IT Services and BPO M&A Pulse: India
February 2026

TH Global Capital Market Wrap-Up: India

- AI-first startups like Emergent are automating legacy development, challenging India's US $283 Bn IT services model
- Budget 2026's 20-year tax holiday could attract US $200 Bn and make India a global data-centre hub
- Deep-tech definition and extended 20-year startup status signal patient policy support for R&D-heavy software ventures
- Fractal Analytics' US $1.6 Bn IPO and PhonePe's planned US $15 Bn listing anchor an AI and fintech-led tech pipeline
- GCCs in India are shifting from back office to AI-driven product, R&D and decision-making hubs for multinationals
- Enterprises are moving from AI experiments to strategic SaaS deployment, prioritising measurable productivity and margin gains

TH Global Capital India Deal Tracker: IT Services & BPO M&A Highlights – Jan'26

January's India tech services deals clustered around AI platforms, cloud infrastructure, GCC services and CX-led digital transformation plays

Select IT & BPO Services M&A Activity in India: January 2026

Date	Companies	Investors	Deal Rationale	Deal Type	Employee #	Country
19-Jan-26	NIHON TECHNOLOGY	kaizen	Modernising global ERP and cloud estates with embedded analytics and A	Corporate	150	
19-Jan-26	tailwind	USTGlobal	Strengthens UST's digital banking platforms and fintech application engineering	Corporate	220	
17-Jan-26	QTrino	SATIN	Adds quantum safe cybersecurity capabilities for financial and government clients.	Corporate	–	
13-Jan-26	applexus lavendel	applexus	Bolsters pricing and strategy consulting for intelligent enterprise programs	Corporate	170	
05-Jan-26	Panacea INFOSEC	SGS	Expands SGS into payment security and managed cybersecurity assurance	Corporate	90	
01-Jan-26	INDUS NET TECHNOLOGIES	Coantum Leap	Growth capital to scale digital engineering for global insurers and banks	Private Equity	1,100	

TH Global Capital Director’s Column: Abhishek Vaish

India’s Next IT S-Curve: AI Platforms, Data Centres and the GCC Renaissance

India’s technology story is entering a new S curve where AI native platforms, hyperscale data centres and upgraded global capability centres matter as much as traditional labour arbitrage. For investors and operators in IT services and BPM, the opportunity is shifting from volume to owning infrastructure, intellectual property and exportable operating models

On the venture edge, AI first startups such as Emergent show how quickly this model can scale. Emergent’s no code platform has reached about US$50 million in annual recurring revenue and five million users within seven months, allowing non technical users to build production applications and compressing development cycles that once fueled large services contracts. This is the type of margin accretive automation investors increasingly want inside India’s US $283 Bn IT industry

Policy is pulling in the same direction. Union Budget 2026 offers foreign cloud providers a zero-tax holiday on AI workloads run from Indian data centres through 2047, with the government targeting up to US $200 Bn of investment and positioning the country as a global data centre hub. NVIDIA’s endorsement and large commitments from Google, Microsoft and Amazon reinforce the case for India centric cloud, observability, security and managed services platforms on top of this infrastructure

Capital markets are starting to price in the shift. Fractal Analytics has completed its IPO at a valuation of around US $1.6 Bn, becoming India’s first pure play AI company, while PhonePe has approval for a planned US $15 Bn fintech IPO off a dominant UPI franchise processing nearly ten billion transactions a month. At the same time, lower minimum free float requirements clear the path for mega cap listings such as Jio Platforms and the National Stock Exchange.

India’s IT S-Curve

Explore India’s next IT growth phase, marked by innovation and digital transformation

Emerging Tech Focus

India’s IT sector is increasingly investing in AI/ML and blockchain technologies.

Digital Transformation Drive

Businesses are accelerating digital adoption, creating new opportunities for IT services.

Global Partnerships Growth

Collaborations with international firms are fostering innovation and market expansion.

Skilled Workforce Expansion

Investment in upskilling and reskilling is vital for the evolving IT landscape

IT Sector Evolution

India’s IT sector is poised for significant growth, driven by emerging technologies and digital transformation

GCCs tie these threads together. Centres in India are evolving from transactional back offices to strategic hubs for product engineering, AI model development and global decision support, with firms like ServiceNow already doing about 45% of product engineering from India. For private equity and strategics, the most compelling plays now sit at the intersection of AI platforms, data centre led cloud economics and GCC driven

TH Global Capital Transactions
Track Record: Recent IT Services Transactions

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Date	Company	Transaction	Counterparty	Sector
DEC 2025	The Cloud People (Longship Portfolio Company)	Has been acquired by	NTT Data	ServiceNow Consulting
NOV 2025	Social Element	Has been acquired by	Marketfully (Lightview Capital Portfolio Company)	Social Media & Digital Marketing Agency
NOV 2025	ignitarium	Has been acquired by	neurealm (Kedaara Portfolio Company)	Semiconductor Engineering Services & Embedded Systems
NOV 2025	TestDevLab	Has been acquired by	xoriant (ChrysCapital Portfolio Company)	AI led Software Testing & Test Automation IP
OCT 2025	aQurance	Has been acquired by	EY	Strategic Veeva Services Partner
SEP 2025	FORTEZZA	Has been acquired by	Capital-A Investment Partners	MSP, Data & Microsoft Consulting
AUG 2025	INDEAVR	Has been acquired by	marlabs	Digital, Data & Cloud Engineering
JUL 2025	Adsmurai	Minority Investment by	Seaya Andromeda	AI Marketing Technology
JUL 2025	Spectrum Groupe	Has been acquired by	parquest	Cloud & DevOps, Atlassian Consulting
APR 2025	themissinglink	Has been acquired by	Infosys	Cybersecurity
APR 2025	TMLABS	Has been acquired by	Coforge	ServiceNow Consulting
FEB 2025	Skie	Has been acquired by	Bluprintx (palatine Portfolio Company)	Salesforce Consulting

UK AND EU


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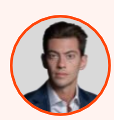
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