IndiaAI Innovation Challenge 2026

In collaboration with Ministry of AYUSH & MSME

1. Introduction

IndiaAI, an Independent Business Division (IBD) under the Digital India Corporation (DIC) of the Ministry of Electronics and IT (MeitY), is the implementation agency of the IndiaAI Mission, which aims to democratise AI's benefits across all strata of society, bolster India's global leadership in AI, foster technological self-reliance, and ensure ethical and responsible use of AI.

As part of this Mission, the IndiaAI Application Development Initiative (IADI) aims to promote the development, deployment, and adoption of AI applications in critical sectors that have the potential to catalyse large-scale socio-economic transformation. To achieve this, IndiaAI has partnered with the Ministry of Micro, Small and Medium Enterprises (MSME) and the Ministry of AYUSH (MoA) to launch the IndiaAI Innovation Challenge 2026. This challenge aims to identify and support successful AI solutions for national scale deployment for addressing the respective Ministry-specific problem statements listed in Annexure I.

2. Stages

The Innovation Challenge will be implemented in two stages to identify, and support high-potential AI solutions for outlined problem statements.

- **Stage 1 (Solution development and testing):**
    - Participants are invited to register and submit their AI solutions as per the submission form in Annexure III. Submission shall include details on team, solution proposal, technical details, and business plan.
    - Applicant teams will refine existing solutions, optimise algorithms, improve interfaces and add AI functionalities for their Proof of Concept (PoC) based on publicly available data in compliance with DPDP Act 2023, and other applicable laws, as well as, sample data made available by respective Ministries via AIKosh to address provided problem statements.
    - The permissible categories of solution include:
        - **Existing Solution**: Established AI-enabled product, service, or business model that addresses any one of the problem statements listed under Annexure I and has been piloted or deployed, seeking to achieve scale.
    - The applications will be reviewed by a distinguished panel of jury members, comprising technical and sectoral experts.

- Shortlisted teams may be required to provide working PoCs, test access details, source code and documentation for verification as per directions provided by IndiaAI.
- Up to 3 teams may be shortlisted for Stage 2 corresponding to each problem statement.
- Each team will be awarded INR 25 Lakhs for refining and piloting their solution with support and guidance from relevant Line Ministry.

- **Stage 2 (Finalising solution and deployment):**
  - Selected teams will be required to share pilot progress, security audit report, integration capabilities and final performance matrix as part of mid-phase and end-stage evaluation.
  - The winner of this stage will secure a chance to receive a work contract worth up to INR 1 crore for a period of two years for integration, deployment, and operation and maintenance of their solution in partnership with IndiaAI and respective Line Ministry.

IndiaAI and the jury reserve the right to modify the number of qualifying solutions at any stage to ensure competition and operational efficiency. The decision of the jury shall be final and binding across all stages.

3. Registration Process

- All participants are required to utilise the IndiaAI portal to access the application form.
- A team leader will have to individually apply for the Challenge on the IndiaAI portal by clicking the submit link.
- After the initial sign-up, the team leader should list all the team members under the management team and complete all organisation details. All participants are required to utilise the IndiaAI portal to access the application form.
- The team leader will have to answer all additional questions, including uploading documents, and click 'Submit'.
- Interested applicants can apply within the specified time period from the launch.

4. Opportunity for Applicants

- **Opportunity to Build for the Nation**: Contribute to developing innovative solutions that address critical challenges faced by the country, making a direct impact on society.
- **National Recognition**: Gain visibility and recognition from government officials, industry leaders, and peers for your contributions and innovative ideas.

- **Networking Opportunities**: Connect with like-minded innovators, potential collaborators, and key stakeholders in the tech and innovation ecosystem.
- **Exposure to Real-world Challenges:** Work on pressing issues faced by the nation, providing practical experience and a deep understanding of real-world problems.
- **Support for Implementation**: Winning solution will get potential support in scaling and implementing the solution at a national level, bringing your ideas to life.
- **Reward**: Receive work contract worth up to INR 1 crore for a period of 2 years to deploy their solution for use by the Government of India and its associated entities.

5. Intellectual Property Rights (IPR)

All Intellectual Property Rights (IPR) will belong to the solution owner participating in the Challenge. IndiaAI and partnering institutions shall have a non-exclusive, royalty-free, perpetual license to use the awarded AI solution including all IPR arising out of its use, and the solution owner shall be deemed to have given a No Objection Certificate (NOC) for the same and shall also remain bound by the terms of a Non-Disclosure Agreement (NDA) with respect to such work.

6. Timeline

#	Activity	Timeline
1	Launch Date	15.01.2026
2	Last Date For Submission	22.02.2026 (7 Weeks)
3	Stage 1: Declaration Of Results Of Solutions for Pilot Stage	TBC
4	Pilot And Technical Verification	TBC
5	Stage 2: Declaration Of Innovation Challenge Winners	TBC

7. Eligibility Criteria

- **Indian Company**: The team may be an Indian company registered under the Companies Act. An Indian company must have 51% or more shareholding by Indian citizens or persons of Indian origin.
- **Start-up**: The team may be a start-up as defined in the latest notification by the Department for Promotion of Industry and Industrial Trade (DPIIT), accessible at Startup India.

- **Autonomous Bodies**: Autonomous bodies, including public sector organisations, non-profit organisations, research institutions and universities, are eligible to participate.
- **Others**: Indian students or researchers associated with educational institutions or universities, or working professionals associated with Indian start-ups and companies may participate in their individual capacity or as teams. The participant must be a citizen of India.

Note: If the Participating Team has not yet registered themselves as a Company, they can still participate, subject to the condition that all participating team members are Indian citizens. However, they will be required to register as a Company or Start-up if they are selected for stage 2 solution refinement and pilot.

8. Terms and Conditions

a. All participants must meet the outlined eligibility criteria (Section 7) to participate.
b. If individual innovators are associated with any company, they should provide a No Objection Certificate (NOC) from their employer, stating that the company will have no rights to the prize money and/or intellectual property rights (IPR). Additionally, individuals should inform their employer of their participation in the innovation challenge related to AI solutions.
c. The award from this initiative can only be used by the participating team for the purpose of AI solution development.
d. Winning entities will retain the rights to the solution/product developed subject to the intellectual property rights outlined in this document (Section 5).
e. The participants will ensure code is free from viruses and malware. The participants will not use this Challenge to do anything unlawful, misleading, malicious, or discriminatory.
f. The solutions must not violate/breach/copy any copyrighted or patented concepts in the AI market.
g. The solutions must not violate any data protection and governance regulations and policies of the Government of India.
h. The solutions must be in adherence with related cybersecurity standards and guidelines of the Government of India.
i. Solutions must adhere to ethical principles and guidelines for the development, deployment and use of AI technologies, including fairness, transparency, accountability, and non-discrimination.
j. The developed solution/product will be deployed in the chosen Cloud Environment and used by Union/State/UT government entities.

k. Any new enhancements, features or innovation should be released on the chosen Cloud Environment. At all times, the updated source code shall be shared with the partnering institution for its free use.

l. The winning entities shall receive a work contract of a fixed amount to support the solution development and deployment for at least two years from the go-live period. The support includes manpower for end-to-end development, deployment, maintenance, and bug fixing across the entire application.

m. The winning entities shall submit progress-cum-achievement reports at quarterly intervals on the progress made on all aspects of the project, including expenditure incurred on various approved items during the two-year contract period. The scope of work, payment terms, milestones, and other contract conditions will be as agreed between IndiaAI, partnering institutions and the winning entities, and it shall comply with the General Financial Rules of the Government of India.

n. The winning entities are not allowed to entrust the implementation of this project for which the award is received to another institution, or to divert the award received from IndiaAI as assistance to another institution.

o. The winning entities should not enter into collaboration with a foreign party (individual/academic institution/industry) in execution of this project without prior approval of IndiaAI.

p. The winning entities are free to market the product to any entity outside the Union/State/UT Government Organisations of India.

q. In case of any dispute on any other matter related to the project during the course of its implementation, the decision of the CEO, IndiaAI shall be final and binding on the winning entities.

r. By participating in this Challenge, the winning entities understand and undertake the above commitments and agree to the terms and conditions.

9. Plagiarism and Ethics

a. Participants are expected to uphold the highest standards of ethics and integrity throughout the Challenge.

b. All work submitted must be original and developed by the participant or their team.

c. Plagiarism, or the use of someone else's work without proper attribution, is strictly prohibited and would result in immediate disqualification.

d. Participants must ensure that their solutions are proprietary and not copied from existing projects or code repositories.

e. Moreover, the use of any external resources or pre-trained models should be clearly cited, and proper permissions should be obtained where

necessary. Adherence to these ethical guidelines ensures a fair and competitive environment for all participants.

f. By registering for this Challenge, participants are giving an undertaking to adhere to all plagiarism and ethical guidelines set forth by the IndiaAI.

Annexure I - Problem Statements

Part A: Ministry of Small and Medium Enterprises

Problem Statement 1: AI Enabled Virtual Negotiation Assistance

Micro, small, medium enterprises frequently encounter delayed payment issues from buyers due to administrative, procedural and operational complexities. Conventional dispute-resolution mechanisms, such as in-person conciliation and arbitration, are resource-intensive, resulting in significant time and cost burdens. To address this, MSME developed first-of-its-kind Online Dispute Resolution (ODR) portal, providing an end-to-end digital workflow that enables micro and small enterprises to resolve delayed payment disputes remotely and efficiently.

The ODR framework supports an optional pre-Micro & Small Enterprises Facilitation Council (MSEFC) stage that facilitates voluntary, out-of-court digital settlement through guided pathways and automated negotiation. To further enhance accessibility, reduce resolution timelines and improve dispute-handling efficiency, an AI/ML-powered virtual negotiation assistant is proposed to support intelligent dispute processing, containment and resolution.

Use Case: Develop an integrated AI-enabled virtual negotiation assistant capable of accepting voice-based inputs for automated form-population; analysing Statements of Claims and supporting documentation; classifying dispute sub-categories and identifying missing documentation; predicting probable resolution outcomes based on statutory provisions and judicial precedents; supporting multilingual, real-time, AI-guided negotiation; and assisting in automated drafting of settlement agreements based on negotiated outcomes.

Indicative Capabilities: The solution may utilise AI/ML models including (1) Automatic Speech Recognition (ASR), Text-to-Speech (TTS), Optical Character Recognition (OCR), and Named Entity Recognition (NER) for automated extraction and structuring of claimant and respondent inputs; (2) Document and case segmentation models for dispute-type classification and gap detection; (3) Outcome prediction models using legal precedent datasets and rule-based legal frameworks; (4) Conversational AI integrating ASR/STT, real-time translation, sentiment analysis and negotiation strategy modelling; (5) Automated document generation and summarisation for drafting settlement agreements and generating structured case summaries.

The above AI capabilities are indicative and not exhaustive. Solution providers could modify, update or prioritise these capabilities to address the provided problem statement.

Problem Statement 2: AI-powered MSE Agent mapping tool

Micro and Small Enterprises (MSEs) frequently struggle to identify appropriate buyers due to limited market outreach, inefficient buyer discovery mechanisms, and inadequate product cataloguing. To resolve these challenges, MSME has launched the Trade Enablement and Marketing (TEAM) initiative to onboard MSEs onto the Open Network for Digital Commerce (ONDC).

Under this initiative, MSEs are mapped to relevant Seller Network Participants (SNPs), who support registration, catalogue creation, and transaction fulfilment. However, the current workflow relies heavily on manual data entry, inconsistent product category tagging, and labour-intensive claim verification by the National Small Industries Corporation (NSIC), often leading to onboarding delays and rejection of applications. To streamline operations and enhance efficiency, an AI-driven intelligent MSE agent mapping tool is envisaged to automate, optimise, and scale the TEAM process.

Use Case: Develop an integrated AI system that supports MSEs and SNPs across the TEAM initiative by enabling multilingual, voice-enabled digital registration and automated form filling; AI-driven product categorisation based on predefined taxonomy and sectoral attributes; and intelligent matching of MSEs to suitable SNPs based on product capabilities, domain relevance, and operational capacity.

Indicative Capabilities: The solution may leverage AI/ML components including (1) Natural Language Processing (NLP), OCR, ASR/STT for multilingual automated form filling, document processing, and voice-based data capture; (2) Classification models, semantic mapping, attribute extraction and compliance validation for accurate product categorisation based on textual descriptions; (3) Clustering and capability assessment models, semantic similarity algorithms, and prioritisation logic to optimise MSE-to-SNP matching based on alignment with sectoral domains, transaction history, and fulfilment capacity.

The above AI capabilities are indicative and not exhaustive. Solution providers could modify, update or prioritise these capabilities to address the provided problem statement.

Part B: Ministry of Ayush

Problem Statement 3: AI-enabled Integrated Early Warning, Treatment & Lifestyle Recommendation System

The Ayush Hospital Management Information System (AHMIS), now expanded to over 12,000 centres nationwide, generates large-scale data on patient diagnoses and care delivery. This growing and rich dataset presents a significant opportunity to develop an AI-enabled system that can support both population-level public health intelligence and individual-level personalised AYUSH care.

Strengthening AYUSH systems through advanced AI capabilities can significantly enhance their effectiveness and scale by enabling voice-based, multilingual inputs for efficient creation of Electronic Health Records (EHRs) by AYUSH professionals; dynamic detection and prediction of disease outbreaks to support proactive public health interventions; and personalised, data-driven treatment and lifestyle recommendations for chronic lifestyle conditions such as nephrolithiasis, urolithiasis, obesity, and hypertension. By integrating advanced AI and ML technologies, AHMIS can evolve into an intelligent health system that supports early outbreak detection, public health risk forecasting, and evidence-informed AYUSH treatment planning, thereby strengthening India's preventive and personalised AYUSH healthcare ecosystem.

Use Case:

An AI-enabled system that allows AYUSH professionals to create EHRs on AHIMS using secure, voice-based, multilingual inputs, while leveraging historical clinical data to detect early signs of local disease outbreaks and generate real-time alerts. The system facilitates timely AYUSH interventions and informs public health forecasting and preventive planning. It also generates personalised AYUSH treatment plans, including herbal, dietary, yoga and other lifestyle recommendations, based on diagnoses, comorbidities, and past outcomes of similar demographics, and continuously improves these recommendations through real-time clinical feedback and long-term patient outcomes.

Indicative Capabilities:

The solution may leverage AI/ML techniques such as NLP, ensemble learning, reinforcement learning and hybrid recommendation architectures to support: (1) secure, voice-based multilingual EHR creation through advanced speech-to-text and machine translation models across Indian languages, integrated with AHIMS and AYUSH Grid; (2) early detection and forecasting of localised disease surges using anomaly detection on historical clinical data, combined with geospatial clustering and spatiotemporal graph neural networks to predict short-term regional spread; (3) generation of personalised AYUSH treatment plans through hybrid recommendation engines that integrate codified AYUSH knowledge systems

(such as Prakriti-based logic) with patient clustering on historical AHIMS outcomes, with reinforcement learning continuously refining recommendations based on clinician feedback and longitudinal patient outcomes, including in cases of limited patient history; and (4) explainable recommendations supported by evidence-generation and confidence-scoring mechanisms with adaptive learning frameworks ensuring continuous improvement and clinical trust through real-world validation.

These capabilities are indicative and not exhaustive. Solution providers may modify, update or prioritise features as needed. Applicants may use publicly available datasets including clinical EMR data, AYUSH treatment protocols, hospital/disease registries, and sample data shared via AIKosh.

Annexure II – Evaluation Details

Evaluation Parameters(General and Technical)

The evaluation process of the Challenge would be overseen by a distinguished panel of jury members comprising experts from the fields of machine learning, data science, and sectoral expertise. The jury would rigorously assess each submission based on predefined criteria to ensure a fair and comprehensive evaluation. The evaluation will ensure equitable weightage is given to both the Technical and General parameters.

I. General

	Parameter	Description
1	**Approach Towards Problem Solving**	Product Idea, Degree of Innovation, Simplicity of Final Solution, Uniqueness of Solution, Novelty of Approach
2	**Solution Technical Feasibility**	Product features, Scalability, Interoperability, enhancement & expansion, Underlying technology components & stack and futuristic orientation
3	**Product Roadmap**	Potential Cost to Build, Deploy and Maintain Product for two years from go-live, Regulatory compliance, System Integration plan.
4	**Team Ability & Culture**	Prior Experience of the entity in developing and deploying similar solutions in private and public domains specifically healthcare and climate change, Team Leader's Effectiveness (i.e. Understanding of subject matter, Ability to guide, Ability to present idea), Ability to Market Product, Growth Potential of Organisation
5	**Adherence to Responsible AI Principles**	Safety and Reliability, Equality, Inclusivity and Non-discrimination, Privacy and Security, Transparency, Accountability, Protection and Reinforcement of positive human values
6	**Adherence to Data Policies and Cyber Security Guidelines**	Adherence to applicable Government of India policies, guidelines, regulations on Data Governance and Cyber Security

II. Technical

	Parameter	Description
1.	**Data preparation**	Participant has - explored the data and removed unnecessary columns. - checked if there is any skewness in the data and tried to mitigate it - performed stratified train-test split successfully to create train & test datasets. - ensured data coverage, size, and quality - integrated data management and governance policy
2.	**Model Building**	- Participants has performed the required cross-validation and has built different models on raw-data. - After evaluation on the raw dataset, Model hyperparameters are tuned using correct principles and the approach is explained clearly. - A reasonable number and variety of different models are attempted, and the best one is chosen based on key performance metrics.
3.	**Model Evaluation**	- Model evaluation is conducted using an appropriate metric. - Integrated model monitoring and enhancement strategy.
4.	**Technical Robustness**	- Accuracy: The proportion of correctly classified instances (both true positives and true negatives) out of the total instances. - Precision: The proportion of true positive instances out of the instances predicted as positive. - Recall (Sensitivity or True Positive Rate): The proportion of true positive instances out of the actual positive instances. - F1 Score: The harmonic mean of precision and recall, providing a single metric that balances both concerns. - AUC-ROC (Area Under the Receiver Operating Characteristic Curve): Measures how well the model distinguishes between classes. - Confusion Matrix: A table providing a detailed breakdown of true positives (TP), true negatives (TN), false positives (FP), and false negatives (FN).

		- Inference latency, cost per inference - Other Metrics (Optional): Log Loss and Balanced Accuracy of the model. - Additional Criteria: Any other metrics as agreed upon by jury members.

Evaluation Process *(for internal reference only)*

The evaluation process will follow multiple steps to ensure fairness and technical rigor:

- First level quality check & review by the organising team – assess eligibility, completeness and quality of submission
- Assessment & screening by the Screening Committee – detailed review and shortlisting of further evaluation by Evaluation Committee.
- Shortlisting entries for Pilots – presentation and PoC review for shortlisting top 3 teams for Pilot stage.
- Final evaluation – presentations, technical & security audits, and selection of winners based on pilot performance and jury evaluations.

IndiaAI and the jury reserve the right to modify the number of qualifying solutions at any stage to ensure competition and operational efficiency. The decision of the jury shall be final and binding across all stages.

Annexure III – Submission Form

Teams should prepare submissions aligning with the following sections. Detailed forms will be available on the IndiaAI portal.

Section 1: Team Information

1. Applicant Type (Startup/Company/Autonomous body/Others):
2. Team Name*:
3. Team Leader Information*:
    - Full Name:
    - Designation:
    - Core Expertise Areas:
    - Email Address:
    - Phone Number:
    - LinkedIn Profile:
4. Organisation:
    - Name of Organisation:
    - Registration Number:
    - Date of Incorporation:
    - Number of Employees:
    - Core Function of Organisation:
    - Address:
    - Website:
5. Team Members: List each member details including
    - Full Name
    - Role
    - Email
    - LinkedIn Profile
6. Prior Experience in relevant project implementation and research work*: *Describe relevant AI solutions designed and developed, technologies used, and outcomes, publications, etc. (max 200 words).*
7. Experience collaborating with public and private entities*: *Specify partners, nature of engagement for similar projects, and key results (max 200 words).*
8. Demonstrated expertise in health sector, if any (for applicants applying for problem statement 3, Ministry of Ayush): (max 100 words)

Section 2: Project Proposal

1. Title of the Solution:**
2. Which Ministry is the Solution For?*: Ministry of Ayush/ Ministry of Micro, Small and Medium Enterprises
3. Problem Statement Addressed:* (Choose from Annexure I)
3. Proprietary Model*:

- Is the AI model developed in-house (not based on third-party pre-trained models)?

  ☐ Yes ☐ No

  - If Yes, provide:
    - Details of a proprietary technology base
    - If the solution is developed on open-source models, share details and customisation approach
  - If No, provide names of the third-party applications used and licenses details

4. Description of the Solution:* Provide a comprehensive overview of the system, including:
   - Functionality
   - Features
   - Core AI technologies used
   - Training and validation data used, highlighting data provenance, coverage, size and quality
   - Process and strategies adopted for model training, refinement, solution monitoring and enhancement
   - Solution replicability across multiple sectors for relevant use cases *(Max 300 words)*
5. Provide technology readiness level (1-9) for your solution, with clear milestones and risks (max 100 words).*
6. Highlight how this improves upon existing open-source models. Provide the benchmarking done for your solution. Provide Performance indicators measured (e.g., accuracy, False Positive/Negative Rates), the methodologies used for measurement, and the outcomes. *(Max 300 words).*
7. Architecture and Design*: Upload or link to technical architecture diagrams, process flow, flowcharts, and other relevant design document.
8. Data Governance and Security*: Describe how data collection, confidentiality, encryption, storage, access control, retention and removal will be implemented. Include measures taken to ensure compliance with relevant regulations and standards for data privacy and security measures. (max 100 words)
9. Compliance with Responsible AI Principles*: Describe how the solution adheres to principles of fairness and transparency and adopts measures for solution interpretability, auditability, inclusivity and fairness. *(max 100 words)*
10. Scalability and Integration Readiness*: Describe deployment mode, integration compatibility, offline operability, and future expansion capability. (max 100 words)
11. Has the solution been piloted/deployed? (Please provide details – Where, how and which region/geographies the solution has been piloted and scaled into) (Max 100 words)*

12. Upload supporting documents for pilot/deployment, if any

Section 3: Business Plan

1. Business Model: Describe the business model, including revenue generation strategies.
2. Market Analysis: Provide an analysis of the market size, competition, and potential market share.
3. Go-to-Market Strategy: Outline the plan for bringing the solution to market.
4. Partnerships and Collaborations: List any existing or potential partnerships including any assistance from existing products.

Section 4: Supporting Documents

*Consistent nomenclature is required for all supporting documents E.g., Individual name_Pitch Deck

1. Pitch Deck:* (Upload)
2. Certificate of Incorporation/Legal Registration*
3. Certificate of Recognition (for Startups)
4. Technical Documentation/Proof of IPs/Patents, if any
5. Proof of IPs/Patents, if any
6. Ethics / Regulatory Clearance (if secured)
7. Solution demo video (2-3 minutes)*
8. Any additional documentation to strengthen the proposal such as model accuracy proof etc.

Section 5: Declaration

Declaration by Team Leader

I/we hereby declare that all the information provided in this application is true and complete to the best of our knowledge.

I/we hereby also declare that I am authorised to participate in this Challenge, sign all the documents and agreements related to the Challenge and to commit resources.

I/we confirm that we will abide by the conditions mentioned in the Challenge document in full and without any deviation.

I/We shall observe confidentiality of all the information passed on to us in the course of the Challenge and shall not use the information for any other purpose than the current Challenge.

I/We confirm that we have not been blacklisted/banned in the last three years by any State/Central Government organisations/Firms / Institutions/ Central PSU / PSE.

Date: _____