

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 867
TO BE ANSWERED ON: 06.02.2026

PROMOTION AND REGULATION OF AI-BASED STARTUPS

867. SHRI A. A. RAHIM:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Ministry maintains data on the number of Artificial intelligence (AI)-based Startups registered, incubated or funded in the country during the last five years, year-wise and State-wise;
- (b) the number of such Startups that have sought or received formal approval, certification or advisory clearance from Government or any designated authority;
- (c) whether the Ministry has assessed the existing regulatory framework for AI technologies and identified gaps in oversight, risk management and accountability for AI systems deployed by Startups; and
- (d) whether Government proposes to introduce a comprehensive regulatory mechanism to ensure responsible and ethical development and use of AI technologies?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (d): The Government, under the Startup India Mission, has recognized 5,392 startups in the Artificial Intelligence (AI) space.

Government has undertaken the following initiatives and measures to promote technology-led startups and innovation ecosystem in the electronics and ICT domains including AI domain in the country:

1. IndiaAI Mission

In March 2024, Government of India approved the IndiaAI Mission with the aim to build a precise and cohesive strategy for the AI ecosystem catalyzing AI innovation through strategic programs and partnerships across the public and private sectors.

Seven pillars of IndiaAI mission are as follows: IndiaAI Compute, IndiaAI FutureSkills, IndiaAI Startup Financing, IndiaAI Innovation Centre, IndiaAI Datasets Platform, IndiaAI Applications Development Initiative and Safe & Trusted AI. Startups are being supported through building Foundation Models, AI Applications, innovation and applied research under IndiaAI Mission.

(i) IndiaAI Applications Development Initiative: IndiaAI Innovation challenge was launched on 13th August 2024 for the themes of healthcare, agriculture, improved governance,

climate change & disaster management and assistive technologies for learning disabilities. The Innovation Challenge was open to Indian innovators, startups, non-profits, students, academic/R&D organizations and companies. Out of the total 900 applications received, 30 AI solutions have been shortlisted for the next stage across three stages of maturity: Idea, Prototype, and Existing Solutions.

(ii) IndiaAI Startup Financing: IndiaAI Startup Financing pillar is to provide support to AI startups at all stages. In collaboration with STATION F and HEC Paris, IndiaAI Mission has launched an acceleration program for Indian AI startups. This four-month immersive program at one of the largest startup campuses is envisaged to provide access to mentorship, networking and global market expansion opportunities in Europe. Out of the total 143 applications, 10 AI startups were participated in the acceleration program.

(iii) IndiaAI Foundation Model: The IndiaAI Foundation Model pillar aims to catalyze AI development by supporting 15 to 20 AI-startups in developing India-centric LLMs and SLMs. These startups would receive full compute usage and additional funding covering up to 25% of compute expenditure. As on date, 12 proposals have been selected to develop India's foundation models viz. Sarvam AI, Soket AI, Gnani AI and Gan AI (4 in the first phase) while Avatar AI, IIT Bombay Consortium (BharatGen), GenLoop, Zentiq, Intellihealth, Shodh AI, Fractal Analytics Ltd. and Tech Mahindra Maker's Lab (8 in the second phase).

2. Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme: Government has initiated Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme with an aim to promote tech-based entrepreneurship through financial and technical support to incubators. The scheme had provisions to support 51 incubators in institutes of higher learning and premier R&D organizations pan India to support approximately 2000 tech start-ups. Till now, total of 46 AI startups have been supported under the scheme.

3. Startup India Seed Fund Scheme (SISFS): Under Startup India initiative, Startup India Seed Fund Scheme (SISFS) provides financial assistance to seed stage startups through incubators. SISFS is implemented from 1st April 2021. Supported incubators under the Scheme have approved funds of around Rs 590.93 Crore to 3,271 startups as on 31st December 2025. Of this, Rs. 30.07 Crore have been approved to 177 startups in AI industry as on 31st December 2025.

The India AI Governance Guidelines were released on November 5, 2025. The guidelines propose a robust governance framework to foster cutting-edge innovation and, safely develop and deploy AI for all while mitigating risks to individuals and society. The goal is to encourage innovation and adoption, while protecting individuals and society from the risk of harm caused by the development or use of AI. The framework comprises four key components:

- Seven guiding principles (Sutras) for ethical and responsible AI.
- Key recommendations across six pillars of AI governance.
- An action plan mapped to short, medium, and long-term timelines.
- Practical guidelines for industry, developers and regulators to ensure transparent and accountable AI deployment
