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India

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Overview[1]

Artificial Intelligence (AI) is rapidly transforming industries, economies, and societies worldwide. As AI-driven technologies become more integrated into everyday life, governments face the critical challenge of developing regulatory frameworks that encourage innovation while safeguarding rights, security, and ethical standards. In India, AI is transforming various sectors including healthcare agriculture, finance and agriculture prompting policymakers to explore mechanisms for AI Governance.

Recognising the need for an India-specific approach to AI governance, the Ministry of Electronics and Information Technology (MeitY), Government of India, established a multistakeholder Advisory Group under the chairmanship of the Principal Scientific Advisor (PSA), Government of India which included representatives from relevant ministries. Under the guidance of the Advisory Group, a Subcommittee on 'AI Governance and Guidelines Development' was constituted to provide actionable recommendations for AI governance in India. The Subcommittee's mandate was to examine key issues related to AI governance in India, conduct a gap analysis of existing frameworks, and propose recommendations for a comprehensive approach to ensure the trustworthiness and accountability of AI systems in India. The Subcommittee's report emphasises the need for a coordinated, whole-of-government approach to ensure effective compliance and enforcement as India's AI landscape continues to evolve. Based on its extensive deliberations, the report outlines a series of recommendations that aim to shape the future of AI governance in India.

AI presents vast opportunities, but it also introduces significant risks.

Regulating AI is particularly crucial in a country like India, where data privacy concerns, algorithmic bias, and the digital divide could exacerbate socio-economic inequalities. The Digital Personal Data Protection (DPDP) Act, 2023, serves as a cornerstone for AI governance, promoting data protection and user rights in an AI-driven economy. Additionally, India adheres to global AI standards—such as the OECD AI Principles, the Bletchley Declaration on AI Safety, and UNESCO's AI Ethics Recommendations—demonstrates its commitment to building a trustworthy AI ecosystem.

India has not formally classified AI systems into four levels (unacceptable risks, high risk, limited risk, minimal risk). India has a pro-innovation approach while balancing the same with a risk mitigation perspective. This approach balances innovation and accountability, steering clear of overregulation that could stifle growth. India is investing in AI-driven safeguards, funding top universities and IITs to develop solutions for deep fakes, privacy risks, and cybersecurity threats. This techno-legal approach ensures AI remains a force for inclusive growth, fostering an ecosystem where innovation thrives while ethical concerns are proactively addressed.

India has emerged as a top-five global contributor to AI research publications, demonstrating robust growth in AI knowledge generation and an expanding academic ecosystem. With 62% of Indian respondents believing AI products have more benefits than drawbacks, according to the IPSOS survey, the nation shows strong public optimism toward AI technologies. This positive sentiment is coupled with a high level of self-reported AI awareness, as 64% of Indians claim to understand AI and its applications. According to the Stanford AI Index 2024, India ranks first globally in AI skill penetration with a score of 2.8, ahead of the US (2.2) and Germany (1.9). AI talent concentration in India has grown by 263% since 2016, positioning the country as a major AI hub. India also leads in AI Skill Penetration for Women, with a score of 1.7, surpassing the US (1.2) and Israel (0.9). India has emerged as the fastest-growing developer population globally and ranks second in public generative AI projects on GitHub. The country is home to 16% of the world's AI talent, showcasing its growing influence in AI innovation and adoption.

As India moves forward with AI regulation, its policies will shape the nation's role in the global AI landscape. A well-structured regulatory framework will boost public trust, encourage ethical AI adoption, and enhance India's competitive edge in AI-driven innovation. This report provides an analysis of India's AI regulatory framework and highlights key policy developments that will define the future of AI governance in the country.

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[1] https://hai.stanford.edu/ai-index

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Specific AI Governance or Law[2]

'The proposed Digital India Act aims to replace the IT Act of 2000, providing a more comprehensive and up-to-date regulatory framework for the digital ecosystem in India. This act will address high-risk AI systems, promoting a robust, citizen-centric, and inclusive environment in line with the country's "AI for all" vision.'

Digital India Act (Proposed)

The Digital India Act, proposed by the Indian government, is intended to replace the Information Technology (IT) Act of 2000. Over the past two decades, the digital landscape in India has significantly evolved, necessitating a legal framework that aligns with contemporary technological advancements. The primary objective of the proposed Digital India Act is to ensure a safe, trusted, and open digital environment, particularly in the rapidly evolving space of AI.

The current IT Act, established in 2000, was developed primarily to address issues related to e-commerce, cybersecurity, and electronic governance. However, the rapid proliferation of emerging technologies such as AI, machine learning, blockchain, and big data has created new challenges that the existing IT Act cannot effectively address. Hence, the Digital India Act aims to fill these gaps and provide a future-ready regulatory framework.

Current Landscape of AI Governance in India

India currently does not have a dedicated AI regulation. Instead, existing legal frameworks such as the Digital Personal Data Protection (DPDP) Act, Intellectual Property laws (such as the Patents Act, 1970 and the Copyright Act, 1957), Consumer Protection Act, 2019, criminal laws (such as Bharatiya Nyaya Sanhita, 2023), the Information Technology (IT) Act, and various associated guidelines like the Intermediary Guidelines serve as the basis for overseeing digital technologies, including AI. In the absence of a specific AI law, India has been leveraging multiple instruments to guide AI governance. These include regulatory or policy guidance, government AI procurement standards, sector-specific norms, extended rules under existing frameworks, startup incentive schemes promoting responsible AI innovation, and government-led initiatives for ethical AI research and development. **Further details are provided on page 6**.

Establishing a Regulatory Authority (Proposed by Digital India Act)

To ensure that AI technologies are developed and deployed responsibly, the Indian government has proposed the establishment of an AI regulatory authority under the Digital India Act. This authority will have the responsibility of overseeing AI-related activities across sectors and supporting compliance with ethical, legal, and safety standards.

The AI regulatory authority will also serve as a central body for monitoring AI deployments and investigating instances of misuse or non-compliance. Furthermore, it is expected to promote research and innovation in AI while setting guidelines for responsible AI practices. The regulatory body will work closely with industry stakeholders, academia, and international organizations to ensure that India maintains a competitive and ethical AI ecosystem.

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Discussion: Report on AI Governance Guidelines Development[34]

'This report outlines eight AI governance principles underpinning AI system design, development and deployment'

Transparency	Accountability	Safety, Reliability, and Robustness	Privacy and Security
Fairness and Non-Discrimination	Human-Centered Values and Do No Harm	Inclusive and Sustainable Innovation	Digital-by-Design Governance

Analysis

The first five principles are aligned with global AI governance frameworks such as the OECD while the sixth and seventh appear to have a specifically "Indian" flavour to them, particularly the human centred values and inclusive innovation, as they speak to the need for AI to serve the vastness and diversity of India. The Digital by Design Governance principle could, in combination with the other principles, lead to efficient implementation of secure and responsible AI. The document goes on to outline a "techno-legal" approach into the governance strategy, where legal and regulatory regimes are supplemented with appropriate technology layers (e.g., of governance technology tools along with adequate human oversight) across actors and systems. This approach may be termed "RegTech for AI", using technology to mitigate risk and achieve compliance, and seems to be the first time it has been explicitly mentioned in AI governance guidelines.

The report provides specific recommendations to further the AI Governance landscape of India. These include (a) build evidence on actual risks and to inform harm mitigation; (b) exploring setting up an AI incident database as a repository of problems experienced in the real world that should guide responses to mitigate or avoid repeated bad outcomes; (c) engaging with the industry to drive voluntary commitments across the AI ecosystem; (d) Form a sub-group to work with MEITY to suggest specific measures that may be considered under the proposed legislation like Digital India Act (DIA) to strengthen and harmonise the legal framework, regulatory and technical capacity and the adjudicatory set-up for the digital industries to ensure effective grievance redressal and ease of doing business.

The document also defines an AI lifecycle in three broad stages: Development, Deployment and Diffusion. Development involves examining the designing, training, and testing of a given system. Deployment which involves examining the putting of a given AI system into operation and use. Diffusion which involves taking a long-term view and examining the implications of multiple AI systems being widely deployed and used across multiple sectors and domains. This is a broad-based approach, and the phraseology of the AI lifecycle appears to be conceptually similar to other definitions which are organized around pre-training or data collection and development stage, training and model development stage, model deployment and evaluation stage and finally model decommissioning stage. The Gap analysis in the report emphasizes the need to enable effective compliance and enforcement of existing laws, which is where a properly implemented techo-legal approach could be very useful. The report points out that there is an urgent need to map the existing regulations both central and state and assess how they apply to regulating AI and to assess the capacity of existing regulatory bodies to regulate issues of AI.

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[3] https://indiaai.s3.ap-south-1.amazonaws.com/docs/subcommittee-report-dec26.pdf
[4] Multiple guidance and approaches have been taken by the Government. This includes: AI Competency framework for public sector officials. The AI Competency Framework for Indian Public Sector Officials aims to equip them with necessary AI skills (behavioural, functional, and domain-specific), emphasizing ethical and responsible governance, supporting targeted training, and identifying skill gaps for leading responsible AI integration in public service. https://indiaai.gov.in/article/empowering-public-sector-leadership-a-competency-framework-for-ai-integration-in-india.

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India's Approach to AI Regulation and Governance

'India has adopted a multi-faceted approach to AI regulation and governance, aiming to balance innovation with responsibility and ethical oversight. The country's strategy integrates regulatory guidance, infrastructural investments, ethical frameworks, and international cooperation, reflecting a vision of inclusive and sustainable AI development.'

1. Regulatory and Strategic Frameworks

India's regulatory outlook is evolving through a combination of guidance-based and sectoral interventions. Rather than implementing a single, monolithic AI law, India is leveraging existing laws, regulations, voluntary frameworks, and sector-specific rules to address emerging AI challenges. The 2018 National Strategy on Artificial Intelligence (NSAI) by NITI Aayog set the foundation, introducing the "AI for All" mantra and emphasizing responsible AI (RAI) to ensure equitable and safe deployment, particularly across five key public sectors. This has been followed by articulation of the Principles of Responsible AI in the year 2021, and myriad voluntary guidelines and frameworks which provide instructive guidance complementing current laws.

The current laws include but are not limited to the Digital Personal Data Protection (DPDP) Act, Intellectual Property laws (such as the Patents Act, 1970 and the Copyright Act, 1957), Consumer Protection Act, 2019, criminal laws (such as Bharatiya Nyaya Sanhita, 2023), the Information Technology (IT) Act, and various associated guidelines like the Intermediary Guidelines and Digital Media Ethics Code, 2021.

Voluntary guidelines and frameworks include the Telecommunication Engineering Centre (TEC) (under the Department of Telecommunications) fairness assessment and rating of Artificial-Intelligence systems for evaluating the fairness of AI systems and Indian Council of Medical Research's Ethical Guidelines for Application of Artificial Intelligence in Biomedical Research and Healthcare.

The National Associate of Software and Service Companies (Nasscom), a non-governmental trade association for the Indian technology industry, to create a common

industry-wide understanding of obligations for achieving responsible AI compliance in India, released its Responsible AI Resource Kit in October 2022.

In June 2023, amidst the surge in generative AI advancements, Nasscom launched its Responsible AI Guidelines for Generative AI outlining the core normative obligations for generative AI researchers, developers, and users to advance safe and trustworthy adoption of generative AI technologies. In November 2024, to aid technical people in organizations to practically implement Responsible AI, Nasscom published The Developer's Playbook for Responsible AI in India. Aligned with the Safe and Trusted AI Pillar of the IndiaAI Mission, the playbook provides a voluntary framework for developers to systematically identify and mitigate the potential risks associated with the commercial development, deployment, and use of AI in India.

2. Institutional Support, National Missions – IndiaAI Mission

The IndiaAI Mission, approved in March 2024 with an outlay of ₹10,372 crore, exemplifies India's ambitious, institution-driven model. The mission has 7 pillars (See **Figure 1**): (1) Compute Capacity; (2) Innovation Centre; (3) Datasets Platform; (4) Application Development Initiative; (5) FutureSkills; (6) Startup Financing and (7) Safe & Trusted AI. It combines AI compute infrastructure, research support, upskilling, innovation, application development and safety frameworks to position India as a global AI hub. The procurement of nearly 18,700 GPUs underlines this commitment to scale and capability.

Additionally, the launch of AIKosha in March 2025 has provided a secure, multilingual sandbox platform offering datasets, models, and tutorials to democratize AI development and research. To institutionalize AI safety, the IndiaAI Safety Institute has been announced to promote collaboration between academia, industry, and the government. It advances indigenous frameworks for ethical AI development under the Safe and Trusted AI pillar.

The Indian government has funded eight key projects specifically focused on critical AI governance areas such as machine unlearning, bias mitigation, explainable AI, privacy-enhancing strategies, and the development of toolkits for testing large language models. In March 2025, the Government of India published a Competency Framework for AI Integration under the IndiaAI mission, which provides a roadmap to equip government officials with the necessary knowledge and skills to engage with AI technologies effectively.

The IndiaAI Mission is a comprehensive national initiative aimed at strengthening India's AI ecosystem. It focuses on building compute capacity, fostering innovation, developing datasets, supporting startups, enhancing AI skills, and ensuring safe, trusted AI deployment. Together, these pillars drive India's leadership in responsible, inclusive, and cutting-edge artificial intelligence.

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Figure 1: Supporting pillars of IndiaAI Mission
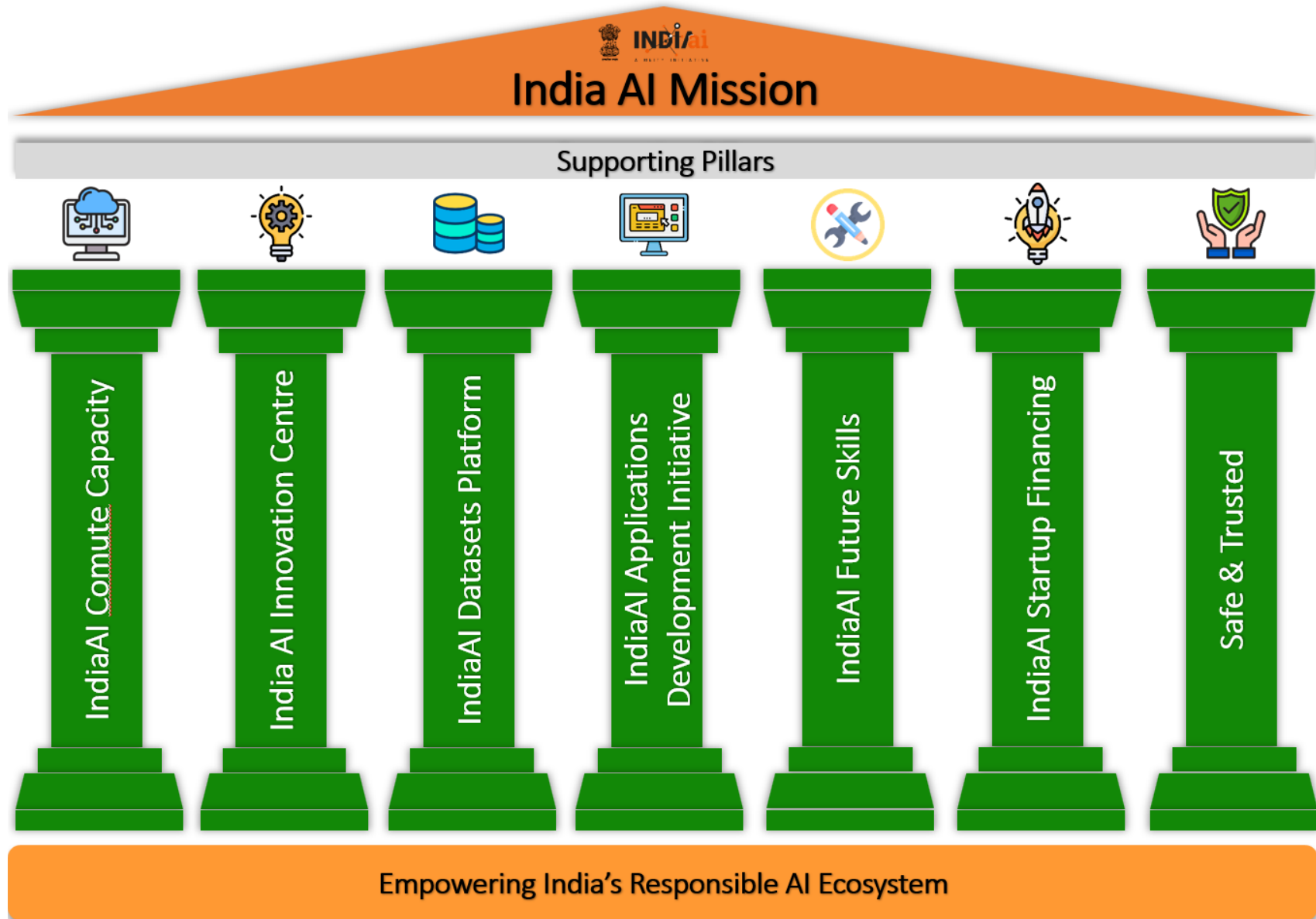
Table 1: India AI Mission

Pillar	Explanation
IndiaAI Compute Capacity	Creating scalable and affordable access to AI compute infrastructure across India.
IndiaAI Innovation Centre	Fostering research and innovation in foundational AI models and technologies.
IndiaAI Datasets Platform	Building a centralized platform for high-quality, open datasets and AI models.
IndiaAI Applications Development Initiative	Accelerating real-world deployment of AI solutions for national priorities.
IndiaAI FutureSkills	Equipping India's workforce with advanced AI skills and education.
IndiaAI Startup Financing	Boosting the AI startup ecosystem with targeted financing and mentorship.
Safe & Trusted AI	Promoting ethical, secure, and responsible AI development and deployment.

3. Standards Development

India is actively publishing industry standards to guide responsible AI practices. The Bureau of Indian Standards (BIS) is involved in formulating technical standards that align with national policy and ethical imperatives. In consonance with NITI Aayog's strategic vision for responsible AI, BIS's voluntary standards - particularly IS/ISO/IEC 42001:2023 and IS/ISO/IEC 5339:2024 - are intended to guide the development, governance, and deployment of AI in a manner that is accountable, safe, and globally harmonized. These standards are currently voluntary. India is also engaging globally to shape the AI discourse from a standardization lens. It recently hosted the ITU's AI for Good impact initiative and participated actively in the ISO/IEC JTC 1/SC 42 meetings in New Delhi, contributing to international AI standards such as reliability and resilience assessments.

4. Sectoral and Extended Regulatory Approaches

India is extending regulatory oversight through sectoral laws and augmenting existing legal frameworks for AI governance. These are coupled with government procurement guidelines ensuring ethical alignment in public sector AI tenders.

5. Fostering Innovation and Indigenous Development[5]

Recognizing the importance of home-grown AI, the IndiaAI mission has issued calls for proposals to develop indigenous foundational models (LLMs, LMMs, SLMs). These are evaluated on dimensions like ethics, innovation, data strategy, and financial viability. Initial traction has been significant, with 67 submissions received in the first month alone.

To support such innovation, the government is offering a blend of grants, equity, co-financing, and compute credits, highlighting an ecosystemic approach to responsible AI innovation.

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[5] https://economictimes.indiatimes.com/tech/artificial-intelligence/sarvam-ai-selected-to-build-indigenous-foundational-model-under-indiaai-mission/articleshow/120644123.cms?from=mdr

Broader AI Context[6]

'India supports responsible AI through global collaborations and national initiatives. It follows OECD's AI principles, endorsed the Bletchley Declaration on AI safety, and adopted UNESCO's AI ethics guidelines. Domestically, the IndiaAI mission promotes AI infrastructure, drives innovation, ethical, transparent, and inclusive AI development.'
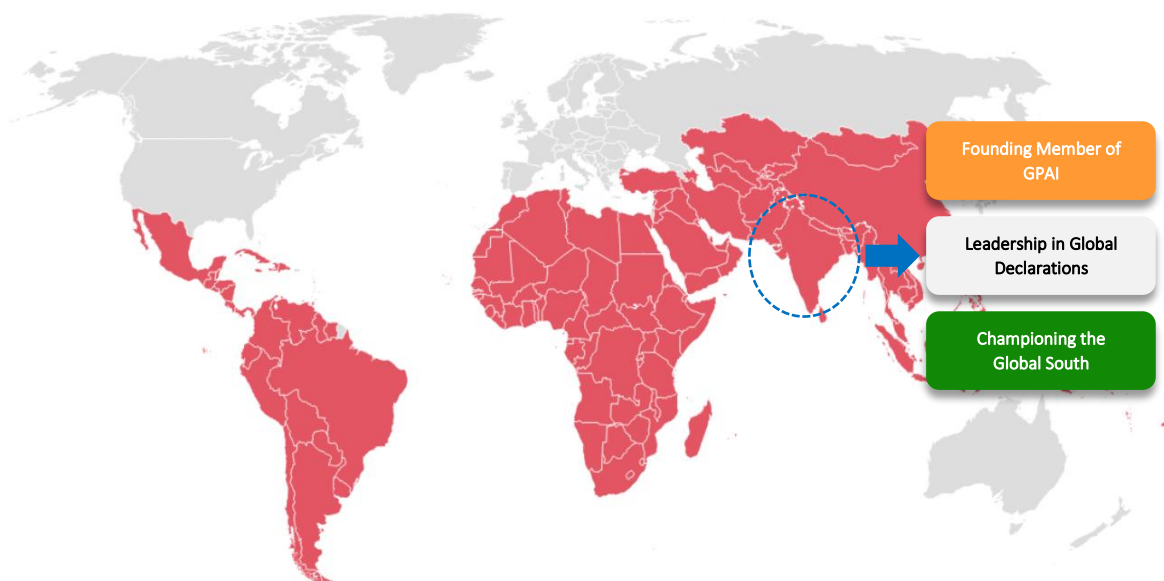
G20 AI Principles (OECD AI Principles)

India, as a G20 member, adheres to the OECD AI Principles, promoting trustworthy AI through inclusivity, transparency, and accountability. The principles advocate human-centered AI, emphasizing fairness, privacy protection, and robust governance. These guidelines encourage collaboration between nations, underpinning responsible AI innovation while safeguarding fundamental rights and values.

Founding Member of the Global Partnership on Artificial Intelligence

India is the founding member of the Global Partnership on Artificial Intelligence. India led the adoption of the New Delhi Declaration, which commits GPAI members to develop safe, trustworthy AI frameworks that address global challenges, especially in healthcare, agriculture, and the needs of the 'Global South', defined by the WEF as everything outside of those wealthy countries that have pumped most of the harmful emissions into the atmosphere since the industrial revolution.

Figure 2: India as Part of Global South

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[6] India is hosting the next AI action summit and expects to have AI safety efforts operationalized in 2025.

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UNESCO's Recommendation on the Ethics of AI

India adopted UNESCO's Recommendation on the Ethics of Artificial Intelligence, emphasizing AI development aligned with human rights, transparency, and fairness. The framework promotes responsible AI, steering inclusivity and environmental sustainability, and minimizing bias (See UNESCO link).

AI Action Summit Declaration 2025

India, co-chaired the French AI Action Summit 2025 and underlined its commitment to take concrete actions to ensure that the global AI sector can drive beneficial social, economic and environmental outcomes in the public interest.

IndiaAI – Ministry of Electronics and Information Technology

The IndiaAI mission, initiated by the Government of India through the Ministry of Electronics & Information Technology, drives AI innovation in India via infrastructure development, data access, & talent nurturing. It focuses on scaling AI startups, promoting ethical AI, & fostering industry collaboration to accelerate AI deployment for socio-economic growth.

AIRAWAT (AI Research, Analytics, and Knowledge Assimilation)

NITI Aayog launched AIRAWAT to establish AI-specific cloud computing infrastructure in India, aimed at promoting AI research, development, and innovation. It facilitates large-scale data processing, model training, and collaboration among researchers to drive ethical and responsible AI.

Bletchley Declaration (AI Safety Summit 2023)

India joined the Bletchley Declaration at the 2023 UK AI Safety Summit, emphasizing global cooperation to ensure the safe development of AI. The declaration focuses on managing risks from advanced AI, requiring transparency, and promoting responsible innovation while safeguarding human rights.

India's AI landscape is characterized by significant strengths in talent and education, with the country boasting a large pool of AI professionals and leading global participation in AI-focused online learning platforms. The startup ecosystem has shown notable engagement, with an increasing number of AI-focused startups across sectors like fintech, health-tech, and edtech. Indian companies are playing a growing role in global AI development and deployment, often through international collaborations.
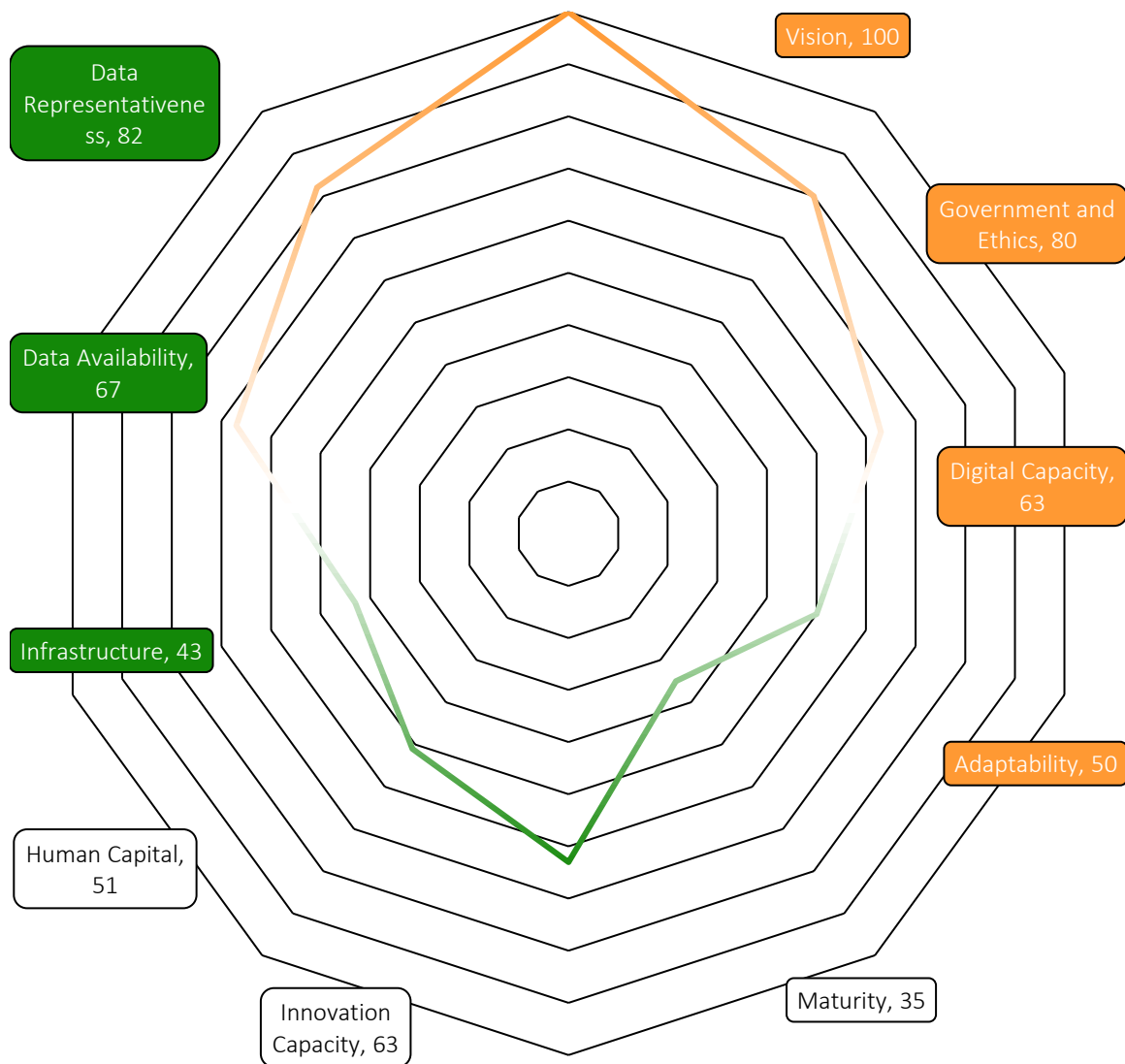
However, challenges persist. While India ranks high in publication volume, the citation impact of its research remains comparatively lower, indicating a need for higher-quality or more globally impactful research. Infrastructure disparities and inequitable access to AI tools, particularly in rural areas, continue to be significant hurdles.

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Government AI Readiness by Oxford Insights

'South and Central Asia ranks 8th in this year's Government AI Readiness Index, with India leading the region at 62.81 and placing 46th globally. The Government pillar is a relative strength for South and Central Asia, reflecting efforts to advance AI strategies and governance frameworks. However, performance in the Governance and Ethics dimension remains a challenge.'

Vision, 100

Government and Ethics, 80

Digital Capacity, 63

Adaptability, 50

Maturity, 35

Innovation Capacity, 63

Human Capital, 51

Infrastructure, 43

Data Availability, 67

Data Representativeness, 82

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Government

This rating ranks a government's strategic vision for how it develops and governs AI, supported by appropriate regulation and attention to ethical risks (governance and ethics). Moreover, it looks at its strong internal digital capacity, including the skills and practices that support its adaptability in the face of new technologies.

Technology Sector

This rating ranks public bodies' dependence on a supply of AI tools from the country's technology sector, which needs to be mature enough. This rating assesses the high innovation capacity, underpinned by a business environment that supports entrepreneurship and a good flow of R&D spending. Also examined are levels of human capital, which drive the development of advanced AI solutions and ensure the sector can respond to the evolving needs of governments.

Data & Infrastructure

This rating looks at whether AI tools need lots of high-quality data (data availability) which, to avoid bias and error, is also representative of the citizens in a given country (data representativeness). Finally, this rating considers whether data's potential cannot be realised without the infrastructure necessary to power AI tools and deliver them to citizens.

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Conclusion

As artificial intelligence continues to evolve and reshape societies, India's regulatory approach must strike a balance between fostering innovation and reinforcing responsible AI practices. The sub-committee report on AI Governance and Guidelines development report marks significant strides toward a structured, risk-based governance framework. .India aims to build an AI ecosystem that prioritizes security, fairness, and accountability.

This approach aligns India with global AI governance principles, including the OECD AI Principles, UNESCO's ethical AI guidelines, and commitments made under the Bletchley Declaration.

A key challenge ahead lies in understanding compliance and framing appropriate AI governance measures. Setting a baseline that AI regulations are not only robust but also practical for industry adoption will require close collaboration between regulators, businesses, and civil society. Small and medium enterprises (SMEs), which form the backbone of India's tech-driven economy, may require additional support to integrate AI risk assessment and compliance measures into their workflows. Clear guidelines, incentives for ethical AI adoption, and investments in AI literacy will be crucial in achieving regulatory success.

Ultimately, India's AI regulatory landscape is poised to shape its role as a global leader in responsible AI development. By way of embedding transparency, accountability, and fairness into its AI governance strategy, India can harness AI's transformative potential while safeguarding rights. Moving forward, continuous policy refinement, industry collaboration, and public engagement will determine the long-term success of India's AI regulation framework, meaning that it remains adaptive to emerging challenges and opportunities in the evolving AI ecosystem.

A Primer by AMLEGALS

India's AI governance framework in 2025 defies convention—it is neither a rigid top-down regime nor a laissez-faire free-for-all. Instead, it intends to create an inclusive, ethical, and innovation-driven ecosystem. India's AI regulation is evolving, with a sectoral approach that aligns AI governance with existing laws rather than creating a standalone AI Act. Accordingly, the Government of India has approved the IndiaAI Mission on March 2024, which aims to establish a comprehensive AI ecosystem in India. The objective is to enhance innovation in a responsible manner, with the unique approach of #AIforAll. The ₹10,372 crore IndiaAI Mission anchors its seven pillars in India's civilizational ethos of Sabka Saath, Sabka Vikas (Collective Effort, Inclusive Growth): IndiaAI Compute Capacity, IndiaAI Application Development Initiative, IndiaAI FutureSkill, Safe & Trusted AI, IndiaAI Innovation Centre, IndiaAI Datasets Platform, and IndiaAI Startup Financing. The Ministry of Electronics and Information Technology (MeitY) recently released a report on AI Governance and Guidelines Development, by the subcommittee established as a part of MeitY's larger initiative led by the Principal Scientific Advisor. This report stipulates the need for a holistic approach to ensure compliance considering the expansion of India's AI ecosystem. The report examines AI's impact across sectors such as healthcare, finance, and law enforcement, addressing challenges like algorithmic bias, data privacy, and liability. A key concern is the absence of a dedicated AI regulatory body presently, which creates uncertainty for businesses and policymakers.

With the dynamic growth of the AI framework in India, a key consideration is its interaction with the Digital Personal Data Protection (DPDP) Act, 2023, which mandates principles such as consent, purpose limitation, and grievance redressal, impacting AI-driven decision-making. The same has also been highlighted in the report mentioned hereinabove. Furthermore, AI's role in critical sectors such as healthcare, finance, and law enforcement requires sector-specific guidelines, with the RBI developing AI governance norms for financial institutions and MeitY overseeing AI adoption policies. Businesses—particularly startups and SMEs—face significant compliance challenges as they navigate evolving AI regulations. Compliance costs, regulatory uncertainty, and the absence of clear AI-specific laws make it difficult for businesses to align their AI practices with global and domestic requirements.

Subsequently, unlike the EU AI Act, India has yet to establish a dedicated AI regulatory body or mandatory risk assessment protocols. While India's AI regulation framework in 2025 is a strategic synthesis of existing laws, sector-specific innovation, and ethical guardrails, designed to balance global competitiveness with inclusivity, however, to foster responsible AI adoption without stifling innovation, clear compliance frameworks, risk assessment guidelines and accountability mechanisms are required, ensuring a balanced regulatory landscape that supports technological advancement while protecting user rights, which is in line with India's broader vision. India's AI regulation in 2025 is defined by strategic minimalism: avoiding overregulation while embedding safeguards into sectoral laws. The goal is clear—leapfrog into global AI leadership without crafting a framework which is built on the crux - privacy vs. innovation trade-offs.

Mr. Anandaday Misshra

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To find out how we can help you, email contact@ai-and-partners.com or visit https://www.ai-and-partners.com.

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