Gravitywell

RESEARCH

INDUSTRY & SECTOR RESEARCH · GWR-2026-IN-002

India's Global *Capability Centres*

India's 2,117 offshore centres now run $98.4bn of the world's corporate work, and the maturity data says they own the mandate, not just the cost line. But the wage gap that pays for all of it is the one input artificial intelligence compresses fastest. This report sizes the machine, prices the arbitrage, and names where the exposure is actually tradable.

2,117	2.36m	$98.4bn	6.1–6.5%
GCCS IN INDIA · FY26 · ACROSS 3,728 UNITS	PEOPLE EMPLOYED · FY26	ANNUAL GCC REVENUE · FY26	FY27E YIELD ON THE LISTED LANDLORD · THE TRADABLE PROXY

WHAT THIS REPORT SETTLES

01

Whether the count is real

2,117 parents across 3,728 units, and why quoting the wrong one overstates growth. The consensus 2030 target was passed four years early.

02

What a seat actually saves

The cost stack per engineer, the wage-convergence clock, and the automatable share that decides whether the saving survives.

03

Where the exposure is priceable

The captive is unlisted and books cost-plus. The landlord, the enabler and the disintermediated incumbent are not.

GRAVITYWELL RESEARCH GLOBAL TECHNOLOGY DESK · GWR-2026-IN-002 · JUL 2026

HOUSE VIEW · HIGH CONVICTION · CONSTRUCTIVE

Contents

India's Global Capability Centres

ABOUT GRAVITYWELL RESEARCH

Gravitywell Research publishes independent research across five pillars: Credit Research, Capital Markets, Industry & Sector Research, Economy & Policy, and Risk & Analytics. Our work is analysis for professional investors across public and private markets, institutions and sophisticated individuals, and for policymakers. It is not regulated ratings or investment advice. We source to primary filings and official statistics, disclose our coverage and confidence, and mark every figure to its point in time.

CONVENTIONS & DATA VINTAGE

Currency: USD unless stated; ₹ = INR. FX: ₹96.5/$ (24 Jul 2026) for all conversions unless a source states its own rate; the 12-month average to Jul 2026 is ₹91.8/$. Period basis: FY = Apr–Mar, so FY26 ended 31 Mar 2026; CY where a source reports calendar years. Figures are nominal. Data as of 27 Jul 2026. Estimates are ranges, not points. Headcount is people employed, not full-time equivalents.

Confidence tiers on figures: ● filed/official ◐ modeled/derived ○ Gravitywell Research estimate.

How to read · The executive summary (p03-05) and the investor quick read (p06) stand alone; the one-page tearsheet is the committee version. Every figure carries a superscript to the numbered register (p37-38); the series behind every exhibit is in the data appendix (p41-42) and in the CSV data pack that ships with this report.

Executive summary · I

The thesis

TAKEAWAY · THE VALUE HAS MOVED FROM HEADCOUNT TO MANDATE, AND THE ONLY TRADABLE EXPRESSION OF IT IS THE CAMPUS

India's 2,117 Global Capability Centres employ 2.36 million people and bill $98.4bn a year, and revenue is compounding twice as fast as the centre count.[1] That gap is the whole story. The industry is not growing by opening more sites; it is growing because the work inside the existing ones is worth more, with 96% of centres opened since FY21 launching with ownership of a product rather than a queue of tickets. The wage gap that pays for all of it is not closing on any horizon an allocator underwrites: Indian salaries rose 9.1% last year, and the rupee fell enough that the dollar cost of an Indian engineer still went down 2.7%. But the same automation that lets a centre do more per person is what would eventually let it do the same with fewer, and that single variable swings 2030 revenue by $108bn. It is also the one number nobody publishes.

> *India's centres stopped selling cheap hours and started selling scarce skill. That is a better business than the one they replaced, and a narrower one.*
>
> GRAVITYWELL RESEARCH GLOBAL TECHNOLOGY DESK

23.4% REVENUE CAGR FY24–26 ◐	11.5% HEADCOUNT CAGR, SAME PERIOD ◐	44% OF CENTRES OWN A MANDATE ●	$108bn SWING FROM ONE ASSUMPTION ○

Three consequences follow, and they are what the rest of this report proves. First, the centre itself cannot be owned: a captive is reimbursed its costs plus a markup fixed at 15.5% by statute from Apr 2026, so its accounts will never show the value it creates however good its mandate becomes.[3] Second, that value does become a cash flow one layer out, in the campus it occupies, where GCCs took 45% of all Indian office leasing in the first half of 2026 and the listed landlords pay 5.7–6.2% today against guided step-ups.[19,5,21] Third, the losers are visible and already priced: the Indian systems integrators trade at 14 to 19 times earnings against a 25.5-times history, having shed headcount in the year their revenue per employee rose.[34,35,36]

THE HOUSE VIEW

High conviction, Constructive. All three of our 2030 cases clear the $105bn forecast still in general circulation, the regulatory changes of the last two years are net favourable, and two of the three external policy measures now in force push work toward India rather than away. We express it by owning the landlord at a stated entry level, not by owning the centre, and we hold the vendor only as an option on the upside case.

Executive summary · II

Ten findings, each quantified

TAKEAWAY · EVERY CLAIM BELOW IS A NUMBER A READER CAN CHECK AGAINST THE REGISTER ON PAGES 37-38

01 **The industry passed its own 2030 target four years early.** FY26 revenue of $98.4bn against a $105bn forecast set in Sep 2024 for FY2030. On the FY24–FY26 pace that target is cleared during FY27, which makes every forecast still circulating stale.[1,2]

02 **Growth is intensive, not extensive.** Parents, units and headcount all compound at about 11.5% a year while revenue compounds at 23.4%. The industry is being paid roughly twice as much per person as its own expansion rate explains.[1,2]

03 **The mandate, not the seat, is the asset.** 44% of centres now own a product or a global process, 96% of those opened since FY21 launched that way, and 64% of site leaders hold a global function alongside the site.[1,4]

04 **The centre is structurally barred from showing its value.** From Apr 2026 a captive declares a flat 15.5% margin on operating cost under safe harbour, with the eligibility ceiling raised from ₹300 crore to ₹2,000 crore. Ticket-handler or product owner, the accounts look identical.[3]

05 **India is not the cheap option and has not been for years.** At $41.7k of revenue per head it sits between Manila at $21.1k and Warsaw at $86.6k. It wins on the depth no one else can staff, not on price.[1,6,7,8]

06 **The saving is almost entirely wage.** A senior engineer costs $220–320k fully loaded in the United States against $48–84k in India. Rent is 3–7% of the seat, so nothing but salary can defend the arbitrage; a 1,000-seat centre saves the parent $84–144m a year.[12,13]

07 **Wage convergence is not the risk.** Indian pay rose 9.1% against a US budget of 3.5%, but the rupee fell from ₹86.07 to ₹96.48, so the dollar cost of an Indian engineer fell 2.7% and the gap widened 6.3 points. Even with the rupee frozen, the saving takes thirteen years to fall below 50%.[14,15,16]

08 **The tax case is gone and the global minimum tax mostly misses.** The special-economic-zone holiday closed to new units in 2021, so a centre opened today pays 25.17%, ten points above the Pillar Two floor. The top-up bites GIFT City and legacy zone units, not the ordinary captive.[17,37,39]

09 **The decoupling is live, and only at the vendors.** Tata Consultancy Services cut net headcount 23,460 in FY26 while raising revenue per employee 3.4%; India's GCCs hired 227,991 people in the first half of 2026, up 11%. Owning the mandate is what turns a productivity gain into more work rather than fewer people.[34,45]

10 **One judgement carries the whole forecast range.** The displacement rate sets both how many seats the industry adds and what each is worth, so moving it from 8% to 40% of execution work moves 2030 revenue from $228bn to $120bn. The rupee is the only variable independent of it, and a 10% move is worth about $18bn.[1]

WHAT WE COULD NOT ESTABLISH

No published series measures the displacement rate, so our 8/20/40% band is a judgement and is marked as an estimate wherever it appears. Named-centre headcounts are press compilations rather than audited disclosures. Three brokerages report first-half 2026 office leasing at 35.7, 43.0 and 48.0 million sq ft on different definitions, so the GCC percentage share carries that spread even though the absolute volume does not.

Executive summary · III

Six actions, one number to watch

TAKEAWAY · SIX ACTIONS, EACH WITH A PRICE OR A THRESHOLD, AND THE ONE NUMBER TO PUT ON A WATCHLIST

The asymmetry decides the instrument. Because one unobservable judgement drives both levers behind the forecast range, the correct expression is a cash flow that survives the downside case rather than one that needs the upside, and that rules out most of the obvious candidates.

ACTIONS, WITH THE LEVEL THAT MAKES EACH ONE WORK

READER	ACTION	PRICE OR THRESHOLD
Allocator	Buy Indian office trusts as duration on GCC expansion	Forward yield >6.5% or discount to NAV >15%. Brookfield India at ₹343 is 6.2% and -11.3%; Embassy at ₹441 is 6.1-6.5% guided and -10.3%.
	Hold the systems integrators only as an option on the bull case	14.0-19.4× against a 25.5× history, with 2.8-4.4% dividend yields paying you to wait
Private capital	Own the platform that builds centres, not the saving inside one portfolio company	Mid-market cohort projected 610+ → 950+ by FY30 on ANSR's base, about 56%
	Re-mark unlisted enabler holdings against de-rated listed comparables	Listed comparables already 39% below their own history
Corporate operator	Measure and raise the share of the site in owned-product work; give the site leader a global function; elect the safe harbour	National benchmarks: 44% mandate-owning, 64% dual leadership, 15.5% markup with a ₹2,000 crore ceiling
Policymaker	Spend on graduate quality and on power, water and commute in the two cities that hold two-thirds of demand; stop bidding cash	30% of 1.5m graduates fail employability; 69% of GCC leasing is in two cities

THE ONE NUMBER TO WATCH

NATIONAL GCC HEADCOUNT GROWTH

Every argument in this report reduces to whether centres keep adding people while their output per person rises. That is what separates them from the vendors, whose headcount is already falling. The number prints in the annual nasscom–Zinnov census and in half-yearly hiring data, and it is directly observable, unlike the displacement rate it proxies. Growth below 2% in an annual print, or negative in any half, is the signal that the mandate defence has failed and that the campus, not the country, is where this thesis has to be defended.

Five further observables are set out with thresholds and publication frequencies on page 34, together with the three weakest links in this report and the strongest version of the case against it. A reader who disagrees with our conclusion should start there rather than with the scenario table, because that is where the argument is thinnest and where we would expect to be shown wrong first.

Quick read

Five calls, five risks, three postures

TAKEAWAY · IF YOU READ ONE PAGE, READ THIS ONE; EVERY CALL CARRIES A PRICE AND EVERY RISK CARRIES A TRIGGER

HIGH-CONVICTION CALLS

with entry levels

Own the campus, not the centre

HIGH

The captive books cost plus 15.5% and is unlisted. The landlord collects 45% of national office leasing. Buy at a forward yield above 6.5% or a discount to net asset value above 15%.

Wage convergence is the wrong worry

HIGH

The dollar cost of an Indian engineer fell 2.7% in a year wages rose 9.1%, because the rupee fell 10.8%. Even frozen, the saving needs thirteen years to fall below 50%.

Every 2030 forecast in circulation is stale

HIGH

The $105bn target for FY2030 was passed in FY26. Our range is $120–228bn, and even the bear case clears the consensus by 14%.

Pillar Two misses the ordinary captive

MED

India taxes the centre at 25.17%, ten points above the floor. The exposure is GIFT City and legacy zone units, whose top-up is currently collected by foreign treasuries.

The visa fee is a tailwind, not a threat

MED

A $100,000 charge on a new H-1B petition raises the price of onshore delivery. The genuine tail is a 25% outsourcing excise, and it has not moved in committee for nine months.

KEY RISKS

with triggers

- **Automation displaces execution work faster than mandates expand** — HIGH, 2027-30
  56% of headcount sits in execution tiers; this one rate drives both scenario levers and carries the $108bn range.
  `TRIGGER: national GCC headcount growth turns negative.`
- **A US outsourcing excise is enacted** — HIGH, LOW PROB.
  A 25% levy plus lost deduction is a ~46% burden; the estimated hit to Indian IT margins is 500–1,000bp.
  `TRIGGER: S.2976 reported out of Senate Finance.`
- **A material breach or fraud at a large centre** — HIGH, ANY TIME
  One incident at a 40,000-seat banking site would move supervisory attitudes industry-wide.
  `TRIGGER: a supervisory action naming an Indian delivery site.`
- **Sector and employer concentration** — MEDIUM, 2027-29
  BFSI is 28% of centres and four banks hold about 143,000 seats.
  `TRIGGER: a named bank cutting India headcount by more than 5,000.`
- **Landlord funding cost above distribution yield** — MEDIUM, FY27-28
  Embassy's debt costs 7.25% against a 5.7% trailing yield, so the case needs the guided step-up.
  `TRIGGER: any trust guiding to flat distributions.`

THIRTY-SECOND POSTURE

by reader

Allocator	Long Indian office trusts at the stated levels; systems integrators as an option, not a holding; ignore the currency argument.
Private capital	Own the build-operate-transfer platform, underwrite an in-house centre's saving as cash rather than value, and re-mark enabler holdings now.
Operator and policymaker	Move the site up the mandate ladder and elect the safe harbour; spend public money on graduates and power, not on subsidy.

PART I

The *Machine*

India runs more of the world's corporate work than any other country, and the industry passed its own 2030 targets four years early. What the headline count cannot tell you is where the value in that work now sits.

READING
Pages 07 — 11

KEY FIGURE
$98.4bn revenue · FY26

SECTIONS
§01 — §05

WHAT YOU'LL TAKE AWAY

01
The base is solid, the growth rate is not

Two counts circulate, 2,117 parents and 3,728 units, and the industry's own 2030 revenue target of $105bn will be passed in FY27.

02
The mandate is the asset

96% of centres opened since FY21 launched owning a product, and about half of the installed base now sits at high maturity.

03
Scale is the moat, not price

India loses specific functions to Poland, Manila and Mexico on cost and language. It wins the mandates that need 2,000 engineers in one campus.

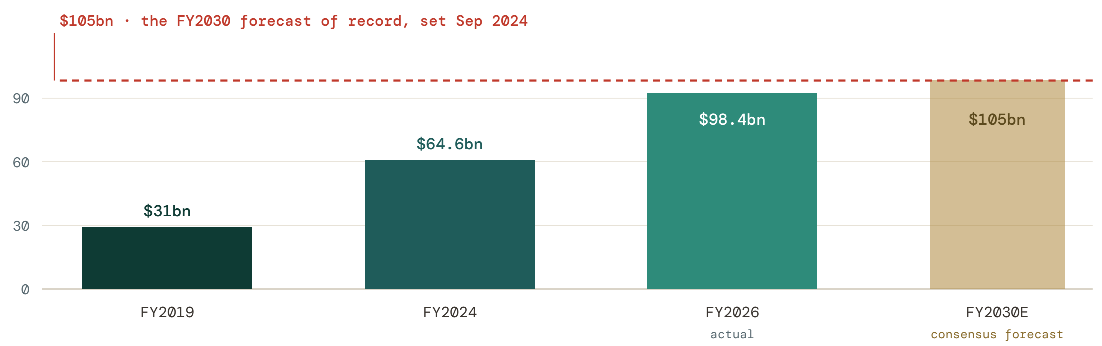
§ 01 · Market sizing

The census is sound. Every forecast built on it is stale.

TAKEAWAY · REVENUE COMPOUNDS TWICE AS FAST AS THE CENTRE COUNT, SO THE INDUSTRY GROWS BY DEEPENING RATHER THAN BY MULTIPLYING

India had 2,117 Global Capability Centres at the end of FY26, running 3,728 physical units, employing 2.36 million people and billing $98.4bn a year.[1] A Global Capability Centre is a company-owned offshore site that performs the parent's own work rather than a vendor's, so the two counts measure different things: 2,117 is the number of multinational parents with a centre here, and 3,728 is the number of buildings they run. Both are correct and neither substitutes for the other, and the ratio has held at about 1.8 units per parent since FY24.[2]

FIG 1.1 · India passed the industry's own 2030 revenue target in FY26 $bn · GCC revenue



Source: nasscom-Zinnov *India GCC Landscape Report* FY26 ● (2 Jul 2026) and *The 5 Year Journey* ◐ (Sep 2024) for FY19/FY24/FY30E.[1,2] On the FY24-FY26 run-rate the $105bn target is passed during FY27.

TABLE 1.1 · THE SAME INDUSTRY ON SIX MEASURES — GROWTH IS INTENSIVE, NOT EXTENSIVE

MEASURE	FY2019	FY2024	FY2026	FY24-26 CAGR
Parents with a GCC in India	1,430	1,700	2,117	11.6%
Physical units operated	n/a	2,975	3,728	11.9%
Headcount (millions)	n/a	1.90	2.36	11.5%
Revenue ($bn)	31.0	64.6	98.4	23.4%
Revenue per centre ($m)	21.7	38.0	46.5	10.6%
Revenue per employee ($k)	n/a	34.0	41.7	**10.7%**

Counts and revenue from source 1 (FY26) and source 2 (FY19, FY24) ●*. Per-centre and per-employee lines are Gravitywell Research calculations from those totals* ◐*; FY2019 headcount is not published on a comparable basis.*

THE CALL

Treat every published GCC forecast as out of date until it is re-based. The centre count, the unit count and the headcount all compound at about 11.5% a year, while revenue compounds at 23.4%: the industry is being paid roughly twice as much per person as its own expansion rate would explain. That is either a shift into higher-value mandates or the first reading of the same revenue-versus-headcount decoupling now visible at the listed IT firms, and the difference decides whether the seat count keeps growing.

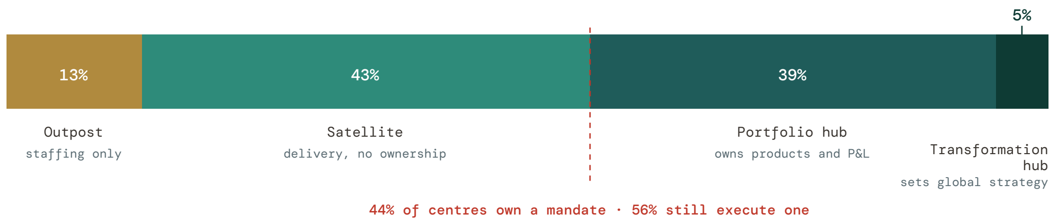
§ 02 · Value chain

The centre creates the value. It is structurally barred from keeping it.

TAKEAWAY · THE SURPLUS LANDS WITH THE PARENT AND THE LANDLORD; THE CAPTIVE BOOKS A MARKUP SET BY TAX RULE, NOT BY PERFORMANCE

The decoupling in §01 has a simple explanation once you look at what the centres now do. Nearly half of India's GCCs operate at what nasscom classifies as high maturity, meaning they own a product line or a global process rather than executing tickets, and 96% of the centres opened since FY21 launched with that ownership from day one.[1] Two-thirds of site leaders now carry a dual mandate, running both the site and a global function.[1] So the work is worth more per head. The awkward part is that the entity doing the work cannot show it, because a captive is paid its costs plus a fixed markup, and from Apr 2026 that markup is 15.5% by safe-harbour rule.[3]

FIG 2.1 · Where the installed base sits on the mandate ladder — % of GCCs · FY26



Source: Zinnov-nasscom *India GCC Landscape Report 2026* ● (FY26 maturity distribution).[1] Labels are nasscom's classification; the 44/56 split is the sum of the two right-hand tiers.[4]

TABLE 2.1 · WHO CAPTURES THE SURPLUS A GCC CREATES, AND WHO A PUBLIC INVESTOR CAN ACTUALLY OWN

LAYER	HOW IT IS PAID	MARGIN IT BOOKS	OWNED BY AN OUTSIDE INVESTOR?
The parent multinational	Keeps the entire wage differential as avoided cost	All of it	Only diluted inside a global P&L
The GCC entity	Reimbursed costs plus a fixed markup	15.5%	NO wholly owned, unlisted
The landlord	Rent on the campus, ₹102 psf/month on FY26 re-leases	82%	YES three listed office REITs
The enabler	Build-operate-transfer and managed-services fees	n/d	Private only
The systems integrator	Loses the billing the centre insources	Negative	YES and priced for it, §17
The state government	Pays capital, rent and power subsidy to attract the centre	Negative	Not applicable

Markup per CBDT safe-harbour rules effective 1 Apr 2026 ◐.[3] Landlord margin is Embassy REIT FY26 net operating income over revenue, ₹3,760cr / ₹4,582cr ◐, and the re-leasing rent is its FY26 weighted average agreed rent ●.[5]

THE CALL

Stop looking for a way to own the centre. The captive is a cost-reimbursed entity whose accounting profit is set by a tax rule, so its books will never reflect the value it creates however good the mandate gets. The two places that value becomes a cash flow an outsider can hold are the campus it sits in and the vendor it displaces, and those are the two exposures this report ends on.

§ 03 · Demand

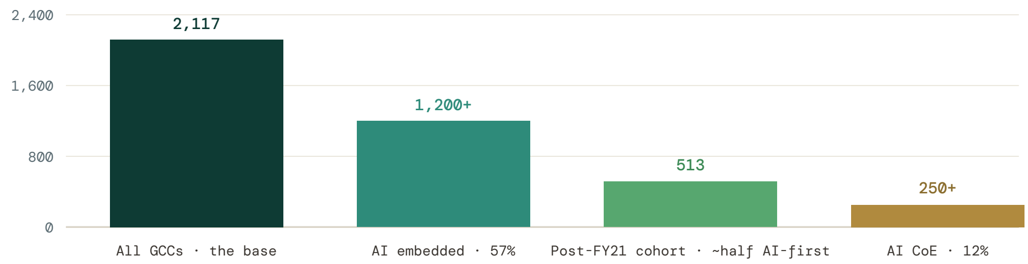
Parents stopped buying cheap hours and started buying scarce skills

TAKEAWAY · 57% OF CENTRES RUN ARTIFICIAL INTELLIGENCE AND ONE IN NINE GCC EMPLOYEES IS AN AI SPECIALIST, SO THE MARGINAL HIRE IS AN ENGINEER

The mandate ladder in §02 moved because the scarce input moved. A decade ago it was cheap process capacity; today it is machine-learning and platform engineering that Western labour markets cannot supply at any price. India supplies both: 1,200 of the 2,117 centres have embedded artificial intelligence in their work, 250 run a dedicated centre of excellence for it, and roughly 250,000 of the 2.36 million people employed are AI specialists.[1]

FIG 3.1 · Artificial intelligence is the installed base, not a pilot

count · FY26



Source: nasscom-Zinnov *India GCC Landscape Report* FY26 ● (2 Jul 2026).[1] The post-FY21 cohort of 513 is a Gravitywell Research estimate ○: nasscom reports 32% growth in the centre count since FY21, implying an FY21 base near 1,604 and 513 additions since.[4]

TABLE 3.1 · FIVE REASONS A PARENT OPENS A CENTRE, RANKED BY WHAT THE FY26 EVIDENCE SUPPORTS

WHAT THE PARENT BUYS	THE EVIDENCE	STILL THE BINDING REASON?
Scarce engineering and AI skill	250,000 AI specialists on site; 250 dedicated centres of excellence	PRIMARY
Ownership and speed	96% of post-FY21 centres launched owning a product; 64% of site leaders hold a global function	PRIMARY
Cost avoidance	70–80% saving on a fully loaded senior engineer, §06	ENABLING
Operational resilience	Regulated parents must show a controlled, owned site rather than a vendor's floor, §20	RISING
Labour arbitrage on routine process	Outpost-tier centres, which do staffing only, are down to 13% of the base	RECEDING

THE CALL

The demand case has flipped from supply of hours to supply of scarce skill, and that is a better business but a narrower one. A centre selling process capacity competes with every other low-cost location and with automation, while a centre selling 250,000 AI engineers competes with nobody because no other market has them at this depth. So the growth question is not whether parents want more Indian centres. It is whether India can produce the engineers, and §05 shows that is where the constraint now sits.

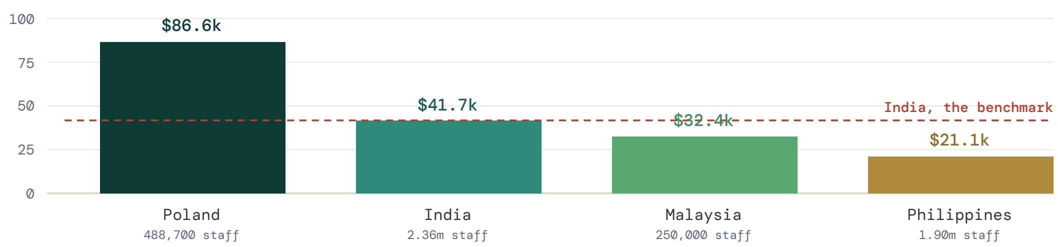
§ 04 · Competitive position

India is not the cheapest offshore market, and has not been for years

TAKEAWAY · AT $41.7K OF REVENUE PER EMPLOYEE INDIA SITS MID-TABLE, TWICE MANILA AND ABOUT HALF OF WARSAW, SO IT COMPETES ON DEPTH RATHER THAN PRICE

The skills case in §03 only holds if rivals cannot match it, and on price several already beat India. Poland runs 2,081 centres for 1,258 companies employing 488,700 people, and the sector is 5.7% of Polish GDP.[6] The Philippines ended 2025 with about 1.9 million workers and $40bn of export revenue, targeting 2.5 million and $59bn by 2028.[7] Malaysia has more than 600 firms and 250,000 staff.[8] Against that field India is neither the largest employer per dollar nor the cheapest seat, and the revenue-per-employee ladder below is the clearest way to see where each country actually sits.

FIG 4.1 · Revenue per head ranks the field by cost, not by value $k per head / yr



Source: ABSL Poland Q1 2025 ◐, IBPAP Philippines CY2025 ◐, GBS Malaysia ◐, nasscom-Zinnov FY26 ●.[1,6,7,8] Ratios are Gravitywell Research calculations ◐ from each market's own revenue and staff figures. ABSL separately publishes $64,300 of export value per employee, which implies a wider employment base near 658,000; we use the ratio the two headline figures give. For cost-reimbursed entities revenue tracks cost, so this ranks price paid per head, not value delivered.

TABLE 4.1 · WHAT EACH LOCATION WINS, AND THE MANDATE INDIA LOSES TO IT

MARKET	STAFF	REVENUE	WINS ON	TAKES FROM INDIA
India	2.36m	$98.4bn	Depth: 2,000-engineer campuses, 250k AI specialists	—
Poland	489k	$42.3bn	EU data residency, European languages, same time zone	EU-regulated finance and R&D for European parents
Philippines	1.90m	$40.0bn	Price and neutral-accent voice work	Customer operations and voice-led process
Malaysia	250k	$8.1bn	Regional treasury, Islamic finance, ASEAN coverage	APAC regional hubs for multinationals
Mexico	n/d	n/d	US time zone and nearshore travel	Nearshore analytics and support for US parents

Poland revenue is CY2024 exports ◐; India FY26 ●; Philippines CY2025 export revenue ◐; Malaysia annual sector revenue ◐. Mexico has no comparable published sector census, which is itself a caution against sizing the nearshore threat precisely.

THE CALL

India's position is defensible where scale is the requirement and vulnerable everywhere else. Nobody else can staff a 2,000-engineer product campus, so platform and product mandates are safe. But voice-led customer work already flows to Manila at half the cost per head, European regulated work sits in Warsaw for data-residency reasons India cannot legislate away, and US analytics increasingly goes nearshore. Read India's rising revenue per head with that in mind: some of it is the mandate upgrade of §02, and some of it is simply wage inflation on a cost-plus book, which §07 separates.

§ 05 · Supply

The constraint is not demand for centres. It is engineers.

TAKEAWAY · GCCS ALREADY ABSORB ABOUT A FIFTH OF INDIA'S EMPLOYABLE ENGINEERING OUTPUT EACH YEAR AND HOLD A QUARTER OF ITS AI SPECIALISTS

India graduates roughly 1.5 million engineers a year, of whom about 70% are assessed as employable, so the genuinely hireable pool is near 1.05 million.[9,10] GCCs added about 460,000 people across FY25 and FY26, an average of 230,000 a year, which is close to a fifth of that pool before the IT services firms, the domestic product companies and the startups take their share.[1] The squeeze is sharper in artificial intelligence: GCCs employ around 250,000 AI specialists against a national pool that nasscom and Deloitte put on a path from roughly 650,000 in 2022 to 1.25 million in 2027, while projected openings reach 2.3 million.[11]

FIG 5.1 · The engineering funnel, and the slice GCCs take from it people per year · FY26

Source: AICTE/CII-Wheebox employability assessment 2026 ◐, nasscom-Zinnov FY25-FY26 headcount ●.[1,9,10] The 230,000 annual absorption and the 21.9% share are Gravitywell Research calculations from the FY24-FY26 headcount change ◐.

9.1%	17.1%	~25%	1.05m
2026 SALARY INCREMENT, ALL INDIA	ATTRITION, LATEST SURVEY	OF NATIONAL AI TALENT SITS IN GCCS	PROJECTED AI SHORTFALL BY 2027

TABLE 5.1 · THREE CONSTRAINTS, AND WHICH ONE ACTUALLY BINDS

CONSTRAINT	THE NUMBER	BINDS?
Volume of graduates	1.5m engineers a year, output rising	NO
Quality at the entry level	Roughly 30% of graduates fail employability assessment	PARTLY
Depth at the senior and specialist level	Openings of 2.3m against a 1.25m AI pool in 2027	YES

THE CALL

The shortage shows up as price, not as empty desks. India will not run out of engineers, and 9.1% increments against 17.1% attrition are what a market short of senior specialists looks like when it clears through pay. That matters for the thesis because the arbitrage in Part II is measured against onshore salaries rising at 3–4%: every year the Indian premium runs six points hotter, a little of the gap closes on its own. The question §07 answers is how little.

PART II

The Money *Mechanics*

Every mandate in Part I is paid for out of one number: the gap between what an engineer costs in Bengaluru and what the same engineer costs in Seattle. Here is that gap, its cost stack, the clock running against it, and the only part of the chain a public investor can hold.

READING
Pages 12 — 15

KEY FIGURE
70–80% cost saving per seat

SECTIONS
§06 — §09

WHAT YOU'LL TAKE AWAY

01

The saving is almost all wage

Rent is roughly a twentieth of the cost of a seat. So the arbitrage lives or dies on salaries, and nothing else in the stack can defend it.

02

Wage convergence alone runs slow

At the current India-versus-US increment differential, and with the rupee where it is, wage convergence does not close the gap this decade.

03

The captive cannot be bought

It is paid cost plus a markup fixed at 15.5% from Apr 2026, so its accounting profit is a policy variable. The floor space under it is not.

§ 06 · Unit economics

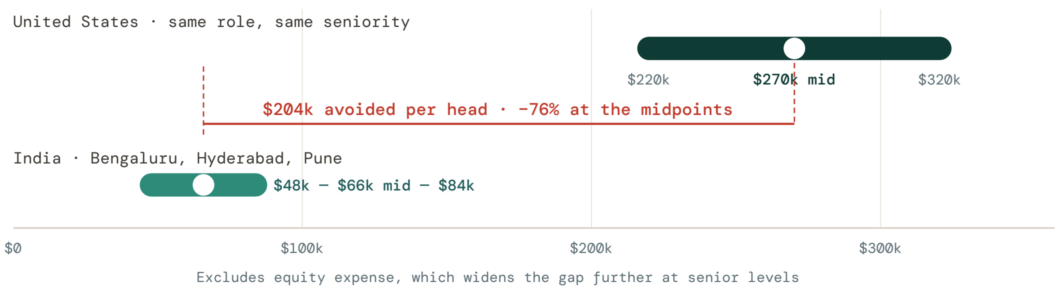
A thousand seats saves a parent $84–144m a year, and it is almost all wage

TAKEAWAY · RENT IS 3–7% OF WHAT A SEAT COSTS, SO NOTHING IN THE STACK EXCEPT SALARY CAN DEFEND THE SAVING

The price of a seat can be derived rather than guessed. A captive is reimbursed its costs plus a fixed markup, so its revenue per head divided by that markup gives its cost per head: $41.7k of FY26 revenue at a 15.5% markup implies about $36.1k of fully loaded annual cost for the average GCC employee.[1,3] A comparable Western seat runs three to five times higher: a senior engineer of seven to ten years costs a US employer $220–320k fully loaded against $48–84k in India, a saving of 70–80% rather than the 50% often quoted.[12]

FIG 6.1 · What the parent avoids, per senior engineer, per year

$k fully loaded



Source: published GCC cost benchmarks for comparable roles, 2026 ◐.[12] Fully loaded includes statutory contributions, benefits and facility cost; it excludes equity expense, which widens the gap further at senior levels.

TABLE 6.1 · THE COST STACK OF ONE INDIAN SEAT, AND WHAT EACH LINE CAN DEFEND

COST LINE	$ PER SEAT / YR	SHARE	CAN IT PROTECT THE ARBITRAGE?
Salary, benefits and statutory contributions	~28,000	~78%	It *is* the arbitrage. Rises 9.1% a year in rupees.
Technology, cloud, security and tooling	~4,500	~12%	No. Priced in dollars, so no saving at all.
Real estate and facilities	1,000–2,500	3–7%	No. Too small to matter even at half the rent.
Compliance, legal and entity overhead	~1,500	~4%	No, and it rises with transfer-pricing scrutiny.
Total fully loaded cost per seat	**~36,100**	**100%**	**One line carries four-fifths of the case.**

The $84–144m scales the blended seat, not the senior engineer of FIG 6.1. At a $36.1k Indian blended cost and a 70–80% saving, the implied onshore blended seat is $120–180k; the chart's senior role is $270k against $66k, so an all-senior centre would save nearer $204m per 1,000. Total derived from FY26 revenue per employee at the 15.5% statutory markup ◐. Real estate from published per-seat benchmarks ◐[13] and cross-checked against Embassy REIT's ₹95 psf/month in-place rent at 80–100 sq ft per seat ●.[5] The remaining lines are Gravitywell Research allocations ○ and are indicative, not audited.

THE CALL

Underwrite the arbitrage as a pure wage trade, because that is what it is. Scaled to a benchmark 1,000-seat centre at the blended grade the parent avoids $84–144m a year, and roughly four-fifths of that comes from one line. Cheaper floor space cannot save it, nor can a tax incentive, and a better mandate raises what the centre is worth rather than what it costs. So the only two things that can break this economics are the rupee price of an Indian engineer and the number of engineers the work actually needs. §07 takes the first; §21 takes the second.

§ 07 · Wage convergence

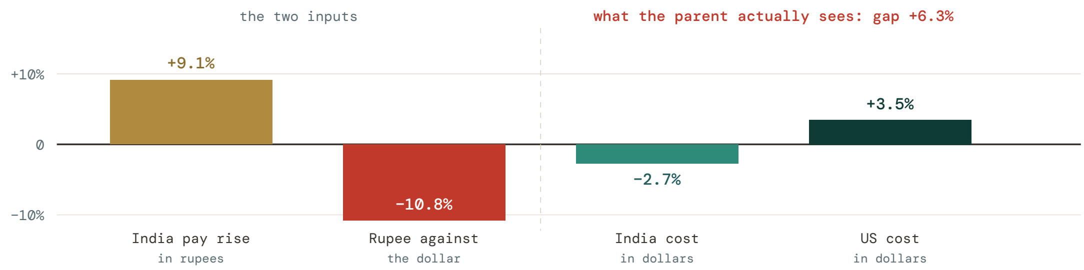
Indian wages rose 9.1% and the arbitrage still widened

TAKEAWAY · THE RUPEE DID MORE FOR THE DOLLAR COST OF AN INDIAN ENGINEER IN ONE YEAR THAN A DECADE OF WAGE CONVERGENCE WOULD UNDO

The standard bear case says salary inflation eventually eats the saving in §06, and on rupee numbers it looks plausible: Indian pay rose 9.1% in 2026 against a US salary-increase budget of 3.5%, a gap of 5.6 points a year.[14,15] But the parent pays in dollars, and the rupee went from an average of ₹86.07 to the dollar in Jul 2025 to ₹96.48 on 24 Jul 2026, a 10.8% fall in the dollar value of any rupee salary.[16] Put the two together and the dollar cost of the average Indian engineer fell 2.7% over the year while the American one rose 3.5%. The gap widened by more than six points.

FIG 7.1 · The dollar cost of an Indian engineer fell in the year wages rose 9.1%

% change · Jul 2025 to Jul 2026



Source: Aon and Deloitte India salary-increase surveys 2026 ◐, Mercer US salary-increase budget 2026 ◐, published USD/INR spot rates ◐.[14,15,16] The −2.7% and +6.3% lines are Gravitywell Research calculations ◐.

TABLE 7.1 · THE CONVERGENCE CLOCK — YEARS UNTIL THE 76% SAVING FALLS BELOW 50%

RUPEE PATH	NET CLOSURE PER YEAR	YEARS TO A 50% SAVING	REACHED IN
Rupee fixed at ₹96.5	5.6pp, all of it wage	13	2039
Rupee drifts −3.0% a year	2.3pp, compounded	31	2057
Rupee repeats the last year, −10.8%	Negative: the gap widens	Never	–
Memo: gap today	$270k against $66k	**4.1×**	**76%**

Gravitywell Research model ○. Assumes the 2026 increment differential of 5.6pp persists, that mix is constant, and that a 50% saving is the level at which offshoring stops clearing a parent's hurdle. Each is an assumption, not a finding; §23 sizes what happens if they are wrong.

THE CALL

Wage convergence is not the risk to this trade on any horizon an allocator underwrites. Even holding the rupee still, the saving takes thirteen years to fall below 50%, and the rupee has not held still in any five-year window this century. Anyone modelling the GCC thesis breaking on salary inflation is modelling the wrong variable, and should look instead at the number of seats the work requires. That is §21.

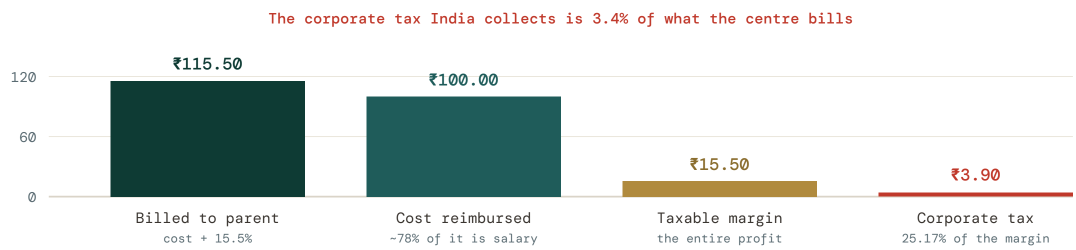
§ 08 · Transfer pricing

India taxes the markup, not the value, and has just fixed the markup

TAKEAWAY · A 15.5% STATUTORY MARGIN YIELDS THE EXCHEQUER ₹3.90 PER ₹100 OF CENTRE COST, SO INDIA'S REAL RETURN IS THE WAGE BILL

A captive earns what the rulebook allows. From 1 Apr 2026 India folded software development, IT-enabled services, knowledge process outsourcing and contract research into one Information Technology Services category with a single safe-harbour margin of 15.5% on operating cost, and lifted the eligibility ceiling from ₹300 crore of covered transactions to ₹2,000 crore.[3] A centre that adopts it is not audited on its pricing for five years, which is why §02's mandate upgrade never reaches the entity's accounts: ticket-handler or product owner, the declared margin is the same 15.5%.

FIG 8.1 · What ₹100 of centre cost yields the Indian exchequer ₹ per ₹100 of operating cost



Source: CBDT safe-harbour rules effective 1 Apr 2026 ◐ and the s.115BAA corporate rate of 25.17% ●.[3,17] The arithmetic is Gravitywell Research's ◐. India's larger fiscal return is the personal tax and indirect tax on the ₹100 of cost, four-fifths of which is salary.

TABLE 8.1 · THE CERTAINTY REGIME, BEFORE AND AFTER APR 2026

FEATURE	UNTIL FY26	FROM FY27	EFFECT ON A CAPTIVE
Service categories	Separate margins for software, ITeS, KPO, contract R&D	One category, Information Technology Services	Simpler
Safe-harbour margin	17–24% depending on category	15.5% flat	LOWER
Transaction ceiling	₹300 crore	₹2,000 crore	FAR WIDER
Advance pricing agreements signed	815 cumulative to FY25	1,034 cumulative; 219 in FY26 alone	RECORD
Bilateral agreements	200 cumulative	284, across 13 treaty partners	Double-tax cover

APA counts from CBDT's FY2025-26 release ◐;[18] FY25 figures are the FY26 totals less that year's signings ◐. Pre-2026 margins are the superseded Rule 10TD bands ◐.

THE CALL

Read the 2026 rules as India competing for centres rather than taxing them harder. A lower flat margin, a ceiling nearly seven times higher and a record 219 advance agreements in one year all point one way: New Delhi has decided the prize is the payroll, not the profit. For a parent that removes the largest administrative reason to prefer Warsaw or Manila, and it leaves the tax line too small to break the thesis. §19 tests whether the global minimum tax changes that, and finds it mostly does not.

§ 09 · Real estate

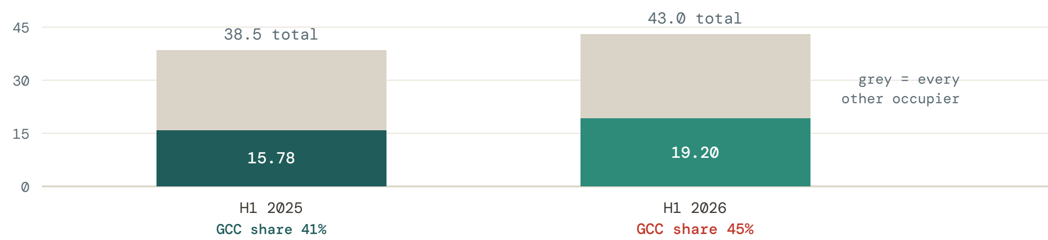
The campus is the only part of this chain with a listed price

TAKEAWAY · GCCS TOOK 45% OF INDIA'S OFFICE LEASING IN THE FIRST HALF OF 2026, AND THREE REITS LET AN OUTSIDE INVESTOR OWN THAT RENT AT A 4.9-6.2% YIELD

Rent is a rounding error to the parent and the entire business to the landlord, which is what makes it investable. GCCs leased 19.2 million sq ft in the first half of 2026, 45% of gross office take-up across India's top seven cities, up from 15.78 million sq ft and 41% a year earlier.[19] National average rents reached ₹110 per sq ft per month, 9% higher than a year before, while vacancy fell to 13.7% on one house's series and 15.0% on another.[20] The denominator is contested: half-year gross leasing is reported at 35.7, 43 and 48 million sq ft by three houses depending on city coverage and whether renewals count, so we anchor to the mid.

FIG 9.1 · GCCs are now the marginal tenant in Indian offices

msf leased · share of gross take-up



Source: national brokerage gross-absorption data for H1 2025 and H1 2026 ◐, top seven cities.[19] The H1 2026 denominator is the mid of a contested 35.7-48.0 msf range; the GCC absolute is reported consistently.

TABLE 9.1 · THE THREE LISTED LANDLORDS, PRICED AT 27 JUL 2026

REIT	PRICE	FY26 DPU	YIELD	NAV/UNIT	DISC. TO NAV	OCCUPANCY
Embassy Office Parks	₹441	₹25.28	5.7%	₹491.62	-10.3%	94%
Brookfield India	₹343	₹21.40	6.2%	₹386.66	-11.3%	96%
Mindspace Business Parks	₹493	₹24.09	4.9%	n/d	n/d	95.7%
Embassy on FY27 guidance	₹441	₹27.00-28.60	**6.1-6.5%**	–	–	95-96%

Embassy figures are from its FY26 earnings materials ●;[5] Brookfield and Mindspace are from published summaries of their FY26 results ◐;[21,22] prices as at 27 Jul 2026 ◐. Embassy occupancy is by asset value; the other two are committed occupancy, so the three are not exactly comparable. Embassy's in-place cost of debt is 7.25%.

THE CALL

Own the floor, not the tenant. Embassy re-let space in FY26 at ₹102 per sq ft against ₹82 expiring, a 24% spread, and still guides to double-digit distribution growth for a second year, which tells you the landlord captures the tenant's expansion without carrying the tenant's automation risk. The catch is honest and worth stating: at a 5.7% trailing yield against a 7.25% in-place cost of debt, the equity is not yet cheap on cash terms, and the case rests on the FY27 guided step-up and the 10% discount to stated asset value closing. §24 sets the entry level that makes that work.

PART III

The *Map*

Floor space is where the money lands, and it lands unevenly. Two cities take two-thirds of it, four more specialise, and the tier-2 story that dominates policy speeches accounts for a small share of the people.

READING	KEY FIGURE	SECTIONS
Pages 16 — 19	45% of national leasing	§10 — §13

WHAT YOU'LL TAKE AWAY

01

The duopoly is widening

Bengaluru and Hyderabad took two-thirds of GCC leasing in the first quarter of 2026. Depth compounds, and the second tier cannot buy it.

02

Tier-2 is a policy, not yet a market

Five named tier-2 cities hold around 85,000 GCC staff. That is roughly one part in twenty-eight of the national headcount.

03

The state auction transfers value out

Capital subsidies, rent reimbursement and power concessions move public money to foreign parents, and the centres would mostly have come anyway.

§ 10 · Geography

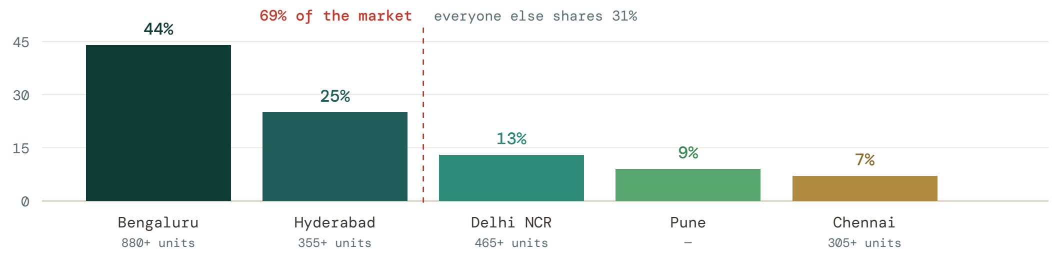
Two cities take two-thirds of the demand, and the gap is widening

TAKEAWAY · BENGALURU AND HYDERABAD ABSORBED 69% OF GCC LEASING IN THE FIRST HALF OF 2026; HYDERABAD IS GROWING FASTER, BENGALURU IS DEEPER

The rent in §09 is not spread evenly, and concentration is increasing rather than easing. Bengaluru and Hyderabad together took 69% of all GCC office leasing in the first half of 2026, Bengaluru on 44% and Hyderabad on 25%.[19] Bengaluru leased 10.5 million sq ft in total across all occupier types, of which GCCs were about 70%; Hyderabad leased 7.2 million sq ft, a 47% jump on the year.[20] Bengaluru houses more than 880 GCC units and roughly a third of the national GCC workforce.[23] The two are not interchangeable: one is a depth market, the other a growth market.

FIG 10.1 · Where GCCs actually put their floor space

% of national GCC leasing · H1 2026



Source: national brokerage GCC leasing shares H1 2026 ◐; unit counts from published city directories ◐.[19,23] Shares are of GCC leasing, not of all office demand, and Pune's unit count is not published on a comparable basis.

TABLE 10.1 · BENGALURU VERSUS HYDERABAD — THE DEPTH MARKET AND THE GROWTH MARKET

DIMENSION	BENGALURU	HYDERABAD	EDGE
Share of GCC leasing, H1 2026	44% A	25% B	Bengaluru
Growth in leasing, year on year	Broadly flat B	+47% A	Hyderabad
Installed units	880+ A	355+ B	Bengaluru
Senior and specialist talent depth	Deepest pool in Asia A	Strong but thinner B	Bengaluru
Cost and infrastructure headroom	Water, commute and rent pressure C	Planned corridors, cheaper land A	Hyderabad
Concentration risk to an occupier	Everyone is already there C	Room to be a large fish B	Hyderabad

THE CALL

Underwrite Bengaluru for the mandate and Hyderabad for the marginal square foot. A parent placing a first product-owning centre still has one rational choice, because depth of senior engineering talent cannot be manufactured and Bengaluru has a fifteen-year head start. A landlord allocating capital should read it the other way: Bengaluru's constraint is now physical, so the growth in rent per square foot is more likely to come from Hyderabad's corridors than from a Bengaluru market already at 70% GCC penetration. The other four cities are not junior versions of these two, and §11 explains what each of them actually sells.

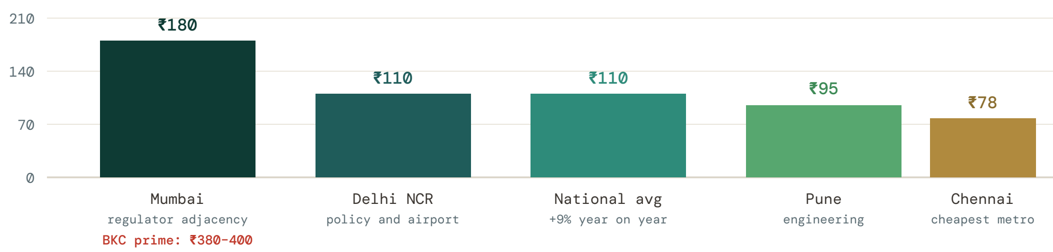
§ 11 · Geography

The other four cities are specialists, not runners-up

TAKEAWAY · RENTS RUN FROM ₹78 IN CHENNAI TO ₹180 IN MUMBAI, AND THE SPREAD IS A FUNCTION OF WHAT EACH CITY SELLS, NOT OF QUALITY

The 31% of GCC leasing that Bengaluru and Hyderabad do not take is not a consolation market. Each of the four remaining metros sells a different thing, and the rent each commands tracks that specialism closely: Chennai clears at ₹78 per sq ft a month and Mumbai at ₹180, with the Bandra-Kurla Complex at ₹380–400.[20] A parent that treats them as interchangeable low-cost options mis-sites the centre, because the binding requirement is usually adjacency, to a regulator in Mumbai, to a manufacturing base in Pune and Chennai, or to a policy ministry and an international airport in the National Capital Region.

FIG 11.1 · Rent tracks what the city sells, not how good it is ₹ per sq ft per month · 2026



Source: national office-market rent series, Q1–Q2 2026 ◐; national average ₹110 psf/month, up 9% year on year, against ₹101 in Q1 2025.[20] Pune and NCR are Gravitywell Research reads of the published city bands ○.

TABLE 11.1 · WHAT EACH OF THE FOUR SELLS, AND THE MANDATE IT WINS

CITY	GCC LEASING SHARE	UNITS	WHAT IT ACTUALLY SELLS	VERDICT
Delhi NCR	13%	465+	Policy access, airport connectivity, shared-services and consulting scale	BROAD
Pune	9%	n/d	Automotive and industrial engineering next to the manufacturing belt	FOCUSED
Chennai	7%	305+	Hardware, semiconductors, and the cheapest metro floor space	FOCUSED
Mumbai	3%	n/d	Regulated finance that must sit near the regulator and the exchanges	NARROW

Leasing shares are of GCC take-up in Q1–H1 2026 ◐;[19] unit counts from published city directories ◐.[23] Mumbai's low leasing share coexists with the highest rent, which is the point: it buys adjacency, not space.

THE CALL

Site the centre against the constraint, not the rent card. Mumbai costs 2.3 times Chennai and is still correct for a bank that must put its risk function inside a regulator's reach, while Chennai is correct for silicon and Pune for powertrains. For a landlord the read is different again: the four specialist markets have narrower tenant pools than Bengaluru, so their rent is less resilient if the specialism moves, and Mumbai's 3% share of GCC take-up is a reminder that a high headline rent is not the same as a deep occupier bid. Which raises the obvious question about the cities further down the ladder, and §12 answers it.

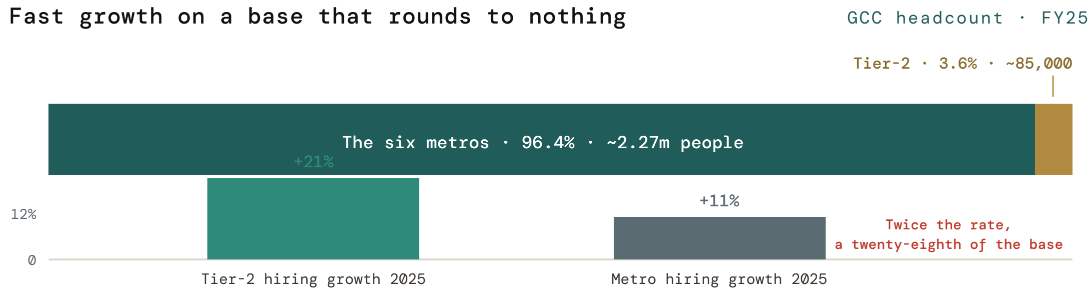
§ 12 · Geography

Tier-2 is a real policy and a small market. Do not confuse them.

TAKEAWAY · FIVE NAMED TIER-2 CITIES HOLD ABOUT 85,000 GCC STAFF, ROUGHLY 3.6% OF THE NATIONAL HEADCOUNT, WHILE HIRING THERE GROWS TWICE AS FAST AS IN THE METROS

Every state policy in §13 is written around tier-2, so it is worth being precise about the size of the thing. Ahmedabad, Coimbatore, Kolkata, Thiruvananthapuram and Jaipur together hosted more than 250 GCC units and about 85,000 professionals in FY25, which is 3.6% of a national headcount of 2.36 million.[24] The share of centres located outside the six established metros moved from 5% in FY19 to 7% in FY24.[24] Growth is genuinely faster off the small base, with tier-2 GCC hiring up 21% in 2025 against 11% in the metros, but a fast-growing 3.6% is still 3.6%.

FIG 12.1 · Fast growth on a base that rounds to nothing



Source: published tier-2 GCC counts and hiring growth for FY25 ◐, against the nasscom-Zinnov FY26 national headcount ●.[1,24] The five named cities do not exhaust tier-2, so 3.6% is a floor rather than a total.

TABLE 12.1 · WHAT TIER-2 CAN AND CANNOT DO FOR A CENTRE

REQUIREMENT	TIER-2 TODAY	WORKABLE?
Entry-level engineering volume	Local colleges supply steadily; salaries run below metro levels	YES
Floor space and cost	Cheaper land, state rent reimbursement of up to 50% in Karnataka	YES
Senior and specialist hiring	Thin; senior engineers relocate to metros, not away from them	NO
Global travel and client proximity	Limited long-haul connectivity outside Ahmedabad and Kochi	NO
Replacement hiring after attrition	A single large employer can exhaust the local pool	RISKY

THE CALL

Treat tier-2 as a delivery annexe, not as the next Bengaluru. It works for volume engineering and back-office scale where the pyramid is wide and junior, and it fails for the product-owning mandates of §02 because the senior layer will not move there. For an allocator that means tier-2 real estate is a yield play on a single tenant rather than a market, and it should be priced as such. For a state government it means the subsidies in §13 are buying the low-value end of a business whose value is migrating in the opposite direction.

§ 13 · Policy

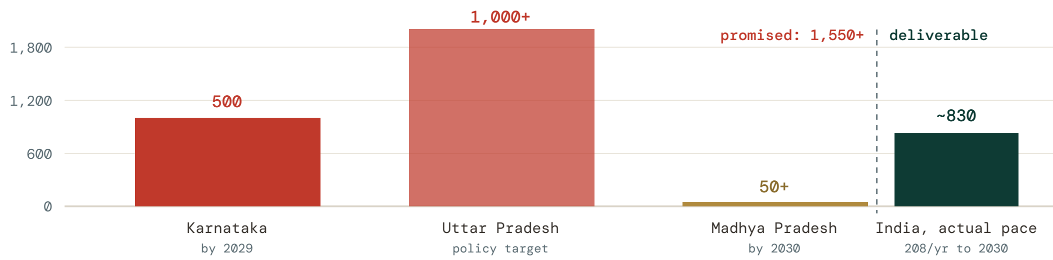
Two states promise more new centres than India will build

TAKEAWAY · KARNATAKA AND UTTAR PRADESH ALONE TARGET 1,500 NEW GCCS BY 2029, AGAINST A NATIONAL PACE THAT DELIVERS ABOUT 830 BY 2030

States are bidding against each other for the centres §12 says will mostly not move. Karnataka's policy, notified in Nov 2024, targets 500 new centres to reach 1,000 by 2029, with 350,000 jobs and $50bn of output.[25] Uttar Pradesh followed in May 2025 targeting more than 1,000 new centres and 500,000 jobs.[26] India added 417 centres in the two years to FY26, about 208 a year.[1] The arithmetic does not reconcile.

FIG 13.1 · State targets against what the country actually builds

new GCCs promised vs delivered, to 2029-30



Source: state GCC policy documents ◐;[25,26,27] the national pace extrapolates the FY24-FY26 addition of 417 centres ◐.[1] Targets are cumulative-new, not stocks.

TABLE 13.1 · THE BIDDING, AND WHAT EACH STATE IS ACTUALLY PAYING

STATE · POLICY	TARGET	HEADLINE INCENTIVE	STATUS
Karnataka · Nov 2024	1,000 GCCs and 350,000 jobs by 2029	75% capex for labs; 50% rent reimbursement outside Bengaluru; electricity-duty relief	LIVE
Uttar Pradesh · May 2025	1,000+ new GCCs; 500,000 jobs	Land subsidy, full stamp-duty reimbursement, payroll support	LIVE
Madhya Pradesh · 2025	50+ GCCs by 2030	Capital subsidy, payroll support, research grants	LIVE
Andhra Pradesh, Maharashtra, Odisha, Gujarat, Tamil Nadu, Rajasthan, Bihar	Various	Capital and payroll subsidy; Andhra Pradesh reimburses up to ₹3 lakh of salary per employee	ANNOUNCED
Union · national framework, Budget 2025-26	Guidance to states on tier-2 centres	No direct fiscal incentive	DRAFT

Policy terms as published by each state ◐.[25,26,27,28] The Union framework was announced in the Feb 2025 budget and remained in consultation at Jul 2026 ◐.[28]

THE CALL

State subsidy is a transfer to parents, not a driver of location. The centres in §10 cluster where senior engineers already live, and no rent reimbursement changes that: 69% of leasing went to two cities in a year when a dozen states were bidding. So the auction's practical effect is that a multinational which had already chosen Bengaluru or Hyderabad now collects a cheque for going there. The useful policy lever is the one §05 identified, graduate quality and specialist depth, and none of these policies pulls it hard. Part IV turns from where the centres sit to what they do, because that decides which survive automation.

PART IV

The *Portfolio*

Not every centre carries the same risk. The work that codifies best is the work that automates first, which puts the deepest sector in the industry at the front of the queue and the most engineering-heavy sector at the back.

READING
Pages 20 — 23

KEY FIGURE
96% launch with a product

SECTIONS
§14 — §17

WHAT YOU'LL TAKE AWAY

01

Depth and exposure are the same trait

Banking put the most codified processes offshore first, which is why it has the most people and the most automatable book of work.

02

Engineering holds the defensible ground

Silicon, powertrains and aerospace need physical test, regulatory sign-off and tacit knowledge that does not transfer to a model.

03

The incumbent is being disintermediated

Indian IT services headcount fell while revenue rose in FY26. The GCC is one of the reasons, and the incumbents' own numbers show it.

§ 14 · Sector

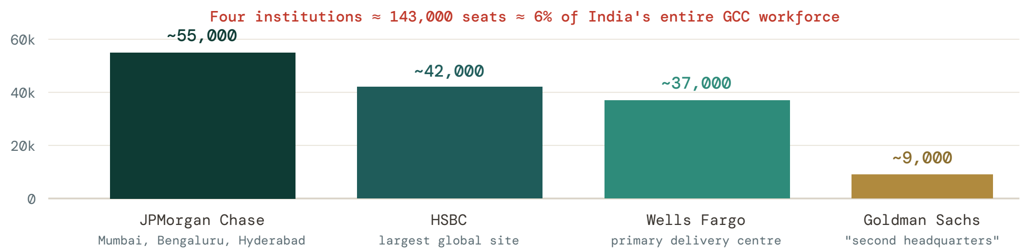
Banking built the deepest centres and the most automatable book of work

TAKEAWAY · FOUR BANKS ALONE EMPLOY ABOUT 143,000 PEOPLE IN INDIA, AND THE PROCESSES THAT JUSTIFIED THOSE HIRES ARE THE ONES MODELS HANDLE BEST

What the centres actually do starts with banking. Banking, financial services and insurance is the largest single sector, at roughly 28% of India's GCCs, and together with technology it accounts for 56% of all GCC hiring.[29,30] It hires hardest relative to its base too, at 1.17 times.[30] Concentration inside it is extreme: JPMorgan Chase employs about 55,000 people in India, HSBC 42,000, Wells Fargo 37,000 and Goldman Sachs 9,000, so four institutions carry roughly 143,000 seats. That depth was built on process work, and process work is what §21's automation reaches first.[31]

FIG 14.1 · Four banks, 143,000 Indian seats

India headcount · 2026



Source: published GCC headcount compilations, 2026 ◐;[31] figures are company-reported or press-reported and are not audited disclosures, so treat them as order of magnitude.

TABLE 14.1 · THE BFSI BOOK OF WORK, RANKED BY HOW WELL IT SURVIVES A MODEL

WORK TYPE	WHY IT MOVED OFFSHORE	AUTOMATION EXPOSURE
Reconciliation, settlement, reporting	High volume, fully codified rules	VERY HIGH
Know-your-customer and onboarding review	Labour-intensive document handling	VERY HIGH
Application testing and maintenance	Repeatable, specification-driven	HIGH
Model validation and quantitative research	Scarce quantitative talent at a fraction of the cost	MODERATE
Regulatory change and controls design	Judgement, accountable to a named officer	LOW
Platform and product engineering	Ownership mandate, §02	LOW

Exposure ranking is a Gravitywell Research assessment ○ based on how codified each activity is and whether a regulator requires a named human owner. It is a judgement, not a measurement, and §21 gives the observable that would confirm or refute it.

THE CALL

Depth and exposure are the same trait in this sector. A bank that put 40,000 people into India did so because its work was standardised enough to write down, and anything standardised enough to write down is standardised enough to automate. The offset is real but partial, because regulated finance must keep an accountable human owner for controls and regulatory change, which floors a slice of the headcount. So expect BFSI centres to keep growing in mandate while flattening in seats, and read any bank announcing a large Indian hiring programme in 2027 as evidence against this call rather than for it.

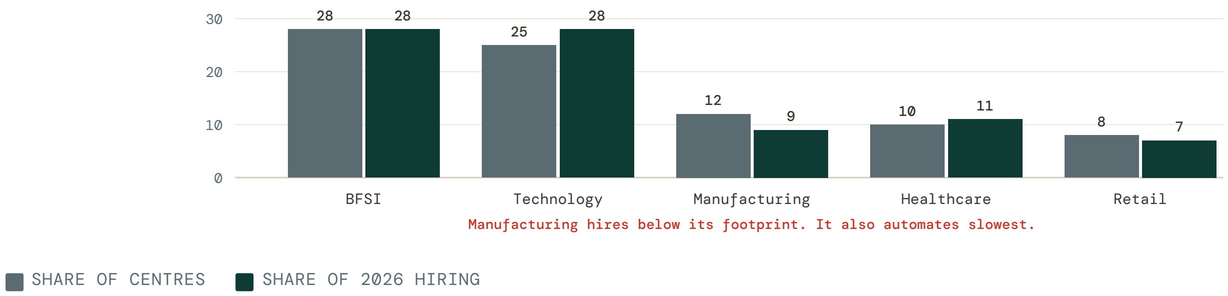
§ 15 · Sector

Engineering is the smallest cohort and the hardest to automate

TAKEAWAY · INDIA ALREADY EMPLOYS A FIFTH OF THE WORLD'S SEMICONDUCTOR DESIGN ENGINEERS, WORK THAT NEEDS PHYSICAL TEST AND REGULATORY SIGN-OFF NO MODEL SUPPLIES

Against BFSI's exposure, engineering-led centres hold the defensible ground. Manufacturing accounts for about 12% of India's GCCs and industrial plus automotive mandates take roughly 15% of GCC hiring, so this is a minority of the industry by headcount.[29,30] It is not a minority by strategic weight. India employs roughly 125,000 semiconductor design engineers, about a fifth of the world's total, and Indian teams tape out around 3,000 integrated circuits a year.[32] Silicon, powertrain and airframe work carries three properties the codified processes of §14 lack: physical test benches, certification signed by a named engineer, and knowledge that is not written down anywhere.

FIG 15.1 · Hiring share by sector, against share of the installed base % · 2026



Source: published GCC sector splits by centre count and by 2026 hiring ◐.[29,30] Technology and BFSI hiring is reported jointly at 56% and is shown split evenly ○; the other sectors are reported individually.

TABLE 15.1 · WHY ENGINEERING MANDATES RESIST THE SUBSTITUTION IN §21

PROPERTY	WHAT IT MEANS IN PRACTICE	TRANSFERS TO A MODEL?
Physical validation	Silicon tapes out, engines run on a bench, airframes are flown	NO
Certification liability	A named engineer signs; regulators hold that person accountable	NO
Tacit process knowledge	Yield tuning and failure analysis live in teams, not documents	NO
Toolchain lock-in	Design suites are licensed, versioned and audited per project	PARTLY
Specification-driven coding	The one layer that does automate, and it is the junior layer	YES

THE CALL

Weight engineering mandates higher than their headcount suggests. A fifth of the world's chip designers already sit in India, and that work cannot be re-hosted to a model or moved to Manila, which makes Pune and Chennai structurally stickier than any BFSI back office of comparable size. The trade-off is that this cohort hires below its footprint, so it will not carry the national seat count. For an allocator, a landlord with engineering tenants owns a longer effective lease than the stated term implies; one leaning on process-heavy financial tenants owns the opposite.

§ 16 · Sector

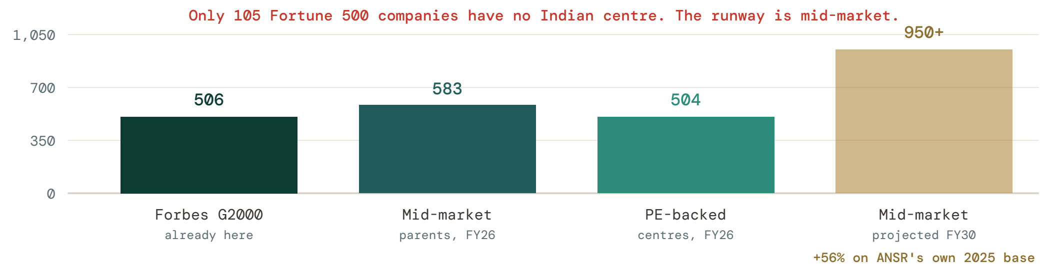
The growth is no longer coming from the Fortune 500

TAKEAWAY · 583 MID-MARKET CENTRES AND 504 PRIVATE-EQUITY-BACKED ONES ARE THE MARGINAL BUYER, AND ONLY 105 FORTUNE 500 NAMES ARE STILL ABSENT

The engineering cohort in §15 will not carry the seat count, and neither will the large-cap cohort, because that one is close to fully penetrated. 506 of the Forbes Global 2000 already run a centre in India and only 105 Fortune 500 companies have yet to open one.[1,33] What is left is smaller and, for the first time, financially sponsored: 583 of India's centres belong to mid-market parents and 504 are backed by private equity.[1] Healthcare and life sciences shows the shift most clearly, at about 10% of centres but 11% of 2026 hiring, the only large sector other than technology hiring above its footprint.[29,30]

FIG 16.1 · What is left to sell, and who is buying it

number of parent companies



Source: Zinnov-nasscom FY26 cohort counts ●; ANSR for the Fortune 500 gap and the FY30 mid-market projection ◐.[1,33] A 2025 estimate puts mid-market centres at 610+, above the FY26 census of 583, so read the level with a margin.

TABLE 16.1 · THE THREE COHORTS THAT STILL HAVE ROOM TO GROW

COHORT	SIZE TODAY	WHAT IT NEEDS	WHO SERVES IT
Mid-market parents	583 centres, projected 950+ by FY30	50–300 seats, no in-house India capability, fast setup	Build-operate-transfer
Private-equity portfolio companies	504 centres	Margin expansion inside a hold period, exit-ready structure	Sponsor-led platforms
Healthcare and life sciences	~10% of centres, 11% of hiring	Clinical data, pharmacovigilance, regulatory submissions	Own centres
Retail and consumer	~8% of centres, 7% of hiring	Supply chain, merchandising analytics, digital storefront	Own centres
Large-cap multinationals	**506 of the Forbes G2000**	**Expansion of existing sites, not new ones**	**Already in-house**

THE CALL

The next thousand centres are smaller, sponsored and served by someone else. A mid-market parent opening 150 seats cannot build its own entity, payroll, compliance and facility stack, so it rents them, which is why the enabler layer of §02 is where the private-capital money in this chain actually is. That also changes the risk, because 504 centres now sit inside private-equity hold periods and answer to exit timetables rather than to a parent's strategy. §25 takes that up; §17 first settles what the centres have taken from the vendors.

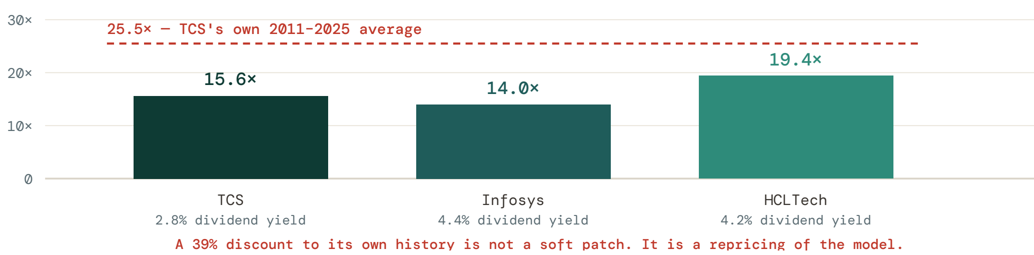
§ 17 · Competition

The market has already marked the vendors down 39%

TAKEAWAY · TCS TRADES AT 15.6× AGAINST ITS 2011-2025 AVERAGE OF 25.5×, AND SHED 23,460 PEOPLE IN THE YEAR ITS REVENUE PER EMPLOYEE ROSE

The work in §14 and §16 used to be bought from a vendor. A global systems integrator, the third-party IT-services firm a parent hires instead of building its own centre, now competes with the captive it often helped set up, and the evidence sits in the vendors' own FY26 accounts. Tata Consultancy Services cut net headcount by 23,460 to 584,519, a fall of 3.9%, while lifting revenue per employee 3.4%.[34] It trades at 15.6 times earnings against its 2011–2025 average of 25.5 times, a 39% discount to its own history.[36]

FIG 17.1 · The de-rating of the Indian systems integrator P/E × · 27 Jul 2026 vs history



Source: exchange-reported prices and trailing earnings at 27 Jul 2026 ◐; the 25.5× average is TCS's reported 2011-2025 trailing multiple ◐.[34,35,36] Multiples are trailing, not forward, so a further earnings decline would raise them mechanically.

TABLE 17.1 · THE DISINTERMEDIATION LEDGER

WHAT MOVED	EVIDENCE	WHO GAINED
Application maintenance and testing	Captives now run it in-house at cost plus 15.5%, §08	The parent
Senior engineering talent	GCCs pay above vendor scales; sector increments 9.1% against 6.9% at the integrators	The GCC
Headcount growth	TCS net headcount −23,460 in FY26 while revenue rose	Nobody
Setup and transition work	Build-operate-transfer mandates for mid-market parents, §16	The integrator
Multi-year managed services	Still the integrator's, where the parent lacks scale to insource	The integrator
The valuation	**15.6×, 14.0× and 19.4× against a 25.5× history**	**The buyer, later**

Increment differential from the 2026 salary surveys ◐;[14] headcount and revenue per employee from FY26 results ◐.[34,35] The ledger's attribution of cause is a Gravitywell Research judgement ○: the vendors face artificial intelligence and captive insourcing at the same time, and the published data does not separate them.

THE CALL

The integrators are cheap for a reason, and the reason is not temporary. Two forces hit the same revenue line: captives take the work in-house, and models take the labour intensity out of what remains. The vendors are the worse exposure because they carry the pricing risk without owning the mandate. Even so, at 14 to 19 times earnings with dividend yields above 4%, a buyer is now paid to be wrong, which is why §24 treats this as a valuation call rather than a structural short.

PART V

The *Regime*

The rules decide how much of the saving the parent keeps. India's own tax case for a centre has thinned to almost nothing, the global minimum tax lands more narrowly than the commentary claims, and the sharpest external risk arrives through immigration policy rather than trade policy.

READING

Pages 24 — 26

KEY FIGURE

15.5% safe-harbour markup

SECTIONS

§18 — §20

WHAT YOU'LL TAKE AWAY

01

India taxes the centre at full rate

The export tax holiday closed to new units in 2020. What replaced it is state cash, which is a subsidy race, not a tax regime.

02

Pillar Two is narrower than advertised

At 25.17% India sits well above the 15% floor, so the top-up bites the incentive islands, not the mainstream captive.

03

The visa fee is a tailwind

A $100,000 charge on a new H-1B petition raises the price of onshore delivery. The offshore centre is what the restriction pushes work toward.

§ 18 · Domestic tax

India stopped giving centres a tax break six years ago

TAKEAWAY · A CENTRE OPENED TODAY PAYS THE FULL 25.17%, SO THE INCENTIVE THAT DECIDES ITS LOCATION IS A STATE CHEQUE, NOT A UNION TAX CONCESSION

How much of that saving the parent keeps depends on the rulebook, and India's has thinned to almost nothing. A parent choosing India in 2015 could put its centre in a special economic zone and pay almost nothing on the profit for five years. That option closed: the section 10AA deduction is available only to units that began operating before 1 Apr 2021, and from 1 Apr 2026 the provision itself moved into section 144 of the new Income-tax Act, 2025 without being reopened.[37] A centre incorporated today pays the standard 25.17% domestic corporate rate on the 15.5% markup of §08, which works out at ₹3.90 per ₹100 of cost. The 2% equalisation levy went in Aug 2024.[38] What remains as an incentive is the state auction of §13.

FIG 18.1 · The incentive stack, dismantled 2020 → 2026

Union policy now offers certainty and compliance relief. It no longer offers a lower rate.

Source: Income-tax Act s.10AA and s.144 of the Income-tax Act 2025 ●, Finance (No. 2) Act 2024 ●, CBDT safe-harbour rules 2026 ◐, state policy notifications ◐.[3,25,37,38]

TABLE 18.1 · WHAT A NEW CENTRE GETS TODAY AGAINST WHAT A 2015 CENTRE GOT

INSTRUMENT	A CENTRE OPENED IN 2015	A CENTRE OPENED IN 2026	WORTH
SEZ profit deduction, s.10AA	100% for 5 years, 50% for 5 more	Not available	GONE
Headline corporate rate	~34% before the 2019 cut	25.17% under s.115BAA	BETTER
Equalisation levy exposure	2% on specified digital supplies	Abolished Aug 2024	BETTER
Transfer-pricing certainty	Category-specific safe harbours, ₹300cr ceiling	One 15.5% margin, ₹2,000cr ceiling, 5 years	BETTER
IFSC deduction, s.80LA	Available in GIFT City	Available, but built for financial-services units	NARROW
State cash	Generic IT-park incentives	GCC-specific capital, rent and payroll subsidy	THE MAIN LEVER

THE CALL

Do not underwrite an Indian centre on a tax argument, because there is not one left at the Union level. The rate is ordinary, the export holiday is closed, and the genuine improvements of the last two years are all about certainty rather than cost. That is the right trade for India, since §08 showed the corporate tax take is trivial next to the payroll, but it means a parent comparing India with Poland or Malaysia is comparing wages, talent depth and state cash, not tax rates. It also sets up the question in §19: if India already taxes above the global floor, how much of the Pillar Two commentary actually applies here?

§ 19 · Global tax

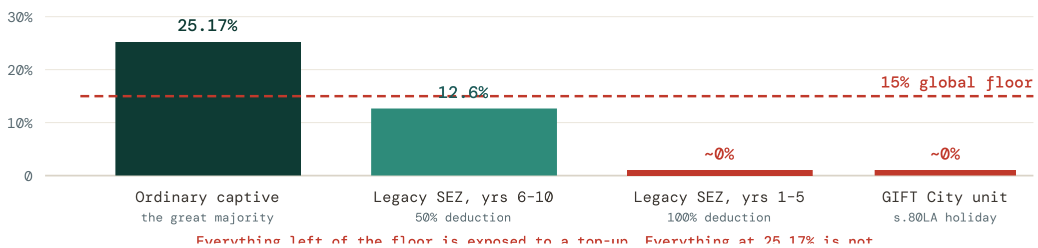
The global minimum tax misses the mainstream Indian captive

TAKEAWAY · AT 25.17% INDIA ALREADY SITS TEN POINTS ABOVE THE 15% FLOOR, SO THE TOP-UP BITES THE INCENTIVE ISLANDS, NOT THE ORDINARY CENTRE

Much of the commentary treats the OECD global minimum tax as a threat to India's offshore economics, and for the ordinary centre it is not. Pillar Two tops up a group's effective rate wherever it falls below 15%, and an Indian captive taxed at 25.17% on its markup is nowhere near that line.[17,39] India had not enacted a qualified domestic minimum top-up tax as at mid-2026, so any top-up on low-taxed Indian profit is collected by the parent's jurisdiction rather than by New Delhi.[39] India's first response was an accounting one, with amended accounting-standard rules notified in Mar 2026.[40]

FIG 19.1 · Only the incentive islands sit under the 15% floor

effective tax rate on Indian profit



Source: s.115BAA rate ●, s.10AA deduction schedule ●, s.80LA IFSC holiday ●, OECD GloBE rules ◐.[17,37,39] Effective rates are statutory illustrations for a profit-making unit ○, not observed group rates, which depend on the parent's own blending.

TABLE 19.1 · WHO IS ACTUALLY EXPOSED, AND TO WHOM THE MONEY GOES

ENTITY TYPE	EFFECTIVE RATE	EXPOSED TO TOP-UP?	COLLECTED BY
Captive on cost-plus, s.115BAA	25.17%	No, well above the floor	—
Legacy SEZ unit still in holiday	0–12.6%	Yes, while the deduction runs	Parent jurisdiction
GIFT City IFSC unit, s.80LA	~0% during the holiday	Yes, and the incentive loses its value	Parent jurisdiction
Group as a whole	Blended	Depends on the whole group's map	Parent jurisdiction

Because India has no qualified domestic top-up tax as at Jul 2026, any top-up on Indian low-taxed profit is collected abroad ◐.[39] That is a fiscal loss to India rather than a cost to the parent, and it is the strongest argument for New Delhi legislating one.

THE CALL

Price Pillar Two as a narrow risk to India's remaining tax incentives, not to the offshore model. The ordinary captive is unaffected because India taxes it above the floor, which is §18's point restated: India is not a low-tax jurisdiction for this activity. Where it bites is GIFT City and the legacy special-economic-zone units, whose holidays now transfer value to a foreign treasury rather than to the investor. Watch for India enacting a domestic top-up tax, which would capture that money at home and signal the incentive islands are being wound down.

§ 20 · Policy risk

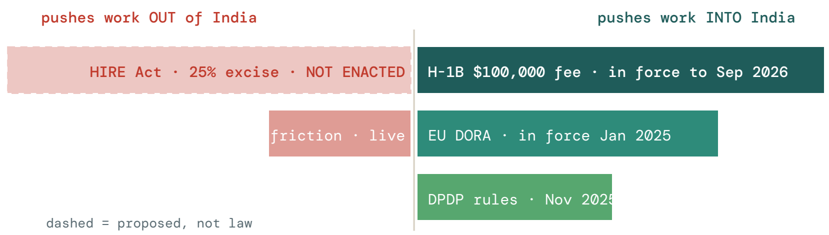
The visa fee is a tailwind. The outsourcing tax is the tail risk.

TAKEAWAY · A $100,000 CHARGE ON A NEW H-1B PETITION RAISES THE PRICE OF ONSHORE DELIVERY, WHILE A STALLED 25% EXCISE BILL IS THE ONE MEASURE THAT WOULD PRICE OFFSHORE OUT

Two American measures point in opposite directions for India's centres, and the market treats them as one. A presidential proclamation of 19 Sep 2025 imposed a $100,000 supplemental fee on certain new H-1B petitions, effective from 21 Sep 2025 and running through at least Sep 2026.[41] That raises the cost of bringing an Indian engineer to America, which argues for leaving the work in India. The measure that would genuinely hurt is the HIRE Act, introduced in the Senate in Oct 2025, proposing a 25% excise on outsourcing payments plus loss of the deduction, a combined burden near 46%.[42] It has been stuck in committee since.

FIG 20.1 · Four external measures, and which way each pushes the work

direction and status · Jul 2026



Three of the four measures in force make an owned Indian centre more attractive, not less. Source: US proclamation 19 Sep 2025 ◐, S.2976 as introduced ◐, EU Regulation 2022/2554 ●, DPDP Rules 13 Nov 2025 ◐.[41,42,43,44] Bar width is illustrative ○.

TABLE 20.1 · THE RULEBOOK, AND WHAT EACH MEASURE DOES TO A CENTRE

MEASURE	MECHANISM	DIRECTION	STATUS
H-1B supplemental fee, $100,000	Raises the cost of onshore delivery by an Indian national	TAILWIND	In force
EU Digital Operational Resilience Act	Critical third-party providers face direct supervision, so parents prefer an owned site to a vendor's floor	TAILWIND	In force
India DPDP Rules	Permissive by default; cross-border provisions from May 2027	NEUTRAL	Phasing in
HIRE Act, S.2976	25% excise plus loss of deduction, roughly 46% combined	SEVERE	Stalled

The HIRE Act targets payments to foreign persons for services benefiting US consumers ◐;[42] a third-party estimate puts the margin impact on Indian IT services at 500-1,000 basis points ◐. It is a proposal, and pricing it as anything else would be wrong.

THE CALL

Buy the confusion between the two measures. Restricting the movement of Indian engineers into America raises the value of the work staying in India, and Europe's resilience rules push regulated parents toward centres they own rather than vendors they hire. The genuine tail is an outsourcing excise, and it is a proposal with no committee progress in nine months, so it belongs in the risk register at low probability and high severity rather than in the base case.

PART VI

The *Trade*

One variable decides the answer, and it is not policy. If artificial intelligence takes a large enough share of the codified work, the seat count stops compounding and the whole chain reprices. Here is that arithmetic, the range it produces, and what each reader should do about it at today's prices.

READING
Pages 27 — 32

KEY FIGURE
6.1–6.5% on the landlord

SECTIONS
§21 — §26

WHAT YOU'LL TAKE AWAY

01

The decoupling has already started

India's largest IT employer shed 23,460 people in FY26 and raised revenue per employee 3.4%. That is the mechanism, running live.

02

The 2030 range is very wide

Bear to bull spans a large multiple of the consensus point estimate, and the single point everyone quotes is the least useful number available.

03

The landlord is the cleanest expression

A guided distribution yield of 6.1–6.5%, against a 10% discount to stated asset value, is paid whether the tenant's headcount grows or merely holds.

§ 21 · Substitution

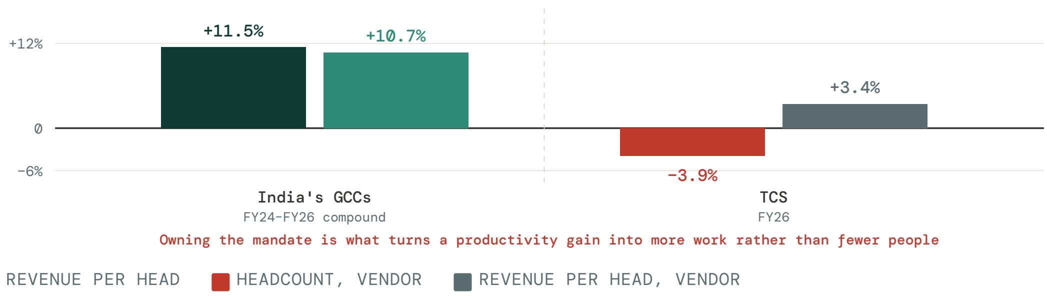
The decoupling is already visible, and only on one side of the market

TAKEAWAY · THE VENDORS SHED HEADCOUNT WHILE RAISING OUTPUT PER HEAD; THE CENTRES DID THE SAME ON REVENUE AND KEPT HIRING, WHICH IS THE DIFFERENCE THAT MATTERS

Every other variable in this report moves slowly. This one is already moving. Tata Consultancy Services cut net headcount 3.9% in FY26, to 584,519, while lifting revenue per employee 3.4%, and Infosys reduced headcount by 8,440 in a single quarter to 328,594.[34,35] Over the same period India's GCCs grew headcount 11.5% a year and revenue per head 10.7% a year, and hired 227,991 people in the first half of 2026 alone, 11% more than a year earlier.[1,45] Both groups are getting more output per person. Only one is still adding people, and §02 explains why: a centre that owns a mandate expands scope when it automates, while a vendor billing by the hour simply bills less.

FIG 21.1 · Same technology, opposite headcount

% change · FY26 or latest



Source: nasscom-Zinnov FY24 and FY26 census ●, TCS FY26 results ◐.[1,2,34] GCC rates are Gravitywell Research calculations from the two census points ◐; the periods differ, so the comparison is directional.

TABLE 21.1 · HOW MUCH OF THE GCC BOOK OF WORK IS ACTUALLY EXPOSED

LAYER	SHARE OF HEADCOUNT	DISPLACEMENT BY 2030	SEATS AT RISK
Outpost and satellite tiers, execution work	56% ≈ 1.32m people	Bear 40% · Base 20% · Bull 8%	106k – 529k
Portfolio and transformation tiers, owned mandates	44% ≈ 1.04m people	Scope expands rather than shrinks	–
Net effect on the FY26 base, before growth	**2.36m**	**Bear −22.4% · Base −11.2% · Bull −4.5%**	**−529k to −106k**

Gravitywell Research model ○. Tier shares are nasscom's FY26 maturity distribution ●;[1] displacement rates are assumptions, not observations, and are the single largest source of uncertainty in this report. §22 applies them; §23 sizes what happens if they are wrong.

THE CALL

Watch net GCC headcount, not commentary. The mechanism is visible in the vendors' accounts today and absent from the centres' numbers, and that difference is structural rather than a matter of timing. A centre with a product mandate that automates a workflow redeploys the people onto the next workflow, because its budget is set by the parent's ambition rather than by billable hours. The moment that stops being true it will show up as a single number, national GCC headcount growth turning negative, and nothing in the FY26 data suggests it yet.

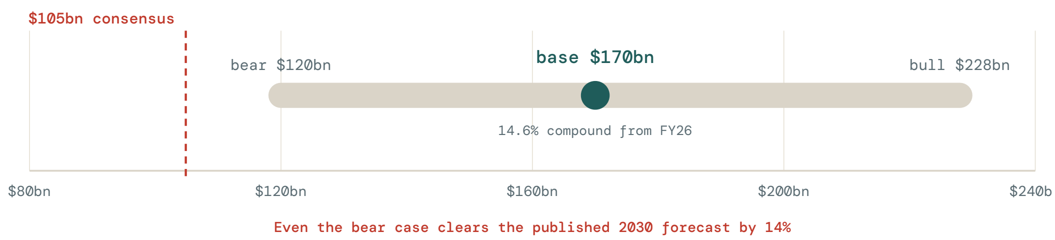
§ 22 · Scenarios

2030 revenue lands between $120bn and $228bn, and the point estimate is useless

TAKEAWAY · THE BULL CASE IS SIMPLY THE LAST TWO YEARS REPEATED; THE BEAR CASE NEEDS HEADCOUNT TO STALL, NOT FALL

The displacement rates in §21 are the only real disagreement, so the scenarios are built on them rather than on a growth assumption. FY26 revenue of $98.4bn across 2.36 million people is the starting point.[1] The bull case extends the FY24–FY26 rate of 23.4% for four more years to $228bn, on continued mid-market formation rather than any one cohort arriving. The base case slows headcount growth to 6.2% a year with revenue per head rising 8%, giving $170bn. The bear case has headcount effectively flat, edging from 2.36m only to 2.40m as execution work is displaced almost as fast as mandates expand, leaving revenue at $120bn. All three sit above the $105bn forecast still in general circulation.[2]

FIG 22.1 · The 2030 range, against the number everyone still quotes $bn · GCC revenue



Source: Gravitywell Research scenario model ○ built on the nasscom-Zinnov FY26 base ● and the superseded FY2030 forecast ◐.[1,2] Full assumptions in the table below and in the data appendix.

TABLE 22.1 · WHAT HAS TO BE TRUE IN EACH CASE

CASE	HEADCOUNT 2030	REV/HEAD	REVENUE	WHAT HAS TO BE TRUE
Bear	2.40m	$50k	$120bn	Execution work displaces at 40%; mandate expansion barely offsets it, so the base of 2.36m edges only to 2.40m. Rupee stable.
Base	3.00m	$56.7k	$170bn	Displacement at 20%; headcount compounds 6.2% as mid-market and sponsor-backed centres of §16 arrive; revenue per head +8% a year.
Bull	3.60m	$63.3k	$228bn	Displacement at 8%; the FY24–FY26 pace continues on mid-market and sponsor-backed formation plus expansion of existing sites. The 105 absent Fortune 500 names add centres, not the bulk of the seats.
Memo · consensus	n/d	n/d	$105bn	Set in Sep 2024, already exceeded in FY26.

Gravitywell Research model ○. Revenue is the product of the two columns and may differ by rounding. The model assumes the 15.5% markup holds, so a markup change would shift all three cases proportionally.

WHICH WAY WE LEAN

We weight the base case, because the bear case requires something the data does not yet show. To hold headcount flat at 2.4 million, displacement has to run at twice the rate we can observe anywhere, while the mid-market and private-equity cohorts of §16 stop arriving. Both could happen; neither is happening. The variable that moves us between cases is the displacement rate itself, and §23 shows exactly how much of the range each input owns.

§ 23 · Sensitivities

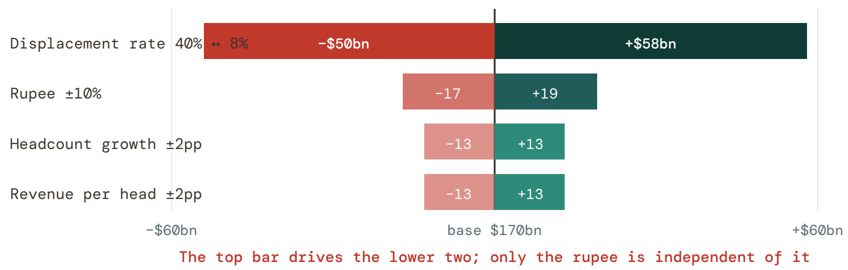
One driver moves both levers. Only the rupee is independent of it.

TAKEAWAY · THE DISPLACEMENT RATE SETS BOTH THE HEADCOUNT AND THE REVENUE-PER-HEAD PATH, SO IT CARRIES THE $108BN RANGE; THE RUPEE IS THE ONLY GENUINELY SEPARATE VARIABLE, AND IT IS WORTH A SIXTH OF IT

A range is only useful if you know which assumption produced it. The displacement rate of §21 is not one input among several. It is the driver that sets both levers the scenarios move, because the share of execution work that survives determines how many seats the industry adds and what the average seat is worth. That is why the §22 cases differ on headcount and revenue per head together, and why the $108bn spread belongs to that one judgement rather than to four independent ones. The tornado below asks a different question: what each lever is worth alone, holding the rest at base.

FIG 23.1 · What each assumption is worth to 2030 revenue

$bn swing around the $170bn base



Source: Gravitywell Research scenario model ○, each lever moved alone around the §22 base. The top bar is not additive with the three below: the displacement rate drives the headcount and revenue-per-head paths, so its range already contains them.

TABLE 23.1 · THE PER-SEAT SAVING UNDER RUPEE AND WAGE STRESS

STRESS	INDIA COST	US COST	SAVING	CHANGE
Today, ₹96.5 to the dollar	$66k	$270k	75.6%	—
Rupee 10% stronger, ₹86.9	$73k	$270k	72.9%	-2.7pp
Rupee 10% weaker, ₹106.2	$60k	$270k	77.8%	+2.2pp
Wage gap closes 5.6pp a year for 5 years	$86k	$270k	68.1%	-7.5pp
Wage gap closes 5.6pp a year for 13 years	$134k	$270k	50.4%	-25.2pp

Gravitywell Research model ○ at the midpoints of §06. Wage stress holds the rupee at ₹96.5 and applies the 2026 increment differential of 5.6pp, which is the assumption §07 flagged as the least reliable.

THE CALL

Stop hedging the rupee and start monitoring the mandate. Currency and wages together move the saving by single-digit percentage points over a five-year horizon, and no allocator changes a position for that. The displacement rate moves the answer by more than the entire current revenue of the industry, it drives the other two levers rather than sitting beside them, and it is not directly observable, which is why page 34 lists the proxies you can actually watch. That asymmetry also decides how to express the view: own instruments whose cash flow survives the bear case rather than instruments that need the bull case, and §24 prices exactly that.

§ 24 · Valuation

Four ways to own this, and what each costs today

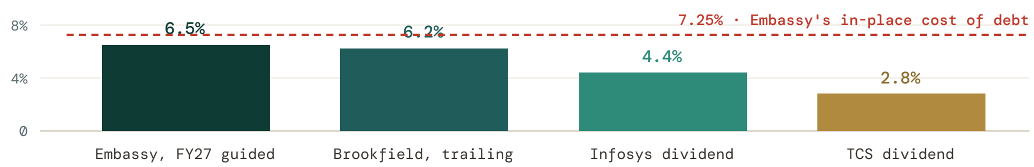
TAKEAWAY · THE LANDLORD PAYS 6.1–6.5% ON FY27 GUIDANCE AT A 10% DISCOUNT TO STATED ASSETS; THE VENDOR IS 39% BELOW ITS OWN HISTORY AND NEEDS THE BULL CASE

The asymmetry in §23 sets the rule: prefer the cash flow that survives the bear case. On that test the listed office landlord is cleanest, because its rent is contracted, occupancy runs 94–96% and its tenant's automation risk does not reach the lease. Embassy REIT at ₹441 yields 5.7% on FY26 distributions and 6.1–6.5% on FY27 guidance of ₹27.00–28.60, against net asset value of ₹491.62 and a 7.25% in-place cost of debt.[5] Brookfield India at ₹343 yields 6.2% on ₹21.40 and trades 11.3% below its ₹386.66 net asset value.[21]

TABLE 24.1 · THE FOUR EXPRESSIONS, PRICED AT 27 JUL 2026

EXPRESSION	INSTRUMENT	PRICE TODAY	WHAT YOU ARE PAID FOR	SURVIVES BEAR?
The landlord	Embassy REIT · Brookfield India REIT	6.1–6.5% fwd · 5.7% trailing −10.3% and −11.3% to NAV	Contracted rent, 94–96% occupancy, 24% FY26 re-leasing spread	YES
The vendor	TCS · Infosys · HCLTech	15.6× · 14.0× · 19.4× vs a 25.5× history	A 39% discount to history and 2.8–4.4% dividend yields	NO
The enabler	Build-operate-transfer and managed-office platforms	Private	Fees on the 583 mid-market and 504 sponsor-backed centres of §16	PARTLY
The centre itself	None	Not investable	Cost plus 15.5%, wholly owned, unlisted	N/A

FIG 24.1 · What each expression yields against what it costs to fund   % · 27 Jul 2026



Nothing here yields more than it costs the landlord to borrow, so the return must come from growth or from the discount closing. Source: FY26 results and 27 Jul 2026 prices ◐.[5,21,34,35] REIT distributions are not comparable to equity dividends in tax treatment; this ranks cash yield only, and the honest reading is that none of it is a bargain on running yield alone.

THE CALL

Own the landlord, at a price, and treat the vendor as an option rather than a holding. The office trusts are not cheap on running yield, since 6.1–6.5% sits below a 7.25% cost of debt, so the case rests on the guided distribution step-up and on the 10% discount to stated assets closing, and it fails if either slips. Our entry discipline is a forward yield above 6.5% or a discount to net asset value wider than 15%, and Brookfield is closer to both than Embassy. The integrators at 14 to 19 times are a different proposition: they need the bull case in §22 to be right, so size them as a position you can be wrong about, not as the way you express this view.

§ 25 · Implications

For the allocator, and for private capital

TAKEAWAY · PUBLIC MARKETS BUY THE RENT; PRIVATE CAPITAL SHOULD BUY THE PLATFORM THAT BUILDS CENTRES, NOT THE SAVING INSIDE ONE PORTFOLIO COMPANY

Public and private capital reach this theme through different doors and should not use the same instrument. The public-market investor buys contracted rent from a tenant whose lease outlives its automation risk, priced in §24. The private-market investor is already exposed whether it intended to be or not: 504 of India's 2,117 centres are backed by private equity, so one centre in four answers to a hold-period timetable.[1]

504	23.8%	583	950+
SPONSOR-BACKED CENTRES	OF ALL INDIAN GCCS	MID-MARKET PARENTS TODAY	MID-MARKET PARENTS BY FY30

FOR THE ALLOCATOR

public markets

Own duration on the campus

HIGH

Buy the office trusts on a forward yield above 6.5% or a discount to net asset value wider than 15%. Brookfield India is nearer both tests than Embassy.

Do not hold the vendor as core

HIGH

At 14–19× against a 25.5× history the integrators are an option on §22's bull case, not a way to own the structural story.

Ignore the currency hedge argument

HIGH

A 10% rupee move shifts the saving under three points. It does not change a position; the displacement rate does.

Prefer engineering tenants

MED

Assets let to semiconductor, automotive and aerospace occupiers carry a longer effective lease than the stated term.

FOR PRIVATE CAPITAL

sponsors and their limited partners

TABLE 25.1 · THE PRIVATE-CAPITAL EXPOSURE MAP

THE EXPOSURE	THE MECHANISM	WHAT TO DO
A GCC inside a portfolio company	Creates real EBITDA, but a buyer can replicate the saving, so it may not earn a multiple at exit	Underwrite as cash, not as value
The platform that builds centres	Monetises the same capability across many parents, including the 950+ mid-market cohort of §16	OWN THIS
Sponsor-backed centres facing an exit	Hold-period timetables, not strategy, decide whether the centre scales or is sold	Diligence the mandate tier
Marks on unlisted enabler platforms	Carried against listed comparables that have de-rated 39%, so the markdown arrives late	Re-mark before you are asked

Sponsor-backed and mid-market counts from the FY26 census ●.[1] Exit-multiple judgements are Gravitywell Research views ○.

THE CALL

Buy the toll on centre formation, not the saving inside any one centre. A cost reduction a buyer could reproduce in eighteen months does not earn a multiple, which makes building a captive a fine operating decision and a poor value-creation story to sell. The platform layer converts that one-off saving into a recurring fee across hundreds of parents, and ANSR puts that cohort up about 56% by 2030 on its own base. For limited partners the caution is stale marks: the listed comparables in §17 have de-rated 39% and unlisted enabler valuations carried against them have not.

§ 26 · Implications

For the operator, and for the policymaker

TAKEAWAY · THE OPERATOR'S ONLY DURABLE DEFENCE IS MOVING UP THE MANDATE LADDER; THE POLICYMAKER'S IS GRADUATE QUALITY AND POWER, NOT SUBSIDY

The displacement asymmetry in §23 reads differently from inside the building. For an operator the question is not whether artificial intelligence arrives but whether the site owns enough of a product to redeploy people when it does, measurable as the share of headcount in the portfolio and transformation tiers, 44% nationally.[1] For a policymaker the finding in §13 is uncomfortable: a dozen states are paying to attract centres that cluster where senior engineers already live, while the constraint identified in §05 is that specialist depth, not floor space, is what runs short.

FOR THE CORPORATE OPERATOR

the parent running or opening a centre

Measure the mandate, not the headcount

HIGH

Track the share of your site in owned-product work against the national 44%. A centre below that is on the wrong side of §21's displacement.

Give the site leader a global function

HIGH

64% of Indian site leaders now hold a dual mandate. A site whose leader only runs the site is an execution outpost by definition.

Take the safe harbour

HIGH

The 15.5% margin with a ₹2,000 crore ceiling buys five years without a pricing audit, and the compliance saving exceeds the margin difference for most centres.

Site against the constraint

MED

Tier-2 works for volume engineering, not for the senior layer. Mumbai buys regulator adjacency at 2.3× Chennai's rent. Match the city to the mandate.

FOR THE POLICYMAKER

Union and state

TABLE 26.1 · THE POLICY LEVERS, RANKED BY EVIDENCE

LEVER	WHAT THE EVIDENCE SAYS	PRIORITY
Graduate quality	About 30% of 1.5m engineering graduates fail employability assessment, and the shortage is at the specialist end	FIRST
Power, water and commute	Bengaluru's constraint is now physical, and it holds 44% of GCC leasing	FIRST
A domestic top-up tax	Without one, top-up tax on low-taxed Indian profit is collected by foreign treasuries, §19	SECOND
The national framework	Announced in Feb 2025, still in consultation seventeen months later	SECOND
Capital and rent subsidy	A dozen states bid for centres that cluster in two cities regardless; the cheque follows a decision already made	LAST

Employability from the 2026 AICTE and industry assessment ●;[10] leasing concentration from H1 2026 data ◐;[19] policy status as at Jul 2026 ●.[28] Priority ranking is a Gravitywell Research judgement ○.

THE CALL

Both readers are being asked to spend on the wrong thing. An operator that measures success by seats filled is optimising the metric §21 says will stop growing, while the one that measures owned mandates is buying the only insurance available. A state that competes on cash is bidding for a decision already taken on talent depth, and the honest lever, harder and slower, is the quality of the engineering graduate and the reliability of the power supply in the two cities that already hold two-thirds of the demand. India's advantage in this industry was never price, as §04 showed, so defending it with subsidy defends the wrong thing.

Risk register

Twelve ways this is wrong, and what to watch

TAKEAWAY · ONE RISK OWNS THE RANGE AND ELEVEN OWN THE TAILS; EACH CARRIES AN OBSERVABLE THAT SETTLES IT

● **Automation displaces execution work faster than mandates expand · technological**
56% of headcount sits in the two execution tiers; at 40% displacement rather than 20%, 2030 revenue is $120bn and headcount is flat.
TRIGGER: national GCC headcount growth turns negative in a nasscom-Zinnov print.
HIGH
2027-30

● **A US outsourcing excise is enacted · geopolitical and tax**
The HIRE Act's 25% levy plus lost deduction is a ~46% burden; a third-party estimate puts the hit to Indian IT margins at 500–1,000bp.
TRIGGER: S.2976 or a successor reported out of Senate Finance.
HIGH
LOW PROB.

● **A material data breach or fraud at a large centre · operational and cyber**
Regulated parents run live processes offshore; one incident at a 40,000-seat banking site would move supervisory attitudes industry-wide.
TRIGGER: a supervisory action naming an Indian delivery site under EU or UK resilience rules.
HIGH
ANY TIME

● **Sector and employer concentration · commercial**
BFSI is 28% of centres and four banks hold about 143,000 seats.
TRIGGER: a named bank announcing an India headcount cut above 5,000.
MEDIUM
2027-29

● **Geographic concentration and physical constraint · infrastructure and ESG**
Two cities take 69% of GCC leasing, and Bengaluru's binding constraint is now water, power and commute.
TRIGGER: Bengaluru below 35% of GCC leasing for two consecutive halves.
MEDIUM
ONGOING

● **Transfer-pricing dispute and permanent-establishment exposure · tax**
Safe harbour is elective and capped at ₹2,000 crore, so the largest centres stay inside the audit cycle.
TRIGGER: an appellate ruling recharacterising a captive as a permanent establishment.
MEDIUM
ONGOING

● **Wage inflation with high attrition · financial**
Increments of 9.1% against 17.1% attrition mean replacement cost sets the curve; the dollar effect was negative only because the rupee fell 10.8%.
TRIGGER: increments above 12% while the rupee is stable or stronger.
MEDIUM
ANNUAL

● **Rupee appreciation · financial**
A 10% stronger rupee cuts the per-seat saving 2.7 points while raising reported dollar revenue about $19bn, the opposite of how it is usually read.
TRIGGER: USD/INR sustained below ₹88.
MEDIUM
ANY TIME

● **Cross-border data restrictions · regulatory**
India's framework is permissive today, but the cross-border provisions start in May 2027 and the government may restrict named jurisdictions.
TRIGGER: a notified restricted-country list including a major parent jurisdiction.
MEDIUM
MAY 2027

● **Landlord funding cost above distribution yield · financial**
Embassy's in-place debt costs 7.25% against a 5.7% trailing yield, so the equity case needs the guided step-up and the NAV discount to close.
TRIGGER: any listed office trust guiding to flat or lower distributions.
MEDIUM
FY27-28

● **Competing locations take specific functions · commercial**
Manila undercuts India by half per head, Warsaw holds EU-regulated work, Mexico wins US-hours analytics. None threatens scale mandates.
TRIGGER: Poland or the Philippines out-adding India in absolute headcount for two years.
LOW
ONGOING

● **Pillar Two erodes the remaining incentives · tax**
At 25.17% the ordinary captive is far above the floor; exposure is limited to GIFT City and legacy zone units still in holiday.
TRIGGER: India legislating a qualified domestic minimum top-up tax.
LOW
2027+

● HIGH ● MEDIUM ● LOW SEVERITY IS IMPACT ON THE CENTRAL THESIS; THE SECOND LINE IS TIMING OR PROBABILITY.

Benchmarks

What would prove us wrong, and by when

TAKEAWAY · FIVE OBSERVABLES SETTLE THIS THESIS, AND THREE OF THEM PRINT AT LEAST TWICE A YEAR

The central claim is that the value in India's GCCs is migrating from headcount to mandate, and that the tradable expression is the campus rather than the centre. Here is what would falsify it. Each item is a published number with a stated threshold and a stated date, so a reader can hold this report to it rather than take its word.

TABLE 27.1 · THE FALSIFICATION SET

CLAIM	WHAT WE SAY	WHAT WOULD BREAK IT	PRINTS
Headcount keeps growing	GCC headcount compounds 6.2% a year to 3.0m by 2030	National GCC headcount growth below 2% in any annual census, or negative in any half	Annual
Mandates keep rising	44% of centres own a product or global process, and rising	The portfolio and transformation tiers falling below 40% of the base	Annual
Rent is defensible	GCCs take 45% of national office leasing; re-leasing spreads are positive	GCC share of gross leasing below 35%, or a listed trust reporting negative re-leasing spreads	Quarterly
The landlord case	Forward distribution yield of 6.1–6.5% with guided growth	Any listed office trust guiding to flat or lower distributions per unit	Quarterly
Automation is not yet displacing	Vendors shed headcount; centres do not	Two consecutive quarters of falling aggregate GCC hiring while vendor headcount stabilises	Half-yearly

WHERE WE COULD BE WRONG FOR GOOD REASONS

TABLE 27.2 · THE THREE WEAKEST LINKS IN THIS REPORT

WEAKNESS	WHY IT MATTERS	TIER
The displacement rate is an assumption, not a measurement	It drives both scenario levers and so carries the $108bn range in §22. No published dataset measures it, and our 8/20/40% band is a judgement about how much execution work is codifiable.	○ estimate
Named-centre headcounts are not audited disclosures	The four banks in §14 are press and compilation figures. The order of magnitude is safe; the individual numbers may be a year stale.	◐ modeled
The office-leasing denominator is contested	Three brokerages report H1 2026 gross leasing at 35.7, 43 and 48 msf, and vacancy at 13.7% or 15.0%. GCC absolute volumes agree; the shares do not.	◐ modeled

THE CASE AGAINST US

The strongest bear argument is not that automation displaces work, which we accept, but that mandate ownership is a weaker defence than we claim. On that reading the 96% of post-FY21 centres that "launched with a product" is a labelling exercise, the maturity tiers are self-reported by the centres being surveyed, and a parent under cost pressure will repatriate or shrink a mandate as easily as it granted one. We take that seriously. Our answer is that the physical evidence, 19.2 million sq ft leased in six months and 227,991 people hired in the same period, is harder to relabel than a maturity tier. If both the leasing and the hiring roll over while the tier mix holds, the bear is right and we are reading a survey instead of a market.

Conclusions

Five positions, each with a price and a trigger

TAKEAWAY · HOUSE VIEW: HIGH CONVICTION · CONSTRUCTIVE — OWN THE CAMPUS, RENT THE GROWTH, AND DO NOT TRY TO OWN THE CENTRE

India's Global Capability Centres are a $98.4bn industry compounding revenue twice as fast as its own centre count, and the maturity data says the reason is mandate ownership rather than headcount.[1] The wage gap that funds it is not closing on any horizon an allocator underwrites, and the rupee widened it 6.3 points last year alone. The one genuine risk is that automation displaces execution work faster than mandates expand, which swings 2030 revenue by $108bn and is not directly observable. That asymmetry, not the growth rate, should decide how the view is expressed.

01 · Own the listed campus

HIGH

Indian office trusts convert GCC expansion into contracted rent that survives the bear case. **Price:** forward yield above 6.5% or a discount to net asset value wider than 15%; Brookfield India at ₹343 (6.2%, −11.3%) is nearer both than Embassy at ₹441.[5, 21] **Exit trigger:** any trust guiding to flat distributions.

02 · Do not own the centre

HIGH

A captive is reimbursed cost plus a statutory 15.5% and is wholly owned, so no listed instrument exists. Anything marketed as GCC exposure is exposure to an adjacent layer; identify which row of Table 2.1 before buying.

03 · Treat the integrators as an option

MED

TCS, Infosys and HCLTech at 15.6×, 14.0× and 19.4× against a 25.5× history are priced for permanent disintermediation. **Price:** the 4%+ dividend yields pay you to wait. **Trigger:** stabilising headcount alongside revenue growth would confirm the de-rating overshot.

04 · In private markets, buy the platform

HIGH

A cost saving inside one portfolio company is replicable and earns no multiple; a build-operate-transfer platform monetises it across a mid-market cohort ANSR projects up about 56% by 2030. **Trigger:** mid-market centre formation falling below 60 a year would break the fee pool.

05 · Prefer engineering tenants and Hyderabad's corridors

MED

Semiconductor, automotive and aerospace mandates resist substitution, and Hyderabad grew leasing 47% against a physically constrained Bengaluru. **Trigger:** Bengaluru below 35% of GCC leasing would confirm the shift is structural.

THE HOUSE VIEW, STATED ON THE FIXED SCALE

CONVICTION · HIGH

The base rests on a definitive industry census and on landlord and company results, with source variance disclosed and tiers set conservatively: only seven register entries carry ●. The one input carrying the range is marked as an estimate throughout.

STANCE · CONSTRUCTIVE

All three 2030 cases clear the forecast still in circulation, the regulatory changes of the last two years are net favourable, and the external measures now in force push work toward India rather than away.

Prices as at 27 Jul 2026 ●. This is independent research and not investment advice; the entry levels are the desk's own discipline, not a recommendation calibrated to any reader's mandate or constraints.

Methodology

How every constructed number was built

TAKEAWAY · NINE FIGURES IN THIS REPORT ARE OURS RATHER THAN A SOURCE'S, AND EACH ONE'S ARITHMETIC IS SHOWN BELOW

This report rests on one definitive industry census, one set of landlord earnings materials read in full, statutory instruments, and a wider body of professional-firm and market reporting, plus nine figures Gravitywell Research constructed. Tiers are set conservatively: only seven of the 45 register entries carry ●, and figures that originate with an official body but were reached through an alert or a press report are marked ◐. The constructed figures are what a due-diligence reader should test first, so the derivation of each is set out here rather than described.

TABLE 28.1 · DERIVATION LEDGER FOR EVERY GRAVITYWELL RESEARCH FIGURE

FIGURE	DERIVATION	TIER	USED IN
Revenue per employee, \$41.7k	FY26 revenue \$98.4bn divided by FY26 headcount 2.36m	◐	§01, §04
Revenue per centre, \$46.5m	FY26 revenue divided by 2,117 parents	◐	§01
Cost per seat, \$36.1k	Revenue per employee divided by 1.155, the statutory safe-harbour markup	◐	§06
Cost-stack shares	Real estate from published per-seat benchmarks; the remaining lines allocated by us to sum to the derived total	○	§06
Dollar cost change, −2.7%	1.091 × (86.07 ÷ 96.48), the 2026 increment applied to the year's currency move	◐	§07
Convergence clock, 13 years	ln(4.09 ÷ 2.00) ÷ ln(1.056), the ratio of midpoint costs closing at the 5.6pp increment differential	○	§07
Corporate tax of ₹3.90 per ₹100	15.5% markup taxed at the 25.17% effective rate	◐	§08
Displacement rates, 8 / 20 / 40%	Judgement about how much of the two execution tiers is codifiable. No published series measures this.	○	§21, §22
2030 revenue of \$120 / \$170 / \$228bn	Headcount and revenue-per-head paths compounded from the FY26 base under each displacement case	○	§22, §23

COVERAGE

In scope: company-owned offshore centres in India, their cost structure, geography, sector mix, tax treatment and the listed instruments that carry exposure to them. Out of scope: third-party business-process outsourcing except where it competes directly with a captive; India's domestic technology sector; and the parent-side accounting of avoided cost, which is not disclosed by any parent in a form we could verify. Where data is thin it is said so: Mexico has no comparable published census, Pune has no published unit count, and Mindspace does not disclose net asset value per unit on the same basis as its peers.

STANDARDS AND REVISION POLICY

Derived measures follow OECD and Joint Research Centre practice for composite indicators: the components are published, the arithmetic is shown, and no weighting is applied that is not stated. Every figure is marked to the date given and will not be silently restated. Material errors are corrected in a dated erratum appended to this report and noted in the next edition, and the permalink always serves the current version. Where sources disagree, this report states the spread and names the anchor rather than selecting a single value.

CONFIDENCE RATIONALE

Conviction is set at High because the base rests on a primary industry census, filed landlord earnings materials and quoted market prices, and because the report's central claim about mandate migration is corroborated by two independent physical measures, office absorption and gross hiring, rather than by survey response alone. It is not set higher because the single input that owns the 2030 range, the displacement rate, is a judgement no published dataset currently measures.

Sources · I

Register, entries 1–23

Every in-text [n] resolves here. ● filed, official or the definitive published dataset · ◐ modeled, derived or a credible secondary estimate · ◯ Gravitywell Research estimate. A figure reached only through a secondary outlet quoting a primary is marked ◐.

01 **nasscom–Zinnov, *India GCC Landscape Report FY26***, 2 Jul 2026. ● Centre and unit counts, headcount, revenue, Forbes G2000 presence, AI penetration, maturity tiers, mid-market and PE-backed cohorts, mandate and dual-leadership shares. As of FY26.

02 **nasscom–Zinnov, *The 5 Year Journey***, Sep 2024. ◐ FY19 and FY24 counts, headcount and revenue; the FY2030 forecast of $105bn and about 2,200 centres.

03 **CBDT, Income-tax Rules 2026**, G.S.R. 198(E) of 20 Mar 2026, Rule 89(2) read with s.167 of the Income-tax Act 2025; effective 1 Apr 2026. ◐ Draft issued 7 Feb 2026 and finalised 20 Mar 2026; read through professional-firm alerts rather than the gazette text. Unified Information Technology Services category, 15.5% margin on operating expense, ceiling raised from ₹300 crore to ₹2,000 crore, five-year election.

04 **Zinnov, *India GCC Landscape 2026* report page** — the publisher's own page for the same joint report as entry 1, carrying detail the joint release omits. ● Maturity-tier distribution: outpost 13%, satellite 43%, portfolio hub 39%, transformation hub 5%; AI talent; five-year growth in the centre count.

05 **Embassy Office Parks REIT, FY2026 earnings materials**, 27 Apr 2026. ● Revenue ₹4,582cr, NOI ₹3,760cr, distributions ₹25.28/unit, FY27 guidance ₹27.00–28.60, NAV ₹491.62, occupancy 94% by value, 6.4 msf leased at 24% spreads, rent ₹95→₹102 psf/month, debt cost 7.25%, GCCs ~60% of leasing and 67% of gross rents.

06 **ABSL, Poland business services sector**, Q1 2025. ◐ 488,700 employed, 2,081 centres, 1,258 companies, 5.7% of GDP, CY2024 exports $42.3bn, export per employee $64,300.

07 **IBPAP, Philippines IT-BPM**, CY2025 and Roadmap 2028. ◐ $40bn export revenue and 1.9m workers in 2025; $59bn and 2.5m targeted by 2028.

08 **Digital Global Business Services Council, Malaysia**. ◐ 600+ firms, 250,000+ staff, sector revenue above $8.1bn a year.

09 **AICTE and industry assessments of engineering graduate output, India**. ◐ About 1.5 million engineering graduates a year.

10 **India Skills Report 2026 (CII, Wheebox, AICTE).** ◐ Engineering employability 70.15% in 2026 against 71.5% in 2025.

11 **nasscom–Deloitte, India AI talent studies.** ◐ Pool rising from ~650,000 in 2022 to ~1.25m by 2027 against projected openings of 2.3m.

12 **Published GCC cost benchmarks for comparable engineering roles, 2026.** ◐ Fully loaded US cost $220,000–320,000 against $48,000–84,000 in India for a senior engineer of 7–10 years; saving 70–80%.

13 **Published per-seat real-estate cost benchmarks for Indian GCCs, 2026.** ◐ $1,000–2,500 per seat per year.

14 **Aon *India Annual Salary Increase and Turnover Survey* and Deloitte India *Talent Outlook 2026*.** ◐ 2026 increment 9.1%; attrition 17.1–17.6%; IT-services increments about 6.9%.

15 **Mercer and WTW US salary-increase budget surveys, 2026.** ◐ Total US budget 3.5%, merit 3.1–3.3%.

16 **Published USD/INR spot and average rates.** ◐ Commercial rate aggregators, not a central-bank series. Jul 2025 monthly average ₹86.07; ₹96.48 on 24 Jul 2026; CY2025 average ₹87.16; record low ₹96.96 in May 2026.

17 **Income-tax Act, s.115BAA.** ● Concessional domestic corporate rate of 22% plus surcharge and cess, an effective 25.17%.

18 **CBDT release on advance pricing agreements, FY2025-26.** ◐ The CBDT page returned 403; figures taken from professional-press reporting of it. 219 signed in the year, a record; 1,034 cumulative (750 unilateral, 284 bilateral); 84 bilateral in FY26 across 13 treaty partners.

19 **National office-market absorption data, H1 2025 and H1 2026.** ◐ GCCs leased 15.78 msf (41% of gross take-up) then 19.2 msf (45%); GCC leasing shares Bengaluru 44%, Hyderabad 25%, Delhi NCR 13%, Pune 9%, Chennai 7%, Mumbai region 3%.

20 **National office-market rent and vacancy series, Q1–Q2 2026.** ◐ Average ₹110 psf/month, +9% year on year from ₹101; Chennai ₹78 to Mumbai ₹180, Bandra-Kurla ₹380–400; vacancy 13.7%; H1 2026 gross leasing reported at 35.7, 43.0 and 48.0 msf by three houses.

21 **Brookfield India Real Estate Trust, FY2026 results.** ◐ Distribution ₹21.40/unit, consolidated NAV ₹386.66/unit, committed occupancy 96%, revenue ₹2,971cr.

22 **Mindspace Business Parks REIT, FY2026 results.** ◐ Distribution ₹24.09/unit (+15.6%), revenue ₹3,216cr (+23.9%), NOI +29.2%, committed occupancy 95.7%, gross leasing 7.1 msf.

23 **Published city-level GCC directories, 2026.** ◐ Bengaluru 880+ units, Delhi NCR 465+, Hyderabad 355+, Chennai 305+; Bengaluru about a third of national GCC talent.

Sources · II

Register, entries 24–45

24 **Published tier-2 GCC counts and hiring data, FY25**. ◐ Ahmedabad, Coimbatore, Kolkata, Thiruvananthapuram and Jaipur hosting 250+ units and about 85,000 professionals; centres outside the six metros rising from 5% of the total in FY19 to 7% in FY24; tier-2 GCC hiring +21% in 2025 against +11% in the metros.

25 **Karnataka Global Capability Centres Policy 2024–2029**, notified 19 Nov 2024. ◐ 500 new centres to reach 1,000 by 2029, 350,000 jobs, $50bn of output; 75% capital support for laboratories, 50% rent reimbursement outside Bengaluru, five-year electricity-duty exemption, and a nano-GCC category for units of 5–50 people.

26 **Uttar Pradesh Global Capability Centres Policy 2024**, given effect 7 May 2025. ◐ More than 1,000 new centres and 500,000 jobs targeted; land subsidy, full stamp-duty reimbursement, payroll and operating support.

27 **Madhya Pradesh GCC Policy 2025; Gujarat GCC Policy 2025–30 (11 Feb 2025); Odisha GCC Policy (Feb 2026); Maharashtra, Andhra Pradesh, Tamil Nadu, Rajasthan and Bihar measures**. ◐ Targets and incentive terms as published by each state, including Andhra Pradesh's salary reimbursement of up to ₹3 lakh per employee.

28 **Union Budget 2025-26 national framework for GCCs in tier-2 cities**, Feb 2025, and the MeitY consultation that followed. ◐ Sixteen measures on talent, infrastructure and building bylaws; in draft and under consultation as at Jul 2026.

29 **Published GCC sector split by centre count, 2026**. ◐ BFSI ~28%, technology ~25%, manufacturing ~12%, healthcare and life sciences ~10%, retail ~8%.

30 **Published GCC hiring split by sector and hiring intensity, 2026**. ◐ Technology and BFSI together 56% of hiring; healthcare 11%; manufacturing and industrial 9%; retail 7%; automotive 6%; telecom and media 5%; logistics 4%; energy and other 2%. BFSI hiring intensity 1.17×, technology 1.13×.

31 **Published compilations of named GCC headcounts, 2026**. ◐ JPMorgan Chase ~55,000, HSBC ~42,000, Wells Fargo ~37,000, Goldman Sachs ~9,000, Microsoft India Development Center 10,000+. Press and compilation figures, not audited disclosures.

32 **India semiconductor design workforce estimates, 2026**. ◐ About 125,000 design engineers, roughly a fifth of the global total, with around 3,000 integrated circuits designed a year in India.

33 **ANSR landscape reports**, Jul 2025 and Nov 2025. ◐ 105 Fortune Global 500 companies without an Indian centre; mid-market centres projected above 950 by FY2030 against 610+ in 2025.

34 **Tata Consultancy Services, FY2026 results and market data**. ◐ Via an exchange-data aggregator, not the filing itself. Revenue ₹2,67,021cr, net profit ₹49,454cr, net headcount −23,460 to 584,519 (−3.9%), revenue per employee +3.4%, AI revenue above $2.3bn; price ₹2,310, trailing P/E 15.6×, dividend yield 2.76% at 27 Jul 2026.

35 **Infosys Ltd and HCL Technologies Ltd, FY2026 results and market data**. ◐ Via an exchange-data aggregator, not the filings themselves. Infosys revenue ₹1,78,650cr, net profit ₹29,474cr, headcount 328,594 after −8,440 in the March quarter, price ₹1,078, P/E 14.0×, yield 4.43%. HCLTech revenue ₹1,30,144cr, net profit ₹16,652cr, price ₹1,299, P/E 19.4×, yield 4.15%. Both at 27 Jul 2026.

36 **Reported historical valuation of Tata Consultancy Services**. ◐ Average trailing P/E of 25.5× over 2011–2025, about a 15% premium to the Indian IT-services industry average.

37 **Income-tax Act s.10AA and s.144 of the Income-tax Act 2025**. ● The special-economic-zone deduction, available only to units commencing before 1 Apr 2021, at 100% for five years then 50% for five more; re-enacted without reopening from 1 Apr 2026.

38 **Finance (No. 2) Act 2024**. ● Abolition of the 2% equalisation levy with effect from 1 Aug 2024.

39 **OECD GloBE Model Rules and implementation trackers to mid-2026**. ◐ The 15% minimum effective rate, the income-inclusion rule, and the position that India had not enacted a qualified domestic minimum top-up tax as at mid-2026.

40 **Ministry of Corporate Affairs, Companies (Accounting Standards) Amendment Rules 2026**, G.S.R. 169(E), 10 Mar 2026. ◐ India's first accounting-standard response to the GloBE rules.

41 **US Presidential Proclamation of 19 Sep 2025 on H-1B petitions**. ◐ A $100,000 supplemental fee on certain new petitions, effective 21 Sep 2025 through at least Sep 2026.

42 **S.2976, the Halting International Relocation of Employment (HIRE) Act**, introduced Oct 2025. ◐ A proposed 25% excise on outsourcing payments with denial of the deduction; in the Senate Finance Committee as at mid-2026. The 500–1,000 basis-point margin estimate is a third-party broker estimate ◐.

43 **Regulation (EU) 2022/2554, the Digital Operational Resilience Act**. ● In application from 17 Jan 2025; about 22,000 EU-regulated financial entities in scope, with direct European supervision of designated critical third-party providers.

44 **Digital Personal Data Protection Rules 2025, India**, notified 13 Nov 2025. ◐ A permissive cross-border regime with a restricted-country power reserved to the central government; cross-border provisions effective May 2027.

45 **Published GCC hiring data for H1 2026**. ◐ 227,991 hires in the first six months of 2026, up 11% year on year.

COVERAGE NOTE

Where a class of source is described rather than named (city directories, cost benchmarks, brokerage absorption series), several publishers report the same series on different definitions and none is authoritative. In those cases the report states the spread and anchors to the mid, and the tier is ◐ rather than ●. Only seven entries carry ●: 1 and 4 (the industry census and its publisher's own report page), 5 (Embassy REIT's filed earnings materials, parsed directly), 17, 37 and 38 (statutory provisions) and 43 (an EU regulation). Everything else is ◐, including figures that originate with an official body but which we reached through a professional-firm alert or press report rather than the primary text. That is deliberate under-claiming, and the register says which is which. Every entry in the register is cited at least once in the body.

Reference

Glossary and acronyms

Terms are glossed where they sit outside the home domain of at least one part of this readership, which spans public and private markets, corporate strategy and policy. Terms the whole audience prices cold are not defined.

Global Capability Centre (GCC)
A company-owned offshore site that performs the parent's own work rather than a vendor's. Used throughout in preference to "captive", which describes the same thing.

The parent
The multinational company that owns the centre and consolidates it.

The mandate
The scope of work a centre owns, running from ticket handling at one end to full ownership of a product and its profit and loss at the other.

Maturity tier
nasscom's four-step classification of that mandate: outpost, satellite, portfolio hub, transformation hub. The upper two are treated here as mandate-owning.

Global systems integrator (GSI)
A third-party IT-services firm a parent can hire instead of building its own centre. In India, principally TCS, Infosys, HCLTech, Wipro, LTIMindtree, Cognizant and Accenture.

Cost-plus
The transfer-pricing basis on which a captive is paid: it recovers its costs and adds a fixed percentage margin, so its accounting profit is a function of the rule rather than of performance.

Safe harbour
An elective transfer-pricing regime under which a taxpayer declaring at least a stated margin is not audited on its pricing. India's rate for IT services is 15.5% of operating expense from 1 Apr 2026.

Advance pricing agreement
A binding agreement fixing the transfer-pricing method for future years, unilateral with the tax authority or bilateral with a treaty partner. The bilateral form also protects against double taxation.

Permanent establishment
A taxable presence of a foreign parent in India. If a captive is recharacterised as one, the parent's own profits can become taxable here.

Pillar Two
The OECD framework that tops a group's effective tax rate up to 15% in any jurisdiction where it falls below that level. India's 25.17% rate leaves the ordinary centre outside it.

Qualified domestic minimum top-up tax
A domestic tax that collects the Pillar Two top-up locally rather than letting a parent jurisdiction take it. India had not enacted one as at mid-2026.

Gross absorption
Office space leased in a period, including new leases, pre-leases and, depending on the publisher, renewals. The definitional difference is why H1 2026 is reported at figures between 35.7 and 48 million sq ft.

Re-leasing spread
The percentage difference between the rent agreed on re-letting space and the rent that was expiring. Embassy REIT achieved 24% in FY2026.

Distribution per unit
The cash a real-estate investment trust pays per unit over a year. It is not a dividend and is taxed differently, so it is not directly comparable to an equity dividend yield.

Net asset value per unit
The trust's independently valued assets less liabilities, divided by units outstanding. A price below it is a discount, which may reflect either scepticism about the valuation or the cost of capital.

Build-operate-transfer
An arrangement where a third party establishes and runs a centre for a parent, then transfers ownership to it. The principal route by which mid-market parents enter India.

Displacement rate
Used here for the share of a centre's execution work that automation removes by 2030. It is a modelling assumption in this report, not a measured quantity.

ACRONYMS

ABSL	Association of Business Service Leaders, Poland
AICTE	All India Council for Technical Education
APA	Advance pricing agreement
BFSI	Banking, financial services and insurance
CBDT	Central Board of Direct Taxes, India
DORA	Digital Operational Resilience Act, European Union
DPDP	Digital Personal Data Protection Act and Rules, India
ER&D	Engineering research and development
FY	Indian fiscal year, April to March; FY26 ended 31 Mar 2026
GCC	Global Capability Centre
GloBE	Global Anti-Base Erosion rules, the Pillar Two framework
GSI	Global systems integrator
IBPAP	IT and Business Process Association of the Philippines
IFSC	International Financial Services Centre, of which GIFT City is India's
MeitY	Ministry of Electronics and Information Technology, India
msf	Million square feet
NOI	Net operating income
psf	Per square foot
REIT	Real estate investment trust
SEZ	Special economic zone

Reference

List of exhibits

Twenty-four figures and twenty-eight tables. The series behind each is in the data appendix and in the CSV data pack shipped with this report.

FIGURES

OTHER EXHIBITS

TABLES

Appendix A · I

Underlying data, series A.1–A.5

The series behind every exhibit, so the model is reproducible. Tier: ● filed · ◐ modeled · ○ estimate. Source numbers refer to the register on pages 37–38. A machine-readable CSV of these series ships with this report.

A.1 · INDUSTRY CENSUS (FIG 1.1, TABLE 1.1)

SERIES	FY19	FY24	FY26	TIER	SRC
Parents	1,430	1,700	2,117	◐	1,2
Units	n/a	2,975	3,728	◐	1,2
Headcount (m)	n/a	1.90	2.36	◐	1,2
Revenue ($bn)	31.0	64.6	98.4	◐	1,2
Rev/centre ($m)	21.7	38.0	46.5	◐	1,2
Rev/employee ($k)	n/a	34.0	41.7	◐	1,2
FY2030 forecast ($bn)	–	105.0	–	◐	2

A.2 · MANDATE AND AI PENETRATION (FIG 2.1, 3.1)

SERIES	FY26	TIER	SRC
Outpost tier	13%	●	4
Satellite tier	43%	●	4
Portfolio hub	39%	●	4
Transformation hub	5%	●	4
Post-FY21 centres with a product mandate	96%	●	1
Site leaders with a dual mandate	64%	●	1
Centres with embedded AI	1,200	●	1
Dedicated AI centres of excellence	250	●	1
AI specialists employed	250,000	●	1
Post-FY21 cohort (modelled)	513	○	1

A.3 · INTERNATIONAL COMPARISON (FIG 4.1, TABLE 4.1)

MARKET	STAFF	REVENUE	$K/HEAD	TIER	SRC
India	2.36m	$98.4bn	41.7	●	1
Poland	488,700	$42.3bn	86.6	◐	6
Philippines	1.90m	$40.0bn	21.1	◐	7
Malaysia	250,000	$8.1bn	32.4	◐	8

A.4 · TALENT FUNNEL (FIG 5.1, TABLE 5.1)

SERIES	VALUE	TIER	SRC
Engineering graduates per year	1,500,000	◐	9
Assessed employable	70.15%	◐	10
Hireable pool	1,050,000	◐	9,10
GCC annual absorption	230,000	◐	1
Share of hireable pool	21.9%	◐	1,9,10
AI talent pool 2027	1,250,000	◐	11
AI openings 2027	2,300,000	◐	11
2026 salary increment	9.1%	◐	14
Attrition	17.1%	◐	14

A.5 · UNIT ECONOMICS (FIG 6.1, TABLE 6.1)

SERIES	VALUE	TIER	SRC
US senior engineer, fully loaded	$220–320k	◐	12
India senior engineer, fully loaded	$48–84k	◐	12
Cost per seat, all grades	$36.1k	◐	1,3
Real estate per seat	$1.0–2.5k	◐	13
Salary share of the stack	~78%	○	–
Saving per 1,000 seats	$84–144m	○	12

Appendix A · II

Underlying data, series A.6–A.10

A.6 · WAGES AND CURRENCY (FIG 7.1, TABLE 7.1, 23.1)

SERIES	VALUE	TIER	SRC
India increment 2026	+9.1%	◐	14
US salary budget 2026	+3.5%	◐	15
USD/INR, Jul 2025 average	86.07	◐	16
USD/INR, 24 Jul 2026	96.48	◐	16
Rupee value change	-10.8%	◐	16
India cost change in USD	-2.7%	◐	14,16
Gap widening	+6.3%	◐	14,15,16
Years to a 50% saving, rupee flat	13	○	–

A.7 · REAL ESTATE AND THE LISTED LANDLORDS (FIG 9.1, TABLE 9.1, FIG 24.1)

SERIES	VALUE	TIER	SRC
GCC leasing H1 2025	15.78 msf	◐	19
GCC leasing H1 2026	19.20 msf	◐	19
GCC share of gross leasing	45%	◐	19
National average rent	₹110 psf/mo	◐	20
Vacancy, Q2 2026	13.7%	◐	20
Embassy price / DPU / NAV	₹441 / 25.28 / 491.62	●	5
Embassy FY27 guidance	₹27.00-28.60	●	5
Embassy cost of debt	7.25%	●	5
Brookfield price / DPU / NAV	₹343 / 21.40 / 386.66	◐	21
Mindspace price / DPU	₹493 / 24.09	◐	22

A.8 · CITIES (FIG 10.1, 11.1, 12.1)

CITY	GCC LEASING	UNITS	RENT	TIER
Bengaluru	44%	880+	n/d	◐
Hyderabad	25%	355+	n/d	◐
Delhi NCR	13%	465+	₹110	◐
Pune	9%	n/d	₹95	◐
Chennai	7%	305+	₹78	◐
Mumbai	3%	n/d	₹180	◐
Tier-2, five cities	n/d	250+	n/d	◐

Tier-2 headcount ~85,000, 3.6% of the national total; tier-2 hiring +21% in 2025 against +11% in the metros ◐.[24]

A.9 · SECTOR MIX (FIG 15.1, 16.1, TABLE 14.1)

SECTOR	CENTRES	HIRING	TIER
BFSI	28%	28%	◐
Technology	25%	28%	◐
Manufacturing	12%	9%	◐
Healthcare, life sciences	10%	11%	◐
Retail, consumer	8%	7%	◐
Named BFSI seats, four banks		~143,000	◐
Semiconductor design engineers		~125,000	◐

A.10 · VALUATION AND SCENARIOS (FIG 17.1, 22.1, 23.1)

SERIES	VALUE	TIER	SRC
TCS P/E · dividend yield	15.6× · 2.76%	◐	34
Infosys P/E · dividend yield	14.0× · 4.43%	◐	35
HCLTech P/E · dividend yield	19.4× · 4.15%	◐	35
TCS 2011–2025 average P/E	25.5×	◐	36
TCS FY26 net headcount	-23,460	◐	34
2030 revenue · bear	$120bn	○	–
2030 revenue · base	$170bn	○	–
2030 revenue · bull	$228bn	○	–
Displacement band	8 / 20 / 40%	○	–

> Machine-readable copy: gcc-india-data.csv ships alongside this report, with columns exhibit, series, period, value, unit, tier, source_ids, note. Rounding may cause derived rows to differ from the product of their inputs in the last digit.

Disclosures

Certification and governance

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Material errors are corrected in a dated erratum appended to this report and noted in the next edition; the permalink always serves the current version. Permalink: www.gravitywellresearch.xyz/research/gcc-india. Correspondence is directed to the Global Technology Desk through the firm's site; this report carries no named individual author by policy. Version: GWR-2026-IN-002 · v1.0 · Jul 2026 · as of 27 Jul 2026.

PRIOR CALLS

First edition. Gravitywell Research has published no prior call on India's Global Capability Centres, so there is nothing to score. From the second edition onward this section will carry a dated scorecard of what we said, what happened, and whether we were right, wrong or early.

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Derived measures follow OECD and Joint Research Centre practice for composite indicators: components published, arithmetic shown, no undisclosed weighting. Coverage and its gaps are disclosed on the methodology page rather than left implicit. No index or benchmark is constructed here, so IOSCO benchmark principles are not engaged; where a future edition constructs one, it will be run through the desk's index review and validation process before publication.

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