

The Tech Industry in India likely to reach milestone \$300Bn Revenue in FY2026: Nasscom Annual Strategic Review 2025

National, February 24, 2025: Amid shifting global economic patterns and evolving market dynamics, FY2025 has been a year of strategic resilience, with segments such as Engineering R&D and GCC driving growth for the technology industry in India. Nasscom today released the key findings of its Annual Strategic Review 2025, highlighting the defining trends of FY2025E (estimated) and the tech industry outlook for FY2026.

Growing at 5.1% the tech industry in India added \$13.8 billion incremental revenue, taking the total industry revenue to over \$282.6 Billion (including Hardware), in FY2025E. Sub-sectors like Engineering R&D, with GCCs spanning across Services and BPM, have emerged as key growth hotspots. Digital Engineering is expanding into sectors like BFSI, Healthcare, and Retail, with nearly two-thirds of large deals centered on this shift. In 2024, the industry houses over 1750+ GCCs reflecting a growing emphasis on high-value services and product engineering. The industry exports revenue now indicates an equal revenue split between Global MNCs (including GCCs) and Indian service providers.

Technology's role in economic value creation continues to expand, with tech-driven investments accounting for a growing share of revenues as businesses across sectors integrate digital capabilities. India's digital economy driven by sustained growth in domestic tech spending outpaced export growth for the second consecutive year, with domestic tech revenues registering a 7% annual increase from FY2024. The momentum has been further driven by increased adoption of enterprise software and cloud solutions, alongside a 21% growth in data centre capacity driving increased investments.

The broader digital economy now contributes an estimated 12% to GDP, with Digital Public Infrastructure adding a 1% value boost. E-commerce continues to expand rapidly, growing at a 35% annual rate, with projected GMV nearing \$200 billion.

As India steadily advances in AI maturity, enterprises are expanding their AI initiatives at scale. While overall AI adoption remains measured, over 55% of AI activity by Indian tech services firms focused on building long-term co-creation partnerships to develop scalable, future-ready AI solutions. Notably, more than 90% of the top 20 services companies are integrating AI, Cloud, Data, and GenAI across business functions, with 10-15% of enterprise GenAI PoCs transitioning to full-scale production.

Note to Editors:

To track the GCC industry revenues, every five years, Nasscom conducts a detailed industry analysis on the sector. Accordingly, based on its 2024 GCC landscape report, Nasscom had restated the GCC industry revenues and headcount in September 2024.

The Strategic Review industry numbers factor this restatement. Based on the analysis, the industry revenues for FY2024 with revenues of \$268.8 billion and 5.67 million employees. This re-evaluation is reflected across industry sub-sectors.

Key FY2025E Highlights

- **Industry revenue break-up**
 - IT Services \$137.1 Bn
 - BPM \$54.6 Bn
 - ER&D \$55.7 Bn
 - Software product \$16.1 Bn
 - Hardware \$19.2 Bn
- **Export revenue at \$224.4 Bn**
- **Domestic revenue at \$58.2 Bn**
- **126,000 net hiring with a total headcount of 5.8 Mn.**



Despite the irreversible shifts led by AI and global headwinds, the tech industry continues to be a net hirer. The industry is expected to add 126,000 net new employees taking the total workforce to 5.8 million in FY2025E.

Sindhu Gangadharan, Chairperson, Nasscom, said, *“Enhanced AI implementation, rise of Agentic AI, and the growing maturity of GCCs as value hubs are reshaping industry dynamics. As the Indian tech industry approaches the \$300Bn revenue milestone in FY 2026, the intersection of technology, geopolitics, and trade demands a bold response. Enterprises must prioritize workforce tech transformation, build digital trust, and foster resilience to drive sustainable growth in this rapidly evolving landscape.”*

Rajesh Nambiar, President, Nasscom, said, *“India’s tech skill intensity will be a critical driver of future growth. While the CEO outlook for FY2026 remains measured yet positive, with increased tech and AI spending, sustaining the growth momentum requires a strategic vision. However, upskilling in niche and core tech areas will continue to remain of paramount importance for the industry.”*

Insights from Nasscom Tech Industry CEO Survey 2025

As we enter 2025, CEO sentiment is on an upward trajectory despite global headwinds, reflecting cautious optimism. Approximately, 77% of tech CEOs surveyed anticipate higher business growth, while 85% of the surveyed respondents expect client tech spending to be similar or higher in FY2026 compared to FY2025. Notably, 63% of tech CEOs project AI investments to be higher than 10% of their overall tech spending in FY2026.

With AI becoming increasingly integrated into the workforce, 45% of tech CEOs foresee a healthier hiring environment compared to FY2025. However, skills will be key for new job creation. These trends point to a cautiously optimistic industry outlook, with the tech sector projected to achieve the milestone of \$300 billion in revenue by FY2026.

About Nasscom

Nasscom represents the voice of \$282 billion 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 start-ups 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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