

MEITY CONVENES INDUSTRY CONSULTATION ON 'SUPPORTING AI TRANSFORMATION OF IT SERVICES INDUSTRY'

The Ministry of Electronics and Information Technology (MeitY), Government of India, recently held an industry consultation in Kochi, Kerala, on “**Supporting AI Transformation of the IT Services Industry.**” Chaired by **Shri S. Krishnan, IAS, Secretary, MeitY**, and organized by **Software Technology Parks of India (STPI), Kochi**, the consultation brought together senior officials from MeitY, the Government of Kerala, and leading industry stakeholders.

The discussions focused on the challenges and opportunities associated with integrating Artificial Intelligence into India's IT services sector, as well as the policy support, government interventions, and collaborative measures needed to accelerate the sector's evolution into a globally competitive AI services industry.

India's IT industry contributes about USD 246 billion in annual exports and employs around 6 million professionals, making it one of the most important sectors of the Indian economy. Generative AI is rapidly gaining traction across IT and BPM processes, with companies leveraging it for greater productivity and cost optimisation. Client expectations are also shifting from process management to end-to-end transformation solutions. This is driving demand for new skills and domain-centric job roles across verticals such as BFSI, healthcare, manufacturing and retail.

The consultation aligns with the IndiaAI Mission, approved by the Cabinet in March 2024, and complements the initiatives under IndiaAI Application Development and IndiaAI Futureskills Initiatives.

The consultation is part of MeitY's ongoing engagement with the industry to develop forward-looking policy support for the IT sector.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2273180®=48&lang=1>

INDIGENOUS VARYA, LAUNCHED BY INDIA AI MISSION

Varya, a distilled video-generation model has been designed to make advanced AI video creation more affordable, accessible, and relevant for India's next generation of users.

The launch was announced at an event in New Delhi, attended by **Shri S. Krishnan, Secretary, Ministry of Electronics and Information Technology (MeitY), Government of India**, along with Avataar's leadership team.

Unlike generalized AI models, **Varya has been built to reflect the diversity of India**, understanding and generating culturally nuanced visual content across regions, festivals, communities, cuisines, clothing, public spaces, and everyday experiences. Whether it is a teacher creating engaging lessons in a rural classroom, an MSME

producing product advertisements, or a citizen accessing government information through video, Varya aims to transform simple ideas into compelling visual stories.

Powered by a novel **distillation technique**, Varya reduces the video-generation process from 50 inference steps to just 4 while maintaining comparable output quality. The model can generate video at a cost of **₹0.48 per second**, making it up to **10 times more cost-efficient** than several leading global video-generation models.

Built around the concept of “**Idea→Video→Story**,” the platform allows users to enter a prompt, upload an image, generate a video, and continue expanding the narrative through additional clips. A single idea can evolve into an educational lesson, a marketing campaign, an informational guide, a film, or a personal memory.

For a country like India, where AI solutions must serve not just millions but over a billion people, efficiency is more than a technical advantage—it is a key enabler of accessibility and inclusion.

92% OF TECH EXECUTIVES SEE AI MANAGEMENT AS VITAL WORK SKILL BY 2031: KPMG

As the corporate landscape shifts toward automated decision-making, 92 percent of tech executives report that managing artificial intelligence agents will become an important skill within the next five years. According to a report by KPMG, this rapid rise of agentic AI is forcing organizations to overhaul their workforce structures and rethink traditional operational strategies.

The report surveyed 2,500 tech executives from 27 countries, highlighting that 88 percent of organizations are already investing in building AI into their systems. This shift is projected to alter team compositions significantly over the next two years, with digital assistants expected to comprise 36 percent of core technology teams by 2027, up from 28 percent in 2025.

<https://economictimes.indiatimes.com/tech/artificial-intelligence/92-of-tech-executives-see-ai-management-as-vital-work-skill-by-2031-kpmg/articleshow/132061694.cms>

UN REPORT WARNS AI'S WATER, LAND AND CLIMATE COSTS ARE RISING FASTER THAN GOVERNANCE

United Nations researchers have warned that the rapid global expansion of Artificial Intelligence is creating environmental impacts that extend far beyond carbon emissions alone.

A recent report from the United Nations University (UNU) highlights that AI's environmental footprint spans multiple areas, including energy consumption, water use, land requirements, mineral extraction, and electronic waste generation. According to the study, existing assessments focus too heavily on greenhouse gas emissions—particularly those generated during the training of large AI models—while overlooking other equally significant resource pressures.

The researchers argue that concentrating solely on carbon emissions can lead to an incomplete understanding of AI's

sustainability challenges. Actions that reduce emissions in one area may increase environmental strain elsewhere. For instance, certain renewable energy solutions can lower carbon output but require greater amounts of water or land.

As AI evolves, it should no longer be viewed merely as a digital productivity tool. Instead, it is emerging as a major physical infrastructure sector that increasingly intersects with energy systems, water resources, land management, and waste regulation.

Data centres, which form the backbone of AI operations, exemplify this challenge. Their environmental impact goes beyond electricity consumption. The power required to run these facilities carries an associated water footprint for cooling and energy production, as well as a land footprint linked to power generation and supply-chain activities.

The report estimates that by 2030, data centres could consume approximately 945 terawatt-hours of electricity annually—almost three times the combined yearly electricity consumption of Pakistan, Bangladesh, and Nigeria, countries with a collective population exceeding 650 million.

UNU researchers further estimate that AI-related water consumption could match the basic annual domestic water needs of 1.3 billion people by the end of the decade. Meanwhile, AI infrastructure may occupy more than 14,500 square kilometres of land, roughly twice the size of the Jakarta metropolitan region.

These projections underscore a growing governance challenge. In regions already experiencing water stress, AI infrastructure could compete with households, agriculture, and industrial users for limited resources. Likewise, in countries facing power constraints, expanding data-centre capacity may place additional pressure on electricity grids already grappling with electrification demands and climate-related challenges.

The report also emphasizes that the benefits and environmental costs of AI are distributed unevenly. While AI applications have global reach, the infrastructure that supports them often creates localized impacts.

Another growing concern is electronic waste. By 2030, AI infrastructure could generate up to 2.5 million tonnes of e-waste annually, with much of the disposal burden potentially falling on lower-income nations that lack adequate waste-management systems.

According to the report, AI infrastructure growth may also deepen global inequalities. More than 90% of AI-specialized computing capacity is concentrated in the United States and China, while over 150 countries have little or no significant domestic AI infrastructure.

This concentration can also restrict economic opportunities for many nations while raising concerns about environmental justice. Some regions may bear the environmental costs associated with resource extraction, energy production, water use, or waste disposal without receiving comparable economic benefits from AI development.

As a result, AI-related risks now extend across climate resilience, supply-chain management, human rights, resource scarcity, and digital inclusion.

<http://esgnews.com/un-report-warns-ais-water-land-and-climate-costs-are-rising-faster-than-governance/>

AI FACTS AND TERMINOLOGY

1. **Linguistic annotation:** Tagging a dataset of sentences with the subject of each sentence, ready for some form of analysis or assessment. Common uses for linguistically annotated data include sentiment analysis and natural language processing.
2. **Natural language generation (NLG):** This refers to the process by which a machine turns structured data into text or speech that humans can understand. Essentially, NLG is concerned with what a machine writes or says as the end part of the communication process.
3. **Sentiment analysis:** The process of identifying and categorizing opinions in a piece of text, often with the goal of determining the writer's attitude towards something.
4. **Overfitting:** An important AI term, overfitting is a symptom of machine learning training in which an algorithm is only able to work on or identify specific examples present in the training data. A working model should be able to use the general trends behind the data to work on new examples.
5. **Big data:** Datasets that are too large or complex to be used by traditional data processing applications.



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