

Kerala Global Capability Centre (GCC) Policy

2025-2030

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Foreword

Kerala, renowned for its unparalleled quality of life, highly educated workforce, and progressive social fabric, is poised to become a leading destination for Global Capability Centres (GCCs). This policy outlines a strategic framework to attract, establish, and foster the growth of GCCs within the state, particularly in the vibrant tech hubs of Kochi and Thiruvananthapuram. Our vision is to create a seamless, supportive, and highly conducive environment for global organizations to set up and scale their operations, leveraging Kerala's unique strengths to drive innovation, generate employment, and contribute significantly to the state's economic prosperity.

This policy is designed to address the needs of global companies, their executives, professionals, students, and job aspirants, projecting Kerala as a welcoming society that offers immense growth opportunities and an exceptional quality of life.

Definitions

For the purpose of this policy, the following definitions shall apply:

- **Global Capability Centre (GCC):** A strategic operational hub established by a multinational corporation (MNC) in an offshore or nearshore location, primarily to centralize and optimize business processes, drive innovation, conduct research and development (R&D), and deliver high-value services across functions such as IT, engineering, finance, analytics, and business process management (BPM).
- **IT Parks:** Designated zones or complexes, either government-owned (like Infopark, Technopark, Cyberpark) or privately developed, equipped with specialized infrastructure (e.g., high-speed internet, reliable power, security) designed to host IT and ITES companies.
- **Plug-in Office:** A ready-to-use, fully furnished and equipped office space provided within an IT Park, allowing a GCC to begin operations immediately without the need for extensive initial setup.
- **High-Power IT Committee (HPIC):** An apex committee, typically chaired by the Chief Minister, comprising key government officials, industry leaders, and academic experts, responsible for strategic oversight, policy implementation, and addressing high-level challenges related to the IT and GCC sector in the state.
- **Dedicated GCC Setup Team:** A specialized unit within the state's IT/Industries department or IT Parks, acting as a single point of contact to provide end-to-end assistance and facilitation services for companies establishing GCCs in Kerala.

- Special Economic Zone (SEZ): A specially demarcated territory within a country that offers attractive tax incentives and other benefits to businesses to encourage investment and employment generation, typically operating under more liberal economic laws than the rest of the country.
- Fiscal Support: Financial incentives provided by the government, including tax benefits (e.g., GST reimbursement, stamp duty exemptions), capital investment subsidies, and rental subsidies, aimed at reducing operational costs and encouraging investment.
- Non-Fiscal Support: Non-financial assistance and ecosystem development initiatives provided by the government, such as single-window clearances, talent development programs, innovation promotion, infrastructure development, and marketing support.
- Grade A Building: A classification for commercial office spaces indicating high quality construction, superior finishes, modern infrastructure, advanced amenities, and excellent facilities management, typically located in prime business districts.
- Data Centres & GPU Clusters: Facilities designed to house computer systems and associated components, such as telecommunications and storage systems, for the processing, storage, and dissemination of data. GPU clusters specifically refer to networked groups of computers optimized for high-performance computing tasks, often used in AI/ML applications.
- FOSTeRA: Fund of Funds for Startups and Emerging Technologies in Research Areas; a scheme providing financial support for startups and emerging technologies.
- Leap Coworks: Co-working space initiatives aimed at providing shared office environments and resources for businesses.
- Work Near Home (WNH): Programs and initiatives that support establishing remote or satellite work locations closer to employees' residences, promoting decentralized work models.
- ICFOSS: International Centre for Free and Open-Source Software; an autonomous institution that promotes free and open-source software and related technologies.
- Digital University Kerala: A state-funded university focused on digital sciences and technologies, contributing to talent development and research.
- Digital Science Park: A research and development park affiliated with Digital University Kerala, providing advanced facilities and expertise for deep tech and scientific innovation.
- APJ Abdul Kalam Technological University: A state university in Kerala providing engineering and technological education, playing a key role in talent development

for the tech sector.

- ICT Academy: An initiative focused on bridging the gap between academia and industry by providing skill development programs in Information and Communication Technology.
- CDIT: Centre for Development of Imaging Technology; an autonomous institution involved in research, development, and training in information technology and communication.
- ASAP: Additional Skill Acquisition Programme; a joint initiative by the Department of Higher Education and General Education, Government of Kerala, focusing on enhancing the employability of students.
- Mulearn: A community-driven platform or initiative that supports talent development and collaboration, particularly among students and young professionals.
- AVGC Policy: Refers to the state's policy framework for the Animation, Visual Effects, Gaming, and Comics industry, aimed at promoting and supporting growth in these creative technology sectors.
- KSpace: Kerala Space Park; an initiative by the Government of Kerala to develop an ecosystem for space technology, leveraging the state's existing strengths in aerospace and research.
- K-DIZ (Kerala Defence Innovation Zone): An initiative under Kerala Startup Mission (KSUM) aimed at fostering innovation and entrepreneurship in the defence sector within Kerala.
- FTE (Full Time Equivalent): A unit of measure indicating the workload of an employed person in a way that makes workloads comparable across various contexts. One FTE is equivalent to one employee working full-time.
- Tier 1 Cities: Major metropolitan areas in India characterized by high population density, advanced infrastructure, and established economic hubs (e.g., Bangalore, Mumbai, Delhi, Chennai, Hyderabad). These cities typically have higher operational costs and competition for talent.
- Tier 2 Cities: Emerging metropolitan areas in India with growing populations, developing infrastructure, and increasing economic activity (e.g., Kochi, Thiruvananthapuram, Pune, Jaipur). These cities often offer a more cost-effective environment and a strong talent pool.

1. Introduction: Kerala - The Gateway to Global Capabilities

Kerala, often referred to as "God's Own Country," stands as a beacon of social and economic progress in India. Renowned for its exceptional Human Development Index, which rivals many developed nations, Kerala boasts the highest literacy rate in India at 96.2%. The state is home to numerous universities and educational institutions, producing a significant number of graduates annually across various disciplines, including a high proportion in STEM fields. Kerala consistently ranks high in health indicators, reflecting its robust healthcare infrastructure and high quality of life. Furthermore, the state is recognized for its commitment to environmental sustainability and maintains good air quality, contributing to a healthy living and working environment. These fundamental strengths provide a robust foundation for the growth of its technology sector.

Global Capability Centres (GCCs) are specialized operational hubs established by multinational corporations (MNCs) in an offshore or nearshore location. Far from being mere cost-saving back-office units, GCCs have significantly evolved into strategic innovation centres, serving as vital drivers of digital transformation, advanced analytics, and cutting-edge research and development (R&D) for their parent organizations. They play a pivotal role in leveraging global talent pools, optimizing business processes, and enabling high-value operations across diverse functions including IT services, engineering, finance, human resources, and business process management.

India has firmly established itself as a global leader in the GCC sector, attracting a substantial number of these centres due to its vast talent pool and robust technology infrastructure. Kerala, with its unique strengths and progressive vision, is now poised to emerge as a premier destination within this thriving sector.

The establishment and growth of GCCs in Kerala offer multifaceted advantages to the state, including:

- **Significant Employment Generation:** Creating abundant high-quality job opportunities for skilled professionals, graduates, and job aspirants across various domains, thereby boosting local employment and reducing brain drain.
- **Economic Growth & Diversification:** Contributing substantially to the state's GDP through increased investment, higher per capita income, and the

development of ancillary services and supporting industries.

- **Technology Transfer & Skill Enhancement:** Facilitating the inflow of advanced technologies, best practices, and global business processes, leading to continuous upskilling and reskilling of the local workforce and enhancing the state's overall technological prowess.
- **Increased Foreign Direct Investment (FDI):** Attracting greater foreign capital and demonstrating Kerala's appeal as a stable and lucrative investment destination.
- **Development of a Vibrant Ecosystem:** Fostering the growth of local startups, vendors, and service providers that support GCC operations, creating a self-sustaining and dynamic business environment.
- **Enhancing Global Reputation:** Elevating Kerala's standing on the global map as a competitive tech hub and a preferred location for advanced business operations.

This policy aims to:

- **Establish Kerala as a preferred GCC destination:** This involves proactively marketing Kerala's unique advantages, such as its exceptional talent pool, robust infrastructure, and unmatched quality of life, to global organizations. The policy will highlight the comprehensive support ecosystem available to prospective GCCs, positioning Kerala as the ideal strategic location for their operations and fostering a reputation as a business-friendly state with a strong commitment to facilitating global investments. This will transform Kochi, Thiruvananthapuram, and Kozhikode into premier destinations for Global Capability Centres (GCCs) in India, enhancing their infrastructure and business environment.
- **Generate immense employment opportunities:** By attracting a significant number of GCCs, the policy seeks to create a vast array of high-quality employment opportunities across various technology and business functions. This will benefit skilled professionals, recent graduates, and job aspirants, significantly contributing to the state's employment rates and offering compelling reasons for global talent, including those from the diaspora, to return to or relocate to Kerala, thereby enriching the local workforce with diverse experiences.
- **Stimulate economic activities:** The influx of GCCs will lead to substantial direct and indirect economic benefits for the state. This includes increased foreign direct investment, higher per capita income, and the rapid growth of supporting industries and services, such as real estate, hospitality, retail, and transportation. This comprehensive stimulation of economic activity will contribute significantly to Kerala's overall economic prosperity, diversification, and long-term sustainable

development.

- **Project Kerala as a business-focused society and a tech hub:** Through this policy, Kerala intends to reinforce its image as a forward-thinking state deeply committed to fostering a vibrant business environment and a thriving technology sector. This involves promoting a culture of innovation, entrepreneurship, and technological advancement, signalling to the global community that Kerala is not just a scenic destination but also a dynamic, reliable, and strategically important hub for high-value technology and business operations in India.
- **Support Start-ups:** Create a supportive environment for start-ups by providing access to funding, mentorship, and collaborative workspaces, and facilitating connections with GCCs for potential partnerships and growth opportunities.

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2. Key Factors for Global Capability Centres (GCCs)

When multinational corporations consider establishing or expanding a Global Capability Centre, several critical factors drive their decision-making process. These factors are paramount to ensuring operational efficiency, long-term sustainability, and the ability to deliver high-value services to the parent organization. Understanding these priorities is essential for any location aiming to attract and foster GCC growth.

- **Talent Availability and Quality:** Access to a large, skilled, and readily available talent pool is the foremost consideration. This includes not only technical proficiency but also strong communication skills, a customer-centric mindset, and diverse domain expertise. GCCs seek professionals who can seamlessly integrate into global teams and effectively interact with international clients and stakeholders. The ability to retain this talent over the long term, minimizing attrition, is also a critical success factor for productivity and continuity.
- **Cost Efficiency:** While GCCs have evolved beyond mere cost arbitrage, optimizing operational costs remains a significant driver. This encompasses competitive real estate rental rates, favourable salary levels compared to Tier 1 cities, and overall lower cost of living for employees, which contributes to higher disposable income and improved quality of life. Locations that offer a compelling cost advantage without compromising on quality are highly attractive.
- **Robust Infrastructure:** Reliable and scalable infrastructure is non-negotiable. This includes state-of-the-art IT parks, high-speed internet connectivity, uninterrupted power supply, and modern office spaces (Grade A buildings). Beyond physical infrastructure, access to advanced digital infrastructure like 5G, cloud computing, and data centres is increasingly important for supporting complex operations and R&D initiatives.
- **Conducive Business Environment:** A stable and supportive regulatory and political environment is crucial for long-term investment. This involves ease of doing business, streamlined single-window clearance mechanisms, transparent policies, and a government that is proactive and responsive to industry needs. A safe and secure environment for employees and their families also plays a significant role.
- **Quality of Life:** The overall quality of life offered by a location directly impacts talent attraction and retention. Factors such as access to quality healthcare, international education facilities, recreational opportunities, vibrant cultural experiences, and a healthy environment contribute to employee well-being and satisfaction, making a location more appealing for professionals and their families.

- **Business Resilience and Scalability:** In an increasingly dynamic global landscape, GCCs prioritize locations that offer inherent resilience against disruptions and provide ample opportunities for future scalability. This includes access to diverse talent pools beyond major metropolitan areas, a supportive ecosystem for innovation and startups, and the availability of space for expansion.

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3. Kerala's Value Proposition for GCCs

Building on the key factors that drive GCC location decisions, Kerala offers a compelling and differentiated value proposition. The state's unique strengths directly address the priorities of global corporations seeking to establish high-value capability centres.

- **Exceptional Talent Pool:**
 - **High Literacy Rates:** Consistently ranking highest in literacy, ensuring a strong foundation for a skilled workforce.
 - **Quality Education & Industry-Academia Connect:** A robust network of universities and technical institutions actively collaborates with the industry. Curricula are being updated to align with industry demands, internship windows are being expanded, and dedicated campus parks are being developed to foster practical skills and direct industry exposure.
 - **Multilingual & Customer-Centric Workforce:** Proficiency in English, alongside local languages, facilitates seamless global communication. Kerala's talent pool is known for its strong communication skills, customer focus, and service-oriented culture, which are critical for GCCs directly engaging with the parent organization's end customers and ensuring high standards of service delivery.
 - **Globally Experienced Talent:** Kerala benefits from a significant pool of professionals with extensive experience in global organizations, particularly in the Middle East and other international markets. These individuals possess diverse functional expertise across various industry domains and are increasingly seeking opportunities to relocate or return to Kerala, provided there are compelling career prospects. This availability of globally seasoned talent offers GCCs a ready workforce with international exposure and understanding.
 - **High Women Participation in STEM:** Kerala boasts a high number of women graduates in Science, Technology, Engineering, and Mathematics (STEM) disciplines, leading to a larger and more diverse women participation in the workforce. This provides GCCs with a strong and equitable talent pipeline, contributing to inclusive growth.
 - **Strong Work Ethic & Work-Life Balance:** A reputation for dedicated and adaptable professionals, coupled with Kerala's renowned quality of life, provides an excellent work-life balance. This unique combination acts as a

significant catalyst in attracting and retaining experienced talent to the state, including those seeking a better lifestyle alongside career growth.

- **Low Attrition Rates & High Productivity:** Kerala enjoys one of the lowest attrition rates in India, with figures around 5-10%, compared to the national average of 12-15%. This low attrition rate signifies high job satisfaction and workplace stability, leading to better employee longevity and increased productivity for GCCs, which is a critical success factor for long-term operational efficiency.
- **Diverse Domain Expertise:** Beyond technical and language skills, Kerala's talent pool possesses a broad range of domain-specific knowledge across various industry verticals. This enables GCCs to tap into professionals with specialized expertise, enhancing their ability to handle complex business problems, drive innovation, and deliver high-value services with a strong customer orientation and high ethical standards.
- **Robust Infrastructure:**
 - **World-class IT Parks:** In addition to government-led IT parks such as Infopark (Kochi), Technopark (Thiruvananthapuram), and Cyberpark (Kozhikode) offering state-of-the-art facilities, reliable power, and high-speed connectivity, Kerala also boasts prominent private parks like Smart City Kochi and UL Cyberpark in Kozhikode.
 - **Promotion of Private & Co-branded Parks:** Kerala actively promotes and facilitates the establishment of new private IT parks and encourages co-branded partnerships between private developers and government IT parks, further expanding the available high-quality infrastructure.
 - **The Capital Region Development Project:** CRDP of Thiruvananthapuram is a visionary initiative aimed at urban modernization, which, along with other infrastructural developments, positions Kerala as an economically viable and forward-thinking choice for businesses looking beyond traditional metropolitan areas.
 - **Decentralized Development:** The state is committed to a model of decentralized IT and infrastructure development, moving beyond city-centric growth. This approach spreads economic opportunities across various regions, alleviates pressure on major metropolitan areas, and allows GCCs to tap into talent pools in different parts of the state while offering employees a choice of diverse living environments.
 - **Robust SME & Startup Ecosystem:** Kerala possesses a thriving ecosystem of Small and Medium-sized Enterprises (SMEs) and innovative startups. This

robust network offers GCCs immense opportunities for collaboration, co-creation, and leveraging local strengths to solve complex business problems at scale. These partnerships can also lead to strategic acquisition targets for global corporations, further integrating and strengthening Kerala's position in the global innovation landscape. With more than 4,500 startups, Kerala boasts a vibrant ecosystem that supports entrepreneurship. The state is also proposed to launch a Hi-tech Manufacturing framework with a focus to transform Kerala into a Hi-tech Manufacturing Hub.

- **Sustainable Environment:** Kerala's unique and highly eco-sensitive geography, characterized by its lush Western Ghats, extensive backwaters, and pristine coastline, underscores its commitment to environmental preservation. The state consistently ranks among the top-performing states in India for sustainable development, particularly in the NITI Aayog's SDG India Index, reflecting its proactive approach to green initiatives and long-term environmental stewardship. This focus on sustainability aligns with the corporate social responsibility goals of global organizations. Kerala's major cities like Kochi, Thiruvananthapuram, and Kozhikode consistently report Air Quality Index (AQI) levels that are significantly better than those in many Tier 1 metropolitan cities such as Bangalore, Chennai, and Hyderabad. This cleaner air contributes to a healthier living and working environment, aligning with the corporate social responsibility goals of global organizations and enhancing employee well-being.
- **Infrastructure Availability:** Kerala is committed towards creating a conducive ecosystem for industrial development. Maker Village is the largest electronic hardware incubator and ESDM facility in the country. Government of Kerala Support with Seed Fund, preferential treatment in procurement and Various schemes such as Rent Subsidy, R&D grant, Patent reimbursement and innovation grant to support start up ecosystems.
- **Exceptional Connectivity:**
 - **Road Network:** The newly redeveloped National Highway 66 (NH66) provides a straight-line connection between Kerala's three major IT hubs: Thiruvananthapuram, Kochi, and Kozhikode. This state-of-the-art highway significantly reduces travel time, ensuring less than three hours of travel between these key cities, facilitating seamless inter-city operations and talent movement for GCCs.
 - **Airports:** Kerala is served by three international airports in Kochi, Kozhikode, and Thiruvananthapuram, offering excellent domestic and international flight

connectivity to major global cities. Kochi, in particular, stands out as one of the most air-connected Tier 2 cities in the country, providing exceptional access for global business travel.

- **Ports:** The strategic port locations of Vizhinjam (Thiruvananthapuram) and Kochi offer robust logistics support, crucial for businesses requiring efficient import/export and supply chain operations. Vizhinjam is India's sole deepwater, container transshipment terminal. These ports contribute to Kerala's strength as a gateway for global trade.
- **Urban Transportation:** Kochi currently benefits from a modern Metro system and an innovative Water Metro transport network, enhancing intra-city commuting efficiency. Furthermore, Thiruvananthapuram and Kozhikode are slated to develop their own Metro systems, promising enhanced urban mobility.
- **Data Connectivity:** Kerala boasts robust data connectivity, crucial for the high-bandwidth demands of GCCs. Kochi serves as a landing station for multiple international submarine optical fibre cables, including the Kochi-Lakshadweep Islands Submarine Optical Fiber Connection (KLI-SOFC) project, which further enhances its connectivity backbone. This direct access to high-capacity global networks ensures ultra-low latency and high-speed data transfer. Major cities like Thiruvananthapuram and Kozhikode also benefit from extensive fibre optic networks provided by leading internet service providers, offering gigabit-speed broadband connections. The state's commitment to digital infrastructure, including the Kerala Fiber Optic Network (KFON), further strengthens its position as a highly connected hub, ensuring seamless and reliable data flow for global operations.
- **Conducive Business Environment:**
 - **Progressive Governance & Ease of Doing Business:** Proactive government support with streamlined regulatory processes and investor-friendly policies. Kerala has made significant strides in implementing ease of doing business reforms, simplifying procedures, and enhancing transparency to create a highly favourable investment climate. The state is committed to being a *policy-driven state*, ensuring consistency and clarity in its approach to business and investment, and fostering an environment of minimal bureaucratic intervention. Kerala has emerged the leader in the country in 'Ease of Doing Business Reforms' as per the ranking of the Union Ministry of Commerce and Industries in September 2024.
 - **Dedicated Single-Window Clearance:** A dedicated online portal for all GCC-

related approvals, ensuring transparency and time-bound processing will be setup. Furthermore, professional teams from the respective IT Parks will serve as the primary point of contact for organizations for all government interactions, including obtaining licenses and permits, as well as efficient grievance management.

- **Stable Political Climate:** Kerala offers a predictable and secure environment for long-term investments. There is significant political stability, with governments consistently following progressive policies irrespective of political affiliations. This ensures a consistent and reliable operational landscape for GCCs, complemented by one of the least disruptions of working days among the states in India recently. The state prioritizes law enforcement and efficient justice, fostering a secure environment for businesses, employees, and families, ensuring a high sense of safety and security for all residents and businesses.
- **Vast Expatriate Community & NORKA Support:** The state's expatriate community is vast, with over 4 million Keralites living abroad, creating a global network that fuels innovation and business opportunities. Kerala's Department of Non-Resident Keralites Affairs (NORKA) plays a crucial role in facilitating this engagement, offering support and incentives for NRKs to invest in their home state. By creating a conducive environment for NRKs to set up operations, Kerala can benefit from their global expertise and networks.
- **Highly Educated and English Proficient Workforce:** With a literacy rate of 96.2%, the highest in India, Kerala's workforce is exceptionally well-educated. English proficiency is widespread, contributing to the state's ranking as one of the top English-speaking regions in India. This cosmopolitan culture, combined with a literacy rate that far exceeds the national average of 74.04%, makes Kerala a prime location for startups looking to tap into a knowledgeable and skilled talent pool.
- **Unmatched Quality of Life:**
 - **Scenic Beauty and Tourism:** A globally recognized tourist destination offering a high quality of life with beautiful landscapes, beaches, and backwaters, providing ample opportunities for relaxation and rejuvenation. Kerala's diverse natural beauty includes hill stations, national parks, and serene backwater cruises, offering a wide array of recreational experiences.
 - **Healthcare and Education:** Kerala boasts some of the best healthcare indicators in India, with a robust network of public and private hospitals, specialized medical centres, and a high doctor-to-patient ratio ensuring

access to quality medical care. The state's education system is highly regarded, with numerous reputable universities, engineering colleges, and international schools offering diverse curricula, ensuring excellent educational opportunities for families. The state boasts a robust healthcare infrastructure with top-tier hospitals and medical institutions offering advanced treatments at competitive costs. Kerala has a doctor-to-patient ratio of 1:509, which is significantly better than the national average of 1:83612. This high doctor-to-patient ratio ensures accessible and efficient healthcare services.

- **Vibrant Culture & Entertainment:** Kerala's rich cultural heritage is reflected in its diverse festivals, traditional art forms, and a thriving contemporary arts scene. Major cities like Kochi and Thiruvananthapuram offer a wide array of entertainment options, including multiplex cinemas, art galleries, museums, shopping malls with international brands, and a growing number of cafes, pubs, and fine dining restaurants catering to diverse palates. The culinary scene is vibrant, ranging from authentic local delicacies to international cuisines. Additionally, Kerala is emerging as a prominent destination for wellness retreats, complementing its vibrant tourism offerings.
- **Affordable Living:** Compared to other major Indian metro cities, Kerala offers a significantly more affordable cost of living, including housing, transportation, and daily expenses, allowing professionals to enjoy a higher disposable income and a comfortable lifestyle. This affordability extends to quality services and amenities, enhancing the overall value proposition for residents.
- **Cost Competitiveness & Business Resilience:** Kerala presents a significant competitive edge with its cost-efficient average rental rates, which are approximately 30-40% lower than those in tech hubs like Hyderabad, Bangalore, and Chennai. This translates to considerably lower overall operational costs and salary levels compared to Tier 1 cities. For GCCs already established in Tier 1 cities, Kerala's Tier 2 cities (Thiruvananthapuram and Kochi) offer an ideal option to enhance business resilience and optimize costs by establishing blended teams, leveraging the readily available talent pool and favourable economic environment. This availability of space and lower operational expenditure facilitates business scalability and long-term sustainability.

3.1. Target Industry Verticals for GCCs

Kerala aims to strategically attract GCCs in industry verticals where the state possesses inherent advantages, a strong talent pool, and significant global exposure. While the policy encourages investment across all technology-driven sectors, priority

will be given to the following anchor verticals:

- **Maritime Logistics & Port Services:** Leveraging the strategic port locations of Kochi and Vizhinjam (Thiruvananthapuram), existing maritime infrastructure, and the global expertise of Keralite professionals in shipping, port operations, and supply chain management, GCCs focusing on maritime technology, logistics optimization, and port management software will find a conducive environment in Kerala.
- **Oil & Gas Services:** Building on the extensive global experience of Keralite professionals in the Middle East and other major oil & gas hubs. This includes GCCs focused on engineering services, digital solutions for energy management, remote monitoring, and back-office operations for the oil and gas sector.
- **Healthcare & Life Sciences:** Capitalizing on Kerala's robust healthcare infrastructure, medical education excellence, and a large workforce with global experience in healthcare delivery and medical research. Opportunities exist for GCCs in health-tech, medical analytics, clinical research support, and pharmaceutical R&D support.
- **Hospitality & Tourism Technology/Operations:** Given Kerala's status as a global tourism destination, there's a natural fit for GCCs specializing in hospitality technology, tourism management solutions, customer experience centres, and back-office support for global hotel chains and travel companies.
- **Financial Services & FinTech:** With a growing financial services sector and an emphasis on digital transformation, Kerala is ideal for GCCs focusing on fintech solutions, risk management, compliance, financial analytics, and back-office operations for global financial institutions.
- **Advanced Engineering & R&D:** Leveraging the strong engineering talent pool and academia-industry connect, GCCs involved in product development, design engineering, advanced materials research, and embedded systems will find a supportive ecosystem.
- **Digital Media & Entertainment (AVGC):** Capitalizing on Kerala's creative talent pool and its emerging animation, visual effects, gaming, and comics (AVGC) ecosystem. This includes GCCs focused on content creation, game development, animation studios, visual effects, and related digital media services, aligning with the state's AVGC policy initiatives.
- **Defence & Aerospace Technology:** Leveraging the presence of premier institutions like ISRO (Indian Space Research Organisation), the Southern Air Command, Southern Naval Command, Amphibious Army Brigade, and the newly proposed Maritime Theatre Command (tri-services). The state's own KSpace

(Kerala Space Park) and K-DIZ (Kerala Defence Innovation Zone) under KSUM further strengthen this vertical, aiming to attract GCCs focused on aerospace engineering, satellite data analytics, defence software development, and strategic support operations.

- **Automotive and EV Technology:** Capitalizing on the growing global demand for electric vehicles and advancements in automotive technology, this vertical targets GCCs specializing in EV component design and manufacturing, automotive software development, autonomous driving systems, battery technology, and related R&D, leveraging Kerala's engineering talent and sustainable development focus.
- **Digital Technologies (AI/ML, Cybersecurity, Data Analytics, Cloud Computing, IoT):** These horizontal capabilities cut across all sectors. Kerala's focus on developing a future-ready workforce and providing advanced digital infrastructure makes it an attractive hub for GCCs specializing in these cutting-edge technologies, supporting operations across all identified anchor verticals.

3.2. Policy Targets (2025-2030)

This policy sets ambitious yet achievable targets for the growth of the GCC sector in Kerala over the next five years, contributing significantly to the state's economic and employment landscape:

- **Number of GCCs:** Increase the current number of 40 GCCs to 120 by the end of 2030.
- **Total GCC Employment:** Expand employment from the current estimated 40,000 professionals to 200,000 in GCCs across Kerala.
- **AI Professionals:** Increase the number of AI/ML professionals from 20,000 today to 125,000.
- **IT Office Infrastructure:** Add an additional 20 million square feet of IT office infrastructure to the existing 30 million square feet, taking the total available space to 50 million square feet.

4. Policy Framework: Pillars of Growth

This policy is built upon the following key pillars:

4.1. The "GCC Boilerplate" - Your Turnkey Solution

Kerala commits to providing an unparalleled "GCC Boilerplate" experience, enabling companies to set up their GCCs in Kochi and Thiruvananthapuram from the word go. This comprehensive, end-to-end support system is designed to remove all friction points and ensure a smooth, rapid, and successful establishment.

To effectively cater to the diverse needs of incoming GCCs, the "GCC Boilerplate" will be customized based on their initial staff strength projections. This tailored approach ensures that the support mechanisms and applicable incentives are aligned with the scale and requirements of each GCC. We categorize GCCs into the following staff strength categories for the first year of operations:

- GCCs looking for 0 to 100 FTE (Full Time Employees) operations
- GCCs looking for 100 to 500 FTE operations
- GCCs looking for 500 to 1000 FTE operations

The specific support and incentives detailed below will be clearly applicable and communicated for each category, ensuring transparency and targeted assistance.

Dedicated GCC Setup Team:

A dedicated team will be established within Infopark (Kochi) and Technopark (Thiruvananthapuram) to serve as a single point of contact and provide hands-on assistance for every aspect of GCC setup and operations. This team will comprise experts in:

- **Incorporation & Legal:**
 - **Company Registration:** Full assistance with company incorporation, including choosing the right legal entity. For companies that already have a GCC in India, the team will help in setting up a branch in Kerala.
 - **Government Clearances and Registrations:** Expedited processing of all necessary government approvals, licenses, and permits. The team will help with registrations like PAN, TAN, GST, Professional Tax etc. All space/land clearances as required per the compliance norms will be assisted with.

- **SEZ Registration:** The dedicated team will provide comprehensive assistance with all Special Economic Zone (SEZ) related documentation and filing processes if the GCC chooses to operate within an SEZ space. This includes guidance on eligibility criteria, application submission, and liaison with SEZ authorities.
- **Compliance:** The dedicated GCC setup team will liaison with all relevant government agencies for compliance matters. All engagement if needed with external agencies like the State and Central Labour department, ESI, Fire and Rescue Department, Pollution Control Board, Shops and Commercial Establishment Workers Welfare Fund / Labour Welfare Fund, Corporation / Local Self Governance Bodies in Thiruvananthapuram, Kochi and Calicut, Electrical Inspectorate, Provident Fund department, Department of Social Justice, Department of Women and Child Development, and District Employment Exchange will be channelled through this central mechanism. This service is extended to units operating from all recognized IT spaces in the respective jurisdiction of the IT Parks.
- Office Setup & Infrastructure:
 - **Plug-in Office:** Ready-to-use initial office spaces will be provided within Infopark, Technopark or Cyberpark, enabling GCCs to commence operations immediately upon arrival.
 - **Site Selection:** Assistance in identifying and securing suitable office space in the government IT parks or even outside. The team will create and maintain a central database of available spaces across Government and private Grade A office buildings.
 - **Office Design & Fit-out:** Support in designing and setting up the office infrastructure, including IT connectivity, power, and security.
 - **Initial Rental Relief:** The first **six months of rental will be free** for all new GCCs setting up within the office spaces owned and operated by Infopark and Technopark.
- Talent Acquisition & HR:
 - **Hiring Strategy:** Assistance in developing a robust hiring strategy tailored to the GCC's specific needs. The IT Parks maintain a detailed skill matrix of available resources in Kerala, and with this accurate information on available skills, we help GCCs to identify the right resources they could hire.
 - **Recruitment Support:** Facilitating connections with local recruitment agencies, universities, and talent pools.
 - **GCC Head Hiring:** Dedicated support in identifying and recruiting the initial

- GCC head and leadership team.
- **HR Policies:** Guidance on establishing HR policies, compensation structures, and employee benefits in line with local regulations and industry best practices.
- Financial & Banking:
 - **Banking Relationships:** Assistance in establishing banking relationships and opening corporate accounts.
 - **Financial Advisory:** Guidance on financial planning, foreign exchange regulations, and investment opportunities.
 - **Taxation:** Expert advice on state and central tax policies, incentives, and compliance.
- Operations & Strategy Development:
 - **Operational Setup:** Support in setting up day-to-day operations, including IT systems, facilities management, and vendor relationships.
 - **Policy Development:** Assistance in formulating internal policies and procedures for the GCC.
 - **Strategy Alignment:** Collaborative workshops and advisory services to align GCC strategy with global organizational goals and local market opportunities.
 - **Business Continuity Planning:** Guidance on developing robust disaster management and business continuity plans.

4.2. Fiscal Support & Incentives

Kerala will offer a range of fiscal incentives to attract and retain GCCs. The incentives will be applicable for GCCs wishing to create their own infrastructure or for private infrastructure builders.

- Tax Benefits:
 - **Reimbursement of State Goods and Services Tax (SGST):** Reimbursement for a specified period on eligible expenses, with a maximum limit of Rs 10 Cr for 5 years.
 - **Stamp Duty & Registration Fee Exemption:** Exemption or reduction in stamp duty and registration fees for land/property acquisition or long-term leases within designated IT Parks, *up to 100% waiver of Stamp Duty and Registration charges.*
 - **Reduction of Land Conversion Charges:** Up to 50% waiver of land conversion charges.
 - **Power Tariff:** The power tariff applicable to Government IT parks shall be extended to Private IT parks, ensuring competitive operational costs.

- Property Tax Incentives:
 - Building/property tax for companies occupying government-owned buildings on lease inside the IT parks and outside is already paid by the government.
 - To encourage more private developers and investors, the government will provide up to 50% reimbursement of land tax for a period of 5 years for Private IT Parks and Co-developers.
 - In some of the parks that are in priority areas, property tax exemption for IT companies in IT Parks may be available for a limited time by treating IT Parks akin to Industrial areas.
 - Property tax will be waived for a 5 year period to all GCC office spaces.
- Capital Investment Subsidies:
 - **Infrastructure Subsidy:** Subsidies for setting up specialized infrastructure, R&D labs, or advanced technology centres. These subsidies are available for both GCCs and IT/Technology companies establishing their own campuses, as well as for Real Estate players developing IT Parks and GCC clusters. These subsidies can cover a percentage of the eligible capital expenditure, providing a direct reduction in initial investment costs.
 - **Capital Subsidy (Investment & Employment Linked):** The government of Kerala shall provide capital subsidies based on investment ranges and employment generation for new or expansion of GCCs in Kerala. These subsidies will be applicable for creating office infrastructure (not interiors) with a minimum of Rs. 50 crore investment and 1,000 employments generated. The rate of subsidy will vary depending on whether the investment is in an urban centre or a rural area. A maximum of **Rs. 50 Crores** will be disbursed as subsidy per year across a maximum of **10 investments**. The subsidy amount will be disbursed in equal 12-15 instalments from the date of fulfilment of conditions.
 - **Land Lease Subsidy:** To incentivize large-scale infrastructure development and significant employment generation, subsidies on land lease premiums for **government land leases of 90 years** will be provided for eligible projects:
 - **5% subsidy** for infrastructure that generates a minimum of 1,500 employments.
 - **10% subsidy** for infrastructure that generates 2,500 employments.
 - **15% subsidy** for infrastructure that generates above 4,000 employments.
 - **Quality Certification Incentive:** Refund up to 50% of the expense incurred for obtaining quality certifications (e.g., ISO, BIS, CMM level 3 to 5), subject to a maximum of Rs 25 lacs per unit per annum.

- **Special Subsidies for Green Campus Initiatives:** Dedicated subsidies and grants will be provided for GCCs that undertake green campus initiatives, promoting sustainable and environmentally friendly infrastructure development.
- **Investment Beyond Major Cities:** Special incentives, grants, and subsidies will be provided for infrastructure projects and investments by GCCs and infrastructure companies in locations beyond Kochi and Thiruvananthapuram, encouraging decentralized growth and equitable development across the state.
- **Training & Skill Development Subsidies:** Financial support for upskilling and reskilling programs for the local workforce to meet GCC talent requirements. This includes subsidies for training costs and stipends for trainees.
- **Digital Infrastructure Incentives:** Specific incentives for investment in cutting-edge digital infrastructure, including dedicated support for setting up 5G connectivity, cloud computing infrastructure, and leveraging blockchain technologies to enhance operational efficiency and security.
- **Employment Generation Incentive (EGI):** A subsidy provided per employee, for a specified period, based on the number of new jobs created by the GCC. This incentive aims to directly support employment growth and offset initial hiring costs, particularly for high-skilled positions.
- **Other Incentives:** All incentives from Industrial Policy 2023 and other such policies from Government of Kerala are applicable to the GCCs.
- Rental Subsidies:
 - **Initial Free Rental:** As part of the "Boilerplate" initiative, the first **six months of rental will be free** for all new GCCs setting up within the office spaces owned and operated by Infopark, Technopark and Cyberpark.
 - Special Financial Aid for Employee Diversity and Inclusion: To promote diversity and inclusion in the workforce, the Government of Kerala offers the following financial aid to GCCs operating from leased built-up spaces in government-owned IT Parks:
 - **Employment of Transgender, Neurodivergent, and Persons with Disabilities:** A GCC with 25 or more employees can claim salary reimbursement, provided as a rent discount, for providing permanent employment to transgender persons, neurodivergent individuals, and people with disabilities on their campus. This discount will be 5% of the monthly rent, up to a maximum of ₹15,000 per month, for one year per employee category. If an organization employs individuals from more than

one of these categories (transgender, neurodivergent, or disabled), the financial aid for each eligible category will be compounded.

- **Ownership/Board Representation by Diverse Individuals:** A GCC with 25 or more employees is eligible for a 10% discount on its base rent if the organization is owned by, or has on its board of directors, a person or persons who are transgender, neurodivergent, or disabled, or any combination thereof. There will be no ceiling on the cumulative amount claimed under this provision. Organizations claiming this 10% discount are not eligible for further claims under the first provision (salary reimbursement for employing diverse individuals).
- **High Women Employee Ratio:** A GCC organization with 25 or more employees, operating from a leased built-up space in a government-owned IT park, is eligible for a 10% discount on its base rent for a period of 12 months if 50% or more of its employees working from the campus are women. There is no ceiling on the cumulative amount claimed. To qualify, the organization must have maintained 50% or more women employees working from the campus for the preceding 12 months. The rent escalation will be calculated on the non-discounted base rent. This financial aid can be given consecutively or whenever the preceding 12 months meet the specified criteria.

Private parks are encouraged to extend similar support and incentives to the companies operating within their premises, aligning with the government's diversity and inclusion agenda.

- **Special Packages for Non-Metro Cities:** In addition to rental waivers for a limited period, special packages will be provided for GCCs establishing their development centres in non-metro cities. These packages will include extending benefits from schemes such as FOSTeRA (Fund of Funds for Startups and Emerging Technologies in Research Areas), Leap Coworks (co-working space initiatives), and Work Near Home (WNH) programs, to support their establishment and growth.
- **Incentives as per National Framework for GCCs:** Kerala will extend all appropriate incentives and facilities that are being framed by the central government as part of the National Framework for GCCs as announced in the Union Budget 2025. This framework is expected to guide states in promoting GCCs, particularly in Tier 2 and 3 cities, and encourage cross-sector collaboration and innovation. The framework also aims to address regulatory

and tax challenges to improve the ease of doing business for GCCs in India.

4.3. Ecosystem Development

Beyond financial incentives, Kerala will focus on building a vibrant and supportive ecosystem:

- **Single Window Clearance System:** A dedicated online portal (e.g., "Invest Kerala") for all GCC-related approvals, ensuring transparency and time-bound processing.
- Talent Development & Skilling:
 - **Academia-Industry Collaboration:** Strengthening partnerships between universities, technical institutions, and GCCs to align curriculum with industry needs, offer internships, and facilitate joint research projects. A dedicated team will be set up at APJ Abdul Kalam Technical University to coordinate this collaboration. Government will ensure that this collaboration will be reflected in the state's educational policy as well. GCCs will be encouraged to help fund dedicated coursework at colleges as well as continually improve the overall curriculum.
 - **Skill Development Programs:** Government-supported programs for emerging technologies (AI, ML, Cybersecurity, Cloud Computing, Data Science, IoT, Blockchain) to create a future-ready workforce. Specialized training and education programs to equip the local workforce with the skills needed to contribute to innovative R&D projects within GCCs.
 - **Global Talent Connect:** Initiatives to attract and retain global talent, including simplified visa processes and support for professional integration.
 - **Comprehensive Talent Support:** To meet the new generation talent needs, institutions like APJ Abdul Kalam Technological University and key skill development institutions such as ICT Academy, CDIT, and ASAP, along with vibrant community platforms like Mulearn, shall actively support the GCCs in fulfilling their specific talent requirements through tailored programs and recruitment drives.
 - **Open-Source Community Support:** ICFOSS (International Centre for Free and Open-Source Software), through its inherent strength of a large open-source community, will support GCCs in insourcing talent and solutions required for their operations, fostering a collaborative development environment.
- Innovation & R&D Promotion:

- **Incubation Centres:** Establishment of dedicated incubation and acceleration centres within universities, colleges and IT parks to foster innovation and support GCC-startup collaborations.
- **Corporate Innovation Program (CIP):** The Corporate Innovation Program (CIP) of Kerala Startup Mission will be extended to companies looking at solving business problems with teams from universities or startups. The problem statements will be provided by the corporate/GCC and acted on by specific teams from the university or the startup. The corporate problem will be solved without any financial commitments from the corporate initially. Upon successful solution delivery, the corporate/GCC may adopt the solution at a consideration mutually agreed between the corporate and startup/university. A grant of **Rs. 5 lakhs per solution** will be provided to eligible startups/university teams to cover their expenses, with a maximum of **10 such grants** disbursed in a calendar year.
- **Research Ecosystem:** Promoting a robust research ecosystem through collaboration with premier research institutions, universities, and dedicated R&D centres. This includes facilitating joint research projects, access to advanced labs, and opportunities for talent exchange between GCCs and the academic research community. Additionally, Digital University Kerala and Digital Science Park will actively offer their talent and expertise to support the deep tech and research needs of GCCs, enabling access to cutting-cutting-edge academic and scientific resources. A unified mechanism will be developed to make available the R&D facilities and research staff of the many Central and State R&D institutions to GCCs, and to have GCCs fund labs and facilities at these institutions. A dedicated team will be setup in DUK to coordinate this.
- **Research Grants:** Providing grants for GCCs undertaking R&D activities in cutting-cutting-edge technologies.
- **Intellectual Property (IP) Protection:** Robust legal framework and support for IP registration and protection.
- **Startups:** The policy actively encourages GCCs to leverage Kerala's extensive and thriving startup ecosystem. We encourage collaboration between GCCs and local startups to solve key business problems at scale, foster innovation, and create mutually beneficial partnerships. These collaborations can eventually lead to startups becoming attractive acquisition targets for global companies, further integrating Kerala's innovation landscape with global enterprises.
- **Infrastructure Development:**

- **IT Parks Expansion:** Continuous expansion of existing government IT parks (Infopark, Technopark, Cyberpark) to accommodate growing demand, including the development of new phases and specialized zones.
- **Private and Co-branded Parks:** Active promotion and facilitation of new private IT parks and co-branded ventures with government IT parks to further enhance infrastructure availability and choice. Incentives such as tax and duty exemptions and services like Single Window Clearances for all construction activities will be extended to these co-branded private parks as well.
- **New Grade A Buildings:** Encouraging and supporting the development of state-of-the-art, Grade A office buildings within these IT parks, equipped with modern amenities and scalable infrastructure to meet global standards.
- **Data Centres & GPU Clusters:** Strategic development and promotion of Tier III and Tier IV data centres and high-performance GPU clusters to support advanced computing needs, AI/ML operations, and data-intensive workloads of GCCs, with specific emphasis on incorporating cutting-edge digital infrastructure including 5G, cloud computing, and blockchain technologies.
- **Social Infrastructure & Quality of Life:**
 - **International Schools & Healthcare:** Facilitating access to high-quality international schools and healthcare facilities for expatriate employees and their families.
 - **Recreational Facilities:** Promoting the development of recreational, cultural, and sports facilities within and around IT parks.
 - **Safe & Inclusive Environment:** Ensuring a safe, secure, and welcoming environment for all residents, promoting diversity and inclusion. Kerala consistently ranks high in safety indices, ensuring peace of mind for employees and their families.
- **Facilitating Mechanisms for Employees of companies:** The government will create dedicated cells for facilitating the needs of employees within the parks to create an ecosystem that is conducive for easy migration of employees from other parts of the country and abroad to India. The facilitating mechanism includes support for addressing various regulatory compliances, education, training, and entertainment. Special emphasis will be given to enhancing the social life of individuals working in the parks.

5. Implementation Framework

The successful implementation of this policy will rely on a robust and agile framework:

- **High-Power IT Committee (HPIC):** A committee chaired by the Chief Minister, with representation from key government departments, industry associations, and academic experts, to oversee policy implementation, review progress, and address challenges.
- **Dedicated GCC Promotion Cell:** A specialized cell within the Department of IT/Industries, responsible for:
 - Acting as the single point of contact for all GCC inquiries.
 - Facilitating the "GCC Boilerplate" services.
 - Coordinating with various government agencies for clearances.
 - Monitoring and reporting on GCC growth and impact.
- **Marketing & Promotion for GCCs:** To effectively position Kerala as a leading GCC destination, a multi-pronged marketing and promotion strategy will be implemented. This will include:
 - **Collaboration with International Property Consultants (IPCs):** Kerala IT Parks have empanelled leading International Property Consultants (IPCs). The government will work closely with and incentivize these IPCs to actively promote Kerala as a prime GCC destination among global corporations, leveraging their extensive networks and market insights.
 - **Annual Global Capability Conclave:** Kerala will host an annual "Global Capability Conclave" bringing together industry leaders, global corporations, and key stakeholders to showcase the latest trends in GCCs, highlight Kerala's ecosystem, and foster networking opportunities.
 - **Global Roadshows:** Actively participating in international investment summits and organizing targeted roadshows in key global markets to showcase Kerala's GCC potential and attract investment.
 - **Digital Campaigns:** Launching comprehensive digital marketing campaigns highlighting Kerala's unique advantages, success stories, and the supportive policy environment.
 - **Brand Ambassadors:** Engaging industry leaders and successful GCC heads as brand ambassadors for Kerala to leverage their influence and credibility.
- **Performance Monitoring:** Regular monitoring of key performance indicators (KPIs) such as number of GCCs established, employment generated, investment attracted, and contribution to state GDP.

- **Policy Review & Amendment:** Annual review of the policy to adapt to evolving market dynamics and industry needs, with provisions for amendments by the State Cabinet. The state will consider setting up an Industry advisory committee consisting of representatives from state government, industry experts as well as industrialists to advice and guide government on industry trends, requirements, and policy advocacy.

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6. Target Audience & Impact

This policy is primarily aimed at:

- **Global Organizations & Top Management Executives:** Providing a compelling business case for establishing GCCs in Kerala.
- **Professionals Across the World:** Showcasing Kerala as an attractive destination for career growth and quality of life.
- **Investors & Startups:** Highlighting opportunities for collaboration and ecosystem development.
- **Central and Other State Governments:** Demonstrating Kerala's commitment to economic development and its potential as a national leader in the GCC sector.

Expected Behaviours & Outcomes:

- **Increased Investment:** Significant rise in foreign direct investment (FDI) into Kerala's IT and ITES sectors.
- **Job Creation:** Creation of thousands of high-quality employment opportunities for skilled professionals, contributing to economic empowerment.
- **Technology Transfer & Innovation:** Inflow of advanced technologies and best practices, fostering a culture of innovation and R&D.
- **Ecosystem Development:** Growth of ancillary industries, service providers, and a vibrant startup ecosystem.
- **Enhanced Global Image:** Kerala positioned as a leading global destination for technology, innovation, and sustainable development.

7. Conclusion

The Kerala Global Capability Centre Policy 2025-2030 is a testament to the state's commitment to fostering economic growth, generating employment, and embracing global collaboration. By offering an unmatched "GCC Boilerplate" experience, comprehensive fiscal and non-fiscal incentives, and a welcoming ecosystem, Kerala invites global organizations to partner in its journey towards becoming a powerhouse of innovation and a beacon of sustainable development. We are ready to assist you from the moment you land in Kerala, ensuring a seamless and successful establishment of your GCC.

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