CIO Association

RESEARCH REPORT · NOVEMBER 2026

INDIA CIO IT PRIORITIES 2026–27

Where India's technology leaders are investing, what they plan to do next, and what stands between ambition and scale.

1,200

senior technology leaders surveyed

RESEARCH PARTNER

Feedback Insights

CONTENTS

	Foreword	3
	Executive summary	4
	About this report	6
01	Growth is the brief	7
02	Budgets: rising, led by infrastructure and applications	10
03	Data: the foundation AI is waiting on	12
04	Cybersecurity: defending against machine-speed threats	15
05	Infrastructure and cloud: cost, control and placement	17
06	AI: the top mandate, rarely yet at scale	19
07	Where CIOs turn for intelligence	24
08	The Technology Maturity Index	26
09	Sector perspectives	29
10	The CIO agenda for 2026–27	31
	Appendix: methodology and respondent detail	33
	About, acknowledgements and disclaimer	34

Findings from the CIO Association IT Priorities Survey 2026, fielded among about 1,200 of India's senior technology leaders from August 2026 to October 2026.

A neutral survey. The CIO Association is a non-profit and neutral body. This survey was conducted independently, and no partner or vendor had any influence over the research, its findings or its conclusions.

FOREWORD

Few roles have changed as much, or as quickly, as ours. Boards now look to the CIO for growth as well as resilience, and they expect AI to help deliver both. This report began with three simple questions for our community: where are you investing, what do you plan to do next, and what is holding you back?

The answers are encouraging and sobering in equal measure. About 1,200 of you took part, and 85 per cent have made AI a top mandate. Yet only 27 per cent have AI deployed or scaling, and 73 per cent describe their data as Basic or Foundational. Ambition is not our problem. The foundations are where the real work now lies.

What gives me the most confidence is where you say you turn when the decisions get hard. Peer networks and CIO communities are the most relied-upon source of technology intelligence in every sector and at every size of firm. That is the reason the CIO Association exists. We are an association of CIOs, by CIOs and for CIOs, so that no one in this role has to lead in isolation.

I would encourage you to read this report as a mirror as much as a map. The Technology Maturity Index shows that one organisation in four is pulling ahead, as much through focus as through budget, and the agenda in Chapter 10 sets out seven priorities that follow from the evidence. Test them against your own, share them with your leadership team, and tell us where you see things differently.

My thanks go to every member who gave their time and candour to this survey, to our chapter leaders who carried it across the country, to Feedback Insights for the rigour of the research, and to our report partners, Zoho and Sify Technologies.

Umesh Mehta

President of the Governing Body, CIO Association

EXECUTIVE SUMMARY

Indian enterprises enter FY 2026–27 with growth as their first business priority and AI as the instrument most have chosen to deliver it. The foundations AI depends on, from data and governance to security and the way IT is measured, are running behind that ambition.

1,200 senior technology leaders surveyed	**~1,000** organisations	**7** sector groups	**Aug–Oct** 2026 fieldwork

1 **Growth is the business priority, and technology is expected to deliver it**

Revenue growth is the top business priority (61 per cent). Fifty-eight per cent expect technology to drive it through new digital products and 47 per cent through AI-led personalisation.

2 **AI is moving faster than its foundations**

Sixty-four per cent have reached pilot stage or beyond but only 27 per cent have AI in use. Among those past exploration, 56 per cent run agentic AI, yet only 41 per cent have a defined governance framework.

3 **Data and cyber defences are not ready for AI**

Seventy-three per cent are at Basic or Foundational stage on data. AI-driven attacks are the top cyber worry (57 per cent), but only 9 per cent run AI-powered security in production.

4 **Skills, cyber threats and cost are the main hurdles**

The skills shortage (58 per cent) and cyber threats (57 per cent) top the challenge list, and cost is the biggest infrastructure problem (25 per cent). Three in ten are evaluating a move off public cloud.

5 **Budgets are rising and AI is the top mandate**

IT spend is up from about 3.8 to 4.2 per cent of revenue, with infrastructure and cloud (23 per cent) and applications (21 per cent) taking the most. Eighty-five per cent name AI a top IT mandate, yet AI takes about a tenth of the budget.

6 **The Technology Maturity Index shows who is ahead, by industry vertical and company size**

The index scores every organisation from 0 to 100 on twelve survey answers, in the same way whatever its industry or size, so that results can be compared. The average is 41.8: 25 per cent are Leaders or Emerging Leaders and 33 per cent are Laggards. By industry vertical, Technology, Media & Telecom (52.6) and BFSI (47.5) lead and Manufacturing & Auto (37.6) trails. By company size, firms above ₹5,000 crore (48.0) lead those below ₹500 crore (38.1). Leaders and Emerging Leaders put 4 points more of IT budget into AI and lead on compute, while Laggards are still fixing data ownership and quality.

THE YEAR IN TWELVE NUMBERS

85%
rank **AI and intelligent automation** a top-three IT mandate

61%
name **revenue growth** a top business priority

4.2%
average **IT spend as a share of revenue**, up from 3.8%

62%
expect **AI spend to rise by more than 10%** over two years

27%
have **AI deployed or scaling**; 64% are at pilot stage or beyond

59%
of firms at pilot stage cite **AI infrastructure cost** as a top barrier to scale

56%
of AI adopters run **agentic AI**; 41% have defined governance

73%
are at **Basic or Foundational** stage on data readiness

57%
rank **AI-driven attacks** a top cyber challenge; 9% run AI security in production

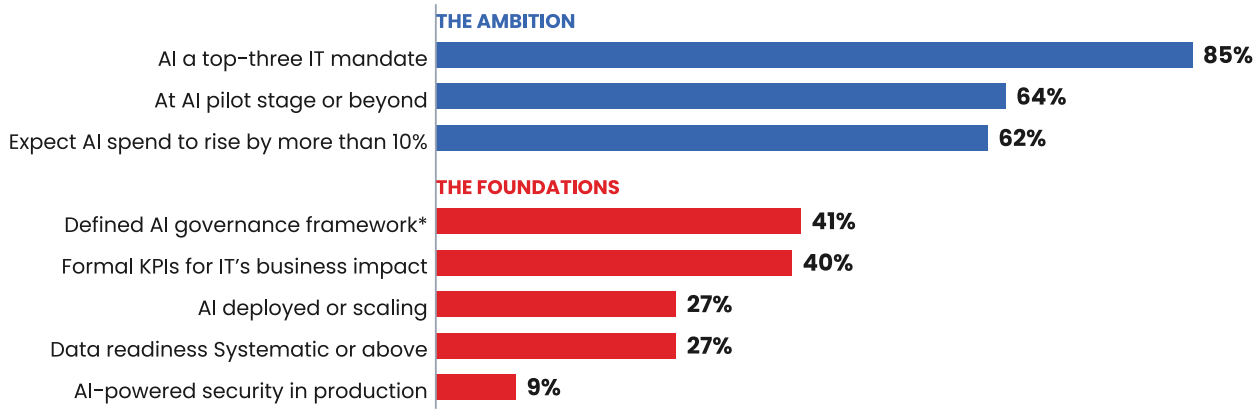
66%
call **data and vendor sovereignty** a primary or growing factor

40%
have **formally defined KPIs** for IT's business impact

58%
rate the **skills shortage** a significant or critical challenge

EXHIBIT 1

Ambition is running ahead of the foundations it depends on



Source: CIO Association IT Priorities Survey 2026. Q2, Q8, Q10, Q13, Q15, Q20, Q25. Base: all respondents. *Base for governance: AI at pilot stage or beyond (n=718).

Read from top to bottom, the picture is of an agenda that has been set faster than it can be delivered. Most CIOs have been given an AI mandate and most have begun, but far fewer have the data, governance, security and measurement in place to carry AI into everyday use. The chapters that follow set out where each of those gaps sits, who is closing them and what the evidence suggests CIOs do next.

ABOUT THIS REPORT

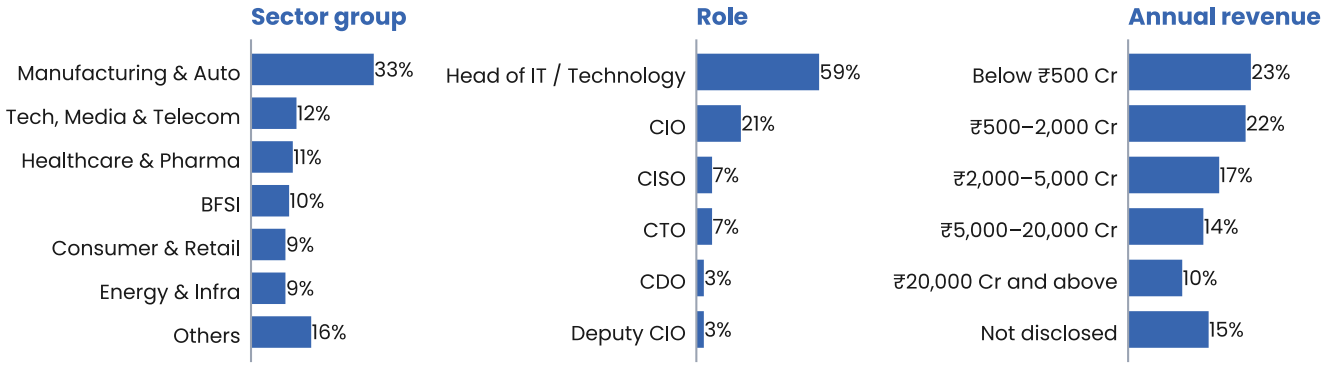
This report rests on the time and candour of the technology leaders who answered a long questionnaire from August 2026 to October 2026, many of them adding thoughtful written comments on the year ahead. We are grateful to each of them, to the chapter leadership of the CIO Association whose networks carried the survey across India, and to **Feedback Insights**, which designed the questionnaire and methodology, programmed the survey and carried out the analysis.

Who took part

About 1,200 senior technology leaders were surveyed. The survey was conducted independently and ran on the CIO Association's own platform and member network from August 2026 to October 2026. Almost all respondents (97 per cent) are based in India, with the remainder in Indonesia, Dubai and other markets. Fifty-nine per cent lead the IT function as Head of IT or Technology, and the other 41 per cent hold C-level roles, among them CIOs (21 per cent), CISOs (7 per cent) and CTOs (7 per cent). Manufacturing, Industrial & Automotive is the largest sector group at 33 per cent, and about four in ten of those based in India run IT teams of fewer than 25 people. Many of the constraints in this report are the constraints of lean teams carrying broad mandates; where larger enterprises behave differently, we say so.

EXHIBIT 2

Respondents by sector group, role and annual revenue



Source: CIO Association IT Priorities Survey 2026. Base: all respondents.

Figures are shown as a percentage of the stated base, and multi-select questions add up to more than 100 per cent. The sector and size differences we call out are those that stand clearly apart from other respondents, and smaller groups such as Energy & Infrastructure (n=97) and Consumer & Retail (n=101) should be read as directional. A fuller note on method appears in the appendix.

CIO Association

01

GROWTH IS THE BRIEF

61%

name revenue growth a top-three business priority for FY 2026–27

IN BRIEF

CIOs carry a dual mandate of growth and efficiency, and expect to answer it with digital products and AI.

AI and cybersecurity dominate the IT agenda, while the skills shortage is the most widely felt constraint.

The way IT's contribution is measured still looks backwards: only 40 per cent have formal KPIs for its business impact.

57%

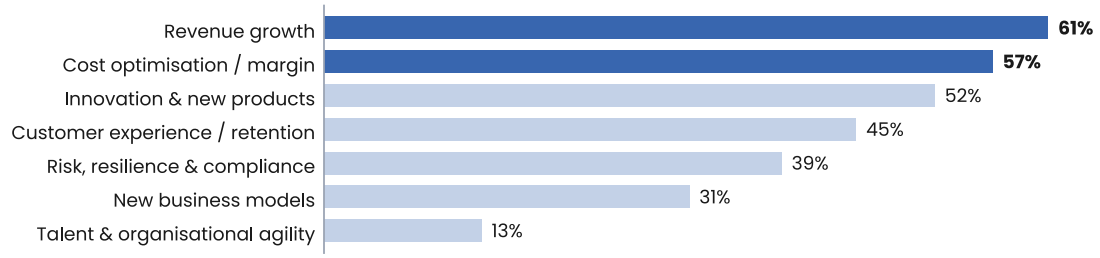
name cost optimisation or margin improvement, rising to 67% in Manufacturing & Auto

Grow revenue and protect the margin

Revenue growth is the most widely named business priority for FY 2026–27 (61 per cent) and a top-three priority for 61 to 67 per cent of firms in every revenue band, with cost and margin improvement close behind. Growth is strongest in Technology, Media & Telecom (73 per cent) and Consumer & Retail (71 per cent). BFSI is the exception: 51 per cent name growth, while 70 per cent name risk, resilience and compliance. Talent is a top priority for only 13 per cent, a figure worth holding against the skills shortage that tops the list of technology challenges.

EXHIBIT 3

Revenue growth and cost optimisation dominate the business agenda



Source: CIO Association IT Priorities Survey 2026. Q1. Top three business priorities for FY 2026–27. Base: all respondents.

20%

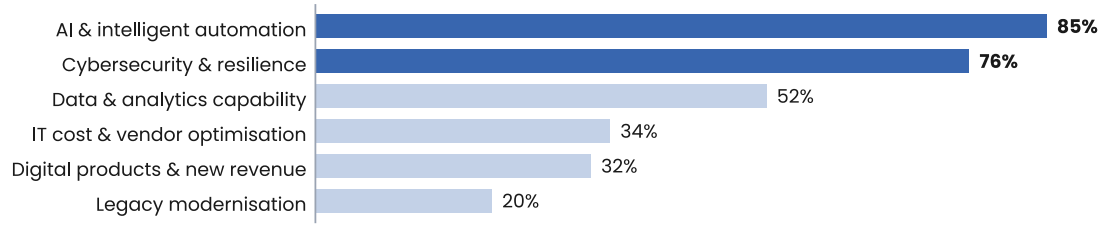
make legacy modernisation a mandate, while 41% call legacy a significant or critical challenge

Technology is expected to carry growth; AI and security lead the IT agenda

CIOs expect technology to drive revenue mainly through new digital products and services (58 per cent), AI-led personalisation and cross-sell (47 per cent) and new channels or platforms (46 per cent); 11 per cent have no concrete plan yet. The IT mandate is more concentrated still. AI and intelligent automation is a top-three mandate for 85 per cent and cybersecurity for 76 per cent, with data and analytics third at 52 per cent and nothing else above 35 per cent. The gap on legacy suggests many organisations are building AI on estates they have not yet chosen to modernise.

EXHIBIT 4

AI and cybersecurity are the top IT mandates by a wide margin



Source: CIO Association IT Priorities Survey 2026. Q2. Top three IT mandate areas for FY 2026–27. Base: all respondents.

58%

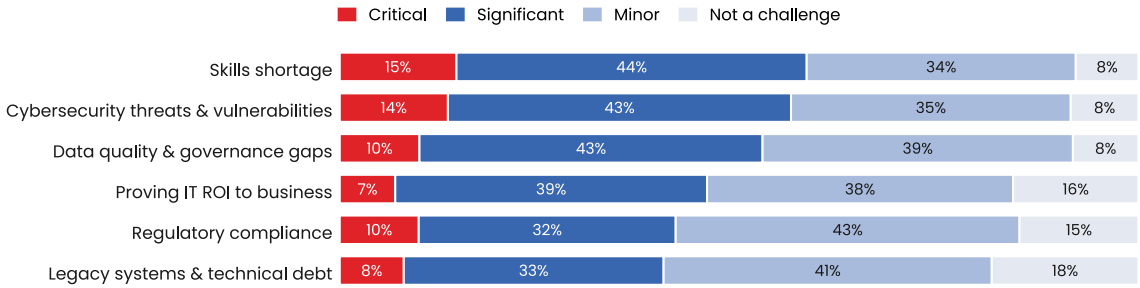
rate the skills shortage significant or critical, and 51 to 65% in every sector

Skills, cyber threats and data quality are the hardest constraints

The skills shortage in AI, data and cyber is a market-wide constraint. Cyber threats (57 per cent) and data quality (53 per cent) follow. Regulatory compliance weighs most on BFSI (65 per cent against 42 per cent overall) and Healthcare & Pharma (50 per cent), and legacy systems on Healthcare & Pharma (51 per cent against 41 per cent).

EXHIBIT 5

The skills shortage is the most widely felt challenge, ahead of cyber threats



Source: CIO Association IT Priorities Survey 2026. Q4. Significance of technology challenges, % of respondents. Base: all respondents.

40%

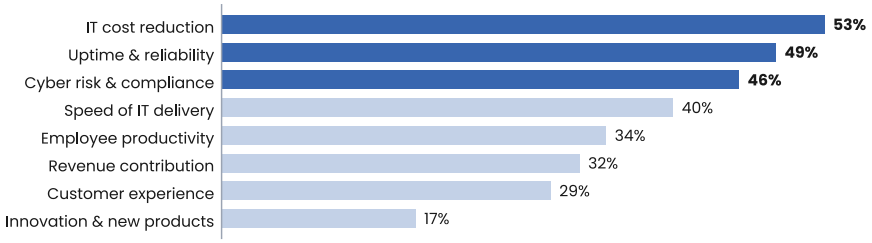
have a formally defined set of KPIs for IT's business impact

The measurement gap

A further 47 per cent have a partial set of KPIs and 11 per cent none. Those that measure track cost reduction (53 per cent), uptime (49 per cent) and cyber risk (46 per cent) far more than revenue contribution (32 per cent) or innovation (17 per cent).

EXHIBIT 6

IT is measured on cost and uptime far more than on revenue or innovation



Source: CIO Association IT Priorities Survey 2026. Q26. Top three KPIs used to measure IT's business impact. Base: respondents with IT KPIs (n=979).

> "Presenting an accurate picture of the RoI on Technology spend, especially IT & Cybersecurity expenses to the management."
>
> CIO, Energy & Infra

WHAT THIS MEANS FOR CIOS

Growth-oriented investment is hard to defend while IT's value is reported mainly as cost avoided and uptime maintained. CIOs who move first to measure revenue contribution, customer outcomes and time to value will find next year's budget conversation considerably easier.

ASK YOUR LEADERSHIP TEAM

Which two or three measures would show the board what technology adds to growth?

Who in the business shares accountability for them?

CIO Association

02

BUDGETS: RISING, LED BY INFRASTRUCTURE AND APPLICATIONS

4.2%

average IT spend as a share of revenue, up from about 3.8% last year

IN BRIEF

BFSI and Technology, Media & Telecom spend about twice as much of revenue on IT as Manufacturing and Consumer & Retail.

Infrastructure and applications take 44 per cent of the average IT budget.

Vendors, AI and data together take about 30 per cent. AI alone takes about a tenth.

25%

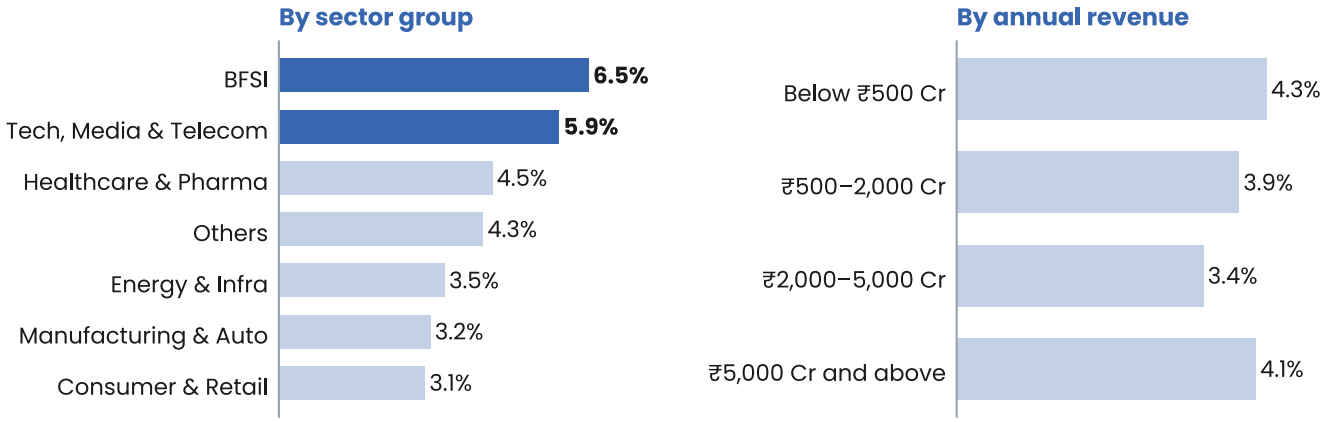
now spend 6% or more of revenue on IT, up from 21% last year

IT spend rises from about 3.8 to 4.2 per cent of revenue

Taking the mid-point of each answer band, average IT spend has risen over the year, and the share spending less than 1 per cent fell from 18 to 14 per cent. BFSI (6.5 per cent) and Technology, Media & Telecom (5.9 per cent) spend about twice as much of revenue as Manufacturing & Auto (3.2 per cent) and Consumer & Retail (3.1 per cent).

EXHIBIT 7

BFSI and Technology, Media & Telecom spend about twice as much of revenue on IT as Manufacturing and Consumer & Retail



Source: CIO Association IT Priorities Survey 2026. Q5. Average IT spend as a % of revenue, current financial year (band mid-points). Base: respondents in each group.

10%

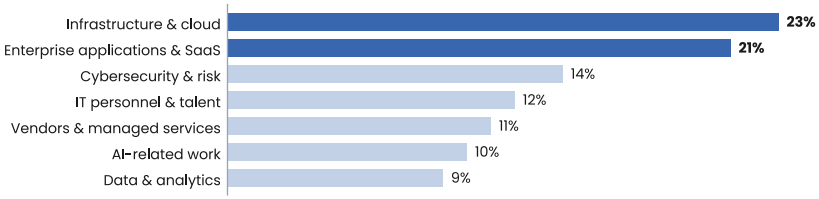
of the average IT budget goes to AI-related work, against a top-mandate rating from 85%

Where the money goes

Infrastructure and cloud (23 per cent) and enterprise applications and SaaS (21 per cent) take the largest shares, followed by cybersecurity (14 per cent), people (12 per cent), vendors and managed services (11 per cent) and data and analytics (9 per cent). The allocation shifts with the business: Technology, Media & Telecom puts the most into AI (13 per cent), Healthcare & Pharma more into cybersecurity (16 per cent), and Consumer & Retail and Energy & Infra more into applications (24 per cent each). By size, applications peak at 24 per cent in firms of ₹2,000–5,000 crore, and infrastructure and cloud is lowest above ₹5,000 crore (22 per cent).

EXHIBIT 8

Infrastructure and applications take the biggest share of IT budgets



Source: CIO Association IT Priorities Survey 2026. Q6. Average allocation of the IT budget, current financial year. Base: all respondents; blank answers counted as 0%. Differences tested at 95% confidence.

WHAT THIS MEANS FOR CIOS

Infrastructure and applications alone take 44 per cent of the budget, so funding AI at the scale of the mandate is as much a question of what to release as of what to add.

CIO Association

03

DATA: THE FOUNDATION AI IS WAITING ON

73%

describe their data readiness for AI as Basic or Foundational

IN BRIEF

Classifying and controlling data for AI is the top governance challenge, named by 72 per cent.

Deciding what AI may use and who owns the data rank low among the fixes.

Two in three now treat data and vendor sovereignty as a primary or growing factor in sourcing.

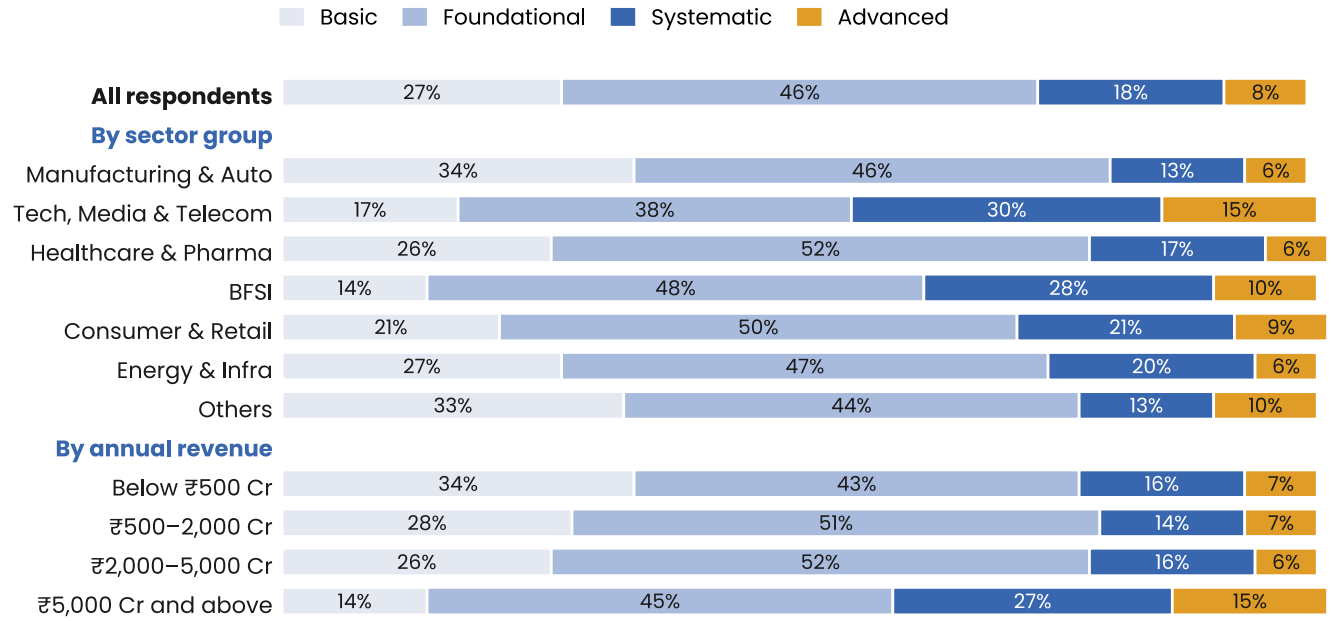
8%

are Differentiating or Transformational on data readiness

Twenty-seven per cent describe their data readiness for AI as Basic and 46 per cent as Foundational. Readiness is weakest in Manufacturing & Auto and firms below ₹500 crore (34 per cent Basic in each), and strongest in Technology, Media & Telecom (45 per cent Systematic or above) and among firms above ₹5,000 crore, where only 14 per cent are at Basic stage.

EXHIBIT 9

Data is not ready for AI: Manufacturing and firms under ₹500 crore lag most



Source: CIO Association IT Priorities Survey 2026. Q15. Data readiness for AI and analytics, % of respondents. Advanced = Differentiating + Transformational. Base: all respondents.

43%

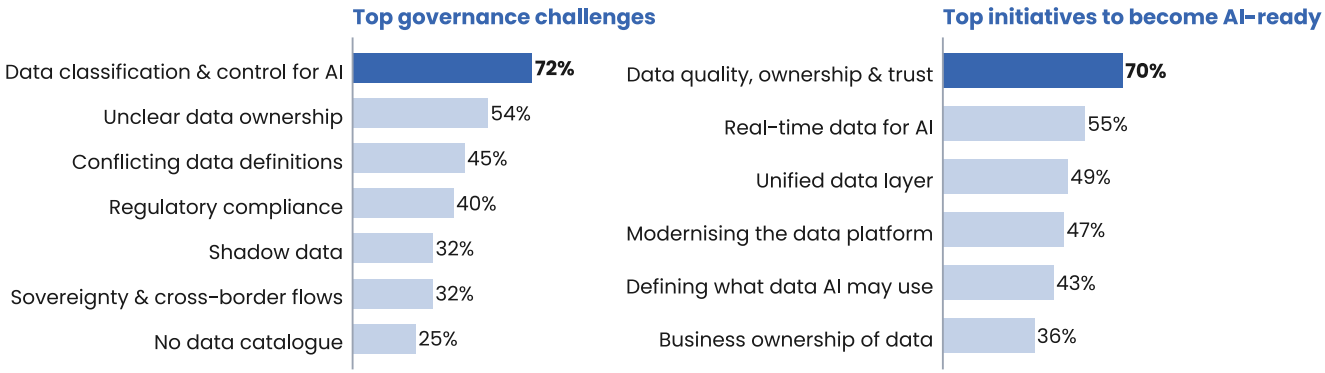
prioritise defining what data AI may use, though classification is the top problem

The gap between problems and priorities

Classifying and controlling data for AI is the top data governance challenge (72 per cent), followed by unclear ownership (54 per cent) and conflicting definitions (45 per cent). The most prioritised initiative is improving data quality, ownership and trust (70 per cent), then real-time data for AI (55 per cent) and a unified data layer (49 per cent). Yet building business ownership of data is the least prioritised initiative (36 per cent) despite ownership being the second problem. Organisations are naming governance problems and reaching first for data quality, real-time access and platforms. BFSI stands out, with 55 per cent prioritising rules on what data AI may use and 59 per cent naming regulatory compliance as a challenge (40 per cent overall).

EXHIBIT 10

Classifying data for AI is the top challenge; better data quality, ownership and trust is the top fix



Source: CIO Association IT Priorities Survey 2026. Q16 and Q17. Top three data governance challenges and top three data initiatives. Base: all respondents.

49%

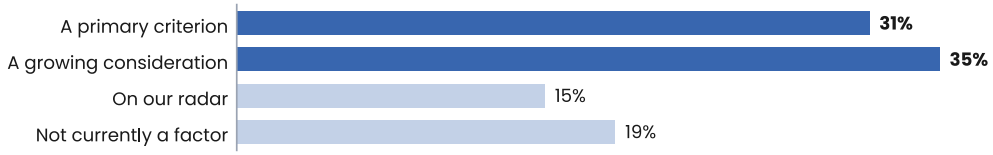
of BFSI respondents name sovereignty a primary criterion, against 31% overall

Sovereignty has entered the sourcing decision

Data and vendor sovereignty is a primary sourcing criterion for 31 per cent and a growing consideration for a further 35 per cent; only 19 per cent say it is not a factor. Healthcare & Pharma (26 per cent) and firms below ₹500 crore (25 per cent) are the most likely to say it does not yet figure. Above ₹5,000 crore, only 8 per cent say so.

EXHIBIT 11

Two in three see data and vendor sovereignty as a primary or growing factor



Source: CIO Association IT Priorities Survey 2026. Q22. Significance of data and vendor sovereignty in technology sourcing decisions, % of respondents. Base: all respondents.

> "Changing global environment is driving countries and industries to look inwards and ring fence its systems and data."
>
> **CIO, Manufacturing & Auto**

WHAT THIS MEANS FOR CIOS

A new platform will not settle who owns customer data or which records an agent may read. Treat classification and ownership as business decisions with named owners, and use platform investment to enforce those decisions rather than stand in for them.

ASK YOUR LEADERSHIP TEAM

Who owns our most important data domains, by name?

What may AI use today, and who decided?

CIO Association

04

CYBERSECURITY: DEFENDING AGAINST MACHINE-SPEED THREATS

57%

rank AI-driven and automated attacks a top cyber challenge

IN BRIEF

CIOs now see AI as the most serious source of cyber risk.

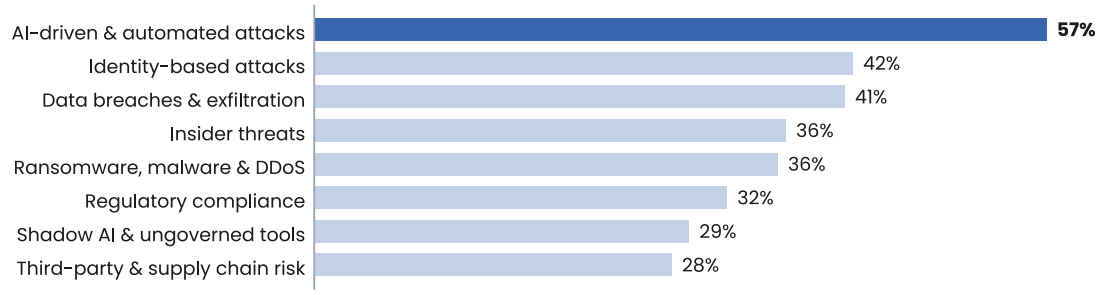
Only 9 per cent run AI-powered security in production, and a quarter are not yet evaluating it.

Posture varies sharply with firm size and sector.

AI-driven and automated attacks are the most cited cyber challenge, well ahead of identity-based attacks such as credential theft and deepfake fraud (42 per cent) and data breaches (41 per cent). Technology, Media & Telecom stands out on AI-driven attacks (65 per cent) and shadow AI (36 per cent against 29 per cent overall), and BFSI is the most concerned about regulation (47 per cent against 32 per cent).

EXHIBIT 12

AI-driven attacks top the list of cyber challenges



Source: CIO Association IT Priorities Survey 2026. Q18. Top three cybersecurity challenges. Base: all respondents.

11%

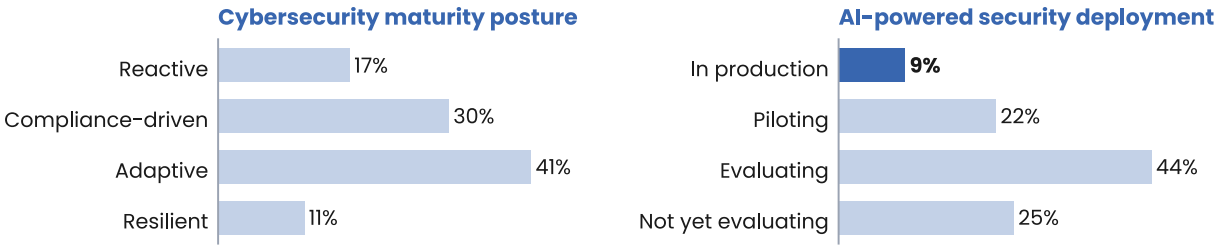
describe their cyber posture as Resilient, against 17% still Reactive

Posture is mostly adaptive or compliance-driven, and few defend with AI

Forty-one per cent describe their posture as Adaptive and 30 per cent as Compliance-driven. Size is decisive: 26 per cent of firms below ₹500 crore are Reactive against 8 per cent above ₹5,000 crore, where 21 per cent are Resilient. BFSI is the sector most likely to be Resilient (20 per cent). Technology, Media & Telecom (21 per cent), firms above ₹5,000 crore (18 per cent) and BFSI (15 per cent) are well ahead on AI-powered security in production, against 5 per cent of firms below ₹500 crore.

EXHIBIT 13

Fewer than one in ten run AI-powered security in production



Source: CIO Association IT Priorities Survey 2026. Q19 and Q20. Cybersecurity maturity posture and stage of AI-powered cybersecurity deployment, % of respondents. Base: all respondents.

WHAT THIS MEANS FOR CIOS

Fifty-seven per cent fear AI-driven attacks while 9 per cent defend with AI in production, an asymmetry that will not last without consequences. Detection and response, and identity, where credential theft and deepfake fraud are already leading concerns, are the practical places to start.

ASK YOUR LEADERSHIP TEAM

Where would AI in detection and response pay back first?

Who is accountable for shadow AI: security, or the business?

CIO Association

05

INFRASTRUCTURE AND CLOUD: COST, CONTROL AND PLACEMENT

30%

are evaluating or actively moving workloads off public cloud

IN BRIEF

Cost is the biggest infrastructure problem, narrowly ahead of security and integration.

The largest firms are the most likely to be evaluating a move, at 40 per cent.

Core business applications are the workloads most likely to move.

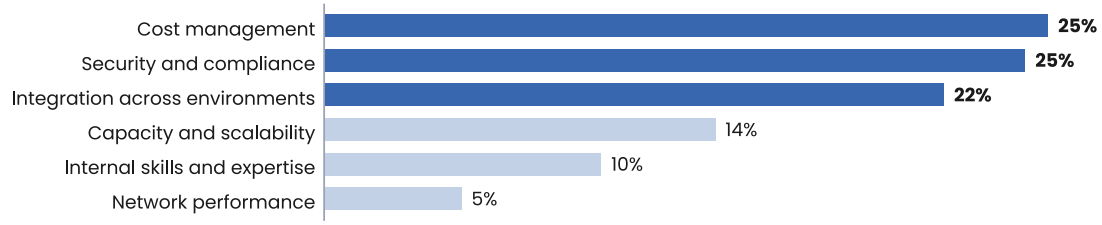
25%

name cost management their biggest infrastructure challenge, and 25% security and compliance

Respondents divide almost evenly when naming their biggest infrastructure challenge, with integration across environments third at 22 per cent. Security leads in BFSI (37 per cent) and Healthcare & Pharma (34 per cent), and cost in Technology, Media & Telecom (32 per cent). Integration weighs most on firms above ₹5,000 crore (28 per cent) and Consumer & Retail (29 per cent), and capacity and scalability on the Others group (20 per cent).

EXHIBIT 14

Cost is the biggest infrastructure problem, narrowly ahead of security and integration



Source: CIO Association IT Priorities Survey 2026. Q7. Biggest IT infrastructure challenge today. Base: all respondents.

40%

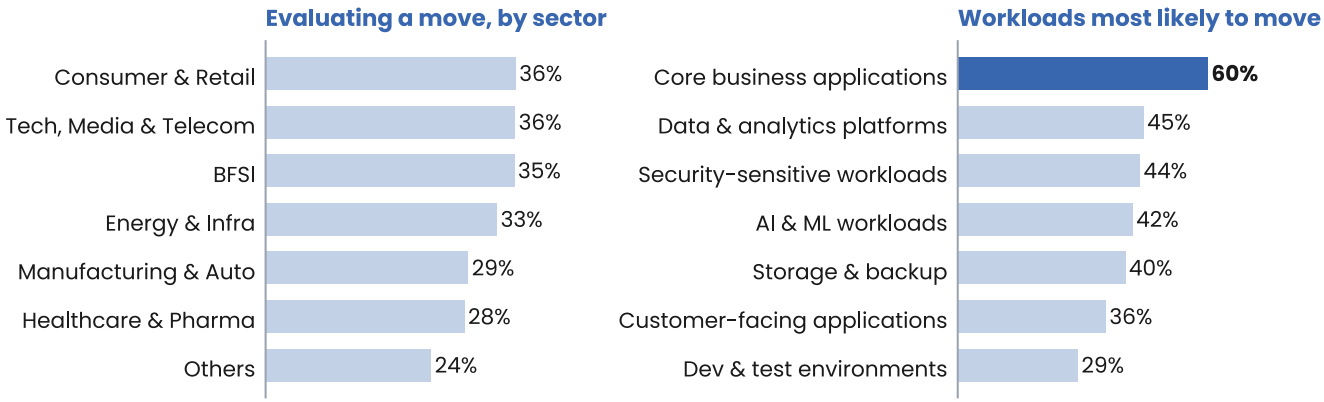
of firms above ₹5,000 crore are evaluating a move, against 23% of firms of ₹500–2,000 crore

Three in ten are evaluating a move off public cloud

Core business applications such as ERP, HRMS and CRM are the workloads most likely to move (60 per cent), followed by data platforms (45 per cent), security-sensitive workloads (44 per cent) and AI (42 per cent). The motive appears to differ with maturity. Leaders and Emerging Leaders on our index are almost twice as likely as Laggards to be evaluating a move (40 against 22 per cent) and more often name AI and analytics workloads, while Laggards name core applications and storage.

EXHIBIT 15

Consumer & Retail, Technology, Media & Telecom and BFSI are the most likely to be evaluating a move; core applications lead the workloads



Source: CIO Association IT Priorities Survey 2026. Q21 and Q23. Share answering yes in each sector group, and workloads being moved or considered (top three). Base: all respondents; workloads, those evaluating or moving workloads off public cloud (n=341).

CIO Association

06

AI: THE TOP MANDATE, RARELY YET AT SCALE

27%

have AI deployed or scaling, though 64% have reached pilot stage or beyond

IN BRIEF

Nearly two in three organisations have taken AI beyond exploration, but only about one in four has it in use.

The further along an organisation is, the more it plans to spend.

Agentic AI is spreading faster than the frameworks meant to govern it.

2%

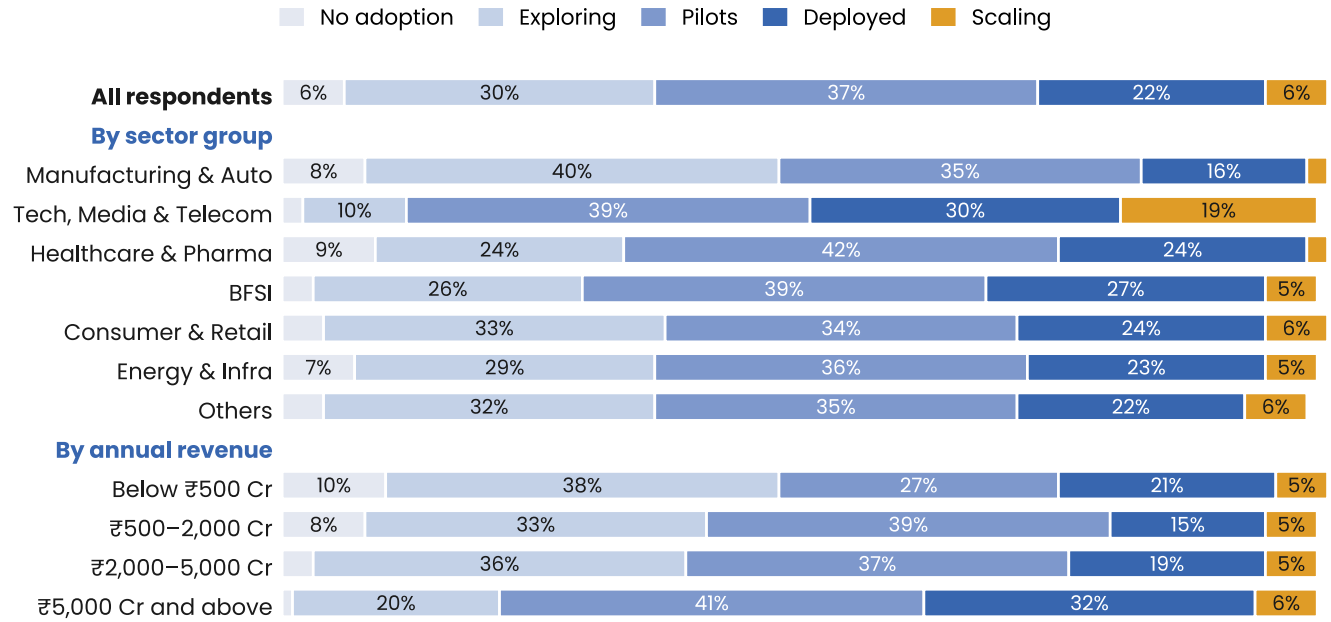
of Manufacturing & Auto are scaling AI across the enterprise, against 19% in Technology, Media & Telecom

Most organisations are still piloting or exploring

The centre of gravity of Indian enterprise AI in 2026 is the pilot, at 37 per cent. Manufacturing & Auto has 40 per cent still exploring. Firms above ₹5,000 crore are further along, with 32 per cent deployed in select areas.

EXHIBIT 16

Technology, Media & Telecom and the largest firms are furthest ahead on AI adoption



Source: CIO Association IT Priorities Survey 2026. Q10. AI adoption stage, % of respondents. Base: all respondents.

19%

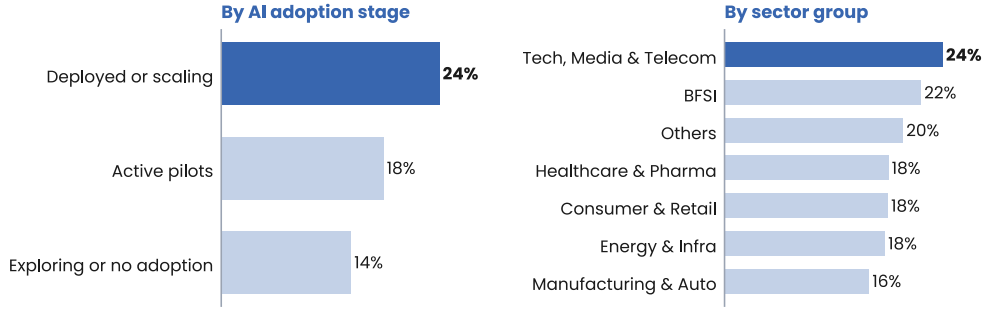
average expected rise in AI spend over two years

AI spend is set to grow

Six in ten expect AI spend to rise by more than 10 per cent over the next two years; the average excludes the 11 per cent who were unsure. Experience increases appetite: organisations with AI deployed or scaling expect a rise of about 24 per cent, against 14 per cent for those exploring or not yet adopting. Company size makes little difference (16 to 20 per cent in every revenue band), but Technology, Media & Telecom (24 per cent) and BFSI (22 per cent) expect the steepest rises and Manufacturing & Auto the smallest (16 per cent).

EXHIBIT 17

The further along an organisation is with AI, the more it plans to spend



Source: CIO Association IT Priorities Survey 2026. Q8. Average expected increase in AI spend over two years (band mid-points; "not sure" excluded, n=993).

70%

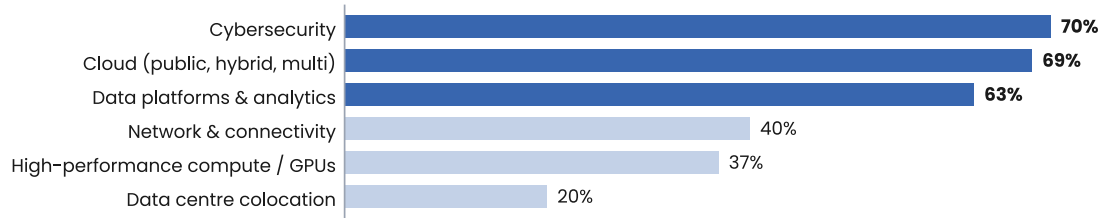
invest in cybersecurity to support AI, ahead of cloud (69%) and data platforms (63%)

Security, cloud and data platforms absorb AI infrastructure investment

Preparing for AI mostly means securing it and putting the right data and cloud estate beneath it, well ahead of GPUs and high-performance compute (37 per cent). Technology, Media & Telecom leads on GPUs (56 per cent), while Consumer & Retail stands out on data platforms (86 per cent), Healthcare & Pharma on network and connectivity (56 per cent) and BFSI on data centre colocation (34 per cent).

EXHIBIT 18

Cybersecurity, cloud and data platforms lead AI infrastructure investment



Source: CIO Association IT Priorities Survey 2026. Q9. Infrastructure domains being invested in to support AI and digital workloads (up to three). Base: all respondents.

68%

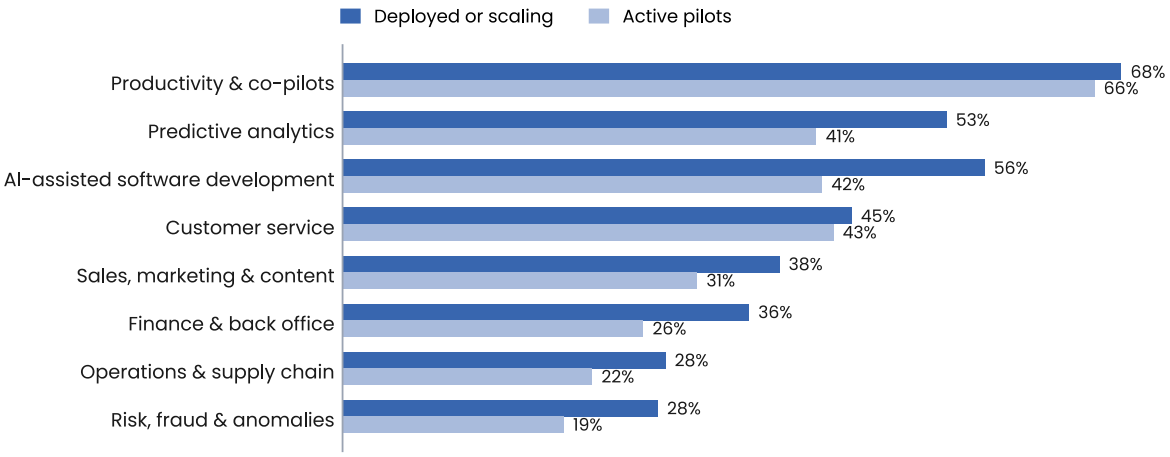
of firms deployed or scaling run co-pilots in production, and 66% of those piloting

Co-pilots lead; mature adopters add analytics, software and finance

Maturity adds breadth, with the largest gaps in AI-assisted software development (56 against 42 per cent), predictive analytics (53 against 41 per cent), finance automation (36 against 26 per cent) and fraud detection (28 against 19 per cent). Use cases follow sector economics: BFSI stands out on fraud detection (52 per cent) and customer service (60 per cent), Technology, Media & Telecom on software development (76 per cent) and Consumer & Retail on sales, marketing and content (48 per cent).

EXHIBIT 19

Mature adopters run a wider portfolio of production use cases



Source: CIO Association IT Priorities Survey 2026. Q11. AI use cases currently in production, by adoption stage. Base: respondents with AI use cases in production (n=705).

59%

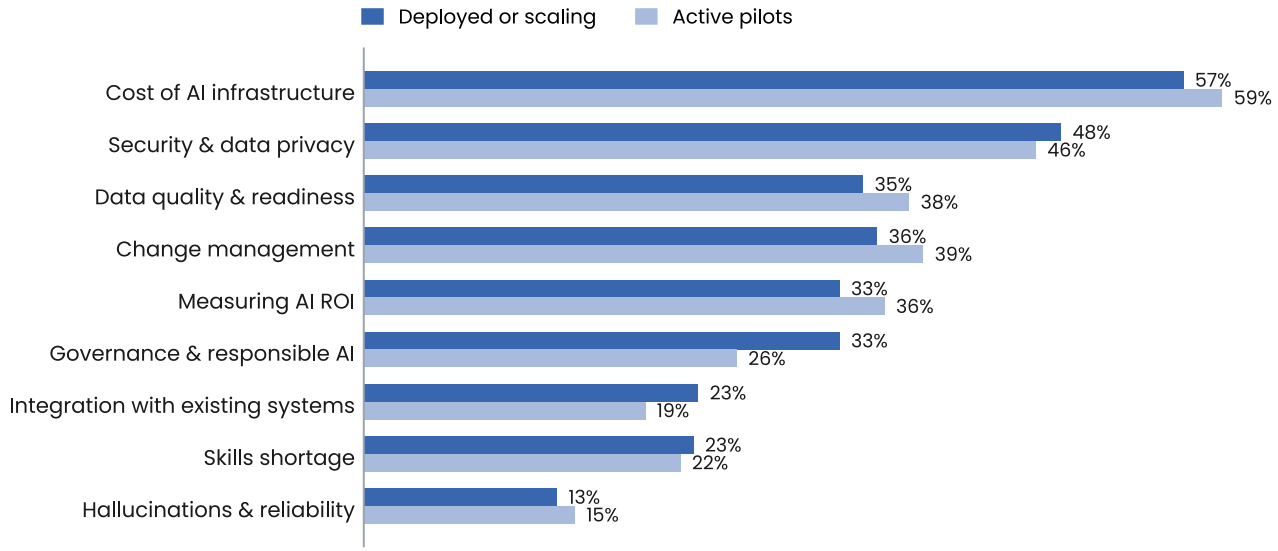
of firms at pilot stage name the cost of AI infrastructure a top barrier, and 57% of those deployed or scaling

Cost and security stand between pilot and production

Security and privacy follows (46 to 48 per cent), with change management, data quality and measuring return forming a second tier. The skills shortage, top of the general challenge list, is cited by only 22 to 23 per cent here. Barriers barely change between pilot and deployment, except governance, which rises from 26 to 33 per cent once AI is live. BFSI stands out on governance (40 per cent against 29 per cent overall), and Healthcare & Pharma on security and privacy (60 per cent against 47 per cent) and change management (47 per cent against 37 per cent).

EXHIBIT 20

Barriers look much the same at pilot and at deployment, except governance



Source: CIO Association IT Priorities Survey 2026. Q12. Top three barriers to scaling AI from pilot to production, by adoption stage. Base: AI at pilot stage or beyond, respondents who answered (n=719).

"Navigating the rapid adoption, integration, and operational scaling of Generative AI, while resolving skills gaps, balancing massive infrastructure costs, and ensuring data reliability"

Other sectors

56%

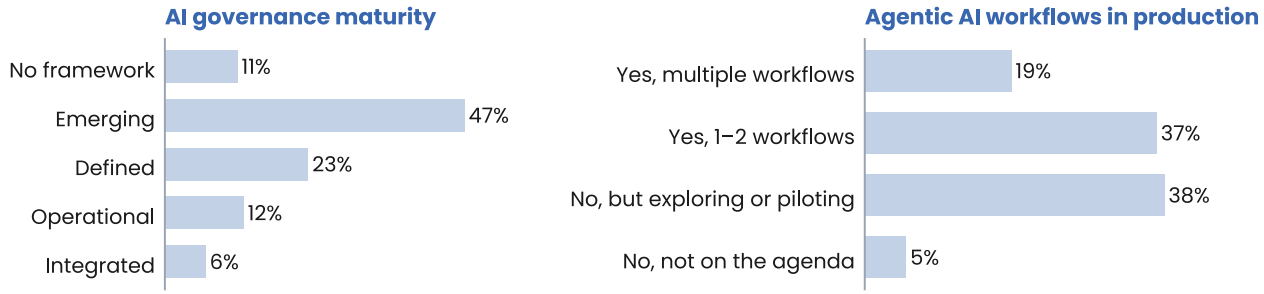
of organisations past exploration run agentic workflows in production; 41% have defined governance

Agentic AI is moving faster than governance

Only 5 per cent say agents are not on the agenda. Governance has not kept pace: 59 per cent have no framework or only an emerging one, and just 41 per cent have one that is defined, operational or integrated.

EXHIBIT 21

More than half of AI adopters run agentic workflows; only 41 per cent have defined governance



Source: CIO Association IT Priorities Survey 2026. Q13 and Q14. AI governance maturity and agentic AI workflows in production. Base: AI at pilot stage or beyond (n=718).

> "Policy and Framework for AI adoption. All want AI adoption but Path not yet clear"
>
> **CIO, Manufacturing & Auto**

> "Speed at which AI implementation and setting policies, security and control of data usage and how to prevent leakage"
>
> **CIO, Consumer & Retail**

WHAT THIS MEANS FOR CIOS

Agents act on data and systems with an autonomy that co-pilots do not. Defining what each may access, who is accountable for its actions and how its outputs are reviewed is far cheaper while the agent count is still small.

ASK YOUR LEADERSHIP TEAM

How many agents are running today, and who owns each?

Which pilots will we stop, so that others can reach production?

CIO Association

07

WHERE CIOS TURN FOR INTELLIGENCE

85%

rank peer networks and CIO communities in their top three sources

IN BRIEF

With AI moving faster than its foundations, CIOs turn first to peers, ahead of analysts and events, to decide what to do next.

Peer networks come first in every sector and revenue band.

Vendor-led content is the least relied upon.

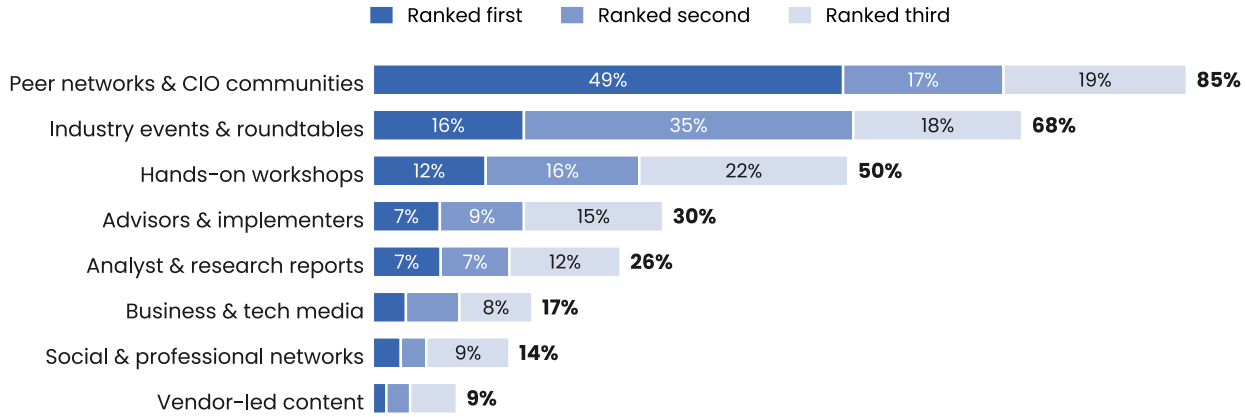
58%

of those who rank peer networks place them first

Peer networks and CIO communities are the most relied-upon source of technology intelligence by a wide margin. Industry events and roundtables follow, ranked by about 68 per cent, usually in second place, and then hands-on workshops at about 50 per cent.

EXHIBIT 22

Peer networks are the most trusted source of technology intelligence



Source: CIO Association IT Priorities Survey 2026. Q24. Sources relied on most, ranked top three. Figures show the share of all respondents ranking each source first, second or third, calculated from the number ranking each source. Base: all respondents.

37%

of firms above ₹5,000 crore who rank analyst reports place them first

The first choice in every sector and size band

Peer networks come first across the sample, from 51 per cent of those who rank them in Energy & Infra and among firms above ₹5,000 crore to 63 per cent among firms below ₹500 crore. Analyst reports are the exception to an otherwise consistent picture, with the largest firms relying on them more.

WHAT THIS MEANS FOR CIOS

The evidence that matters most to a CIO is what a peer has already tried. Time spent in a community that will share its failures as readily as its successes is a practical part of the job, and a useful check on what vendors and analysts report.

CIO Association

08

THE TECHNOLOGY MATURITY INDEX

41.8

average score out of 100 across all respondents

IN BRIEF

A single score built from twelve survey answers shows that one organisation in four is pulling ahead.

Technology, Media & Telecom, the largest firms and the largest IT teams lead the index.

What sets Leaders and Emerging Leaders apart is as much focus as budget.

How the index is built

STEP 1

Twelve survey answers

Five on AI, three on the technology foundation, and one each on IT spend, data readiness, cyber posture and formal KPIs.

STEP 2

One score, 0 to 100

Each answer is scored 0 to 100 and averaged with equal weight. Firms not yet at pilot stage score zero on AI governance and agentic AI.

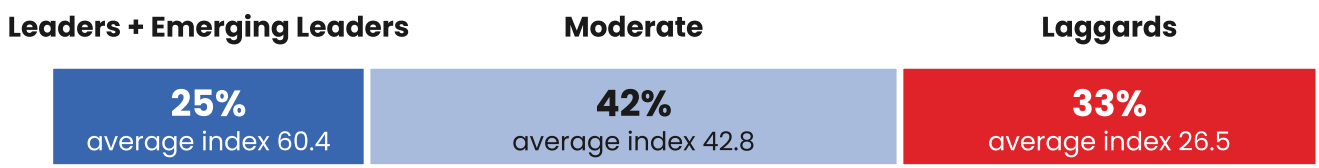
STEP 3

Four tiers

Leaders: top 10% (about 60 and above). Emerging Leaders: next 15% (about 51 to 60). Moderate: 35 to about 51. Laggards: below 35.

EXHIBIT 23

The average firm scores 41.8 out of 100: one in four is a Leader or Emerging Leader, and one in three is a Laggard



Source: CIO Association IT Priorities Survey 2026. Technology Maturity Index tiers, share of respondents and average score. Base: all respondents.

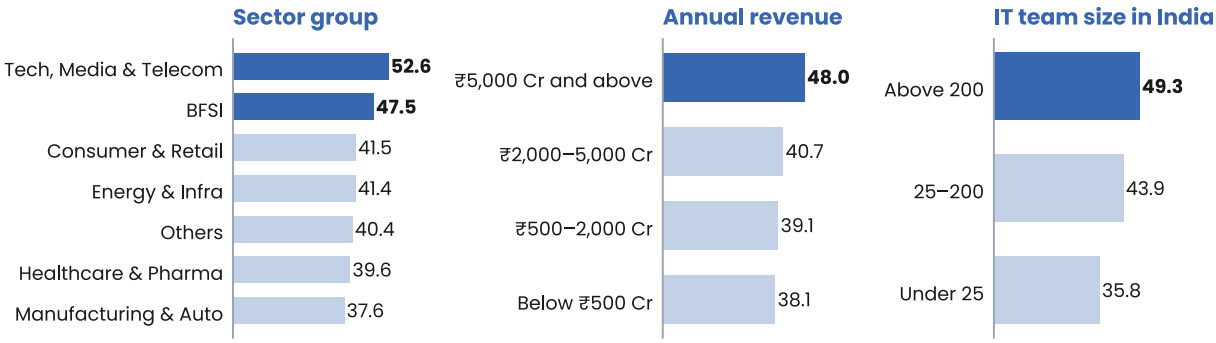
52.6

average for Technology, Media & Telecom, against 37.6 for Manufacturing & Auto

Every organisation is scored the same way, whatever its industry or size, so the index can be compared by industry vertical and company size. Technology, Media & Telecom and BFSI (47.5) are the only verticals above the average. By size, firms above ₹5,000 crore average 48.0, while the three smaller revenue bands sit between 38 and 41. IT team size matters as well, with scores rising from 35.8 for teams under 25 to 49.3 for teams above 200.

EXHIBIT 24

Technology, Media & Telecom, the largest firms and the largest IT teams lead the index



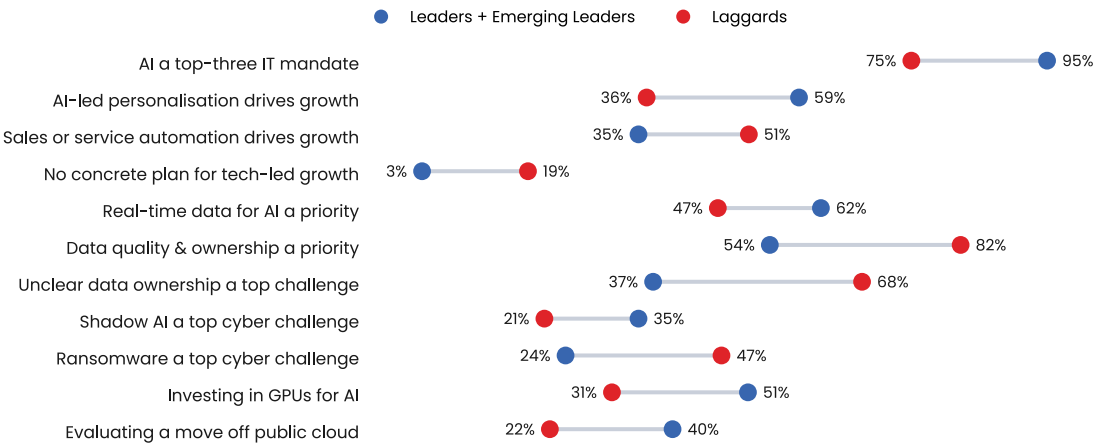
Source: CIO Association IT Priorities Survey 2026. Average Technology Maturity Index score. Base: all respondents; revenue bands, respondents who disclosed revenue (n=954); IT team size, respondents in India (n=1,090).

What separates Leaders and Emerging Leaders from Laggards

Comparing Leaders and Emerging Leaders (n=280) with Laggards (n=373) on questions outside the index reveals four patterns.

EXHIBIT 25

Leaders and Emerging Leaders aim AI at growth and modern data; Laggards are still fixing the basics



Source: CIO Association IT Priorities Survey 2026. Selected measures, Leaders + Emerging Leaders (top 25% of the index) against Laggards (bottom third). Questions that feed the index are excluded.

They point AI at growth

AI is the top mandate for both groups (95 against 75 per cent), but Leaders and Emerging Leaders expect new digital products and AI-led personalisation to drive revenue and put 11.4 per cent of IT budget into AI against 7.3 per cent. Laggards look first to sales and service automation, and 19 per cent have no concrete plan for technology-led growth.

They have moved on to modern data problems

Their top data priority is real-time data for AI, while Laggards' is data quality and ownership (82 per cent), and 68 per cent of Laggards name unclear data ownership as a top challenge.

They worry about the new attack surface

AI-driven attacks top their list, and they are more concerned about shadow AI and third-party risk. Laggards worry most about breaches and AI-driven attacks (49 per cent each), with ransomware close behind (47 per cent).

They invest in compute and control

They show more GPU investment (51 against 31 per cent) and more interest in moving workloads off public cloud (40 against 22 per cent).

WHAT THIS MEANS FOR CIOS

The index suggests a sequence: fix data ownership and quality, build governance and security around AI, then turn AI towards revenue and real-time decisions. Laggards cannot skip the first stage, but they can shorten it by anticipating the governance and shadow AI problems Leaders now face.

ASK YOUR LEADERSHIP TEAM

Which of the three stages are we really in?

What would move us up one tier within a year?

CIO Association

09

SECTOR PERSPECTIVES

52.6

Technology, Media & Telecom has the highest average index score of any sector

IN BRIEF

The national averages hide very different starting points.

BFSI is compliance-led, and Technology, Media & Telecom sets the pace on AI.

Manufacturing, a third of respondents, has the most ground to make up.

The sector scorecard

Measure	BFSI	Tech, Media & Telecom	Healthcare & Pharma	Consumer & Retail	Energy & Infra	Manuf. & Auto	All
IT spend, % of revenue	**6.5**	5.9	4.5	3.1	3.5	3.2	4.2
AI deployed or scaling	32%	**49%**	26%	30%	28%	18%	27%
Data Systematic or above	38%	**45%**	23%	30%	26%	19%	27%
Expected rise in AI spend	22%	**24%**	18%	18%	18%	16%	19%
Evaluating a cloud move	35%	**36%**	28%	**36%**	33%	29%	30%
Security biggest infra issue	**37%**	19%	34%	15%	26%	20%	25%
Peer networks ranked first	59%	59%	**62%**	55%	51%	57%	58%
Maturity Index (average)	47.5	**52.6**	39.6	41.5	41.4	37.6	41.8

Source: CIO Association IT Priorities Survey 2026. Shaded bold cell = highest sector on each measure, with ties after rounding both shaded. Combined stages are the sum of rounded figures and can differ by a point from the combined total shown under All. Peer networks: share ranking them first among those who ranked them.

BFSI: compliance-led

BFSI spends the most on IT as a share of revenue, is the most likely to be cyber-resilient and to screen vendors on sovereignty, and 70 per cent name risk and compliance a top priority. Its AI is pointed at fraud detection and customer service, governance is its most distinctive barrier, and regulation is unusually prominent, both as a technology challenge (65 per cent) and as a cyber concern (47 per cent).

Technology, Media & Telecom: the pace-setter

The sector leads on almost every AI measure: 19 per cent are scaling across the enterprise, 21 per cent run AI-powered security in production and 56 per cent invest in GPUs. It also carries the concerns of being early, with above-average concern about AI-driven attacks (65 per cent) and shadow AI (36 per cent), and cost as its biggest infrastructure challenge (32 per cent).

Healthcare & Pharma: a heavy legacy and regulatory load

Healthcare & Pharma puts more of its budget into cybersecurity (16 per cent against 14 per cent overall), and is weighed down by legacy systems (51 per cent) and regulatory compliance (50 per cent). Security and change management stand out among its AI barriers (60 and 47 per cent), and 26 per cent say sovereignty is not yet a factor in sourcing.

Consumer & Retail: growth-minded and data-focused

Consumer & Retail is among the most growth-oriented sectors (71 per cent) and the most data-focused, with 86 per cent investing in data platforms for AI, though shadow data is a distinctive problem (43 per cent).

Energy & Infrastructure: cost-conscious

Energy & Infrastructure spends 3.5 per cent of revenue on IT and puts 24 per cent of its budget into applications; cost is its biggest infrastructure challenge (30 per cent).

Manufacturing, Industrial & Automotive: the most ground to make up

Manufacturing is a third of the sample, with 34 per cent at Basic data readiness, the lowest AI deployment and the lowest index score (37.6). Cost optimisation weighs more heavily here than on average (67 against 57 per cent), and 40 per cent are still exploring AI. With a third of respondents, it moves the national picture more than any other sector.

CIO Association

10

THE CIO AGENDA FOR 2026–27

7

practical priorities that follow from the evidence, each with a measure of progress

IN BRIEF

Fix the foundations before adding to the AI estate.

Tie technology to the growth brief in terms the board will recognise.

Check next year whether each priority has been acted on.

SEVEN PRIORITIES FOR THE YEAR AHEAD

01 Re-anchor IT's scorecard to the growth brief

Agree with the business two or three measures of revenue, customer outcome or time to value that technology investment will be judged on, and report them alongside cost and uptime.

Measure of progress: Share of the IT budget tied to a growth or customer KPI.

02 Fund AI in proportion to the mandate

AI is a top mandate for 85 per cent but takes about a tenth of the budget. Build a two-year funding path that covers production, not only pilots, with infrastructure cost the first line of every AI business case.

Measure of progress: AI spend as a share of the IT budget, and cost per production use case.

03 Put governance ahead of the agent count

Before adding agents, define what each may access and decide, who owns its outcomes, and how its actions are logged and reviewed.

Measure of progress: Agents in production with a named owner and a documented access policy.

04 Make data ownership a business responsibility

Assign accountable business owners for the data domains AI depends on, and pair the platform programme with a classification policy stating what AI may use.

Measure of progress: Critical data domains with a named business owner and a classification.

05 Answer machine-speed attacks with machine-speed defence

Prioritise AI in detection, response and identity, and treat shadow AI as a security issue as well as a governance one.

Measure of progress: Security operations with AI-assisted detection and response in production.

06 Treat workload placement and sovereignty as one decision

Decide where AI, data and core applications run on a single view of cost, control, latency and regulatory exposure rather than workload by workload.

Measure of progress: Workloads placed against an agreed placement and sovereignty policy.

07 Plan for skills as a structural constraint

With about four in ten IT teams under 25 people, close the gap through partners, managed services and focused reskilling, and make the case that talent is a growth issue.

Measure of progress: Critical AI, data and cyber roles filled or covered by a partner.

APPENDIX: METHODOLOGY AND RESPONDENT DETAIL

Methodology

Design and fieldwork. Feedback Insights designed the questionnaire and methodology, programmed the survey and carried out the analysis. The CIO Association launched and ran the survey through its own platform and member network from August 2026 to October 2026. About 1,200 senior technology leaders were surveyed, and the analysis is based on 1,122 submitted responses from about 1,000 organisations, after repeat responses were removed.

Independence. The survey was conducted independently. No partner or vendor had any influence over the research, the findings or the conclusions, which are an unbiased account of what respondents told us.

Bases. Unless stated, percentages are of all respondents. Questions on AI barriers were analysed for organisations at pilot stage or beyond that answered (n=719), and governance and agentic AI for those at pilot stage or beyond (n=718); use cases for those with AI in production (n=705); workloads for those evaluating a move off public cloud (n=341); and KPI types for those with IT KPIs (n=979). Revenue-band analysis uses the 954 respondents who disclosed revenue, and IT team size the 1,090 based in India.

Derived measures. Average IT spend as a share of revenue counts each answer band at its mid-point (below 1% = 0.5%, 1–2% = 1.5%, 2–4% = 3%, 4–6% = 5%, 6–10% = 8%, 10% or more = 11%). The expected increase in AI spend is the weighted average of band mid-points (for example, 11–20% = 15.5%), excluding the 11 per cent who were unsure (n=993). The Technology Maturity Index is described in Chapter 08.

Comparisons. Budget allocation differences were tested at 95 per cent confidence. Figures are rounded, so totals may differ from 100 by one point. Others (n=178) covers education and research, consulting and professional services, agriculture, government and public sector, non-profit and sectors written in by respondents.

Respondent profile

Functions covered	%	IT team size in India	%
IT (Head of IT, CIO)	80	Under 25	41
Security (CISO)	8	25 to 200	39
Technology (CTO)	7	Above 200	20
Digital (CDO)	6		

Base: all respondents; IT team size, respondents in India (n=1,090). Geography: India 97%; Indonesia, Dubai / UAE and others 3%.

ABOUT, ACKNOWLEDGEMENTS AND DISCLAIMER

About the CIO Association

For India's senior technology leaders who refuse to lead in isolation, the CIO Association is the trusted national community where CIOs exchange real-world knowledge, advance peer-to-peer leadership, and shape the future of enterprise technology. Built by CIOs themselves, it is the place where the agenda, the voice and the value belong to the practitioner.

Our report partners

We thank our report partners, **Zoho** and **Sify Technologies**.

Zoho. With over 60 applications across nearly every major business category, Zoho is one of the world's most prolific technology companies serving businesses of all sizes. Headquartered in Chennai, India, Zoho is privately held and profitable, employing more than 19,000 people worldwide. More than 150 million users globally trust Zoho. Organisations that run on Zoho include Union Bank of India, Eveready, Bridgestone, Mercedes-Benz India, Airbus, Motilal Oswal, Saint-Gobain, Joyalukkas, and Blue Star. Zoho owns and operates its own data centres, ensuring complete oversight of customer data privacy and security. For more information, visit zoho.com/enterprise.

Sify Technologies. Sify is a leading partner for enterprises, providing a Sovereign AI and digital foundation to build, run and govern AI at scale. Its integrated portfolio spans AI-ready data centres, intelligent networks, GPU-powered AI cloud, Agentic AI solutions, cybersecurity, cloud and IT managed services, and digital applications.

With over two decades of experience powering India's digital growth and the trust of over 10,000 enterprises, Sify delivers the resilient, secure and scalable foundations for the next phase of enterprise transformation. As an empanelled partner for the IndiaAI Mission, Sify is committed to advancing India's AI ambitions and enabling organisations to leverage AI with choice, control and confidence.

Our research partner

Feedback Insights is a leading B2B research and consulting firm with four decades of research heritage, serving 750+ clients across 22 industries. With deep expertise in Technology Services, the firm partners with 100+ technology services companies globally, engaging 50,000+ enterprise technology buyers and users and conducting 2,500+ CXO conversations annually. Its established stakeholder engagement practice combines research, benchmarking and structured improvement programmes to strengthen customer relationships, enhance stakeholder experience and drive measurable business outcomes.

Disclaimer. Zoho and Sify Technologies supported this survey but had no influence over the research, its findings or its conclusions. This report is based on self-reported survey data and is intended to inform discussion among technology leaders. It does not constitute investment, legal or professional advice.

© 2026 CIO Association. All rights reserved.