

India must do frontier work in AI: Nadella

MoS Prasada flags fake videos, says won't wait to bring legislation

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Microsoft Chairman and CEO Satya Nadella on Wednesday made a case for India to undertake frontier research in artificial intelligence (AI), emphasising the nation's strong mathematical talent base. Addressing concerns about job losses due to AI, Nadella said such fears are overstated, as the technology will create new opportunities.

Union Minister of State for Electronics and Information Technology, Jitin Prasada, who joined a fireside chat with Nadella here, cautioned about AI's risks, including fake content, but stressed the government's commitment to balancing innovation and regulation. "If the challenges become bigger, the government will

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AI CHIP MISSTEPS WEIGH ON SAMSUNG'S EARNINGS IN Q4



not hesitate to come out with new legislation," he said. Microsoft India President Puneet Chandhok was also part of the discussion.

Addressing a question about the ongoing debate in India on whether the country should invest in frontier

AI research—a high-stakes endeavour—or leave it to global tech giants to drive innovation, Nadella praised the country's mathematical talent and academic prowess. "There is no reason why India cannot do frontier work," said the Hyderabad-born business

leader. "For example, I don't think the last known big breakthrough in the AI frontier has happened. As I always say, we are just one mathematical breakthrough away from the entire edifice being thrown out, and we will go for something else. India has the maths talent, academic institutions, and research institutions to do the next big thing."

Nadella tackled a pressing question on many minds: Will AI take away jobs? "In 2000, there were four million call centre employees; now there are 17 million — it has quadrupled," he pointed out, looking to debunk the fears of mass unemployment. "To some degree the labour slump fallacy did not come true. We have a billion software developers, so the question is what will happen to their but when we look at the tech depth — the number of apps not built, the number of companies not served — there is more elasticity than a billion developers and one has to think about it."

Will ensure unintended consequences of AI don't outweigh benefits, says Nadella

The fireside chat also delved into whether India should build its own AI foundational model using indigenous datasets.

Nadella, responding to a question by Abhishek Singh, additional secretary, Ministry of Electronics and Information Technology (Meity), acknowledged the enormous costs involved but suggested a way forward through efficiency.

“The main barrier is capital investment, and you can spend billions. Another way is to look at whether you can be compute-efficient. So, if last year your run rate was \$10 billion, we will do it at \$1 billion now with research. You would have changed the game,” he said.

MoS Prasada, however, injected a note of caution. He reminded the audience of the darker side of AI, citing the example of fake videos of the home minister that went viral during the Lok Sabha elections.

“Right now, we are pro-innovation, and the current laws and guidelines we have are more about self-regulation, where companies like Microsoft come in based

on trust. But I must tell you, if the challenges become bigger, the government will not hesitate to come out with new legislation,” he warned.

In response, Nadella stressed Microsoft's commitment to responsible AI development. “We have taken on responsibility on our own to ensure that the unintended consequences do not outweigh the benefits of AI, and that is why we are focusing on capability and providing guarantees of safety, security, and privacy. Trust cannot be claimed; it has to be earned,” he stated.

On the business front, Microsoft announced a series of AI partnerships with Indian firms, including Apollo Hospitals, Bajaj Finserv, Mahindra Group, upGrad, and RailTel. The tech giant also revealed plans to invest \$3 billion in expanding its Azure cloud infrastructure in India over the next two years. Additionally, in collaboration with Meity, Microsoft will train 500,000 students and teachers in AI by 2026, focusing on rural areas.