# Microsoft announces $3 billion investment to boost AI and cloud computing in India



Microsoft has announced an ambitious plan to invest USD 3 billion (approximately Rs 25,700 crore) to enhance its cloud computing and artificial intelligence (AI) capabilities in India, as stated by CEO Satya Nadella during a conference in Bengaluru on Tuesday. This initiative is expected to be the largest expansion of Microsoft’s presence in the country to date. The significant investment will include the establishment of new data centres over the next two years.

Addressing an audience of over 3,000 developers at a major exhibition venue in Bengaluru, Nadella highlighted the growing significance of AI in India. He remarked on the "exciting" diffusion rate of AI within the country, describing the current period as a "golden age for innovation." The company aims to not only expand its infrastructure but also pledges to train 10 million individuals in AI skills by 2030.

The tech landscape in India has attracted several global technology leaders, with Nadella joining a list of high-profile visitors, including Nvidia's Jensen Huang, AMD's Lia Su, and Yann LeCun from Meta, who have each recognised the country's potential as a key player in the global AI market.

In his role as a transformative leader at Microsoft, Nadella has shifted the company’s focus towards cloud computing and AI, steering it to become the second company globally to reach a market capitalisation of USD 3 trillion. Nadella underscored that Microsoft's ongoing operations are heavily supported by a substantial workforce of engineers based in India, suggesting a strategic alignment with the country’s burgeoning technological prowess.

In addition, during his discussions with India's Prime Minister Narendra Modi, Nadella expressed admiration for Modi's vision regarding AI initiatives in the nation. He noted the amalgamation of various factors such as governmental schemes, digital infrastructure, and the youthful demographic contributing to a positive economic cycle in India.

He proposed a novel perspective on infrastructure, stating, “With infrastructure, there's a new formula for any country or company. I think of that formula as tokens per dollar per watt.” This approach underscores the significance of AI efficiency, measuring the output of AI systems based on the economic resources and energy consumption required to operate them.

Currently, Microsoft counts an array of prominent clients in India, including Air India, PwC, and Biocon. The tech giant is actively engaging with around 800 clients across South Asia to enhance AI transformation, reporting a fivefold return on every dollar invested in generative AI. Approximately 70% of these clients have observed productivity improvements as a result.

In a dialogue with Nandan Nilekani, co-founder of Infosys, Nadella explored the pioneering potential of India as a leading use case for AI globally. Nilekani elaborated on India's unique capabilities, citing the country's experience in building scalable digital infrastructure and adaptability to emerging technologies. He provided the examples of Unified Payments Interface (UPI) adoption, highlighting the rapid growth of users and transactions.

Nadella also emphasized the complexities involved in change management within organisations, commenting on the challenges that leaders face when implementing new workflows necessitated by tools such as Microsoft Copilot.

With these initiatives, Microsoft is positioning itself at the forefront of the AI wave in India, recognising the country's expanding role in the global technology landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Corroborates Microsoft's USD 3 billion investment in India to enhance cloud computing and AI capabilities, as announced by CEO Satya Nadella.
* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Supports the information that this investment is the largest expansion of Microsoft’s presence in India and includes plans to train 10 million people in AI by 2030.
* <https://timesofindia.indiatimes.com/technology/tech-news/microsoft-buys-land-worth-rs-267-crore-to-build-data-centre-in-hyderabad/articleshow/109914436.cms> - Confirms Microsoft's plans to establish new data centres in India, specifically in Hyderabad, as part of their expansion.
* <https://w.media/is-microsoft-building-a-new-data-center-near-hyderabad/> - Provides additional details on Microsoft's acquisition of land in Hyderabad for building a new data centre.
* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Highlights Nadella's remarks on the 'exciting' diffusion rate of AI in India and the country's potential as a key player in the global AI market.
* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Mentions the recognition of India's potential by other global technology leaders like Nvidia's Jensen Huang, AMD's Lia Su, and Yann LeCun from Meta.
* <https://timesofindia.indiatimes.com/technology/tech-news/microsoft-buys-land-worth-rs-267-crore-to-build-data-centre-in-hyderabad/articleshow/109914436.cms> - Supports the information about Microsoft's ongoing operations being heavily supported by a substantial workforce of engineers based in India.
* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Corroborates Nadella's discussions with India's Prime Minister Narendra Modi and his admiration for Modi's vision on AI initiatives.
* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Explains Nadella's perspective on infrastructure and AI efficiency, including the 'tokens per dollar per watt' formula.
* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Details Microsoft's engagement with clients in India, including Air India, PwC, and Biocon, and the reported productivity improvements.
* <https://www.digitimes.com/news/a20250108VL201/microsoft-2024-investment-expansion-ceo.html> - Supports the dialogue between Nadella and Nandan Nilekani on India's unique capabilities and examples like UPI adoption.