AI BASED STARTUPS IN TIER-2 AND TIER-3 CITIES

5227. SHRI SAGAR ESHWAR KHANDRE:

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

(a) whether the Government has any schemes to support AI-based startups in tier-2 and tier-3 cities; and

(b) if so, the details of such schemes including financial assistance, incubation support and project facilitation?

ANSWER

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

(a) and (b): The Government of India emphasizes the concept of **'AI for All**,' aligning with the Hon'ble Prime Minister's vision to democratise use of technology. Government is committed to harnessing the power of Artificial Intelligence (AI) for the good of our people in sectors like healthcare, agriculture and education while mitigating risks associated with AI deployment.

Government has undertaken few initiatives and measures to promote a technology-led startups and innovation ecosystem in the electronics and ICT domains in Tier-2 and Tier-3 cities including AI domain in the country. Major initiatives have been elucidated here:

GENESIS (Gen-Next Support for Innovative Startups): Government has initiated the 'Gen-Next Support for Innovative Startups (GENESIS)' Scheme with the aim to strengthen the startup ecosystem in Tier-2 and Tier-3 cities across India with an outlay of Rs. 490 Crore over period of five years. The scheme envisages scaling up about 1,600 technology startups, to discover, nurture and grow technology startups.

Government has established 24 CoEs at Software Technology Park of India, an autonomous society under Ministry of Electronics and IT focused on various emerging technologies & sectors and also implementing **Next generation Incubation Scheme (NGIS) from 12 Tier-2 locations** across the nation. Through these initiatives, 360 degree support is provided to entrepreneurs in order to develop their ideas into innovative products. This support is in the form of Mentoring, Networking, Funding, Access to Investor Community, IPR facilitation, Market Connect, showcasing opportunities at various platforms/events nationally & internationally along with world class plug-n-play infrastructure and domain specific lab support. Total **458 AI startups** have been supported through 24 CoEs and NGIS. Also, **104 AI**

startups are supported by the scheme/CoEs where there is a provision of seed funding, detailed as below:

- Under **NGIS, 38 startups** have been supported through seed funding support of upto ₹ 25 lacs each.
- Under **IMAGE CoE, 17 startups** are working in the field of AI/ using AI in other verticals such as Gaming, Animation, VFX, Computer Vision & AI at Hyderabad. The CoE has a seed fund provisioned up to Rs. 5 Lakhs to the startups in the focussed domain.
- In **OCTANE, 39 startups** have been supported through a cluster of 8 CoEs is in the North-East in the domain of AI, from which CoE on Data Analytics, and AI is at Agartala. The seed fund provision available to startups is up to ₹ 25 Lakhs to the startups.
- In **Emerging Technology CoE, 10 startups** have been supported at Bhubaneswar based on AI. There is a seed fund provision available of up to ₹ 2 Lakhs to the startups in the focussed domain.

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 **21 AI startups** have been supported under the scheme.

In order to promote adoption of AI in the country, Union Cabinet led by Hon'ble Prime Minister has approved the **IndiaAI Mission** on 7th March 2024, a strategic initiative to establish a robust and inclusive AI ecosystem that aligns with the country's development goals. This mission is driven by a vision to position India as a global leader in artificial intelligence by focusing on seven foundational pillars: 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 for **building Foundation Models, AI Applications and Safe & Trusted tools under IndiaAI Mission**.

IndiaAI Applications Development Initiative:
- IndiaAI Application Development Initiative aims to develop, scale, and promote the adoption of impactful AI solutions to effectively tackle significant problem statements.
- 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. A total of 900 applications have been received across the five focus areas by the deadline of 30th September. Following a rigorous evaluation process, **30 AI solutions have been shortlisted** for the next stage across three stages of maturity: Idea, Prototype, and Existing Solutions. The AI solutions at **idea stage have been supported by Rs. 5 Lakh** and the

solutions at **prototype & solution stage have been supported by Rs. 25 Lakh**. The details of shortlisted AI solutions are given at Appendix I.

- CyberGuard AI Hackathon was launched on 17th October 2024 for Cybercrime prevention in collaboration with the Indian Cybercrime Coordination Centre (I4C) and in response 263 responses have been received. Shortlisted 20 teams participated in 3 days hackathon and currently, top 3 teams are being evaluated.

Safe & Trusted AI:

- This pillar enables the implementation of Responsible AI projects including the development of indigenous tools and frameworks, self-assessment checklists for innovators, and other guidelines and governance frameworks. In this regard, **eight Responsible AI Projects** have been selected to address the need for robust guardrails to ensure the responsible development, deployment, and adoption of AI technologies. The projects cover a range of critical themes, including Machine Unlearning, Synthetic Data Generation, AI Bias Mitigation, Ethical AI Frameworks, Privacy-Enhancing Tools, Explainable AI, AI Governance Testing, and Algorithm Auditing Tools. The details of the selected projects are given at Appendix II.
- **Expressions of Interest** has been invited for responsible AI projects in the themes such as Watermarking & Labelling, Ethical AI Frameworks, AI Risk Assessment & Management, Stress Testing Tools, and Deepfake Detection Tools to ensure the responsible development, deployment, and adoption of AI technologies. A total of **420 proposals** have been received.

IndiaAI Innovation Centre:

- IndiaAI Innovation Centre aims to develop and deploy indigenous Large Multimodal Models (LMMs) trained on India-specific data
- A **Call for Proposals** has been launched on 30th January, 2025 under this pillar to support the development of foundational AI models, inviting startups, researchers, and entrepreneurs to collaborate on creating state-of-the-art AI models using Indian datasets. This initiative aims to establish indigenous AI models, which can be Large Multimodal Models, Large Language Models (LLM), or Small Language Models (SLM), to address India-specific challenges across various sectors. A total of **187 proposals** aimed at building India's foundation models, with contributions from both established startups and new teams of researchers & academia have been received till March 15.

IndiaAI Startup Financing:

- IndiaAI Startup Financing pillar is to provide support to AI startups at all stages. Multiple rounds of stakeholder consultations have been held to deliberate on the scheme for supporting AI Startups at Pre-Seed, Seed and Growth stage.
- In collaboration with STATION F and HEC Paris, the IndiaAI Mission has launched an **acceleration program** for Indian AI startups. This four-month immersive program (1 month online, 3 months onsite at STATION F in Paris) at the world's largest startup campus will provide 10 selected AI startups with access to mentorship, networking, and global market expansion opportunities in Europe. A total of **143 applications** have been received from Indian startups for participation in the acceleration program.

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The details of shortlisted AI solution under IndiaAI Application Development Initiative are as under:

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
1	Promoting regenerative agriculture practices for a sustainable future using AI	In-house developed MRV (Measurement, Reporting, and Verification) technology designed to ensure the integrity and quality of generated carbon credits.	Solution	Varaha ClimateAG Private Limited	Agriculture
2	Krishi Sah'AI'yak - Farming Co-pilot	AI-powered conversational co-pilot to provide personalized advisory to farmers in Indic languages	Solution	Samagra Development Associates Pvt. Ltd	Agriculture
3	Kadalcompass - We Amplify the voice of water using Hydro-AI,Underwatercom,IoUT with Sensor Network	5G-enabled device that transforms fishing practices using AI, IoUT, and advanced communication technologies	Solution	Innogle Technologies Pvt LTD	Agriculture
4	KissanCopilot Multilingual Multimodal personalized AI Assistant for small holder farmers	Powered by Dhenu's vertical LLM for agriculture, provides personalized agricultural advisory services to	Solution	Titodi Infotech Pvt Ltd	Agriculture

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
		smallholder farmers.			
5	Rapid, chemical-free soil testing solution using NIR Spectroscopy & AI/ML models	End-to-end soil testing approach leverages an offline app, AI-powered spectral device, and ML models to deliver timely, chemical-free soil analysis.	Solution	Neoperk Technologies	Agriculture
6	AI deep-tech driven quality assessment of Maize	SAAS platform to provide objective quality assessment of maize including price estimation & sales pipelining.	Solution	RootsGoods (OPC) Pvt. Ltd.	Agriculture
7	AI-Driven Live Fish Logistics and Mortality Reduction in Aquaculture	AI-driven solution that optimizes aquaculture operations	Solution	Shuvoneel Ras System Pvt. Ltd.	Agriculture
8	QScan	AI-powered IoT solution that captures critical data throughout the fresh produce lifecycle, providing real-time analysis of food quality and actionable insights to sellers.	Prototype	Qzense Labs Pvt Ltd	Agriculture

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
9	Heatwave Resilience: Integrating AI-based Advanced Forecasting for Extreme Heat Events	Integrates AI-based climate forecasting with health data to develop a targeted risk classification system for heat-health impacts	Idea	I-Hub for Robotics and Autonomous Systems Innovation Foundation	Climate
10	Multi-Hazard Susceptibility Mapping	hazard management system topredict Landslides, Debris Flows and Flash Floods	Prototype	Jarbits Pvt Ltd	Climate
11	DeepFlood: Rapid flood inundation mapping using Vision Transformers and Satellite Data	Advanced flood inundation mapping tool using SAR data and deep learning models for real-time, automated flood detection	Prototype	Indian Institute of Technology Delhi	Climate
12	Moskeet: Climate impact on mosquito-borne diseases	AI-powered platform integrates real-time climate data with mosquito tracking to predict and prevent disease outbreaks.	Prototype	Moskeet AI	Climate
13	End to End AI Cloud Platform for Radiology Diagnosis	AI cloud platform for radiology diagnosis, integrating innovative technologies such as CV,	Solution	Endimension Technology Pvt. Ltd.	Healthcare

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
		GenAI, NLP, Dicom, mobile, and cloud computing			
14	NIDAAN (iNtegrated lung health screening &tuberculosIs Detection through Ai At National scale)	qXR, an advanced AI tool for interpreting chest X-rays (CXR), detects & localizes 30+ findings.	Solution	Qure.ai Technologies Pvt. Ltd.	Healthcare
15	Impactful AI solution, preventing preventable blindness, for socio-economic transformation.	early detection of vision threatening retinal abnormalities	Solution	Artelus	Healthcare
16	AI Powered Wearable Technology for Detection & Diagnosis of Musculoskeletal Joint Health Pain.	AI Enabled Hardware Platform for Joint Pain Diagnostics and Rehabilitation Segments of Healthcare	Solution	Startoon Labs Private Limited	Healthcare
17	VoxelBox	Neuro-informatics platform that allows to map the functional maps / connectomics of the human brain	Prototype	BrainSight Technology Pvt Ltd	Healthcare
18	Development of Ocellux: An AI-Based Solution for Enhanced Early Diabetic Eye Screening in INDIA.	Portable, affordable and highly accessible retina imaging device powered by AI for early detection of eye diseases like	Prototype	Anself Dynamics Pvt. Ltd.	Healthcare

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
		Diabetic Retinopathy, AMD & Glaucoma			
19	Revolutionizing healthcare using doctor-led AI	AI-powered personal doctor available 24x7 and free of cost, designed to assist people when they are sick, monitor their health through wearables, and act as a health coach to prevent diseases.	Prototype	Jivi Health Pvt. Ltd.	Healthcare
20	AI/ML enabled MafPro device platform for cancer staging, localization, and margins.	MafPro handheld detector provides a radiation-free, non-invasive, safe and cost-effective solution that can reliably detect and adequately evaluate metastases in lymph nodes using AI/ML based algorithms	Prototype	SIAMAF Healthcare	Healthcare
21	Readabled (Online Dyslexia Training)	web-based application designed to help children with dyslexia improve phonetic awareness	Existing	Hermit Labs Pvt. Ltd.	Learning disabilities

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
		through interactive exercises.			
22	Voice fusion AI	AI application to provide assistive support to individuals with SLDs in multiple Indian languages	Prototype	PerpetualBlock Technologies Private Limited	Learning disabilities
23	ScreenPlay - a digital game based screening tool for autism and related disorders.	Digital, game-based screening tool designed to identify children aged 3 to 6 who may be at risk for autism or related developmental conditions	Existing	Kidaura Innovations Pvt Ltd	Learning disabilities
24	Jiveesha	AI-powered diagnostic platform for early detection of SLDs	Idea	Daira Edtech Private Limited	Learning disabilities
25	Adaptive Learning and Detection for SLDs	Advanced AI techniques to detect Specific Learning Disabilities (SLDs) such as dyslexia, dysgraphia, and dyscalculia.	Prototype	Narottam Innovations Pvt. Ltd.	Learning disabilities
26	Special Educator AI	AI-driven system designed to address India's shortage of special educators and	Idea	Banyan Intelligence Private Limited	Learning disabilities

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
		support children with SLDs.			
27	ConvoZen.AI by NoBroker Technologies	AI-powered conversational platform that automates customer engagement across channels like chat, voice, email, and social media, offering fast, personalized, and multilingual support.	Solution	Nobroker Technologies Solutions Pvt. Ltd	Governance
28	AI contact center	AI-powered technologies like machine translation, NLP, ASR and TTS, and multilingual voice recognition to enhance governance by improving communication and accessibility across India's linguistic diversity	Solution	Devnagri AI Pvt. Ltd	Governance
29	Adalat AI: AI solutions for Courts	AI-powered platform provides real-time multilingual transcription, translation, live case flow	Prototype	Legsys.AI Technology Foundation	Governance

Sl.No.	Name of the Solution	Solution Description	Stage	Team Name	Theme
		management, and WhatsApp chatbots to streamline courtroom operations			
30	Gov.Civis.Vote	AI-powered Digital Public Infrastructure designed to transform public consultations in India by making citizen engagement more inclusive, scalable, and comprehensive	Solution	Civic Innovation Foundation	Governance

The details of the selected projects under "Safe & Trusted AI" Pillar are as under:

NAME OF THE THEME	SELECTED APPLICANT	TITLE OF THE PROJECT
Machine Unlearning	IIT Jodhpur	Machine Unlearning in Generative Foundation Models
Synthetic Data Generation	IIT Roorkee	Design and Development of Method for Generating Synthetic Data for Mitigating Bias in Datasets; and Framework for Mitigating Bias in Machine Learning Pipeline for Responsible AI
AI Bias Mitigation Strategy	National Institute of Technology Raipur	Development of Responsible Artificial Intelligence for Bias Mitigation in Health Care Systems
Explainable AI Framework	DIAT Pune and Mindgraph Technology Pvt. Ltd.	Enabling Explainable and Privacy Preserving AI for Security
Privacy Enhancing Strategy	IIT Delhi, IIIT Delhi, IIT Dharwad and Telecommunication Engineering Center (TEC)	Robust Privacy-Preserving Machine Learning Models
AI Ethical Certification Framework	IIIT Delhi and Telecommunication Engineering Center (TEC)	Tools for assessing fairness of AI model
AI Algorithm Auditing Tool	Civic Data Labs Pvt. Ltd.	ParakhAI - An open-source framework and toolkit for Participatory Algorithmic Auditing
AI Governance Testing Framework	Amrita Vishwa Vidyapeetham and Telecommunication Engineering Center (TEC)	Track-LLM, Transparency, Risk Assessment, Context & Knowledge for Large Language Models

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