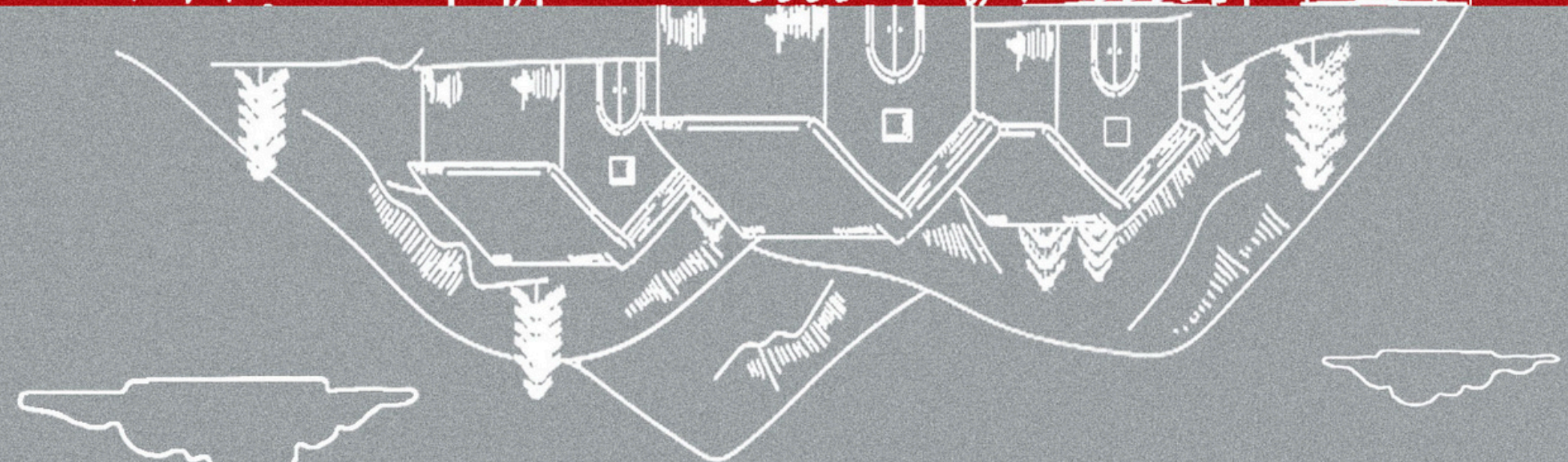


Citizen Jury

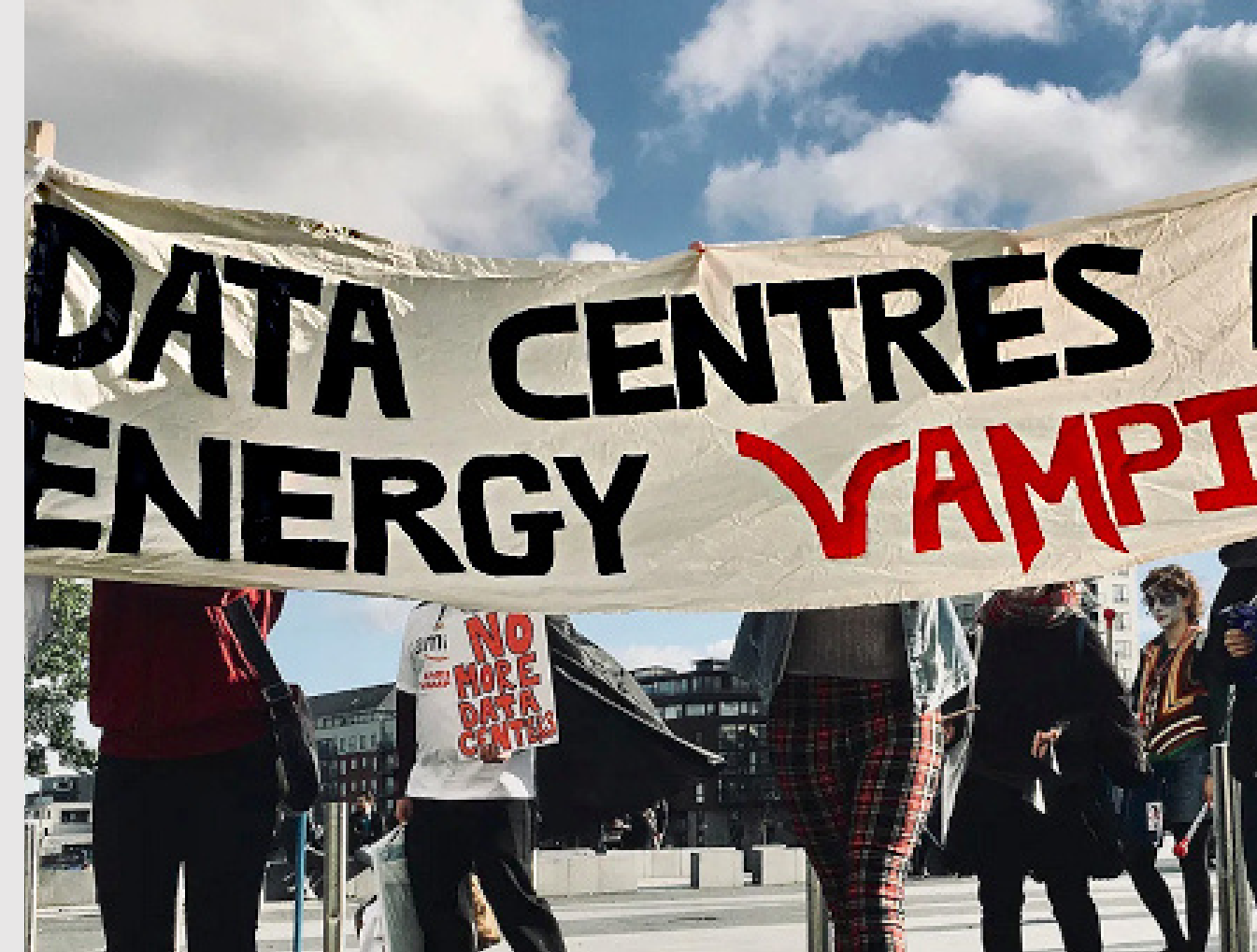
Just AI, Just Land: Implications of Data Centers on Communities and Rights-Based Data Governance

By Digital Empowerment Foundation



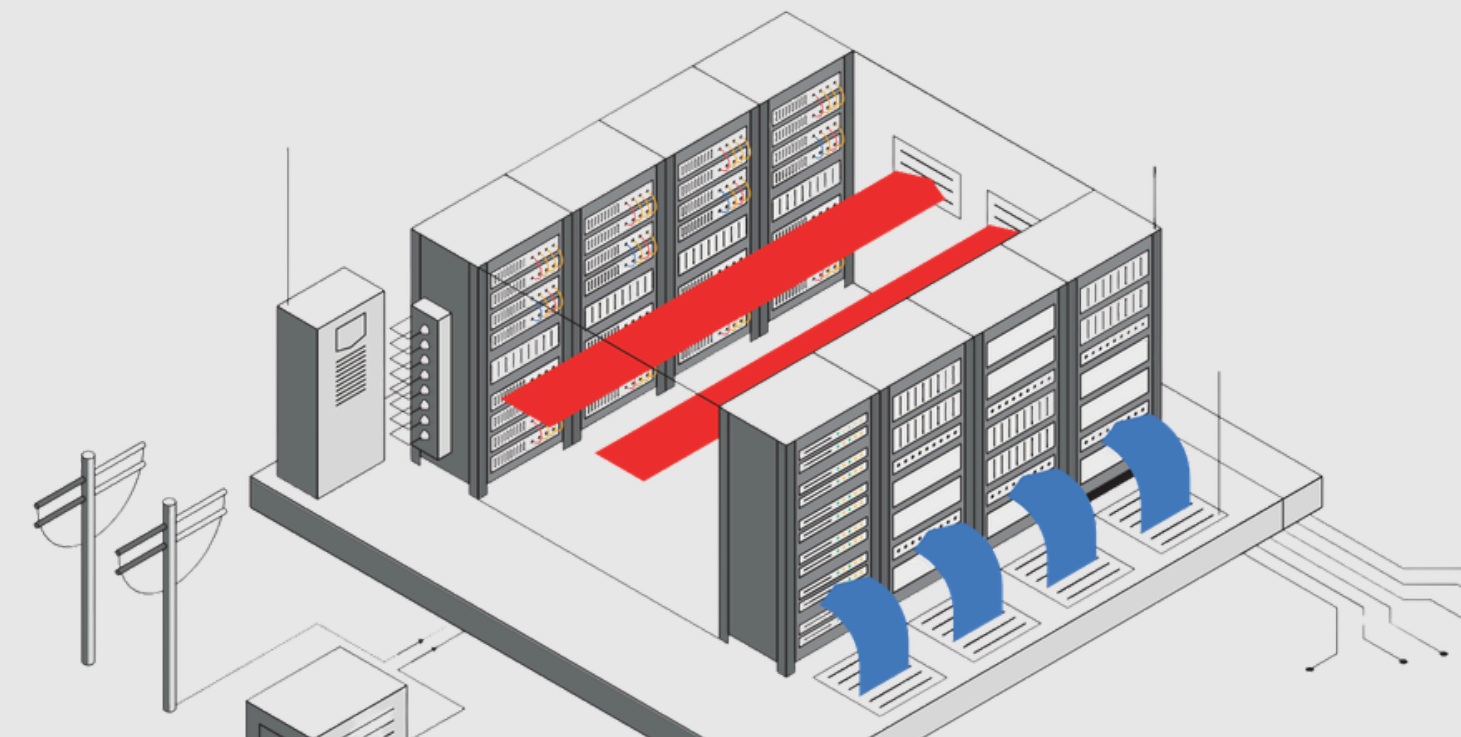
Why are we here?

We are witnessing a growing resistance to AI data centers worldwide, with communities protesting against their establishment. So much so, that slogans like #Notinmybackyard are raised constantly, arguing how construction or expansion of data centers will negatively impact the quality of life of local communities.



Why are the Data Centres Growing?

- **Global data generation is growing at an incredible rate, with data expected to reach around 400 zettabytes (ZB) by 2028, nearly 2.7 times more than in 2024 (IDC Research 2025).**
- This rapid growth is mainly due to the increasing reach of the internet, higher data consumption, and the adoption of AI and digital services. AI is becoming a key factor in this growth.
- **While Datacentres have always existed, the US - China has shaped its pace, scale, and infrastructure.**
- **Many countries are also linking the establishment of data centers to data sovereignty, security reasons, technological advancements, regional development and the creation of jobs etc.**



How Rapidly are they growing?

- Investment in the worldwide data center market reached \$61bn in 2025, and is projected to expand at a faster rate over the next five years than it did in the previous five years (S&P Global).
- The US prioritises AI calling it a resource that is important for undisputed technological dominance. China sees AI as a force to revolutionize productivity and society, and Russia believes that, *Whoever leads in AI will rule the world.*

What is the issue then?

Well, a standard AI data center typically consumes as much electricity as one hundred thousand households, while some ultra-large-scale centers may use 20 times that amount. In terms of water, 1 MW data center can use up to 25.5 lakh liters of water annually just for cooling – this is equivalent to the daily water consumption of approximately 300 thousand people.

Where are these resources coming from? Who pays for them?

Communities.

aws InCommunities



Introduction to the study

To zoom into some of these issues, and look at these questions from the community perspective:

We conducted a research study to understand the Socio-Environmental impacts of Data Centres in two villages of Telangana, where the big tech is building Datacentres in close proximity to local households.

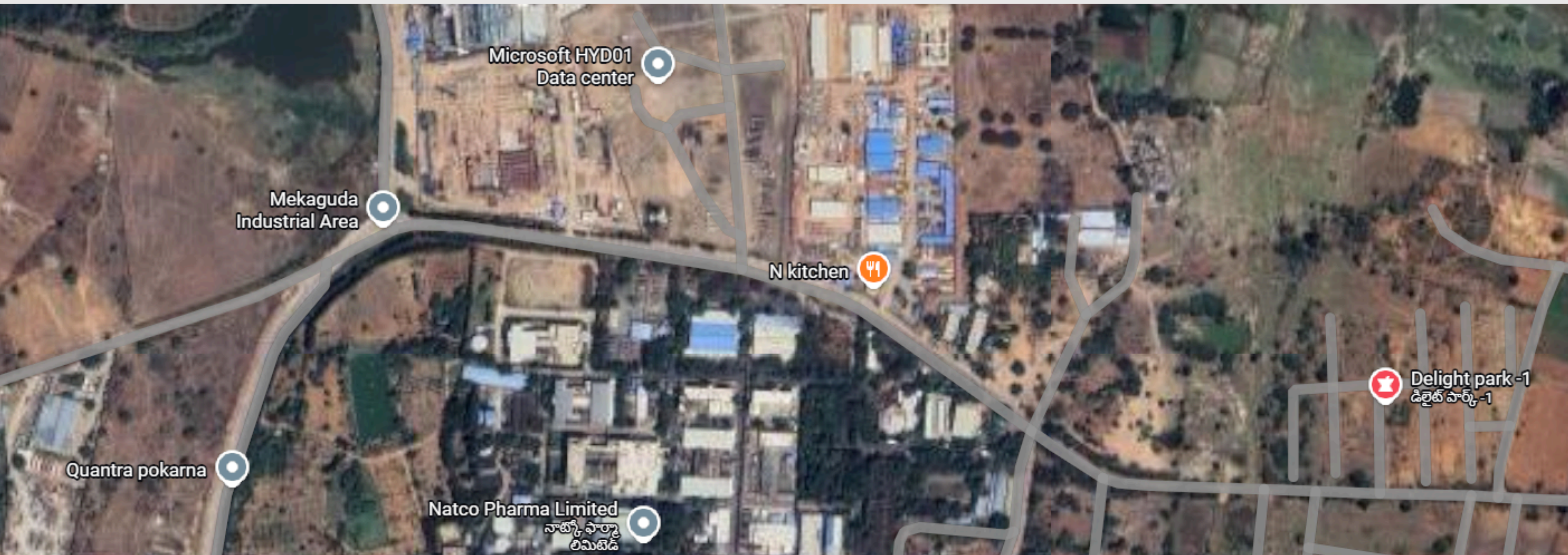
Begarikancha

Begarikancha is a village in Kandukur, Ranga Reddy district, Telangana. It is located near the hamlet of Vavillakunta Thanda and lies adjacent to an AWS data center.



Mekaguda

Mekaguda is a village in Rangareddy district, Hyderabad, with a population of approximately 2,703 as per the 2011 Census. The local community is largely dependent on dairy and agriculture. The village is located close to a major industrial hub, with large industries such as NATCO, Aerolite, and a Microsoft data center in the vicinity.



Objectives of the project

- Document the lived experiences and perspectives of communities impacted by AI data centres.
- Explore the broader policy ecosystem surrounding AI data centres.
- Build community capacity through citizen awareness toolkit and community workshops.



Research Question

How does the expansion of AI data centres affect the socio-environmental conditions of communities, particularly regarding the use of land, water, and electricity resources, and what are the resulting impacts on local livelihoods, as well as aspirations?

Methodology

The study employed a qualitative methodology, combining primary data from 10 key informant interviews and 6 focus group discussions across two field sites, with secondary research from reports, news outlets, policy documents, and government publications.



Who did we talk to?

We conducted interviews with local, national, and global experts, **including lawyers, agricultural experts, energy specialists, water experts, academicians, teachers, civil society organizations, data centre workers, and activists.**

Additionally, to gain a grounded understanding of the two selected locations, we held Focus Group Discussions (FGDs) with **ASHA workers, Panchayati Raj Institution members, and Farmers in both regions.**



The global approach so far

- **The European Union Energy Efficiency Directive (2023) requires energy and water reporting for data centers over 500 kW and waste heat recovery for facilities above 1 MW. It also encourages renewable energy use and efficiency improvements, supported by initiatives like the European Code of Conduct for Energy Efficiency and provisions in the EU AI Act.**
- Countries like Germany and Ireland are also imposing stricter rules on energy efficiency, renewables, waste heat, and grid connection.
- Asian economies are linking approvals to sustainability metrics. China's Green Data Centre Standards (2025) sets limits on cooling water-to-energy ratios, while Singapore and Malaysia have introduced rigorous performance standards linked to project approvals and incentives.
- U.S., regulation is fragmented, with limited federal mandates and greater reliance on state policies, utility interconnection rules, and local permitting processes.

The Indian approach

- **India generates nearly one-fifth of global data, but holds only ~1.2 per cent of global data centre capacity.**
- With growing digital footprint and volume of data, India's AI market is expected to reach USD 17-22 bn by 2027, double from 2023.
- Apart from investment flows, data security and sovereignty are also cited as main reasons.
- **For data security and compliance, and therefore India introduced the Digital Personal Data Protection (DPDP) Act in 2023, which emphasized the need for strong domestic infrastructure to support data protection.**
- **Other regulations also encourage this shift, such as the RBI's rule to store payment data in India, SEBI's requirement for regulated entities to keep data on Indian servers, and the draft National E-Commerce Policy, which suggests all data from Indian consumers, including IoT and platform data, should be stored locally.**





CAUTION
RESTRICTED AREA

**WORK
IN
PROGRESS**

CAUTION
SITE ENTRANCE

**UNAUTHORIZED
ENTRY
PROHIBITED**

MEN AT WORK

STOP
NO ENTRY

States	Land Subsidy	Stamp Duty Exemption	Building Fees Subsidy	Electricity Duty Waiver	Patent Filing Cost	Considered under Essential Services	Interest Subsidy	Other Subsidies/ Exemption	Other Incentives
Maharashtra	N/A*	Y* (100%)	N/A	Y (10 years)	N/A	Y	N/A	Exemption from octroi / Local Body Tax (LBT) / entry tax / escort tax	Power Tariff Subsidy
Telangana	Y	Y (100%)	Y (50%)	N/A	Y (up to INR 2 lakh)	Y	N/A	100% exemption from transfer duty and Registration fee.	Lease Rentals (25% for 3 years), exemption from Power Cuts, Inspections under Factories Act; Wages Act; Shops and Commercial Establishment Act
Gujrat	N/A	Y (100%)	N/A	Y (5 years)	Y (75%)	N/A	Y (up to INR 2 lakh per year)	Capital subsidy @ 25% of capital expenditure	Lease Rental Subsidy, Skill Certification Grant, Marketing & Product Development Assistance, Matching Equity Support
Odisha	Y (Linked with employee strength)	N/A	Y (50%)	Y (5 years)	Y (75%)	Y	Y (50%)	Internet Bandwidth Subsidy (50%),	Exemption from Odisha Shops and Commercial Establishment Act (section 9, 10, 11 and 23),

Uttar Pradesh	Y (Linked with location)	Y (100%)	N/A	Y (10 years)	N/A	N/A	N/A	Interest subsidy (up to INR 50 crore), Capital subsidy (7%), Transmission & Wheeling Charges (50% for 25 years)	Uninterrupted water supply, exemption from Inspections under Factories, Wages acts
West Bengal	N/A	Y (100%)	N/A	Y (5 years)	N/A	Y	N/A	N/A	Uninterrupted power, water supply & internet connectivity; special provisions in building norms.

What are the States doing?

As of March 2026, India currently hosts 278 data centres, with Mumbai (47), Chennai (34), Bangalore (31) and Hyderabad(29), leading the market (Data Centre Map).

Most of these cities, as we know experience resource strains such as water shortages, high real estate prices and power stress.



The Telangana approach

India also announced tax holidays for data centers until 2047. Several Indian states have made their respective data centre policies, including Telangana, being the first one to do so. As per the Telangana 2018 Data Centre Policy:

Non-Fiscal Incentives:

- Exempt from Telangana Pollution Control Act (except large IT parks).
- Exempt from statutory power cuts.
- Exempt from inspections under key labor laws (self-certification allowed).
- Permission for three-shift operations, including women working at night.
- Declared essential services under TS Essential Services Maintenance Act.

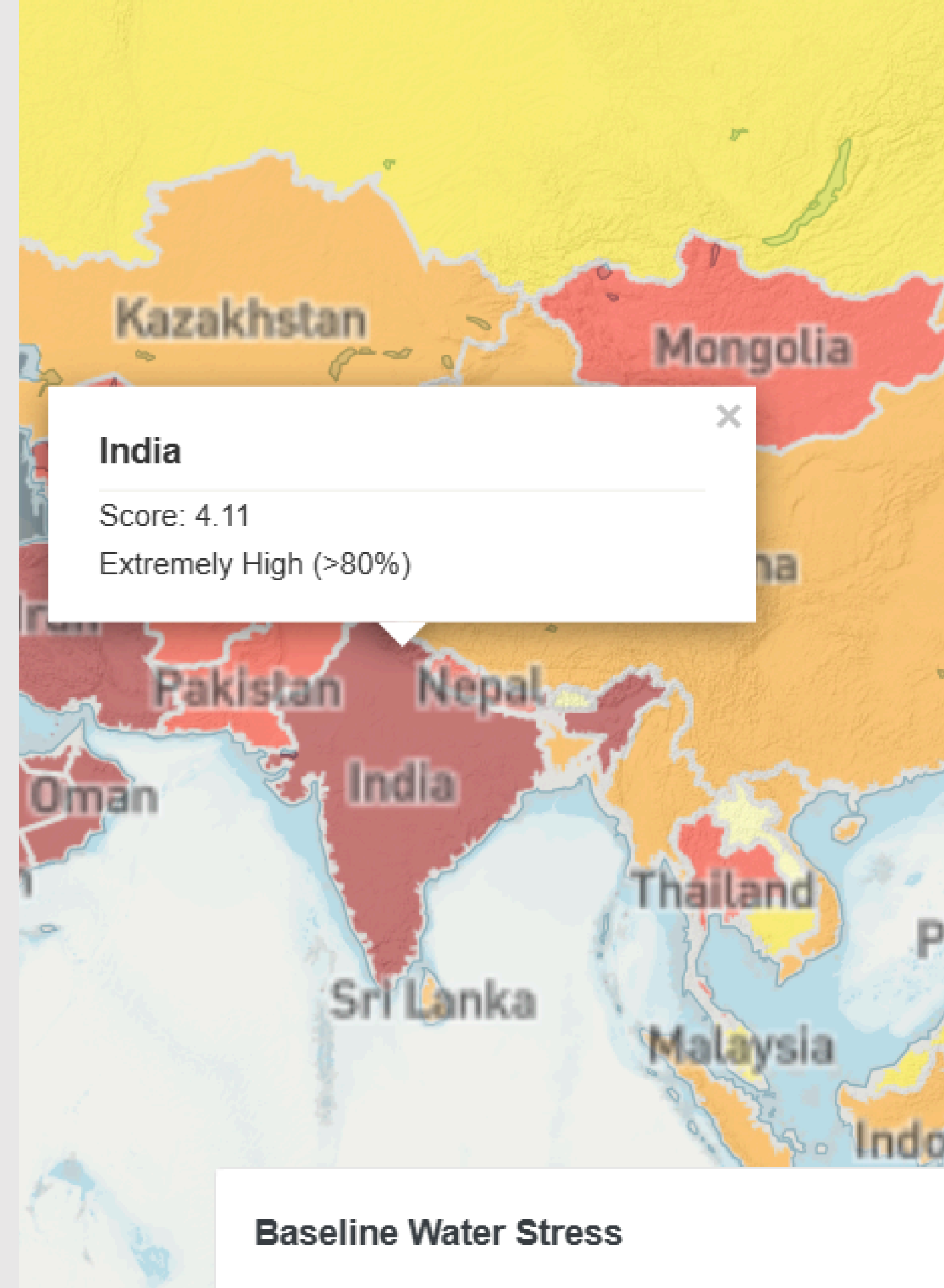
Fiscal Incentives:

- Building Fees: Up to 50% rebate.
- Land: Subsidized costs as decided by Consultative Committee on Information Technology Industry (CCITI).

Power & Energy

- Power Supply: Dual grid networks for uninterrupted electricity.
- Renewable Energy: Access up to 33% of RE power, said to expand to 100% by 2021.
- Subsidized Power: Provided at reduced rates.
- Fuel for Backup Generators: Supplied below market rates.

While these policies emphasize green energy and infrastructure, they fail to clarify how data centers will contribute to achieving broader sustainability and economic targets. Despite this lack of clarity, states continue to offer large incentives without addressing the long-term environmental and social impacts.



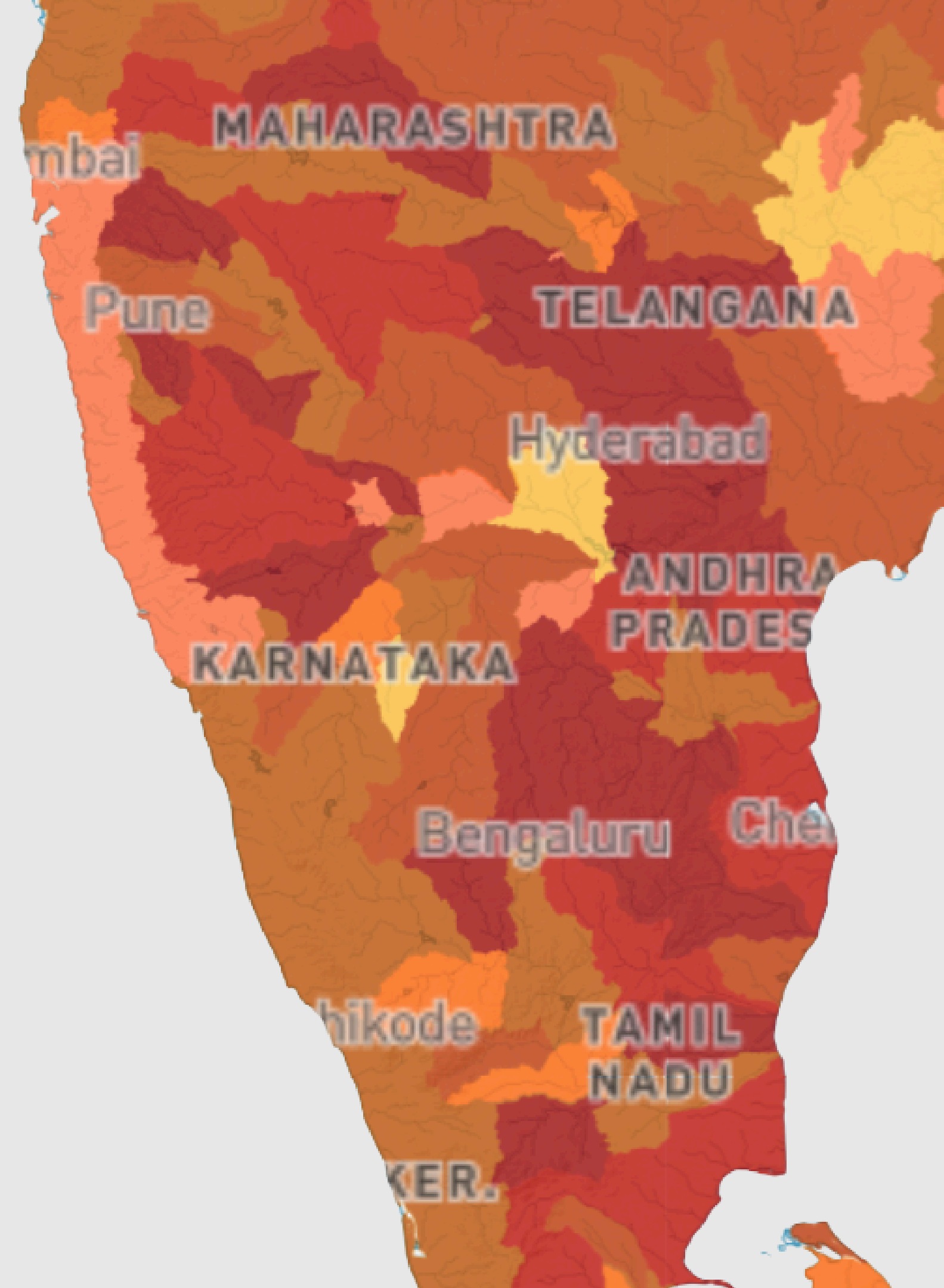
Baseline Water Stress



Key Takeaways from the Field

Water

- **Telangana is projected to face a “zero-day” water situation by 2034 (Rythu Commission), driven by rapid infrastructure growth, agricultural expansion, and unsustainable crop patterns.**
- **The state has already utilized ~65% of its groundwater resources, indicating high baseline stress.**
- Hyderabad, a top paddy-producing region, reflects water-intensive agricultural practices in an already stressed ecosystem. Leading to increased borewell drilling and rising dependence on the water tankers.
- Thus, Data centers, raises critical concerns about sustainability and regional water allocation.



- **Rangareddy district(Mekaguda) is witnessing significant groundwater depletion, with levels declining by ~1.47 meters in 2025.**
- While ground-level insights show no immediate water scarcity, supported by Mission Bhagiratha's assured daily supply. Local concerns about lake pollution exist, but attribution to data centers remains unclear due to the presence of other nearby industries.
- **The Telangana Data Center Policy (2018) does not address water sourcing constraints or groundwater impact, highlighting a key policy gap.**





“Departments pointed fingers at each other, with no clarity on who actually approves or tracks water use for data centers. I went to Udyog Mitra to understand about single window clearance in Bangalore. Even when they promised to share data, they never did, leaving the entire system of water allocation opaque and unaccounted for.”

-Rohini Krishnamurthy, Journalist, Down to Earth, talks about her experience with govt departments while reporting on AI Data Centres in India

Land

- Data center infrastructure does not operate in isolation; associated development (roads, expressways, agri-land conversion) is reshaping local land use and community dynamics.
- **Sharp land price escalation, with values increasing 5–6x in the last two years.**
- **Villages are increasingly being commodified and marketed (e.g., “walkable distance to 200 ft Future City road”).**
- **Land transactions have surged, ~₹5,000 per square foot(Meerkhanpet)**



- **Ground-level evidence shows rising legal contestation, with multiple petitions filed in the Telangana High Court against major data center projects (including AWS and Microsoft) by local residents and entities.**
- Land ownership complexities (patta vs. assigned land i.e lavani patta) are central to disputes, creating prolonged legal uncertainty for affected communities.
- Lack of clear resolution, compensation, and rehabilitation mechanisms is intensifying community grievances and delaying project legitimacy.

----- Forwarded message -----

From: **saitirumala 001** <saitirumala001@gmail.com>

Date: Mon, May 2, 2022, 12:36

Subject: M/s NATCO Pharma fraudulent sales causing environment and human rights violations cheated microsoft company false information

To: <satyan@microsoft.com>

Dear sir,

Please accept my hearty congratulations on being the CEO of Microsoft Corporation. I am very happy that the company has chosen our village to startup a database center here in Mekaguda village, Nandigama Mandal, Rangareddy District, Telangana State, India.

Let me introduce myself. I am Chintalapally Pandurangareddy sarpanch of Mekaguda village. I am reaching out about the land which your company purchased in our village.

Sir, let me tell you many things that the company deliberately hid factual information and the company has deceived you into buying lands by giving false information.

Brief facts about the lands as per the government revenue records and village map a Naksha road was going in survey number 856,858,883,884,882,881,880,892,897 it is clearly shown in the village map. village maps are prepared by the HEH Nizam government and they have been in official use since that time every citizen of the village has the right to access the road, i would say it is our natural right Now that roadway is completely occupied by the company and the same was sold to the company has gained crores of rupees by selling the said land to you.

The second thing is that M/s NATCO Pharma occupied the lake and laid a 12m width for a length of 400 meters of the road into the lake; it is totally against the settled laws.

Lakes and ponds are playing a key role in agriculture not only agriculture the impact on groundwater also, gradually water levels are reducing you can see most of the farmlands in India are under the basin of lakes here most of the farmers are small scale farmers and they cultivate the land on rent basis so they won't dare to put efforts like borewell, but digging wells might also because put them deep financial trouble that's why farmers depend on lakes. Now the lake lands were encroached by M/s Natco Pharma company and the same was sold to Microsoft.

The lands were sold to Microsoft through the occupied lake land which covers about 2 to 3 acres of land. The company earned crores of rupees by selling the lake land. The company has been plundering the natural resources of our region for its selfish purpose and making crores of rupees by selling them.

The encroachments were reported to the Government and the National Green Tribunal also. I hope the decision or result would be in our farmers' favor, Microsoft places a high priority on the environment and the rights of the

people. Also, there have been instances where Microsoft has been generous in many cases.

Sustainable economic growth is economic development that attempts to satisfy the needs of humans but in a manner that sustains natural resources and the environment for future generations not to collapse the nature system I, therefore, request the company please look into the matter and take necessary action. I hope Microsoft respects our rights.

I have sought a letter on this issue, soon you will receive the letter with all documents please give your feedback

Thanking you sir,

Yours faithfully
Chintalapally Pandurangareddy



It is SC & ST people who are mostly impacted by the land acquisition, as it them who had the assigned lands. 1 acre of land whose market price is 1 crore as per that area, only got 7.9 lakhs, now even if you take that money and want to buy property somewhere else- it will be more than 10 lakhs atleast. Because of this SC, ST, OBC people became a even more poor.

-Mr. Ramchandra, Secretary Member of Communist Party of India (Marxist), Ranga Reddy district, explaining which communities are the most impacted.

Power

- **Hyderabad has emerged as India's one of the top largest data center hub, with an installed capacity of ~859 MW in 2025.**
- Single-window clearances (TG iPASS), a Data center policy framework- dual power grid networks, subsidized electricity, and below-market fuel rates for backup systems.
- The government position to mitigate the grid pressure- green power purchase agreements with companies like Microsoft and Amazon, diesel backup systems and pilot hydrogen projects.



- **The sector is projected to grow at an annual rate of ~28% through 2031, indicating rapid scaling of energy demand.**
- Despite this expansion, ground-level observations show no reported increase in power shortages or outages in nearby communities.
- The absence of visible impact suggests either effective load management at present or a lag between infrastructure expansion and localized grid stress.
- However, communities have raised concerns over radiation from the nearby grids.



Livelihood and Aspirations

- **Job creation remains limited; for instance, large projects (e.g., Microsoft) are expected to generate only around 180 direct jobs.**
- Data centers are capital-intensive infrastructure with relatively low direct employment generation compared to sectors like manufacturing.
- Local communities often associate such infrastructure with significant employment opportunities, creating high expectations.
- A mismatch persists between local aspirations and actual job outcomes, leading to potential disillusionment.
- The gap is further widened by skill requirements, as most roles demand specialized technical expertise not readily available within local populations.





What have we done till now is agriculture. And then we are doing dairy. Somehow, we are surviving. But once we lose the land, for the next generation it is going to become difficult.

-A Farmer talking about livelihood concerns, Ranga Reddy district, Telangana

Recommendations

- **Limit Big Tech Subsidies:** Reduce or eliminate additional subsidies for large tech corporations operating data centers.
- **Transparent Resource Use:** Governments must disclose where and how resources (land, water, energy) are sourced to support AI/data centers in each region, set efficiency standards, especially in resource-stressed regions.
- **No Legal Exemptions:** No exemptions from labor laws, environmental regulations, or any other mandatory acts.
- **Risk Assessments:** Embed land-energy-water risk assessments into siting and authorization processes to align with local resources and environmental constraints.
- **Infrastructure for Sustainable Solutions:** Build necessary infrastructure needed for sustainable solutions to avoid delays in implementation.

Recommendations

- **Capacity Building for Government Departments:** Equip national, state, and regional departments (e.g., electricity boards, water boards) with knowledge on data center policies and provisions, enhancing their awareness, accountability, and responsiveness to citizens.
- **Unbiased Research & Sustainable Solutions:** Promote unbiased research on data center community impacts and incentivize the development of sustainable solutions.
- **Community Consultation:** Mandate consultation with local communities, stakeholders, and civil society organizations before introducing data centers in their neighborhoods.
- **Green Energy Mandate:** Mandate the use of green energy for data centers to reduce pollution and health hazards from fossil fuels.
- **Transparency :** Require data centers to report workforce size, job creation, and long-term contributions to the workforce
- **Mandatory Contributions to State Development:** Mandate data centers to contribute funds for local state development, similar to how mineral companies contribute to DMFT funds in India.

Larger Question

There is a rush to invest in data centres in India, which is driven by the push to expand AI across sectors. Unlike traditional datacenters that improved connectivity, the hyperscale facilities are for AI training and deployment as well. While the government is including AI across public systems, it is being treated as 'inherently beneficial' and it is self evident, however in reality, it enables surveillance and resource extraction.

AI is not inherently good, and it is necessary to step back, critically evaluate these technologies, and question whether they deserve such privileges at all.

Citizen Awareness Toolkit



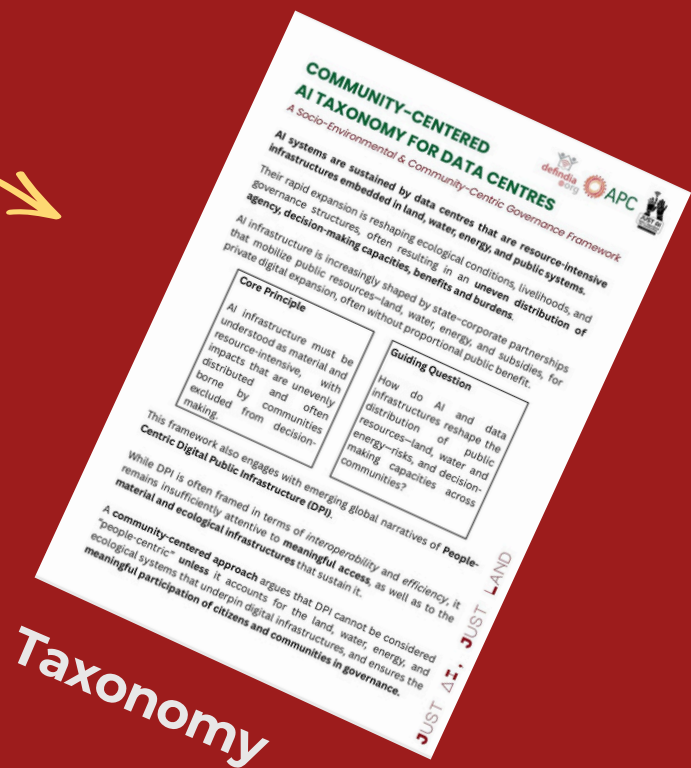
Module



Comic Postcards



Factsheets



Taxonomy



Scan the QR to access the Toolkit

Community Workshop



Thank you!