

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

INDIA

Asia West

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Mumbai / Maharashtra	India's financial capital and largest commercial center, home to the main stock exchanges, banking headquarters, and a deep capital-markets ecosystem	Finance, financial services, media, port logistics
Bengaluru / Karnataka	India's leading technology and startup hub, with the country's deepest software-engineering talent pool and a maturing deep-tech and biotech cluster	IT services, software, startups, deep tech, biotech
Gujarat (Dholera, Sanand, GIFT City)	Anchor state for India's semiconductor and electronics manufacturing push, and home to GIFT City, India's flagship international financial services center	Semiconductors, electronics manufacturing, international financial services
National Capital Region (Delhi-NCR)	Political capital and major commercial hub, with a large manufacturing and services base across Delhi, Gurugram, and Noida	Government-linked contracting, services, electronics, automotive
Tamil Nadu (Chennai region)	Leading electronics and automotive manufacturing hub, now a major hub for Apple-linked contract manufacturing and auto-component production	Electronics assembly, automotive, auto components
Telangana (Hyderabad)	Fast-growing life-sciences, pharmaceutical, and technology hub with strong state-level investment facilitation	Pharmaceuticals, biotech, IT services, data centres
Uttar Pradesh (Noida, Yamuna Expressway corridor)	Large and rapidly industrializing state benefiting from major infrastructure investment and a new semiconductor and electronics push	Electronics manufacturing, infrastructure, logistics

INVESTOR ENTRY ROUTES

- Most sectors permit 100% foreign direct investment through the automatic route, requiring only notification to the Reserve Bank of India rather than prior government approval; a smaller set of sectors (including defence, telecom, and multi-brand retail) require government approval or carry specific FDI caps
- The Department for Promotion of Industry and Internal Trade (DPIT) and Invest India, the national investment promotion agency, provide centralized facilitation, sector-specific guidance, and aftercare for foreign investors
- Production-Linked Incentive (PLI) schemes, covering electronics, semiconductors, pharmaceuticals, textiles, and other priority sectors, offer substantial manufacturing-linked financial incentives and are a primary channel for large-scale manufacturing investment
- GIFT City (Gujarat International Finance Tec-City) offers a distinct international financial services center regulatory regime with tax and foreign-exchange advantages for financial-services, fund-management, and fintech investment
- The September 2025 "GST 2.0" reform simplified India's indirect tax structure into fewer, more predictable rate slabs, reducing compliance complexity for both domestic and foreign-invested businesses

- State governments, particularly Gujarat, Tamil Nadu, Telangana, Karnataka, and Uttar Pradesh, actively compete for investment through their own incentive packages and dedicated single-window clearance mechanisms, and should be engaged in parallel with national-level bodies

MARKET-ENTRY OBSERVATION

India enters October 2026 as one of the strongest-performing major economies in this series, with growth for the fiscal year ended March 2026 estimated at a robust 7.7%, up from 7.1% the prior year, driven by resilient domestic demand, strong investment activity, and broad-based sectoral momentum; the Reserve Bank of India has since trimmed its forecast for the current fiscal year to a still-healthy 6.6%, citing global trade uncertainty and supply-chain disruption risk rather than any domestic weakness. Politically, Prime Minister Narendra Modi's BJP-led National Democratic Alliance enters the second half of its current term on a position of real strength, having swept Bihar's state assembly election in November 2025, reinforcing the government's capacity to pursue its reform agenda with minimal near-term electoral distraction. That reform agenda has included the September 2025 "GST 2.0" overhaul, which simplified India's indirect tax structure into fewer, more predictable rate slabs, materially reducing compliance complexity for investors, alongside continued expansion of Production-Linked Incentive schemes that have driven a genuine step-change in electronics and semiconductor manufacturing, including Tata Electronics' and Micron's advanced packaging and fabrication facilities, both progressing toward production in 2026.

The most consequential external story for investors has been the normalization of India's trade relationship with the United States: after tariffs on Indian goods effectively reached roughly 50% in mid-2025, reflecting both a baseline reciprocal tariff and an additional punitive levy tied to India's continued purchases of discounted Russian crude oil, a February 3, 2026 agreement between President Trump and Prime Minister Modi reduced the total US tariff on Indian goods to 18%, removing the Russia-linked penalty and giving India a meaningful competitive edge over regional manufacturing rivals such as Bangladesh, Vietnam, and Indonesia that continue to face somewhat higher US rates, even as some protectionist duties on steel and automobiles remain in place. Alongside this, India has also been cautiously normalizing its relationship with China, resuming direct flights in October 2025 after a five-year suspension, though India has explicitly linked further normalization steps to continued stability along the disputed border, underscoring that this remains a managed thaw rather than a full reset.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Sector-specific FDI restrictions and approval requirements	While most sectors permit 100% automatic-route FDI, strategically sensitive sectors including defence, telecommunications, and multi-brand retail retain government-approval requirements or specific equity caps that can add time and complexity to market entry	Confirm the applicable FDI route and any sector-specific caps or approval requirements early with DPIIT or Invest India before structuring an entity
Residual US tariff and trade-policy uncertainty	Although the February 2026 deal reduced the overall US tariff to 18%, certain protectionist duties on steel, aluminum, and automobiles remain in place, and the broader bilateral trade relationship continues to evolve amid ongoing negotiations over agricultural and other market-access issues	Monitor ongoing US-India trade negotiations for sector-specific developments relevant to export-oriented investment
Complex, federalized regulatory and land-acquisition environment	India's federal structure means significant regulatory authority, land administration, and labor law implementation sit at the state level, creating real variation in ease of doing business and project-execution timelines across states	Engage state-level investment-promotion bodies directly alongside national agencies, and favor states with established, business-friendly single-window clearance systems for new manufacturing investment
Infrastructure and logistics gaps outside leading hubs	While India's leading metros and industrial corridors offer strong infrastructure, logistics costs and infrastructure quality still vary considerably across the country, affecting total landed cost for manufacturing and distribution-dependent investment	Factor state-specific infrastructure quality into site-selection analysis; favor established industrial corridors and PLI-designated clusters for new manufacturing capacity
Still-managed, not fully normalized China relationship	The resumption of direct flights in October 2025 reflects a cautious thaw rather than full normalization, and India has explicitly tied further steps to continued border stability, leaving some residual geopolitical uncertainty for China-linked supply chains or investment	Treat India-China relations as a gradually improving but still-managed relationship; avoid assuming full normalization for supply-chain planning purposes

Issue	Potential Impact	Possible Mitigation
Currency and external-sector sensitivity	India's large and growing economy remains exposed to global energy-price swings, capital-flow volatility, and current-account pressure, which can affect the rupee and financing costs for import-dependent businesses	Monitor RBI policy signals and build currency-hedging strategies into financing plans for import- or export-heavy operations
Competitive intensity and talent cost inflation	India's strongest sectors, particularly technology and advanced manufacturing, have seen rising competition for skilled talent and corresponding wage inflation in leading hub cities	Build realistic talent-cost assumptions into investment planning for technology and advanced-manufacturing projects in top-tier cities, or consider secondary hub cities with lower talent-cost inflation

INVESTOR RISK NOTE

India presents a political-stability profile that is unusually strong for an economy of its scale and diversity: a government with a renewed electoral mandate following its decisive November 2025 Bihar state election win, an independent judiciary, and a long, consistent track record of peaceful democratic transitions at both the national and state level. The principal risks for investors are therefore structural and administrative regulatory complexity arising from India's federal system, sector-specific FDI restrictions, and ongoing (though now substantially eased) external trade-policy friction with the United States rather than any meaningful political-violence, expropriation, or institutional-breakdown risk.

MARKET ACCESS

India is a member of BIMSTEC, SAARC, the G20, and has an expanding network of bilateral and regional trade agreements, alongside the February 2026 US tariff agreement that gives Indian exporters a meaningful competitive edge over several regional manufacturing rivals. India's large and growing domestic consumer market, combined with its improving position in global electronics, semiconductor, and advanced-manufacturing supply chains under the PLI framework, gives investors both substantial domestic market access and an increasingly credible export-manufacturing platform.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Invest India / Department for Promotion of Industry and Internal Trade (DPIIT)	National investment promotion agency and policy body providing centralized facilitation and sector guidance	Primary first point of contact for most new foreign-investment entities
Reserve Bank of India (RBI)	Central bank administering monetary policy and foreign-exchange regulation under the automatic and approval FDI routes	Essential counterpart for FDI notification, banking, and repatriation matters
State-level investment promotion bodies (Gujarat, Tamil Nadu, Telangana, Karnataka, Uttar Pradesh, and others)	Administer state-specific incentives, land allocation, and single-window clearance for manufacturing and services investment	Essential parallel engagement alongside national bodies, given India's federal regulatory structure
GIFT City Authority / International Financial Services Centres Authority (IFSCA)	Regulates India's international financial services center, offering a distinct regime for financial-services and fund-management investment	Key counterpart for financial-services, fintech, and fund-structuring investment
Ministry of Electronics and Information Technology (MeitY) / India Semiconductor Mission	Administers semiconductor and electronics-sector PLI schemes and sector policy	Essential counterpart for semiconductor, electronics, and advanced-manufacturing investment
Office of the Prime Minister (Narendra Modi, BJP/NDA)	Sets overall national economic and foreign-policy direction, including trade-diversification and manufacturing-promotion strategy	Relevant for understanding the broader policy environment following the government's reinforced electoral mandate
Confederation of Indian Industry (CII) / FICCI	Leading national industry bodies connecting foreign investors with the domestic business community and policymakers	Practical entry point for networking, policy advocacy, and market intelligence

CURRENT INTERNATIONAL BUSINESS CHANNELS

Foreign investors commonly engage through the Confederation of Indian Industry (CII), the Federation of Indian Chambers of Commerce and Industry (FICCI), the American Chamber of Commerce in India (AMCHAM), and numerous bilateral business

councils. State-level industry associations and investment summits, particularly in Gujarat, Tamil Nadu, and Telangana, provide an additional practical channel for new entrants scoping sector- or region-specific opportunities.

INVESTOR PROFILE BEST SUITED

India suits investors seeking exposure to one of the world's largest and fastest-growing major economies, with particular strength in technology services, electronics and semiconductor manufacturing, pharmaceuticals, financial services, and a vast and expanding domestic consumer market. It is a strong fit for manufacturing investors able to leverage PLI incentives and the improved US tariff position, financial-services investors considering GIFT City's distinct regulatory regime, and technology investors drawing on India's deep engineering talent pool. It is a weaker fit for investors seeking a simple, uniform national regulatory environment, given India's genuinely federalized system, or those requiring complete certainty on residual US and China trade-policy questions.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm FDI route and sector classification

Determine whether the proposed investment qualifies for the 100% automatic FDI route or requires government approval, and confirm any sector-specific equity caps with DPIIT or Invest India.

STEP 2: Engage state-level investment-promotion bodies

In parallel with national agencies, approach the relevant state investment-promotion body for land allocation, incentive packages, and single-window clearance.

STEP 3: Assess PLI or GIFT City eligibility

For manufacturing investment, evaluate eligibility for relevant Production-Linked Incentive schemes; for financial-services investment, assess GIFT City's distinct regulatory and tax regime.

STEP 4: Confirm banking and FX arrangements

Engage the Reserve Bank of India and a local banking partner to confirm FDI notification requirements and repatriation procedures.

STEP 5: Finalize structure and complete registration

Complete company registration, secure any required sector-specific approvals, and finalize the investment structure with realistic state-specific implementation timelines.

WAVERLEY'S ROLE

- Independent assessment of FDI route classification and PLI or GIFT City eligibility for specific transactions
- Coordination with DPIIT, Invest India, and state-level investment-promotion bodies on registration, incentives, and land allocation
- Ongoing monitoring of US-India and China-India trade-policy developments relevant to investment timing and supply-chain planning
- Introductions to CII, FICCI, state industry associations, and bilateral business councils

INVESTOR CALL TO ACTION

Engage Waverley for a structured FDI route and state-selection assessment before committing capital to India.

Contact Waverley for an independent briefing on the evolving US-India and China-India trade relationships ahead of any export-oriented or supply-chain-sensitive investment.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Waverley is tracking opportunities across three tiers: (1) electronics and semiconductor manufacturing investment benefiting from PLI incentives and the improved US tariff position, including opportunities linked to the Tata Electronics and Micron fabrication and packaging buildout; (2) financial services and fintech investment through GIFT City's distinct international regulatory regime; and (3) broader consumer, pharmaceutical, and technology-services investment benefiting from India's strong domestic demand and simplified GST 2.0 tax structure.

POSITIONING

Waverley views India as one of the strongest conventional growth opportunities in this entire series: a large, politically stable, and increasingly reform-oriented economy that has materially improved its US trade position while continuing a genuine manufacturing and semiconductor buildout.

Waverley's approach is to help clients navigate India's federalized regulatory structure and select the right combination of national PLI incentives, state-level facilitation, and GIFT City or other specialized regimes, while maintaining continuously updated monitoring of the country's evolving US and China trade relationships relevant to long-term supply-chain and market-access planning.

SELECTED SOURCES

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