NEWS RELEASE

India’s enterprise AI investment surges 119% but, only 22% of Indian enterprises have the governance to match their AI ambition: ServiceNow

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New ServiceNow research reveals the gap between India's rapid AI investment growth and the governance foundations enterprises need to scale AI with confidence.

INDIA, Tuesday 8, September 2026: India is entering a defining phase of its AI journey. Enterprise AI investment grew 119% in a single year above the global average of 110%, according to the newly released **ServiceNow Enterprise AI Maturity Index 2026**. AI is projected to account for more than a fifth of the average IT budget by 2027.

This investment momentum is being built on real national strengths: world-class digital public infrastructure, deep engineering talent and one of the fastest rates of enterprise AI adoption globally. The next phase, however, will depend less on how quickly organisations deploy AI and more on how confidently they can govern it. Today, only 22% of Indian enterprises have AI testing, auditing and risk-assessment processes in place. The gap is already visible: 54% of Indian organisations are deploying AI agents, but only 11% have moved to autonomous workflows. This shows India is moving fast, but with clear caution about where AI should be allowed to act independently. The gap between deployment and autonomy reflects the trust, risk and readiness considerations Indian business leaders are prioritising:

- 60% cite transparency and the potential for misinformation as a top AI consideration
- 55% point to regulatory and compliance complexity
- 50% identify data privacy and security concerns

Every AI agent an enterprise deploys is an identity with access to data, systems and decisions. Building the governance to run these agents will shape how quickly Indian enterprises deploy more of the work that matters to AI.

"India has proven it can commit to AI at a scale few markets can match. The next leap will be defined by how Indian enterprises pair that ambition with governance, connected data and workflows that let AI take on more consequential work. The organisations that build these foundations first, will unlock AI's next tier of value for India," said Kulmeet Bawa, Managing Director & Group Vice President, ServiceNow India and SAARC.

A national approach moving in the same direction

India's enterprise momentum is matched by an equally purposeful national approach to AI. The country has moved early to put an enabling framework in place — from the Digital Personal Data Protection Act and the DPDP Rules, which came into force in 2025, to the AI Governance Guidelines launched at the February 2026 AI Impact Summit, the IndiaAI Mission, and the establishment of the IndiaAI Safety Institute. This approach supports innovation while building trust for enterprises, talent and consumers alike. For enterprises, aligning internal AI governance with this national direction is fast becoming a mark of readiness — and an advantage for those who move early.

You cannot govern what you have not connected

AI now accounts for 16.6% of India's average IT budget, projected to rise to 21.3% by 2027, a clear signal of intent. Turning that intent into governed, dependable AI depends on the layer beneath it: today, only 18% of Indian organisations have replaced fragmented legacy systems with an integrated platform, and AI-enabled workflows scored 41 out of 100 in the study. Without connected workflows, there is no single layer through which AI can be monitored, audited or governed.

The foundations Indian enterprises are working to strengthen:

- 74% flag data accuracy, access and management as the area most in need of strengthening for AI
- 56% point to legacy system integration

This is a challenge shared right across India's enterprise landscape — from digital-native businesses scaling AI for exponential growth to established enterprises digitising complex, siloed operations. Both are building the same operating layer, and both stand to gain from getting it right. Closing these gaps is what will carry India's overall AI governance score, currently 55 out of 100, into the tier of the world's AI leaders.

Adding his perspective to the research - Ashvin Vellody, Partner, Chief Strategy & Innovation Officer, Deloitte India says - “AI maturity is entering a new phase in India. As organisations scale AI across the enterprise, the opportunity is moving beyond individual use cases to reimagining workflows, decision-making and operating models. That requires equal attention to the foundations that make AI scalable and trusted, including data, talent, governance and accountability.

Agentic AI will accelerate this shift significantly, as AI begins to take on more complex work and operate with greater autonomy. The organisations that create sustained value will be those that make deliberate choices about where AI acts, where human judgement adds the greatest value, and how the two work together. Ultimately, AI maturity will show up in how differently an organisation works, decides and creates value."

The returns are real — and 23 points separate India from APAC's AI Pacesetters

The returns are already visible. APAC Pacesetters that have built connected systems, trusted data, strong governance and enterprise-wide workflows are achieving 149% ROI on AI today — projected to reach 181% within two years. They are six times more productive than their peers, and score 78/100 on AI governance against India's 55/100.

"The 23-point gap between India and the world's AI leaders is not a story about falling behind — it is an instruction. Build the governance layer now, connect your data, and let AI take on the work that actually moves the business. The enterprises that act on this in the next 12 months will define India's AI decade." — Kulmeet Bawa

To explore the full findings of the **ServiceNow Enterprise AI Maturity Index 2026** and how Indian enterprises are building their AI foundations

About the Study

To measure the current state of AI maturity in the enterprise, ServiceNow – in partnership with ThoughtLab – surveyed 4,500 senior leaders, including 350 from India. We developed a proprietary indexing model to identify how leading organisations are putting AI to work effectively. See the Singapore fact sheet here and the global report here.

About ServiceNow

ServiceNow (NYSE: NOW) is the AI control tower for business reinvention. The ServiceNow AI Platform integrates with any cloud, any model, and any data source to orchestrate how work flows across the enterprise. By unifying legacy systems, departmental tools, cloud applications, and AI agents, ServiceNow provides a single pane of glass that connects intelligence to execution across every corner of business. With more than 100 billion workflows running on the platform each year, ServiceNow helps organizations turn fragmented operations into coordinated, autonomous workflows that deliver measurable results. Learn how ServiceNow puts AI to work for people at **www.servicenow.com**.

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