

How Sarvam is helping India seek its DeepSeek moment and what it needs to do next to get there

On July 30, Indian AI startup Sarvam held the Epoch conference. The startup made a bunch of announcements including better models, and a new office in the US. But does this mean that Sarvam may finally bring India to the big boys club in the AI race?



Sarvam may have what it takes to give India its own DeepSeek moment. (Representational image made with AI)



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At Epoch 2026, Sarvam co-founder [Pratyush Kumar made a big announcement](#). He claimed that the AI startup was building a foundational AI model with over a “trillion-plus” parameters in India from scratch.

Parameters refer to the dataset used to train AI. The more the parameters the stronger the AI can perform. If Sarvam manages to have its own trillion-plus parameter model, it could bring the Indian startup closer to leading AI labs like Anthropic and OpenAI. But to understand how Sarvam has reached this stage, we must first understand what the startup has done so far.

What Sarvam has done so far

You see, Sarvam wants India to have sovereign AI models that are designed for local use cases.

For this, there are models like Saaras V4 that can detect speech clearly, not just in Indian languages, but in English too. Saras V4 comes with a multi-speaker mode that Sarvam says is the “best-in-class speech recognition model that accurately captures overlapping conversations and multi-speaker interactions.” That is, even in English, it is billed as the best model out there when it comes to speech recognition.

Then there's Vision 2.0. It is designed for digitising documents, and in particular Indian documents. Already, over 35 million documents have been digitised with Vision 1, and now the Odisha government is also using the model.

You also have the [flagship Sarvam 105B AI model](#) that now works with AI agents.

According to benchmarks shared by Sarvam, this model is better at certain tasks, such as voice call capabilities and instruction following when compared to OpenAI's GPT-5.4 Mini and Google's Gemini 3.5 Flash.

Why Sarvam's work matters for India

Clearly, Sarvam is doing a lot of work when it comes to AI. And this becomes particularly important today when there is growing debate around AI sovereignty. Ever since the US temporarily banned Anthropic's Mythos 5 and Fable 5 models for all foreigners, there have been growing concerns among companies that were using foreign-made AI models.

"Given the growing geopolitical, supply chain and national security risks, the case for sovereign AI models is becoming increasingly compelling," Deloitte India Partner Vijay Gopalakrishnan tells India Today Tech. "The risks are real."

Till now, Indians really had to use AI models from US companies like OpenAI and Anthropic, or go for Chinese alternatives like Kimi K3 and DeepSeek V4. Some AI pioneers like OpenAI's Sam Altman even declared that building AI was not for Indian companies. "You (Indians) can try to build AI like ChatGPT, but you will fail," he said in 2023 though he later clarified his comment was taken out of context.

But Sarvam's work shows that India too can join the big leagues of AI. "Sarvam's progress means infrastructure (in India) exists. Models can be built, Compute is available," cybersecurity firm eScan's CEO Govind Rammurthy tells India Today Tech.

Shivam Rajput, CEO of tech startup ElectraWireless adds, "Companies like Sarvam are helping strengthen India's AI capabilities, and a diverse ecosystem of specialised AI companies will ultimately benefit the country's innovation landscape."

But there is a catch

But just making a model is not enough, suggests Gurleen Khurana, the co-founder of AI consulting firm SimplifyGenAI. Rather, the Sarvam models will have to be the ones people actually use. "Sovereign AI shouldn't quietly become second-best AI. The actual test is whether Indian companies choose these models on merit, when nobody's watching. That's the bar," he tells India Today Tech.

As we mentioned earlier, Sarvam is seeing user adoption when it comes to its Vision model for documents. The [Indus by Sarvam app on the Google Play store has over 1,00,000 downloads](#). While we don't have Sarvam's userbase numbers, it is likely that they still pale in comparison to AI behemoths like OpenAI or Google.

And the reason for this may be that tools like Claude Code or OpenAI's ChatGPT Work simply do some things better. "If you're building Indian language applications, Sarvam becomes relevant, which I believe is their strength. Most techies in India work in English-first environments," Govind Rammurthy explains. "The market Sarvam is targeting doesn't yet overlap with people choosing tools. That gap takes years to close."

Gurleen Khurana insisted that there was no real reason for you to switch to a Sarvam model unless you really wanted something specific. “Sarvam doesn't have anything close to frontier today, and pretending otherwise helps nobody. But for Indian language voice work specifically, absolutely worth trying. Use the right tool for the job, not the patriotic one,” he said.

What makes things more difficult is that Sarvam does not have millions of dollars in revenue from paying users either. Govind notes, “Sarvam hasn’t proved a sustainable business model exists. No one is paying a premium for Indian LLMs yet. Other startups face the same fundamental problem – customers won't pay unless forced to. And, even if they are forced to, they will end up negotiating \$10 for a \$100 price point.” He added, “Sarvam's achievements make the path clearer technically. They don't make the market exist. That requires either a government mandate or genuinely superior products. Sarvam has neither yet.”

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That is, Sarvam faces two major hurdles – building a frontier model to truly match global players, something which its upcoming 1 trillion-plus parameter model can help it reach, and to have a proper set of premium plans for a steady flow of income.

But in cases where Sarvam has an edge, it does become a strong factor in bringing more users. Gurleen Khurana says that his firm was interested in using Bulbul V4, Sarvam’s latest text-to-speech (TTS) model. “We're actively evaluating Bulbul V4. We work with a lot of Indian brands in the creative space, and it's one of the more expressive models for Indian voices, especially code-mixed Hinglish, which most global models still handle badly,” he says.

With Bulbul V4, you can add emotions like laughter or put emphasis on certain words to make the audio feel more natural. Gurleen adds, “That's where their edge is real and defensible.”

The way forward for Sarvam

Though, Sarvam is making progress and it is growing fast. The startup recently became India’s first AI unicorn with a \$1.5 billion market cap after raising \$234 million in a funding round. [The round was led by HCLTech](#). Additionally, Sarvam has also opened its first research lab in the US, in the city of San Francisco. [Star AI expert Devendra Singh Chaplot](#) – who previously worked at xAI, Mistral and Thinking Machine Labs – has joined the startup as a part-time advisor too.

The new US lab may help accelerate the company’s plans as it gives it access to the most talented AI engineers in Silicon Valley, including many Indians. Gurleen says, “A lot of the people building frontier models are Indian, they're in the US because that's where the pay and the GPUs are. A San Francisco lab is really just access to that pool. It's not that India lacks talent, we clearly have it.”

Govind Rammurthy called Chaplot’s arrival “pragmatic” for Sarvam, but admitted that this showed that India may not be fully prepared for frontier AI development. He explained, “It also exposes the reality – building a competitive frontier AI requires operating globally, not just in India. That's expensive and requires resources most Indian startups lack.”

While Sarvam has got a lot in the pipeline, it cannot become the next big name in the AI world unless it finds a breakthrough. Gurleen Khurana says that the AI startup must have its [own DeepSeek moment](#), referring to the Chinese AI startup that shocked the world with its R1 and V3 models.

“Sarvam will have to do something extraordinary. DeepSeek got noticed for landing near the frontier at a fraction of the cost, not for being Chinese. So Sarvam needs either that, or something genuinely new,” Gurleen notes. “Being best at Indian languages is a good business, but it won't make you a global name by itself.”

All of this is a sign of progress, but the market is tough to crack. Today, when AI models continue to improve, there is no real loyalty when it comes to a user. A person may switch, for instance, from ChatGPT to Claude after Anthropic releases a better model.

Govind Rammurthy insists that the journey will not be easy for Sarvam. "Without government procurement mandates or forced adoption, Sarvam becomes another well-funded startup burning capital," he says. On top of that, the market for premium AI plans in India is smaller than somewhere like the US. Govind adds, "The market for Indian LLMs doesn't pay like global markets. That's, unfortunately, the real constraint."

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