



India's tech industry continues to redefine AI-led transformation, efficiency and skilling: Nasscom Annual Strategic Review 2026

Industry expected to hit \$315B in FY26, up 6.1%; 'Human + AI' becomes the operating model with 2M+ professionals upskilled in AI

National, February 24, 2026: Nasscom today released the findings from its Annual Strategic Review 2026, highlighting how the past year marked a decisive inflection point for India's tech industry, where **AI moved from experimentation to function-specific**, reshaping operating models and accelerating productivity. Highlighting the industry's ability to create new roles as **'Human + AI' teams** become the dominant delivery construct.

In a year defined by global uncertainty and a broad economic reset, technology demand remained resilient, but shifted decisively toward **measurable ROI, efficiency and outcome-led transformation. AI revenue is estimated at upwards of \$10 – 12 bn in FY26**, reflecting the shift to scaled deployments and ROI-driven adoption.

India's tech industry sustained strong momentum, with estimated revenue of **\$315 billion in FY26**, a **6.1%** increase, led by broad-based expansion across key segments. While AI-led transformation accelerated, the industry continued to be a net hirer, with **headcount increasing by 2.3%**, supported by large-scale skilling efforts: over 2 million professionals were upskilled in AI, including 200k to 300k in advanced AI skills.

Sindhu Gangadharan, Chairperson, Nasscom, said, "AI is accelerating productivity and changing the nature of work, but it is also expanding the opportunity frontier. As AI gets embedded across functions, we will see roles redesigned around outcomes, deeper specialisation, and significantly higher AI fluency. The industry's focus is on building 'Human + AI' teams, investing in continuous skilling, and converting efficiency gains into growth, creating new jobs and new career pathways even as delivery becomes more agile and more resilient."

GCCs and ER&D continued to be the growth engines with significant headroom ahead, while niche engines are achieving critical mass; with cybersecurity, data analytics, cloud, and GCC-as-a-service becoming increasingly embedded across multiple segments. Export share stayed steady with APAC and the Middle East leading growth, the domestic market continued to expand steadily, and the vertical mix evolved with gradual gains in emerging sectors such as healthcare and travel and transportation, largely driven by GCCs.

Industry leaders are rethinking offerings and operating models in an AI-first era. Moving from discrete service delivery to solutions that embed IP through platformisation and productisation. GCCs are

Key Highlights

- **Industry revenue: \$315 bn** in FY26(E) (up from **\$297 bn** in FY25(E); **+6.1%**)
- **Industry revenue break-up:**
 - **IT Services: \$149 bn**
 - **BPM: \$59 bn**
 - **ER&D: \$63 bn**
 - **Software Products: \$23 bn**
 - **Hardware: \$21 bn**
- **Export revenue: \$246 bn** in FY26(E)
- **Workforce:** industry continued to be a net hirer, with **net employee growth ~2.3%**; **2 Mn+** professionals upskilled in AI (including **200k–300k** in advanced AI)

shifting from scale to strategic ownership, taking on deeper mandate across critical functions, while BPM firms are reinventing themselves by combining AI and data to move beyond RPA, from automating tasks to enabling decision-making. In parallel, ER&D is embedding intelligence directly into products and systems, with providers increasingly taking lifecycle ownership rather than point engagements. Across these shifts, new segments are emerging such as AI specialist, accelerating capability building, co-innovation and go-to-market for AI-led transformation.

Rajesh Nambiar, President, Nasscom, said, “The past year has been a reset for the global environment, but technology demand has remained resilient; shifting decisively toward productivity, measurable ROI and scaled AI deployments. India’s AI advantage is widening, making organisations more agile and outcome led. At the same time, growth engines like GCCs and ER&D are moving up the value chain, from scale to strategic ownership, reinforcing India’s role as a trusted partner built on cyber resilience and responsible AI.”

This is further articulated in the **Nasscom Global End User CXO Survey** which captures sentiment from **CXO-level leaders at global end-user enterprises (technology buyers across industries)** on demand outlook and shifting digital priorities. The findings of the survey highlight a clear **increase in AI intensity: 86% of CXOs expect business demand to remain stable or increase in CY26 (including 56% who anticipate growth over CY25), and 90% indicate increasing AI allocation within digital budgets in CY26**, signalling that AI is moving from discretionary experimentation to scaled, budget-backed deployments aligned to measurable outcomes

Looking ahead, as the industry enters its next chapter, it is evolving beyond just executing to becoming a trusted co-creation partner that helps define digital solutions end-to-end. This shift reflects a move from participation to shaping how global technology is reimagined, deployed and governed, underpinned by an orchestration-led model. Bringing together agility, IP-led innovation and lifecycle ownership, strengthened by deeper ecosystem density and sustained by trust and responsibility, from cyber resilience to responsible AI by design.

About Nasscom:

Nasscom represents the voice of over \$300bn technology industry in India with the vision to establish the nation as the world's leading technology ecosystem. Boasting a diverse and influential community of over 3500 member companies, our network spans the entire spectrum of the industry from DeepTech and AI startups to multinationals and from products to services, Global Capability Centres to Engineering firms. Guided by our vision, our strategic imperatives are to accelerate skilling at scale for future-ready talent, strengthen the innovation quotient across industry verticals, create new market opportunities – both international and domestic, drive policy advocacy to advance innovation and ease of doing business, and build the industry narrative with a focus on Trust, and innovation. And, in everything we do, we will continue to champion the need for diversity and equal opportunity.

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