 4 of 2026); Budget 2026-27 speech and memorandum (1 Feb 2026); BDO and RSM on the Finance Act 2026; PIB, 56th GST Council (3 Sep 2025) and safe harbour (1 Feb 2026); CLC Law and Aurtus on the 2026 rules.

FLAGSHIP · GLOBAL CAPABILITY CENTRES

Three ways to build your global capability centre

Across every vertical, the GCC is our deepest offering. Choose the model that fits your risk appetite and timeline; the rigour of execution and compliance stays the same.



LONG-TERM COMMITMENT

GCC as a Service

A fully owned entity from day one, with the complexity handled.

- Feasibility, return on investment and site selection
- Entity incorporation and compliance
- Recruitment, HR and payroll
- Operating procedures, KPIs and governance



FIRST-TIME ENTRANTS

Build · Operate · Transfer

We build and run the centre, then transfer full ownership to you.

- Phased build, operate and transfer
- Day-to-day operations and payroll
- Performance and stabilisation
- Structured knowledge transfer



SPEED AND FLEXIBILITY

Managed Teams

A compliant team that works as an extension of your organisation.

- Recruitment to your specification
- Payroll, benefits and HR compliance
- Day-to-day team management
- You keep strategic direction



OUR STANDARD

What to expect

The benchmarks we work to on a capability-centre engagement.

- Typically operational in 90 to 120 days, subject to approvals
- A compliance calendar in place from day one
- One accountable point of contact

Source: IMC Group.

HOW IMC GROUP HELPS

One team for capability centres, from the entry decision to steady state

IMC Group works from Chennai, Dubai and Singapore as a member firm of Andersen Global. The same team structures the investment, sets up the entity and keeps it compliant.

What we do for capability centres

Feasibility

Feasibility, business case, return-on-investment modelling and site selection.

Entity and registrations

Entity incorporation, RBI and MCA filings, STPI and SEZ compliance.

People

Recruitment, payroll, HR policy and global mobility.

Operations

Office, IT infrastructure and operational governance.

Tax and compliance

Transfer pricing and ongoing tax and regulatory compliance.

How an engagement runs

Assess

Market-entry strategy and business case, entry vehicle and holding structure, incentive and location screening.

Establish

Entity incorporation and registrations, FDI structuring, FEMA and RBI filings, licences and incentive applications.

Operate

Accounting, tax and transfer pricing, payroll and labour-law compliance, company secretarial and FEMA reporting.

Scale

Global capability centres, M&A and joint ventures, new locations, global mobility and expatriate tax.

Source: IMC Group.

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