Government invites bids to empanel AI infra providers under Rs 10,372-cr India AI mission

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Synopsis
The Indian government is seeking bids for empaneling entities to provide artificial intelligence services on cloud under the India AI mission, with a budget of Rs 10,372 crore. The empaneled agencies will offer high-speed computing AI infrastructure to academia, startups, researchers, and government bodies. This initiative aims to boost the AI ecosystem by providing access to over 10,000 GPUs and other resources. Bids must be submitted by September 6.

Representative image

The government has invited bids for the empanelment of entities for providing **artificial intelligence** services on cloud under the Rs 10,372-crore **India AI mission**, which was approved by the cabinet in March this year. The empaneled agencies, like data centers and cloud service providers, will have to provide access to high-speed computing **AI infrastructure** like graphics processing unit (GPUs), accelerators, Tensor Processing Units (TPUs), storage etc to academia, startups, researchers, government bodies among others at the lowest rate that will be discovered through the bidding process.

Under the IndiaAI Mission, supercomputing capacity, comprising over 10,000 GPUs, will be made available to various stakeholders for creating an **AI** ecosystem.

"With an objective to empanel service providers for making this possible, IndiaAI - an IBD under Digital India Corporation, MeitY has issued a RFE (request for empanelment)," Meity, Additional Secretary Abhishek Singh said in a social media post.

The rapid development of AI across the globe has led to an increase in demand for **GPU-based servers**, as they can process data at a higher speed compared to CPU-based servers.

The rate of accessing GPU-based **cloud services** in India is estimated to be at double the price compared to the price of countries that have installed a large number of GPUs.

According to the bid document floated by the **Ministry of Electronics** and IT (Meity) empaneled agencies will be responsible for offering high-performance computing, network, and storage services that are essential for implementing the activities planned under the IndiaAI Mission, such as the development of indigenous LLMs (large language models like ChatGPT) and AI applications.

"IndiaAI will approve the end users who can access these cloud-based AI services, ensuring that the services are provided at prices determined through a transparent and competitive process. The empaneled AI service providers will be engaged for a period of 36 months, with the possibility of extension based on mutually agreed terms," the document said.

The document categorically mentions that the 'Invitation for Application' is not an offer to enter into a procurement agreement but rather an invitation to receive proposals from eligible and interested bidders.

"IndiaAI would make the payments for the utilised AI services of the approved projects from the end users to the extent of the approved subsidy," the document said.

The agencies eligible for bids will have to make available 1,000 AI compute units through their cloud service platform, as AI services on cloud within 6 months from the date of signing the agreement with IndiaAI.

Each compute unit should at least have processing speed of 15 TFLOPS (TeraFLOPS) implying a speed of performing 15 trillion floating-point calculations per second. The required performance speed is being mainly achieved by GPUs or Google's TPUs at present.

Nvidia is estimated to lead the GPU market with around 88 per cent market share.

Meity has fixed September 6 as the last date for submission of bids.