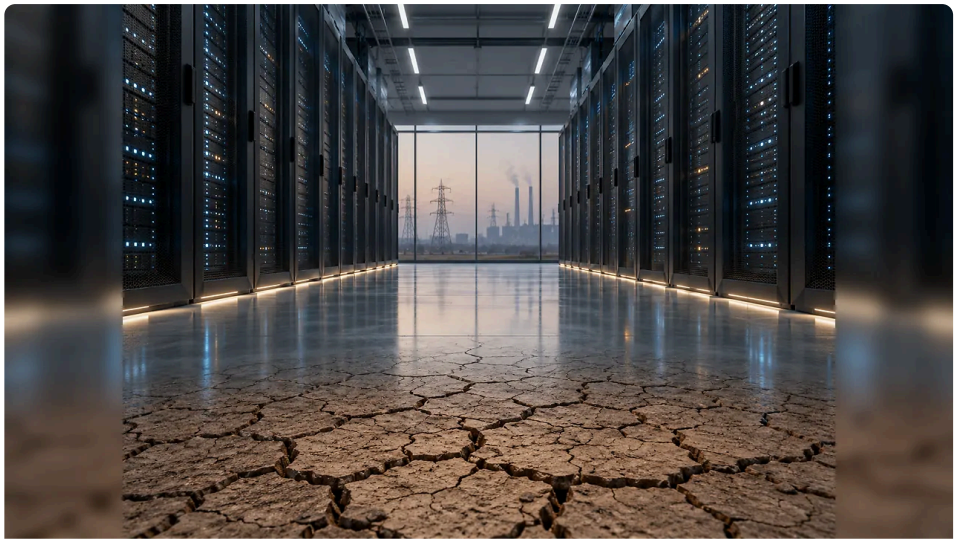
OPINION - INDIA

India's AI Race: What's behind the Data Centers?

Authored by: Acharya Prashant | Updated: Oct 31, 2026, 18:15 IST

India’s data-centre boom raises questions about environmental costs, public benefits and whether AI infrastructure is serving genuine human needs or amplifying endless consumption.



India’s data-centre boom raises questions about environmental costs, technological progress and the human desires driving the growing demand for AI.

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India is announcing data centres on a scale that would have been hard to imagine a few years ago. Every announcement arrives with impressive

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figures: thousands of crores, hundreds of megawatts, promises of jobs and a place in the global AI race.

The machines themselves keep getting bigger and more capable. In all the celebration, hardly anyone asks who will be setting these machines to work, or what they will be asked to do. If a confused person gets hold of a vastly more powerful instrument, does the instrument make him any wiser, or does his confusion simply acquire more power?

According to the government, India's installed data-centre capacity went from about 375 megawatts in 2020 to 1.57 gigawatts by August 2026. A study by the Council on Energy, Environment and Water projects 4.5 to 6.5 gigawatts by 2030. Those are projections and not finished facilities, but the scale of what is being planned is clear enough. India does need computing infrastructure, for medicine, research, education and public services, and there is no virtue in being technologically weak. A megawatt, though, only measures electrical capacity; it says nothing about the worth of the work that electricity will be consumed for. We calculate very diligently what the machines can do, and hardly look at the one who wants them to do it, or why.

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What the Cloud Costs

The word ‘cloud’ has helped hide something very physical. A data centre may have spotless corridors and neat rows of servers, and no smoking chimney anywhere. Its chips, though, come from mined minerals and elaborate manufacturing, and the building itself needs steel and concrete. The servers then need electricity and cooling for as long as they run, and replacing when they wear out. None of the pollution has to be visible at the gate. We have learnt to keep the chimney out of the photograph, and then we congratulate ourselves on how clean the photograph looks.

The International Energy Agency estimates that data centres worldwide consumed approximately 485 terawatt-hours of electricity in 2025, and its central projection comes close to 950 terawatt-hours by 2030. That covers all data centres, not only those built for AI, though electricity use by AI-focused facilities rose by about half in 2025 alone. Every unit of this power comes from a real grid, at a particular hour and in a particular place, and in India coal still supplies most of the electricity generated. Renewable-power contracts are useful. They cannot, however, establish that every hour of consumption is met by clean

electricity. The power is still being generated somewhere, and somebody is bearing the cost.

Water is another matter. Cooling systems vary a great deal, and some facilities use little water on site, but generating electricity and manufacturing chips also consume water. WRI India found that more than half of India's data centres are in water-stressed regions. A company may report what happens within its compound wall, but a river has no reason to recognise that wall.

In Thane, residents have challenged a proposed hyperscale data centre associated with approximately 422 megawatts of power demand and 193 standby diesel generators. The developer, Amazon Web Services, says the facility will not use water for cooling, and puts its total water use at 125,000 litres a day, most of it treated wastewater for landscaping. The residents are asking about infrastructure, noise and the costs to the local environment. The company's assurances should be heard, and then checked by someone independent.

Data centres in Ireland consumed 23 per cent of metered electricity in 2025, and the regulator now requires newly connecting facilities to meet at least

80 per cent of their annual demand through additional renewable generation in Ireland, subject to a transition period. India's circumstances are different; here data centres still account for a small share of national electricity use. But a national percentage can hide an enormous demand in one locality, and the people who bear those costs are not necessarily the ones who enjoy the benefits.

The Union Environment Ministry told Parliament in August that AI data centres do not automatically require environmental clearance under the 2006 notification. A project may instead need clearance if it qualifies as a sufficiently large building or development. So existing safeguards do apply. The size of a building, though, says very little about what the machines inside it will go on demanding for years.

In Visakhapatnam, a proposed data-centre park requiring 512 megawatts received environmental clearance under the building-and-construction category, and its project documents gave a projected water requirement of 307,000 litres a day. Yet, as the Andhra Pradesh government's affidavit explains, data-centre operations are not separately listed for appraisal under the notification. An assessment did take place, then;

the doubt is whether it properly captures the effects of industrial-scale computing long after the construction work is over.

Nor is the world outside a data centre an empty storehouse waiting for us to use it. A wetland has worth before any engineer finds a purpose for it, and the animals in a forest are not trespassers on land reserved for our convenience. Yet we take our own wants as beyond question and ask the rest of life to justify why it exists. We call a river a source of cooling water, and think that we have understood the river.

Where the Demand Comes From

We are repeatedly told that AI will satisfy human demand. Few people stop to ask where that demand is coming from. A hungry person needs food. The same person may keep eating when his body needs nothing more, because he is anxious or bored, or simply unwilling to face his own life. The market records both purchases as demand, and the figures never disclose which was nourishment and which was escape. Before we celebrate our capacity to fulfil desire, should we not ask who is doing the desiring?

By ego I do not mean ordinary vanity, but the centre in us that says ‘I’, takes itself to be its body, memories, position and possessions, and then tries to secure itself through the world. I tell myself I will be complete once I have more. Or once I am admired, or my side has won, or I am never again left alone with myself. One achievement follows another and the promised rest never comes, and instead of investigating why the promise keeps failing, I look for stronger means of fulfilling it. Nothing is wrong with achievement as such, only with expecting it to cure the insecurity of the achiever. Leave that insecurity unexamined long enough and it can grow into an entire economy.

Why does a person want another distraction the moment the previous one ends? Perhaps he wants relief from the very self that stays restless through every experience. He longs to be free of his burden. But instead of questioning the one who carries it, he buys another object to keep himself occupied, and the longing for freedom ends up producing more bondage.

Digital businesses have learned how profitable this insecurity can be. A service observes what excites or disturbs someone and what keeps him coming back, and then gives him more of the same. His

insecurity becomes data, and his compulsive returning, logged as engagement, turns into revenue. The business need not wish him any harm, but it may well earn more for as long as he stays unsatisfied. Stanford researchers studying X's personalised feed found that engagement-based ranking could amplify material at odds with the values users themselves had stated. We react to plenty of things we would never choose to live by.

AI can take this relationship much further. It can produce endless content fitted to one person's fears and fantasies, imitate companionship, and make persuasion more and more personal. So the machine may be doing more than obeying a desire already present; it may be helping to cultivate tomorrow's desire as well. We build an instrument out of our conditioning and then allow it to study that very conditioning and make it stronger. More engagement invites more computation, and the extra computation can make the next round of engagement still more precisely targeted. Some of the demand for these machines, in other words, is demand for the manufacture of more demand.

Our mechanical way of living did not begin with AI, though. Long before any machine could study our habits, we were obeying them. We wanted

what our neighbours wanted and feared what society had taught us to fear, and we called that obedience personal choice. The machine found us already living mechanically; it has only acquired the power to make that life run more efficiently. It can arrange the temptations as neatly as it likes. The responsibility to examine why I give in to them is still mine, and no machine can take it off my hands.

Someone may use educational software to understand a subject, or only to collect credentials and impress others. AI may improve public services, and a government may also use it to consolidate power and manage opinion. The name of an activity tells us little about where it comes from. The mind is a remarkable instrument, but it does not determine its own purpose, and once the ego has taken charge of it, the intellect can spend a lifetime finding ingenious ways to protect a foolish attachment. Intelligence can tell us how to accomplish a purpose. Whether the purpose deserves to be accomplished is something it cannot decide by itself.

The danger is not merely that AI might give us wrong answers; it may give us perfectly correct ones, which we then use to avoid changing our

lives. I can read an excellent explanation of consumerism, admire it, forward it to friends and go straight back to consuming. My information has increased. I am far less sure that my understanding has.

Efficiency cannot settle the matter either. A chip that needs half as much electricity for a calculation is a worthwhile piece of engineering. But if cheaper computation leads us to run several times as many calculations, total demand can still go up, and an endless appetite stays endless however efficiently it is fed.

Whose Progress Is Being Purchased?

Someone will say that India cannot afford to fall behind. That is a fair concern, since dependence on foreign-controlled technology can leave a nation vulnerable, and India needs scientific capability, technological independence and secure infrastructure. The IndiaAI initiative's effort to give researchers and startups affordable access to tens of thousands of GPUs is one meaningful step. But a country can host data centres without controlling the chips, models, platforms or commercial purposes that fill them. Hosting

someone else's computation does not, by itself, give a country any capability of its own.

The Union Budget for 2026-27 proposed a tax holiday until 2047 for eligible foreign companies offering global cloud services through Indian data centres, subject to conditions. Exporting computing services is legitimate business. But when the public provides concessions and infrastructure, it deserves an honest account of the costs and benefits: how many durable jobs remain once construction is over, how much indigenous capability is built, who pays for expanding the grid, and where the profits go. Someone should also tell us what we are choosing not to build when we choose this.

The purpose matters as much as the scale. A hospital and a platform selling personalised distraction can draw electricity from the same grid, and nobody would judge their work by their power bills. An investment may well be justified, but the justification has to be established rather than presumed. We should also be careful not to confuse competing wisely with competing compulsively. The neighbour buys a bigger car, and our perfectly satisfactory car suddenly looks small. Put a flag on the same anxiety and it begins

to sound like national policy. Reducing dependence is necessary, while outdoing a rival merely because he is ahead is only the bigger car all over again.

What the Power Is For

NITI Aayog's data-centre evaluation framework, released this October, asks states to assess grid readiness, cumulative power demand, basin-wide water stress, environmental effects and the public value of incentives, and recommends tracking resource commitments and measurable benefits after approval. All sensible. But the framework is advisory, and of fifteen state data-centre policy arrangements examined by CEEW, only five explicitly contained sustainability provisions. Five years after the inauguration photographs, who will check whether the promised jobs, safeguards and public benefits ever materialised? A framework proves its worth only when a failing project is actually changed or refused because of it.

Data centres should run on low-carbon electricity every hour, use little water, make their equipment last longer and leave less waste. They should also be required to keep transparent resource accounts, communities should be protected, and manipulative commercial practices restrained.

These things need doing. But even a data centre running entirely on clean power leaves us with the question of what that power serves. Cleaner engineering can reduce what our habits do to the planet, though the habits themselves stay exactly where they were.

No ministry should prescribe a citizen's desires. The inward work belongs to the individual, and no regulation can do it for him. Why do I demand another hour of stimulation? What am I trying to prove through the next achievement, and what is it that I am unwilling to face when silence comes? We can know our compulsions very well and still defend them. The seeing means something only when I am also willing to give up what I have seen to be false.

And that willingness has a price. A person may have to abandon a favourite distraction. For a company it may mean renouncing an easy source of profit, and a government may have to refuse a prestigious project whose costs outweigh its benefits. One cannot keep every indulgence intact and still demand freedom from the consequences. As the insistence on oneself begins to loosen, one's relationship with the world changes too; a river no longer has to justify itself through our thirst, and

an animal stops having to earn its right to live by being useful to us.

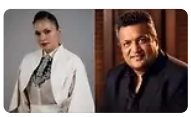
By all means, let India build powerful technology and put it to work for the sick, for students and scientists, and for anyone whose life it can improve. We should also demand honest accounts of its electricity, water and public costs. We speak anxiously of the day machines might escape human control, while we go on placing extraordinary computational power at the service of desires whose origins we have scarcely investigated. Before celebrating how intelligent our machines have become, we ought to find out who is giving them orders.

Acharya Prashant is a philosopher and author whose work centres on self-examination and its application to contemporary life.

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