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Setting Up a Global Capability Centre in India

A decision guide for UK, US and global companies building their
own team in India

Key points

- 1 A GCC is your own company in India, doing work for your group worldwide. 2,117 already operate there, including 583 run by mid-sized companies.
- 2 Owning the entity usually pays off from about **15 to 25 people**. Below that, an employer of record or Build-Operate-Transfer partner is often cheaper.
- 3 A 100-person centre costs about **₹31.6 crore (US\$3.3 million) a year** to run; senior engineers cost 60–80% less than in the US.
- 4 The Indian company pays about 25.17% tax on a small agreed margin. From 2026–27, IT centres can lock in a **15.5% safe-harbour margin** for five years.
- 5 About 5 months to a first working team, and about 12 months to reach 100 people.

Who this guide is for

CEOs, CFOs, CTOs and boards of UK, US, European and other companies, including mid-sized and private-equity-backed firms, that need 20 or more technology, data, finance or operations people for the long term and are weighing an Indian centre against hiring at home, outsourcing or a partner model.

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Fast . Sharp . Precise

Cross-border structuring, tax and compliance for founders, family businesses and CFOs, from the first decision to a running operation.

1. The short answer

A Global Capability Centre (GCC) is your own team in India, doing work for your company worldwide. It can run software engineering, data and AI, finance operations, cybersecurity or research. You own it, you direct it, and it reports into your leadership. It is not an outside vendor.

For a company that needs 20 or more technology, finance or operations people over the long term, India is usually the most cost-effective place to build that team. Here is what a decision-maker needs to know:

How big should it be?	Owning a company in India starts to make sense at about 15 to 25 people. Most centres start with 20 to 50 and grow.
What does it cost?	A 100-person team costs about ₹31.6 crore (US\$3.3 million) a year to run. Setup is a one-time ₹1.8 to 2.5 crore (US\$0.2 to 0.3 million).
How much do we save?	Senior engineers cost roughly 60% to 80% less than in the US. For a mixed team (engineers plus support staff), plan on 40% to 60%.
How fast?	About 5 months to a first working team. About 12 months to reach 100 people.
What tax do we pay?	The Indian company pays 25.17% tax under the 22% regime, but only on a small agreed margin (for example, 15.5% on top of its costs). Services billed to you carry no GST.
Can we take money out?	Yes. 100% foreign ownership is allowed without prior government approval for IT and related services, and profits can be paid out as dividends.
What are the main risks?	Tax disputes over pricing, rising salaries, staff turnover and data privacy rules. All are manageable when planned from the start (Section 11).

2. India at a glance

India is one of the largest and fastest-growing major economies, and it has become the world's main location for GCCs. You would not be a pioneer.

~US\$4tn Size of the economy <i>IMF, 2026</i>	7.7% Economic growth in FY2025–26 <i>MoSPI</i>	US\$421bn Record services exports in FY2025–26 <i>PIB</i>	90+ Tax treaties that prevent double taxation <i>Income Tax Department</i>
2,117 GCCs operating in India, FY2026 <i>Nasscom-Zinnov</i>	2.36m People employed in GCCs <i>Nasscom-Zinnov</i>	US\$98bn Annual revenue of the GCC sector <i>Nasscom-Zinnov</i>	~250,000 AI and machine-learning professionals <i>Nasscom</i>

What this means for you

The engineers, offices, banks and legal framework already exist at scale. **583 mid-sized companies and 504 private-equity-backed companies** already run centres in India (Nasscom-Zinnov, 2026). This is no longer a route only for the largest corporations.

3. Why do companies choose India?

- **Talent you can scale.** A large English-speaking pool of engineers, finance professionals and AI specialists. You can start with a 20-person team and grow to hundreds in the same city.
- **Lower cost for the same skills.** Compensation is a fraction of US or UK levels (Section 5). Savings can be reinvested in more hiring or better tools.
- **Speed.** A first team can be working in about 5 months. Hiring partners can start a pilot team in weeks.
- **More than cost savings.** Nearly half of India's centres are now strategic hubs that own global products, data platforms and decisions, rather than support work only.
- **Round-the-clock operations.** The time difference lets work continue while your home teams are offline.

4. Is India right for us?

A strong fit if...

- You need 20 or more people in technology, data, finance or engineering for years, not months.
- You struggle to hire or afford talent at home.
- You want to own your processes and intellectual property, not hand them to a vendor.
- Leadership will give the centre real responsibility, not only leftover tasks.

Think twice if...

- You need fewer than about 15 people or a short project. A hiring partner or Build-Operate-Transfer arrangement may suit better.
- Your work needs constant live overlap with US hours (India is 9.5 to 13.5 hours ahead of the US).
- Your management team cannot give the first year real attention.
- Your owners are from a country that shares a land border with India; investment then needs government approval.

5. What will it cost?

The example below is a fully owned centre of 100 people in Hyderabad: 1 site head, 5 managers and architects, 34 senior engineers, 40 mid-level engineers, 15 testing and cloud support staff, and 5 HR, finance and IT administrators. It is a planning model, not a quote. Your mix of roles will change the numbers.

Yearly running cost (full team)	₹ crore	US\$ million	Share
Salaries	24.18	2.52	76.5%
Employer contributions (provident fund, gratuity, health insurance)	2.90	0.30	9.2%
Managed office space (planning assumption ₹8,500 per seat per month)	1.02	0.11	3.2%
Laptops, software and security tools	1.50	0.16	4.7%
Recruitment fees	0.80	0.08	2.5%
Audit, tax and legal advice in India	0.40	0.04	1.3%
Training, travel and contingency	0.80	0.08	2.5%
Total yearly cost	31.60	3.29	100%

- **One-time setup:** ₹1.8 to 2.5 crore (US\$0.2 to 0.3 million) for company formation, equipment, office deposit, first recruiting and legal documents.
- **What the parent pays:** the India company bills you its cost plus a margin. At 15.5% that is ₹36.5 crore (US\$3.8 million) a year, or about US\$38,000 per person. India tax on the margin is about ₹1.23 crore (US\$0.13 million).
- **Watch the trend:** Indian salaries are rising about 9% to 10% a year, and AI and machine-learning roles command a clear premium. A weaker rupee lowers the dollar cost; pay rises work the other way.

What roles cost: India, US and UK

Role (mid to senior)	India GCC, 5–10 years	US median	UK median
Senior software engineer	₹26–48 lakh (US\$27,000–50,000)	US\$133,080 (all software developers)	£75,000
Senior data scientist	₹35–60 lakh (US\$36,000–63,000)	US\$112,590	£65,000
Data or AI/ML engineer	₹60–85 lakh (US\$63,000–89,000)	n/a	£71,000 (data engineering)
Cybersecurity	₹28–55 lakh (US\$29,000–57,000)	US\$124,910 (information security analysts)	£65,000

Sources: Taggd GCC Talent Lab 2026 and Kaam.work India Tech Salary Report 2026 (India, includes variable pay); US Bureau of Labor Statistics, May 2024 medians (base pay); ITJobsWatch advertised medians (UK). Ranges, not like-for-like; USD at about ₹96.

6. How do you enter? Three ways

	Own subsidiary	Build-Operate-Transfer (BOT)	Employer of record (EOR)
How it works	You form an Indian company you own 100%. You hire, direct and keep the IP.	A local partner builds and runs the centre, then hands the company over, usually after 18 to 36 months.	A partner employs people on your behalf. No company of your own.
Best size	20+ people, long term.	30 to 100 people, fast start.	Under 15, or a pilot.
Time to first hire	About 5 months.	Weeks (partner's entity).	Days to weeks.
Extra cost on top of payroll	Setup ₹1.8–2.5 crore; your own compliance.	Indicatively a setup fee, a 15–25% mark-up on team cost and a transfer fee.	Roughly US\$600–700 per person per month.
Control and IP	Full.	Partner-run until transfer.	Low; IP by contract only.
Watch out for	You carry set-up and compliance duties. This is where we help most.	Agree the handover price, staff and IP terms on day one.	Staff cannot directly receive parent shares as easily. Less control over data.

A quick break-even check

An employer of record for 20 people at about US\$600 per person per month costs about **US\$431,000 over three years** in fees alone. That is more than the one-time cost of setting up your own company (about US\$190,000–260,000) plus three years of compliance. This is why owning the entity usually pays off from about 15 to 25 people.

We do not recommend a branch office for a normal GCC. It creates a higher risk of the parent being taxed in India and has tighter RBI conditions.

7. Where should you set up?

City	Share of GCC activity	Best for	Other factors
Bengaluru	34–39%	Deep technology, AI, product engineering, senior leaders.	Most competition for talent; overall GCC attrition about 15%, 18–25% in AI and cloud roles. Prime rents about ₹100–165 per sq ft per month.
Hyderabad	20–23%	Fast-growing mid-sized centres, life sciences, data and AI.	Most new GCCs of any state in 2025–26. Rents average about ₹80 (₹75–115 in HITEC City).
Pune	15–20%	Automotive, engineering, manufacturing technology and finance.	Strong colleges and good retention. Maharashtra GCC subsidies.
Delhi NCR (Gurugram, Noida)	Large	Banking and financial services, risk, consulting, shared services.	Best airport links. New Haryana GCC Policy 2026 and Uttar Pradesh incentives.
Chennai	Large	Software products, deep technology, heavy engineering.	Lowest engineering attrition of the major cities (about 8%).
Smaller cities (Ahmedabad, Coimbatore, Jaipur, Vadodara)	Emerging	Standard operations, long-term retention.	10–35% cheaper overall. Smaller talent pool.

Sources: JLL (February 2026) for activity share and Tier-II savings; Knight Frank (Q2 2026) and press reports for rents; Zinnov (2026) for attrition.

8. Tax, money and law

Topic	What you need to know
Company tax	Companies that opt for the 22% regime pay 25.17% including surcharge and cess (section 200 of the Income-tax Act, 2025).
How the India centre is paid	It bills the parent its costs plus a margin, and tax officers check the margin is fair. Example: costs of ₹100 crore plus 15.5% means ₹115.5 crore billed, ₹15.5 crore profit, about ₹3.90 crore tax.
Safe harbour (certainty)	From tax year 2026–27, low-risk IT and IT-enabled service centres can use one fixed 15.5% margin on costs, for transactions up to ₹2,000 crore, locked in for 5 years. The trade-off: you give up treaty dispute relief (MAP) for those years. Large centres often move to an Advance Pricing Agreement (APA).
GST	Services billed to an overseas parent are exports and carry 0% GST under a Letter of Undertaking. Since 30 March 2026, intermediary-type services to overseas recipients also qualify.
Money in	100% foreign ownership under the automatic route for IT and related services. Owners from countries sharing a land border with India need approval. Shares are issued within 60 days of the money arriving and reported to the RBI within 30 days (Form FC-GPR).
Money out	Dividends can be paid once Indian taxes are paid. Withholding tax is 20% under Indian law, reduced to 15% under the US and UK treaties. The annual FLA return to the RBI is due every 15 July.
Employee share plans	You can grant parent company shares to India staff with a half-yearly RBI filing (Form OPI). Employees are taxed when they exercise and again when they sell.
Employment law	India's four labour codes took effect on 21 November 2025, with central rules from May 2026. Excluded allowances are capped at 50% of pay; any excess counts as wages for provident fund and gratuity. Formal standing orders and layoff permission apply from 300 workers, and managers are not counted as workers.
Data privacy	The Digital Personal Data Protection Act's main duties start 13 May 2027 (the government has consulted on bringing this forward). Processing non-residents' data under a contract with your overseas parent is largely exempt. Indian staff data is fully covered.
Intellectual property	If Indian engineers help create your IP, the India company must be paid fairly for that work. Who builds, funds and controls the IP must match how profits are split.
Yearly rhythm	Monthly: payroll, GST and tax-deducted-at-source returns. Quarterly: advance tax. Yearly: statutory audit, tax return and transfer-pricing report (due 31 October), company filings and the RBI return.

9. What incentives can you get?

Indian states compete for GCCs, and incentives can be negotiated.

State	What it offers
Maharashtra (GCC Policy 2025, to FY2029–30)	Capital subsidy up to 20% (caps from ₹10 crore to ₹100 crore by size). Payroll subsidy of 40–50% of salaries above ₹1 lakh a month for 3 years, capped at ₹5 crore a year.
Gujarat (GCC Policy 2025–30)	Capital support up to ₹200 crore, operating support up to ₹40 crore, plus payroll support.
Haryana (GCC Policy 2026, notified 27 May 2026)	Capital cost reimbursement of 50% in Gurugram and 75% elsewhere. Needs 100+ staff within 3 years.
Uttar Pradesh (GCC Policy 2024)	25% capital subsidy and operating subsidy, relevant for Noida.
Karnataka (GCC Policy 2024–29)	Rent, patent and electricity-duty support; aims for 1,000 GCCs by 2029.
Madhya Pradesh and Telangana	Madhya Pradesh has a 2025 GCC policy. Telangana offers general IT incentives and is drafting a dedicated GCC policy.

We quantify the value for your plan as part of the feasibility report.

10. From decision to first team: about 5 months

Weeks 1 to 4	Plan: confirm which work moves, agree the structure and pricing model, request office proposals.
Weeks 5 to 8	Form the Indian company, get tax numbers, open the bank account, send the investment and file with the RBI.
Weeks 9 to 14	Sign the office lease, complete GST and payroll registrations.
Weeks 15 to 20	Go-live: the site head and first 25 engineers start. IT security is in place. The services agreement with the parent is effective.
Months 6 to 12	Grow in steps to 60 people by month 8 and 100 by month 12. First transfer-pricing documents and RBI return are completed.

11. Main risks and how we manage them

Risk	What it means	How we manage it
Pricing disputes with tax officers	India has a history of challenging the margin that centres charge their parents.	Documented pricing from day one. Safe harbour at the start; an APA as the centre grows.
Rising pay and turnover	Pay up about 9–10% a year; turnover of 18–25% in AI and cloud roles.	Choose the right city, plan retention and budget for increases.
Parent taxed in India	If the Indian team acts like part of the parent, India may tax the parent too.	Set the structure and written services agreement before hiring.
Data privacy law	Main duties arrive by May 2027, possibly sooner.	Build consent, security and record-keeping into the centre from the start.
Missed deadlines	Late filings bring fees and delay money transfers.	We run the compliance calendar and file on time.
Growth thresholds	Extra labour rules at 300 workers, and incentive conditions tied to headcount.	Plan headcount and HR policies ahead of these points.

12. Companies that have done it

Company	City	What they built
Vanguard (asset management)	Hyderabad	Technology hub opened in November 2025 with about 300 people, growing to about 2,300 by 2029. Cloud, data, AI and cybersecurity.
DAZN (sports streaming)	Hyderabad	₹500 crore over three years. Core engineering, data science and AI. Plans for about 3,000 jobs by end of 2026.
Databricks (data and AI)	Bengaluru	US\$250 million India investment over three years, covering R&D, training and sales, with a new R&D centre in Bengaluru.
Medtronic (medical devices)	Pune	US\$50 million over five years for a diabetes innovation centre: 300 jobs in year one, 600 within four years.

13. Frequently asked questions

How much does it cost to set up a GCC in India?

Setup is a one-time cost of about ₹1.8 to 2.5 crore (US\$190,000 to 260,000), covering company formation, equipment, office deposit, first hiring and legal work. A 100-person centre costs about ₹31.6 crore (US\$3.3 million) a year to run. Salaries are about three-quarters of that.

How long does it take to set up a GCC in India?

About five months to a first working team. Company formation, tax numbers, bank account and RBI filings take roughly two months; office, GST and payroll take another six weeks. Reaching 100 people usually takes about a year.

What is the BOT model for a GCC?

In Build-Operate-Transfer, a local partner sets up and runs your centre, then hands the company to you, usually after 18 to 36 months. You start faster with less risk, but pay a setup fee, a mark-up and a transfer fee. Agree price, staff and IP terms on day one.

GCC or outsourcing: which is better?

Outsourcing suits short projects and small teams. A GCC suits work you will need for years: you own the IP, direct the team and keep the know-how. It costs more to start, but the long-run cost per person is usually lower because you pay no vendor margin.

Is a GCC in India worth it for a mid-size company?

Often, yes. 583 mid-market and 504 private-equity-backed companies already run centres in India. Owning the entity tends to pay off from about 15 to 25 people. Below that, an employer of record or BOT partner is usually cheaper and simpler.

Can a foreign company own 100% of a GCC in India?

Yes. IT and related services allow 100% foreign ownership without prior approval, except for owners from countries sharing a land border with India. Shares must be issued within 60 days of the money arriving and reported to the RBI within 30 days.

14. How Greenwolf helps you build in India

Registering an Indian company is routine. Building a centre that the Indian tax department, the RBI, your auditors and your own board are all comfortable with is where the real work begins.

Most foreign companies entering India manage separate lawyers, tax advisers, company secretaries, payroll providers and property brokers. Greenwolf is one lead adviser on the India side, with tax, foreign exchange and transfer pricing built into the design from day one, and we stay on to run the compliance after launch.

- 1 First, we tell you whether you need your own centre at all.**

We look at the work you want to move, the team size and how long you need it. Below about 15 to 25 people, an employer of record or a Build-Operate-Transfer partner is often cheaper, and we will say so. If your own centre makes sense, we show the business case in your own numbers.
- 2 We identify the right city and structure.**

Bengaluru, Hyderabad, Pune, Delhi NCR, Chennai or a smaller city? Own subsidiary, BOT or a phased route? We compare cities on talent, cost, attrition and state incentives, and recommend a structure that fits your plans for the next five years.
- 3 We structure the parent and the India company together.**

This is where most of the value sits. How the centre is owned and funded under the FDI rules; how it charges the parent, using the 15.5% safe harbour or an advance pricing agreement; how the IP the Indian team creates is owned and paid for; how to avoid the parent being taxed in India; and how cash moves back through dividends.
- 4 We execute the setup through one coordinated team.**

Incorporation, PAN, TAN and GST registrations, the Letter of Undertaking for zero-rated exports, bank account, FC-GPR filing with the RBI, payroll and labour registrations, the services agreement with the parent, and office search with our property partners.
- 5 We run the compliance after launch.**

Monthly payroll, GST and withholding tax; quarterly advance tax; the annual audit, tax return, transfer-pricing report, RBI return and company filings; and labour code and data protection obligations. One team, one calendar, and regular reporting to your finance team.
- 6 We help the centre scale.**

New cities, new functions, employee share plans, incentive claims, an advance pricing agreement as the centre grows, and Greenwolf's partners in the UAE, Singapore and Hong Kong for your wider structure.



What you have at each stage

After the assessment

A go or no-go recommendation, a city shortlist, and a cost model against your current cost.

After structuring

The entity, the pricing method with the parent, the IP position and the RBI and FDI steps.

After set-up

An Indian company that can hire, invoice the parent and pay salaries.

After launch

Monthly and annual filings on time, with regular reporting to your finance team.

Start with a feasibility review

A conversation with your finance and technology leaders to scope the review. We will tell you whether India fits, what it will cost and how long it will take.

Speak with a strategist: www.greenwolfadvisors.com · info@greenwolfadvisors.com

Sources: Nasscom-Zinnov, India GCC Landscape Report 2026; MoSPI provisional GDP estimates FY2025-26 (5 June 2026); IMF World Economic Outlook; PIB services exports FY2025-26; Income-tax Act, 2025 and Income-tax Rules, 2026; RBI and DPIIT FDI policy and FEMA reporting framework; Labour Codes and Central Rules 2026; Digital Personal Data Protection Act and Rules, 2025; state GCC policies (Maharashtra, Gujarat, Haryana, Uttar Pradesh, Karnataka, Madhya Pradesh); JLL, Knight Frank, Zinnov, Aon, Taggd, Kaam.work, US BLS and ITJobsWatch; company announcements. USD/INR at about ₹96 (30 September 2026). General information, not tax or legal advice; confirm before acting.



Talk To Our Strategist

One conversation. We tell you which route fits your business, what it involves and how long it will take.

Web

www.greenwolfadvisors.com

Headquarters

411, Best Sky Tower, Netaji Subhash Place, New Delhi
110034

Email

info@greenwolfadvisors.com

Partner locations

Dubai · Singapore · Hong Kong