



GOVERNMENT OF
KARNATAKA

Dept. of E, IT & Bt



Karnataka Digital
Economy Mission

The GCC Opportunity

India · Karnataka · The Next Strategic Move

Presented by Karnataka Digital Economy Mission (KDEM)

What is a Global Capability Centre?

Not an offshore unit. Not a vendor. A wholly-owned strategic extension of your headquarters.

G GLOBAL

Your company's operations, talent, and innovation — delivered from India at global standards. Serving every geography from a single, strategically located hub.

C CAPABILITY

Deep domain expertise across engineering, space tech, AI, product development, cybersecurity, and deep tech R&D. India's talent pool makes capability-building faster, deeper, and more cost-effective than anywhere else.

C CENTRE

A wholly-owned, fully controlled entity — your company's DNA, your IP, your people. Supported by government policy, world-class infrastructure, and a proven establishment ecosystem.

A GCC is not outsourcing. It is ownership.

Evolution of Forbes Global 2000 GCCs in India



From Cost Arbitrage to Innovation Engine

India's GCC ecosystem has undergone three defining transformations.

ERA 1 · Pre-2005

The Cost Play

BPO, IT support, back-office. Low value, high volume.

ERA 2 · 2005–2015

The Capability Build

Product engineering, R&D, delivery excellence. India owns processes.

ERA 3 · 2015–Present

The Innovation Era

AI/ML, product ownership, IP creation. India shapes global strategy.

3,728

GCC units in India (FY26)

98.4 Bn

USD — GCC Revenue (FY26E)

2.36 Mn

Professionals Employed (FY26)

Global Validation — The World Already Voted

Over 2,100 multinational corporations have established GCCs in India. The IT sector leads.

3,728

GCC units in India (FY26E)

506

Forbes G2000 companies with India GCCs — >25% of the G2000

USD 98.4 Bn

Annual GCC Revenue

100+

New GCCs added in FY26 alone

Microsoft IDC, Bengaluru

Core engineering for Azure, Office 365, and Dynamics 365. One of Microsoft's largest R&D operations outside the US.

SAP Labs India

Built Joule, SAP's GenAI copilot across the global cloud suite. Powers 90%+ of SAP's global solutions.

Rolls-Royce, Bengaluru

The company's single largest tech hub globally. Leads aerospace engineering and digital twin development.

Walmart Global Tech

Built AI inventory forecasting deployed globally. Outcome: 12% reduction in operating costs.

Americas-origin GCCs account for 63% of India's GCC landscape. EMEA representation is the fastest-growing segment.

The Talent Advantage — Depth, Not Just Numbers

India has built the world's second-largest pool of enterprise technology talent.

INDIA

2.36 Mn

GCC professionals in India — growing at 6.2% CAGR

~28%

Of global GCC AI talent — 2nd only to the United States

250,000+

AI/ML professionals in India GCCs

1,200+

India GCCs with AI/ML capabilities

#1

AI hiring intensity among GCC markets globally

KARNATAKA / BENGALURU

1 Mn+

Tech workforce in Bengaluru — largest of any city globally

50%

Of India's AI/ML talent pool is based in Karnataka

34%

Of India's installed GCC talent is in Bengaluru

37% / 44%

Of India's senior / mid-level IT talent

48%

Of Bengaluru's GCC talent in high-end ER&D — highest among GCC hubs

Bengaluru is the world's 2nd largest AI talent hub. For an IT company, this is not a support destination — it is a capability multiplier.

#1

21+

21,000+

~40%

AI / ML

Cybersecurity

Semiconductor Design

Quantum Computing

FinTech

IoT & Robotics

AVGC / XR

AgriTech

Space Tech

5G & NextGen Comms

Patent Leadership

Bengaluru #1 in India — 503 CS patents, 473 Electronics, 441 Communication. Patent score 9/10 globally — on par with Silicon Valley and Tokyo (2020–2023).

CoE Output

1,000+ startups supported across CoEs · 225+ patents filed · USD 2B+ portfolio valuation (BBC alone). Spanning AI, Quantum, Cybersecurity, Semiconductor & FinTech.



Bengaluru #14 globally in Startup Ecosystem (GSER 2025, up from #21) · #5 unicorn hub in the world · 6 years to unicorn — fastest globally.

Empowered via cutting-edge CoEs



ML & Robotics



Internet of
Things



AVGC



Cybersecurity



Bio-innovation



Quantum
Research



Design



Efficiency
Augmentation



Fintech



Semiconductors



Marine Tech



Agri-Innovation



A non-profit by IISc, is driving AI and Robotics in India, having funded 12 startups and accelerated 20 more, transforming the nation's AI scene⁸



International
Institute of Information
Technology Bangalore

The Machine Intelligence and Robotics Center strives to be India's premier hub for research and innovation in AI and robotics, focusing on real-world applications.



SFAL supports fabless startups across India, fostering product and IP development, with over 86 companies backed.⁹



CeNSE hosts the National Nano-fabrication Centre and offers interdisciplinary research and training to IISc, India's top-ranked university by NIRF.



This centre advances life science innovation by collaborating with bio-techs and academia to translate research into real-world solutions.



C-CAMP drives bioscience innovation by offering research, training, and advanced tech services to startups.

Built Here. Used Globally.

These are not support centres. These are innovation engines whose output runs the world.

SAP Labs India — Bengaluru

Built Joule, a GenAI copilot now embedded across SAP's entire global cloud suite. The Bengaluru centre powers 90%+ of SAP's global solutions — SAP's largest R&D hub outside Germany.

Microsoft IDC — Bengaluru

Core engineering contributor to Azure, Office 365, and Dynamics 365 — three of Microsoft's most revenue-critical platforms. One of Microsoft's largest R&D operations outside the US.

Walmart Global Tech — Bengaluru

Developed AI-driven inventory forecasting and personalisation systems deployed across Walmart's global retail network. Outcome: 12% reduction in operating costs.

JPMorgan Chase — Bengaluru

Built a real-time credit risk engine used in global capital markets operations. Approximately one-fifth of JPMorgan's global workforce is based in India.

Mercedes-Benz R&D India — Bengaluru

Bengaluru is Mercedes-Benz's largest R&D facility outside Germany. Developed AI for predictive vehicle paint optimisation and emotion-sensitive in-car AI assistants.

Rolls-Royce — Bengaluru

The Bengaluru Global Capability & Innovation Centre is Rolls-Royce's single largest tech hub globally — leading aerospace engineering, digital twin development, and enterprise technology.

Bengaluru — Engineered for Global Operations

The physical, digital, and talent infrastructure for a world-class GCC is already here.

REAL ESTATE

- 200+ mn sq ft Grade A office space in Bengaluru — growing 1.5x by 2030
- GCCs account for ~40% of India's office leasing over the last decade
- Bengaluru leads India's GCC leasing: 44% share (Q1 2026, CBRE)
- India office leasing hit record 82.6 mn sq ft in 2025 — GCCs ~40 % of total absorption
- Office rent = 1/3rd the cost of Beijing

CONNECTIVITY

- Kempegowda International Airport — 3rd largest in India; direct links to major global hubs
- 14 National Highways; 2nd highest road density in India
- AWS, Azure, and GCP all have cloud availability zones anchored to Bengaluru region
- 6 airports across Karnataka; 9 minor ports + Mangalore Port

TALENT COST

- Median software engineer salary: USD 12,000 per year
- Most affordable major global tech hub for cost of living and office rent
- House price-to-income ratio: 9.5 years — most affordable among global startup ecosystems
- 65,000+ IT companies and 350+ chip design firms based in Bengaluru

ECOSYSTEM

- Karnataka attracted USD 51.03 Bn in FDI (2019–2024)
- Bengaluru GDP CAGR: 8.5% — projected fastest-growing city globally (next 15 years)
- 15+ Consulate General offices and international trade bodies
- Karnataka: 42% of India's software/IT exports · 65% of aerospace exports

Policy Certainty — Built for the Long Term

Karnataka's GCC Policy 2024–2029 and Union Budget reforms provide a stable, incentive-rich foundation.

KARNATAKA GCC POLICY 2024–2029

TALENT

Skilling reimbursement (INR 36,000/graduate) · 1 lakh student internships · Global Leadership Development Program · Academia-GCC matchmaking platform

ECOSYSTEM

21+ CoEs for collaboration · GCC Immersive Hubs (PPP) · Startup co-innovation access to GCC labs

INFRASTRUCTURE & INCENTIVES

Rental reimbursement (Beyond Bengaluru) · EPF reimbursement (2 yr) · Electricity duty exemption (5 yr) · Internet reimbursement (3 yr) · Nano GCC support (5–50 employees)

REGULATORY EASING

45-day fast-track approvals · Single window system (built with Microsoft) · Dedicated SPOC per GCC · Patent fee reimbursement · Right of Way: 30 working days

SAFE HARBOUR & UNION BUDGET

UNIFIED MARGIN

Safe Harbour margin unified at 15.5% — replacing the earlier 17–24% range. Reduced tax burden, enhanced certainty.

THRESHOLD ENHANCED

Turnover threshold raised from ~USD 30 Mn to USD 200 Mn — automated approvals valid for 5 years.

IT SERVICES CONSOLIDATION

Reduced classification ambiguity → faster resolution of disputes and litigation.

UNILATERAL APA FAST-TRACKING

Advance Pricing Agreement completion in 2 years (extendable 6 months). Transfer pricing certainty from day one.

For an IT company establishing a GCC, Safe Harbour removes transfer pricing uncertainty — locking in tax treatment for 5 years from inception.

What This Means for Your Business

For a global IT company, a Karnataka GCC is not a cost play. It is an accelerator.

01

ENGINEERING VELOCITY

Access 2.5 million tech professionals in one city. Reduce time-to-market on product and platform initiatives. 48% of Bengaluru's GCC talent already works in ER&D roles.

02

AI CAPABILITY BUILDING

Karnataka hosts 250,000+ AI/ML GCC professionals and 1,200+ GCCs with AI capabilities. Plug into 20 CoEs for co-innovation. India is #1 globally in AI hiring intensity.

03

COST-QUALITY ARBITRAGE

Median software engineer cost: USD 12,000/yr vs USD 120,000+ in the US. World's most affordable top-tier office rental — without compromising on output quality.

04

INNOVATION OWNERSHIP

Move from vendor dependency to internal IP creation. 27% of new GCCs reach Portfolio stage within 5 years. Karnataka reimburses patent filing and funds joint R&D with academia.

The question is no longer whether to establish a GCC in India. It is whether your organisation can afford not to.

KDEM — Your Establishment Partner

Karnataka Digital Economy Mission facilitates. It does not solicit.

Single Point of Contact

Dedicated SPOC assigned to each GCC from day one — across all government departments.

45-Day Fast-Track Approvals

All operational clearances through the online single window system — built in partnership with Microsoft.

Policy Navigation

Guidance on incentives, Safe Harbour, regulatory compliance, and transfer pricing from day one.

Ecosystem Connections

Linkages to GCC Task Group, IISc, IIM Bangalore, NASSCOM, 21+ CoEs, and Bengaluru's startup network.

Real Estate Support

Connect and access Grade A commercial space across Karnataka, including beyond Bengaluru.

NEXUS

Facilitates a plug-and-play entry point for companies establishing their first India GCC.

- Managed operations & ready infrastructure
- Community of established GCCs

Karnataka's GCC ecosystem is among the most developed in the world. KDEM's mandate is to ensure that any company choosing to establish here does so efficiently, with full policy support and ecosystem access.

We welcome the opportunity to facilitate the next step in this conversation.