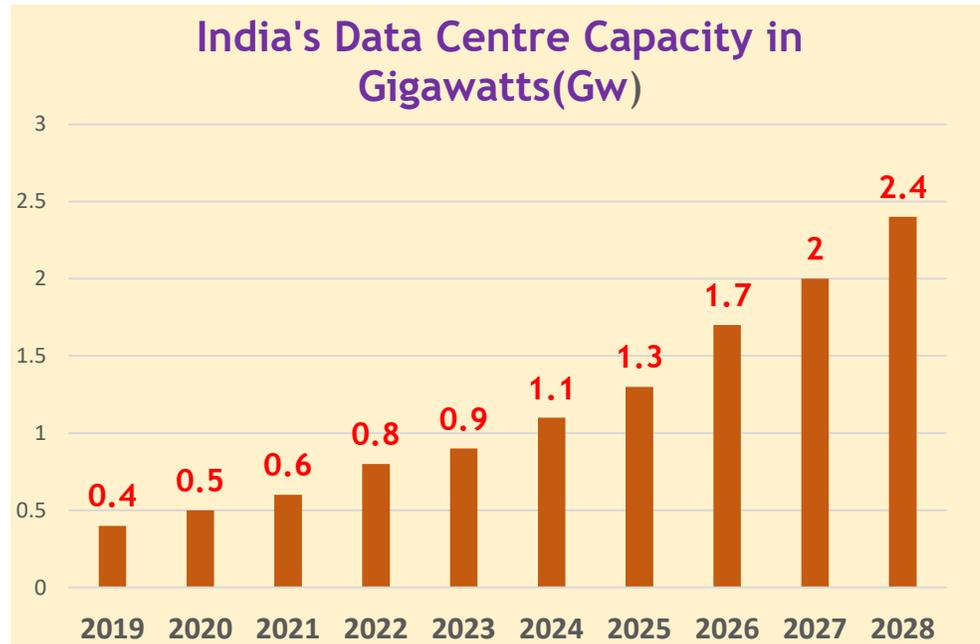


Data Centres

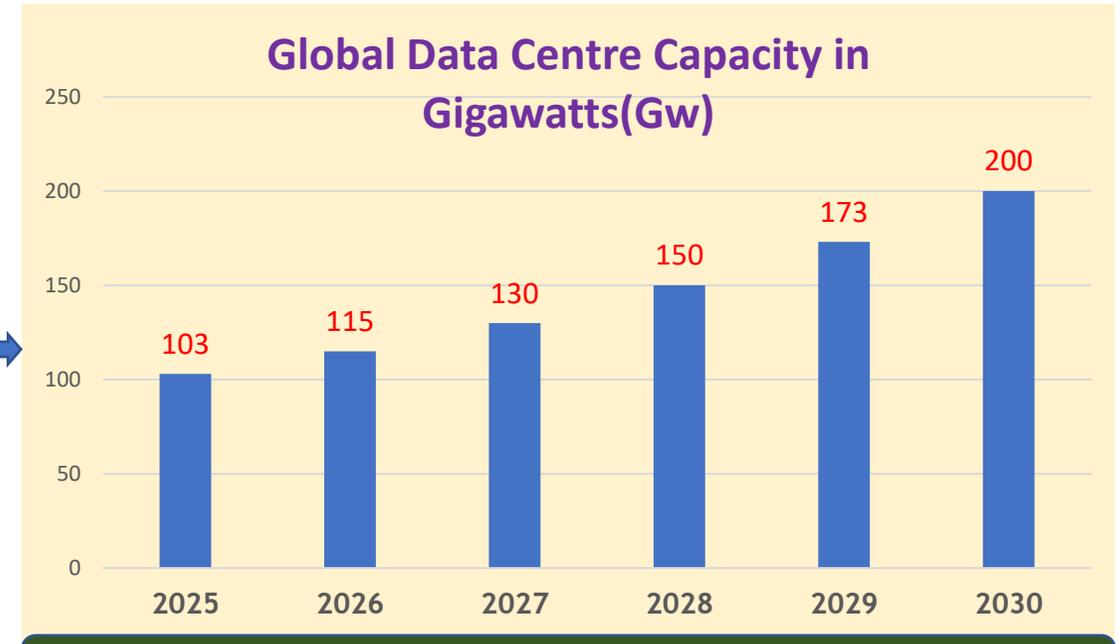
(How AI Changed Data Centre Demand !)





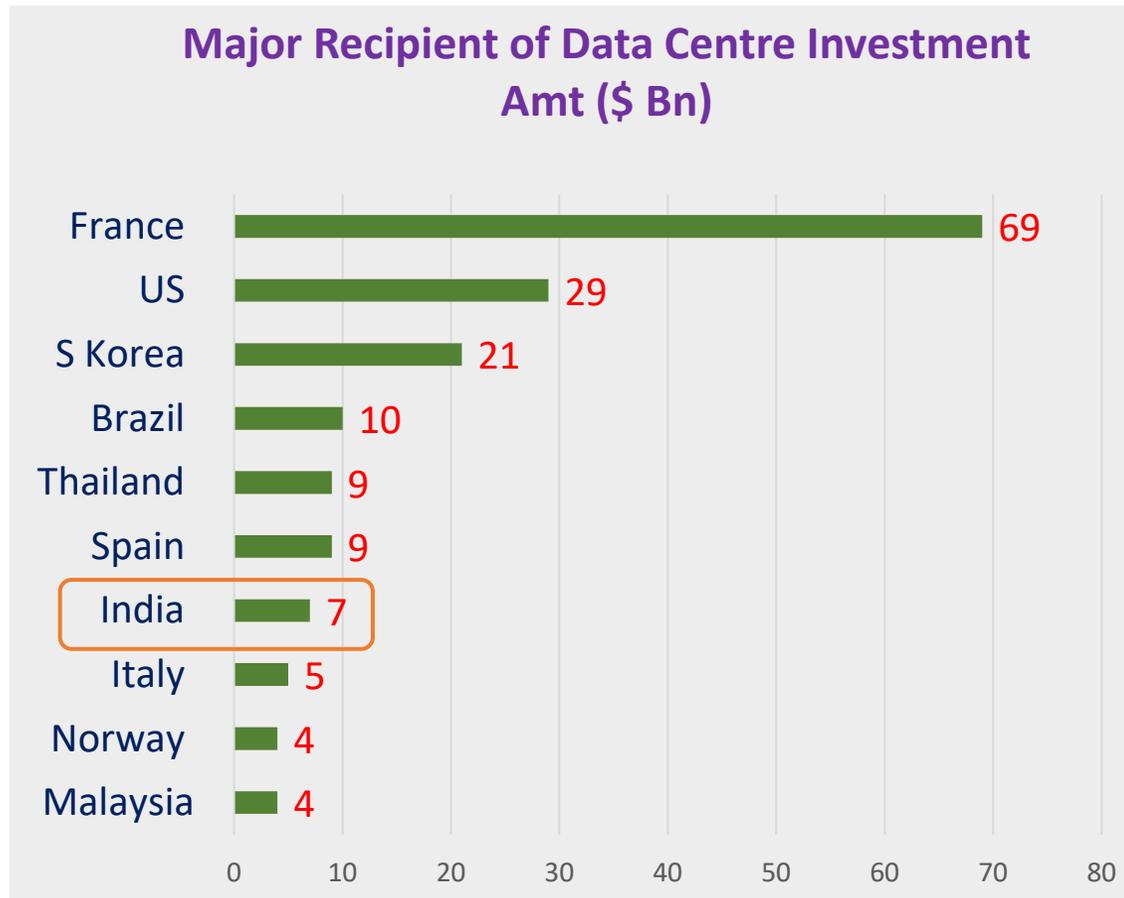
India's capacity is projected to cross 2GW by 2027

Even By 2030, India's Share in Global Capacity would be only 1 %



Global capacity is projected to cross 200GW by 2030

- ❑ India has advantage, as development costs are about \$5.4-6.8 million per MW, second only to China and Cheaper than the US,UK or Japan.
- ❑ India sits at the intersection of cable routes connecting Europe , the middle east and South-East Asia with Mumbai and Chennai adding subsea cable capacity by defeating rivals like Singapore , which faces land and power issue.



Source : UNCTAD

Quick Fact

Global data center investment is highly concentrated in developed economies—especially France and the US—while Asia and emerging markets are growing but still lag behind in overall share.

Massive investment commitments in AI infrastructure – Hundreds of billions pledged to position India as a global AI leader:

- ❑ **Reliance and Adani:** Combined over \$200 billion (\$110B from Reliance, \$100B from Adani) for AI data centers, renewable-powered infrastructure, and related sectors.
- ❑ **Microsoft:** \$50 billion in AI investments across the Global South by decade's end.
- ❑ **OpenAI-Tata Group partnership:** Initial 100 MW compute deployment, aiming for gigawatt scale.
- ❑ **Other deals:** Blackstone's \$600M+ in Neysa (Indian AI infra startup deploying 20,000+ GPUs), plus partnerships involving AMD, Nvidia, and more.
- ❑ **Compute capacity expansion** – India adding 20,000 GPUs to its existing ~38,000, with subsidized access (₹65/hour) to boost domestic

❑ Long-term tax holiday until 2047:

- Eligible foreign cloud service providers (e.g., companies like Google, Microsoft, Amazon) can get a tax exemption on income from global cloud services if they route operations through India-based data centres.
- Conditions include using notified Indian data centre facilities (by MeitY), and for domestic services, involving an Indian reseller

❑ Safe harbor provisions:

- Data center services provided by related entities in India qualify for a 15% safe harbour margin under transfer pricing rules, providing tax certainty and reducing disputes for domestic operators.

Broader Digital Infrastructure Push

- **Telecom sector allocation:** Around USD 8.19 billion proposed for telecom, supporting network expansion as the backbone for digital services.
- **IndiaAI Mission and related initiatives:** Allocation of USD 110 million (₹1,000 crore) to continue building sovereign AI ecosystems, compute capacity (e.g., GPUs), and digital public infrastructure.
- **Semiconductor and electronics ecosystem:** Launch of India Semiconductor Mission 2.0 with ₹1,000 crore, plus increased outlay (to ₹40,000 crore) for electronics components manufacturing — critical for supporting data centres and advanced computing hardware.

A. Infrastructure Financing

- ❖ Green data centres (renewable-backed)
- ❖ Power transmission upgrades
- ❖ AI parks & technology clusters
- ❖ Semiconductor fabs & ancillary units

This will require:

- ❖ Long-tenor project finance
- ❖ Structured debt solutions
- ❖ ESG-linked instruments

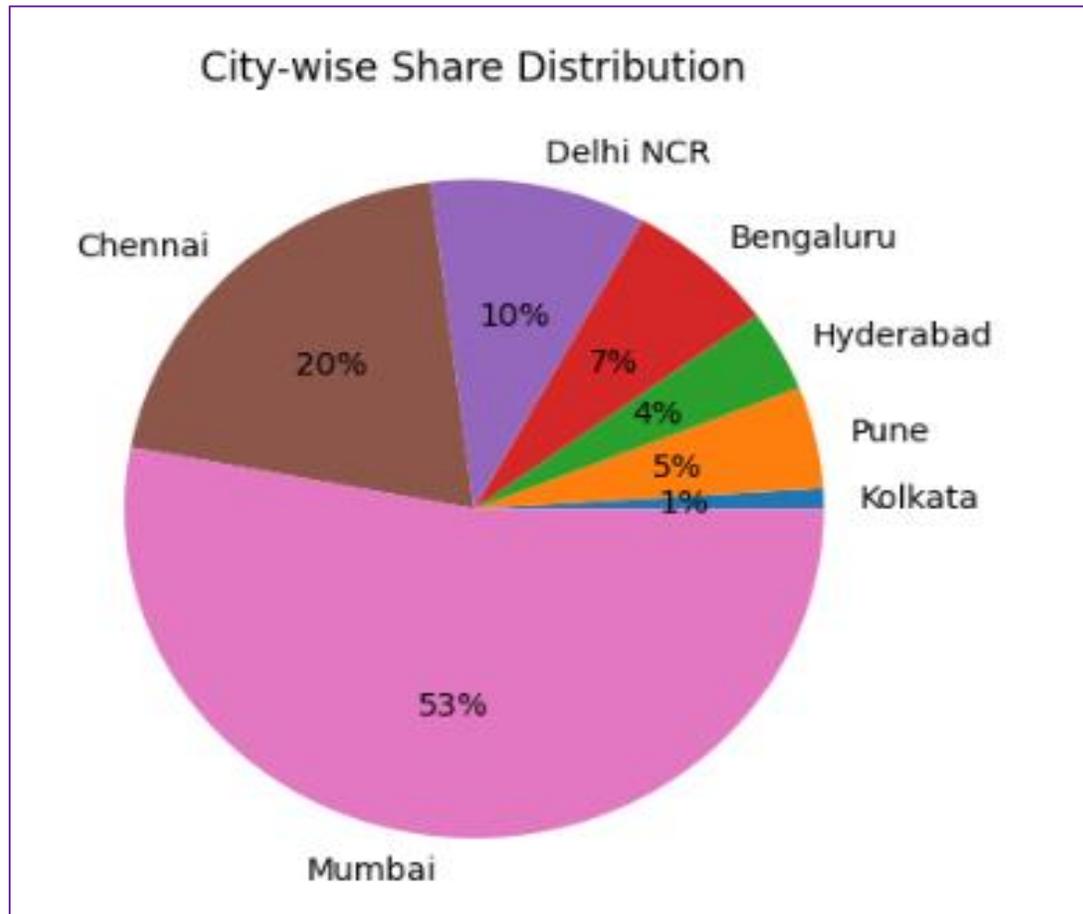
B. Growth Capital & Venture Debt

- ❖ AI-native startups scaling globally
- ❖ Mid-sized IT firms pivoting to AI services
- ❖ Platform-led financial services using AI

Banks can:

- ❖ Develop AI-focused credit frameworks
- ❖ Partner with private equity & VC funds
- ❖ Offer blended finance structures

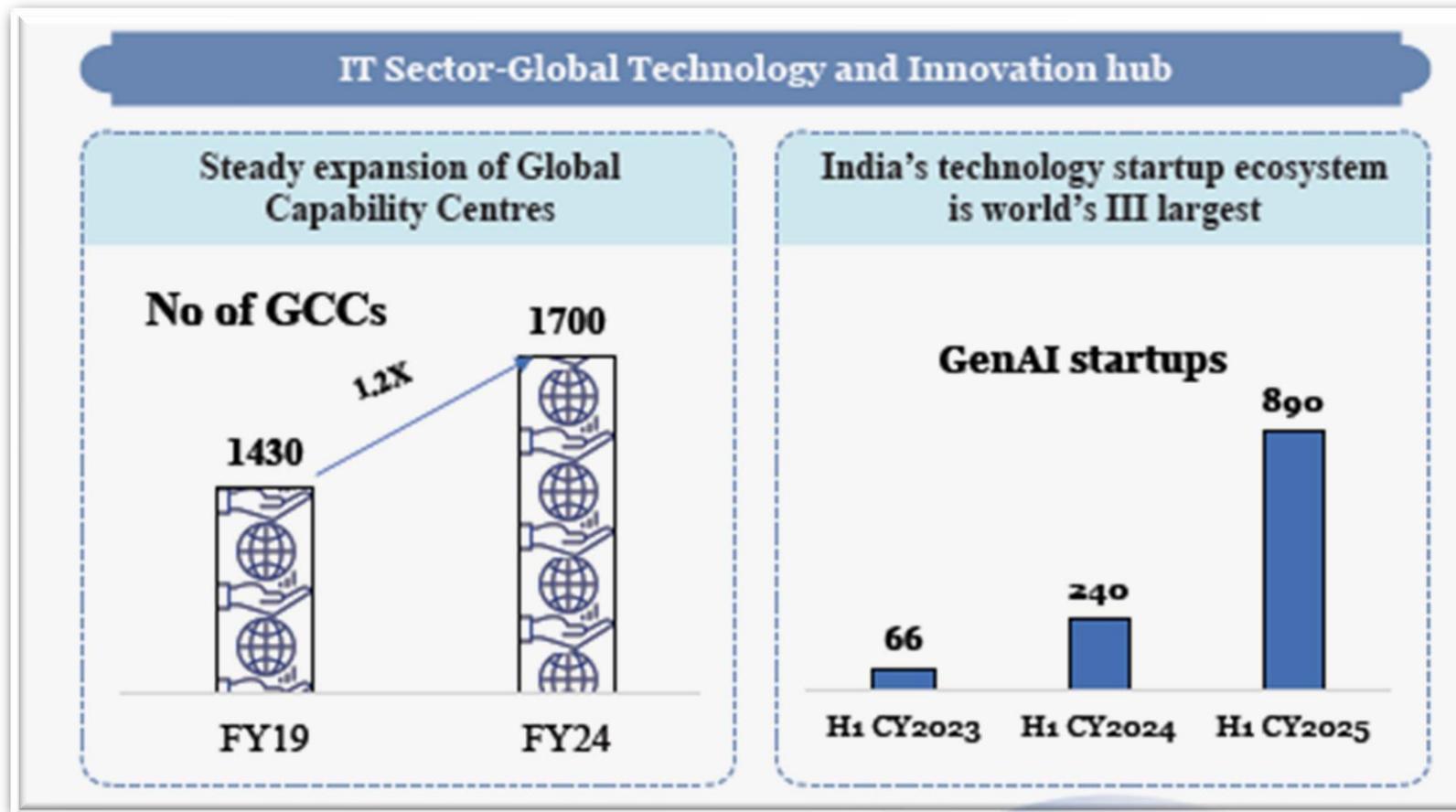
Bank(s)	Borrower	Amount	Year	State(s)	Item Funded	Source Link
SBI	Yotta Data Services	₹1,357 crore	2024	Maharashtra (Navi Mumbai, Mumbai)	Two Navi Mumbai data centres (assets hypothecated) + Powai receivables	Economic Times (Feb 12, 2024),
SBI	Various exposures	Target ₹4,000 crore by FY26	2025	Multi-state (Maharashtra, UP, etc.)	General data centre portfolio	Business Standard (Dec 10, 2025)
Bank of India	Pipeline projects	Significant proposals	2025-26	Multi-state (Maharashtra, TN, Telangana, Karnataka)	Various data centre proposals	Hindu BusinessLine (Nov 25, 2025)
Axis, ICICI & consortium (Proposed)	STT Global Data Centres	₹7,703 crore (term loan)	2025	Multi-state (Maharashtra, TN, Telangana, Karnataka, etc.)	Capex for data centre expansion across India	JSA Advisory Bloomberg (Nov 11, 2025)



Source : CBRE, Nov 2025

India's data center capacity is highly concentrated — Mumbai + Chennai = 73% of total share.

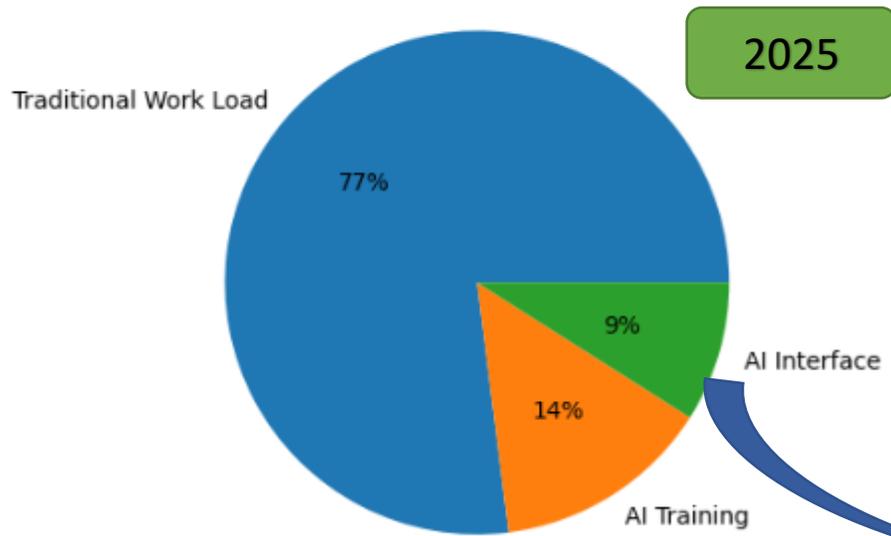
Mumbai	Chennai
India's Largest Data Centre Hub (53%)	Fastest Growing Hub (20%)
<ul style="list-style-type: none"> <input type="checkbox"/> Financial capital of India <input type="checkbox"/> Submarine cable connectivity <input type="checkbox"/> Enterprise demand (BFSI, telecom, OTT platforms. Cloud providers choose Mumbai first. <input type="checkbox"/> Mature ecosystem (Reliable power supply+ + Developed infrastructure +Large colocation facilities) 	<ul style="list-style-type: none"> <input type="checkbox"/> Chennai is becoming India's alternative coastal digital gateway and fastest expanding market. <input type="checkbox"/> Used as backup for Mumbai data centres. <input type="checkbox"/> Tamil Nadu data Centre policy incentives. <input type="checkbox"/> Land and power cheaper than Mumbai. <input type="checkbox"/> Strong international connectivity like Mumbai.



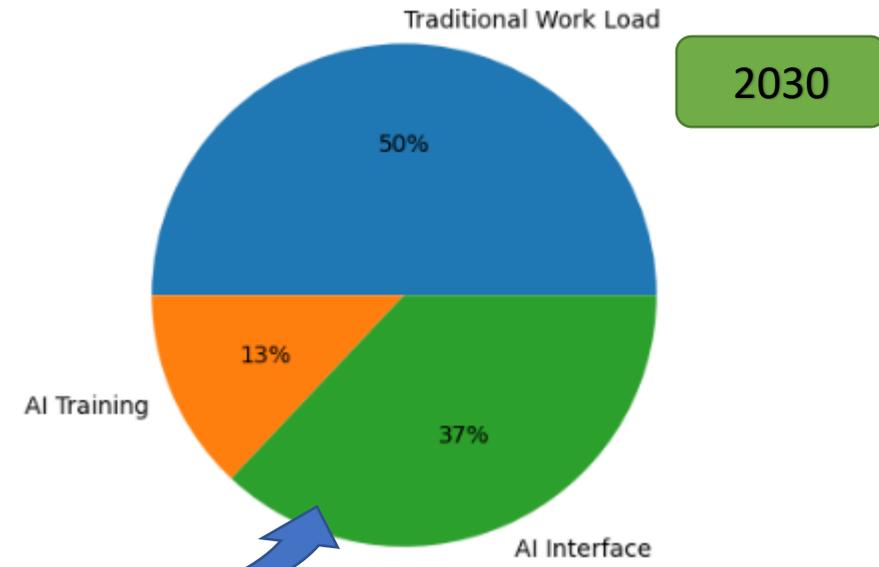
Source : Economic Survey (FY 25-26)

AI Share of Global Data Work load is set to Touch 50% by 2030

Global Data Workload Distribution

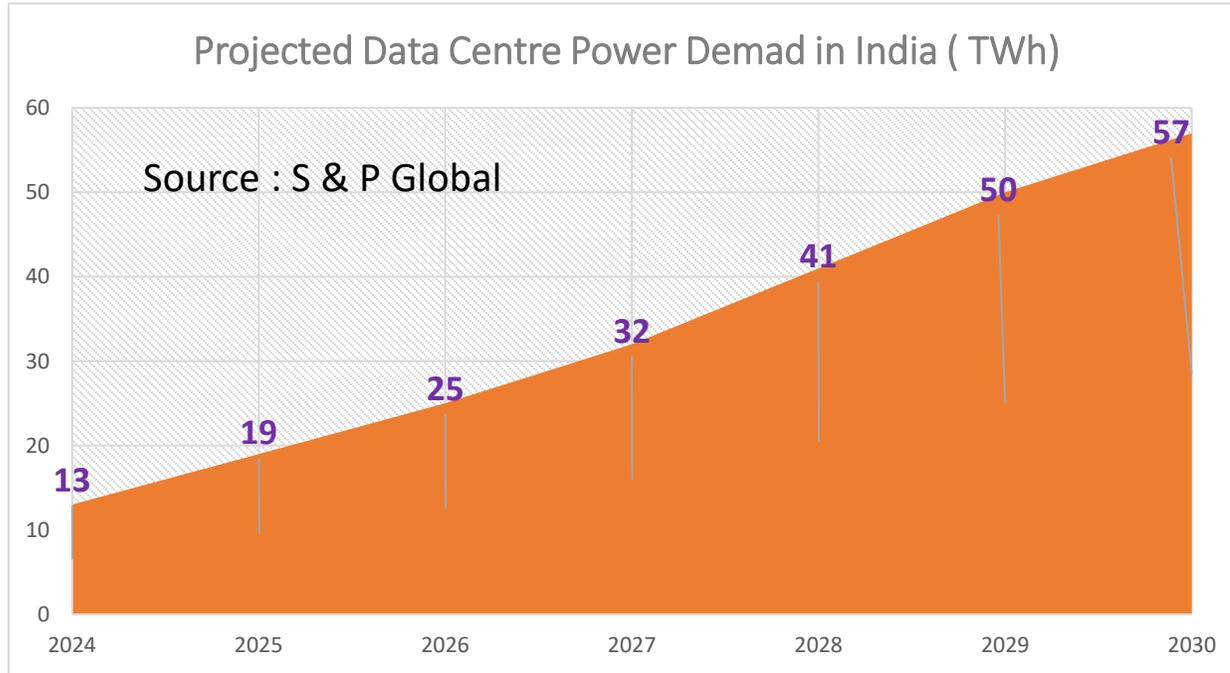


Global Data Workload Distribution



Source : S & P Global

Data Centre Growth will drive Power + Water+ Land Demand through 2030



Electricity Consumption :

- ❑ India's data center capacity has tripled since 2020 to 1.5 GW installed (2025), with power demand at 0.5% of national electricity (13 TWh in 2024).
- ❑ It's projected to reach 4.5-9 GW by 2030, with electricity consumption potentially hitting 57 TWh annually (nearly 5x growth).
- ❑ Key hubs like Mumbai, Chennai, Hyderabad, and Bengaluru dominate, but grid constraints, renewable integration, and competition for power are challenges.

Water Consumption for Cooling

- ❑ 100 MW campus uses water equivalent to a town of 85000 people annually.
- ❑ 150 billion liters annually in 2025 (direct + indirect estimates), projected to more than double to 358 billion liters by 2030. This aligns with capacity growth from 1.5 GW (2025) to 4.5-9 GW by 2030.

Land Requirement

- ❑ 10 MW facilities needs roughly 10acres
- ❑ Land scarcity in prime spots pushes toward Tier-2/3 cities or pre-approved SEZ parcels (e.g., Tamil Nadu's 1,377 acres across sites)

Policy Direction (Big Picture)

The AI summit outcomes show that **India is positioning itself as:**

- ❖ A global AI innovation hub
- ❖ A responsible AI governance leader
- ❖ A major digital infrastructure destination
- ❖ A fast-growing AI market

AI Infrastructure & Compute Partnerships Announced

Major technology firms committed support for India's AI ecosystem:

Key collaborations with:

- ❖ **Microsoft** → AI cloud and digital infrastructure expansion
- ❖ **Google** → AI research and cloud ecosystem support
- ❖ **NVIDIA** → GPU and AI computing capability

Focus areas

- ❖ AI supercomputing capacity
- ❖ Data center ecosystem
- ❖ Cloud-based AI platforms
- ❖ High-performance computing infrastructure

Project Financing (Largest Opportunity)

- ✓ Data centre construction
- ✓ Land acquisition
- ✓ Power infrastructure
- ✓ Cooling systems
- ✓ AI computing hardware
- ✓ Network infrastructure

Why this is big:

- ✓ Data centres require billions in investment.
- ✓ Long-term stable revenue → attractive lending.

Infrastructure Lending Growth

Data centres are treated as digital infrastructure in many economies.

Benefits for banks:

- ✓ Long-term infrastructure loans
- ✓ Structured financing
- ✓ Lower default risk
- ✓ Stable interest income

Real Estate & REIT Financing

Data centres create demand for:

- ✓ Industrial real estate
- ✓ Technology parks
- ✓ Digital infrastructure assets

Banks support Required

- ✓ Commercial real estate loans
- ✓ Infrastructure investment trusts
- ✓ Asset financing

Green Finance & ESG Landing

AI Data centres consume huge energy → demand for green energy.

Banking opportunities:

- ✓ Renewable energy financing
- ✓ Green bonds
- ✓ Sustainable infrastructure loans
- ✓ ESG-linked lending

Regulatory push by institutions like the Reserve Bank of India encourages green finance growth.

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