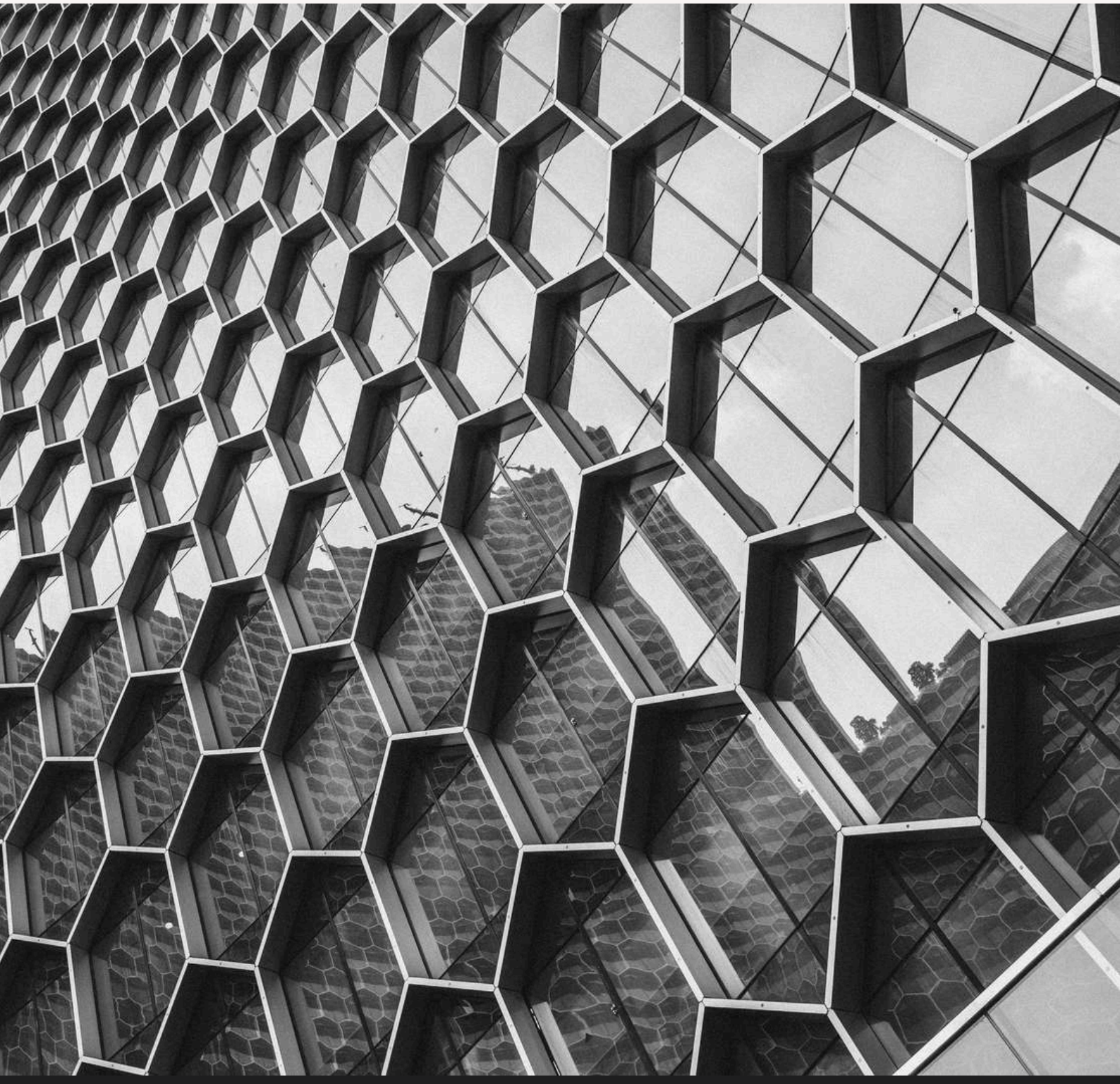
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(SETUP BY AN ACT OF PARLIAMENT)

BHUJ BRANCH OF ICAI (WIRC)
KATIRA COMPLEX, SANSKAR NAGAR RD, SANSKAR NAGAR, BHUJ, GUJARAT 370001



Release On June 04, 2025 Volume 2025- Edition MAY

IN THIS ISSUE

Chairperson's Communique

Dear Esteemed Members & Students,

Greetings!

As we approach the mid-year mark, I am delighted to reflect on an vibrant and eventful month. May 2025 brought a perfect blend of professional development, personal well-being, and camaraderie among members. From insightful seminars to joyful celebrations and spirited sportsmanship, the month truly embodied the spirit of learning, laughter, and lively engagement.

🌟 Celebrating Laughter, Life & Ledger!

On **4th May 2025**, we celebrated **World Laughter Day** with great enthusiasm across branches under the theme **"LOL@ICAI – Laugh Out Ledger"**. This unique initiative beautifully aligned with our mission to nurture holistic well-being among Chartered Accountants. With creative skits, interactive games, and moments of shared joy, members were reminded that balance is not just for books–it's for life!

📚 Capacity Building Through Knowledge Sharing

Our May calendar also saw impactful seminars that furthered our professional expertise:

- Seminar on EPF & Trust's 12A / 80G Renewal
  Date: 9th May 2025 | CPE Hours: 4

The session offered deep insights into regulatory developments and compliance strategies, equipping members to advise clients more confidently.

- Seminar on Prompt Engineering in AI & GPT Use Cases
  Date: 18th May 2025 | CPE Hours: 2

With AI redefining how we work, this seminar showcased practical tools and AI applications, including GPTs and the new Tally Prime 6.0 features, opening doors to smarter workflows.

Chairperson's Communique

🏏 **Play Hard, Stay Balanced**

Ending the month on a sporty note, we hosted an exhilarating **Box Cricket Tournament** on **31st May and 1st June**, fostering team spirit, fitness, and camaraderie among members. Cheers to all participants for their enthusiasm!

📅 **Upcoming Events – June 2025**

- **Annual General Meeting (AGM)**
  Date: 8th June 2025
  We urge all members to participate and contribute to shaping our branch's journey forward.

- **CPE Seminar on Income Tax Bill, 2025 (Date TBA)**
  Stay tuned for insights into the evolving tax landscape and its impact on advisory practices.

- **Felicitation of Senior Members**
  Members aged 75 years or above (as on 1st July 2024) will be honored for their lifelong dedication to the profession. A humble salute to their enduring legacy.

- **Seminar on Tally ERP 6.0 & GSTR Automation**
  Date: 9th June 2025 | CPE Hours: 2
  Explore enhanced features and automation in filing GSTR-1 and GSTR-3B through Tally – a session not to be missed.

In conclusion, May was a vibrant reflection of what we stand for—a perfect blend of learning, laughter, and leadership. I thank each one of you for your active participation and continued commitment to excellence.

Let's keep the momentum going, together.

Warm regards,
CA Bhargav N Shankarwala
Chairperson, ICAI Bhuj Branch

Green is the New Smart
From Balance Sheets to Biospheres: The New CA Mandate

CA Mansi Thacker

"It's time for CAs to evolve: from being finance guardians to becoming guardians of the Earth too."

CAs must expand their role from only managing company finances "balance sheets" to also protecting and thinking about the environment "biospheres".

We CAs have meaningful role not just caring about profits of our clients, but also about the planet in which we live and enjoy our life.

As a Chartered Accountant, I've always believed that our role goes far beyond compliance. We are advisors, strategists, and now more than ever enablers of sustainability. Today, as we stand at the crossroads of artificial intelligence (AI) innovation and climate urgency, I see an exciting opportunity for our profession to lead from the front.

AI is transforming how businesses operate automating decisions, improving customer experiences, and delivering operational efficiency. But behind its power lies a hidden cost **–"energy consumption"**. Large AI models, especially those powering Chatbots, autonomous systems, and predictive analytics, demand massive computing power. And this power mostly comes from electricity, which, if sourced from fossil fuels, leaves a sizeable carbon footprint.

As professionals who understand the language of numbers, we cannot ignore this reality. It is time we **recognize the energy-hungry nature of AI and advocate for its sustainable evolution**–powered by clean energy, backed by transparent carbon reporting, and driven by ESG(Environmental, Social and Governance) - aligned growth strategies.

The Hidden Emissions Behind AI

Let me share a startling fact–training just one large language model can emit over **284 tonnes of CO_2,** equivalent to **five cars running for their entire lifetime.** Globally, **data centers already consume 1–2% of electricity**, and this figure could jump to 8% by 2030, largely due to AI workloads.

What does this mean for us as CAs? It means the clients we serve whether they're in manufacturing, fintech, or retail are likely to embrace AI to stay competitive. But with that adoption must come **accountability** not just for financial performance, but for **sustainable AI practices.**

This is where we step in.

India's Push for Green AI

India is not behind. In fact, we are racing ahead with initiatives like:

Adani & Google's Clean Energy Collaboration in Khavda, Kutch, Gujarat.

The Adani Group and Google have partnered to supply clean energy from a new solar-wind hybrid project located in the Khavda renewable energy park in Gujarat. This project is expected to commence commercial operations in the third quarter of 2025, aligning with Google's goal to power its cloud services and operations in India entirely with clean energy by 2030.

Microsoft's Investment in Telangana for Carbon-Negative Data Centers

Microsoft has announced plans to invest approximately $3.7 billion in Telangana to build data centers with a capacity of 660 megawatts. This investment is part of Microsoft's commitment to achieve carbon-negative operations by 2030, sourcing clean power from renewable energy companies.

National Data Centre Policy Mandates

India's National Data Centre Policy mandates progressive renewable energy targets for data centers, aiming for 50% renewable energy sourcing by 2027 and 70% by 2030. This policy is part of the government's broader strategy to promote sustainable practices in the rapidly growing data center industry.

Given the high electricity demand of data centers, especially those supporting cloud computing and AI, this policy is a strategic move to decarbonize digital infrastructure. It ensures that India's rapid digital expansion is aligned with its sustainability commitments, promoting responsible growth in the tech ecosystem.

Rooftop Solar Initiatives: PM Surya Ghar Yojana

The PM Surya Ghar Yojana encourages the installation of rooftop solar systems across India. The initiative aims to increase the country's rooftop solar capacity significantly, with projections estimating growth from 17 GW in FY25 to 30 GW by FY27.

Production-Linked Incentive (PLI) Schemes for Green Electronics

The Indian government's ₹22,919 crore Production-Linked Incentive (PLI) scheme for electronic components, announced in March 2025, is strategically aligned with the future of energy-efficient AI infrastructure. It focuses on scaling up domestic manufacturing of lithium-ion batteries, semiconductor modules, and display panels – all essential to powering next-gen data centers, edge AI devices, and energy-smart electronics. By strengthening the supply chain for green electronics, the scheme indirectly fuels the backbone of sustainable AI operations across India.

These developments underscore India's commitment to integrating renewable energy into its technological infrastructure, positioning the country as a potential global leader in sustainable AI infrastructure.

What excites me the most is that India is not just a consumer, but a potential **global leader in sustainable AI infrastructure.**

What We, as CAs, Can Do

As finance professionals, we're trusted with more than books–we're trusted with vision. Here's how we can contribute:

1. Guide Clients Toward Green AI

Encourage clients to adopt AI systems that run on renewable-powered cloud platforms. Help them evaluate tech partners who are carbon-conscious.

2. Integrate Carbon Accounting
Offer carbon accounting services, especially for tech-driven businesses. Track, measure, and report emissions from IT operations and AI use.

3. Promote ESG(Environmental, Social and Governance) Frameworks

Help companies draft and comply with ESG reporting guidelines, incorporating data center energy use, e-waste recycling, and renewable integration.

4. Encourage Green Investments
Advise on tax incentives, green bonds, and investment in solar rooftops, wind, or hybrid projects. These are not just sustainable, but profitable too.

5. Support Circular Economy Models

Many companies still don't plan for hardware recycling. We can initiate internal audits and sustainability reviews that address solar panel or server waste responsibly.

Sustainability: Not Just an Option, but a Responsibility

I'm not suggesting we halt AI progress on the contrary, I believe AI can be a **tool for sustainability.** From optimizing energy grids to forecasting climate risks, AI can be a game changer. But we must ensure **its power doesn't become a burden** on our planet.

We, as CAs, are uniquely positioned to **bridge financial prudence with environmental vision.** Let's educate our clients, innovate within our firms, and influence policy whenever possible. Let's promote AI that is **not only smart but sustainable.**

Final Insight

Sustainability is no longer the responsibility of just CSR teams or environmentalists. It's ours too. Let's move beyond ticking boxes and start shaping business models that respect **both balance sheets and the biosphere.** Let's not treat sustainability, ESG, green AI, etc., as just paperwork. Let's genuinely embed them into how businesses think and operate. In a world racing towards automation, let's ensure we're **equally racing toward accountability.**

GST Updates – Notifications, Circulars, Order, Instructions, RoDs, Press Releases For the month of May 2025

-CA Deep Koradia B.Com., FCA, DISA(ICAI)

Sr No	Notification No	Category	Date	Description	Keyword / Reference/ Comment	Citation
1	04/2025	Instruction	02-05-2025	Grievance Redressal Mechanism for processing of application for GST registration	All PCC / CC has been advised to circulate Email ID in case any Tax payer wants to raise grievance for GST Registration	Click Here
2	05/2025	Instruction	02-05-2025	Timely production of records/information for audit	Field Formation Instructed to give Timely Documents to C&AG Team	Click Here

Page 1 / 2 | Updated Till May-25

Deep Koradia & Associates
CHARTERED ACCOUNTANTS | CA INDIA

Master Chart on RCM under GST
(With Rate and HSN/SAC)

RCM ON SERVICES					
#	SAC	Type of Service	Supplier	Recipient	Rate
1	Any	**Import of Service** (When - Supplier is Outside India - Recipient is In India - PoS is In India)	Person located in a Non-Taxable Territory	Person located in the Taxable Territory - **IMPORTER**	See NN 08-2017 ITR
2	996511	**Goods Transport Services By Road**	GTA (Who has not Opted for 12% Forward Charge)	Any Registered Person under GST / Factory / Society / Co-op Society / Body Corporate / Partnership Firm / AOP / Casual Taxable Person (Who Pays to GTA)	5%
	Note: 1) The Option is with GTA either to Go with 12% or 5%. If GTA has opted 12%, then it'll be under Forward Charge 2) RCM on GTA Services is Not applicable to CG / SG / Local Authority / Govt Agencies who is registered only for GST-TDS 3) Unregistered Recipient (say Individual), other than specifically listed as "Recipient" as above, are exempted from RCM (Entry 21A NN 12-2017 CTR) 4) GTA Services by Road for Agriculture Produce, milk, salt, food grain, flour, pulses, rice, newspapers etc. are exempted (Entry 21 NN 12-2017 CTR)				
3	996601	**Renting of Passenger Transport Vehicle** - When Cost of Fuel is included	Any person Except body corporate (Who has not opted for 12% Forward Charge)	Body Corporate	5%
	Note: 1) The Option is with Supplier either to Go with 12% or 5%. If Supplier has opted 12%, then it'll be under Forward Charge 2) **ITC to the recipient is not eligible** (unless the Approved seating capacity of the vehicle is > 13)				
4	9982**	**Legal Services** (In any Branch of law, Say GST)	By Advocate or Firm of advocate	Business Entity	18%
	Note: Business Entity having Turnover below 40L / 20L / 10L and not required to get registration - is also exempted from paying RCM of Legal Services (Entry 45 NN 12-2017 CTR)				
5	Any (for Royalty: 997337)	**Any Services Supplied by CG, SG, UT or Local Authority (Including ROYALTY Payment to Govt)** EXCEPT: 1) Renting of Immovable Property 2) Postal Department's Services 3) Aircraft of vessel Services 4) Transport of Goods / Passengers	CG, SG, UT or Local Authority	Business Entity	See NN 11-2017 CTR
6	997211/ 997212	**Renting of Immovable Property by CG, SG, UT or Local Authority** (Except by Indian Railways)	CG, SG, UT or Local Authority	Any Registered Person	18%
7	997211	**Renting of Residential Property** (Use can be Any - Residential / Commercial)	Any person	Any registered person	18%
	Note: If Such Residential Property is taken on Rent to by a "Proprietor" for his personal Use, then it's exempted (Entry 12 NN 12-2017 CTR)				
8	997212	**Renting of Commercial Property** (Any Immovable Property Except Residential Property)	Any unregistered person	Any registered person (Except Composition Tax Payer)	18%
	Note: If Supplier of Renting of Commercial Property is Registered, then It'll be Under Forward Charge				
9	998525	**Security Services**	Any person (Except body corporate)	Any registered person	18%
	Note: 1) RCM on Security Services is Not applicable to CG / SG / Local Authority / Govt Agencies who is registered only for GST-TDS. 2) RCM on Security Services is Not applicable to Composition Taxable Person				
10	9983**	**Services supplied by a Director**	Director	Company / Body Corporate	18%
	Note: 1) Services Provided only "In the Capacity of Director" will be covered (Circ 201-2023 Dt. 01-08-23) 2) if Such Director on Employment and TDS is deducted u/s 192, then Sch-III Item, No GST (Circ 140-2020 Dt. 10-06-20)				
11	9971**	**Services supplied by an insurance agent**	An insurance agent	Person carrying on insurance business	18%
12	997159	**Services by INDIVIDUAL DSAs** (other than Body Corporate / P'ship / LLP)	INDIVIDUAL DSAs	Bank / NBFC	18%
13	997159	**Services by Business Facilitator (BF)**	Business Facilitator (BF)	Bank	18%
14	997159	**Services by Agent of Business Correspondent (BC)**	Agent of business Correspondent (BC)	Business Correspondent	18%

Download High Resolution PDF: bit.ly/RCM_MasterChart

13-2017 CTR | 10-2017 ITR | 04-2017 CTR | 07-2019 CTR

Deep Koradia & Associates
CHARTERED ACCOUNTANTS | CA INDIA

Master Chart on RCM under GST
(With Rate and HSN/SAC)

RCM ON SERVICES

#	SAC	Type of Service	Supplier	Recipient	Rate
15	998215 / Any	Services supplied by an **Arbitral Tribunal**	An Arbitral Tribunal	Business Entity	See NN 11-2017 CTR
16	998397	**Sponsorship Services**	Any person (Except body corporate)	Body Corporate / P'ship firm	18%
17	998599	Services supplied by a **Recovery Agent**	Recovery Agent	Bank / Financial Institution / NBFC	18%
18	997332 / 33	Transfer / permitting the use / enjoyment - of a **Copyright**	Music composer, photographer, artist, or the like	Music company, producer or the like	18%
19	997334	Transfer / permitting the use / enjoyment - of a **Copyright**	Author (Except those Author Who Opted Forward Charge)	Publisher	18%
20	Any	**Supply of services by the members of Overseeing Committee to RBI**	Members of Over-seeing Committee	RBI	See NN 11-2017 CTR
21	997119	Services of lending of **Securities**	Lender	Borrower	18%

RCM ON GOODS

#	HSN	Type of Goods	Supplier of Goods	Recipient of Goods	Rate
1	0801	**Cashew nuts, not shelled or peeled**	Agriculturist	Any registered person	5%
2	14049010	**Tendu Leaves**	Agriculturist	Any registered person	18%
3	2401	**Tobacco Leaves**	Agriculturist	Any registered person	5%
4	5201	**Raw cotton**	Agriculturist	Any registered person	5%
5	33012400 / 2510	**Essential Oils**	Any Unregistered Person	Any registered person	12%
6	33012520 / 30 / 40 / 90	**Essential Oils**	Any Unregistered Person	Any registered person	18%
7	5004 / 5006	**Silk yarn**	Any person who manufactures silk yarn	Any registered person	5%
8	Any	**Supply of lottery**	State Govt / UT / Local Authority	Lottery distributor or selling agent	28%
9	Any	**Used vehicles / seized goods / used goods / scrap**	CG / SG / UT / Local Authority (Except Indian Railways)	Any registered person	See NN 01-2017 CTR
10	Any	**Priority Sector Lending Certificate**	Any registered person	Any registered person	12%
11	72 to 81	**Metal scrap**	Any unregistered person	Any registered person	18%

RCM for PROMOTOR - BUILDER

#	HSN / SAC	Type of Goods / Service	Supplier	Recipient	Rate
1	9972**	**Transfer of Development Rights / FSI / Long term lease** of land (30 years or more)	Any person	Promoter (Residential / Commercial - Any)	18%
	Note: 1) For Residential Projects - RCM is applicable Proportionally - only for those apartments which remains un-booked on the date of completion (Entry 41A 12-2017 CTR) 2) For Residential Projects - RCM @18% on TDR / FSI etc. shall not exceed 1% / 5% of the consideration value of un-booked apartments (Entry 41A 12-2017 CTR) 3) RCM Liability required to be discharged at the time when the completion Certificate has been issued (NN 06-2019 CTR)				
2	Any	**Supply of Any Goods or Services** Except TDR / FSI / Long-term Lease of Land (When Such Purchase from Registered Person Falls short of 80% of Total Purchase)	Unregistered	Promoter of Residential Real-Estate Project (RREP)	FLAT RATE 18%
3	2523	**Cement**	Unregistered	Promoter (Residential / Commercial - Any)	28%
4	Any	**Capital Goods**	Unregistered	Promoter of Residential Real-Estate Project (RREP)	See NN 01-2017 CTR

Harnessing Artificial Intelligence for Tax Compliance – The Future of Transparent Governance

-CA Sneha Verma

The Indian tax ecosystem is witnessing a silent revolution. As economic transactions become increasingly complex and voluminous, governments are embracing technology to ensure better compliance, reduce evasion, and improve revenue efficiency.

In a groundbreaking move, the Andhra Pradesh government recently announced plans to deploy Artificial Intelligence (AI) across departments to track tax evasion patterns, especially in high-risk areas such as gold consumption and real estate.

This marks a pivotal moment in India's journey toward data-driven governance and offers a glimpse into how AI can reshape the future of tax administration.

Understanding the Role of AI in Tax Systems

AI involves the simulation of human intelligence by machines—learning, reasoning, and self-correction. In the context of tax compliance, AI systems can:

- Analyze large volumes of data from multiple sources (GST, income tax filings, banking data, real estate records)
- Detect anomalies and patterns suggestive of tax evasion
- Predict high-risk profiles for targeted audits and investigations
- Automate routine tasks such as refund validations, document verifications, and e-assessments

Andhra Pradesh's AI Model: A Case Study

The AP government plans to integrate data from 26 departments using AI to identify discrepancies between reported incomes and actual consumption patterns. For example, if an individual purchases gold worth lakhs but reports low income, the AI tool flags it for further scrutiny. This model emphasizes prevention over punishment—enabling authorities to intervene early and encourage voluntary compliance.

Why AI is a Game-Changer for Tax Compliance

- Real-Time Monitoring: AI allows tax authorities to detect suspicious activities as they happen—not months after.
- Efficient Enforcement: Human audits are time-consuming and subjective. AI can automate risk scoring to prioritize cases that need deeper review.
- Widening the Tax Base: By identifying non-filers and under-reporters, AI ensures a fairer distribution of the tax burden.

- Reduced Corruption: Automation limits manual intervention, lowering the scope for discretionary decisions and malpractices.

Key Challenges and Ethical Considerations

While AI offers exciting possibilities, its use in tax systems raises important questions:
- Privacy and Data Security: Use of personal data must be protected through robust encryption and compliance with laws like the Digital Personal Data Protection Act, 2023.
- Algorithm Bias: AI models must be trained on diverse datasets to avoid skewed or discriminatory outcomes.
- Transparency: Taxpayers have a right to know how AI-generated assessments are made. Black-box algorithms must be replaced with explainable models.

The Role of Chartered Accountants

As AI tools become more prevalent, Chartered Accountants must evolve their roles from traditional compliance work to:
- Advisory Services: Guiding clients on how to align financial behavior with data-backed compliance expectations.
- Data Interpretation: Helping businesses understand what their digital footprints reveal and how to manage risks.
- Technology Integration: Working with software providers to ensure accounting systems are audit-ready in the age of AI.

Looking Ahead

The use of AI in tax compliance is no longer a distant vision—it is an unfolding reality. While Andhra Pradesh may be among the first movers, other states and eventually the central government are expected to follow suit. As we transition toward a more predictive, proactive, and preventive tax regime, the Chartered Accountancy profession must adapt, upskill, and lead the way in ensuring ethical and effective implementation of AI technologies.
Conclusion
AI is not here to replace professionals, but to enhance the accuracy, efficiency, and fairness of the system.

As stakeholders in India's economic integrity, we must embrace this change with responsibility and foresight.

Analysis of the Indian Data Center Business and Investment Opportunity for Listed Companies in this industry.

-CA Jagdish Hirani

The Indian data center market is experiencing a period of rapid expansion, currently valued at approximately USD 5-5.7 billion in 2024 and projected to reach USD 12 billion by 2030.[1] This represents a significant growth trajectory, fueled by a confluence of factors including increasing internet penetration, widespread adoption of cloud services, the burgeoning rise of artificial intelligence and 5G technology, and supportive government policies.[1] The investment landscape is equally dynamic, with substantial capital being deployed by both domestic and international entities, exceeding USD 23 billion in planned investments for upcoming data centers and potentially reaching USD 100 billion by 2027.[6] Indian listed companies are actively participating in this growth, either as direct operators of data center facilities or as providers of crucial infrastructure and related services.[10] This report provides a comprehensive analysis of the current state and future prospects of the Indian data center business, with a specific focus on the investment opportunities within publicly traded Indian companies and the potential challenges that lie ahead.

Introduction:

Data centers serve as the foundational infrastructure of the modern digital economy, playing a critical role in supporting national security, facilitating internet operations, and driving overall economic output.[14] India is currently undergoing a rapid digital transformation, characterized by an unprecedented surge in data generation. This exponential increase in data necessitates a robust and scalable data center infrastructure to support the growing demands of businesses and consumers alike.[2] This report aims to analyze the Indian data center business in detail, with a particular emphasis on the future investment outlook for companies listed on Indian stock exchanges. By examining the key trends and drivers shaping the industry, this analysis seeks to provide valuable insights for investors and stakeholders looking to understand the potential of this rapidly evolving sector.

A. Indian Data Center Market: Current Scenario and Growth Drivers:

- Current Market Size and Capacity:

The Indian data center market in 2024 demonstrates significant economic activity, with valuations ranging between USD 5 billion and USD 5.7 billion according to various market analyses.1 MarkNtel Advisors estimates the market size to be around USD 5.7 billion in the current year.1 Similarly, IMARC Group places the market value at USD 5.03 billion for 2024.17 This substantial valuation underscores the increasing importance of data centers within the Indian economy. The operational capacity of data centers across India has also surpassed a significant milestone, exceeding 1 gigawatt (GW) in 2024.2 JLL highlights that the Indian data center industry crossed this 1 GW threshold in the current year.18 Further corroborating this, CBRE indicates that the total data center capacity in India reached approximately 1,255 MW between January and September of 2024.2 This represents a remarkable expansion from the

350 MW capacity recorded in 2019, demonstrating a robust compound annual growth rate (CAGR) of 24% since that time, as noted by JLL.18 This rapid growth over a relatively short period signifies a market that is not only expanding but also maturing quickly, indicating strong underlying demand and a potentially favorable environment for investment. Geographically, the concentration of these data center facilities is primarily in major metropolitan areas, including Mumbai, Bangalore, Chennai, Delhi NCR, and Hyderabad.19 MarketsandMarkets points out that over 75% of the data centers in India are located within these key cities.19 Among these hubs, Mumbai stands out as a leader, possessing the highest colocation capacity and a significant number of cable landing stations, totaling 536 MW of colocation capacity and 10 cable landing stations.18

- Key Growth Drivers:
  - Digital Transformation and Increased Internet Penetration:

The increasing adoption of digital services across a wide spectrum of sectors, encompassing finance, education, and entertainment, is a fundamental driver propelling the demand for data centers in India.1 The need for secure and scalable data storage and processing has become paramount as more aspects of life and business migrate online. Supporting this digital shift is the growing number of internet users in India, which reached over 750 million in early 2024, representing an internet penetration rate exceeding 50%.3 This data, reported by Cushman and Wakefield, illustrates the expanding digital footprint of the Indian population.3 Furthermore, the number of broadband subscribers has also seen a steady increase, rising from 10.04 million in March 2023 to 10.96 million in March 2024.1 This growth in connectivity directly correlates with a greater need for robust processing and storage capacity, which data centers provide. The expanding digital engagement of India's population creates a strong and sustained demand for data center services, establishing a solid foundation for continued market growth.1 As more individuals and organizations embrace online platforms for various activities, the volume of data generated and consumed rises, necessitating a corresponding expansion in data center infrastructure.

  - Cloud Adoption:

The rapid adoption of cloud computing services by businesses across India, including small and medium-sized enterprises (SMEs), stands out as a major catalyst for the growth of the data center market.1 This trend is consistently highlighted across various research materials.1 Cloud adoption offers numerous benefits to businesses, including scalability, flexibility, and cost-efficiency, making it an increasingly attractive option for IT infrastructure. The cloud market in India is projected to experience substantial growth, potentially reaching INR 1 trillion by 2025, according to estimates from NASSCOM.22 This growth is further fueled by the expansion of global cloud service providers such as Amazon Web Services (AWS), Microsoft Azure, and Google Cloud within India.17 These companies are actively investing in and expanding their presence in the Indian market, which in turn drives the demand for data center facilities to host their cloud infrastructure.17 Cloud adoption represents a fundamental shift in how businesses manage their IT needs, ensuring a continuous and growing demand for data center capacity. This creates significant long-term investment opportunities within the Indian data center sector as businesses increasingly rely on cloud-based solutions for their operations.

- Rise of Artificial Intelligence (AI) and Machine Learning (ML):

The increasing integration of artificial intelligence (AI) and machine learning (ML) applications across various industries is significantly driving the demand for specialized data centers capable of handling the intensive computational power and vast data storage requirements these technologies entail.3 This factor is consistently identified as a major growth catalyst for the data center market in numerous research snippets.3 The deployment of AI and ML for tasks such as real-time analytics, natural language processing, and predictive modeling necessitates robust infrastructure. Goldman Sachs Research projects a substantial surge in data center power consumption globally due to the increasing adoption of AI workloads.27 In response to this growing demand, significant investments are being directed towards the development of AI-ready data centers, equipped with advanced cooling technologies to manage the high power densities associated with AI computations.8 AI is emerging as a powerful new driver for the data center industry, requiring not only increased capacity but also specific capabilities. This creates new investment avenues in the development and operation of data centers optimized for AI and ML workloads.

- Expansion of 5G Networks and IoT:

The ongoing rollout of 5G technology across India is poised to significantly impact the data center market by enabling faster internet connectivity and facilitating a substantial increase in data generation.1 This expansion will necessitate greater data center capacity to manage the increased data traffic, particularly the deployment of edge data centers to support low-latency applications such as autonomous vehicles, smart cities, and augmented reality.1 India's 5G subscriptions are projected to exceed 500 million by 2027, according to TechSci Research, underscoring the scale of this technological shift.28 Complementing the growth of 5G is the proliferation of Internet of Things (IoT) devices, which generate vast amounts of data that require processing and storage within data center facilities.14 The interconnected nature of IoT devices, spanning various sectors from industrial automation to smart homes, contributes to the exponential increase in data volumes. The combined effect of 5G and IoT will drive the need for a more distributed data center infrastructure, encompassing both large central facilities and smaller edge computing deployments, thereby creating new investment opportunities, especially in Tier II and Tier III cities.1

- Government Initiatives and Data Localization Policies:

The Indian government has launched several key initiatives, including Digital India, Smart Cities, and the National Data Center Policy, which are collectively fostering a favorable environment for the growth of the data center industry.1 These policies aim to strengthen the country's digital infrastructure and promote technological advancements. Furthermore, data localization regulations, such as the Digital Personal Data Protection Act and directives from the Reserve Bank of India (RBI), mandate that certain categories of data, particularly sensitive personal data and financial data, must be stored and processed within the geographical boundaries of India.3 This regulatory framework is a significant driver for the construction and expansion of local data centers to ensure compliance. The government has also been actively working to simplify the procedures for establishing data center facilities and is offering various incentives, including land grants, tax benefits, and subsidies, to attract both domestic and international investments in this sector.5 State governments are

also playing a crucial role by implementing their own supportive policies and incentives.16 This strong government support and regulatory clarity provide a stable and encouraging landscape for investments in the Indian data center market.

B. Future Outlook and Projections for the Indian Data Center Market:

- Market Size Projections:

The future of the Indian data center market appears exceptionally promising, with numerous projections indicating substantial growth in the coming years. By 2030, the market is expected to reach a valuation of approximately USD 12 billion, exhibiting a compound annual growth rate (CAGR) of around 13% from 2025 to 2030, according to MarkNtel Advisors.1 Other analyses suggest even more optimistic figures, with average estimates pointing towards a market size of USD 15 billion by 2030, reflecting a CAGR of 14%.30 Looking further ahead, Grandview Research projects the market to reach USD 21.79 billion by 2030, with a CAGR of 15.6% from 2025 to 2030.33 Their longer-term outlook anticipates the market potentially reaching USD 78.19 billion by 2035, growing at a CAGR of 12.275% from 2025 to 2035.22 The colocation segment of the market is also expected to witness significant expansion, with Mordor Intelligence forecasting revenues to reach USD 4.93 billion by 2030, growing at a CAGR of 16.10% during the forecast period of 2025-2030.34 The consistency in these high growth projections from various independent sources underscores the immense potential of the Indian data center market, positioning it as a highly attractive destination for investors. While the slight variations in these figures may stem from differing methodologies or the specific scope of each analysis, the overarching trend clearly indicates a robust and expanding market. This sustained high CAGR, driven by the factors discussed earlier, points towards a substantial increase in the overall market size by 2030 and beyond.

- Capacity Expansion Forecasts:

To meet the anticipated surge in demand, significant capacity expansion is planned within the Indian data center market. ResearchAndMarkets.com projects that around 1.6 GW of power capacity is expected to be added by the end of 2025, with a total of 3.5 GW anticipated by 2030.6 This substantial increase in capacity highlights the industry's proactive approach to addressing future needs. Furthermore, it is anticipated that India's total data center capacity will double from 0.9 GW in 2023 to approximately 2 GW by 2026.15 JLL forecasts an even more rapid expansion, projecting a 66% surge in data center capacity by 2026.35 Savills India also provides a strong growth outlook, predicting that the total data center stock in India will reach 3,400 MW IT by 2030.36 These substantial planned capacity additions across various forecasts indicate a strong commitment from data center operators to cater to the expected growth in data processing and storage requirements, further reinforcing the positive investment outlook for the sector. The alignment of these projections from different reputable agencies adds significant credibility to the expectation of rapid capacity expansion.

- Emerging Technologies Shaping Future Demand:

The future demand for data centers in India will be increasingly shaped by the continued proliferation of emerging technologies such as artificial intelligence (AI), machine learning

(ML), 5G networks, and the Internet of Things (IoT).3 These technologies are expected to drive the need for more sophisticated and distributed data center infrastructure. Notably, edge computing is anticipated to gain significant importance for applications that demand low latency and real-time data processing.1 This trend will likely lead to increased demand for data centers in Tier II and Tier III cities, bringing processing closer to the data source and end-users. Furthermore, there is a growing emphasis on sustainability within the industry, with a rising demand for energy-efficient and environmentally friendly "green" data center practices, including the adoption of renewable energy sources and innovative cooling solutions.14 The increasing power demands of AI workloads are also driving a trend towards higher rack power densities, which in turn necessitates the adoption of advanced cooling technologies such as liquid cooling to maintain operational efficiency.18 The evolution of these technologies will not only contribute to an overall increase in data center demand but will also influence the specific types and geographical locations of future facilities, thereby creating opportunities for specialized investments in areas like AI-optimized infrastructure, edge deployments, and sustainable solutions.

- **Table 1: Key Projections for the Indian Data Center Market**

Metric	2024 Value/Capacity	2030 Value/Capacity	CAGR (2025-2030)	Source(s)
Market Size (USD Billion)	2024 Value/Capacity	12.0 - 21.79	13% - 15.6%	1
Total Power Capacity (GW)	~1.18	3.5	-	1
Colocation Revenue (USD Million)	-	4931.8	0.161	34

- **C. Investment Landscape in the Indian Data Center Sector:**

Overall Investment Climate:
The Indian data center market is currently experiencing significant investor interest, as evidenced by the substantial capital commitments being made in the sector. Over USD 23 billion in investments are planned for upcoming data center projects across the country.6 Furthermore, the market has attracted over USD 6.5 billion in investments over the past decade through private equity investments, joint ventures, strategic platforms, and acquisitions.10 Looking ahead, expectations are high, with forecasts suggesting that total investments in the Indian data center industry could exceed USD 100 billion by 2027.8 This robust inflow of capital reflects a strong level of confidence among investors regarding the growth potential and long-term prospects of the Indian data center market. The significant financial commitments from both institutional investors and industry players indicate a favorable climate for further investments in this rapidly expanding sector.

Major Investment Announcements and Partnerships:

Several major investment announcements and strategic partnerships highlight the dynamic nature of the Indian data center market. Reliance Industries, under the leadership of Mukesh Ambani, has unveiled ambitious plans to construct what could be the world's largest AI-powered data center in Jamnagar, Gujarat, with a potential investment ranging from USD 20 billion to USD 30 billion.17 The Adani Group, through its joint venture AdaniConneX, is rapidly expanding its data center footprint with a goal of reaching 1 GW of capacity by 2030, backed by a committed investment of USD 6.5 billion.1 NTT Data recently launched a new, large-scale data center facility in Noida, further bolstering the capacity in the Delhi NCR region.1 Singapore-based STT GDC has announced plans to inject SGD 4.17 billion (approximately USD 3.2 billion) into the Indian market to add 550 MW of data center capacity.42 Sify Technologies revealed its intention to invest a substantial USD 5 billion towards expanding its data hubs and integrating advanced AI operations.43 Bharti Airtel's data center arm, Nxtra, is set to invest Rs 5,000 crore to double its existing capacity.45 Larsen & Toubro is also exploring significant investments in its data center business, potentially reaching up to USD 2 billion.47 Additionally, Colt Data Centre Services has formed a joint venture with RMZ Corp to invest USD 1.7 billion in developing digital infrastructure across India.17 These substantial investment announcements from prominent players in the industry underscore a strong belief in the Indian data center market's growth trajectory and highlight the significant scale of development anticipated in the coming years. The participation of both domestic and international companies further validates the attractiveness of the Indian market for digital infrastructure investments.

Role of Government Policies in Attracting Investments:

Government policies at both the central and state levels are playing a pivotal role in attracting significant investments into the Indian data center sector. The granting of infrastructure status to data centers has been a key enabler, providing the industry with access to benefits such as easier financing and streamlined approvals.4 Furthermore, the government is offering various tax incentives and working towards simplifying regulatory frameworks to reduce complexities and costs associated with setting up and operating data centers.4 State governments are also actively contributing by introducing targeted policies that include incentives such as tax breaks, waivers on electricity duty, and support for infrastructure development, making their respective states more attractive destinations for data center investments.9 Early-moving states like Maharashtra, Tamil Nadu, and Telangana have been particularly proactive in offering such benefits.9 This proactive and supportive stance from the government is crucial in fostering a conducive investment environment, mitigating potential risks, and enhancing the overall appeal of the Indian data center market to both domestic and international investors.

D. Analysis of Indian Listed Companies in the Data Center Business:

Direct Data Center Operators:

Several prominent companies listed on Indian stock exchanges are directly involved in owning and operating data center facilities across the country.

- Tata Communications (NSE: TATACOMM, BSE: 500483): Tata Communications plays a pivotal role in the Indian data center ecosystem by offering high-performance connectivity solutions, cloud interconnect services, and managed hosting.10 The company holds a dominant position in the data center interconnectivity space within India.10

- Sify Technologies (NSE: SIFY, BSE: 532540): Sify Technologies is recognized as one of the largest integrated ICT solutions and services providers in India. Its offerings include a comprehensive suite of data center services such as colocation, cloud hosting, and managed solutions.49 The company has announced significant investment plans aimed at expanding its data center hubs and integrating advanced artificial intelligence capabilities.43

- Bharti Airtel (Nxtra Data) (NSE: BHARTIARTL, BSE: 532454): Nxtra Data is the data center subsidiary of Bharti Airtel, a leading telecommunications company in India. Nxtra operates an extensive network of data center facilities strategically located across the country, providing a range of services to various clients.49 The company has outlined ambitious plans to double its data center capacity over the next few years, backed by substantial investments and the implementation of AI-powered technologies to enhance efficiency.45

- Reliance Industries (Jio) (NSE: RELIANCE, BSE: 500101): Through its telecom arm, Jio, Reliance Industries has made a significant entry into the data center market. The company has revealed plans for large-scale data center development, including the potential construction of the world's largest AI-powered data center in Gujarat.40

These listed companies, as direct operators, are at the forefront of the Indian data center market's growth. Their established presence, coupled with significant expansion initiatives, positions them favorably to capitalize on the increasing demand for data center services. Their diverse service portfolios and ongoing investments in infrastructure and technology make them potential targets for investors seeking direct exposure to this burgeoning sector.

Providers of Infrastructure, Components, and Services:

In addition to direct operators, several other listed companies play a crucial role in the Indian data center ecosystem by providing essential infrastructure, components, and specialized services.

- Larsen & Toubro (L&T) (NSE: LT, BSE: 500510): Leveraging its extensive experience in engineering, procurement, and construction (EPC), L&T has entered the data center space with its L&T Cloudfiniti venture.10 The company is undertaking significant capacity expansion plans to cater to the growing demand.47
- ABB India (NSE: ABB, BSE: 500003): ABB India offers a comprehensive range of electrification and automation solutions that are vital for data center operations. These include power distribution systems, power protection equipment, and smart automation technologies.10

- Cummins India (NSE: CUMMINSIND, BSE: 500480): Cummins India is a key provider of reliable backup power solutions for the data center industry, offering a range of high-performance generators that ensure business continuity during power outages.12
- Hitachi Energy India (NSE: HITACHI, BSE: 523994): Hitachi Energy India offers solutions focused on power quality and grid connection, which are essential for maintaining the stable and uninterrupted power supply required by data centers.12
- Voltas (NSE: VOLTAS, BSE: 500575): Voltas has expertise in providing advanced cooling solutions for data centers, a critical aspect given the increasing heat generated by high-density computing environments.12
- Blue Star (NSE: BLUESTARCO, BSE: 500067): Blue Star manufactures a variety of cooling equipment, including energy-efficient chillers, which are widely used in data center facilities to regulate temperature and maintain optimal operating conditions.12
- Amber Enterprises India (NSE: AMBER, BSE: 540985): While primarily focused on consumer durables and electronics manufacturing, Amber Enterprises India also produces components that could find applications within data center infrastructure.12
- KEC International (NSE: KEC, BSE: 532714): KEC International provides EPC services across various infrastructure sectors, including potential projects for the development and construction of data center facilities and related infrastructure.12
- Kirloskar Oil Engines (NSE: KIRLOSENG, BSE: 532978): Kirloskar Oil Engines manufactures a range of gensets that serve as reliable backup power sources for the IT sector, including data centers, ensuring uninterrupted operations.12
- Marine Electricals (India) (NSE: MARINE, BSE: 531778): Marine Electricals has received orders for the supply of low-voltage (LV) panels and switchboards for various data center projects, indicating its role in providing essential electrical infrastructure.11
- E2E Networks (NSE: E2E): E2E Networks focuses on providing an AI-focused hyperscale cloud platform and offers advanced cloud GPU solutions, indicating its involvement in the data center and cloud services space with expansion plans to meet growing demand.11
- Netweb Technologies India (NSE: NETWEB): Netweb Technologies is a provider of high-end computing solutions, including high-performance storage, AI and big data systems, and data center servers, making it a key player in supplying the hardware infrastructure for data centers.11
- Allied Digital Services (NSE: ALLIEDDIGI, BSE: 532875): Allied Digital Services offers a range of IT services and digital infrastructure solutions, which could include services related to the management and security of data center operations.11
- Orient Technologies (NSE: ORIENTLTD, BSE: 532770): Orient Technologies provides various IT solutions, including data center solutions, cloud services, and IT infrastructure management, catering to diverse industries.11
- Anant Raj (NSE: ANANTRAJ, BSE: 515055): Anant Raj, primarily a real estate development company, has diversified into the data center business and has plans for developing data center parks, leveraging its existing land bank.11
- Techno Electric and Engineering (NSE: TECHNOE, BSE: 522205): Techno Electric and Engineering, with its core expertise in the power sector, has also ventured into the data center business, likely focusing on the development and construction of energy-efficient data center facilities.11

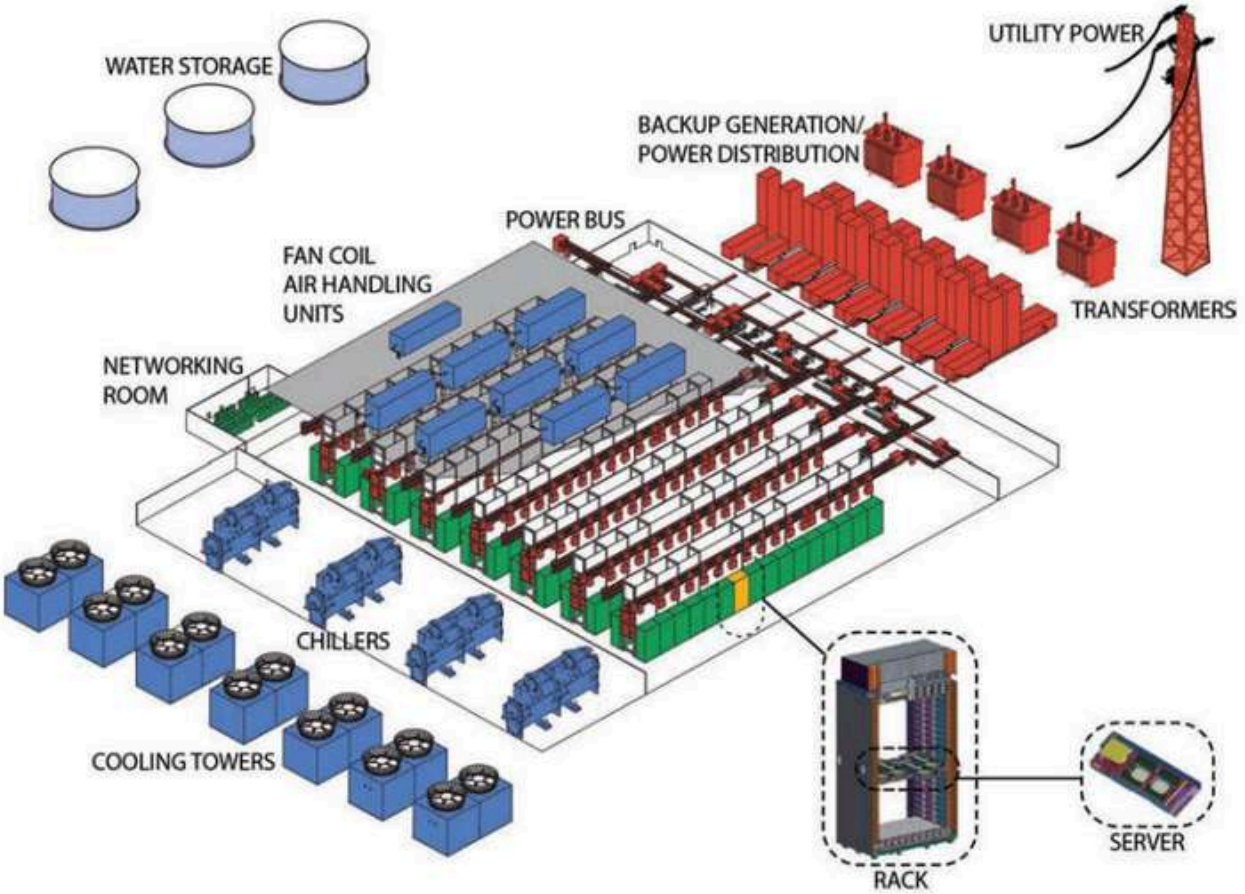
- Railtel Corporation of India (NSE: RAILTEL, BSE: 543265): Railtel, a public sector undertaking, has partnered with NBCC to jointly develop data center projects across India and in international markets, leveraging Railtel's ICT infrastructure expertise.12

These listed companies, by providing critical infrastructure, components, and services, are integral to the growth and functioning of the Indian data center market. Investing in these entities offers an opportunity to gain exposure to the sector's expansion without necessarily investing directly in data center operations.

Table 2: Key Indian Listed Companies in the Data Center Ecosystem

Company Name	NSE Symbol	BSE Code	Primary Involvement
Tata Communications	TATACOMM	500483	Direct Data Center Operator, Connectivity
Sify Technologies	SIFY	532540	Direct Data Center Operator, ICT Solutions
Bharti Airtel	BHARTIARTL	532454	Direct Data Center Operator (Nxtra Data)
Reliance Industries	RELIANCE	500101	Direct Data Center Operator (Jio)
Larsen & Toubro	LT	500510	Data Center Infrastructure Development (L&T
ABB India	ABB	500003	Electrification and Automation Solutions for Data
Cummins India	CUMMINSIND	500480	Backup Power Solutions (Generators)

Hitachi Energy India	HITACHI	523994	Power Quality and Grid Connection Solutions
Voltas	VOLTAS	500575	Data Center Cooling Solutions
Blue Star	BLUESTARCO	500067	Data Center Cooling Equipment (Chillers)
Amber Enterprises India	AMBER	540985	Manufacturing of Components (Potential Data Center Applications)
KEC International	KEC	532714	EPC Services for Infrastructure, including Data Centers
Kirloskar Oil Engines	KIRLOSENG	532978	Backup Power Solutions (Gensets)
Marine Electricals (India)	MARINE	531778	Supply of Electrical Panels for Data Centers
E2E Networks	E2E	-	AI-Focused Cloud Platform and Data Center Solutions
Netweb Technologies India	NETWEB	-	High-End Computing Solutions, Data Center Servers & Storage
Allied Digital Services	ALLIEDDIGI	532875	IT Services and Digital Infrastructure Solutions
Orient Technologies	ORIENTLTD	532770	IT Solutions, including Data Center and Cloud Services
Anant Raj	ANANTRAJ	515055	Data Center Park Development
Techno Electric and Engineering	TECHNOE	522205	Data Center Development (Leveraging Power Sector Expertise)
Railtel Corporation of India	RAILTEL	543265	Data Center Infrastructure Development Partnerships


WATER STORAGE
UTILITY POWER
BACKUP GENERATION/
POWER DISTRIBUTION
POWER BUS
FAN COIL
AIR HANDLING
UNITS
TRANSFORMERS
NETWORKING
ROOM
CHILLERS
COOLING TOWERS
SERVER
RACK

Conclusion:

- The Indian data center market is poised for substantial growth in the coming years, driven by strong tailwinds from increasing digitalization, widespread cloud adoption, and the rapid emergence of technologies like AI and 5G. This dynamic environment presents significant investment opportunities within Indian listed companies, both for those directly operating data center facilities and those providing the crucial infrastructure and services that underpin this expanding sector. While emerging trends like AI, edge computing, and sustainability offer exciting avenues for investment, it is equally important to acknowledge and carefully consider the challenges related to power availability, land acquisition, initial investment costs, skill shortages, competition, and regulatory compliance. By adopting a strategic and well-informed approach, investors can potentially capitalize on the immense growth potential of the Indian data center business within the listed company sphere, while also navigating the complexities and risks inherent in this rapidly evolving market.

DUE DATES CALENDAR

DATE	COMPLIANCE
7th June 2025	TDS/TCS Payment for May 2025
10th June 2025	GSTR-7, GSTR - 8
11th June 2025	GSTR 1 (Monthly) for May 2025
13th June 2025	GSTR-6, IFF
15th June 2025	Provident Fund (PF) & ESI Returns and Payment for May 2025
15th June 2025	Due Date for 1st Installment of Advance Tax for AY 2026-27
15th June 2025	Due Date for issuance of TDS Certificates
20th June 2025	GSTR 3B for May 2025 (Monthly)
25th June 2025	PMT-06 for May, 2025

LOL@ICAI - LAUGH OUT LEDGER 04.05.2025

SEMINAR ON OPPORTUNITIES & THREATS IN EPF & TRUST'S 12A & 80G RENEWAL 09.05.2025

SEMINAR ON OPPORTUNITIES & THREATS IN EPF & TRUST'S 12A & 80G RENEWAL 09.05.2025

CPE ON PROMPT IN AI, USE CASE IN GPT'S, TALLY PRIME 6.0 NEW FEATURES 18.05.2025

TEAM BHUJ BRANCH

**BHUJ BRANCH OF WIRC OF ICAI, HALL NO. 2,
KATIRA COMPLEX-2, SANSKAR NAGAR, BHUJ-KUTCH-370 001
PHONE: +91-2832 258580 EMAIL: BHUJBRANCH.WIRC@GMAIL.COM, BHUJ@ICAI.ORG**

CA. Shankarwala Bhargav Nitin, Chairman

[M] 9727188934
[E] info@cabns.in

CA. Joshi Manishaben Pramodrai, Vice-Chairman
[M] 7359311582
[E] mpjoshi.ca@gmail.com

CA. Thacker Kapil Vitthaldas, Secretary

[M] 9428472676
[E] cakapilthacker@gmail. com

CA. Pithadiya Meet Nareshbhai, Treasurer

[M] 9033927353
[E] Meet.pithadia@gmail.com

CA. Memon MahmadarifMahmadrafik, WICASA Chairman
[M] 9924499051
[E] arifmemon.asso@gmail. com

CA. Memon Shahid Husen Shokat, Member
[M] 9974791062
[E] cashahidmemon@gmail. com