

Impetus to GCCs in India: Uttar Pradesh releases its final GCC Policy

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Background

Following states such as Karnataka and Andhra Pradesh in the race to entice multi-national corporations to establish Global Capability Centres (GCCs) in their states (covered in our earlier pieces '[Karnataka's Final GCC Policy Launched](#)' and '[Impetus to GCCs in India: Andhra Pradesh Releases its IT & GCC Policy](#)'), the Government of Uttar Pradesh through a notification dated 7 May 2025, has given effect to the 'Uttar Pradesh Global Capability Centres Policy 2024' (Policy), a copy of which has now been published on the official website of [Invest UP](#), Government of Uttar Pradesh, India.

Through the Policy, Uttar Pradesh (State), located in northern India, is aiming to emerge as a contender for growth of GCCs.

The State has also introduced 'UP FDI / FCI, Fortune Global 500 & Fortune India 500 Companies Investment Promotion Policy 2023' (UP FDI / FCI Policy) to attract global investments and encourage participation from a wide range of stakeholders, especially 'Fortune Global 500' and 'Fortune India 500' companies. The Policy is also aligned with the approach in the UP FDI / FCI Policy, with a specific endeavour to attract companies through customised incentives and support for their establishment and growth in the State.

Vision, mission and objectives of the policy

The Policy aims to leverage the State's strategic location, skilled talent pool, and world-class infrastructure, including information technology parks, special economic zones and co-working spaces. The Policy indicates that the State would offer financial incentives, align education with industry needs, and simplify regulations to attract high-value investments. By adopting a hub-spoke model, the Policy reflects the State's endeavour to develop a four-tier GCC model—global hubs, satellite offices, outsource centres, and outpost / cluster offices—by focusing on satellite and outsource centres in tier II cities and outpost / cluster offices in tier III cities. The Policy indicates that the State will prioritize environmental sustainability by encouraging GCCs to adopt green practices and actively reduce their carbon footprint.

Key highlights of the policy

- **Project Categories:** To administer incentives, the Policy categorises GCC projects as: (i) Level-1 GCCs, which would include any GCC projects having (a) minimum investment of INR 200,000,000 (~approx. USD 2,350,000), or having a minimum of 200 employees, within the cities of Gautam Buddha Nagar / Ghaziabad, or (b) minimum investments of INR 150,000,000 (~approx. USD 1,800,000) or having a minimum of 100 employees, in other cities / regions of the State (Level-1 GCCs); and (ii) advanced GCCs, which would include any GCC projects having (a) minimum investment of INR 750,000,000 (~approx. USD 8,800,000), or minimum of 500 employees, in Gautam Buddha Nagar / Ghaziabad, or (b) minimum investments of INR 500,000,000 (~approx. 5,900,000 or minimum of 300 employees, in other cities / regions of the State (Advanced GCCs). Advanced GCCs would benefit from higher subsidy limits and expense limits compared to Level-1 GCCs.

- Land, Capital & Opex Subsidies for GCCs: The Policy provides that the State will grant Level-1 GCCs and Advanced GCCs land subsidies (30–50% by region), full stamp duty exemption, capital subsidies, a 5% annual interest subsidy on term loans or the actual interest paid for specified purpose, and operational expense subsidy for lease, bandwidth, data centre / cloud services, and power costs.
- Payroll and Recruitment Subsidies: The Policy provides that the State will offer payroll subsidies and reimbursements for employee state provident fund contributions for employees who are women, scheduled castes / scheduled tribes, transgender, disabled, and State-domiciled—with higher rates in certain regions; and a recruitment subsidy for eligible State-domiciled freshers, subject to set limits and requirements.
- Talent Development: The Policy indicates that State will encourage GCCs to set up ‘Centres of Excellence’ and engage startups by offering reimbursement for ideation and running ‘proof-of-concepts’, and reimbursement of 100% patent fee for awarded patents, subject to certain limits.
- Customised Incentives: The Policy indicates that State will provide for customised incentive packages for Level-1 GCCs and Advanced GCCs units upon meeting certain conditions for personnel to be employed, capital investment, foreign direct investment, or having a ‘Global Fortune 500 / Fortune India 500’ as a holding company and having 1000 employees. The customised incentives are subject to the approval of the State Cabinet.
- Technical Support Group (TSG) for GCC: The Policy envisages the setting up of a TSG to coordinate between GCCs and State Government departments, promote industry concerns, guide on policies and compliance, facilitate investor engagement, and recommend policy improvements to the Government of India, ensuring smooth GCC operations and alignment with global business trends.
- Linkage Support: The Policy also states that State Government will collaborate with real estate partners to develop a live digital portal, enabling GCCs to easily access commercial space listings—initially in Noida, Ghaziabad, Lucknow, Kanpur, and Meerut—as a one-stop solution for location selection, which would also connect GCCs with local educational institutions, ‘Centre of Excellence’, start-ups, and incubators for talent, skilling, research, and innovation, with the TSG coordinating these initiatives alongside the Department of Higher & Technical Education.
- Regulatory Support: The Policy provides for grant of exemptions for eligible GCCs from the pollution control legislations and regular labour law inspections (except for specific complaints, limited to once every five years), paves the way for 24x7 operations with women in all shifts, benefit from enhanced ‘floor area ratio’, for qualification for employment-linked subsidies and for reimbursement of contribution for employee provident fund for State-based employees working from home or remotely within the State.
- Implementation: As per the Policy, Invest UP, the nodal agency, with support from a ‘Policy Implementation Unit’ will process incentive applications and manage single-window operations and will also empanel experts to assist in evaluations. An ‘Evaluation Committee’ will assess applications and refer it to the State Government, and then an ‘Empowered Committee’ will review Level-1 GCC applications; and a ‘High-Level Empowered Committee’ will review Advanced GCCs applications and applications for customised incentives; these empowered committees will also authorise operational changes and clarify policy issues as needed.

Conclusion

With multiple Indian states launching dedicated GCC policies, a spirited race is underway among various states to tap into GCC-growth in the country. While the Policy reflects the keenness of the Uttar Pradesh State Government to tap into the nation’s GCC boom, the implementation aspects will have to be evaluated to determine if Uttar Pradesh will be able to make its mark on India’s GCC landscape.

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