

Microsoft to invest \$3bn in India, boost AI, cloud infra

Tech Giant To Add Data Centres Over 2 Years, Says Nadella

Veena Mani &
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Bengaluru: Microsoft CEO Satya Nadella announced plans to invest \$3 billion in India in cloud and AI infrastructure, including setting up new data centres over the next two years. He added the company is committed to training 10 million people with AI skills by 2030.

The \$3-billion additional investment in India, Nadella said, would represent the single-largest expansion into the region. "The diffusion rate of AI in India is exciting. This is the golden age for systems when it comes to innovation," he told a crowd of over 3,000 developers who had gathered to listen to him in a massive exhibition centre in Bengaluru on Tuesday.

In his nearly 11 years as CEO, Nadella has transformed Microsoft with his bets on cloud computing and AI, and the infusion of a culture of collaboration, enabling the pioneering computing

TO TRAIN 10MN IN AI SKILLS BY 2030

➤ \$3bn to expand cloud and AI infrastructure over the next two years

➤ Investment represents MS' largest regional expansion

➤ Tech giant to upskill 10mn people in AI skills by 2030

➤ Tokens per dollar per watt: a new measure of AI efficiency

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Satya Nadella | CEO, MICROSOFT



“I think India will be the use case capital of AI in the world. We have several things working for us. We have 15 years of experience in building population-scale digital infrastructure, which makes it cheaper and allows for high-volume, billions of transactions. We know that game well

Nandan Nilekani |
CO-FOUNDER & CHAIRMAN, INFOSYS



company to become the second in the world to touch \$3 trillion in market capitalisation (the first was Apple).

A lot of Microsoft's work is today driven by its vast base of engineers in India. The company also sees India as an increasingly attractive market. "I had a chance to meet PM Modi yesterday and it was fantastic. It's great to listen to his vision of how he wants to drive AI missions. It's the com-

bination of the yojanas (schemes), the India Stack, the entrepreneurial energy in this country, and the demographics on both the consumer and business sides that are all coming together in a virtuous cycle," Nadella said.

Nadella said infrastructure today needs to be thought of differently from the traditional ways. "With infrastructure, there's a new formula for any country or company. I

think of that formula as tokens per dollar per watt. Fundamentally, their (country or company) growth depends on how efficiently they can drive that equation," he said.

Tokens per dollar per watt is a measure of the efficiency of AI applications, essentially signifying how many tokens (units of information) can be generated per dollar spent on computing power, while also considering the energy consumption (measured in watts) required to produce those tokens. Essentially, it highlights the cost-effective and energy-efficient performance of an AI system.

This infra, Nadella said, needs to be the highest priority. And Microsoft, he said, is innovating in every layer of it. Microsoft, which counts Air India, PwC, and Biocon as customers in India, said it's copilotting South Asia's AI transformation with 800 customers and fivefold returns for every dollar the company invests in GenAI, with 70% of its clients seeing productivity benefits.