

AS INTRODUCED IN LOK SABHA

Bill No. _____ of 2025

**THE ARTIFICIAL INTELLIGENCE (REGULATION AND SAFEGUARDS)
BILL, 2025**

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THE SCHEDULE

Bill No. _____ of 2025

THE ARTIFICIAL INTELLIGENCE (REGULATION AND SAFEGUARDS)

BILL, 2025

A

BILL

to provide for a comprehensive legal framework for the regulation, development, deployment, and use of Artificial Intelligence systems in order to ensure transparency, accountability, prevention of misuse, protection of fundamental rights, promotion of ethical innovation, and for matters connected therewith or incidental thereto

WHEREAS it is expedient to establish a uniform legislative framework to regulate Artificial Intelligence systems to prevent misuse, safeguard rights, and ensure transparency and accountability, while promoting ethical innovation and protecting national security;

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short Title, Extent, and Commencement.—(1) This Bill shall be called The Artificial Intelligence (Regulation and Safeguards) Bill, 2025.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different provisions of this Bill.

2. Definitions.—In this Bill, unless the context otherwise requires,—

(a) “Adjudicating Officer” means an officer appointed under section 46 of this Bill for adjudication of contraventions;

(b) “Algorithm” means a finite sequence of well-defined instructions or processes used in the development, training, or deployment of an artificial intelligence system;

(c) “Algorithmic Bias” means systematic and repeatable errors in an Artificial Intelligence system which result in unfair or discriminatory outcomes against individuals or groups on the basis of gender, caste, religion, race, disability, or any other protected ground;

(d) “Appropriate Government” means—

(i) in relation to establishments carried on by or under the authority of the Central Government, the Central Government;

(ii) in relation to any other establishment, the State Government;

(e) “Artificial Intelligence System” or “AI System” means any machine-based system that, for explicit or implicit objectives, infers, predicts, recommends, or makes decisions influencing physical or virtual environments, using data, models, or algorithms;

(f) “Authority” means the National Artificial Intelligence Regulatory Authority established under section 42 of this Bill;

(g) “Autonomous System” means an Artificial Intelligence system capable of operating and making decisions with minimal or no human intervention.

(h) “Bias” means any systematic distortion, prejudice, or unfair treatment arising in an artificial intelligence system, leading to discriminatory outcomes against individuals or groups;

(i) “Deepfake” means any synthetically generated or manipulated content, including video, audio, or image, that falsely depicts a person as saying or doing something they have not said or done;

(j) “Developer” means any natural person, company, partnership, or other legal entity engaged in the design, training, testing, or creation of an Artificial Intelligence system.

(k) “Deployer” means any natural person, company, institution, or authority that uses, applies, or makes available an Artificial Intelligence system in its operations or services;

(l) “High-Risk AI System” means an Artificial Intelligence system which, by virtue of its intended use, potential impact, or likelihood of causing harm, poses significant risks to fundamental rights, public safety, national security, or democratic values, and as may be notified by the Central Government;

(m) “Human Oversight” means the ability of natural persons to monitor, intervene, override, or influence the functioning of an Artificial Intelligence system to ensure accountability and safety;

(n) “Licence” means the authorisation granted by the appropriate government or authority under Chapter IV for operating a high-risk artificial intelligence system;

(o) “Medium-Risk AI System” means an artificial intelligence system classified as medium-risk under section 11 of this Act or included in Part C of the Schedule;

(p) “Operator” means any natural or legal person who deploys, uses, or manages an artificial intelligence system for a specific purpose;

(q) “Person” includes—

- (i) an individual,
- (ii) a Hindu Undivided Family,
- (iii) a company,
- (iv) a firm,

- (v) an association of persons or body of individuals, whether incorporated or not,
- (vi) every artificial juridical person not falling within any of the preceding sub-clauses;
- (r) “Prescribed” means prescribed by rules made under this Bill;
- (s) “Prohibited AI System” means an Artificial Intelligence system expressly banned under this Act, including but not limited to systems enabling unlawful mass surveillance, social scoring, or manipulative behaviour modification;
- (t) “Registration” means the process of mandatory enrolment of certain artificial intelligence systems as provided under section 16 of this Bill;
- (u) “Risk Assessment” means the systematic evaluation of potential impacts of an artificial intelligence system on fundamental rights, safety, or economic interests;
- (v) “Synthetic Content” means any content wholly or partially generated by an artificial intelligence system, including text, image, audio, or video, which may or may not resemble real human-generated content;
- (w) “Transparency” means the obligation to disclose information regarding the functioning, logic, and decision-making process of artificial intelligence systems in a manner accessible and understandable to affected individuals;
- (x) “Tribunal” means the Artificial Intelligence Appellate Tribunal established under section 48 of this Bill;
- (y) “User” means any natural or legal person who utilises an artificial intelligence system for personal, professional, or commercial purposes.

CHAPTER II

OPERATION AND SCOPE OF THE BILL

3. Applicability to artificial intelligence systems and related activities.—(1) This Act shall apply to—

- (a) all artificial intelligence systems developed, deployed, or operated within India; and
- (b) any artificial intelligence system whose decisions or outputs affect individuals or entities within India.

(2) It shall apply to both public and private sectors, including government bodies, companies, institutions, and individuals.

Explanation. —For the purposes of this section, an AI system shall be deemed to be operating within India if its decisions have a substantial effect on individuals or property located within India.

4. Extra-territorial operation of the Bill.—(1) The provisions of this Act shall apply to any artificial intelligence system developed, deployed, or used outside India, where such system—

- (a) produces an effect within the territory of India; or
- (b) impacts the rights, interests, or safety of any person who is a citizen of India, or ordinarily resident therein.

(2) Without prejudice to the generality of sub-section (1), any person or entity, not being incorporated in India, shall be subject to the provisions of this Bill if such person or entity—

- (a) offers services using artificial intelligence systems to individuals, institutions, or entities in India; or
- (b) engages in processing, analysis, or manipulation of data originating from India, through an artificial intelligence system.

CHAPTER III

CLASSIFICATION OF ARTIFICIAL INTELLIGENCE SYSTEMS

5. Classification of AI systems.—(1) Artificial intelligence systems shall, for the purposes of this Act, be classified into four categories, namely—

- (a) low-risk AI systems;
- (b) medium-risk AI systems;
- (c) high-risk AI systems; and
- (d) prohibited AI systems.

(2) The classification under sub-section (1) shall be made on the basis of the nature of functions performed, the degree of autonomy involved, and the potential impact on rights, safety, and public interest.

6. Criteria for low-risk AI systems. —(1) An artificial intelligence system shall be deemed to be of low-risk if it—

- (a) involves minimal or no effect on fundamental rights, human dignity, or safety of individuals; and
- (b) is used for ordinary commercial, administrative, or entertainment purposes without significant reliance on automated decision-making.

7. Criteria for medium-risk AI systems. — An artificial intelligence system shall be deemed to be of medium-risk if it—

- (a) is used in decision-making processes that may affect access to services, entitlements, or economic interests of individuals; or
- (b) involves moderate levels of autonomy that may influence public behaviour or market outcomes.

Provided the medium-risk AI systems shall be subject to mandatory registration, periodic audits, and transparency requirements as may be prescribed under this Bill.

8. Criteria for high-risk AI systems. —(1) An artificial intelligence system shall be classified as high-risk if it—

- (a) directly affects fundamental rights, human dignity, safety, or liberty of individuals; or
- (b) is deployed in critical sectors such as healthcare, education, finance, law enforcement, defence, or governance.

(2) High-risk AI systems shall not be deployed unless duly licensed by the appropriate government or the National Artificial Intelligence Regulatory Authority, subject to prescribed conditions and safeguards.

Explanation. —For the purposes of this section, “critical sectors” shall include but not be limited to biometric identification, automated credit scoring, AI-assisted judicial tools, predictive policing, or AI in autonomous weapons.

9. Prohibited AI systems. — (1) No person shall develop, deploy, or use any artificial intelligence system that is classified as prohibited under this Bill.

(2) Prohibited AI systems shall include—

- (a) systems that manipulate human behaviour through subliminal or deceptive techniques;
- (b) systems that exploit vulnerabilities of children, elderly persons, or persons with

disabilities;

- (c) AI-enabled mass surveillance systems without lawful authorization; and
- (d) autonomous AI systems for lethal military operations, except as may be permitted under international law.

10. Power of Central Government to amend classification. — The Central Government may, by notification, amend, modify, or expand the criteria for classification of AI systems under this Chapter, having regard to technological developments, national interest, and international best practices and be laid before both the Houses of the Parliament.

CHAPTER IV

REGULATION OF ARTIFICIAL INTELLIGENCE SYSTEMS

11. Requirement of registration for certain AI systems. — No medium-risk or high-risk artificial intelligence system shall be deployed or made available in India unless it is registered with the prescribed authority under this Bill.

12. Licensing of high-risk AI systems. —(1) No person shall deploy a high-risk artificial intelligence system unless such person has obtained a licence from the appropriate Government or the National Artificial Intelligence Regulatory Authority.

(2) The licence shall be granted subject to such terms and conditions as may be prescribed, including prior assessment of safety, security, and ethical compliance of the system.

13. Conditions for grant of licence. —(1) A licence under section 12 may be granted where the applicant—

- (a) demonstrates compliance with prescribed technical, ethical, and safety standards; and
- (b) undertakes to provide access for inspection, testing, and audit by the regulatory authority.

(2) No licence shall be granted if the proposed deployment of the system is found to be against national security, public order, or fundamental rights.

14. Obligations of licence holders. —(1) Every person holding a licence under this Bill shall ensure—

- (a) continuous compliance with prescribed standards, safeguards, and ethical requirements; and

(b) immediate reporting of any malfunction, breach, or unintended harmful effect arising from the use of the AI system.

(2) The licence holder shall maintain records, data logs, and technical documentation for such period as may be prescribed, and shall furnish the same to the regulatory authority upon demand.

15. Maintenance of technical and operational standards. —(1) Every registered or licensed AI system shall at all times conform to the technical, safety, and operational standards prescribed by the Central Government or the regulatory authority failure of which shall constitute a contravention under this Bill.

16. Periodic audit and compliance reporting. —(1) Every person deploying a medium-risk or high-risk AI system shall cause such system to undergo periodic audits, including technical, ethical, and impact assessments, at intervals specified by the regulatory authority.

(2) A compliance report of each such audit shall be submitted to the regulatory authority in the prescribed form, and any failure or delay in submission shall attract such penalties as may be prescribed.

17. Suspension and cancellation of registration or licence. —(1) The regulatory authority may suspend or cancel the registration or licence of an AI system where it is satisfied that—

(a) the system is being used in contravention of this Act; or
(b) continued operation of the system poses a threat to rights, safety, or national security.

(2) No suspension or cancellation shall be made without giving the holder a reasonable opportunity of being heard, except where immediate action is necessary in the interest of public safety or national security.

CHAPTER V

PREVENTION OF ALGORITHMIC BIAS AND SAFEGUARDS IN AUTOMATED DECISION-MAKING

18. Duty to prevent algorithmic discrimination. —(1) Every developer, deployer, or operator of an artificial intelligence system shall ensure that such system is designed and operated in a manner that prevents discrimination on the grounds of gender, caste, ethnicity, religion, disability, or any other protected characteristic.

19. Requirement of fairness and transparency in decision-making. — All AI systems engaged in automated decision-making shall incorporate mechanisms that enable fairness, transparency, and accountability in the decision-making process.

20. Mandatory audit of algorithms for bias. — It shall be mandatory for every medium-risk and high-risk AI system to undergo an independent audit, at such intervals as may be prescribed, for detection and mitigation of algorithmic bias.

21. Obligation to publish explainable standards. — The regulatory authority may, by notification, require developers and deployers of AI systems to publish explainable standards that enable individuals to understand the logic, parameters, and limitations of AI-based decisions.

22. Right to human review in automated decision-making. —(1) Any individual adversely affected by an automated decision taken by an AI system shall have the right to seek review of such decision by a qualified human decision-maker.

(2) The process for seeking such review shall be simple, accessible, and completed within a reasonable period as may be prescribed.

23. Protection of vulnerable groups from AI bias. — All AI systems deployed in critical sectors shall incorporate safeguards to protect vulnerable groups, including children, persons with disabilities, and economically disadvantaged communities, from disproportionate harms arising out of algorithmic bias.

CHAPTER VI

RIGHT TO ALGORITHMIC TRANSPARENCY AND HUMAN OVERSIGHT

24. Right to be informed about AI involvement. —(1) Every individual shall have the right to be informed, in a clear and accessible manner, whenever an artificial intelligence system is involved in making a decision that affects such individual.

25. Right to access explanation of AI-based decisions. —(1) Any person subject to a decision made by an AI system shall have the right to obtain an intelligible explanation of the principal factors and reasoning that influenced such decision.

26. Right to seek correction and review. —(1) Every individual adversely affected by an AI-based decision shall have the right to request correction of erroneous data and to seek review of the decision by the concerned authority.

27. Right to opt for human intervention in critical matters. —(1) In matters involving significant legal, financial, medical, or other critical consequences, any affected person shall have the right to request human intervention in place of automated decision-making.

(2) The authority or entity responsible for such AI system shall ensure that such request is duly accommodated within a reasonable period.

28. Duties of AI developers and deployers towards transparency. — It shall be the duty of every AI developer and deployer to ensure that AI systems under their control provide adequate disclosure, documentation, and communication of their functioning, limitations, and risks, in such manner as may be prescribed.

CHAPTER VII

ARTIFICIAL INTELLIGENCE RELATED CRIMES

29. Definition of AI-enabled crime. —(1) For the purposes of this Bill, “AI-enabled crime” means any unlawful act or omission committed through, by means of, or substantially facilitated by an artificial intelligence system.

(2) Such crimes shall include, but not be limited to, cyber fraud, identity theft, creation or dissemination of deepfakes, unauthorised surveillance, manipulation of data, financial crimes, and use of AI for terrorist or security threats.

30. Cyber fraud and identity theft using AI. — Whoever, by use of an artificial intelligence system, commits fraud, deception, or identity theft, including impersonation of individuals or institutions, shall be punishable with imprisonment of either description for a term which may extend to three years, and with fine which may extend to ten lakh rupees.

31. Generation and dissemination of deepfakes with malicious intent. — Whoever knowingly generates, alters, or disseminates synthetic media, including deepfakes, with the intent to defame, mislead, harass, or cause harm, shall be punishable with imprisonment for a term which may extend to five years, and with fine which may extend to five lakh rupees.

32. Unauthorised surveillance and data manipulation by AI. — Whoever, without lawful authority, employs an artificial intelligence system to conduct surveillance, intercept communications, or manipulate personal or sensitive data, shall be punishable with imprisonment for a term which may extend to seven years, and with fine which may extend to ten lakh rupees.

33. Use of AI in terrorist activities and national security threats. — Whoever uses or facilitates the use of an artificial intelligence system for the purposes of terrorism, insurgency, or activities prejudicial to the sovereignty, integrity, or security of India, shall be punishable with imprisonment for a term which shall not be less than ten years but which may extend to imprisonment for life, and with fine which may extend to twenty-five lakh rupees.

34. Financial and economic crimes enabled by AI. — Whoever employs an artificial intelligence system to commit financial fraud, market manipulation, insider trading, money laundering, or any other economic crime, shall be punishable with imprisonment for a term which may extend to ten years, and with fine not less than five lakh rupees but which may extend to twenty lakh rupees.

CHAPTER VII

CRIMINAL LIABILITY FOR MISUSE OF ARTIFICIAL INTELLIGENCE

35. Liability of developers and programmers. —(1) Any person or entity that develops or programmes or deploys or operates artificial intelligence system, knowingly designs, codes, or trains an artificial intelligence system with the intent to facilitate or commit an offence under this Act shall be punishable with imprisonment for a term which may extend to five years, and with fine which may extend to ten lakh rupees.

(2) Where the developer or programmer had knowledge that the system could be substantially misused for unlawful purposes, and failed to incorporate reasonable safeguards, such omission shall also attract liability under sub-section (1).

36. Vicarious liability of corporations. Where an offence under this Act has been committed by a company, every person who, at the time of the commission of the offence, was in charge of and responsible for the conduct of its business, shall be deemed guilty and liable to be proceeded against and punished accordingly.

(2) Nothing in this section shall render any such person liable if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(3) Where an offence has been committed by a company and it is proved that the offence was committed with the consent, connivance, or neglect of any director, manager, secretary, or other officer, such person shall also be deemed guilty of the offence.

Explanation. — For the purposes of this section, “company” means any body corporate, partnership, or association of persons, whether incorporated or not.

37. Defences and exemptions in limited circumstances. —(1) No person shall be held liable under this Chapter if it is proved that the AI system was deployed or developed exclusively for the purposes mentioned in the Schedule where the burden of proof to establish such exemption shall lie upon the accused person or entity.

38. Requirement of AI Impact Assessment (AIIA) before deployment of high-risk AI. —(1) No person shall deploy any high-risk artificial intelligence system unless an AI Impact Assessment (AIIA) has been conducted in accordance with the provisions of this Act.

(2) The AIIA shall be submitted to the designated regulatory authority prior to deployment, and deployment shall only commence upon approval being granted.

39. Establishment of AI Ethics Committee. —(1) The Central Government shall, by notification, establish an AI Ethics Committee consisting of experts in technology, law, ethics, social sciences, and human rights.

(2) The Committee shall act as an advisory and supervisory body for matters relating to ethical AI deployment and oversight of AIIA submissions.

40. Duties of the AI Ethics Committee. —(1) The duties of the AI Ethics Committee shall include —

- (a) reviewing AI Impact Assessments submitted under section 40;
- (b) recommending safeguards, modifications, or restrictions before deployment of high-risk AI systems;
- (c) ensuring compliance with principles of fairness, transparency, accountability, and non-discrimination;
- (d) advising the Central Government on emerging ethical concerns in AI.

(2) The Committee may call for additional information from developers, deployers, or any stakeholder, as it may deem necessary for fulfilling its functions.

41. Periodic review of AI Impact Assessment. —(1) Every high-risk AI system deployed under this Act shall undergo a periodic review of its AI Impact Assessment at intervals not exceeding two years, or at such shorter intervals as may be prescribed.

(2) The periodic review shall assess whether the system continues to comply with ethical and legal safeguards, and whether any modifications, restrictions, or prohibitions are warranted.

CHAPTER VIII

ENFORCEMENT MECHANISM AND AUTHORITIES

42. Establishment of National Artificial Intelligence Regulatory Authority (NAIRA). —(1) The Central Government shall, by notification, establish an authority to be known as the National Artificial Intelligence Regulatory Authority (NAIRA) for the purposes of this Bill.

(2) The Authority shall be a body corporate having perpetual succession, a common seal, and shall have the power to acquire, hold and dispose of property, and to contract, and shall by the said name sue or be sued.

43. Composition of the Authority. —(1) The Authority shall consist of —

- (a) a Chairperson, to be appointed by the Central Government;
- (b) not less than five and not more than nine Members, representing expertise in artificial

intelligence, law, ethics, cyber security, data protection, and social sciences; and
(c) such number of ex officio members as the Central Government may notify.

(2) The qualifications, terms of office, and conditions of service of the Chairperson and Members shall be such as may be prescribed.

44. Powers and functions of the Authority. —(1) The functions of the Authority shall include —

- (a) regulating the development, deployment, and use of AI systems in accordance with this Act;
- (b) maintaining a national registry of AI systems and their classification;
- (c) reviewing AI Impact Assessments and monitoring compliance;
- (d) promoting ethical AI practices and issuing advisory opinions;
- (e) adjudicating complaints of violations under this Act.

(2) The Authority shall, for the discharge of its functions, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit in respect of —

- (a) summoning and enforcing the attendance of persons;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence on affidavits;
- (d) requisitioning any public record or document.

45. Power of inspection, search and seizure. —(1) The Authority or any officer authorised by it may, for the purposes of enforcing the provisions of this Act, enter any premises where an AI system is being developed, deployed, or operated, and conduct inspection.

(2) Where the Authority has reason to believe that any provisions of this Act have been contravened, it may authorise seizure of equipment, records, or data relevant to the investigation.

CHAPTER IX

ADJUDICATION AND PENALTIES

46. Appointment of Adjudicating Officers.—(1) The Central Government may, by notification, appoint such officers, not below the rank of Joint Secretary to the Government of India or equivalent, to be adjudicating officers for the purposes of this Bill.

(2) Every adjudicating officer shall exercise jurisdiction in such manner and subject to such rules as may be prescribed.

47. Powers of Adjudicating Officers.—(1) The adjudicating officer shall, for the purposes of adjudication under this Act, have the power to—

- (a) summon and enforce the attendance of any person and examine them on oath;
- (b) require the discovery and production of documents or records;
- (c) receive evidence on affidavits;
- (d) requisition any public record from any court or office;
- (e) direct any person to furnish such information as may be necessary for the discharge of his functions; and
- (f) pass such orders as may be necessary to ensure compliance with the provisions of this Act.

(2) Every adjudicating officer shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 in respect of the matters specified in sub-section (1).

(3) Every proceeding before the adjudicating officer shall be deemed to be a judicial proceeding within the meaning of sections 229 and 267 of the Bharatiya Nyaya Sanhita, 2023.

48. Establishment of Artificial Intelligence Appellate Tribunal.—(1) The Central Government shall, by notification, establish an Appellate Tribunal to be known as the Artificial Intelligence Appellate Tribunal to hear appeals against the orders of adjudicating officers under this Bill.

(2) The Appellate Tribunal shall consist of—

- (a) a Chairperson, who shall be a person who is or has been a Judge of the Supreme Court or Chief Justice of a High Court; and
- (b) such number of Judicial and Technical Members, possessing such qualifications and experience, as may be prescribed.

(3) The Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908 but shall be guided by the principles of natural justice and subject to the provisions of this Act, the Tribunal shall have power to regulate its own procedure.

(4) Any person aggrieved by an order of the Appellate Tribunal may prefer an appeal to the Supreme Court within sixty days from the date of such order.

49. Offences and penalties under the Bill.—(1) Any person who knowingly deploys or operates a high-risk artificial intelligence system without conducting an Artificial Intelligence Impact Assessment as required under this Act shall be liable to a penalty which may extend to two crore rupees or two per cent of its global turnover of the preceding financial year, whichever is higher.

(2) Any person who contravenes the provisions relating to safety, transparency or ethical obligations of artificial intelligence systems shall be liable to a penalty which may extend to three crore rupees or one per cent of its global turnover of the preceding financial year, whichever is higher.

(3) Where the offence is committed by a company, every person who, at the time of the contravention, was in charge of, and responsible for, the conduct of its business shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(4) Any person who knowingly furnishes false information, suppresses material facts or obstructs any adjudicating officer in the discharge of his functions shall be punishable with imprisonment which may extend to three years, or with fine which may extend to two crore rupees, or with both.

50. Compounding of offences.—(1) Any offence punishable under this Act, not being an offence punishable with imprisonment only, may, before or after the institution of any prosecution, be compounded by such officers or authorities and in such manner as may be prescribed.

(2) No offence shall be compounded under this section unless the consent of the person aggrieved, if any, has been obtained.

(3) Where any offence is compounded under this section, no further proceeding shall be taken against the accused in respect of such offence.

CHAPTER X

MISCELLANEOUS PROVISIONS

51. Protection of action taken in good faith. No suit, prosecution or other legal proceedings shall lie against the Central Government, the Board, its Chairperson and any Member, officer or employee thereof for anything which is done or intended to be done in good faith under the provisions of this Bill or the rules made thereunder.

52. Consistency with other laws. —(1) The provisions of this Bill shall be in addition to and not in derogation of any other law for the time being in force.

(2) In the event of any conflict between a provision of this Bill and a provision of any other law for the time being in force, the provision of this Bill shall prevail to the extent of such conflict.

53. Bar of jurisdiction. No civil court shall have the jurisdiction to entertain any suit or proceeding in respect of any matter for which the Board is empowered under the provisions of this Bill and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power under the provisions of this Bill.

54. Power to make rules. —(1) The Central Government, along with the National Artificial Intelligence Regulatory Authority (NAIRA) may, by notification in the Official Gazette, make rules for carrying out the provisions of this Bill.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—
(a) the qualifications, experience, and conditions of service of adjudicating officers under section 46;
(b) the manner and procedure to be followed by adjudicating officers under section 46;
(c) the composition, qualifications and service conditions of the Chairperson and Members of the Artificial Intelligence Appellate Tribunal under section 48;
(d) the procedure for filing and hearing of appeals before the Appellate Tribunal;
(e) the manner of registration and licensing of artificial intelligence systems under Chapter IV;
(f) the form, scope and content of the Artificial Intelligence Impact Assessment under section

41;

(h) the composition, powers and functions of the Artificial Intelligence Ethics Committee under section 39;

(i) the manner of compounding of offences under section 50; and

(j) any other matter which is required to be, or may be, prescribed under this Bill.

(2) Any rules made under this section shall be periodically reviewed and updated at least once every three years to ensure alignment with technological advancements, global threats, and emerging issues.

(3) The Central Government shall coordinate with State Governments to ensure uniform implementation, while allowing for state-specific modifications based on crimes and other implementation issues.

55. Laying of rules before Parliament. —(1) Every rule made under this Bill shall be:

(a) Laid before each House of Parliament as soon as possible after its formulation.

(b) Subject to review and discussion to ensure it aligns with legislative intent and public interest.

(c) Modified or annulled by Parliament, in whole or in part, if deemed necessary, without affecting any actions already taken under the rule.

(2) The Central Government shall submit an annual report to Parliament detailing:

(a) The progress of menstrual leave implementation across various sectors.

(b) Challenges faced in enforcement and compliance.

(c) Recommendations for policy improvements or expansions.

(d) Data on grievances received, redressal measures, and corrective actions taken.

(3) The annual report shall be made available to the public, ensuring transparency and allowing civil society organizations, researchers, and activists to monitor progress and suggest improvements.

(4) Parliament shall conduct a comprehensive review of this Bill every five years, incorporating insights from global best practices, medical research, and the lived experiences of employees and students.

56. Power to amend Schedule. —(1) The Central Government may, by notification, amend the Schedule, subject to the restriction that no such notification shall have the effect of increasing any penalty specified therein to more than twice of what was specified in it when this Bill was originally enacted.

(2) Any amendment notified under sub-section (1) shall have effect as if enacted in this Bill and shall come into force on the date of the notification.

57. Power to remove difficulties. —(1) If any difficulty arises in giving effect to the provisions of this Bill, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Bill as may appear to it to be necessary or expedient for removing the difficulty.

(2) No order as referred to in sub-section (1) shall be made after the expiry of three years from the date of commencement of this Bill.

(3) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

58. Overriding effect. —(1) The provisions of this Bill shall have an overriding effect on any other law or regulation currently in force in India.

(2) In the event of a conflict between this Bill and any state or local law, the provisions of this Bill shall prevail to the extent of the inconsistency.

THE SCHEDULE

[See section 37]

SI. No.	Category of AI System	Scope of exemption
(1)	(2)	(3)
1.	Defence and Strategic AI Systems	Developed for national defence, intelligence gathering, and strategic military applications.
2.	Disaster Management and Emergency Response AI	Deployed for early warning systems, disaster prediction, evacuation planning, and emergency relief coordination.
3.	Scientific Research and Innovation AI	Used exclusively for government-funded research in health, energy, space, and climate sciences.
4.	Cyber security Threat Detection AI	Used by authorised agencies to monitor, detect, and prevent cyberattacks or digital espionage.
5.	Public Health and Epidemiology AI	Used to track, predict, and respond to pandemics or large-scale health crises.
6.	Critical Infrastructure Protection AI	Used to safeguard power grids, transport networks, water supply, and communication systems.
7.	Law Enforcement Surveillance AI (Authorised Use Only)	Limited exemption for those deployed under judicial or executive authorisation for counter-terrorism or organised crime detection.
8.	Space Exploration and Satellite Monitoring AI	Employed in national space missions, satellite launches, and remote sensing for environmental security.
9.	Border Security and Immigration Control AI	Used by authorised agencies to secure national borders, monitor illegal crossings, and detect smuggling.
10.	National Archives and Defence Research Data AI	Engaged in preservation, processing, and secure management of classified archives and defence-related data.

STATEMENT OF OBJECTS AND REASONS

1. Artificial Intelligence (AI) is rapidly transforming economic, social, and governance landscapes across the globe. The absence of a comprehensive legal framework to regulate AI in India leaves individuals, corporations, and public institutions exposed to harms that cannot be adequately addressed under existing laws.

2. Therefore, become necessary to enact a legislation to establish a structured framework for the governance of AI in India, balancing innovation and safety, encouraging responsible deployment, and ensuring that fundamental rights and public interest are preserved.

3. The Artificial Intelligence (Regulation and Safeguards) Bill, 2025 proposed legislation seeks to introduce graded regulation based on the risk posed by AI systems, impose accountability on developers and deployers, and provide mechanisms for redressal and enforcement.

4. The said Bill, *inter alia*, seeks—

- (a) to safeguard fundamental rights and prevent misuse of AI technologies;
- (b) to regulate the development, deployment, and use of Artificial Intelligence systems;
- (c) to ensure fairness, transparency, and accountability in AI decision-making;
- (d) to prevent and penalize AI-enabled crimes and threats to national security;
- (e) to establish regulatory authorities and oversight mechanisms for AI governance;
- (g) to promote ethical, safe, and responsible innovation in Artificial Intelligence;

5. The Notes on Clauses explain in detail the various provisions contained in the Bill.

6. The Bill seeks to achieve the above objectives.

Place

The _____ 2025.

Cabinet Minister

(Ministry of Electronics and Information Technology)

FINANCIAL MEMORANDUM

The Bill envisages the creation of National Artificial Intelligence Regulatory Authority (NAIRA). Since the structure of the Board is to be notified after enactment of the Bill, at this stage, the financial implication of the setting up and functioning of the Board is estimated to be about twenty crore rupees towards initial capital expenditure and five crore rupees annually for recurring expenditure. The said expenditure is to be incurred from and out of the Consolidated Fund of India.