

The

GCC TIMES

Monthly Dispatch from the Strategic Core: India's GCCs



MAY 2026

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EDITOR'S NOTE

India's GCC ecosystem is entering a new era of strategic influence and enterprise ownership.

What began as a scale-driven model is now evolving into a hub for AI, innovation, governance, and global transformation.

This edition explores the key trends shaping GCCs in 2026, such as the following:

- Geopolitical tailwinds, talent shifts, and policy changes are accelerating this transition.
- AI adoption is moving from pilots to enterprise-wide deployment.
- GCCs are also expanding rapidly from metro hubs into Tier-2 cities.
- At the same time, governance and compliance are becoming core enterprise functions.

Overall, GCCs are emerging as strategic partners to global headquarters, not just delivery centers.



THE INFLECTION POINT

GCC 2026

The narrative has officially changed as the GCCs are now being recognized as strategic nerve centers, not just back offices.

The 16th NASSCOM GCC Summit, held in Mumbai on 6-7 May 2026, marked a notable moment for India's Global Capability Center ecosystem. The newly released Nasscom GCC Landscape 2026 report confirmed that India now hosts 2,100+ GCCs across 3,728 units, a 32% increase since FY2021. The combined market revenue stands at USD 98.5 billion, with a workforce of 2.4 million professionals.

More than 506 Forbes Global 2000 companies now operate GCCs in India. The summit's theme, Architecting the Strategic Leap, reflected a broader industry position: the center count and headcount are no longer the primary indicators of progress. The focus has moved to the nature of work being done and the authority being held within Indian operations.

Trends at a Glance

New GCC setups in 2025: 170+ | First-time entrants: 51% | United States leads at 65% of new entrants | Top sectors: Technology 28%, Engineering 17%, BFSI 15% | 50% of work is now expertise and frontier work | India holds 28% of global GCC AI talent.

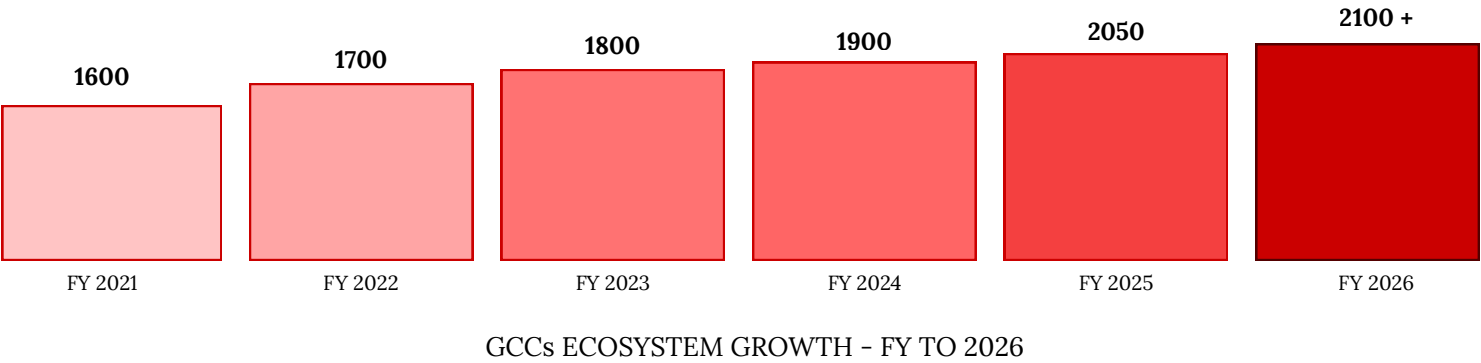


Rajesh Nambiar, president of NASSCOM, captured this:

"The shift from scale to value is now well underway, with AI acting as the catalyst. GCCs are increasingly taking ownership of global products, platforms, and businesses. Outcomes, positioning India as a strategic nerve center for enterprises worldwide. The next phase of growth will be defined by how effectively these centers can drive enterprise-wide transformation and deliver measurable impact."



GCC Ecosystem Growth 2021-2026



THE GEOPOLITICAL BACKDROP

WHY INDIA AND GCCS ARE WINNING THE MOMENT

The scale of India's GCC expansion is not coincidental. It is a direct consequence of global trade volatility and a fundamental reassessment of supply chain and capability concentration risk.



US Tariff Shock

By the end of 2025, US tariff rates stood at their highest level since 1935. For multinational enterprises, the strategic question became urgent: where to anchor critical capabilities that are both cost-effective and geopolitically stable? India emerged as the clearest answer.

Service Insulation

GCCs operate in services, and India's software exports, 53% of which go to the US, remain entirely unaffected by tariffs. Services now account for 48.6% of India's total exports, up from 47% last year. The services surplus reached \$213.9 billion in FY26, offsetting 64% of India's merchandise trade deficit.

Diplomatic Tailwinds

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Key takeaway for GCC leaders:

"The geopolitical environment has become a tailwind, not just a neutral backdrop. Enterprises that might have hesitated about deepening India exposure now have a clear logic for acceleration."



GLOBAL CAPABILITY CENTERS AS THE ENTERPRISE'S "INTELLIGENT STABILIZERS."

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This is how the GCC role is changing.



RISK MANAGEMENT Before: Monitor Compliance Now: Absorb Global Volatility	DECISION-MAKING Before: Execute HQ directives Now: Participate in real-time strategy
BUSINESS CONTINUITY Before: Maintain Operations Now: Ensure resilience during disruption	INNOVATION Before: Adapt Global Solutions Now: Create Proprietary IP

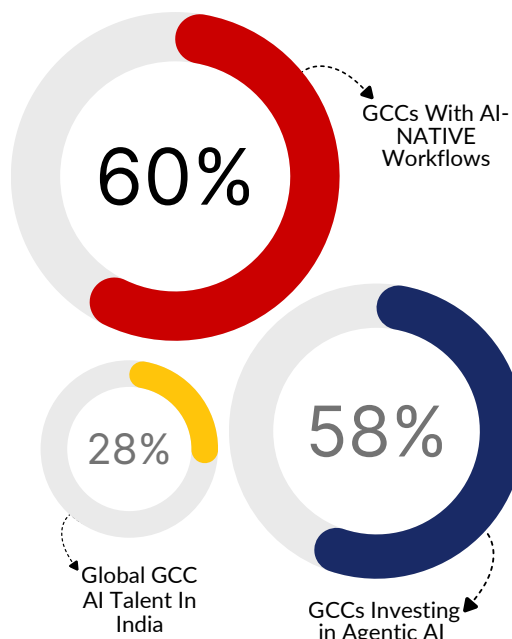


AI FROM PILOTS TO ENTERPRISE CORE

Over 60% of GCCs are now operationalizing AI-native workflows, moving beyond initial pilots to enterprise-grade deployment. India is the second-largest market for enterprise AI talent globally, with a pool of over 250,000 AI and ML professionals and more than 250 dedicated AI/ML Centers of Excellence.



Several GCCs are building private large language models to ensure data residency compliance with India's DPDPA 2023. Pharmaceutical GCCs in Hyderabad are applying AI across the drug development value chain, compressing discovery timelines. Manufacturing GCCs are deploying AI-driven production planning and predictive maintenance.

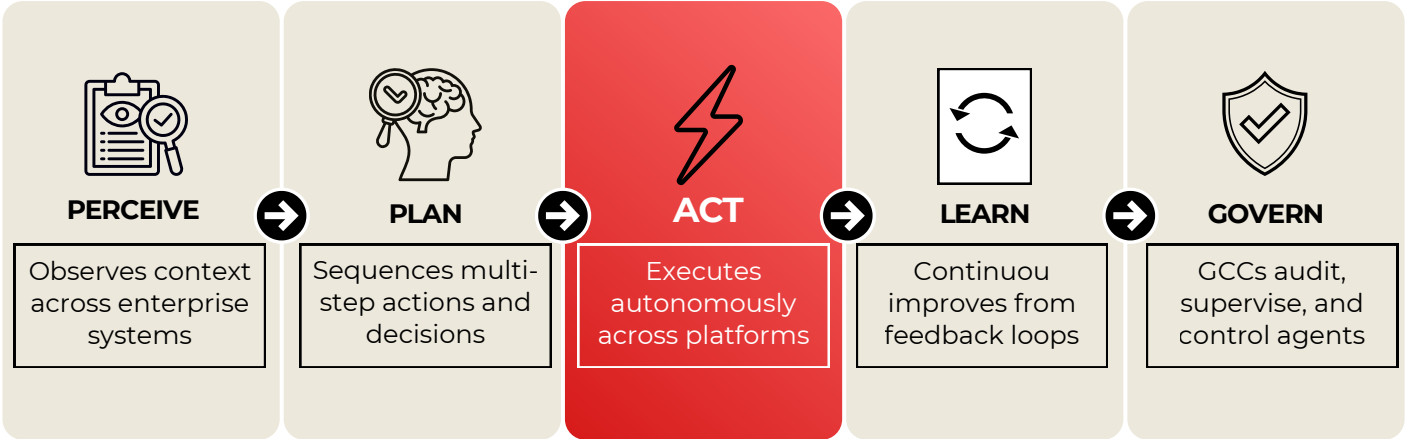


Agentic AI

Systems are moving from generating insights to acting independently. The dominant engineering challenge in 2026 is agentic AI systems that perceive context, plan multi-step sequences, invoke tools, and act autonomously over extended periods.

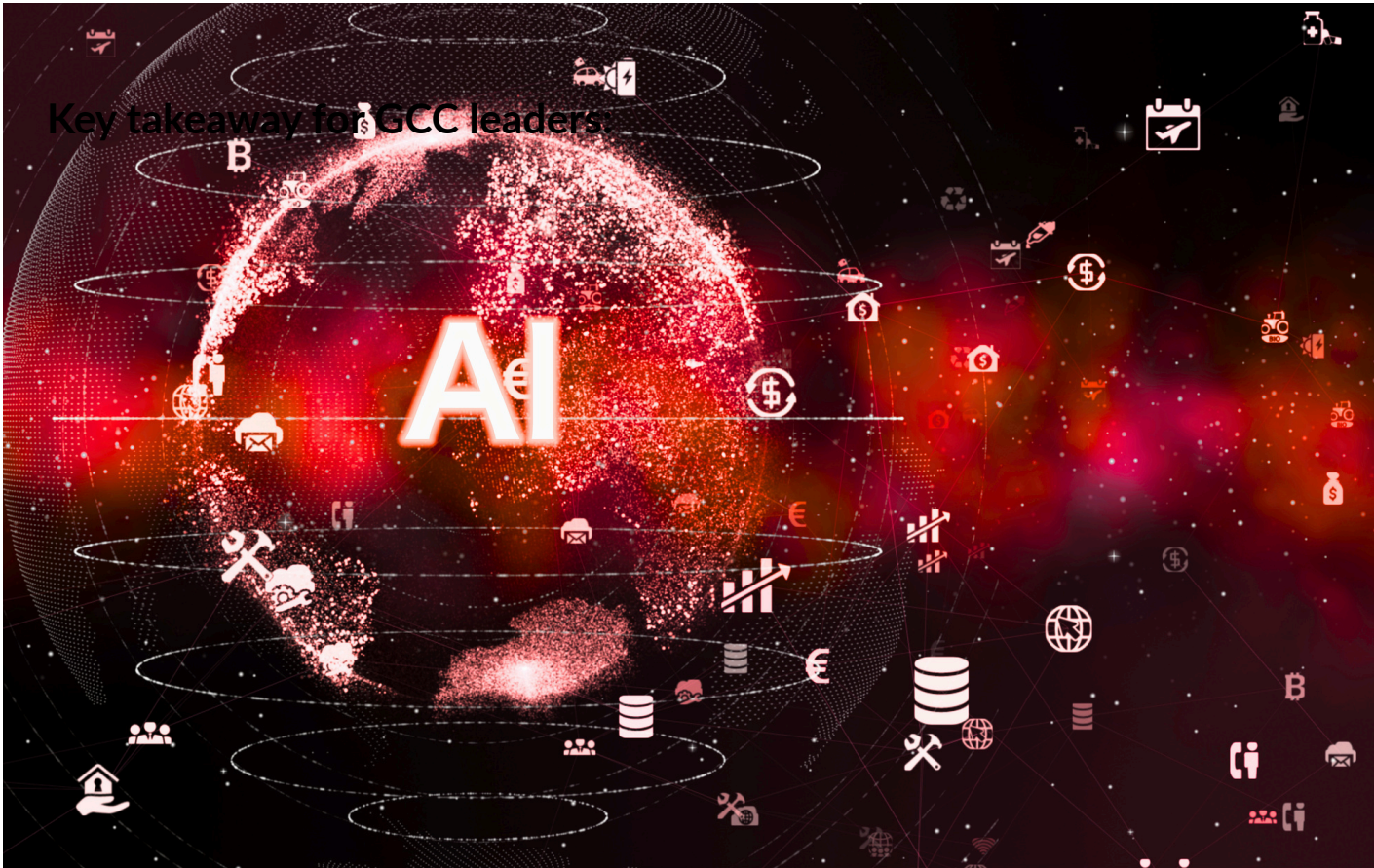


Agentic AI Workflow in GCC



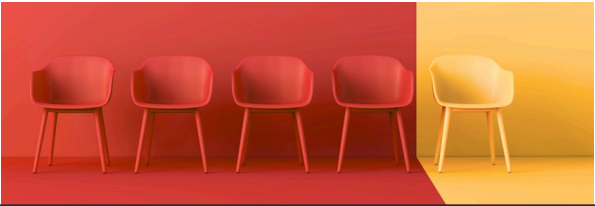
Key Takeaway:

When a multi-agent system accesses 15 enterprise systems and triggers actions across all of them in a single automated workflow, the stakes of a mistake extend far beyond a typo; they are cascading errors across procurement, finance, and customer data simultaneously. Only 7% of Indian GCCs report having a fully embedded cyber center of excellence. This gap is the defining risk of the agentic era.



THE NEW TALENT MODEL

FROM HIRING TO CAPABILITY BUILDING



The GCC talent model has undergone a structural shift from volume-driven hiring to precision capability development, from pyramid teams to diamond-shaped specialist structures.

Area	Earlier Approach	Current Shift
Hiring strategy	Volume-driven hiring and full backfills	Precision hiring with 70–75 backfills per 100 exits
Role management	Immediate replacement of exits	15–20 percent reduction in immediate backfills
Skill demand	General technology roles	AI, data, cloud, and cybersecurity are up 40–50 percent.
Hiring philosophy	Experience-heavy hiring	Potential-based hiring with rapid upskilling
Workforce structure	Pyramid model	Specialist-heavy diamond structure
Governance talent	Support function	Core capability for risk and compliance
Global positioning	Expanding AI workforce	India holds 28 percent of global GCC AI talent



GOVERNANCE, COMPLIANCE AND RISK: THE MATURITY LAYER

The regulatory environment for GCCs entered a new phase following the notification of the Digital Personal Data Protection (DPDP) Rules, 2025, on November 14, 2025. The rules follow an 18-month phased implementation, with full compliance required by May 2027.



This window requires GCC leaders to audit data flows, map legacy databases, establish privacy-by-design frameworks, and train personnel. Penalties for non-compliance can reach ₹250 crore.

Operationalizing the Data Protection Board

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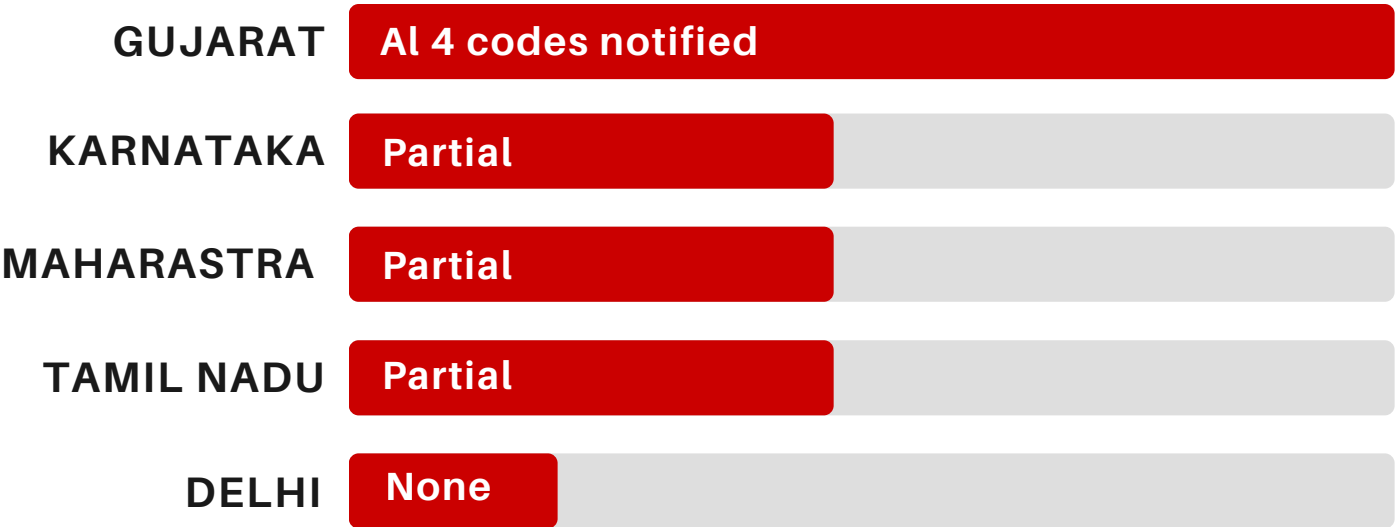
On May 13, 2026, MeitY invited applications for the chairperson and four members of the Data Protection Board of India. The Board will investigate data breaches, monitor compliance, and impose financial penalties. Applications close by mid-2026, with the first rulings expected later this year.



Key Insight:

India’s data protection regime is moving from policy to enforcement. Active oversight is now imminent, and organizations should prepare for real compliance expectations.

Labor Codes:



Transfer Pricing Updates:

The Income Tax Act, 2025, effective April 1, 2026, introduces three-year block assessments and enhanced three-tier documentation requirements for GCCs providing services to overseas parent entities.



POLICY ENVIRONMENT

STATE POLICIES AND BUDGET 2026

In FY2026, policy changes affecting GCCs occurred at two levels: state governments and the Union Budget. Both addressed friction points that had slowed GCC setup and transfer pricing compliance.

State GCC Policies

State	Key Policy and Incentive Details
Telangana	Targeting 120 new GCCs by 2026. Focus on R&D, AI, cloud, and cybersecurity.
Karnataka	Targets 500 new GCCs and 350,000 jobs by 2029. R&D grants up to ₹500 million, 50% rental reimbursement, EPF support, and 45-day approvals. The Beyond Bengaluru initiative directs investment to Mysuru, Mangaluru, Hubballi-Dharwad, and Belagavi.
Maharashtra	Targets doubling GCC count from 400 to 800, creating 400,000 jobs. Focus on AI, machine learning, and next-generation technologies.
Haryana/Delhi NCR	Single-window clearance, lease and rent reimbursements, stamp duty benefits, and 24/7 operational approvals.
Madhya Pradesh	Up to 40% capital subsidy in Tier-2 cities. Targeting ₹5,000 crore in investments and 40,500 jobs.
Gujarat	Capex and Opex support, employment generation incentives, and interest subsidies.
Tamil Nadu	Land and tax incentives, alongside payroll subsidies, are aligned with R&D ecosystem development.



Union Budget 2026: Safe Harbor Reforms

The Union Budget 2026, presented on February 1, introduced three structural changes to transfer pricing: a unified service category, a uniform margin, and an expanded eligibility threshold.

Feature	Pre-Budget 2026	Post-Budget 2026
Service categories	Multiple fragmented categories (software development, ITeS, KPO, contract R&D)	Unified single category: Information Technology Services
Safe harbor margin	Varies by category: 17% to 24%	15.5% (uniform across all IT services)
Eligibility threshold	₹300 crore	₹2,000 crore (6.7 times expanded)
Approval process	Tax officer discretion, manual review	Automated, rule-driven process (no officer discretion)
Continuity period	Year-by-year election	5 consecutive years (company's choice)

States are no longer competing on cost alone. The race is now defined by policy speed, infrastructure readiness, talent pipelines, and innovation-focused incentives. For GCCs evaluating new locations, this creates both opportunity (competitive incentive packages) and complexity (state-by-state tracking requirements).



NEW GCC ENTRANTS FY2026

Company	HQ	Sector	Location in India	Details
Axiado Corporation	USA	Cybersecurity, Semiconductors	Bengaluru (Whitefield)	Inaugurated April 15, 2026
ArcelorMittal	Luxembourg	Steel Manufacturing	Pune and Hyderabad	Announced February 26, 2026. 1,100+ employees onboarded. Plans to hire up to 2,000.
Cohere Health	USA	Healthcare Technology	Hyderabad	Launched February 2026. Covers engineering, analytics, and clinical operations.
Lonza Group AG	Switzerland	Biopharma	Hyderabad	Announced March 5, 2026. Focus on digital and R&D support.
Deepwatch	USA	Cybersecurity	Bengaluru	Focus on threat detection and product development.
Ferguson	USA	Distribution, Technology	Bengaluru	Covers software engineering and data analytics.
Anthropic	USA	AI Research	Bengaluru	Announced expansion to India with plans to open a Bengaluru office in early 2026, its second office in Asia Pacific after Tokyo.
T-Mobile	USA	Telecommunications	Hyderabad	Established its first global technology hub in Hyderabad under T-Mobile Global Solutions India, with operations beginning in January 2026 and an initial team of 300 professionals. The hub covers software engineering, DevOps, product development, and data analytics.
Marriott International	USA	Hospitality Technology	Hyderabad	Established the Marriott Tech Accelerator in Hyderabad, the first GCC by a hospitality major in India, covering technology infrastructure, engineering, and security capabilities across 141 countries.
Vanguard	USA	Financial Services	Hyderabad	Opened its first GCC in Hyderabad. The center is expected to become Vanguard's largest technology center worldwide.

GCCS AS STRATEGIC PARTNERS TO HEADQUARTERS

The structure of the relationship between Indian GCCs and their global headquarters has changed materially. Enterprise authority on specific domains is shifting to India. GCC leaders are participating in global budget decisions, product roadmaps, and capability planning, not only in execution and delivery.

Formal organizational structures, however, have not yet fully reflected this shift. 64% of GCC site leaders now hold dual mandates, combining global functional ownership with site leadership responsibilities, including cybersecurity and AI governance. But reporting lines and titles have not uniformly caught up with the operational reality. The gap is explicit: authority is moving to India, but many global parent companies still operate with legacy organizational charts.

Products and approaches developed for the Indian context are increasingly being adopted by global markets. This "reverse innovation" is now documented across multiple sectors:

Company	Innovation Born in India	Global Adoption
GE	Low-cost portable ECGs	Cardiac diagnostics adopted in emerging markets worldwide
Walmart	AI-driven solutions for kirana stores	Retail modernization beyond India
Unilever	Mobile-first consumer intelligence	Real-time insights using Indian digital behaviors
Microsoft	Low-bandwidth AI experiences	Optimized for infrastructure-constrained markets



Where GCC GROWTH IS ACCELERATING *in* 2026

The Established Metro Hubs

Bengaluru

holds about 29 percent of India's GCC ecosystem and 34 to 39 percent of GCC units. Major operators include Goldman Sachs, J.P. Morgan, Microsoft, Amazon, Zeiss, and Rolls-Royce.

Hyderabad's

share has increased from 12 percent to 14 percent. The city has a strong presence in ER and D, semiconductors, and product engineering. Microsoft's India Development Center started here. Vanguard's GCC is expected to become its largest technology center.

Pune

has more than 360 GCCs focused on ER and D, industrial software, and automotive technology. Key operators include Eaton, Mercedes-Benz Tech, BMW, Microsoft, and Kimberly-Clark. The city is projected to exceed 500 GCCs by 2030.

34-39 %

BENGALURU
SHARE OF GCC UNITS

14 %

HYDERABAD
GROWING FROM 12% SHARE

360 +

PUNE GCCs
PROJECTED 500+ BY 2030



The Tier-2 City Expansion

India's GCC growth is no longer confined to six metros. Tier-2 cities are emerging as the next frontier, driven by rising metro costs, talent saturation, and proactive state policies. The Tier-2 share of India's GCC footprint has risen from 5% in 2019 to 7% in 2025, with projections of 30–40% by 2028.

25 %

LOWER OPERATING COSTS VS TIER-1 METROS

20-30 %

LOWER ATTRITION RATES VS TIER - 1 METROS

2 X

NEW GCCs PER WEEK IN TIER-2 CITIES (2025)

Notable Developments

GIFT CITY

Ahmedabad

GIFT City corridor, industrial ecosystem, and fast-emerging tech hub.

1000 CR INVEST

Indore

Panchshil Realty investing 1000 crore for 1M sq ft IT park targeting GCCs.

FASTEST GROWTH

Coimbatore

Engineering excellence
20% faster GCC growth rate than metro average.

50K JOBS

Kochi

Kerala's infopark phase 3 targeting 50,000 new jobs and digital infra push.

100% STAMP RELIEF

Jaipur

RIICO incentives include 100% net stamp duty relief for eligible investors.

EMERGING HUB

Mangaluru

Strong finance, healthcare, and engineering graduate base with lower hiring density.

SEMI-CONDUCTOR R&D

Vadodara

Engineering excellence
20% faster GCC growth rate than metro average.

FINTECH + CLOUD

Warangal

Expanding in digital engineering, cloud platforms, and fintech technologies.

Growth Metrics and Projections

- **Share of emerging enterprise GCCs:** Non-metro cities already account for roughly 14% of emerging enterprise GCCs, and that share is growing 20% faster than metro hubs.
- **Office absorption growth:** Tier-2 cities saw their highest growth in GCC office absorption at 7-8% in the last year.
- **Projected new GCC setups:** Projected to rise from 160 in 2023 to 250+ in 2025.



CLOSING PERSPECTIVE

India's GCC ecosystem in FY2026 stands at 2,100+ centers, 2.4 million professionals, and USD 98.5 billion in revenue. 50% of work is now classified as expertise and frontier work.

The regulatory environment has moved from policy to enforcement. The DPDP compliance deadline is May 2027. The Data Protection Board is being operationalized, with the first rulings expected before year-end. The Union Budget 2026 has set a uniform safe harbor margin of 15.5% across all IT services.

The structural gap remains. 64% of GCC site leaders hold dual mandates. Reporting lines at parent organizations have not kept pace. That gap carries retention and governance risk.

Key priorities for GCC leaders:

One, track DPDP enforcement deadlines. Organizations that have not begun compliance audits are behind schedule.

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Second, reassess location strategy. Tier-2 cities are growing 20% faster than metro hubs at 10 to 35% lower operating costs.

Three, formalize authority structures. Where site leaders hold global mandates, titles and reporting lines should reflect them.

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Inductus **GCC** Service Models

India's Leading GCC Enabler

BOT (Build-Operate-Transfer)

A structured pathway to establishing your GCC with minimized risk and maximum efficiency. We **build** and **operationalize** your center, ensuring seamless performance before **transferring full ownership** to you—equipping your business with a **mature, self-sustaining capability**.

COPO (Company-Owned, Partner-Operated)

Maintain **full ownership** while leveraging Inductus' operational expertise. This model enables you to establish a GCC with **absolute control over intellectual assets (IP), agility, and scalability** while we manage day-to-day operations, **ensuring zero liability, compliance, and maximum efficiency**.

Additionally, a **Zero Capex Model** with **Digital Twin** or a **Mirror Like Operational Structure** with superior process excellence.

FLEXI (Adaptive & Custom GCC Solutions)

Beyond predefined structures, **Flexi** is a **bespoke model offering absolute customization and adaptability**.

It molds itself around your unique business prerequisites, evolving seamlessly with your vision. **This isn't just a service—it's an agile, high-impact partnership crafted to maximize your success.**

Proud recipient of **Times Power Icons Award**
for being one of the **Leading GCC Enabler of India**

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THE TIMES OF INDIA



Inductus ensures that each model is executed with precision, innovation, and strategic foresight—helping you unlock the full potential of your GCC in India.

Our deep expertise in GCCs, coupled with a strong network of industry partnerships and policy-level advisory, positions us as a trusted partner for driving transformational outcomes.

Certificate of Excellence for Consulting & Advisory Services
by **Chicago Open University USA**





COPPO & Digital Twin Integrated Service Model

A study based proposition to build a global standard GCC mechanism for Large & Mid-sized Corporations



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"In a world full of rapid tech & process disruptions, global corporations that invest in innovation-led R&D don't just survive—they lead. Innovation is the key to staying relevant, cost-competitive, and future-ready in an ever-evolving marketplace..."

— Alouk Kumar - CEO, Inductus —

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Inductus GCC's Digital Twin and COPPO (Company-Owned, Partner-Operated) Service Model creates a seamless, future-ready operational framework for global businesses setting up GCCs in India. The Digital Twin Process ensures real-time collaboration, decision-making, and operational efficiency by replicating physical systems in a virtual environment, enabling synchronized execution across multiple time zones. Meanwhile, the COPPO Model allows MNCs to retain full ownership and strategic control while leveraging Inductus' expertise for execution, compliance, and scalability.

This hybrid approach optimizes costs, mitigates risks, and accelerates GCC growth, ensuring innovation-driven operations with minimal liabilities and maximum efficiency.

Designed to be Different.

