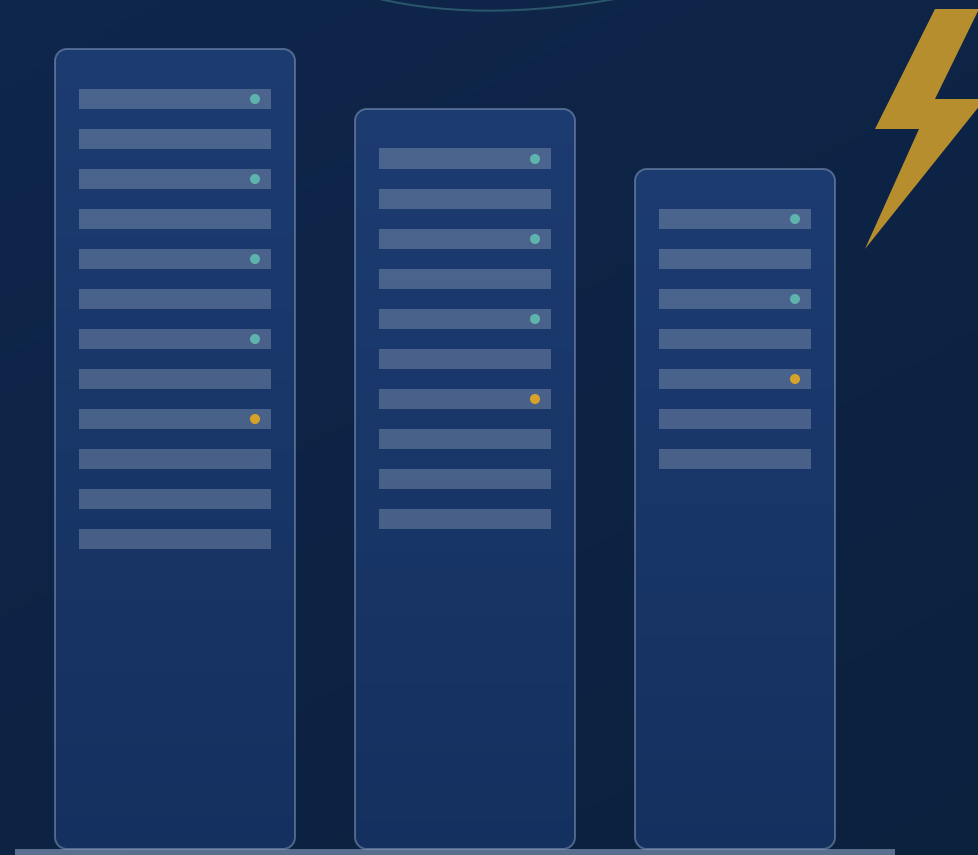


SECTOR: DIGITAL INFRASTRUCTURE

India's Data Centre Industry

From megawatts announced to megawatts monetised

Cloud, AI and digital services are driving demand for computing capacity. The key question is shifting from how much capacity is announced to how quickly it becomes operational, occupied and revenue-generating.



Contents: from announced to monetised

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Sources & disclosures

~1.6–1.8 GW

Operational capacity, mid-2026 (JLL / Cushman & Wakefield)

~6 GW

JLL's capacity estimate for 2029

85 MW

New supply delivered in H1 2026 (JLL)

82%

H1 2026 absorption pre-committed to hyperscalers (JLL)

01 EXECUTIVE SUMMARY

Growth is real — value depends on conversion

India's data centre industry is expanding as cloud, AI and digital services need more computing capacity. The question is moving from how much capacity is announced to how quickly it becomes operational, occupied and revenue-generating.

Exhibit 1 Four market signals and what they tell us

Market signal	What it tells us
~1.6–1.8 GW operational, mid-2026	A meaningful operating base — JLL ~1.6 GW; Cushman & Wakefield nearly 1.8 GW
JLL: ~6 GW by 2029	Capacity could expand materially; estimates vary by consultant, definition and horizon
85 MW delivered in H1 2026 (JLL)	New capacity is being added — but delivery is only one part of the chain
82% of H1 2026 absorption pre-committed to hyperscalers	Large cloud customers drive a significant share of near-term demand

Source: JLL, Cushman & Wakefield

~1.6 GW

Operational (JLL)

~6 GW

2029 estimate (JLL)

85 MW

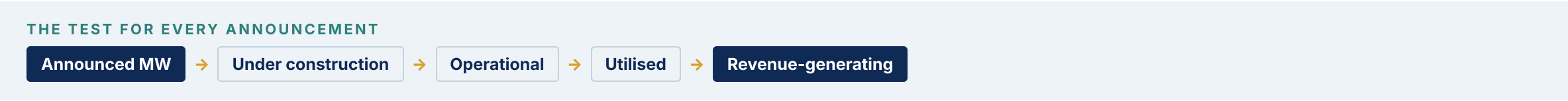
H1 2026 delivered

82%

Hyperscaler pre-commitments

Key finding: value creation depends on converting announced capacity into operating, utilised and revenue-generating capacity.

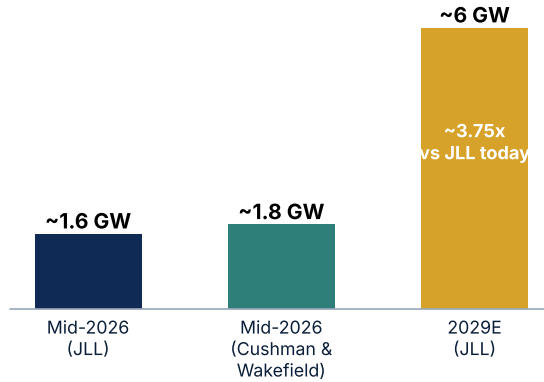
Follow execution, utilisation and cash generation — not announcements alone.



02 STORY IN CHARTS

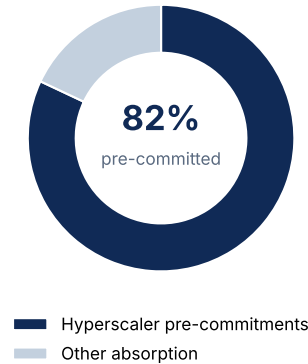
A large ambition, a hyperscaler-led demand base — and a delivery gap to close

Ex 2 Capacity: today vs 2029 estimate



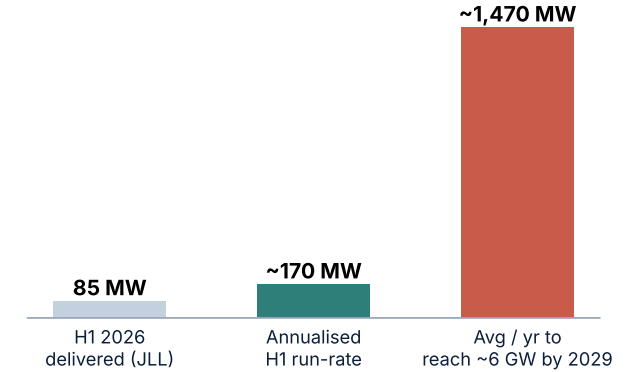
Estimates vary by consultant and definition. Source: JLL, Cushman & Wakefield

Ex 3 Who absorbed H1 2026 capacity



Source: JLL

Ex 4 Delivery pace vs implied requirement



Illustrative Alpha Room calc.: $(6 - 1.6 \text{ GW}) \div \sim 3 \text{ years}$; $\text{H1 run-rate} \times 2$. Definitions differ.

The base is meaningful

~1.6–1.8 GW is already operational — this is not a greenfield story.

Demand is concentrated

82% of H1 2026 absorption was pre-committed to hyperscalers — visibility, but also customer concentration.

Delivery must accelerate

Reaching ~6 GW by 2029 implies far faster additions than H1 2026's 85 MW pace — conversion is the test.

03 SECTOR OVERVIEW

The physical infrastructure behind cloud, digital services and AI

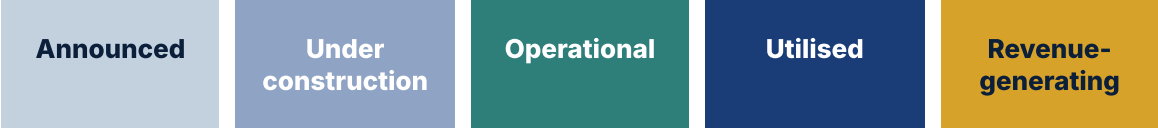
A data centre provides reliable power, cooling, connectivity, security and computing capacity for servers and other equipment. As AI workloads grow, the demand on power and cooling grows with them.

Ex 5 What a data centre provides

Element	Role
Power	Reliable grid supply plus backup — the binding input
Cooling	Removes heat from dense server and GPU racks
Connectivity	Network links to users, clouds and other facilities
Security	Physical and digital protection of customer equipment
Compute	Servers, storage and AI systems occupying the space

Source: Alpha Room Research

THE CRITICAL GAP



An announced MW number shows **potential** capacity. It does not by itself establish operational capacity, customer utilisation or revenue.

A 1 GW announcement is not 1 GW of commissioned capacity — and commissioned capacity is not yet revenue.

Power

The binding input — no energisation, no revenue

Hyperscalers

82% of H1 2026 absorption pre-committed

AI

Raises power and cooling density per rack

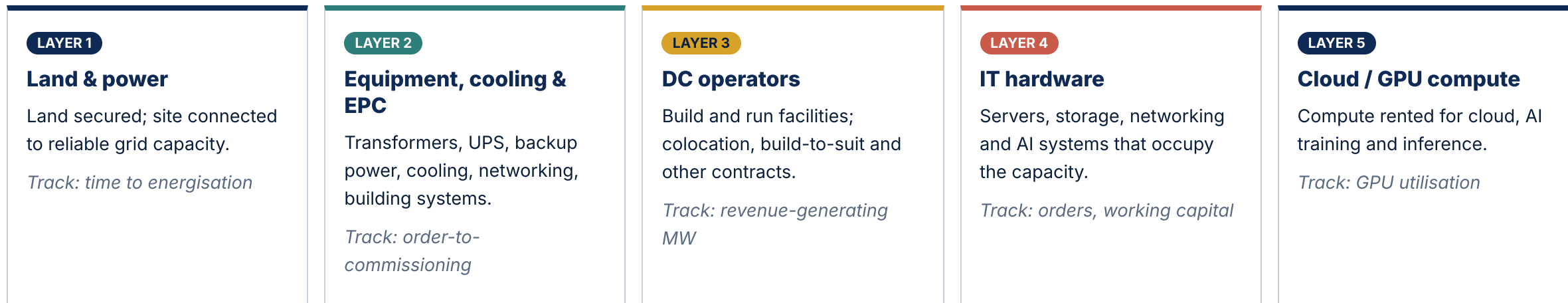
Capex first

High upfront spend before revenue ramps

04 DATA CENTRE VALUE CHAIN

Five layers, from power to GPUs

Each layer carries a different mix of capital intensity, execution risk and cash-conversion risk — and each depends on the layer before it reaching its milestone.



HOW VALUE FLOWS THROUGH THE CHAIN



05 LAYERS 1-2 · LAND & POWER · EQUIPMENT, COOLING & EPC

No dependable power, no revenue

Land & power

What it is: land is secured and the site is connected to reliable grid capacity. Location, power and approvals influence project timelines.

Why it matters: a data centre cannot generate revenue without dependable power and the infrastructure to deliver it.

ECONOMIC CHAIN



Key metric: power availability and time to energisation — not land bank size alone.

Equipment, cooling & EPC

What it is: electrical systems, transformers, UPS, backup power, cooling, networking, fire and building systems — supplied, installed and commissioned.

The dynamic: execution and equipment lead times can decide when a project moves from construction to operational capacity.

ECONOMIC CHAIN



Key metric: order-to-commissioning conversion — not order-book size alone.

Ex 6b Questions to ask before counting a project's MW

Question	Why it matters
Is grid power sanctioned and energised?	Land without power is not capacity
Are transformers, UPS and cooling ordered and delivered?	Long lead times can push commissioning out
Are approvals in place?	Approvals can delay construction and commissioning

Source: Alpha Room Research

06 LAYERS 3-5 · OPERATORS · IT HARDWARE · CLOUD / GPU COMPUTE

Economics improve only as capacity is leased and used

Data centre operators

Build and run facilities; sell capacity through colocation, build-to-suit or other contracted models.

Dynamic: large upfront capex, followed by customer onboarding and utilisation.



Revenue-generating MW

and utilisation

IT hardware

Servers, storage, networking and AI systems — the computing equipment that occupies data-centre capacity.

Dynamic: revenue depends on delivery, customer demand, product cycles and working-capital conversion.



Order conversion

working capital and cash generation

Cloud / GPU compute

Computing capacity rented for cloud workloads, AI training, inference and other compute-intensive uses.

Dynamic: GPUs carry high upfront cost and can depreciate quickly — utilisation is everything.



GPU utilisation

and recurring revenue

Ex 6c Three models, three ways to make money

Layer	What is sold	Revenue starts when	Biggest swing factor
DC operator	Space, power and cooling (colocation / build-to-suit)	Capacity is leased and used	Utilisation
IT hardware	Servers, storage, AI systems	Equipment is delivered and installed	Orders and working capital
Cloud / GPU	Compute by the hour or contract	GPUs are rented and used	Utilisation vs depreciation

Source: Alpha Room Research

07 VALUE-CHAIN ECONOMICS

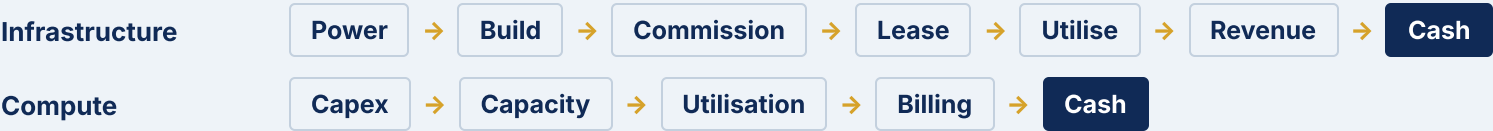
A 1 GW announcement is not 1 GW of commissioned capacity

Ex 6 Capital intensity, primary risk and what to track — by layer

Layer	Capital intensity	Primary risk	What to track
Land & power	High project / infrastructure capex	Power availability + approvals	Energisation / ready MW
Equipment & EPC	Moderate fixed capex; working capital	Execution + lead times	Order-to-commissioning
DC operator	High capex + financing	Leasing + utilisation	Revenue-generating MW
IT hardware	Manufacturing + working capital	Demand + product cycles	Orders, margins, cash
Cloud / GPU compute	Very high compute capex	Utilisation + obsolescence	Utilisation, revenue, cash flow

Source: Alpha Room Research

FOLLOW THE CHAIN STAGE BY STAGE — GREATEST WEIGHT ON COMMISSIONING, UTILISATION AND CASH



Highest capital at risk

Cloud / GPU compute — very high capex that can depreciate quickly if utilisation lags.

Longest lead to revenue

Land, power and operators — revenue waits for energisation, commissioning and leasing.

Fastest to cash, if executed

Equipment, EPC and hardware — revenue on delivery, but working capital must convert.

08 CROSS-COMPANY VIEW · VALUE-CHAIN LENS

Four positions in the same ecosystem — four different proof-points

The companies below illustrate different positions in the ecosystem. The comparison is structural, not financial.

Ex 7 Sify vs Anant Raj vs E2E Networks vs Netweb

Company	Layer	Value-chain position	Core question
Sify Technologies	DC operator	Data centre operator + digital infrastructure	How much installed capacity is generating revenue?
Anant Raj	Developer / operator	Developer / data centre expansion	Can planned capacity become operational MW?
E2E Networks	Cloud / GPU compute	GPU / AI cloud compute	Can utilisation support the cost of GPUs?
Netweb Technologies	IT hardware	AI / HPC hardware	Can orders convert into revenue and cash?

Source: company disclosures. Illustrative only — not investment advice.

Sify

Proof-point: **revenue-generating MW**

Installed capacity is only the start

Anant Raj

Proof-point: **operational MW**

Planned capacity must become live capacity

E2E Networks

Proof-point: **GPU utilisation**

Utilisation must cover fast-depreciating GPUs

Netweb

Proof-point: **order-to-cash**

Orders must convert to revenue and cash

09 BOTTLENECK → OPPORTUNITY

The constraint is not simply land

Power delivery, grid connection, equipment, approvals, cooling and financing decide how quickly capacity becomes operational. Each bottleneck is also a value pool for those who can clear it.

01

Power & grid connection

Without reliable power, capacity cannot be commissioned.

Value pool: energised, ready MW

02

Equipment

Transformers, cooling and electrical systems can have long lead times.

Value pool: suppliers who deliver on time

03

Execution

Construction and approvals can delay commissioning.

Value pool: proven builders

04

Funding

Data centres need high upfront capital before revenue ramps.

Value pool: low-cost, patient capital

The pattern

Constraint



Scarce capability



Pricing power / share



Value pool for those who clear it

If the industry grows, what becomes scarce first? Energised power and long-lead equipment — the opportunity sits with whoever can shorten the time from announcement to revenue-generating MW.

10 GOVERNMENT POLICY & INFRASTRUCTURE SUPPORT

Policy supports demand and financing — execution still decides value

Ex 8 Policy levers

Lever	What it does	Why it matters
Tax framework (Finance Act 2026)	Exemption up to tax year ending 31 Mar 2047 for eligible foreign companies on income from procuring data-centre services from a specified data centre — set up under an approved, MeitY-notified scheme and owned and operated by an Indian company	Encourages global workloads to be hosted in India
IndiaAI Mission	Supports access to AI computing capacity and the domestic AI ecosystem	Supports compute demand
Data localisation	RBI payment-data rules and SEBI's cloud framework	Requires certain workloads to be hosted in India
Infrastructure status	Data centres added to the Harmonized Master List of Infrastructure Sub-sectors (Oct-2022)	Access to infrastructure-oriented financing

Source: Ministry of Finance, MeitY, Department of Economic Affairs

POLICY CHAIN



11 WHAT TO TRACK

Seven metrics that separate capacity from value

Ex 9 Monitoring dashboard

#	Metric	Why it matters	Layer
1	Operational MW	Shows capacity actually built and energised	Land, power, EPC
2	Revenue-generating MW	Shows how much capacity is producing revenue	Operators
3	Utilisation	Shows how much available capacity is being used	Operators
4	Customer commitments	Provides visibility into future demand	Operators
5	Capex vs cash generation	Shows whether expansion is converting into cash	All layers
6	Net debt / financing	Shows the funding burden behind growth	Operators, compute
7	GPU utilisation	Important for AI / compute economics	Cloud / GPU

Source: Alpha Room Research

12 THE ALPHA ROOM VIEW

India's data centre opportunity sits at the intersection of cloud, AI, digitalisation and power infrastructure. Demand is becoming clearer — the economics depend on execution.

Follow the next phase through operational capacity, customer conversion, utilisation and cash generation — not headline announcements alone.

FINAL CHAIN

Demand → Power → Build → Commission → Utilise → Revenue → Cash

DON'T ASK ONLY

How much capacity has been announced?

ASK INSTEAD

How much has been built, commissioned, utilised and monetised?

13 SOURCES, DISCLOSURES & AUTHOR**RESEARCH SOURCES**

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8. Anant Raj — company disclosures and data-centre updates
9. E2E Networks — company disclosures and AI cloud updates
10. Netweb Technologies — company disclosures and AI/HPC updates

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