The Indian ITBPM sector – Q1FY27

Highlights

India's Information technology business process management (ITBPM) sector drives digital transformation, innovation and economic growth, fuelled by skilled talent, government initiatives and disruptive technologies

INR 29 tn
Expected size of India's information technology (IT) industry by 2026[1]

↑ 10%
Contribution to India's gross domestic product (GDP) as of May 2026[1]

↑ 15-17%
India's share of the global IT consulting and services market as of May 2026[1]

INR 181 bn
Projected size of India's business process management (BPM) market by FY34[1]

1. IT&BPM, IBEF, May 2026

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Sector snapshots

Highlights | **Segmental performance** | Performance snapshot | Outlook | Key takeaways

Segmental performance

BPM exports and engineering research and development (ER&D) and software product exports accounted for 26 per cent and 8 per cent, respectively, of total IT exports during FY25

Projected market size[1]

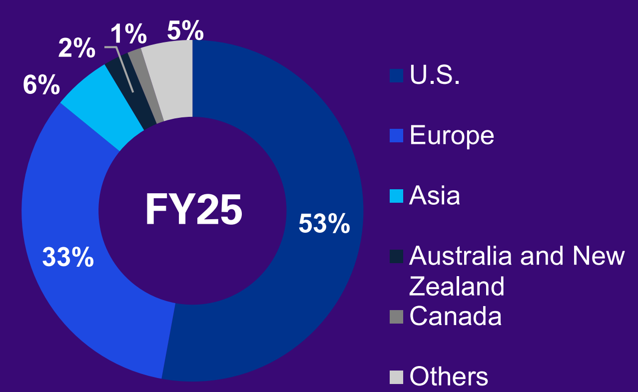
INR 19.1 tn

India's software services export by 2031, up from INR13.6 tn in 2025

INR 2.8 tn

India's public cloud services market by 2029, up from INR1.0 tn in 2024

Geographic breakup of ITBPM export revenue (%)[1]



Key growth factors[1]

- Enterprise cloud adoption
- Digital transformation spend
- Global outsourcing demand
- Deep tech talent pool.

1. IT&BPM, IBEF, May 2026

Performance snapshot

Drivers

Data centre capacity surge[1]

101 mn sq. ft.
2030

The sector's IT capacity is expected to rise from 1.8 giga watt (GW) to 6.7 GW, supported by investment commitments

Digital adoption deepens[2]

India's internet connections reached 1.0 bn in 2026, up from 0.2 bn in 2014. Broadband connections reached 996 mn in December 2025, enabling wider adoption of cloud computing, fintech, e-commerce and other digital services

Digital talent pipeline[3]

30 mn
Digitally skilled professionals by 2026

Growth is driven by expanding global innovation centres and a strong domestic talent pool with expertise in next-generation technologies

Global capability centres scale[2]

2,100
Global capability centres (GCCs)

GCCs employed ~2.36 mn professionals as of June 2026. Nearly half of the GCCs established since 2021 were artificial intelligence (AI)-focused from inception

Challenges

Rising cyber threats[4]

2.9 mn
India's cyberattacks in 2025

Prompting greater focus on cybersecurity preparedness and digital resilience across public and private sectors

AI-led workforce disruption[5]

AI is rapidly redefining roles and employability, increasing the risk that narrow, task-based capabilities become obsolete

Outcome-based pricing pressure[3]

AI-driven productivity gains of around 20–40 per cent are pushing clients to demand payment for outcomes rather than employee headcount

1. India's Data Centre Footprint Expected to Exceed 101 million Sq. Ft. by 2030, IBEF, 27 August 2026;
2. India's Emerging Technology Ecosystem, PIB, 22 June 2026;
3. IT&BPM, IBEF, May 2026;
4. Cybersecurity Preparedness in India's Expanding Digital Economy, IBEF, 21 July 2026;
5. India to host AI Impact Summit in February 2026, focusing on democratizing AI to solve real-world challenges across sectors, PIB, 30 July 2026

Outlook

14.0 mn

India's cloud industry projected to create jobs by 2026[1]

INR 12.2 tn

Expected Indian AI market by 2032[1]

INR 2.5-3.1 tn

Projected size of India's DeepTech sector by 2030, driven by advances in defence innovation and humanoid applications[1]

INR 2.9 tn

Projected size of India's IT hardware market by 2031, growing at a compound annual growth rate (CAGR) of 6.8 per cent[1]

1. IT&BPM, IBEF, May 2026

Key takeaways

- Computer software and hardware account for 15.5 per cent of cumulative foreign direct investment (FDI) equity inflows[1]
- India's IT sector is at an inflection point, moving from enterprise servicing to enterprise solutions[1]
- India is likely to emerge as a global innovation hub, driven by investments in software, research and development (R&D), intellectual property (IP) and organisational capabilities[2]
- Adoption of new technologies is expected to accelerate the growth of the banking, financial services and insurance (BFSI) vertical[1]

1. IT&BPM, IBEF, May 2026;
2. WIPO report highlights India's rapid rise as a global innovation powerhouse, IBEF, 10 July 2026;

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