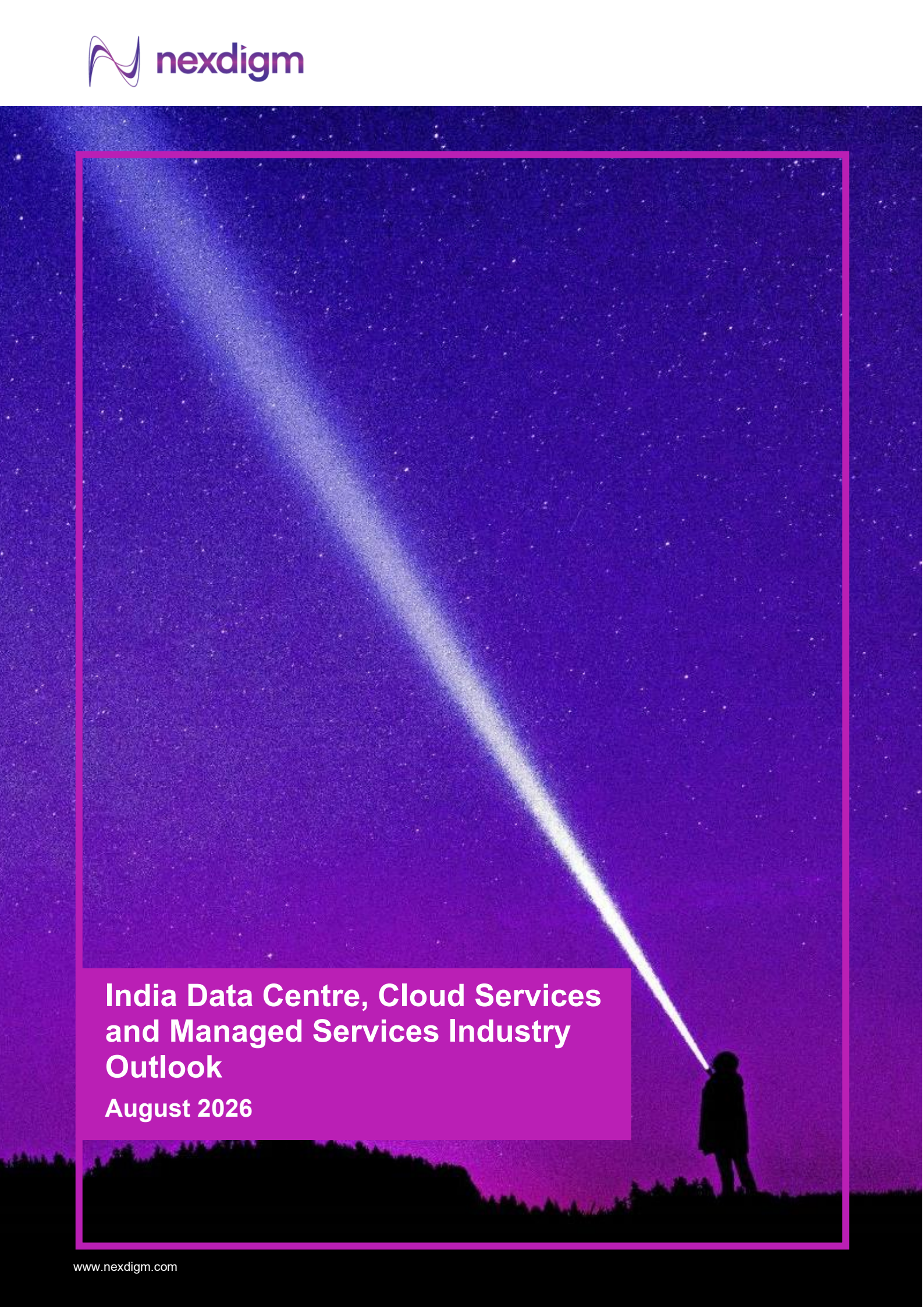




India Data Centre, Cloud Services and Managed Services Industry Outlook

August 2026

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1. MACRO OVERVIEW

GDP and GDP Growth Rate at Nominal and Real Level, 2019-2029:

India's economic growth between FY 2019 and 2026 was characterized by resilience and recovery amid global challenges. Following a decrease of 5.80% in 2020 due to the COVID-19 pandemic, the economy rebounded strongly and achieved an impressive growth rate of 9.20% in FY 2023, consolidating its position as the fastest-growing major economy globally. In FY 2025 and 2026, government spending on infrastructure significantly boosted growth, although consumer spending decelerated. Despite facing persistent inflation and high unemployment, structural reforms, such as the Goods and Services Tax (GST), and initiatives, like Make in India, Production Linked Incentives (PLI), have supported economic expansion. During FY 2027-FY 2028, the growth is expected to stabilise at around 6.50% to 6.80% in the following years, reflecting a more cautious outlook as global economic uncertainties persist.

Figure 1: India's Real GDP and GVA in INR billion, FY 2019-2029E



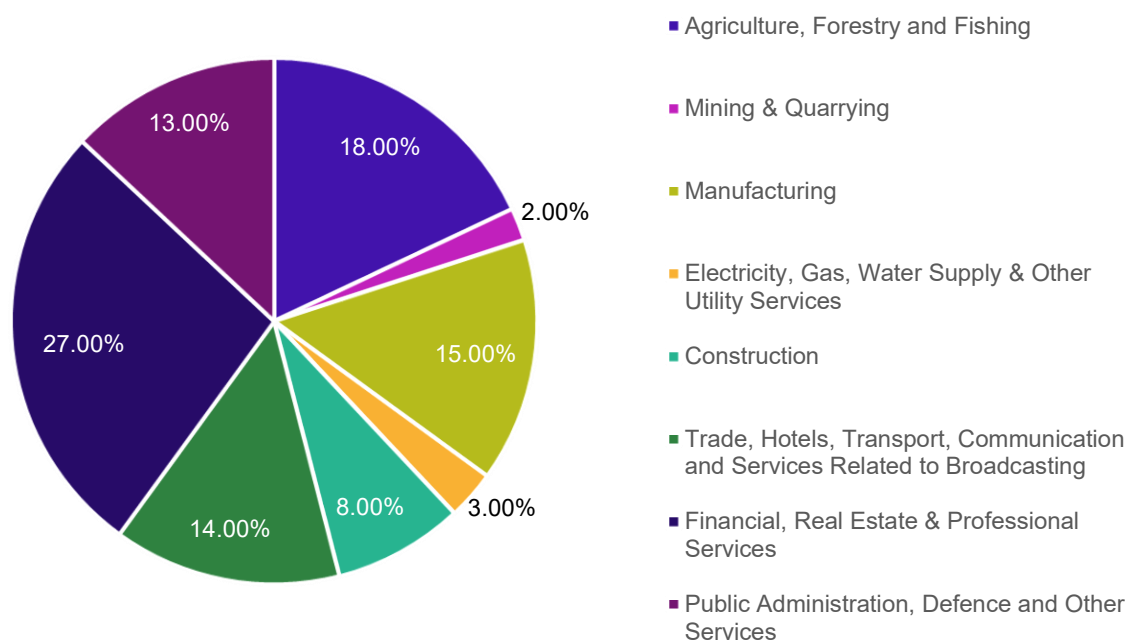
Source: Nexdigm Analysis, IMF, World Economic Outlook Database, India Economic Survey.

GDP: The total value of all goods and services produced in a country at constant prices. GDP is a broad measurement of a country's economic activity.

GVA: The value added to products to enhance them. GVA is calculated by adding subsidies paid on products to GDP and then subtracting taxes paid on them.

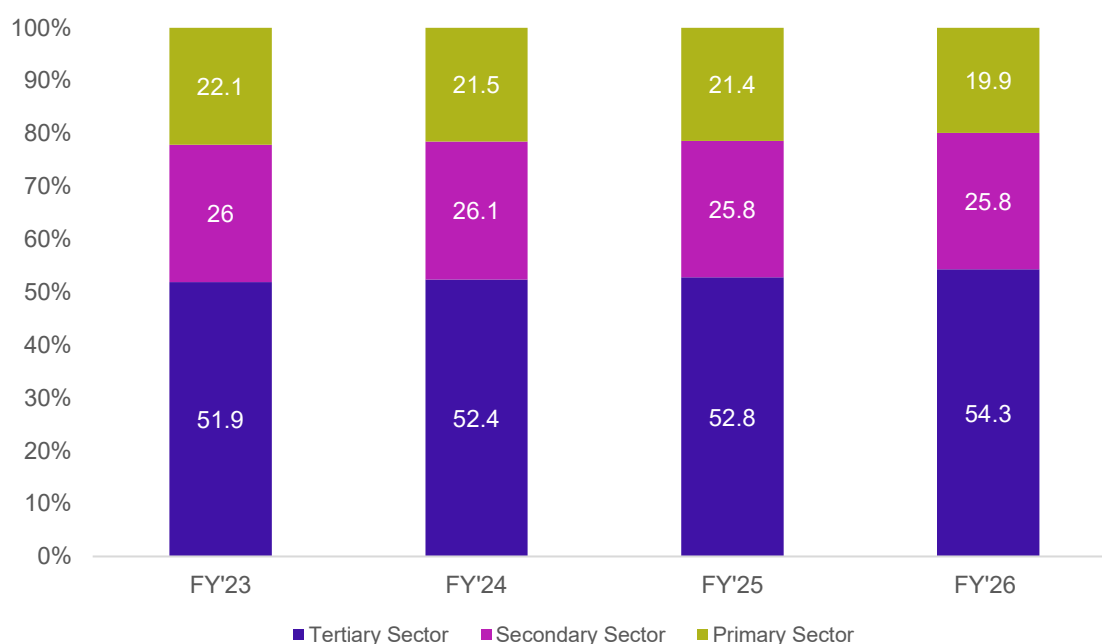
Note: E stands for estimated

Figure 2: Sectoral Breakup of India Nominal GVA in Percentage Terms (%), FY 2026



Source: Nexdigm Analysis, Ministry of Statistics & Programme Implementation (MoSPI)

Figure 3: Breakup of India Nominal GVA into Primary, Secondary and Tertiary Sectors in Percentage Terms (%), FY 2023-26



Source: Nexdigm Analysis, India Economic Survey.

Note: Primary- It involves the extraction of natural resources, such as agriculture, mining, and forestry.

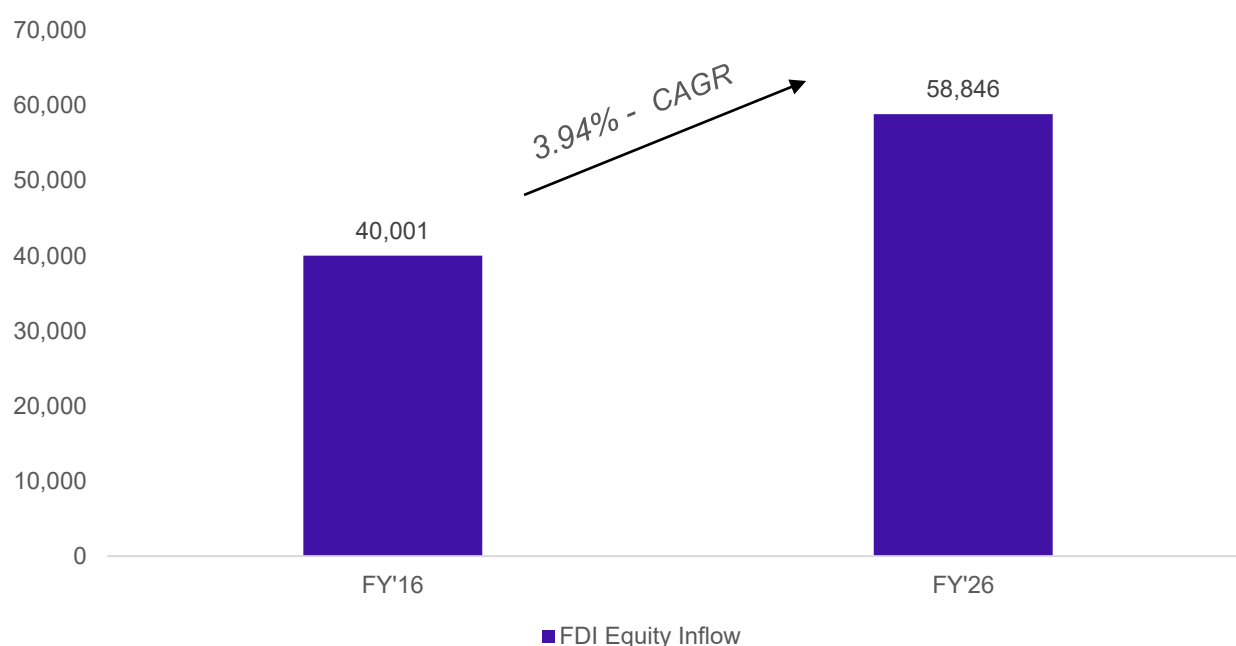
Secondary- Encompasses manufacturing and industrial activities that transform raw materials into finished goods.

Tertiary- Comprises service-oriented activities that provide support to both the primary and secondary sectors, including retail, banking, and healthcare.

- The secondary sector has maintained a stable contribution, with a share of 25.80% in FY 2026. With initiatives like “Make in India” and increased infrastructure investment, this sector has showcased potential for high-value manufacturing and sustainable industrial growth, indicating a strategic area for resource allocation to boost self-reliance and industrial output.
- The tertiary sector dominates India's GDP, growing from 52.30% in FY 2021 to 54.30% in FY 2026, driven by financial services, real estate, and IT. This shift reflects India's transition toward a service-based economy, with high growth in tech-driven industries and digital transformation positioning India as a global hub for IT and business services. Rapid advancements in IT and digital infrastructure have boosted sectors like finance, communications, and professional services, underscoring the need for policies that further support innovation and tech-driven economic growth.

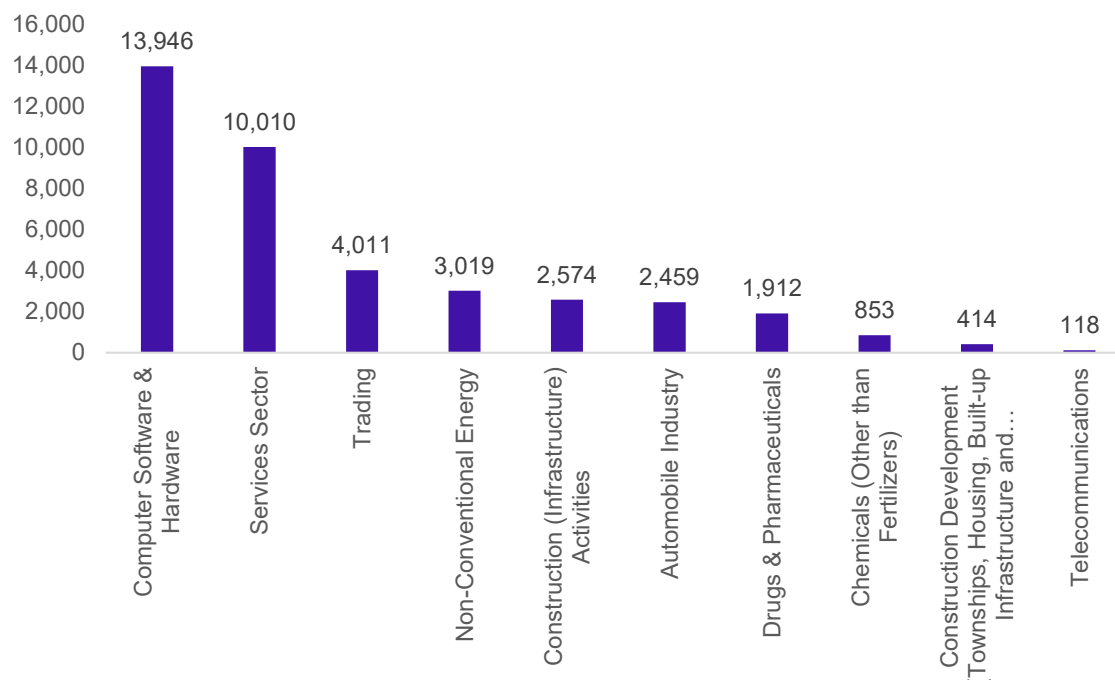
FDI Equity Inflow Split by Sector:

Figure 4: Total FDI Equity Inflow in India in USD million, FY 2016 to FY 2026



Source: Nexdigm Analysis, DPIIT- Ministry of Commerce.

Figure 5: Top 10 Sectors attracting highest FDI Equity Inflow in India (In USD million), FY 2026



Source: Nexdigm Analysis, DPIIT- Ministry of Commerce.

FDI Equity Inflow in India during FY 2026 was reported at USD 58,846 million registering a strong 17.65% growth as compared to FY 2025. Majority of FDI investment has been routed to the Computer Software & Hardware Sector, followed by Computer Software and Hardware:

- The Computer Software & Hardware sector attracted substantial FDI, with USD 13,946 million (23.70% share) during FY 2026, reflecting international confidence in India's IT and hardware services sector. These investments are pivotal in expanding India's IT economy and increasing its contribution to GDP.
- Services sector attracted FDI inflows at USD 10,010 million (17.01 % share) during FY 2026, highlighting its position as one of the largest recipient of foreign investment. The strong inflows reflect sustained investor confidence in service-driven industries such as financial services, business services, consulting, research and development, and technology-enabled services. Continued foreign investment is expected to enhance productivity, foster innovation, create high-value employment opportunities, and strengthen India's role as a global hub for knowledge-based and service-oriented industries.

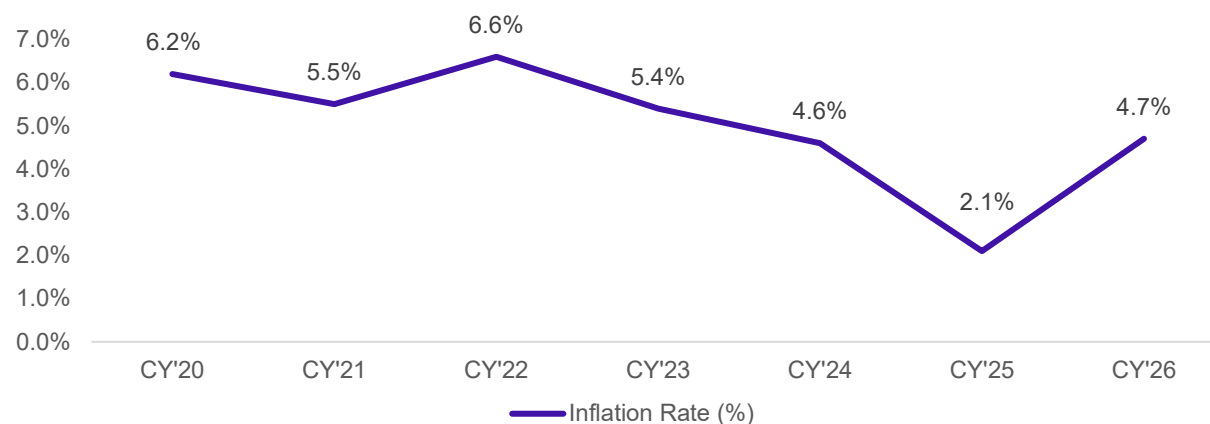
Inflation Rates CY 2018-2026:

Inflation in India during FY 2025–26 remained largely contained, supported by moderating food prices, improved agricultural output, easing supply-side pressures, and stable global commodity markets. Retail inflation (CPI) declined significantly during the year, driven primarily by lower food inflation and favourable base effects. The RBI revised its CPI inflation forecast for FY 2025–26 downward several times, ultimately projecting inflation at 2.6%, reflecting a sustained improvement in price stability. While sector-specific price pressures persisted, overall inflation remained well within the RBI's tolerance band, creating a supportive environment for consumption and investment.

In response to the moderation in inflation and to support economic growth, the Reserve Bank of India adopted an accommodative easing cycle during 2025. The Monetary Policy Committee reduced the repo rate by a cumulative 100 basis points, including a 50-basis-point cut in June 2025, bringing the policy repo rate to 5.50%. Subsequently, the RBI maintained the repo rate at 5.50% while retaining a neutral policy stance,

indicating a balanced approach between sustaining growth momentum and preserving macroeconomic stability. Strong domestic demand, resilient service-sector activity, improving investment conditions, and favourable inflation dynamics have reinforced confidence in India's economic outlook.

Figure 6: CPI Inflation Rates CY 2020-26



Source: Nexdigm Analysis, International Monetary Fund

- India's inflation trajectory from 2020 to 2026 reflects a period of elevated price pressures followed by gradual normalization. During the pandemic and immediate post-pandemic years, inflation was influenced by supply-chain disruptions, higher logistics costs, fluctuations in food prices, and global commodity shocks. Consumer price inflation generally remained above the RBI's medium-term target of 4% during 2020–2024, reflecting the combined impact of domestic supply constraints and external factors, including energy-price volatility.
- Inflation moderated significantly during FY 2025–26 as food-price pressures eased, agricultural output improved, and supply conditions normalized. The RBI repeatedly revised its inflation outlook downward, noting that lower food inflation and favourable base effects had contributed to a broad-based decline in headline CPI inflation. This disinflationary trend improved macroeconomic stability and enhanced household purchasing power.
- Looking ahead, the IMF expects inflation to remain contained and broadly aligned with the RBI's target range. Inflation is projected to rise moderately to about 4.7% in 2026 from the unusually low levels recorded in 2025, before easing toward 4.0% in 2027. The expected increase reflects normalization from exceptionally low food inflation rather than renewed inflationary stress.
- Overall, India's inflation environment has transitioned from the volatility experienced during the pandemic and global commodity shock period to a more stable phase characterized by moderating price pressures and stronger supply-side conditions. The combination of easing inflation, prudent monetary policy, and resilient economic growth has created a favourable macroeconomic backdrop for investment and consumption while supporting long-term economic stability.

2. OVERVIEW OF IT/ ITES SECTOR

The IT/ITES industry in India continues to be a key pillar of economic growth, exports, innovation, and employment. The sector is increasingly driven by demand for artificial intelligence (AI), cloud computing, digital engineering, cybersecurity, data analytics, and platform-based services, as enterprises globally accelerate technology-led transformation initiatives. India has also strengthened its position as a preferred destination for Global Capability Centers (GCCs), engineering R&D, and high-value digital services.

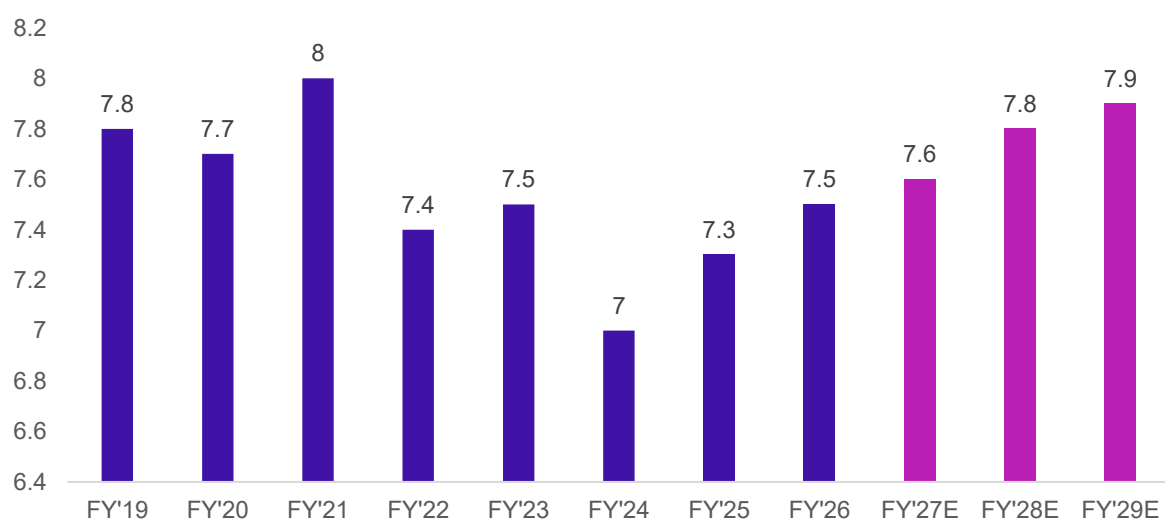
According to India Brand Equity foundation, India's technology industry is expected to cross USD 315 billion by 2026 and contribute 10% towards the country's GDP. Direct employment in the sector is projected to reach approximately 6 million professionals in FY 2026, with a net addition of around 135,000 jobs over the previous year. The industry continues to benefit from growing AI adoption, the expansion of GCCs, increasing investments in digital infrastructure, and rising demand for engineering and research services.

India remains one of the world's largest digital talent hubs, supported by a deep pool of technology professionals, strong STEM capabilities, and a rapidly expanding ecosystem focused on AI, machine learning, cloud technologies, and digital engineering. The shift from traditional IT services toward outcome-based and AI-enabled solutions is reshaping the industry's growth model, while strategic partnerships and technology-driven innovation continue to enhance India's competitiveness in global markets.

The Government of India continues to support the sector through initiatives such as Digital India, Software Technology Parks of India (STPI), and policies promoting electronics manufacturing, digital infrastructure, and technology innovation. These initiatives have strengthened India's position as a global technology and digital-services hub while encouraging export growth and investment in emerging technologies.

The semiconductor sector has emerged as a strategic priority within India's electronics ecosystem. According to the Ministry of Electronics and Information Technology (MeitY), the Indian semiconductor market is expected to grow substantially over the coming decade, supported by rising demand from electronics, automotive, telecommunications, industrial automation, and consumer technology sectors. To capitalize on this opportunity and reduce import dependence, the Government has launched the India Semiconductor Mission (ISM) and the Semicon India Programme, which provide financial incentives and policy support for semiconductor fabrication, packaging, testing, design, and display manufacturing. These initiatives aim to establish a resilient domestic semiconductor ecosystem and position India as a significant player in the global electronics value chain.

Figure 7: Contribution of IT AND BPM Share in India's Nominal GDP in Percentage (%), FY 2019-2028E



Source: Interview with Industry Experts, Nexdigm Analysis.
Note-E stands for Estimated

Role of Digital India in Boosting Cloud and Data Centre Industry

India's swift move into the digital world, intensified by efforts like Digital India, has led to an increase in the creation of data across various industries, including online shopping and the Internet of Things. This rise in data transmission has highlighted the importance of strong data infrastructure, with data centres being key in addressing these needs. According to Ind-Ra, India's 5G subscriber base reached 400 million by June 2026, achieving 35% penetration within just three years of rollout. The increasing adoption of 5G has led to a major shift in consumer data usage, with average monthly consumption rising to 18–55 GB, compared to 6–11 GB in FY 2019. In parallel, broadband connections have grown from 726 million in FY 2020 to 1,056.88 million by March 2026, reinforcing digital access and connectivity nationwide. Looking ahead, Ericsson projects that India's 5G Subscriber base will reach 980 million by 2030, accounting for nearly 75% of all mobile subscriptions. This expanding digital ecosystem has also accelerated cloud adoption, as businesses across industries increasingly leverage scalable, cost-efficient cloud environments to enhance operations, innovation, and service delivery.

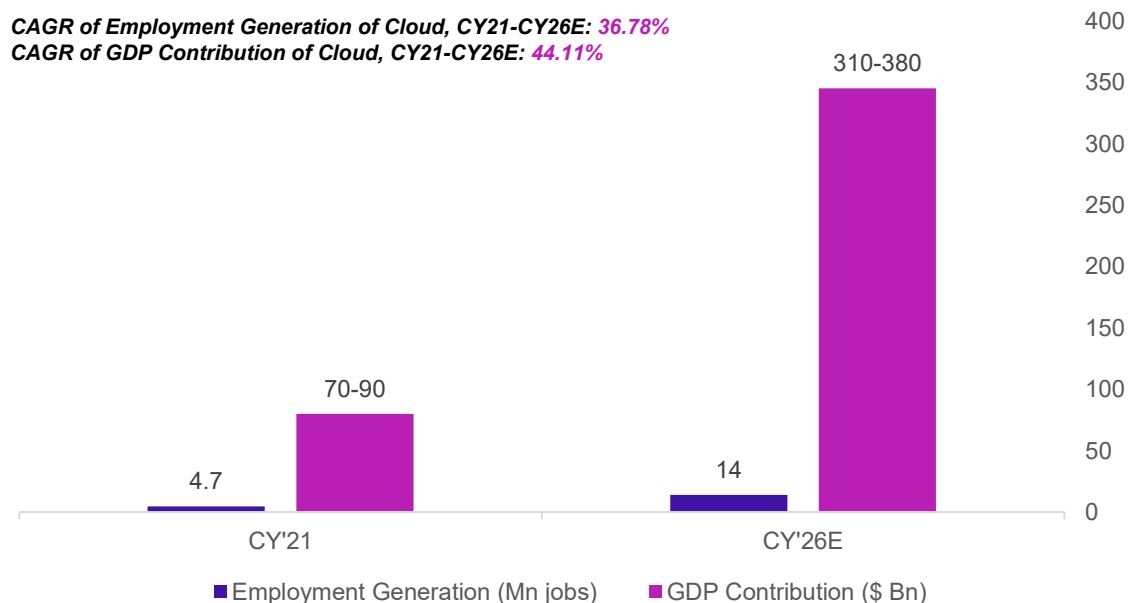
India is witnessing a transition from an emerging market economy to a developed market economy. Telecom India has witnessed a remarkable surge in internet usage in recent years, reflecting the nation's rapid digital transformation. The Digital India initiative has also improved entrepreneurship and innovation in India and encouraged the growth of the Indian start-up ecosystem, with the government providing support through initiatives such as Start-up India and Atal Innovation Mission. SMEs are leveraging Industry 4.0 solutions like Internet of Things (IoT), Artificial Intelligence (AI) and Machine Learning to improve efficiency and productivity.

Table 1: Wireless Subscribers and Data Usage in India, FY 2020 - FY 2026

	FY'21	FY'22	FY'23	FY'24	FY'25	FY'26
Wireless Subscribers (million)	1,181	1,142	1,144	1,165	1,164	1,282
Wireless Data Subscribers (million)	799	798	847	914	927	1,046
Data Subscription as % of wireless subscribers	67%	70%	74%	78%	80%	82%
Wireless Data Usage subscriber per month (GB)	12	16	17	19	22	26.7
Monthly ARPU for Wireless Service (INR)	104	127	142	149	174	196

Source: Nexdigm Analysis, TRAI

Figure 8: Employment and GDP Contribution of Cloud (In USD billion), CY 2021 and CY 2026E



Source: Nexdigm Analysis, NASSCOM.

Note-E stands for Estimated.

Cloud and cloud technologies are one of the core themes of Digital India along with the demand for digital infrastructure, services and digital democracy as a core objective for every citizen. Potential GDP contribution of cloud and cloud enabled services by CY 26 is expected to reach at INR 310-380 billion where in each sector will leverage cloud and cloud enabled technologies in unique ways to enable value addition. According to NASSCOM, this growth will also lead to creation of over 14 million direct and indirect job opportunities.

The growth of cloud in India has been driven by several factors such as the rise in the digital population, inflow of investments, digitization of enterprises and favourable government policies. Several state and central governments in India have leveraged cloud to combat the COVID-19 pandemic. Government bodies across states and central departments are increasingly using cloud for governance, digital public services delivery, smart city initiatives, financial inclusion, and scalable digital platforms such as DigiLocker, UIDAI-Aadhaar services, ONDC, National Health Stack, and the IndiaAI initiative, reinforcing cloud as an essential enabler for a modern digital economy.

Some of the major value additions of cloud services in GDP includes:

- **Value added by end-user industries:** Through revenue uplift, efficient tech spends, new venture creation, cost savings, better productivity, increased exports, ability to access global markets and improved compliance with regulations.
- **Value added by supply chain activities:** Procurement/set-up of mechanical, technology, electrical and physical infrastructure for data centres.
- **Value added by spending of workforce's income.**

Table 2: Advantages of Cloud Computing for End User:

Sector	Key Benefits and Trends
Financial Services	• Establishes transparency in banking and lending, reducing fraud. • Enables secure transactions and real-time data processing. • Digital payment volumes in India are projected to increase from the current 241.62 billion transactions to 617 billion by 2030, with the share of digital payments expected to rise to 65% by 2026, up from 40% today.
Communication, Media & Entertainment	• AI enhances media and gaming experiences. • 98% of companies rely on data-driven insights for consumer experience. • AI algorithms for content personalization improve user engagement on platforms like Netflix and Amazon Prime.
Technology	• Streamlines routine tasks and automates complex workflows. • Reduces operational costs by over 45-50%, allowing IT teams to focus on strategic initiatives.
Retail	• Creates immersive retail experiences. • Provides real-time data on inventory and consumer demand. • Streamlines supply chain processes; Walmart uses IoT and AI for operational efficiency.
Government	• Enhances digital engagement with citizens. • Improves internal operational efficiency. • MeitY's Centres of Excellence promote innovation in IoT and AI across cities like Bengaluru and Gurugram.

Source: Nexdigm Analysis, Industry Articles.

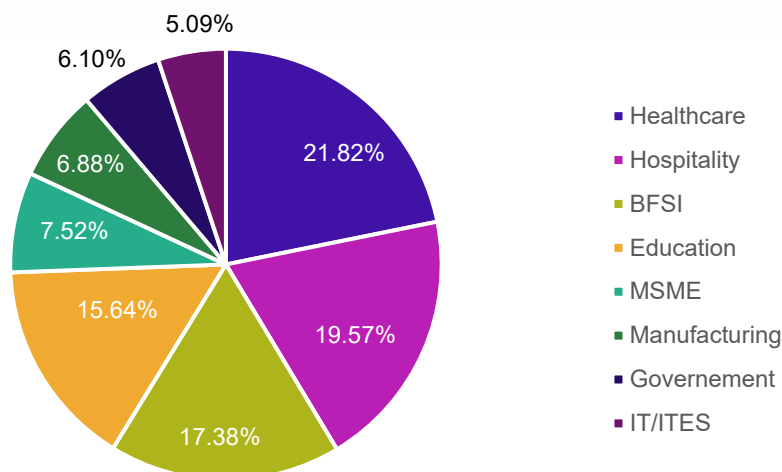
Number of Phishing and Rogue Attacks, 2021-2025

India faces significant business losses due to cyberattacks, reflecting the increasing digitization and data dependence of industries. As digital infrastructure expands, the sophistication and volume of cyber threats, posing significant challenges to data security. This trend underscores the critical need for robust data centre solutions capable of ensuring secure, resilient operations in a rapidly evolving threat landscape.

In 2024, India recorded approximately 369 million malware attacks, averaging 702 detections per minute. The most targeted sectors were Healthcare, Hospitality, and BFSI, collectively accounting for over 58% of total attacks. More than 1 million ransomware incidents were also reported during the same period. The healthcare sector emerged as the most impacted with 108,870+ malware cases, followed by hospitality (82,130+), and BFSI (27,837+). From a geographical standpoint, the most affected regions included

Telangana (15.03%), Surat (14.60%), Tamil Nadu (11.90%), Bangalore (11.89%), and Jaipur (11.72%), highlighting that cyber risks are widespread across both metropolitan and emerging tech

Figure 9: Industry Wise Malware Attacks in India, 2024 (%)



Source: Nexdigm Analysis, Data Security Council of India.

Table 3: Digital Attacks Snapshot, CY 2021-2024

Digital Attacks	2021	2022	2023	2024
Unauthorized Network Scanning/ Probing	432.0	324.6	447.7	1610.6
Vulnerable Services	728.2	875.8	941.5	294.9
Virus/ Malicious Code	209.1	161.7	184.1	119.7
Website Defacements	27.1	19.7	10.67	5.5
Website Intrusion & Malware Propagation	1.4	2.1	1.0	1.2
Phishing	0.5	1.7	0.8	0.7
Others	3.9	5.5	6.9	8.5
Total Digital Attacks	1402.8	1391.4	1592.9	2041.3

Source: Nexdigm Analysis, Ministry of Electronics and Information Technology Government of India.

Note: Figures are represented in thousands ('000)

Data Localization Trends and Initiatives in India

The Digital Personal Data Protection Act 2023 (DPDP) ensures that personal data is processed in a manner that recognises the rights of individuals to protect their personal data while allowing for the processing of such personal data for lawful purposes.

Apart from this, Reserve Bank of India (RBI) has introduced mandates for BFSI sector in 2019, requiring all payments data to be stored in India, except in cases of banks, specifically foreign banks which are allowed to store banking data abroad, for cross border payment transactions. To meet localization requirements, India has seen substantial growth in data centre infrastructure, with both global giants and local players investing in facilities.

Indian data centre providers like ESDS Software Solution Ltd. (ESDS), Yotta, Sify Technologies, CTRLS are well-positioned to benefit from this regulatory push, offering secure, compliant, and scalable solution for enterprises navigating localization mandates. With growing infrastructure investments and cutting-edge technology, domestic players are steadily strengthening their capabilities to compete with global giants.

Role of System Integrators in Cloud and Managed Services

As cloud computing becomes an indispensable part of modern business, the complexities of managing cloud environments have grown significantly. Cloud computing is not just about migrating data to remote servers; it requires deep integration with existing IT infrastructure, secure and scalable systems, and optimized management for efficiency. System Integrators help businesses navigate this complex landscape, ensuring seamless integration of cloud services with on-premises systems while optimizing performance, security, and costs.

Role of System Integrators:

Digital Transformation - System Integrators have stepped into the vanguard of this transformation by assisting businesses in the transition to cloud-based platforms that promise efficiency and scalability. Leveraging their expertise, they are helping eliminate silos of legacy systems, enabling a seamless flow of information and functionality across the enterprise.

End to End Packaging Solutions - One of the key trends that has been observed is that system integrators shift towards packaging end-to-end solutions tailored for specific industries. By orchestrating a suite of services and technologies, they are providing comprehensive solutions that address complex customer needs from start to finish. This approach not only streamlines the integration process but also provides businesses with a harmonious system that is ready to meet their unique challenges.

Hyper Scaler Partnerships - An important aspect of system integrators' modern strategy is about building strong partnerships with hyper-scalers like Amazon Web Services (AWS), Microsoft Azure, and Google Cloud. These alliances provide hyperscalers with foundational cloud services upon which they can build scalable solutions for their customers. For instance, Tata Consultancy Services has partnered with major cloud providers like Azure, AWS and Google Cloud to adopt the cloud solutions easily and migrate their workload.

Enhanced Security - System integrators help organizations ensure that their technology infrastructure complies with industry regulations and cybersecurity standards. By connecting systems securely and implementing strong security measures, integrators can mitigate vulnerabilities and protect sensitive data. Integrated systems also make it easier for businesses to monitor compliance, as data is centralized and more accessible to audits and reporting. This helps reduce the risk of data breaches and regulatory penalties.

Challenges Faced by System Integrators

Data Sovereignty and Compliance issues- System integrators in India navigate a complex regulatory environment regarding data privacy, especially with government laws like the Digital Personal Data Protection Act, 2023. For instance, organizations face significant data sovereignty and compliance challenges when adopting cloud solutions, as seen in the integration of Oracle Cloud Infrastructure (OCI) for projects such as Digital Parliament, which underscores the need for secure infrastructure to protect sensitive data.

Indian system integrators with their deep understanding of local regulatory frameworks are well-positioned to manage these compliance challenges by providing customized solutions that align with global standards and India-specific data protection laws. Their local expertise allows them to design secure compliant cloud infrastructures that support projects like these giving them an advantage over global players

Talent Shortage - The Indian IT sector is currently facing a mid-level management talent gap. A NASSCOM report highlighted that India's demand for cloud-related talent is expected to reach 2 million by 2026, but there is a significant supply-demand gap of 30-40% in skilled professionals especially the technical expertise required for cloud migration projects. With the growing demand for cloud-related expertise, companies need to focus not only on attracting top-notch talent but also on retaining and upskilling their employees. This ensures that they stay ahead in an increasingly competitive industry. By investing in ongoing training programs, offering competitive compensation packages, and fostering a culture of growth, companies can bridge the skills gap and position themselves for long-term success.

Network Latency- Cloud environments are often preferred on-premises because of their scalability which can easily change use of calculation and storage resources in a matter of minutes. But if your network latency is too high, scaling your cloud environment will have limited impact, which puts a firm cap on the data integration workloads you can run. Though Hybrid clouds use wide-area networks (WANs) instead of local area networks (LANs), WAN can become clogged by transmitting too many small, uncompressed data packets over a remote database connection, putting a burden on the network. India's growing technology ecosystem and investment in network infrastructure gives it a significant edge over global players positioning the country to effectively address these challenges and optimize cloud performance for data-intensive workloads. This gives Indian enterprises a competitive advantage in enabling scalable, high-performance hybrid cloud solutions for data integration.

3. ROLE OF IT IN INDIA'S DIGITAL EVOLUTION

India's **Digital India Programme**, launched in 2015, aims to transform the country into a digitally empowered society and knowledge economy. The initiative has expanded with the digital economy accounting for approximately 12% - 14% of India's GDP. The program identifies 30 digital themes across sectors like Agriculture, Healthcare, Education, Energy, and Digital Payments, promoting the adoption of digital technologies. According to the State of India's Digital Economy Report 2024, India ranks third globally in terms of digitalisation of the economy. Looking ahead, the digital economy is projected to contribute nearly 20% of India's total GDP by 2030, positioning it as a key growth engine expected to outpace most traditional economic sectors.

As of March 2026, India has 1092.79 million internet subscribers, with 440.87 million rural subscribers. Out of 644,131 villages, 626,055 (97.19%) have 3G/4G connectivity. The number of internet subscribers grew at a CAGR of 13.02%, from 251.59 million in March 2014 to 1,092.79 million in March 2026. Meanwhile, total telephone subscribers reached 1,343.10 million, resulting in a national tele-density of 88.71%. The growing adoption of cloud computing and AI by SMEs presents further opportunities for data centres and cloud service providers to support Digital India's infrastructure.

Table 4: India's Digital Evolution Key Achievements (as of March 2026)

Metric	March 2014	March 2026	% Increase
Broadband Definition	>= 512 Kbps	>= 2 Mbps	300%
India's Ranking in Average Internet Download Speed	130	39	Improved by 91 ranks
Average Download Speed	4.18 Mbps	126.61 Mbps	30.3x faster
Internet Subscribers (in million)	251.59	1092.79	334%
Total Subscribers (in million)	933.00	1330.58	43%
Urban Tele-density	145.80%	151.47%	4%
Rural Tele-density	44.00%	60.46%	37%
Overall Tele-density	75.20%	93.26%	24%
Average Data Cost/GB	INR 268	INR 7.51	-97%
Average Data Consumption	0.26 GB	26.70 GB	10,169%

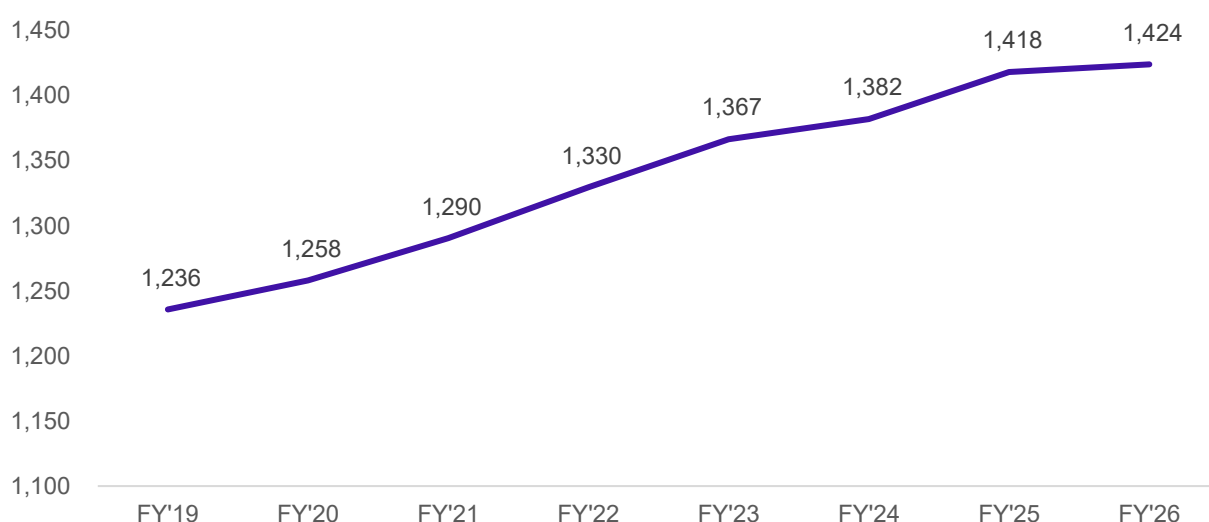
Source: Nexdigm Analysis, TRAI, Ookla

IT services enabling the growth of digital transformation initiatives:

India is getting closer to becoming a digitally advanced nation and is way ahead of the developing and emerging countries. This robust growth has been possible by the initiatives of the government and its step towards digitalization. Projects like Digital India has been the key pillar in achieving this goal where the total budget has been extended to INR 149,030 million from FY 2022 to FY 2026.

- **Financial Inclusion and Digital Identity** - Strengthening the digital revolution and initiatives such as Aadhaar has empowered millions of people with access to various essential services and financial inclusion. In April 2025 alone, Aadhaar holders carried out 2.10 billion authentication transactions, marking an increase of nearly 8% over April 2024. Cumulatively, Aadhaar authentication transactions have surpassed 170 billion as of March 2026, underscoring its widespread adoption, effectiveness, and growing role in the country's digital economy.

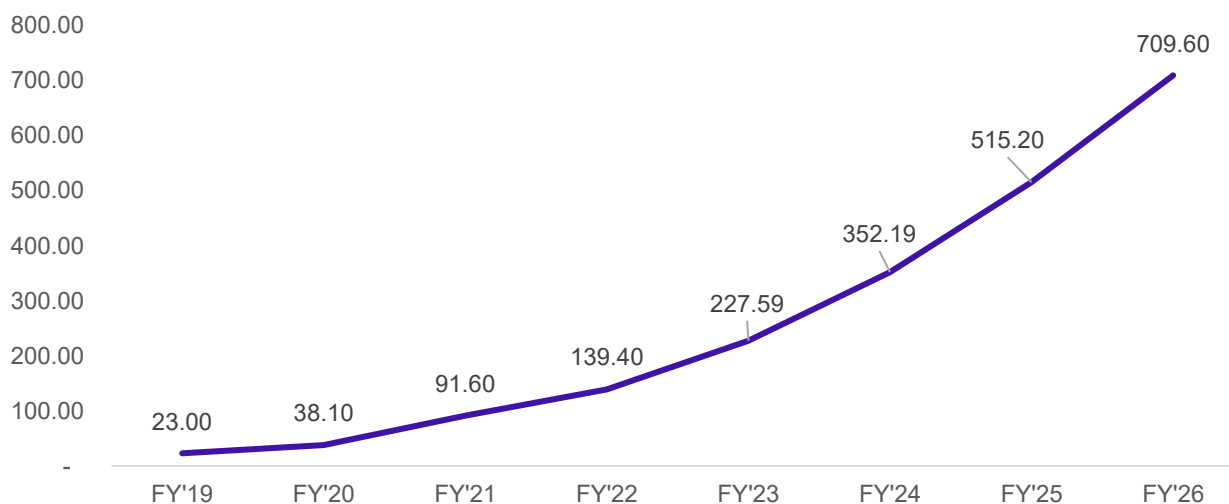
Figure 10: Number of Aadhar Users in Million (Cumulative Terms), FY 2018-2026



Source: Nexdigm Analysis, UIDAI.

- **Revolutionizing Document Management-** Initiatives such as Digi Locker provide document management facilities digitally from access to driver license to academic mark sheets. The user base has grown to 709.60 million users as of March 2026 up from 352.20 million in FY 2024, and is now nearly five times larger than it was in FY 2022.
- **Digitalizing Education:** Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) which is the world's largest digital literacy program, equips rural communities with essential digital skills such as marketing, e-commerce, finance and cyber security, enabling them to participate fully in the digital economy. Under this scheme, 73.50 million candidates were enrolled, out of which 63.90 million were trained and 47.80 million were certified.
- **Boost to Digital Infrastructure:** The number of broadband subscribers increased from 924 million in March 2024 to 1,065.8 million in March 2026. In comparison, there were only 61 million subscribers in March 2014. This reflects a robust CAGR of approximately 26.92% over FY 2014-2026, highlighting the rapid expansion of high-speed internet access across the country, including deeper penetration into rural areas.

Figure 11: Year Wise Digi Locker User Registration Data (in million)

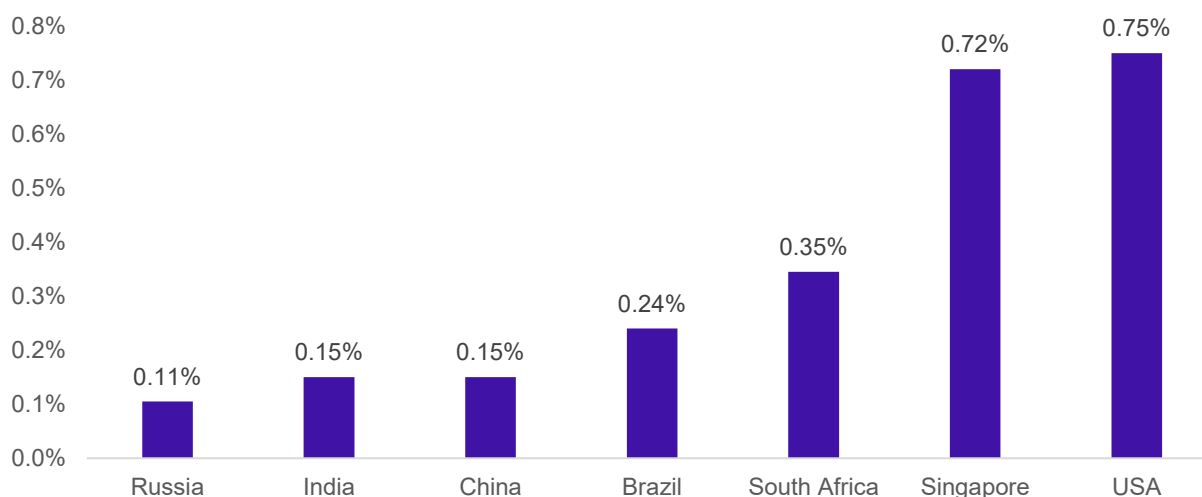


Source: Nexdigm Analysis, DigiLocker.

Shift from traditional IT to cloud-based services, AI, and machine learning

Global public cloud market has increased at a CAGR of 20.79% while the Indian public cloud market has overpassed the global CAGR and has grown at 28.85% CAGR (FY 2020-2026). While cloud adoption in India is growing rapidly, its spending as a percentage of GDP remains lower than global markets due to factors like cost sensitivity, slower digital maturity, regulatory challenges, and a smaller IT spending base. However, with increasing awareness, improving infrastructure, and supportive government policies like the Digital India initiative, cloud spending is expected to rise significantly in the coming years. As cloud spending in India moves closer to global benchmarks, domestic players that have built strong capabilities in cloud-based services, such as ESDS, Yotta, CyFuture, are well-positioned to capture this growing demand.

Figure 12: Cloud spending across countries as a % share of GDP, FY 2024



Source: Asian Development Bank, Nexdigm Analysis.

Table 5: Overview of India's Digital Landscape

Parameters	Description
Growing Digital Population	3.19x Increase in internet subscribers from 343 million in 2016 to 1092.79 million in March 2026.
	1282.33 million total wireless subscribers (as of March 2026) with ~80% wireless internet subscribers.
	As of December 2024, India had 24,96,644 4G BTS deployed across 783 districts, reflecting extensive nationwide mobile broadband coverage.
	Median mobile broadband speeds improved sharply from 1.30 Mbps in March 2014 to 126.61 Mbps in 2026.
	India achieved the fastest 5G rollout globally, deploying 4,62,084 5G BTS across 779 districts by December 2024.
Favourable Government policies	National Data Centre Policy (2020, and a 2025 draft): The Government aims to establish the country as a global hub for data centres by providing incentives like tax holidays and GST input tax credit, streamlining clearances, and encouraging the development of infrastructure.
	Infrastructure status to data centres: As data centre industry is seeking expansion, infrastructure status to data centres was provided in the Government's Budget for FY 2022. It is expected to improve credit availability at lower rates and provide flexibility for power sourcing.
Increasing interest of investing community	By mid-2026, India is home to more than 3,100 GenAI startups, with over 80% focused on developing AI-powered applications and SaaS solutions.
	Indian data Centre industry has secured investment commitments worth USD 60 billion from 2019 to 2024 and is expected to exceed USD 100 billion by 2027.

Source: Nexdigm Analysis, Industry Articles.

Table 6: Breakdown of key service types: IT Consulting, Cloud Services, Managed Services

Service Type	IT Consulting	Managed Services	Cloud Services	Data Centre
Type of Services	Strategy consulting, Operations consulting, Technology consulting	Security as a Service, Network Management, Disaster recovery, Application and database management, Back-up service, Cross platform management and remote infrastructure management	Public Cloud, Hybrid Cloud, Private Cloud	Colocation, Managed Hosting, Cloud Edge Computing
Cost Structure	Hourly or project-based fees	Monthly subscription	Pay as you go, Subscription based, Reserved instances and hybrid cloud billings	Monthly or annual leasing, Pay-as-you-go, Subscription-based
Key Applications	Technology strategy, digital transformation	IT infrastructure management, security monitoring	Data storage, SaaS, remote work	Data storage, Backup, Disaster recovery, Network management
Value Proposition	Expert guidance, strategic alignment	Reliability, predictability, proactive maintenance	Scalability, cost efficiency, accessibility	High uptime, security, infrastructure reliability
Demand Patterns	High demand in BFSI, healthcare, retail	High demand among SMEs, healthcare, financial services	Strong demand across all sectors, especially in tech, BFSI	Growing demand across all sectors, especially in tech, healthcare, finance
Industry Trends	Focus on specialized services, remote/hybrid models	Growth in managed security services, co-managed IT	Multi-cloud and hybrid cloud adoption, cloud security focus	Adoption of hybrid infrastructure, AI/ML integration, Edge computing growth

Source: Nexdigm Analysis, Industry Articles.

Key Growth Drivers - AI/ML/NLP, Edge Computing, Increasing Focus on Digital Services

- **Natural Language Processing (NLP):** NLP helps enhance operational efficiency, improve data management practices, strengthen security measures, and simplify advanced analysis. Beyond the data centre sector, NLP has been adopted by Indian Railways for inquiries through the AskDISHA Chabot. It is also utilized by the Supreme Court to translate verdicts into vernacular languages. According to the interviews with industry experts the Indian market for NLP is estimated at around USD 3.3 billion during 2025, driven by advancements in AI and Machine learning, adoption across industries and demand for voice activated technologies.
- **AI and Machine Learning:** The integration of machine learning (ML) and artificial intelligence (AI) is significantly transforming the data centre industry by enhancing operational efficiency, optimizing energy consumption, and improving security measures. AI-driven predictive maintenance reduces the downtime and operational costs, while intelligent workload management ensures optimal resource utilization. AI technologies have enhanced energy efficiency by optimizing cooling systems and power allocation, potentially reducing energy. Artificial intelligence accounted for 7.9% of the Indian cloud market, generating revenue of INR 62.52 billion in FY 2026.
- **Edge Computing:** Edge computing plays a crucial role in modernizing data centres by reducing latency, improving bandwidth efficiency, enhancing reliability, providing scalability, and supporting real-time applications. As businesses increasingly depend on fast and efficient data processing, integrating edge computing into their strategies will be essential for maintaining a competitive advantage. Oracle and Tata Communications are few prominent companies that have expanded into this technology.
- **IoT and Block Chain Technology:** The integration of Internet of Things (IoT) and block chain technology is enhancing data centre security by using decentralized and tamper-proof data storage, ensuring data integrity with immutable audit trails, and enabling skilled data management through smart contracts. This convergence allows for real-time monitoring, automation, and scalability to manage the increasing number of connected devices. Ultimately, IoT and block chain together create a more efficient, skilled, and secure data centre capable of handling the demands of a growing interconnected world. As per Nexdigm, Indian market for IoT is estimated at around INR 880 million, which is expected to grow at a CAGR of 16% during 2025-2029.
- **GPU's:** Cloud GPUs are designed to meet the demands of enterprise-grade applications such as artificial intelligence, machine learning, high-performance computing, data analytics, and scientific simulation. GPUs consume more power than CPUs, they offer superior energy efficiency for specific tasks that benefit from parallel processing. This efficiency stems from the ability of GPUs to complete computations faster than CPUs by distributing workloads across numerous cores. The Indian Cloud GPU industry was valued at USD 67.31 Million in FY 2025 and is projected to grow at a CAGR of approximately 50.15% through 2030, reflecting increasing demand for high-performance computing resources across technology and research segments. Under the IndiaAI Mission, the Government of India has partnered with cloud service providers to develop a national AI compute grid to support the adoption of artificial intelligence and related technologies. The initiative includes the planned deployment of more than 18,000 high-end GPU servers across the country and a targeted investment of over INR 1,100 million in AI infrastructure. By mid-2025, over 38,000 GPUs had been deployed across 13 empanelled cloud service providers, enhancing access to advanced compute capabilities for startups, academic researchers, and public institutions.

4. GOVERNMENT INITIATIVES

The cloud and data centre industries are rapidly transforming India's digital landscape, driven by government initiatives promoting cloud adoption and data localization.

Cloud adoption in Public Services:

Cloud adoption in sectors such as BFSI, healthcare, and education significantly enhances accessibility, operational efficiency, data security, and scalability in India's public sector.

- **Banking, Financial Services, and Insurance (BFSI):** Cloud adoption enables financial services to deploy secure, scalable solutions for customer data management and transaction processing. According to NPCI, as of June 2026, UPI had 731 participating banks and recorded 22.72 billion transactions valued at over INR 28.92 trillion. The Government e-Marketplace (GeM) facilitates the procurement of cloud services for government financial institutions, ensuring compliance with stringent security protocols to protect sensitive data. This supports the scalability of digital financial services in India, as evidenced in MeitY's GI Cloud (MeghRaj) initiative, which has a bouquet of 22 cloud service providers on their website.
- **Healthcare:** Through the Ayushman Bharat Digital Mission (ABDM) and the National Digital Health Mission (NDHM), India leverages cloud infrastructure to create interoperable digital health records, enabling health services to be accessible nationwide. As of August 2026, over 900+ million Ayushman Health Bharat Accounts (ABHA) have been created. Additionally, 0.42 million health facilities were registered on the Health Facility Registry (HFR), 0.68 million healthcare professionals were enrolled on the Health Professional Registry (HPR), and 671.90 million health records had been linked to ABHA.
- **Education:** Cloud solutions are improving access to digital learning resources and enabling scalable online education. India's higher education enrolment reached a record 4.50 crore students in 2023–24, while the UGC has expanded the online and distance-learning ecosystem, authorizing 113 universities to offer online degree programmes and 101 universities to offer Open and Distance Learning (ODL) programmes for the 2025–26 academic year, significantly increasing digital learning opportunities nationwide.

Trends in Cloud Computing adoption and the growth of digital services:

- **Hybrid and Multi Cloud** – The number of Global Capability Centres in India has increased by 2,100 organizations, reaching 3,728 as of March 31, 2026. These GCCs are estimated to generate USD 98.40 billion in revenue and employ over 2.36 million people in FY 2026. The sector is further expected to grow at a CAGR of 11–12% between FY 2025 and FY 2029. As organizations adopt multi-cloud strategies, they gain cost and flexibility advantages while enhancing data governance and integrating with legacy systems.
- **Cloud Innovation and Security** - In 2026, organizations are increasingly leveraging real-time data for insights, shifting towards streamed content like movies, music, and cloud gaming, necessitating fast storage solutions, such as Flash and solid-state devices. This transition will create opportunities for innovation and user engagement.
- **Sustainability Through Cloud** - In the coming years, cloud providers and users alike will face increasing pressure to reduce their environmental impact. From renewable and nuclear-powered Data Centres to energy-efficient infrastructure, sustainable cloud practices will become a critical factor in business strategy and success.
- **Quantum Computing** - Quantum computing is poised to break into the business mainstream primarily through cloud services from industry giants like IBM, Google, Microsoft, and AWS. This democratization will enable organizations of all sizes to access quantum capabilities, leading to breakthroughs in drug discoveries and unbreakable encryption, fostering innovations previously deemed impossible.

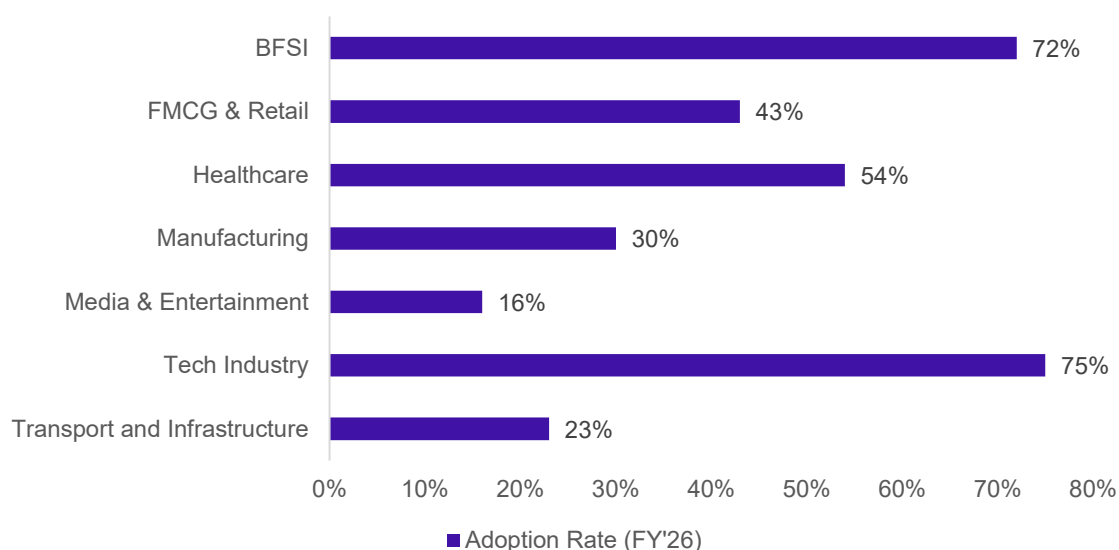
Evaluation of policy impact metrics specifically targeting our sector:

- **Software Technology Parks of India (STPI) 1991:** STPI was set up to boost software exports and services from the country by promoting the IT/ITeS industry. STPI has significantly boosted India's IT exports, with exports from STPI-registered units rising from INR 520 million in FY 1993 to INR 10,640 billion in FY 2025. Presently, STPI has five tier-3 compliant data centres in five major Indian cities namely, Bengaluru, Mohali, Bhubaneswar, Chennai and Vijayawada, of which, the Bengaluru and the Mohali ones are run by ESDS. Being associated with a premier science and technology organization under Government of India adds to the credibility of STPI's partner companies, such as ESDS.
- **National Digital Communications Policy (NDCP) 2018:** The NDCP 2018 aims to drive investment of over USD 100 billion in India's digital communications ecosystem, focusing on expanding data centre and cloud infrastructure to position India as a global hub for data storage. It seeks to streamline regulations for streamlining data centre operations and foster innovation in IT hardware and technologies.
- **Digital Personal Data Protection Act (DPDP) 2023:** The Digital Personal Data Protection Act 2023 is set to impact India's data centre industry by enforcing stricter compliance, promoting local infrastructure development, and enhancing security measures, once fully enforced. While it may raise operational costs initially, the bill aims to create long-term opportunities for growth and innovation as businesses adapt to a more regulated environment.
- **Data Centre Policy 2020:** The policy aims to attract significant investments by 2026 by granting infrastructure status to data centres, offering fiscal incentives through Data Centre Incentivization Scheme (DCIS), and simplifying regulations through Data Centre Economic Zones (DCEZs). It supports innovation and R&D in IT equipment manufacturing, driving growth for start-ups and MSMEs.

India AI Mission: Encouraging AI development through cloud infrastructure support

The India AI Mission, approved by the Indian government, aims to create a robust ecosystem for artificial intelligence (AI) in India. As per NITI Aayog, AI has the potential to add nearly USD 1.7 trillion to India's economy by 2035. The Ministry of Electronics and Information Technology (MeitY) has been allocated a budget of INR 26,026 crore for the FY 2026, with INR 5,110 million specifically designated for the AI mission. This initiative focuses on several key objectives and components that will enhance data centres and cloud infrastructure.

Figure 13: Sectoral AI Adoption Rate, FY 2026



Source: Nexdigm Analysis, Industry Articles.

Impact of India's AI mission on Data Centres and Cloud Infrastructure: -

- **Computer Capacity Development:** Under the IndiaAI Mission, the government has partnered with cloud providers to establish a national AI compute grid. The initiative includes plans to deploy 18,000+ high-end GPU servers across the country and invest over INR 1,100 Million in AI infrastructure. By mid-2026, more than 58,000 GPUs had been deployed across 13 empanelled cloud service providers, significantly improving accessibility for startups, researchers, and public institutions.
- **AI Marketplace Creation:** AI marketplace will be established to offer AI as a service along with pre-trained models for innovators. This initiative aims to provide essential resources for effective AI development.
- **Datasets Platform:** The creation of a centralized datasets platform will improve access to quality data necessary for machine learning applications, thereby supporting the development of data-driven solutions across industries.

Role of MeitY in promoting Cloud, Data Centre, and Managed Services

Ministry of Electronics & Information Technology (MeitY) through its Data Centre Policy 2020 has laid down multiple policies and frameworks to make India a global data centre hub, promote investment in the sector, propel digital economy growth, enable provisioning of trusted hosting infrastructure to fulfil the growing demand of the country and facilitate state of the art service delivery to citizens. As of March 2024, the MyGov platform has over 60+ million registered users, 1,000+ health facilities under the e-health platform, and 2,323 government departments are integrated under the Meghraj Cloud initiative. Additionally, India has 1.44 billion Aadhaar-registered users as of March 2026.

The strategies for growth of data centre sector in India, as used by MeitY are as follows:

- Enable Ease of Doing Business like single window system
- Enabling a favourable ecosystem for the operations of data centres
- Setting up of Data Centre Economic Zones (DCEZs)
- Promote indigenous technology development, research and capacity building
- Institutional Mechanism for Policy governance

Some of the key policy thrust areas under these strategies include:

- Availability of uninterrupted, clean and cost-effective electricity for data centres
- Facilitating a robust and cost-effective connectivity backhaul
- Data centres to be declared as an Essential Service under The Essential Services Maintenance Act, 1968 (ESMA)
- Recognition of data centres as a separate category under National Building Code
- Single window time-bound clearance system
- Skill development programmes in association with Ministry of Skills Development and Entrepreneurship (MSDE).
- Independent Data Centre industry council (DCIC)

Government Initiatives and Regulations in cloud, Data centre and SaaS ecosystem:

Government of India is prioritizing the development of strong cloud ecosystem, aiming for global leadership in cloud and data centre services. Through the "GI Cloud" initiative, known as 'Meghraj,' the government seeks to optimize ICT spending and accelerate e-service delivery. As of June 2026, the number of government departments under the Meghraj Cloud Initiative has grown from 342 in 2015-2016 to 2,323, powering major platforms such as Digilocker, MyGov and the National Scholarship Portal etc. Across the world, government departments have initiated the automation of business and IT processes through Government SaaS or platform as a service ("PaaS"), the latter being a cloud computing model that provides a complete environment for developing, running, and managing applications initiatives, aimed at digitalization of services. Such digitization initiatives have been accentuated by factors such as the COVID-19 pandemic, an increase in the use of mobile phones, a rapid increase in subscription-based cloud services, an increase in the use of biometric authentication, and the regulatory enforcement of individual privacy. Government institutions in India are increasingly also migrating their workloads to clouds, as traditional legacy systems lack the scalability and security required to support modern digital operations.

The Ministry of Electronics and IT (MeitY) has streamlined cloud service procurement for Government departments through the Government e-Marketplace (GeM), empanelling major Cloud Service Providers (CSPs) offering a range of services, including Basic, Advanced, and Managed Cloud Services. This includes models such as Public Cloud, Virtual Private Cloud (VPC), and Government Community Cloud, with 22 CSPs and over 90 data centres empanelled by 2023. In line with national policies like the National Digital Communications Policy (NDCP) 2018 and Data Centre Policy 2020, the Government aims to boost digital infrastructure, cloud adoption, and local data centre development. In 2015, RBI mandated all co-operative banks and district co-operative central banks to migrate to core banking. Additionally, the Digital Personal Data Protection Act 2023 is driving demand for local data centres, emphasizing the need for secure, scalable infrastructure.

Table 7: State-wise incentives for Data Centre setup

Feature	Maharashtra IT-ITES Policy 2023	Karnataka Data Centre Policy 2022-27
Stamp Duty Exemption	100% exemption for land acquisition and related transactions.	100% Exemption from Stamp Duty, up to 10 acres for data centres outside Bengaluru Urban district.
Electricity Duty Exemption	Permanent exemption from electricity duty.	100% for 5 years from the month of operation.
Power Tariff Subsidy	INR 1 per unit subsidy for 5 years for new data centres outside Zone-I.	Data centres for which green energy is at least 30% of their total power consumption will be provided with power tariff concession.
Single Window Clearance	Unified system for streamlined approvals across IT & ITES sectors.	Government will ensure single window clearance for enabling power supply in time bound manner for data centres.
Water Supply	The State would facilitate uninterrupted water supply (24x7) for data centre entities.	The State would facilitate uninterrupted water supply (24x7) for data centre entities.
Investment Target	Aims to attract INR 950 billion in investments.	Aims to attract INR 100 billion in investments.

Source: Nexdigm Analysis, Maharashtra Industry, Trade, Investment and Facilitation Cell, Karnataka Government Data Policy 2022-27.

Data Sovereignty Requirements

The need for data centre infrastructure within the country is growing, driven by the data localization requirements of the Digital Personal Data Protection Act (DPDP) 2023 and the need to safeguard the country's digital sovereignty. Countries like Russia, China, Turkey, Australia, France, and Germany have implemented data localization policies, though the scope and enforcement of these regulations vary.

Digital Personal Data Protection Act (DPDP) 2023 and rising demand for cloud and data centres;

- The Digital Personal Data Protection Act (DPDP) 2023 mandates that sensitive personal data be stored within India, while critical data may face stricter localization rules. It allows cross-border data transfer only to countries with adequate data protection. International companies invest in local data centres to comply, increasing infrastructure and operational costs. The DPDP Act imposes penalties for non-compliance and establishes a Data Protection Authority to oversee adherence. Businesses will need to update their data governance practices, ensuring transparency, consent, and data minimization. Overall, the DPDP Act 2023 will drive data centre expansion and strict compliance measures in India.
- Due to rising data localisation, the cloud and data centre requirement is constantly rising in India. The current under-construction capacity additions are estimated to reach 1.03 GW by 2028. Additionally, there are plans for further capacity expansion of 1.29 GW, bringing the total projected Data Centre capacity in India to 3.29 GW by 2028.
- With the RBI mandate of storing financial data in India; the financial sector has become increasingly dependent on digital solutions, ranging from online banking to algorithmic trading. This digital transformation has necessitated secure and reliable data storage, rendering data centres an integral component of their infrastructure.

Penalties imposed by Indian Government for abrogating the data localisation law (DPDP, 2023):

- American Express and Diners Club were prohibited from accepting new clients for six months beginning in May 2021 after the RBI imposed the first fines relating to localisation of payments data in April 2021.

- In July 2021, it prohibited MasterCard from bringing on board new domestic clients for an indeterminate period. Given that MasterCard controls around a third of India's total cards network market, the prohibition is likely to have a considerable effect.

Budget 2026: A Catalyst for the Future of Technology

India's technology sector has received a boost in the Government's latest Union Budget for FY 2026, with key initiatives focusing on artificial intelligence (AI), global capability centres, education and digital public infrastructure. A key plank in the Government budget for FY 2026 is the 'Centre of Excellence in AI' for education, which has an allocation of INR 5,500 million. The initiative follows the launch of three similar centres for agriculture, health and sustainable cities in 2023. Companies such as ESDS, BEL, and Xenius that operate in smart cities can improve product offerings, reduce operating costs and remain competitive by the integration of AI in their operation. The Smart City cloud is designed to host and manage the data centre and disaster recovery workloads by smart cities under an initiative of the Government of India. It efficiently processes and analyses the vast amounts of data generated by IoT devices, sensors, and connected systems.

The Government believes AI-powered education will empower youth, improve job readiness and ultimately boost the digital economy. Research, development and innovation, which was first highlighted in last year's budget, has also been identified as a key driver of growth. The FY 2026 budget proposes a "*fund of funds for advanced technologies*" worth INR 20 billion to boost the next generation of start-ups and translate ideas into tangible results. New employment opportunities, education and skill development are the key areas that this year's budget will focus on. Over the next five years, around 50,000 Atal Tinkering labs will be established in public schools to cultivate scientific thinking and encourage student innovation will help India deliver innovative solutions in emerging areas such as AI, cyber security, financial technology, space technology and sustainability.

Table 8: Key AI Initiatives and Investments by Government in India

Initiative	Description	Allocation/Investment
Centre of Excellence in AI for Education	Establishment of a dedicated centre to drive AI innovation in the education sector.	INR 5 billion
Centre of Excellence in AI for 3 other Sectors	Establishment of three centres focusing on AI applications in agriculture, healthcare, and sustainable cities.	INR 9.90 billion
Deep Tech Fund of Funds	Proposal to create a fund to support start-ups in deep tech sectors, including AI.	INR 200 billion
IndiaAI Mission	Government initiative to enhance AI infrastructure and support AI start-ups.	INR 103 billion
Microsoft's Investment in AI and Cloud Services	Microsoft's plan to invest in AI and cloud services in India, including training 10 million Indians in AI skills by 2030.	INR 250 billion

Source: Industry Articles, Nexdigm Analysis.

5. DATA CENTRE INFRASTRUCTURE IN INDIA

The growing demand for digital services is a crucial factor driving the expansion of data centres in India. The proliferation of smart devices, increased use of digital payments, and the shift towards cloud-based solutions have significantly increased the need for data storage capabilities. With over 1.28 million wireless subscribers, 1,000+ million internet subscribers, 365+ million 5G subscribers as of March 2026, this increase in internet usage requires a robust data centre infrastructure to support activities such as e-commerce, cloud computing, and digital transactions. Moreover, the rollout of 5G technology is expected to further amplify this demand by enabling faster internet speeds and more connected devices. Several industries, including e-commerce, artificial intelligence (AI) and online gaming, are increasingly relying on advanced data centre capabilities to manage large amounts of data generated by AI applications and other digital services, driving the need for sophisticated storage solutions.

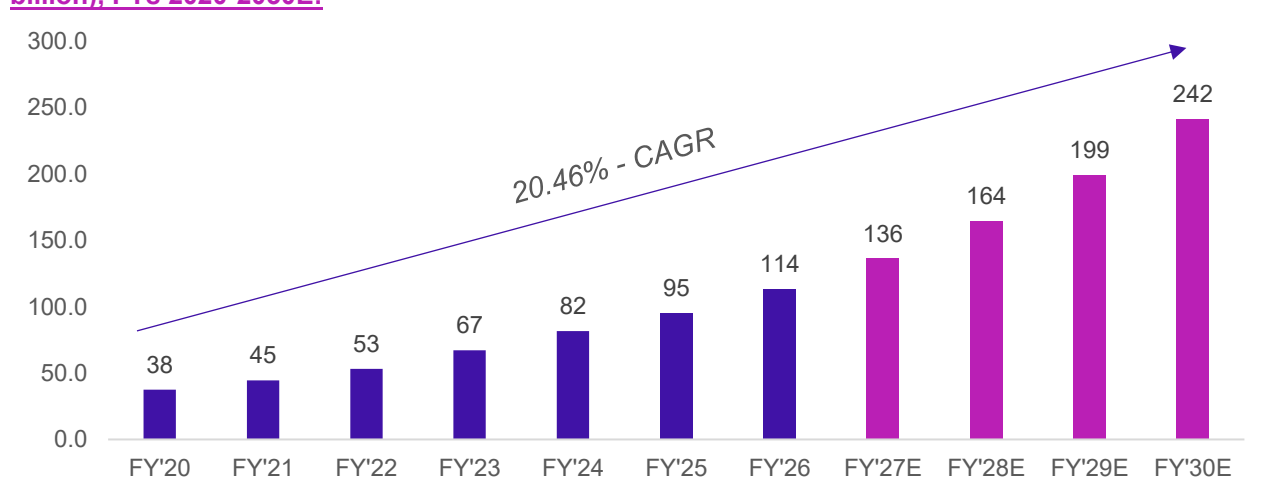
State Governments across India are implementing digital initiatives such as MahaOnline in Maharashtra, e-Pragati in Andhra Pradesh, and Akshaya Centres in Kerala to improve governance, enhance public services, and drive economic growth. These efforts align with the national Digital India campaign, which focuses on local needs and leverages technology for development. Data centres and cloud computing are vital to these initiatives, providing the infrastructure required for efficient data management and processing. A robust data centre infrastructure is essential for the reliable operation of Government services and businesses that millions of Indians rely on daily, supporting both current demands and future technological advancements.

Market Size for India Data Centre Industry Basis on Operational Revenue:

The Data Centre market in India is valued at INR 114 billion for FY 2026 and has grown at a CAGR of 20.39% from FY 2020 to FY 2025. The market in the future is expected to grow at a CAGR of 20.70% from INR 114 billion in FY 2026 to INR 242 billion in FY 2030. As of 31st March 2026, the total data centre installed capacity in India is 1,545 MW.

Key factors driving the growth of the Indian data centre market include the rapid expansion of internet subscribers which currently stands at 1,092.79 million as of March, 2026 coupled with the rollout of 5G technology, which will significantly enhance data consumption capabilities. Additionally, the growing reliance on cloud computing and digital services across various sectors such as e-commerce, finance, and online gaming demands robust data centre infrastructure to ensure secure and efficient data management. The strong demand for Tier-3 and Tier-4 data centres is particularly notable due to their superior uptime performance and disaster recovery capabilities. As these trends continue, the data centre market is well positioned for substantial growth, reflecting the increasing digitalization of the Indian economy.

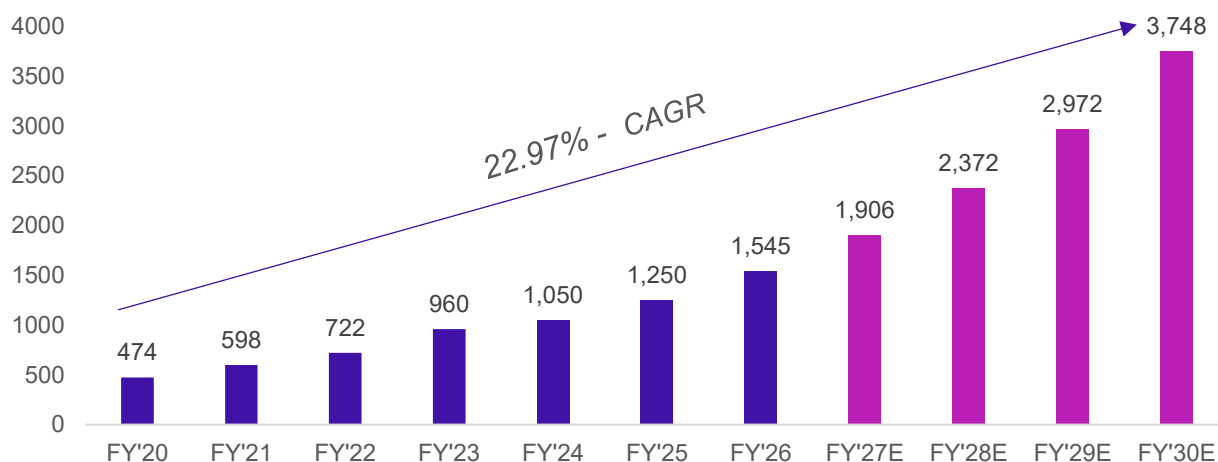
Figure 14: Market Size for India Data Centre Industry on the Basis of Operational Revenue (In INR billion), FYs 2020-2030E:



Source: Interview with Industry Experts, Nexdigm Analysis.
Note-E stands for Estimated.

The market has been defined on the basis of realized revenues by data centre operators which includes revenue from co-location, hyperscalers and managed data centre services.

Figure 15: India IT MW Capacity Projections, FY 2020-2030E:



Source: Interview with Industry Experts, Nexdigm Analysis.

Note: The data provided for every year is as of March 31st

Note-E stands for Estimated

Table 9: Market Segmentation for India Data Centre Industry by Major Cities Installed Power Capacity in MW, FY 2026

Cities	Total Capacity (In MW), March 2026
Delhi NCR	170
Kolkata	15
Hyderabad	170
Mumbai Metropolitan Region	711
Pune	139
Bengaluru	93
Chennai	232
Others	15

Source: Interview with Industry Experts, Nexdigm Analysis

As of 31 March 2026, India's current installed data centre capacity stands at 1,545 MW, with approximately 99% of this capacity concentrated in key cities. Among these, Mumbai and Chennai lead the sector, benefiting from a dense wet cable ecosystem that ensures optimal global latencies. Mumbai alone accounts for 46% of India's total data centre capacity, supported by its strategic submarine landing stations, reliable infrastructure for power and fibre optics, and significant demand from the banking, financial services, and insurance (BFSI) sector. The city is projected to contribute over 41% of the additional capacity expected in India over the next five years. Meanwhile, Delhi and Kolkata serve as the primary locations in North and East India, catering to regional enterprise demand, with Delhi anticipated to account for approximately 11% of incremental capacity. Notably, Noida is emerging as a significant player with substantial capacity additions on the horizon.

India's data centre industry is experiencing significant growth as it expands into Tier-2 and Tier-3 cities, driven by strategic advantages and increasing demand for digital infrastructure. Cities such as Nashik, Chandigarh, Kochi, Jaipur, Ahmedabad, Lucknow, Patna, and Visakhapatnam are becoming key players in this expansion. These locations offer several benefits, including lower land and labour costs, improved infrastructure, and enhanced network resilience, making them attractive for data centre operations.

Leading companies in this sector, including ESDS, CTRLS, Yotta, and Nxtra by Airtel, are actively pursuing opportunities to establish their presence in these smaller cities. The shift towards Tier-2 and Tier-3 cities not only aims to meet the growing demand for digital services but also to leverage the cost efficiencies and strategic benefits these cities provide. As the digital landscape evolves, these cities are poised to play a crucial role in supporting India's burgeoning data centre capacity and overall economic growth.

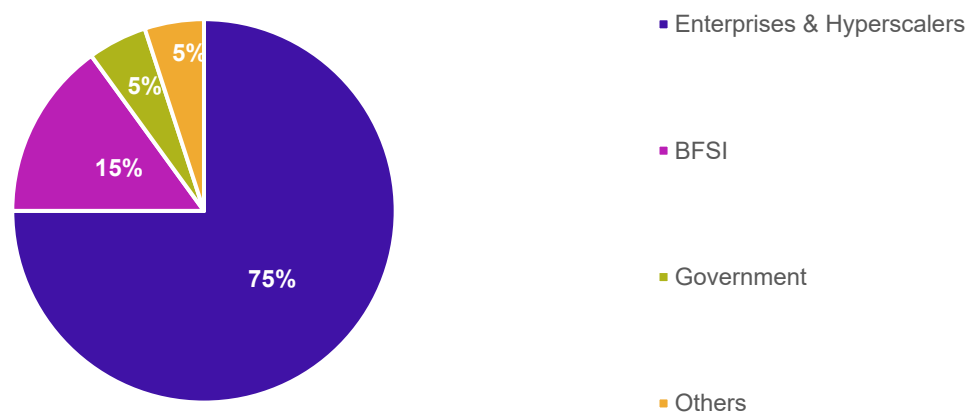
Segmentation by End User Industry

Enterprises and hyperscalers together generate roughly three-quarters of total data centre revenues, underscoring their role as the principal demand anchors of the industry. This concentration is driven by sustained growth in cloud adoption, hyperscale facility expansion, AI-intensive workloads, and broad-based enterprise digital transformation across sectors. Both large enterprises and global cloud providers continue to scale infrastructure to support data-heavy applications, resulting in consistent demand for colocation capacity and hyperscale-grade facilities.

The BFSI sector accounts for about 15% of market demand, supported by rising needs for secure data hosting, regulatory compliance, disaster recovery frameworks, and highly available infrastructure for digital banking, payment ecosystems, and fintech platforms.

The Government sector represents 5%, with demand driven by e-governance programs, national data initiatives, and the need for sovereign and secure data hosting environments. Other sectors, including healthcare, telecom, media, and manufacturing, collectively account for the remaining 5%, reflecting steady but niche adoption of data centre services.

Figure 16: Market Segmentation for India Data Centre Industry Basis End User Industries Based on Revenues in Percentage (%), FY 2026



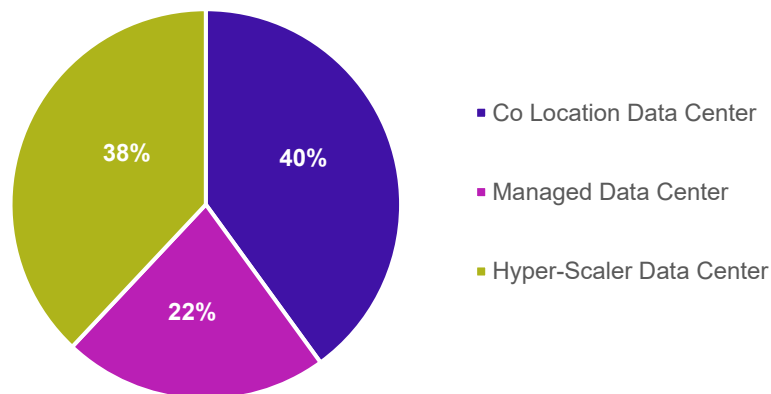
Source: Interview with Industry Experts, Nexdigm Analysis

Table 10: Key End-User Industry Applications of Data Centres

End User Industry	Applications
BFSI	Real-time transaction processing: Data centres support high-frequency trading and instant payment systems, ensuring minimal latency and maximum uptime.
	Advanced analytics for risk management: Utilization of data centres for big data analytics to assess credit risk and fraud detection in real-time.
	Regulatory compliance and reporting: Infrastructure to securely store and process sensitive financial data while ensuring compliance with regulations like GDPR and local data localization laws.
Enterprises	Hybrid cloud solutions: Data centres facilitate seamless integration between on-premises infrastructure and cloud services, allowing businesses to scale operations efficiently.
	Disaster recovery and business continuity: Enterprises leverage data centres for backup solutions that ensure data integrity and availability during outages or disasters.
	Development and testing environments: Providing isolated environments for software development, testing, and deployment, enabling faster innovation cycles.
Government	E-governance applications: Data centres support platforms that enable citizens to access Government services online, improving transparency and efficiency.
	Secure storage of citizen data: Infrastructure to manage sensitive information related to citizens, ensuring compliance with data protection regulations.
	Disaster recovery for critical public services: Ensuring continuity of essential services through robust backup solutions that protect against data loss or system failures.

Source: Industry Articles, Nexdigm Analysis.

Figure 17: Market Segmentation for India Data Centre Industry by Segments Based on Revenues in Percentage (%), FY 2026



Source: Interview with Industry Experts, Nexdigm Analysis.

Table 11: Types of Data Centres

Type	Managed	Colocation	Hyperscaler
Description	Combines co-location services with managed IT support, allowing businesses to rent space for servers and outsource infrastructure management to specialized vendors. It helps businesses focus on core activities without IT management burdens.	Provides physical space to house servers and networking equipment, offering power, cooling, security, and connectivity. This model allows businesses to share infrastructure costs while maintaining control over their hardware.	Large-scale facilities supporting data processing, computing, and storage services for major organizations (e.g., Amazon, Google, Microsoft), housing at least 5,000 servers across 10,000+ square feet.
Key Benefits	- Expert management of IT resources - Flexible scalability - Focus on strategic initiatives - Reduced IT management burden	- Enhanced security measures - Cost savings on infrastructure investments - Improved interconnectivity with network providers	- Extreme scalability - Cost efficiency through economies of scale - High performance infrastructure for rapid growth

Source: Industry Articles, Nexdigm Analysis.

5. CLOUD INFRASTRUCTURE IN INDIA

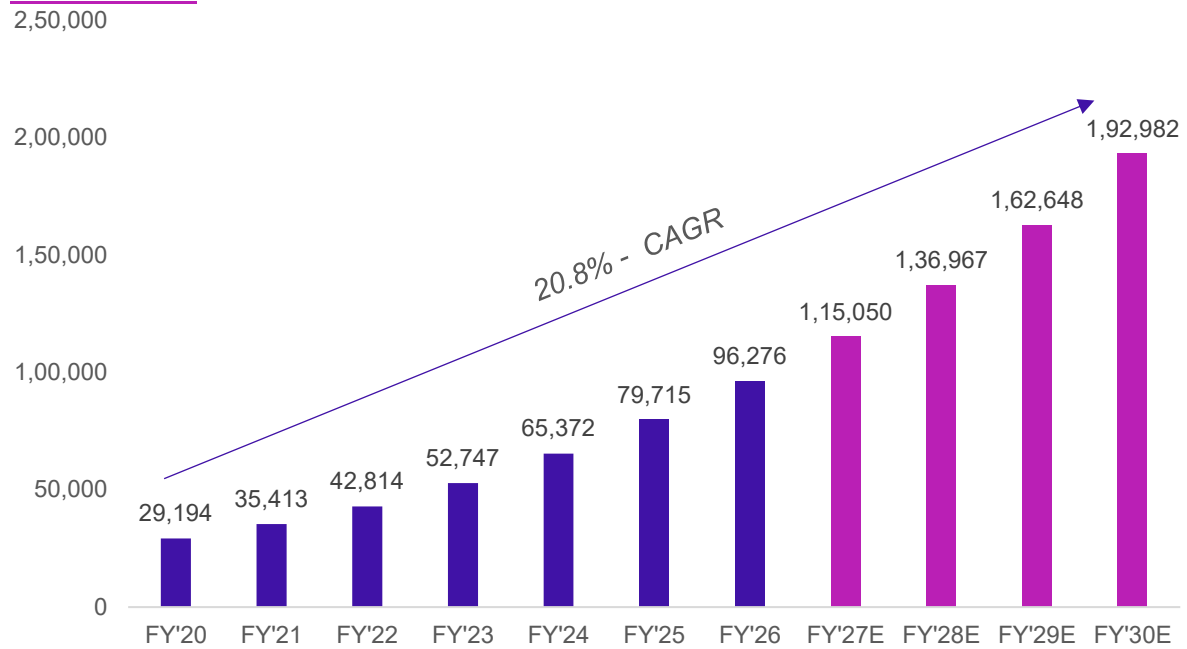
Cloud has emerged as a strategic priority for enterprises, Governments and SMEs today. The potential of cloud is limitless and forms a crucial foundation for successful digital transformation. Cloud underpins several emerging technologies such as AI/ML, IOT, RPA, AR/VR, etc., which rely on cloud computing to maximize their benefits. India is still at a nascent stage of cloud adoption compared to mature markets. According to Asian Development Bank, even among BRICS nations, India is behind Brazil and South Africa in terms of cloud adoption. Strong customer focus across industries is driving cloud adoption in BRICS nations where infrastructure changes are led by organizational cloud ambitions.

Market Size for Cloud Services in India Basis Revenues, FY 2020-2030

Global cloud services market reached at INR 96,276 billion in FY 2026 wherein Indian cloud services market has grown at a CAGR of 22.25% during FY 2020 to FY 2025 and is expected to grow at a CAGR of 23.56% from INR 651 billion in FY 2025 to INR 1,876 billion in FY 2030. Artificial intelligence accounted for 7.90% of the Indian cloud market in FY 2026.

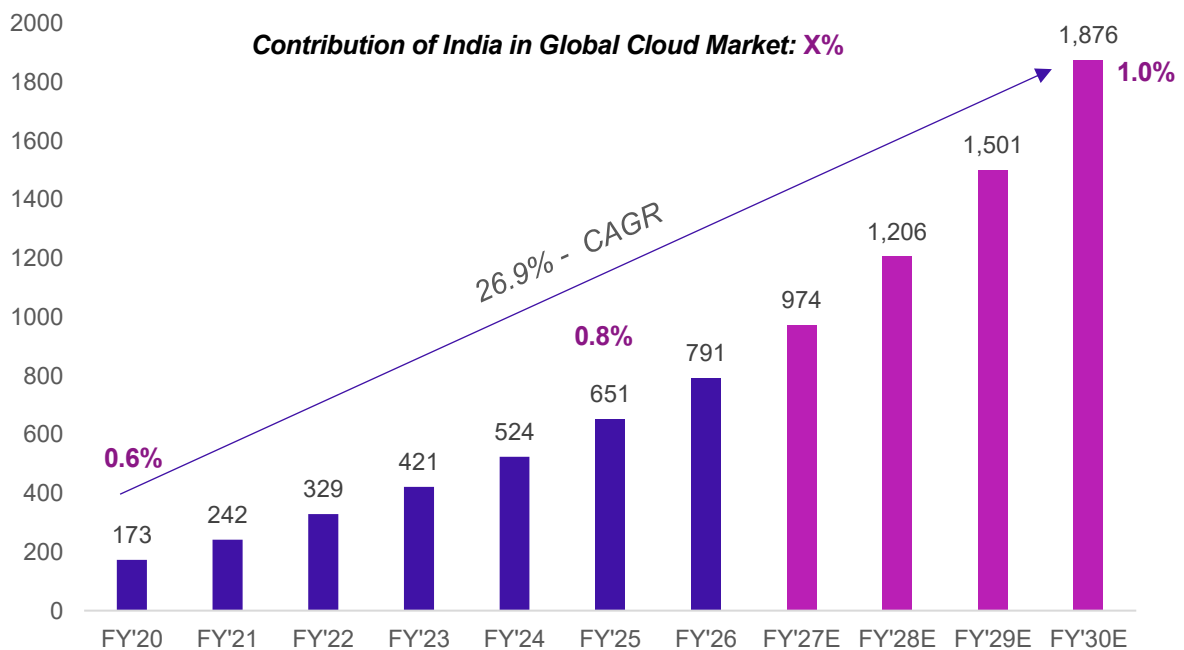
The cloud industry in India is poised for rapid growth due to the Digital India initiative driving Government-led digital transformation, which requires scalable cloud infrastructure. Additionally, the increasing availability of a skilled IT workforce specialized in cloud technologies supports migration and innovation. Evolving data localization regulations are forcing enterprises to adopt on premise cloud solutions, while the expansion of global providers such as AWS and Azure improves service accessibility and reliability.

Figure 18: Market Size for Global Cloud Industry on the Basis of Revenues in INR billion, FY 2020-2030E



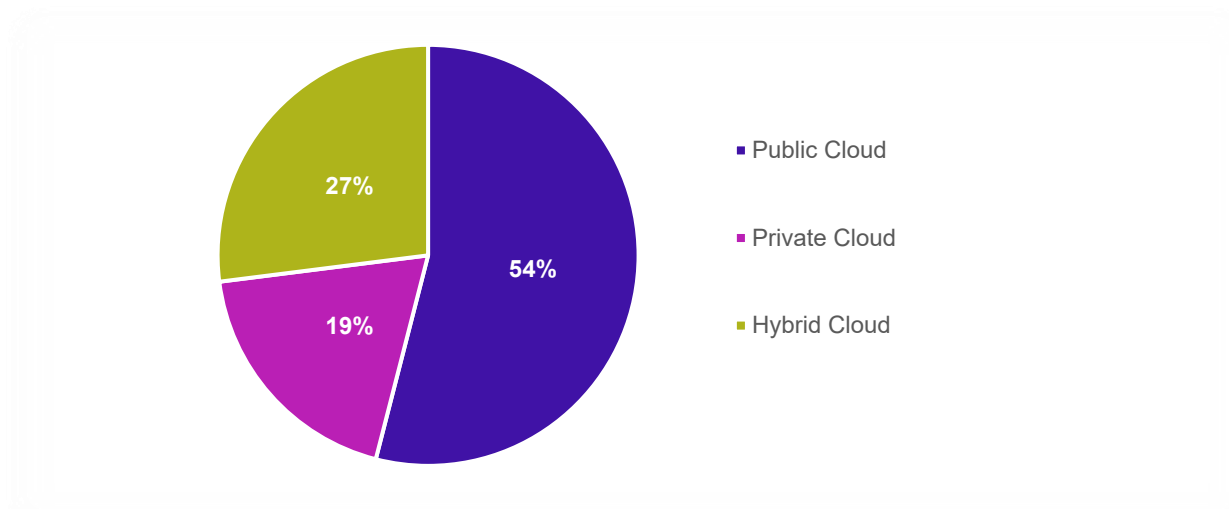
Source: Interview with Industry Experts, Nexdigm Analysis.
Note-E stands for Estimated, P stands for projected.

Figure 19: Market Size for India Cloud Industry on the Basis of Revenues in India in INR billion, FY 2020-2030E



Source: Interview with Industry Experts, Nexdigm Analysis.
Note-E stands for Estimated, P stands for projected.

Figure 20: Market Segmentation for India Cloud Industry by Type of Cloud on the Basis of Revenues in Percentage (%), FY 2026



Source: Interview with Industry Experts, Nexdigm Analysis.

- **Public cloud:** Cloud services offered by third-party providers over the Internet and shared among multiple users. It is commonly adopted by small and medium-sized businesses (SMEs), startups, and industries with variable workloads, such as e-commerce and media.

Example- Zomato, an Indian food delivery service, uses AWS for hosting its website and managing customer data.

- **Private cloud:** Dedicated cloud infrastructure for a single organization, hosted on-premises or by a third party. In India, largely adopted by large enterprises, Governments, and industries with strict compliance requirements, such as finance, healthcare, and Government agencies.

Example-State Bank of India (SBI) uses private cloud infrastructure to ensure secure, compliant banking services for its customers.

- **Hybrid cloud:** A combination of public and private clouds that allows data and applications to be shared between them for flexibility. Companies that need a balance between security and scalability, including industries such as retail, finance, and manufacturing opt for a hybrid cloud model.

Example-Tata Motors uses a hybrid cloud approach to manage both sensitive operational data in private clouds and scalable, customer-facing applications in public clouds.

- **Government Community Cloud-** A secure cloud model designed for Indian Government agencies and public sector organizations to share infrastructure, applications, and data while complying with national regulations like Data Privacy Laws. It enables cost-effective collaboration across Government departments, supporting initiatives such as Digital India and ensuring data protection and transparency.

Example- The Government-led Mudra Yojana scheme is hosted on ESDS's Government Community Cloud, which has sanctioned over INR 3,217 billion in loans, benefiting 60+ million Indians.

- **Enterprises cloud** – An Enterprise Community Cloud is a shared cloud infrastructure created for multiple enterprises that share common goals or compliance requirements. It provides enhanced security, governance, and resource optimization tailored to meet the specific needs of its clients. This setup ensures scalability, reliability, and performance while maintaining data isolation and compliance for each individual enterprise. It is particularly well suited for applications that require robust data management, seamless integration, and secure collaboration among enterprise stakeholders.

Key Cloud Growth Drivers

Digital transformation initiatives: Organizations across industries are prioritizing digital transformation, which relies heavily on cloud infrastructure. This trend is particularly strong among small and medium-sized enterprises (SMEs), which are increasingly adopting cloud solutions to modernize their IT frameworks and improve service delivery.

Government Support: The Indian Government is actively promoting cloud adoption through policies aimed at improving digital infrastructure. Initiatives such as the National Digital Communications Policy aim to transition a significant portion of Government services to the cloud by 2026, thereby fostering an enabling environment for cloud growth.

Growing demand for advanced technologies: The integration of technologies such as artificial intelligence (AI) and data analytics into cloud services is driving demand. Enterprises are leveraging these technologies to improve customer experiences and operational efficiencies, further driving the need for robust cloud infrastructure.

SMEs adoption of Cloud in India

Indian small and medium-sized businesses are rapidly adopting the cloud, leveraging its efficiency, reliability, and adaptability to transform their businesses. The shift to the cloud has enabled SMEs to streamline their operations, drive growth, and deliver exceptional customer experiences. Cloud adoption unlocks access to cutting-edge advancements like AI, enabling SMEs to compete and thrive. Around 55-60% of surveyed SMEs are leveraging cloud technology for business expansion by FY 2026. This reflects a strong recognition of the cloud's potential to drive growth and enhance operational capabilities.

Significant number of Small and Medium-sized Businesses (SMEs) in India are increasingly adopting cloud solutions, with 25-30% successfully migrating more than half of their workloads to the cloud, highlighting strong commitment to cloud adoption. Over half of SMEs prefer public cloud services due to their scalability and affordability, which makes them adaptable to varying business needs. A key driver for this shift is security, as nearly 40-45% of SMEs cite improved security compliance as a primary reason for adopting cloud solutions, recognizing the importance of protecting sensitive data and meeting regulatory requirements. Additionally, 51-55% of SMEs use cloud services to enhance their customer service capabilities, emphasizing the need for superior customer experiences in a competitive market. To future-proof their businesses, about 36% of SMEs are expected to invest in cloud training initiatives to equip their workforce with the necessary skills. Furthermore, 39% of SMEs actively seek trusted cloud service providers to partner with, ensuring they gain maximum value from their cloud investments and successfully scale their operations.

Table 12: Demand for Cloud across End User Industries

Industry	Specific Demand	Key Drivers
Financial Services	- Trade Finance and Treasury Workloads: Demand driven by increasing exports, digitalization (FinTech, blockchain), and government support. - Digital Lending Solutions: Banks like Axis Bank reduce customer onboarding time to under 8 minutes. - Sovereign Cloud Initiatives: RBI plans to launch a sovereign cloud to enhance data sovereignty.	- Increasing digitization, modernization of legacy systems, and compliance with regulatory standards. - Need for agility in service delivery and enhanced customer experience. - Addressing cost concerns for smaller institutions and ensuring local data management.
Healthcare	- Telemedicine Platforms: Demand for secure, scalable cloud solutions to support remote consultations. - Data Security Solutions: Enhanced security measures to protect sensitive patient information.	- Growing need for efficient patient data management and compliance with health regulations. - Increasing cyber threats and data breaches necessitating robust cloud security framework.
Manufacturing	IoT Integration: Adoption of cloud platforms to manage IoT devices and enhance operational efficiency.	Need for real-time analytics and improved supply chain management.

Industry	Specific Demand	Key Drivers
	Hybrid Cloud Models: Preference for hybrid solutions to balance on-premises and cloud capabilities.	Flexibility in managing workloads and integrating legacy systems with modern cloud infrastructure.
E-Commerce and Retail	- Scalable Infrastructure for Peak Seasons: Cloud solutions to handle increased traffic during sales events. - Personalized Customer Experience Tools: Use of cloud analytics to tailor offerings based on consumer behaviour.	- Rapid growth in online shopping necessitating scalable IT resources - Need to enhance customer engagement and loyalty through targeted marketing strategies.
Technology and Startups	- Rapid Development Environments: Demand for flexible cloud platforms that support quick iterations in product development. - AI and Data Analytics Capabilities: Leveraging cloud services for advanced analytics and machine learning applications.	- High competition among startups driving the need for agile development processes. - Focus on innovation and delivering cutting-edge technology solutions.

Source: Industry Articles, Nexdigm Analysis.

Public Cloud Adoption in India

A public cloud is a public, hyperscale, multi-tenant platform where computing services can be reserved or rented on demand. These resources are available over the internet and allow customers to provision and scale services instantly, without the time and cost associated with purchasing dedicated infrastructure. Applications, storage and other resources are shared by multiple customers. Public cloud adoption in India continues to rise as enterprises prefer public cloud services for their digital transformation initiatives, application modernization, and productivity improvements. As enterprises continue to modernize their IT with IaaS offerings, core business applications are seeing a shift toward SaaS models in the public cloud, the increased focus on cost optimization in recent times has accelerated the transition towards as-a-service consumption models, thereby driving public cloud adoption. With enterprises making significant investments in next-generation technologies like GenAI, the demand for robust computing infrastructure and data management capabilities will continue to drive public cloud adoption in the coming years.

Among the global players, Microsoft Azure, Google Cloud Platform (GCP), and Amazon Web Services (AWS) are considered as key players in public cloud adoption in India, each contributing uniquely to the market. Among the Indian players, ESDS was one of the early adopters of cloud technology in India, establishing their first data centre in Nashik during 2010 and launching cloud services eNlight Cloud in 2011. eNlight product family has been rebranded as the SWARAJ product family effective June 2026.

In addition, events like Technology sabha provide a forum for dialogue on emerging technology and e-governance. This forum brings together Senior Government officials, IT and digital transformation leaders and industry experts under one roof to create more transparent and efficient governance mechanism. Events like this are very beneficial for industry players as it provides them with an opportunity to leverage the knowledge of industry veterans, access to sponsors and increase brand exposure by participating in multimedia campaigns. Participation of domestic cloud infrastructure and solution companies like ESDS, Nxtra, and CTRLS in such events pushes for adoption of cloud in the country.

Business Model for Cloud Computing Market in India-

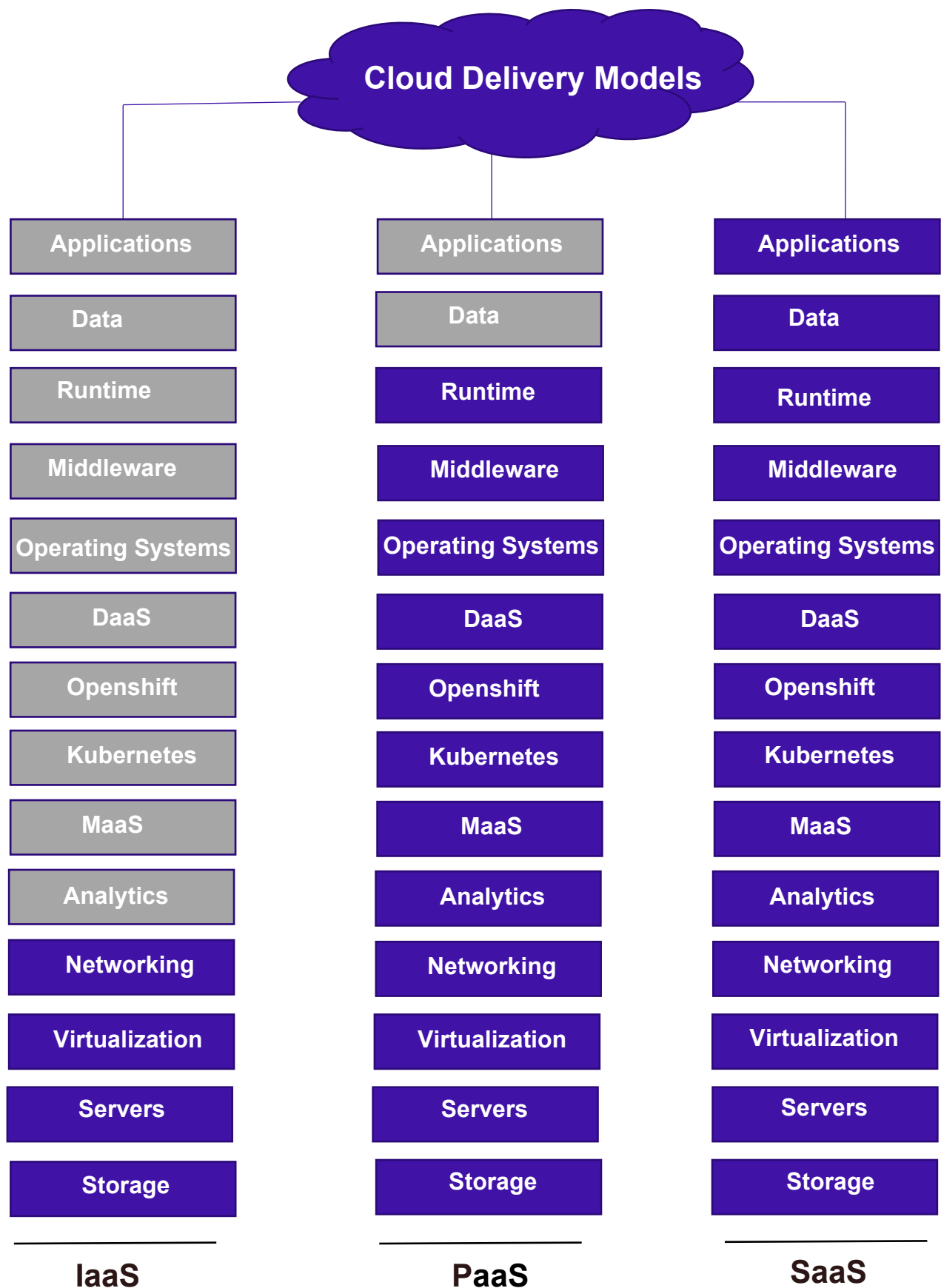
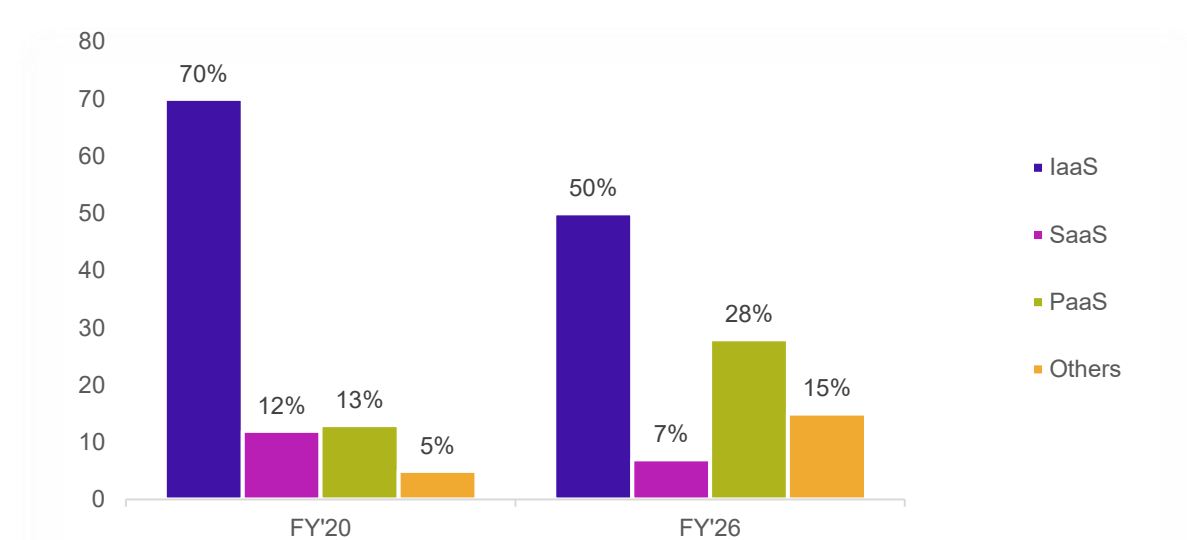


Figure 21: Market Segmentation for India Cloud Industry by Service on the Basis of Revenues in Percentage (%), FY 2026



Source: Interview with Industry Experts, Nexdigm Analysis.

Note: Others include BpaaS, DaaS, and DraaS & Cloud Management.

The data reveals a transformative shift in service adoption from FY 2020 to FY 2026. IaaS (Infrastructure as a Service) has seen a decline from 70% to 50%, indicating a move away from traditional infrastructure-heavy solutions. Meanwhile, SaaS (Software as a Service) has seen a slight dip, falling from 12% to 7%, reflecting a potential saturation or evolution of software delivery models. The most striking change is the rise of PaaS (Platform as a Service), which has jumped from 13% to 28%, indicating a growing preference for flexible and scalable platforms that empower innovation. Notably, the rise of other services which includes Security as a Service (SECaaS), Business Process Services (BPaaS), Desktop as a service (DaaS), Disaster Recovery as a Service (DraaS) and Cloud Management has risen from 5% to 15%, hints at the emergence of hybrid or cutting-edge service models that go beyond the traditional trio. This evolution suggests a more dynamic and versatile approach to service delivery with organizations increasingly prioritizing customization, scalability, and future-proof solutions.

- Platform as a Service:** Platform as a Service (PaaS) provides a complete development and deployment environment in the cloud, offering resources for building everything from simple applications to complex enterprise solutions. PaaS helps organizations achieve operational savings of up to 50% by consolidating resources and eliminating redundancy, reducing capital expenditures and optimizing resource management. It allows users to purchase resources on a pay-as-you-go basis, accessed securely via the internet. The increasing demand for rapid application development, particularly among start-ups, is driving PaaS adoption in India. Innovations like AI Platform as a Service (AIPaaS) and advancements in AI, ML, and big data further accelerate this trend. Examples include AWS Elastic Beanstalk, Microsoft Azure, Heroku, and Google App Engine.
- Software as a Service (SaaS):** Software as a Service (SaaS) enables users to access cloud-based applications over the internet, eliminating the need for on-site data storage and application hosting. Common examples include email, calendaring, and office tools like Microsoft Office 365. As enterprises shift from traditional data centres to SaaS, they leverage cloud providers' infrastructure, reducing costs and increasing efficiency. The demand for automation, AI, and ML applications will further accelerate SaaS adoption. Companies like Salesforce exemplify successful SaaS models driving digital transformation across industries.

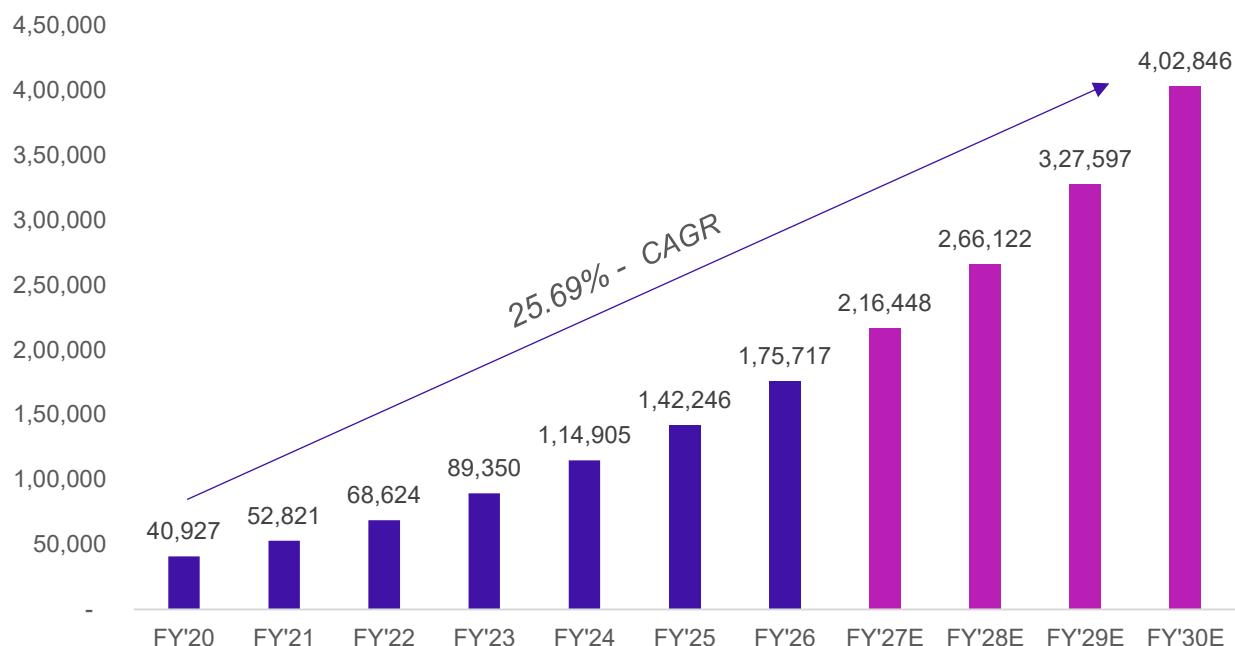
- **Infrastructure as a Service (IaaS):** Infrastructure as a service (IaaS) is a type of cloud computing service that offers essential compute, storage, and networking resources on demand, on a pay-as-you-go basis. IaaS lets you bypass the cost and complexity of buying and managing physical servers and data centre infrastructure. Each resource is offered as a separate service component, and you only pay for a particular resource for as long as you need it. This billing model is in contrast to the “pay-per-use” model adopted for other cloud computing services, pursuant to which the customer is charged for the virtual machines allocated to them by the cloud provider. End user spending towards IaaS is projected to grow significantly in the next five years as businesses need to scale their infrastructure that provisions for complex workloads and enables a hybrid workforce. IaaS will become essential, enabling SMEs to gain access to high-end infrastructure with minimal investment. The IaaS environment provides unlimited and on demand infrastructure that would enable new businesses to grow unconstrained. Some examples of IaaS are DigitalOcean, Linode, Rackspace, AWS, Cisco Metapod, Microsoft Azure, Google Compute Engine (GCE). A subscriber has control over the processing, storage and platform related choices. IaaS solutions are highly flexible, scalable and is accessible by multiple users.
- **Other key segments:** Other segments like Security as a Service (SECaaS) Business Process Services (BpaaS), Desktop as a service (DaaS), Disaster Recovery as a Service (DraaS) and Cloud Management are also expected to see growth in demand. BpaaS solutions like Customer Management, E-Commerce Enablement and Human Resources tools are likely to see high growth. With increasing cloud adoption, among the other key segments.

6. MANAGED SERVICES IN INDIA

Managed services involve outsourcing the management of various processes and functions to enhance operational efficiency and reduce costs. In the current digital landscape, businesses face mounting pressure to innovate, streamline operations, and elevate customer experiences.

The managed services market in India is currently valued at INR 175,717 million in FY 2026 and has grown at a CAGR of 27.49% from FY 2020 to FY 2025. It is expected that the managed services market will grow at a CAGR of 23.15% to INR 402,846 million by FY 2030. This promising outlook aligns with the overall expansion of the IT sector in India, indicating a robust future for managed services. By leveraging managed services, organizations can focus on their core competencies while delegating the complexities of technology management to specialized providers.

Figure 22: Market Size for India Managed Services Industry on the Basis of Revenues in INR Million, FY 2020-2030E



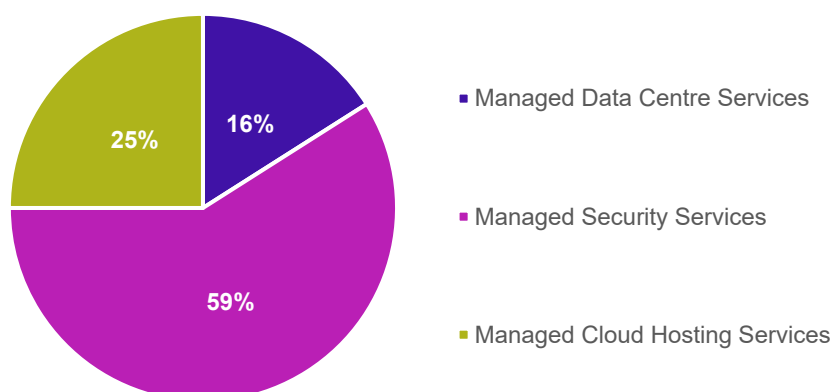
Source: Interview with Industry Experts, Nexdigm Analysis.

Note-E stands for Estimated

India managed services market is experiencing higher growth, with enterprises increasingly turning towards specialized service providers to optimize their IT infrastructure, enhance security, and improve overall operational efficiency. The market is primarily driven by managed security services, which account for 59% of the total market share, followed by managed cloud hosting services at 25% and managed data centre services at 16%. The managed security services market and managed cloud services market continue to expand, while the managed data centre services market plays a crucial role in supporting India's digital transformation.

Figure 23: Market Segmentation for India Managed Service Industry by Service Mix on the Basis of Revenues in Percentage (%), FY 2026

Softwa



Source: Interview with Industry Experts, Nexdigm Analysis.

Table 13: Usage of Managed Services by End User

Industry	Usage of Managed Services	Key Applications	Benefits
Banking, Financial Services, and Insurance (BFSI)	Largest consumer of managed services, focusing on compliance and security.	• Core Banking Systems • Risk Management Solutions • Fraud Detection Systems	• Enhanced operational efficiency • Reduced costs through outsourcing • Improved compliance
Retail	Increasingly leveraging managed services for e-commerce and customer engagement.	• E-commerce Platforms • Customer Relationship Management (CRM)	• Improved customer experience • Real-time inventory management • Increased sales
Healthcare	Reliance on managed services for application support and regulatory compliance.	• Electronic Health Records (EHR) • Telemedicine Solutions	• Enhanced patient care • Efficient data management • Reduced operational costs
Manufacturing	Utilization of managed services for supply chain management and IoT applications.	• IoT Device Management • Supply Chain Optimization Tools	• Increased productivity • Real-time monitoring of processes • Reduced downtime
Telecommunications	Leveraging managed services for network management and customer support systems.	• Network Monitoring Services • Customer Support Solutions	• Improved service delivery • Enhanced customer satisfaction through proactive management

Source: Industry Articles, Nexdigm Analysis.

Segmentation for Managed Services Industry by Government and Private Sector, FY 2026

The managed services industry in India is expanding rapidly across both the public and private sectors, with organizations outsourcing IT functions to optimize efficiency, reduce costs, and improve security. The Government uses managed services for digital infrastructure, e-governance, and cybersecurity, while private enterprises leverage them for IT infrastructure management, cloud services, business continuity, and application management.

Figure 24: Market Segmentation for Managed Services Industry in India Basis Private and Government Sector, FY 2026

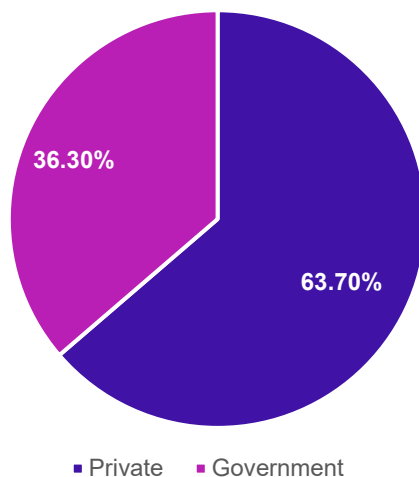
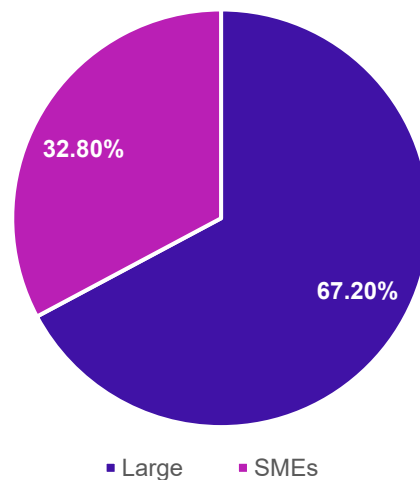


Figure 25: Market Segmentation for Managed Services Industry in India Basis Large and SMEs, FY 2026



Source: Interview with Industry Experts, Nexdigm Analysis

Usage of Managed Services by the Government Sector:

The Indian Government is increasingly adopting managed services to accelerate digital transformation, improve operational efficiency, and enhance citizen services. Managed service providers support the development of smart cities and digital infrastructure by managing complex IT systems such as sensor networks, data analytics, and cloud computing.

Under the Digital India initiative, managed services facilitate secure and reliable digitization of services such as e-filing, healthcare, and education. Managed cloud services ensure cost-effective and highly available data hosting, while managed security services protect sensitive data, provide real-time threat detection, and ensure compliance with regulations such as the Digital Personal Data Protection Act, 2023.

Adoption of Managed Services by Small and Medium Businesses (SMEs)

Partnering with a Managed Service Provider (MSP) offers significant benefits for Small and Medium-sized Businesses (SMEs) in India, helping them optimize IT operations, reduce costs, and enhance overall performance. Outsourcing IT functions eliminates the need for in-house teams, reducing hiring and training costs while providing predictable, subscription-based pricing for hardware and software management. MSPs offer access to skilled professionals, ensuring quick resolution of IT issues and minimizing disruptions.

Managed services provide the scalability and flexibility to adjust IT infrastructure as needed, enabling SMEs to respond to changing business demands without significant costs. By outsourcing routine IT tasks, businesses can focus on core functions, driving growth and improving operational efficiency. In essence, managed services deliver cost-effective, secure, and scalable IT solutions, allowing SMEs to innovate and thrive. According to experts, large players account for 67.20% of managed services usage.

Major Managed Services Offerings in India

Disaster Recovery- Disaster Recovery as a Service (DRaaS) is a cloud computing model that enables organizations to back up their IT infrastructure and data to a third-party cloud environment, facilitating rapid recovery after a disaster. With increasing cyber threats and the critical need for business continuity, industries such as finance, healthcare, and retail are adopting DRaaS for its benefits, including high-speed recovery, negligible data loss, enhanced security, and improved compliance. This service model alleviates the burden of managing disaster recovery internally, making it an attractive solution for businesses seeking resilience to disruptions.

Managed Co-Location - Managed Colocation enhances the colocation process by allowing organizations to maintain control over their IT infrastructure while outsourcing server management to a third-party vendor. This model is particularly beneficial for small and medium-sized businesses (SMEs) that want to avoid the high costs associated with IT infrastructure and management, thus saving on physical space and reducing the need for expensive IT personnel. Key benefits of managed colocation include business continuity, ensuring operations remain uninterrupted; enhanced security, providing robust protection for sensitive data; and global reach, enabling companies to leverage data centres across various locations for improved service delivery and compliance.

Application Management- Application management encompasses the entire lifecycle of software applications, including their operation, maintenance, version control, and upgrades. It is an enterprise-wide initiative that ensures applications run efficiently and effectively, integrating seamlessly with back-office functions like databases and ERP systems. This service provides organizations with access to specialized expertise, delivering a cost-effective solution that reduces the burden on internal resources. Additionally, it offers proactive monitoring and enhanced security, which are crucial for maintaining optimal performance and safeguarding sensitive data across various industries such as finance, healthcare, and retail.

Database Management - Managed database is a cloud-based service that delegates database management to a third-party provider, covering setup, maintenance, scaling, and security. This approach allows organizations to concentrate on core business activities while simplifying database administration. In today's data-centric environment, managed databases enhance operational efficiency by providing reliable storage and compute services maintained by experts. Key advantages include enhanced security, cost efficiency, and high availability, making this solution particularly beneficial for industries such as finance, healthcare, and e-commerce that demand robust and scalable data management.

Backup Services- Backup as a Service (BaaS) is a cloud-based solution that enables organizations to securely back up and recover data without the need for on-premises hardware. By outsourcing backup management to a third-party provider, businesses protect critical data in secure off-site locations, safeguarding it from unauthorized access and physical damage. BaaS offers customizable schedules and rapid recovery options, making it ideal for mitigating data loss from accidental deletion, corruption, or cyberattacks. Key benefits include cost-effectiveness, enhanced security through encryption, and the ability for IT staff to focus on core initiatives rather than routine maintenance, making it essential for industries such as finance, healthcare, and retail.

Remote Infrastructure Management- Remote infrastructure management refers to the overall management of all elements of enterprise IT infrastructure and resolving relevant issues from a remote location, thus enabling continuous availability. RIM ensures that onsite repairs and maintenance are required only in cases of hardware failure. RIM services add value to IT systems, improve service availability, increase efficiencies, and reduce costs. Easing infrastructure management, RIM enables IT leaders to focus more on managing labour costs and productivity. In India, RIM is used across industries such as Banking, Financial Services, Insurance (BFSI), healthcare, IT and telecommunication, retail and eCommerce, transportation, etc.

Cross Platform Migration- With continuous innovations and the emergence of new players in the cloud market, it is crucial for cloud solution providers to attract potential customers who already have cloud infrastructure in place and are looking to enhance or shift their cloud presence. This challenge is addressed through cross-platform migration services, which enable providers to tap into a larger market of existing cloud

users and expand their customer base. These migration services are also supported by cross-platform data recovery tools, ensuring that the migration process is smooth and reliable. In India, the growing popularity of non-hyperscale providers has made this offering particularly valuable as it facilitates a smoother transition for customers looking to shift to alternative cloud solutions.

Development of Edge Computing Nodes

Edge computing is a distributed computing paradigm that brings data processing and analysis closer to the source of data generation. The growing importance of edge computing is driven by the rapid expansion of the Internet of Things (IoT) and the need for real-time data processing. With the proliferation of IoT devices and the massive amounts of data they generate, sending all that data to a remote cloud server for processing can lead to latency, bandwidth constraints, and increased costs.

Edge computing nodes play a critical role in managed services by facilitating faster data processing, reducing latency, and supporting industries with immediate data needs. This decentralized approach to computing is particularly beneficial for sectors such as finance, retail, and Internet of Things (IoT) applications, where real-time data access and processing is critical.

Benefits of Edge Computing in Managed Services-

- **Reduced Latency-** By storing and processing data at or near the source—whether on a local device, a regional data centre, or an IoT gateway, edge computing significantly reduces the distance data must travel. As a result, businesses can experience faster application performance and more responsive systems, which is critical for time-sensitive applications such as telemedicine, smart grids, and online gaming.
- **Real Time Data Processing-** Edge enables real-time data processing; businesses can deploy AI and machine learning models at the edge to automate decisions without the need for constant communication with a central cloud. This is particularly important for industries such as manufacturing, where real-time data from sensors can be used to predict equipment failures and trigger automated maintenance responses, or for smart cities, where traffic management systems need real-time data to avoid congestion.
- **Enhanced Security-** Edge computing improves security in several ways. One of the main security benefits of edge computing is that it limits the potential impact of data breaches by decentralizing data storage and processing. In centralized systems, a successful attack on the main server can compromise the entire system. However, in an edge computing setup, if one node is compromised, the breach is typically limited to that local node, preventing widespread damage. For industries with stringent security requirements, such as finance, healthcare, and defence, edge computing offers a solution to process and store sensitive data locally, ensuring that only aggregated or non-sensitive information is transmitted to central systems.
- **Reduced Cost-** Edge computing can also result in significant cost savings for organizations. Traditional cloud architectures often require large amounts of bandwidth to transmit vast amounts of raw data to centralized data centres for processing. With edge computing, data is processed locally, which means less data needs to be sent to central servers, reducing bandwidth requirements and associated costs.

7. SOFTWARE DEVELOPMENT IN INDIA

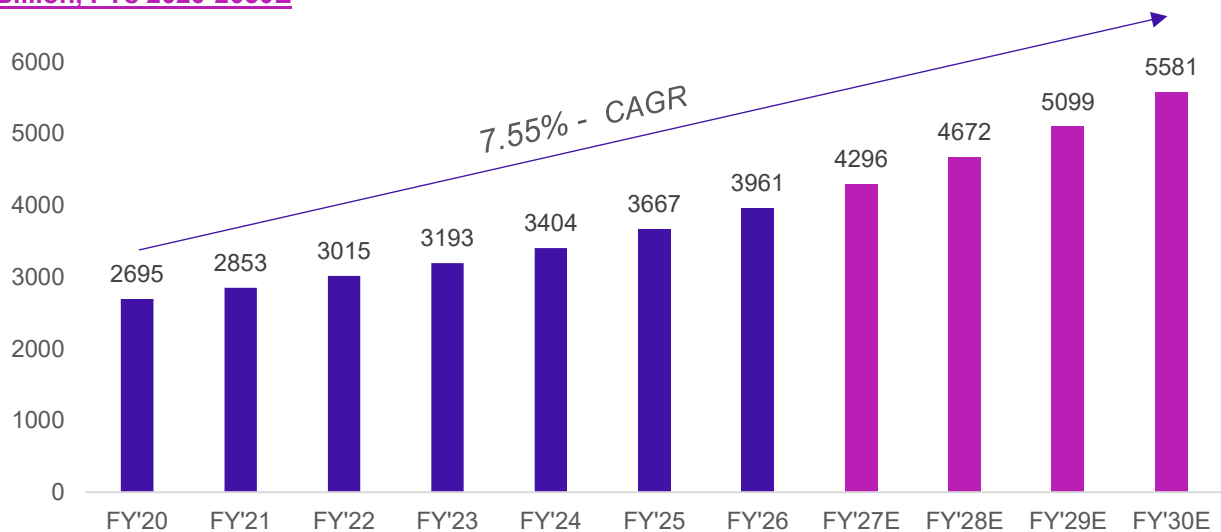
During 2000-2010, the rise of Indian MNCs and R&D, with the confidence in solving complex IT problems and the experience of working with international clients, boosted the Indian entrepreneurial spirit. Thus, many Indian companies opened offices in India and overseas and thereby became multinational organizations. These new MNCs started offering a wide spectrum of services ranging from complex IT projects to last-mile infrastructure integration.

Market Size for Software Development in India:

Indian software development market has demonstrated significant growth over the past few years, particularly following a boom in the IT industry in 2021. During FY 2020 to FY 2026, the market revenues increased from INR 2,695 billion to INR 3,961 billion, reflecting a CAGR of 6.63%. This steady growth trajectory highlights the industry's resilience and adaptability amid global economic fluctuations. During the forecasted period, software development industry in India is poised for robust expansion. Projections indicate that the market will continue to grow at a CAGR of 8.95%, increasing from INR 3,961 billion for FY 2026 to an estimated INR 5,581 billion by the end of FY 2030.

The ongoing digital transformation in sectors such as finance and healthcare is significantly increasing the demand for advanced software solutions. Additionally, the growing adoption of cloud computing and artificial intelligence is improving operational efficiency and facilitating data-driven decision making. Government initiatives, such as Digital India and Make in India, are fostering an enabling environment for innovation and investment in the software sector.

Figure 26: Market Size for Software Development Industry in India on the Basis of Revenues in INR Billion, FYs 2020-2030E



Source: Interview with Industry Experts, Nexdigm Analysis.

Note-E stands for Estimated, P stands for projected.

Software Development Adoption by SMEs in India:

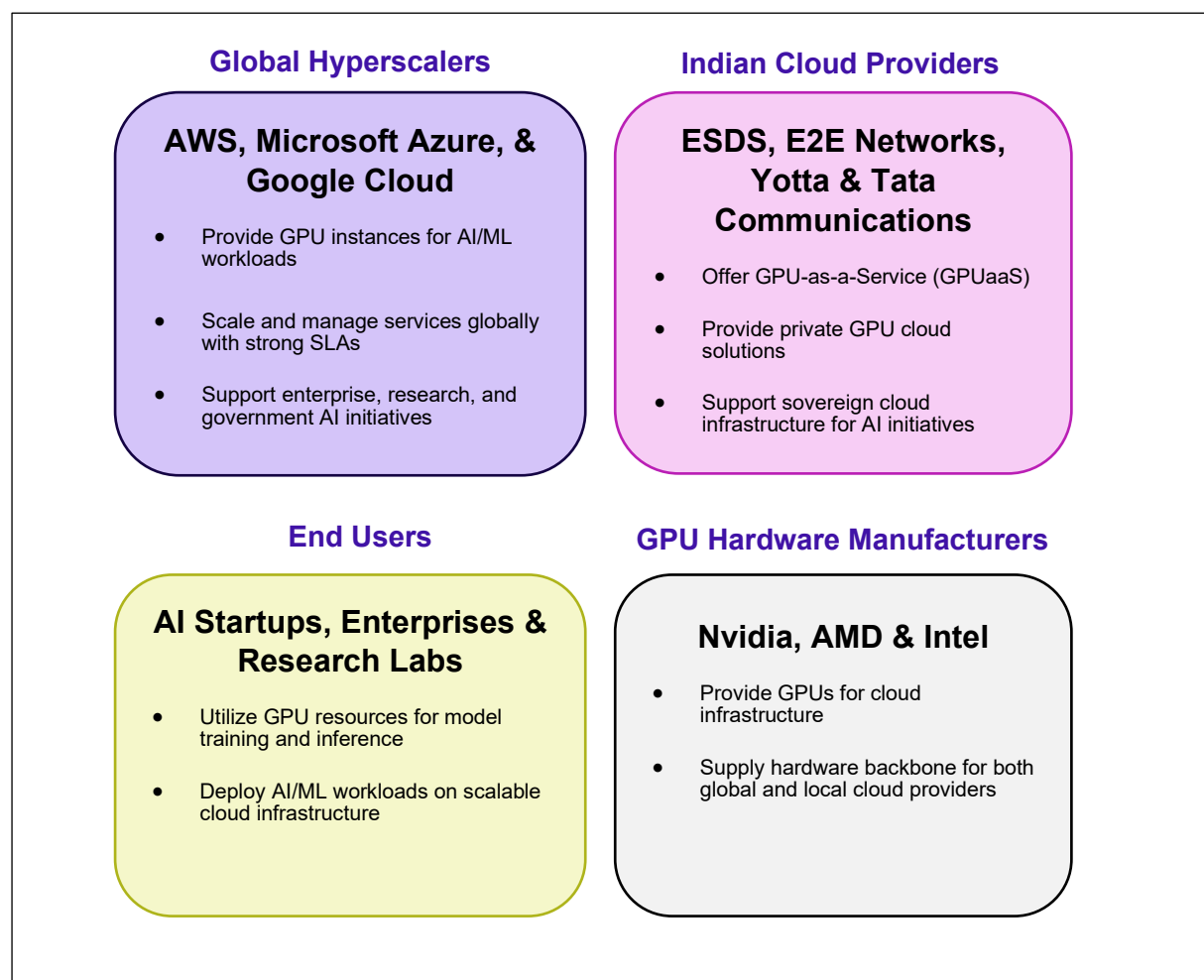
Small and medium-sized enterprises (SMEs) in India are increasingly adopting software development to drive digital transformation and improve operational efficiency. It has been observed that nearly 70% of SMEs have integrated some form of software solution, ranging from custom applications to off-the-shelf software for customer relationship management (CRM), inventory management, and accounting. The rise of cloud-based software and SaaS (Software as a Service) platforms has made it easier for these businesses to access advanced technology without upfront investments. These SMEs are leveraging software to streamline operations, improve customer service, and scale their businesses, while reducing reliance on manual processes. As the digital economy grows, more SMEs are expected to adopt enterprise-grade software tools, fostering a more competitive business environment.

8. CLOUD GPU MARKET LANDSCAPE IN INDIA

The Indian cloud GPU market is experiencing higher growth, driven by massive demand for artificial intelligence (AI), machine learning (ML), gaming, and data analytics. While dominated by international hyperscalers like AWS and Azure, the market is also seeing strong competition from specialized Indian players like Yotta, ESDS, E2E Networks and others which leverages its "end-to-end" cloud philosophy to offer high-performance, cost-effective, and locally controlled infrastructure.

Market Structure

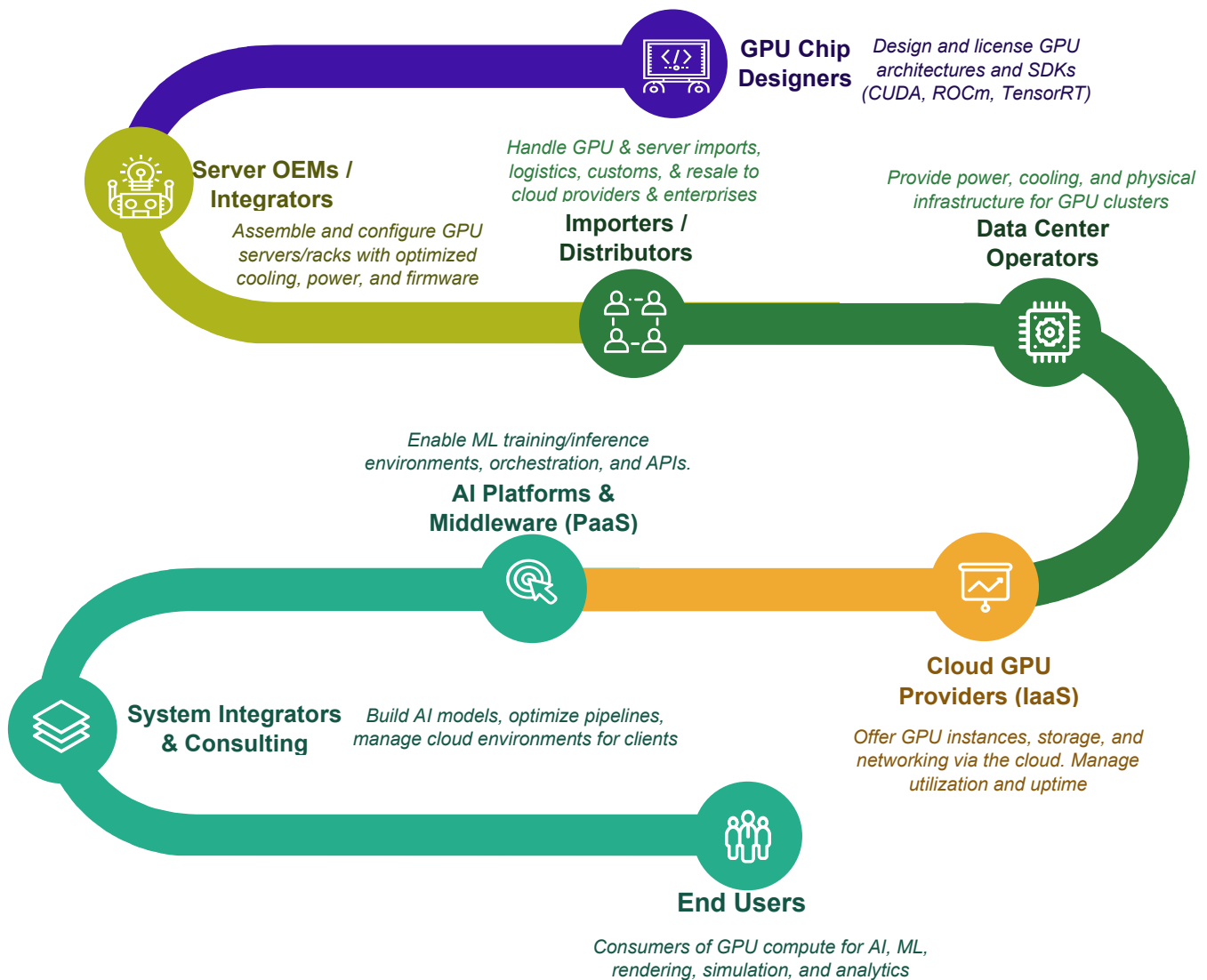
The Indian cloud GPU market has a multi-tiered structure, with global providers leading in market share and local players carving out strong niche positions.



Source: Nexdigm Analysis.

- **Global Hyperscalers:** Amazon Web Services (AWS), Microsoft Azure, and Google Cloud Platform (GCP) dominate the market with extensive resources, advanced tooling, and a wide array of GPU instances. However, their high costs can be a barrier for many Indian startups and businesses.
- **Indian Cloud providers:** Homegrown players like ESDS, E2E Networks and Yotta Data Services are emerging as significant competitors. They focus on offering high-performance, cost-effective, and sovereign cloud solutions tailored for the Indian market.
- **Domestic start-ups:** A vibrant ecosystem of infrastructure-focused start-ups, including Netweb Technologies, is building specific components of the GPU cloud ecosystem.

Value Chain



Source: Nexdigm Analysis.

Table 14: Value Chain Analysis for Cloud GPU Market in India

Value Chain Stage	Revenue Streams	Trends	Key Players (India & Global)
GPU Chip Designers	Sale of chips, software licensing, developer ecosystem programs.	Dominant dependency on NVIDIA; limited domestic R&D presence.	Nvidia, AMD and Intel.
Server OEMs / Integrators	Hardware sales, maintenance contracts, integration fees.	OEMs expanding AI-server manufacturing to India (Lenovo began local assembly in 2025).	Dell Technologies, Lenovo, Supermicro, HP Enterprise, Netweb Technologies.
Importers / Distributors	Hardware margin, warranty services, logistics fees.	Import delays and export control restrictions on advanced GPUs (H100/H200).	Redington, Ingram Micro India, RP Tech India, Savex Technologies, Supertron Electronics.
Data Center Operators	Colocation rent, rack space fees, managed facility contracts.	Surge in AI-ready data centres with high-density power (150–200 kW per rack).	ESDS, CtrlS Datacenters, Nextra by Airtel, ST Telemedia GDC.
Cloud GPU Providers (IaaS)	Hourly GPU billing, reserved contracts, managed clusters.	E2E Networks provides H100/H200/A100 GPU clouds.	ESDS, E2E Networks, Yotta, Tata Communications, AWS, Google Cloud, Azure, Nebius Group.
AI Platforms & Middleware (PaaS)	Subscription/usage fees, enterprise licenses.	Increasing adoption of Indian startups offering MLOps and LLM fine-tuning platforms.	TIR: AI/ML Platform, Sarvam AI, Soket AI Labs, Krutrim, TCS AI Cloud, Tech Mahindra AQT, Zoho AI, Freshworks AI.
System Integrators & Consulting	Consulting, project fees, managed services.	Many focus on model integration, data governance, and IndiaAI compute onboarding.	TCS, Infosys, Wipro, LTM, PwC India, Deloitte, Accenture.
End Users	Pay-as-you-go or contract-based usage.	Major demand from AI model developers and IndiaAI Foundation Model initiatives.	IndiaAI Mission projects, IITs/NITs, Sarvam AI, Enterprises in BFSI, Healthcare, and Manufacturing sectors.

Source: Nexdigm Analysis

The Cloud GPU Market in India operates through a globally linked yet locally evolving value chain. At the top, GPU chip designers (led by NVIDIA) dominate supply, while server OEMs and data centres form the hardware backbone. At the Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) layers, Indian cloud providers are emerging as key enablers, offering scalable GPU access to domestic startups, research institutions, and government initiatives such as the IndiaAI Mission. This localized compute infrastructure allows Indian enterprises to leverage high-performance GPUs (such as H100, H200, and A100) without heavy upfront investment in hardware.

Value creation within this chain is increasingly concentrated in the **IaaS and PaaS layers**, where service providers differentiate through efficient utilization, competitive pricing, and integration with broader AI ecosystems. Upstream activities such as chip design and fabrication remain globally controlled, but

downstream demand is localizing rapidly driven by sovereign AI initiatives, data localization mandates, and an expanding AI startup ecosystem.

With India's policy emphasis on data sovereignty and Make-in-India manufacturing, value capture within the cloud GPU market is gradually shifting downstream. This transition positions domestic cloud GPU service providers and data centre operators to benefit significantly as India builds its sovereign AI compute infrastructure and accelerates toward self-reliance in digital capability.

Cloud GPU Market Ecosystem

The Indian Cloud GPU market operates within a three-tier ecosystem, where each layer plays a distinct role in enabling AI workloads, data processing, and GPU-based computing services:

Tier 1: Data Centre

Data centres form the core of the cloud GPU ecosystem, providing the physical infrastructure, including power, cooling, and network connectivity, required to host GPU servers and related systems. They ensure reliability, high performance, and secure operations. In India, the data centre industry continues to grow steadily, supported by the surge in AI applications, cloud adoption, and digital transformation across sectors. These modern facilities are engineered to handle intensive computational workloads efficiently while maintaining energy optimization and robust security standards forming the foundation for all upper layers of the cloud ecosystem.

Tier 2: IaaS Providers

Infrastructure-as-a-Service providers take the physical data centre resources and turn them into virtualized computing power that businesses can rent on demand. This means companies can access GPU computers, memory, and storage without buying and maintaining expensive hardware themselves. It gives them flexibility to scale up or down based on workload needs. The IaaS segment in India is expanding rapidly as enterprises increasingly leverage cloud-based platforms for AI model training, analytics, and simulation workloads. Transparent pricing and flexible instance configurations are helping organizations manage GPU-intensive operations efficiently and cost-effectively.

Tier 3: PaaS & AI-as-a-Service Providers

At the top layer, PaaS and AI-as-a-Service providers abstract the complexity of managing underlying infrastructure by offering ready-to-use platforms, development environments, and AI frameworks. These services empower developers and enterprises to build, train, and deploy AI models quickly for applications such as computer vision, natural language processing, and predictive analytics. In India, adoption of these platforms is accelerating as organizations aim to speed up innovation cycles without heavy capital investment in infrastructure. By providing accessible GPU computing environments and AI tool chains, this layer is democratizing access to advanced AI capabilities across startups, academia, and enterprises.

Indian Cloud GPU Ecosystem: Local Cloud Players, Global Hyperscalers, and GPU Providers

India's emerging GPU cloud ecosystem operates through a multi-layered collaboration between domestic cloud providers, global hyperscalers, and GPU manufacturers. Each plays a complementary role in building the digital and AI backbone of the country.

1. Local Cloud Providers:

Domestic cloud players form the core operational layer of India's GPU cloud ecosystem. These companies typically operate their own data centres or partner with certified local facilities, ensuring data residency and compliance with Indian IT and data protection laws. Their offerings include GPU-as-a-Service (GPUaaS), bare-metal cloud, and AI-ready hosting which deliver low-latency, high-performance compute to Indian users at competitive prices. Local support, transparent pricing, and flexible contract structures make them particularly attractive to startups, research institutes, and mid-market enterprises.

Key roles and differentiators:

- **Data sovereignty and compliance:** 100% adherence to domestic regulations under MeitY, RBI, and the DPDP Act ensures sensitive data never leaves India.
- **Government alignment:** Several have been empanelled under national programs (e.g., IndiaAI Mission) to host GPU infrastructure for AI research and innovation.
- **Regional responsiveness:** Local-language support, customized pricing, and faster provisioning drive stronger customer trust and adoption.
- **Performance and control:** Bare-metal deployments allow direct GPU access, offering better throughput and flexibility compared to virtualized environments.

By offering sovereign, scalable, and cost-efficient GPU capacity, Indian cloud providers bridge the gap between national digital priorities and grassroots innovation, empowering enterprises to build and deploy AI models within India's borders without dependency on foreign hyperscalers.

2. Global Hyperscalers:

Global hyperscalers such as Amazon Web Services (AWS), Microsoft Azure, and Google Cloud serve as the technology backbone for enterprise-grade AI and advanced analytics. Their presence in India includes dedicated cloud regions (e.g., AWS Hyderabad, Azure Central India, and GCP Mumbai) offering on-demand access to GPU instances and managed AI platforms. **Key contributions and dynamics:**

- **Scale and sophistication:** Hyperscalers provide large-scale infrastructure and access to state-of-the-art GPUs (e.g., Nvidia A100/H100) and proprietary chips (e.g., AWS Trainium, Inferentia, Google TPU).
- **Enterprise adoption:** Their ecosystems support global enterprises, IT service providers, and R&D centres engaged in high-performance AI workloads.
- **Partnership-driven localization:** To meet India's data residency and compliance requirements, hyperscalers increasingly collaborate with domestic partners, for example, teaming up with Indian data centre operators to deploy capacity within sovereign cloud frameworks.
- **Investment and localization:** Ongoing multi-billion-dollar investments in Indian infrastructure reflect a shift toward localized, compliant, and hybrid models that blend global reliability with regional compliance.
- **Challenges:** GPU compute pricing remains relatively high, reflecting their global premium service models, and their dependency on U.S. export regulations can limit access to certain advanced chipsets.

3. GPU Providers:

At the foundation of the cloud GPU value chain are GPU providers, the companies designing the high-performance chips that power AI, HPC, and data centre workloads. NVIDIA, AMD, and Intel dominate this segment, each playing a pivotal role in enabling India's AI Mission ambitions through partnerships and technology transfer. Key contributions and ecosystem impact:

- **Core technology innovation:** Latest-generation accelerators like NVIDIA H100/H200 Tensor Core GPUs, AMD MI300X, and Intel Gaudi 3 form the backbone of AI computation, enabling faster model training and inference.
- **Diversified supply and risk management:** To avoid dependence on any single supplier amid global shortages and export restrictions, Indian cloud firms increasingly deploy multi-vendor GPU architectures (NVIDIA, AMD, Intel). For instance, ESDS supports GPU-based infrastructure using

NVIDIA platforms across HGX architectures, with high-speed interconnects such as InfiniBand and NVLink, and pre-configured AI software environments to enable deployment of AI and high-performance computing workloads.

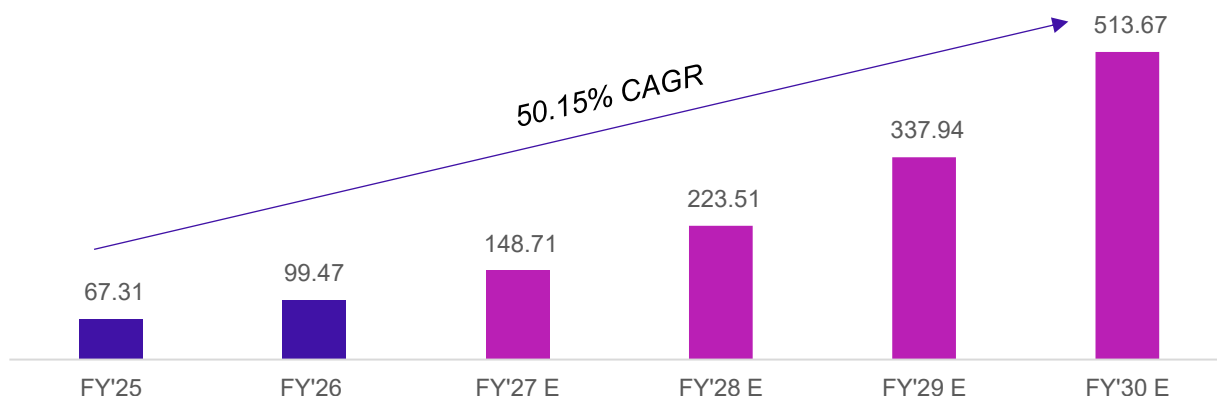
- **Ecosystem enablement:** Beyond hardware, GPU providers support the ecosystem through CUDA software stacks, developer kits, and optimization frameworks, helping providers maximize utilization and customers improve AI efficiency.

These companies are not just hardware vendors but **strategic enablers of AI infrastructure**, determining the **pace and depth of India's compute capacity expansion**.

Market size and growth outlook Of Cloud GPU Market in India

The India cloud GPU services market is at an early stage of development. The market was approximately at USD 67.31 million in FY 25 and is projected to reach around USD 513.67 million by FY 30, reflecting a CAGR of approximately 50.15% over the period. This growth rate is higher than that observed in the broader cloud services market, indicating increasing demand for specialized compute infrastructure to support artificial intelligence, machine learning, and data-intensive workloads.

Figure 27: India Cloud GPU Industry Market Size Based on Revenues in USD million. FY 2025- 2030F



Source: Interview with Industry Experts, Company Annual Reports, Industry Articles & Nexdigm Analysis
E Denotes Estimated.

This growth is underpinned by majorly below three factors:

The AI and Generative Computing Wave	Since 2023, the global rise of AI models and applications has sharply increased demand for computing power (spurred by models like ChatGPT). Indian enterprises across finance, healthcare, IT, and manufacturing are scaling up their AI workloads. At the same time, over a hundred homegrown generative AI startups have emerged, each relying heavily on access to high-performance GPUs for training and running large models. This surge in practical AI use is fuelling massive demand for cloud-based GPU infrastructure.
Cloud Affordability and Flexibility	Owning GPU hardware is prohibitively expensive for most companies. Cloud GPU services bridge this gap by offering on-demand, pay-as-you-use access, turning large capital expenses into manageable operating costs. This flexibility allows startups, research labs, and even large enterprises to experiment and scale quickly without investing millions in hardware. As organizations continue integrating AI into operations, this pay-per-use model will remain a core growth engine.

Government Initiatives and Ecosystem Investment

India's digital transformation programs, particularly Digital India and the IndiaAI Mission are channelling funds into AI infrastructure and encouraging local data centre growth. The government is also promoting indigenous GPU design and manufacturing by 2030 to reduce import dependence and secure future supply. Together, these initiatives are laying the foundation for a self-sustaining domestic compute ecosystem. Additionally, the IndiaAI Mission is actively promoting **Cloud GPU adoption**, with **Safe City** and **Smart City** projects emerging as major use cases fuelling market growth.

India contributes around 20% of the global data generation yet has 2% of global compute power which leaves sizeable opportunity for AI Infrastructure providers to expand in Indian market. India, despite generating over 20% of the world's data due to its large and digitized population, accounts for only ~2% of global compute capacity (measured by power), highlighting an opportunity to scale accelerated computing infrastructure especially cloud GPUs. The surge in AI-driven workloads has shifted cloud spending from ~1-2% of revenue in the CPU era to as high as 5-7% in the GPU era, driving the rise of specialized NEO Cloud providers like E2E Networks, Yotta Cloud which target the incremental 4–5% GPU cloud spend and aim to cut it by up to 50% through cost-efficient, AI-focused infrastructure. E2E Networks is amongst the earliest in India to offer cloud GPU-as-a-service.

A major accelerator of demand has been the Government of India's India AI Mission, which offers subsidies to domestic AI model developers. Under this program, developers typically bear around 60% of GPU rental costs, while the remaining portion is subsidized by the government which is 40% of the cost. For instance, GPUs that would normally cost INR Y600–700 per hour to rent are being made more accessible to Indian AI startups and research institutions. This subsidy mechanism is encouraging local model development and attracting private investment into GPU-based infrastructure. However, industry experts also caution that current usage patterns remain project-based and intermittent, resulting in low average occupancy rates of below 20%, compared with traditional cloud workloads that maintain 60–70% utilization.

According to expert interviews, the **Cloud GPU segment** is witnessing robust momentum, with **startups contributing around 40–50%** of the overall growth. Experts highlighted that beyond startups, other key growth pillars include Banking, **Financial Services and Insurance (BFSI)**, **pharmaceutical**, and **manufacturing** sectors, all of which are increasingly adopting GPU-based cloud infrastructure to support AI-driven workloads, data analytics, and automation initiatives.

AI Compute Demand vs. Available GPU Capacity

Demand for AI compute in India is currently outpacing the available GPU capacity, though the gap is gradually narrowing. The rapid surge in AI and machine learning adoption has created a massive need for high-performance computing power, but until recently, India had limited GPU infrastructure to support this momentum.

The market gained momentum in FY 2023, driven by companies such as ESDS, that started investing in GPUs to serve startups and analytics firms through niche AI programs. The surge of AI innovation globally spurred by developments like OpenAI and Grok created a ripple effect in India, pushing domestic data centre players to recognize the strategic importance of GPU enabled infrastructure.

For the period 2023–24, many startups, universities, and research labs struggled to scale their AI ambitions due to the high cost and limited availability of GPU infrastructure. These factors squeezed profitability unless systems ran at consistently high utilization levels. Adding to the challenge were limited access to cloud-based GPU instances and long procurement lead times, driven by global supply shortages. Even large enterprises faced difficulties scaling their AI model training and data-heavy workloads. As a result, industries such as healthcare, agriculture, and manufacturing saw their digital transformation efforts slow down, largely because affordable and scalable GPU computing remained out of reach.

On the **supply side**, India's GPU capacity is now expanding rapidly, but scaling remains constrained by global semiconductor bottlenecks. The global GPU shortage during 2023–24 driven by the post-ChatGPT AI wave created long waiting periods for new GPU shipments. Consequently, domestic cloud providers often

struggled to meet demand for high-end GPU instances. Recognizing this structural gap, both the government and private sector have launched major initiatives to boost GPU availability:

- **Public sector efforts:** Under the IndiaAI Mission, the government has partnered with cloud providers to establish a national AI compute grid. The initiative includes plans to deploy 18,000+ high-end GPU servers across the country and invest over INR 1,100 Million in AI infrastructure. By 2026, more than 58,000 GPUs had been deployed across 13 empanelled cloud service providers, improving accessibility for startups, researchers, and public institutions.
- **Private sector expansion:** Leading data centre operators are aggressively increasing GPU capacity. Yotta (Hiranandani Group) committed over USD 1 billion to acquire 32,768 NVIDIA GPUs (H100/GH200) for its Navi Mumbai facility - one of the world's largest single-site GPU deployments. Similarly, ESDS which currently operates 21 GPUs has outlined plans to scale this capacity to 85 GPUs by FY 2028. Other major players such as CtrlS, Sify, and AdaniConneX are upgrading facilities across Mumbai, Hyderabad, and Chennai to support GPU-rich computing environments. Domestic cloud-native firms have also begun deploying high-density GPU clusters tailored for AI training workloads, while global hyperscalers like AWS, Google Cloud, and Microsoft Azure continue expanding GPU-enabled regions in India.

Thanks to these combined efforts, India's available GPU capacity is rising sharply. However, demand remains exceptionally strong. In summary, India's AI compute demand is skyrocketing, powered by enthusiastic adoption across industries and a fast-growing AI startup ecosystem. Although GPU availability is expanding rapidly through government funding and private investment, the market remains in a capacity catch-up phase. Over the next few years, the gap is expected to narrow as new "AI factories" (large GPU data centres) come online and the government pushes for indigenous GPU development to reduce import dependence. In the meantime, creative solutions such as GPU leasing, cloud partnerships, and optimized utilization models will be essential to ensure India's AI Mission innovation momentum continues uninterrupted.

India's Share in Global Cloud GPU Deployment

Although India's cloud GPU capacity is expanding rapidly, its share of global GPU deployments remains relatively modest in single digit percentage share at present (March 31st, 2026), however this is poised to change. Historically, the global cloud GPU landscape has been dominated by the **United States and China**. Hyperscalers such as AWS, Google, and Microsoft (U.S.-based) and Alibaba, Baidu, and Tencent (China-based) collectively account for majority of AI-ready data centre GPUs worldwide. By 2024, these firms owned over half of the world's AI data centre capacity giving them a commanding lead. In contrast, India began the decade with only a small fraction of global GPU resources. However, recent developments are rapidly elevating their position in the global ecosystem:

- **Fastest Growth in Asia-Pacific:** India is currently the fastest-growing GPU infrastructure market in the APAC region, with an estimated 72.50% CAGR in GPU deployments between FY 2025 and FY 2030. No other country is ramping up GPU capacity at this pace, meaning India's global share is steadily increasing from a low base.
- **Expanding Global Footprint of Indian Players:** Indian companies are increasingly participating in the global cloud GPU ecosystem. Large players such as Tata Communications, ESDS, Yotta, CtrlS, and Sify are expanding beyond India into Asia-Pacific and the Middle East, effectively exporting India's GPU compute capacity. Meanwhile, specialized global GPU cloud providers such as Nebius Group, CoreWeave, and Lambda Labs are exploring partnerships with Indian data centres. This growing collaboration is strengthening India's position in the worldwide GPU market.
- **Cost and Talent Advantages:** India provides a strong value proposition, with GPU compute costs 40–50% lower than global benchmarks (INR 115–150 vs INR 213–256 per hour). Combined with a vast AI-skilled talent base, this cost advantage makes India an attractive destination for hosting international AI workloads, a trend that will likely boost its share of global GPU cloud capacity.

In absolute terms, India still accounts for only a low single-digit percentage of global cloud GPU capacity in 2026. The U.S. alone hosts several hyperscale AI clusters, each containing tens of thousands of GPUs for players such as OpenAI, Meta, and Google. Nevertheless, India's share is expected to climb sharply through the decade.

If current infrastructure plans are realized, India could host one of the world's densest networks of AI supercomputing facilities. Flagship projects including Reliance's 3 GW data centre, NTT's 25,000-GPU cluster in Telangana, and Microsoft's 660 MW expansion in Hyderabad could transform India from a consumer of compute to a global AI infrastructure hub.

Demand Drivers

- **Shift from CPU to GPU**

The landscape of cloud computing is undergoing a profound transformation driven by the emergence of AI-first enterprises. Traditionally, organizations allocated 1-2% of their total revenue toward cloud and compute requirements in the CPU-centric era. However, the rapid adoption of GPU-based cloud computing, primarily propelled by the computational demands of modern AI workloads, has fundamentally altered this financial equilibrium.

GPUs have a long operational lifespan, typically lasting at least 6 years and often extending to 6–8 years. GPUs deployed as far back as 2019 continue to perform efficiently and remain in heavy use even after 6 years. In the GPU-driven paradigm, cloud and compute expenditures have grown disproportionately, with organizations now potentially dedicating 5-7% of their revenue to these functions. This represents an incremental 4-5% net new spend directly attributable to GPU cloud adoption. Importantly, GPU infrastructure spending has shifted from being an element of the IT budget to becoming a core component of the business budget, reflecting its strategic role in enabling AI capabilities and innovation.

As organizations increasingly pursue AI-first strategies, their investments in AI infrastructure are expanding into high single-digit or even low double-digit percentages of revenue, with a steady portion directed toward cloud or on-premises GPU capacity. Consequently, the rising cost of GPU compute is encouraging AI-driven companies to prioritize cost optimization and efficiency in their GPU utilization strategies.

- **Emergence of “Neo Clouds”**

A new class of cloud service providers known as **“Neo Clouds”** or **next-generation cloud platforms** is redefining the global compute ecosystem. These providers specialize in delivering high-performance, GPU-based computing infrastructure tailored for artificial intelligence (AI), machine learning (ML), and other data-intensive workloads.

Unlike traditional hyperscalers such as AWS, Google Cloud, or Microsoft Azure, which offer broad, general-purpose cloud services, Neo Clouds focus on specialized, scalable, and cost-efficient GPU compute environments designed to meet the needs of AI-first enterprises.

Prominent global Neo Cloud providers include CoreWeave (listed), Crusoe, Lambda Labs, and Nebius (listed). In the Indian context, emerging players such as ESDS, E2E Networks, Yotta Shakti Cloud, Tata Communications and others are establishing themselves as competitive, cost-effective providers of GPU cloud solutions for AI, ML, and high-performance computing (HPC) workloads.

- **Surge in AI Startups, Fintech, and SaaS Models**

India's rapidly expanding digital economy is fuelling a strong surge in demand for cloud-based GPU infrastructure, driven by the growth of AI startups, FinTech firms, and SaaS companies integrating AI into their products and operations.

1. **AI and GenAI**

India's Generative AI (GenAI) ecosystem has grown exponentially, with the number of startups increasing nearly fourfold to over 3,100+ by mid-2026. Of these ventures, more than 80% are building AI-driven applications and SaaS solutions from multilingual chatbots and AI assistants to domain-specific automation tools. Funding in Indian GenAI startups touched USD 1.07 billion in H1 2026, a 30% year-on-year increase, reflecting investor confidence in the country's AI innovation potential. However, training and deploying such advanced models is compute-intensive, pushing startups to adopt affordable, on-demand cloud GPU platforms instead of investing in costly physical hardware.

As a result, the growing base of AI-first startups is emerging as one of the largest new demand segments for GPU cloud services, seeking scalability and flexibility to accelerate product development and innovation.

2. FinTech as a Key AI Adopter

The FinTech industry, home to 10,000+ entities and over 2,100 startups, making India the third-largest FinTech ecosystem globally is another major driver of GPU consumption. AI-powered use cases such as fraud detection, credit scoring, algorithmic trading, customer personalization, and compliance automation increasingly rely on GPU-accelerated machine learning models. With the sector poised to reach a USD 160 billion market size by FY 2026, FinTech companies require scalable, secure, and high-performance compute to process massive transaction volumes and real-time analytics, leading to sustained demand for GPU-enabled cloud infrastructure.

3. IT & SaaS Industry Integration

India's IT and SaaS sectors, contributing over 7% to national GDP and generating USD 315 billion in FY 2026 revenues, are now embedding AI deeply into their service portfolios. Large IT service providers are building AI-driven automation and analytics platforms, while SaaS firms, many catering to global clients, are integrating AI features into enterprise software. These activities require significant GPU resources for training models, inference, and deployment at scale.

With over 5.8 million tech professionals and major firms investing in AI skill development, the IT-SaaS ecosystem is becoming a steady, high-volume consumer of cloud GPUs, both for client delivery and internal transformation.

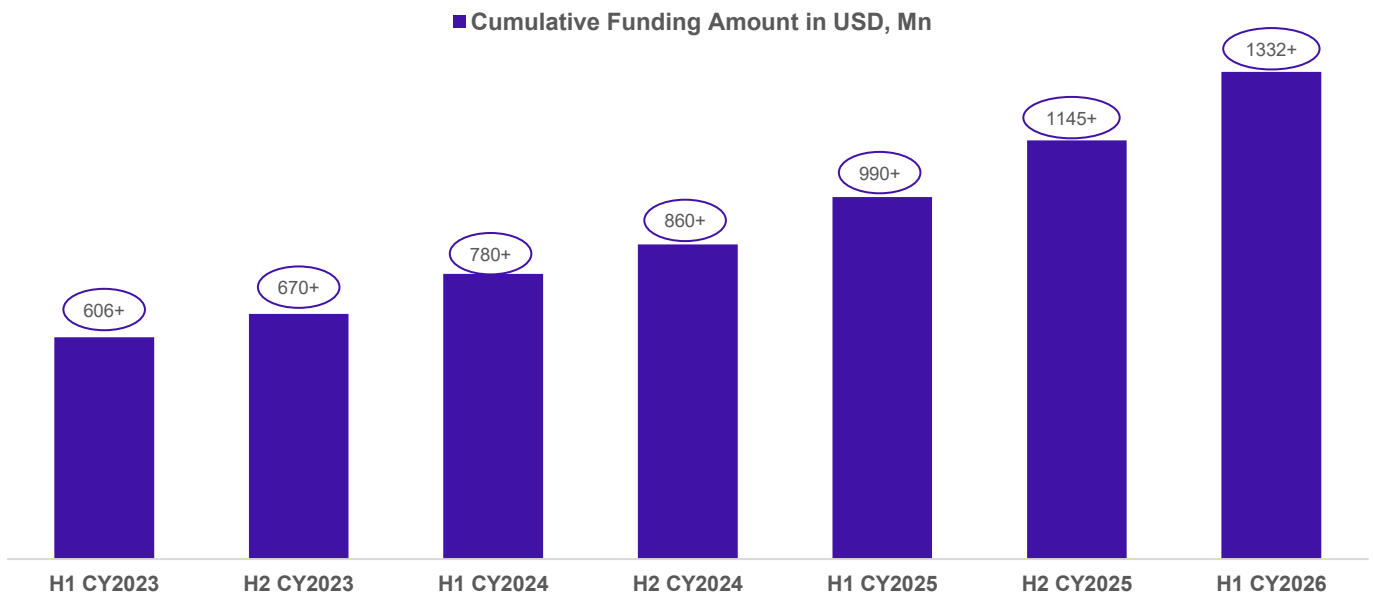
• Gen AI Startup Ecosystem

The overview highlights the growing depth of India's GenAI startup ecosystem and its expanding funding landscape, reflecting strong investor interest and the rapid emergence of new innovators driving the country's AI growth story.

The number of GenAI startups in India has grown more than 13x over two years, reflecting a powerful wave of innovation and accessibility in AI technologies. This growth is being fuelled by better access to GPU infrastructure, open-source AI tools, and rising enterprise adoption across sectors like fintech, edtech, and healthcare.

Much of this momentum comes from a surge in application-layer startups, especially those building copilots, vertical AI agents, and productivity platforms. Another defining shift is the widespread pivoting within the ecosystem, as nearly two-thirds of startups have transitioned from other tech or SaaS backgrounds to embed AI into their offerings. This adaptability captures the essence of India's entrepreneurial energy dynamic, fast-moving, and eager to harness GenAI's potential.

Figure 28: Cumulative Funding in Indian GenAI Startups



Source: NASSCOM GenAI Startup Report 2025, Nexdigm Analysis

Cumulative funding in Indian GenAI startups has grown consistently from about USD 606+ million in H1 CY2023 to over USD 1332+ million in H1 CY2026 reflecting the strong confidence investors have in this fast-evolving space.

While the overall funding trend is positive, the nature of investments is changing. Early-stage funding continues to drive most of the growth, with around USD 106 million raised across six key rounds. However, seed-stage investments have started to taper off, and late-stage funding remains scarce, showing that many startups are still in the early stages of scaling up.

Investors are now increasingly backing verticalized, domain-specific GenAI startups that focus on solving specialized problems or catering to specific industries. This shift suggests a maturing market, where funding is being directed toward startups with clear business models, proven enterprise traction, and the potential to build scalable, real-world GenAI solutions.

• Policy Support through Digital India and IndiaAI Mission

India's policy ecosystem is evolving rapidly to accelerate domestic AI and cloud infrastructure development. Government initiatives under the Digital India framework and the broader IndiaAI Mission vision are catalyzing large-scale investments in high-performance computing (HPC) and GPU infrastructure. The emphasis is on democratizing access to AI compute resources, fostering indigenous model development, and strengthening the country's digital sovereignty.

In addition to the national AI compute grid, which pools GPU resources across leading domestic cloud providers, policy measures such as the Deep Tech Startup Fund, AI Research Centers of Excellence, and Strategic Semiconductor Incentive Schemes are creating strong tailwinds for data centre and GPU investments. These programs collectively ensure that AI innovation from foundational model research to SaaS-scale deployment can occur within India's digital borders using compliant, high-performance cloud platforms.

Furthermore, frameworks like AIRAWAT (AI Research, Analytics and Knowledge Assimilation Platform) and the National Data Governance Framework Policy (NDGFP) provide institutional support for responsible AI

development and data sharing. Together, they de-risk private investment in AI infrastructure by ensuring policy continuity, government-backed demand, and predictable compliance norms.

For domestic GPU cloud and data centre providers, this evolving policy landscape is a structural advantage; it aligns national priorities with private enterprise goals. As India advances toward becoming a global AI innovation hub, local cloud companies stand to gain from increased compute requirements, subsidized public workloads, and a sustained preference for in-country AI processing environments.

- **Localization of Data Storage & Sovereign Cloud Push**

There has been a growing emphasis on data sovereignty that is becoming a key catalyst for domestic cloud and GPU infrastructure. The Digital Personal Data Protection (DPDP) Act (2023) and sectoral regulations in banking, insurance, and healthcare mandate that sensitive and critical data be stored and processed within India's borders. This is driving organizations especially those handling personal or government data, to adopt India-based cloud and GPU services for their AI workloads.

To strengthen this framework, the government is setting up the India Data Office (IDO) for data governance and implementing the Data Empowerment and Protection Architecture (DEPA) to enable secure, consent-based data sharing. Collectively, these initiatives are generating strong demand for high-performance computing and sovereign cloud capacity in the country.

Beyond regulatory compliance, the sovereign cloud movement is about building national AI capability. Local data storage allows the development of AI models trained on India-specific datasets covering diverse languages, sectors, and demographic without exposure to foreign jurisdictions. Domestic players such as ESDS, Yotta, CtrlS, and Reliance Jio are scaling GPU clusters and introducing cloud platforms that ensure all data, compute, and storage remain in India under strict access controls. These clouds increasingly use advanced GPUs like NVIDIA H100/H200 and optimized AI software stacks for enterprise and government workloads.

For instance, ESDS cloud infrastructure is supported by compliance certifications and standards including MeitY empanelment, STQC certification, ISO 27001 and SOC 2 Type II. Data residency is maintained within India through in-country data centres, alongside physical and logical security measures such as air-gapped zones, biometric access controls and Tier III data centre facilities. ESDS also provides NVIDIA HGX deployment capabilities, including cluster architectures built around GPU platforms such as NVIDIA H200, B200 and B300, supported by 400/800 Gbps InfiniBand interconnects and multi-petaflop NVMe-based storage architectures designed for AI and data-intensive workloads, with infrastructure configured to support large-scale compute requirements.

India's evolving regulatory framework relating to data localization and digital infrastructure is contributing to increased demand for compliant cloud and GPU-based computing services within the domestic market.

9. OPPORTUNITIES AND DEVELOPMENTS

As businesses undergo rapid digital transformation, the need for secure, high-performance, and cost-effective cloud solutions has become paramount. Enterprises require scalable infrastructure to handle growing workloads, while SMBs look for cost-efficient cloud adoption without heavy upfront investments. Government bodies seek compliance-driven and secure cloud environments, and BFSI institutions demand high-availability architectures with stringent security standards. Cloud service providers bridge the identified gaps faced by businesses, enabling businesses to focus on their core operations, while cloud service providers handle the complexities of IT Infrastructure Management.

Expansion into Tier-2 and Tier-3 Cities

Indian Government initiatives such as the Digital India program are promoting the development of digital infrastructure in small towns. In addition, local Governments often offer incentives and fast-track approvals for data centre projects, making it easier for companies to set up operations. This also aligns with Government initiatives on data localization, which will lead to the development of infrastructure such as IT parks and office spaces in Tier-2 cities and Tier-3 cities and attract more companies there.

Data centres located in Tier-2 cities and Tier-3 cities in India offer significant cost advantages, with lower real estate and operational expenses compared to Tier-1 cities. These regions provide ample room for expansion and scalability, minimizing congestion-related delays. Additionally, geographic diversification in these areas improves business continuity by mitigating the risks of outages. Proximity to regional markets reduces latency, which improves service quality for underserved populations. Additionally, Government incentives in these areas further reduce operating costs, stimulate local economies, and contribute to environmental sustainability and job creation.

Table 16: Total Tech Talent Availability in Tier-2 and Tier-3 Cities

City	Installed Tech Talent	% of Total Tech Talent in India
Chandigarh	70,000	1.27
Coimbatore	60,000	1.09
Jaipur	80,000	1.45
Vizag	100,000	1.82
Kochi	90,000	1.64
Nashik	20,000	0.36

Source: Journal published on Indian Tech Talent by Harshad Katikar, Nexdigm Analysis.

Table 17: Cost Effectiveness of Hiring in Tier-1 vs Tier-2 Cities

Metrics	Tier-1	Tier-2	Advantage in Tier-2 Cities
Average Salary	INR 1,200,000	INR 800,000	50%
Attrition Rates	20%	10%	100%
Infrastructure Costs	100%	70%	30%

Source: Journal published on Indian Tech Talent by Harshad Katikar, Nexdigm Analysis.

Examples of organizations shifting towards Tier-2 and Tier-3:

- **ESDS** stands out as the only player in the data centre industry to have started operations in a Tier-2 city, Nashik. While most data centre companies typically start in Tier-1 cities due to limited power availability in Tier-2 and 3 cities, ESDS has consistently prioritized sustainability. This forward-thinking approach has not only enabled them to overcome challenges but has also provided them with a competitive advantage, allowing them to successfully scale up their operations in Tier-2 and 3 cities.
- **CTRLS** aims to establish more than 20 edge data centres in Tier-2 and Tier-3 cities in the coming years. Currently, it has data centres in Kochi and Vizag. The company also plans to expand its capacity and introduce new facilities in Kolkata.
- **Yotta Data Services** is expanding its operations in Greater Noida and Guwahati, capitalizing on the growing demand for edge facilities in Tier-2 markets. This expansion aligns with the growing importance of data infrastructure in various sectors, including finance, healthcare, and e-commerce.
- **Airtel Nxtra** operates 120 edge data centres in 65 cities, such as Bhopal, Nagpur, Cuttack, Ranchi, Patna, Raipur, Kanpur, Madurai, and Leh. These facilities have capacities ranging from 1 to 5 megawatts, and the company plans to expand and build more data centres.

Introduction of Cloud Service Verticals

Sustainable Cloud Computing: Sustainable cloud computing focuses on energy efficiency, reducing carbon emissions, and using renewable resources to minimize environmental impact. Major providers like Amazon, Microsoft, and Google Aare committing to net-zero emissions, with Amazon aiming for 2040 and Microsoft before the next decade. The technology used in cloud computing is virtualization software, which separates physical computing device into one or more “virtual” devices, each of which can be used and managed to perform computing tasks. Virtualization provides the agility required to speed up IT operations and reduces costs by increasing infrastructure utilization.

AI Cloud allows businesses to harness the power of AI and technology, without the need to allocate resources. AI models, such as large language models, such as GPT, are trained on massive amounts of data using the computational power of computers. The role of infrastructure that enables AI to be accessible

to the public is crucial, as it plays a significant role in making AI available and providing all the economic and social benefits it generates.

Edge computing and IoT capabilities; Cloud providers are undergoing transformation, rebranding themselves as distributed clouds, while traditional content distribution network (CDN) vendors are enhancing their offerings to integrate edge computing capabilities. With the rise of GNAI and edge technologies, local LLAM contracts have gained traction, particularly for remote applications like oil rigs, where real-time data analysis is crucial. For example, Akamai Technologies is using its acquisition Lineode to bridge the gap between centralized hyperscaler models and classic CDNs with its thousands of locations. Fastly and Cloudflare are also taking similar steps.

CloudOps; refers to the practice of managing and optimizing cloud spending through collaboration between finance, operations, and technology teams to ensure cost efficiency and resource allocation. The flexible and dynamic nature of cloud computing has shifted market perspectives from a "cloud-first" approach to viewing the cloud as a necessary tool.

Private cloud is cloud infrastructure operated solely for a single organization and operates on a dedicated infrastructure. Private cloud services are required for customers who propose to migrate their business and corporate data on a secure, customizable and flexible cloud platform, without capital investment required for maintaining a "on premise" cloud environment.

Virtual public cloud functions like a private cloud that runs on public or shared infrastructure. The virtual private cloud isolates one user's resources from another user's resources using an individualized, private IP subnet or a virtual local area network.

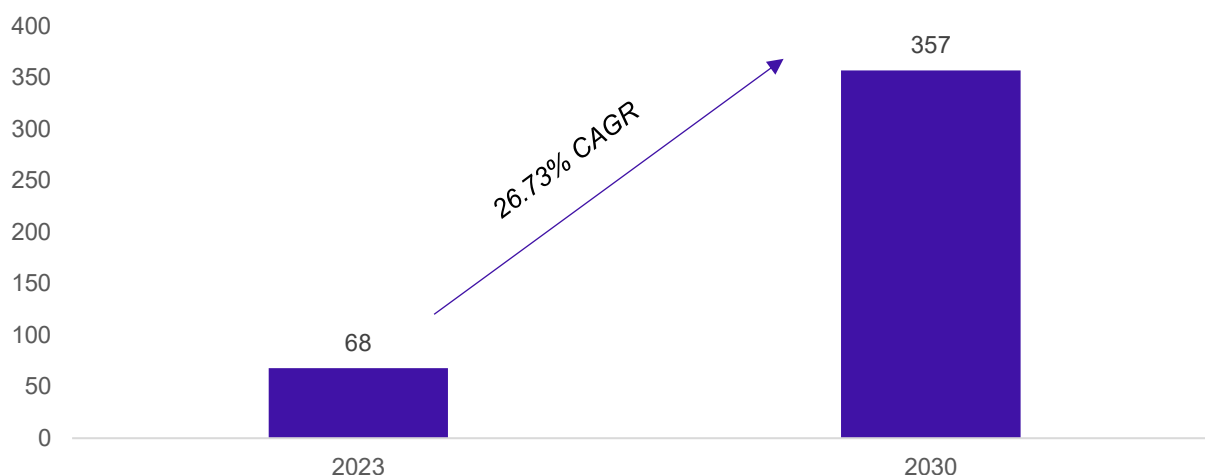
Hybrid cloud model includes a combination of private and public cloud offerings. It is composed of a public cloud and a private environment, such as a private cloud or on-premises resources, that remain distinct entities but are bound together, offering the benefits of multiple deployment models.

Community Cloud: A community cloud is a virtual infrastructure that is shared between several organizations from a specific community with common concerns (such as security, compliance or jurisdiction concerns). ESDS was one of the first cloud service providers in India to offer community cloud services, provided on a multi-tenant model to a group of organizations with similar business models and requirements, such as data privacy, security, compliances and regulatory requirements.

Partnerships with Startups for AI and Machine learning:

There are over 3,000 AI companies in India as at March 31, 2026. The growth of AI is expected to increase the demand for high-density server racks and cooling solutions. The generative AI market in India is projected to grow at a CAGR of 26.73% between 2023 and 2030, driving strong demand for data centres. Additionally, there is a growing demand for over 500 MW from hyperscalers, suggesting that AI workload demands could soon outstrip traditional cloud computing needs.

Figure 29: India's Generative AI Sector Market Size on the Basis of Revenues in INR million, CY 2023-2030



Source: Nexdigm Analysis NASSCOM.

The Gen AI startup ecosystem in India has been expanding rapidly, driven by increased funding and support from both the private and public sectors. According to NASSCOM, the active number of GenAI startups rose from about 240 + Gen AI startups to over 890+ startups in 2025. Many of them focusing on advanced technologies such as computer vision, natural language processing, and generative AI.

AI and machine learning are required to increase energy efficiency and sustainability, improve asset performance management, enhance customer relationship management and security, and bolster capacity management and planning in the Data Centre space. India vision for “**Make AI in India**” and “**Make AI work for India**” is aimed at leveraging AI for a variety of use cases.

- **Sarvam AI and Microsoft:** Sarvam AI is collaborating with Microsoft to develop its Indian speech Wide Language Model (LLM) on Azure. This partnership aims to empower developers to build generative AI applications tailored for Indian languages, improving accessibility and usability in sectors such as education and healthcare.
- **Tech Mahindra and Google Cloud Partnership:** Tech Mahindra has partnered with Google Cloud to accelerate the adoption of generative AI across multiple industries. This collaboration focuses on improving supply chain processes and developing AI-powered applications for Mahindra & Mahindra, showcasing how cloud technology can drive operational efficiency.
- **Open Cloud Computing Network:** Backed by Nandan Nilekani, the Open Cloud Compute (OCC) project aims to establish a network of interoperable micro data centres in India. This initiative involves a consortium of 24 tech giants, including AMD and Oracle, to address the growing demand for AI infrastructure, thereby facilitating better utilization of resources among independent vendors.
- **Google Cloud Initiatives:** Google Cloud has launched several programs aimed at empowering early-stage AI startups. These include Springboard for emerging ISV partners, which offers USD 200,000 in cloud credits over two years and up to USD 350,000 specifically for AI-focused startups. Additionally, Google is offering access to NVIDIA H100 GPUs and TPUs through partnerships with accelerators like Y Combinator.
- **Deliver-Health and Google Cloud:** DeliverHealth, a healthcare technology startup, is working with Google Cloud to transform clinical documentation processes using AI. This partnership uses Google Cloud's advanced AI models to enable healthcare providers to document patient care via voice, improving efficiency and accuracy in clinical settings.
- **ESDS Autonomous Cloud:** ESDS' AI autonomous architect cloud platform, i.e., SWARAJ Cloud, is an AI-Autonomous Cloud Platform that seamlessly converges 30+ comprehensive services and 80+ integrated capabilities into a unified intelligent IT ecosystem. Powered by prompt to production architecture, autonomous intelligence, AI-driven automation, and hyper-scale cloud architecture, the platform enables organizations to intelligently architect, deploy, govern, optimize, and scale cloud

environments with minimal manual intervention, while ensuring 100% Indian data residency, built-in compliance, security, and control across hybrid and multi-cloud infrastructures.

Transition from Colocation and Cloud to End-to-End Services:

- **Colocation;** Services involve renting space in a data centre where businesses place their servers, networking equipment, and other hardware. It offers benefits such as reliable power, cooling, and physical security, without the need for businesses to build and maintain their own data centres. However, as businesses grow and their needs evolve, colocation can present challenges. Expanding infrastructure can be costly and time-consuming, and the physical space required can limit scalability. Because of these limitations, many businesses eventually transition to cloud services, which offer more flexibility, scalability, and on-demand resource allocation without the need to manage physical hardware.
- **Cloud;** Services provide scalability, flexibility, and on-demand resources, allowing businesses to adapt quickly without the limitations of physical infrastructure. They offer global reach, automated backups, and enhanced security, making them a better option compared to colocation. However, services like Azure and AWS often rely on middlemen adding 20-30% margins, which can make them up to 40-50% more expensive than alternatives like end-to-end domestic players. Additionally, these providers impose strict access restrictions, making it difficult for industries like BFSI to conduct physical audits as required by the RBI mandate, unlike colocation, which offers more audit control and flexibility.
- **End-to-end;** Services combine the best of both colocation and cloud, offering businesses the flexibility and scalability of the cloud along with the control and security of colocation. Unlike cloud data centres, which often rely on middlemen and have higher costs, end-to-end solutions provide seamless integration, easy management, and cost-effectiveness. This approach ensures that businesses have complete control over their infrastructure while still benefiting from the on-demand resources and scalability of cloud services, making it a superior option compared to traditional cloud-only and colocation solutions. With the push of Data Sovereignty Regulations and the Digital Personal Data Protection Act 2023, the need to move away from foreign players becomes more evident as they remain costly and require additional intermediaries for management.

Growing Importance of End-to-End Data Services

- In conclusion, end-to-end data services offer the ideal balance between flexibility, scalability, control, and cost-effectiveness. While co-location provides physical security, it comes with high costs, scalability limitations, and significant infrastructure investment. Pure co-location providers like Adani and CTRLS offer secure environments, but lack the scalability and flexibility of cloud services. Cloud data centres like AWS and Azure provide resources on demand, but often involve middlemen, adding costs and restricting access, particularly for regulated industries like BFSI.

End-to-end services combine the benefits of both co-location and cloud, offering scalability and flexibility while maintaining control and security. Companies like ESDS and Yotta are leading the way in this approach. ESDS stands out for its experience in integrating on-demand resources with infrastructure control, while Yotta, a newer entrant, is still evolving.

By cutting out the middleman, end-to-end solutions reduce costs and improve transparency. As regulations around data sovereignty increase, on-premises providers like end-to-end domestic players offer a more cost-effective and scalable solution that ensures compliance, making them a superior option to traditional cloud and co-location models.

10. TECHNOLOGY DISRUPTIONS

AI and Machine Learning: Cloud-Driven AI Models Powered by GPUs

India has seen the rise of cloud-native startups driving AI innovation in sectors like fintech, healthcare, and e-commerce. Startups like “ZestMoney” (AI-powered lending) and “Aindra Systems” (AI for healthcare) have introduced how AI and cloud can deliver solutions at scale. The launch of 5G networks will further accelerate cloud and AI adoption by providing the necessary high-speed connectivity. This will enable faster data transfer, real-time analytics and seamless integration of IoT devices.

Examples of GPU Driven Cloud and AI Models-

- Mumbai-based data centre operator Yotta, known for its Shakti Clouds, now operates over 8,000 NVIDIA H100 GPUs of which hundreds are already live with clients and an additional 1,000 L40S GPUs, supporting leading Indian AI models such as Sarvam and Socket. Sarvam alone has been allocated 4,096 GPUs, backed by petabytes of high-speed parallel file and object storage and a complete NVIDIA DGX Cloud Lepton software stack deployed by Yotta. The company is further scaling aggressively, with another 8,000 NVIDIA Blackwell B200 GPUs under implementation and a roadmap to cross 32,768 GPUs for its Telangana AI infrastructure by the end of 2025, positioning Yotta as one of the largest AI cloud platforms in Asia.
- ESDS provides GPU-enabled cloud infrastructure supported by its proprietary SWARAJ AI platform, which enables model lifecycle management, CI/CD integration, AutoML workflows, monitoring, and Kubernetes-based orchestration for AI workloads. The company offers multiple deployment models including GPU-as-a-Service, dedicated passthrough, multi-instance GPU configurations, time-sliced access, and bare-metal environments to support training, fine-tuning and inference use cases. Their GPU-as-a-Service enables mission-critical AI/ML, Generative AI (GenAI) and Large Language Model (LLM) workloads to be run on purpose-built GPU SuperPODs (which are clusters of interconnected GPUs that operate as a single engine) designed for consistent and predictable performance, stable and secure operations and low-latency distributed training. This full-spectrum, scalable service democratizes access to large-scale GPU clusters and SuperPODs by overcoming hurdles (such as complexity, ambiguity and prohibitive costing) typically faced by organisations seeking to scale AI workloads through GPU infrastructure. ESDS also delivers managed AI infrastructure operations with 24/7 support with 99.95% uptime, performance monitoring, and engineering assistance for optimization and migration of AI workloads.
- Tata Communications has announced the launch of its AI Cloud infrastructure powered by NVIDIA GPUs, with the first phase scheduled to go live by the end of this year. This rollout will position Tata Communications’ deployment as one of the largest NVIDIA Hopper GPU-based AI supercomputing clouds in India, designed to support high-performance model training, inference workloads, and enterprise-scale AI innovation across sectors.

Sustainability Efforts: Energy-Efficient Data Centres and Green Computing:

The digital age has created a huge demand for data storage and management. According to the United Nations, the IT industry accounts for 2-3% of global emissions, and this could increase to 14% by 2040. This rapid digital transformation presents a major challenge towards balancing technological growth with environmental sustainability, to ensure that the rapid expansion of cloud infrastructure does not come at the cost of rising carbon emissions and resource depletion.

- **Green Data Centres**-Organizations use green data centres to increase energy and resource efficiency, extend the lifespan of equipment, reduce data centre costs, and minimize carbon impact.
- **Data Centre De-Carbonization**-Initiatives can provide an impetus that enables organizations to modernize, optimize, and automate their data centres.
- **Efficient Cooling Systems** play a crucial role in addressing the challenges of energy consumption in data centres. Traditional facilities often rely on air conditioning systems to cool servers and prevent overheating.

- **Power Usage Effectiveness-** It measures the energy efficiency of data centres by comparing the total energy usage of the facility to that of IT equipment alone. Lower PUE values indicate better energy performance, helping organizations reduce operating costs, optimize energy consumption, and minimize their environmental impact, contributing to greener and more sustainable data centre operations.

11. INNOVATION AND R&D

Use of AI and Machine Learning to Enhance Operational Efficiency

AI for operational efficiency involves applying artificial intelligence and machine learning to optimize business processes, enhancing productivity, reducing costs, and improving customer satisfaction. By automating various tasks, AI allows human resources to focus on more strategic and creative work. This transformative technology should be viewed in terms of its potential for the common good, improving quality of life and access to opportunities.

AI adoption by various industries in India has been influenced by technical and regulatory challenges, among other factors, but business implications have been the most important driving factor. While technical feasibility, availability of structured data, regulatory barriers, privacy considerations, ethical issues, and preference for human relationships have played a role in determining an industry's readiness for large-scale AI adoption, compelling business use cases (For instance; increased efficiency, accuracy, speed, forecasting, and precise decision-making) that lead to a direct impact on revenue and profitability have been the primary driver for businesses to pursue accelerated AI adoption.

Table 18: Highlights of AI adoption hits and misses by End-User Industries, 2024

Dimensions	Sector Hits	Sector Misses
AI Strategy and Impact	➤ 39% of manufacturing and 65% transport and logistics have transformation-focused AI strategy. ➤ 70% BFSI and healthcare companies seek competitive differentiation with AI.	➤ Over 50% of BFSI, CPG & Retail, E&U, Healthcare and TM&E sectors have a pilot tested AI strategy rather than full implementation.
AI Investments	➤ 50% + manufacturing and transport and logistics have some dedicated AI budgeting.	➤ 55%+ BFSI, CPG and retail, E&U, healthcare, and TM&E sectors have ad-hoc AI budget.
Data and Technology Readiness	➤ 60%+ BFSI, manufacturing, CPG and retail, transport and logistics, and TM&E companies have BU or enterprise-level standardized data. ➤ BFSI and CPG and retail companies show near equal propensity towards public and hybrid clouds for AI workloads.	➤ 48% E&U companies and over 30% of all sectors except transport and logistics have non-standardized data in silos. ➤ 20% of companies in E&U and TM&E use hybrid cloud, the lowest propensity of all sectors.
AI Use Cases	➤ 3-7% BFSI, healthcare, transport and logistics, and TM&E companies have over 20 AI use cases. ➤ 29% of healthcare and 13% of BFSI companies have conducted PoCs of over 10 AI use cases. ➤ 3-7% of BFSI, healthcare, transport and logistics, and TM&E companies have over 10 AI production cases. ➤ 5%+ BFSI, healthcare, transport and logistics, and TM&E companies have conducted over 5 Generative AI PoCs.	➤ 50%+ of manufacturing and healthcare firms have had no AI use cases identified. ➤ 37% of manufacturing companies have not conducted PoC AI use cases. ➤ 71% of E&U, 67% of manufacturing, and 47% of TM&E have had no production-grade AI use cases ➤ 85%+ of manufacturing and E&U companies have not conducted a PoC of Generative AI yet. ➤ 50%+ of E&U, healthcare and manufacturing companies have had no Generative AI production cases.

	➤ 2% of BFSI and 4% of healthcare companies have over 5 production-grade Generative AI cases active.	
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Source: Industry Articles, Nexdigm Analysis.

Digital Platform Enablement across Multiple Verticals (IoT and Blockchain)

Block chain Technology keeps records in a very secure and organized way. Block chain has the potential to address significant challenges by ensuring the authenticity and security of data. The inherent design allows for transparent visibility into transactions, preventing any unauthorized alterations to the information.

Internet of Things (IoT) refers to a big network of connected devices. These devices have parts like sensors and software that help them collect and share information. Smart thermostats that control the temperature in your home, wearable health devices, or even big machines in factories.

Table 19: Used Cases of Digital Platform Enablement

S. No	Companies	Applications
1	Infosys	Infosys has been involved in multiple block chain initiatives, including developing solutions for the banking and insurance sectors. They leverage IoT data to enhance the functionality of their block chain applications.
2	Tech Mahindra	Tech Mahindra has implemented blockchain solutions for supply chain management, including a project called Vaccine Ledger, which uses IoT data to ensure traceability of vaccines. The company has demonstrated important applications in various industries such as telecom and manufacturing.
3	TCS	TCS has developed a block chain platform that supports various enterprise applications including supply chain management and digital asset management, integrating IoT data to improve operational efficiency.
4	Bajaj Finserv	Bajaj Finserv uses blockchain to automate claims processing in travel insurance, using IoT data to streamline operations and improve customer experience. Block chain enables instant settlement of claims, significantly reducing processing times.
5	Jio Platforms	Jio has developed an integrated IoT platform that incorporates Block chain technology, providing a secure medium for onboarding and management of IoT ecosystems. The platform supports multiple access technologies and uses Block chain for device identity management and data integrity.
6	Apollo Hospitals	Apollo Hospitals partnered with Oracle Financial and Strides Pharma to pilot a drug supply chain solution using block chain and Iota, ensuring the authenticity of medicines through real-time monitoring.

Source: Nexdigm Analysis

Edge Computing and 5G Integration

5G edge computing combines high-speed 5G networks with decentralized edge computing, enabling real-time data processing and decision-making at the network's edge. This integration enhances data transmission speed, reduces latency, and improves capacity, while edge computing processes data locally, minimizing bandwidth usage. According to 5G America and Ericsson, there were 3.1 billion 5G connections globally as of March 2026, covering nearly 34% of the world's population. This number is projected to surge to around 8 billion by 2029, unlocking opportunities across industries that were previously not technologically or economically feasible.

- **Improved Delivery Speed:** 5G and edge computing are key complementary technologies for delivering data-intensive consumer and enterprise applications like real-time inferencing for AI, cloud gaming, autonomous drones or remote tele surgery.
- **Ultra-low latency experiences:** By processing data at the edge, 5G and edge computing can deliver immersive experiences without delay, which is critical to achieving amazing user experience and engagement. Industries can use this technology through AR/VR to train employees in a safe environment, enhancing learning experiences through interactive simulations.

- **IoT (Internet of Things)**; 5G and edge computing can help with real-time data processing, where devices can analyze data locally instead of sending it to a central server, enabling faster insights and actions. This also leads to improved connectivity through the high capacity of 5G networks, which support connected devices, enabling broader IoT deployments across multiple industries.

Vertical Auto Scaling in Data Centres

Vertical scaling, also known as “scaling up” is the process of improving the capacity of an existing server by adding resources such as CPU, RAM, and storage. This approach offers several benefits for data centres, including cost, efficiency, resource utilization, and energy savings. Vertical auto scaling is technically and commercially beneficial while operating a large volume of virtual machines in a cloud environment and has high optimisation effect from capacity utilisation. While companies like Google Cloud, AWS and Azure offer auto vertical scaling globally, ESDS is the only player in India holding patents for this technology which were granted to them in November 2015(US patent) June and November 2022(India patent).

Vertical Scaling offers significant benefits to data centres by improving cost-effectiveness, efficiency, resource utilization, and energy savings. By upgrading existing hardware rather than purchasing new servers, organizations can maximize their investments and extend the life of their infrastructure without incurring substantial additional costs. This approach simplifies system architecture because fewer machines need to be managed, reducing maintenance complexity and operational overhead. In addition, vertical scaling enables better resource utilization, allowing organizations to efficiently handle larger workloads. With fewer physical servers running, energy consumption for cooling and power can also decrease, leading to lower overall energy costs. The simple implementation of vertical scaling minimizes disruption compared to horizontal scaling, making it an attractive option for organizations with predictable growth patterns and high computing needs. Horizontal scaling refers to provisioning additional servers to meet customers’ needs, while vertical scaling is a more efficient system, in which more power and memory is added to the same virtual machine, thereby increasing the resource capacity of the virtual machine and in effect, the machine optimization. Overall, vertical scaling is a strategic choice that improves performance while optimizing resource allocation in data centre operations.

Key Developments in Quantum Industry related to Cloud Solutions

MeitY Quantum Computing Applications Lab: Set up by the Ministry of Electronics and Information Technology (MeitY), this lab offers access to quantum computing resources on the AWS cloud, allowing researchers and developers to experiment with quantum algorithms and run simulations without incurring costs. The lab aims to accelerate research and development in quantum computing in sectors such as finance, healthcare, and agriculture.

The National Quantum Mission: It has demonstrated a 1,000 km quantum communication network independently validated by QNu Labs and VIAVI Solutions using the MAP-300 platform, thereby establishing a secure national backbone for defence, financial systems, and critical infrastructure using domestic technology, while advancing toward a 2,000 km backbone by the end of 2026.

Research collaboration and innovation: The establishment of collaborative frameworks like the “India Quantum Alliance” by C-DOT aims to foster joint research and development in quantum communication technologies. This initiative aligns with India’s goal of enhancing its digital economy through cutting-edge technologies, including quantum computing.

Quantum key distribution (QKD): The Indian Space Research Organization (ISRO) is developing satellite-based QKD systems that will enable ultra-secure communication channels. These systems are essential for protecting sensitive data transmitted across cloud platforms, ensuring that even potential threats from quantum computers cannot compromise the security of communications.

DevOps as Managed Services

DevOps is the combination of cultural philosophies, practices, and tools that increase an organization's ability to deliver applications and services at high velocity, evolving and improving products at a faster pace than organizations using traditional software development and infrastructure management processes.

DevOps enables organizations to innovate faster, adapt to changing markets, and enhance efficiency by integrating development and operations teams. It ensures speed through streamlined workflows, security by automating compliance and tracking policies at scale, and scalability by leveraging automation and consistency. DevOps also promotes improved collaboration, reducing inefficiencies and enabling faster deployments by emphasizing shared responsibilities. Additionally, it ensures reliability through practices like continuous integration and continuous delivery, ensuring quality and security in application updates.

Awards, Recognition and Patents in India's Data Centre and Cloud Industry:

The data centre and cloud industry in India has seen a good growth and innovation, with numerous organizations being recognized for their exceptional contributions to the sector. These companies have set new standards in the industry through advanced infrastructure, cutting-edge cloud solutions, sustainability initiatives, and a strong focus on customer service. Prestigious industry awards have recognized their ongoing commitment to innovation, operational excellence, and environmental responsibility. Highlighted below are some of the notable accolades received by leading players in the Indian data centre industry.

- **Nxtra by Airtel** in 2024 has become the first in the country to integrate AI into its data centres, leveraging Ecolibrium's SmartSense platform. This AI deployment aims to improve operational and energy efficiency, predictive maintenance, and optimize capital expenditure utilization. With the deployment across its core data centres, Nxtra is targeting key efficiency milestones including a 10% increase in asset lifespan, a 10% reduction in non-IT energy consumption, and a 15% increase in equipment performance.
- **ESDS** in 2026 was awarded The Extraordinaire iconic innovator developing AIOps & other products. They also received Best Managed Security Services award at the Middle East Gen AI & Analytics Summit in 2025.
- **E2E Networks** has been awarded the Times Business Award 2023 for being one of the top performers in the AI and Cloud industry, demonstrating its commitment to innovation in India's cloud technology landscape. Additionally, the company has been recognized in G2's spring 2024 rankings as a leading global Infrastructure-as-a-Service (IaaS) provider, highlighting its excellence in delivering scalable and reliable cloud services.
- **Sify Technologies** was recognized as an Iconic Cloud Player in 2018 by The Economic Times, highlighting its leadership and impact in the cloud services sector. Additionally, the company has been a multiple-year winner of the Golden Peacock Award for Corporate Governance, reflecting its commitment to transparency and ethical business practices.

Tata Communications and ESDS lead Indian companies in cloud-related patents, with Tata Communications holding 86 patents issued between 2002 and 2022, positioning it at the forefront of cloud innovation in the region. In May 2024, Tata Communications and Cisco launched Webex Calling to transform cloud communication in India. Additionally, Tata Communications is enhancing its AI cloud infrastructure in India through a collaboration with Nvidia.

Meanwhile, ESDS has obtained an Indian patent for its vertical auto-scaling cloud technology, which enables real-time adjustment of computing resources to optimize cloud utilization. This technology powers ESDS' IaaS "SWARAJ (previously eNlight) Cloud," which is patented in the US, and India. The Company has been granted an Indian patent (Patent No. 397708) and a corresponding U.S. patent (US 9,176,788 B2) for its invention titled "Method and System for Real Time Detection of Resource Requirement and Automatic Adjustments." The patented system relates to real-time monitoring of CPU, memory, storage and other computing resource utilization, with automated scaling mechanisms that adjust allocated resources based on threshold-based detection and dynamic workload conditions. The technology is designed to support efficient resource utilization within virtual machine and cloud-based architectures, including environments requiring automated infrastructure provisioning and workload optimization.

Infosys Ltd, another key player in the sector, holds 25 cloud-related patents, further strengthening India's position in cloud innovation.

Shift towards Autonomous Cloud

The Autonomous Cloud Platform represents a transformative shift in cloud computing, leveraging AI and machine learning to deliver a fully autonomous, self-healing, and optimizing environment. Unlike traditional cloud platforms, which require extensive manual monitoring, our solution enables real-time monitoring, automated remediation, and intelligent workload management, significantly reducing operational complexities and costs.

As businesses increasingly migrate to the cloud, the demand for intelligent, resilient, and cost-effective cloud operations is growing. The Autonomous Cloud Platform meets this need by delivering AI-powered anomaly detection, automated remediation, predictive analytics, and seamless mobility across clouds. With its vendor-agnostic architecture, the platform ensures seamless integration across diverse cloud ecosystems, eliminating human intervention and improving operational efficiency while optimizing costs.

Market Opportunity

The global cloud computing market is projected to surpass USD 1 trillion by 2030, with a significant shift towards AI-based and autonomous cloud solutions. However, enterprises face increasing challenges in managing multi-cloud environments, ensuring high availability, and optimizing costs. Current cloud solutions often lack intelligent automation for real-time performance tuning and proactive incident management, leading to high operational overhead.

Autonomous Hiring Portal:

Autonomous Hiring Portal is an innovative AI-powered recruiting platform designed to revolutionize the hiring process. By automating candidate screening, interview scheduling, and assessment, it addresses inefficiencies caused by manual resume reviews, lengthy interview coordination, and subjective decision-making. The platform leverages AI-powered resume parsing, chatbots for initial screenings, automated interview scheduling, and AI-powered video interview assessments to streamline processes, reduce time-to-hire, and improve both candidate quality and experience. The cloud-based and scalable portal employs load balancing, distributed computing, data encryption, multi-factor authentication and GDPR compliance to ensure high standards of security and privacy while minimizing recruiter workload and eliminating bias in the selection process.

The autonomous recruiting portal streamlines the HR hiring process, increasing efficiency and reducing manual effort. Key features like AI-powered resume screening, which uses advanced NLP and ML models. A chatbot performs the initial screening, assessing suitability and qualifications for the role, saving valuable time. The portal automates interview scheduling and uses AI-powered video interviews for sentiment analysis, facial expression recognition, and speech processing, providing deeper candidate insights. It also seamlessly integrates with HR and ATS systems for seamless workflows. Data analytics and AI-powered insights help HR teams make informed decisions, improving hire quality and reducing time-to-hire. Additionally, the portal ensures impartiality with explainable AI (XAI) techniques and protects candidate data with strong security measures such as AES-256 encryption and GDPR compliance. Overall, this autonomous solution improves recruitment by automating tasks, ensuring impartiality, and improving decision-making.

Key Benefits

Autonomous hiring portal streamlines recruitment with AI-powered features such as automated resume screening, which ranks candidates based on job requirements, and AI-powered interview scheduling, reducing coordination efforts by 80%. It includes a chatbot for initial assessments, video interviews analyzed for communication and trust using emotion detection and natural language processing, and an adaptive skills assessment module. The portal seamlessly integrates with ATS, automates feedback and reporting, and uses AI for background checks with blockchain credential validation.

12. POTENTIAL THREATS

New Entrants: Competition from Emerging Tech Firms

Emerging cloud service providers with decentralized and open-source offerings are starting to disrupt traditional managed and cloud services markets, especially in markets like India, where there is a growing interest in cost-effective, transparent, and highly secure cloud solutions. These new entrants focus on blockchain-based, peer-to-peer, and open-source models that challenge the conventional, centralized cloud models offered by established players like Amazon Web Services (AWS), Google Cloud, and Microsoft Azure.

- **Filecoin:** It is a decentralized cloud that offers a superior network, storage at hypercompetitive prices with provable authenticity and data security. DeStor, the data storage space built on Filecoin network, offers archival storage, backup and recovery, ransomware protection, and highly scalable and cost-effective solutions. It has served over 1,800 clients across the globe that have saved 2.20 million TB data (source: *Filecoin Website*).
- **Storj:** Storj is another decentralized cloud network with consistently fast, limitless scalability and hypercompetitive prices (source: *Storj Website*).

Threats from New Entrants:

Decentralized cloud providers like Filecoin and Storj are disrupting the traditional cloud market by offering cost-effective, scalable, and secure alternatives to centralized services such as AWS, Google Cloud, and Microsoft Azure. Leveraging blockchain technology, these platforms provide transparent, tamper-proof data storage with enhanced security features like ransomware protection and backup solutions, while maintaining hypercompetitive pricing due to their peer-to-peer architecture. Their decentralized nature enables greater flexibility, faster scalability, and compliance with local data sovereignty laws, which are particularly appealing in emerging markets like India. By eliminating intermediaries, reducing costs, and offering open-source, community-driven innovation, these companies present a direct challenge to traditional cloud providers, pushing for more competitive, secure, and transparent alternatives. Companies are under significant pressure to optimize the cost and performance, enhance their operational efficiencies and maintain high levels of cyber security for their business.

Economic Factors: Inflation, Rising Costs, and International Competition

Current Economic Context

India's inflation trajectory shows a moderation after the post-pandemic and geopolitical shocks. Inflation had eased to 5.50% in 2021, before rising to 6.70% in 2022 due to elevated global commodity prices and the economic disruptions triggered by the Russia–Ukraine conflict. Since then, price pressures have reduced, supported by easing food prices, stable crude oil trends, and improved supply conditions. As of 2026, India's retail inflation stands at around 4.4%, reflecting one of the lowest levels in recent years. Despite this cooling trend, global uncertainty and uneven recovery across economies continue to keep overall growth prospects cautious, especially for emerging markets like India.

Cloud Sector Challenges

Rising Cloud Costs- It has been observed that nearly 60% of businesses in India have seen increased cloud spending, with nearly 40% reporting cost increases of more than 25%. This trend is largely attributed to inflation and rising energy costs affecting cloud service prices.

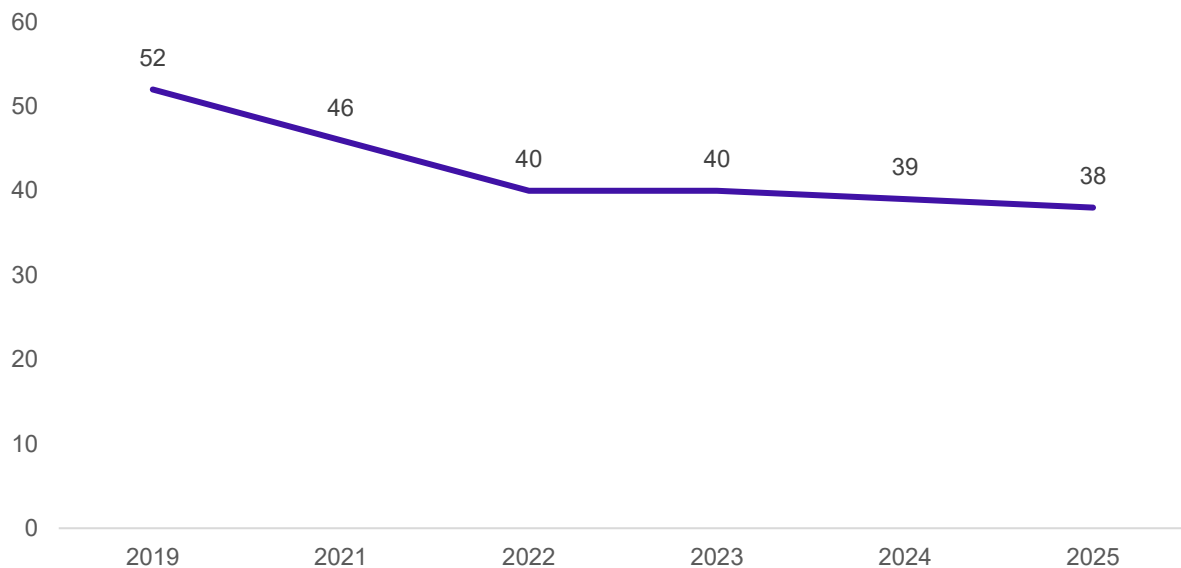
Labour and resource costs- A shortage of skilled IT professionals has increased labour costs, while production prices for CPUs and memory chips have also increased. These factors contribute to higher operating expenses for cloud providers, which are often passed on to customers.

Global competition:

This always remains a threat to India's IT sector as other countries such as Philippines and Vietnam are emerging as attractive alternatives for outsourcing due to their competitive labour costs and improving infrastructure. Global players such as Google Cloud, AWS, and Azure are enhancing their capabilities further which may make Indian companies like Tata Communications, Nxtra, and Yotta Infrastructure struggle to maintain their market share unless they continuously innovate and improve service delivery.

On the other hand, economic factors like **Inflation** can have several significant impacts on the data centre industry by influencing both demand and operational costs. India has managed to keep its inflation rate within the target range of 2-5%, at with 4.38% for FY 2026.

Figure 30: India's rank on Global Innovation Index, CY 2019-2025



Source: World Intellectual Property Organisation Archives, Nexdigm Analysis

Operational Challenges-

- **Scalability:** This remains a major challenge for data centres as the demand for data storage and processing continues to increase. To accommodate this growth, data centres have to adopt modular and scalable designs. The use of prefabricated modules enables rapid deployment and expansion, reducing the time and cost associated with infrastructure upgrades.
- **Power Downtime** has been steadily declining, but the costs of just one outage are very high. Severe downtimes can typically cost them more than USD 100,000. Current solutions are not financially feasible for smaller facilities, with power outages topping the list of root causes of outages. With upgrades, data centres should add additional redundancies and upgrade their existing equipment to mitigate power failures.
- **Sustainability:** It has been observed that data centres generate approximately 3.5% of global greenhouse gas emissions. To address this issue, data centres have to prioritize sustainable practices. The use of server virtualization technologies has showcased great potential in reducing energy consumption.
- **Data Localization and Regulation:** India's data localization and security regulations, particularly under the Digital Personal Data Protection Act 2023, impose strict requirements for storing personal data within the country. These regulations, while aimed at enhancing data sovereignty, can highly increase operational costs for data centres and deter global investments from major players like AWS and Microsoft Azure due to the burdensome compliance landscape.

Managing Increased Data Traffic and Ensuring Optimal Storage Solutions

The transition from magnetic tapes and hard disk drives to modern solid-state drives (SSDs) and cloud storage solutions exemplifies a significant shift in computing, emphasizing greater power, efficiency, and functionality. These advancements have revolutionized how organizations handle and utilize data, fuelling ongoing digital transformation across various sectors. This drop in cost per gigabyte enables organizations to manage extensive data volumes more effectively, allowing them to reallocate resources toward other critical business areas.

Table 20: Threat and Opportunities in India Data Centre and Cloud Service Industry

Key Issues	Threat	Opportunity
Regulatory and Legal Compliance	- Lack of clarity on legal status of emerging technologies (e.g., blockchain). - The RBI's ban on blockchain (overturned by the Supreme Court) reflects regulatory uncertainty.	- Clear and consistent regulations can balance innovation and consumer protection. - Resolving regulatory issues can lead to growth in India's data centre industry and attract foreign investment.
Cyber Security and Infrastructure Costs	- Rising vulnerability to cyber-attacks, data leaks, and ransomware incidents due to increased digital reliance. - Critical infrastructure and sensitive data at risk, damaging reputation.	- Strengthening cyber security measures can enhance investor confidence. - Increased security can make India an attractive hub for data management and cloud services, driving growth.
Growing Global Competition	- Intense global competition from countries like the US and China. - Disruptions in global supply chains due to geopolitical tensions (e.g., semiconductor technology limitations).	- India can attract investment by offering an alternative to China (China+1 strategy). - India's low cost and robust infrastructure can be appealing for foreign investment.

Source: Industry Articles, Nexdigm Analysis

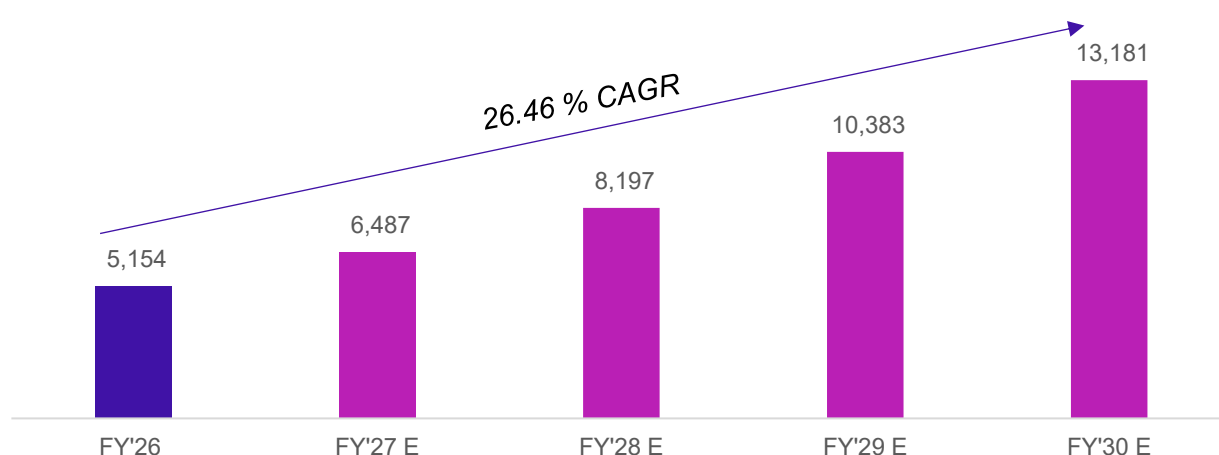
13. AI DEVELOPMENT PLATFORM AND SOLUTIONS

1. GPU Monitoring Tools:

GPU infrastructure remains one of the most expensive and operationally complex components of running these AI or compute-intensive workloads at scale. While organizations are investing heavily in GPUs, clients lack visibility into whether their investment is paying off or the guidance needed to optimize their GPU fleet.

GPU monitoring tool is software that tracks and displays real-time data regarding a GPU's performance and health such as utilization, memory usage, temperature, power consumption, clock speeds, and fan speeds thereby helping users diagnose issues, optimize performance, or plan capacity. The GPU monitoring tools market in India is currently valued at INR 5,154 million in FY 2026 and it is expected that the market will grow at a CAGR of 26.46% to INR 13,181 million by FY 2030.

Figure 31: India GPU Monitoring Tools Market Size Based on Revenue in INR million. FY 2026- 2030F



Source: Interview with Industry Experts, Nexdigm Analysis
E Denotes Estimated.

GPU monitoring tools have evolved from simple ad-hoc diagnostic commands into continuous observability systems spanning entire clusters; this shift mirrors the broader evolution of enterprise infrastructure toward large-scale, high-density GPU environments designed for AI model training and inference. This change is

driven primarily by the demands of scale a massive GPU cluster can generate telemetry volumes that far exceed the capabilities of traditional CPU monitoring tools, while conventional approaches often overlook hardware-specific failure signals such as Tensor Core anomalies. NVIDIA's own engineering teams have documented the tangible impact of structured, large-scale GPU monitoring by combining detailed telemetry data collection via the 'Data Center GPU Manager' (DCGM) with tools designed to detect idle periods, NVIDIA reduced GPU resource waste across its large compute clusters from 5.5% to 1% resulting in significantly lower infrastructure costs and increased GPU availability for active workloads. This demonstrates why GPU monitoring once viewed merely as a diagnostic supplement has become a direct lever for controlling infrastructure costs.

This market is driven by the large-scale deployment of enterprise AI infrastructure, the concurrent increase in GPU cluster size and the cost per unit of compute and a growing corporate desire to maximize the return on high-value GPU resources rather than viewing them merely as a fixed upfront investment. Organizations are increasingly adopting Kubernetes-native, cluster-wide monitoring solutions over traditional device-level monitoring. This trend is particularly pronounced in GPU-enabled environments, where workloads are distributed across containerized, multi-tenant infrastructures, making manual, node-by-node monitoring impractical and difficult to scale.

Key Benefits of GPU Monitoring Tool

1. Performance Optimization: Continuous tracking of utilization, memory allocation, and clock speeds allows teams to identify bottlenecks before they affect output; workloads such as gaming, ML training, and rendering can then be tuned to run at their intended efficiency rather than operating with hidden slowdowns that go unnoticed until a deadline is missed.

2. Overheating and Hardware Protection: Real-time tracking of temperature and fan-speed data allows thermal issues to be caught as they develop rather than after damage has already occurred; this reduces the likelihood of thermal throttling during heavy workloads and helps extend the operational life of the underlying hardware.

3. Resource and Cost Management: Within data centre or cloud environments, visibility into GPU usage across individual processes helps organizations identify both underutilized and overloaded hardware, information that feeds directly into capacity planning decisions and helps prevent unnecessary spend on compute that isn't being fully used.

4. Early Problem Detection: Continuous, round-the-clock monitoring surfaces anomalies such as power spikes, driver faults, or gradual memory leaks well before they escalate into outright failures, reducing unplanned downtime and creating the data trail needed to shift from reactive repairs toward predictive maintenance schedules.

5. Support for Large-Scale, Multi-GPU Workloads: As AI training and inference workloads increasingly span clusters running dozens or hundreds of GPUs at once, monitoring tools that can aggregate utilization and health data across an entire fleet, rather than one device at a time, give teams a consolidated view of cluster-wide performance and make it possible to spot underperforming nodes that would otherwise be difficult to isolate manually.

Key Competitors

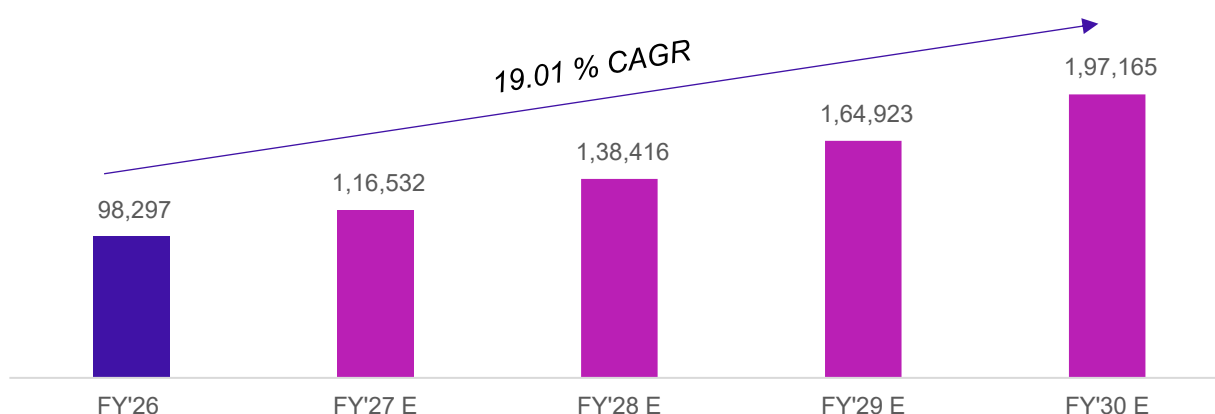
The GPU monitoring tools market remains fragmented, comprising hardware native telemetry providers, open source visualization stacks, and enterprise observability suites rather than a small set of dominant vendors. Global participants include NVIDIA, Prometheus, Grafana, Datadog, and Dynatrace, while domestic participants include ESDS (via SWARAJ GPU Monitoring Tool), E2E Networks and AceCloud. Adoption of GPU monitoring tools has grown in line with the expansion of enterprise AI infrastructure, as organizations running large or shared GPU fleets require continuous visibility to plan capacity, control operating costs, and reduce unplanned downtime.

2. AI Operations (AIOps) Platforms:

AIOps (Artificial Intelligence for IT Operations) refers to the use of AI, machine learning, and big data analytics to automate and optimize IT operations management including anomaly detection, event correlation, root cause analysis, and incident resolution within increasingly complex, hybrid, and multi-cloud IT environments. It applies natural language processing and machine learning models to streamline and automate operational processes, thereby helping large enterprises manage vast volumes of log and performance data and gain better insight into dependencies both within and outside their IT systems.

The AIOps platform market in India is currently valued at INR 98,297 million for FY 2026, it is projected to grow at a CAGR of 19.01% reaching INR 1, 97,165 million by FY 2030. This growth demonstrates that AIOps adoption in India has moved well beyond the initial experimentation stage and into a phase of sustained, widespread corporate investment, as organizations increasingly strive to automate IT operations using AI to manage the growing complexity of their infrastructures.

Figure 32: India AI Ops Platform Market Size Based on Revenue in INR million. FY 2026- 2030F



Source: Interview with Industry Experts, Nexdigm Analysis
E Denotes Estimated.

AIOps started with the aim of automating IT operations, but quickly evolved into a horizontal approach serving every vertical in the technology industry. AIOps provides real-time insight and analysis of vast amounts of IT data, such as application logs, network data, security events, and performance metrics, enabling organizations to detect and resolve IT incidents and problems more quickly and effectively. With 1 in 3 organizations already using AIOps, cost savings of up to 50% and productivity improvements of up to 45% has been seen. AIOps is a promising technology that has the potential to revolutionize IT operations and has become increasingly popular in recent years. This evolved from multiple trends and needs impacting ITOps, including IT environments, and today has become the hygienic and a new normal with GenAI infusion.

Market growth is driven by the rapid adoption of cloud and hybrid cloud technologies, the increasing deployment of AI and generative AI workloads, and the growing emphasis on observability and site reliability engineering (SRE). Organizations in the BFSI, telecom, manufacturing and public sectors are accelerating their digital transformation initiatives, creating strong demand for predictive operations, automated incident response, and enhanced system reliability to minimize downtime and improve business continuity. Currently, the IT and Telecom sector accounts for the largest share of end users at approximately 31% followed by BFSI at 21% and Manufacturing at 15% while the remaining 33% is distributed across other industries.

Key Benefits of AIOps Platform

1. Faster Incident Resolution: By correlating events and identifying root causes automatically instead of relying on manual triage, AIOps platforms meaningfully cut down mean time to resolution; one documented deployment showed a UK-based retail bank reducing resolution times by 40 percent after adopting an AIOps solution.

2. Proactive Issue Prevention: Rather than waiting for a threshold breach to trigger an alert, AIOps platforms are built to recognize early warning patterns in system behaviour, allowing IT teams to intervene before an issue actually escalates into a full outage, a shift from firefighting toward genuine prevention.

3. Reduced Operational Noise and Manual Effort: Automated event correlation groups related alerts into a single incident rather than generating dozens of disconnected notifications for what is really one underlying problem, easing the alert fatigue that IT teams face when managing high volumes of operational data.

4. Scalability across Hybrid and Multi-Cloud Environments: As enterprise IT estates spread across on-premises systems, public cloud, and hybrid infrastructure, AIOps platforms provide a single, unified view of system health across all of these environments rather than requiring separate monitoring for each.

5. Improved Business-IT Alignment: Newer, agentic AIOps platforms go a step further by tying technical remediation actions back to defined business outcomes and service-level objectives, ensuring that what gets prioritized reflects actual business impact rather than just the volume or severity of raw technical alerts.

Key Competitors

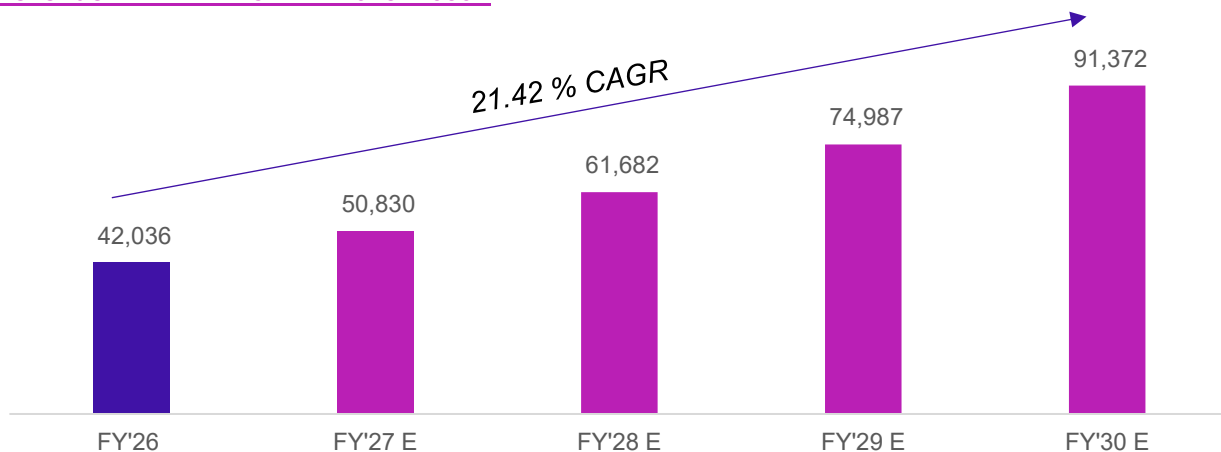
The AIOps platforms market is moderately concentrated, with capability increasingly built into broader observability and IT service management suites rather than offered as standalone software. Global participants include **Dynatrace, Splunk, BMC Helix**, and **Moogsoft**, while domestic participants include **Digitate, Infosys, Wipro** and **ESDS** (via **SWARAJ Bodhi**). Adoption of AIOps has increased as enterprises scale distributed IT environments, where the growing volume of operational data has made manual monitoring processes increasingly difficult to sustain.

3. Application Performance Monitoring & Observability Platforms:

Application Performance Monitoring (APM) involves tracking an application's performance, availability, and user experience in real time including response times, error rates, transaction tracking, and resource consumption to detect and diagnose issues before they impact end users. Observability is a broader discipline that builds upon this foundation: while monitoring is limited to tracking predefined metrics against known thresholds, observability enables one to ask a wide range of questions about system behaviour after the fact. It achieves this by using unified telemetry data metrics, logs, and traces to understand not only that a failure occurred but also why particularly within complex, distributed, micro services based and cloud-native architectures.

The Application Performance Monitoring & Observability Platform market in India is currently valued at INR 42,036 million for FY 2026, it is projected to grow at a CAGR of 21.42% reaching INR 91,372 million by FY 2030. At 21.42% CAGR, The market will expand by approximately 2.2x over four years, reflecting the growing need for end-to-end visibility across cloud-native, hybrid and distributed application environments.

Figure 33: India Application Performance Monitoring & Observability Platforms Market Size Based on Revenue in INR million. FY 2025- 2030F



Source: Interview with Industry Experts, Nexdigm Analysis
E Denotes Estimated.

Application monitoring and observability platforms have evolved, shifting from simple, reactive tools for checking availability, they have become the connective layer linking infrastructure health directly to business outcomes as enterprises migrate more workloads to distributed, cloud-native and AI-driven architectures. The transition from "monitoring" (checking known metrics against thresholds) to true "observability" which reflects a profound transformation in how IT teams operate: moving away from crisis management or "firefighting" toward root-cause analysis as systems have become too complex to monitor on a rule by rule basis. This shift is increasingly driven by AI, and the data points to a genuine inflection point.

This market is driven by the rapid adoption of cloud-native and microservices based architectures, as well as the growing implementation of DevOps, SRE, and Kubernetes practices. Organizations are also leveraging AI-powered observability solutions to enable intelligent incident detection and proactive performance management. As enterprises operate in increasingly complex hybrid and multi-cloud environments, the demand for end-to-end application visibility continues to rise. Currently, the IT and ITES sector accounts for the largest share of end users at approximately 29% followed by BFSI at 22% and Telecom at 14% while the remaining 35% is distributed across other industries

Key Benefits

1. **Faster Root-Cause Identification:** Bringing metrics, logs, and traces together within a single platform removes the need for engineers to manually jump between disconnected tools while trying to trace a failure back to its source, which is often the single largest time cost when diagnosing issues in distributed systems.
2. **Improved Application Reliability and Uptime:** Real-time anomaly detection and alerting are designed to catch performance degradation while it is still developing, allowing teams to intervene before the issue actually reaches end users and turns into a customer-facing outage.
3. **Better End-User Experience Visibility:** Real user monitoring and synthetic monitoring extend visibility beyond backend system health, showing how actual users experience an application across different devices, geographies, and browsers, information that backend metrics alone cannot capture.
4. **Reduced Alert Fatigue and Noise:** AI-driven event correlation consolidates related alerts into a single, actionable incident rather than surfacing every individual signal separately, which prevents teams from being overwhelmed by a stream of disconnected notifications during an incident.

5. **Support for Modern and Distributed Architectures:** Native support for microservices, Kubernetes, and OpenTelemetry-based instrumentation gives teams visibility into dependencies that older, traditional monitoring tools were never designed to capture, a gap that has widened further with the emergence of AI and LLM inference workloads that need their own dedicated monitoring approach.

Key Competitors

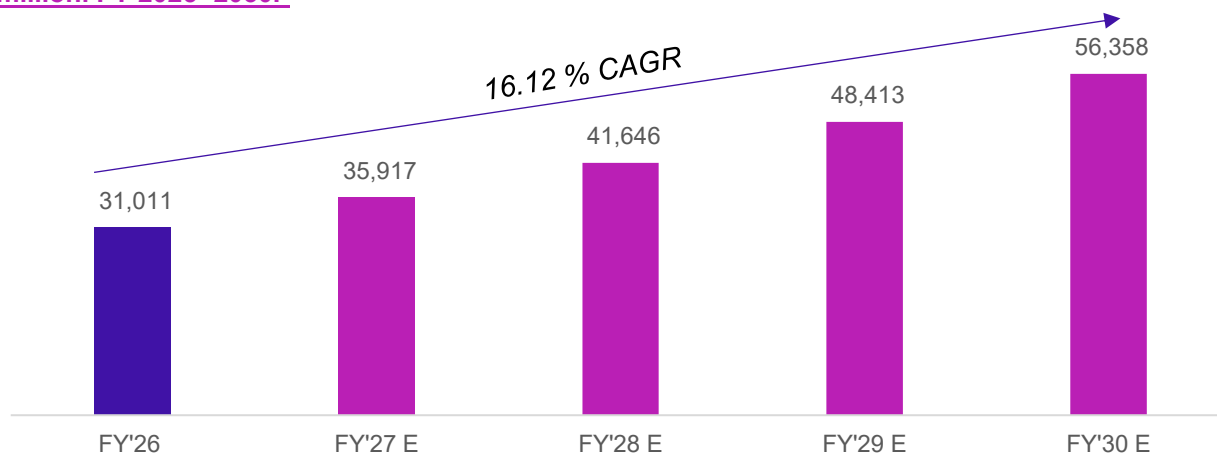
The APM and observability platforms market is relatively mature globally, with a consolidated set of vendors and increasing participation from hyperscaler cloud providers. Global participants include **Dynatrace**, **Datadog**, **New Relic**, and **Splunk**, while domestic participants include **Zoho (Site24x7)**, **Motadata**, and **ESDS** (via SWARAJ Garuda). Adoption of APM and observability platforms has risen alongside the shift toward cloud native and containerized application deployment, as organizations require consolidated visibility across increasingly distributed application environments.

4. Security Information and Event Management (SIEM) Platforms

Security Information and Event Management is a fundamental cybersecurity technology used to collect, normalize, and analyze log and event data from an organization entire IT environment, including network devices, servers, applications, and endpoints. It combines Security Information Management (SIM) and Security Event Management (SEM) functions to correlate events across different systems in real time, enabling security teams to detect threats early, conduct in-depth investigations, and intervene before threats escalate into major security breaches. It also facilitates the creation of audit trails and the generation of reports required by regulatory bodies.

The Security Information and Event Management (SIEM) Platform market in India is currently valued at INR 31,000 million for FY 2026, it is projected to grow at a CAGR of 16.12% reaching INR 56,358 million by FY 2030. The market growth during this period highlights the growing emphasis on real-time threat detection, regulatory compliance, and the centralization of security operations as companies continue to strengthen their cybersecurity posture.

Figure 34: India Security and Event Management Platform Market Size Based on Revenue in INR million. FY 2025- 2030F



Source: Interview with Industry Experts, Nexdigm Analysis
E Denotes Estimated.

This technology has moved well beyond the stage of a simple log storage system. It is now expected to actively detect and prioritize threats using AI, primarily because organizations must manage a multitude of tools and an overwhelming volume of noise. It is noted that a typical organization works with 10 to 15 security vendors and uses between 60 and 70 tools this level of fragmentation is now driving companies to prioritize consolidation over the ceaseless addition of new point solutions. A significant share of organizations have already implemented security consolidation strategies, highlighting a broader industry shift toward centralized security operations. In other words, the major short-term evolution in this market lies not in adding new

detection capabilities but in centralizing existing security data so it can be effectively leveraged.

Growth in this sector is driven by several constant factors: the increasing sophistication of cyberattacks, the shift toward hybrid and cloud-native environments requiring real-time visibility, and stricter compliance requirements in sectors handling sensitive data. The adoption of AI and machine learning within SIEM solutions is also gaining momentum, primarily to reduce reliance on manually written detection rules and to accelerate anomaly detection. Currently, the BFSI sector accounts for the largest share of end-users at approximately 27%, followed by the IT and Telecom sector at 22% and the public sector at 16%, with the remaining 35% distributed among other industries.

Key Benefits of Security and Event Management Platform

1. Real-Time Threat Detection and Correlation: SIEM centralizes log and event data from firewalls, servers, endpoints, and applications; it links events that appear unrelated in isolation but constitute a coordinated attack when analysed together. No single security tool can perform such a task

2. Accelerated Incident Investigation and Response: Since historical and real-time data are aggregated into a searchable system, analysts no longer need to manually reconstruct the sequence of events from multiple logs. This reduces the time between detecting an issue and effectively neutralizing it.

3. Simplified Compliance and Audit Readiness: Built-in reporting capabilities and extended log retention help organizations meet the requirements of frameworks such as GDPR, HIPAA, and PCI DSS. This transforms a previously manual and time-consuming audit process into a largely automated process.

4. Reduced Alert Fatigue for Security Teams: With AI-driven risk assessment, SOC analysts are no longer forced to manually sift through tens of thousands of daily alerts. The system filters out routine noise and highlights issues that genuinely require intervention.

5. Consolidation Of A Fragmented Security Architecture: As most organizations already operate a multitude of disconnected security tools, SIEM is increasingly serving as the unifying layer for this fragmented data, bridging gaps between systems that attackers could otherwise exploit to gain entry.

Key Competitors

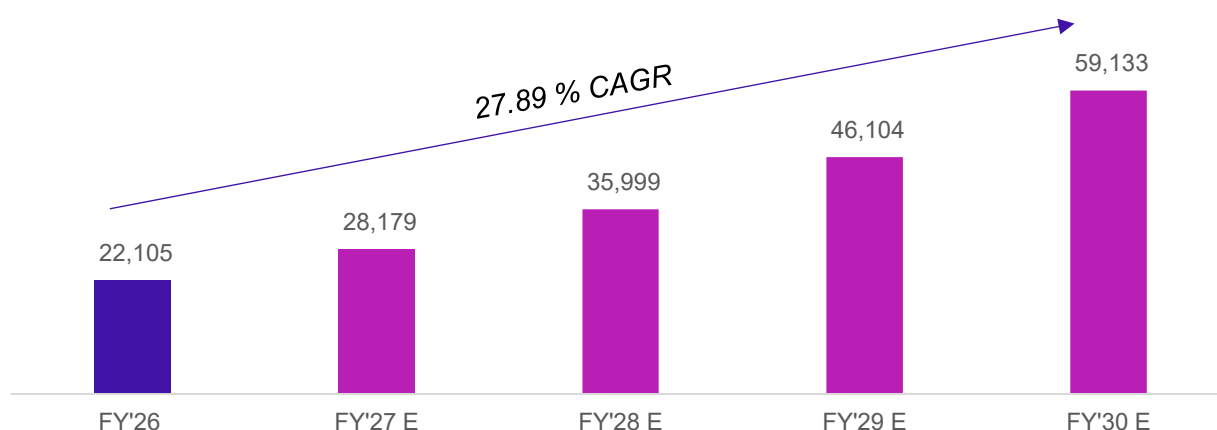
The SIEM platforms market has undergone consolidation in recent periods, with ownership changes among established vendors altering the competitive landscape. Global participants include **Microsoft**, **Splunk**, and **Exabeam**, while domestic participation is comparatively limited, with **TCS**, **Infosys** and **ESDS** (via SWARAJ Hansa) among the visible names. Adoption of SIEM platforms has been supported by increasing regulatory emphasis on data protection and cybersecurity governance across sectors, requiring organizations to maintain centralized log correlation and audit ready reporting capabilities.

5. Privileged Access Management (PAM) Solutions

Privileged Access Management (PAM) refers to the tools and processes used to secure, control, and monitor access to an organization's most sensitive accounts and systems those with elevated rights, such as domain administrator accounts, "root" accounts, service accounts, and database credentials. PAM tools help organizations identify and on-board privileged accounts used by both humans and machines, and then secure them by managing credential rotation and secure storage (vaulting), controlling access, and for human users implementing multi-factor authentication and session recording to ensure privileged actions can always be traced, making it possible to determine who performed a specific operation and when.

The Privileged Access Management (PAM) Solutions market in India is currently valued at INR 22,105 million for FY 2026, it is projected to grow at a CAGR of 27.89% reaching INR 59,133 million by FY 2030. The market is expected to be 2.7x larger over the forecasted period, making PAM one of the fastest-growing cybersecurity segments. This growth reflects the increasing importance of identity-centric security strategies as organizations seek to secure privileged accounts, mitigate cyber risks, and support cloud expansion and digital transformation initiatives.

Figure 35: India Privileged Access Management Solutions Market Size Based on Revenue in INR million, FY 2025- 2030F



Source: Interview with Industry Experts, Nexdigm Analysis
E Denotes Estimated.

PAM has moved well beyond its original role as a simple password vault. It must now also encompass machine identities such as service accounts, APIs, CI/CD pipelines and increasingly AI agents, since these non-human identities are proliferating faster than human identities in most enterprise environments. An estimated 15% to 25% of new PAM deployments focus specifically on securing machine identities rather than just privileged human users a figure that reveals the market's true growth dynamics. Across the industry, the general trend is shifting away from standing privileges (accounts with constant access, whether required or not) toward "just in time" access models, where elevated permissions are granted only for the actual duration of a task before being automatically revoked.

Market growth is driven by the increasing sophistication of credential-based attacks, the rise of cloud and hybrid infrastructures where manually tracking privileged accounts is more complex and stricter compliance requirements regarding data protection and access governance. Organizations are also increasingly integrating PAM into comprehensive identity security strategies rather than viewing it as a standalone tool, particularly as the line between human and machine identity management becomes increasingly blurred. Currently, the BFSI sector accounts for the largest share of end-users at 24% followed by the IT and Telecom sector combined at 23 % and the government sector at 15% with the remaining 38% distributed across other industries.

Key Benefits of Privileged Access Management Solutions

- 1. Reduced Risk Of Credential-Based Breaches-** Privileged accounts are prime targets for attackers because they provide a gateway to critical systems and data. By securing credentials in a vault and automating their rotation rather than leaving them static, PAM solution neutralizes one of the most commonly exploited intrusion vectors within an organization's environment.
- 2. Full Visibility and Traceability of Privileged Sessions-** Every privileged action whether performed by a human or a machine can be recorded and audited, meaning organizations no longer have to rely on mere trust. In the event of an incident, a clear audit trail allows for the precise reconstruction of events and the identification of the specific user or process responsible.
- 3. Enhanced Compliance-** Regulations such as GDPR, PCI DSS and various industry-specific standards increasingly require organizations to demonstrate control over access to sensitive systems. With built-in audit trails and access policies, a PAM solution greatly simplifies this demonstration during audits, eliminating the need to manually gather evidence after the fact.
- 4. Control over Machine Identity Sprawl-** With the growing use of automation, APIs and now AI agents, the number of non-human identities requiring privileged access has risen rapidly. A PAM solution extends the principles of discovery, securing (vaulting), and monitoring originally designed for human accounts to

these machine identities which helps in preventing them from becoming unmonitored blind spots.

5. Limited Attack Impact- By shifting from standing privileged access to justified, time bound privilege elevation (just-in-time access), PAM solution narrows the window of opportunity an attacker has to exploit a compromised account. Even if credentials are stolen, potential damage is limited since access itself is not permanently active.

Key Competitors

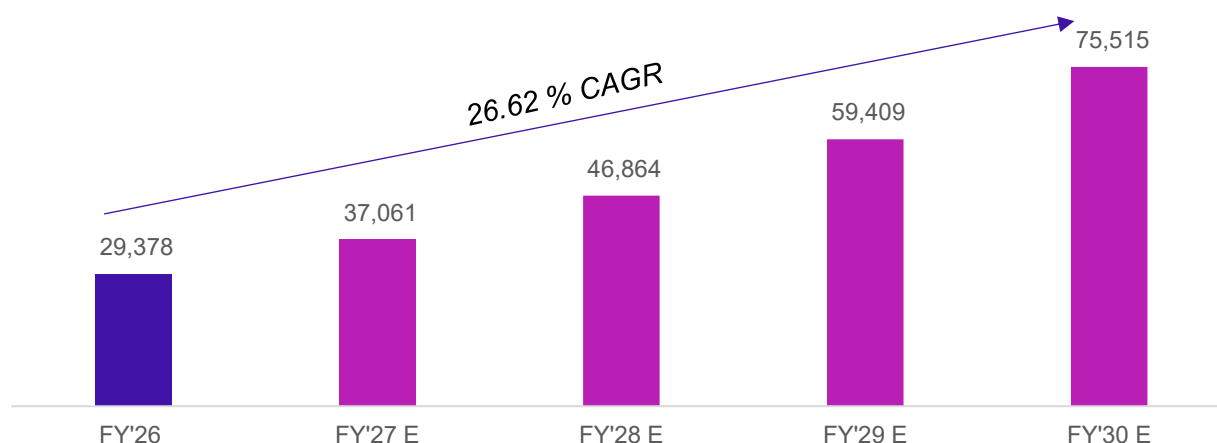
The PAM solutions market is relatively concentrated globally, with recent acquisition activity integrating standalone PAM vendors into broader identity security platforms. Global participants include **CyberArk**, **Delinea** and **BeyondTrust** while domestic participants include **ARCON** and **ESDS** (via SWARAJ Nandi). Adoption of PAM solutions has expanded as organizations extend access controls beyond human users to machine identities such as service accounts and automated workloads, which now represent a growing share of privileged access requirements.

6. AI-powered Autonomous Cloud Platforms

An AI-driven autonomous cloud platform refers to cloud infrastructure designed, provisioned, and operated based on a company's specific and evolving needs, rather than consumed as a standardized, fixed offering. Compute, storage, and AI resources are made available on demand; they are automatically scaled, configured, and optimized according to actual workload requirements. In short, the platform adapts to the client's usage patterns and business imperatives, rather than forcing the client to adjust their workload to a static, predefined infrastructure model.

The AI powered Autonomous Cloud Platforms market in India is currently valued at INR 29,378 million for FY 2026, it is projected to grow at a CAGR of 26.44% reaching INR 75,515 million by FY 2030. The market is expected to grow more than 2.5x in volume over the forecasted period which highlights the rapid market growth, driven by increasing demand for cloud platforms capable of autonomously managing, optimizing, and scaling resources in response to the changing needs of businesses. As companies prioritize operational efficiency and agility, AI-powered autonomous cloud platforms are emerging as a key driver of next-generation digital infrastructure.

Figure 36: India AI Autonomous Cloud Platform Market Size Based on Revenue in INR million. FY 2025- 2030F



Source: Interview with Industry Experts, Nexdigm Analysis
E Denotes Estimated.

In an Autonomous Cloud Platform, the customization extends across the entire lifecycle of infrastructure provisioning. Resource allocation adjusts dynamically in response to changing workloads; configuration and deployment steps which would otherwise require manual provisioning are handled through automated orchestration; and platform-integrated monitoring systems continuously assess performance, enabling adjustments without the need for constant oversight by an engineering team. Similarly, governance, security, and compliance mechanisms are designed to align with the specific regulatory and operational requirements of the user organization, rather than being applied as a standardized, generic layer. Collectively, these capabilities allow the platform to function less like a static utility service and more like an infrastructure environment capable of continuously reconfiguring itself to meet the organization's actual needs at any given

Growth in this sector is driven by companies seeking to move away from rigid, capacity-based cloud consumption models in favour of infrastructure that adapts to specific workload, compliance and cost requirements without the need for lengthy procurement cycles or manual configuration. Demand is also shaped by the increasing complexity of hybrid and multi cloud environments, where a static infrastructure model often struggles to meet the diverse and evolving needs of various business units or applications. As enterprises increasingly expect infrastructure to be provisioned according to their specific needs rather than adapting those needs to the available infrastructure the ability to deliver customized, on-demand, and auto-scaling cloud environments is becoming a defining characteristic of this category. Currently, the IT & ITES sector accounts for the largest share of end-users at around 32% followed by the BFSI sector at 20% and Telecom sector at 13% with the remainder 35% distributed across other industries.

Key Benefits of AI Autonomous Cloud Platform

- 1. Faster Recovery After Outage:** The system continuously detects, diagnoses, and resolves issues without waiting for a human to notice an alert, react, and intervene manually; this reduces downtime to a fraction of what traditional, reactive monitoring would entail.
- 2. Reduced Reliance on Constant Manual Monitoring:** Autonomous platforms operate tirelessly and without fatigue; consequently, they require fewer engineers dedicated to routine maintenance and emergency management, allowing teams to focus on higher-value tasks rather than constantly watching dashboards.
- 3. Predictive Prevention Rather Than Reactive Incident Management:** By combining historical and real-time data, these platforms can identify bottlenecks or potential points of failure before they cause an actual outage, shifting operations from a cycle of constant reaction to genuine prevention.
- 4. Consistent, Error-Free Execution of Routine Fixes:** Automated remediation eliminates the human errors that often occur during manual configuration changes or repetitive troubleshooting steps; this is particularly valuable for repetitive tasks performed at scale across extensive infrastructures.
- 5. Integrated Governance to Build Trust:** Modern platforms increasingly pair autonomous actions with policy-defined guardrails and explainable decision logs, preventing organizations from blindly delegating control. Every automated action can be traced back to the underlying reasoning a crucial feature in regulated sectors like banking, where accountability is paramount.

Key Competitors

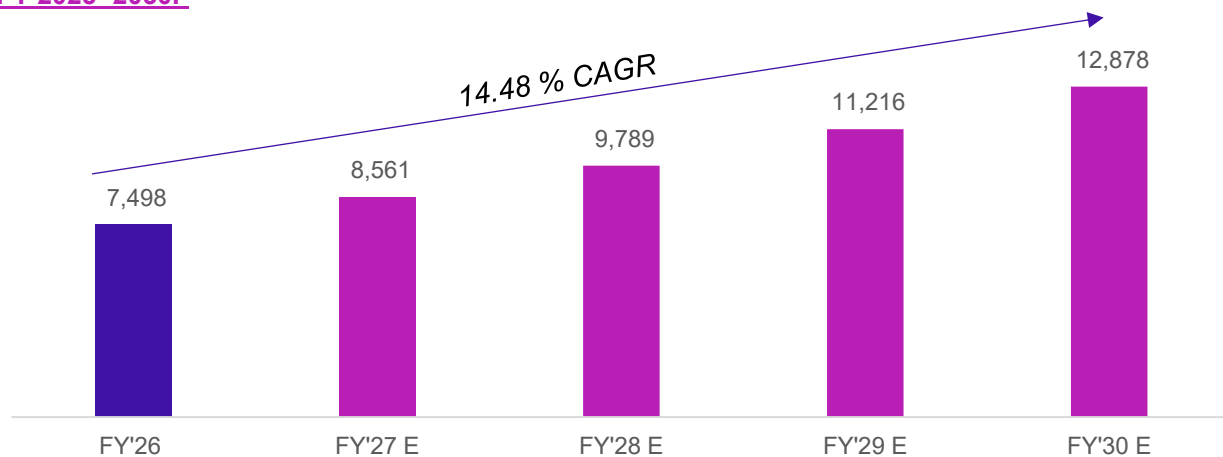
The market for AI powered autonomous cloud platforms is at an early stage of development, led primarily by hyperscaler cloud providers building agent orchestration capabilities into their infrastructure. Global participants include **Google Cloud, AWS, Microsoft, and IBM**, while domestic participation is represented by **ESDS** (via SWARAJ Cloud). Adoption of autonomous cloud platforms has increased as organizations operate hybrid and multi cloud environments at a scale where manual monitoring and response processes are no longer sufficient to maintain consistent operational continuity.

7. Database Activity Monitoring (DAM) Solutions

Database Activity Monitoring (DAM) is a security technology that captures and analyzes activity within database systems while issuing alerts; it tracks who accessed which data and when and how independently of the database's own native logs. DAM refers to a set of tools designed to identify and report fraudulent, illegal, or unwanted database-related behaviours while minimizing the impact on daily operations and performance. The system operates by continuously monitoring user access, queries, and data transactions, thereby providing security teams with both real-time alerts and the digital evidence needed to conduct post-incident investigations.

The Database Activity Monitoring (DAM) Solutions market in India is currently valued at INR 7,498 million for FY 2026, it is projected to grow at a CAGR of 14.48% reaching INR 12,878 million by FY 2030. The market is expected to expand approximately 1.7x in size from FY 2026 to FY 2030, reflecting the growing importance of database-centric security as organizations seek to gain greater visibility into data access, strengthen compliance frameworks, and protect sensitive information in increasingly digitized environments.

Figure 37: India Database Activity Monitoring Solution Market Size Based on Revenue in INR million. FY 2025- 2030F



Source: Interview with Industry Experts, Nexdigm Analysis
E Denotes Estimated.

This technology has moved well beyond simple activity log monitoring, what began as DAM (Database Activity Monitoring) has expanded into what terms DAP (Database Audit and Protection). This approach enhances the original monitoring function with capabilities such as data discovery and classification, vulnerability management, and activity blocking. This evolution is significant, as DAM is no longer limited to detecting suspicious queries, it has established itself as a genuine data protection layer sitting atop the database itself. In terms of effectiveness, a study shows that organizations using DAM can reduce the risk of data breaches by up to 65%. This figure perfectly illustrates why the solution has shifted from being a nice to have option to an essential infrastructure component one increasingly recognized as such by sectors subject to strict regulations.

Growth in this sector is driven by tightening global data protection regulations, the increasing value of data within corporate databases and the shift toward hybrid environments where sensitive data is distributed across on-premises systems, cloud databases and newer platforms such as Snowflake and MongoDB. Furthermore, organizations are moving away from cumbersome agent-based monitoring solutions in favour of cloud-native, agentless approaches; the latter are easier to deploy in these mixed environments without increasing the CPU load on production systems. Currently, BFSI sector accounts for the largest share of end-users at around 31%, followed by IT and ITES at around 22% and public sector at 13%, with the remaining 34% distributed across other industries.

Key Benefits of Database Activity Monitoring Solutions

1. **Independent and Tamper-Proof Audit Trail:** Because the Database Activity Monitoring (DAM) solution monitors activity independently of the database's native logging mechanisms, it can detect and record actions taken by highly privileged users such as database administrators who would otherwise have the ability to alter or delete native logs to cover their tracks.
2. **Early Detection of Insider Threats and Privilege Abuse:** By continuously establishing a baseline of normal user and application behaviour, the DAM solution can flag anomalies such as an account suddenly extracting far more records than usual before the activity escalates into a full-blown data breach.
3. **Enhanced And Accelerated Regulatory Compliance:** As data protection laws tighten globally, the integration of access logs, automated reporting, and audit-ready evidence allows compliance teams to eliminate much of the manual work required to demonstrate adherence to data handling requirements.
4. **Reduced Performance Impact Compared to Native Logging:** Enabling native database auditing settings at a significant level can drastically slow down systems. A DAM solution offers equivalent or even deeper visibility without placing that load directly on the production database.
5. **Unified Visibility Across Hybrid And Multi-Database Environments:** As sensitive data is distributed between on-premises systems and new cloud-native databases, DAM platforms increasingly offer a single dashboard that centralizes telemetry from all these systems, bridging the gaps that would otherwise exist between disconnected, database-specific logging tools.

Key Competitors

The DAM solutions market is relatively mature globally and is evolving toward broader database audit and protection capabilities. Global participants include **IBM (Guardium)**, **Imperva** and **Oracle**, while domestic participants include **ESDS** (via SWARAJ Jatayoo platform) and **CtrIS**. Adoption of DAM solutions has increased in step with expanding data protection regulation across jurisdictions, particularly among enterprises in regulated sectors that are required to demonstrate continuous oversight of sensitive data access.

14. PEER COMPETITIVE BENCHMARKING

This section focuses on the financial and operating performances of leading players in the cloud, managed services, data centre infrastructure and software solutions sectors on a consolidated basis. The data has been sourced from publicly available materials, including annual reports, rating rationales, interviews with the management and relevant documents published by the companies, as well as other authoritative industry resources.

Note- The peer comparison solely focuses on the financial parameters, operational parameters, strengths, USP's and future plans.

Table 21: Peer Offering Comparison in India

Parameters	ESDS	E2E	Sify	Yotta	CY Future	Web Werks	CTRLS	Nxtra	Adani ConneX	AWS	Azure	Google
GPU as a Service	✓	✓	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓
IaaS												
Cloud	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓
Colocation	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
Managed Services												
Cloud Operations & Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Data Centre Build & Audit Consulting	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Development Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SECaaS	✓	✗	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓
SaaS												
Marketplace	✓	✗	✓	✗	✓	✗	✗	✗	✗	✓	✓	✓
In-house applications	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
G-SaaS	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
PaaS	✓	✓	✓	✗	✓	✓	✗	✗	✗	✓	✓	✓

Source: Interview with Industry Experts, Nexdigm Analysis.

Note: For CTRLS, we have considered Cloud4C as their subsidiary service offering as well.

Table 21 provides a comparative view of the service offerings of various leading players in the cloud, managed services, data centre infrastructure and software solutions sector.

ESDS; offers a comprehensive platform of cloud infrastructure and software solutions consisting of (1) infrastructure as a service, which is broadly divided into colocation and Data Centre services, cloud services and cloud computing (2) managed services and (3) software as a service.

ESDS faces competition from varied players across its different product and service offerings. Global players such as AWS, Azure, and Google Cloud are part of large multinational technology conglomerates, where cloud infrastructure, managed services, data centre offerings, and software solutions form only a part of their broader business portfolios. These companies derive a significant portion of their revenues from other primary business verticals such as e-commerce, enterprise software, search engines, and digital advertising. As a result, their operating models, scale, capital allocation priorities, and strategic focus differ fundamentally from pure-play cloud, managed services, data centre infrastructure and software solution providers. Hence, a direct comparison with such global players may not yield meaningful insights. Basis this analysis, we have selected 7 Indian cloud, managed services, data centre infrastructure and software solution peers. Such companies principally include companies of Indian origin, such as CTRLS Data Centres, Nxtra by Airtel, Yotta, WebWerks, CYFuture, E2E Networks, and Sify Infinet Spaces Limited.

E2E Networks; is a cloud service provider offering cloud hosting, managed services, and infrastructure solutions focused on reliable, high-performance IT solutions for businesses, especially SMEs. It was listed on National Stock Exchange Emerge SME Platform in May 2018 and later migrated to NSE Mainboard in April 2022.

Sify; established in 1995, is a leading provider of integrated ICT and data centre solutions in India. The company offers a comprehensive portfolio including colocation and data centre infrastructure, cloud and network services, managed services, and digital transformation solutions catering to enterprises, BFSI, government, and hyperscale customers.

Yotta; established in 2007, is a provider of data centre solutions in India. They offer a range of services including data centre infrastructure, cloud services, managed services and other scalable IT solutions for businesses.

CYFuture: Founded in 2003, CYFuture is an IT services company in India specializing in cloud solutions, IaaS, SaaS, and PaaS and managed services.

WebWerks: Founded in 1996, it offers services such as colocation, cloud hosting and managed services to businesses. WebWerks was acquired by Iron Mountain in April, 2025.

CTRLS: CTRLS is a data centre services provider in India offering scalable solutions such as colocation, cloud, managed services, SaaS, PaaS, and more to businesses across a variety of industries. The company offers cloud services through its subsidiary Cloud4C.

Nxtra; is a subsidiary of the Bharti Airtel group providing data centre services, including edge data centres including colocation and managed services.

Among the leading players in the cloud, managed services, data centre infrastructure and software solutions, ESDS is one of the only two players providing the entire spectrum of GPUaaS, cloud, managed services, data centre infrastructure and software solutions in India. Further, among the two, they are the largest in terms of revenue from operations in FY 2026 with revenue from operations of INR 4,722 million.

Financial Parameters:

Table 22: Revenue from Operations (In INR million)

Company Name	FY 24	FY 25	FY 26
ESDS	2,865	3,613	4,722
E2E Networks	945	1,640	2,456
Sify	11,142	14,284	17,605
Yotta	4,594	8,907	NA
CYFuture	1,512	1,873	NA
WebWerks	1,494	4,287	NA
CTRLS	13,390	15,618	19,000 ¹
Nxtra By Airtel	18,266	20,785	24,341

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available', as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

1. FY'26 for CTRLS is estimated.

In FY 2026, the companies for which data is available continued to report strong growth in revenue from operations. E2E Networks recorded the highest year-on-year growth of approximately 50%, with revenue increasing from INR 1,640 million in FY 2025 to INR 2,456 million in FY 2026. ESDS followed with a growth of around 30.69%, reaching INR 4,722 million in FY 2026 from INR 3,613 million in FY 2025. Sify and Nxtra by Airtel also demonstrated steady expansion, with revenues growing by approximately 23.24% and 17.10%, respectively, to INR 17,605 million and INR 24,341 million in FY 2026. Overall, the consistent revenue growth

across industry participants highlights the increasing adoption of cloud-enabled solutions and the rising demand for data centre infrastructure in India.

Table 23: Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (In INR million) and EBITDA Margins (In %)

Company Name	EBITDA			EBITDA Margins (In %)		
	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26
ESDS	1,018.8	1,548.8	2,342.3	35.56%	42.86%	49.60%
E2E Networks	479.4	966.6	1,262.6	50.75%	58.95%	51.41%
Sify	4,622.0	6,340.4	7,932.1	41.48%	44.39%	45.06%
Yotta	254.4	133.04	NA	5.54%	1.49%	NA
CYFuture	55.6	269.4	NA	3.68%	14.39%	NA
WebWerks	590.0	1184.3	NA	39.49%	27.63%	NA
CTRLS	6,344.0	7,982.0	NA	47.38%	50.30%	NA
Nxtra By Airtel	6,953.0	7,863.0	10,076.0	38.07%	37.83%	40.33%

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

Across the peer set, EBITDA margins show variation depending on scale, asset maturity and service mix. ESDS has recorded a steady improvement in EBITDA margins over the review period, with margins expanding consistently from FY 2024 to FY 2026.

Table 24: Profit After Tax (PAT) (In INR million) and PAT Margins (In %)

Company Name	PAT			PAT Margins (In %)		
	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26
ESDS	136.1	556.1	1,208.2	4.75%	15.39%	25.59%
E2E Networks	218.6	474.9	-155.6	23.15%	28.97%	-6.34%
Sify	1,141.8	1,264.1	372.1	10.25%	8.85%	2.11%
Yotta	145.0	110.5	NA	3.16%	1.24%	NA
CYFuture	-16.97	133.0	NA	-1.12%	7.10%	NA
WebWerks	114.1	808.6	NA	7.64%	18.86%	NA
CTRLS	2,096.0	2,011.0	NA	15.65%	12.88%	NA
Nxtra By Airtel	2,318.0	2,243.0	2410.0	12.69%	10.79%	9.90%

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

ESDS emerged as the strongest performer with PAT margins expanding from 15.39% in FY 2025 to 25.59% in FY 2026, highlighting its resilience and ability to scale profitably. E2E Networks demonstrated strong profitability in FY 2025, with PAT margins improving to 28.97%, reflecting effective cost management and operating leverage. However, in FY 2026, E2E Networks reported a PAT margin of -6.34%, primarily due to higher depreciation. CTRLS, Nxtra and Sify maintain strong PAT figures, though a decline in margins to 12.88%, 10.79%, and 8.85%, respectively, in FY 2025 raises questions about sustainability.

Table 25: Return on Equity (RoE) (In %)

Company Name	FY 24	FY 25	FY 26
ESDS	6.23%	17.27%	25.12%
E2E Networks	36.37%	5.71%	-0.95%
Sify	8.69%	7.69%	1.89%
Yotta	28.51%	16.49%	NA
CYFuture	-2.48%	16.97%	NA
WebWerks	1.14%	11.30%	NA
CTRLS	15.62%	12.93%	NA
Nxtra By Airtel	8.75%	7.78%	7.72%

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

In FY 2026, ESDS's return on equity improved from 6.23% in FY 2024 to 17.27% in FY 2025 and 25.12% in FY 2026, reflecting changes in profitability and capital utilization over the period. In comparison, E2E Networks, Nxtra and Sify reported lower return on equity levels in FY 2026 relative to the previous fiscal year.

Table 26: Return on Capital Employed (RoCE) (In %)

Company Name	FY 24	FY 25	FY 26
ESDS	14.53%	24.73%	32.78%
E2E Networks	29.01%	8.40%	-0.52%
Sify	7.78%	8.77%	7.81%
Yotta	12.28%	3.94%	NA
CYFuture	1.15%	16.11%	NA
WebWerks	1.82%	1.68%	NA
CTRLS	16.02%	14.33%	NA
Nxtra By Airtel	10.87%	9.07%	8.54%

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

In FY 2026, ESDS return on capital employed (ROCE) increased to 32.78% from 14.53% in FY 2024 and 24.73% in FY 2025. In comparison, E2E Networks, CTRLS and Nxtra reported lower RoCE in FY 2026 relative to the previous fiscal year.

Table 27: Debt-to-Equity Ratio (No. of Times)

Company Name	FY 24	FY 25	FY 26
ESDS	0.66	0.15	0.08
E2E Networks	1.45	0.01	0.06
Sify	1.28	1.33	1.20
Yotta	3.23	8.81	NA
CYFuture	0.64	1.17	NA
WebWerks	0.33	2.71	NA
CTRLS	1.15	1.36	NA
Nxtra By Airtel	0.29	0.46	0.65

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

Table 28: Debt Service Coverage Ratio (No. of Times)

Company Name	FY 24	FY 25	FY 26
ESDS	1.59	7.00	16.15
E2E Networks	3.29	18.20	5.45
Sify	1.65	2.88	1.13
Yotta	0.13	0.02	NA
CYFuture	0.46	0.75	NA
WebWerks	1.47	0.80	NA
CTRLS	6.09	3.00	NA
Nxtra By Airtel	5.21	5.65	1.00

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

Table 29: Days Sales Outstanding (DSO) (In Numbers)

Company Name	FY 24	FY 25	FY 26
ESDS	88	101	79
E2E Networks	10	22	25
Sify	86	74	77
Yotta	146	124	NA
CYFuture	149	97	NA
WebWerks	80	159	NA
CTRLS	67	60	NA
Nxtra By Airtel	49	19	22

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For WebWerks, FY'25 revenue figures of Iron Mountain India have been considered

Days Sales Outstanding (DSO) is a measure of the average number of days it takes for a company to collect a payment. A higher DSO suggests a delay in receiving payments and hence, an indication of a cash-flow problem.

Operational Parameters

Table 30: Total Customers

Company Name	Total Customers		
	FY 24	FY 25	FY 26
ESDS	1,465	1,714	2,501
E2E Networks	3,000+	3,000+	3,000+
Sify	NA	500+	500+
Yotta	13,000+	13,000+	13,000+
CYFuture	9,500+	9,500+	9,500+
WebWerks	800+	800+	NA
CTRLS	10,500+	10500+	10,500+
Nxtra By Airtel	2000+	2,000+	2,000+

Source: Interview with Company Management, Nexdigm Analysis

NA means 'Not Available' as the data is not publicly available

Note- Customers of Nxtra by Airtel are only for the colocation and the cloud segment.

Customers of Sify are only for Premier Enterprise Customers.

E2E Networks, without its own data centres, is unable to offer co-location services, limiting its ability to serve enterprises (such as large BFSI customers) that require dedicated data centres. Players such as ESDS leverage their end to end services, which include both cloud as well co location, to attract more stable and diverse clientele, including large enterprises along with SMEs.

Table 31: Average Revenue per Customer (In INR million)

Company Name	FY 24	FY 25	FY 26
ESDS	1.96	2.11	1.89
E2E Networks	0.32	NA	NA
Sify	NA	NA	NA
CYFuture	0.15- 0.16	NA	NA
Yotta	0.35	NA	NA
WebWerks	1.87	NA	NA
CTRLS	1.26-1.28	NA	NA
Nxtra By Airtel	9.13	NA	NA

Source: Interview with Company Management, Nexdigm Analysis.
NA means 'Not Available' as the data is not publicly available.

During FY 2024, Nxtra by Airtel emerged as the leader among its peer group in terms of Average Revenue per Customer (ARPC) demonstrating its strong market position and premium service offerings followed by ESDS, Web Werks and CTRLS. While Yotta and E2E Networks recorded moderate ARPC levels reflecting a strategy focused on scaling operations while maintaining competitive pricing.

Table 32: Revenue Split by Customer Tenure (In %)

Company Name	Revenue from Existing Customers (In %)			Revenue from New Customers (In %)		
	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26
ESDS	92.91	76.63	72.63	7.09	23.37	27.37
E2E Networks	50-60	50-60	55-60	40-50	40-50	40-45
Sify	NA	68.34%	NA	NA	NA	NA
CYFuture	55-60	NA	NA	40-45	NA	NA
Yotta	65-70	65-70	60-70	30-35	30-35	30-40
WebWerks	60-65	60-65	NA	35-40	35-40	NA
CTRLS	65-70	65-70	65-70	30-35	30-35	30-35
Nxtra By Airtel	70-75	NA	NA	25-30	NA	NA

Source: Interview with Company Management, Nexdigm Analysis.

NA means 'Not Available' as the data is not publicly available.

For Sify, the revenue percentage is from customers which are associated with contract term of at least 7 years.

Table 33: Revenue Split by Customer Industry (In %)

Company Name	BFSI (In %)			Government (In %)			Enterprise & Hyperscalers (In %)		
	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26
ESDS	18.27	30.87	17.53	34.04	29.52	27.37	47.69	39.61	55.09
E2E Networks	10-20	NA	NA	40-50	NA	NA	30-40	20-25	NA
Sify	NA	10-20	10-20	NA	0-10	0-10	NA	80-90	80-90
CYFuture	30-40	30-40	NA	10-20	10-20	NA	40-50	40-50	NA
Yotta	20-30	20-30	20-30	10-20	10-20	10-20	50-60	50-60	50-60
WebWers	20-30	20-30	15-25	0-10	0-10	0-10	60-70	60-70	60-70
CTRLS	20-30	20-30	20-30	5-10	5-10	5-10	60-65	60-65	60-65
Nxtra By Airtel	20-30	20-30	25-35	0-10	0-10	5-15	60-70	60-70	55-65

Source: Interview with Company Management, Nexdigm Analysis.
NA means 'Not Available' as the data is not publicly available

Table 34: Revenue Split by Service Line (In %)

Source: Interview with Company Management, Nexdigm Analysis.

Company Name	IaaS (In %)			SaaS (In %)			Managed Services (In %)		
	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26
ESDS	49.59	56.36	43.88	23.35	22.71	14.91	27.06	20.94	41.21
E2E Networks	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sify	NA	NA	NA	NA	NA	NA	NA	NA	NA
CYFuture	NA	NA	NA	NA	NA	NA	NA	NA	NA
Yotta	NA	NA	NA	NA	NA	NA	NA	NA	NA
WebWerks	NA	NA	NA	NA	NA	NA	NA	NA	NA
CTRLS	NA	NA	NA	NA	NA	NA	NA	NA	NA
Nxtra By Airtel	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA means 'Not Available' as the data is not publicly available.

Table 35: Number of Data Centres

Company Name	FY 24	FY 25	FY 26
ESDS	4	4	5
E2E Networks	NA	NA	NA
Sify	12	14	14
CYFuture	3	3	3
Yotta	2	2	2
WebWerks	6	6	6
CTRLS	11	16	17
Nxtra By Airtel	12	15	15

Source: Interview with Company Management, Nexdigm Analysis.

NA means Not Available.

Count is given for Operational Data Centres for CtrlS.

15. DEFINED TERMS AND ABBREVIATIONS

Industry and Common Defined Terms and Abbreviations

- AI: Artificial Intelligence
- AIPaaS: AI Platform as a Service
- AIRAWAT: AI Research Analytics and Knowledge Dissemination Platform
- AR/VR: Augmented Reality/ Virtual Reality
- BaaS: Backup as a Service
- BFSI: Banking, Financial Services and Insurance
- BPaaS: Business Process as a Service
- BRICS: Brazil, Russia, India, China and South Africa
- CAGR: Compounded annual growth rate
- CPI: Consumer Price Index
- CPU: Central Processing unit
- CSP: Cloud service providers
- CY: Calendar Year
- DaaS: Desktop as a Service
- DRaaS: Disaster Recovery as a Service
- ERP: Enterprise resource planning
- FDI: Foreign Direct Investment
- FY: the year ended March 31 of the calendar year referenced.
- GCP: Google cloud Platform
- GDP: Gross Domestic Product
- GeM: Government e- Marketplace
- GPU: Graphics processing unit
- GST: Goods and Services Tax
- GVA: Gross Value Added
- IaaS: Infrastructure as a Service
- IoT: Internet of Things
- ISM: India semiconductor mission
- ISV: Independent software Vendor
- IT: Information Technology
- IT-BPM: Information Technology – Business process management

- ITES: Information technology enabled services
- LAN: Local area network
- LLM: Large language model
- ML: Machine Learning
- MSP: Managed service providers
- MW: MegaWatt
- NSE: National Stock Exchange
- OCC: Open cloud compute
- OCI: Oracle cloud infrastructure
- PaaS: Platform as a Service
- DPDP: Digital Personal Data Protection Act. 2023
- RPA: Robotic process automation
- SaaS: Software as a Service
- SECaaS: Security as a Process
- SMEs: Small and Medium Enterprises
- TPU: Tensor Processing Unit
- VPC: Virtual Private cloud
- WAN: Wide-area network
- WPI: Wholesale price Index
- AIOps: AI Operations
- APM: Application Performance Monitoring Platform
- SIEM: Security Information & Event Management Platform
- PAM: Privileged Access Management Solutions
- DAM: Database Activity Monitoring Solutions
- PCI DSS: Payment Card Industry Data Security Standard
- DCGM: Data Center GPU Manager

Company/Entity Abbreviations

- AWS: Amazon Web Services
- BEL: Bharat Electronics Limited
- CDAC: Centre for Development of Advanced Computing
- CtrlS: CtrlS Data Centers Limited
- CYFuture: CYFuture India Private Limited
- ESDS: ESDS Software Solution Limited
- E2E: E2E Networks Limited
- MeitY: Ministry of Electronics and Information Technology
- NASSCOM: National Association of Software and Service Companies
- Nxtra: Nxtra by Airtel
- RBI: Reserve Bank of India
- Sify Technologies: Sify Technologies Limited
- STPI: Software Technology Parks of India
- TCS: Tata Consultancy Services
- Sify: Sify Infinit Spaces Limited
- WebWerks: Webwerks India Private Limited
- Yotta: Yotta Data Services Private Limited

About Nexdigm

Nexdigm Private Limited (“Nexdigm”) is an employee-owned, privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise enables us to provide customized solutions for our clients.

We provide integrated, digitally driven solutions encompassing Business and Professional Services, that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE, and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/ISE 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to Think Next.

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