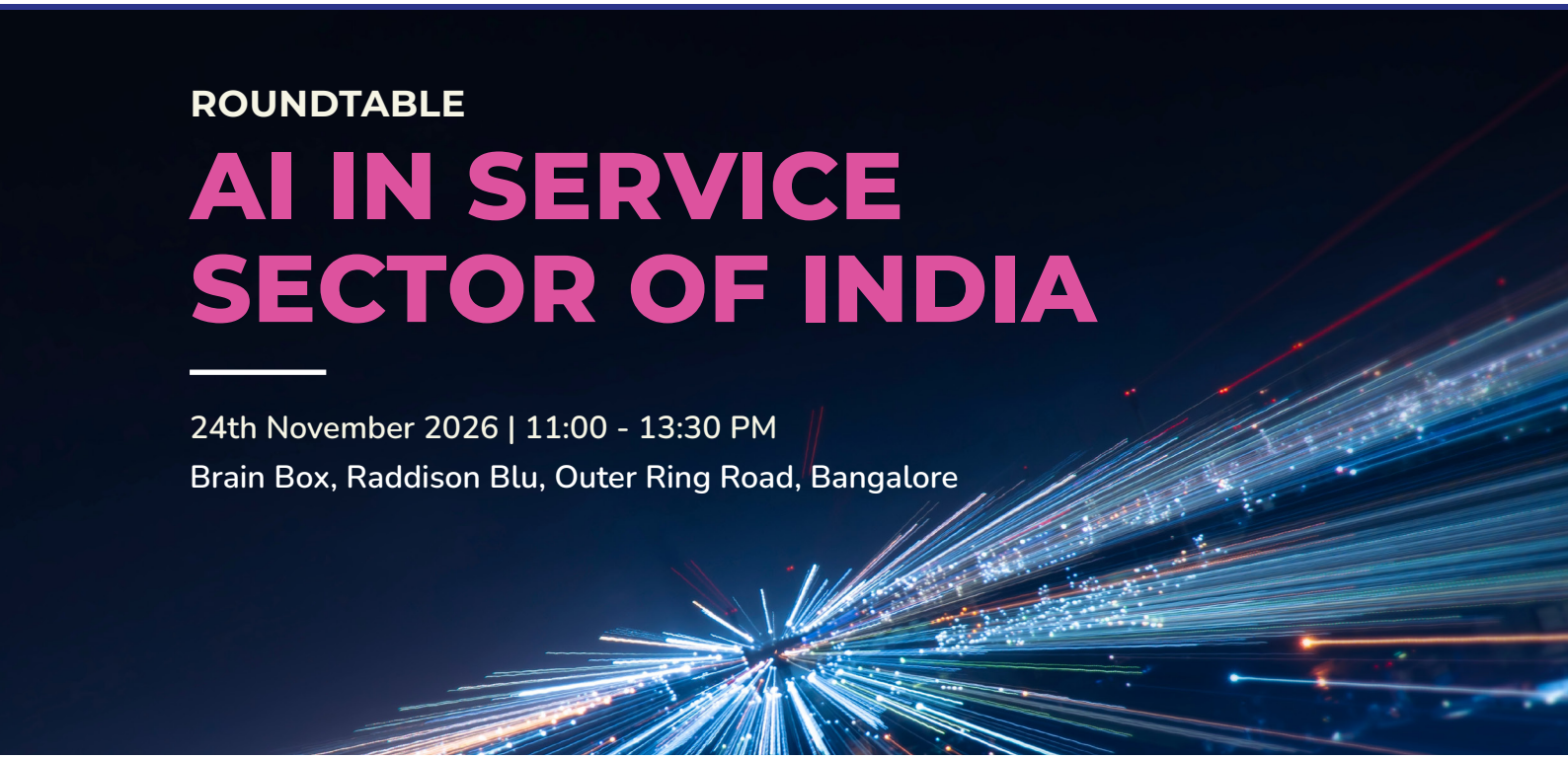
Chintan Research Foundation

CSTEP

AI4India

ROUNDTABLE

AI IN SERVICE SECTOR OF INDIA



24th November 2026 | 11:00 - 13:30 PM

Brain Box, Raddison Blu, Outer Ring Road, Bangalore

BACKGROUND NOTE

Ask most people what powers India's rise and they will point to a factory floor, a highway, or a port. The more accurate answer is claims processing teams, analytics hubs, and hospital networks reaching a village through a phone line. Services now generate 54% of India's GDP and 56.4% of its Gross Value Added, growing 9.1% in FY26 alone making it comfortably outpacing every other part of the economy. Built on a massive IT-BPM industry and a rapidly multiplying base of Global Capability Centres, this engine has made India the world's 7th largest exporter of commercial services, with exports touching a record USD 387.5 billion in FY25. This is not a sector supporting India's growth story. It is the story.

That story is now being rewritten by the same technology reshaping every economy on earth. India's services model was built on labour arbitrage. Skilled people, at scale, billed by the hour. Artificial Intelligence questions whether the model survives in its current form. For a country whose services boom has been inseparable from its employment story, this a macroeconomic pivot and the premise of this roundtable is that AI must be treated as such. As the next frontier of national growth, towards Viksit Bharat 2047.

Two credible bodies of evidence currently point in different directions and reconciling them is the task at hand. The World Bank has warned that as much as 69% of India's routine jobs carry long term automation exposure. Yet domestic research from ICRIER, examining the Indian IT sector specifically, finds AI currently driving productivity gains and role transformation rather than mass displacement. Both are likely true, for different workers, at different points on the skill curve. The task is to work out

which workers, roles, and geographies fall on which side of that line and what policy does about it before the line hardens.

Alongside this, India is attempting something few economies have tried at this scale. Using AI not only to automate existing service jobs, but to deliver services such as healthcare, banking, education to people who have never reliably had them. Bhashini is dissolving language as a barrier to digital and financial inclusion, eSanjeevani has already enabled over 338 million teleconsultations and is now integrating AI based clinical decision support for rural health workers. This is the other half of the "AI for growth narrative". Not only defending India's existing services advantage but also extending its Digital Public Infrastructure model into an inclusive AI economy.

None of this is happening on government infrastructure alone. Over the past year, Indian conglomerates have committed capital at scale, racing alongside global hyperscalers to build the compute and energy backbone this transition depends on. How that private capital and the public compute build out under the IndiaAI Mission reinforce India's AI ecosystem is itself now a first order policy question, and one this roundtable must confront directly.

This roundtable is convened to move past framing and towards an actionable policy architecture that allows India to convert AI's disruptive force in services into inclusive, outcome led national growth.

THEMES FOR DISCUSSION

1. **Redefining IT Services and the GCC Ecosystem**: India hosts over 2,100 Global Capability Centres, generating nearly USD 100 billion in annual revenue and employing over 2.5 million professionals. Yet the core revenue engine beneath them, application development and IT maintenance, is under acute pressure from generative and agentic AI. The industry's stated ambition is to move from effort based billing to outcome linked pricing. The reality is that roughly 95% of AI deals today remain traditional service contracts with a thin AI layer on top.

Question: Can Indian IT firms and GCCs reprice their value around outcomes without triggering the revenue deflation that moving away from billed hours implies? And what does it take to move from executing processes to orchestrating intelligence, capturing a larger share of global digital transformation budgets?

2. **Navigating Labour Dynamics and the Automation Paradox:** The World Bank's automation risk estimate and ICRIER's findings mentioned above sit in tension and reconciling them matters for 188 million service sector workers. As firms shift toward selective, seniority weighted hiring and moderate their graduate intake, the least contested part of the picture is the direction of change. Fewer routine execution roles, and growing demand for people who can manage, audit, and orchestrate AI output.

Question: What reforms such as corporate upskilling, or re-skilling, can build that workforce at the pace this transition demands? And who bears responsibility; government, industry, or both, to ensure job roles survive the transition?

3. **Scaling AI in Digital Public Infrastructure:** India's "AI in DPI" experiment is arguably its most distinctive contribution to the global AI conversation through population scale, inclusive deployment over enterprise first rollout such as Bhashini and e-Sanjeevini mentioned above. The open questions are less about proof of concept and more about scale and safety.

Question: How does private enterprise plug into these public AI goods to strengthen financial inclusion, and what regulatory and technical guardrails allow autonomous clinical decision support to scale safely across a network this size, without eroding trust in the platforms it depends on?

4. **Measuring Diffusion Over Deployment:** A pilot is not adoption, and a licence is not use. Across firms and government departments alike, AI is still counted by what has been announced, procured or demonstrated, rather than by how much work has actually changed. The visible application always rests on a stack beneath it, compute, data, skills, governance and organisational culture, and a deployment is only as durable as those layers. Unsanctioned use of consumer AI tools is already widespread inside organisations, carrying client data into systems not yet vetted and adoption remains uneven between departments.

Question: What would a credible measure of AI diffusion across India's services sector look like, and who should hold it, when procurement counts and pilot numbers currently stand in for evidence of use? And how should firms deal with the AI use already inside their walls?

5. **Innovation and Role of New Products via Start-ups:** India's start-up ecosystem has long been strongest at applying technology yet weaker at creating it. AI holds the potential to shift that balance, through low cost and the time of building IP. A small team can essentially prototype, test and iterate in weeks what once required a funded engineering floor and a year. Over 38,000 GPUs onboarded for subsidised access, alongside open Indian foundation models, have placed capability within reach of founders. What this unlocks is product categories that were simply uneconomic before. Indian AI start-ups raised over USD 1 billion in the first half of 2026. The open question is what that capital actually builds.

Question: What conditions, access to data, domain depth, or capital for a longer build, decide whether start-ups use AI to create new products over utilising foreign models? And what should public infrastructure supply beyond compute, whether datasets, model access, or regulatory sandboxes, so that the next generation of products is designed for Indian conditions rather than adapted to them?

India's services sector stands at the point where the forces of public infrastructure and private capital, existing jobs and emerging ones, automation and inclusion must be aligned deliberately, or risk pulling against each other. This roundtable is convened to move the AI for national growth narrative to an operational roadmap for India's largest, and most consequential, economic sector.
