MOORE Singhi

India's Outsourcing Revolution: The Decade of Transformation

From cost arbitrage to cognitive excellence — how India is redefining the global outsourcing and shared services landscape, and what the next five years hold.

India: The World's Back Office — Now Its Brain

India's outsourcing story is no longer a cost-arbitrage tale. Over the past decade, the country has evolved from being a destination for transactional and repetitive processes to becoming a hub of high-value, knowledge-intensive services. Finance & Accounting, Legal Process Outsourcing, Compliance, IT Services, and Analytics now sit at the heart of India's global delivery model.

As head of the Outsourcing & Shared Services vertical at one of India's prominent Business Consulting firm, I have observed this transformation up close. The shift is structural, and the opportunity in the coming five years is nothing short of historic.

Key Insight:

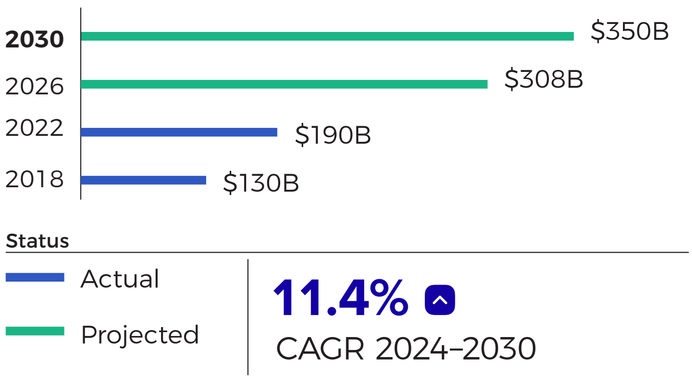
India currently accounts for over 55% of global outsourcing revenue and is on track to reach a $350 billion market by 2030. The country's outsourcing sector contributes approximately 7.5% to India's GDP — making it not just a business vertical but a national economic pillar.

Charting the Growth Trajectory

The data paints an emphatic picture. India's outsourcing and shared services market has nearly tripled in size over the last decade and is set to accelerate further as AI augmentation, regulatory complexity, and global talent shortages drive demand.

India Outsourcing Market Size

Actual & Projected (USD Billion)



Source: NASSCOM, Deloitte, EY Research

Segment-wise CAGR Analysis (2024–2030)

Analytics & AI Services

19%

CAGR 2024–2030

Key Drivers
GenAI adoption, data proliferation

Legal Process Outsourcing

16%

CAGR 2024–2030

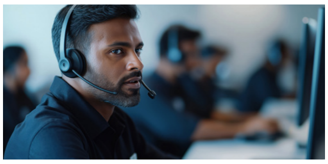
Key Drivers
Regulatory complexity, compliance demand

Finance & Accounting (FAO)

13%

CAGR 2024–2030

Key Drivers
GCC growth, IFRS changes, ESG reporting



IT Services & BPO

10%

CAGR 2024–2030

Key Drivers
Digital transformation, automation

HR & Admin Services

08%

CAGR 2024–2030

Key Drivers
Stable demand, moderate automation impact

Finance, Accounting & Compliance:

The High-Growth Frontier

For the consulting firm, the transformation of Finance & Accounting Outsourcing (FAO) is of particular relevance. Global companies are increasingly moving not just bookkeeping but the entire Finance Shared Service Centre (FSSC) construct to India — covering statutory reporting, transfer pricing, tax compliance, internal audit, and treasury operations.

The rise of AI-augmented audit, real-time tax analytics, and integrated ESG reporting is creating an entire new class of high-value work that India's consulting talent ecosystem is uniquely positioned to serve. This is not just an IT story anymore — it is a finance and governance story.

FINANCE & ACCOUNTING OUTSOURCING

— KEY DATA POINTS

$48B FAO Market Size by 2028	**$9B+** LPO Market in India by 2027	**13.2%** FAO CAGR 2024-2028
3.2x Fortune 500 with India FAO Centres	**68%** Rise in GCC Headcount for F&A (5 yrs)	**82%** CFOs Planning to Expand India Delivery

Five Forces Powering the Next Wave

The next five years will be shaped by five powerful structural forces, each reinforcing India's position as the world's preferred outsourcing destination.

Growth Driver	Impact	Key Detail
AI & Automation Integration	**Very High**	GenAI is augmenting, not replacing, skilled professionals. India's tech-savvy workforce is adopting AI tooling faster than any other outsourcing destination, driving 30-40% productivity improvements in F&A and compliance workflows.
Global Talent Shortage in Mature Markets	**High**	The US, UK, Germany, and Australia face acute shortages of qualified accountants, compliance officers, and tax professionals. India's pipeline of 900,000+ CA and finance graduates annually fills this gap directly.
Regulatory Complexity & ESG Mandates	**High**	Global regulatory burden - CSRD, BEPS Pillar Two, new IFRS standards - is creating sustained demand for specialised compliance outsourcing. India's regulatory knowledge base is a strategic differentiator.
GCC Proliferation & Maturing	**High**	India now hosts 1,700+ Global Capability Centres. Projections indicate 4,500+ GCCs by 2030, employing over 2.5 million professionals. CA firms play a pivotal advisory and delivery role in GCC setup, transition, and operations.
Tier 2 City Emergence	**Medium-High**	Ahmedabad, Coimbatore, Nagpur, Jaipur, Bhubaneswar - a new geography of delivery is emerging. Tier 2 cities offer 35-45% lower cost structures with rapidly improving talent depth, making India's outsourcing story more scalable than ever.

India 2030:
What the Numbers Say

By 2030, India's outsourcing workforce will more than double to over 7 million professionals. The composition, however, will shift dramatically — with GCC and captive centre employees outnumbering traditional third-party BPO staff for the first time. This signals a fundamental change: global companies are not just outsourcing to India, they are building India into their core organisational structure.

Outsourcing Workforce Growth Projection (2020–2030)

Year	BPO & Third-party (M)	GCC & Captive (M)	Total Workforce (M)
2020	1.90	0.90	2.80
2022	2.10	1.40	3.50
2024	2.50	2.00	4.50
2027 (P)	3.00	3.20	6.20
2030 (P)	3.20	4.00	7.20

BPO & Third-party + GCC & Captive combined | (P) = Projected

The Consulting Firm Opportunity:

As global organisations establish and scale their India delivery footprints, the need for trusted advisors with deep domain expertise in tax, audit, regulatory compliance, and financial reporting will only intensify. Business Consulting firms that invest in outsourcing delivery capabilities today will be indispensable partners in the BCC economy of tomorrow.

Leading from the Front

The conversation about India's outsourcing future should no longer be framed around cost savings alone. India is a destination of choice for quality, expertise, and scale — three attributes that define the next generation of outsourcing relationships.

As practitioners, we must rise to this moment. We must invest in talent, technology, and trust. We must demonstrate to the world that India is not just where work is sent — it is where work is transformed.

The decade ahead belongs to those who are bold enough to lead this transformation from the front. The data is clear. The direction is set. The question is simply: are we ready?

Rohit Mehra,
Director- Outsourcing & Shared Services
rohitmehra@singhico.com

Contact us

KOLKATA
161, Sarat Bose Road
Kolkata-700026
T: +91 033 24196000

BENGALURU
28, V.S Raju Road, R.V Layout,
Bengaluru-560020
T: +91 080 23463462

RAIPUR
JDS Chambers 1st Floor,
6 Central Avenue
Choubey Colony
Raipur-492001
T: +91 0771 3501580

MUMBAI
B2 402B, Marathon Innova
Lower Parel, Mumbai-400013T:
+91 022 2495 2881

PUNE
F-10, F Plaza, Near Suncity,
Wadgaonsheri, Pune 411014

CHENNAI
11D, 11th Floor, Ega
Trade Centre
809, Poonamallee High Road
Chennai- 600010
T: +91 044 42918459

DELHI/NCR
1704, 17th Floor, Tower B, WTT
Sectore-16, Noida-201301
T: +91 0120 29700051119,

11th Floor, Park Centra
Sector-30, Gurugram
T: +91 0124 4213666