Uttar Pradesh Global Capability Centres Policy 2024

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1. Introduction

Global Capability Centres (GCCs) have become critical strategic assets for multinational corporations (MNCs), serving as innovation hubs for key business functions such as product development, artificial intelligence (AI), data analytics, and cybersecurity. Originally conceived as cost-saving back-office units, GCCs have evolved into major drivers of global value creation, digital transformation, and technological innovation. Today, they play a crucial role in enabling high-value operations, including engineering, research and development (R&D), and advanced analytics.

India has firmly established itself as a global leader in the GCC sector, with the domestic market projected to reach around $110 billion by 2030, driven by software exports. By 2024, India's GCC industry employed over 1.9 million professionals and contributed $64.6 billion to the economy, accounting for more than 1% of India's GDP. The number of GCCs in India is expected to grow from 1,700 to over 2,400 by 2030, with potential expansions reaching 2,550 centres, creating over 2.5 million jobs. The annual establishment of new GCCs could increase from 70 to 115, reinforcing India's leadership as a global technology and services hub.

The evolution of GCCs has been impressive, shifting from simple Business Process Outsourcing (BPO) centres to Knowledge Process Outsourcing (KPO) and multifunctional hubs. These centres now manage more complex, high-value tasks such as AI-driven product development, cybersecurity, engineering research, and advanced analytics. The advent of technologies like machine learning (ML), cloud computing, and robotic process automation (RPA) has made these centres indispensable to the innovation strategies of MNCs.

Uttar Pradesh, with its strategic location, young workforce, and rapidly developing infrastructure, is well-positioned to benefit from this growth. By focusing on infrastructure development, talent enhancement, and financial incentives, the state aims to become a leading destination for GCC investments. Major industry players, like BDO India (headquartered in Belgium), have chosen Noida as their GCC investment site, highlighting Uttar Pradesh's business-friendly environment. The State Government is also promoting Centres of Excellence (CoEs) in emerging fields like AI and cybersecurity, further cementing Uttar Pradesh’s role in the global GCC ecosystem.

2. Advantage Uttar Pradesh: Emerging GCC Destination in India

2.1. Sectoral Advantage:

GCCs operate across various service lines, including IT services, finance and accounting, HR, and customer support. They have advanced up the value chain by handling complex tasks such as analytics, data management, and R&D, which require deep business insight. Currently, GCCs in India have established a strong presence in key sectors, with Software and Technology accounting for 38%, BFSI (Banking, Financial Services, and Insurance) at 6%, Telecom and Networking at 5%, and Industrial, Automotive, Electrical and Electronics, Transportation and Construction, Media and Entertainment, and Semiconductors each comprising 4%. Other sectors include Chemicals and Materials (4%), Pharmaceuticals (2%), Energy and Utilities (2%), Medical Devices (1%), with a growing presence in aerospace, oil and gas, and healthcare.

GCC sectors are broadly classified into upstream and downstream categories. ***Upstream sectors are highly specialized and knowledge-intensive***, requiring a pre-existing ecosystem of industrial agglomeration for growth, such as Artificial Intelligence, Cloud Computing, Quantum Computing, Deep-tech, and Robotics. ***Downstream sectors, on the other hand, can operate independently of economies of scale*** and can be established anywhere with an efficient workforce, quality infrastructure, and business-friendly governance. These include sectors like BFSI, Software and Technology, and Energy and Utilities. Currently, upstream sectors represent about 25% of all GCCs in India, while downstream sectors make up around 75% of the total GCC share.

Uttar Pradesh already hosts a GCC hub for the Software and Technology sector in Gautam Buddha Nagar. With a strong presence in the ESDM (Electronics System Design and Manufacturing) and IT/ITeS sectors—boasting the highest share of exports in these sectors in India and employing over 350,000 professionals—Uttar Pradesh is well-positioned to attract related downstream GCCs. The state is home to over 200 ESDM and IT companies, including prominent global brands like Samsung, Oppo, Haier, NTT, STT Global, Web-Werks, HCL Technologies, TCS, Infosys, Wipro, Adobe, and Microsoft. Therefore, ***Uttar Pradesh has the potential to become a hotspot for downstream GCC sectors, including Software and Technology, BFSI, Semiconductors, Healthcare, and Medical Devices***. The state also has a unique opportunity to tap into emerging sectors like AI, data analytics, and digital engineering.

2.2. **Enabling Infrastructure**:

Uttar Pradesh is committed to developing infrastructure to support business growth. Over the past five years, the state has invested ₹5.31 lakh crore in infrastructure CAPEX- the highest in India. This investment is reflected in significant projects like the Ganga Expressway, Purvanchal Expressway, Bundelkhand Expressway, and Gorakhpur Line Expressway, all aimed at enhancing freight movement under the PM GatiShakti initiative. The state is globally connected through five international airports in Ayodhya, Kushinagar, Lucknow, Varanasi, and the upcoming Noida airport, alongside 20 domestic airports, both operational and proposed.

Uttar Pradesh is home to ***over 40 IT parks and 25 Special Economic Zones (SEZs) offering modern, ready-to-use office spaces***. ***Noida has become a prime destination for Global Capability Centres (GCCs),*** attracting significant investments from global technology and manufacturing giants, especially in electronics and semiconductors. The state has established itself as a ***Data Centre and Semiconductor hub in North India***, with major players like Yotta, STT Global, and Web Werks operating in UP. The State Government recently announced a ***1,000-acre semiconductor park near Jewar International Airport, with access to the Multi-Modal Logistics Park in YEIDA and the Rapid Rail Transit System (RRTS).*** Additionally, the state hosts an ***Electronic Park (250 acres), a Data Centre Park, and other Electronic Manufacturing Clusters (EMCs) in the YEIDA region. Plans for an AI City in Lucknow (40 acres)*** further enhance UP's infrastructure offerings. The state also supports GCC growth with facilities like the Integrated Industrial Township (750 acres), Medical Devices Park (350 acres), and Fintech Park in the YEIDA region.

Software Technology Parks of India (STPI) provide ***competitive Grade A office space rents in Uttar Pradesh,*** with Noida's average rent being competitive as compared to other major cities in India. ***STPIs are currently operational in Kanpur, Lucknow, Prayagraj, Noida, and Meerut, serving around 300 registered IT units***, with new STPIs planned for Agra, Bareilly, Gorakhpur, and Varanasi.

2.3. Access to Talent:

The growth of Global Capability Centres (GCCs) in India highlights the country's vast technology talent pool and its conducive environment for digital innovation. ***India's GCC workforce comprises approximately 1.66 million professionals at a cost-competitive average salary***. The state's talent pool is continually replenished by numerous educational and technical institutes, ensuring a steady supply of professionals in engineering, data science, IT, and finance.

With ***56% of its population in the working-age group (18-60 years),*** Uttar Pradesh benefits from a significant demographic dividend, boasting the largest concentration of highly employable resources in the country. Annually, the state produces ***around 12.75 lakh graduates per annum,*** and according to the India Skills Report 2024, it ranks among the top states for youth employability, ensuring a consistent flow of skilled professionals to meet the growing demand in the GCC sector. According to Wheelbox research, Uttar Pradesh has the highest concentration of employable talent in the 22-25 age group, with 74.77% of applicants deemed highly employable.

Uttar Pradesh leads the country in educational infrastructure, with ***8,375 higher education institutes, 72+ universities, nearly 6,000 colleges, and 125,000+ seats in 168 polytechnics. The state also has a robust vocational education system with over 3,000 Industrial Training Institutes (ITIs) and 500+ training partners under the UPSDM***. Prestigious institutions such as ***IIT Kanpur, IIT BHU, IIM Lucknow, IIITs and NIT Allahabad*** are located here, contributing to the state's strong educational foundation. Since 2014, the Uttar Pradesh Skill Development Mission (UPSDM) has skilled over 1.7 million youth through approximately 18,000 skill training centres.

Uttar Pradesh is uniquely positioned to attract global corporations due to its vast, educated workforce, strategic location near the National Capital Region (NCR), and rapidly growing urban centres like Noida, Ghaziabad, and Lucknow. As GCCs are expected to double their workforce in the coming years, attention is shifting to **Tier-2** cities where skilled talent is readily available.

Lucknow, in particular, is emerging as a key destination for GCCs, especially for IT/ITeS firms seeking cost-efficient operations and access to a vast talent pool. With the Software Technology Parks of India (STPI) recognizing Lucknow as a hub for tech startups, the city is becoming a leader in web development talent and is advancing rapidly in EdTech, HealthTech, and RetailTech. NASSCOM has also recognized Lucknow and Kanpur as emerging hubs for the IT and Business Process Management (BPM) industries.

2.4. Innovation Ecosystem:

GCCs play a crucial role in generating additional revenue streams and developing global solutions, far beyond serving as mere back-office support for multinational corporations. GCCs are increasingly investing in and collaborating with startups, actively contributing to the innovation ecosystem. In India, they have established over 15 incubators, more than 40 accelerators, and various partner programs, leveraging the country's strong engineering R&D (ER&D) service provider community, startup ecosystem, and knowledge base.

According to the latest data, about ***9% of the total registered startups in India are based in Uttar Pradesh. With 13,299 startups, the state ranks fourth in terms of startup concentration, particularly in Tier II and Tier III cities***, offering GCCs an advantage in setting up operations. Uttar Pradesh aims to fund 100,000 youths annually over the next decade, facilitating the creation of a million new startups.

The state currently has ***63 incubators across 23 districts and 08 Centres of Excellence (CoEs) focused on sectors such as AI & ML, Blockchain, 5G/6G, Drones, MediElectronics, and Health Informatics***. Uttar Pradesh plans to establish at least 100 incubators with a combined space of one million square feet, creating an ecosystem for 10,000 startups. The state is ***home to unicorns*** (i.e. ***startups with valuations exceeding USD 1 billion)*** like Paytm, Paytm Mall, India Mart, Moglix, Pine Labs, Innovaccer, InfoEdge, and Physics Wallah, as well as Soonicorns and Minicorns.

Uttar Pradesh's reputation is further bolstered by ***world-class academic institutions such as IIT Kanpur (specializing in AI, Drone Technology, 5G/6G), IIM Lucknow (Blockchain), and SPGPI Lucknow (Medtech), solidifying the state's position as a hub for research, innovation, and advanced technologies***. These Centres of Excellence (CoEs) provide unparalleled opportunities for GCCs to forge strategic partnerships and drive innovation.

2.5. Favourable Investment Climate:

As an ***achiever state for the last two consecutive years in 'ease of doing business'*** ranking, Uttar Pradesh enables a robust environment for investment and conducting business. Several reforms such as labour regulation, land administration, access to information and transparency, and construction permits have been implemented. Nivesh Mitra, the largest dedicated single window clearance portal, has been instituted to facilitate fast and efficient issuance of approvals. It consolidates ***490 services from 43 departments and was instrumental in successfully reducing 4,500+ compliances***.

The State Government has developed a ***comprehensive framework for investor facilitation***. For easing out the process of MoU Signing and further to give proper handholding support to the investor, an ***online Investor Relationship Management Portal is developed known as "Nivesh Sarathi***, which is a one stop solution for investors to have seamless response on their queries, redressing grievances, filing investment intents, seeking facilitation and monitoring of their investment projects. "Nivesh Sarathi" has changed the entire way of investor engagement in the State. This includes hiring of ***100 Udyami Mitras as dedicated Relationship Managers for handholding investors as Mukhya Manthri Udyami Mitra.***

Supporting the ecosystem, ***Invest UP, a dedicated state government body, provides necessary assistance for investors planning to establish their business in the state***. The Government of Uttar Pradesh has taken various reformative steps in creating a holistic ecosystem for industrial development, through policy driven governance by formulating ***around 27 incentive policies*** to attract investment across different sectors including IT/ ITeS, Data Centre, ESDM, Semiconductor, Start-up, Defence & Aerospace, Electric Vehicle, Warehousing & Logistics, Tourism, Textile, etc. These policies provide attractive incentives to private players to ***promote R&D, innovation and entrepreneurship.*** Hence, lucrative subsidies are being offered for setting up Centres of Excellence, Skilling and R&D.

3. Policy Framework

3.1. Need & Importance in Uttar Pradesh

The establishment of GCCs in Uttar Pradesh will have a profound impact on the state's economic growth and employment generation, especially in IT services, consulting, and engineering. Moreover, GCCs will help develop Tier-I, Tier-II and Tier-III cities promoting regional development and reducing urban-rural income disparities. These cities Tier-II and Tier-III with their lower cost of living and emerging infrastructure, offer cost-effective solutions for global companies, thus making them attractive destinations for new GCC investments.

Additionally, the presence of GCCs will boost infrastructure development in the state, including the expansion of IT parks, co-working spaces, and special economic zones (SEZs). This development will further enhance connectivity and ease of doing business, making Uttar Pradesh a more attractive destination for global investors.

3.2. Vision

1) Uttar Pradesh envisions establishing itself as a **global leader in hosting Global Capability Centres (GCCs)** by leveraging its **strategic geographical location**, **vast talent pool**, and **rapidly improving infrastructure**. The state aims to create a robust ecosystem that fosters **innovation, entrepreneurship, and global competitiveness**, thereby attracting **both domestic and international companies** to set up their GCCs.

2) The state government seeks to transform Uttar Pradesh into a premier destination for **high-value digital services**, **research and development (R&D)**, and **engineering** by targeting the next-generation requirements of MNCs. These include emerging sectors such as **AI, machine learning, data analytics, cloud computing, and cybersecurity**, which are increasingly critical to global businesses.

3) Moreover, the policy aims to make Uttar Pradesh the **innovation nerve centre** for India, helping companies establish **Centres of Excellence (CoEs)** in areas like **advanced manufacturing**, **digital engineering**, **artificial intelligence**, and **blockchain technology**. By providing a conducive business environment, high-quality infrastructure, and regulatory support, the state aims to **double its technology talent pool** and enhance its global reputation as a GCC hub.

4) The vision also includes enhancing **living standards** by improving urban amenities, **education**, **healthcare**, and **recreational facilities** in cities where GCCs are set up, thus making Uttar Pradesh an attractive destination for professionals and their families.

3.3. Strategic Objectives

The **strategic objectives** of the Uttar Pradesh GCC policy are designed to foster an environment conducive to the **establishment and growth of GCCs**. These objectives aim to address the **key factors** that influence global corporations' decisions to invest in India, ensuring that Uttar Pradesh becomes a preferred destination for **high-tech, knowledge-based operations**. The primary objectives include:

1) Building World-Class Infrastructure:

Investments in **physical and digital infrastructure** are critical to attracting GCCs. Uttar Pradesh will invest in the development of **technology parks**, **SEZs**, and **co-working spaces** equipped with state-of-the-art facilities. The state will also enhance **transport connectivity**, including better road networks, **high-speed internet**, and **advanced telecom infrastructure** to support seamless global communication. The focus will also include establishing **sustainable infrastructure** that supports **eco-friendly practices** and **green building standards** for GCCs.

2) Hub-Spoke Operating Model :

A hub-spoke model is envisaged for developing GCCs, which helps businesses leverage higher specialized talent, cost arbitrage and operational efficiencies. The model has 4 components i.e. **Global hubs, Satellite Offices, Outsource centres and Outpost/Cluster offices**. Global hubs are independent centres working directly with the headquarters. Satellite offices are subsidiary centres of the Global hub and are aligned with national/regional business strategy. Outsource centres are execution centres set up by local partners and carry delivery responsibility of the company. Outpost/Cluster offices are extended satellite offices with limited physical space and facilitates the local workforce that is majorly working from home. Government of Uttar Pradesh will focus on establishing Satellite offices and Outsource centres in **Tier II cities** and outpost/cluster offices in **Tier III** cities.

3) Enhancing Financial Attractiveness:

Uttar Pradesh will offer a suite of **financial incentives**, including **tax exemptions**, **subsidies**, and **capital grants**, to attract investments in GCCs. These incentives will be **performance-linked**, focusing on **job creation**, **export growth**, and **technology innovation**. The state will also streamline the process for accessing these incentives to reduce the administrative burden on companies.

4) Skill Alignment with Industry Needs:

The policy will work to align educational curricula with the evolving needs of the GCC sector, ensuring that graduates possess the skills necessary to thrive in high-tech environments, thereby reducing skill gaps in the workforce.

5) Improving the Business Environment:

Uttar Pradesh will implement a **business-friendly regulatory environment**, including simplifying **compliance requirements**, reducing the time required for approvals, and providing a **single-window clearance** system. By reducing bureaucratic hurdles, the state aims to make it easier for global companies to set up and expand their operations.

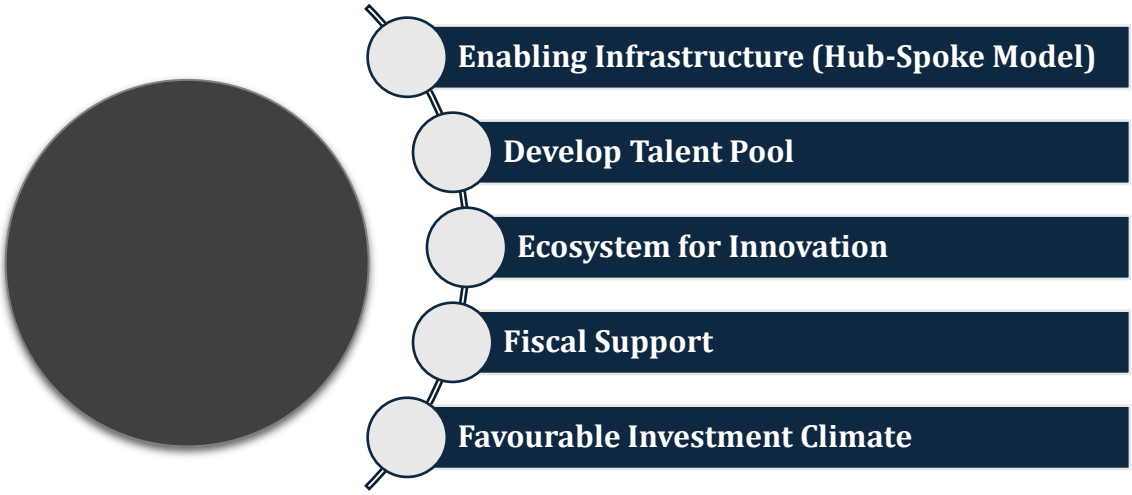
6) Risk Mitigation and Sustainability:

The policy will also focus on **risk management frameworks** to ensure the sustainability of GCC operations. These frameworks will address risks related to **cybersecurity**, **geopolitical changes**, and **global market shifts**. The state will also prioritize **environmental**

sustainability, encouraging GCCs to adopt **green practices** and **reduce their carbon footprint.**

7) **Maximizing Economic Impact**:

The state aims to enhance the economic contribution of GCCs as **it has multiplier effect on job creation.** The sector is prone to attract top talent and shall therefore led to improvement of **quality of life** in cities where GCCs are established. Investments in **healthcare**, **education**, **housing**, and **recreational facilities** will ensure that Uttar Pradesh is not only a business-friendly destination but also a desirable place to live for professionals and their families. This holistic approach will contribute to **talent retention**, ensuring that the state continues to provide a sustainable and high-quality workforce.



4. Fiscal Support

4.1. Eligibility & Definitions

4.1.1. **Effective Date** means the date from which this Policy becomes effective.

4.1.2. **Effective Period** means the period starting from the Effective Date till the period for which this Policy remains in force (5 years) or until any amendment or repeal thereof by the State Government.

4.1.3. **Eligible Unit** means any industrial undertaking (not being an industrial undertaking in the joint sector or public sector where the share capital of Government or a Government undertaking is 50% or higher) owned by any entity constituted as a company, partnership firm including a LLP, Society, Trust, Industrial Cooperative Society or Proprietary concern ***setting up a Global Capability Centre (GCC) project*** in the State.

4.1.4. ***Global Capability Centre (GCC) project*** means ***a Global In-house Centre or an Offshore Unit*** established by any Multinational Corporation (MNC) or Indian Company, which is fully owned and operated by the parent company and provides specialized services for the parent company in information technology, R&D, finance, HR and other back-office operations.

Although following activities on third party basis shall NOT be eligible as GCC under this policy –

a) Service providers for Technology, Engineering, Operations, Digital functions or Integrators supporting Product/ Solution/ Platform Development
b) Staffing companies generating revenue by outsourcing talent or contingency staff
c) Pure play sales entities selling products or customized tools/ software to India and nearby regions
d) Professional Services companies

4.1.5. **Capital Investment** means costs borne by the Eligible Unit which would be considered admissible for ascertaining their category for availing incentives under this policy. This would include expenses made on Land, Building & construction, Plant and Machinery (including computers, R&D equipment, networking hardware, software and related fixed assets directly related to operations of the eligible unit) and infrastructure utilities, as defined in clause 12.1.6 of IIEPP-2022.

Further, 50% of the expenses incurred by units for retrofitting existing fixtures shall also be included, if such value is capitalized by the units. The land cost shall be excluded in case the eligible unit avails front end land subsidy for the proposed project. Also, Land & Building cost shall be excluded if project operates from rental/ co-working space.

4.1.6. **Ineligible Capital Investment** includes Working capital; Goodwill; Preliminary and pre-operative expenses; Interest capitalized; royalty; design and drawings; and Power generation except for captive use. Such heads shall not be considered for calculating the capital investment.

4.1.7. For administering the incentives, the following minimum investment & employment commitment-based **Project Categories** have been identified:

Category	Minimum Investment & Employment criteria
Level-1 GCC	Minimum Capital investment of at least ₹15 Cr and above anywhere in UP (except GB Nagar & Ghaziabad) and ₹20 Cr & above in GB Nagar & Ghaziabad; OR Employment generation for minimum 200+ employees (for Gautam Buddha Nagar and Ghaziabad), employment generation for minimum 100+ employees in any other district
Advanced GCC	Minimum Capital investment of atleast ₹50 Cr and above anywhere in UP (except GB Nagar & Ghaziabad) and ₹75 Cr & above in GB Nagar & Ghaziabad; OR Employment generation for minimum 500+ employees (for Gautam Buddha Nagar and Ghaziabad), employment generation for minimum 300+ employees in any other district

4.1.8. **Date of commencement of investment** means 'cut-off date' which is falling within the Effective Period of the Policy, in case, investment starts on or after Effective Date of the Policy.

Although such cases shall also be covered where Date of Commencement of Investment is within the period immediately preceding 5 years from the Effective Date subject to the condition that commercial operations in such cases commences after the Effective Date and at least 80% of the Capital Investment should have been made after the Effective Date. In such cases the cut-off date shall be the Effective Date of the policy.

4.1.9. **Date of commencement of commercial operations** means the date on which the industrial undertaking starts its commercial operations.

4.1.10. **Eligible Investment Period** means the period commencing from the Cut-off Date falling in the Effective Period of this Policy up to 3 years or till the date of commencement of commercial production, whichever is earlier for Level-1 GCC Unit, and the same period shall be limited to 5 years for Advanced GCC Unit.

4.1.11. **Eligible Capital Investment (ECI)** means the Capital Investment as has been made by the eligible unit in its Eligible Investment Period after the Effective Date of the policy. In case, the Capital Investment by the unit has started prior to the Effective Date, at least 80% of such Capital Investment should be made after the Effective Date of the Policy and the same Capital Investment shall be considered as the Eligible Capital Investment. However, for deciding the Project Category, 100% of such Capital Investment shall be considered.

4.1.12. **Employees** means employed persons who are on payroll of the Unit. This shall exclude all members of the Board of Directors of the Company and all Key Managerial Personnel (KMPs) as defined in the Companies Act, 2013.

4.1.13. **Expansion** means where the unit which is already operating in the State of UP is increasing its existing gross block by at least 25% through new capital investment in the existing / contiguous premises.

Or

Any unit that records a minimum increase of 25% or an increase of 100 personnel, whichever is higher, in the number of manpower/employees employed on payroll, shall also be considered eligible for expansion.

4.1.14. **Nodal Agency** means Invest UP which shall be responsible for processing the applications for incentives under this policy.

4.2. Incentives

The following incentives shall be provided to new as well as expansion projects of eligible units as defined in this policy -

4.2.1. **Front end land subsidy** shall be provided to eligible Level-1 & Advanced GCC units on allotment of land from any State Industrial Development Authority, Development Authority, Urban Local Bodies or any other Govt agency at following rates-

a) 30% in Gautambuddha Nagar & Ghaziabad districts

b) 40% in Paschimanchal (except Gautambuddha Nagar & Ghaziabad) & Madhyanchal region

c) 50% in Poorvanchal & Bundelkhand region

Such land provided by any State Industrial Development Authority or any other Govt agency on rebate to the eligible unit shall remain mortgaged to the respective Govt Body until the eligible investment period or commencement of commercial operations, whichever is earlier. On failing to complete the project within the stipulated time-period as mentioned, the respective Govt Body shall recover the subsidy granted on the land at interest rate of 12% per annum.

Such Land subsidy shall not be applicable if the project operates from rented/ co-working alike space.

The expenditure towards reimbursement of front end land subsidy amount will be borne by the Industrial Development Department.

4.2.2. Any eligible GCC units shall be provided **100% Exemption/ Reimbursement of Stamp Duty** on purchase/lease of land/office space/ buildings for the proposed project. The exemption shall be provided on submission of Bank Guarantee of equivalent amount of exemption availed which shall be refunded to the unit on commencement of commercial operations within the eligible investment period. On the other hand, reimbursement shall be provided post commencement of commercial operations.

4.2.3. **Capital Subsidy** at the rate of 25% of ECI maximum up to ₹10 Cr. to the Level-1 GCC unit and upto ₹25 Cr. to Advanced GCC unit in 7 equal annual instalments post commencement of commercial operations within eligible investment period shall be provided. The Land cost/ Stamp Duty paid shall be excluded in Capital Investment in case the eligible unit avails front end land subsidy for the proposed project. Similarly, Rental charges/ Lease charges shall be excluded if project operates from rented/ co-working alike space.

4.2.4. Any eligible GCC units shall be provided **Interest Subsidy** at the rate of 5% per annum on the term loan or the actual interest paid, whichever is lower on the loan taken for construction & procurement of plant & machinery and setting up other infrastructure facilities at the project site, obtained from Scheduled Banks/ Financial Institutions subject to a maximum of Rs. 1 crore per annum per unit for a period of 5 years from the commencement of commercial operations.

4.2.5. **Operational expenses (Opex) Subsidy** at the rate of 20% on Operating expenses covering <u>Lease rentals, bandwidth expenses, data center/ cloud service cost and power charges</u> subject to maximum ₹40 Crores per annum to Level-1 GCC units and upto maximum ₹80 Crores to Advanced GCC units for a period of 5 years post commencement of commercial operations.

a) Here, lease rentals shall include all leased spaces (including plug and play facilities / co-working facilities) subject to a maximum monthly rental of ₹50 per square foot of carpet area.

b) Power charges means the cost incurred on the power utility bills. The State Government shall endeavour to provide power to eligible units at Industrial Rates. A separate shall be notified for this by the Energy Department, Government of Uttar Pradesh.

c) Similarly, bandwidth expenses shall be admissible to payment made to licensed internet service providers only;

d) Data centre and/ or cloud services shall be taken from service providers based within Uttar Pradesh holding a valid GSTIN under Uttar Pradesh Goods and Services Tax Act from which the invoice for services has been issued.

4.2.6. **Payroll subsidy**: Level-1 & Advanced GCC shall receive reimbursement of the cost of salaries and emoluments paid to on-roll employees (including workers engaged in research and development), having continuous employment of atleast 1-year.

a. **In Gautam Buddha Nagar and Ghaziabad districts:** For employees who are domiciled in Uttar Pradesh or belong to the categories of women, Scheduled Castes (SC)/ST, transgender persons, or persons with disabilities, the subsidy amount will be admissible to the unit after three years from the commencement of commercial operations, as follows:

Year of Operation	Permissible Payroll Subsidy Percentage	Maximum Limit
First	35%	35% of the salary received by the employee or maximum of ₹05 lakh of total annual salary, whichever is less.
Second	30%	30% of the salary received by the employee or maximum of ₹04 lakh of total annual salary, whichever is less.
Third	25%	30% of the salary received by the employee or maximum of ₹03 lakh of total annual salary, whichever is less.

Payroll subsidy will be maximum ₹10 crore per year for a period of 03 years for a level-1 unit. In case of advanced GCC, a maximum of ₹20 crore will be admissible.

For the purpose of this subsidy, the basis of continuous employment maintained by the unit for the personnel during a financial year will be considered. Personnel who have worked for less than 12 months will not be included in receiving reimbursement under this head.

GCC established in other regions of the state (other than Gautam Buddh Nagar and Ghaziabad districts): For employees who are domiciled in Uttar Pradesh or belong to the categories of women, Scheduled Castes (SC)/ST, transgender persons, or persons with disabilities, the subsidy amount will be

admissible to the unit after four years from the commencement of commercial operations, as follows:

Year of Operation	Permissible Payroll Subsidy Percentage	Maximum Limit
First	50%	50% of the salary received by the employee or maximum of ₹07 lakh of total annual salary, whichever is less.
Second	40%	40% of the salary received by the employee or maximum of ₹06 lakh of total annual salary, whichever is less.
Third	30%	30% of the salary received by the employee or maximum of ₹05 lakh of total annual salary, whichever is less.
Fourth	25%	25% of the salary received by the employee or maximum of ₹04 lakh of total annual salary, whichever is less.

Payroll subsidy for Level-1 units, to be established in districts other than Gautam Buddha Nagar and Ghaziabad, will be provided up to a maximum of ₹12 crore per year, for a period of four years. In case of advanced GCC, the said limit will be up to a maximum of ₹25 crore per year.

For the purpose of this subsidy, the basis of continuous employment maintained by the unit for the personnel during a financial year will be considered. Personnel who have worked for less than 12 months will not be included in receiving reimbursement under this head.

Note:- For Payroll Subsidy, only those employees, employed by GCC unit, who get Net Salary more than ₹01 Lakh will be eligible. (Only the Gross Salary transferred by the Company to the employee's account as per the Industry Best Good Practice formula of Basic Salary + Dearness Allowance. It does not include other marginal benefits like House Rent Allowance, Conveyance Allowance, Medical Reimbursement etc.)

4.2.7. **Recruitment Subsidy**: Such subsidy shall be provided to any eligible GCC unit for recruitment of fresher's at the rate of ₹20,000 per fresher employee having UP-domicile in units located in Uttar Pradesh, subject to continuous employment of minimum 1 year and maximum annual recruitment of at least

30 fresher employees having UP domicile. This subsidy shall be capped to a maximum ₹5 Crores for a particular unit.

Such fresher's recruitment subsidy is only applicable for employees recruited for their first job having domicile of UP and has graduated/ post graduated from a recognised UP-based educational institutions only. Such incentive can be availed for a duration of 5 years from the commencement of operations.

4.2.8. **Refund of Employers' contribution to Employment Provident Fund (EPF)** to any eligible GCC unit @100% reimbursement of the total EPF amount paid for Women/ SC/ ST/ Transgender/ Divyangjan employees and also to those having UP domicile, at the rate of ₹2000 per employee per month subject to maximum of ₹1 Cr. per annum for 3 years, post commencement of commercial operations.

4.2.9. **Talent development and skilling incentives** to any eligible GCC unit:

a) **Assistance for creating Internship opportunities** in form of reimbursement at the rate of 50% of the costs subject to a ceiling of ₹5,000 per student per month, capped to maximum 50 interns per annum for a period of 3 years post commencement of commercial operations, incurred by eligible unit for payment of stipend to students from educational institutions located within UP and to the students having UP-domicile. The internship should be onsite at the location of the unit and should last for at least 2 months.

b) **Skill development subsidy** in form of reimbursement at the rate of 50% of the costs for conducting training programs or ₹50,000 per employee for course fee can be availed by the eligible unit, for maximum 500 employees subject to a ceiling of ₹50 Lakhs per annum for a period of 3 years from the date of commencement of operations.

4.2.10. **Incentives for promoting R&D and innovation:** Since the policy also aims at creating an innovation ecosystem for attracting & retaining investment in GCC industry, the Policy shall promote startups and Centres of Excellence.

a) **Grant-in-aid for setting up Centre of Excellence**: Level-1 & Advanced GCC units shall be encouraged to set up Centres of Excellence (CoE) to foster R&D and innovation in the State. The incentives for such COEs shall be provided as per clause 12.6 of UP IIEPP-2022. Such COEs may be set up in collaboration with academic institutions/ industry assocEPFiations/ any other public entities.

b) **Start-up ideation**: To encourage involvement of start-ups/ entrepreneurs in the ecosystem, Level-1 & Advanced GCC units shall be reimbursed 50% of the costs incurred in ideating / running Proof-of-concepts or solving problem statements with start-ups, subject to a ceiling of ₹50 lakh per annum for 5 years from date of commencement such R&D / Start-up activity at the unit within 5 years of date of commencement of commercial operations.

c) **Intellectual Property Right (IPR) Subsidy:** The State Government shall reimburse 100% of the statutory fees for patent filings to any eligible GCC unit, subject maximum ₹5 lakh for domestic patents, and up to ₹10 lakh for international patents. This incentive can be claimed up to two times during

the policy period, and once per year by any eligible GCC, only on awarded patents.

4.2.11. **Case-to-Case incentives**: Level-1 & Advanced GCC units as defined in this policy, subject to following qualifying criteria shall be eligible for availing customised package of incentives on case-to-case basis as deemed necessary by the State Government, -

a. To employ minimum 1500 personnel.
b. Capital investment by the unit company (excluding cost of land) more than ₹250 crore. On lease rent
c. Foreign Direct Investment by the unit company should be at least ₹50 crore. For this purpose, capital investment (in case the land and building are self-constructed) or annual operational expenditure (in case of operation on a rental basis) shall be considered for financing through investment in the form of FDI. (The definition of FDI will be the same as defined in Uttar Pradesh Foreign Direct Investment (FDI), Foreign Capital Investment (FCI) and Fortune Global 500 Investment Promotion Policy 2023).
d. A company listed in Global Fortune 500 (Holding/Parent Company) and Fortune India 500 (Holding/Parent Company) employing minimum 1000 personnel.

Such customised packages on case-to-case basis shall be approved by the Hon'ble Cabinet.

5. Non-fiscal Support

5.1. Technical Support Group for GCC:

The State Government shall set up a dedicated Technical Support Group (TSG) within the Department of IT & Electronics to offer dedicated support for GCCs establishing operations in the State.

a) Composition: Such TSG shall be headed by Principal Secretary, Department of IT & Electronics, Govt of Uttar Pradesh and shall comprise industry experts having extensive experience in industry engagement, corporate affairs, partnership in GCC industry, such as NASSCOM, STPI, etc. This includes global leaders, including CXOs from top-performing GCCs, international trade experts, and thought leaders in business strategy and innovation. This will ensure a rich diversity of perspectives and experiences to guide the state's GCC initiatives.
These people shall be nominated by a separate Government Order by the IT & Electronics Department every year. This Group shall meet quarterly basis to review the progress and issues of the industry in the State.

b) Role: Such TSG is being planned to play a pivotal role in steering the state's GCC initiatives, providing strategic guidance and insights that align with global business trends and regional growth objectives.
   (i) The TSG shall be responsible for promoting and advocating the industry concerns and primarily focus on facilitating the investors.
   (ii) TSG shall serve as the primary coordination hub between GCCs and various State government departments, ensuring smooth operations for both new and existing GCCs in the State.

(iii) The TSG shall also provide GCCs with comprehensive guidance on policies, regulations, and compliance, keeping companies well-informed about all legal and administrative requirements.

(iv) This will also facilitate discussions with CXOs and industry leaders, making policy recommendations to the Government of India on matters such as transfer pricing, import/export regulations, and taxation.

5.2. **Linkage support**:

a) Commercial Spaces: The State Government shall facilitate development of the live digital portal in collaboration with real estate partners, division-wise, offering GCCs a one-stop platform to explore listings of available commercial spaces across the State, simplifying the search for ideal locations. In Phase-1, it will primarily focus on cities like Noida, Ghaziabad, Lucknow, Kanpur and Meerut.

b) Technical partnership: The State Government shall also facilitate the GCCs to connect with local educational institutions, Centres of Excellence, start-ups, and incubators, fostering talent recruitment, developing industry-specific skilling programs, promoting collaborative research, and driving open innovation. The TSG shall coordinate with Department of Higher & Technical Education for this purpose.

5.3. **Regulatory Support**:

a) Exemption from the purview of the UP Pollution Control Act, except in case of power generation sets of capacity of more than 25 KVA for any eligible GCC units in the State.

b) Exemption from inspections under the following acts and rules framed there under, barring inspections arising out of specific complaints to any eligible GCC units in the State. Under this provision, units shall be eligible for inspection only once in every 5 years.

   i. The Factories Act
   ii. The Maternity Benefit Act
   iii. The Shops & Establishments Act
   iv. The Contract Labour (Regulations & Abolition) Act
   v. The Payment of Wages Act
   vi. The Minimum Wages Act
   vii. The Employment Exchanges (Compulsory Notification of Vacancies) Act

   The Eligible units shall be permitted to file self-certifications (may be amended from time to time).

c) Permission to have 24x7 operations (to run in three shifts) and employment of women in all three shifts to any eligible GCC units. The State Government as and when necessary, may notify certain eligible GCC units as 'essential services'/ public utility services.

d) Floor Area Ratio (FAR): FAR 3 and 1 (Purchasable, as per building by-laws prevalent at that time) applicable to any eligible GCC units.

e) The units shall be eligible to claim the benefit of employment generation subsidy, EPF reimbursement and other employment linked benefits provided under this policy in respect of Uttar Pradesh based employees working from home/ such other premises located within Uttar Pradesh.

6. Implementation Framework

6.1. This policy will come into effect on the date of its notification and will remain in force for the period of 5 years.

6.2. The Nodal Agency, as defined in this Policy shall process the incentive applications received under this policy. A **Policy Implementation Unit (PIU)** shall be set up at the Nodal Agency with adequately staffed with outsourced professionals and consultants to support in managing the Applications and Single Window operations headed by a designated Nodal Officer, i.e. Additional Chief Executive Officer, Invest UP.

Such PIU shall receive & process the applications and shall serve as a dedicated secretariat the Nodal Agency for this policy. The Nodal Agency shall also empanel Chartered Accountants, Engineers, Cost Accountants, GST Auditors etc. as individuals or firms or agencies.

6.3. The evaluation committee constituted under the chairmanship of the Chief Executive Officer of Invest UP for evaluation of applications (as per sub-section-5.2.1 of section-2 of the Government Order No. 21/2023/1307/77-6-23-2(M)/2022, dated 14.04.2023 regarding SOP issued in the order of Uttar Pradesh Industrial Investment and Employment Promotion Policy-2022) will evaluate the applications and refer it to the State Government for further recommendations.

6.4. An 'Empowered Committee' (EC) governed by Infrastructure and Industrial Development Commissioner, Government of Uttar Pradesh (as per Sub-section - 5.3.1 of section-2 of Government Order No. 21/2023/1307/77-6-23-2(M)/2022 dated 14.04.2023 regarding SOP issued in the course of Uttar Pradesh Industrial Investment and Employment Promotion Policy-2022) will further review and recommend the Level-1 GCC applications. Final approval will be given by the Hon'ble Minister, Industrial Development Department on the recommendation of the Empowered Committee. A 'High-Level Empowered Committee' (HLEC) headed by Chief Secretary, Government of Uttar Pradesh (as per Sub-section-5.3.2 of section-2 of G.O. No. 21/2023/1307/77-6-23-2(M)/2022 dated 14.04.2023 regarding SOPs issued in the course of Uttar Pradesh Industrial Investment and Employment Promotion Policy-2022) will recommend for approval of applications for advanced GCC and case-to-case applications for incentives. Final approval will be given by the Hon'ble Cabinet against the recommendation by the 'High-Level Empowered Committee'.

6.5. If a request is made by the applicant prior to the commencement of commercial operations, in accordance with the rules and conditions prescribed in the policy or subsequent guidelines, the empowered committees shall have the authority to approve changes in the number and duration of phases, modification of the cut-off date, alteration in capital investment within the same category, and revision of the date of commencement of commercial production, among others. The recommendations of the empowered committee shall be issued after review by the concerned departmental minister. The High-Level Empowered Committee (HLEC) shall have the authority to provide clarifications or interpretations related to the policy, as well as to resolve any issues arising during its implementation. The recommendations of the High-Level Empowered Committee shall also be issued after review by the concerned departmental minister.

6.6. Only the Cabinet is authorised to approve policy amendments. In case of any amendments in this policy, the committed package of incentives which were approved prior to policy amendment, will not be withdrawn and the unit will continue to remain entitled to the benefits.

6.7. Projects availing incentives under this policy will not be eligible to avail incentives under any other policy of the State Government. All incentives specified in this policy may be availed in addition to incentives available under any Government of India scheme/policy.

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