Revised Procurement Norms for AI Computing

The **Ministry of Electronics and IT (MeitY)** has revised its procurement norms for **Artificial Intelligence(AI)** computing capacity under the **IndiaAI Mission** to encourage broader participation from various companies, including **start-ups**.

- **Revised Procurement Norms:**
    - **Annual Turnover Requirements**: For **primary bidders,** it has been reduced from **Rs 100 crore to Rs 50 crore**, while **non-primary** consortium members now need **Rs 25 crore**, down from Rs 50 crore.
        - A **primary bidder** is an entity that is **solely responsible** for the **successful performance** of all subcontractors offered in response to a bid.
    - **Graphic Processing Units (GPUs) Requirements**: The requirement of **1,000 GPUs** was changed from a performance threshold of **300 TFLOPS** (Tera Floating-point Operations Per Second) **for FP16** (Half Precision) **to 150 TFLOPS**.
        - The AI compute memory requirement was reduced from **40 GB to 24 GB**.
        - TFLOPS measures a system's computing power; for instance, **10 TFLOPS** means it can perform **10 trillion FP16 calculations per second.**
    - **Local Sourcing**: Components for **AI cloud services** must be procured from **Class I (50% local content) or Class II (20-50% local content)** suppliers to comply with the **'Make in India'** initiative.

Read More: IndiaAI Mission

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