

Microsoft commits \$17.5bn to Indian cloud and AI over 2026 to 2029

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Our largest investment in Asia; comes on top of the earlier US \$3 billion investment

We will have the largest hyperscale presence in India with our new datacenter going live mid-2026

India's 310 million informal workers to benefit from Microsoft AI's integration into e-Shram and National Career Service (NCS) platforms

Doubling our skilling commitment to 20 million by 2030

India stands at a pivotal moment in its AI journey, one defined by impact at scale, determined to lead. As technology becomes a catalyst for inclusive growth and economic transformation, the country is emerging as a frontier AI nation. Against this backdrop of bold ambition and accelerating innovation, today we are announcing our largest investment in Asia — US\$17.5 billion over four years (CY 2026 to 2029) — to advance the country's cloud and artificial intelligence (AI) infrastructure, skilling and ongoing operations. This investment builds on the US\$3 billion investment announced earlier this year, which we are on track to spend by the end of CY2026.

Today's announcement follows Microsoft Chairman and CEO Satya Nadella's meeting with the Hon'ble Prime Minister of India, Narendra Modi, ahead of our India AI tour. In their meeting, both leaders discussed the country's AI roadmap and growth priorities. Microsoft's investment in India focuses on three pillars — scale, skills and sovereignty— aligned with the Prime Minister's vision of building a comprehensive ecosystem that drives AI innovation and access at a national scale.

Together, Microsoft and India are poised to set new benchmarks and drive the country's leap from digital public infrastructure to AI public infrastructure in the coming decade. We are shaping a future that is more equitable and uniquely Indian in its scale and impact.

Shri Ashwini Vaishnaw, Union Minister of Electronics & Information Technology said, "As AI reshapes the digital economy, India remains committed to innovation anchored in trust and sovereignty. Microsoft's landmark investment signals India's rise as a reliable technology partner for the world. This partnership will set new benchmarks and drive the country's leap from digital public infrastructure to AI public infrastructure."

Dr. Mansukh Mandaviya, Minister of Labour & Employment and Youth Affairs & Sports said, "India has achieved a historic milestone in social protection, with coverage rising from 19 percent in 2015 to an impressive 64.3 percent in 2025, benefiting over 94 crore citizens. By embedding AI into platforms like eShram and the National Career Service, we are fortifying social security and moving closer to our goal of social protection to 100 crore citizens. We welcome Microsoft's commitment to an AI-first future and to contribute towards enhancing social security for India. Furthermore, Microsoft's initiative to encourage its wider ecosystem of partners and customers to participate as job providers or stakeholders on the NCS portal reflects its deep commitment to strengthening its relationship with India and driving inclusive growth."

Satya Nadella, chairman and CEO, Microsoft, with Dr. Mansukh Mandaviya, Minister of Labour & Employment and Youth Affairs & Sports in New Delhi on December 10, 2025

Puneet Chandok, President, Microsoft India and South Asia, said, "Microsoft has been part of India's fabric for more than three decades. As the nation moves confidently into its AI-first future, we are proud to stand as a trusted partner in advancing the infrastructure, innovation and opportunity that can power a billion dreams. Building on the US\$3 billion investment announced in January 2025, our new US\$17.5 billion commitment and deep partnership across India's technology ecosystem are focused on turning India's AI ambition into impact for every citizen. This transformation is anchored on three pillars: hyperscale infrastructure to run AI at scale,

sovereign-ready solutions that ensure trust, and skilling programs that empower every Indian to not just join the future but shape it.”

Our new investment will be used to continue to scale our cloud and AI infrastructure, skilling initiatives and ongoing operations across India. This includes our workforce of more than 22,000 employees across Bengaluru, Hyderabad, Pune, Gurugram, Noida and other cities — representing the diversity of Microsoft’s businesses. They drive every part of our product cycle, from model development to engineering and product innovation. Their work contributes to innovation across Microsoft’s AI stack — from infrastructure to app platforms to products — while operating hyperscale datacenters and delivering sales and support to customers nationwide. These teams are not only powering India’s digital transformation but also delivering AI impact at scale globally —Copilot Studio, Azure AI Search, AI agents, AI speech and translation, Azure Machine Learning and more. Every day, they collaborate closely with India’s leading enterprises, developers and institutions to unlock the promise of AI for the country.

INDIA’S AI INFRASTRUCTURE BACKBONE

One of the key priorities of our investment is building secure, sovereign-ready hyperscale infrastructure to enable AI adoption in India. At the heart of this effort is the significant progress being made at the India South Central cloud region, based in Hyderabad – that is set to go live in mid-2026. This will be our largest hyperscale region in India, comprising three availability zones — roughly equivalent in size to two Eden Gardens stadiums combined.

We will also continue to expand our three existing operational data center regions in Chennai, Hyderabad and Pune. This expansion provides organizations across India greater choice and resilience, enabling low-latency, mission-critical performance for enterprises, startups, and public sector institutions.

AI DIFFUSION AT POPULATION SCALE

Microsoft chairman and CEO, Satya Nadella on stage to deliver a keynote in New Delhi. Microsoft today announced its collaboration with the Ministry of Labour & Employment to integrate AI into National Career Service (NCS) and eShram platforms, benefiting over 310 million informal workers.

We also announced today our efforts to integrate advanced AI capabilities into two key digital public platforms of the Ministry of Labour and Employment — e-Shram and the National Career Service (NCS). The initiative aims to extend the benefits of AI to more than 310 million informal workers. Built on Microsoft Azure’s secure and scalable cloud infrastructure, e-Shram connects workers to 18 welfare schemes and has contributed to expanding India’s social protection coverage from 24% in 2019 to 64% in 2025 (ILO estimates).

With Azure OpenAI Service, both e-Shram and NCS now offer enhanced features such as multilingual access, AI-assisted job matching, predictive analytics for skill and demand trends, automated resumé creation, and personalized pathways toward formal employment. This collaboration marks a steady step forward in applying AI at population scale, strengthening India’s digital public infrastructure and enhancing the accessibility and effectiveness of employment and social protection services.

BUILDING AI-READY WORKFORCE

Microsoft chairman and CEO, Satya Nadella on stage to deliver a keynote in New Delhi, where he announced Microsoft’s doubling its skilling commitment in India, from 10 million to 20 million by 2030.

India’s AI journey depends on empowering skilled talent . For this, we are doubling our commitment of January 2025 to equip 20 million Indians with essential AI skills by 2030, working with government, industry, and digital public platforms to ensure equitable access to opportunity.

Through our ADVANTA(I)GE India initiative, executed by Microsoft Elevate , we have already trained 5.6 million people since January 2025 —well ahead of the original goal of training 10 million by 2030. These programs aren’t just about learning—they are creating real economic impact , having enabled over 125,000 individuals with jobs or entrepreneurial opportunities.

DIGITAL SOVEREIGNTY SOLUTIONS FOR INDIA

Today, Microsoft is introducing Sovereign Public Cloud and Sovereign Private Cloud for Indian customers . With Sovereign Public Cloud now available in India, organizations can leverage a prescriptive architecture for deploying workloads in Azure with built-in compliance guardrails using Sovereign Landing Zones, do policy enforcement, and apply governance controls. Sovereign Public Cloud is now available from Microsoft’s Indian regions, while Sovereign Private Cloud, powered by Azure Local, will support both connected and disconnected operations in

customers or our partner's datacenters.

Azure Local now offers hundreds of node scale, external SAN storage integration, and the latest NVIDIA GPUs, enabling high-performance, secure, and compliant environments. In addition, Microsoft 365 Local which runs on Sovereign Private Cloud, powered by Azure Local, is also available to Indian customers. As digital sovereignty becomes a top priority for Indian enterprises navigating complex regulatory landscapes, we are driving India's sovereignty agenda with integrated solutions and investments, while empowering organizations to architect secure, compliant environments for the AI era.

In addition, as announced recently, Microsoft 365 Copilot will offer in-country data processing in India by end of 2025 —making India one of the top four global markets to receive this capability. This means that Copilot prompts and responses, under normal operations, will be processed fully within India's borders, strengthening governance, compliance, and performance across regulated sectors including government, BFSI, and healthcare.

Today's announcements reflect our continued commitment to India aboutbuilding an ecosystem that drives innovation, trust and opportunity for all. By expanding hyperscale infrastructure, embedding AI into national platforms, and advancing workforce readiness, India is positioned to lead the world in the AI era—powered by scale, skilling, and sovereignty.

Top image: Satya Nadella, chairman and CEO, Microsoft, in conversation with Prime Minister Narendra Modi in New Delhi on December 9, 2025.

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