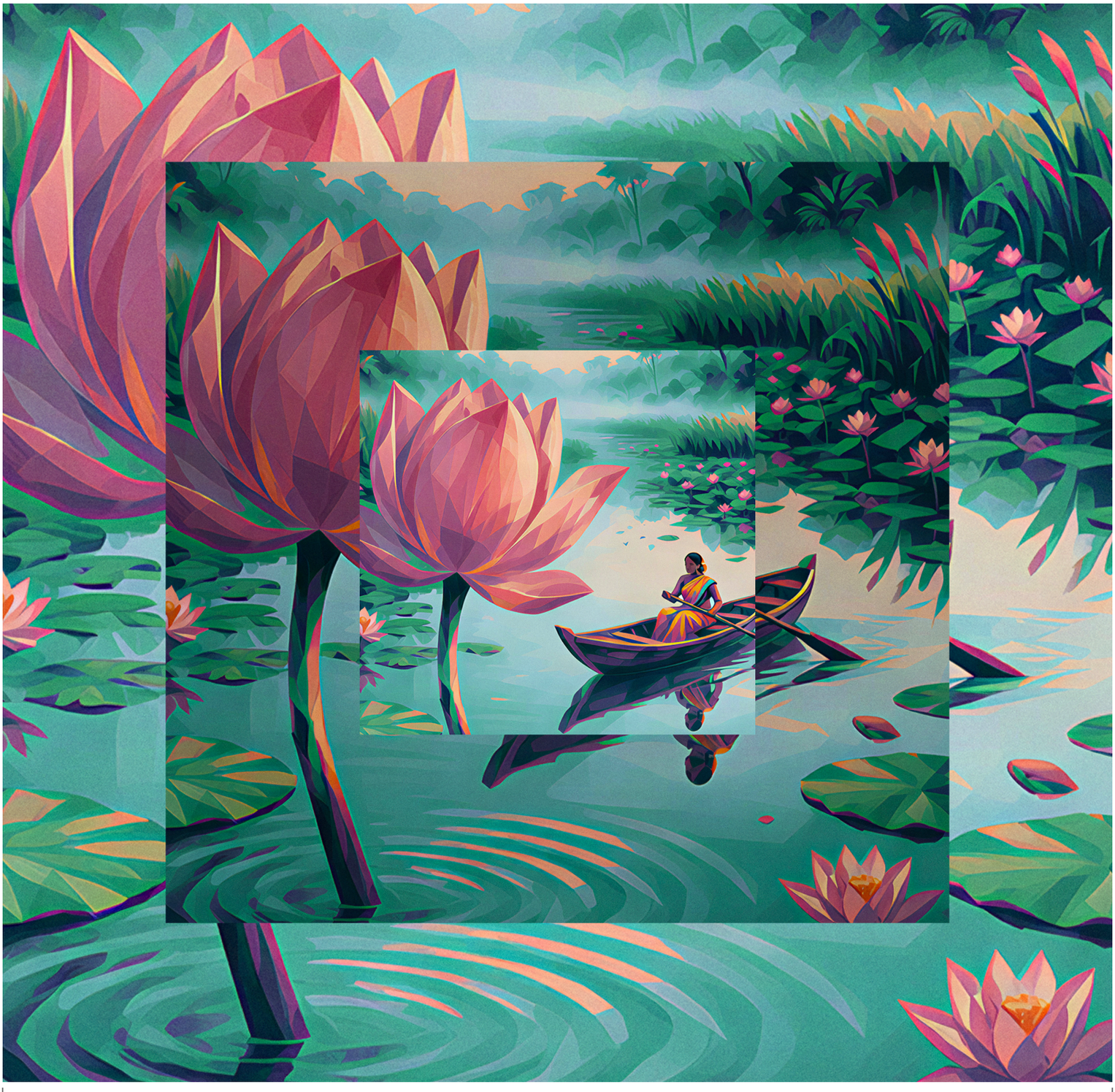
new relic

2026 REPORT INDIA

OBSERVABILITY FORECAST



For the second year running, AI is the top force pulling organisations worldwide towards observability.

It helps engineering teams ship more code and resolve incidents faster, and at the same time puts autonomous AI agents into production and adds layers to the software stack that are harder to see into. That tension, as well as more speed at the cost of less visibility, is the focus of this year's survey of 2,575 IT and engineering leaders and practitioners worldwide. Nowhere does that tension run with more force than in India.

This edition isolates the 500 Indian respondents in that global survey, 20% of the total sample and the single largest country anywhere in the study. India is the global pattern amplified in both directions. It is the most AI-forward, most standardised on OTel, most CI/CD-mature market, and it also reports the most strained operational picture of any market covered in this survey. For nearly every AI observability capability this survey tracks, India adopts it faster than the rest of the world. And nearly every measure of operational strain this survey tracks, India experiences more of.

India's market is split in two. A growing share of Indian organisations have turned observability into a genuine strategic asset, tied directly to revenue, product decisions, and AI readiness. And a much larger share are running a stack that is scaling faster than the operational discipline needed to keep pace with it. Both stories are true at once, and this report tries to hold on to both rather than resolve them into a single, tidier narrative.

METHODOLOGY

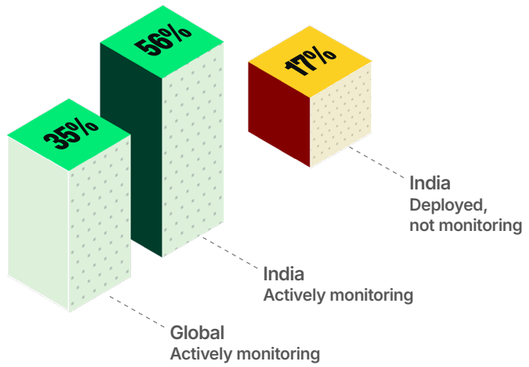
New Relic partnered with Enterprise Technology Research (ETR) to survey 2,575 IT and engineering leaders and practitioners worldwide. 500 of these are based in India, 20% of the global sample and the second largest single-country cut in the study. All figures reflect Indian respondents unless the global figure is named for comparison. Where a year-over-year comparison is shown, it draws on India-specific results from New Relic's 2025 Observability Forecast.



KEY FINDINGS

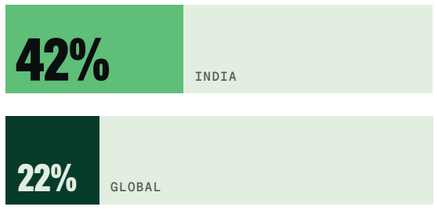
India has closed the agentic AI monitoring gap

56% of Indian organisations actively monitor AI agents in production, against 35% globally, while just 17% have deployed agents without monitoring them.



India leads the world on OTel

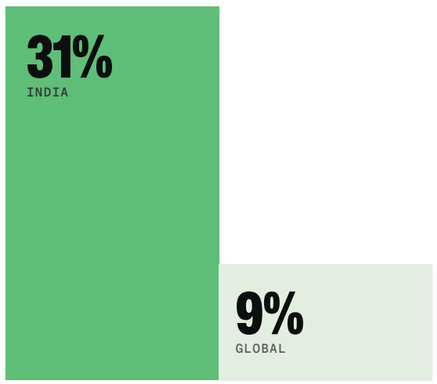
42% of Indian organisations have made OTel their primary telemetry standard, nearly double the global rate of 22%, and the highest full-standardisation rate recorded anywhere this year.



India reports the most extreme outage distribution

31% of Indian organisations experience a high-business-impact outage multiple times a day, against 9% globally.

HIGH-BUSINESS-IMPACT OUTAGE



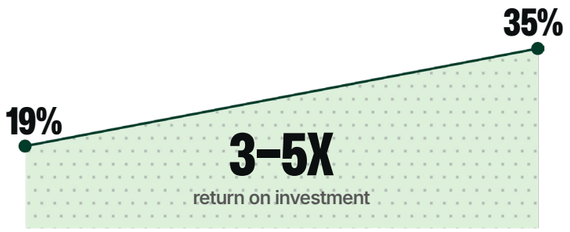
Observability achieves business goals

The share of Indian leaders who say observability helps to achieve core business goals rose from 16% in 2025 to 35%—the largest shift in the data.



Returns are becoming stronger

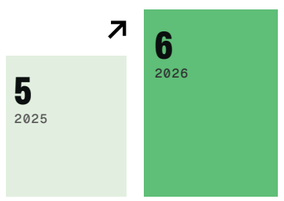
The share of Indian organisations reporting a 3–5x return on observability spend rose from 19% to 35% year over year, while 1–2x and 2–3x bands both contracted.

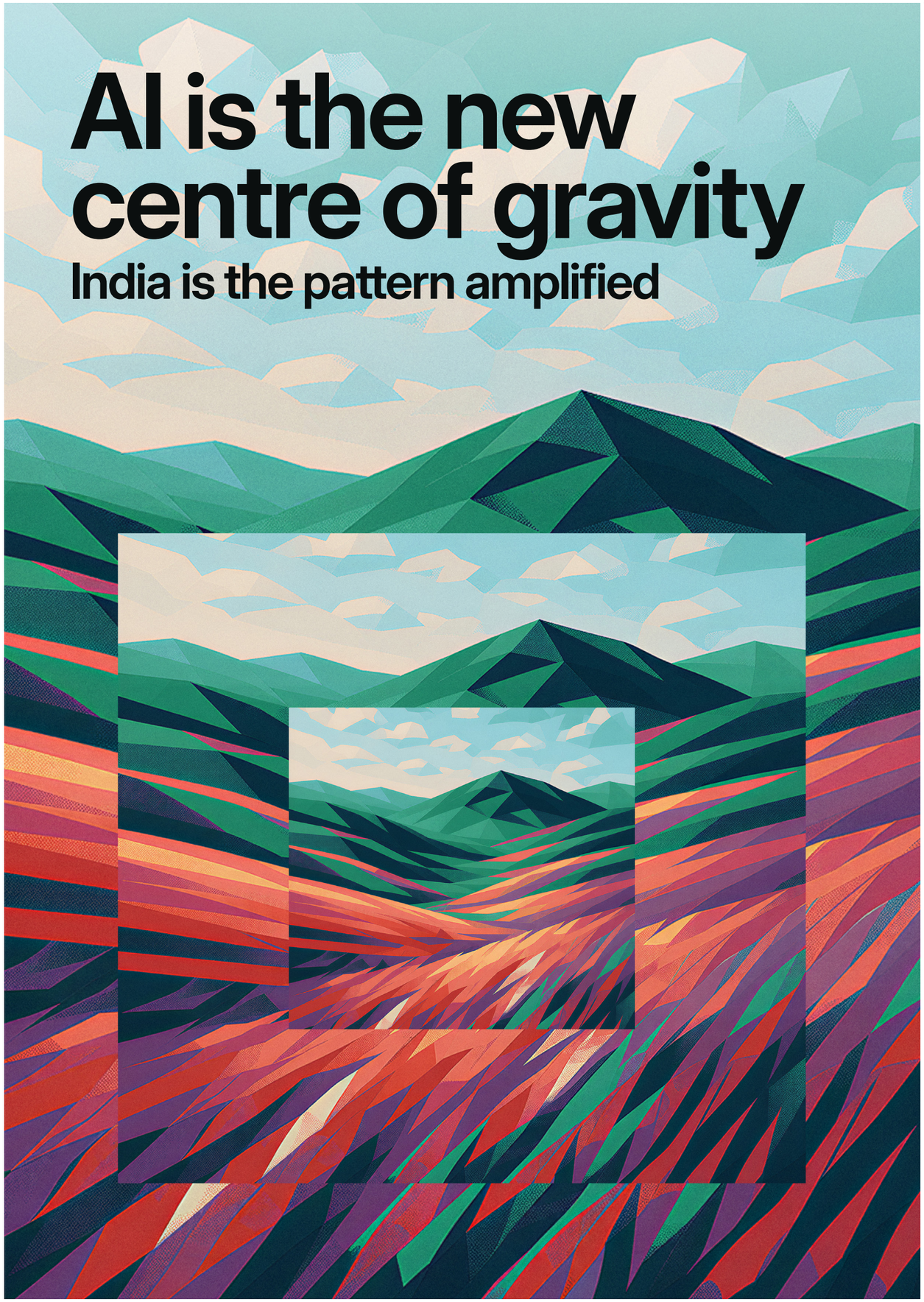


Tool sprawl is accelerating, opinions are polarised

Average Indian organisations now run 6 observability tools, up from 5 a year ago, and the share running ten or more has doubled to 12%.

NUMBER OF OBSERVABILITY TOOLS

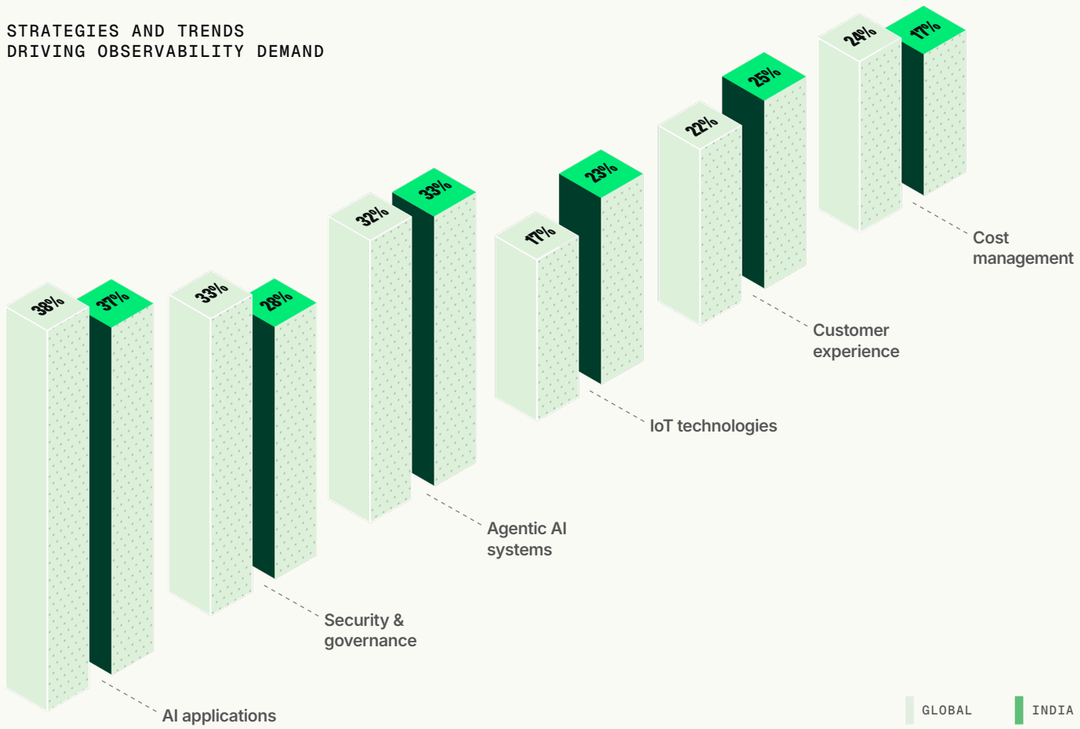




AI pulls observability forward

AI is the dominant force pulling observability forward everywhere in this survey, and India is no exception, though the specific drivers differ from the global mix in a telling way.

STRATEGIES AND TRENDS
DRIVING OBSERVABILITY DEMAND

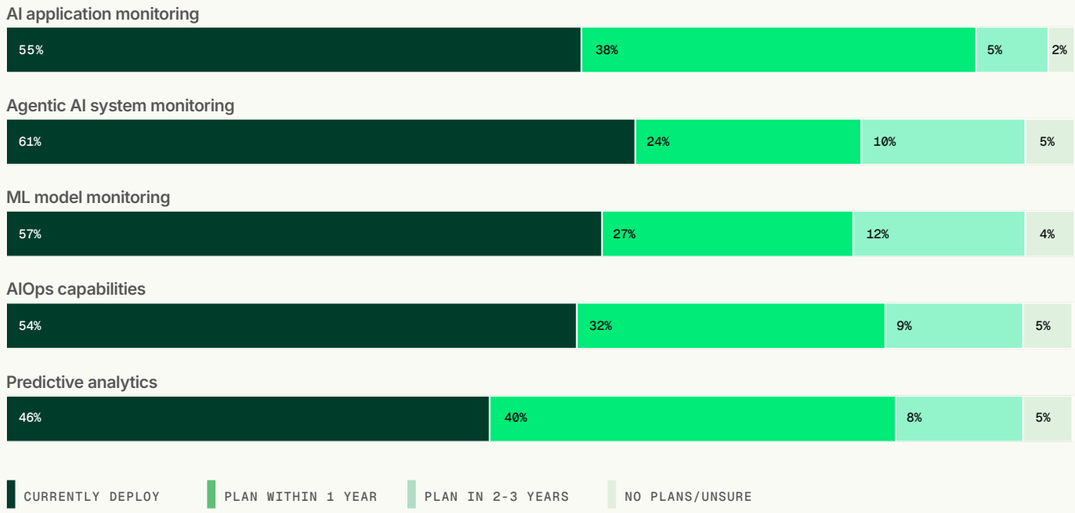


Cost management is the clearest point of divergence: it drives observability demand for just 17% of Indian organisations, against 24% globally, the widest gap on this list. India's own drivers skew instead towards adoption of IoT technologies (23% vs. 17% globally) and, marginally, agentic AI systems (33% vs. 32%). India is investing in observability to keep pace with what it is building, not primarily to control what it is spending.

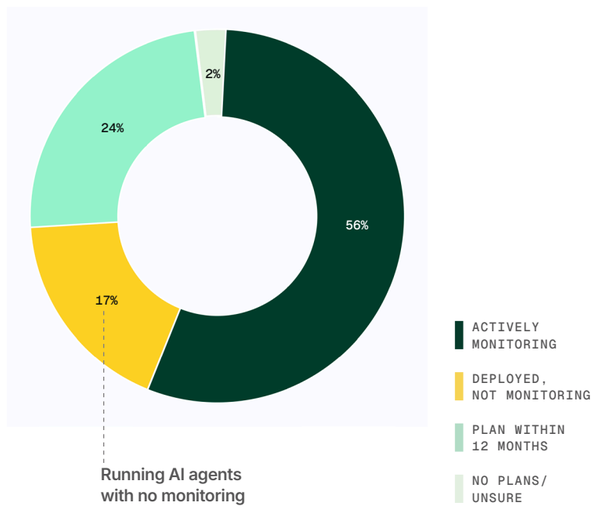
Every AI observability capability is ahead of the global pace

Every capability tracked in this survey is deployed at a higher rate in India than globally. The widest gaps are in ML model monitoring (57% vs. 38% globally, a 19-point lead) and AIOps (54% vs. 36% globally, an 18-point lead), both up sharply from last year. AIOps deployment alone rose from 34% to 54% year over year.

CURRENT AND FUTURE AI OBSERVABILITY PLANS



ORGANISATIONS USING OBSERVABILITY
TO MONITOR AGENTIC WORKFORCES



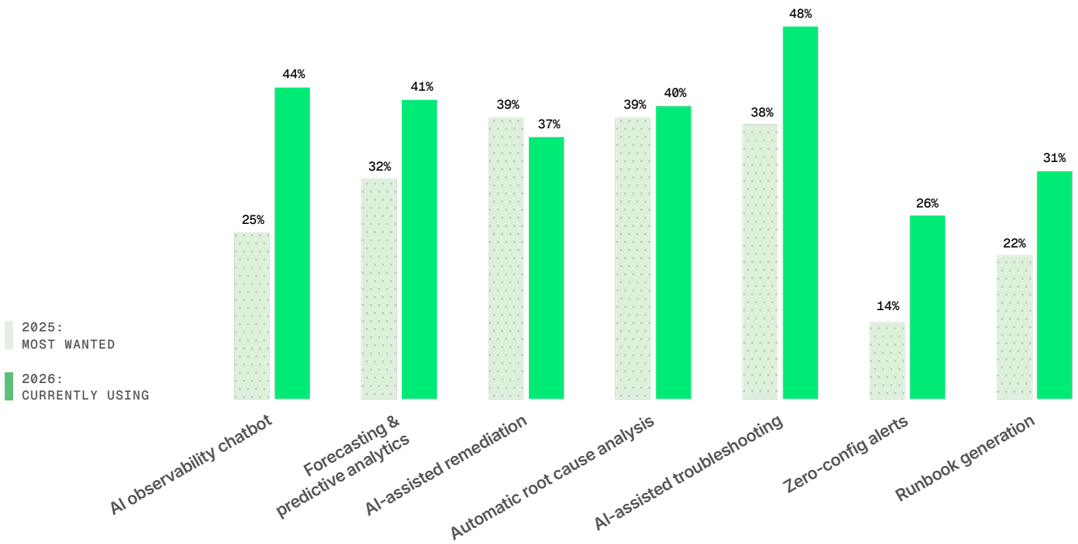
India has already solved the problem troubling most of the rest of the world

56% of Indian organisations actively monitor AI agents in production, against just 17% who have deployed agents without monitoring them, a 39-point margin in favour of visibility. Globally, that margin is only 10 points (35% vs. 25%), and in some markets it barely exists at all. This is one of the clearest bright spots in this year's India data. It does not mean India's agentic AI rollout is risk-free—17% still running unmonitored agents is not nothing, but it is a meaningfully smaller blind spot than almost anywhere else in this survey.

What teams want is becoming what teams run, faster than the global average

Comparing what Indian respondents said would most improve incident response in 2025 against what they report actually using in 2026, the biggest mover is the AI observability chatbot or assistant, up from 25% wanting it to 44% using it, even further ahead of the global jump (24% to 35%). AI-assisted remediation is the one feature that fell short of its own aspiration, from 39% wanting it to 37% using it, the only feature in India's list to move backwards.

AI FEATURES IN INDIA: 2025 MOST WANTED VS. 2026 CURRENTLY USING

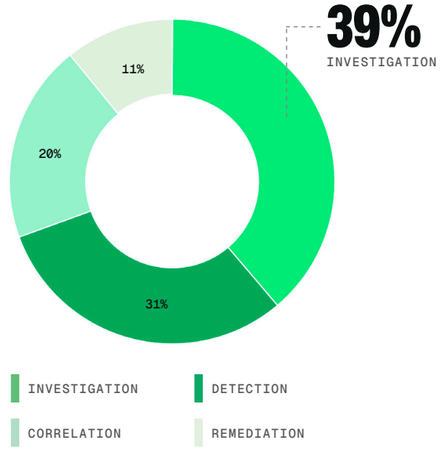


India's incident lifecycle gains skew towards investigation, not correlation

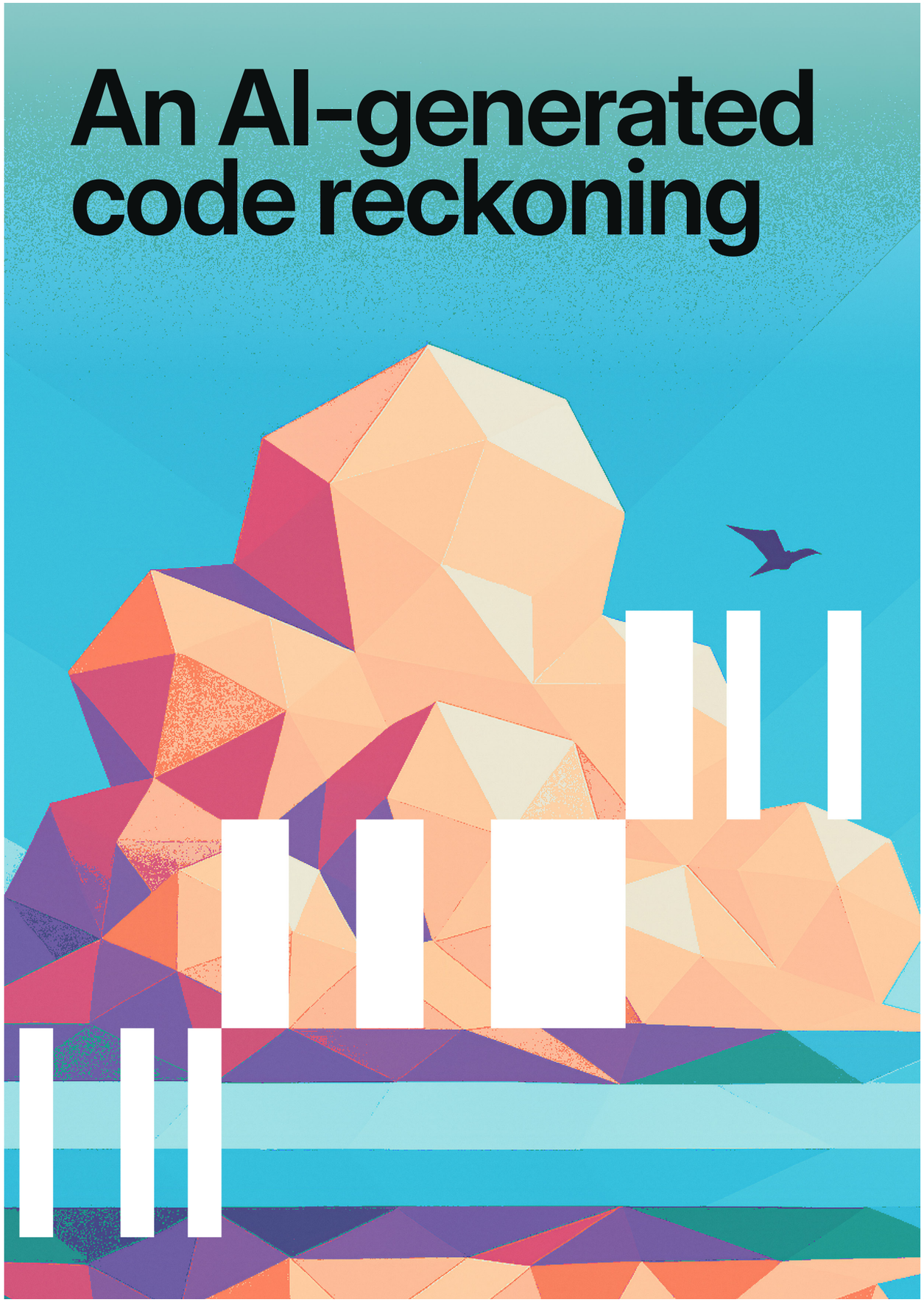
Asked which phase of the incident lifecycle has improved most from AI-assisted observability, 39% of Indian respondents pointed to investigation and 31% to detection, both close to the global figures. Correlation stands out as the exception: just 20% of Indian organisations credit AI with the biggest improvement there, well below the 27% global rate, and the lowest reading of any lifecycle phase in India's own data after remediation.

That gap is worth watching alongside the tool-count data later in this report. Correlation is the phase most directly undermined by a fragmenting stack, and India's tool count is rising faster than almost anywhere else in the world.

INCIDENT LIFECYCLE PHASES MOST IMPROVED BY AI-ASSISTED OBSERVABILITY



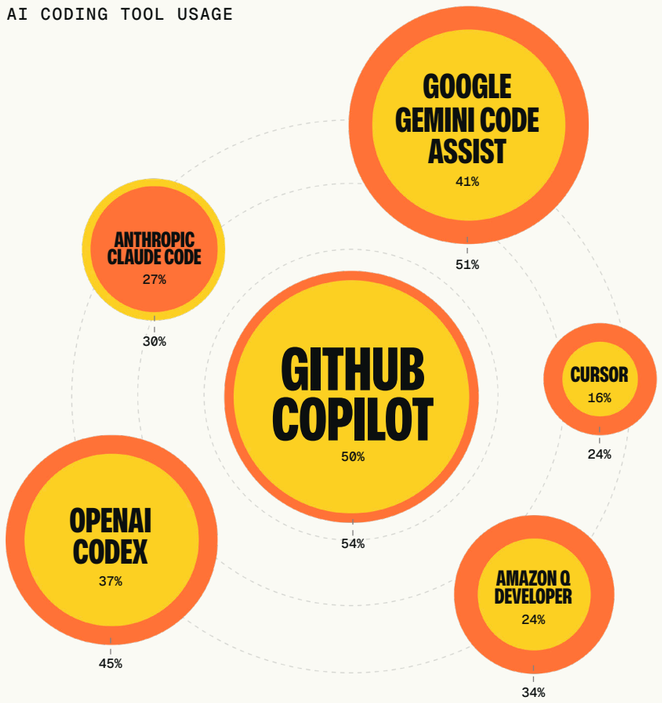
An AI-generated code reckoning



India agrees with the world, more emphatically than anywhere else

80% of Indian respondents agree or strongly agree that the rise of AI-generated code makes robust observability more critical, close to the 82% of the global rate. The difference is in conviction: 47% of Indian respondents "strongly" agree, one of the highest readings of any market in this year's survey and well above the 35% global rate.

AI CODING TOOL USAGE



The AI coding toolchain runs hotter in India than globally, on almost every tool. GitHub Copilot leads in India as it does globally, at a higher rate (54% vs. 50%). Google Gemini Code Assist and OpenAI Codex both run further ahead of their global adoption rates in India than almost any other market this report covers. Only 1% of Indian organisations report using no AI coding tool at all, against 3% globally.

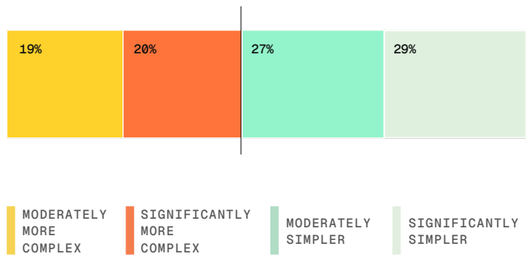
INDIA GLOBAL

AI's effect on stack complexity is the most polarised reading in this survey

56% of Indian organisations report AI has simplified their stack management, ahead of the 52% global rate, but 39% also said it has added complexity, nearly six times the equivalent 7% "significantly increased" rate seen globally at the top end. Both extremes, significantly simpler and significantly more complex, are higher in India than in any other market this report covers.

That split is a reasonable proxy for the "two Indias" running through this entire report: a leading cohort for whom AI genuinely has reduced operational burden, and a comparably large cohort for whom it has added exactly the opacity this report warns about globally.

INTEGRATING AI: THE IMPACT ON SOFTWARE STACK COMPLEXITY

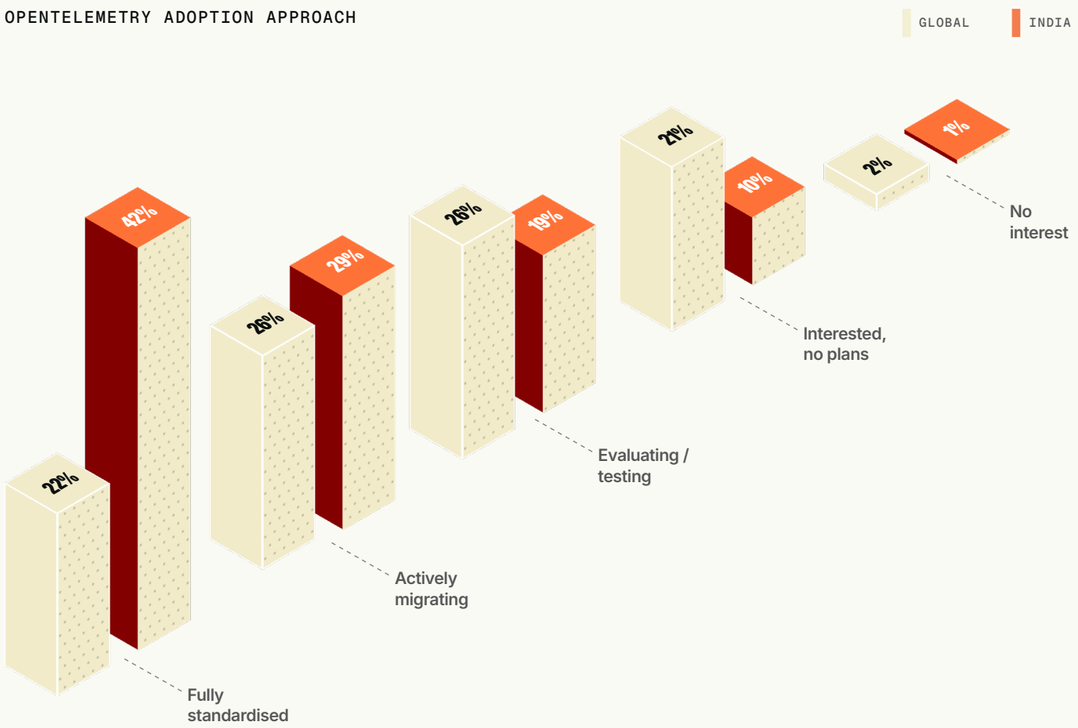


OpenTelemetry, where India leads the world



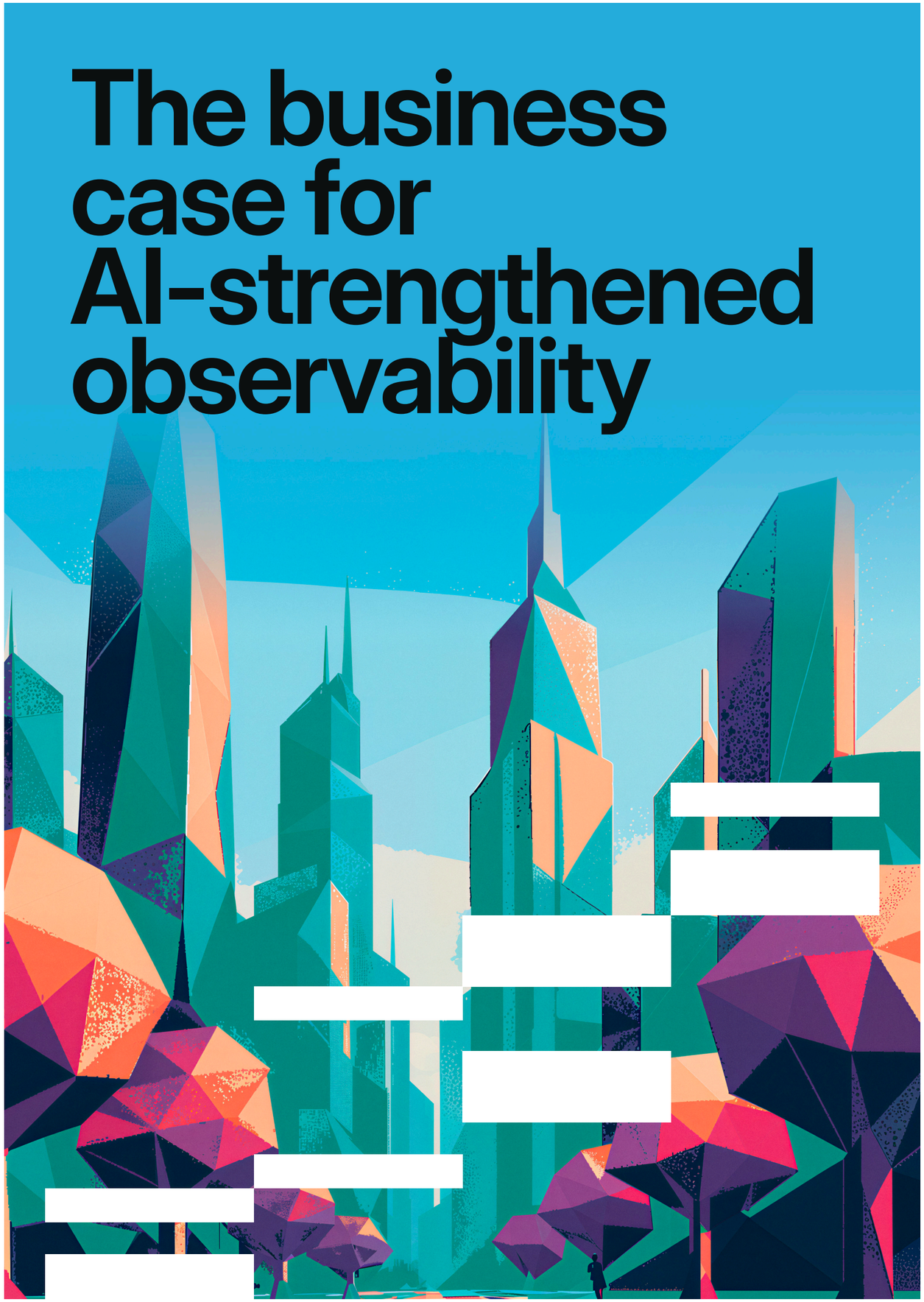
OTel adoption in India is more than just leading the global curve

It represents the single highest standardisation rate recorded anywhere in this year's survey.



Combine the top three stages and 89% of Indian organisations are standardised on, actively migrating to, or piloting OpenTelemetry, against 73% globally. Only 1% have ruled it out entirely. That standardisation is not incidental to the rest of India's story: open-source support, including OpenTelemetry, is cited as a top vendor-selection criterion by 15% of Indian respondents, above the 13% global rate, and AI/ML-powered features have overtaken cost as India's single most important buying criterion (39% vs. 25%), a reversal of the global order, where cost still leads.

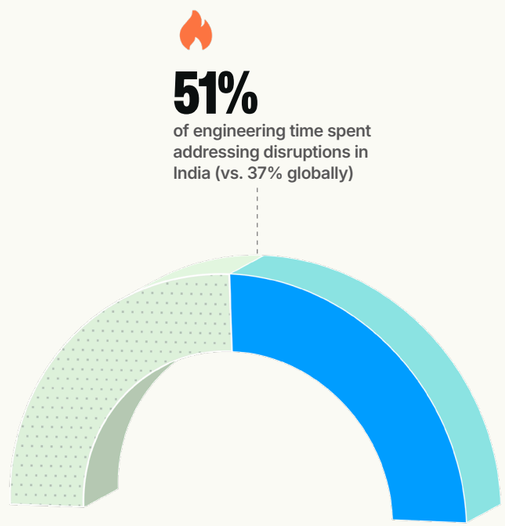
The business case for AI-strengthened observability



The reactive-work tax is rising in India, not falling

A median 50% of engineering time in India now goes to addressing disruptions, up from 35% a year ago and well above the 30% global median. The mean tells the same story: 51% in 2026, against 39% in 2025.

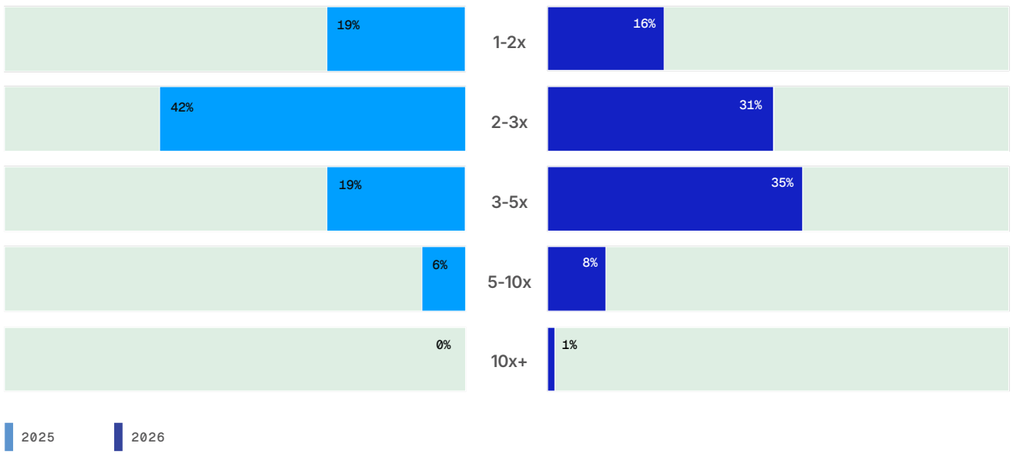
This is the clearest single piece of evidence that India's adoption speed has outpaced its operational maturity. Everywhere else in this report, India is ahead of the global curve. Here, it is not just behind, it is moving in the wrong direction.



Where reclaimed time would go

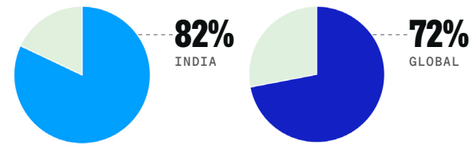
India has the strongest return trajectory of any market this report covers. Those seeing 3–5x ROI nearly doubled, from 19% to 35%, while the 1–2x band shrank from 19% to 16% and the 2–3x band fell from 42% to 31%. Organisations are not simply holding onto their returns, they are seeing increased ROI. The share either not tracking ROI or reporting no return yet also fell, from a combined 12% to 6%.

THE ROI ON OBSERVABILITY SPEND IN INDIA



Spend is rising faster in India than globally

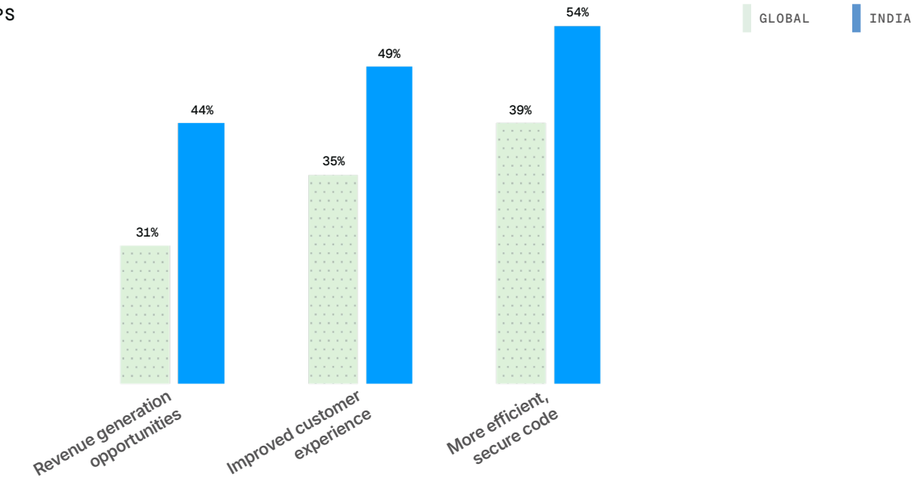
82% of Indian organisations expect their observability spend to increase over the next 12 months, well above the 72% global rate, and the increases skew notably larger: 31% expect a moderate increase and 9% a significant one, both roughly 1.5 to 2 times the equivalent global figures (21% and 4%).



The outcomes India already experiences, ahead of the rest of the world

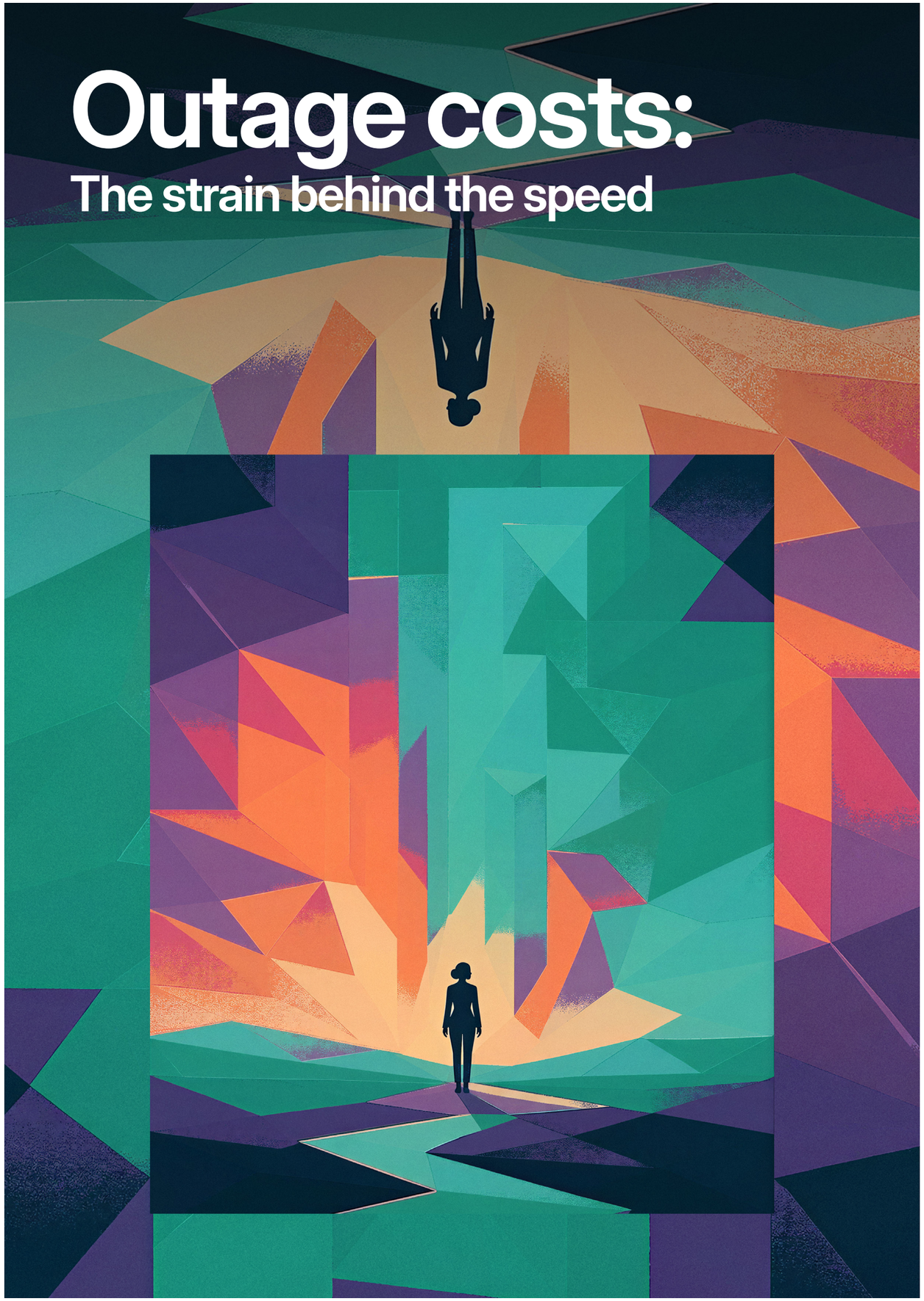
India leads the global rate on every business outcome this survey tracks. The widest gaps are: observability creates opportunities for revenue generation (44% vs. 31% globally), improves revenue retention through customer-behaviour insight (49% vs. 35%), and helps developers write more efficient and secure code (54% vs. 39%). Nearly six in ten Indian organisations (57%) already credit observability with helping them prepare for and manage AI application development and deployment, against 45% globally.

THE WIDEST GAPS



Practitioners and executives describe the day-to-day benefit differently

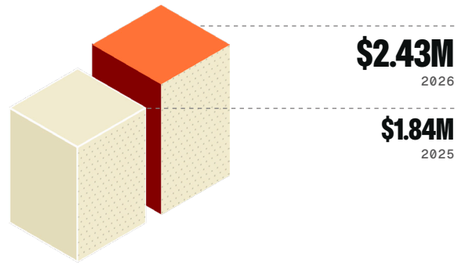
Indian practitioners point most to improved developer productivity (33%, well above the 25% global rate) and improved work/life balance (32% vs. 25% globally). Indian executives and managers point most to helping translate technology strategy into tactical execution (40% vs. 33% globally) and helping drive business strategy outright (36% vs. 30%).



Outage costs:
The strain behind the speed

This is where India's story diverges most sharply from the rest of the world. Faster adoption has not translated into calmer operations. India reports the least favourable outage economics of any market this report covers, on every measure tracked.

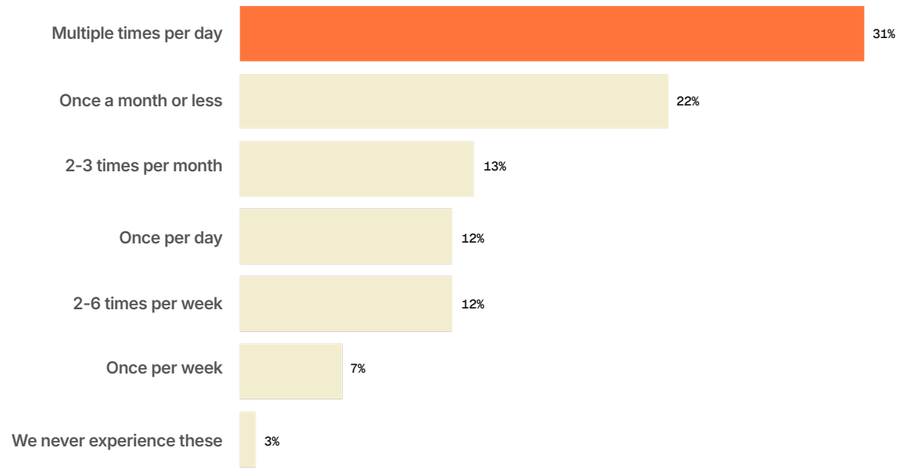
AVERAGE COST PER HOUR OF DOWNTIME IN INDIA



India's outage frequency has deteriorated sharply year over year

Just 3% of Indian organisations reported a high-impact outage multiple times a day in 2025. In 2026, that figure is 31%, a tenfold increase, and the single starkest year-over-year shift anywhere in this dataset. Estimated cost per average incident, cost per hour multiplied by mean time to resolve, has risen alongside it, from roughly $2 million in 2025 to an estimated $3 million in 2026.

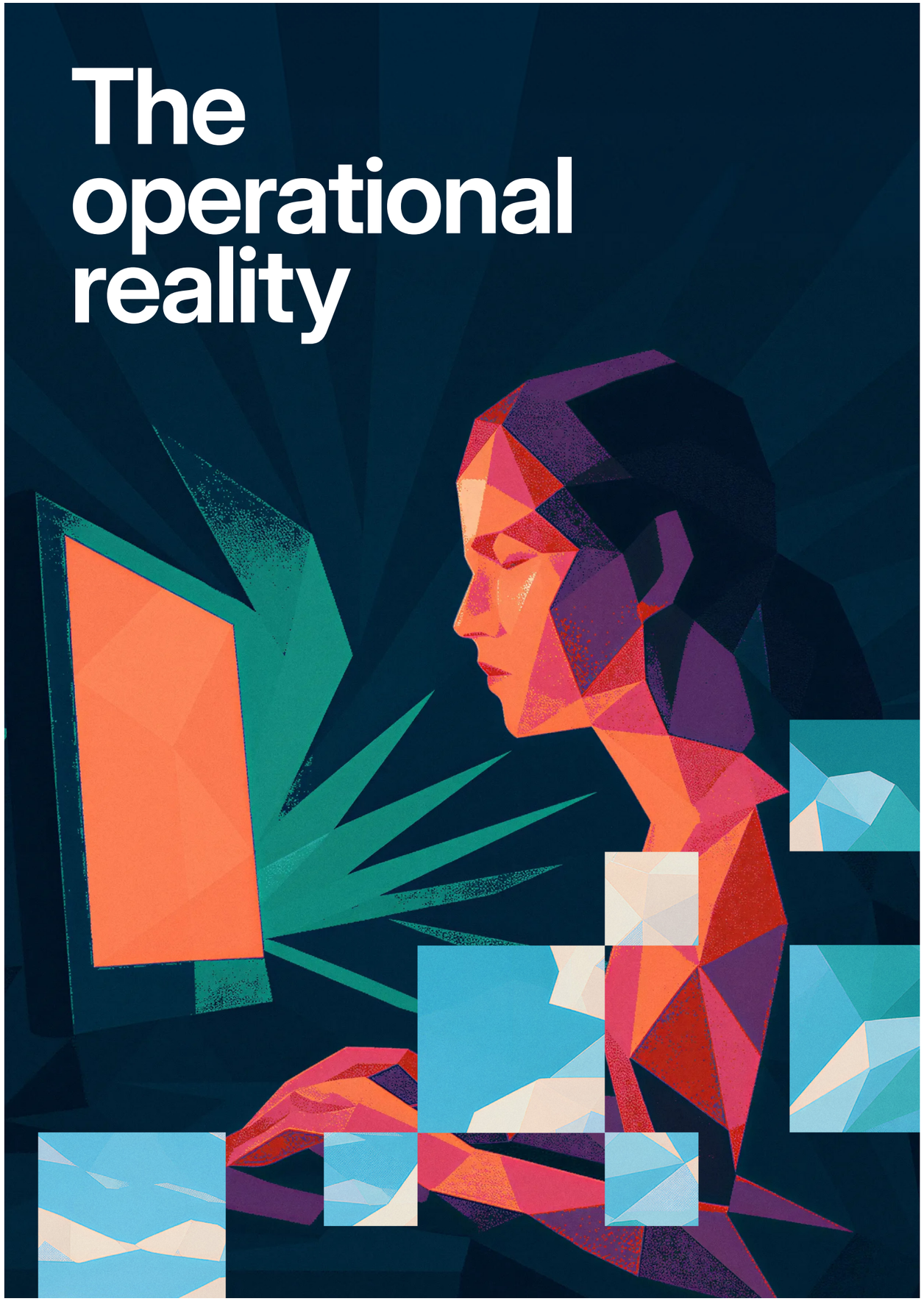
FREQUENCY OF HIGH-BUSINESS-IMPACT OUTAGES



A real-world instance of the pattern

Outage costs are not an abstract trend. India's Unified Payments Interface, the technology behind roughly two-thirds of the country's digital transactions, suffered three separate outages in three weeks in March and April 2025, the longest lasting nearly five hours. The system's own operator ultimately traced the cause to bank-side request volumes overwhelming the platform's capacity to keep up, a scaling failure playing out in exactly the way this survey's data would predict. It lines up with the pace of the country's own digital infrastructure build-out: India's data-centre capacity has been growing by roughly 30% year-on-year through 2026, demand consistently running ahead of the operational maturity needed to run it smoothly.

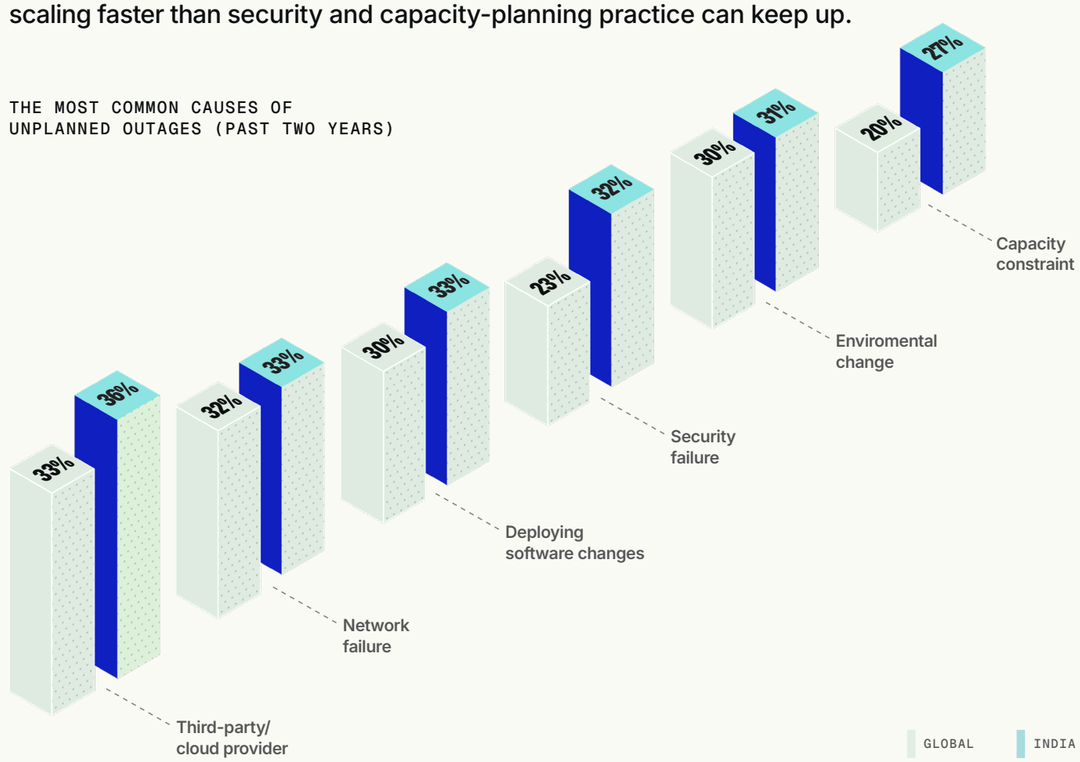
The operational reality



What causes outages in India

Security failure stands out as India's widest gap versus the rest of the world. 32% of Indian organisations cite security failure as an outage cause, against 23% globally, a 9-point gap, alongside capacity constraint (27% vs. 20% globally), a combination consistent with infrastructure and workloads scaling faster than security and capacity-planning practice can keep up.

THE MOST COMMON CAUSES OF UNPLANNED OUTAGES (PAST TWO YEARS)



Detection maturity has not kept pace with adoption speed

47% of Indian organisations learn about interruptions through multiple monitoring tools, up by 5% from a year ago, close to the 49% global rate. But India also reports a meaningfully higher reliance on customer complaints as a detection method than the world as a whole: 19% of Indian organisations first learn about interruptions from external customer complaints, against 15% globally. Combine that with a median MTTD of 53 minutes for high-impact outages, and the picture is one of a stack that generates plenty of data without always turning it into an early warning.

ORGANISATIONS DETECTING INTERRUPTIONS THROUGH MULTIPLE TOOLS

47%
INDIA
(UP BY 5% FROM 2025)

49%
GLOBAL

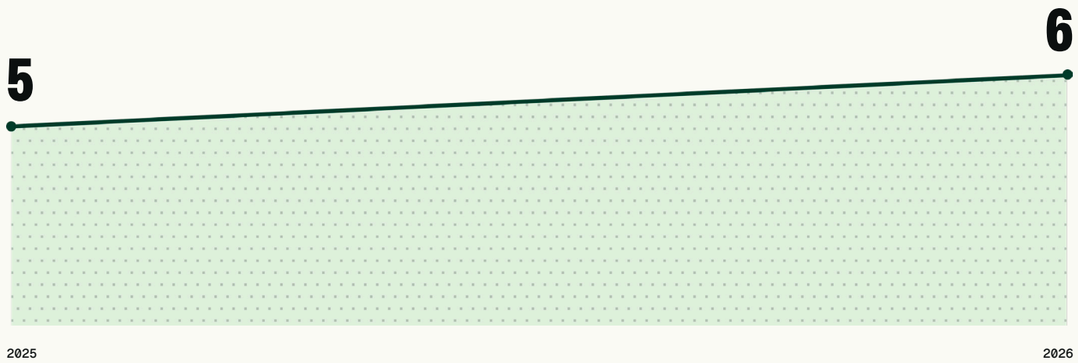
The consolidation imperative



India's average tool count is climbing faster than almost anywhere else in this survey

The average Indian organisation now runs 6 observability tools, up from 5 a year ago, and the median has risen from 5 to 6. The share running ten or more tools has doubled, from 6% to 12%.

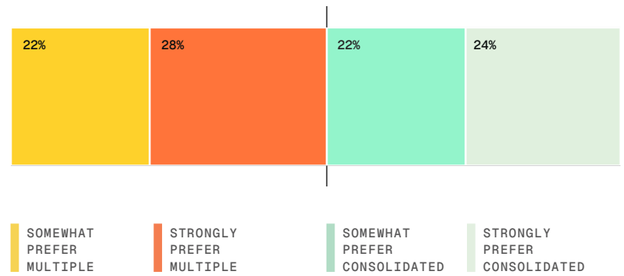
AVERAGE NUMBER OF OBSERVABILITY TOOLS PER ORGANISATION



Strategic opinion is polarising as the middle disappears

Organisations strongly preferring a single consolidated platform rose from 16% to 24% over the past year, and those strongly preferring multiple point solutions rose from 17% to 28%. The more striking shift is what happened to the respondents in between: the share expressing no preference between the two approaches collapsed from 13% to just 3%, as if the space to stay undecided has disappeared.

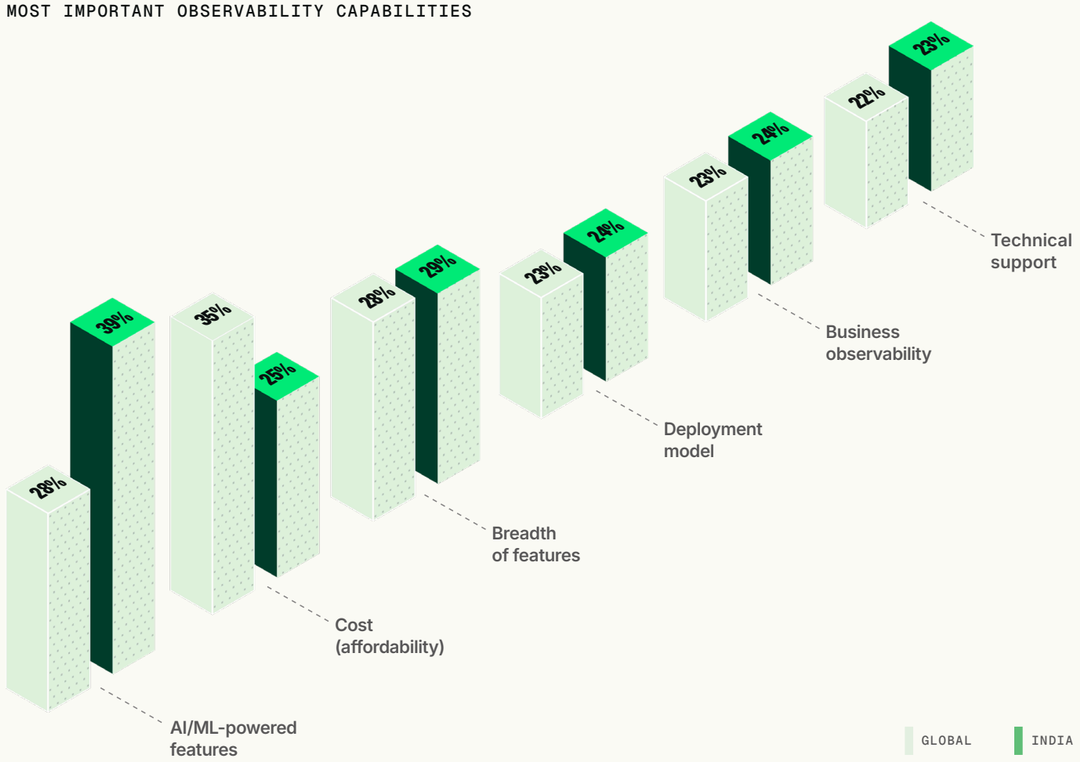
OBSERVABILITY STRATEGY SOLUTION



What Indian buyers prioritise

AI/ML-powered features are India's single most-cited vendor criterion at 39%, ahead of the 28% global rate and well ahead of cost, which sits at just 25% in India against 35% globally, a reversal of the global ranking. Notably, that shift has not come with rising price sensitivity: cost as a criterion in India has held essentially flat year over year at around 25%, even as returns have improved. Confidence in the return may be exactly why cost has not become a bigger constraint.

MOST IMPORTANT OBSERVABILITY CAPABILITIES



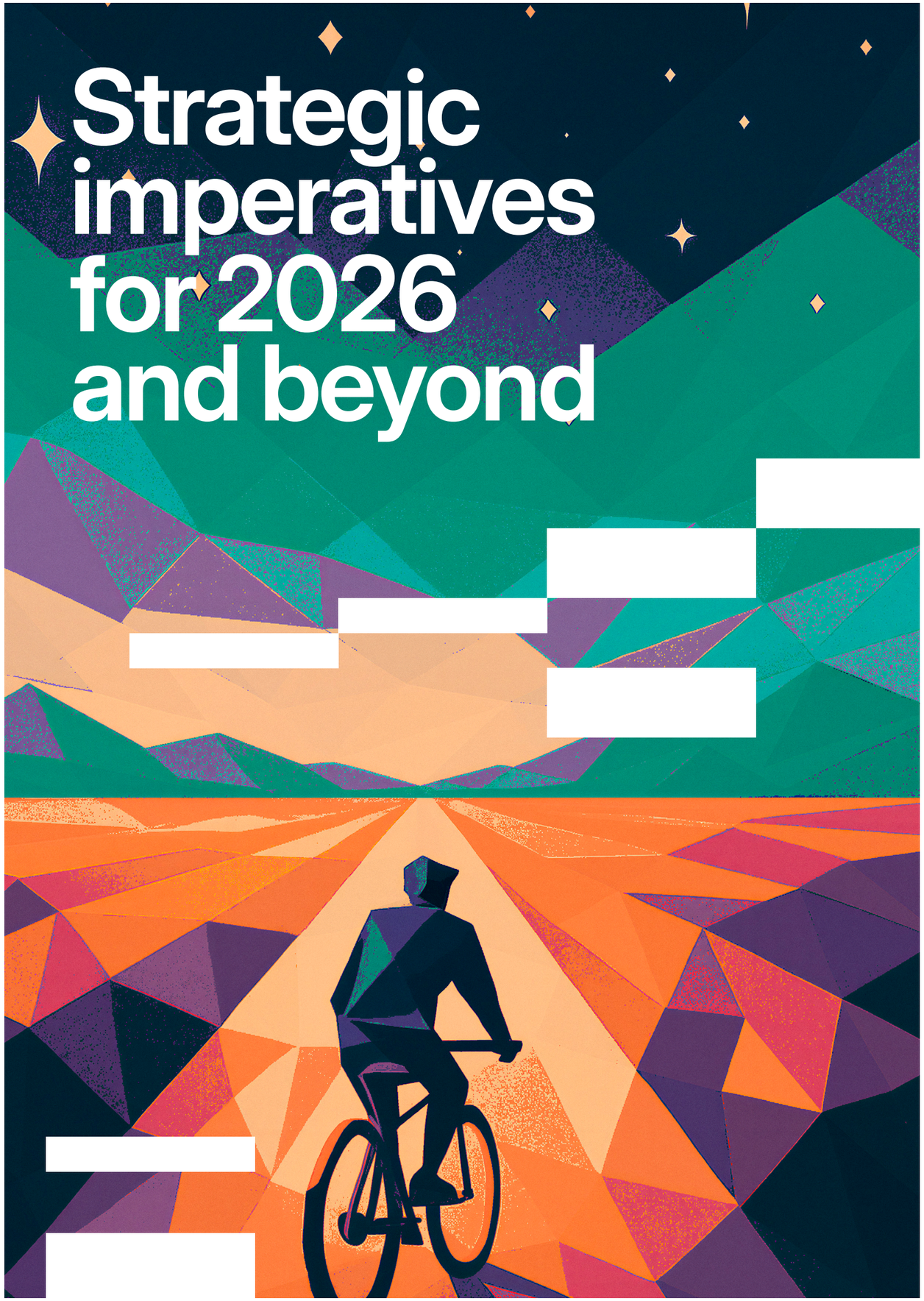
The barriers that remain

Complex tech stack is India's top-cited barrier at 42%, above the 37% global rate, and too many monitoring tools and siloed data follows close behind at 38% against 31% globally. Both barriers track directly with the tool-count data above: a stack adding tools faster than it can unify them produces exactly this kind of complexity complaint.

CHALLENGES PREVENTING OBSERVABILITY



Strategic imperatives for 2026 and beyond



Convert AI-native maturity into a fix for the reactive-work tax

India already leads the world on AI capability deployment, OpenTelemetry standardisation, and CI/CD maturity. None of that has yet reduced the 50% of engineering time going to disruptions, up from 35% a year ago. The next twelve months should be about pointing that maturity at India's own outage frequency and costs, not just at further AI rollouts.

Protect the agentic monitoring lead, and close the remaining 17% gap

India's 39-point margin between actively monitoring agents and deploying them unmonitored is the strongest in this survey. It is not zero. The organisations still running unmonitored agents are the clearest remaining source of exactly the kind of undiagnosed incident this report warns about elsewhere.

Use India's OpenTelemetry lead to solve the correlation gap, not just the standardisation stat

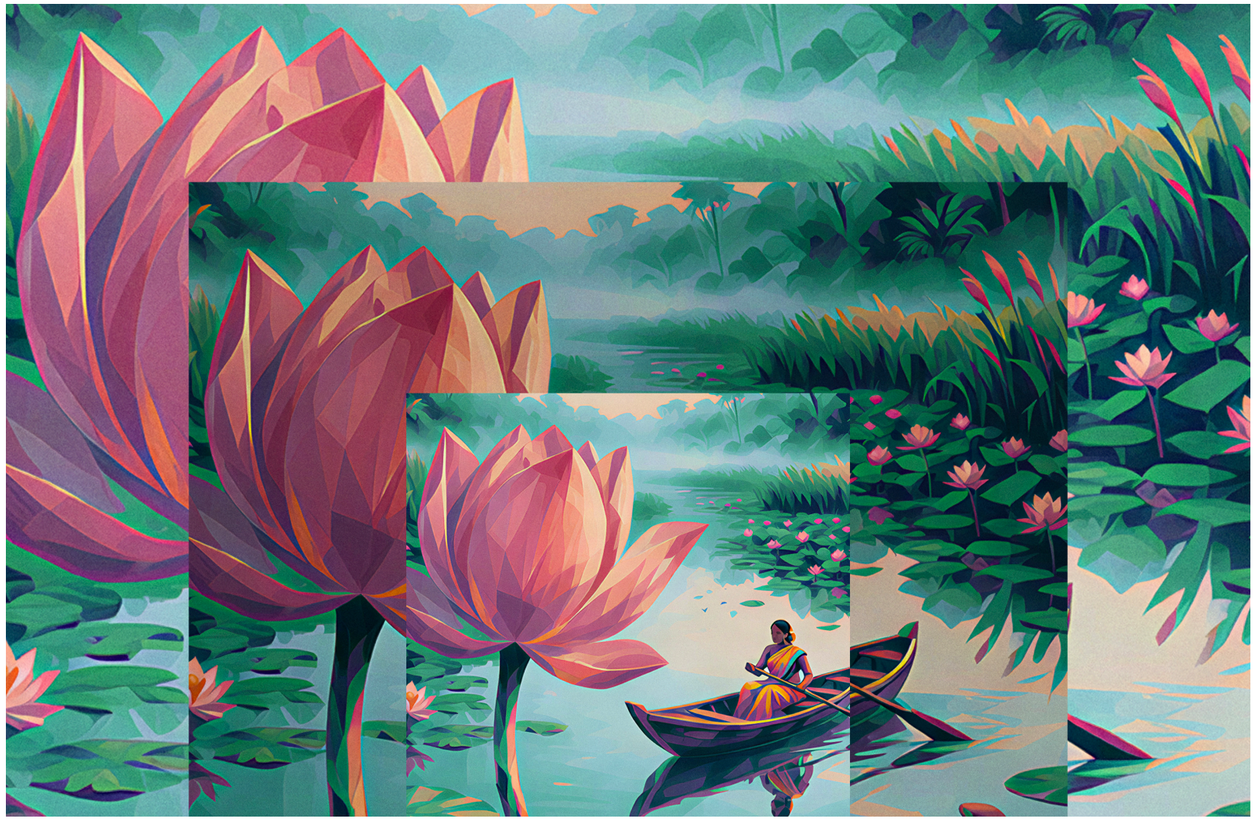
India's 42% full-standardisation rate is the highest in the world, yet correlation is the incident-lifecycle phase India credits AI with improving least. A common telemetry language that is not also being used to unify a rapidly growing toolset is standardisation without its main payoff.

Consolidate deliberately, before the six-tool average becomes an eight-tool average

Tool count has grown by nearly one tool per organisation in a single year, and the share undecided about which strategy to pursue has nearly disappeared. The organisations that pick a clear direction now, rather than let the choice be made by accretion, will spend less time next year re-litigating a decision that keeps getting harder to make.

Treat the strategic conviction shift as real, and build for it

The share of Indian leaders identifying observability as a strong contributor to achieving core business goals more than doubled this year. That is a genuine opening to fund observability as infrastructure for growth rather than as an incident-response line item, provided the operational picture in Sections 5 and 7 gets addressed alongside it.



ABOUT THIS REPORT

All data in this report is derived from the same survey conducted by New Relic in partnership with Enterprise Technology Research (ETR) that underlies the global Observability Forecast 2026, reflecting 500 Indian respondents out of 2,575 global respondents. IT and engineering leaders and practitioners surveyed worldwide. Year-over-year comparisons draw on India-specific results from New Relic's 2025 Observability Forecast; several 2026 questions (agentic AI system monitoring, AI-generated code sentiment, OpenTelemetry adoption stage, and time reinvestment) are new this year and have no 2025 India comparator. The estimated cost of a single average outage is calculated by multiplying India's reported average cost per hour of downtime by its reported mean time to resolve, and is an illustrative calculation rather than a projection of total annualised losses. Global comparison figures and references to the New Relic AI Impact Report and State of AI Coding report are drawn from the global Observability Forecast 2026 as published. Regional context, including India's 2025 UPI payment-system outages and data-centre capacity growth, reflects public reporting as of August 2026.

ABOUT ETR

ETR is a technology market research firm that leverages proprietary data from its targeted ITDM community to deliver actionable insights about spending intentions and industry trends. Since 2010, ETR has worked diligently at achieving one goal: eliminating the need for opinions in enterprise research, which are typically formed from incomplete, biased, and statistically insignificant data. The ETR community of ITDMs is uniquely positioned to provide best-in-class customer/evaluator perspectives. Its proprietary data and insights from this community empower institutional investors, technology companies, and ITDMs to navigate the complex enterprise technology landscape amid an expanding marketplace.

ABOUT NEW RELIC

New Relic arms businesses with the trust and confidence required to thrive in the AI era. The New Relic Intelligent Observability Platform is the leading AI-strengthened platform designed to unify telemetry and business outcomes, bringing intelligence and automated actions to the most complex digital environments. The platform shifts teams from reactive firefighting to intelligent orchestration, leveraging AI-driven automation to optimize technology spend and protect revenue in real-time. That's why global leaders—Adidas Runtastic, Domino's, Ryanair, Swiggy, Topgolf, and William Hill—run on New Relic to drive innovation and deliver exceptional customer experiences.

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