

ET CIO Intelligence

3rd Edition



The AI Playbook

**GPUs, Strategy
And Readiness Index 2025**

**INDIA'S BIGGEST ENTERPRISE
TECH RESEARCH REPORT**



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Foreword

When John McCarthy coined the term “Artificial Intelligence” in 1955, even his visionary imagination may not have predicted that by the 25th year of the 21st century, AI would become the defining term of our age—permeating boardrooms, reshaping industries, and influencing the very rhythm of daily life.

Today, AI is no longer fiction—it’s the fabric of transformation across every sector. As India surges ahead with its youthful digital workforce, foundational public tech layers like UPI and ONDC, and an increasingly AI-curious enterprise landscape, the nation is poised to lead the global AI revolution.

ETCIO Intelligence’s AI Playbook Survey 2025, with insights from over 500 tech leaders, reveals a country in motion: 67% of enterprises are in partial deployment stages of AI, while only 8% have achieved full-scale integration. ITES and BFSI lead the charge, even as traditional sectors grapple with legacy hurdles.

From hybrid AI infrastructures to rising governance consciousness, the AI landscape is maturing—but gaps remain. Vendor overpromises, talent scarcity, and explainability challenges hinder momentum.

India’s AI opportunity lies beyond adoption—it’s in shaping trusted, scalable, and humanized AI. This Playbook offers not just insights, but a strategic blueprint for navigating the decade of digital reinvention.



About the Report

The AI Playbook: GPUs, Strategies & Readiness Index is the first-ever AI-focused report from ETCIO Intelligence, and marks the third edition in our growing series of strategic leadership surveys, following the CIO Satisfaction Report and the IT Leadership Survey. With this latest edition, we shift our lens to one of the most transformational technologies of our time—Artificial Intelligence—and its real-world adoption across Indian enterprises.

But this report goes beyond trend-chasing. At a time when AI dominates headlines and corporate vision decks, we set out to uncover the ground reality—how deeply AI is actually being adopted, where it is creating value, and what structural barriers are slowing down its full potential. This is not a commentary on AI hype—it is a diagnostic study of AI execution across India Inc.

PURPOSE OF THE REPORT

India's AI ambition is real—but uneven. Most enterprises are caught somewhere between exploration and partial deployment, while only a few have truly operationalized AI at scale. With inputs from the technology leaders, this report lays bare the state of readiness, investment direction, and infrastructure maturity that define India's current AI landscape.

What This Report Delivers

This report summarizes findings from ETCIO Intelligence's AI Playbook Survey 2025, equipping CXOs with an actionable snapshot of their peers' priorities, responsibilities, and pain points:

CIOs in 2025 are focused on embedding AI in enterprise operations, with top priorities including:

- ◆ Building hybrid AI infrastructure (on-prem + cloud GPU strategies)
- ◆ Driving ROI-linked automation and predictive analytics
- ◆ Ensuring explainability and responsible governance of AI systems

There's a clear pivot toward business-aligned AI investments, with a focus on outcomes such as productivity, cost optimization, and customer engagement.

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Key Survey Highlights

◆ Top Business Priorities for 2025

CIOs are focused on using AI to enhance cybersecurity, improve customer experience, and drive digital transformation—all while navigating tighter budgets and increased boardroom pressure for outcomes.

◆ Major Roadblocks to Scale

Key barriers include uncertain ROI, shortage of skilled AI talent, legacy systems, and opaque vendor solutions. Many organizations struggle to move from proof-of-concept to full-scale impact.

◆ AI Infrastructure Goes Hybrid

Over 55% of enterprises are adopting hybrid models—combining on-premise GPUs with cloud-based LLMs to balance control, compliance, and scalability. BFSI and manufacturing sectors are leading this shift.

◆ Generative AI and Edge AI on the Rise

GenAI is gaining traction in content creation, software development, and customer service, while Edge AI is being piloted in manufacturing and logistics for real-time decision-making.

◆ Investment Momentum Building

AI now commands 5–10% of IT budgets for many firms, with advanced adopters investing up to 20% or more. BFSI, ITES, and healthcare sectors show the strongest budget growth.

◆ Vendor Friction Remains High

CIOs express dissatisfaction with AI vendors due to overpromising, lack of domain-specific solutions, weak post-deployment support, and poor integration capabilities—hindering enterprise trust.

◆ CIOs Redefining Leadership Roles

With AI becoming central to enterprise strategy, CIOs are taking on dual roles (CIO + CDO), reporting salary hikes, and expressing ambitions for board seats, CEO roles, and entrepreneurial ventures.

AI Adoption Still in Early Stages

While AI dominates boardroom discussions, only 8% of Indian enterprises have fully integrated AI into core operations. The majority (67%) are in pilot or siloed deployment stages, and 25% are still exploring use cases.

Methodology

This report is based on a comprehensive, multi-sectoral survey conducted by ETCIO Intelligence to assess the current state of AI adoption, infrastructure strategies, leadership readiness, and career aspirations among India's enterprise technology leaders.

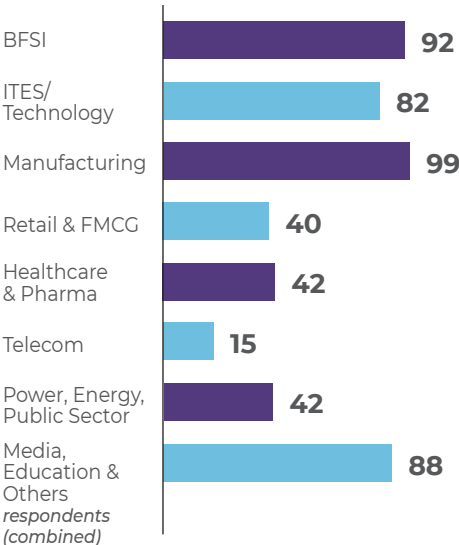
- ◆ The research engaged 500 senior technology leaders, including CIOs, CTOs, CISOs, and Heads of IT from leading Indian enterprises.
- ◆ A quantitative online questionnaire was developed using Google Forms, with carefully structured questions covering AI maturity, investments, governance practices, infrastructure strategies, and professional aspirations.
- ◆ A purposive sampling methodology was used to ensure representation across key verticals such as BFSI, ITES, manufacturing, retail, healthcare, telecom, and pharma.
- ◆ Respondents were drawn from a curated database of mid-sized to large organizations, ensuring insights from companies actively investing in or exploring AI.

SURVEY OBJECTIVES

- ◆ Illuminate CIO Priorities and Challenges
- ◆ Understand the key operational, strategic, and technological challenges CIOs face as they navigate AI implementation.
- ◆ Track Emerging Trends and Technologies
- ◆ Identify cutting-edge innovations—like Generative AI, Edge AI, and hybrid infrastructure—that are shaping India's enterprise AI landscape.
- ◆ Enable Industry Benchmarking
- ◆ Provide organizations with reference points to compare their AI journeys, investments, and leadership readiness against industry peers.
- ◆ Explore Leadership Aspirations
- ◆ Capture how CIOs and tech leaders view their evolving roles, compensation, and career paths in the context of AI-led transformation.

RESPONDENT PROFILE

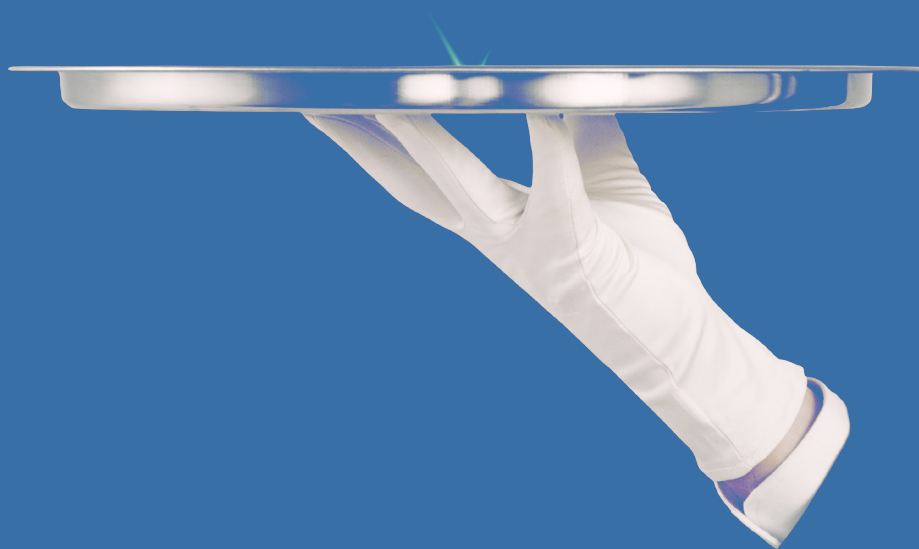
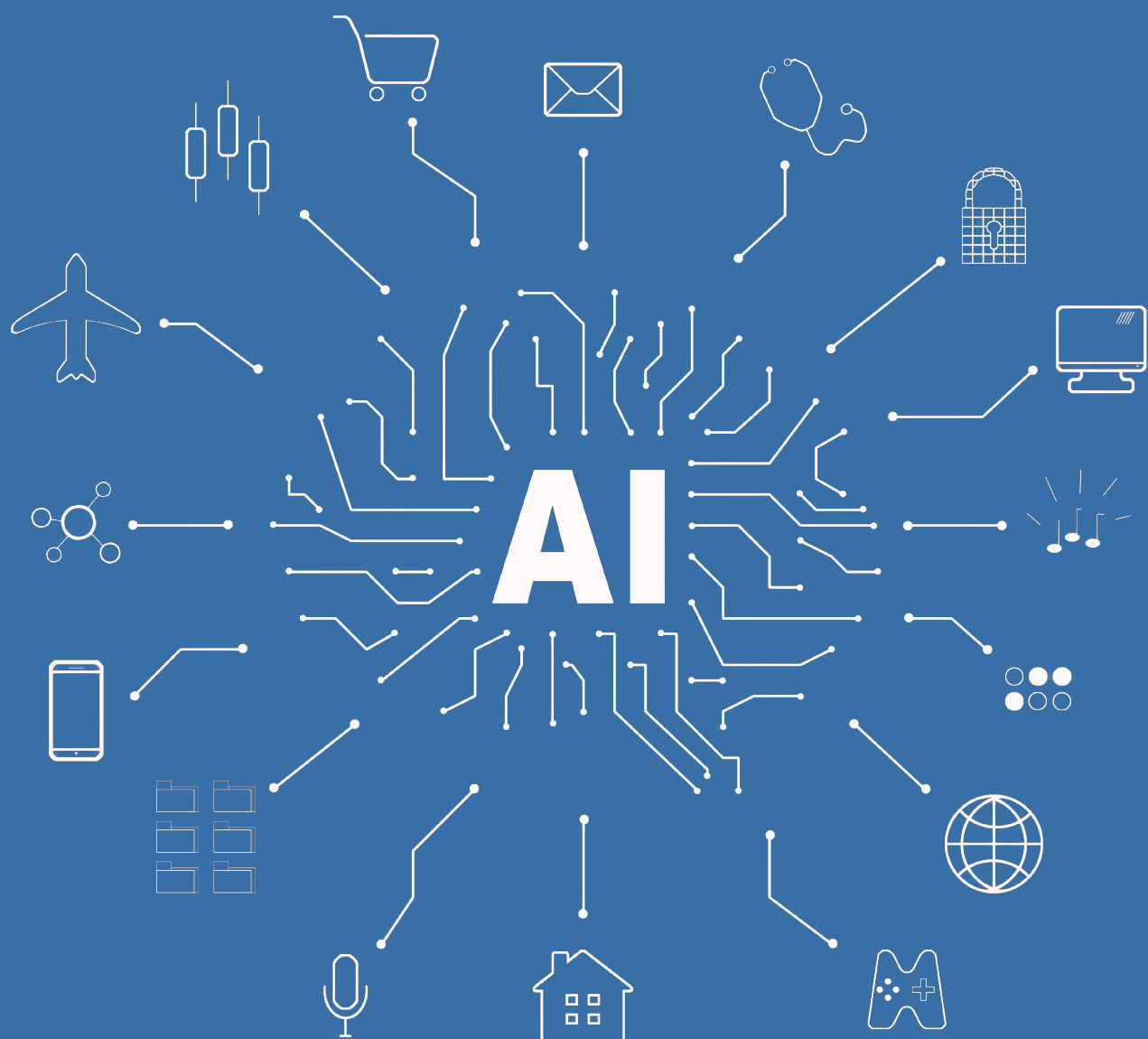
The 500 participants represented a wide spectrum of sectors and enterprise sizes:



The survey captures insights not just from technology deployment leaders, but from professionals shaping the next phase of India's AI journey

Data Collection Process

- ◆ The survey was distributed entirely through email outreach, with responses collected over a span of several weeks.
- ◆ Rigorous validation and error-checking protocols were followed to eliminate incomplete or erroneous entries.
- ◆ The final dataset included responses from both public and private sector leaders, covering organizations at various stages of AI adoption.



AI Adoption in India

A Deep Dive Across Industries

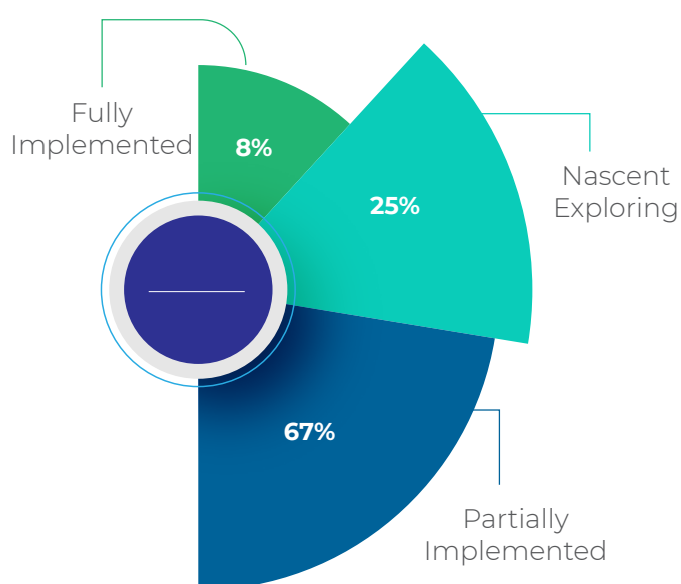
India's artificial intelligence (AI) journey has evolved from buzzword status to a critical business enabler across industry sectors. With the government's strategic backing through the IndiaAI Mission and private sector investment rising year-on-year, the country stands at the threshold of large-scale enterprise AI deployment. However, AI maturity levels vary significantly across sectors—shaped by business priorities, digital readiness, regulatory environments, and the scale of innovation appetite.

Broadly, Indian enterprises can be classified into three categories based on AI adoption maturity: Mature Adopters (AI fully integrated into business operations), Partial Adopters (pilots and siloed

deployments underway), and Cautious Adopters (still exploring use cases). This segmentation helps uncover the real adoption rate by sector and decode the readiness gaps.

The findings from ETCIO Intelligence's AI Playbook Survey 2025 reveal that fully implemented AI deployments account for less than 10% of respondents, while a large majority (nearly 67%) remain in the partially implemented stage. Around one-quarter of organizations are still in the nascent phase—exploring AI possibilities without meaningful deployment. These numbers reflect both the ambition and the complexity of AI integration at scale in India's business ecosystem.

AI ADOPTION RATE IN INDIA (INCLUDING POCs)



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India's AI journey is marked by enthusiasm and experimentation, with numerous proof-of-concept (PoC) initiatives underway across sectors. While these early efforts signal intent, the detailed execution of AI at scale is yet to take off. AI adoption is currently happening in isolated pockets, often limited to specific functions or pilot projects. To realize its full potential, India must move beyond fragmented implementations and focus on expanding the breadth and depth of AI use cases across the enterprise value chain.

INDIA'S AI JOURNEY – BETWEEN HYPE AND REALITY

India's corporate AI narrative is increasingly dominated by ambition, public positioning, and boardroom mandates. Yet, beneath the surface lies a landscape still finding its footing. AI is now a routine fixture in annual reports, town halls, and strategic presentations — but its implementation on the ground is often experimental and fragmented. The reality: most companies are still testing the waters rather than

scaling transformative AI systems.

Adoption Status: A Work in Progress

A large majority of Indian enterprises — approximately 67% — are in the partial implementation phase of AI. They've initiated pilots and rolled out use cases in silos but have not achieved cross-functional integration. Roughly 25% are still in the nascent stage, exploring AI without any substantial deployment. Only a handful — primarily in IT-enabled services (ITES) and select BFSI firms — report full integration into business processes, and that number remains marginal, estimated at under 8% of all respondents.

What's clear is that for many, AI adoption is more about presence than performance. Solutions like AI-powered chatbots, RPA tools, and predictive dashboards are branded as AI milestones. While these tools offer operational enhancements, they often lack the intelligence and learning loop expected from true artificial intelligence systems.

Real AI vs Superficial AI

Much of what's called AI today is closer to automation than intelligence. Companies deploy

"AI has moved beyond proof of concept - it's now about proof of value. With data at its core, the true success metric is ROE: Return on Employee, where enhanced productivity and smarter efficiency reveals AI's real impact."



Rakesh Bhardwaj

Group Chief Information Officer
Lupin

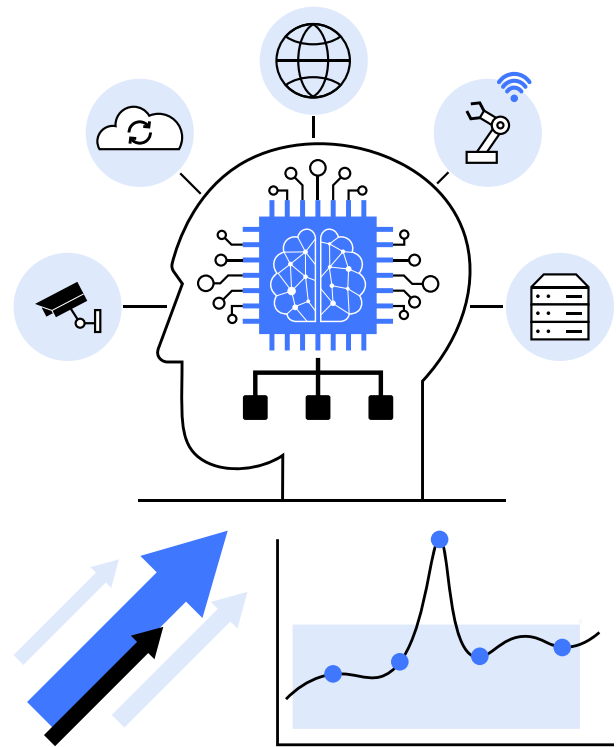
off-the-shelf models, SaaS-based analytics, or basic machine learning for customer support and workflow automation. These are essential starting points, but not transformative. High-impact AI — such as proprietary LLMs, intelligent decision engines, and real-time autonomous systems — is largely absent outside of a few pioneers.

Moreover, many firms conflate AI readiness with AI maturity. Investments are being made in cloud GPUs, model licensing, and upskilling programs, but the strategic integration of these capabilities into revenue-generating functions is minimal. For most organizations, AI still exists in the realm of proof-of-concept.

Top Barriers Hinder Scale

Despite growing interest and intent, enterprises face multiple frictions when attempting to scale AI. The most pressing challenges include:

- ◆ Unclear ROI and cost justification
- ◆ Shortage of skilled AI talent
- ◆ Legacy systems and data silos
- ◆ Opaque vendor offerings and overpromised capabilities
- ◆ Inadequate AI governance and transparency



These hurdles are compounded by the pressure to appear innovative — pushing organizations to announce AI initiatives before they are fully capable of delivering on them.

"India's growth narrative today is being decisively shaped by technology. It's no longer a question of whether to adopt AI, but how fast and how effectively. What's truly striking is the shift happening in the boardrooms. AI has become a central topic of strategic discussion at the highest levels of leadership. The leadership today is not merely curious about AI—it is demanding clarity on how AI will improve operational efficiency, drive innovation, reduce costs, and open up new revenue opportunities. There's a growing realization that it is not just a technology upgrade; it is a business transformation lever,"



Rucha Nanavati

Chief Digital Transformation Officer, Mahindra and Mahindra Auto

SECTOR-WISE DEEP DIVE – BFSI, MANUFACTURING, RETAIL, HEALTHCARE & ITES BFSI

BFSI remains one of the mature AI adopters in India when it comes to implementation in certain cases. However, in certain segments, AI adoption is limited to non-core areas rather than being integrated into core business functions. Several banks and insurers are now embedding AI across customer service, fraud detection, and underwriting. Institutions like IndiaFirst Life, ICICI Bank, and IndusInd Bank have partially or fully integrated AI into key workflows, leveraging a mix of commercial and in-house LLMs, predictive analytics, and chatbots.

The use of Generative AI is beginning to emerge in client servicing, knowledge base automation, and internal decision-support tools. Many BFSI firms are also investing in explainability and fairness algorithms to comply with regulatory norms. However, integration with legacy systems and high implementation costs remain common friction points, particularly for mid-sized firms. Still, BFSI leads in terms of ROI visibility and AI-aligned governance frameworks.

Manufacturing

Manufacturing, particularly in traditional industries,

is largely in the “nascent” adoption phase. Most firms have deployed AI in pockets—like predictive maintenance, process automation, and inventory optimization. However, only a handful report full-scale integration.

Challenges include the fragmented nature of operational technology (OT), poor data standardization across legacy plants, and limited internal AI talent. Despite these challenges, manufacturers are increasingly aligning AI initiatives with supply chain optimization and smart factory ambitions. There’s growing recognition that AI can drive both efficiency and resilience in production environments.

Retail and Consumer Goods

The retail sector exhibits a mixed maturity profile. While digital-native players and large FMCG brands are leveraging AI for personalized marketing, inventory prediction, and customer engagement, many traditional retailers still grapple with basic digital transformation. Certain companies have embraced hybrid AI infrastructure, using both SaaS-based and on-premise models to manage supply chain visibility and targeted promotions.

Retailers are also starting to adopt Generative AI to scale content generation for marketing, although

"AI adoption in BFSI is not just about improving efficiency. It is redefining resilience, security, compliance and customer experience at scale. From predictive analytics to hyper-personalized services, AI equips financial institutions to navigate complex market dynamics while reinforcing trust and transparency. As we integrate AI-driven solutions, the emphasis must remain on ethical innovation, regulatory compliance and long-term value creation. The road ahead demands strategic vision, adaptability and a commitment to responsible AI deployment,"



Sampath Manickam

Chief Technology Officer, National Stock Exchange of India

use cases remain experimental. Data privacy concerns and integration with ERP systems are noted as key roadblocks to scale.

Healthcare and Pharma

AI adoption in healthcare is gathering momentum, particularly among hospital chains, healthtech firms, and pharmaceutical manufacturers. CIOs report active use of AI in diagnostics support, patient engagement, and medical imaging.

AI models are also being trained for drug discovery and adverse event prediction in the pharma sector. However, full-scale adoption is still a work-in-progress, with most organizations running pilots or using AI in limited departments. A significant push toward ethical AI governance, explainability, and bias mitigation is emerging in this sector, given the sensitive nature of healthcare decisions.

ITES

AI adoption in the ITes sector is advancing steadily, with a majority of organizations moving beyond experimentation into partial deployment. While around 25% of companies remain in the nascent phase—exploring AI without meaningful integration—about 60% have begun implementing AI in select functions such as customer service automation, IT operations, and HR analytics. However, only a small fraction—approximately 8%—have embedded AI deeply into core processes like service delivery, predictive support, or decision intelligence. Adoption remains largely tactical, often confined to non-core areas, due to challenges like integration complexity, legacy systems, and ROI uncertainty. As global clients increasingly demand AI-driven efficiency, the sector is poised for broader adoption, provided firms align their AI strategy with business outcomes.

Conclusion: India's AI Adoption Curve Is Steep, but Climbing

AI adoption in India is no longer a fringe activity—it is gradually becoming central to digital transformation strategies. However, the depth and maturity of implementation vary significantly across sectors. BFSI, ITes, healthcare are clearly ahead, while sectors like manufacturing are rapidly evolving. Cautious sectors like real estate, energy, and public institutions are beginning to dip their toes in the AI pool.

To accelerate AI maturity, Indian enterprises need to focus on foundational investments in infrastructure, data quality, and governance. Vendor ecosystems also need to offer more tailored, scalable, and interoperable solutions to reduce integration friction. Ultimately, AI adoption in India will succeed not just through technology infusion, but through strategic alignment, ethical safeguards, and cross-functional upskilling.

Scaling AI Adoption in India — Lessons from Global Best Practices

While India's AI adoption story is gaining momentum, global enterprises in sectors like BFSI, manufacturing, healthcare, and retail are already demonstrating how AI can drive transformative outcomes at scale. Indian organizations—especially those in the “partial” or “nascent” stages—can fast-track their AI maturity by drawing strategic and operational insights from some global trailblazers. For instance, JPMorgan Chase has been a global benchmark for enterprise-scale AI in banking. Its proprietary AI-powered contract analysis tool, COIN, processes thousands of legal documents in seconds—a task that would take legal teams hundreds of hours. The bank has also embedded machine learning into fraud detection,

real-time credit decisioning, and personalized wealth management.

Siemens has integrated AI across its digital twin ecosystems, enabling predictive maintenance, real-time machine monitoring, and energy efficiency in its factories. It uses AI to simulate factory floor scenarios and optimize production before deployment, drastically reducing downtime. Walmart uses machine learning to forecast demand, and optimize inventory across 10,000+ global stores. AI-driven systems manage stock replenishment, taking into account regional events, weather, and even local social media trends.

To truly scale, Indian enterprises must shift from project-centric AI efforts to a platform-led AI operating model. This involves: Institutionalizing AI Centers of Excellence that

cut across departments; Building AI-ready data ecosystems that ensure availability, quality, and lineage;

Prioritizing explainable and ethical AI, especially in sectors like BFSI and healthcare; Redesigning organisational structures where business and tech teams co-own AI outcomes,

Moreover, Indian enterprises must move from isolated proofs-of-concept to enterprise-wide deployment—supported by robust governance, consistent metrics for AI ROI, and strategic vendor partnerships.

The next frontier for India is not merely adopting AI—it's about integrating AI into the DNA of business transformation. Learning from the global playbook, while adapting to Indian realities, will be key to navigating this shift.

AI FRONT-RUNNERS: INDIA'S SECTORAL SCORECARD 2025

ITES TOPS THE CHART WITH AN 80% ADOPTION RATE AND BFSI AT 71%

ITES

With 80% adoption, the shift is from adopting AI to standing out with it. ROI clarity, talent, and governance are key—because adoption alone doesn't ensure impact.



Manufacturing

With 57% adoption, manufacturing lags—but for good reason. Siloed data and poor OT-IT integration hinder progress. Yet the payoff is massive if vendors crack the data puzzle: think predictive maintenance, digital twins, and QA AI.



BFSI

With 71% adoption, AI is central to compliance and risk in BFSI. But legacy systems, consent issues, and integration gaps hinder scale. Trust-driven AI is key to sustainable ROI.



Retail

With 61% adoption, front-end AI is thriving—but the backend lags. While CX and chatbots lead, supply chain and forecasting remain underused. The gap between "AI for show" and "AI for scale" is growing.



Healthcare

With 70% adoption, healthcare leads in AI use—but lags in ethics. XAI, privacy, and policy maturity haven't kept pace with tech adoption.



Sector-specific adoption rates reflect any form of AI deployment—including PoCs, pilots, and partial implementations—not necessarily full enterprise integration

The AI Footprint

How and Where Enterprises Are Deploying AI

Artificial Intelligence (AI) is no longer just a futuristic concept—enterprises across sectors are deploying it to enhance productivity, customer experience, and operational efficiency. While only a minority have achieved full-scale AI integration, the deployment footprint is expanding across specific use cases and business functions. The adoption journey spans from experimentation in non-core areas to strategic embedding in mission-critical operations.

CUSTOMER EXPERIENCE & CHATBOTS: THE FRONTLINE OF AI

The most mature and visible area of AI deployment is in customer experience (CX). Over 60% of AI-active organizations, have implemented AI-powered chatbots, virtual assistants, and sentiment analysis tools to improve customer interactions.

- ◆ Chatbots and virtual agents are now commonplace across banking, telecom, and retail for handling Level-1 queries, processing FAQs, and triaging issues to human agents.
- ◆ Natural Language Processing (NLP) and machine learning enhance these bots' ability to personalize responses and understand intent in real time.
- ◆ In sectors like e-commerce, AI drives



personalized recommendations, dynamic pricing, and real-time product discovery, creating a significant impact on customer engagement and conversion.

Predictive Analytics: Powering Business Intelligence

Another high-traction area is predictive analytics, where AI models use historical and real-time data to forecast outcomes, optimize strategies, and reduce risks.

- ◆ In financial services, AI is deployed to detect fraudulent transactions, assess creditworthiness, and predict customer churn.
- ◆ Manufacturing and supply chain teams are using AI to forecast demand, optimize inventory, and

“Our AI journey is focused on boosting employee productivity with everyday AI and transforming processes with transformative AI, tackling real business challenges throughout the value chain,”

Krishna Guha Roy

Director IT (CIO), South Asia Region, Nestle.



anticipate machine failure through predictive maintenance.

- ◆ Marketing teams apply AI to model campaign performance, segment audiences, and dynamically allocate budgets based on real-time outcomes.

About 40–45% of AI initiatives in large enterprises are tied to predictive capabilities, marking it as a growing priority.



IT Operations & Automation: Enhancing Backend Efficiency

AI is making back-office and IT operations smart and more responsive through AIOps (Artificial Intelligence for IT Operations) and process automation.

- ◆ AIOps tools are used to monitor infrastructure health, detect anomalies, and auto-resolve incidents—reducing downtime and support costs.
- ◆ Robotic Process Automation (RPA) infused with AI enables cognitive automation—handling unstructured data, understanding documents, and learning from user behavior.
- ◆ Helpdesk automation is another common deployment, where AI classifies tickets, suggests solutions, and routes issues efficiently.

This trend is especially pronounced in ITES and BFSI sectors, where scalability and response time are critical.

HR, Talent, and Learning & Development

Enterprises are increasingly deploying AI in human resources and workforce management.

- ◆ Recruitment platforms leverage AI for resume screening, candidate matching, and even sentiment analysis during interviews.
- ◆ AI is used to predict attrition, monitor employee engagement, and create personalized learning journeys.
- ◆ In L&D, AI recommends relevant content, evaluates knowledge gaps, and enables continuous skill development through adaptive learning platforms.

60% of CIOs now prioritizing large-scale deployments. Expect significant budget shifts towards lifecycle management and governance tools.

These AI applications are particularly relevant in sectors facing high attrition or skill shortages, such as ITES, retail, and healthcare.

Finance & Procurement: Driving Strategic Insights

AI is being integrated into finance and procurement functions to enhance decision-making and reduce operational friction.

- ◆ Automated invoice processing, expense management, and cash flow forecasting are common deployments.
- ◆ Procurement functions use AI to conduct vendor risk assessments, forecast demand, and negotiate contracts using historical data.
- ◆ Cognitive analytics enables CFOs to visualize trends, simulate scenarios, and act faster on anomalies.

About 25–30% of AI-advanced enterprises have active use cases in finance operations, marking a shift from transactional automation to cognitive decision-making.

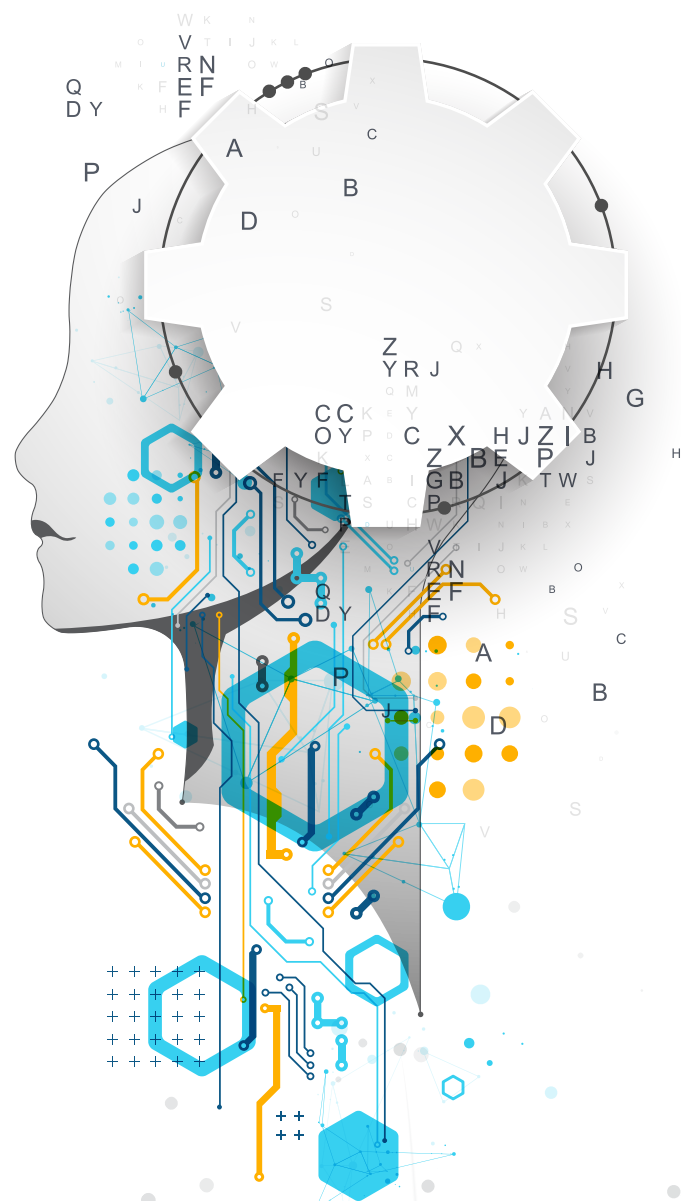
Emerging Use Cases: Edge AI, GenAI, and Ethics

As AI matures, newer and more sophisticated deployments are taking shape:

- ◆ Edge AI in manufacturing, logistics, and smart cities is enabling real-time decision-making at the source of data.
- ◆ Generative AI (GenAI) is emerging in marketing, software development, and content creation—automating tasks like code generation, image synthesis, and policy drafting.
- ◆ Some organizations are also investing in Ethical AI frameworks, fairness audits, and AI explainability tools to ensure responsible and compliant deployment.

Conclusion: A Gradual but Purposeful Shift

While full-scale enterprise-wide AI adoption remains limited, focused deployments in customer



experience, analytics, IT ops, and functional automation are laying a solid foundation.

Organizations that align AI initiatives with business outcomes, invest in data readiness, and drive cross-functional collaboration are the ones poised to move from pilots to transformative AI success.

The next wave of AI adoption will not just be about where it is being deployed—but how deeply and responsibly it is embedded into the fabric of enterprise value creation.

AI Infrastructure in India

The Rise of the Hybrid Era

As India's AI ambitions scale, the conversation is no longer just about models or algorithms—it's about infrastructure. The foundation on which artificial intelligence operates is now as critical as the intelligence itself. Across industry verticals, Indian enterprises are converging on a clear strategic consensus: hybrid infrastructure is the way forward.

From CIOs in banking to manufacturing, the ETCIO AI Playbook survey reveals a growing preference for hybrid AI deployments—a combination of on-premise GPU clusters and cloud-based resources, often augmented by SaaS-delivered large language models (LLMs). This approach reflects the nuanced needs of Indian organizations: maintaining regulatory compliance, managing sensitive data, and ensuring cost efficiency, all while chasing rapid innovation.

For banking and financial services institutions, in particular, this duality offers the flexibility to balance AI innovation with the stringent norms of data localization and auditability. Many are integrating SaaS-based access to LLMs for functions like customer service automation and



"India must invest significantly in AI infrastructure to enable Sovereign AI — we currently have fewer than 20,000 GPUs, which limits growth. While the government is advancing via the IndiaAI mission, industry must step up. On governance, agentic platforms will soon replace traditional SaaS, enabling AI-driven automation across departments. What took a decade in the West could take just two years in India, unlocking massive AI-led productivity."



Navendu Agarwal

Group Chief Information Officer, Ola,

“Hybrid AI is now the default, blending on-prem and cloud to meet demands for security, scale, and compliance. BFSI and retail are leveraging SaaS-based LLMs to boost customer engagement, while manufacturing and tech R&D are investing in GPUs to accelerate innovation. This convergence is reshaping enterprise AI—driving agility, efficiency, and competitive edge.”



Anand Sinha

Chief Information Officer & Global Head - IT, Birlasoft

personalized engagement, thereby reducing the infrastructure burden while gaining access to the latest AI models.

THE NEW NERVOUS SYSTEM: CLOUD, GPUS, AND THE INFRASTRUCTURE BET

Simultaneously, sectors like manufacturing and IT services are leaning into GPU-powered computing environments. These are either reserved on public clouds like AWS and Azure or built in-house to power use cases like model training, industrial automation, and product design simulation. Certain organizations have invested in procurement of on-premise GPUs, aiming to reduce latency, enhance control, and secure data pipelines—especially in R&D-heavy environments. According to survey insights, over 55% of respondents favor hybrid strategies, with on-premise GPU procurement and cloud GPU reservation running in tandem. In parallel, SaaS models for LLMs are being widely adopted in retail and BFSI, enabling Generative AI use cases without upfront capital expenditures.

This evolution marks a shift from earlier reliance on public cloud APIs (like OpenAI or Google Cloud) toward modular infrastructure that mixes consumption and control.

THE ARCHITECTURE OF INDIA'S AI INFRASTRUCTURE

- ◆ 55%+ respondents report using a hybrid cloud (on-prem + public cloud) approach.
- ◆ 30% prefer cloud-first (SaaS or PaaS) models—popular among startups and lean enterprises.
- ◆ 10–15% are investing in on-premise GPU infrastructure—especially in data-sensitive verticals like government, telecom, and manufacturing.

INFRASTRUCTURE BY SECTOR

- ◆ BFSI & Government: Favor on-premise GPU setups for compliance and data security.
- ◆ ITES & Large Tech Firms: Use multi-cloud or hybrid setups to support scale and redundancy.
- ◆ Retail: Heavily reliant on SaaS-based AI models for marketing automation and content generation.
- ◆ Healthcare: Leaning toward cloud GPU reservation (e.g., AWS, Azure) due to intermittent usage and cost-efficiency.
- ◆ Manufacturing: Technically hybrid, but not operationally integrated. Without solving for data harmonization across ERP, SCADA, and cloud analytics layers, AI will remain in pilot purgatory.

The GCC Opportunity: Training LLMs in India

As the demand for AI-driven applications intensifies, India's growing base of Global Capability Centers (GCCs) presents a powerful opportunity to anchor LLM development domestically. With deep domain knowledge, rich multilingual datasets, and scalable engineering talent, Indian GCCs could serve as centers of excellence for model training and fine-tuning.

Currently, the vast majority of LLMs used in Indian enterprises are built elsewhere—accessed via APIs or SaaS platforms. While efficient, this approach creates ongoing costs and raises concerns about data privacy, compliance, and IP ownership.

By shifting toward in-house LLM training and deployment, Indian enterprises can:

- ◆ Reduce recurring costs associated with commercial AI APIs,
- ◆ Gain greater control over model behavior, fine-tuning, and data residency,
- ◆ Align LLMs with local linguistic and regulatory contexts, and
- ◆ Build proprietary AI assets for long-term competitive differentiation.

With India's AI market projected to reach \$8 billion by 2025, the ability to train, deploy, and maintain indigenous LLMs could be a critical enabler of

sovereign AI capability and economic value creation.

THE FUTURE: AUTONOMOUS, DISTRIBUTED AI INFRASTRUCTURE

Looking ahead, the infrastructure demands of AI will grow exponentially—not just in terms of scale but in diversity. Enterprises are preparing for a world where: Edge AI infrastructure enables real-time intelligence in remote factories or retail outlets; Federated learning frameworks allow models to be trained across distributed data sets without centralization; LLMs run on optimized local GPUs for cost savings and compliance; and Composable infrastructure adapts to workload spikes without over-provisioning.

From a policy standpoint, incentives around AI compute clusters, sovereign data centers, and open model repositories could accelerate this shift. India must invest not only in digital infrastructure but in AI-specific acceleration—across compute, storage, networking, and MLOps platforms.

The journey from AI tools to AI ecosystems is already underway. What organizations choose today—hybrid or hyperscale, SaaS or sovereign, centralized or distributed—will determine not just their AI outcomes, but their digital future.

“Hybrid AI is fast becoming the cornerstone of innovation in BFSI. With 79% of banks adopting hybrid models and cloud-based LLMs delivering up to 30% productivity gains, the momentum is undeniable. Even on-premises, banks are investing in GPU-powered infrastructure to support mission-critical AI. At Bandhan Bank, I am committed to building a future where cloud agility, secure governance, and GPU-grade intelligence converge — enabling faster, smarter, and significantly more trusted financial services.”



Ratan Kesh

Executive Director & Chief Operating Officer, Bandhan Bank

The State of AI Governance in India

Awareness & Execution

As Indian enterprises deepen their AI ambitions, governance has moved from being a regulatory checkbox to a core strategic pillar. With AI models making critical decisions—from approving loans to screening resumes—executives are increasingly concerned about explainability, fairness, and accountability.

According to the ETCIO AI Playbook survey, a significant share of enterprises are actively establishing governance and ethical frameworks to manage risks associated with bias, compliance, and transparency. However, the maturity and coverage of these measures

vary widely across industries and adoption stages.

Where Enterprises Stand Today

Survey data indicates a three-tier split in how organizations are approaching AI governance:

- ◆ Mature Adopters (8%) have adopted comprehensive policies—establishing dedicated AI governance teams, embedding ethical AI training, and conducting regular model audits.
- ◆ Partial Adopters (67%) are focused on compliance—ensuring AI systems align with regulations such as GDPR and India's DPDP



Act—but lack internal accountability structures.

- ◆ Cautious Adopters (25%) are exploring AI but have no formal governance measures yet, though most acknowledge the growing importance of responsible AI as they scale.

Top Governance Mechanisms in Practice

Organizations that have embraced governance most commonly report:

- ◆ AI ethics and responsible AI policies
- ◆ Regular AI model audits and explainability reviews
- ◆ Bias detection and fairness algorithms
- ◆ Compliance with data privacy regulations (GDPR, CCPA, DPDP)
- ◆ Ethical training programs for technical and business teams.

For example, enterprises in financial services and healthcare sectors report stronger alignment to these measures, given their sensitivity to regulatory scrutiny and public trust.

Still, one-third of surveyed firms admit to having no formal mitigation strategies—a worrying gap as AI becomes more embedded in critical workflows.

The implementation of AI governance in India is still evolving. While enterprises recognize the need, execution challenges remain:

- ◆ Lack of skilled personnel who understand AI's technical and ethical dimensions
- ◆ Opaque vendor models that don't provide transparency into AI decision-making
- ◆ Integration difficulties with existing risk and compliance systems

To counter this, forward-looking organizations are shifting from compliance-centric thinking to governance-by-design models. These integrate ethics and risk assessment into every stage of the AI lifecycle—from data ingestion and model training to deployment and monitoring.

FUTURE TRAJECTORIES: WHERE AI GOVERNANCE IS HEADED

- ◆ AI Audit Trails as Standard Practice
- ◆ Enterprises will soon adopt mandatory auditability, with logs that capture how decisions were made—especially for high-impact sectors like banking, HR, and healthcare.
- ◆ Model Registries and Lifecycle Governance
- ◆ Organizations will maintain central model registries with metadata, documentation, and monitoring reports to track AI use across business functions.
- ◆ Bias Benchmarking Frameworks
- ◆ Beyond compliance, Indian firms will create internal bias scorecards to continuously assess demographic impacts of AI systems.
- ◆ Ethics Review Committees
Inspired by Institutional Review Boards in healthcare, enterprises may set up cross-functional AI ethics boards to evaluate high-risk deployments.
- ◆ Local AI Governance Innovation from GCCs
India's tech-rich Global Capability Centers (GCCs) could lead in developing toolkits for responsible AI, which can be adopted across geographies. These playbooks may also accelerate adoption of federated governance—tailoring AI control frameworks to comply with both local and global standards.

Ethical AI as a Strategic Asset

As AI models scale in influence and scope, ethical governance is no longer optional—it is foundational to sustainable digital transformation. Whether it's building trust with customers, complying with law, or mitigating reputational risk, governance is the scaffolding that will define the success of AI.

For Indian enterprises, the goal should be clear: create systems where AI is not only powerful, but principled.

Tracking AI Investments in India Inc

Budget Trends, Priorities & Insights

Artificial Intelligence (AI) is steadily making its way from pilot programs to production environments across India Inc. As technology leaders begin to recognize the business value of AI—across automation, analytics, cybersecurity, and customer experience—budget allocations are beginning to reflect this shift.

The ETCIO AI Playbook Survey 2025, conducted with CIOs, CISOs, and senior IT decision-makers across key sectors such as BFSI, manufacturing, telecom, healthcare, and real estate, reveals that Indian enterprises are beginning to take a more structured and deliberate approach to AI investments.

One of the most notable findings from the survey is the emergence of dedicated AI budgets within

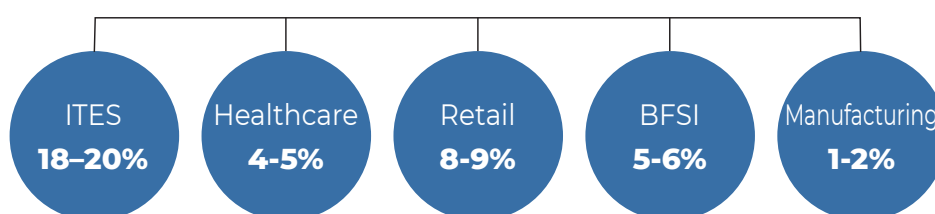
the broader IT planning framework. A significant number of organizations now allocate between five to ten percent of their IT budgets specifically for AI initiatives. Companies with more experience or confidence in AI outcomes are investing between ten to 20% of their IT budgets toward AI.

A smaller but growing group of enterprises—typically those building custom models or deploying AI across multiple departments—have begun allocating more than twenty percent of their IT spend to AI.

When asked where these budgets are being directed, the top focus areas that emerged from the survey include intelligent automation, predictive analytics, AI-powered customer support, and cybersecurity. Intelligent automation, including

AI-DRIVEN INVESTMENTS IN DATA, INFRA TO HIT 8-9% OF IT BUDGETS

Average AI Investments Across Sectors (in%)



AI investments in certain sectors are expected to rise by 12-14% in the next year.

From Pilots to Platformization

Over **60%** of CIOs in the survey are moving from exploration to execution.

Large-scale AI use cases (GenAI chatbots, predictive maintenance, AI in cybersecurity) demand more investment in infra, lifecycle management, and governance.

“AI should be purposeful, not performative. It must address real business challenges, integrate seamlessly across functions, and deliver measurable value. When applied thoughtfully, AI can enhance decision-making, optimise operations, and unlock new growth opportunities—far beyond simply responding to executive expectations or market hype,”



Vinod Gopinathan

Chief Information Officer, Ashok Leyland

robotic process automation and AI-assisted workflows, is the leading priority.

Many organizations are also using AI for forecasting and planning purposes—particularly in operations and finance. Customer-facing sectors such as retail, banking, and telecom are investing in AI to enhance service experiences through chatbots and virtual assistants. Cybersecurity has emerged as another high-priority domain for AI investment, with companies increasingly using AI tools to detect and respond to complex threats in real-time.

Despite these advances, AI investment is not without its challenges. Many CIOs noted that lack of skilled talent remains a key barrier. Hiring or upskilling professionals in AI, machine learning, and data engineering is proving to be both time-consuming and expensive. Integration with legacy infrastructure is another frequently cited concern, especially for older or highly regulated organizations.

Several respondents also raised issues around high implementation costs and a lack of clarity in measuring return on investment. In some cases, technology vendors were found to be falling short of delivering domain-specific AI solutions that match enterprise needs. Data privacy, ethical considerations, and regulatory compliance further complicate the pace at which companies are able to move forward with AI projects.

The survey also reflects a growing strategic mindset among technology leaders when it comes to AI. Many organizations are no longer treating AI as a side project or pilot experiment but are beginning to align AI investments with business goals such as revenue growth, risk mitigation, and customer satisfaction. A number of CIOs have already initiated upskilling programs within their IT teams to strengthen internal AI capabilities. Others are exploring frameworks around explainability, governance, and responsible AI as they look to scale their deployments. Some advanced adopters are even shifting from off-the-shelf SaaS models to hybrid or in-house AI architectures to gain more control over performance and data usage. Overall, the survey indicates that FY25 is a defining year for AI investments across India Inc. While the level of maturity varies widely across sectors and company sizes, there is a clear momentum toward mainstream AI adoption. CIOs are carving out structured budgets, identifying high-impact use cases, and preparing for long-term returns. The year ahead will be critical for technology leaders who are tasked not just with enabling AI innovation, but with ensuring that investments translate into sustainable business value.

OVERALL BUDGET MOMENTUM

- ◆ In 2024, 77% of CIOs were increasing their IT

SECTORAL BREAKDOWN: AVERAGE IT SPEND AS A SHARE OF REVENUE

Sectors	Avg IT Spend (% of org budget)	2025 Insights
BFSI	2.9%	Over 40% of firms allocate >4%; continued focus on digital transformation, fraud detection, and customer experience.
IT/ITES/Telecom	>4%	Consistently high investment; use cases include automation, customer support, and analytics.
FMCG/Retail	1.0-2.0%	Moderate growth in AI, marketing personalization, and supply chain optimization.
Manufacturing	1.1-2.0%	Spending increases modestly; focus on operational efficiencies and process automation.
Pharma/Healthcare	2.1-2.5%	Compliance-driven IT upgrades, predictive analytics, patient experience initiatives.

Key Takeaway: BFSI and ITES continue to lead in IT budget allocation as a % of overall org budgets, driven by advanced digitalization and AI-centric strategies.

budgets, and this continued in 2025 with a similar 77% reporting an uptick.

- ◆ The average IT budget as a share of organizational spend in India rose from 2.3% in 2023 to 2.36% in 2024, and continues to climb in 2025, particularly in digital-forward industries like BFSI and ITES.

This stratification suggests that while larger firms are scaling AI and digital infrastructure, smaller and mid-sized ones are still laying foundational capabilities.

SIZE OF ENTERPRISES & BUDGET TRENDS

LARGE ENTERPRISES:

- ◆ 36% allocated >4% of their total budget to IT.
- ◆ Prioritized spending on AI, GenAI, customer experience, and operational resilience.

Mid-sized Enterprises:

- ◆ Only 21% crossed the 4% threshold.
- ◆ Conservative investment approach; focus on task automation, cybersecurity, and core digitization.

Small Enterprises:

- ◆ 26% allocated over 4%, showing high intent despite budget limitations.
- ◆ Key spending: infrastructure upgrades, automation, and talent upskilling.



Friction Points Between CIOs and AI Vendors

Mapping the Enterprise Discontent

In 2025, artificial intelligence is no longer optional—it is a strategic imperative. Across sectors, from retail and manufacturing to BFSI and healthcare, Indian enterprises are investing heavily in AI to gain a competitive advantage, drive productivity, and innovate at scale.

However, the journey from vision to value is proving to be turbulent. Despite an uptick in AI interest, most CIOs surveyed in the ETCIO Intelligence 2025 Survey expressed deep concern about the effectiveness, transparency, and long-term partnership quality of AI vendors.

The core of this disconnect is not just technological—it is strategic and operational. CIOs are looking for business-aligned AI partners, but what they often encounter are product-centric vendors with narrow perspectives, poor integration abilities, and fragile post-deployment accountability.

EXPECTATION-DELIVERY MISMATCH: HYPE OUTPACES REALITY

The Disillusionment Spiral

CIOs widely report that AI vendors tend to oversell product capabilities, particularly in areas like predictive modeling, Generative AI, and hyperautomation. During the sales process, vendors project cutting-edge capabilities that—when implemented—fail to scale or adapt to real enterprise environments.

Some of the CIOs mentioned that vendors assured that certain model would automate fraud detection across multiple transaction streams. Post-deployment, it flagged irrelevant anomalies and missed critical fraud patterns. We had to rebuild half the logic internally.

This mismatch fosters early disillusionment, forcing IT teams to firefight implementation gaps and dilute long-term confidence in external AI partners.

INTEGRATION INEFFICIENCIES: THE ARCHITECTURE GAP

Siloed Systems, Stranded Solutions

Legacy systems remain a reality in many large organizations. CIOs expect AI tools to plug into existing infrastructure and data ecosystems—seamlessly and securely. Instead, they find themselves grappling with: Rigid APIs, Poor integration documentation, Lack of middleware



adaptability, inability to support hybrid cloud or multi-cloud setups. These challenges delay implementation and significantly increase internal engineering overhead, undermining the promise of AI-led acceleration. “We spent more time integrating the AI tool than actually using it to solve business problems,” said a CIO from a leading manufacturing firm.

ROI AMBIGUITY AND COMMERCIAL FRICTION

Investment Without Justification

A significant number of CIOs flagged the issue of unclear or unmeasurable ROI from vendor-driven AI deployments. While pilot results may look promising, long-term value tracking is rarely defined, leaving CIOs exposed to scrutiny from CFOs and boards. Moreover, vendors often push for:

- ◆ Long-term licenses without performance benchmarks
- ◆ Per-seat or per-module pricing for low-usage tools
- ◆ Additional charges for post-deployment services and customizations

This dynamic stifles innovation and restricts AI’s enterprise momentum.

POST-DEPLOYMENT ABANDONMENT: THE SUPPORT VACUUM

From Partner to Stranger

A critical—and often underdiscussed—friction point lies in what happens after the AI system goes live. CIOs repeatedly called out vendors for offering limited or non-existent support in the crucial post-deployment phase.

This includes:

- ◆ Absence of active model monitoring
 - ◆ No support for model retraining
 - ◆ Delays in addressing performance degradation
 - ◆ No guidance on AI governance frameworks
- AI systems are not static products—they require



constant tuning and adaptation to evolving datasets, business objectives, and regulations. Vendors who fail to engage post-deployment effectively shift the burden to internal teams, breaking the promise of partnership.

TRANSPARENCY AND EXPLAINABILITY DEFICITS

The Black Box Problem

Enterprise leaders—especially in regulated sectors like banking and healthcare—demand explainable AI (XAI). They require full visibility into:

- ◆ How decisions are made by AI models
- ◆ What data influences the model
- ◆ How bias and risk are mitigated

Unfortunately, most vendors provide AI engines as closed systems, with little transparency or interpretability.

This not only reduces trust in the solution but exposes organizations to ethical, regulatory, and compliance risks.

ONE-SIZE-FITS-ALL OFFERINGS: LACK OF BUSINESS CONTEXT

Generic AI ≠ Enterprise AI

Most vendor platforms are built for broad appeal, with horizontal functionalities. However, CIOs want AI that solves deep, contextual problems—such as:

- ◆ Predictive asset maintenance in manufacturing
- ◆ Dynamic fraud analytics in insurance
- ◆ Intelligent pricing in e-commerce
- ◆ AI-led customer sentiment models in telecom

Vendors that lack domain-specific frameworks, datasets, and benchmarks force CIOs to invest significantly in customization, driving up costs and delaying outcomes.

Summary Table: Vendor-CIO Friction Matrix

Friction Area	Vendor Shortfall	CIO Expectations
Capability Delivery	Overpromising, under-delivering	Accurate scoping, grounded capability commitments
Integration	Rigid APIs, poor hybrid support	Seamless fit into legacy, cloud, and hybrid infra
ROI Justification	No metrics, ambiguous pricing	Transparent ROI metrics, outcome-based pricing
Post-Deployment Support	Limited model tuning and governance support	Long-term lifecycle management and co-ownership
Explainability	Black-box models, no XAI	Full transparency, auditability, and regulatory readiness
Domain Customization	Generic tools, no verticalization	Tailored models, industry-specific intelligence

CONCLUSION: THE PATH FORWARD

The AI market is at a pivotal juncture. CIOs are no longer experimenting—they are demanding accountability, alignment, and strategic co-creation. Vendors that rise to this challenge by embedding deeper domain expertise, integrating into enterprise systems seamlessly, offering transparent economics, and committing to long-term lifecycle partnership will emerge as true AI enablers.

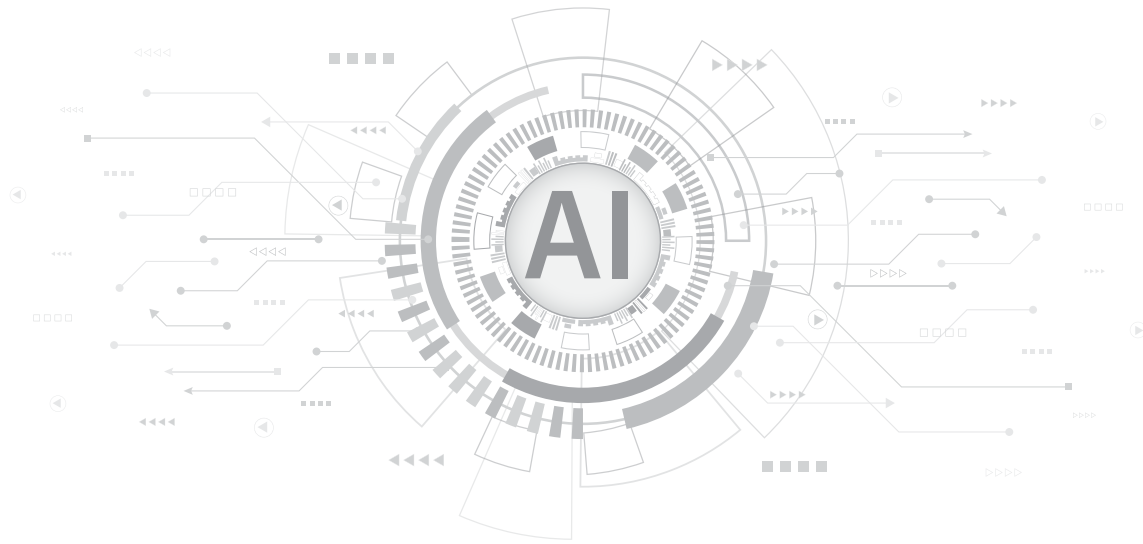
Those that continue to operate as feature-first product sellers will find themselves alienated from the CIO ecosystem—relegated to proof-of-concept zones rather than driving boardroom-level transformation.

"AI is no longer just a buzzword in boardrooms—it's the center of bold ambitions and urgent strategy conversations. Yet for many organizations, harnessing its full potential remains a complex journey. The real challenge lies in reimagining core operations, decision-making, and business models to be truly AI-native. Accelerating this shift will demand strategic investments in indigenous AI capabilities and far stronger collaboration between government, industry, academia, and startups. The momentum is building, and over the next 12 to 24 months, we're poised to witness breakthrough innovations that could fundamentally reshape how India works, competes, and grows in the AI era."



Surajit Deb

President & Chief Technology Officer
Kotak Mahindra Bank



TOP INSIGHTS FOR VENDORS



BFSI

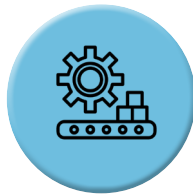
72% of BFSI leaders say vendor offerings are not sufficient to meet AI strategy needs.

Expectations

(64%) Enterprise AI Strategy Alignment

(57%) AI Security & Compliance tailored to Indian regulations

(52%) Custom Use Cases for BFSI



Manufacturing

69% of leaders say vendors fail to address data fragmentation across ERP, MES, SCADA.

Expectations

(71%) Seamless Integration across industrial systems

(65%) Custom AI Models for predictive maintenance and production analytics

(58%) ROI-Focused Pricing and PoCs



Retail

61% of respondents say current vendor offerings lack unified data handling across D2C, POS.

Expectations

(66%) Unified Data Integration across online and offline channels

(52%) AI for Forecasting & Planning, not just marketing

(47%) Faster ROI models with built-in KPIs



Healthcare

Nearly 70% of CIOs report vendor tools lack explainability and clinical audit readiness.

Expectations

(63%) Explainable AI (XAI) for diagnostic support

(59%) Healthcare-specific regulatory compliance (HIPAA-like frameworks, DPDP)

(48%) Custom NLP for clinical documentation



ITES

73% of leaders struggle with unclear ROI and lack of post-deployment support.

Expectations

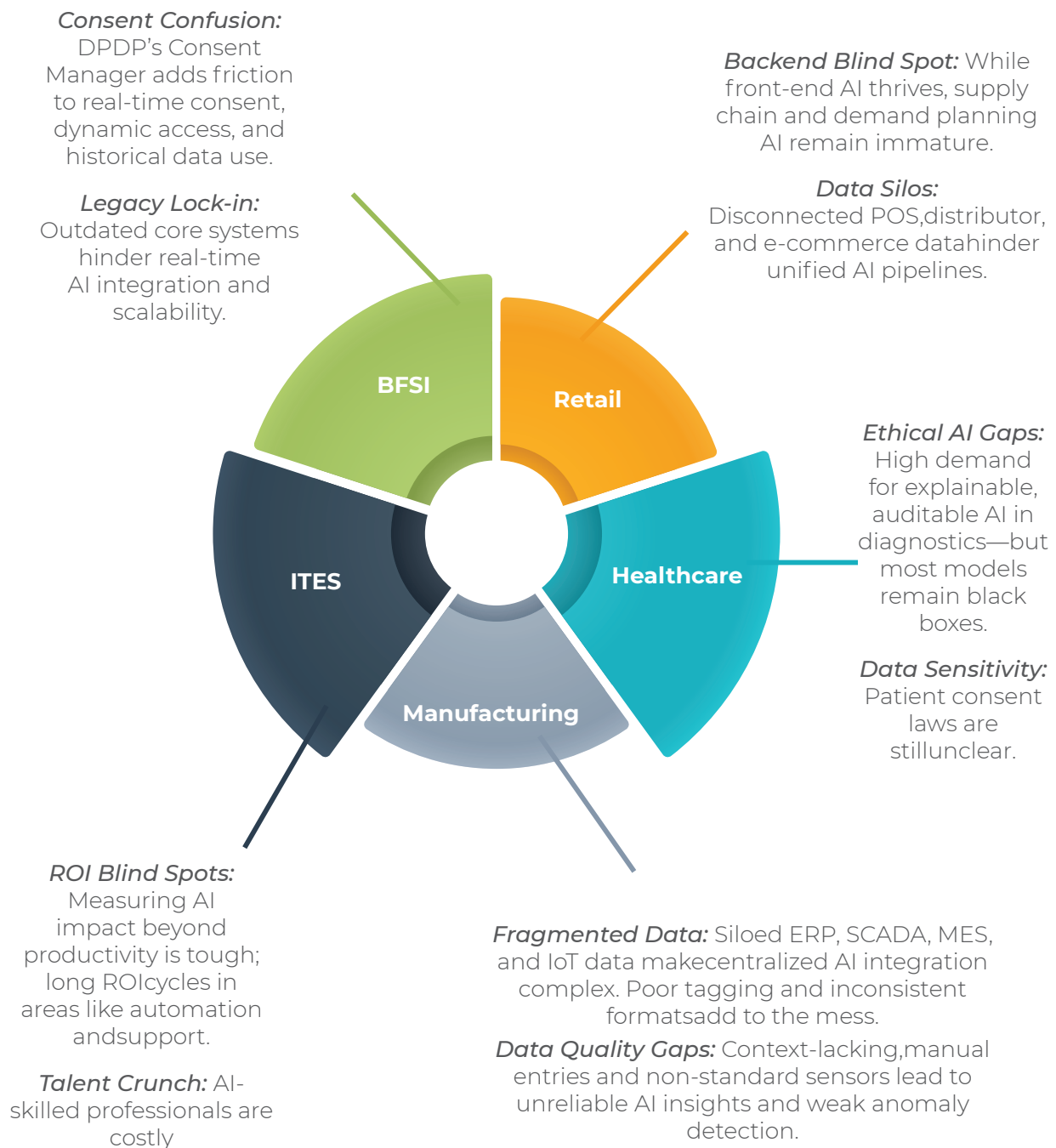
(68%) AI Life cycle Management

(64%) ROI & Cost Optimization dashboards

(49%) Flexible pricing for LLM-based services

(48%) Custom NLP for clinical documentation

SECTORAL CHALLENGES



AI Expertise Pays Off

CIO Salaries Surge

The advent of artificial intelligence has undeniably transformed the role of the CIO. No longer just IT custodians, modern CIOs are being thrust into the heart of digital transformation—piloting AI strategy, data governance, infrastructure modernization, and ethical technology deployment. This new accountability is steadily influencing salary structures across sectors.

From the ETCIO Intelligence Survey 2025, over 45% of CIO respondents reported a salary increase in FY25. A significant share (around 15–20%) noted increments of more than 20%, especially those directly leading AI innovation or managing AI centers of excellence. Those overseeing enterprise-scale implementations—such as proprietary LLM development, AI-led RPA, or AI cybersecurity integration—were more likely to experience compensation growth than their peers. However, AI hasn't led to a universal salary uplift. About 30–35% of CIOs stated AI adoption has not yet influenced their salaries, particularly in organizations still in the exploratory or pilot phase of AI integration.

AI PREMIUMS: DIRECT CORRELATION WITH RESPONSIBILITIES

A nuanced insight is that CIOs spearheading AI programs directly are most likely to see pay upgrades. Titles have also started evolving—many

CIOs now carry dual roles as CDOs (Chief Digital Officers), CTOs, or heads of AI transformation units.

Key insights include:

- ◆ CIOs with direct AI responsibilities reported increases in job scope along with salary.
- ◆ CIOs with no direct AI ownership but who work in AI-mature firms (e.g., via SaaS AI or external AI partnerships) often reported stagnant or unchanged salaries.
- ◆ Nearly 20% said AI has brought only moderate increases in responsibility, not necessarily aligned with pay yet.

COMPARING CIO, CFO, AND COO SALARIES

While the survey primarily targeted CIOs, the general industry benchmarks (from Michael Page and Korn Ferry) suggest the following:

- ◆ CIOs in leading firms (digital, BFSI, telecom) often match or exceed CFO salaries when responsible for digital revenue, data science teams, or innovation P&Ls.

42% of CIOs see over 20% salary jump due to AI initiatives.



THE AI EFFECT ON CIO PAYCHECKS IN

1 in 2 CIOs say AI now shapes their compensation

SALARIES KEY TAKEAWAYS

In several cases, AI leadership roles or successful pilot implementations earned marginal pay premiums, especially in ITES, Healthcare, BFSI, and diversified groups.

There's a clear and growing premium for AI-related skillsets, particularly in hiring for niche or advanced roles.

CIOs highlighted that AI-specific roles demand significantly higher compensation, which could pressure overall IT salary structures over time.

CIO SALARIES

CIOs in India now earn an average of ₹1.5 crore, marking a modest increase from ₹1 crore last year.

42% of CIOs reported a salary increase of over 20% in FY25 compared to FY24



- ◆ COOs generally earn more due to operational P&L responsibility, but AI-led automation and data-driven operations are shifting power back to CIOs.
- ◆ With GenAI, CIOs are now seen as transformation architects, bridging tech, operations, and CX—a role that edges into COO and CDO territory.

ASPIRATIONS: THE FUTURE PATH FOR CIOs

A critical insight from open comments and metadata in the survey is that many CIOs now aspire to ascend to CEO, COO, or Board-level advisory roles. AI is being seen not just as a technological differentiator but as a career catalyst for CIOs. Aspirational trends:

- ◆ Tech-turned-business leaders: CIOs want to be seen as growth enablers, not cost-center leaders.
- ◆ Board seats and advisory positions: With data strategy and AI governance gaining attention at board levels, CIOs with AI fluency are being invited to join or consult boards.
- ◆ Entrepreneurial paths: Some CIOs are branching

out as startup mentors, co-founders in deep tech, or fractional CTO/CIOs.

CONCLUSIONS AND IMPLICATIONS

AI is reshaping the salary and role of the CIO—but not uniformly. While there is a growing compensation premium for those with deep AI involvement, many CIOs in early-stage or AI-agnostic firms still see limited impact.

Yet, the writing on the wall is clear:

- ◆ AI capability will increasingly define career progression for CIOs.
- ◆ Salaries will be tightly linked to AI leadership, transformation metrics, and business impact.
- ◆ Non-AI CIOs risk stagnation—not just in pay but also in relevance.

As enterprises scale their AI journeys, CIOs who lead from the front—building AI roadmaps, shaping governance, hiring data talent, and delivering ROI—will define the next generation of C-suite leadership in India.

The image features a central glowing blue circle containing the letters 'AI' in a white, sans-serif font. From this central point, a multitude of thin, bright blue lines radiate outwards, creating a complex, web-like pattern that fills the frame. The background is a smooth gradient transitioning from a deep blue on the left to a rich purple on the right. The overall aesthetic is futuristic and high-tech.

AI



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