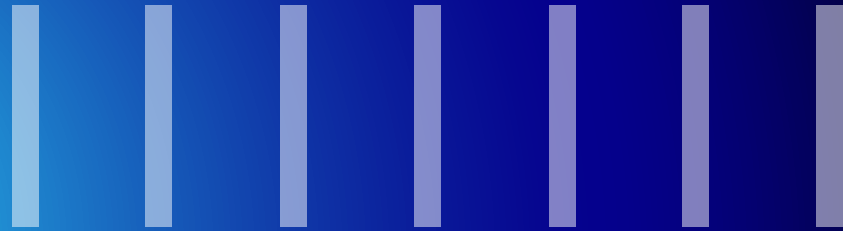


# THE RISE OF GCCs IN INDIA: FROM OPERATIONS TO OWNERSHIP







Take a drive along the Outer Ring Road and you will find that the entire stretch has truly become a global corridor, populated by several tech companies. While Bengaluru's legendary traffic seems largely unchanged, India's Global Capability Centers (GCCs) have grown exponentially over the years. The small-scale global in-house centers of 20 years ago have transformed dramatically.

With 1800+ GCCs, India has emerged as the world's leading hub for these centers. Some industry estimates say that one GCC is being set up every week in India.<sup>1</sup> This number has been on the rise since 2022, with India expected to lead as the GCC destination in the short-to-medium term. At the end of 2025, India hosts about 56% of the world's GCCs, as per research by the Everest Group. It is expected to have 2100-2200 GCCs by 2030.<sup>2</sup>

## FROM CAPTIVES TO GLOBAL INTELLIGENCE HUBS

GCCs in India have moved beyond cost efficiency to become core engines of enterprise value. Once focused on execution, they now shape innovation, strategy, and transformation across technology, data, and R&D. Today's GCCs function as enterprise intelligence hubs, where AI, automation, and leadership talent converge to drive decisions, resilience, and growth.

Here's a look at the value GCCs have added at every stage.

 <b>Stage</b>	 <b>Value Driver</b>	 <b>Focus</b>	 <b>Core Characteristics</b>
<b>Stage 1</b> Mid 1980s - 2000s  <b>Cost Arbitrage</b>	Labor cost differential	Transactional process execution	Fragmented, immature operations with siloed teams; rule-based, repetitive work became the entry point for RPA and early cognitive automation
<b>Stage 2</b> 2000s – Mid 2010s  <b>Value Arbitrage</b>	Deep domain expertise and end-to-end ownership	CoEs across finance, HR, supply chain, and knowledge work	AI-augmented expert decision-making and re-architected processes; roles shifted from execution to governing and optimizing AI-led operations
<b>Stage 3</b> 2010s – 2020s  <b>Strategy &amp; Innovation</b>	Digital transformation and innovation	Digital products, advanced analytics, cybersecurity	AI became the catalytic engine, shifting GCCs from implementing SaaS to building proprietary, AI-driven platforms
<b>Current Stage</b> Mid 2020s  <b>Enterprise Intelligence</b>	Cognitive arbitrage and strategic foresight	Enterprise-wide AI models and IP	GCCs act as the enterprise's AI nerve center, anticipating market shifts and autonomously optimizing global operations

<sup>1</sup> <https://www.thehindu.com/news/national/from-back-office-to-cutting-edge-india-emerges-as-hub-for-gccs/article70522005.ece>

<sup>2</sup> <https://gcc.economictimes.indiatimes.com/news/industry-trends/indias-state-led-policies-driving-gcc-momentum/124361950>

"Global Capability Centres: Emerging Opportunities and Challenges - Srivardhini K. Jhaa, Anillesh Seth"

# WHY INDIA

GCCs in India have evolved into strategic hubs of co-creation and digital acceleration, while driving innovation and measurable business impact. There are several reasons for this.

## Talent Density

The Everest Group found that skilled talent availability for mid-to-high complexity delivery is a key factor for GCC setup in India. Dr. Srivardhini K. Jha and Dr. Anilesh Seth of IIM Bengaluru highlight<sup>3</sup> that GCCs choose India primarily for its deep, domain-ready talent, which lowers training and onboarding costs.

India graduates over 2.1 million engineers annually, with nearly 89% English-speaking tech talent and AI embedded into university curricula through the government's IndiaAI Future Skills initiative. The Stanford AI Index 2024 ranks India first in AI skill penetration, with the fastest-growing developer base, second in public gen AI projects on GitHub, and 16% of the world's AI talent.<sup>4</sup>

## Leadership Maturity

GCCs in India benefit from a mature leadership bench with deep domain expertise.<sup>5</sup> A Deloitte-CII study notes a clear shift toward cross-functional, product-aligned teams spanning engineering, design, data science, and product management, with strong growth in product and architect roles.<sup>6</sup>

## Innovation Ecosystems

India has the third largest startup ecosystem globally, and is a global R&D hub, with over 1600 MNCs running R&D and digital innovation centers here. GCCs have access to collaborative co-creation models with government-supported schemes, and world-class academia, and are launching corporate venture arms in India to fund and scale innovations aligned with enterprise strategy.<sup>7</sup>

## Risk, Regulations, and Policies

India offers GCCs a resilient and predictable operating environment, underpinned by strong business continuity, reliable service delivery, and regulatory alignment with global standards in data protection, cybersecurity, and Intellectual Property (IP). Stable governance, independent institutions, and mandated ESG practices strengthen confidence in India as a secure, sustainable long-term destination for global operations.<sup>8</sup>

At the state level, Karnataka and Telangana remain leading hubs. Maharashtra, Tamil Nadu, Uttar Pradesh, Madhya Pradesh, Gujarat, Andhra Pradesh, Kerala, and Odisha are actively attracting GCCs through targeted policies, incentives, skilling programs, and infrastructure development.<sup>9</sup>

## Infrastructure and Connectivity

GCCs in India continue to offer cost arbitrage. Besides the low cost of talent, India offers a cost-efficient operating backbone for GCCs through special economic zones (SEZs) with tax holidays, affordable software technology parks of India (STPIs), and flexible workspaces, world-class transport connectivity, and affordable rentals, especially in Tier-2 cities. Low data costs and widespread 5G and data center coverage enable cloud-first, low-latency operations at scale. National digital platforms and targeted incentives strengthen ease of doing business and secure, real-time digital interactions.

# INNOVATIONS FROM INDIA'S GCCs

GCCs in India have been at the forefront of IP creation and innovation, contributing to the parent company's innovation vision and goals. Here are some examples:

- Mercedes-Benz Research and Development India (MBRDI) is one of the largest R&D centers of Daimler outside Germany. The center has filed close to 200 patents for innovation in the automotive industry.<sup>10</sup>
- Teams at Microsoft's India Development Center contribute to Azure cloud patents and AI innovations, with R&D producing IP-sensitive software for global products like Bing and Microsoft 365. Over 25 years, the center has filed numerous US patents from the Bengaluru campus.<sup>11</sup>
- Since its establishment in 2000, GE Aerospace's Bengaluru facility has been a critical hub for advanced aerospace engineering and research, playing a key role in developing commercial engines and contributing more than 1,000 aviation patents. The center continues to pioneer innovation in engine design and sustainability, leveraging AI to enhance efficiency, quality, and reliability.<sup>12</sup>
- JPMorgan Chase will establish Asia's largest GCC in Powai, Mumbai, a 2 million square feet campus supporting up to 30,000 employees by 2029, building on its growing footprint in Mumbai and Hyderabad. This is a strategic pivot to technology-led transformation, supporting core businesses with advanced capabilities such as AI-driven risk analytics, cybersecurity, and digital banking.<sup>13</sup>
- Amazon's India Development Center is a critical innovation hub for its global e-commerce, Prime Video, and AWS platforms, with teams optimizing complex supply chains and developing core AWS services. Based in Hyderabad, Bengaluru, and Chennai, the center underpins Amazon's most scalable and profitable businesses.<sup>14</sup>

<sup>3</sup> "Global Capability Centres: Emerging Opportunities and Challenges - Srivardhini K. Jha, Anilesh Seth" | <sup>4</sup> <https://www.deloitte.com/content/dam/assets-zone1/in/en/docs/industries/gcc/2025/in-gcc-gcc-framework-report-2025.pdf> | <sup>5</sup> "GCC-Setups: Evolving Expectations, Engagement-Models, and Commercial Strategy (Everest Group)" | <sup>6</sup> <https://www.deloitte.com/content/dam/assets-zone1/in/en/docs/industries/gcc/2025/in-gcc-gcc-framework-report-2025.pdf> | <sup>7</sup> <https://www.deloitte.com/content/dam/assets-zone1/in/en/docs/industries/gcc/2025/in-gcc-gcc-framework-report-2025.pdf> | <sup>8</sup> <https://www.deloitte.com/content/dam/assets-zone1/in/en/docs/industries/gcc/2025/in-gcc-gcc-framework-report-2025.pdf> | <sup>9</sup> [https://eitbt.karnataka.gov.in/uploads/media\\_to\\_upload/1757332124.pdf](https://eitbt.karnataka.gov.in/uploads/media_to_upload/1757332124.pdf) | <https://www.thehindu.com/news/cities/Hyderabad/hyderabad-sought-after-for-gccs-became-home-to-40-of-centres-set-up-in-india-in-three-years-report/article70147345.ece> | <https://www.thehindu.com/news/cities/Hyderabad/hyderabad-sought-after-for-gccs-became-home-to-40-of-centres-set-up-in-india-in-three-years-report/article70147345.ece> | <sup>10</sup> <https://www.autocarindia.com/car-news/mercedes-392078> | <sup>11</sup> <https://www.linkedin.com/pulse/microsoft-india-development-center-transforming-indias-gunturu-p0dwc/> | <sup>12</sup> <https://www.geaerospace.com/facilities-india> | <sup>13</sup> <https://bfsi.eletsonline.com/jp-morgan-to-launch-asias-largest-global-capability-center-in-mumbai/> | <https://www.peoplesmatters.in/news/business/jpmorgan-plans-asias-largest-gcc-in-mumbai-with-30000-employees-47772> | <sup>14</sup> <https://v3staffing.in/blog/gcc-companies-india-transforming-business/>

# WHERE ARE INDIA'S GCCs HEADED?



## AI-native GCCs Are the New Standard

In GCCs today, AI, data, and R&D converge to transform enterprise operations and innovation, with 58% investing in Agentic AI and 83% scaling gen AI. Infosys' new GCC model reflects this shift, integrating Agentic Foundry, EdgeVerve AI Next, and Infosys Topaz™ to deliver enterprise-scale, AI-first transformation.<sup>16</sup>



## Policy-driven Growth across Tier 2 and Tier 3 Locations

The next phase of GCC growth is shifting to Tier-2 and 3 cities. Supported by the proposed national GCC framework, initiatives like Smart Cities and Gati Shakti, cities such as Jaipur, Bhubaneswar, Indore, Coimbatore, and Visakhapatnam are gaining traction as viable alternate hubs.<sup>17</sup>



## Mid-market GCCs Scaling Product and Leadership

Beyond the Fortune 500, mid-market GCCs which are often product-centric from day one, are scaling rapidly, with a higher density of product managers and architects based in India. India hosts an estimated 6,500 global leadership positions within GCCs, with mid-market centers adopting this model faster and broadening access to global roles.<sup>18</sup>

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# CONCLUSION

Much like navigating Bengaluru traffic, success doesn't come from speed, but from knowing the routes, anticipating bottlenecks, and moving forward consistently. The next phase of GCC evolution is less about bold leaps and more about steady, well-governed progress. Far from being back offices, these centers are increasingly positioned at the core of the enterprise, owning business outcomes and shaping transformation agendas. This may start with gradually reframing GCCs as enterprise intelligence hubs, investing early in data and MLOps foundations, building a balanced mix of AI and domain talent, and tracking outcomes, while thoughtfully leveraging policy incentives to reduce risk. Developing a global leadership pipeline and leaders with a changed mindset, starting from service delivery to complete ownership, will be crucial.

With their growing maturity, GCCs are becoming engines of innovation, charting new pathways to drive enterprise-wide change. It would not be a stretch to say that GCCs in India are well on their way to becoming centers of strategic transformation.

<sup>15</sup> [https://www.ey.com/en\\_in/insights/consulting/global-capability-centers/india-gccs-are-leading-the-shift-to-intelligent-ai-native-enterprises](https://www.ey.com/en_in/insights/consulting/global-capability-centers/india-gccs-are-leading-the-shift-to-intelligent-ai-native-enterprises)

<sup>16</sup> <https://www.infosys.com/newsroom/press-releases/2025/unveils-ai-first-gcc-model.html>

<sup>17</sup> <https://www.cii.in/PressreleasesDetail.aspx?enc=hn7TjupNsoji1B6UsLwucmAK&JW0EnAEGguUXn5ygi8=>

<sup>18</sup> <https://www.deloitte.com/content/dam/assets-zone1/in/en/docs/industries/gcc/2025/in-gcc-gcc-framework-report-2025.pdf>

<https://community.nasscom.in/communities/global-capability-centers/beyond-borders-how-indian-states-are-competing-gccs>

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