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**Newsflash -
Gujarat Global Capability Center (GCC)
Policy 2025-30 : A Landmark
Initiative to Attract Global
Enterprises**

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Gujarat Global Capability Center (GCC) Policy 2025-30¹: A Landmark Initiative to Attract Global Enterprises

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1.0 Overview of GCCs and Government Push

Global Capability Centers have evolved beyond their traditional back-office functions to become key strategic hubs for multinational corporations (MNCs). Today, GCCs drive innovation, digital transformation, process optimization, and research & development across sectors such as **banking, financial services, technology, manufacturing, and engineering**. With India emerging as a global leader in GCC operations, multiple states have introduced targeted policies to attract such investments.

The Government of India has been actively pushing the GCC model, recognising its potential to create employment, boost foreign investments, and enhance India's role in the global digital economy. States like Maharashtra, Karnataka, Telangana, and Tamil Nadu have already launched sector-specific policies and incentives to attract GCCs, focusing on talent development, infrastructure, and fiscal benefits. Gujarat, with its business-friendly ecosystem and the presence of **IFSC-GIFT City**, aims to take this initiative to the next level with the **GCC Policy 2025-30**.

In this article, we provide a brief overview on the Gujarat GCC Policy (2025-30), covering its strategic objectives, economic impact, and the incentives it offers to attract global enterprises.

2.0 GCC Policy Objectives:

The state of Gujarat is dedicated to fostering innovation through technology and supporting a dynamic ecosystem for researchers, innovators, MSMEs and startups. The Gujarat GCC Policy 2025-30 is designed with clear and ambitious objectives stated therein:

- 2.1 **Establish Gujarat as a preferred GCC hub:** Development of a robust ecosystem for GCCs by promoting investment, ease of doing business, and policy frameworks that attract global enterprises.
- 2.2 **Promote high-value jobs and skill development:** Creation of high-skilled employment opportunities by capacity building through specialized training programs. The aim is to generate over 50,000 direct jobs through high-value employment opportunities.
- 2.3 **Foster innovation and digital transformation:** Promote research and development (R&D), facilitate collaboration between GCCs, researchers and academia, and encourage the development of cutting-edge solutions across industries, human resource innovation and R&D. The objective is to attract investments worth Rs. 10,000 crores, boosting the state's economic growth.
- 2.4 **Enhance infrastructure and connectivity:** Provide state-of-the-art physical and digital infrastructure ensuring a conducive environment for GCC operations. The aim is to attract a minimum of 250 new GCC units through investment promotion, incentives, and streamlined regulations.

¹ <https://dst.gujarat.gov.in/Home/GujaratGlobalCapabilityCenter>

2.5 **Sustain economic growth and global competitiveness:** Drive sustained economic growth by boosting the GCC sector's contribution to Gujarat's economy, fostering a competitive business environment that aligns with global standards.

2.6 **Enhance Gujarat's role in the global value chain:** By fostering R&D ecosystem that supports multinationals and large corporate enterprises. This is to accelerate innovation, elevate technological capabilities, and attract high-value investments across sectors.

3.0 Overview of Eligibility Criteria for GCC Units:

The GCC established (**existing or new units**) by both Global MNCs and domestic companies in various sectors are covered by the said GCC policy. These centers support their parent organizations by managing various global functions, driving innovation, and delivering value across sectors like Banking, Capital Markets & financial Services, Engineering R&D, Consumer, Retail & e-commerce, Travel & Transportation, Technology, Media & Telecom, Automotive, Power & Utilities, Industrial Manufacturing, Chemicals & materials, and Healthcare & Life Sciences etc.

The GCC provides that:

- The policy will take effect from the date it is officially notified (February 11, 2025) and will remain valid until **March 31, 2030**, or until a new or revised policy is introduced, whichever comes first.
- To qualify for incentives, eligible entities must **apply for assistance by March 31, 2030**, and must **begin operations no later than March 31, 2031**.
- Any new or existing unit setting up a GCC in Gujarat with a minimum of 50 employees on its payroll shall be covered under this policy. If the employee count falls below 50 for three consecutive months, all further fiscal assistance will be discontinued.
- All eligible GCCs can also claim expenditure incurred on R&D.

Note: An existing unit outside Gujarat State carrying out new investment at any location in Gujarat and commences commercial operation during the operative period of the Policy shall be considered as a **New Unit**.

3.1 Key Incentives Under the Policy

The policy offers a structured set of incentives, providing substantial financial support to companies setting up or expanding their GCCs in Gujarat. Below is a summary of the incentives being offered under the Gujarat GCC Policy (2025-30):

3.1.1 CAPEX and OPEX Incentives

Category	Capital Subsidy (CAPEX) Incentives ²	Operational Subsidy (OPEX) Incentives ³
Category I - GFCI⁴ less than Rs. 250 crore	<ul style="list-style-type: none"> - 20% of eligible Capex expenditure⁵ on infrastructure by eligible units, including on construction and purchase of the buildings, other related fixed assets. - 30% on IT investments such as computers, software, and networking related hardware. - Maximum subsidy: Rs. 50 crore. - Disbursement will be done in 20 equal quarterly instalments. 	<ul style="list-style-type: none"> - 15% reimbursement on annual operational expenditure, including lease rentals, bandwidth, and cloud services. - Capped at Rs. 20 crore per year for five years. - Bandwidth & cloud expenses capped at 35% of the eligible operational expenditure or Rs. 7 crore annually, whichever is lower. - Disbursement will take place in quarterly instalments.
Category II - Mega Projects⁶ (GFCI ≥ Rs. 250 crore or 500+ employees)	<ul style="list-style-type: none"> - 20% of eligible Capex expenditure on infrastructure by eligible units, including on construction and purchase of the buildings, other related fixed assets. - 30% on IT investments such as computers, software, and networking related hardware. - Maximum subsidy: Rs 200 crore. - Disbursement will be done in 20 equal quarterly instalments. 	<ul style="list-style-type: none"> - 15% reimbursement on annual operational expenses - Capped at Rs. 40 crore per year for five years. - Bandwidth & cloud expenses capped at 35% of the eligible operational expenditure or Rs. 14 crore annually, whichever is lower. - Disbursement will take place in quarterly instalments.

² Expenditure incurred under GFCI towards the construction of new buildings shall be capped at Rs. 3,000/sq. ft. of built-up area, applicable for a total built-up area computed at 60 sq. ft. of built-up area per employee on the payroll of the eligible unit. Further, the annual CAPEX assistance disbursed shall be capped to the total annual operating expenditure of the eligible units.

³ **Eligible OPEX Expenditure:**

- Lease Rental: Reimbursement for office space rent from a third party, capped at Rs. 50/sq. ft. (of built-up areas) per month or actual rent, whichever is lower. Valid for five years from the start of commercial operations or in-principle approval, whichever is later.
- Bandwidth Costs: Actual expenses on bandwidth leased from a licensed Indian ISP with a valid GST number, reimbursable for five years from the start of commercial operations or in-principle approval, whichever is later.
- Cloud Rental: Actual expenses for cloud services leased from an India-registered provider with a valid GST number, claimable for five years from the start of commercial operations or in-principle approval, whichever is later.
- Power Tariff: Reimbursement for actual power consumption costs, valid for five years from the start of commercial operations or in-principle approval, whichever is later.
- Patent Costs: Assistance of up to Rs. 10 lakh per successful patent, covering government and professional fees. A unit can claim up to 10 patents per year for five years from the start of commercial operations or in-principle approval, whichever is later. Government charges and professional charges shall be considered for computing assistance.

⁴ **Gross Fixed Capital Investment (GFCI)** means the expenditure made in the construction of the building, purchase of the building, computers, software, networking related hardware and other related fixed assets, excluding the cost of land required by the eligible unit.

⁵ **Eligible CAPEX Expenditure:**

- Fixed Capital Investment: GFCI made during the policy period and up to two years after commercial operations for new units or from the expansion application date for existing units.
- Stamp Duty & Registration Fees: Government fees for lease, sale, or transfer of land and office space.
- Renewable Energy Investment: Cost of equipment for captive renewable energy plants.

⁶ A project qualifies as a **Mega Project** if it meets either of the following criteria:

- Minimum GFCI of Rs. 250 crore; or
- Creation of at least 500 direct jobs in the state of Gujarat.

3.1.2 Special Incentives for Eligible Units

Category	Incentive Details	Eligibility & Conditions
Employment Generation Incentive for eligible units in GCC	<ul style="list-style-type: none"> - upto Rs. 50,000 per new male employee. - upto Rs. 60,000 per new female employee. 	One-time incentive per new local employee hired and retained for at least for one year at 50% of one month's CTC.
Interest Subsidy	7% subsidy on term loan interest paid, capped at Rs. 1 crore annually for five years.	<p>Loan must be from an RBI-approved financial institution / banks (excluding NBFCs). Interest assistance is only available for loans taken for eligible GFCI. Loan should be from Indian branch of Indian financial institution during the operative policy period. Only the amount actually disbursed against the sanctioned amount will be considered for the incentive under the scheme.</p> <p>Maximum loan eligible for interest subsidy is 70% of eligible GFCI.</p>
EPF Reimbursement (Atmanirbhar Gujarat Rojgar Sahay)	<ul style="list-style-type: none"> - 100% reimbursement for female employees. - 75% reimbursement for male employees. - Ceiling of incentive amount per employee will be 12% of the employee's basic salary plus applicable Dearness Allowance and retaining allowance. 	Valid for five years, covering all employees working at offices situated in state of Gujarat.
Electricity Duty Exemption	Full reimbursement of electricity duty.	Applicable for five years from commercial operation commencement or in-principle approval, whichever is later.
Skill Development Support	50-75% course fee reimbursement, up to Rs. 50,000 per individual.	This support for globally recognized courses is a direct incentive transfer to the beneficiaries. Incentive shall be paid upon submission of the course completion / examination certificate.
Quality Certification	80% reimbursement of quality certification costs, upto Rs. 10 lakh.	Maximum of five certifications per eligible unit during the policy period.
Incentives under Gujarat IT/ITeS Policy (2022-27)	Additional benefits for GCCs engaged in incubation and acceleration of startups.	GCCs providing incubation or acceleration support to startups can avail benefits under the Gujarat IT/ITeS Policy (2022-27), including financial assistance for startup infrastructure and deep-tech innovation.

The above incentives and subsidy are in addition to any other incentives and subsidy that may be granted by the Government of India. The Department of Science and Technology shall issue detailed implementation guidelines on the above policy and the Office of the Director, ICT & e-Governance, shall implement this policy.

4.0 IFSC-GIFT City & Additional Tax Benefits

Gujarat is home to **India's first International Financial Services Centre (IFSC) at GIFT City**, which offers a range of benefits for GCCs, including:

- **10-Year Tax Holiday:** Companies operating within IFSC enjoy a full income-tax exemption on business profits for ten consecutive years.
- **Ease of Capital Flow:** IFSC facilitates seamless cross-border transactions and foreign direct investments (FDIs).
- **Regulatory Benefits:** A streamlined regulatory framework with support from the International Financial Services Centres Authority (IFSCA).
- **Special Infrastructure:** Access to high-end office spaces, digital infrastructure, fintech ecosystems, and financial services hubs.

5.0 Conclusion

The **GCC Policy 2025-30** is a transformational initiative that aims to establish Gujarat as a global hub for GCCs. With its robust infrastructure, world-class talent pool, IFSC set-up along with the **fiscal incentives on offer**, the state of Gujarat is well-positioned to become India's next major GCC destination.

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