

The Indian ITBPM* sector – Q2FY26

KPMG. Make the Difference.

**Information technology business process management*

India's ITBPM sector is likely to be driven by rising demand, digital transformation, artificial intelligence (AI), value-led partnerships and global capability centres (GCCs)¹



INR31.1 tn
Projected Indian IT*
market size
(FY26)¹

10%
IT industry's
contribution to
GDP** (FY26)¹

INR 1.6 tn
Growth in public
cloud services
market (FY27)¹

12.5%
Growth in IT export
sector (FY25)¹

**Information technology **Gross Domestic Product*

Segmental performance

IT- special economic zones (SEZs) fueling infrastructure development, exports and employment opportunities¹

6.7%
(CAGR, FY25-33)
India's BFSI* BPO**
growth driven by tech
and compliance¹

7-9%
(FY26)
Expected IT services
revenue growth, driven
by BFSI spending and
generative AI initiatives¹

IT segment market¹

- India's software services exports rise from INR14 tn in FY25 to INR18 tn by FY30¹
- AI is expected to add INR85 tn to India's GDP by 2035.

**Banking, financial services and insurance **Business process outsourcing*

Performance snapshot

Drivers

Growth in IT sector¹

INR24.3 tn
Driven by export projects
and employment (FY25)

TCSP* to drive MSME
in AI adoption²**

27 centres
Providing technical
trainings and industry-
oriented skills(FY25)

Focus on cloud adoption¹

INR1.5 tn
Indian public cloud
services market (2027)

AI driven productivity gains¹

20-40%
Companies are adapting to
fixed-price, subscription and
usage-based deals (FY25)

**Gaps in skilled
employees¹**

30 mn
Jobs may require
digital skills (2026)

Quantum technology risks⁵

- Threatens encryption, exposing sensitive data and critical infrastructure to systemic risks
- Quantum-enabled AI may speed automation, threaten jobs and demand expensive workforce reskilling.

Technology centre systems programme **Micro, small and medium enterprises *Mega watt*

Challenges

**Escalating costs in data center
expansion¹**

~2,500 mw* (2027)**
Projected data center capacity.
AI drives high investment and
power needs amid rising rentals

Outlook

4.7 mn jobs

GCCs are expected to
generate 22-25 per cent of
new-collar jobs (2027)¹

INR444 bn

India's AI sector spending
is expected to increase
(2027)⁴

INR178 mn

Projected revenue for
infrastructure software
market (2030)¹

2 mn

Expected demand for
cloud technology
professionals (2025)¹

Key takeaways

**Investment in computer
software and hardware**

15.1%

of foreign direct
investment (FDI)
equity inflows (FY25)¹

**Rise in India's
technology industry**

INR43.1 tn

Projected market
(2030)¹

**Government incentives
to drive for learning AI**

~INR5 bn

Union budget fund
allocation for an AI
centre of excellence
(FY26)¹

**Digital transformation in
India post (FY25)**

1.7 lakh post offices

APT* platform aims to unify
postal services into a single
digital layer³

**Advanced postal technology*

Sources: 1) IT & BPM Industry Report, IBEF, Aug 2025; 2) 9 additional Technology Centres established under Technology Centre Systems Programme (TCSP), IBEF, Dec 2025; 3) Digital Transformation of India Post Accelerates Service Delivery Nationwide, IBEF, Dec 2025; 4) Science And Technology Industry Report, IBEF, August 2025; 5) NITI Ayoga, Dec 2025

KPMG in India contacts

Neeraj Bansal
Partner and Head – India Global
E: nbansal@kpmg.com

Vaibhav Sharma
Director - Markets
E:vaibhavsharma20@kpmg.com



Access our latest insights
on KPMG Insights Edge

Follow us on:

kpmg.com/in/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011 Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

© 2025 KPMG Assurance and Consulting Services LLP, an Indian Limited Liability Partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

This document is for e-communication only.

