GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
STARRED QUESTION NO. *171
TO BE ANSWERED ON: 11.02.2026

INVESTMENTS IN ARTIFICIAL INTELLIGENCE

***171. PROF. SOUGATA RAY:**

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

(a) the details of India's hurdles in translating research results of Artificial Intelligence (AI) into commercial, market-ready products;
(b) whether India is aiming to achieve capturing 10 per cent of the $700 billion global space economy by 2030 spanning Artificial Intelligence, space technology, quantum computing and biotechnology;
(c) if so, the details thereof along with the measures started to achieve the target;
(d) whether it is true that deep tech funding in India saw a 77 per cent drop with a 60 per cent reduction in the investor pool;
(e) if so, the details thereof along with the steps taken by the Government to encourage the investments in the sector;
(f) the details of India's gross expenditure on Research & Development since the last three years; and
(g) whether the R&D share in the Gross Domestic Product (GDP) is significantly lower than competitors and if so, the details thereof?

ANSWER

MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)

(a) to (g): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO LOK SABHA STARRED QUESTION NO. *171 FOR 11.02.2026 REGARDING INVESTMENTS IN ARTIFICIAL INTELLIGENCE

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(a): India's innovation ecosystem exhibits strong academic research output in AI and related deep technologies. In the Stanford Global AI Vibrancy 2025 report, India was ranked **3rd** in the world for AI competitiveness and ecosystem vibrancy. India is also the second-largest contributor to GitHub AI projects, showcasing its vibrant developer community.

IndiaAI Mission:

In March 2024, Government of India launched IndiaAI mission with outlay of Rs 10,372 Cr for development of the overall AI ecosystem in the country. In less than 24 months, India AI Mission has set up a foundation for development of AI ecosystem in the country:

- More than 38 thousand GPUs for common compute facility have been onboarded, which are being provided to Indian start-ups and academia at an affordable rate.
- Twelve teams have been shortlisted for development of indigenous foundational models or Large Language Models.
- Thirty applications have been approved for developing India specific AI applications.
- More than 8000 undergraduate students, 5000 post graduate students and 500 PhD students are being supported for talent development.
- 27 India Data and AI labs have been established and 543 more have been identified.

India is actively participating in shaping global debate on development, usage and safety of AI. India was the founder chair of Global Partnership on Artificial Intelligence (GPAI). India is hosting the India AI Impact Summit 2026 from 16–20th February 2026 at New Delhi. For the first time, the global AI summit series will take place in the Global South. The shift signals a broader move toward a more inclusive global AI dialogue.

Private Sector Investment in AI

Encouraged by the Government's initiatives, the private sector is increasingly investing in AI in India. According to the Stanford AI Index Report 2025, India's cumulative private investment in AI from 2013 to 2024 reached approximately $11.1 Billion.

Google has recently announced the establishment of an Artificial Intelligence (AI) Hub in Visakhapatnam (Vizag), Andhra Pradesh. This investment of approximately $15 Billion dollars marks Google's largest investment in India to date.

Tata Group has announced a $11 Billion investment for an AI innovation city in Maharashtra.

A Research Symposium on "AI and its Impact" is being organized during the IndiaAI Impact Summit 2026 to bring AI research closer to real-world decision-making by connecting researchers, policymakers and practitioners.

The Government is strengthening talent development, startup support, and academia–industry collaboration to ensure research outcomes align with market needs.

(b) and (c): Government envisions to significantly grow India's share in the global space economy. Government is undertaking multiple policy measures and institutional reforms to grow India's technological and commercial footprint in space technology:

- The Government has notified the **Indian Space Policy, 2023**, which clearly delineates the roles of ISRO, IN-SPACe and industry, thereby enabling private sector participation across the entire space value chain.
- **IN-SPACe** has been established as a single-window agency to authorise, promote and supervise non-government space activities, including granting access to ISRO launch pads, testing facilities, technical infrastructure and expertise.
- The Government has approved a **₹1,000 crore** Venture Capital Fund for the space sector, anchored by IN-SPACe and managed by SIDBI Venture Capital, to provide growth and early-stage capital to Indian space startups.
- In addition, IN-SPACe has launched a **₹500 crore** Technology Adoption Fund to help startups commercialise space technologies, scale manufacturing, and reduce dependence on imports.
- **Foreign Direct Investment (FDI) norms** in the space sector have been liberalised, permitting up to **100% FDI** in satellite manufacturing and components, and enhanced limits in launch vehicles and satellite operations, to attract global capital and technology.
- Through **New Space India Limited (NSIL)**, the Government is expanding India's footprint in the global commercial launch market, particularly for small and medium satellites, leveraging India's cost-effective and reliable launch capabilities.
- **National missions and policy programmes:** Initiatives such as National Quantum Mission, IndiaAI Mission and RDI (Research, Development & Innovation) Fund schemes are designed to drive applied research, accelerate commercialization and attract private capital.
- **Space Biotechnology:** Department of Biotechnology (DBT) and Indian Space Research Organisation (ISRO) are collaborating in space biotechnology. The key priority areas in Space Biotechnology include microgravity research, space bio manufacturing, bioastronautics and space biology.

(d) and (e): The Government has taken following steps to boost funding and strengthen the Deep Tech sector:

- A **National Deep Tech Startup Policy** has been formulated to address challenges related to funding, infrastructure, intellectual property, regulatory clarity and technology commercialisation.
- Under the Startup India initiative, deep tech startups have been provided extended eligibility periods and higher turnover thresholds, enabling them to access tax benefits, exemptions and government support for a longer duration.
- The Government has announced a **₹1 lakh crore** Research, Development and Innovation (RDI) Fund under the Anusandhan National Research Foundation (ANRF) to provide long-term, concessional financing for high-risk, high-impact deep tech projects and to crowd-in private investment.

- Sector-specific missions such as the India Semiconductor Mission, National Quantum Mission, IndiaAI Mission, and space sector reforms are creating stable demand, incentives and market opportunities for deep tech investments.
- Dedicated funding and procurement-linked support mechanisms such as the **Technology Development Fund (TDF)** and **Innovations for Defence Excellence (iDEX)** are supporting startups and MSMEs developing advanced and strategic technologies.
- The Government is also strengthening the incubation and innovation ecosystem through institutions such as Atal Innovation Mission, government-supported incubators, and technology transfer programmes linking academia, research institutions and industry.

(f) and (g): As per the Economic Survey 2025-26, The Gross Expenditure on Research and Development (GERD) as a percentage of Gross Domestic Product (GDP) is 0.64 per cent. India's ranking in the Global Innovation Index (GII) has risen significantly from 81st in 2015 to 38th in 2025.

Government has taken the following measures to create a conducive environment and spur investments in R&D:

- Establishment of the Anusandhan National Research Foundation (ANRF) under the ANRF Act, 2023. The ANRF is intended to provide strategic direction, competitive funding opportunities and collaboration pathways across industry, academia and government
- Mission-driven national programmes such as the National Quantum Mission, the National Mission on Interdisciplinary Cyber-Physical Systems, the IndiaAI Mission, the India Semiconductor Mission, and the National Green Hydrogen Mission. Each initiative focuses on building foundational scientific capability in sunrise domains, translating research into scalable industrial capacity
- To finance innovation at scale, the Government also announced a new Research, Development and Innovation (RDI) Fund with a total outlay of **₹1 lakh** crore.

Together, the ANRF, the national missions and the RDI Fund form a consolidated architecture for expanding India's GERD.

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