

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2301
TO BE ANSWERED ON: 07.08.2026

ASSESSMENT OF CHALLENGES AFFECTING INDIA'S AI ECOSYSTEM

2301. DR. SYED NASEER HUSSAIN:

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

- (a) whether the Ministry has undertaken any assessment of challenges affecting India's Artificial Intelligence (AI) ecosystem, including shortages of specialised AI talent, limited access to advanced compute infrastructure and dependence on imported Graphic Processing Units (GPUs);
- (b) whether Government has examined the impact of large-scale AI data centres on electricity demand water usage and environmental sustainability; and
- (c) the steps taken by the Government to prevent AI researchers and startups from moving abroad due to lack of funding, research infrastructure or better opportunities?

ANSWER

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

(a): India's AI policy is based on Prime Minister Narendra Modi's vision of democratizing technology. It is aimed at creating economic opportunities and employment for youth, while addressing risks associated with AI.

India's AI strategy builds on India's vibrant IT sector with annual revenue of 300 billion dollars and 60 Lakh strong workforce. IndiaAI Mission has seven pillars including development of AI models, applications, datasets, talent development and affordable compute.

Talent development:

- As per the Stanford Global AI Vibrancy Report 2025, India is ranked 3rd globally in AI competitiveness and ecosystem vibrancy. Also, India is the world's second-largest contributor to GitHub AI projects, reflecting its vast pool of skilled AI talent.
- 686 fellowships have been awarded across undergraduate, postgraduate and doctoral programmes in 178 institutions under the IndiaAI Fellowship scheme, against a scheme design of 500 PhD, 5,000 postgraduate and 8,000 undergraduate fellowships.
- 27 India Data and AI Labs have been established, with 543 further Labs approved for establishment across ITIs and Polytechnics in Tier-2 and Tier-3 cities.
- The YUVA AI for All programme has been completed by over 26.5 lakh individuals.

Compute infrastructure:

- Compute resources are made available to startups, MSMEs, researchers, academic institutions, students and Government entities at subsidized rates of up to 40% through

the IndiaAI Compute Portal (<https://compute.indiaai.gov.in>), with 15 Compute Service Providers empanelled and approximately 93.18 lakh GPU hours sanctioned to 237 approved end-users.

- A High-Performance AI Compute System of approximately 1.1 EFLOPS is being established at the NIC Data Centre, Shastri Park, Delhi, to further strengthen India's sovereign AI infrastructure.

India's compute ecosystem draws on globally sourced GPUs and other AI hardware procured by empanelled Compute Service Providers, consistent with prevailing international supply chains for high-end AI hardware. India has joined the Pax Silica coalition to strengthen international cooperation on semiconductor and AI hardware supply chains.

(b): Data centres are an important and integral component of the Digital Infrastructure ecosystem. The Data Centre industry in India has been growing at a steady pace, with installed capacity increasing from 375 MW in 2020 to about 1575 MW currently. The rapid growth of AI and high-performance computing is driving increasing demand for data centre capacity in the country.

- The Government of India is promoting renewable energy through the Green Energy Open Access Rules, Green Energy Corridor Scheme, Green Term Ahead Market (GTAM), National Green Hydrogen Mission, National Programme on High Efficiency Solar PV Modules, Offshore Wind VGF Scheme and Solar Park Scheme.
- The Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act has been enacted to strengthen reliable clean power for emerging sectors such as AI and data centres, including through Small Modular and Micro Nuclear Reactors.
- **Bureau of Indian Standards (BIS)**, through technical committee LITD 31 (Cloud Computing, IT & Data Centres), has published a series of Indian Standards on Power Usage Effectiveness, Carbon Usage Effectiveness (CUE), Cooling Efficiency Ratio (CER) and Water Usage Effectiveness (WUE) for data centres.
- **The Bureau of Energy Efficiency (BEE)** has notified the Energy Conservation Building Code (ECBC 2017) and the Energy Conservation & Sustainable Building Code (ECSBC 2024), prescribing energy efficiency and water conservation norms for buildings, including provisions relevant to data centres.
- The water requirement of data centres depends on the type of cooling technologies deployed. Regulation and control of groundwater extraction, including for industrial purposes, is governed by the guidelines issued by the Ministry of Jal Shakti.

(c): The Government supports AI researchers and startups within the country through the following measures:

- IndiaAI Startup Financing pillar aims to support startups throughout the startup lifecycle, bridging funding gaps from the initial prototyping stage through to commercialization.
- A scheme for establishment of 58 AI Centres of Excellence (AI-CoEs) across States and Union Territories has been approved, of which 22 AI-CoEs have been approved and initiated across 13 States/UTs, in collaboration with State/UT Governments and industry partners.

- The IndiaAI Fellowship scheme supports undergraduate, postgraduate and doctoral scholars pursuing AI research in the country, with 686 fellowships awarded to date across 178 institutions.
- Subsidized access to compute infrastructure is provided through the IndiaAI Compute Portal, reducing the cost of research and product development for startups and researchers.
- Through the IndiaAI Application Development Initiative, 11 national-level hackathons and innovation challenges provide pathways from ideation to pilot deployment and scale for AI solutions developed in the country.
- India hosted the India-AI Impact Summit 2026 in New Delhi from 16th to 21st February 2026, positioning India as a global hub for AI innovation, governance and partnership. The Summit Declaration was endorsed by 92 countries and international organizations.
