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State of AI in the enterprise: India insights

April 2026

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Executive summary

Organisations are entering a defining phase of their AI transformation, where early ambition is giving way to enterprise-scale execution. As the competitive landscape is being reshaped, presenting significant opportunities and complex challenges, the focus is shifting from experimentation to redesigning select processes and capturing operational gains.

In this next phase, building institutional strength will outweigh access to technology. Success will depend on developing robust governance and cultivating talent with adaptive AI skills. Organisations that invest accordingly will be best positioned to convert early experimentation into long-term strategic advantage.

Deloitte's latest State of AI in the Enterprise survey draws on insights from over 200 business and technology leaders across India Inc. who are directly involved in shaping organisational AI initiatives. This report delves into those insights, outlining key trends and providing actionable considerations for leaders as they navigate the next phase of their AI journey.

India shows strong momentum in AI investment and adoption, but lags global peers on expertise

Nearly 40 percent of Indian respondents report significant or full use of AI versus a global average of 28 percent. AI is used more actively in strategic decision-making in India (Rank** 1/15)

40%

In India, 94 percent of respondents expect AI spending to increase next year, the highest share among surveyed markets (Rank** 1/15). Notably, no respondents anticipate a decrease in AI spend, unlike other markets where at least 10 percent expect reductions.

94%

0-4%*

India reports lower levels of AI expertise (0–4 percent) compared with other countries globally (2–8 percent)*

Source: State of AI (Jan 2026) N (India)=200; *Refers to the % of respondents who believe their organisation possesses very high expertise in AI, and this does not include traditional AI, where India's expertise is almost equal to the global average
**Rank indicates India's position among the 15 countries/regions in the survey

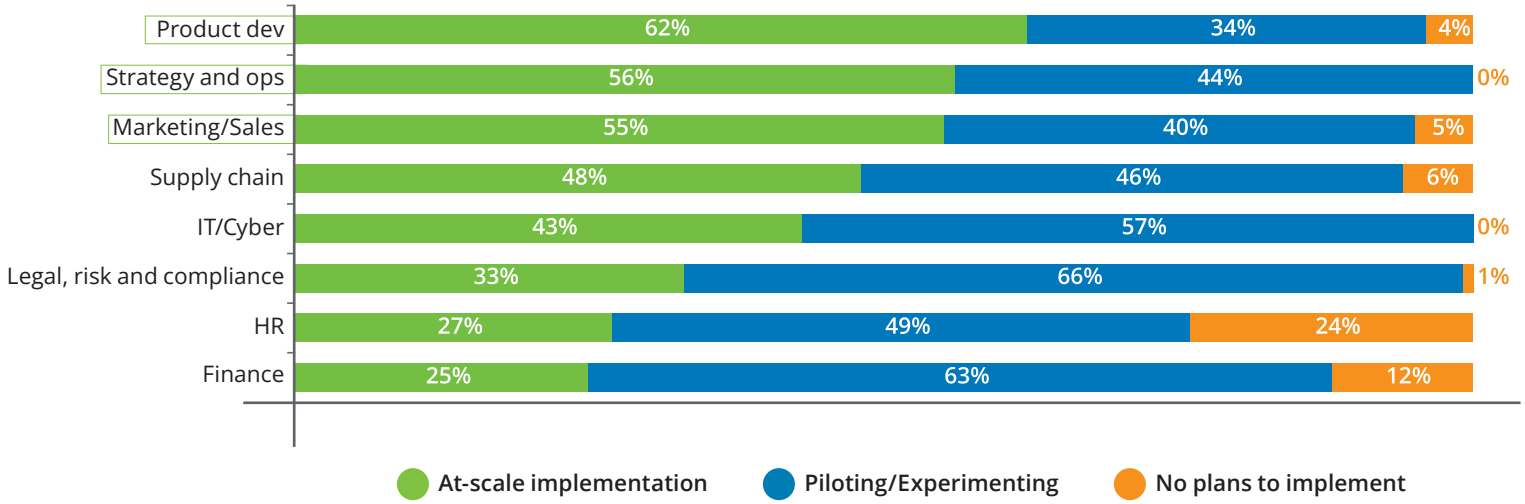
Key findings

1. Organisations shift from pilots to enterprise-wide adoption

AI adoption in India is scaling unevenly across functions, though it still leads global peers

India Inc is advancing AI adoption across functions, with at-scale implementation emerging in several areas.

AI adoption is scaling across strategic and support functions, with stronger adoption seen in the former



Global avg (At-Scale)	India rank* (At-Scale)
34%	1st/15
39%	1st/15
46%	1st/15
30%	1st/15
49%	10th/15
14%	1st/15
8%	1st/15
17%	1st/15

- Strategy and ops, product development and marketing and sales show higher scaled implementation than other functions.
- Finance and HR show lower scaled implementation and higher no-plans responses than most other functions, though India still leads at-scale adoption globally.

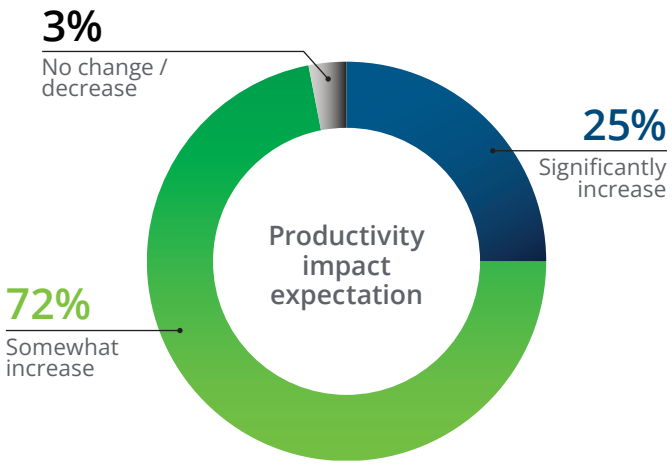
Source: State of AI (Jan 2026) N (India)=200

*Rank indicates India's position among the 15 countries/regions in the survey

2. Productivity takes centre stage

Organisations expect broad productivity improvements from AI, but are prioritising selective process redesign over full operating model transformations

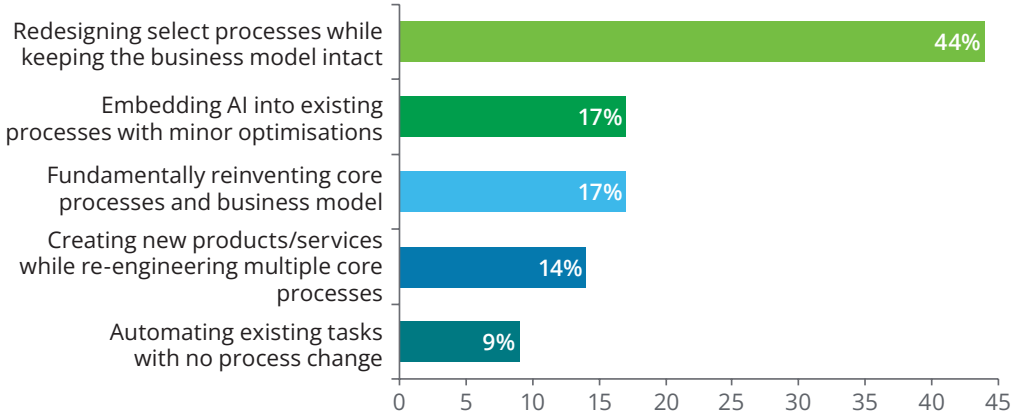
AI is widely viewed as a productivity accelerator, with expectations of positive impact across organisations



Nearly 97 percent of respondents expect an increase in productivity using AI

Most organisations are redesigning processes but stopping short of full reinvention

Current approach to process transformation during AI implementation



AI adoption is driving meaningful process change, but most organisations are prioritising operational gains over structural reinvention

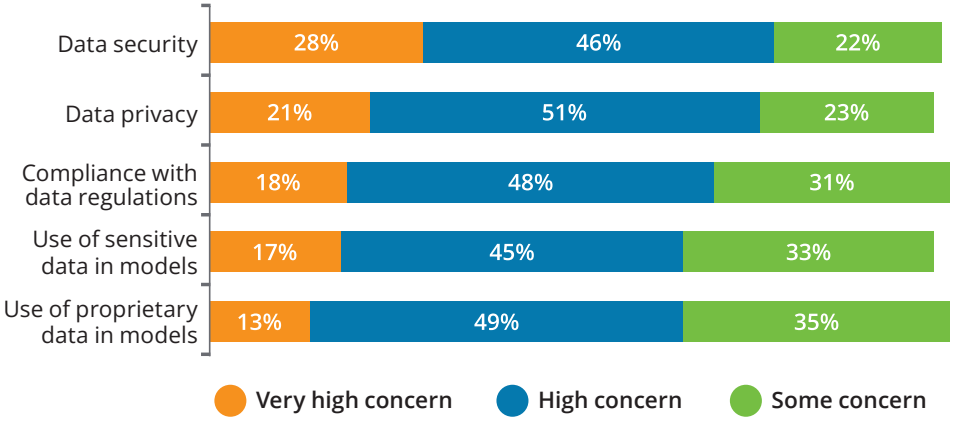
Source: State of AI (Jan 2026) N (India)=200

3. Heightened data security, privacy and compliance concerns are driving investments in these areas

Concerns around data security, privacy and regulatory compliance are increasingly shaping investment decisions

Data security and privacy represent the highest perceived risks, with over 70 percent reporting high or very high concern

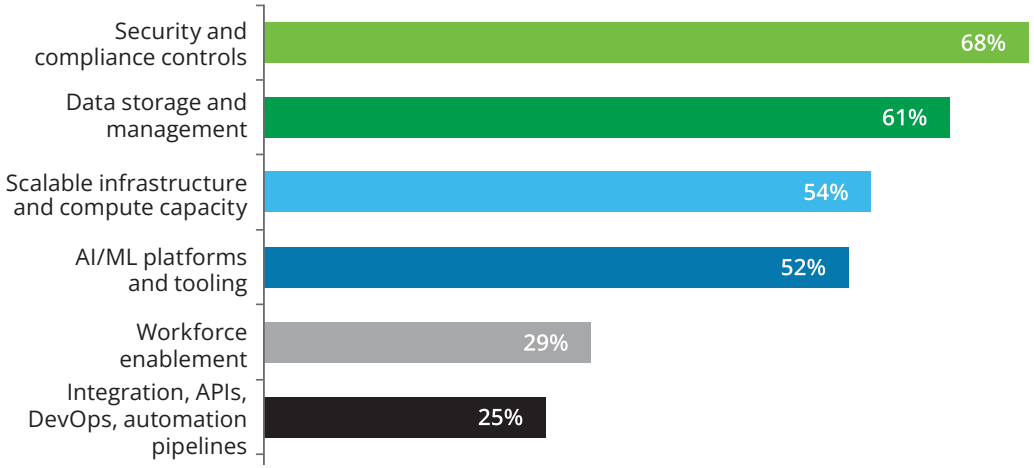
Level of concern with data management for AI implementations



No concern/a little concern has been excluded, hence the numbers do not add up exactly to 100 percent

AI investments are also largely focused on security, compliance and data management

Share of companies prioritising investments to support AI scalability (percentage)



Enterprises are addressing AI scale risks first by strengthening security, compliance and data foundations.

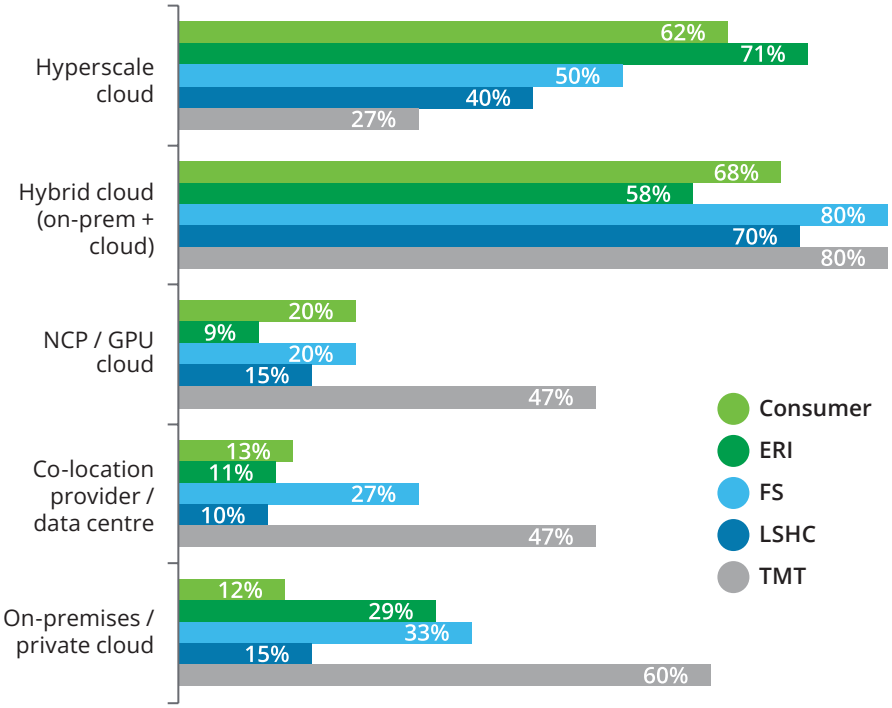
Source: State of AI (Jan 2026) N (India)=200

4. Enterprises show a preference for renting both infrastructure and AI tools

AI adoption is scaling through hyperscale and hybrid cloud, while also prioritising off-the-shelf AI tools

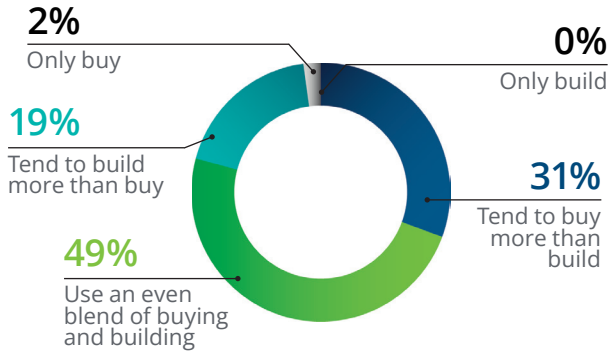
Enterprises are preferring hyperscale and hybrid cloud

Percentage of respondents investing in AI workloads deployed on different types of compute infrastructures



ERI: Energy Renewable Industrials, FS: Financial Services, LSHC: Life Sciences and Health Care, TMT: Technology, Media and Telecommunications
Source: State of AI (Jan 2026) N (India)=200

Organisations tend to buy off-the-shelf AI tools due to the complexity and costs involved in developing bespoke solutions



Organisations initially prefer buying off-the-shelf tools due to the following reasons:

- **Time savings:** Save time by eliminating the lengthy development process, allowing for quicker deployment and implementation
- **Risk mitigation:** Off-the-shelf tools are tested and proven, **reducing the risks** associated with custom development, ensuring a more reliable and predictable outcome

The investment outlook of companies shows a near-term expansion across most enterprises

64% expect a "somewhat increase" in AI spend increase

30% expect a "significant increase" in AI spend increase

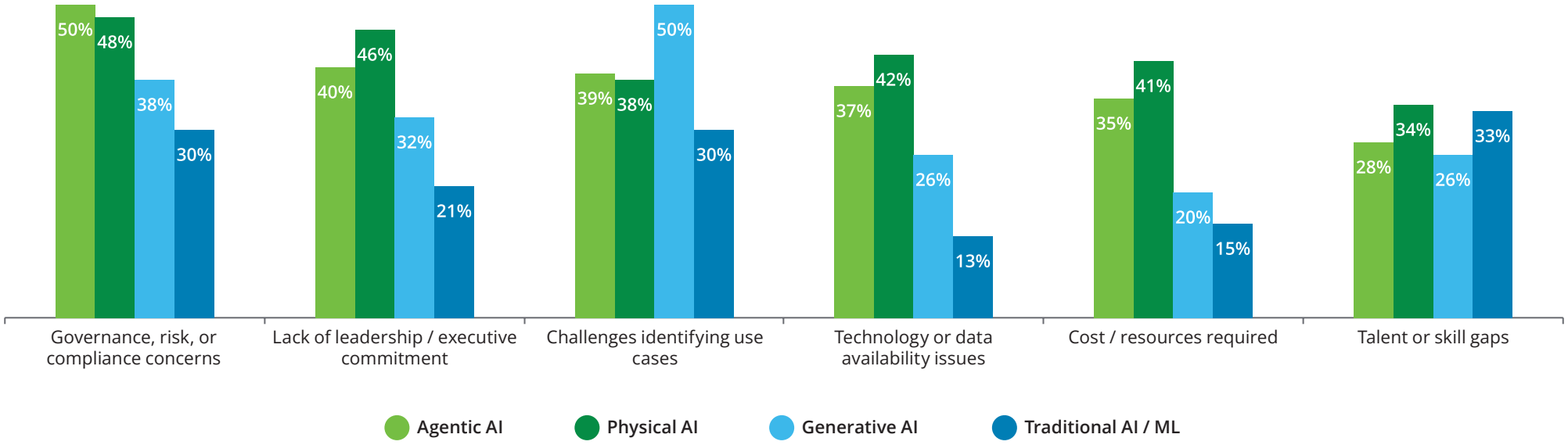
Enterprises are scaling AI primarily on hybrid and hyperscale clouds, supported by a clear increase in AI investment over the next year.

5. Scaling AI requires clear governance and leadership direction

AI adoption barriers vary by type, with governance and execution readiness most prominent

Governance and leadership constraints are more prevalent in agentic and physical AI, while GenAI is primarily held back by use-case clarity

Percentage of respondents citing each factor as a barrier to adoption for the respective AI type



Barriers differ clearly by AI type. Governance, risk and compliance concerns are most pronounced for agentic and physical AI, and materially lower for traditional AI and GenAI. In contrast, use-case identification remains the primary constraint for GenAI.

Source: State of AI (Jan 2026) N (India)=200

6. High excitement around AI adoption, accompanied by caution

Firms are preparing the workforce for broader AI use, while managing adoption frictions

Organisations are actively reshaping talent, roles and productivity measurement to capture AI value

Barriers and change frictions (AI integration)

- **Nearly 39 percent** cite regulatory/compliance as the top integration challenge
- **About 34 percent** cite resistance to change, implying that workflow redesign is critical
- Cost and infra are lower-order constraints (**12 percent** cost, **5 percent infra**)

Productivity and measurement (value capture)

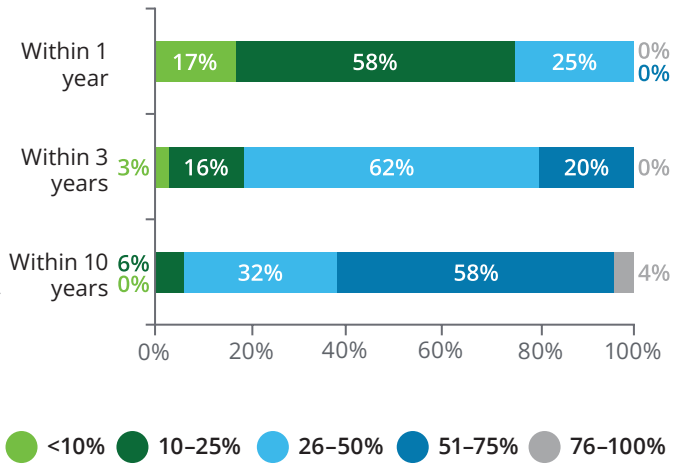
- **Roughly 97 percent** expect productivity to increase (72 percent somewhat + 25 percent significantly)
- **Approximately 73 percent** already track productivity with expanded/comprehensive KPIs (45 percent + 28 percent)
- Implication: measurement maturity is rising, enabling tighter ROI governance

Operating model and role redesign (execution model shift)

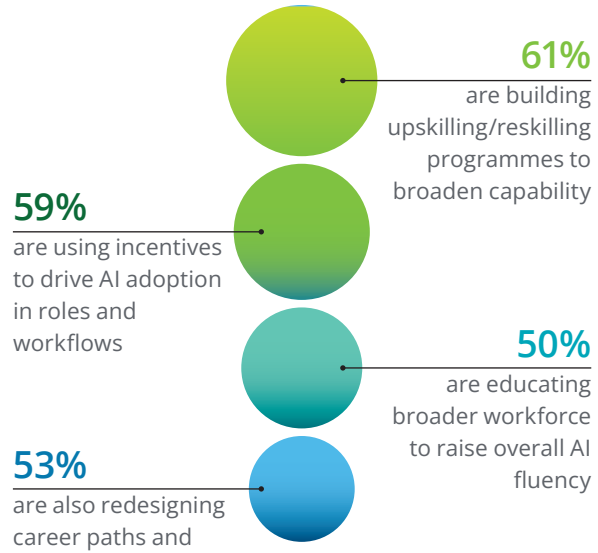
- Job redesign is underway: About **32 percent** extensive redesign; **60 percent** moderate (none completely redesigned)
- Cross-functional pods are emerging: Nearly **37 percent** report a strong push; **54 percent** moderate

Expectations for automation intensify over extended time horizons

Proportion of jobs expected to be fully automated



Reskilling and incentives are the dominant talent levers



Non-exhaustive

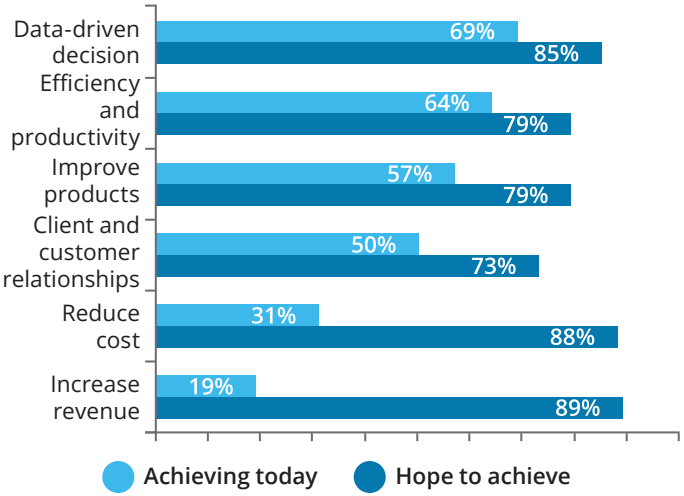
Source: State of AI (Jan 2026) N (India)=200

7. Talent and trust gaps are likely to become key barriers to AI adoption at-scale in the near-term

AI enthusiasm is high, but realisation is constrained by talent preparedness and trust gaps

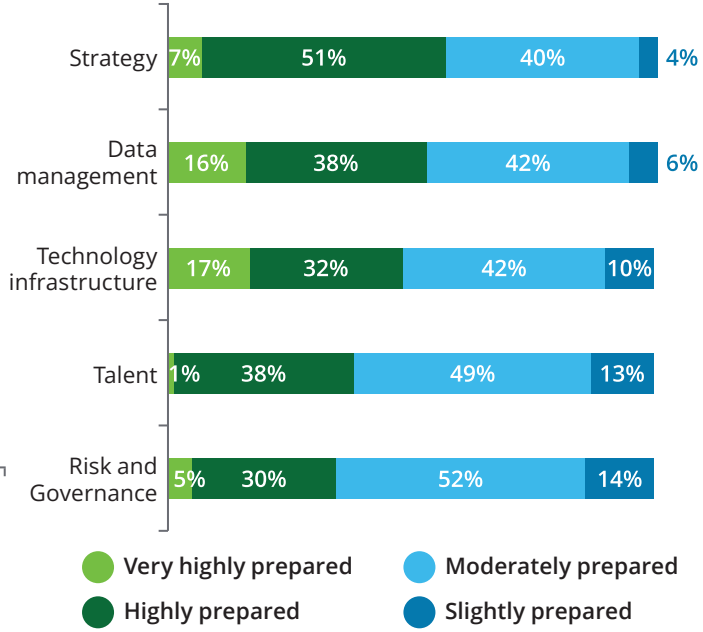
AI expectations are running ahead of realised value, signalling a strong optimism cycle...

1. Q: Thinking about AI, which benefits are you experiencing today? Which do you hope to see in future?



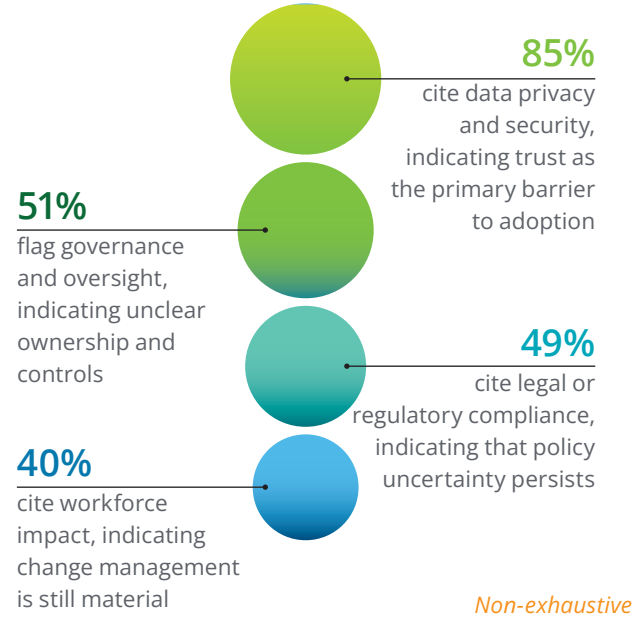
...with inconsistent preparedness levels across functions...

2. Q: For each, rate your organisation's level of preparedness with respect to broadly adopting AI tools/applications



...due to prevailing uncertainty and trust-related issues

3. Q: What risks are organisations most concerned about when adopting AI?



AI expectations exceed current outcomes across every benefit in the survey. The biggest gaps are in revenue uplift and cost reduction, where current achievement trails future expectations the most. Separately, 70 percent + report high impact on data-driven decision making and speed of execution, and 80 percent+ say AI is already used in strategic decision making.

While most organisations seem to indicate a high level of preparedness to broadly adopt AI tools, readiness in talent, risk and governance remains low, indicating gaps beyond core strategy and systems.

Source: State of AI (Jan 2026) N (India)=200

8. India reports lower levels of AI expertise compared with other countries globally

India does not currently possess very high expertise in agentic, physical, and generative AI

Global levels for the "very high expertise" are –
- Agentic AI: 2.6%
- Physical AI: 1.8%
- GeneAI: 8.3%
- Traditional AI/ML: 23.5%

- Expertise is strongest in traditional AI, reflecting longer maturity and established deployment patterns
- GenAI saw many "high expertise" responses, indicating adoption momentum

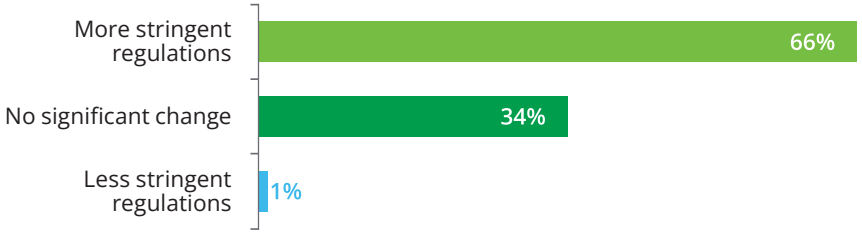
Source: State of AI (Jan 2026) N (India)=200

9. AI regulations are emerging as key strategic considerations

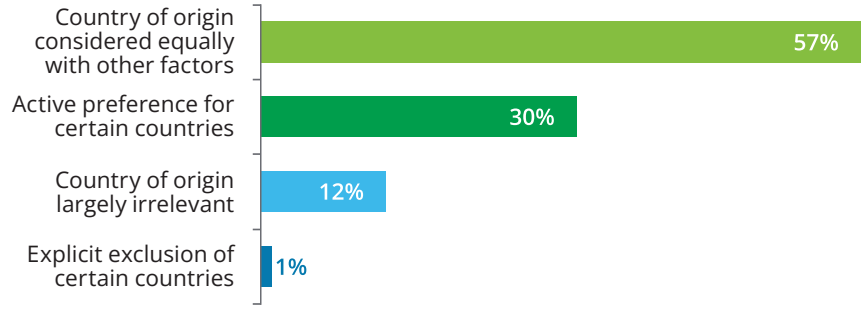
AI regulations are key strategic considerations which are necessitating organisations to proactively embed regulatory foresight into their AI decision-making

AI decisions are increasingly shaped by tighter regulation expectations and concerns about the country of origin of AI solutions

Expected change in AI regulations (Next 1–3 years)



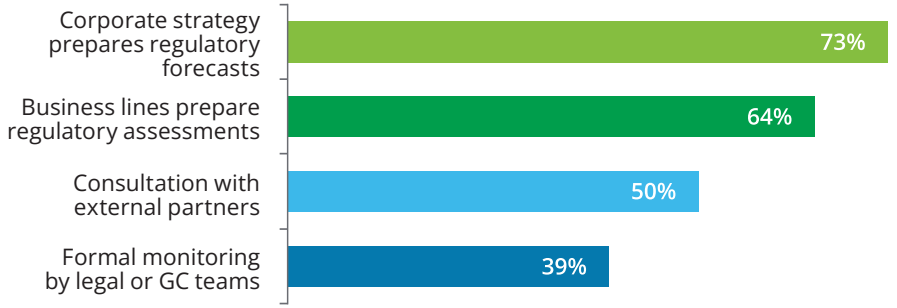
Role of AI development location in vendor selection



Source: State of AI (Jan 2026) N (India)=200

Organisations are proactively embedding regulatory foresight into AI decision-making

Percentage of respondents taking actions to prepare for AI regulation



- For most firms, data residency and in-country compute are a planning constrain, with 41 percent assigning it high importance and 58 percent assigning moderate importance.
- Foreign vendors control a meaningful share of the AI stack for many firms. About 82 percent report that 21–60 percent of their stack is foreign-owned or controlled.
- Concern exists but is mostly mid-level. About 77 percent are at least moderately concerned, with 15 percent very concerned.

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