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## Odisha Sovereign AI Park: HCLTech and Sarvam AI Bet Rs 14,257 Crore on India's AI Stack

25 July 2026 ·

SCIENCE &amp; TECH ·

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# Odisha Sovereign AI Park: HCLTech and Sarvam AI Bet Rs 14,257 Crore on India's AI Stack

25 July 2026 · 5 min read ·

✓ Every fact web-verified against primary sources

*On , IT services major **HCLTech** signed a Memorandum of Understanding (MoU) with the **Government of Odisha** and the homegrown AI startup **Sarvam AI** to build its first dedicated **AI Data Centre**, with a planned capital outlay of about **Rs 14,257 crore (roughly USD 1.4 billion)**, at the upcoming **Odisha Sovereign AI Park**. A separate MoU covers a **Global Technology Centre** in Bhubaneswar. Together the projects are expected to create around **5,000 jobs**, with operations targeted by **2028**.*

## WHAT WAS ANNOUNCED

The AI Data Centre is designed to house large clusters of graphics processing units (GPUs) that train and run artificial intelligence models. HCLTech says the facility will pair its full-stack AI and engineering capabilities with **Sarvam AI's foundation models** to build sector-specific applications for enterprises and government bodies. Sarvam is one of the startups selected under the **IndiaAI Mission** to build a homegrown large language model tuned to Indian languages and contexts.

The project sits inside the proposed **Odisha Sovereign AI Park**, a state initiative to concentrate power, land, cooling and connectivity for compute-heavy AI infrastructure. The Government of Odisha is providing financial assistance as part of the Rs 14,257 crore outlay, reflecting intensifying **state-level competition** to host AI capacity.

## SOVEREIGN AI AND SOVEREIGN COMPUTE

The core idea behind the project is **sovereign AI**, which means a nation retaining control over the full AI stack: the **hardware** (chips and data centres), the **data** used for training, and the **models** themselves. **Sovereign compute** is the hardware layer of that stack, so that critical AI workloads for defence, health, governance and citizen data do not depend on servers or providers located outside national jurisdiction.

This matters because most frontier AI today runs on a handful of foreign hyperscale clouds. For a country of India's size, dependence on external compute raises questions of cost, data privacy, national security and **strategic autonomy**. A domestically located, Indian-operated data centre paired with an Indian foundation

model directly addresses that gap.

## THE INDIAAI MISSION BACKDROP

The announcement builds on the **IndiaAI Mission**, approved by the Union Cabinet in **March 2024** with an outlay of about **Rs 10,000 crore** over five years. Its centrepiece is a **common compute facility** that pools tens of thousands of GPUs and offers them to startups, researchers and public institutions at a heavily subsidised rate of roughly **Rs 65 per hour**, a fraction of global market prices.

| ELEMENT         | DETAIL                                        |
|-----------------|-----------------------------------------------|
| Investment      | About Rs 14,257 crore (about USD 1.4 billion) |
| Partners        | HCLTech, Sarvam AI, Government of Odisha      |
| Location        | Odisha Sovereign AI Park, Bhubaneswar         |
| Jobs            | About 5,000                                   |
| Timeline        | Operational by 2028                           |
| National anchor | IndiaAI Mission (2024, about Rs 10,000 crore) |

The IndiaAI Mission has seven pillars, including compute capacity, foundation models, datasets (the AIKosh platform), application development, future skills, startup financing and safe and trusted AI. Sarvam's foundation-model work falls squarely within this framework.

## DATA-CENTRE ECONOMICS

An AI data centre is far more demanding than a conventional one. The economics turn on four inputs.

- **Power:** GPU clusters draw enormous, continuous electricity; a stable, ideally green, grid is essential.
- **Water:** Large volumes are used for cooling, which raises sustainability questions in water-stressed regions.
- **Land and connectivity:** Cheap land near high-capacity fibre networks and internet exchange points lowers latency and cost.
- **Fiscal support:** Capital subsidies and power tariffs offered by states tilt investment decisions.

Odisha's pitch combines industrial land, coastal connectivity and state incentives, which is why it has emerged as a contender alongside Maharashtra, Tamil Nadu, Telangana and Uttar Pradesh in India's **data-centre boom**.

## LINKS TO CHIPS AND DATA PROTECTION

Sovereign compute is incomplete without domestic chips, which is where the **India Semiconductor Mission (ISM)** enters, having sanctioned fabrication and assembly units to reduce import dependence in the hardware layer. On the data side, the **Digital Personal Data Protection (DPDP) Act, 2023** governs how personal data is processed and permits the government to restrict cross-border transfers to notified countries. Locally hosted AI infrastructure makes compliance with such data rules far simpler, tying the Odisha project to India's wider digital-sovereignty agenda.

## UPSC RELEVANCE

**GS Paper 3:** Science and Technology, developments and their applications; awareness in the fields of IT and computers; the digital economy and infrastructure; [indigenisation](#) of technology.

### Prelims pointers:

- HCLTech, Sarvam AI and the Government of Odisha signed the MoU on **July 24, 2026**, at Bhubaneswar.
- Investment of about **Rs 14,257 crore (roughly USD 1.4 billion)** for the **Odisha Sovereign AI Park** data centre; about **5,000 jobs**; operational by **2028**.
- **IndiaAI Mission** was approved in **March 2024** with an outlay of about **Rs 10,000 crore**; common compute at roughly **Rs 65 per hour**.
- **Sovereign AI** covers control over hardware, data and models; the hardware layer is **sovereign compute**.
- Related frameworks: **India Semiconductor Mission** and the **DPDP Act, 2023**.

**Mains question:** "Sovereign compute is fast becoming as strategic as [energy security](#)." In light of India's push for domestically hosted AI data centres, examine the opportunities and the resource and governance challenges involved.

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A foundation model is a large AI model trained on broad data that can be adapted to many downstream tasks; Sarvam AI is building one for Indian languages under the IndiaAI Mission.

GPUs (graphics processing units) are the specialised chips that make large-scale AI training feasible.

AIKosh is the IndiaAI Mission's platform for curated datasets and AI resources.

India is among the fastest-growing data-centre markets in the world, driven by cheap data, rising cloud use and AI demand.

The DPDP Act, 2023 is India's first comprehensive personal data protection law and empowers the Centre to restrict data flows to certain countries.

*Sources: HCLTech press release "HCLTech announces AI Data Center in Bhubaneswar in partnership with Sarvam and Government of Odisha" (July 24, 2026); Business Standard; Dataquest India; IndiaAI Mission documents.*

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