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Mains Analysis: Anthropic IPO and the AI race – where India stands

Topics: Science and Technology – Artificial Intelligence, Technology Policy and Governance · GS-III · UPSC Mains Analysis



Faculty view: U. Shunmugam – Founder, Shanmugam IAS Academy (since 2006); faced the UPSC Civil Services (IAS) Interview

Key takeaways

- Anthropic priced its IPO at US$83 a share, raising about US$81.3 billion – the largest IPO on record – at a fully diluted valuation of about US$1.5 trillion; trading began on the Nasdaq on 19 November 2026.
- The listing shows that frontier AI is a race of capital and compute concentrated in a few firms. India's response: the IndiaAI Mission (₹10,371.92 crore, approved March 2024; 38,000+ GPUs at about ₹65 per GPU-hour by February 2026), the India AI Governance Guidelines (5 November 2025) and the AI Impact Summit in New Delhi (February 2026).
- India must build enough capacity to have real choices – shared compute, Indian-language data, risk-based sector rules, reskilling – and take clear positions in global AI rule-making. TN: Safe and Ethical AI Policy (2020). PYQ: Essay 2019.

The AI race after the Anthropic IPO: India's choices

GS-III

19 Nov 2026
Anthropic trades on Nasdaq; priced at US$83

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Scale
~US$81.3 bn raised – largest IPO; ~US$1.5 trn value

›

Race
Compute + capital + data concentrated in few firms

›

India
Build, govern and shape – not just use

IndiaAI Mission
₹10,371.92 cr (2024, 5 yrs) · 38,000+ GPUs at ~₹65/hr · AIKosh

Governance
Guidelines 5 Nov 2025: 7 sutras, 6 pillars · existing laws first

Diplomacy
AI Impact Summit, New Delhi, Feb 2026 · 92 endorse declaration

Next: more shared compute · Indian-language data · risk-based rules · reskilling · clear global voice

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Why in news

US artificial-intelligence company **Anthropic** listed its shares on the **Nasdaq** stock exchange, with trading beginning on **19 November 2026**. The shares were priced at **US$83** each, above the initial range of US$70–78, raising about **US$81.3 billion** – the largest initial public offering (IPO) on record – at a fully diluted valuation of about **US$1.5 trillion**.

The listing is more than a market event. It shows that frontier AI has become a race of capital and computing power in which a few firms, mostly in the United States and China, spend sums larger than the GDP of many countries. For India, the question is simple: will it only use and regulate AI made elsewhere, or will it also build, shape and govern it?

Background: how the AI race works

Driver	What it means
Compute	Training and running large models need tens of thousands of advanced chips (GPUs) and huge data centres. Chip design and supply are concentrated in a few countries and firms
Capital	Frontier labs raise money in the tens of billions; public listings like this one bring in even more, so the gap between leaders and the rest widens
Data and talent	Models are trained mostly on English-language internet data; researchers cluster where compute and funding are
Energy and water	The International Energy Agency's 2025 Energy and AI report projected data-centre electricity use to roughly double from about 415 TWh in 2024 to around 945 TWh by 2030; cooling also needs water
Rules	Countries are moving at different speeds – binding laws in some places, voluntary commitments in others; a UN Independent International Scientific Panel on AI and a Global Dialogue on AI Governance were set up in 2025

India's response so far

Step	Details
IndiaAI Mission (Cabinet approval, March 2024)	Outlay of **₹10,371.92 crore** over five years; seven pillars – compute capacity, innovation centre (foundation models), datasets platform (AIKosh), application development, FutureSkills, start-up financing, and safe and trusted AI
Shared compute	More than **38,000 GPUs** made available through the IndiaAI compute portal by February 2026, at a subsidised rate of about ₹65 per GPU-hour

Step	Details
India AI Governance Guidelines (5 November 2025)	Released under the IndiaAI Mission: seven guiding principles ("sutras") and six pillars; the approach is to use existing laws (IT Act, 2000; Digital Personal Data Protection Act, 2023) wherever possible rather than a separate AI law for now
AI Impact Summit (New Delhi, February 2026)	Held at Bharat Mandapam – the first in the global AI summit series hosted in the Global South; its declaration was endorsed by 92 countries and international organisations, and 13 leading model providers signed the New Delhi Frontier AI Impact Commitments
Summit diplomacy	India signed the Bletchley Declaration (UK, 2023) and co-chaired the AI Action Summit in Paris (February 2025) before hosting the 2026 summit

Analysis: why India cannot stay a bystander

Concern	Why it matters for India
Dependence	If key public services, finance and defence run on foreign models and foreign cloud, India's choices can be shaped by others' export rules, prices and outages
Concentration	A few firms controlling frontier models, chips and cloud can set terms for everyone else – a competition and fairness issue, not just a technology one
Jobs and the IT model	AI tools automate routine coding, testing and back-office work – the base of India's IT-services exports and of millions of white-collar jobs
Scale gap	IndiaAI's five-year outlay is small next to what single global firms raise and spend in a year; India must spend smartly – shared compute, open models, Indian-language data
Energy and water	Data-centre growth adds to power demand and water stress; it must be planned with renewable power and water-efficient cooling
Voice in rule-making	Global norms on frontier-AI safety, compute access and liability are being written now; a country that does not take clear positions will have to accept rules made by others

The core point: India's advantage is not money but scale of use – a large digital public infrastructure (Aadhaar, UPI), many languages, a big talent pool and a huge market. The aim should be to turn that into bargaining power: build enough capacity at home to have real choices, and speak clearly in global forums on safety, fairness and access.

Static syllabus link

- **GS-III:** awareness in the fields of IT, computers and robotics; indigenisation of technology; intellectual property rights; infrastructure (energy for data centres); effects of liberalisation and technology on jobs.
- **GS-II:** government policies and interventions (IndiaAI Mission); IT Act, 2000 and Digital Personal Data Protection Act, 2023; India's role in global forums (AI summits, G20, UN).
- **GS-IV:** ethics of AI – accountability, bias, transparency; corporate responsibility in a profit-driven race.
- **Essay:** "Whoever controls computing power controls the future" – examine.

Tamil Nadu angle

- Tamil Nadu released the **Tamil Nadu Safe and Ethical Artificial Intelligence Policy** in 2020 – among the first State AI policies in India – with a focus on transparency, accountability, fairness and safety in using AI in governance.
- Chennai's submarine-cable landing stations and power network make the State attractive for data centres; the 2019 Chennai water crisis is a reminder that data-centre cooling must be planned with water-efficient technology and renewable power.
- Tamil-language AI needs good Tamil datasets – government records, literature, classroom material and speech data in Tamil can feed national platforms like AIKosh, so that AI serves people who do not use English.
- With a large engineering and IT-services workforce in Chennai and Coimbatore, reskilling for AI-era jobs is a priority for the State.

> **Faculty view**
>
> Do not write this as a stock-market story. Use the IPO only as the hook, then move to the policy question: concentration of compute and capital, and what it means for India. A strong answer has three parts: (1) the facts – the scale of the listing and the race; (2) India's response – IndiaAI Mission numbers, governance guidelines, the New Delhi summit; (3) the gaps and a balanced way forward – neither "ban and fear" nor "anything goes". Mention jobs, energy and Indian languages; examiners like answers that connect technology to people.

Way forward

- **Scale shared compute:** expand the GPU pool steadily and give priority access to universities, public-interest projects and Indian-language models.
- **Data as a public good:** open, consent-based Indian-language datasets through AIKosh, with privacy protected under the DPDP Act.
- **Smart regulation:** sector regulators (RBI, SEBI, health and telecom authorities) to issue risk-based rules; incident reporting and testing for high-risk uses.
- **Competition safeguards:** watch for lock-in by a few cloud and model providers; promote interoperability and open models.

- **People first:** large-scale reskilling with industry, and social-security support for workers displaced by automation.
- **Clear global positions:** build on the New Delhi summit to push for fair access to compute, safety testing of frontier models and a voice for the Global South.

Glossary – Sovereign AI

A country's capacity to build, run and govern artificial intelligence with its own computing power, data, models and talent, under its own laws – so that critical services do not depend wholly on foreign companies or foreign decisions. It does **not** mean cutting off global technology; it means having enough capacity at home to choose. Its building blocks are **compute** (chips and data centres), **data** (including datasets in Indian languages), **models** (foundation models trained for local needs), **talent** and **rules**. India's IndiaAI Mission follows this logic: a shared GPU pool for researchers and start-ups, the AIKosh dataset platform and support for Indian foundation models.

Asked before in UPSC

1. "Rise of Artificial Intelligence: the threat of jobless future or better job opportunities through reskilling and upskilling" – Essay, 2019 (125 marks)

2. GS-III (2023) also asked how AI helps clinical diagnosis and whether it threatens privacy. UPSC has so far asked about uses and risks of AI; a question on concentration of AI power and India's strategy is a natural next step – keep the IndiaAI Mission numbers and the 2025 governance guidelines ready.

Mains practice question

"The concentration of capital and computing power in a few frontier AI firms poses strategic, economic and governance challenges for India." Discuss, and suggest the steps India should take. (15 marks, 250 words)

FAQ

Why is the Anthropic IPO in the news?

Anthropic priced its shares at US$83, raising about US$81.3 billion – the largest IPO on record – at a fully diluted valuation of about US$1.5 trillion; trading began on the Nasdaq on 19 November 2026. It shows how much capital the frontier-AI race now draws.

What is the IndiaAI Mission?

A national programme approved by the Union Cabinet in March 2024 with an outlay of ₹10,371.92 crore over five years. It has seven pillars, including shared compute, datasets (AIKosh), Indian foundation models, skills, start-up finance and safe and trusted AI. More than 38,000 GPUs were available on its compute portal by February 2026.

Does India have a separate law on AI?

No. The India AI Governance Guidelines released on 5 November 2025 set out seven principles and six

pillars, and prefer using existing laws such as the IT Act, 2000 and the Digital Personal Data Protection Act, 2023 wherever possible.

What was the AI Impact Summit 2026?

A global summit held at Bharat Mandapam, New Delhi, in February 2026 – the first of the AI summit series in the Global South. Its declaration was endorsed by 92 countries and international organisations.

What is sovereign AI?

A country's capacity to build, run and govern AI with its own compute, data, models, talent and laws, so that it is not wholly dependent on foreign providers. It does not mean cutting off global technology.

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