



AI INFRASTRUCTURE CASE STUDY



INDIA — WATER STRESS AND AGRICULTURAL LAND CONFLICT

India is one of the fastest-growing data centre markets globally, with installed capacity nearly tripling from 520 MW in 2020 to 3.6 GW in 2024, making it the tenth largest hub. The government views investment as a way to make the country an indispensable part of the global AI boom, and has offered 20-year tax exemptions and subsidised land near technology parks. But this growth carries serious human rights costs.

Data centres consumed an estimated 150 billion litres of water in 2024–25, projected to rise to 358 billion litres by 2030 — and investment is concentrated in cities already experiencing water stress: Bengaluru, Chennai, Hyderabad, and Mumbai. In Hyderabad, Amazon is expanding operations in a region with a projected water deficit of 870 million litres per day by 2027. Amazon has reported that its Indian data centres use air-cooled chillers and consume no water for cooling, and that in 2025 it was 120% water positive across its India operations. The company has recently stated that its water conservation efforts in India have now made its operations 'water positive' and is now returning more water to local communities than it consumes. The company says it achieved its 2027 water positive target two years early.

S&P Global forecasts that 60–80% of India's data centres will face high water stress this decade. While it is true that many companies have become more efficient in the way they use water and reduced their dependency on water communities might use, producing electricity to run data centres uses significant amounts of water as well, increasing the industry's overall footprint.

Land conflicts are also documented and in litigation. In July 2023, 56 farmers filed a case before the Telangana High Court against Microsoft India, alleging illegal land occupation and industrial waste disposal. Resistance is growing. Farmers' exclusion from decisions over agricultural land converted for data centres is a recurring pattern. India's AI Governance Guidelines, published in 2025, rely on voluntary self-regulation with no binding environmental disclosure obligations.

The energy mix compounds the harm. A Guardian investigation revealed that two plants run by Tata Group and Adani were due to close as part of a government emissions push, but in late 2023 those decisions were reversed, citing data centre demand. Mumbai now hosts a significant amount of global data centre capacity yet one in five residents lives below the poverty line. The human cost falls on Mahul, an industrial neighbourhood whose residents — forcibly displaced from elsewhere in the city and placed without adequate civic facilities near refineries and chemical factories. The Tata plant contributes nearly a third of local PM2.5 pollution. Despite this, the Maharashtra government extended its life by five years. In July 2025, the Ministry of Environment exempted 78% of thermal power plants from mandatory pollution controls. Community protests have been ignored and a court directive on rehabilitation unimplemented.

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- [Scaling India's Data Centre Ecosystem: Stakeholder Perspectives on Infrastructure, Energy, and Resilience](#)
 - [What It Will Take for India's New AI Governance Guidelines to Work](#)
 - [India's Data Centre Market : A Strategic Analysis of Capacity Expansion, Investment, Economic Multipliers, and the Imperative for a Sustainable Energy Playbook](#)
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