Decoding
GLOBAL CAPABILITY CENTER (GCC) & Subsidies for setting up GCC in Maharashtra

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Agenda :

- Evolving services trends

- Let's decode GCC

- **GCCs – Strategic hubs for ?**

- Why `Maharashtra'?

- GCC Policy Details

- Opportunities / Practical aspects for SMP CAs

- Q & A

Evolving Service trends :

- Captive BPOs : Backend office of MNCs in India
- Cost Arbitrage : "Do it cheaper" (Data entry, basic payroll).
- Skill Arbitrage : "Do it better" (Software maintenance, financial reporting).
- Innovation : "Create new value" (R&D, Product design)
- Transformation : "Drive the business." (Global decision making hubs, AI/ML, Center of Excellence)

GCCs – Strategic hubs for ?

- Data engineering & AI
- Cybersecurity
- Cloud & infrastructure
- Global finance operations
- Risk & regulatory operations
- Supply chain & procurement
- Digital transformation
- Product development & R&D

Hub - Data engineering & AI :

- Generative AI & LLM Center of Excellence (CoE)
- Algorithmic Forensics & Fraud Prevention
- Privacy-First Data Architecture (DPDP Act Compliance)
- Industrial Digital Twins & IoT Analytics
- Intelligent Data Fabric & Cloud Migration
- Automated Regulatory & ESG Reporting:
- Cyber-Resilience & Threat Intelligence Hub
- Global Model Governance & Auditing

Hub – Cyber Security :

- Next-Gen Global Security Operations Center (GSOC)
- Digital Forensics & Incident Response (DFIR) Hub
- Industrial OT & IoT Security Command
- Automated GRC (Governance, Risk & Compliance)
- Zero Trust Architecture & IAM Modernization
- DevSecOps & Application Security Centre
- Cloud Security Posture Management
- Threat Hunting & Red Teaming Lab

Hub – Cloud & Infrastructure :

- **Cloud Center of Excellence (CCoE) & Governance**
- **Enterprise FinOps (Cloud Financial Operations)**
- **Site Reliability Engineering & Observability Command**
- **Platform Engineering & Internal Developer Platforms**
- **Infrastructure as Code (IaC) Automation Factory**
- **Legacy Modernization & Cloud-Native Transformation**
- **Green Cloud & Sustainable Computing**
- **Hybrid & Multi-Cloud Orchestration**

Hub – Global Finance Operations :

- **Advanced Financial Planning & Analysis (FP&A) Hub**
- **Global Treasury & Liquidity Management**
- **International Tax & Transfer Pricing CoE**
- **Finance Transformation Office (FTO)**
- **Integrated Governance, Risk & Compliance (GRC)**
- **Forensic Accounting & Fraud Analytics Command**
- **Commercial Finance & Deal Desk**
- **ESG Finance & Sustainability Reporting**

Hub – Risk & Regulatory Operations :

- Global Regulatory Reporting (Basel IV / Dodd-Frank)
- Financial Crime Compliance (FCC) & AML Hub
- Model Risk Management (MRM) & Validation
- Data Privacy Office & Cross-Border Compliance
- Trade Surveillance & Market Abuse Detection
- Third-Party Risk Management (TPRM) Command
- Operational Risk & Control (RCSA) Center
- Regulatory Change Management (Horizon Scanning)

Hub – Supply Chain & Procurement :

- **Global Logistics Control Tower**
- **Strategic Sourcing & Category Management Hub**
- **AI-Driven Spend Analytics & Cost Optimization**
- **Vendor Risk Management & Third-Party Diligence**
- **Sustainable Procurement (Scope 3 Emissions) Center**
- **Digital Twin of Supply Chain**
- **Freight Audit & Payment (FAP) Factory**
- **Inventory Center of Excellence (Plan & Optimize)**

Hub – Digital Transformation :

- Legacy Modernization & "Strangler Fig" Engineering
- Hyperautomation Center of Excellence (CoE)
- Digital Product Engineering - The Super App Factory
- API Economy & Integration Strategy Hub
- Omnichannel Customer Experience (CX) Command
- Enterprise Blockchain & Web3 Lab
- Data Monetization & "Data-as-a-Product"
- Agile Transformation & DevOps Office

Hub – Product Development & R&D :

- End-to-End Product Ownership (Concept to Launch)
- "SaaS-ification" & Cloud-Native Re-platforming
- Frugal Innovation & "Emerging Market" Hub
- Embedded Systems & IoT Engineering
- AI-Infused Product Roadmap (GenAI Integration)
- Intellectual Property (IP) & Patent Factory
- Digital Twin & Simulation Labs
- Secure-by-Design & Quality Engineering

Strategic Partnerships ahead ?

Service Bucket	Examples
Compliance & Governance	Statutory audit, GST, TDS, TP, payroll compliance
Internal Controls & Internal Financial Controls	Process mapping, testing, documentation
Risk Advisory	System & Organization Control audits, cloud & IT governance
Finance Shared Services Review	A/c. Payables - A/c. Receivables analytics, reconciliations, process optimization
Startup Support	Entity setup, registrations, policy drafting, fund raising, incentives

Now, why `Maharashtra'?

- Economic Powerhouse : Highest contributor to India's GDP. Mumbai - Financial capital of nation.
- Dual-Engine Ecosystem : Unique blend of strong IT and deep manufacturing sectors.
- ER&D Potential : Ideal for Engineering R&D where software meets hardware (Auto, Defence).
- Talent Depth : Access to massive talent pools in Mumbai, Pune, Nashik, Nagpur & Tier II & III cities.
- Connectivity : Robust international air and port connectivity.

GCC Policy Highlights :

- GCC Policy launched vide a G. R. Dt. 03.11.2025
- Validity : Up to 31.03.2030)
- Base : IT & ITeS Policy & PSI-2019 Policy
- Priority Sectors - Aerospace & Defence, Agro & Food Processing, Gems & Jewellery, Logistics, Metals & Mining, Pharmaceuticals & Chemicals, Renewable & Green Energy, Textiles & Apparel, IT/ITeS & Automotive & Automobile, Media & Entertainment, ESDM etc.
- Infra - GCC Parks, Cluster Development, Start-ups

Eligible Unit - criteria :

Permitted service recipients	Excluded Category
Overseas parent company	BPO units
Overseas group companies / affiliates	Call centres (serving own-or-third party clients)
Indian parent company	Units serving third-party customers
Indian or overseas branches of the same group	Units engaged in sale / marketing / distribution of software or tools

- Rationale: Incentivize high-value creation over volume-based commodity services.

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Eligible Unit - Points to note :

- Eligible GCC units are CAPTIVE centres set up by MNCs or Indian global companies which :
  - ➢ are wholly owned and controlled by the parent entity &
  - ➢ provide services ONLY to the parent company or its global affiliates
- The unit must be engaged in servicing its parent / group entities, not the open market.
- KPO is NOT eligible if it services unrelated third-party customers.

Fixed Capital Investment :

- Two Approaches : Own campus creation (Assets-heavy) / Asset-light operations (Leased premises).
- FCI Inclusions: Building, hardware, servers, networking, and R&D equipment.
- Retrofitting: 50% of costs for retrofitting existing premises is now eligible.
- Exclusion: Employee costs are *not* part of FCI (covered separately).
- Impact: Supports "plug-and-play" office setups common in GCCs.

Strategic Geography – Zones :

- Simplified Zoning: Complex tiers replaced by a binary Zone I / Zone II model.
- Zone I (Metro): Mumbai (MMR) and Pune (PMR) regions.
- Zone II (Growth): All areas outside MMR and PMR (Nagpur, Nashik, etc.).
- Zone I Focus: High-end HQs and specialized R&D requiring top-tier urban talent.
- Zone II Focus: Decongestion and developing Tier-2 cities as new hubs.

GCC Classification Matrix :

GCC Classification	Fixed Capital Investment Criteria	No. of Employees Recruited
Small	₹ 50 crores - ₹ 100 crores	100-250
Medium	₹ 100 crores - ₹ 250 crores	250-500
Large	₹ 250 crores - ₹ 500 crores	500-750
Mega	₹ 500 crores - ₹ 750 crores	750-1000
Ultra Mega	> ₹ 750 crores	> 1000

- Minimum Direct Employment – to be achieved in 2 years from the date of commencement of commercial activity.
- Projects based on employment criteria shall be required to maintain the qualifying direct employment (on the roll and in premises of the eligible Unit) throughout the year.
- Withdrawals of benefits availed on breach of conditions.

Fiscal Architecture Overview :

- **Dual-Track Model :** Supports both Infrastructure (Capex) and Talent (Opex).
- **Primary Choice :** Units must choose between Capital Subsidy OR Rental Assistance.
- **Talent Support :** Payroll subsidy is available regardless of the primary choice.
- **Goal :** Flexibility to support both "Build-to-Suit" & "Leasing" strategies.
- **Result :** Lowers Total Cost of Ownership (TCO) significantly.

Incentive A : Capital Subsidy :

- Target Audience: Units owning premises or investing heavily in equipment.

GCC Classification	Fixed Capital Investment Criteria	No. of Employees Recruited	Capital subsidy @ 20% of FCI – Subject to
Small	₹ 50 Cr. - ₹ 100 Cr.	100-250	Max. ₹ 10 Cr.
Medium	₹ 100 Cr. - ₹ 250 Cr.	250-500	Max. ₹ 20 Cr.
Large	₹ 250 Cr. - ₹ 500 Cr.	500-750	Max. ₹ 50 Cr.
Mega	₹ 500 Cr. - ₹ 750 Cr.	750-1000	Max. ₹ 100 Cr.
Ultra Mega	> ₹ 750 Cr.	> 1000	Customized

- Disbursement: Paid in 5 equal annual installment.

Incentive B : Rental Assistance :

- Target : Asset-light Units (Leased office space.)

GCC Classification	Zone I – **10%** of Actual Rent/ Ready Reckoner Rate (Cap)	Zone II – **20%** of Actual Rent/ Ready Reckoner Rate (Cap)
Small	Up to ₹ 1 crore	Up to ₹ 1 crore
Medium	Up to ₹ 2 crore	Up to ₹ 2 crore
Large	Up to ₹ 3 crore	Up to ₹ 3 crore
Mega & Ultra Mega	Up to ₹ 4 crore	Up to ₹ 4 crore

- Eligibility : Available for new units only for a duration of 5 years.

- Suitable : Units in expensive area (BKC/Hinjewadi)

Interest, ED & Power Tariff :

- Interest subsidy : For Zone II Units only

Unit to pay	Govt. to subsidize	Maximum Period	Maximum Ceiling
Maximum 5% interest	Balance interest (Maximum interest rate @ 10%)	5 Years	₹ 5.00 Cr./p. a. ₹ 25.00 Cr./GCC

- Electricity Duty : All units – 10 years – No ceiling
- Power Tariff Subsidy :

Zone	Maximum for	Subsidy @	Maximum per GCC
Zone I	5 Years	₹ 1 per electricity unit	₹ 20.00 Lakhs
Zone II	5 Years	₹ 2 per electricity unit	₹ 20.00 Lakhs

Patent & R&D related Subsidy :

- ## Patent subsidy : For domestic / overseas filing :

Domestic / Overseas	Maximum filing fee reimbursement	Maximum Benefit / GCC	Main Conditions
Domestic	50% of expenses – maximum ₹ 5 Lakhs	₹ 50.00 Lakhs	Patent to be filed in Maharashtra
International	50% of expenses – maximum ₹ 10 Lakhs	₹ 50.00 Lakhs	Indian Company owned by Indians

- ## R & D Subsidy :

Main Condition	Incentive / p. a.	Total Incentive	Additional
Minimum 2% of FCI must be allocated to R&D	25% of R&D Exps. Reimbursement – Maximum ₹ 50 Lakhs	Maximum benefit ₹ 2.00 Cr. In maximum span of 4 years	GCC collaborate Maharashtra universities – addi. 10% subsidy

Game Changer : Payroll Subsidy:

- Innovation: Direct subsidy on high-value talent costs (OPEX).
- Eligibility: Employees with salary component >₹ 1.00 Lakh per month.
- Zone I Benefit : 40% reimbursement of salary component above ₹1 Lakh.
- Zone II Benefit : 50% reimbursement of salary component above ₹ 1 Lakh.
- Cap: Max ₹50,000 per employee/month; Max ₹5.00 Cr. per unit/year.

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Payroll subsidy & its impact :

- Retention Tool: Disbursements staggered over 3 years to ensure employee retention.
- Cost Arbitrage: Reduces cost of senior talent, making Tier-2 cities viable.
- Coverage: Covers up to 100 employees per unit per year.
- Focus: Subsidizes quality (high salaries) rather than quantity (entry-level).
- Duration: Support available for 3 years per eligible employee.

Diversity & Inclusion Bonus :

- Objective: Encourage gender diversity and inclusive hiring.
- Criteria: Workforce must comprise at least 50% women or Persons with disabilities (PwD).
- Additional 10% on the base payroll subsidy rate with minimum 50% women / PwD staff.
- Monthly per-employee cap increases to ₹ 60,000 with minimum 50% women / PwD staff.
- Social Impact: Increases female labour force participation in tech.

GCC & Real Estate Scope :

Feature	Benefit for Developer	CA / Strategic Advisory Angle
Private IT Park Status	Up to 100% Extra FSI	Valuation of the project doubles; lowers per-sq-ft construction cost.
Stamp Duty	50% - 100% Waiver	Direct reduction in project acquisition cost.
Green Buildings	Rental Premium & Priority Approval	Essential for attracting Fortune 500 GCCs with Net-Zero goals.
Emerging Zones	Marketing Leverage	Use the tenant's high fiscal incentives (PSI Zone C/D) as a USP to lease the building.

Innovation Clusters - GCC Parks :

- Model: Public-Private Partnership (PPP) development.

- Features: Plug-and-play infrastructure and smart building management.

- Amenities: Integrated childcare, retail, and transit.

- Speed: Reduces setup time from months to weeks.

- Location: Strategic placement near talent hubs.

Special : Global MedTech Zone

- Location: Auric Smart City, Bidkin (near Chhatrapati Sambhajinagar).
- Focus: Medical device manufacturing and digital health R&D.
- Advantage: Leveraging DMIC industrial corridor infrastructure.
- Synergy: Connects manufacturing heritage with Pune's R&D capabilities.
- Goal: A world-class hub for the MedTech GCC ecosystem.

Innovation City, Navi Mumbai

- Scale: Massive ~300-acre greenfield project.
- Vision: Rival global hubs like GIFT City and Silicon Valley parks.
- Ecosystem: Convergence of deep-tech startups, GCCs, and academia.
- Connectivity: Proximity to the new Navi Mumbai International Airport.
- Design: Walk-to-work culture and sustainable urban design.

Capability Gaps of CA Firms :

Capability	Why It Matters
Technology-enabled audit tools	GCCs expect data-driven assurance
Transfer Pricing specialization	Mandatory for cross-border GCC transactions
Cybersecurity & Forensics competency	GCCs run large digital operations
Internal Financial Control and process audit skills	GCCs require strong SOX/controls environments
Sector-specific expertise	Enhances credibility in BFSI, Auto, Pharma, Retail, Hospitality etc.

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In nutshell ?

- GCCs are no longer IT-only.
- Every industry is setting up operations.
- Each sector introduces new compliance, audit & advisory needs.
- Capability building in TP, cybersecurity, Internal Financial Controls (IFC), data privacy compliance, data analytics will be key differentiators.
- Maharashtra, with its rich demographic dividend & talent pool, leads as an attractive GCC destination.
- Cherry on the cake is Capex & Opex incentives offered by Govt. of Maharashtra to upcoming GCCs.

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