



IndiaGCC

Division of Employnova

Thank you for
choosing to receive this exclusive booklet. This
would ensure that you have the right tool in place
to navigate your journey into the Indian talent.

How do you Use this guide?

We have segmented the different areas of
information that you should know. However, we
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looking for or asking your EOR / PEO provider in
India. So that it helps you ensure that your Risk is
mitigated from any legal & compliance issues the
future.

1. Introduction to India's Employment Landscape

India stands as one of the world's **most dynamic** and **fastest-growing** economies, with a **GDP** exceeding **\$3.7 trillion** (as of 2024) and an annual growth rate consistently **above 6-7% cagr**. The country boasts a diverse, youthful, and highly skilled talent pool, making it a strategic hub for global businesses looking to expand in Asia.



World's Largest Youth Workforce:

Over 65% of India's population is **under the age of 35**, creating a vibrant, tech-savvy, and ambitious workforce.

Talent Pool:

India has a labor force exceeding **530 million people**, ranking it among the largest in the world.

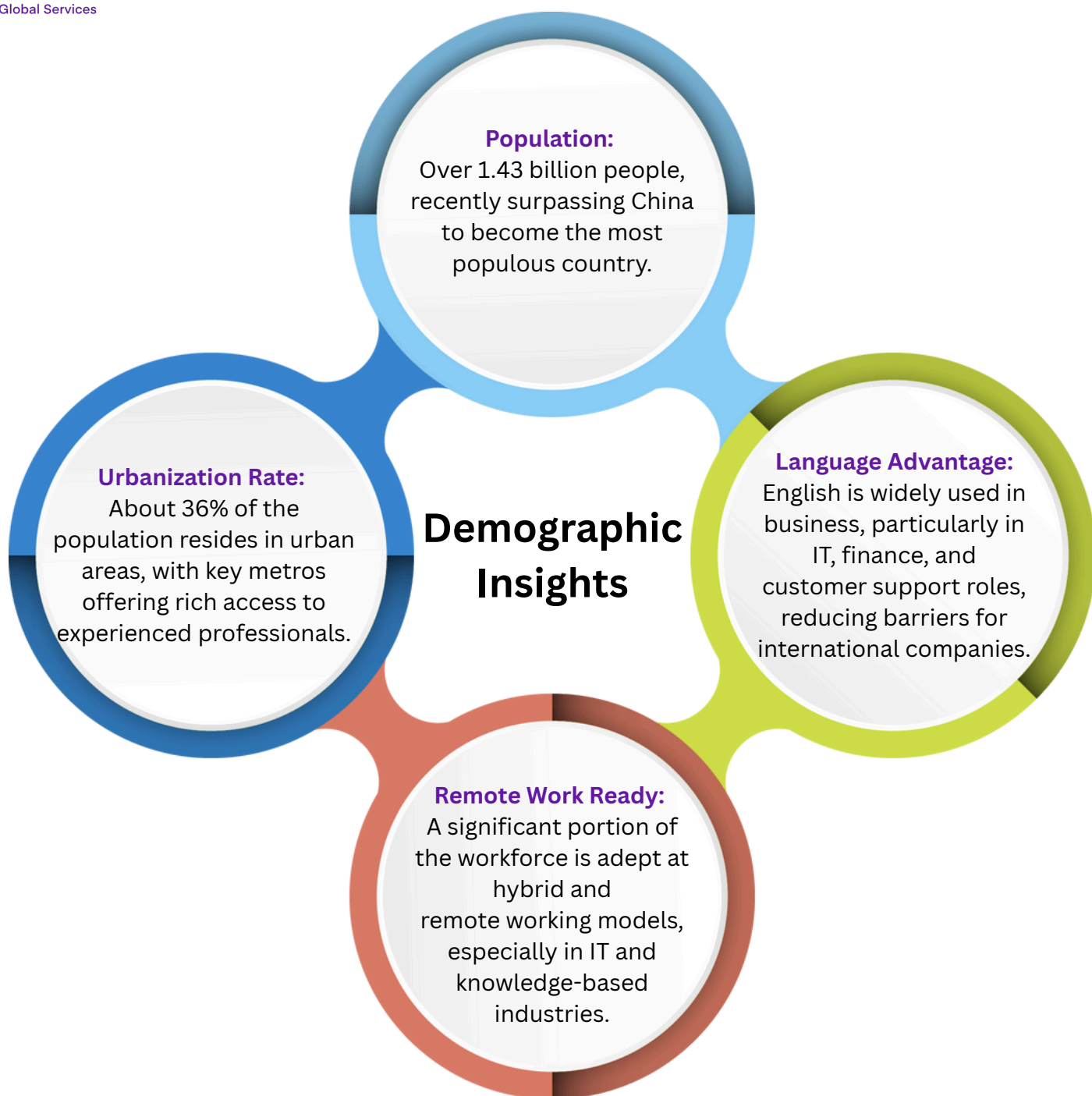
India's Talent Advantage

Graduates Pipeline:

- Produces over **1.5 million engineers** annually (AICTE, 2024).
- **4+ million STEM graduates** each year.
- **7+ million graduates** in total across fields such as finance, management, healthcare, and technology.

Backoffice Hub:

India is home to the largest backoffice, tech talent pool, also home for **1700 MNC's Global Capability centers** with major cities like Hyderabad, Bengaluru, Chennai, Pune, Gurugram & many 2- Tier cities.



What nobody will tell you...

Before you start, ensure that your contract or agreement with the provider in India is clear and covers all business-related details, as well as the inputs shared in this booklet.

2. What is an Employer of Record (EOR) / Professional Employer Organization (PEO) / Manpower Agency in India?

A Professional Employer Organisation (PEO) or a Manpower Agency (as used in India) works as a third-party service provider that legally employs workers on behalf of your company.

What nobody will tell you...

In India PEO or EOR are used interchangeably, however you must ensure that the compliances as we discuss further are ensured.

In India, an EOR:



Becomes the legal employer while you manage day-to-day operations



Handles all compliance, payroll, taxation, and HR administration



Enables quick market entry without setting up a subsidiary



In cases needed they help in Hiring & infrastructure setup along with other administrative services.

For global companies hiring in India, an EOR minimizes risk and accelerates hiring timelines.

3. Why Global Companies Choose EOR / PEO in India

Inherent benefits of **cost savings** with **excellent work force** is the key for any business to hire Talent from India.



Access to Massive Talent :

The Talent pool is so vast and the skill sets are profitable for your business.



Faster Market Entry:

Hire within days, without waiting for entity registration.



Compliance Made Easy:

Navigate India's complex regulatory system with expert support.



Cost-Effective Solution:

Save on administrative overhead and entity setup costs.



Risk Mitigation:

Avoid penalties, lawsuits, or labor disputes through expert compliance management.



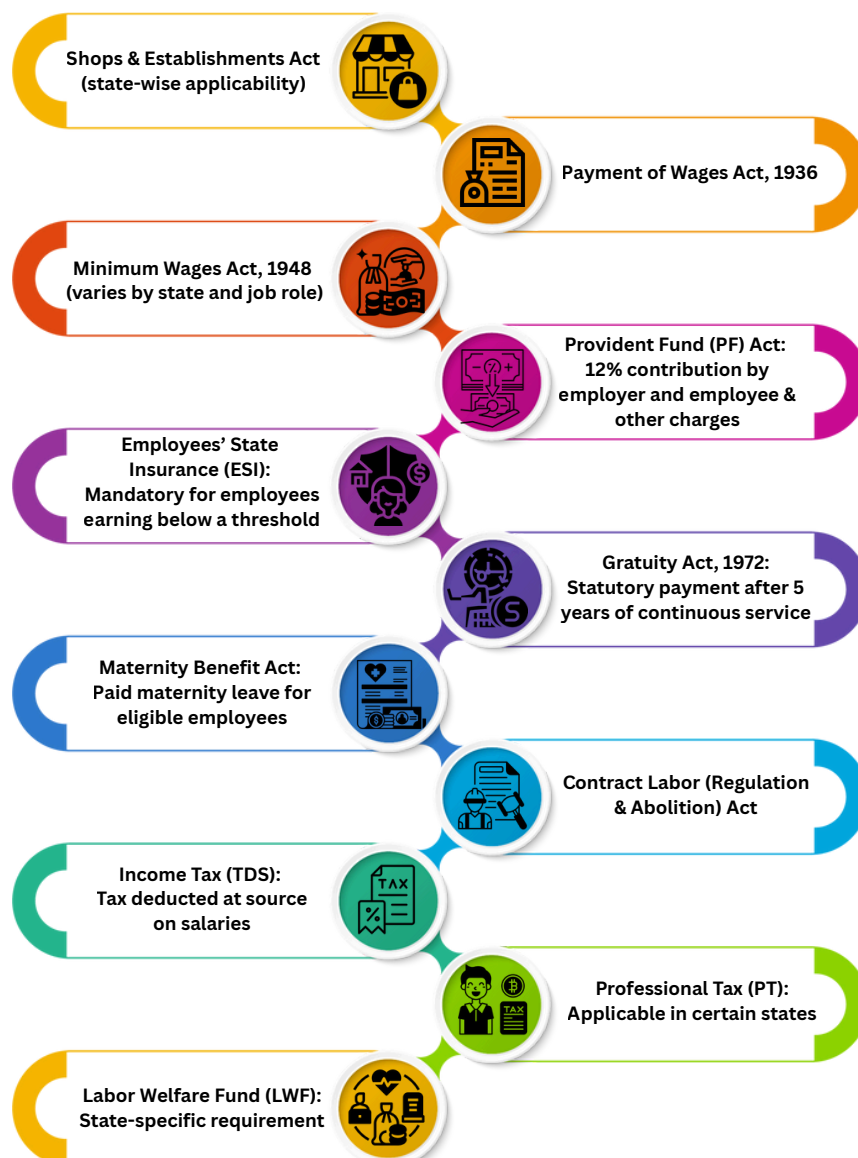
Focus on Core Business:

Concentrate on operations and strategy while your EOR/PEO handles employment compliance, HR and payroll.

4. Key Employment Laws & Compliance Requirements

India has a vast and evolving legal framework including state laws and also the central laws. **All central laws are applicable to each and every employee and employer, State laws are limited to the location of the employee and employer.** India is trying to bring the new Unified Code of labour laws combining all these together, however, it's yet to be implemented. You have to ensure that your partner constantly monitors this progress and implements and helps you understand the impact upon implementation. **You need to be watchful for this impact in the future.**

You have to make sure that your EOR partner ensures compliance with:



We manage these statutory obligations, keeping you audit-ready at all times.

5. Payroll, Benefits, and Taxation in India

You have to familiarise yourself with the Salary and benefits in India including the Taxation for Income. Please note that the tax rules are clear that you are responsible for deducting the tax and its Names as

TDS – Tax Deduction at Source means the employer/EOR/PEO to deduct tax before paying the salary.

The provider must ensure the right salary structure is designed and implemented to each and every employee hired in India.

Salary Disbursement :

In most of the cases the Salary is paid by month of work.

Hence, you need to ensure the invoice and payments accordingly, unless you have a different structure that you want to provide to people, like hourly etc.

Salary Structure:

Indian payroll includes CTC (Cost to Company), Gross Salary, and Net Salary.

Common Components:

Basic, HRA, Special Allowance, Bonus, Provident Fund, Gratuity, ESI

Payroll Cycle:

Typically monthly, with salary disbursed at the end of each month

Statutory Deductions:

You must ensure as a principal employer to ensure the following are adhered while the processed by you EOR / PEO vendor in India. Any non-compliance will be a challenge for you irrespective of your presence being in India or not.

Provident Fund :

12% of Basic from employer and from employee as well based on the eligibility.

Employ State Insurance:

3.25% employer + 0.75% employee (if applicable)

Tax Deduction at Source :

As per income tax slabs amended from year to year.

Professional Tax & Labour Welfare Fund:

These charges differ based on states. Ensuring right deductions & deposits are essential.

Employee Benefits:



Health insurance : Ensure that employees who are not covered under ESI due to higher salaries receive a comprehensive private medical and health benefit package, including health and accidental coverage for them and their dependents, with seamless cashless admissions and claims processing.



Annual leave, sick leave, and public holidays : Ensure that the provider gives you the annual mandatory paid leaves as per government rule and are presented at the beginning of the year/employment for that year.



Statutory bonuses and gratuity : Always ensure that the provider adheres to the Bonus act and also the Gratuity act and provides you with enough information on these laws.

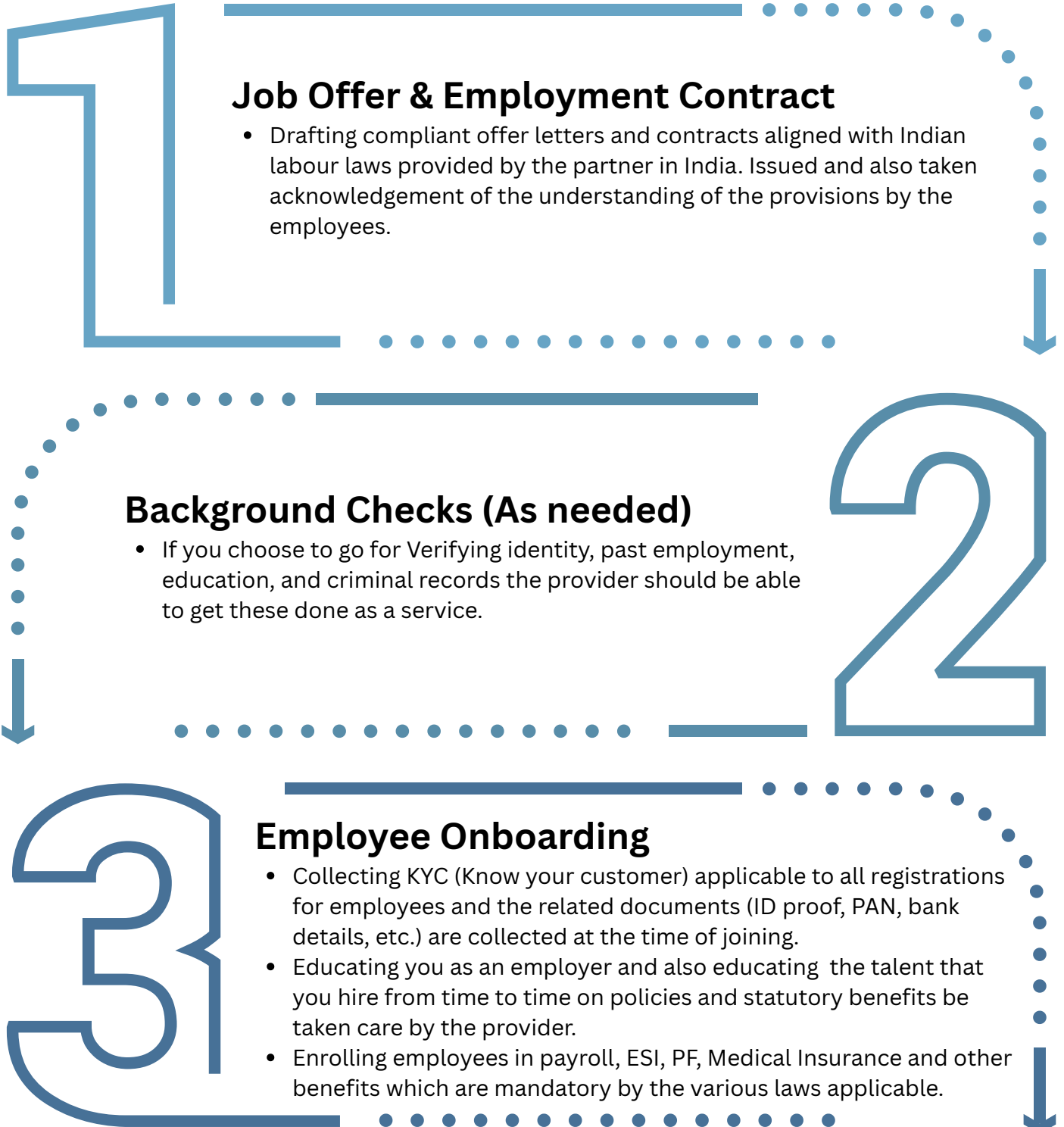


You can customize benefits based on your corporate policy, ensuring they align with your business needs and employee expectations.

***In some of the cases our clients provided ESOP pool to the employees working remotely. We ensure that the right set of process is followed to assign and also disburse when they encash the assigned equities or pool.**

6. Hiring & Onboarding Process via EOR/PEO

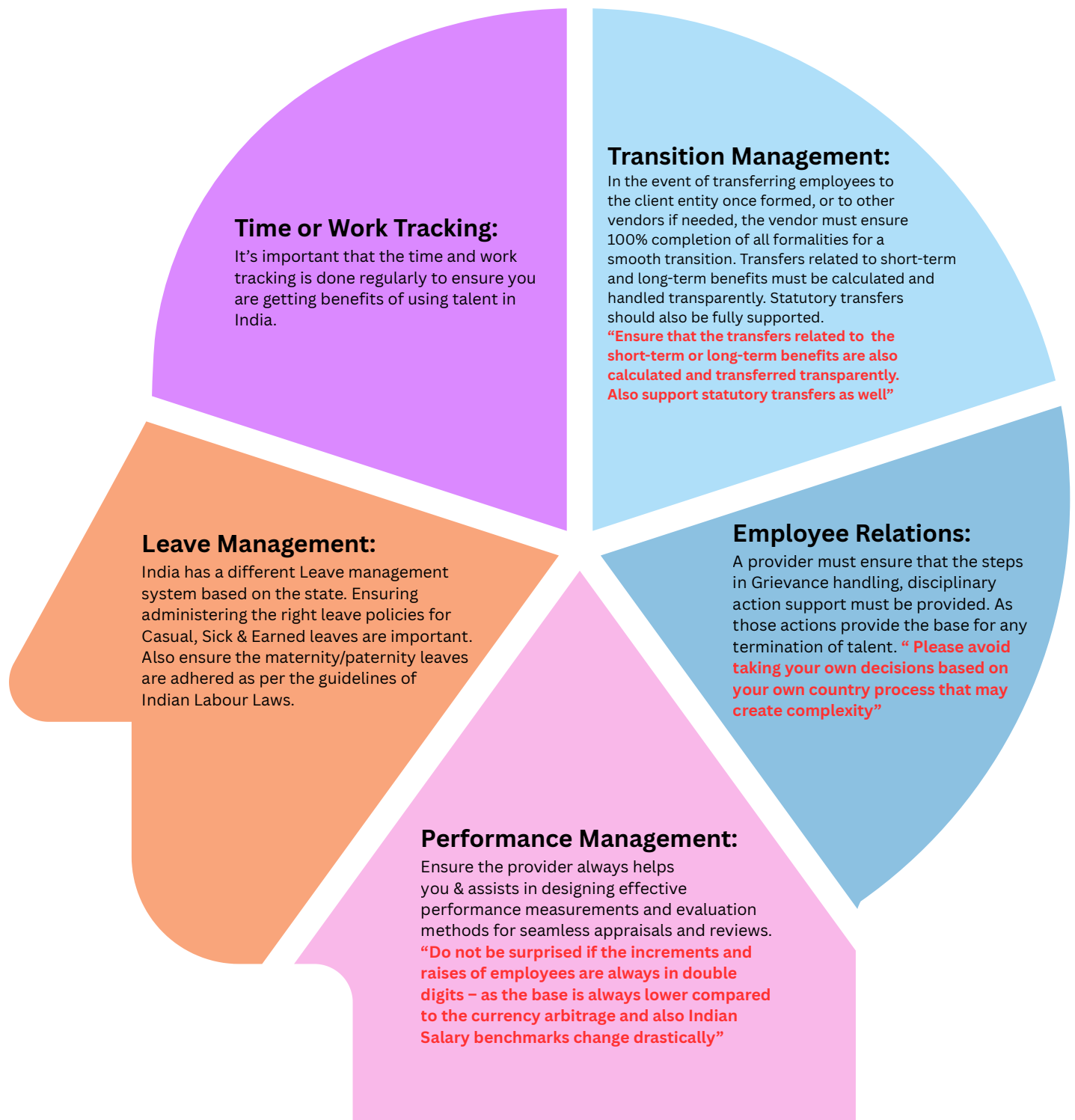
This is the most important step to ensure that 100% compliance is adhered by the provider in India.



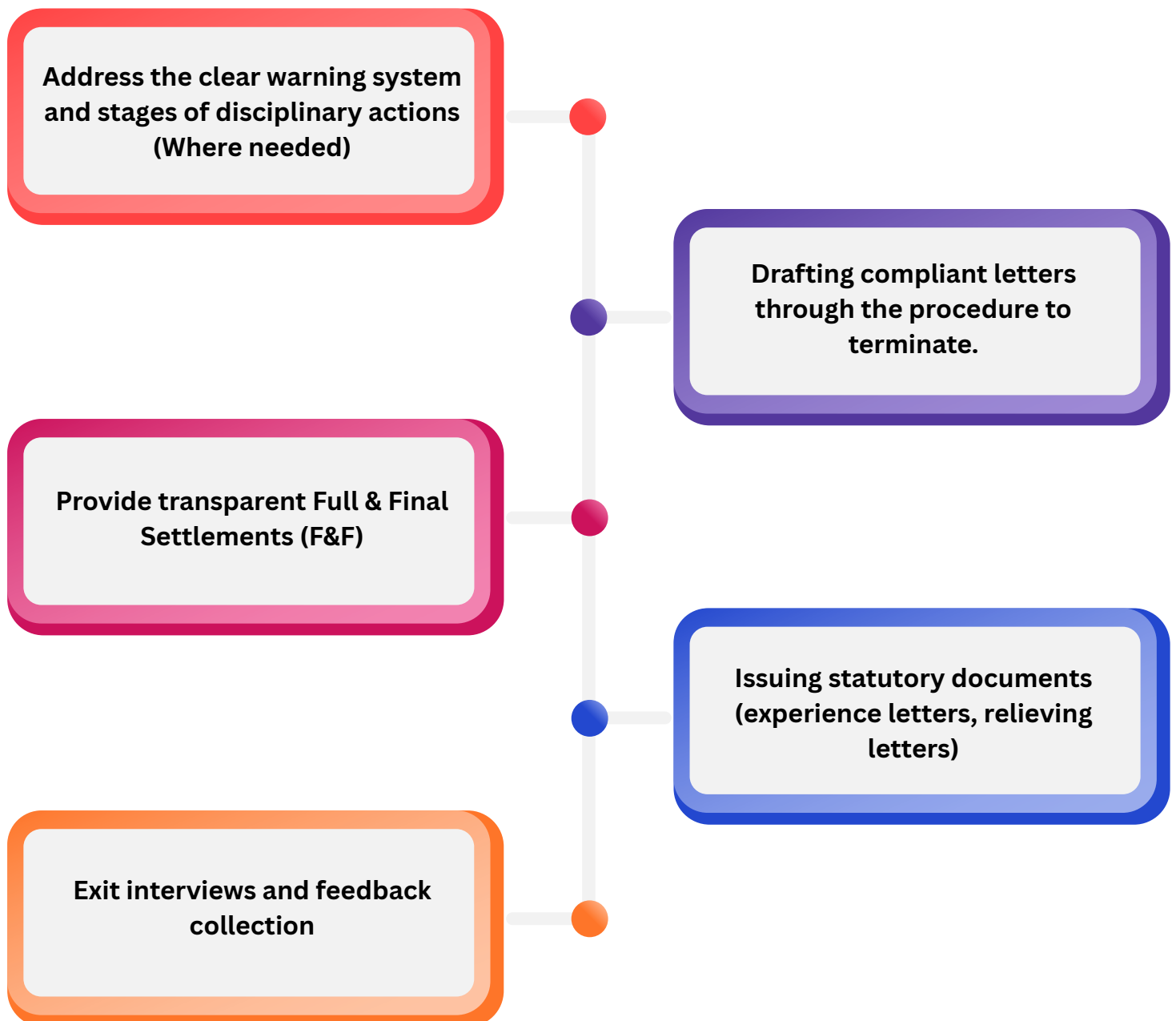
EmployNova process ensures your new hires are smoothly integrated, fully compliant, and ready to work.

7. Employee Lifecycle Management through EOR / PEO

A provider must help you in the follow parts of the Talent Lifecycle in India. These steps are important for getting better productivity from Talent you hire in India.



Separation Management: A well-thought-out separation process helps you save time, money, and—most importantly—gives you peace of mind. Your EOR/PEO provider in India must ensure that due process is followed. It is essential to seek the right advice from your provider to ensure all actions required for separation in India are properly taken. **“You must take right advisory from the provider to ensure the actions important in India are taken to any separation”**



We support every stage of the employee journey to ensure the least impact on your business.

8. How do you Mitigate Risk: How EOR / PEO ensures compliance to mitigate risk for you.

Please note that even if the employees are on the rolls of the EOR / PEO provider, the client becomes the **principal employer** under the Indian laws. That means you must ensure the strict compliance in building and managing teams in India. Hence the EOR / PEO provider must ensure the following:

01

Legal Compliance:

Stay aligned with ever-changing central and state labor laws in India.

02

Contractual Clarity:

Legally sound employment agreements and documentation based on the classification of Employment.

03

Classification :

Ensure that the people hired are rightly classified to avoid any potential legal litigations in the future. Some definitions like Worker (unskilled/semi-skilled/Skilled), Supervisor, Contractor etc.

04

Data Security:

Protect employee data with strict confidentiality protocols

05

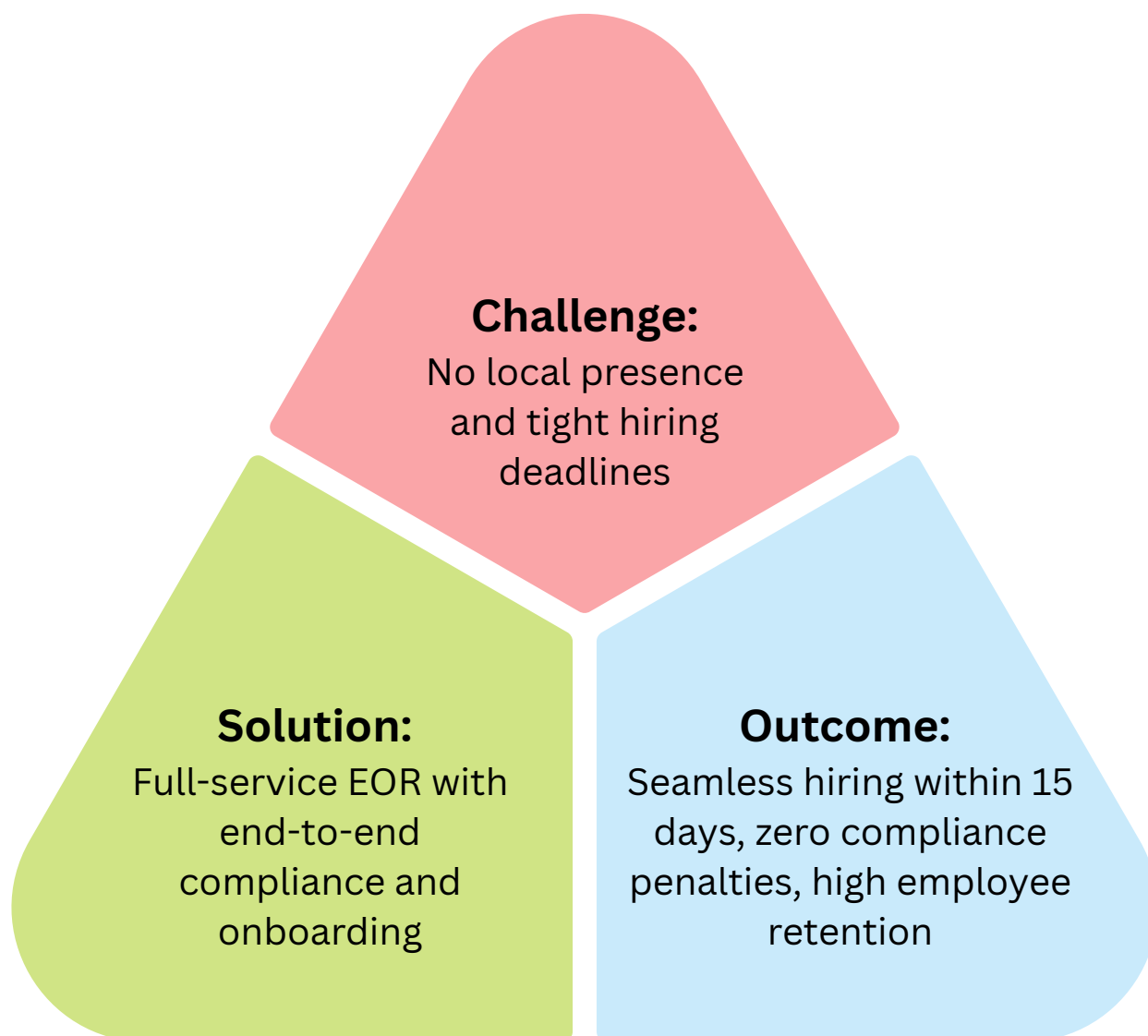
Regulatory Updates:

Proactive alerts on regulatory amendments affecting your operations

With us as your EOR, you reduce liability while ensuring a compliant and productive workforce.

9. Some of our Success Stories with our Founding Team :

How We Helped a US-based Firm grow from single team to hire 180 Employees in India Without an Entity:



10. Why Choose Employnova as Your EOR Partner in India :

India is unique in its culture and values. We come with the Indianness in our approach to Global Businesses.

We believe that a trusted relationship would build great businesses.

• **TRANSPARENCY:**

We work with absolute transparency in Everything that we do with no hidden charges or expenses. We also ensure 100% reconciliation of each Rupee that we receive.



• **LOCAL EXPERTISE IN COMPLIANCE:**

Our Deep knowledge of Indian Business & Labour laws & HR practices over 30 years helps us to be 100% compliant when it comes to adherence.



• **HUMAN TOUCH:**

We feel that Indian talent needs a human touch to support in performing better. We strive to give support to people 24x7 in cases of emergencies.



• **TAILORED SOLUTIONS:**

We understand that each one of our clients are different and they need an approach that suits them in Hiring, Paying & supporting their talent from India.



• **SCALE:**

We build absolute flexibility in hiring from a single employee to building large teams.



• **TECH-TOUCH:**

Automated payroll and employee self-service portal to ensure the employee data is accessed with ease.



• **DEDICATED SUPPORT:**

We provide a single point of contact(SPOC) for each of our clients who would be responsible for your team in India & to have an overview of the partner team in any situation.



11. You may have a few questions in Mind. Let us read your questions and answer as FAQ's below

- **How easy or difficult is Employing in India, Any challenges that we should expect?**



India has abundant talent. We help you hire the best for remote work.



Our experts at EmployNova have been in the industry for over 30 years. They can be of immense help.



India Talent Pool is one of the best in the world. Also, they are the quickest learners in the world.



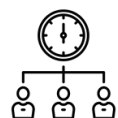
Indian talent is an abundance & the challenge would be to choose the best. We can assist to hire the right attitude to work remotely

- **How quickly can I hire in India using EmployNova's EOR service?**



Any positions with 1-3 years of experience can be hired within 30 days.

Those with 3-10 years would need 2 weeks to finalize plus the Notice period of the candidate which typically ranges from 30 days to 60 days.



Option to Speed it up?

Yes, you can buyout the Notice Period in many cases to have the candidate join immediately or in 1-2 weeks.

- **Do employees receive statutory benefits being with EmployNova?**

Yes, all employee's receive.



Provident Fund (PF similar to that of 401K plan & long-term retirement fund).



ESI (Employee State Insurance Covers Medical up to 25k INR salaried employee's only).



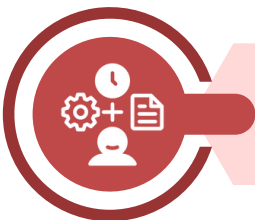
Providing Comprehensive Medical, Health, and Accident Insurance for Employees Exceeding ESI Limits Through Private Insurance Agencies.



Gratuity & Statutory Benefits: Eligibility, Salary-Based Entitlements & Early Company Provisions.

- **Will my company manage the employee directly?**

We Claim what we are good at. It's the understanding of India and its Employment Landscape and compliance with the local laws.



Yes, you handle day-to-day tasks and you have full control on the work planning and delivery by the teams.



While we handle HR, Administration, legal, and compliance requirements of India.

- **Can we convert employees to direct hires later?**

Our experts have the experience of establishing such setups for Funded Startups, Small, Medium to fortune 500 global companies in India.



Once you are ready and confident of having your own establishment, yes.

We assist with the following support



Formation of the Company.



Registering all the statutory requirements to run a business in India.



Work with you to establish Directors & to manage compliance accordingly (You need at least one Indian Director on board mandatory).



Employment closure with EmployNova and transitioning employees to your entity.



We help in Hiring the Site Lead / General Manager India operations and help build the team for expansion.



We can continue to help you with the HR, Admin & Legal compliances as services.



Thank You

Navigating India's employment landscape can be complex, but with the right EOR/PEO partner like EmployNova, you can confidently expand your business while ensuring full compliance. Our dedicated team ensures that your hiring, onboarding, and employee management processes are seamless and compliant. Trust EmployNova to handle the complexities so you can focus on growing your business.

Ready to take the next step?

Contact us today and explore how we can support your growth in India.

Get In Touch

to explore how our EOR solution can help you scale confidently.

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