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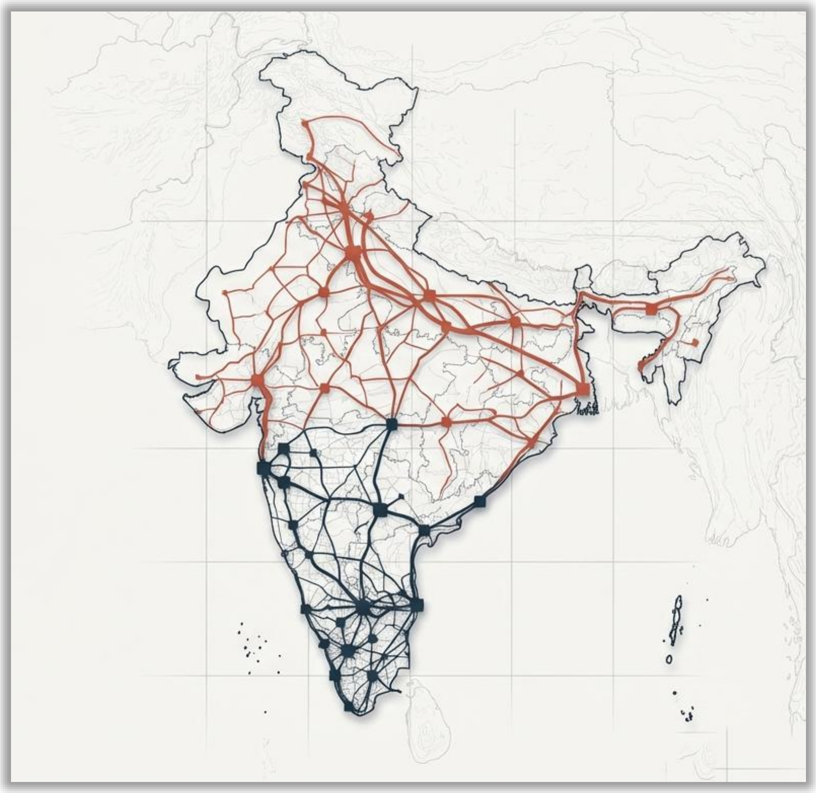
A KNOWLEDGE PAPER BY SSF RESEARCH DESK

THE GREAT GCC REBALANCING

North India's Moment:

How Emerging Cities Can Capture the Next $100 Billion Wave of Global Capability Investments



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GLOBAL CAPABILITY CENTRES

IN INDIA'S TIER 2 CITIES AND NORTH INDIA'S MOMENT

EXECUTIVE SUMMARY

India has emerged as the undisputed global hub for Global Capability Centres (GCCs), hosting more than **1,700 centres – over 52% of the global total of approximately 3,500-4,000 GCCs worldwide.**

These centres collectively generate billions of dollars in export revenue and employ millions of highly skilled professionals across technology, financial services, engineering, and product development.

GCCs have evolved dramatically since their early emergence in India in the late 1990s. Originally designed to provide cost-efficient back-office support, modern GCCs now function as:

- AI development hubs
- Product engineering Centres
- Data science laboratories
- Global finance and strategy units

Sectorally, the GCC ecosystem reflects the digital transformation of global enterprises.

SECTOR	SHARE OF GCCS
IT / ITES	~49%
BFSI	~17%
ENGINEERING/ MANUFACTURING	~12%
HEALTHCARE & PHARMA	~8%
TELECOM / MEDIA / OTHERS	~14%

Technology and financial services therefore remain the dominant drivers of GCC expansion.

However, **AI, cybersecurity, digital engineering, and platform innovation** are rapidly emerging as the new capability mandates.

These Centres employ millions of professionals and collectively generate tens of billions of dollars in exports annually. Yet the geographic distribution of these investments reveals a striking imbalance.

Six major cities – Bengaluru, Hyderabad, Chennai, Delhi-NCR, Mumbai, and Pune – account for roughly ~90% of India's GCC footprint.

Among them:

CITY	APPROX. GCC COUNT
BENGALURU	450–500
HYDERABAD	250–300
DELHI NCR	250–300
PUNE	170–200
CHENNAI	160–180
MUMBAI	150–200

The largest GCC hub in **North India**, **Delhi NCR, has roughly 272 GCCs,** representing around **16% of the national total**. Despite this scale, North India remains significantly underrepresented compared with southern clusters. Beyond NCR, northern India's GCC presence remains significantly underdeveloped compared to southern technology clusters. At the same time, global enterprises are beginning to adopt **multi-city GCC strategies**, seeking:

- Talent diversification
- Operational resilience
- Cost optimization
- Proximity to emerging innovation ecosystems

Bengaluru alone hosts **around 487 GCCs**, nearly twice the number located across the entire NCR region. Industry projections indicate that **India's GCC ecosystem will expand to 2,100 Centres by FY2028 and potentially exceed 2,400 by 2030**, generating more than **$110 billion in annual export revenue.** The next phase of this growth will depend on **new geographies entering the GCC map**.

The question therefore is: **Can North India's emerging cities become the next major GCC frontier?**

India's GCC Geography: A Deep Structural Imbalance

Despite India's leadership in the GCC sector, investment remains heavily concentrated.

Distribution of GCCs by City

CITY	DOMINANT SECTOR
BENGALURU	AI, product engineering
HYDERABAD	Cloud, pharma, fintech
DELHI NCR	Consulting, telecom, fintech
MUMBAI	BFSI
PUNE	BFSI, engineering
CHENNAI	manufacturing engineering

These six cities alone host **94% of the country's GCC operations**, leaving the rest of India – including large northern regions – relatively underrepresented. Yet talent supply across northern universities remains vast. Every year, northern states produce:

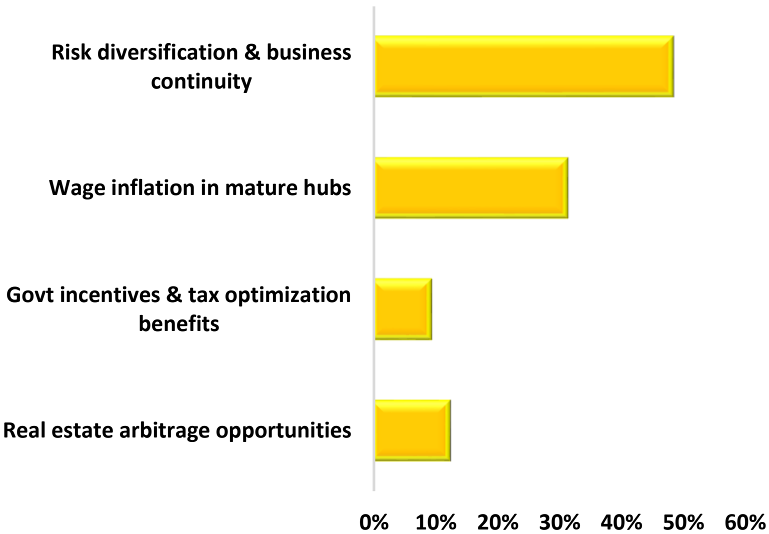
- ~1 million STEM graduates
- ~200,000 MBA graduates
- Tens of thousands of analytics and AI specialists

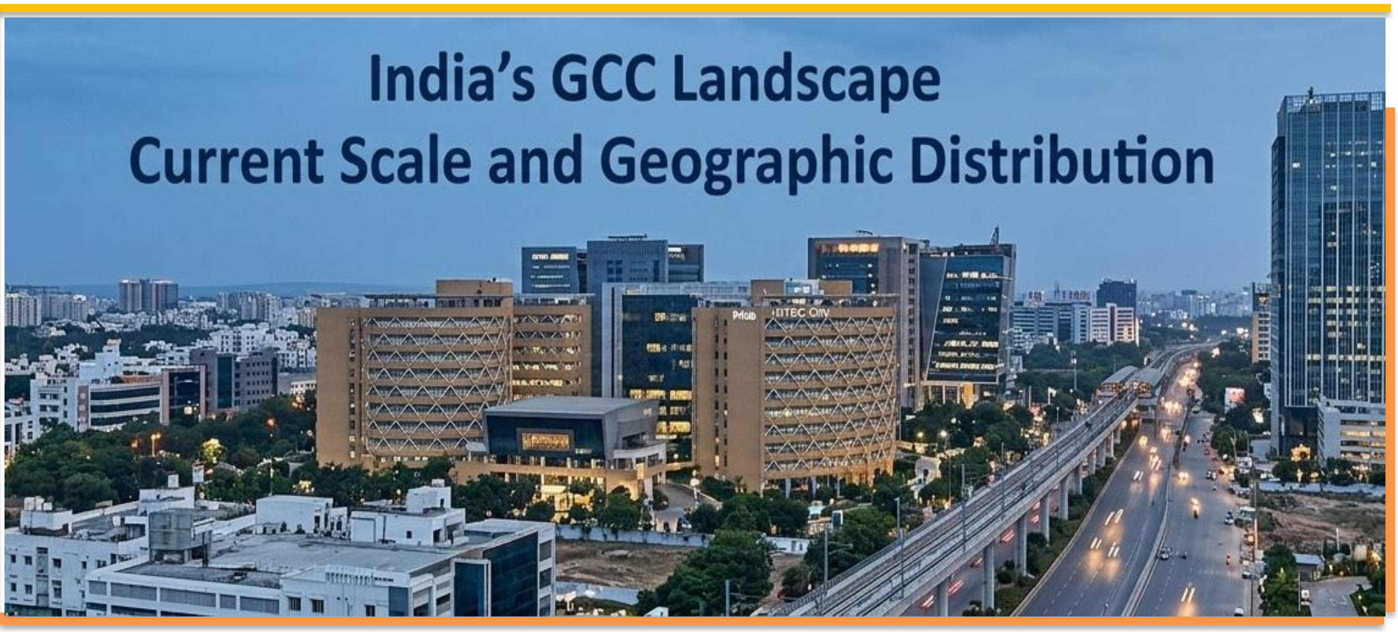
Industry experts, enterprise leaders and GCC ecosystem stakeholders, examined whether this imbalance is structural or simply a matter of perception and policy visibility, and concluded that while North India possesses many of the prerequisites necessary for GCC expansion – large university networks, improving digital infrastructure, competitive real estate costs, and proximity to national policymaking institutions – yet these advantages have not translated into comparable investment momentum.

In an opinion poll, nearly **48% of respondents identified "risk diversification and business continuity" as the primary driver for expanding GCCs beyond traditional/ popular hubs,** while **31% cited wage inflation in mature cities such as Bengaluru and Hyderabad** as a critical trigger. Only **12% viewed real estate arbitrage alone as the main factor,** indicating that enterprises increasingly evaluate multi-city GCC strategies through the lens of long-term operational resilience rather than short-term cost savings.

Thus, the conclusion is that North India's GCC opportunity gap is less about talent availability and more about **policy visibility, ecosystem coordination, and city-level positioning**.

Primary driver for expanding beyond traditional GCC hubs.

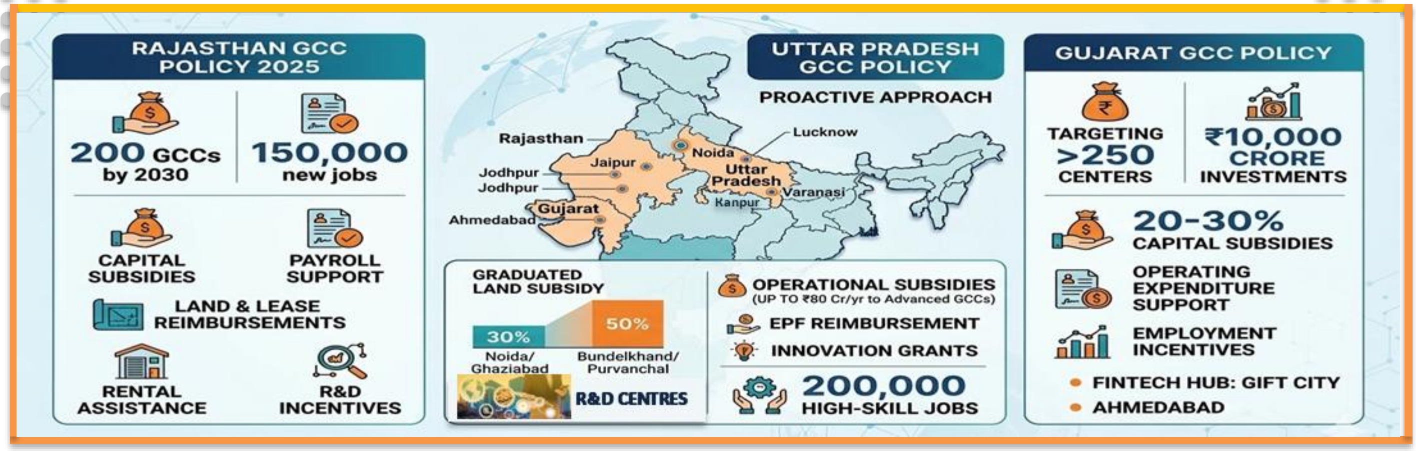




India’s GCC ecosystem has evolved rapidly over the past decade. Originally established as cost-efficient back-office centres, GCCs now operate as **innovation and digital transformation hubs**, managing functions ranging from artificial intelligence and analytics to product engineering and enterprise finance. According to industry estimates, the number of GCCs in India is expected to exceed **2,100 by FY2028**, growing at an annual rate of around **8%**, with approximately **150 new centres expected to be established each year**.

Sectorally, the GCC ecosystem is heavily concentrated in technology-driven industries. The **IT and IT-enabled services sector accounts for roughly 49% of all GCCs**, followed by **banking, financial services, and insurance (17%)**, with the remaining share spread across healthcare, telecom, manufacturing, and consulting industries.

While southern India remains dominant, **North India’s primary GCC hub is Delhi-NCR**, where centres operate across sectors such as fintech, consulting, telecommunications, and enterprise technology. Major multinational GCCs in the region include centres operated by Microsoft, American Express, UnitedHealth Group, and Deloitte. However, the concentration of GCC activity within NCR has limited the emergence of broader northern clusters. Outside NCR, the presence of GCCs is still relatively fragmented, distributed across cities such as **Jaipur, Chandigarh, Mohali, and Ahmedabad**, each hosting smaller but growing ecosystems.



Policy Landscape: North India's Emerging GCC Framework

The most significant factor responsible for shaping GCC investment decisions has been the evolving role of state governments. Several states in North India have recently begun developing targeted policy frameworks to attract GCCs, reflecting growing recognition of their economic impact. However, the global awareness of these policies remains limited. Let us broadly examine a few of these policies.

1. **Rajasthan GCC Policy 2025:** Rajasthan has launched one of India's most ambitious GCC programs. Their policy is GCC-oriented within its broader technology and startup ecosystem initiatives, offering incentives related to infrastructure support, employment generation, and innovation programs.

Key targets:

200 GCCs by 2030 | **150,000 new jobs**

Key incentives:

- Capital subsidies
- Payroll support
- Land and lease reimbursements
- Rental assistance
- R&D incentives for innovation hubs

Cities targeted:

✓ Jaipur
✓ Udaipur
✓ Jodhpur

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2. **Uttar Pradesh GCC Policy:** Uttar Pradesh has taken one of the most proactive approaches by introducing **land-linked subsidy incentives for GCC investments** to encourage distributed industrial growth and create high-skill employment outside traditional technology corridors. The state has introduced an incentive framework designed to attract multinational investment – GCCs in **Noida and Ghaziabad can receive up to a 30% subsidy on government-allocated land**, while projects in less-developed regions such as Bundelkhand and Purvanchal may receive subsidies of **up to 50%**. The objective is to encourage distributed industrial growth and create high-skill employment outside traditional technology corridors.

Key incentives:

- Land subsidies up to **50%**
- Operational subsidies up to **₹80 crore annually** (to Advanced GCCs)
- Payroll subsidies for local hiring
- EPF reimbursement
- Innovation grants for R&D Centres

The policy aims to generate **200,000 high-skill jobs** across:

✓ Noida ✓ Kanpur
✓ Lucknow ✓ Varanasi

3. **Gujarat GCC Policy:** Gujarat has announced an ambitious GCC policy targeting more than **250 centres and ₹10,000 crore in investments over the coming decade**, with specific incentives linked to capital expenditure and workforce development. The GCC policy (2025-2030) provides:

- **20–30% capital subsidies**
- operating expenditure support
- employment incentives

The state aims to develop **Ahmedabad and GIFT City as global financial-technology hubs.**

Emerging GCC Cities in North India

Despite these initiatives, **policy promotion remains uneven compared with southern states**, where governments have actively conducted global roadshows and investor outreach programs to attract multinational enterprises. Now, several Tier-2 cities are now emerging as potential GCC locations.

The concentration of GCCs in a small number of cities has created both opportunities and challenges for India's growth trajectory. Bengaluru, Hyderabad, and Chennai together host **more than 900 GCCs**, reflecting decades of ecosystem development and government support.
However, this concentration has also led to rising costs, talent competition, and infrastructure pressure.

When industry leaders were asked which northern city – outside Gurugram – had the greatest potential to become the next GCC hub. Responses clustered around three emerging contenders:

- ✓ **Jaipur**
- ✓ **Chandigarh/ Mohali**
- ✓ **Lucknow**

Collectively, these cities received **over 70% of nominations**, reflecting their perceived strengths in talent availability, cost competitiveness, and urban livability. Jaipur's technology ecosystem, for example, has expanded rapidly over the past decade, with companies such as Deutsche Bank and Genpact establishing large operational centres. Similarly, the Chandigarh-Mohali technology corridor has attracted several multinational technology and engineering firms, supported by strong educational institutions and high quality of life. Lucknow has also emerged as a growing IT services hub, with large campuses established by companies including TCS and HCL Technologies.

CITY COMPARISION	STRENGTHS	GCC POTENTIAL
JAIPUR	Strong IT services ecosystem	Digital services & fintech
CHANDIGARH-MOHALI	High quality of life	R&D and engineering
LUCKNOW	Large talent pool	IT services and analytics

The North India GCC Map: When mapped geographically, the current GCC footprint in North India looks positive:

Major GCC clusters

- Delhi-NCR
- Noida
- Gurugram

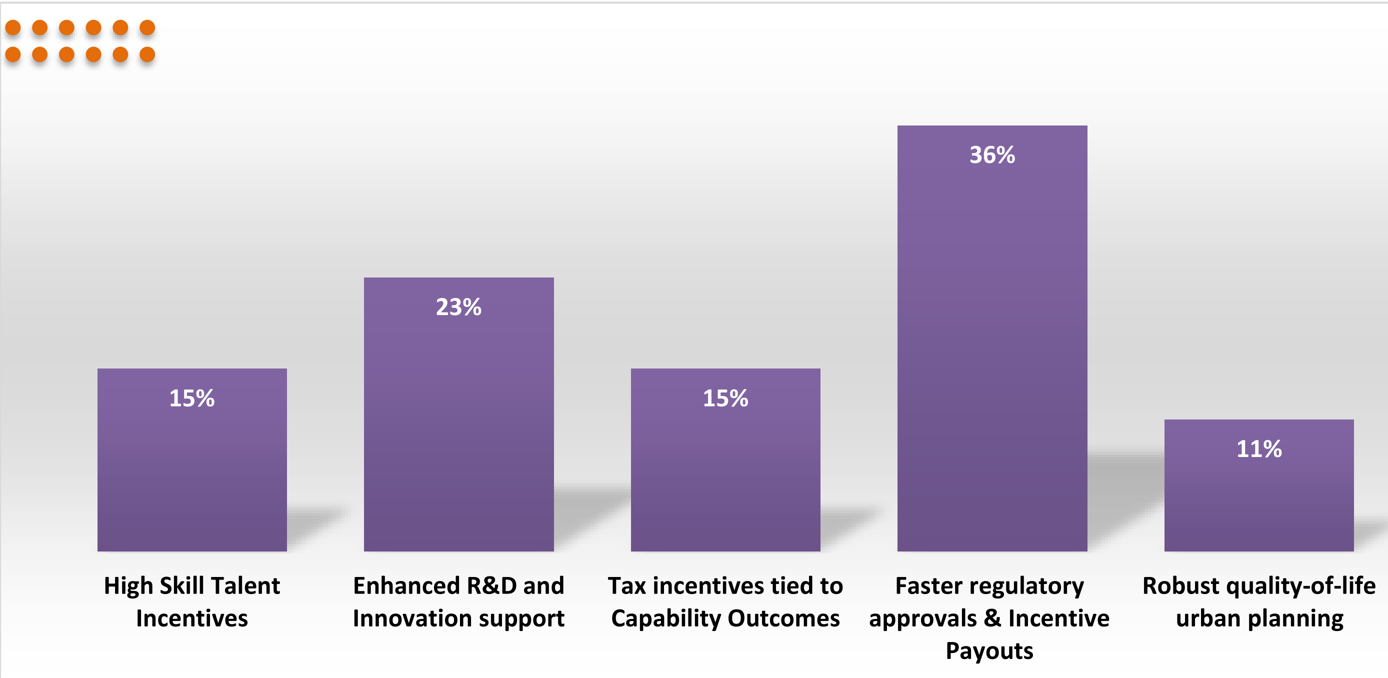
Emerging clusters

- **Jaipur**
  - ✓ Growing technology ecosystem
  - ✓ home to Genpact and Deutsche Bank operations
  - ✓ large talent pool from Rajasthan universities
- **Chandigarh-Mohali**
  - ✓ strong engineering education ecosystem
  - ✓ proximity to northern industrial corridors
- **Lucknow**
  - ✓ major IT campuses from Indian technology firms
  - ✓ government focus on aerospace and defence technology clusters

Future growth is expected to follow **transport corridors & university ecosystems.**

Geographic Diversification and the Rise of Tier-2 Cities

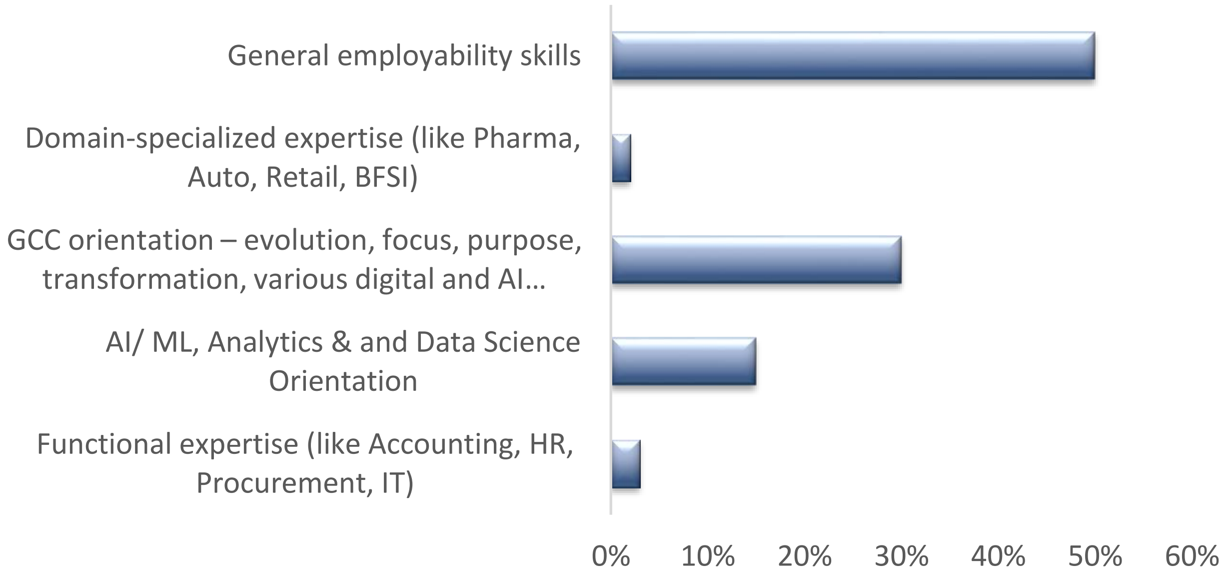
The role of national policy frameworks – particularly the Union Budget – in enabling geographic diversification of GCC investments, is also proving to be significant. The results of an industry survey have revealed a clear hierarchy of priorities. **Approximately 36% of respondents** ranked faster regulatory approvals and incentive disbursement as the most critical policy reform, followed by **23%** who emphasized **stronger R&D and innovation incentives**. A further **15% highlighted the need for high-skill talent incentives**, while **11 % identified quality-of-life urban planning** as an important differentiator for global enterprises considering new locations.



The findings align with broader industry trends. As GCC mandates become more innovation-driven, enterprises increasingly evaluate locations based on the availability of **digital infrastructure, research partnerships, and advanced talent pipelines**, rather than simply labour cost advantages.

Talent Evolution: The New GCC Workforce Model

When leaders were asked which capabilities enterprises most expect from new graduates entering GCC roles, the findings reflected the broader transformation of GCCs from operational support units to **strategic innovation centres**. Respondents emphasized that beyond technical skills, enterprises are increasingly prioritizing **learnability, cross-functional thinking, and product mindset capabilities**, particularly as GCCs take on roles in product design, digital platforms, and AI-driven business transformation.



‘General Employability Skills’ emerged a clear winner with **50%** votes. **30% votes went to ‘GCC orientation – evolution, focus, purpose, transformation, various digital and AI opportunities.’** ‘**AI/ ML, Analytics & and Data Science Orientation’ emerged as the third most top priority, selected by 15% of respondents**.

Industry Outlook: GCC Expansion 2026–2030

Industry forecasts suggest that the GCC sector will remain one of the fastest-growing segments of India's knowledge economy, driven by rising demand for digital engineering, artificial intelligence, and advanced analytics capabilities. This growth will likely occur across three parallel trends:

1. First, large enterprises will increasingly adopt **multi-city GCC models**, distributing operations across several locations to improve resilience and talent access.
2. Second, **Tier-2 cities will emerge as specialized capability hubs**, focusing on niche sectors such as fintech, engineering design, healthcare analytics, and semiconductor research.
3. Third, GCCs will continue to evolve into **core innovation engines**, driving enterprise-level transformation rather than supporting back-office operations.

Industry forecasts indicate the GCC ecosystem will expand significantly. Export revenue from GCC operations is projected to reach **$110 billion annually by 2030.** This expansion will likely be driven by:

- ✓ AI and digital engineering mandates
- ✓ global talent shortages
- ✓ distributed operating models

City Playbook: Clearly, cities seeking to capture GCC investments must focus on five strategic priorities to win more:

1. **Build Anchor Enterprises** - Large technology campuses often catalyze entire ecosystems.
2. **Create Talent Pipelines** - Universities must integrate – AI programs; analytics certifications; and industry internships
3. **Promote Global Visibility** - Cities must actively participate in international technology forums and investor roadshows.
4. **Improve Urban Liveability** - Talent attraction depends heavily on quality-of-life infrastructure.
5. **Build Innovation Ecosystems** - Startup incubators, venture capital networks, and research labs are essential.

Why North India Will Become a GCC Expansion Zone

Several structural factors favour North India as the **next GCC growth frontier**:

1. **Talent Access –** Delhi-NCR acts as a **talent magnet for North India**, sourcing graduates from universities across Rajasthan, Punjab, Haryana, Uttar Pradesh, and Uttarakhand.
2. **Geographic Diversification –** Enterprises increasingly deploy **multi-city GCC networks** to reduce operational concentration risk.
3. **Cost Differential –** Tier-2 cities provide **25-40% lower operating costs** compared with Tier-1 GCC hubs.
4. **Infrastructure Expansion –** Investments in **airports, highways, digital infrastructure, and IT parks** across North India are enabling distributed enterprise operations.

The North India GCC Growth Corridor (2035)

The most realistic expansion pattern is not random but corridor-based growth centred around Delhi NCR.

Emerging Corridor

Delhi NCR → Jaipur → Ahmedabad → Lucknow → Chandigarh

This belt forms a **distributed capability ecosystem** linked through:

- ✓ Highway connectivity
- ✓ Regional airports
- ✓ University clusters
- ✓ Technology parks

The next GCC growth wave will not be defined by one city but by a distributed network of capability hubs.

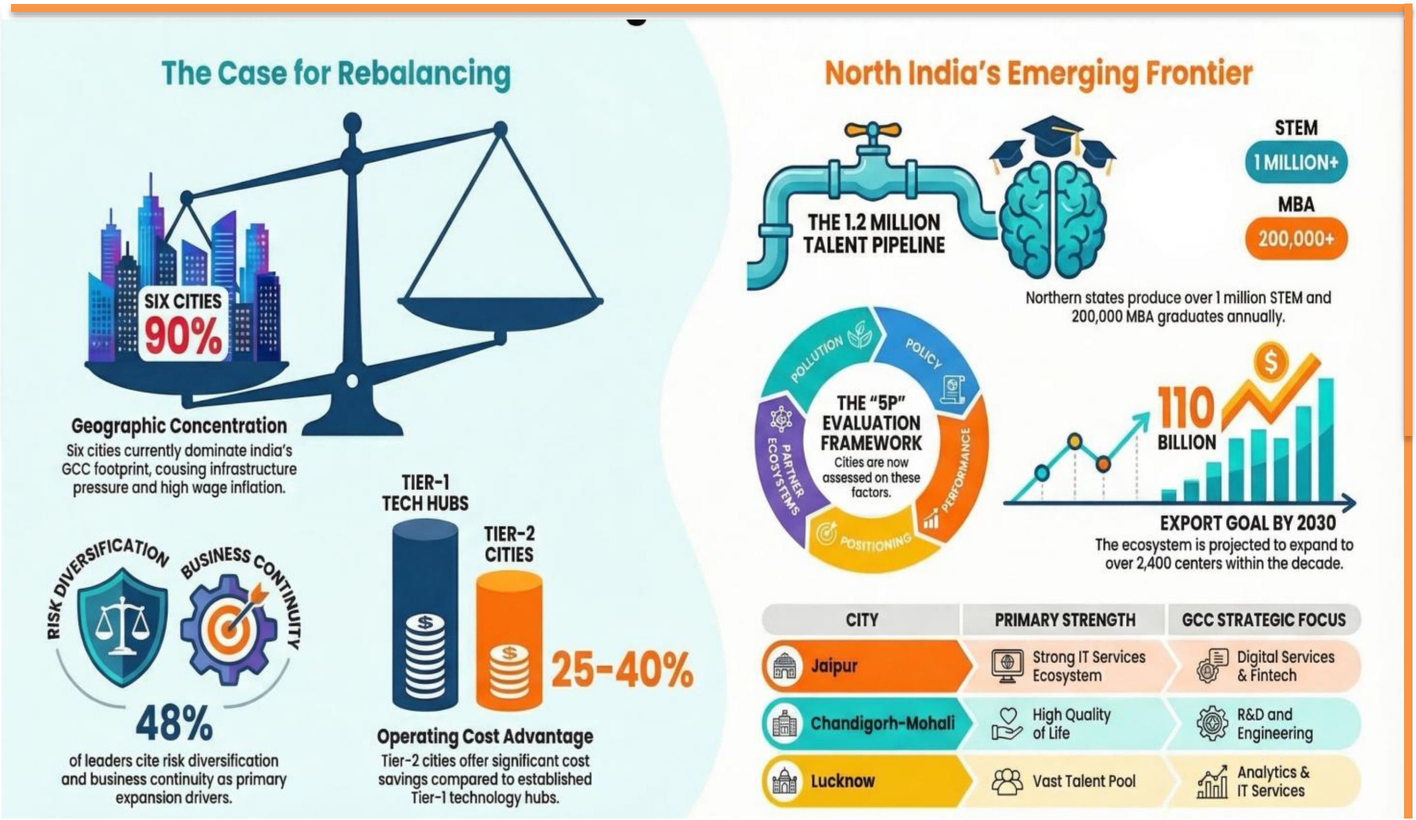
India's GCC ecosystem is entering a new phase.

→ The first wave was defined by **cost arbitrage and outsourcing**.

→ The second wave was driven by **digital engineering and innovation**.

→ The third wave will be defined by **geographic diversification and distributed capability networks**. North India now stands at a strategic inflection point. With the right combination of **policy leadership, infrastructure investment, and ecosystem building**, cities across the region can become the next major frontier of the global capability economy.

From Clusters to Corridors
Why North India Will Shape India's Next GCC Growth Wave



From various leadership interactions and industry reports, a central paradox in India's GCC ecosystem was highlighted. North India possesses many of the structural advantages required to support large-scale GCC growth – extensive university networks, expanding digital infrastructure, and proximity to national governance institutions. Yet these strengths have not yet translated into the same level of global investment seen in southern technology clusters.

The key barriers identified by industry leaders are not structural constraints but **ecosystem orchestration challenges**: limited global visibility of state policies, weaker city-level branding, and the absence of large anchor enterprises capable of catalyzing local technology ecosystems. If governments, enterprises, and industry bodies coordinate more strategically – particularly around policy promotion, infrastructure investment, and talent development – **North India's Tier-2 cities could become the next frontier of the global capability centre ecosystem.**


Potential Tier-2 GCC Growth by 2035
Quantifying the Emerging Frontier for Capability Centers
India 2035 Projection: 3,200–3,400 GCCs
Tier-2 City Expansion: 600–700 New GCCs
Chandigarh–Mohali
50–60 GCCs
Jaipur
60–70 GCCs
Dehradun
10–15 GCCs
Lucknow
40–50 GCCs
Ahmedabad
45–55 GCCs
Key Evaluation Factors
Talent Supply
1 1.5M+ STEM Graduates Annually
Cost Advantage
2 20–35% Lower Costs vs Tier-1 Cities
Infrastructure
4 Airports, Metro, Grade A Offices
Policy Incentives
3 Subsidies & Tax Benefits
Estimated Tier-2 GCCs by 2035
~600-700
New Jobs Created
350K–400K Direct Jobs
1 Million+ Indirect Jobs
Annual Export Revenue
$18–22 Billion

Key Takeaways & Call to Action (CTAs)

1. Budget 2026 Signals Intent, But Execution for Distributed GCC Growth Is Still Uneven

Key Takeaways

- **Union Budget 2026 reflects a broader intent to accelerate digital infrastructure and regional economic development**. However, the **policy push supporting GCC ecosystems remains uneven across regions**.
- States such as **Telangana** and **Karnataka** have historically benefited from **active government promotion, global investor outreach, and ecosystem building**, enabling cities like **Hyderabad** and **Bengaluru** to dominate the GCC landscape.
- In contrast, **northern states have not yet demonstrated the same intensity of policy promotion, branding, or ecosystem facilitation**, even when strong policies exist.

Call to Action

→ **State Governments:** Move beyond policy creation to **active global promotion of GCC policies and incentives**.
→ **Industry Bodies:** Create **structured platforms connecting global enterprises with emerging Tier-2 locations in North India**.
→ **Central Government:** Develop **clear national messaging around distributed GCC growth to complement digital infrastructure investments**.

2. Policy Visibility Is as Critical as Policy Design

Key Takeaway

- While some northern states have already created **strong GCC-focused policies**, yet **awareness among global enterprises remains extremely limited**. For example, **Rajasthan** has developed a well-structured policy with **incentives, infrastructure support, and startup ecosystem programs**, yet the policy **has not been widely communicated to global decision-makers**. This creates a paradox: **good policy exists, but the ecosystem does not know about it.**

Call to Action

→ **State Governments:** Invest in **global marketing campaigns and roadshows to promote GCC policies internationally**.
→ **Advisory Firms and Analysts:** Publish **location intelligence reports highlighting emerging Tier-2 GCC destinations**.
→ **Industry Associations:** Facilitate **GCC investment dialogues specifically focused on northern ecosystems**.

3. Perception Bias Toward Southern Cities Continues to Shape Global Location Strategy

Key Takeaways

- A strong theme emerging is the **global perception bias that India's GCC ecosystem exists primarily in southern cities**. Global headquarters often default to **Hyderabad, Bengaluru, or Pune**, assuming that these locations are the only places capable of supporting large-scale GCC operations. This perception continues despite emerging talent ecosystems in cities like Jaipur, Chandigarh, Lucknow, Mohali and Ahmedabad.

Call to Action

→ **Global Enterprises:** Pilot **satellite capability centres in emerging cities to diversify location risk**.
→ **Consulting Firms:** Update **global location benchmarking frameworks to include Tier-2 ecosystems.**
→ **Industry Platforms:** Showcase **case studies of successful GCC operations outside traditional hubs**.

Key Takeaways & Call to Action (CTAs)

4. Ecosystem Anchors Are Critical for City-Level GCC Growth

Key Takeaway

- The role of anchor institutions is shaping city ecosystems. Large campuses from companies like **Infosys, TCS, or Genpact often catalyze entire ecosystems**, attracting suppliers, startups, training institutions, and service providers. For example, an **Infosys campus in Pune significantly accelerated the growth of the outsourcing ecosystem in the region.** Without these anchor organizations, **Tier-2 cities struggle to develop credibility as GCC locations.**

Call to Action

→ **Large Indian Enterprises:** Lead the way by **establishing capability centres in Tier-2 cities**.
→ **State Governments:** Offer **targeted incentives to anchor organizations willing to build large campuses**.
→ **Global Enterprises:** Consider **co-locating with ecosystem anchors to reduce operational risk**.

5. Talent Strategy for GCCs Must Shift Toward Learnability and Flexibility

Key Takeaways

The future GCC workforce will require a fundamentally different hiring mindset. Instead of focusing purely on **existing technical expertise**, companies must increasingly prioritize:

- Learnability
- Adaptability
- Cross-functional capability
- Product and design thinking mindset

The **product mindset and innovation orientation** are becoming essential as GCCs evolve from service centres to **capability and innovation hubs**.

Call to Action

→ **Enterprises:** Redesign hiring strategies to **prioritize learnability, adaptability, and digital capability over static skillsets**.
→ **Universities:** Integrate **product thinking, design thinking, and innovation frameworks into technical education**.
→ **Skill Development Organizations:** Create **GCC-specific capability development programs**.

6. City Competitiveness for GCCs Can Be Evaluated Through the "5P Framework"

Key Takeaways

One of the most practical frameworks being used by organizations is the **"5P Framework" for GCC location evaluation**. Cities seeking to attract global capability centres must perform strongly across five critical dimensions:

1. **Pollution** – environmental quality and urban livability
2. **Policy** – incentives, regulatory support, and governance stability
3. **Performance** – infrastructure reliability and execution capacity
4. **Positioning** – global brand perception of the city
5. **Partner Ecosystem** – presence of consulting firms, startups, and technology networks

Many North Indian cities perform reasonably well on **cost competitiveness and talent supply but** often struggle on **global positioning and ecosystem visibility**.

Call to Action

→ **City Governments:** Develop **data-driven GCC readiness scorecards based on the 5P framework**.
→ **Policy Makers:** Address environmental and infrastructure challenges that impact talent attraction
→ .**Industry Platforms:** Promote **city-level benchmarking to guide GCC investment decisions**.

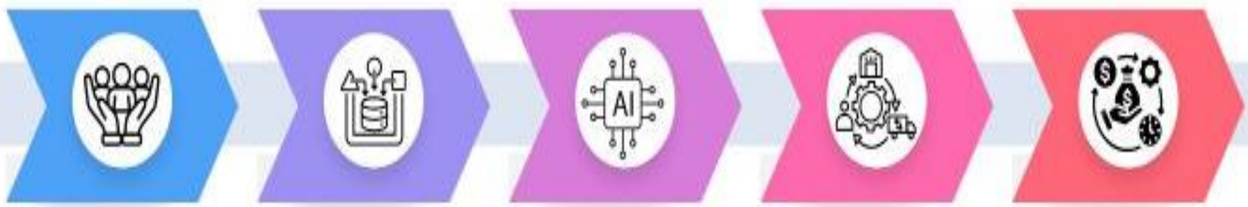
7. Tier-2 GCC Expansion Requires Strong Leadership Sponsorship

Key Takeaways

- **Tier-2 expansion rarely happens organically**. Most successful examples are driven by **strong leadership sponsorship within organizations**, often aligned with **risk diversification or business continuity strategies**.
- Tier-2 centres are frequently established as **second capability hubs**, providing redundancy, cost optimization, and access to new talent pools.

Call to Action

→ **Global Enterprise Leadership:** Champion **multi-city GCC strategies as part of long-term resilience planning**.
→ **Boards and CXOs:** Encourage **pilot programs in emerging cities before large-scale expansion**.
→ **Industry Forums:** Facilitate **peer learning from companies that have successfully implemented distributed GCC models**.



Acknowledgement
SSF Global extends its sincere appreciation to the distinguished industry leaders whose insights, anchored around the theme: **"The Next GCC Growth Frontier – How North India and Tier-2 Cities Can Power the 2026 Investment Wave" –** shaped the perspectives captured in this research paper: *Konika Chadha, Tarun Aahi, Mohit Malik, Pawan Garg, Pooja Agarwal, Ritesh Chhabra, Rohit Kharbanda, Shalini Gupta, Tanuja Birla, Anirban Roy, Ashok Gairola, Anand Maheshwari and Rakesh Sinha.*

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