THE LINUX FOUNDATION | Research

AI for Economic and Social Good in India

Scaling Inclusive Growth for Entrepreneurs, Creators, and Local Economies

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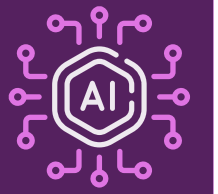
India's AI market has grown from 3.2 billion USD in 2020 to 6 billion in 2024, and is expected to grow to almost **32 billion USD by 2031**.

India has **one of the world's largest startup ecosystems**, with 200,000+ startups as of end-2025, and it ranked **4th globally** for newly funded AI companies in 2024.

India has the **highest year-over-year AI hiring rate globally**, providing unmatched resources to address talent shortages around the world and deploy home-grown talent.

Public-private collaborations through the Skill India Digital Hub have built the tools needed to upskill India's population and reduce displacement concerns.

76% of Indian startups have built their solutions using **open source AI**, relying on low-cost and highly innovative tools to compete in the marketplace.



India's **young and digitally native population** allows for faster and higher individual AI adoption compared to more advanced markets.

Multilingual models such as Bhashini and Sarvam AI are critical for **inclusive economic growth** by removing language barriers and other communication challenges.

AI tooling enables creators to dramatically reduce the cost of production and build culturally and linguistically relevant content to connect with their audiences.

MeTProAI summarizes standard treatment procedures based on a patient's details, providing physician decision support for diagnostics and treatment.

Adalat AI applies AI models and tooling to courtroom workflows, improving judicial throughput, reducing delays, and strengthening the enforcement of contracts and rights.

Farmers for Forests supports smallholder farmers to convert a portion of their land to fruit trees, resulting in carbon sequestration and increased income.

Responsible AI development in India involves encouraging and expanding small business use, skills development, local compute capacity, and public-private collaborations.

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Executive summary

India's global leadership in the artificial intelligence (AI) landscape is distinguished by large-scale public investment and prioritization that supports rapid experimentation and adoption of inclusive and socially grounded innovation. This report, produced by The Linux Foundation in partnership with Meta, examines how AI is contributing to economic growth and social good in India with particular attention to entrepreneurs, creators, and local economies.

India's AI market has expanded rapidly, growing from USD 3.2 billion in 2020 to USD 6 billion in 2024, with projections nearing USD 32 billion by 2031. This growth is underpinned by one of the largest startup ecosystems in the world, strong global demand for Indian technical talent, and sustained government leadership in digital public infrastructure. India now ranks among the world's top countries for newly funded AI startups, particularly in sectors such as financial services, healthcare, eCommerce, agriculture, and legal services. High individual adoption rates driven by a young, digitally native population further accelerate diffusion, positioning India as a fast-growing market for generative AI applications.

The majority of Indian startups build on open models and tools, enabling cost-effective innovation, customization for local contexts, and greater transparency. Open source AI is especially critical for small and medium-sized enterprises, public-sector deployments, and sovereign AI initiatives, where data sensitivity, linguistic diversity, and infrastructure constraints limit the viability of proprietary solutions. Multilingual models and platforms play a central role in expanding access to services, supporting India's more than 20 official languages and enabling participation across literacy levels.

The report highlights AI's productivity-enhancing effects across the workforce and its potential to mitigate structural inequalities when paired with targeted skilling initiatives. India has a highly technical population that represents a significant growth area for the economy, with the highest year-over-year AI hiring rate globally. Public–private collaborations demonstrate how AI can be leveraged to deliver large-scale reskilling and workforce transition in local languages and accessible formats. At the same time, the analysis acknowledges risks related to job displacement, uneven access to compute, and urban–rural divides, underscoring the need for proactive policy and institutional capacity building.

Sectoral case studies in agriculture, healthcare, the legal system, and the creator economy illustrate how AI is already delivering measurable social and economic benefits. Examples include improving smallholder farmer incomes, supporting clinical decision-making, and reducing court backlogs. Collectively, these examples position India as a testbed for people-centered and inclusive AI at scale.

The report concludes that India has a role to play in adopting and shaping global norms for responsible, open, and equitable AI development. Realizing this potential will require sustained investment in skills, localized infrastructure, open source ecosystems, and multistakeholder collaboration to ensure that AI's benefits are broadly shared and resilient over the long term.

Introduction

On the Instagram profile of Varun Mayya, an India-based technology entrepreneur and content creator, a pinned video features an excerpt from a podcast conversation with a leading figure in the global AI industry. In the clip, he comments on AI adoption in India, stating, "What is happening with this technology in India, I've never seen adoption like this before of anything, anywhere, and it's very cool." The remarks were subsequently reported by multiple news outlets, including The Economic Times.[1]

Other senior executives from major AI platforms have made similar observations about usage trends in the country. One executive noted publicly that India has become the fastest-growing market for image creation on a widely used generative AI platform and described the range of visual content being produced as "truly inspiring." Separately, a finance leader at a global social media and AI company commented that the firm had seen "particularly promising signs" following the rapid uptake of its AI assistant in India shortly after launch, according to TechCrunch.[2]

Taken together, these statements illustrate how global technology leaders are observing and tracking the country's evolving role in the broader AI ecosystem—prompting further analysis of the factors shaping adoption, innovation, and impact in India. These observations resonate strongly with what Linux Foundation Research has been seeing across its global portfolio of AI studies. Having analyzed adoption patterns across regions, sectors, and within both emerging and advanced economies, it's clear that India is a market where AI has moved quickly from experimentation to everyday use.

India's distinctive position in the global AI landscape is no accident. It combines a $200-billion-plus IT services industry embedded in the world's digital economy, one of the world's youngest and largest populations, and a government that has already proven its ability to deploy digital public infrastructure at national scale, from identity systems to real-time payments. Altogether, India's unique attributes create an environment where AI can be adopted, adapted, and scaled with unusual speed.

Yet scale cuts both ways. The same diversity and breadth that make India's AI opportunity so compelling also create challenges around access to compute, uneven digital literacy, language inclusion, data governance, and the risk that benefits concentrate in urban centers and large enterprises. What distinguishes India today, however, is the ways in which its government, startups, and civil society are actively using AI to address these constraints rather than amplify them. From healthcare and agriculture to justice, education, and startups, AI is being applied to expand access and unlock new forms of economic participation.

This report draws on existing literature and semi-structured interviews with a dozen leaders across sectors in India, each of whom are using AI to cost-effectively create new levels of operational efficiency and transformational products. They show how India is shaping what inclusive, people-centered AI can look like at national scale. It first reviews the state of India's AI market and how the technology is poised to deliver significant economic gains to Indians through investment opportunities, faster innovation, and productivity boosts. It then turns to the social good that AI can bring to India, how these benefits are spread across priority sectors, and what the technology will mean for India's economic disparities. It closes with policy recommendations for the reader to consider.

Definitions

Artificial Intelligence (AI) is defined by the OECD as a machine-based system that infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.[3]

Generative AI (GenAI) refers to AI systems and models that create novel outputs, such as text, images, audio, video, and/or code, by learning patterns and distributions from training data rather than following explicit programming. Generative AI includes but is not limited to: language, vision, and multimodal models. Among these, foundation models, which are characterized by their large scale, training on diverse datasets, and adaptability to various downstream tasks, play a crucial role in the development and application of generative AI systems.[4]

Open models are defined in the Generative AI Commons' Model Openness Framework as machine learning models whose architecture, parameters (i.e., pre-trained weights and biases), and documentation are released under permissive licenses that permit their use, study, modification, and redistribution.[4]

Global leadership

Countries around the world are prioritizing AI's advancement and adoption through national strategies, investment schemes, and public-private partnerships.[5,6] 97% of software developers around the world are using AI tools in their work, and 53% of C-level executives use it in their work.[7] The global artificial intelligence market size was estimated at USD 279.22 billion in 2024 and is projected to reach USD 3,497.26 billion in 2033, expanding at a CAGR of 31.5% from 2025 to 2033.[8] The largest market is the United States, at 47 billion USD in 2025.[9] This market is projected to grow to 307 billion USD by 2031, which represents a 6.5x growth.

Global leaders have been convening the last few years to discuss development and governance of AI infrastructure. Following the France AI Action Summit in 2025, India is hosting the 2026 AI Impact Summit. This event represents a global convening point to solidify multilateral collaborations and frameworks and advance new priorities and deliverables that drive inclusivity, social development, and people-centered solutions.[10] This event is also the first global AI summit hosted in the Global South.[10] As this report will illustrate, India's AI startup ecosystem, deep technical talent pool, and people-oriented AI solutions are positioning the country as an exemplary player in the global AI landscape. Notably, these activities have been anchored by proactive government leadership in digital adoption, from national innovation and entrepreneurship programs to strategic investments in AI research and inclusive language technologies. Indian leadership's explicit national direction has framed AI as a strategic capability for workforce development, inclusion, and long-term competitiveness. For Tushar Goswamy**,** head of Edge AI at Sarvam, this framing has been critical to building momentum across sectors. According to Goswamy, "**When the Prime Minister speaks about skilling and digital empowerment, it sends a signal that AI is not just for technology companies, but for every citizen who wants to participate in India's future workforce**."[11]

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India's AI market and economic growth

India's AI market has grown significantly alongside other major global markets. The estimated contribution of AI to the Indian economy has grown from 3.2 billion USD in 2020 to 6 billion in 2024, and is expected to grow to almost 32 billion USD by 2031, or a fivefold increase.[12] This growth is reflected across the Indian economy: in its November 2024 Regional Economic Outlook, the IMF cited India as the fastest-growing major economy in the world.[13] Key growth areas include nextgen eCommerce, tourism, construction, AI software and services, cloud services, and cybersecurity, and in total, could add 1.9 trillion USD in GDP by 2035.[14] In terms of AI adoption, Indian companies also show globally high adoption rates. NASSCOM's 2024 AI Adoption Index report, based on a 500-company survey to measure AI adoption across sectors, shows significant growth over 2022, with 87% of Indian enterprises actively using AI solutions.[15] While AI is described as being the "bedrock of India's tech startups," the report identifies opportunities for more end user organizations to leverage AI to the same extent as India's technology sector.[16] According to a 2025 IBM study, Indian companies are experimenting with AI to find new use cases, and 89% of those surveyed said that their companies have started more than 10 AI pilots in 2024.[17]

On an individual level, the country shows globally high adoption rates. For example, Meta's chatbot embedded in WhatsApp, Facebook, Instagram, and Messenger, called Meta AI, was launched in India in the spring of 2024, and within a few months India became the tool's largest market.[2] A 2025 Forrester report found that 56% of Indian adults living in urban areas are using generative AI—the highest percentage in their AI sample—and 63% report being knowledgeable about AI.[18] This fluency is critical for systematic AI training and integration within enterprises and government.

Investment in AI

In 2024, the Indian government pledged 1.25 billion USD to build out the country's AI infrastructure.[19] This initiative, called IndiaAI Mission, includes building GPUs, investing in the development of Indian foundational models, establishing access to datasets, and funding startups.[20] Alongside the IndiaAI Mission, the country has also developed a national AI strategy and established AI centers of excellence for collaboration amongst academia, government, and industry.[21]

At a state level, various governments are investing in the technology for use cases across public services, safety, and education.[22,23] The states of Gujarat and Assam have launched AI centers of excellence to foster research and development. The Kerala government has built out a policy framework to build its AI ecosystem, while Tamil Nadu has developed an initiative to establish the state as a center of AI for social good. Gujarat, Maharashtra, and Telangana are partnering with various tech companies to launch initiatives for AI literacy and adoption across sectors. Karnataka, West Bengal, and Assam are creating programs to integrate AI into their education systems. Major tech players are also making significant investments in India's AI sector, with billions of dollars earmarked for AI hubs, data-center expansions, and cloud infrastructure growth.

These activities highlight India's rising prominence in the global AI landscape with investments across government, corporate, and academic realms, and are in line with the government's now decade-long prioritization of digitization through its Digital India Program.[24] As a result, India scores better on the AI preparedness index than the global emerging market average, as it has a strong foundation for adoption and growth.[25] According

to NITI Aayog, India's strengths are the scale and diversity of its data; its supply of skilled professionals who can fill global talent gaps; and the integration of AI into its globally competitive priority sectors, including manufacturing, financial services, and pharmaceuticals.[14] Several innovators interviewed for this report reflected on the positive and influential impact of the Indian government's approach to AI, particularly with respect to its support of startups, skills development initiatives, and sector-specific implementations.

Entrepreneurs are capitalizing on India's strong investment market to build new AI solutions. The country's startup market is strong, ranking as one of the largest in the world—it counted 200,000+ startups at the end of 2025—and with the fourth-highest number globally of newly-funded AI companies in 2024.[19,26] Growth is particularly salient for tech startups in financial services, healthcare, eCommerce, education, and agriculture.[21] The International Startup Foundation supports small business innovation in India by connecting entrepreneurs with mentors and funding.[27] Many startups in its network are implementing AI and ML solutions, such as the recruitment application Hiringhood and the genAI 3D design platform MetaBrix Labs.[28,29] As important conduits for innovation, startup adoption is a good harbinger of AI adoption across the economy.

Open source innovation

Around the world, organizations are relying on open existing models and tools to build customized and localized solutions instead of developing their own. Doing so allows for significant cost saving opportunities, efficient and iterative crowdsourced innovation, transparency, flexibility, and customizability.[30,31] For example, Latam-GPT was built on Meta's Llama model and trained on Spanish, Portuguese, and indigenous languages from Latin America.[32] In the Asia-Pacific region, countries are developing culturally and linguistically relevant models using Meta's Llama model as the foundation.[6] The trend of using existing models, rather than building from scratch, was evident in the 2025 survey data from the Linux Foundation and the Cloud Native Computing Foundation, which shows that over half (52%) of global organizations are consumers of AI models, not producers of them.[33] Instead of building new LLMs from scratch at prohibitively high infrastructure, training, and energy consumption costs, these organizations instead host models to run inference workloads.

According to 2025 research from the Linux Foundation, sovereign AI solutions, such as the language solutions described above, are best developed collaboratively and using global open source alternatives to proprietary models. In fact, 90% of survey respondents considered open source as essential to achieving sovereignty in AI, the rationale being that open source offers increased transparency and auditability, security and trust, and innovation opportunities.[30] Applying the findings from this research, sovereign AI models in India are accelerated when they build on existing open foundational models.

Open source AI is not new to Indian innovators. According to the Competition Commission of India, 76% of startups in India have built their solutions using open source.[12] Another study by IBM found that 71% of Indian organizations are planning to use open source in their AI implementations.[17] In particular, small businesses and startups stand to gain significantly from the innovation opportunities through open source AI. Pushpdeep Mishra, senior manager and AI operations leader at IIT Bombay, says, "**Here in India now, startups have boomed. They have very small teams, limited outreach, limited funds, and they want to grow big. Open source AI is a deciding factor for them to compete in the marketplace. It's going to be the prime thing for them in the future.**"[34] According to Sanil

Kumar, co-founder of India-based Caze Labs working across industry verticals like HR and healthcare, "**For a startup like ours, open source is what makes innovation possible—we can experiment, customize, and use smaller models where large ones are unnecessary, all without the cost structures of proprietary platforms.**"[35] Startups like Caze Labs illustrate how open source AI enables startups to move quickly across industry verticals, test responsibly, and deliver economically viable solutions tailored to local needs.

Beyond accelerating startups, open source plays a critical role in enabling AI deployment for sensitive public-sector use cases. In sectors where data confidentiality and institutional trust are paramount, proprietary, externally-hosted solutions are often not viable. According to Arghya Bhattacharya, co-founder of Indian non-profit Adalat AI, open source is foundational to making AI usable. He says, "**Open source is the only way this works. We cannot send data outside the country or rely on third-party APIs, so we build on open models, fine-tune them, and host everything in-house.**"[36]

As discussed in previous Linux Foundation research, small businesses are using AI for research purposes, for time and cost savings, and to remain competitive.[7] Open models and tools in particular represent cost-effective alternatives for market entry, allowing entrepreneurs without the financial resources of a large corporation access to technologies to innovate and compete globally.[6]

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Productivity boost

In the workforce, AI presents a significant opportunity to increase the productivity of workers. Indian employees and students are already using the technology, with 30% more likely to have used generative AI compared to their peers across Asia Pacific, according to 2024 Deloitte research.[37] The same study finds that daily usage is higher in markets like India (32%, compared to 4% in Japan). India's digitally native population means that AI adoption at the individual level is faster and higher than older or more advanced markets.[37]

At a strategic level, Indian companies are showing strong signs of adoption and implementation. Microsoft research from 2025 found that 93% of Indian business leaders intend to use AI agents to extend their workforce in the next year.[38] 64% of employees in India have heard from their employers about using generative AI, while advanced markets experienced much lower rates (e.g. 24% in Japan).[37] Beyond large enterprises, open

source is proving essential for small businesses in India, allowing them to innovate faster. According to Saikat Saha, Director of Technology at NASSCOM, "**For SMBs and startups, open source AI is a playground for rapid experimentation and prototyping**," allowing small companies to go to market faster.[39] Overall, research shows an optimism in the Indian workforce for the use of AI in the workplace.[40]

The size and projected growth of India's AI market, and the benefits it is set to accrue from AI adoption, make it a key player in the global AI landscape. The national strategy to use AI to address challenges of accessibility for its people adds a layer of people-centrism and equity that other countries can learn from, as outlined in the next section.[41]

India's AI-driven economic leap: Harnessing youth and innovation

AI's broad impact across sectors and population groups makes it a useful tool to help address regional economic disparities in India. It presents enormous opportunity for social and economic transformation for a country like India that faces unequal access to upward mobility opportunities such as jobs, skills development, healthcare, and digital inclusion.[42] AI's potential is particularly salient in the urban-rural divide, where innovative solutions are needed to support those in more rural areas (70% of the population) grappling with a lack of infrastructure and access to basic amenities.[43] Although the adoption of mobile phones is equally high between urban and rural groups, rural residents are more than 20 percentage points behind on internet adoption, which is an important consideration for access to AI solutions.[43]

As highlighted by Indian finance minister Sitharaman, AI adoption will not lead to forced relocation to urban centers, suggesting that AI can offer localized solutions for existing urban centers as well as emerging centers.[44] The promotion of AI adoption in varied sectors in India, particularly in its growth areas will help increase digital penetration and individuals' use of AI. Medical chatbots can support those in rural areas that cannot access a clinic.[42] AI tools and models that run on edge cases can be used by farmers without internet access. All of these opportunities bring those with lesser access closer to the utilities and services they need.

Workforce transformation

Without meaningful regulation and management of the technology, AI risks further concentrating benefits and worsening inequality. This is particularly salient in the workforce, which is set for immense disruption and transformation.[45,46,47] According to a study by Hatzius et al (2023), a majority of existing jobs are at least partially exposed to AI automation, with those in emerging markets less exposed than advanced markets due to higher rates of agricultural jobs.[45] This partial exposure translates to a greater rate of AI complementing jobs instead of replacing jobs, with some of the highest complementarity experienced in IT, educational, financial, and sales roles. However, more recent research from McKinsey shows that organizations expect to see greater declines in workforce size in the coming year.[46] The technical talent market in particular is experiencing significant disruption, with new roles and skillsets emerging and increases in hiring as demand for those with AI skills grows.[48]

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In India, a highly services-led economy with a significant percentage of low-skilled labor, there are concerns that AI automation will make people's jobs redundant.[41,49] Historically, technological transformation in India has displaced segments of India's workforce, causing an increase in income inequality and decades of finding alternative livelihoods.[41] As an economy with a high degree of its workforce in service-based roles, as well as a high percentage of those working in non-complementary agricultural roles, the economy risks higher displacement and lower productivity boosts compared to other markets around the world. Various research projects 45-69% of jobs in India at risk of complete automation by 2030, with manufacturing, customer service, and retail at the highest risk for displacement.[49,50]

Skilling for AI

Despite these concerns of displacement, India also has a highly technical population which represents a significant growth area for the economy. Organizations around the world are experiencing AI talent shortages, and demands for talent are projected to grow over the years—with India's demand estimated to grow 15%.[48,51,52] However, in comparison to these other countries, India has a strong technical talent pool, with ~3^{x2} more AI talent than any other country, and this pool is expected to grow to 1.25 million by 2027, making its population a critical one to support global human resources pipelines.[52,53] This tendency shows up in the data: Stanford's 2025 AI Index found that India has the highest year-over-year AI hiring rate globally.[19] Indeed, over half of all conversations in the Claude platform are coding tasks, compared to about one third globally—showcasing the country's significant IT sector and AI's immense potential in the sector's workflows.[54] The population is also an important force in open source development: as of 2024, the country was the second largest contributor to AI-related GitHub projects,[19] and over 2024-2025 had the second-largest developer population on GitHub.[31]

To sustain this pipeline, India is heavily investing in AI education and training.[21] As Karman Singh Sethi, GTM Lead at Sarvam explains, "**India has a once-in-a-generation opportunity to use AI to upskill millions of people simultaneously, in their own languages, through channels they already use, so that education and employability are no longer constrained by geography or literacy.**"[55] The Skill India Digital Hub, supported by Sarvam and India's Ministry of Skill and Entrepreneurship, uses an AI assistant that allows learners to ask questions, find training centers, and discover jobs by voice or text in their local language.

The AI Competency Framework provides training for government officials to acquire AI skills that they can then apply in policymaking.[15] These investments have allowed the country to experience the highest percentage change in AI talent concentration between 2016 and 2024,[19] and are projected to support its growth to 1.25 million by 2027—up from 600,000 in 2025.[51] Learning platforms are a large part of India's upskilling opportunity to meet the demand that AI adoption requires within startups and enterprises, and to reskill populations

displaced by AI in other areas of the economy. IIT Bombay's Pushpdeep Mishra says, "**Portals such as Simply Learn, FOSSEE, Virtual Labs, KodeKloud, and Udemy will help a lot, as students can upskill themselves at low cost.**"[34]

The focus on population literacy and upskilling presents enormous social potential and growth for the country. A study by Singh et al (2025) finds positive relationships between AI literacy, AI usage, and learning outcomes and performance in Indian schools.[54] As India's Viksit Bharat 2047 argues, integrating AI literacy into higher education empowers creativity and innovation.[57] The technology's integration into learning environments, such as through personalized learning, AI tutors, and administrative automation, improves accessibility and inclusivity.[58] To capitalize on these benefits, the Indian Ministry of Skill Development & Entrepreneurship partnered with Meta to develop an AI assistant on the Skill India Digital Portal to support users of the education platform.[59]

Case: Sarvam AI

Sarvam AI is an India-based generative AI company building sovereign, multilingual AI systems for population-scale public services. A flagship example of this work is the Skill India Assistant (SIA), an AI-powered assistant launched by the Ministry of Skill Development and Entrepreneurship to make skilling and employment services more accessible across the country.

SIA is deployed directly on WhatsApp, lowering barriers to access by meeting citizens on a platform they already use. Through text and voice interactions in English, Hindi, and Hinglish, users can discover relevant courses, receive job recommendations aligned to their skills, locate nearby skilling centres, and ask questions in natural language. The design prioritizes accessibility for users with varying levels of digital literacy, limited connectivity, or preference for voice-first interaction.

Sarvam's role centers on building and operating the AI layer that enables multilingual understanding, personalization, and scale. As Tushar Goswami, Head of Edge AI, explains,

> *"AI is becoming a core factor of productivity, and as this technology becomes the intelligence layer for government data, it's essential that India builds and controls these models for its own public use cases."*[11]

The initiative reflects a broader policy objective to ensure that national skilling infrastructure reaches citizens where they are, rather than requiring citizens to navigate complex portals.

The Skill India Assistant is implemented through a collaborative ecosystem involving government and industry partners, illustrating how AI can function as digital public infrastructure. As Karman Singh Sethi, GTM Lead, notes,

> *"AI has the power to deliver skills and employment services directly to people, making them truly accessible."*[55]

India's opportunity lies in combining government leadership, national digital platforms, and locally built AI to ensure that economic growth and social inclusion advance together.

Addressing this high degree of disruption and reducing AI-related economic divides and inequality rests on the transformation of India's workforce. This includes upskilling existing employees, redeploying those who are displaced by the technology, and building out policy frameworks to manage its risks.[41] NITI Aayog advocates for reskilling, particularly those individuals who are candidates for job displacement due to AI, so that the country can capture these new opportunities for development and deployment.[44] India's 2024-2025 Economic Survey found that, with 26% of the Indian population aged 10-24, the country has a meaningful opportunity to train its people in digital skills and capture a "demographic dividend," assuming individuals are employed in productive roles and industries.[41] The same report highlighted the meaningful growth in independent work and entrepreneurship among rural women, with the rise of "own workers/employers" rising from 19% in 2017-18 to 31% in 2023-24.[41] Equally so, this shift implies an important dividend for India to capitalize on, as women-owned businesses represent an economic boon for rural India.[41] Along these demographic lines, skills development is critical not only to strengthen and grow India's economy, but to ensure equitable access to the market. India's rapidly growing economy, government-backed AI mandate, and high individual adoption rates provide fertile ground for upskilling and redeployment.

India's IT market represents an important case study for meaningful and deliberate workforce transformation that leverages AI. Its traditional model of capturing value through low-wage services may no longer be able to compete with the productivity gains of an engineer using AI tools.[60] Without this competitive advantage, the industry must look toward more adaptive strategies where Indian software engineers must leverage AI for their own productivity gains. Research shows the importance of IT companies implementing continuous learning and career development opportunities that complement AI, building out new business paradigms for this industry and enabling completion "on innovation rather than cost."[60] Beyond upskilling programs, Daga et al (2025) argue for structured intervention through predictive algorithms that simulate the risk of displacement and trigger reskilling flows and targeted reskilling schemes, allowing for governments and enterprises to be proactive about their adaptation to automation.[49]

Ecosystems are vital to building further capacity and commercialization opportunities. NASSCOM, through its Generative AI Foundry, an initiative of NASSCOM AI, is taking a leading role to incubate and catalog India's startup ecosystem, helping startups to become global leaders in GenAI by offering a suite of resources such as compute, data, platforms, mentorship, and domain expertise.[61] This support is made possible through multistakeholder partnership support from industry, government, and India's investor community. NASSCOM also supports the Digital Futures Lab (DFL), a Goa-based, multistakeholder organization focused on research, capacity building, public engagement, and community building activities. Among the initiatives at the DFL is the Responsible AI Fellowship, a capacity-strengthening program focused on AI for social good that fosters community dialogue, education, and peer exchange on best practices in AI development.[62] As Sanil Kumar states, ecosystem access to shared infrastructure is often the deciding factor for whether startups can experiment with AI at all.[35]

He says, "**Startups rarely have the infrastructure to benchmark or qualify models at scale. What we need are collaborative environments where compute, GPUs, and tools can be shared, so access to experimentation is not limited to those with the deepest pockets.**" He adds that short, on-demand access to shared resources can be more impactful than ownership. "**If startups could access short bursts of high-end compute through a shared ecosystem,**" Kumar says, "**rather than owning it outright, it would unlock faster experimentation and more equitable innovation.**"

Despite its use for bringing individuals into the economy, AI still risks creating an accessibility divide, particularly those with less access to devices and the internet. Various studies have discussed the unequal exposure to AI tools and models between different demographics (such as between women and men), different income or revenue levels, and different countries.[41,45,63] Initiatives like Pragati – AI for Impact are useful in bringing these technologies to organizations that may lack the financial resources.[64] This Meta-funded program offers grants to develop and implement AI solutions, expert-led workshops, and support to tackle pressing issues in underserved communities. Accessibility is also reached through open tools and models, for skills development, technology use adoption, and market entry.

Moving forward, policymakers and technologists in India should identify gaps in AI adoption and build out policies and solutions that better represent the demographics that are missing. As described above, open tools and models are a critical pathway for small businesses to access prohibitively expensive proprietary alternatives, and for individuals to develop and use smaller, fine-tuned solutions that can be used off-grid.

AI for social good in India

AI holds immense potential to benefit society beyond economic and financial growth. Use cases around the world are working toward digital inclusion, cultural preservation, climate resilience, workplace and customer satisfaction, health and elderly care, and empowering individual creativity and livelihoods. Open source AI provides the accessibility, adaptability, and cost-effectiveness to ensure these benefits are democratized and reflect the values and cultures of those using the systems.

Inclusion & empowerment

AI models and tools bring knowledge and creativity to an individual's fingertips. Equitable access to AI resources and opportunities is critical for inclusive growth, particularly for small businesses and economically underrepresented populations.[14] Multilingual models are also an important aspect of inclusivity. India's Bhashini application offers multimodal translation services, removing language barriers and other communication challenges so that all Indians can access online services and content.[65] As of January 2025, the solution had reached over 100 million monthly inferences and over 700,000 mobile app downloads, and supports 22 languages and over 100 different use cases.[66]

For the models themselves to be as inclusive, accessible, and secure as possible, open source provides a compelling solution.[67] In India, a country with more than 20 official languages, indigenous foundation models are being deployed to improve access to information and public services, and education. These models must be trained on datasets that reflect these linguistic, cultural, and socioeconomic contexts to prevent bias.[31] Open source AI plays a key role to manage the costs of language inclusivity, and to ensure the sustainability of the models through continuous input from contributors.[68] Supporting India's sovereign AI mandate, Sarvam AI, in partnership with AI4Bharat research lab incubated at IITMadras, was initially built using Meta's Llama to translate English prompts to 10 different Indian languages.[69]

Creator economy

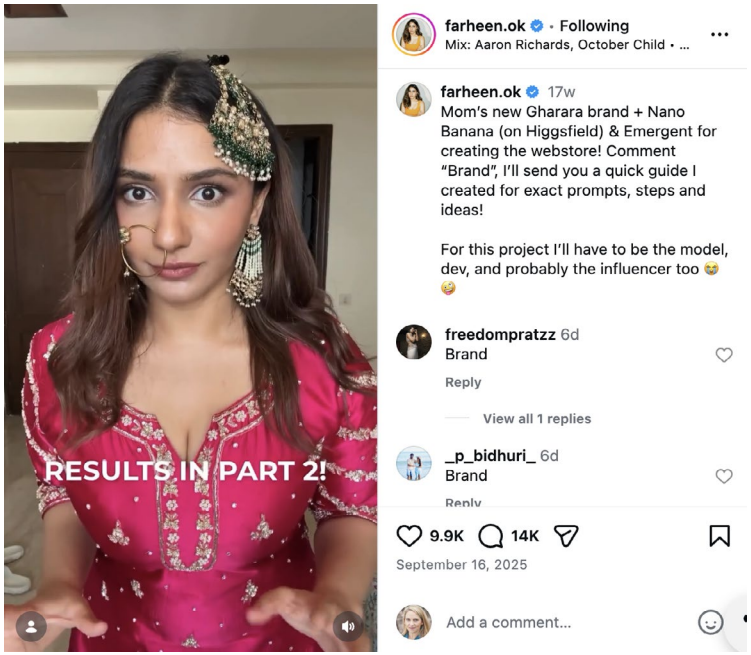
Content creators make up a massive population in India—upwards of 2.5 million people—and represent a 1+ trillion USD consumption.[70] More and more, these creators are using AI-powered tools to delegate repetitive and time-consuming tasks to focus on their storytelling and audience connection. Supporting this industry and its use of AI is a strategic direction for the Indian ecosystem: developing more intuitive AI tools to enhance video production, editing, and script writing are among the priority areas identified in NASSCOM's blueprint to drive further applied strategic AI research.[71]

AI enables creators with tools and capabilities once limited to large teams or consultants in order to create and share high quality visual content online in local languages and use behavior analytics to connect with consumers and build businesses.[70,72] AI tooling has enabled creators to operate not just as individuals, but as independent businesses. By dramatically reducing the cost and complexity of production, AI allows creators to capture more value directly and scale their work without traditional agency structures. For creator Viren Goswamy, AI has fundamentally changed his economic independence. He says, "**I am the agency now. I don't need a second person to do anything for me. There are so many tools that help me go from image to video to dialogue end-to-end, and that has given me the freedom to leave my job and run this full time.**"[73]

A powerful use of AI in India's creator economy is the ability to reach audiences across languages and borders without duplicating production work. Multilingual scripting and automated translation tools in platforms such as WhatsApp allow creators to distribute localized content at scale, expanding their addressable market. For content creator Farheen Ahmad, this capability changes how creators think about who their audience can be. She explains, "**If I'm talking about tools that people use all over the world, my content shouldn't be limited just because I'm speaking from India. With AI translations, my videos can reach people in other countries and languages, and that's incredibly empowering.**"[74] Identity-driven storytelling and the cultural relevance of content is connected to a post's ability to go viral. As Viren Goswamy explains, "**The moment you tap into someone's identity, whether it's their region, their food, or their culture, the content becomes very viral-prone. If the story strikes a chord, people don't care how polished the video is.**"[73]

In-app AI tools within platforms like WhatsApp and Instagram generally operate on a freemium model, providing basic features without charge. Open source AI advances creator practices without the burden of expensive tooling, as described by the Pinterest CEO, who has seen a significant "reduction in cost with comparable performance using fine-tuned open source models versus leading off-the-shelf proprietary models."[75]

Additionally, the creator economy has played a role in the shift toward customer-centric applications that are enabled through AI-driven customer analytics. This shift has taken place across many industries.[12] The use of AI for behavioral analytics provides hyper-personalized content creation on the creator's end and targeted content placement for brands and micro business owners to attract consumers. The creator can use AI tools to create content unique to their products and brands, building micro businesses.



Creator Farheen Ahmad in one of her most influential Instagram posts featuring how she uses the latest AI tools to build content that showcases a fashion brand with a special family connection. Source: **Instagram**

The creator economy is moving quickly, shaped by constantly shifting trends and formats. AI has become an important enabler, helping creators scale their output, stay responsive to audiences, and avoid burnout. As these tools become more embedded in everyday workflows, creators focus less on production overhead and more on creative and economic opportunity.

Case: Farheen Ahmad, AI-Powered Content Creator

Farheen Ahmad is a full-time technology and AI content creator whose Instagram and YouTube channels reach more than 110,000 followers. Through short-form video on Instagram and long-form storytelling on YouTube, she teaches audiences how to use emerging AI tools for business, productivity, and creative expression. Brand collaborations are her primary income stream, and AI has enabled her to turn content creation into a sustainable livelihood.

Ahmad's workflow is powered by a stack of generative AI tools. ChatGPT and Claude help her develop scripts, adapt brand briefs, generate story arcs, and even identify potential brand partners. Meta's Edits app accelerates video editing for Instagram Reels, while Cling AI, Meta AI, and Higgsfield generate B-roll images and video when filming is impractical. To drive engagement, she uses ManyChat to automatically convert comments into personalized DMs containing links, summaries, or PDFs.

These tools dramatically compress production cycles. Ahmad can ideate, script, produce, and distribute content in hours rather than days, allowing her to test new ideas, experiment with niche audiences, and post at a scale previously reserved for large studios. Multilingual scripting via ChatGPT and Claude, combined with Meta's AI-powered translation and lip-sync features, allows her to reach Hindi, English, and international audiences with the same piece of content.

The economic impact is tangible: Ahmad now earns more from content creation than she did as a venture-backed startup CEO. For creators across India, this represents a new pathway to entrepreneurship—low-cost, globally scalable, and powered by AI. As Ahmad says,

> *"AI has turned content creation from something you needed a full team for into something one person can do end-to-end. It's not just faster—it's what makes this career possible at all."*[74]

How Meta supports creators

Meta has invested in AI tools designed to support creativity, experimentation, and accessibility for creators around the world. These efforts focus on reducing production friction and enabling new formats, while allowing creators to maintain control over their work.

Creation and experimentation at global scale

Meta AI supports creative experimentation across a wide range of regions and use cases, helping creators test ideas and formats quickly and at scale.

Multilingual reach and localization

AI-powered voice translation on Instagram can dub Reels into other languages while preserving tone, allowing creators to reach new audiences with minimal additional effort and support growth across language markets.

New expressive formats

With tools such as Meta AI Vibes, creators can generate expressive AI videos and share them in dedicated feeds, making it easier to explore new storytelling approaches and visual styles.

Faster editing and improved accessibility

The Edits app helps creators save time with quicker video editing and supports accessibility through features like auto-captions, summaries, and clearer on-screen text, powered by Meta's language models.

Together, these tools reflect an approach to creator-first AI that emphasizes efficiency, experimentation, and broader participation in the global creator economy.

AI applications across sectors

As a transformative technology, AI is widely applicable across industries. The Competition Commission of India found that it is widely used in India's financial services, healthcare, retail, eCommerce, and logistics sectors, and is used for dynamic pricing, personalised customer service, demand forecasting and decision automation.[12] For the purposes of this report, we will focus on three sectors: agriculture, healthcare, and legal.

> *"A lot of AI-based agriculture projects and use cases in India are government related, and government supported."* [76]
>
> **— Sumer Johal, AgStack Foundation**

Agriculture

India's agriculture sector employs 42% of the population, making it a critical sector for the economy.[77] Faced with productivity drags, market inefficiencies, and climate crises, it is ripe for digital transformation and targeted AI use cases that will increase yields and optimize the market.[51,77] For example, AI-enabled weather predictions and irrigation optimization help combat the effects of droughts or large weather events; automated pest detection can support better allocation of pesticides and increase yield undamaged by pests; and using analytics to optimize the supply chain can help farmers better understand the supply and demand of their crops.[51,77]

There are a number of agricultural use cases in India using AI and machine learning. The Indian Agricultural Research Institute in New Delhi is experimenting with ML to produce yield predictions for chickpea market planning.[78] The technology is also being used in the Udham Singh Nagar district of Uttarakhand state to predict yields of rice.[79] The startup CropIn has developed a solution for farmers to predict weather and disease, helping them reduce crop losses.[80] The Indian Institute of Space Science & Technology is deploying Meta's Segment Anything Model to classify land use from remote sensing data.[81] In addition, the CGIAR Initiative on Digital Innovation, in partnership with International Rice Research Institute (IRRI) and International Maize and Wheat Improvement Center (CIMMYT), has co-designed and piloted AI-powered minimum viable products in Bihar. Through this, and similar efforts underway across India, farmers can access personalized agricultural advice via multilingual, local-language interfaces and apps like WhatsApp. These tools deliver context-specific, timely advisory content through voice, text, and chat-based interfaces, helping to bridge information gaps among smallholder farmers.[77,82] According to AgStack Foundation ED Sumer Johal, "**These tools help farmers to know what crops they should grow, when they should harvest, and how much fertilizer they should apply.**"[76]

Case: Farmers for Forests

Farmers for Forests is an agro-forestry organization creating economic opportunities in India's rural communities.[83] Its activities include forest fire prevention, animal-human conflict mitigation, biodiversity, education, and implementing carbon sequestration programs that connect rural producers to urban markets, using open source technologies to create trust across diverse stakeholder groups.

Through the Farmers for Forests AI-powered platform, carbon project developers are bridged to smallholder farmers with land suitable for carbon sequestration investments, but who otherwise lack the means to implement them.[84] Participating smallholder farmers then convert up to half of their land from a single crop, such as rice, to fruit trees, with the plantation diversity resulting in significant increases in income.

The organization uses virtual dashboards and drone images with the deep learning computervision AI tool Detectron2 to assess, monitor, and audit carbon sequestration activities of approximately 4000 acres of remote, discrete, and sometimes isolated plantations, of one- to three acres each, with a goal to double that number in the next five years. The AI tools are trained to detect elements such as tree species, size, and geolocation. Chatbots allow farmers to access relevant information in their local language, with the knowledge transfer leading to healthy crop yields.

> *"The Agroforestry program is helping smallholder farmers to increase their income 3-5 times using AI-based monitoring and carbon credit programs. The technology removes the bottleneck of the limited on ground visibility and increases the transparency in the monitoring and estimation of tree carbon stock."*[85] *— Pravin Mulay, Vice President, Research & Tech, and Makarand Datar, Vice President, Tech and Wildlife*

Healthcare

India's large and diverse population increases complexity in a healthcare system that already struggles with inadequate infrastructure, a lack of healthcare professionals, inequitable access, and growing rates of non-communicable diseases.[51,86] Incorporating AI into healthcare operations and pharmaceutical R&D can work to minimize these challenges and transform the sector, by automating physician and nurse tasks, expanding digital care to rural areas, providing targeted care pathways, and enhancing drug discovery—in fact, India's population diversity makes it a good case for drug discovery using ML on its genomics data.[14,86] India's digitization of its health sector, in particular its Ayushman Bharat digital health data system, also provides a prime foundation for ML-driven analytics for diagnostics, operations, discovery, and monitoring.[87]

According to Pushpdeep Mishra, AI is accelerating innovation in healthcare "**at the bottom of the pyramid,**" where on-the-ground agencies and health services have been asking for help, and where upskilling frontline healthcare workers at scale has traditionally been a problem.[34] He says, "**By generating animations, interactive videos, and localizing instructions, AI enables us to train frontline workers to screen a patient, to collect proper data and samples, or to give CPR**."

Health-related AI projects are already cropping up in India. The project Qure.ai implements an algorithm for early identification of tuberculosis, reducing time to diagnosis by 99% and speeding up and streamlining care.[88] The telehealth platform eSanjeevani, integrated with the Ayushman Bharat system, is implementing AI analytics to translate prescriptions, monitor health trends and optimize resource allocation.[89] Jivi, a care platform that leverages Meta's Llama model, agentifies clinical encounters to provide its clients with "AI doctors."[90] FoodWise uses Segment Anything to develop nutrition guides for elderly Indians with Type 2 diabetes.[91] Indian researchers are also deploying Meta's Segment Anything Model to improve brain tumor detection in MRI scans.[92]

Case: Caze Labs' MeTProAI

Caze Labs has developed MeTProAI (Medical Treatment Procedure AI), an AI-assisted clinical decision support solution designed to help physicians access up-to-date, evidence-based treatment guidance during patient care.[93] The solution addresses a common clinical challenge: standard treatment procedures (STPs) are published across multiple sources and updated frequently, yet time constraints often force clinicians to rely primarily on individual experience rather than the latest protocols.

MeTProAI ingests authoritative treatment guidelines and medical literature and uses AI to retrieve and summarize relevant procedures based on patient inputs such as age, symptoms, and clinical context. The system is explicitly designed as a support tool, not an autonomous decision-maker, with the physician retaining full control over diagnostics and treatment decisions.

Caze Labs is currently piloting MeTProAI with approximately a dozen senior doctors affiliated with large national hospital groups. These pilots involve clinicians based in Bangalore, alongside additional testing by doctors in the UK, allowing the opportunity to assess applicability across healthcare systems and practice environments. Early feedback has informed improvements in usability, workflow fit, and offline-first operations.

Given the sensitivity of patient data, MeTProAI ensures privacy-preserving deployment. The architecture deploys cloud services such as Azure AI with locally hosted open source models, including Phi-3–class small language models, deployed using vLLM-based inference stacks and modular prompting frameworks. According to Sanil Kumar, CEO and co-founder of Caze Labs,

> *"Open source models make it possible to adapt AI to very specific clinical contexts while keeping patient data local, which is essential for trust and adoption in healthcare."*[35]

Legal

The information-and research-intensive nature of legal practice makes it another key area for transformation through AI. In India's courts, delays are often driven not by legal complexity but by procedural, administrative, and logistical constraints. India's judicial system counts over 50 million backlogged cases, which is estimated to take 300 years to resolve by human judges at their current pace.[94] AI tools can complete simpler tasks, such as case management automation, legal research, and digitization, freeing up judiciary resources and time to address this backlog.[94]

Two Indian projects are taking on this opportunity. Aalap, an open source project fine-tuned from Mistral 7B, was created to provide support on legal tasks such as generating court issues and arguments, creating event timelines, summarizing information, and writing contract clauses.[95] The tool was trained on Indian data to understand local context and law. Adalat AI is speeding up courtroom procedure by digitally transforming India's courts. It addresses backlogs and delays through AI-powered legal summaries, litigant chatbots, court transcription, and court document review, freeing up judicial time for more complex legal reasoning tasks.[96] The solution is backed by Meta's Pragati – AI for Impact program and uses Meta's Llama model, fine-tuned to Indian pronunciations and legal jargon. Its impact has been formally recognized by India's court system, with the Kerala High Court and other courts starting to mandate its use, doing away with manual stenographers and speeding up court times.[97]

Utkarsh Saxena, co-founder of Adalat AI, emphasizes that the opportunity for the legal sector is not speed alone, but better outcomes. He notes, "**Justice here is not just a question of law—it is a question of logistics. Unless we fix the paperwork, stenography, and translation bottlenecks, the productivity gains from adding more lawyers or judges will remain severely limited. By freeing judges from manual note-taking and transcription, that time goes back into hearing cases, writing judgments, and improving the quality of the decisions**."[98]

Case: Adalat AI

Adalat AI is a justice technology platform designed to unlock economic and social value by addressing one of India's most persistent structural bottlenecks: slow, resource-constrained courts. By applying AI models and tooling to administrative and documentation-heavy courtroom workflows, the initiative improves judicial throughput, reduces delays, and strengthens the enforcement of contracts, property rights, and legal protections that underpin economic activity.

The platform focuses on high-impact foundational tasks where manual processes consume disproportionate judicial time. According to Utkarsh Saxena, co-founder of Adalat AI,

> *"Cross-examinations that once took days can now be completed in hours,"*

fundamentally changing courtroom operations and allowing judges to focus on substantive legal reasoning rather than manual record-keeping.[98]

Adalat AI is currently deployed in approximately 4,000 courtrooms across nine states, covering roughly 20% of India's courts, with a goal of nationwide coverage by 2027–2028. Expansion is deliberately paced to ensure depth of adoption and institutional trust. A core component of this strategy is training: the organization works directly with judges, court staff, and judicial academies through onboarding workshops, in-court support, and curriculum integration so that new judges are trained on the platform from day one.

By improving court efficiency, Adalat AI contributes to broader economic gains. The founders note that slow justice systems can suppress GDP by several percentage points, while faster courts improve business confidence and access to justice. As Saxena describes,

> *"We are the plumbers of the courtroom—unclogging the pipes so that justice can finally flow" for people and markets.*[98]

Conclusion and policy recommendations

The literature and insights from expert interviews show India as a major global AI player through rapid market growth, strong public and private investment, and a deep talent pool to drive productivity and innovation across its economy. Adapting to workforce disruption, local cultural contexts and languages, economic divides, and sector-specific needs calls for open and inclusive AI approaches, which can lower barriers to entry, empower startups and small businesses, and extend AI's benefits to underserved populations. Many Indian solutions already show potential for social good across sectors like agriculture, healthcare, education, and the legal system.

India is well positioned to translate AI adoption into widespread economic and social impact. Its unique combination of talent, innovation culture, and precedent-setting nation-wide programs such as digital payments and identity, set the stage for AI deployments to deliver new value. Ultimately, realizing this opportunity will depend on proactive policy, large-scale skilling and reskilling, and sustained collaboration to ensure that AI-driven growth in India is equitable and resilient.

Given the findings of this research report, the following recommendations will help secure India's momentum in sustainable and human-centric AI innovation:

1. Incentivize **SMB and startup adoption and development of AI**, including funds and other incentive structures to increase the speed to move from proof of concept to commercialization, as well as access to compute and testing environments. This could focus on the use of open source AI models for technical SMBs, but could also focus on the use of existing AI agents and tools that do not require technical skills.
2. Encourage **skill development** across different regions, demographics, and jobs, enabling access to AI literacy programs and funding or co-sponsoring upskilling programs, as well as internal technical capacity-building for governments. This also includes public awareness campaigns to increase visibility of, interest in, and self-skilling for AI in the general public, again focusing on the use of AI-driven consumer tools that do not require technical skills but still offer substantial productivity gains.
    a. Examples of skills platforms include the Skill India Digital Hub, supported by Sarvam and India's Ministry of Skill Development and Entrepreneurship, which allows users to interact with an AI assistant to ask questions, find training centers, and discover jobs in their local language.
3. Build a **national vision for open source AI**. This includes encouraging broad-based use and procurement of open models and tools, investing in multilingual and low-connectivity infrastructure, funding research on secure and responsible AI, and investing in the service and support of open source infrastructure at public and private levels.
4. Develop **policies from scientific and evidence-based understanding of the risks** of AI and how to mitigate them, as well as experiences from previous technological revolutions that balance the risks of these tools with their economic and innovative potential.

As a next step, policymakers in India should convene a multilateral effort combining government, civil society, and industry to develop an actionable framework to pave the way for accomplishing the vision outlined under cabinet approved IndiaAI mission. This could be anchored on the following key pillars:

- **Leveraging DPI:** Develop public sector AI as digital public infrastructure, baking in accessibility by design and leveraging open standards,
- **Monitor AI adoption:** Explore best practices around monitoring AI adoption and evaluating impacts on the economy, how it is meeting India's economic objectives;
- **Invest in R&D:** Advance open access research and development of metrics for emerging AI areas, which is crucial for empowering local ecosystems to develop the next generation of AI use cases that are suited to regional and cultural contexts;
- **Skilling:** Strengthen AI readiness by cultivating a skilled workforce, enabling research collaboration, and promoting knowledge transfer through targeted programs to ensure they have the capacity to participate fully in the AI economy.

These recommendations are designed to generate proactive policy, sustained investment in skill development and infrastructure, and continued collaboration across sectors. India's combination of technical talent, entrepreneurial energy, and precedent-setting digital infrastructure provides a strong foundation for AI-driven transformation. By prioritizing inclusive access, open innovation, and human-centric design, India can ensure that AI's benefits reach all citizens and businesses while advancing global norms for the development of responsible AI.

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