

Artificial Intelligence in the Growth of Business Sector Infrastructure in India

*Dr. S. Meenakshi,
Assistant Professor,
PG Department of Computer Applications,
SRM Institute of Science and Technology,
Ramapuram Campus, Chennai.*

The revolution in Artificial Intelligence is not only transforming technology but also attracting significant investment, bringing economic outcomes to the Indian business sector. Microsoft, Google and Amazon are the top corporations who are ready to invest huge sum of money in multiples of billion dollars. Intel has the intention to assist the Indian major Tata group in semiconductor manufacturing plans. Meta is planning a data centre project in India linked to its ‘Project Waterworth,’ a subsea cable system intended to connect the United States, India, Brazil, and South Africa by 2030. It indicates that these big corporations look at India from another angle. So far India is considered as a market for their products and services; but now they consider India as an important location to develop AI infrastructure such as data centres.

Cloud computing is in the agenda for Amazon. Thereby it believes that there will be an increase in the job opportunities in India. When it is executed it will come close to the achievements of Flipkart, Blinkit, Instamart, Zepto and Meesho. In the recent announcement made by the Microsoft Chairman Satya Nadella, there is an assurance that the company’s new data centre will become active in the middle of 2026. It will benefit nearly 300 million informal workers from Microsoft’s AI’s integration into e-Shram and National Career Service(NCS) platforms. In the case of Apple, India is manufacturing nearly 20% of its iPhones. The forward looking policies of the government will also help the increase in the amount of investments.

Artificial Intelligence (AI) is rapidly transforming the Indian business sector by improving efficiency, decision-making, and customer engagement. Indian companies across industries are adopting AI-based tools to remain competitive in a digital economy. MNCs and global investors are increasingly looking to India as an AI hub — not just a low-cost services base but a strategic innovation centre. Companies are reshaping investments, business models, and

global delivery through AI and related technologies. MNCs continue to expand operations and investment commitments in India, often linked to digital and AI-driven initiatives. Large multinational and technology firms (tech and non-tech alike) see India as an attractive destination for scaling digital and AI capabilities. Domestic investment into AI-related infrastructure (e.g., AI-ready data centres) signals confidence in long-term digital transformation, which entices MNC partnerships and capital flow.

Why this matters because MNCs aren't just outsourcing — they're building innovation hubs, R&D centres and AI capability centres in India, contributing to local jobs, tech exports, and the broader ecosystem.

Indian Businesses are investing in AI; MNCs join or lead

India's own enterprises are rapidly integrating AI technologies, often in collaboration with global partners.

A large majority of Indian firms are investing in AI or expect positive returns from it within three years — demonstrating strong market demand and potential for global players to partner or acquire local capabilities. Indian businesses are investing ahead of global averages in AI infrastructure, talent, and software — making India a more attractive and sophisticated market for MNCs. Surveys show that AI is moving beyond pilots to actual business use cases across sectors like operations, customer service, and finance — areas where global companies often co-innovate or provide solutions.

The implication is that this broad adoption strengthens India's position in the global AI value chain and attracts further foreign investment in technology and services.

AI Influences MNC Strategic Presence and Global Capability Centres

Global Capability Centres (GCCs) — regional offices of multinationals focused on R&D, innovation, and shared services — are increasingly AI-centric: Over half of GCCs in India are currently investing in advanced AI (agentic and generative AI) and many have dedicated innovation teams. GCCs leveraging India's AI talent are not just delivering to India but contributing to global decision-making and innovation within parent firms. The effect is that this strengthens India's role within MNCs' global operations, helping shift higher-value work — not just call centres or low-cost deliveries — to the Indian ecosystem.

Direct Examples of AI-Linked MNC Investment Initiatives

While specific new AI investment dollar figures by MNCs into India may vary, the trend is clear: Major global firms like Microsoft, Google, and AWS have articulated strategic AI commitments and partnerships in India. These include partnerships on AI-first transformations and digital skilling programs. Some reports also note large foreign investments related to AI infrastructure development in India (e.g., Google's AI hub investment), which reinforces India as an AI investment destination.

Broader Economic Impact

AI's contribution to India's economy goes beyond technology firms:

Studies project AI's potential to add hundreds of billions of dollars to India's GDP by transforming key industries such as healthcare, finance, retail, manufacturing, and logistics. With a rapidly growing AI talent base and digital adoption, India represents a scalable market for AI products and services, which in turn attracts MNC market entry, partnerships, and investments.

Key AI Hubs & Strategic Centers in India

1. Visakhapatnam — Google's \$15 B AI Hub

Google announced a \$15 billion AI hub and data-centre campus in Visakhapatnam, Andhra Pradesh. It is important because this will be one of Google's largest global investments and a central node in its AI infrastructure, with gigawatt-scale compute and subsea connectivity for global services. Its impact will position India as a strategic AI innovation and data centre location — creating jobs, boosting digital infrastructure, and attracting global tech investment.

2. Bengaluru — India's Tech & Multinational AI Hub

Its role as a long time established city as India's leading tech ecosystem — home to global R&D centres, AI start ups, and GCCs (Global Capability Centres) for companies like Microsoft, Amazon, SAP, Chevron, and more.

It is recognized among top global AI hubs with a *massive AI talent pool* of over 1 million+ professionals. There is GCC concentration: A major base for strategic AI and innovation

work for MNCs. Also there is AI research prominence: ranked as one of the world's top AI hubs in reports due to deep research and start up density.

3. Hyderabad — SaaS & AI Innovation Hub

It is rising as a strong *start up ecosystem* with AI and SaaS ventures, supported by: Machine Learning & AI Technology Hub (MATH) at *T-Hub* incubating scores of AI start ups. MNC presence and expanding data centres (e.g., Microsoft's AI-focused campuses and AWS expansion) supporting advanced AI R&D. Edge: Lower costs and strong innovation support make Hyderabad a key location for *global AI operations*.

4. Mumbai — Emerging AI & Start up Ecosystem

It indicates that a strong commercial and start up ecosystem predicted to produce 100+ AI-driven unicorns by 2035, attracting \$450 billion+ FDI and training millions of AI professionals — fuelling AI research and business innovation.

5. Kolkata – Bengal Silicon Valley Tech Hub

The focus is a large *technology and R&D park* with investments in AI, data centres, e-commerce, and telecom, set to create significant employment and innovation output by 2025.

MNC-Led & Collaborative AI Centres

Global Capability Centres (GCCs) with AI Focus

Many MNCs have expanded their India GCCs to include AI development, advanced analytics, product engineering, and strategic innovation — not mere back-office roles. The *insurance leader “The Standard”* launched its India AI hub for insurance tech innovation in Bengaluru & Pune. Chevron expanded its *Engineering & Innovation Excellence Centre* in Bengaluru to deploy digital and AI capabilities to global operations. Daikin set up a GCC with AI and digital services focus in India with EY.

Government-Backed AI Hubs & Ecosystems

Beyond large corporate hubs, there are public-private AI ecosystems growing across India: AI Centres of Excellence (CoEs) in healthcare, agriculture, education, smart cities supported by *IndiaAI* and government missions. Partnerships like Microsoft + IndiaAI are creating *AI Catalysts* and Productivity Labs to spread AI skills nationwide.

Why These Hubs Matter for MNC Investment

Talent concentration: Cities like Bengaluru and Hyderabad provide a deep pool of AI researchers, data scientists, and engineers that MNCs actively recruit and invest in. Strategic R&D: Major players co-locate R&D, product development, and innovation labs here — not just support functions. Infrastructure: Global AI hubs require robust data centres, cloud infrastructure, and energy — a reason Google’s Visakhapatnam investment is transformational. Ecosystem strength: Government programs and partnerships with corporations amplify start up growth and foreign investment, forging a *virtuous innovation cycle*.

Conclusion

AI today is a central factor shaping Indian business strategy and multinational investment decisions. India is not only adopting AI domestically at high rates but also attracting global capital and innovation initiatives due to its large talent pool, market potential, and expanding digital capabilities.