



SETTING UP YOUR GLOBAL CAPABILITY CENTRE IN INDIA – KEY LEGAL CONSIDERATIONS

I. EXECUTIVE SUMMARY

A. Introduction to Global Capability Centres

- A Global Capability Centre (“GCC”) refers to a wholly owned or controlled offshore unit established by a multinational enterprise to perform strategic, operational, technological, or support functions for the global operations of its parent enterprise.
- Multinational enterprises establish GCCs to centralise key functions like technology, research and development (“R&D”), analytics, finance, and operations to offshore entities to reduce costs, access skilled talent, scale operations, and support global innovation and digital transformation.
- Indian regulatory authorities recognise these structures within the Foreign Exchange Management Act, 1999 (“FEMA”) framework and related regulations governing cross-border service transactions. Additionally, the Department for Promotion of Industry and Internal Trade and Ministry of Electronics and Information Technology describe GCCs in policy discussions as captive centres established by multinational corporations to undertake technology development, research, analytics, finance, engineering, and other enterprise functions for global operations from India.

B. Indian demographic landscape and GCCs

- India is widely recognised as the largest and most mature GCC ecosystem globally. According to industry estimates by the National Association of Software and Service Companies (“NASSCOM”) and Zinnov¹, India hosts 1,700+ GCCs, employing over 1.9 million professionals, with annual revenue contributions estimated at USD 60 billion. Over one third of the Fortune 500 companies have established GCCs in India. India accounts for a dominant share of the world’s GCC base across sectors such as technology and software, banking and financial services, healthcare, automotive and engineering, retail, and e-commerce.
- Major GCC clusters include Bengaluru, Mumbai, Hyderabad, Pune, Chennai, and Gurugram, each supported by strong infrastructure and technology ecosystems, research institutions, and state-level policy incentives. India provides multinational enterprises access to one of the world’s largest and most advanced talent ecosystems, enabling high-end capabilities in digital engineering, artificial intelligence, financial analytics, cybersecurity, product development, while offering 30–60% cost efficiencies and mature innovation hubs like Bengaluru and Hyderabad that position India as a strategic centre for global digital transformation.

¹ India GCC landscape report – the 5-year journey NASSCOM/Zinnov. Available at: <https://nasscom.in/knowledge-center/publications/india-gcc-landscape-report-5-year-journey>