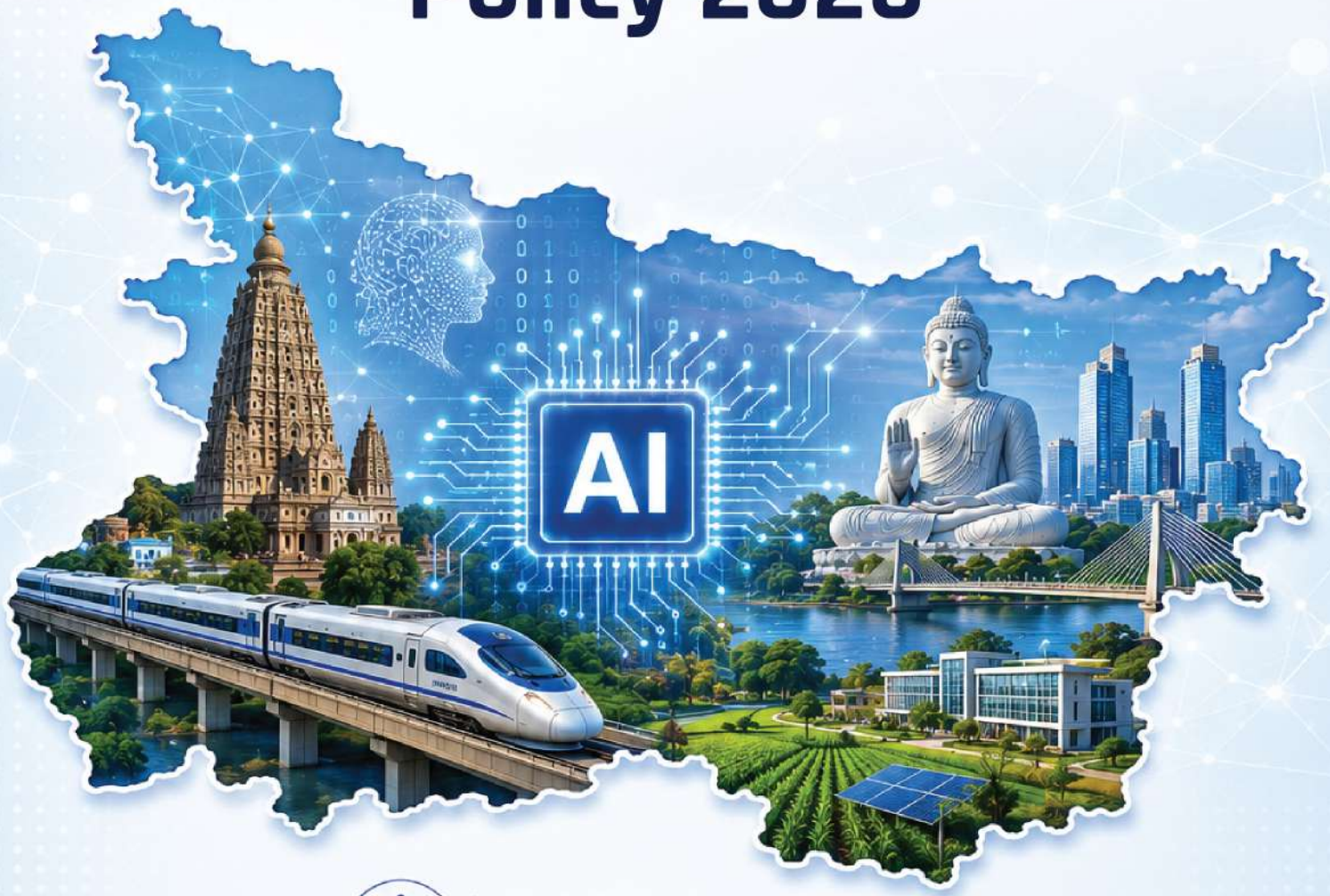
Department of Information Technology
Government of Bihar



Shri Samrat Choudhary
Hon'ble Chief Minister, Bihar

Bihar Artificial Intelligence Policy 2026



DEPARTMENT OF
INFORMATION TECHNOLOGY
GOVERNMENT OF BIHAR

INNOVATE | EMPOWER | TRANSFORM

BUILDING AN AI-ENABLED BIHAR FOR A VIKSIT BHARAT

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1. Preamble

The Government of Bihar recognizes that the next phase of socio-economic transformation will be shaped not merely by digital adoption, but by intelligent systems capable of generating insights automating processes, enhancing decision-making, and enabling precision interventions. Artificial Intelligence(AI),encompassing machine learning, natural language processing, computer vision, predictive analytics, and automation technologies, represents a foundational enabler of this transformation.

This Policy is premised on the understanding that AI is a strategic instrument to strengthen governance systems, enhance productivity across priority sectors, and deliver measurable improvements in citizens' quality of life. The Bihar Artificial Intelligence Policy (2026–2031) lays down a structured, phased, and accountable framework for mainstreaming AI adoption in a responsible and inclusive manner.

Policy Proliferation and Alignment

The Bihar Artificial Intelligence Policy 2026 builds upon and complements a series of progressive policy interventions undertaken by the Government of Bihar to strengthen the State's technology and innovation ecosystem. Prior to this Policy, the State had rolled out key frameworks including the Bihar IT/ITeS Policy 2024, the Bihar Global Capability Centers (GCC) Policy 2026, the Bihar Startup Policy, and the Bihar Semiconductor Policy, each of which has contributed to establishing critical infrastructure, enabling investments, fostering entrepreneurship, and promoting advanced technology capabilities. While these policies have collectively laid a strong foundation for digital growth, industry development, and innovation, the AI Policy represents the next phase of evolution by focusing specifically on the adoption, development, and scaling of Artificial Intelligence across sectors. This Policy is thus designed to converge with and leverage the strengths of existing policies, ensuring coherence, avoiding duplication of incentives, and enabling a unified, forward-looking framework for Bihar's transition towards an AI-driven digital economy.

2. AI Ecosystem in Bihar

Bihar AI Mission

The Bihar AI Mission represents a flagship, integrated initiative aimed at operationalizing the State's vision of positioning Bihar as a leading AI-driven, governance-enabled, innovation-centric, and future-ready digital economy by fostering world-class AI research, accelerating industry adoption, enabling large-scale AI talent creation, and building a robust ecosystem that drives inclusive economic growth and high-value employment across the State. At the core of this mission is the establishment of a Bihar AI Centre of Excellence (CoE) at IIT Patna, envisioned as a state-of-the-art hub, developed in strategic collaboration with leading academic and industry partners. With a committed investment of INR 60 Cr over a four-year period, the CoE is designed to catalyze the entire AI value chain within the State.



The mission adopts a multi-dimensional approach by emphasizing the four pillars – Research and Innovation, Startup ecosystem development, Government use-case deployment, and large-scale Skill Development within a single institutional framework. On the research front, the CoE will drive applied AI innovation in priority sectors, while advancing capabilities in emerging domains. It will act as a startup incubation hub, offering mentorship, sandbox environments, investor access, seed funding support, and intellectual property facilitation, there by nurturing a pipeline of high-potential AI startups rooted in Bihar.

Overall, the Bihar AI Mission serves as a convergence platform that aligns infrastructure, talent, innovation, and governance, positioning the State to not only adopt AI at scale but also emerge as a competitive hub for AI research, industry investment, and digital transformation in India.

Foundation of Digital Governance & Data Systems

Bihar has made steady progress in strengthening digital governance and data-driven service delivery systems, creating a strong base for AI adoption. Various departments are increasingly leveraging digital platforms, e-governance systems, and centralized data repositories to improve service delivery, monitoring, and administrative efficiency. These initiatives are laying the groundwork for gradual integration of AI and advanced analytics in governance use cases, including beneficiary targeting, grievance management, and service optimization.

Existing Technical & Research Ecosystem

Bihar already hosts a strong ecosystem of technical and research institutions, which are actively contributing to digital innovation and emerging technology capabilities. Institutions such as IIT Patna, NIT Patna, and IIIT Bhagalpur are engaged in advanced research in areas including data science, machine learning, and computational technologies.

The IIT Patna Incubation Centre is supporting startups working in deep tech and digital solutions, while C DAC (Centre for Development of Advanced Computing) presence in Bihar is contributing to high-end

computing and advanced technology development. These institutions collectively provide a strong research and intellectual foundation for AI-led innovation.

Skilling & Capacity Building in Digital Technologies

The State has been actively strengthening its ICT training and skilling ecosystem, which forms a critical base for future AI adoption. NIELIT centres in Patna, Muzaffarpur, and Buxar are delivering specialized training programs in advanced IT, electronics, and emerging digital technologies.

Additionally, the presence of engineering colleges, polytechnics, and vocational institutions across the State ensures a continuous pipeline of technically skilled youth. Large-scale skilling initiatives and digital literacy programs undertaken by the State are gradually contributing to the development of a workforce capable of transitioning to AI and data-driven roles.

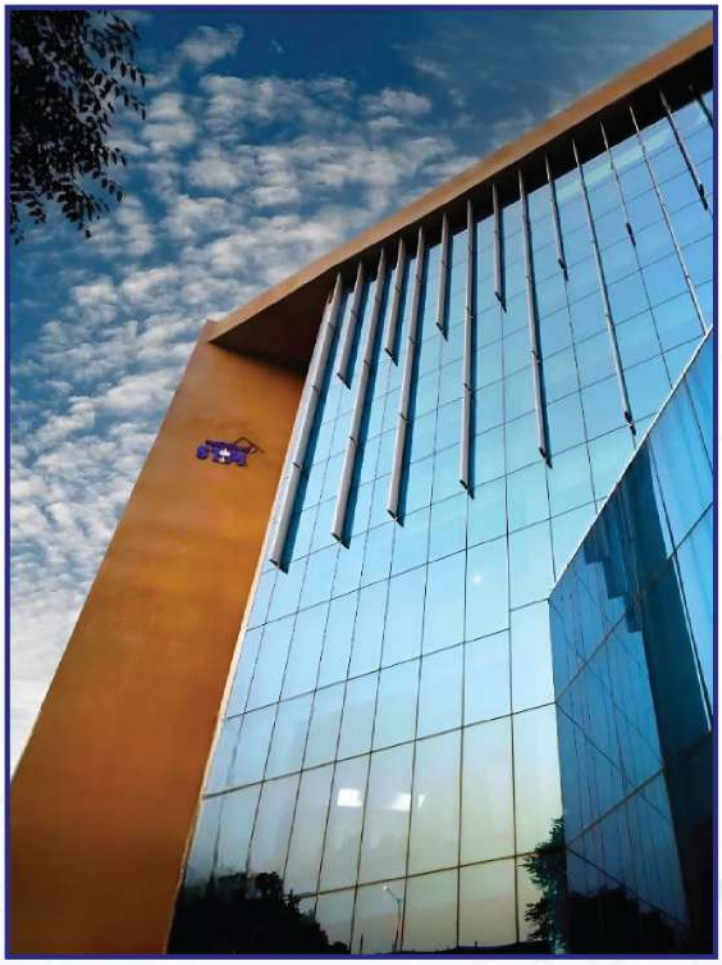
Innovation & Startup Ecosystem

Bihar has been steadily building a startup and innovation ecosystem, supported through the Bihar Startup Policy and institutional frameworks such as the Startup Support Unit (SSU)

The presence of STPI centres in Patna, Darbhanga, and Bhagalpur further strengthens the ecosystem by providing incubation support, infrastructure, and mentoring to technology startups. These centres are actively supporting entrepreneurs in domains such as software development, digital services, and emerging technologies, which can evolve towards AI-based innovation.

Government-led initiatives such as startup events, innovation challenges, and incubation support programs are encouraging youth and entrepreneurs to explore technology-driven solutions.





Digital Infrastructure & Industry Support

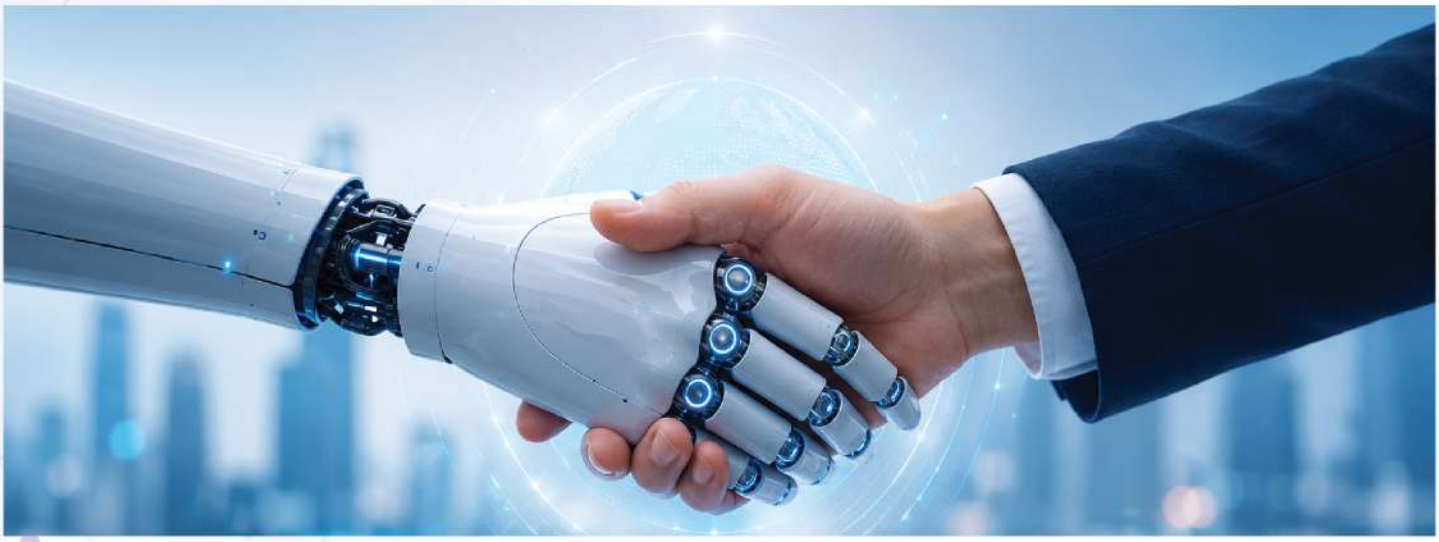
Bihar has made significant investments in building digital and industrial infrastructure, including IT parks, incubation centres, and plug-and-play facilities. The State's focus on Ease of Doing Business, single-window clearance systems, and digital approvals is enabling a conducive environment for technology-driven industries.

The presence of STPI infrastructure, increasing IT/ITeS investments, and expanding digital connectivity are collectively supporting the growth of a technology-enabled ecosystem, which is essential for scaling AI applications in the future.

Emerging Direction Towards AI Adoption

With a strong base of digital governance systems, technical institutions, skilling initiatives, and startup ecosystem, Bihar is progressively positioning itself to adopt Artificial Intelligence across sectors.

Early efforts across departments in data digitization, analytics-driven decision-making, and ICT-enabled services are setting the stage for the next phase of AI-led transformation, particularly in sectors such as agriculture, health, education, and public service delivery.



3. Vision

To position Bihar as a leading AI-driven, governance-enabled, innovation-centric, and future-ready digital economy by fostering world-class AI research, accelerating industry adoption, enabling large-scale AI talent creation, and building a robust ecosystem that drives inclusive economic growth and high-value employment across the State.

4. Objectives

i. To position Bihar as a competitive location for AI companies, GCCs, startups, and digital enterprises by offering targeted incentives, cost advantages, and a supportive policy environment.

ii. To facilitate the growth of AI product companies, solution providers, system integrators, and data service firms by encouraging investments in AI-led business operations within the State.

iii. To promote AI startups through incubation, funding support, mentoring, innovation challenges, and access to markets, enabling Bihar to become a hub for AI-driven entrepreneurship.

iv. To encourage applied AI research and product development through Centres of Excellence (CoEs), industry-academia collaboration, and support for intellectual property creation and commercialization.

v. To build a future-ready workforce by enabling large-scale skilling, reskilling, and upskilling in AI and emerging technologies, aligned with industry needs and global standards.

vi. To promote the use of AI in governance and priority sectors such as agriculture, healthcare, education, manufacturing, and urban services to improve efficiency, transparency, and service delivery.

vii. To support the development of enabling infrastructure, including AI Innovation Hubs, data platforms, compute environments, IT parks, and plug-and-play facilities required for AI operations.

viii. To promote the adoption of ethical AI practices, data governance standards, and inclusive participation across districts to ensure equitable and sustainable AI-led growth.

5. Policy Period

This Policy will come into effect from the date of issuance of notification and will remain in/operation for 5 years.

6. Eligibility & Related Criteria

i. AI Units engaged in Artificial Intelligence–related activities and having GST registration in Bihar post notification of this Policy shall be classified as New Units and shall be eligible for incentives under this Policy.

Eligible activities shall include:

- AI product development
- AI solution development
- Machine learning model development
- AI system integration
- AI/ML research and development
- AI data services (annotation, labeling, validation)
- AI compute services and infrastructure

ii. **New AI Unit** having GST registration of Bihar post notification of this policy and shall invest a minimum Fixed Capital of 2 Cr to setup AI unit at Bihar will be considered as new AI Unit and shall be eligible under this Policy.

iii. **Existing AI units** having GST registration of Bihar and undertaking expansion shall be eligible for incentives, provided that such expansion results in a minimum increase of 50% over the existing manpower, subject to creation of at least 10 fresh direct employment post notification of this Policy, and fulfil other criteria (applicable on expansion part) as specified under this section. Such units shall be eligible to avail incentives corresponding to incremental investment and employment.

iv. **Existing IT Unit undertaking Expansion/Diversification into AI Unit** means a Unit already engaged in IT/ITeS activities, having GST registration in Bihar prior to the notification of this Policy, which undertakes fresh investment to diversify/expand into eligible AI activities as defined under this Policy. Such Unit shall be eligible for incentives (applicable only on the AI diversification/expansion part), provided that:

- The Unit generates a minimum incremental turnover of ₹5 Crore or 5% of its total turnover, whichever is higher, from eligible AI activities, in the previous financial year, verifiable through GST returns/segment-wise turnover certification; and
- creates a minimum of 10 fresh direct employment dedicated to AI activities, post notification of this Policy;

and fulfils other criteria (applicable on the diversification part) as specified under this section. Such Units shall be eligible to avail incentives corresponding only to the incremental turnover from AI activities and fresh AI-dedicated employment, and not to its pre-existing IT operations.

v. **Employment** means direct employment of manpower engaged in Artificial Intelligence roles, subject to the following qualification and composition criteria:

a) Category A — STEM Graduates (Minimum 80% of total eligible workforce):

i. Persons holding a degree in Science, Technology, Engineering, or Mathematics (STEM) — including BE / BTech / BSc (Computer Science / IT / Electronics / Mathematics / Statistics / Physics) / BCA / MCA / MSc (relevant disciplines) / ME / MTech / PhD or equivalent — engaged in AI roles, shall be classified under Category A.

ii. Where a Category A employee does not hold a BE/BTech/MCA/Equivalent degree, they must additionally possess a minimum 6-month Certification Programme in AI, Machine Learning, Data Science, or a related emerging technology domain, obtained from one of the following categories of reputed institutions:

- IITs, NITs, IIITs, IISc, or Central Universities
- NIELIT, C-DAC, or other Government-recognised technology training institutions
- Globally recognised online certification platforms — Coursera, edX, Google, Microsoft, AWS, NVIDIA, or IBM — offering verifiable, proctored certifications
- Top 50 NIRF institutes or as notified by DIT from time to time

b) Category B — Non-STEM Graduates (Maximum 20% of total eligible workforce):

i. Persons holding a graduate degree in any discipline outside the STEM stream — including BA, BCom, BBA, BSW, or equivalent — engaged in AI functional roles shall be classified under Category B.

ii. Category B employees must possess a minimum 1-year Certification Programme in AI, Data Science, Machine Learning, or a directly related domain, obtained from institutions as specified under Category A above.

c) Workforce Composition Compliance: The 80:20 composition between Category A and Category B employees shall be determined on the basis of Average Annual Employment as defined under Section 6.viii, calculated separately for each category.

d) Minimum CTC: The minimum Cost to Company (CTC) shall be ₹3 Lakh per annum for both Category A and Category B employees.

e) Continuity of Employment: Employment must be for a minimum continuous period of 6 months.

f) Courses/institution may be added/deleted with the approval of Department

iii. To avail any benefits under this Policy, minimum 10 direct employment must be generated and at least 50% of total employment must be for persons having permanent domicile of Bihar.

iv. AI-specific roles such as Machine Learning Engineering, Data Science, Natural Language Processing, Computer Vision, Data Annotation and Quality Assurance, or AI MLOps and Model Deployment shall be verified through HR records, EPFO filings, or equivalent documentation.

v. The fulfilment of employment conditions shall be determined based on Average Annual direct employment generated. Average annual direct employment means the average number of employments generated by the eligible unit during that particular year, as per EPFO or equivalent records.

vi. The entity shall possess at least one functional AI product, model, platform, or solution at Technology Readiness Level 5 or above. Proof of Research and Development such as patents, white papers, research publications, technical documentation, or proof-of-concept demonstrations shall be furnished.

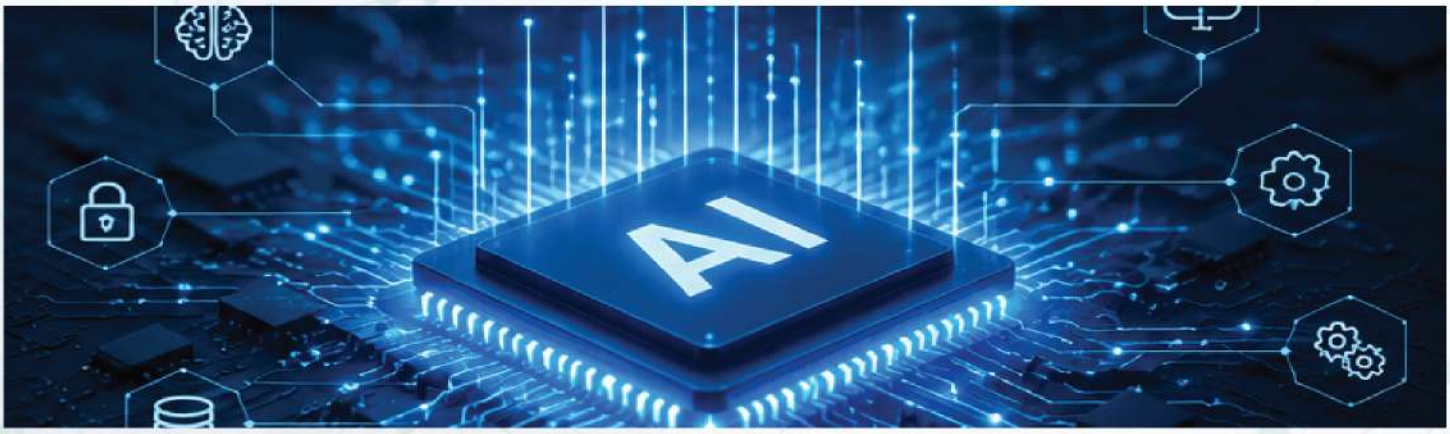
vii. All incentives shall be applicable after commencement of commercial operations and shall be valid for a maximum period of 5 years, unless otherwise specified.

viii. AI Units shall ensure that the employees are physically posted in Bihar for at least 70% of the total working days during the applicable eligibility period. The organization must provide a self-declaration and maintain appropriate records including biometric or equivalent systems at the unit level.

ix. Applicable incentives shall be disbursed on an annual basis subject to submission of required documents and verification by the Department.

x. Dovetailing with Central Government schemes shall be permitted.

xi. Units which have availed benefits under this Policy shall not be eligible to avail themselves of benefits for the same investment under any other policy/scheme of the State and vice versa.



7. Incentives

The Financial Incentives mentioned in this section apply to eligible AI entities, in addition to any incentives that they might be entitled to avail from the Government of India. However, any applicant claiming incentives from other policies of the Government of Bihar is not permitted to claim incentives under this Policy.

In case of inter-state supply, misuse of input credits, or any artificial routing of transactions to avail higher incentives, the eligible unit shall be liable for recovery of incentives along with interest at the rate of 10% per annum, and such amount may be adjusted or recovered as per applicable provisions.

Fiscal Incentives

7.1. Capital Expenditure (CAPEX) Incentives

7.1.1. Capital Investment Subsidy

i. The eligible AI Units with minimum Fixed Capital Investment (FCI) of INR 5 Crores shall be entitled for one-time Capital Investment Subsidy of 30% of the Fixed Capital Investment, subject to a maximum limit of INR 30 Crores.

   A) In cases where the unit has applied for and availed a term loan, the project proposal must be appraised exclusively by an RBI-registered financial institution or a scheduled bank.

   B) In case the unit/company has not applied for and availed any Term Loan, the Department of IT, Government of Bihar may appoint a Third-Party Audit Agency for the appraisal of the project.

   Fixed Capital Investment shall include one-time capitalized expenditure incurred on Land purchase, Building construction, AI infrastructure, Plant & Machinery including servers, high-performance computing infrastructure, GPU clusters, data processing equipment, Cost of acquiring or licensing pre-trained foundation models and other AI-related capital assets, including stamp duty and land conversion fee, if any, paid.
   For the purpose of financial incentive calculation, the cost of land shall not exceed a limit of 20% of the total proposed investment excluding land cost, or the actual cost of land as assessed by the financial institution, whichever is lower, shall be considered.
   The incentive shall be reimbursed in five (5) equal annual instalments post commencement of commercial operations.

OR

ii. **Interest Subvention Subsidy:**

   a) The State shall reimburse Interest Subsidy to the eligible AI Units on the term loan availed from an RBI registered bank or financial institution.

   b) The rate of interest subsidy shall be 10% or the actual rate of interest on term loan, whichever is lower.

   c) The overall limit of this subsidy shall be 50% of the approved project cost or INR 30 Crores, whichever is lower.

   d) Interest shall not be paid on promoter's contribution in any form in the unit.

e) The reimbursement of incentive shall commence post commercial operations and shall be reimbursed annually for a period of 5 years.

f) The applicant shall have to choose any one of the benefits under Capital Investment Subsidy or Interest Subvention Subsidy.

7.1.2. Cloud Infrastructure (GPU or Equivalent) Usage Incentive

Eligible AI Units shall be provided financial support towards the cost incurred on rental of cloud-based computing infrastructure, including hosting, computing, storage, and usage of Graphics Processing Units (GPUs) or equivalent high-performance compute resources, utilized for AI/ML model development, deployment, and related operations. Under this incentive, 50% of the eligible expenditure incurred on such cloud infrastructure usage, subject to a maximum limit of INR 1 Crore per annum, will be reimbursed for a period of five (5) years from the date of commencement of commercial operations.

This incentive shall be applicable only for expenses incurred on recognized cloud service providers or authorized platforms, and claims shall be supported by verifiable invoices, usage records, and payment proofs. The Department reserves the right to define eligible categories of cloud services, usage norms, and verification mechanisms through detailed implementation guidelines.

7.1.3. Lease Rental Subsidy

Eligible AI Units operating from leased office/commercial space shall be reimbursed Lease Rental Subsidy of 50% of the lease rental amount paid, for a period of five (5) years, subject to the following conditions:

a) The office space shall be located within the State of Bihar.

b) Per employee office space shall not be considered more than 100 square feet of super built-up area.

c) For the purpose of this incentive calculation, lease rental shall be limited to INR 57.5 per square feet per month in the first year, and for every successive year the rate limit shall increase by INR 2.5 per square feet per year for the units/companies who have applied for the Financial Clearance within the tenure of the Policy. The rate will be as per the schedule below:

S. No	Financial Year	Lease Rate Limit (₹/sqft/month)
1	Year 1	57.5
2	Year 2	60
3	Year 3	62.5
4	Year 4	65
5	Year 5	67.5

A registered lease deed shall be mandatory for availing this incentive and shall be for a minimum period of 5 years.

7.2. Operational Expenditure (OPEX) Incentives

7.2.1. Power Tariff Subsidy

Eligible AI Units shall be provided with annual reimbursement of 25% of the energy charges, for a period of five (5) years.

The "Energy charges" for the purpose of this incentive shall include fixed charges and consumption-based charges, excluding any penalties, delayed payment charges, or other non-operational charges.

Eligible AI Units shall also be facilitated in obtaining Open Access permissions for procurement of renewable or third-party power for AI compute and data operations.

7.2.2. Employment Generation Subsidy

The State shall provide 100% reimbursement on account of employer's contribution towards EPF and ESI (wherever applicable), subject to a maximum limit of INR 5,000 per employee per month, for a period of five (5) years, for employees engaged in AI-related technical roles.

7.2.3. SGST Reimbursement

Eligible Artificial Intelligence (AI) Units shall be entitled to reimbursement of State Goods and Services Tax (SGST), as per the following provisions:

a) Eligible units shall be provided 100% reimbursement of Net SGST paid to the State Government, after adjustment of available IGST and SGST Input Tax Credit (ITC) in the Electronic Credit Ledger, and payment of balance liability through the Electronic Cash Ledger.

b) The reimbursement shall be available for a period of five (5) years from the date of commencement of commercial operations, subject to the condition that:

- The total reimbursement shall not exceed 100% of the eligible Fixed Capital Investment (FCI), and
- The annual reimbursement shall be limited to 30% of FCI.

c) Reimbursement shall be made annually based on claims submitted by the unit in the prescribed format, duly verified by the Commercial Taxes Department.

d) Only the portion of SGST paid through the Electronic Cash Ledger shall be eligible for reimbursement, and full utilization of available ITC shall be mandatory prior to such claims.

e) SGST reimbursement shall be applicable only to revenue generated from AI-related activities and shall not be applicable to trading or non-eligible operations.

f) Computation, verification, adjustment, and recovery of SGST reimbursement shall be carried out by the Commercial Taxes Department, and reimbursement shall be disbursed based on such certification.

7.3. AI Model Development Incentive

The State shall promote the development of advanced Artificial Intelligence capabilities by incentivizing the creation of Large Foundational Models which include Language Models, Vision Models, Multimodal Models, Speech & Audio Models, Code Models, and Domain-specific Models with a minimum of 70 Billion parameters. Eligible AI Units that successfully design, develop, test, and implement a Large AI Model shall be entitled to a one-

time incentive of 2/3rd of the Cost of development, subject to a maximum of INR 10 Crores.

The following conditions shall apply to Section 7.3:

a) Commercial Operation: The applicant unit shall have been in commercial operation within the State of Bihar for a minimum period of six (6) months preceding the date of official launching of the model or product.

b) Development within Bihar: The core development work — including data preparation, training runs, validation, and deployment — must be carried out within the State of Bihar.

c) Use-Case Validation: The model must demonstrate successful deployment through at least one defined use-case, validated by the Department of Information Technology or a designated technical authority.

d) Milestone-Based Disbursement: The incentive shall be disbursed in five equal annual tranches, subject to achievement of predefined milestones, independent technical evaluation, and certification of successful deployment.

e) One-Time Incentive: The incentive under each sub-clause is a one-time disbursement per qualifying model. Subsequent versions or updates of the same model shall not independently qualify.

7.4. Export Incentive for AI Units

7.4.1. Recognising that Global market access is a critical driver of scale, revenue, and ecosystem credibility for Bihar's AI industry, the State shall promote the export of AI products, platforms, services, and solutions developed within Bihar.

7.4.2. Eligible Export Categories

The following categories of exports shall be eligible under this incentive:

a) AI Software and Product Exports

b) AI Model and API Exports

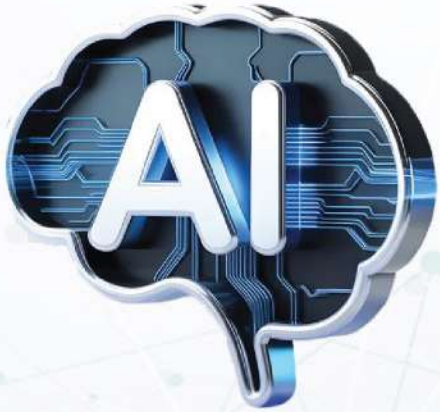
c) AI Services Exports

d) AI Research and IP Exports

e) AI Product / Goods Exports (where physical media, hardware-embedded AI, or robotics/hardware AI products are exported)

Excluded Categories: The following shall not be eligible under this incentive:

- Domestic sales or rupee-denominated transactions, even where the end-client is a foreign-origin company operating in India.
- Exports made through intermediaries not registered in Bihar.
- Intra-company or related-party transactions unless at arm's length and supported by transfer pricing documentation.



7.4.3. Incentive Structure

a) For AI Service Exports (Software, SaaS, API, Consulting, Data Services):
Eligible AI Units deriving export revenue from AI software products, SaaS platforms, API services, AI consulting, data annotation services for overseas clients, AI managed services, or any other AI-related service exported in digital or electronic form and realised in freely convertible foreign currency through authorised banking channels, shall be entitled to an export incentive at a flat rate of 1% of Annual export turnover, computed on the INR equivalent of foreign currency realisations, subject to a maximum of ₹100 Lakh per financial year for five years.

b) For AI Product and Goods Exports (Physical Media, Hardware-embedded AI, Robotics and Hardware AI Products):
Eligible AI Units exporting physical AI products — including AI-embedded hardware devices, robotics systems, AI-enabled electronic equipment, physical media containing AI software, and hardware AI products — shall equally be entitled to an export incentive at the flat rate of 1% of Annual export turnover, computed on the FOB value of eligible physical exports as documented through shipping bills and customs export documentation, subject to a maximum of ₹100 Lakh per financial year for five years.

a) Export proceeds must be realised in foreign currency through authorised banking channels and evidenced by FIRCs or BRCs issued by the unit's banker. Rupee-denominated receipts shall not qualify.

b) The unit must hold a valid Import Export Code (IEC) issued by the Directorate General of Foreign Trade (DGFT) and file export returns under the applicable RBI/FEMA framework.

c) The incentive shall be claimed annually on the basis of audited export turnover figures certified by a Chartered Accountant, supported by FIRC/BRC documentation, IEC registration, and export invoices.

d) The export incentive under this Policy shall not be clubbed with any export incentive availed under the Bihar Export Promotion Policy 2024 or BIIPP 2025, or any State Government export promotion scheme for the same export turnover.

7.5. Additional Support

Additional 5% incentives shall be provided to SC/ST/BC/EBC/Women/ Divyangjan/War Widow/Acid Attack Survivors/Third Gender entrepreneurs as per eligibility criteria laid down under various incentives. The individual must have minimum 51% shareholding in the AI Unit and should hold Director (or equivalent) position in the company/entity. In case of change in Director, the successor shall also be from the same category to avail the benefit.

2) Additional 10% incentives shall be provided to AI Units established outside Patna and Danapur Municipal area, as per eligibility criteria laid down under various incentives.



7.6. Tailor-made Incentive Package

AI Units generating a minimum of 100 direct employment in the State shall be eligible for a customized package of incentives.

Such incentives may be customized as per need of AI Units and shall be considered by the Government on a case-to-case basis, subject to approval by the competent authority.

Government Initiatives & Supports

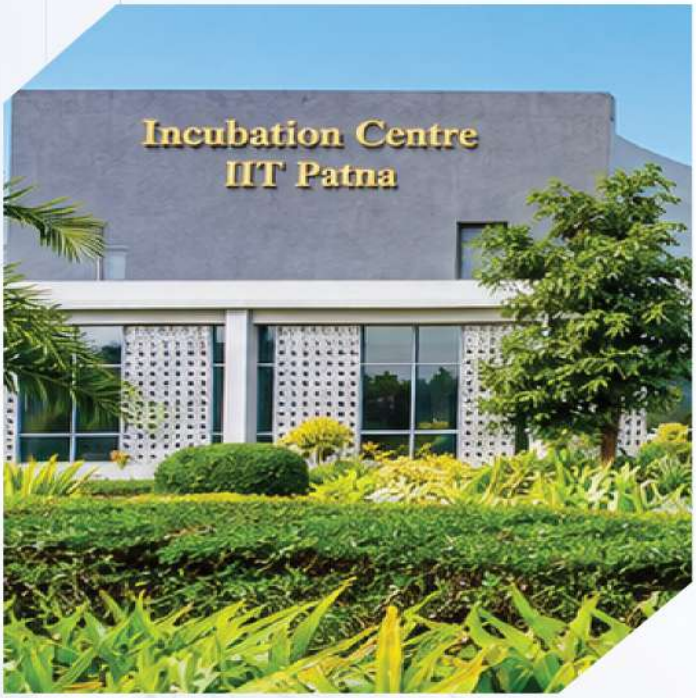
7.7. Establishment of AI Centres of Excellence (CoEs)

The State shall promote the establishment of AI Centres of Excellence (CoEs) across leading academic institutions, industry clusters, and innovation hubs to drive advanced research, product development, and applied AI use-cases.

AI Centres of Excellence (CoEs) shall focus on priority sectors such as agriculture, health, education, manufacturing, and governance, and shall function as interdisciplinary hubs for industry collaboration, startup incubation, applied research, and capacity building, supported through public-private partnerships and aligned with national AI initiatives and frameworks.

7.8. AI Startup Incubation Support

The State shall promote innovation-driven Artificial Intelligence (AI) startups by extending structured support, aligned with the provisions of the Bihar Start-Up Policy, 2022. The State shall leverage AI Centres of Excellence (CoEs) to provide dedicated incubation support for AI startups, including access to research facilities, technical expertise, product development support, and industry linkages, enabling startups to scale and commercialize innovative AI solutions.





7.9. AI Skills Training

The State shall implement a large-scale capacity-building programme to develop a future-ready AI workforce across the State. As part of this initiative, 1,00,000 youth over next 5 years shall be trained in industry-relevant AI and emerging technology skills through a structured, outcome-oriented model. The programme will be delivered in collaboration with nationally reputed technology training institutes and leading ecosystem partners, ensuring high-quality curriculum,

certified training pathways, and hands-on exposure through labs, projects, and mentorship. The training shall focus on inclusivity, employability, and alignment with industry demand, thereby enabling Bihar's youth to participate meaningfully in the AI-led digital economy.

7.10. Open Data Platform Development Support

The Government shall facilitate the establishment of secure, interoperable, and multi-departmental Open Data Platforms to enable the creation and deployment of AI-ready datasets, supporting data-driven governance and innovation. Such platforms shall ensure standardized data architecture, secure data sharing protocols, and integration across State Departments, in compliance with applicable data protection and security guidelines.

7.11. AI Adoption in Government Departments

The State shall encourage Government Departments to progressively allocate up to 30% of their annual IT budget towards AI-related initiatives, including development of AI-enabled governance applications, strengthening of data infrastructure, capacity building, and pilot projects, with the objective of accelerating adoption of Artificial Intelligence across public service delivery and enhancing data-driven decision-making frameworks.



7.12. Strengthening AI R&D and Commercialization

The State shall promote the establishment of advanced AI research and innovation infrastructure to accelerate the transition from research to market-ready solutions. In this regard, the State shall facilitate the development of an AI Research Park at IIT Patna, aimed at fostering cutting-edge research, innovation, and commercialization of AI technologies. The AI Research Park shall function as a collaborative platform for academia, industry, and startups, enabling product development, applied research, and technology transfer to drive industrial adoption and economic value creation.

7.13. Bihar AI Expo

The Government shall organize the Bihar AI Expo to promote innovation, industry academia collaboration, and investment mobilization.

7.14. Government Use Case Enablement and Collaboration

The State shall actively promote the identification and publication of priority AI use cases across Government Departments to encourage participation from industry and startups. The Government shall facilitate structured engagement by publicly sharing use cases and problem statements, enabling private sector participation for solution development, pilot implementation, and scale-up. This initiative shall aim to foster collaborative innovation, attract private investment, and accelerate the adoption of AI-driven solutions in governance and public service delivery.

8. Policy Implementation and Monitoring

The Department of Information Technology, Government of Bihar, will issue detailed implementation guidelines to achieve the goals and objectives of this Policy.

Stage of Project Clearance and Disbursement

8.1. Stage 1 Clearance:

All the applications shall be accepted through state SIPB portal for Stage I clearance wherein the proposed project would be examined for feasibility and issuance of necessary approval to the investor. The IT department shall examine all the investment proposals and those worth up to INR 5 Cr. shall be placed before the SIPB Secretariat, which would be presided by the administrative secretary of DIT, whereas investment proposal more than INR 5 Cr., shall be placed before the State Investment Promotion Board (SIPB) for a decision. This clearance has to be obtained by investor before commercial operation. Composition of SIPB Secretariat shall be approved by ACS/Principal Secretary/Secretary, Department of Information Technology, GoB.

8.2. Financial Incentive Clearance

i. Financial Incentive Clearance: Financial Incentive clearance refers to the clearance requested/accorded to an investor for availing financial incentives. The quantum of incentives to be given shall be decided at this stage as per the Policy. This clearance has to be obtained by investor any time after commercial operation but before the policy end date through a fresh application on SWC Portal.

ii. Financial Incentives clearance for investment of INR 5 Crore and less shall be approved by the ACS/Principal Secretary/Secretary, Department of Information Technology, Whereas, the applications for investment more than INR 5 Crores shall be placed before the SIPB and the SIPB shall recommend the quantum of incentives applicable to the investment proposal. The final approval of the Financial Incentives shall be given by the competent authority as per the provision of clause 8.2.iii.

iii. The competent authority to accord approval and decision of Financial Incentives shall be as follows: -

   a) Proposals which involve investment of INR 5 Crore and less and shall be decided by the ACS/Principal Secretary/Secretary, Department of Information Technology.

   b) Proposals which involve investment of more than INR 5 Crore and up to a limit of INR 15 Crore shall be decided by the Minister, Department of Information Technology.

c) Proposals which involve an investment of more than INR 15 Crore and up to a limit of INR 30 Crore shall be decided jointly by the Hon'ble Minister, Department of Information Technology and Hon'ble Minister, Department of Finance

d) Proposals above INR 30 Crore shall be decided by the State Government

iv. Financial Incentives Disbursement: The disbursement of Financial Incentives shall be approved at the following levels: -

a) Financial incentives of INR 5 lacs or less shall be approved by the Special Secretary of Department of Information Technology, Bihar.

b) Financial incentives more than INR 5 lacs shall be approved by Additional chief Secretary (ACS) /Principal Secretary/Secretary, Department of Information Technology, Bihar.

v. Fixed Capital Investment includes investment made after the notification of this policy and till the commencement of commercial operation/ production or FCI approved at the Financial Clearance Stage, whichever is lower.

vi. Eligible AI Units shall inform the Department of Information Technology, GoB, about the commencement of commercial Production/Operation within 15 days. DIT shall verify the same and issue a commercial Operation certificate. Verification shall also be done at the time of disbursal and as and when required after commercial Operation.

8.3. Provision for Annual Policy revision/Midway Correction

The Department of Information Technology, Government of Bihar, shall undertake a comprehensive Annual Review of the implementation of this Policy at the end of each notification year during the Policy period. The Annual Review shall examine the overall progress of Policy implementation, assess the achievement of targets and outcomes, and evaluate whether the approved project parameters of registered AI Units. On the basis of such Annual Review, the Department may, with the approval of the competent authority/High level committee may permit suitable modifications to the incentive structures.

9. Safeguarding Ethical and Responsible AI

The State shall establish an institutional framework to ensure the safe, ethical, and responsible deployment of Artificial Intelligence (AI) across sectors. Such framework shall be guided by the principles of transparency, accountability, privacy, security, and fairness, and shall enable responsible and citizen-centric adoption of AI technologies across Government Departments.

9.1. Objective

The primary objective of this initiative shall be to:

i. Ensure ethical, transparent, and accountable deployment of AI systems

ii. Promote responsible innovation and citizen-centric applications

iii. Safeguard against risks related to bias, discrimination, misuse, and data privacy

iv. Enable secure, compliant, and trustworthy AI adoption across Government

9.2. Constitution of Ethical AI Governance Committee

An inter-departmental Ethical AI Governance Committee shall be constituted to oversee, review, and guide AI initiatives within the State.

Members of the Committee would be:

1. Special Secretary, DIT, Chairperson
2. Nominated Representative from Department of Science, Technology and Technical Education, Member
3. Nominated Representative from Department of Law, Member
4. Nominated Representative from Department of Home, Member
5. Nominated Representative from C-DAC (SME: Cyber Security), Member
6. Nominated Representative from IIT Patna (Academic Partner), Member
7. Nominated Representative from AI Industry, Member

9.3. Roles & Responsibilities

i. Review all significant AI use-cases before deployment
ii. Facilitate compliance with respect to ethics, law, privacy, and cybersecurity
iii. Guide human oversight in all sensitive decisions
iv. Build capacity to reduce risks relating to bias, discrimination, misuse, and harm
v. Facilitate proper documentation, audit logs, and accountability
vi. Periodically analyze Approved AI systems
vii. Recommend approval, modification, suspension, or rejection as needed
viii. Arbitrate conflicts of interest in case of any unethical AI usage
ix. Promote responsible, safe, and citizen-centric AI adoption

Through this initiative, the State aims to promote a citizen-centric, trustworthy, and responsible AI ecosystem, ensuring that technological advancement is aligned with public interest, ethical safeguards, and inclusive development.

10. Right to Amend the Policy

i. Beneficiaries of this Policy must comply with all applicable conditions, procedures, guidelines, clarifications, and amendments issued from time to time by the Department of Information Technology, Government of Bihar, in relation to this Policy and other relevant policies. Notwithstanding any prior provisions, the Government retains the right to periodically review and revise various aspects of the Policy as necessary.



ii. The Investment Promotion & Facilitation Cell/Project Management Unit (PMU) of the Department of Information Technology, Government of Bihar, shall support the implementation of the Policy.

iii. Dedicated AI Strategy Taskforce and AI Cell with specific deliverables and accountability shall be setup within DIT.

11. Interpretation

i. The Department of Information Technology, Government of Bihar, is authorized for the interpretation of any provision and to clarify/decision with reference to any provision under this resolution, keeping in view the objective of the Policy and schemes, and it will be final and binding to all.

ii. In case of any discrepancy in the meaning and interpretation of the translated version of this policy, the English language version shall be binding in all respects and shall prevail.

Department of Information Technology
Government of Bihar
https://state.bihar.gov.in/dit/CitizenHome.html

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