



JAPAN'S 'NEXTGEN' GLOBAL CAPABILITY CENTRE IN HARYANA

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North India's state of Haryana is positioning as a preferred destination for next generation global capability centres with its new Haryana Global Capability Centre (GCC) Policy 2026.

India has emerged as a leading capital for GCCs, which were originally conceived as cost-saving back-office operations but are now multifunctional hubs for multinationals. Several states have dedicated GCC frameworks. What sets Haryana's policy apart is a targeted financial approach combining location-linked capital and operative support with employment benefits running for 10 years.

Haryana policy spurs Japanese GCCs

Japan's participation in India's GCC market has been noticeably slower than its American and European counterparts. But change is coming, with more than 100 Japanese companies reportedly operating GCCs nationwide. Haryana and Japan share a decades-old economic relationship, reflected in the establishment of factories, industrial parks, and auto and engineering facilities. Establishing a GCC in the state is extending an operating relationship.

What's on offer? The policy is valid for five years from 1 January 2026. It seeks to create a predictable and investor-friendly ecosystem through targeted fiscal and non-fiscal incentives, with enhanced ease of doing business. It aligns with the Make in Haryana Industrial Policy, 2026, for a two-pronged approach to support manufacturing and GCC investment.

Who qualifies? Multinationals and group entities can set up captive capability centres for entities within the same corporate group. But a qualifying GCC cannot provide services to unrelated third-party customers. GCCs operating under build-operate-transfer, joint venture, hybrid and similar arrangements can qualify. Existing GCCs can also access incentives for expanding or diversifying at the same location. For a new unit, the principal eligibility requirement is employment, which must reach at least 100 employees on payroll or contract within three years.

Three-tier GCC fiscal incentive support

Fiscal support is structured in three layers: capital, operating and employment.

CAPEX support. Eligible capital expenditure broadly includes construction, infrastructure, office fit-outs, machinery and equipment, IT hardware and software, stamp duty on purchase, or land or office lease, captive renewable energy projects, and green building certification. Land cost is excluded.

OPEX support. Eligible OPEX covers electricity duty as well as lease rentals reimbursable at 75% of rent, capped at 6% of property value.

Employment subsidies. Available for up to 10 years and calculated by proportion of Haryana-domiciled employees, with support for specified categories

Customised mega and ultra-mega project packages. These projects can negotiate customised packages over and above standard incentives.

Haryana boosts R&D-led GCCs

The policy positions GCCs as centres of high-value work rather than support functions. The treatment of R&D work is particularly relevant to Japanese enterprises moving beyond manufacturing and support functions into engineering, product development and technology.

Qualifying GCCs establishing R&D centres can receive a subsidy of 50% of eligible capital cost, together with reimbursement of 50% of eligible operating expenditure capped at INR20 million (USD209,000) per centre annually for five years.

OPEX costs are backed via the reimbursement of salaries of scientists, engineers and research personnel, participation in conferences, seminars and workshops, fees for the publication of research papers, and raw materials and consumables for research.

The R&D incentives are conditional on the centre being recognised by the Department of Scientific and Industrial Research or the Council of Scientific and Industrial Research, and are limited to the first five R&D centres established.

Beyond fiscal incentives. Alongside fiscal support, a Haryana GCC Mission with dedicated single-window desks assists GCCs with location identification, regulatory guidance and fast-track approvals. It also provides time-bound processing of incentive claims, workforce flexibility, including three-shift operations, and self-certification for labour-related clearances and approvals under 14 acts.

Familiar Haryana ties draw Japanese GCCs

For Japanese entities, Haryana's strongest advantage is familiarity, with businesses having established manufacturing operations over decades.

The latest GCC policy creates an opportunity to build a new layer of capability in the progressive state famed for its modernist capital, Chandigarh.