

GLOBAL CAPACITY CENTRES

**WHAT REALLY ATTRACTS GCC'S TO INDIA?:
ANALYSIS OF LOCATIONS AND INVESTMENT DRIVERS**

EXECUTIVE SUMMARY

KEY FINDINGS

India's GCC ecosystem has undergone a clear shift from a cost-arbitrage model towards a capability- and innovation-driven model. What began largely as an avenue for accessing relatively lower-cost talent has evolved into a network of centres undertaking product engineering, artificial intelligence, R&D, analytics, cybersecurity and other strategically important functions.

This is reflected in the scale of the ecosystem, with India now hosting over 2,100 GCCs and around 2.36 million professionals, generating nearly USD 98.4 billion in revenue.

A key finding of the report is that talent remains the common thread across sectors and locations, even as the nature of GCC activities becomes increasingly specialised. Technology firms require AI and software expertise, financial institutions require analytics and risk capabilities, while manufacturing and healthcare GCCs increasingly depend on engineering, research and domain-specific talent.

At the same time, the talent advantage is not without limitations, with only around 43% of graduates considered industry-ready, making reskilling and stronger industry-academia linkages increasingly important.

The report also finds that location decisions are becoming more strategic. Bengaluru, Hyderabad, Pune, Chennai, Mumbai and Delhi-NCR continue to dominate because of

their established talent pools, infrastructure, industry clusters and supporting ecosystems. However, rising costs and increasing saturation in major metros are encouraging GCCs to explore Tier-II and Tier-III cities.

These locations are increasingly attractive because of their lower operating costs, emerging talent pools and improving infrastructure, although gaps in specialised and senior talent remain a constraint.

Finally, India's GCC advantage increasingly rests on the interaction between talent, infrastructure, policy and innovation ecosystems, rather than on any single factor. The expansion of startup activity, R&D, digital infrastructure and government support has strengthened this ecosystem further. ER&D, for instance, has grown at a 13% CAGR over the last three years, while around 90% of GCCs now have an ER&D component.



2,100+

GCCs in India



2.36M

Professionals employed



\$98.4B

Revenue generated



13% CAGR

ER&D growth, last 3 yrs

MAJOR INVESTMENT DRIVERS

India has become one of the leading destinations for Global Capability Centers (GCCs), with over 2,100 GCCs employing around 2.36 million professionals and generating nearly \$98.4 billion in revenue.

Over the years, GCCs have moved beyond being cost-focused support centers and are now driving innovation through AI, digital transformation, R&D, and other high-value business functions. They have also contributed to expanding India's human capital by creating skilled employment opportunities, promoting upskilling, and increasing the presence of GCCs in Tier-II and Tier-III cities.

The Government of India has supported this growth through initiatives such as SEZs, STPI, Startup India, and various state-level policies that have reduced operational costs, improved infrastructure, and attracted foreign investment.

Along with India's strong talent pool, growing startup ecosystem, and increasing focus on innovation, these factors have strengthened India's position as a preferred destination for GCCs and created opportunities for continued growth in the future.



LOCATION TRENDS

Location is one of the most important aspects when it comes to GCC's. With its strategic advantages in cost, talent, and innovation, India has established itself as an unmatched destination for GCCs, particularly for companies focused on scaling digital initiatives and enhancing global competitiveness.

Initially the purpose of setting up GCC's in India were to take advantage of the country's cost-effective labour, with locations concentrated in Bengaluru, Hyderabad, Pune, Mumbai, Chennai, and the Delhi-NCR region. Now, GCCs are also expanding into emerging Tier-2 cities.

Almost all of these locations offer good infrastructure, strong transport connectivity, and access to a skilled talent pool, as nearly every state has at least one well-established university or educational institution. However, today, location choices are no longer based only on cost advantages. Instead, companies are making more strategic decisions by evaluating factors such as the availability of skilled talent, infrastructure, the business environment, and the overall ecosystem.

As corporations continue to prioritize both cost efficiency and advanced digital capabilities, India's GCC landscape will likely remain a cornerstone of global corporate strategies in the years to come.

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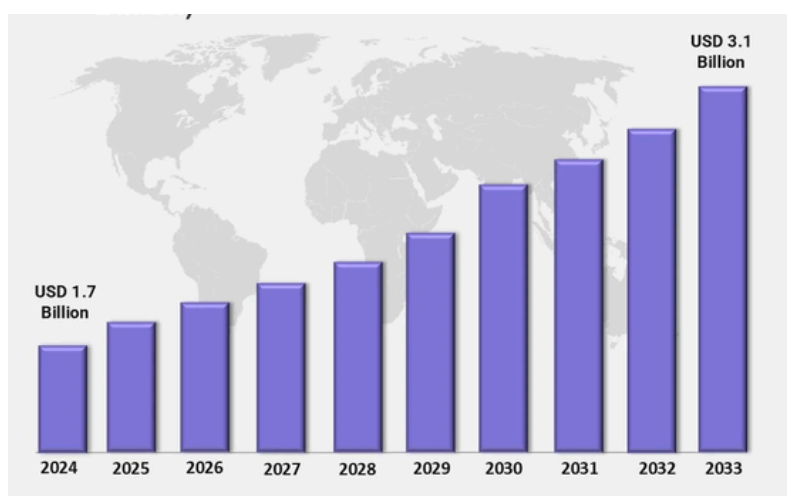
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FUTURE OUTLOOK

GCCs, initially established as support hubs, have evolved into centers of transformation, enabling companies to build core capabilities in emerging fields like artificial intelligence (AI), cloud computing, and digital product development. Over the last decade, India has

emerged as a dominant force in the GCC landscape, home to over 1,700 GCCs that contribute \$64.6 billion to the national economy and employ a workforce of nearly 2 million professionals. This business case demonstrates why India has become the preferred location for global corporations establishing or expanding their GCC footprint.

AI-led GCCs, research and development expansion, digital transformation, and the growth of tier 2 cities are all leading to better outcomes for GCCs. AI is primarily reshaping the workforce, while thousands of jobs have been eliminated, GCC's have simultaneously created many new roles. The report shows that agentic AI investments are rising and companies are advancing and reskilling to up to 70% of new skills and making employees future-ready. India's GCCs are poised to deliver global transformation leadership and next-generation AI innovation - built in India, scaled worldwide



01 INTRODUCTION AND BACKGROUND

WHAT ARE GCCS?

A Global Capability Center (GCC) is a wholly owned offshore or nearshore unit that a multinational company establishes in another country to access cost, talent, or technology advantages, distinguishing it from traditional third-party outsourcing arrangements. GCCs typically deliver critical functions such as IT, engineering, R&D, finance, HR, and data analytics, and increasingly operate as innovation hubs rather than pure support centers.

EVOLUTION OF GCCS IN INDIA

The history of GCCs in India began in the mid-1980s, when India's growing pool of English-speaking technical talent first attracted multinational interest. Texas Instruments' Bengaluru center, established in 1985, and Citibank's Pune center were among the earliest examples, followed by a wave of entrants, including American Express and General

Electric, after the 1991 liberalization reforms opened the market further. This period, often called the Back Office Era (1985-2005), was defined by low-cost, high-volume functions: data entry, IT maintenance, customer service, and basic finance work.

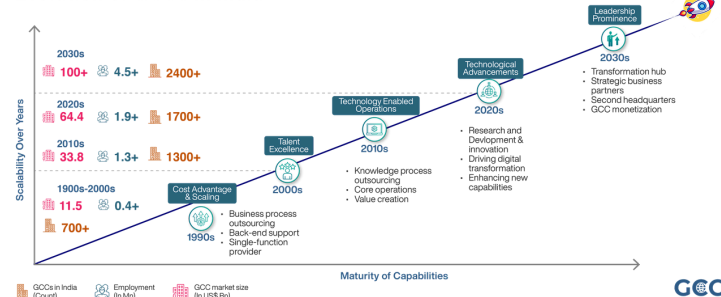
By the late 1990s and early 2000s, offshoring accelerated as large US and European firms set up centers primarily for cost arbitrage, and by the 2010s, India was

home to over 1,000 such centers. As their scope matured, the earlier terms, Global In-house Centers (GICs) or "captive centers," gave way to "Global Capability Center," reflecting a shift from cost-driven execution to value creation. Today, many GCCs function as Centers of Excellence, contributing directly to AI-led transformation, product engineering, digital initiatives, and core R&D for their parent organizations, rather than simply executing routine, low-value tasks.

The Functions Global Capability Centers Can Deliver



Evolution of GCCs in India



ECONOMIC SIGNIFICANCE (EMPLOYMENT, FDI, INNOVATION)

GCCs have grown into a material part of India's economy, and although estimates vary across sources and methodologies, they consistently point to the same underlying story: rapid, sustained expansion. Economic output has grown roughly sixfold since 2010, from about USD 19 billion in 2015 (Deloitte) to USD 46 billion in FY2023 (Economic Survey/Wizmatic), and further to an estimated USD 76-98 billion by 2025-26 (Nasscom-Zinnov), at a compound annual growth rate of around 13%. Reported employment figures vary more widely by methodology, ranging from roughly 1.9 to 3.2 million professionals across recent estimates, with the Nasscom-Zinnov GCC 2026 Landscape Report placing the workforce at 2.36 million across 2,117 centers. Regardless of methodology, GCCs now contribute over 1% of India's GDP, projected to reach 3.5% by 2030, and this growth is increasingly broad-based, with about one-third of Fortune 500 companies and over 506 Forbes Global 2000 firms now operating centers in India.

This growth is closely linked to India's wider FDI trajectory: as GCCs have matured from cost-driven back offices into innovation-led centers, they have helped drive cumulative FDI equity inflows of USD 6.5 billion into consultancy and business services.

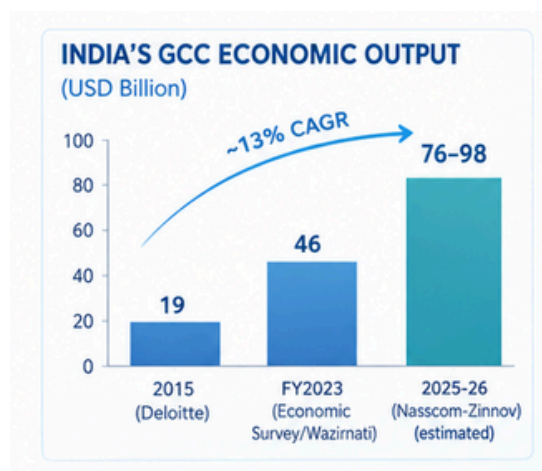
The relationship runs both ways: rising FDI has funded the infrastructure and capability build-out behind GCC expansion, while the growing sophistication of GCC operations, moving from cost savings and talent access to quality, efficiency, advanced analytics, and core R&D, has itself made India a more attractive long-term investment destination for multinational firms.

OBJECTIVES

This study aims to understand the influence of pull factors, locational, regulatory, infrastructural, and talent-related, on the establishment and expansion of GCCs in India.

SCOPE

The scope of the study is limited to the evolution of the GCC concept, the current economic footprint of GCCs, and the pull factors shaping GCC site-selection decisions. It does not extend to operational analysis or company-specific case studies.



OUTSOURCING TO INNOVATION HUBS

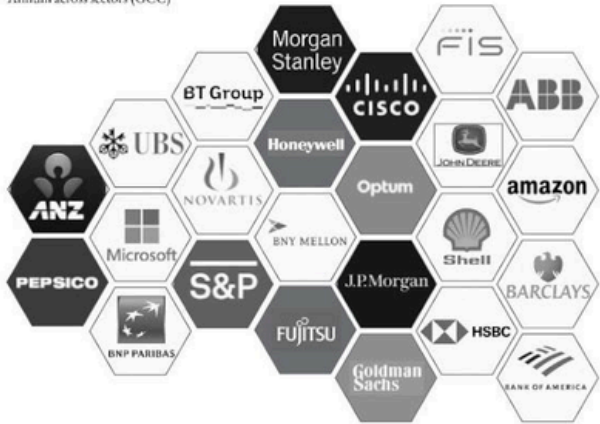
As the GCC model evolved, India's position transitioned from an inexpensive execution base to an innovation centre for multinational firms. GCCs were initially created largely for cost savings, managing tasks such as IT services, back-office activities, and customer support. By the late 2000s, multinational firms began shifting their India strategy from cost to efficiency and quality, establishing R&D centers and, in some cases, exploring revenue generation from their India operations. This evolution is now described in industry writing as moving beyond execution altogether, with global firms increasingly delegating responsibilities to their India centers, from product management to AI-driven transformation and global leadership directives.

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List of GCCs with the Largest Workforce in India - 2024

Median salary in Lakhs Per Annum across sectors (GCC)



GROWTH TRAJECTORY

Estimates of GCC numbers, employment, and revenue vary somewhat depending on the source and methodology used, but all point to consistent, rapid expansion:

Period	Number of GCCs	Employment	Revenue	Economic Output / Source
2015	-	-	USD 19 billion	Delloite
FY 2023	1600+	3.2 Million	USD 46 Billion	Economic Survey / Wizmatic
2025	1760	1.9 Million	USD 65 - 76 billion	Nasscom community / Deloitte
2026	2117	2.36 Million	USD 98.2 billion	Nasscom Zinnov GCC 2026 Landscape Report
2030	2400 - 3500	2.8-3.2 Million	USD 105 - 121 billion	PIB / Nasscom projections

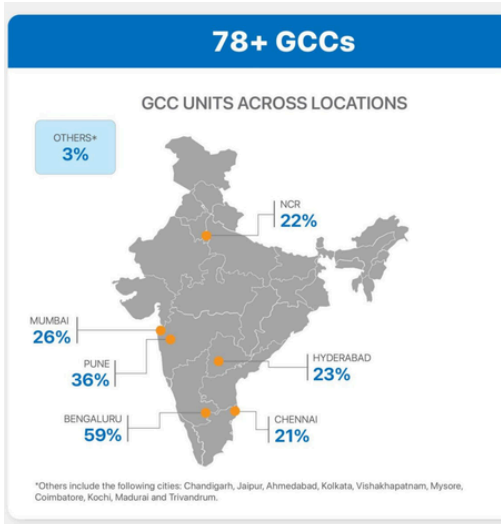
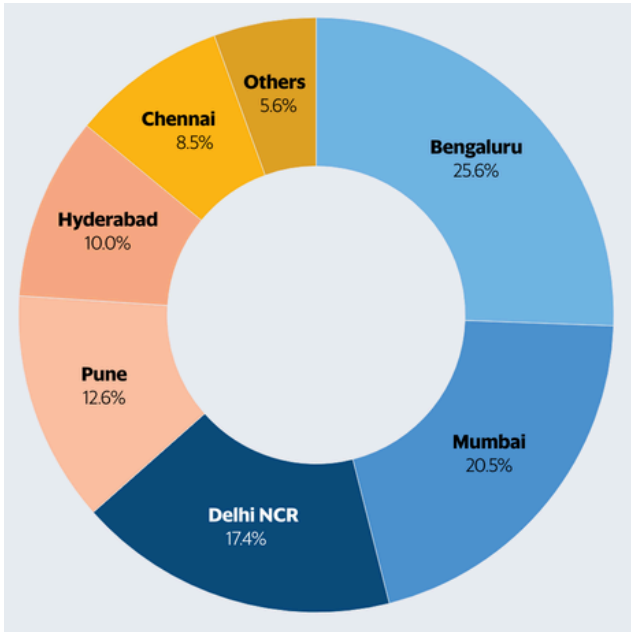
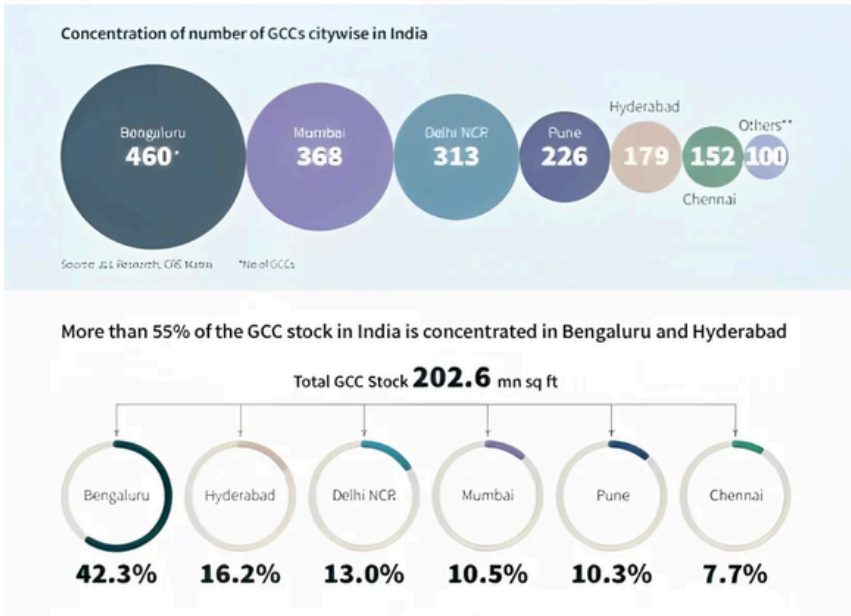
Even accounting for the gap between conservative government estimates and more bullish industry projections, the trajectory points in one direction: consolidation of India's position as the preferred GCC destination. Notably, growth appears increasingly driven not just by the addition of new centers,

but by existing centers scaling in scope, headcount, and revenue per center. This suggests the next phase of expansion may be shaped less by the pace of new center formation and more by how much responsibility, from AI-led transformation to global product ownership, parent companies are willing to shift to their India operations.

CURRENT GCC LANDSCAPE

The GCC cluster in India remains highly centralized, with six metro centers, Bengaluru, Hyderabad, Pune, Chennai, Mumbai, and the National Capital Region, accounting for 92% of all centers. This concentration reflects a self-reinforcing ecosystem: deep pools of engineering and technical talent, established IT and R&D infrastructure, and mature vendor and startup networks that de-risk setup and scaling. Bengaluru's continued dominance, representing 34-39% of national GCC activity, stems from its early-mover advantage as India's original technology hub, reinforced by a dense talent base, strong university pipeline, and supportive state policy.

At the same time, smaller cities are gaining traction. Tier-2 cities' share of India's GCC footprint rose from 5% in 2019 to 7% in 2025, with projections of 30-40% by 2028, driven by rising metro real estate and talent costs, saturation in large cities, and supportive state policies. About half of all mid-market GCCs in India operate in Karnataka, aided by state-specific GCC policy and the Beyond Bengaluru program, followed by Telangana, Maharashtra, and Tamil Nadu through AI, digital, and semiconductor mission programs. Office space demand reflects this trend, with GCC-driven demand, including flex space and Grade A office space, expected to reach 70-75 million square feet by 2026, led primarily by Bengaluru and Hyderabad.



India's GCC space has moved away from a tech-dominated hinterland. Today, it spans several diverse sectors. Sectoral expectations have played a role in guiding GCC operations as a multitude of corporations have built out these units as part of their integrated global strategies.

Common across every sector, though, has been access to talent which has made India the obvious choice. Where countries' sector specific demands in terms of technological intensity, regulation, research intensity and direct customers will be different, commonality among centers stems from the talent availability which has fueled their creation.

INFORMATION TECHNOLOGY AND SOFTWARE

The IT and software sector continues to be the leader in its dominance in India's GCC sector, with the highest number of operational centres. Although IT GCCs were initially created to cater to software development and technical support services, Indian IT GCCs have now expanded to include strategic centres, focusing on product engineering, cloud computing, AI, cybersecurity, platform development, and digital transformation.

Much of the appeal of India for tech firms is its vast supply of engineering talent, its highly developed digital infrastructure and mature startup and technology solutions industry (using its experience of delivering multiple large-scale projects). Cities like Bengaluru and Hyderabad have become international tech clusters, attracting firms to hire specialist skillsets and to leverage spillovers from clusters of like-minded firms.

IT GCCs are no longer exploited merely as offshore development centres; they now turn their focus to entire product development and global technologies strategies, as India attempts to grow from a cheaper off shoring option to a more innovative and large technology base.



Banking, Financial Services and Insurance (BFSI)

The Banking, Financial Services and Insurance (BFSI) is one of India's biggest growth areas on the country's GCC graph. International financial houses have spread their operations in India far beyond transaction execution, into areas like investment research, quantitative analysis, financial modeling, regulatory adherence, cyber security, risk and control, fraud detection, and digital financial products.

Highly skilled finance professionals, strong quantitative expertise, and India's burgeoning fintech sector, with its huge talent base in data analytics, AI etc, provide the unique Indian value proposition financial firms need to upgrade customer service experience, and make their operations far more resilient.

Preferred locations that financial firms consider for their setup are the National Capital Region (Gurugram & Noida), Bangalore, Pune and Hyderabad because of its accessibility to finance

professionals, and to the business infrastructure required as well as its close proximity to consultancy and technology services providers.

Healthcare and Pharmaceuticals

Global capability centres (GCCs) for both healthcare and pharmaceutical companies have been witnessing an accelerated growth as the global leaders consolidate its key functions such as research, clinical support, pharmacovigilance, regulatory affairs, medical data management, digital health operations within India. India's availability of medical professionals, pharmacists, biotech graduates and life scientists make it ideal for the global companies to leverage high expertise and cost-effective services. Plus, a mature pharma manufacturing sector in the country with an ecosystem of emerging biotech firms enable companies to synergise both the R&D and the front-office activities. The emerging health informatics, gene editing/genomics tools, AI-enabled diagnosis, real-time clinical data analytics further enhanced the

value and scope of global centre functions, helping the country to carve a niche in innovation as opposed to simply supporting the back end.

Manufacturing and Automotive

GCCs are finding growing adoption from the manufacturing and auto sectors for R&D in engineering, design, automation and product development, industrial automation, supply chain, embedded systems and digital manufacturing in general. India's core strengths in the mechanical, electrical, electronics and automotive engineering streams allows it to become an attractive alternative for global manufacturers looking for cost efficiency, while highly value adding research and development activities. India's increasing focus towards the future of work in advanced manufacturing, industry 4.0 and EVs continues to strengthen its case. Cities like Bangalore, Pune and Chennai have been cultivating specific

manufacturing ecosystems along with linkages with universities, suppliers, auto companies and engineering resources making them fertile ground for innovation led GCCs.

Retail and E-commerce

Companies in the global retail and e-commerce sector have deepened their engagement in India, setting up their GCCs, a hub and spoke center to cater for operations supporting: Digital Commerce Platforms, customer analytics, pricing practices, merchandise planning, supply chain and logistics, marketing analytics and customer behavior. The booming digital economy in India and high e-commerce adoption, complemented with robust data analysis capabilities of Indian professionals, helps businesses create customer-focused digital products to run business for all GCC locations along with Indian operations, and facilitates the faster growing of GCC's role from basic operations center towards strategic functions, by readily availability of skilled people in areas like AI, cloud,

UX/ UI designers and business analyst.

Based on this, the retailGCC ecosystem will focus on enhancing their contribution to support global digital commerce strategy and develop the Omnichannel strategy.

Telecommunications, Aerospace and Energy

Companies have focused on bringing specific areas of their operations into Indian GCCs to conduct work in areas of engineering design, network optimization, digital services infrastructure management, satellite operations, renewable energy operations management and analytical insights, space technologies operations and R&D work. The country offers competitive advantages due to the expertise of its engineering talent pool and its rapid progress on communications, aerospace and renewable energy technologies. Multidisciplinary skills that support the integration of software engineering and hardware engineering together and the

convergence of the work on communications technologies with industrial applications, space related activities and on renewable energy solutions is also possible due to talented resources being available. Collaboration opportunities exist with India's nascent but growing network of research institutions and its drive for increased indigenous capabilities development, digital services enablement, and indigenous development of sustainable energy technologies are likely to benefit the set up of Indian GCCs of companies that are strong players in the aforementioned sectors.

Key Insight

The sectoral classification of GCCs showcases the ability of India to remain competitive beyond IT services. While investment in skilled human capital is the fundamental factor across all sectors, the roles undertaken by GCCs are diversifying as per sector-specific demands. This trend manifests as software product innovation for technology companies, analytical and digital

banking for financial services institutions, life sciences domain expertise for healthcare, and engineering capabilities for manufacturers. As such, the notion of GCCs as essentially back-office support centers has been dispelled as they now facilitate multi-

sectoral innovation-centric ecosystem in India, taking up increasingly specialized and strategic activities which drive capability, innovation and specialized skill sets in addition to previously emphasized cost advantage.

Sector	Primary GCC Functions	Key Investment Drivers	Major GCC Locations
IT & Software	Product engineering, AI, cloud computing, cybersecurity	Technology talent, innovation ecosystem, startup culture	Bengaluru, Hyderabad
BFSI	Risk management, financial analytics, compliance, fintech	Finance professionals, digital capabilities, analytics expertise	Gurugram, Bengaluru, Pune
Healthcare & Pharma	Clinical research, pharmacovigilance, medical analytics, regulatory affairs	Medical talent, pharmaceutical ecosystem, life sciences research	Hyderabad, Bengaluru
Manufacturing & Automotive	Engineering design, R&D, embedded systems, Industry 4.0	Engineering talent, manufacturing ecosystem, industrial clusters	Pune, Chennai, Bengaluru
Retail & E-commerce	Supply chain analytics, digital commerce, customer insights	Data analytics, digital infrastructure, consumer market	Bengaluru, Hyderabad
Telecom, Aerospace & Energy	Network engineering, aerospace R&D, digital infrastructure, renewable energy analytics	Multidisciplinary engineering talent, research ecosystem	Bengaluru, Hyderabad, Chennai

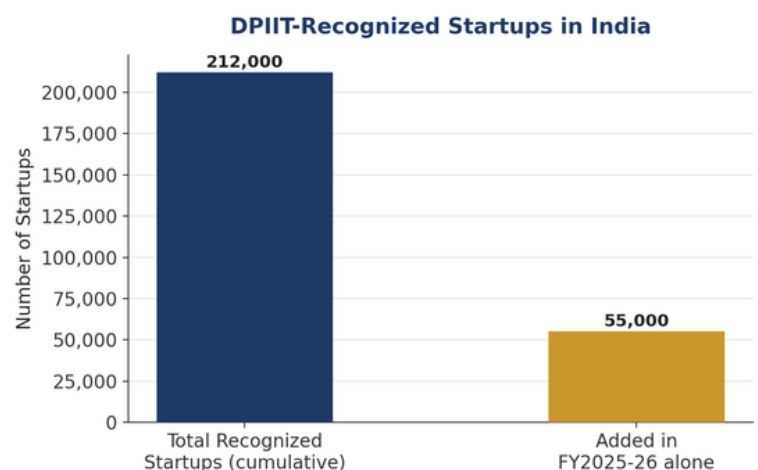
Human Capital

As the number of GCCs in India has increased by 32% since FY2021 with 2000 companies employing around 2.36 million professionals as of FY26. The workplace's total market revenue stands at \$98.4 billion. India being one of the largest and fastest growing digital talent in the world, GCCs are now moving beyond platforms, AI- led transformation, the opportunity is to build by investing in frontier capabilities and expanding the relations between talent, academia and industry so the three quarters will operate with high maturity by 2030.

As the tier II & tier III cities are now the house of nearly 7% of India's GCC which challenges the dominance of Metropolitan cities. The workforce of 2026 will not just be for salaries and perks but will also focus on flexibility, well-being focused benefits that are needed by the individuals.

Government support to expand GCC in India

As operational flexibility is important for GCCs the government supports it through the SEZs (Special Economic Zone) & STPI (Software technology parks of India) schemes which align with the needs of GCCs as they will help to streamline operations and attract foreign investment in India. These frameworks reduce the entry barriers and support the operations for GCCs by reducing overall operational cost & cost of setting up GCCs in India. State initiative plays a crucial role in infrastructure as they enable GCCs to establish, operate and scale efficiently through a combination of startup



with demand shifting toward higher-quality, technology-ready workspaces. Tier I cities still hold over 90% of GCC activity, with the top seven cities commanding more than 263 million sq. ft. of Grade A office stock and driving 40% of all office leasing over the past decade; total GCC footprint is projected to cross 350 million sq. ft. within three to four years (jll) . Bengaluru alone hosts over 900 GCC units and commands a 34-39% market share (jll) , while Hyderabad, Pune, Chennai, Delhi NCR and Mumbai have developed distinct sector specialisations, and secondary cities such as Ahmedabad, Kolkata, Jaipur, Coimbatore, Mysuru and Kochi are emerging as GCC-ready business hubs offering 10-35% cost savings (jll) .

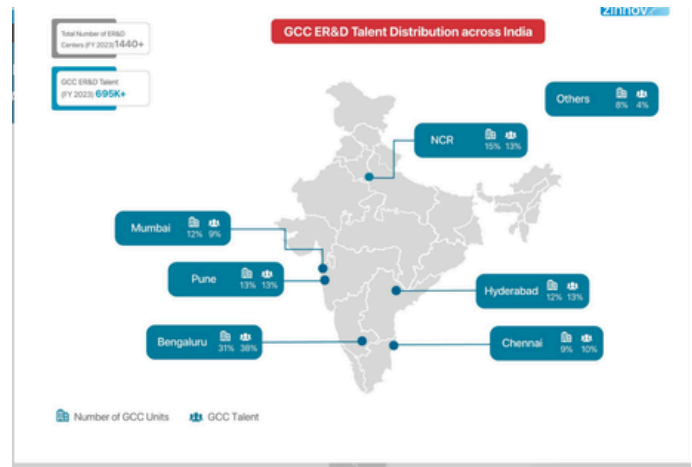
On digital infrastructure, the government is moving to formalise support for data centres. The Finance Bill, 2026 introduces a dedicated Special Economic Zone framework for data centres, aiming to position India as a preferred destination for hyperscale data centres, cloud infrastructure, & AI computing facilities

The framework seeks to simplify approvals, attract global capital, support India's AI computing needs, and strengthen data sovereignty, though its success will depend on reliable power availability, land approvals, cybersecurity compliance and alignment with state-level industrial policies (chambers) . Transport infrastructure within GCC campuses, however, remains a gap area. A Routematic report found that nearly 60% of GCCs in India still operate without fully integrated commute management systems, relying instead on fragmented, manual processes (thehansindia) . Company-provided cabs remain the dominant mode, making up 46% of commute arrangements, while hybrid work has introduced fluctuating daily demand for 36% of organisations, complicating route planning (thehansindia) . The report calls for unified mobility platforms, AI-driven route optimisation and EV integration as GCC hubs continue to expand

India's startup, R&D, and academia industry ecosystem strengthening the innovation capabilities of GCCs

India's deep startup base – over 177,000 startups, 119 unicorns, and more than 5,800 deeptech ventures across AI, IoT, blockchain, and green tech – gives GCCs a ready pipeline for innovation partnerships, co-development, and access to specialized talent. This scale, which makes India the world's third-largest start-up ecosystem, is why over 1,600 multinational corporations have set up R&D or digital innovation centres here: startups act as an external innovation arm, letting GCCs tap emerging technology and niche skills faster than building everything in-house.

Institutes such as IISC, IIT MADRAS AND IIIT HYDERABAD drive deeptech research with industry partners . Patent filings have more than doubled since 2014 -2015 and patent grants have risen over 17 fold in the same period.



Government schemes such as Startup India, the Atal Innovation Mission, and TIDE 2.0 provide funding, incubation and regulatory support, and GCCs are increasingly setting up corporate venture capital arms in India.

ER&D is the fastest-growing segment in India's tech industry, expanding at a 13% CAGR over the last three years and contributing an estimated 55.4% rise in technology exports between 2023 and 2024; about 90% of GCCs now have an ER&D component,

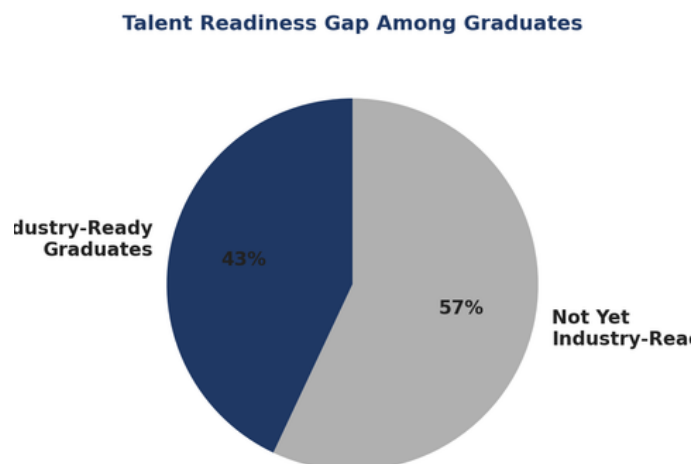
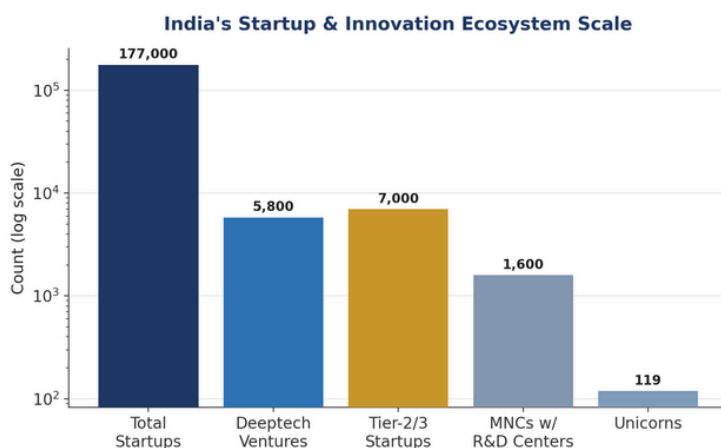
Despite the high volume of graduates entering the workforce, only about 43% are considered industry-ready, pointing to limited industry-academia collaboration. To close this gap, GCCs are increasingly investing in structured reskilling and upskilling programs, partnering directly with universities to align

curricula with real-world skill needs, and building in-house academies or Centers of Excellence to fast-track new hires. Many also run apprenticeship and campus-hiring pipelines in partnership with institutes, allowing them to shape talent before it enters.

Strategic Advantages of India's GCC Ecosystem

India's GCC market continues to mature, with Nasscom-Zinnov projected the market will grow to \$99–105 billion by 2030, with headcount rising to 2.5–2.8 million. GCCs have become a durable pillar of India's economy, with contribution rising from \$19 billion in 2015 to over \$68 billion today, and 1 in 3 Fortune 500 companies now operating a GCC in India. Policy is reinforcing this stability: the Union Budget 2026–27 expanded the Safe Harbour threshold from INR 300 crore to INR 2,000 crore, India's morning hours overlap with Europe and its afternoon overlaps with the US, enabling real-time

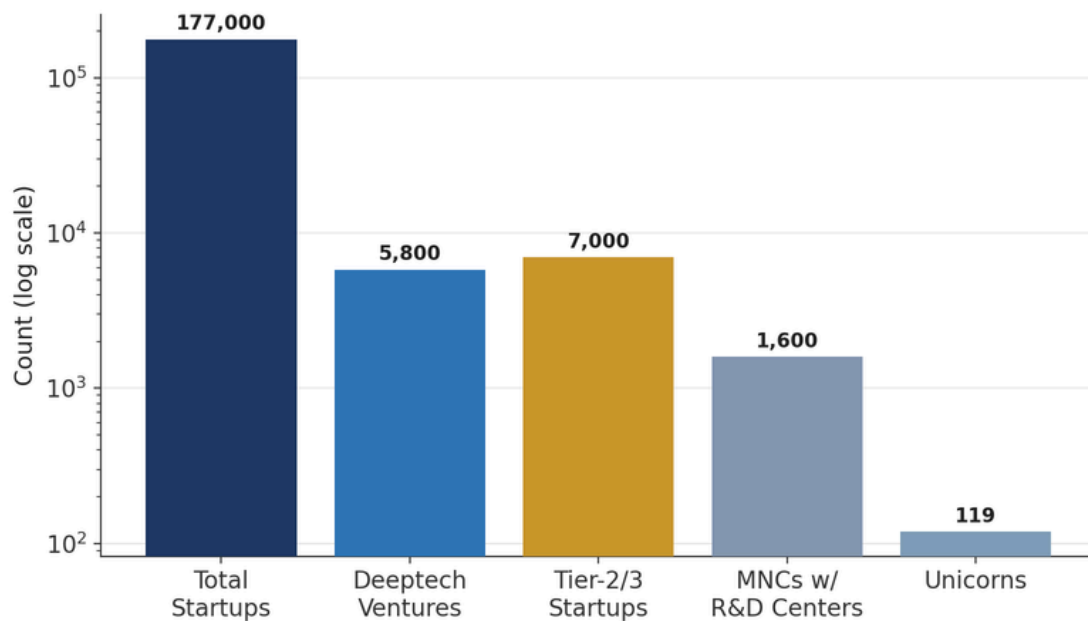
collaboration and agile workflows within the same business day. The advantage is now extending regionally too, as eastern corridors such as Kolkata are positioning themselves strategically around logistics and time-zone advantages to capture spillover demand from saturated metro hubs.



Summary Table

Category	Metric	Figure
Office Space	GCC leasing (2022–2025)	100M+ sq. ft. (39% of 2025 total)
	Tier I cities' share of activity	90%+
	Top 7 cities' Grade A stock	263M+ sq. ft.
	Projected footprint (3–4 yrs)	350M+ sq. ft.
	Bengaluru market share	34–39%
Transport	GCCs without integrated commute systems	~60%
	Company cabs as commute mode	46%
	Orgs with fluctuating hybrid demand	36%
Policy	Safe Harbour threshold (Budget 2026–27)	INR 300cr → 2,000cr
Innovation/R&D	Patent filings growth (since 2014–15)	2x+
	Patent grants growth	17x+
	ER&D CAGR (last 3 yrs)	13%
	Tech export rise from ER&D (2023–24)	55.40%
	GCCs with ER&D component	~90%
Talent	Graduates considered industry-ready	~43%
Startups	Total startups	177,000+
	Unicorns	119
	Deeptech ventures	5,800+
	MNCs with R&D/innovation centers	1,600+
	Tier-2/3 city startups	7,000+
	Tier-2/3 share of tech funding (2022)	~13%

India's Startup & Innovation Ecosystem Scale

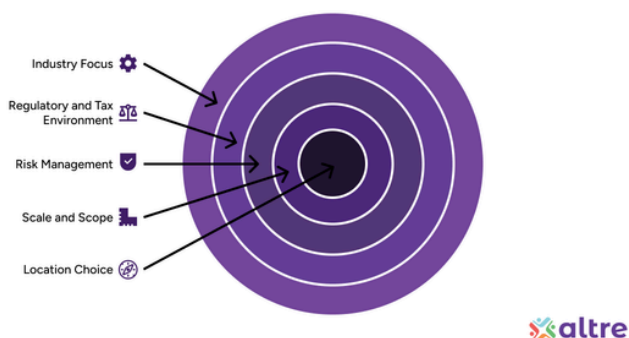


04 LOCATION ANALYSIS

Why Location Matters in GCC Investment Decisions

A Global Capability Centre's operational effectiveness, access to talent, innovative capacity and scalability depend to a large extent on its location. While GCCs were originally set up in India mainly for their cost advantages, today they are making more location choices based on strategically evaluating factors like skilled talent availability, infrastructure availability, business environment and ecosystem, transport links, government policy and lifestyle. Furthermore, the existence of clusters of companies in these locations brings in the benefit of agglomeration, wherein benefits can be accrued from common knowledge pool, supply networks and talent pools. Thus, only a few of the metro regions are attracting a major portion of the GCCs in India.

GCC Location Strategy



Major GCC Hubs Bengaluru

Bengaluru is by far the most well-developed and the largest GCC in India by having the highest number of multinational engineering and technology centres. Bengaluru's strengths, and the biggest driver of talent, is its enormous talent base

fueled by a concentration of the top-quality schools and the boom in its startup space combined with more than two decades of experience of working in the IT sector. All these help them to easily attract high-value professionals for skills in AI, cloud, cyber-security, software engineering and product development.

Moreover, they benefit from good business infrastructure (technology parks like Electronic City, Whitefield, Manyata Tech Park), good digital infrastructure and good professional services, that these companies have built in Bengaluru, in the form of well-placed GCCs which have in recent times moved up the value chain from doing regular work to research and development, innovation and strategising.

Yet the costs are higher because of the popularity, more-expensive labour, growing commercial rentals and more traffic. But, firms continue to expand their presence as the cost-related issues are offset by innovation and the large availability of high-quality specialist talent that Bengaluru offers and, hence the city is expected to remain India's main innovation-led GCC hub.

Hyderabad

The combination of lower costs, state-of-the-art infrastructure and proactive government policies has made Hyderabad one of India's most rapidly growing GCCs. As such, the city has received considerable investments from multinational corporations operating in various sectors including technology, life sciences, banking, pharmaceuticals and engineering.

Hyderabad is considered an attractive option for large businesses looking to reduce costs over Bengaluru but gain access to a large pool of high-quality technical and professional talent in a variety of sectors, leveraging institutions like the University of Hyderabad and IIIT Hyderabad, along with a significant number of engineering colleges. The city has large,

integrated business districts in areas such as the Financial District and HITEC City that offer high quality commercial real estate, along with the opportunity for business expansion.

In addition to the established base of talent and existing commercial spaces, the Indian and State governments have provided proactive support in terms of promoting digital infrastructure and attracting industrial investment into the state, further reinforcing.

Hyderabad's competitive edge and appeal as an ideal hub for companies setting up large, high-value GCCs at a relatively cost-efficient rate.

The Mumbai–Pune corridor

Financial depth meets engineering breadth

850+ GCC units - ~24% of India's GCC talent



Source: Nasscom-Zinnov GCC Landscape Report 2026 (FY26E)

Pune

Pune has emerged as an increasingly desirable GCC centre – especially for the engineering, automotive, manufacturing, financial services, and technology industries. It has an extensive educational ecosystem with schools like the College of Engineering Pune (COEP) and Symbiosis International University, alongside numerous other engineering colleges, providing a continuous stream of qualified talent.

Pune has a well-balanced value proposition with relatively moderate operational costs complemented by good urban infrastructure and a pleasant quality of life. Access to the financial markets of Mumbai also makes Pune attractive to businesses without incurring the very high operating expenses found in India's business hub.

Specialist competencies have also emerged within the city in engineering research, automotive design, industrial automation, and manufacturing related services. In the coming years, therefore, Pune may well become the preferred alternative for businesses looking for engineering specialisations at reasonable operating expenses.

Chennai

Six cities anchor India's GCC map in any serious sense, and Chennai is one of them. What sets it apart isn't scale so much as depth of engineering talent. IIT Madras, Anna University, College of Engineering Guindy, plus a long tail of technical colleges scattered across Tamil Nadu (Flexiple, 2026). That base grew up around automotive and manufacturing work, but it hasn't stayed there. Software engineering, analytics, R&D, BFSI; Chennai now runs all of it, often out of the same campus.

Cost is where the city really earns its keep. Real estate along OMR and the Siruseri corridor comes in noticeably cheaper than equivalent Bengaluru markets, and salaries for comparable technical roles track lower too (GCCXGlobal, 2026). Add

to that one of the lowest attrition rates among India's Tier-1 hubs, and you get something GCCs value more than they used to: people who actually stay (GCC Journal, 2026).

On infrastructure, Chennai has an international airport with solid connectivity into Dubai and Singapore, port access that matters for any GCC touching

physical supply chains, and a metro network that keeps expanding into the business districts. Automotive engineering, industrial design, IT, BFSI, pharma that's the specialisation mix, and state policy pushing semiconductor design and electronics is only going to deepen it further (GCCXGlobal, 2026). In simple terms, Chennai works best for engineering-heavy, cost-disciplined GCCs that still need global-grade infrastructure underneath them.

NCR (Gurugram/Noida)

After Bengaluru, NCR is the largest GCC cluster in the country. Gurugram, Noida, Greater Noida and the areas around them together host somewhere between 270 and 275 centres, about 15 to 18 percent of India's total (Flexiple, 2026). The talent flavor here is different from the south. IIT Delhi and Delhi University graduates dominate, and the strength shows up less in product engineering and more in corporate functions like BFSI shared services, management consulting, that kind of work (IRPR Network, 2026). Costs swing a lot depending on where exactly you land. Cyber City and Golf Course Road in Gurugram aren't cheap. Noida, Greater Noida, Ghaziabad are considerably more affordable, and the infrastructure there has caught up fast (Vlink, 2026). What helps NCR's case is proximity to Delhi's airport and policy frameworks like Haryana's IT-ITES scheme, which hands out capital subsidies and duty exemptions to new entrants (IRPR Network, 2026). Industry-wise, think BFSI, consulting, analytics, enterprise tech, with a decent slice of digital products and KPO work layered in (Office Square, 2026).

Two things keep NCR from scoring higher on livability: air quality through the winter months, and Gurugram traffic, both flagged repeatedly by companies weighing the region against its talent depth (IRPR Network, 2026). In summary, NCR suits cross-functional, analytics-heavy, client-facing GCCs, the kind that need a mixed bag of tech, finance and strategy talent under one roof.

Mumbai

Mumbai is what it is because of what sits inside it. The RBI, SEBI, IRDA, and the entire financial ecosystem is built around them. More than 200 GCCs operate here, second only to Bengaluru for BFSI and professional-services centres (GCC Journal, 2026). The talent edge shows up in risk, compliance, trading systems, fraud monitoring, regulatory reporting, the kind of financial-product expertise that can't be really replicated elsewhere in India (GCCXGlobal, 2026).

It costs more to run a GCC here than almost anywhere else in the country, no way around that. Maharashtra's revised GCC policy, infrastructure grants, tax relief, is clearly an attempt to pull mid-size financial firms away from their Bengaluru-only habit (GCC Journal, 2026). BKC, Powai, Goregaon, Navi Mumbai: Grade-A stock, solid digital backbone, decent transport links. And the scale some players are betting on is hard to ignore. One global bank alone is building out a Powai campus meant to eventually house tens of thousands of people (Elets BFSI, 2025).

Investment banking, trading,

insurance, media, global ops that's Mumbai's lane. A lot of firms treat it as the face of their India operation while quietly running the actual technology and back-office work out of Pune or Thane, where it's cheaper (Flexiple, 2026). Mumbai is best suited to functions where regulatory and capital-markets proximity outweighs cost considerations.

Emerging Tier-2 Cities

Ahmedabad, Coimbatore, Indore, Jaipur, Kochi, Vadodara, Chandigarh none of these show up in the usual GCC conversation, but that's changing. Right now only a small slice of India's 1,700-plus GCCs sit in Tier-2 locations, yet demand out of these cities is expected to climb 30 to 40 percent over the next few years, mostly because Tier-1 talent markets are getting expensive and crowded (IMS OneWorld, 2026).

Each city plays a slightly different role. Coimbatore leans manufacturing-tech, built on a genuinely strong industrial base. Indore is moving fast into IT, BPO and analytics. Ahmedabad's entrepreneurial streak is pulling in finance, IT and consulting work. Jaipur is carving out space in back-office and customer support. Kochi and Trivandrum have the advantage of mature IT parks and strong

English-language service delivery (EFC India, 2026). On cost, these cities typically run 20 to 35 percent below Tier-1 pricing, with real estate rentals sometimes at half the going rate in the mature hubs and attrition tends to be lower too, since people are more likely to stay put in a city they already call home (Gujarat GCC Policy analysis, 2026).

Comparative Analysis

While all three cities (Bengaluru, Hyderabad and Pune) provide favorable investment environments for GCCs, they differ in their competitive strengths: Bengaluru continues to be the number one choice for innovation-heavy GCCs because it has well-developed technology clusters, a deep pool of talented employees, and a higher concentration of R&D activities. However, operational cost and infrastructure constraints are inherent. Hyderabad is shaping up to be Bengaluru's strongest contender by balancing infrastructure quality with lower operating cost and policy support.

Hyderabad has become an attractive proposition for those companies looking for an efficient and cost-effective way to scale operations in India and has been

attracting many MNCs with this approach.

Pune, however, carved its niche and continues to be the most preferred city for GCCs with strengths in engineering, automotive and manufacturing sectors, with comparatively lower costs, better lifestyle, and the close proximity of the country's financial capital, Mumbai, being an added advantage to firms that have technical competencies in manufacturing/engineering-centric skillsets rather than only on a large talent pool.

Mumbai sits in a different competitive lane altogether. It isn't chasing Bengaluru on innovation or Pune on cost. Its pull comes from what's physically headquartered there: the RBI, SEBI, IRDA, and most of India's banking and capital markets infrastructure (GCCX Global, 2026). That proximity is close to impossible to replicate from any other city, which is why Mumbai remains the default choice for BFSI-heavy GCCs even though it carries the highest cost base among the metros covered here. Firms have responded to that cost pressure in a fairly consistent way. They keep the regulatory-facing and leadership functions in Mumbai and push the technology build-out to Pune or

Thane, where the same talent costs less to employ (Flexiple, 2026).

Chennai, by comparison, competes on a mix that's harder to find in one place: engineering depth at a price point meaningfully below Bengaluru, plus one of the lowest attrition rates among Tier-1 hubs (GCC Journal, 2026). That workforce stability matters more than it used to, particularly for large, long-running GCC mandates where the cost of constantly retraining people eats into any savings from a lower salary base. Where Chennai still trails Bengaluru and Hyderabad is in the sheer density of specialist AI and cloud talent, but for automotive, industrial and BFSI-adjacent operations, it holds its own.

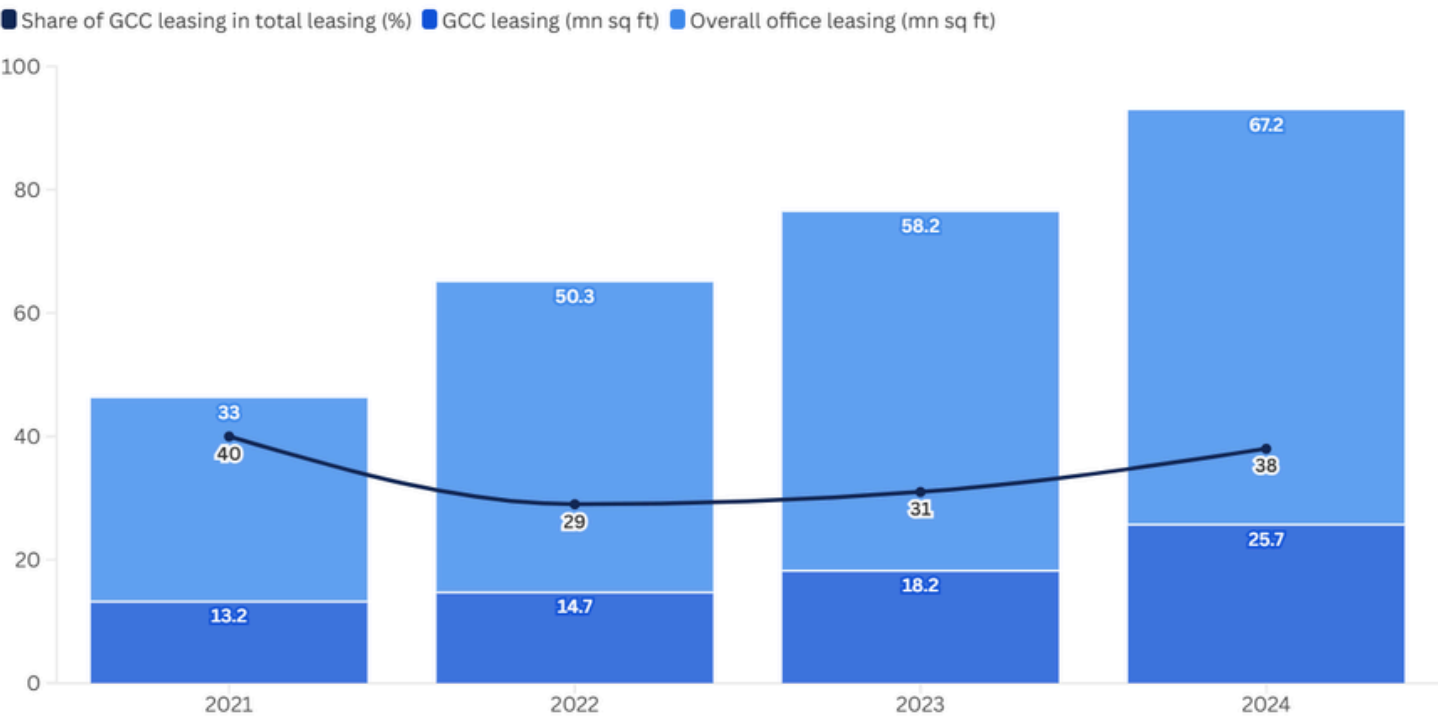
The emerging Tier-2 cities, including Ahmedabad, Coimbatore, Indore, Jaipur and Kochi, don't compete with the metros on talent depth or infrastructure maturity, and they're not really trying to. Their value proposition is cost and stability: operating expenses running 20 to 35 percent below Tier-1 levels, real estate at a fraction of metro rents, and attrition kept low by a workforce

specialisation in certain industries that, by and large, prefers to build a career close to home (Gujarat GCC Policy analysis, 2026; EFC India, 2026). That makes these cities a reasonable fit for shared services, back-office, and function-specific work such as finance and accounting, HR and supply chain, but less so for mandates that need a critical mass of senior, specialised talent on short notice.

In summary, talent is the single biggest factor driving GCC decisions in India, however, with the maturity of the market, we are also witnessing that infrastructure,

specialisation in certain industries, the ecosystem for businesses, and long-term scalability of operations is playing a more crucial role in determining where GCCs will invest and it will be difficult for one city to outperform the other simply by undercutting on costs. Bengaluru, Hyderabad and Pune remain the anchors of India's GCC map, but Mumbai's regulatory proximity, Chennai's cost-to-stability balance, and the steadily improving Tier-2 ecosystem are all pulling investment in directions that a purely cost-led model wouldn't have predicted even five years ago.

Pan India office and GCC leasing 2021-2025



Source: [GCCs in India: Building the future of global enterprises](#) • Data pertains to Grade A stock and Top 7 cities including Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune | Gross absorption does not include lease renewals, pre-commitments and deals where only a Letter of Intent has been signed | 2025 figures are estimated on basis of actuals in H1 and recent trends

Comparative Assessment of Major GCC Locations

Parameter	Bengaluru	Hyderabad	Pune	Mumbai	Chennai	NCR (Gurugram /Noida)	Emerging Tier-2 Cities
Talent Availability	Excellent	Very Good	Very Good	Very Good	Very Good	Very Good	Good
Cost of Operations	Moderate-High	Moderate	Moderate	High	Moderate	Moderate-High	Low
Infrastructure	Excellent	Excellent	Very Good	Excellent	Very Good	Very Good	Developing
Industry Specialisation	IT, AI, Product Engineering, R&D	IT, Pharma, BFSI, Life Sciences	Automotive, Engineering, Manufacturing, BFSI	BFSI, Investment Banking, Insurance, Media	Automotive, Engineering, IT, BFSI, Pharma	BFSI, Consulting, Analytics, Enterprise Tech	F&A, HR, Supply Chain, Shared Services

Connectivity	Excellent	Excellent	Very Good	Excellent	Very Good	Excellent	Moderate
Ease of Doing Business	High	High	High	High	High	High	Moderate-High
Quality of Life	Good	Very good	Very Good	Moderate	Very Good	Good	Good
Best Suited For	Innovation led GCCs	Scalable, diversified GCCs	Engineering & manufacturing GCCs	Financial-services & scalable GCCs	Engineering & cost-efficient GCCs	Diversified, corporate-function GCCs	Stability-focused, cost-arbitrage GCCs

The qualitative ratings are based on the comparative evidence discussed in the preceding city-wise analysis, considering the depth of talent, relative operating costs, infrastructure maturity, sectoral concentration, connectivity, policy support and liveability. “Excellent” denotes a leading national advantage, “Very Good” denotes a strong competitive position with limited constraints, “Good” denotes adequate and developing capabilities, “Moderate” denotes a comparatively weaker position or significant cost or operational constraints, and “Low” denotes an ecosystem that is expanding but remains less mature than established GCC hubs.

A GCC location decision is rarely determined by a single consideration. It reflects a weighing of seven interlinked factors: talent quality, cost, scalability, government incentives, ESG and sustainability, data security, and the strength of the surrounding business ecosystem. These factors do not operate independently: the weight given to each is shaped by the others, and it is their combined effect, not any single one, that ultimately determines an investment decision.

Talent quality, cost, and scalability typically form the foundation of this evaluation, since a location that performs poorly on any of the three is unlikely to be shortlisted regardless of its strengths elsewhere.

Government incentives, both central and state-level, then influence where within India that shortlist narrows further, as state governments compete directly for investment through payroll subsidies, capital grants, and infrastructure support. ESG and sustainability considerations have grown from a secondary concern into an active site-selection criterion, particularly for European and North American parent companies, while data security, shaped significantly by the Digital Personal Data Protection Act, has become a determining factor for

- sectors handling regulated or sensitive data. Finally, the maturity of the local business ecosystem, including real estate infrastructure, recruitment networks, and proximity to India's startup sector, affects how quickly and reliably a centre can be established and scaled once a location has otherwise been selected.
- The sections that follow examine each of these seven factors in turn, beginning with the foundational three.

Talent Quality

- India's GCC workforce has grown into the low millions, though headcount alone is a less meaningful indicator than the nature of the work this talent performs. Output per employee runs well above India's national average, in the same range as Japan or South Korea's knowledge economy. That's not the number you'd expect from a country whose GCC story is still popularly told as a cost play, and it only makes sense once you notice what kind of work has actually moved here: digital transformation, advanced analytics, risk management. Work like that was never going to be cheap anywhere. India is being trusted with it because the output justifies the salary, not because the salary is low.

1. Retention patterns confirm the same shift. Tier-I cities run higher churn than Tier-II, and the digitally skilled talent pool in Tier-II has been growing fast over the last couple of years. Six years ago, "talent quality" would have meant Bengaluru and Hyderabad, full stop. It doesn't anymore. The pipeline is thickening in cities that weren't part of the conversation a decade ago, and the productivity numbers suggest the depth behind that shift is real, not just a headcount statistic dressed up to look impressive.

Costs

Direct GCC output has grown roughly sixfold since 2010, now sitting close to two percent of India's GDP and around four percent of the services sector, according to Dun & Bradstreet. The cost picture isn't even across the country, though, and that's the part worth paying attention to. Over 90% of India's GCCs are still packed into six metro areas, and that concentration is exactly what's been pushing up real estate and salary costs in the places every new entrant defaults to first. The counter to that is regional: emerging cities like Coimbatore, Kochi, Mysuru, Indore, Jaipur, and Bhubaneswar run cheaper than that's a real

gap, but it's smaller than the "half the cost" framing that gets thrown around in casual pitches for tier-2 expansion, worth flagging here so the report doesn't overstate it later.

GCCs contribute a substantial share of India's net exports each year, and because the sector barely imports anything to do its work, nearly all of that revenue stays in the country. Set next to manufacturing, which usually carries a heavy import bill for components and machinery, this is a structurally different kind of export earner, and it's part of why the cost argument for GCCs holds up even as wages rise.

Scalability

Scalability refers to a location's capacity to grow a centre from fifty employees to several thousand without a decline in quality or a rise in attrition. India's own targets illustrate how much depends on this capacity. That's really the question scalability is asking, and India's own targets show how much rides on the answer. Government and industry have set a goal of nearly tripling the national GCC count by the end of the decade, a target expected to create tens of millions of jobs once direct, indirect, and induced hiring are counted together. Everest Group is blunt that Tier-1 metros can't carry that expansion alone, given how tight infrastructure and talent already are there. Tier-2

growth stops being a nice diversification story and becomes the only arithmetic that gets India anywhere near that target.

The shift has already started, not just been announced. More than 200 GCCs now sit outside the traditional Bengaluru–Hyderabad–Chennai axis.

That's the kind of movement that explains why state governments hand out incentives so freely. The pitch to a chief minister isn't "we'll create a few thousand jobs," it's the multiplier sitting behind that number, since induced employment from a GCC's presence typically outnumbers direct hiring several times over.

None of this settles the question, though. Everest Group notes that in Tier-2 and Tier-3 cities, third-party service providers still outnumber direct GCCs, meaning captive centres, the kind this report is actually about, are still the smaller share of activity in the very cities being pitched as the next growth frontier. And Tier-2's lower attrition may say less about those cities being better-run than about their labour markets simply having fewer competing employers to poach staff. This apparent stability may reflect limited competition for labour in these markets rather than

genuine workforce resilience, and could weaken as more large employers enter the same cities.

Metro hubs can scale, that's been demonstrated repeatedly since the early 2000s. Tier-2 cities look cheap and low-attrition on paper, but almost none of them have yet run a captive centre through a full growth cycle without a metro sitting behind it as a backstop. Whether that changes this decade is less a question of policy intent, which is clearly there, and more a question of whether these cities can hold onto senior talent once several large GCCs start competing for the same people instead of one.

Government Incentives

The government incentives operate on 2 levels: Central and State. Government incentives heavily influence Global Capability Center (GCC) location decisions by reducing operational expenditures, accelerating setup timelines, and shifting investments toward emerging regions. Key drivers include financial subsidies, regulatory ease, and regional growth support. Incentives at the central level promote the establishment of GCCs pan-India and are as follows: Incentives at the central level promote the establishment of GCCs pan-India and are as

follows:

1. Production-Linked Incentive (PLI) Scheme: Launched in 2020 across 14 sectors (electronics, pharma, textiles), PLI offers 4-6% incentives. Result: \$17B in investments, ₹11 trillion in manufacturing output, and 1 million jobs created.
2. Semiconductor Research and Development Support: In light of the importance of semiconductors in technology, the government has decided to pump \$10 billion into the semiconductor industry. For example, NXP Semiconductors

is planning to spend \$1 billion in India with an aim of doubling their R&D(Research and Development). This will help the government fulfill its dream of building a robust semiconductor ecosystem. Specific State Governments have launched initiatives to promote the establishment of GCCs, Cities like Bengaluru, Pune, Mumbai, Chennai, Hyderabad, Delhi NCR are leading the Indian GCC market. Individual state governments have thus tried to bring their respective states to the forefront. Here's a consolidated comparison table across Karnataka, Tamil Nadu, Telangana, Maharashtra and Uttar Pradesh:

Dimension	Karnataka	Tamil Nadu	Telangana	Maharashtra	Uttar Pradesh
Core Incentive Philosophy	Balanced: talent + innovation R&D + Beyond Bengaluru dispersion	Payroll-first (salary subsidies for high-value roles)	Capex-first (capital subsidies over payroll)	Flexible: choice of capital OR rental subsidy + payroll	Tiered, investment/job-linked structure across land, capex, opex, and payroll
Key Policy Vehicles	Karnataka GCC Policy 2024-29	Special Scheme to Promote GCCs + sectoral policies	ICT Policy, GCC Policy, GRID Policy, sectoral policies	Maharashtra GCC Policy + IT/ITeS & Startup Policy	UP GCC Policy + IT/ITeS & Industrial Investment Policy
Core Incentive Philosophy	Balanced: talent + innovation R&D + Beyond Bengaluru dispersion	Payroll-first (salary subsidies for high-value roles)	Capex-first (capital subsidies over payroll)	Flexible: choice of capital OR rental subsidy + payroll	Tiered, investment/job-linked structure across land, capex, opex, and payroll
Key Policy Vehicles	Karnataka GCC Policy 2024-29	Special Scheme to Promote GCCs + sectoral policies	ICT Policy, GCC Policy, GRID Policy, sectoral policies	Maharashtra GCC Policy + IT/ITeS & Startup Policy	UP GCC Policy + IT/ITeS & Industrial Investment Policy

Payroll/Salary Subsidy	Not primary lever	30%/20%/10% over 3 years for ₹1L+/month roles (min. 200 direct jobs, Forbes 2000/Fortune 1000 firms)	Not primary lever (capex-focused)	40% (Zone I) / 50% (Zone II) on salary above ₹1L/month, capped ₹5 Cr/GCC/year	Up to ₹1.2L/employee/year (general); ₹1.8L/year for local/inclusion hires
Capital Expenditure Support	40% capex support (up to ₹5 Cr) for innovation labs in Bengaluru; 75% (up to ₹3 Cr) Beyond Bengaluru	Not a primary lever	20-30% of Eligible Capital Investment (Tier-1); +10-20% bonus in Tier-2 (GRID Policy)	Up to 20% of Eligible Fixed Capital, tiered ₹10 Cr-₹100 Cr by GCC size, over 5 installments	25% of Eligible Capital Investment, capped ₹10 Cr (Level-1) / ₹25 Cr (Advanced), over 7 years
Geographic Tiering Approach	Informal "Beyond Bengaluru" push with parallel richer incentive track	Named secondary hubs (Coimbatore, Madurai, Trichy) with SIPCOT plug-and-play parks	Formalized via dedicated GRID Policy; bonus subsidies for satellite cities (Warangal, Nizamabad, Khammam)	Formal Zone I / Zone II classification (MMR/PMR vs. Nagpur, Nashik, etc.) with differentiated rates	Regional subsidy bands by zone (Noida/Ghaziabad → 30% → Purvanchal/Bundelkhand 50%)
Inclusion/Diversity Incentives	Not a distinct lever	10% payroll subsidy for women/differently-abled/transgender hires (500+ jobs condition)	Not a distinct lever	+10% diversity bonus if 50%+ workforce is women/PwD	Enhanced payroll rate (₹1.8L/year) + 100% EPF reimbursement for women, SC/ST, PwD
R&D / Innovation Grants	Startup collaboration reimbursement ; public service innovation challenge funding	Sector-specific R&D grants (manufacturing, electronics, aerospace, auto)	Tied to sectoral policies (semiconductor, AI, life sciences) rather than a standalone R&D grant	25% reimbursement on R&D expenses (up to ₹50L/year, 4 years) if 2%+ of capital goes to R&D	Startup collaboration/POC grant (50% reimbursement , capped ₹2 Cr/year)
IP/Patent Support	50% reimbursement , up to ₹2L (Bengaluru) / ₹3L (Beyond Bengaluru)	Enhanced IP creation grants (as part of R&D support)	Not highlighted as distinct	50% reimbursement: ₹5L (domestic) / ₹10L (international), capped ₹50L/unit	100% reimbursement: ₹5L (domestic) / ₹10L (international)

Talent & Skilling	Internship stipend + skilling cost reimbursement (graduates/diploma holders)	Upskilling in AI, data science, deep tech; women's re-entry programs	TASK-led institutional skilling; 60% training cost reimbursement; locality-linked recruitment subsidy	Internship stipend (₹10,000/month, up to 100 interns) under CMYKP	Skill development subsidy (up to ₹50,000/employee); fresher hiring bonus (₹20,000)
Operational Cost Relief	EPF reimbursement, internet cost reimbursement, electricity duty exemption	Stamp duty, electricity tax, land subsidy exemptions (sector-dependent)	100% stamp duty reimbursement; electricity duty exemption up to 7 years; rental subsidies	100% electricity duty exemption (10 years); power tariff subsidy; interest subsidy (Zone II)	20% opex subsidy (lease, cloud, bandwidth, power) for 5 years, capped ₹40-80 Cr/year
Distinctive "Signature" Feature	GCC Incentive Clinic (dedicated helpdesk)	First-mover payroll subsidy model; inclusion-linked hiring subsidy	"Meet-or-Beat" negotiated deals for mega/anchor investors	Green GCC bonus (LEED/IGBC/GRI HA certification reimbursement)	Domicile-based incentive layering (local hiring gets materially better terms)
Best Fit For	Innovation-led GCCs wanting R&D/CoE status in Bengaluru or emerging hubs	High-value R&D/design GCCs optimizing for talent cost, with DEI mandates	Large, capex-heavy GCCs (campuses, labs) seeking negotiated mega-deals	GCCs wanting flexibility (capital vs. rental) with strong payroll and green incentives	GCCs prioritizing local/domicile hiring and needing broad opex support across cost centers

ESG & Sustainability

The importance of ESG for GCCs is based on the simple reason that the parent company, which operates outside India and is subject to regulations like EU CSRD, compels its subsidiaries within India to be compliant with these regulations. In addition, ESG performance is now a differentiating factor in the areas of site location, where states provide incentives for green buildings and clean energy projects to attract GCCs, and talent retention, where employees look

at ESG and DEI aspects before joining the GCCs. Following is the breakdown:

1. GCCs as delivery engine for global ESG agenda: Global headquarters are increasingly routing their ESG work through their India centres. Over 50% of GCCs are now anchoring their parent organization's global ESG initiatives, and GCCs are handling the end-to-end ESG journey across project management, supplier risk management, reporting,

technology, and analytics for global sustainability leaders. That means GCCs are doing things like building data governance frameworks, harmonizing data collection, assessing carbon regulation impact, and building predictive emission models. GCCs give the ESG function access to advanced digital infrastructure like AI, ML, blockchain, IoT, big data to actually operationalize sustainability, and companies are embedding sustainability directly into ERP systems and building cloud platforms specifically for ESG reporting and compliance tracking.

2. Ownership of ESG work inside GCCs lacks operational clarity: There are four main obstacles that prevent GCCs from taking full advantage of the situation: the ambiguity regarding the ownership of ESG in the organization, poor engagement on the part of global stakeholders, insufficient in-house ESG skills, and lack of overall expertise. Thus, there is definitely a skills gap angle to be considered.

3. Indian regulation and GCC discipline: SEBI's BRSR (Business Responsibility and Sustainability Reporting) framework is standardizing ESG disclosures for Indian companies, and as sustainability gets embedded into global trade frameworks and FTAs, these disclosures are becoming a factor in capital allocation and trade

competitiveness. Since many GCCs sit under Indian-incorporated subsidiaries, this pulls them into domestic disclosure requirements even when the parent is reporting under EU/US ESG standards separately.

4. Changing physical infrastructure: real estate and energy: Green-certified workspaces and ESG-driven operations are becoming normal, especially for European and North American parent companies setting up GCCs in India. This is a real site-selection factor now. Tier-2 city GCC campuses are increasingly built or retrofitted with LEED/IGBC certification in mind. On the flip side, the fast expansion of India's underlying data centre infrastructure (which GCCs depend on for cloud/AI workloads) is drawing its own ESG scrutiny: as India's data centre capacity surges to support AI and digital ambitions, questions about environmental, social and governance performance are moving from the margins to the mainstream, with investors, regulators and customers expecting measurable performance.

5. The Dual Role of ESG in GCCs: Risk Management and Talent Strategy: Indian GCCs are increasingly using analytical tools to assess and integrate ESG-related risks into overall

strategy in real time, and beyond risk management, sustainability credentials are now part of how GCCs position themselves to attract talent that wants to work for a "purpose-led" employer, not just a paycheck.

Data Centres

Data security has become one of the decisive factors in GCC site selection. The following factors illustrate the shift in how GCCs approach Data Centres:

1. The DPDP Act: The Digital Personal Data Protection Act (DPDPA) and Rules of India became effective from 13th November 2025, thus providing global privacy regulations with a 16-month runway to meet its compliance obligations. The most significant implication of the DPDPA is that it makes compliance with the obligations applicable to global companies outsourcing their activities or using vendors located in India.

Key mechanics that matter for GCC setup decisions:

- There has been the establishment of the Data Protection Board of India that will be used to ensure compliance, investigation and penalties where the appeals will be taken to the TDSAT (The Telecom Disputes Settlement and Appellate Tribunal).

- There are very clear-cut responsibilities of Data Fiduciaries and Data Processors and the Fiduciaries retain responsibility in case of any breach in spite of the fact that the vendor is at fault.
2. India as a regulatory hub: Analysts expect increasing cross-border data flow standardization, adequacy decisions, model contractual clauses, bilateral pacts as India strikes digital trade agreements with the EU and US, alongside growing mutual recognition of certifications like ISO/IEC 27701 and the NIST Privacy Framework as global compliance benchmarks. Some experts even argue India could become a reference model for developing markets the way GDPR became a de facto global regulator, since DPDP is built around rights-protection alongside business enablement.
 3. Certifications for GCC mandates: Global parent companies increasingly require their India centres to carry recognized security attestations before handing over sensitive workloads. ISO/IEC 27001 (an internationally accepted ISMS certification) and SOC 2 (a US-centric CPA-audited attestation) are the two dominant frameworks GCCs pursue.

4. Net effect on GCC establishment decisions: Concentration of sectors: BFSI, healthcare, and insurance GCCs are most under supervision (RBI/SEBI/IRDAI data regulations are superimposed on DPDP data regulations), which indicates that these corporations are likely to be willing to adopt the safest option from the point of view of security.

- Entity formation: Considering the liability of a GCC processor, irrespective of whether it is a subsidiary of a company, more and more emphasis is being placed on entity creation and data flows and vendor management in respect of MNCs even before the entity gets formed.
- Change in staffing requirement: DPDP officers, DPDP compliance experts, and security engineers have become essential personnel for GCCs.
- A stricter onboarding procedure: DPDP regulation phased implementation till May 2027 makes 2026 a preparatory year for consent management and breach handling policies and data retention policy.

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- Entity formation: Considering the liability of a GCC processor, irrespective of

- whether it is a subsidiary of a company, more and more emphasis is being placed on entity creation and data flows and vendor management in respect of MNCs even before the entity gets formed.
- Change in staffing requirement: DPDP officers, DPDP compliance experts, and
- security engineers have become essential personnel for GCCs.
- A stricter onboarding procedure: DPDP regulation phased implementation till May 2027 makes 2026 a preparatory year for consent management and breach handling policies and data retention policy.

Business Ecosystem

GCC enablement industry: GCC Enablement Industry can be defined as the industry of third party specialized firms which support other organizations in setting up and scaling their Global Capability Centers in India. It covers all activities starting from selection of sites, regulatory issues, infrastructural requirements and recruitment to even managing operations of the facility. This enables the organization to quickly set up its GCC facility without having to acquire the necessary skills for entering the market. There already exists

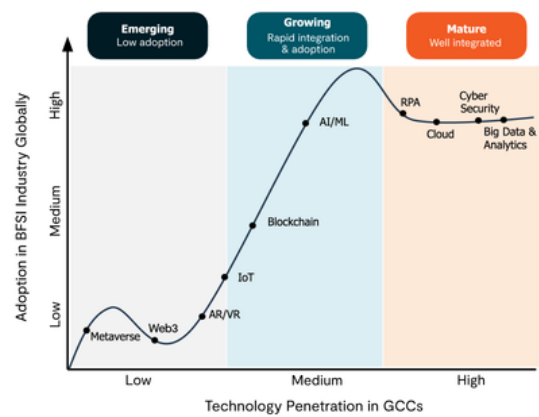
a "GCC enablement" industry built around the industry itself. While companies look at India and consider the more apparent considerations such as people, cost, and time zone, there is a complex infrastructure that has been built around setting up the GCC itself.

- Real estate: India has developed real estate enablers that have ready-to-go or easily convertible space, especially suited to GCC's needs – redundancy of power supply, connectivity, certification of security, scalability of floor plan – thus greatly reducing facilities development time for newcomers, as compared to those regions where service providers have no experience with such needs.
 - Recruitment infrastructure: The recruitment eco-system in India's GCC region includes specialist headhunters for top-level positions, larger agencies that have considerable knowledge of functions like finance, IT, HR, and analytics, and branding/recruitment agencies that assist fresh players to quickly establish themselves in highly competitive markets.
2. City-level industry clustering: Bengaluru continues to be the capital of the GCC with 34-39% of total activity and close to 900 units, whereas Hyderabad has managed to

capture 20-23% of the market based on its BFSI and analytics expertise. The ER&D sector emerges as the leading lease generator, BFSI displays the highest rate of growth, while healthcare-biotech has crossed the double digit market share mark, which speaks volumes about the sophistication level of Indian operations. Companies are not simply choosing "India" but a particular city due to the specialized ecosystem already present there.

3. Tier-2 cities: Visakhapatnam, Jaipur, Vadodara, Kochi, and Chandigarh have become cities of choice for setting up operations due to better infrastructure, policy support, and reduced costs of real estate and manpower, with Coimbatore being considered the next big destination after Chennai in Tamil Nadu. This move is now not perceived as one that takes place simply as "overflow of Tier 1," but as a more thoughtful one, with companies considering not where the talent lies today, but where it will scale in the future.

4. India's startup ecosystem: The Indian startup ecosystem is the third largest in the world, and GCCs now work extensively with this dynamic startup ecosystem – which means that the parent company gets direct access to innovations and



Source: ANSR Research

Technology Penetration in Indian GCCs

specialized technology from its Indian unit, something that is very difficult to achieve in other offshore locations.

5. Real estate demand: These GCCs already have 263+ million sq. ft. of Grade A office space, with 80.3% of them located in tech clusters, and they are projected to comprise 40-50% of the total Grade A office space demand in India's top 7 cities by 2026. And that in itself is a self-perpetuating cycle: more GCC demand → more GCC-focused campuses built by developers → easy/fast set-up for the next entrant.

6. Policy and ecosystem: The Union Budget 2026-27 increased the limit under safe harbor from ₹300 crore to ₹2,000 crore, thereby lowering tax risks; and provided tax incentives for cloud and artificial intelligence-based services and made regulations simpler – which means that the ecosystem benefit is not just about private sector infrastructure anymore.

Global Capability Centres (GCCs) have evolved from cost-saving support hubs into strategic centres for innovation, digital transformation, research and development, and product engineering. However, this evolution brings several challenges that organisations must address to remain competitive.

Attracting and retaining skilled talent: Skills particularly in high-demand areas such as artificial intelligence (AI), cybersecurity, cloud computing, and data analytics. The demand for specialised professionals often exceeds supply, leading to higher attrition rates and rising hiring costs. Reported skill shortages stand at around 41% in AI & data, 39% in platform engineering, 25% in cloud/infrastructure and 18% in cybersecurity.

Compliance Exposure: Weak regulatory adherence and poor data privacy practices increase legal risks and reputational damage, with

costing organizations an average 4.4M globally.

Scaling Operations: Expanding headcount and responsibilities without strong governance or processes often strains delivery. Teams may experience inconsistent quality, bottlenecks during growth phases and unclear decision boundaries as the center handles more critical organizational initiatives.

Defining a clear strategic mandate: Many GCCs struggle to transition from traditional back-office operations to becoming innovation and value-creation hubs. Without clear objectives, governance structures, and performance metrics, organisations may face fragmented investments and reduced business impact.

Higher Expenses: Inefficiencies and redundancies in processes increase operational costs with 76.2% currently spent on labour costs in the GCCs. This limits available funds for strategic initiatives. GCCs are also offering salary premiums of

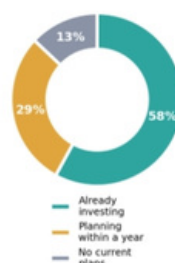
around 12-20% over traditional IT services for high demand digital skills, further intensifying cost pressures.

Operational complexity: Managing global teams across different geographies requires effective coordination, regulatory compliance, data security, and seamless communication. Cultural differences and misaligned decision-making processes can reduce collaboration and productivity. Bengaluru alone accounts for around 34–39% of GCC activity, while Hyderabad accounts for 20–23%. This concentration creates pressure on infrastructure, talent availability and operating costs. At the same time, Tier-II cities offer potential cost savings of around 10–35%, but often lack sufficient mid- and senior-level specialised talent.

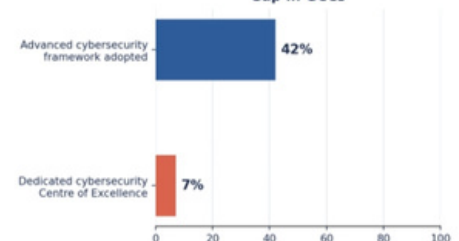
Adopt emerging technologies: GCCs face pressure to adopt emerging technologies while ensuring cybersecurity and compliance with evolving regulations. Integrating AI and automation requires continuous

reskilling of employees and significant investment in digital infrastructure. In 2025, 58% of GCCs were already investing in Agentic AI, while another 29% planned to invest within a year. Yet only 42% had adopted advanced cybersecurity frameworks, with just 7% having dedicated cybersecurity Centres of Excellence. To overcome these challenges, organisations must invest in talent development, establish strong governance frameworks, foster innovation, strengthen collaboration with headquarters, and continuously upgrade technological capabilities. These measures enable GCCs to move beyond operational excellence and become strategic drivers of long-term business growth.

Agentic AI Investment in GCCs (2025)



Cybersecurity Readiness Gap in GCCs



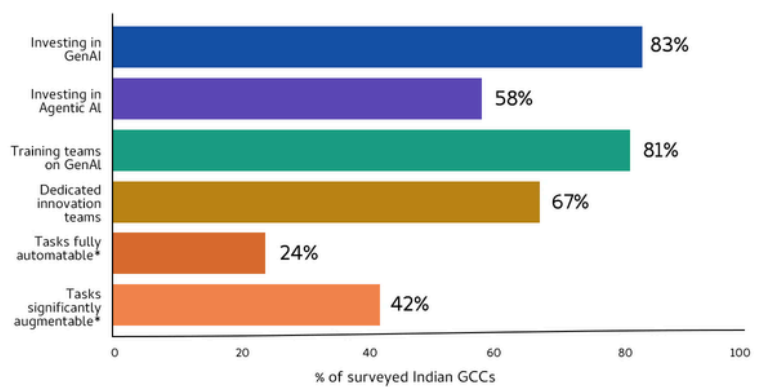
Source: GCC technology adoption & cybersecurity readiness surveys, 2025

Indian GCCs lead in adopting AI, automation, & data intelligence to drive smarter, faster, & more resilient business models worldwide. Nearly 70% of GCCs in India are actively investing in or piloting Generative AI (GenAI) use cases. Furthermore, over 40% of digital transformation projects are Digital transformation tops the priority list for the next 12 months for 61% of centers, while 54% continue to focus on cost optimization, signaling a balanced but forward-looking strategy. Over 70% of GCCs are currently investing in AI, with a sharp focus on areas like customer experience (69%), operations (57%), & cybersecurity (47%).

Approximately 78% of GCCs are actively upskilling and reskilling their internal teams to facilitate the adoption of GenAI, Cloud, & Cybersecurity.

Agentic AI investments are rising, with 58% GCCs currently investing and another 29% planning to within a year.

SNAPSHOT OF AGENTIC AI ADOPTION IN INDIAN GCCS



Source: EY India GCC Pulse Survey 2025 (released 23 Nov 2025).

ThePrint

Reskilling initiatives have grown to 71% in 2025, highlighting the focus on talent and future-ready skills. Cybersecurity maturity is improving; 42% GCCs are using advanced frameworks though only 7% have established dedicated CoEs to manage risk.

As GCCs evolve into AI-native strategic hubs, their sustained advantage will come from innovation, talent modernization and operational excellence. With rising influence in enterprise-wide decision-making, India's GCCs are poised to deliver global transformation leadership, autonomous and resilient operations, and next-generation AI innovation - built in India, scaled worldwide.

Organizations are establishing GCCs beyond metro hubs to tap into emerging talent markets, reduce costs, & diversify operational risk while promoting regional economic development. The share of GCC units located in Tier-2 and Tier-3 Indian cities has reached approximately 7% in FY2024-25, up from around 5% in FY2019, with over 220 centers now operational in these smaller regions. They are offering 10-35% lower costs while maintaining access to quality talent pools. While Bengaluru remains the GCC capital with 34-39% of all activity and nearly 900 GCC units, cities like Hyderabad are capturing 20-23% of the market with their strong focus on BFSI and analytics.

Talent Depth and Retention: Over 60% of India's graduates emerge from non-metros – many skilled in AI, automation, and digital

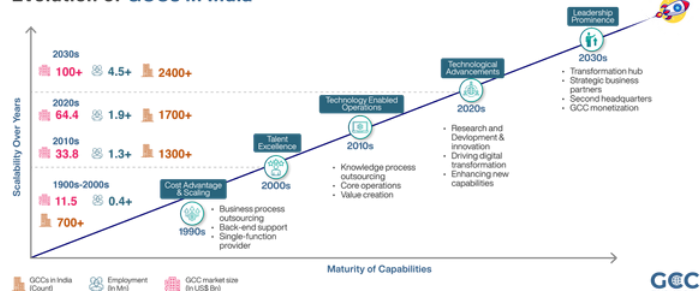
engineering. These cities also see stronger retention due to proximity to hometowns. Notably, ~75% of digital talent still migrates to metros, representing a sizable untapped opportunity GCCs are beginning to harness

Cost Advantage: Emerging cities offer up to ~50% lower commercial real estate costs and ~25–35% lower living expenses, translating into better employee affordability and organizational productivity

Infrastructure Maturity: Cities like Ahmedabad, Coimbatore, and Kochi now boast Grade-A tech parks, SEZs, and metro connectivity. 83 of India's 242 operational SEZs³⁹ and 15 of 60 STPI centers are located in these hubs, with Smart Cities and PM Gati Shakti initiatives further boosting physical and digital infrastructure.

Rise of Mid-market GCCs: Mid-sized, digital-first GCCs are fueling decentralization. It is estimated that today 480+ such centers make up ~27% of India's total, with ~35% of recent GCC launches in the last 2 years falling into this category.

Evolution of GCCs in India



Focused on agility and cost-effectiveness, 7% of their workforce is already in Tier-2/3 cities.

Start-up Ecosystem and Government Incentives Catalyzing Growth: 7,000+39 startups operate from emerging cities, with Deep-tech ventures doubling between 2019–2021. In 2022, ~13% of India's total tech funding went to Tier-2 locations. Plug-and-play infrastructure, capital subsidies, and state incentives are catalyzing further growth.

Quality of Life and Business

Continuity: These cities offer shorter commutes, cleaner air, and lower stress – translating into improved work-life balance and stronger employee satisfaction. Lower risk of civic unrest and infrastructure bottlenecks make them ideal for business continuity planning

Engineering & R&D expansion

As per industry estimates, India's ER&D segment has been the fastest-growing segment in the Indian tech industry with a CAGR of 13%, over the last three years

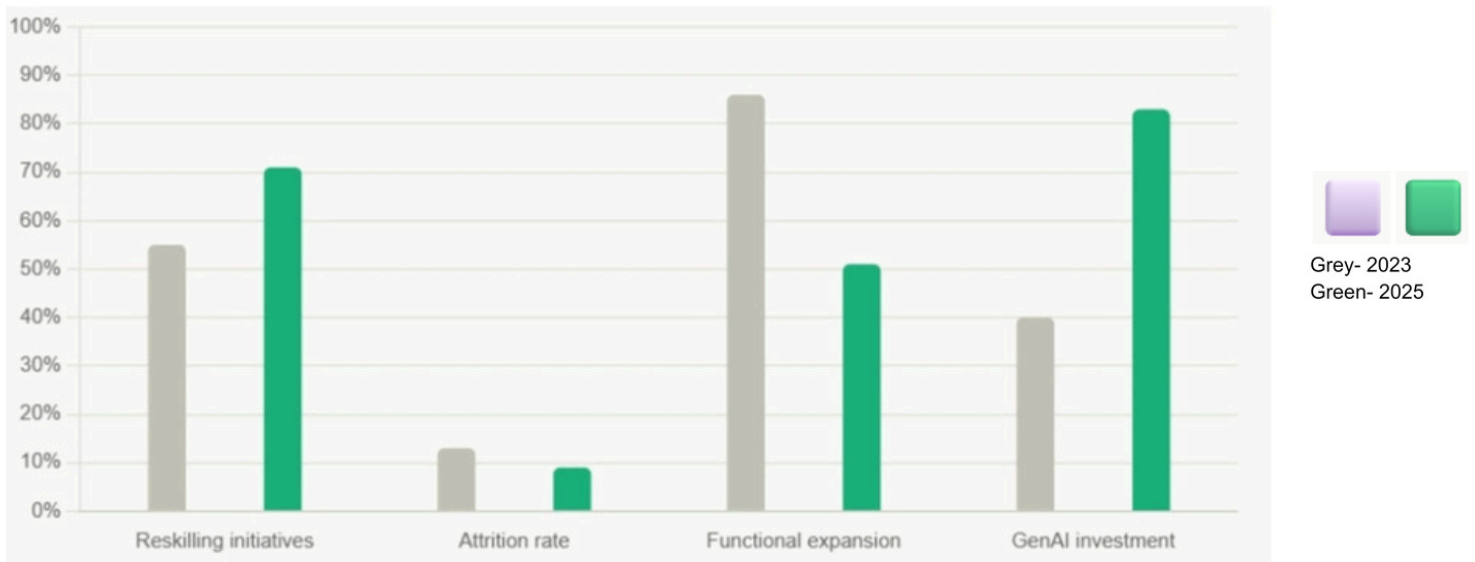
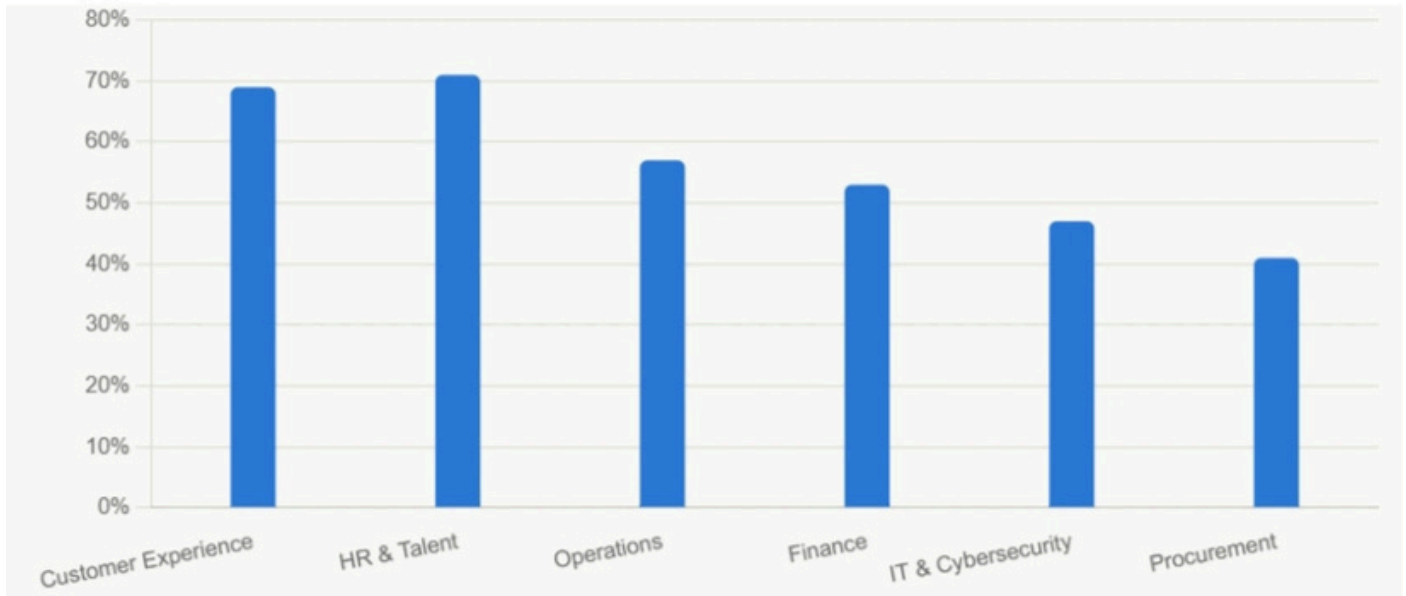
and accounted for an estimated increase of 55.4% in technology export between 2023 and 2024. ~90% of the GCCs have ER&D components in their existing portfolio of work. As per industry estimates, with ER&D sector exports expected to grow over 4x by 2030, GCCs are going to be at the forefront of establishing India as the worldwide leader in driving cutting-edge innovation .

Hybrid work and digital transformation

Continuous learning, digital upskilling, and hybrid workforce models are assisting GCCs in building agile, innovation-ready teams aligned with evolving technology & business landscapes.



EXPECTED FUTURISTIC TRENDS



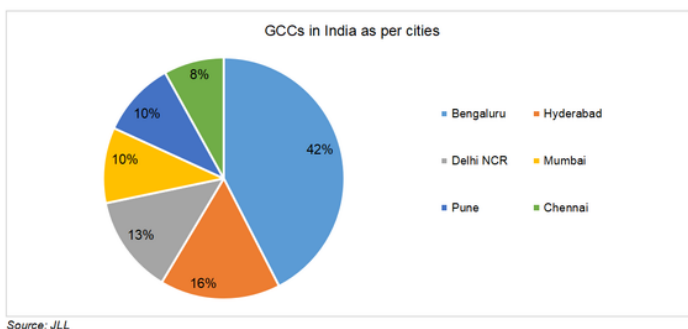
CASE STUDIES

Microsoft

Founded in 1998, the Global Capability Centre (GCC) in India was initially initiated with the establishment of the Microsoft India Development Center (IDC) in Hyderabad. Since then, the Microsoft India GCC has grown into one of the largest engineering and research centers of the company outside the US, supporting its initiatives in cloud computing, AI, cybersecurity, product engineering and enterprise solutions. From a development and support hub, it has transformed into an integral part of the global tech giant's innovation engine.

Why India?

Being the world's largest democracy and an outsourcing hotspot for technology firms, India provided access to an abundant pool of skilled



engineers and the most advanced engineering curriculum in the world. It helped Microsoft reduce operational costs, and gave access to software engineers, AI experts and data scientists to work on innovative product development and research on complex challenges. India is also the most rapidly growing digital economy in the world where we can test products and partner.

Why Hyderabad?

Hyderabad is a renowned technology destination in India that boasts of modern infrastructure and supportive government policies for technology companies.

Its well-developed ecosystem of

technology firms and the surrounding HITEC City provide the right infrastructure to promote innovation and collaboration with tech companies, start-ups and academic institutions that produce the best graduates with technical degrees. The technology investment policies implemented by the government of Telangana also make the city attractive for technology companies. Today, at the India GCC, employees are working on everything from developing code and creating solutions for cloud engineering in Azure to building solutions for Artificial Intelligence, Cyber Security, Enterprise platforms, and developer tools for Microsoft's product portfolio.

These employees based in Hyderabad are contributing directly to the products that are used around the world and not just acting as a development support center. The success

story of Microsoft India GCC shows how the nation has graduated from being a low-cost service and outsourcing provider to a strategic global technology hub for innovation. This is a case in point where specialized talent and a well-developed ecosystem trump labour cost.

Google

Google set up an engineering operation in India, taking advantage of India's growing technology talent and innovation ecosystem. Today, the Bengaluru campus is one of Google's largest engineering hubs outside the U.S. And the work done here fuels product development, AI, Cloud, Android, Maps, Search, digital accessibility, and so much more. With a steady stream of software engineers, researchers and data experts along with an ever-expanding digitally savvy population, India offers both a

supply of innovators and the world's largest test bed for products going global. Further, the burgeoning startup scene also fosters an environment for knowledge sharing and collaboration to spur ongoing innovation.

Why Bengaluru? Bengaluru was picked because of its established technology and talent base and a strong presence of many leading IT companies. This city offers strong agglomeration advantages for tech talent recruiting, for conducting new research, for driving collaboration, with a robust ecosystem of startups and institutions working on innovation.

Google's Bengaluru GCC handles a range of tasks from software engineering, Cloud, Artificial Intelligence, Machine Learning, UX design, cyber security to digital products. It's not merely an outsourced development operation, but

teams contributing to globally used products and technologies. Google's decision reflects the increasing trend for multinational companies to look towards India for strategically important capabilities and not just for cost arbitrage. The Bengaluru GCC epitomizes how the nation's development centres can now effectively support product innovation for global markets.

Bosch

As part of its strategy to enhance its global engineering, manufacturing and digital technologies capabilities, Bosch had set up its Global Capability Centre in Bengaluru in 2009. It has grown to become one of the company's biggest engineering and research centres outside Germany and a major contributor to innovation across auto technologies, industrial automation, artificial intelligence (AI), mobility, and

the Internet of Things (IoT) solutions. India was chosen due to its huge pool of engineers, expanding manufacturing footprint, and strong educational base.

Moreover, Bosch's growing automotive business in India has allowed for tight collaboration among research, manufacturing, and product development functions.

Bengaluru, which boasts a vibrant engineering ecosystem, skilled workforce, and a collaborative research climate, was picked as the ideal location due to the presence of a strong cluster of engineering, tech, and research entities facilitating recruitment of specialised professionals and encouraging cross-disciplinary innovation. Its mature supplier base is also an asset for engineering-intensive operations. The Bengaluru centre is involved in advanced research, product development, embedded software

engineering, automotive electronic design, application in AI, digital manufacturing, and connected mobility, and increasingly serves as a global competence centre in product development in several international markets. Bosch is a prime example that the country's competitiveness advantage goes beyond just IT. India's strength in engineering, research ecosystem and the potential for innovation allows MNC manufacturers to set up their global R&D centres as important nodes within their global R&D networks.



Company	Primary GCC Location	Why India?	Why This City?	Core GCC Functions	Strategic Outcomes
Microsoft	Hyderabad	Large pool of highly skilled engineers, strong AI and cloud talent, cost-effective innovation ecosystem, rapidly growing digital economy.	Modern infrastructure, HITEC City ecosystem, proactive Telangana government policies, access to premier technical institutions, scalable business	Cloud engineer (Azure) AI / ML, cybersecurity, enterprise software, dev tools, product engineer	Now Microsoft's biggest centre outside the US, Hyderabad, has helped the products shipped all over the world. Hyderabad now is the important innovation centre for Microsoft.
Google	Bosch	Access to world class software engineers, AI scientists and data engineers; significant digital consumer base; thriving start-up culture.	Mature tech cluster, rich research ecosystem, talentpool, exposure to startups & networks	Search, Android, Maps, Google Cloud, AI and machine learning, cybersecurity, UX research, Software engineering	The GCC in Bengaluru leads the creation of globally shipped products, highlighting the shift from being an outsourced hub to being a product innovator.
Bosch	Bengaluru	Solid engineering base, mature auto ecosystem, existing manufacturing footprint, increasing depth of capabilities in digital engineering.	Mature Engineering ecosystem with ready to deploy skills, research institutions, vendor network & an ecosystem of innovation.	Embedded systems, Automotive engineering, AI, mobility solutions, Industrial automation, IoT, Digital manufacturing.	India's Engineering Expertise India's largest and most diversified automotive supplier and leading supplier of technology and services is Bosch. Bengaluru is one of their largest engineering centres, catering to Bosch's R&D worldwide, reflecting the capabilities in engineering-led GCC countries.

Introduction

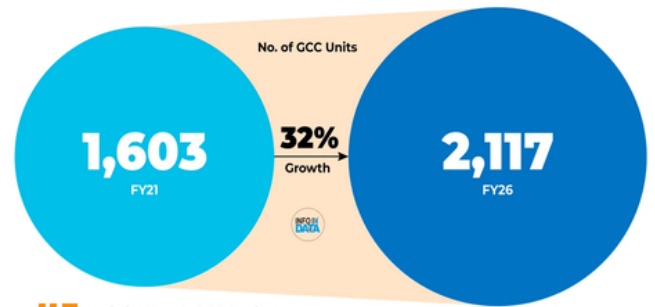
India's rivals in the GCC race did not simply appear once India started winning. Each one picked a lane. Poland leaned into EU-facing engineering and cybersecurity work. The Philippines took its BPO history and rebuilt it around customer experience. Vietnam is riding a young, STEM-heavy population into IT delivery. Malaysia has staked out semiconductor packaging and testing. Mexico sells almost nothing but time-zone overlap with the US. None of them are trying to be a second India; they are trying to be good at the one or two things India is not the obvious first choice for.

This framing is more instructive than a simple ranking. India does not lead on every parameter: while it maintains a clear advantage in scale, breadth of capability, and increasingly in AI and core engineering depth, sufficient to make Bengaluru or Hyderabad the default starting point for most GCC

INDIA'S GCC DOMINANCE Where the World Builds Capability

India is the world's GCC capital, hosting GCCs of 506 Forbes Global 2000 companies. This reinforces India's position as a leading global hub for talent, technology and enterprise capabilities.

India's Global Capability Centre (GCC) Leadership



#1 India is World's GCC Capital.
506 of the Forbes Global 2000 firms run a GCC in India.

Source: Zinnov-Nasscom GCC Landscape / Value Orbit Report, FY2026

discussions, other markets retain specific strengths. Poland's developers score higher on coding benchmarks, the Philippines offers stronger client-facing English proficiency, and Mexico's time-zone alignment with the United States remains unmatched. Accordingly, the question firms increasingly ask is not 'India or an alternative,' but which functions are best allocated to which location.

10.1 India vs. Poland, Philippines, Vietnam, Malaysia, Mexico

Most industry advisory reports split India's competition into two clusters. Poland, along with Romania and Czech Republic, sits in the Eastern European cluster built for regulation-heavy, EU-facing work. Others here (the Philippines, Vietnam, Malaysia, Mexico) falls into a looser SE Asia / Latin America cluster built around cost and nearshore delivery.

Of the two, Poland and the Philippines get named most often as India's real competitors, one for engineering and cybersecurity, the other for customer experience and shared services. Even so, most of these same reports still credit India with a faster pipeline of new centres and tighter alignment between state governments and industry, which is a fairly specific advantage that is hard for a newer GCC market to replicate quickly.

The table below lays out how each market stacks up against India on the parameters most GCC site-selection scorecards actually use.

Parameter	India	Poland	Philippines	Vietnam	Malaysia	Mexico
Core strength	Scale, AI/engineering depth, full-stack capability	European engineering, cybersecurity, fintech	Customer experience, shared services, BPO-to-GCC shift	IT/software delivery, growing fintech	Semiconductor packaging & testing, APAC hub location	Nearshore delivery for North America, supply-chain ops
Talent pool size	~2.5M STEM graduates/yr ; 2.3M+ GCC employees	~650K IT professionals; ~70-94K STEM grads/yr	~1.5M tech professionals	~1.26M IT professionals (~1.5M by 2026)	Smaller pool; strong in electronics/semiconductor or skilling	~800K tech specialists
English proficiency	Strong in metros, uneven nationally	High (B2+ common; EF EPI top 15 globally)	Very high; near-native business fluency	Improving, still a constraint	Moderate-high	Moderate; Spanish-first workplaces
Relative cost (entry-level engineer, indicative annual USD)	~\$20,000 (lowest globally)	~\$52,000	~\$35,000	Comparable to India at entry level	Mid-range, above India	~\$24,000
Ease of doing business / policy	SEZs, Digital India, GCC-specific state policies	EU regulatory alignment, GDPR-ready	Established BPO regulatory framework	Rapidly liberalising, infra still catching up	National Semiconductor Strategy incentives	USMCA nearshoring incentives

Best fit for	Scale, AI/ML, engineering & R&D-led GCCs	GDPR-sensitive, EU-facing operations	Voice/CX-heavy, customer-facing shared services	Mid-scale software delivery, cost-sensitive builds	Semiconductor packaging/testing GCCs	US time-zone-aligned nearshore GCCs
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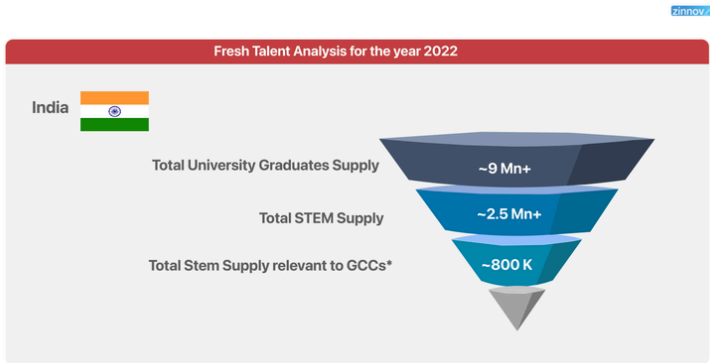
Figures are indicative, pulled from 2025–26 industry benchmarking sources (Nasscom, STPI, Cushman & Wakefield, Business of GCC, Zinnov, Wisemonk).

Talent-pool size explains much of this table. Poland's workforce, though strong for its size, is roughly a quarter of India's and costs more per hire. The Philippines and Vietnam compete on price but remain specialists in customer experience and IT delivery rather than full-stack engineering. Mexico's case rests almost entirely on time-zone alignment with the US. India is not ahead on every count, but it is the hardest market to substitute at scale, which is why multi-country GCC strategies now anchor scale and AI work in India while routing other functions elsewhere.

10.2 Talent

Talent is where the gap between India and its competitors is widest. India produces roughly 2.5 million STEM graduates annually and employs over 2.3 million professionals within it's GCC

ecosystem, a scale nothing else on this list approaches. Poland's 70,000-94,000 annual STEM graduates, drawn from a base of about 650,000 IT professionals, make it the strongest tech talent hub in Central and Eastern Europe, but still an order of magnitude behind India. Vietnam (roughly 1.26 million IT professionals) and the Philippines (roughly 1.5 million tech professionals) remain smaller pools weighted toward delivery and support rather than the AI, cloud, and data-science specializations GCC mandates increasingly require. Mexico's approximately 800,000 tech specialists support its nearshore positioning but do not materially change this picture India's disadvantage lies in quality signals rather than headcount. Poland ranks above India on the Coursera Global Skills Report and performs well on international coding benchmarks, a notable finding given India's talent-pool size, with developers commonly at B2 English or higher, reducing communication friction in client work. The Philippines' English fluency remains unmatched in



Asia for voice- and client-facing roles, which is why it retains customer experience mandates over engineering ones. India's own skill signals are uneven: representing a genuine cost despite the scale of the talent pipeline. In short, India wins mandates requiring scale and depth in AI, cloud, and core engineering, while Poland, the Philippines, and to a lesser extent Vietnam, Malaysia, and Mexico win mandates where language, EU alignment, or proximity matter more than pool size.

10.3 Cost

India remains the lowest-cost market among the six at entry level. Entry-level software engineering pay is approximately \$20,000 annually, compared to roughly \$24,000 in Mexico, \$35,000 in the Philippines, and \$52,000 in Poland, with the gap widening further against Western Europe and the US. Vietnam's entry-level costs sit close to India's, which explains why the two are frequently paired in cost-driven sourcing decisions, while Malaysia falls in between, reflecting its shift toward higher-value semiconductor work rather than volume delivery. Two factors complicate a purely cost-led comparison. 2026 benchmarks indicate India and the Philippines cost roughly the same for senior engineers, driven by rising AI, by remote-first global employers bidding for the

same talent in dollar terms. Second, lower hiring cost does not equate to lower total cost. Poland's higher salaries are typically justified on productivity grounds, stronger English proficiency and lower attrition reduce rework and management overhead, and the replacement cost of GCC role turnover (estimated at 1.5-2x annual salary) can offset much of India's headline savings. India's cost advantage therefore holds most reliably at entry- and mid-level hiring done at scale; beyond that point, attrition, senior-level wage compression, and productivity become more decisive than base compensation.

10.4 Innovation

Talk to any GCC head about why they picked India over Poland or Vietnam, and cost comes up within the first two minutes. Innovation capacity comes up in the fifth, but it's the reason the mandate expands from "run the ticketing queue" to "own the product roadmap." The Global Innovation Index (GII) 2025, published by WIPO, ranks India 38th out of 139 economies. That number alone tells you nothing. What matters is the shape of the story behind it: India is one of a handful of middle-income economies, alongside Vietnam (44th), the Philippines (50th), and Türkiye (43rd), that have climbed the GI ladder fastest since 2013, and WIPO explicitly flags India as

an "innovation overperformer," meaning it produces more innovation output than its income level would predict. Malaysia sits just ahead at 34th. Poland trails at 39th, barely a rung below India despite a GDP per capita roughly four times higher. That gap is the whole argument in a single sentence: India is punching well above its economic weight class, and Poland, for all its EU polish, is punching roughly at its own.

Why does this matter for site selection? Because a GCC isn't just outsourcing tasks anymore, the mandate has shifted decisively toward engineering, R&D, and product ownership, and innovation infrastructure is what makes that shift possible. India files more patents, produces more STEM graduates, and hosts a denser startup ecosystem than any of its GCC-destination peers except China. Bengaluru alone has more unicorns than most mid-sized countries. NASSCOM data puts the number of AI/ML professionals inside Indian GCCs at over 120,000, spread across 185-plus dedicated AI Centres of Excellence. That's not a support function, that's a research bench. Compare that to Vietnam, whose innovation strength is concentrated almost entirely in high-tech exports (it ranks first globally on that single indicator) rather than a broad-based ecosystem of patents, venture funding, and academia-industry linkage.

Vietnam is brilliant at manufacturing-adjacent tech. It is not yet building the kind of layered R&D depth that lets a GCC run an end-to-end product function.

The Philippines tells a different story again. It just cracked the GII top 50 for the first time, its best ranking and it dominates high-tech exports too. But its innovation profile still skews toward BPO-adjacent digital services rather than deep-tech R&D. Malaysia is the wildcard: it actually leads the world in one very specific, very telling metric, graduates in science and engineering as a share of population and that shows up directly in why semiconductor and precision-engineering GCCs gravitate there. Mexico, sits well outside the top 50 (around 58th), and its innovation story is really a nearshoring story wearing an innovation costume, proximity to the US drives its GCC pull far more than home-grown R&D capacity does.

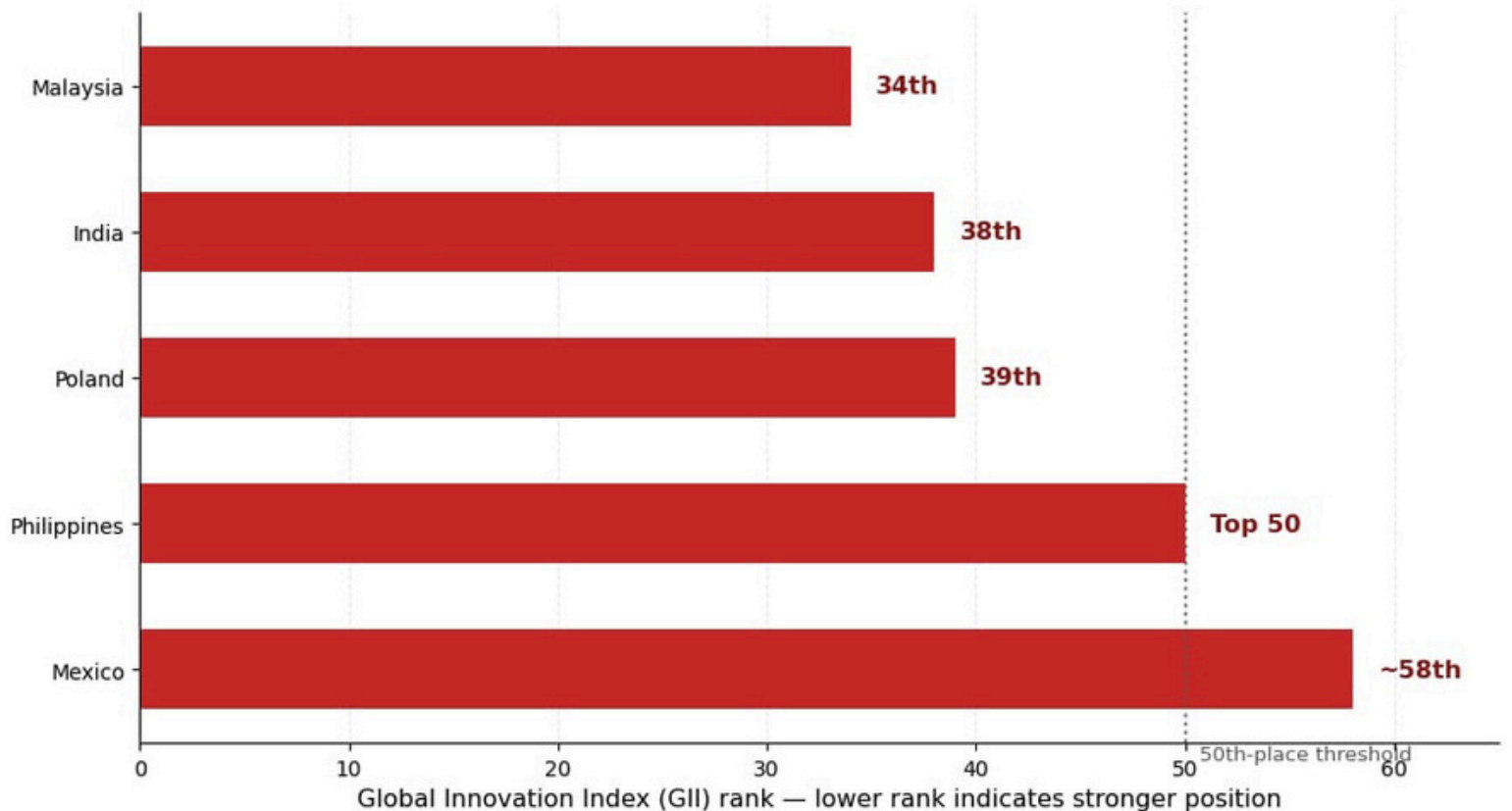
Here's the blunt version: if a company wants a call center, geography barely matters. If it wants a center that eventually owns global product architecture, India's combination of scale (2.5 million-plus STEM graduates a year, second to China) and demonstrated overperformance makes it structurally different from Poland's steady position or Vietnam's narrow export-led strength.

Entry-Level Software Engineering Cost Across GCC Markets



Report context: Vietnam's entry-level cost is close to India's; Malaysia falls between India and the Philippines.

Innovation Position of Key GCC Markets



Vietnam: ranks 1st globally in high-tech exports (a separate innovation indicator cited in the report).

10.5 Infrastructure

Infrastructure is where the India story used to fall apart. Not anymore, not entirely. The World Bank's Logistics Performance Index (LPI) 2023 has India at 38th out of 139 countries, up six places from 44th in 2018 and a full sixteen places up from 2014. The infrastructure sub-component, specifically ports, roads, rail, digital backbone, climbed from 52nd to 47th over the same window. Container dwell time in Indian ports now averages 2.6 days. Compare that to Germany's 10 days. Compare it to the United States' 7. That single statistic quietly demolishes a decade-old stereotype about Indian ports being chaotic and slow.

But let's not oversell it. Malaysia still beats India comfortably on the LPI, sitting at 26th overall, powered by Port Klang and a genuinely excellent highway network built over three decades of sustained infrastructure spending. Vietnam and the Philippines are essentially tied with each other around the low 40s, both climbed sharply since 2018 (Vietnam from 39th, the Philippines a striking 17-place jump to 43rd), and both are riding the "China Plus One" manufacturing wave that's forcing rapid port and logistics upgrades. Poland, wired into the EU's single market and sitting at the crossroads of half a dozen Trans-European Transport Network corridors, performs in a different

tier altogether on customs efficiency and cross-border timeliness; it's simply not fighting the same geography India is. What India brings that none of these five can fully match is digital infrastructure at civilizational scale. The India Stack that includes Aadhaar, UPI, DigiLocker, isn't directly measured by the LPI, but it's exactly the kind of infrastructure that lets a GCC stand up a fully digital, paperless back office in weeks rather than months. Data center capacity in India has roughly tripled over the past five years, concentrated in Mumbai, Chennai, and increasingly Hyderabad, driven in no small part by GCC and hyperscaler demand feeding off each other. The National Logistics Policy and the PM GatiShakti master plan are deliberate, targeted responses to exactly the gap that used to scare investors off, multimodal connectivity, single-window tracking, reduced dwell times. They're working. Slowly, unevenly, but working. The honest comparison point isn't "does India have the best physical infrastructure". It doesn't, Malaysia and Poland both beat it there. It's "does India have the infrastructure trajectory that matters for a ten-year GCC investment horizon." On that question, India's rate of improvement outpaces everyone on this list except Vietnam, and Vietnam is improving from a much smaller base.

1. Strengthen the Talent Pipeline

- Boost collaboration between industry and academia so that the educational programs offered at universities are in alignment with GCC needs, particularly in areas like artificial intelligence, data analytics, cybersecurity, cloud computing, and engineering R&D. *This is already showing results where it has been tried. According to the Nasscom-Zinnov GCC Landscape Report 2026, over 90% of leading GCCs now engage with universities for talent pipelines and joint research, and more than half co-innovate with startups through open sandboxes and tech pilots. Earlier examples back this up too: Swiss Re signed an MoU with the Institute of Insurance and Risk Management in 2022 to build*

re/insurance education pathways in India, while Acclaris (now WTW) partnered with Burdwan University as far back as 2007. These partnerships are credited with faster R&D ownership and quicker access to niche digital talent.

- *Focus more on reskilling initiatives so that there is a steady pipeline of employable individuals, particularly because GCCs will increasingly be hiring for high-value and innovative positions. Nasscom's "Building the Next Generation of Tech Professionals" report notes that campus recruitment into GCCs and startups is a comparatively new trend, and while the numbers are still modest, GCCs are visibly investing in freshers as part of both cost optimisation and long-term workforce planning. Nasscom's 2026 GCC Annual Report also points out that*

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- niche-skill roles are already commanding salaries around 30% higher than standard roles, which is the kind of wage signal that reskilling programs are meant to respond to.

2. Foster Development of Tier-2 Cities

- Develop digital infrastructure, Grade A office space, and transportation networks in Tier-2 cities to reduce dependence on metro cities. JLL's 2026 research on India's GCC expansion found that Tier-2 hiring grew 21% year on year in 2025, nearly double the 11% growth recorded in metro cities, with cities like Kochi, Coimbatore, Ahmedabad, Indore, and Jaipur posting 8 to 9% quarter-on-quarter growth. The same research shows organisations achieving 25

to 50% lower real estate, talent, and operational costs in these markets compared with Tier-1 hubs, largely because of improving infrastructure and under-tapped talent pools.

Provide policy support at the state level and create talent ecosystems in such cities to attract GCC investments in emerging cities. This is not a hypothetical ask, several states have already moved on it. Uttar Pradesh and Gujarat have rolled out GCC-specific subsidies, tax exemptions, and infrastructure support, and cities such as Jaipur, Chandigarh, and Indore have purpose-built IT parks (Sitapura IT Park, Mohali IT City, Crystal IT Park, among others) that were developed specifically to draw this kind of investment. NASSCOM estimates that roughly 25% of new GCC setups over the past three years have gone into Tier-2 cities, a share expected to climb toward 30%

as more states formalise similar policies.

3. Improve Infrastructure

Continue making investments in good quality physical and digital infrastructure such as energy infrastructure, fast internet connectivity, Grade A office space facilities, and transport systems, since such elements continue to play an important role in location decisions of GCCs. CBRE's 2025 office market data shows GCCs accounted for close to 39% of all Grade A office leasing in the country that year, with Bengaluru, Hyderabad, and Delhi NCR together capturing over 80% of that demand, largely on the strength of their existing infrastructure maturity. JLL separately estimated that Bengaluru, Mumbai, Delhi NCR, and Hyderabad alone will need close to Rs 23,380 crore in capital expenditure just to

upgrade and green - certify their existing Grade A office stock, underlining how much infrastructure quality still drives where companies choose to

- set up. Improve facilities in terms of social infrastructure like housing, healthcare services, and transport in order to improve the quality of living in GCC locations. This point echoes what GCC leaders themselves are flagging. Bootminds' 2026 Tier-2 GCC viability report notes that most Tier-2 cities currently cap out at 200 to 400 employees before quality-of-life and senior-talent constraints become the bottleneck, and that hiring director-level professionals in cities like Coimbatore or Visakhapatnam is still difficult without stronger social infrastructure to retain them.

4. Enhance Industry-Academia Collaboration

- Create synergies between academia and industry to ensure that academic curricula are aligned with the changing needs of businesses and technology. Nasscom's 2026 GCC report frames this as one of four pillars of talent strategy going forward, describing a shift from reactive hiring to proactive skills forecasting, built specifically around closer academic alignment with what GCCs will need next in AI, product ownership, and global ecosystem roles.
- Increase the number of internships, research, and skills-based training for students that will produce a better-skilled workforce for GCCs. The same Nasscom-Zinnov data point cited

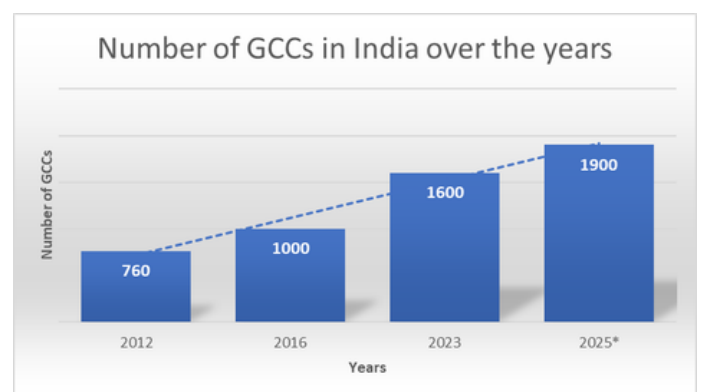
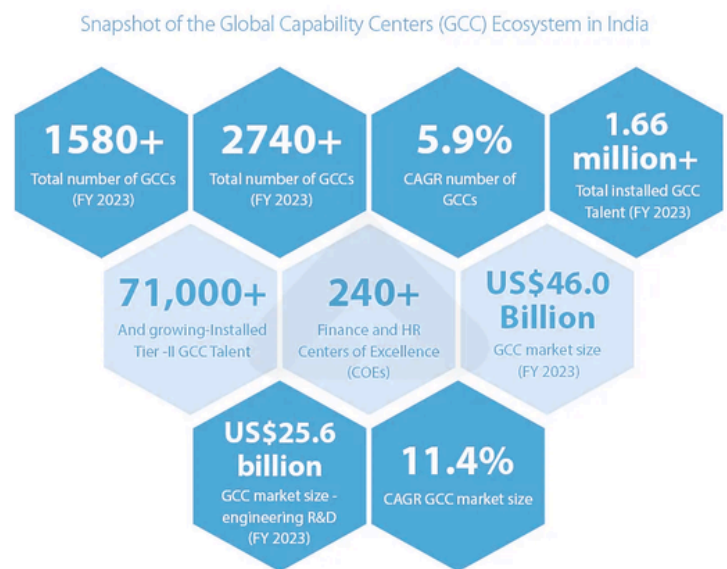
above (90%+ of leading GCCs engaging universities for joint research and talent pipelines) applies directly here as well and is one of the clearest available proof points that this kind of collaboration is already scaling rather than remaining a policy aspiration.

5. Streamline Regulation

- Simplify the process of regulatory approvals and create better coordination between the federal and state governments to reduce the time and effort required for establishing and growing a GCC. This is a documented pain point rather than a general assumption. Government estimates cited in Outlook Business report that setting up a GCC in India currently requires more than 30 separate approvals across central and state departments.

In response, the Union Budget 2025-26 first flagged a National Guidance Framework for GCCs, and by mid-2026 the government was working on a single-window clearance system meant to consolidate these approvals, alongside an entity-based digital locker so companies aren't repeatedly submitting the same compliance documents. States including Maharashtra have already moved ahead independently, its 2025 GCC Policy grants GCCs "Industry Status" and introduces self-certification through the MAITRI single-window portal. Keep the policy regime stable and transparent and continue improving the business environment to increase investor confidence and create long-term investments. Industry voices have been explicit about why these matters In comments to Outlook Business ahead of Budget 2026, GCC leaders noted that fragmented, state -

by-state policymaking is itself a source of uncertainty for long-term investment decisions, and called for a national framework that standardises definitions and offers baseline regulatory and tax clarity, while still letting states compete on execution and infrastructure within that consistent structure.



Key insights

The report establishes that India's GCC advantage can no longer be explained simply through lower labour costs. India has gradually built a much broader value proposition combining a large and increasingly specialised talent pool, established technology and industry clusters, improving infrastructure, a strong startup ecosystem and supportive government policies. The scale of the ecosystem, with more than 2,100 GCCs, 2.36 million professionals and nearly USD 98.4 billion in revenue, shows how deeply GCCs have become embedded in India's economic and business landscape.

More importantly, the nature of the work being undertaken is changing. Across IT, BFSI, healthcare, manufacturing, retail and other sectors, GCCs are increasingly taking responsibility for R&D, product development, analytics, AI, engineering and other

strategic functions. The growth of ER&D, with a 13% CAGR over the last three years and an ER&D component present in around 90% of GCCs, reinforces this shift. India is therefore moving from being a location where global companies execute work to one where they increasingly build capabilities and create value for global markets. At the same time, the report suggests that the next phase of GCC growth will not be limited to the established metropolitan hubs. More than 90% of GCC activity remains concentrated in Tier-I cities, with Bengaluru alone accounting for around 34–39% of activity. However, Tier-II and Tier-III cities are gradually emerging as complementary GCC destinations, offering lower costs, untapped talent pools and opportunities for regional economic development. Their share has already increased from around 5% in 2019 to 7% in 2025, although limitations in specialised talent and infrastructure still need to be addressed.

This makes the future of India's GCC ecosystem less about simply adding more centres and more about increasing the capabilities of existing and emerging centres. AI, digital transformation, engineering R&D, cybersecurity and advanced analytics are likely to shape the next stage of growth, while stronger industry-academia collaboration, reskilling and investment in digital and physical infrastructure will determine how effectively India can meet these demands. The continued expansion of startups and R&D capabilities, alongside government support, provides a strong foundation for this transition.

Overall, the report suggests that India's future as a GCC destination will depend on how well it can convert scale into capability. The country's existing advantages provide a strong foundation, but sustaining its position will require continued investment in specialised talent, infrastructure, innovation and policy. If this

transition is managed effectively, India's GCC ecosystem can move beyond being a preferred offshore location to becoming a long-term strategic partner in global innovation and business transformation.

India's evolving value proposition

India's GCCs are evolving from mere operational centers to high-value, complex portfolio hubs where companies can execute strategic initiatives across multiple domains. The GCC Sector in India has expanded remarkably over recent years, driven by government support, an abundant talent pool, cost advantages, and robust infrastructure. India's GCCs contribute significantly to the national economy and employ a workforce of nearly 2 million professionals. The sector is expected to grow further, with projections of exceeding 2,400 GCCs by 2030 and revenues surpassing USD 100 Billion. The future of GCCs in India will be

marked by a shift towards digital transformation, advanced analytics, and AI with focus on creating future value and leveraging technology platforms.

Future outlook for GCC investments

The GCC market size is expected to expand from USD 64 billion in 2024 to USD 105-110 billion by 2030. Anuj Puri, chairman, Anarock Group said, "Over the years, India's GCC landscape has expanded rapidly, with its market size rising from USD 30 billion in 2019 to approximately USD 64 billion in 2024. This growth is fuelled by an ever-increasing demand from key sectors like IT/ITeS, BFSI, Healthcare & Life Sciences, and Engineering Research & Development (ER&D)." The future of GCC in India will be stronger than ever. From the rise of GCC in India to certain shifts in global business operations, India has proven itself as one of the most preferred destinations for building such strategic capability

centers.

As more global firms are expanding their presence in India, the role of Indian GCCs will only continue to grow, and it will shape the future of digital transformation, data analytics, engineering, and the best enterprise strategy. India is projected to host 2,400 to 2,550 GCCs by 2030 with a workforce of 2.8 to 3.5 million professionals. The growth is not just in headcount. It is in the complexity and strategic weight of the work being handed to India-based teams.

Industries like healthcare and life sciences are moving fastest, with AI-driven diagnostics and clinical operations driving demand. Legal and compliance functions are being centralized in India by global law firms and financial institutions. Automotive engineering, particularly EV and embedded systems, is accelerating through cities like Pune. Retail and consumer brands like McDonald's have already made landmark moves, signaling that GCCs are no longer an IT and BFSI story exclusively.