

# — TECHNOLOGY INSIGHT

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### Looking Forward: The Digital India Act

The Union government has started working on the Digital India Act, 2023 with the idea to restructure, remodel and modernise the existing legal framework governing information technology in the country.

The upcoming Digital India Act (or Digital India Bill) is expected to regulate the country's online space and digital data protection policies. The Digital India Act will replace the current Information Technology Act (IT Act) of 2000, which has faced criticisms for its outdated policies and inadequacies in dealing with modern-day technological issues.

Since its enactment, the Information Technology Act, 2000 has undergone several revisions and amendments (IT Act Amendment of 2008, IT Rules 2011) to cater to the nuances of privacy, data protection, data management, content publication etc. which the enactment, despite the said amendments is failing to regulate effectively.

The Digital India Act is likely to be the most significant information technology related development for the country so far with the potential to govern the sector for the next decade or two. As such, it bears the burden of the country's hopes to future-proof its digital laws and enable businesses to compete on a global scale. To ensure the vision of a comprehensive and global IT ecosystem, the Indian government is attempting to involve and consult as many stakeholders (citizens) in the drafting of the Digital India Act as possible.

In addition to ensure stronger laws for citizen privacy rights and build trust in the government, the Digital India Act is likely to be designed to stimulate the digital economy for Indian businesses and transform the nation into a worldwide digital powerhouse as the world's most populous nation.

The Digital India Act is expected to:

1. Create new regulations around newer technology, including 5G, IoT devices, cloud computing, metaverse, blockchain, and cryptocurrency
2. Reclassify online intermediaries to separate categories instead of one general intermediary label, each one with its own set of regulations
3. Remove "safe harbour" immunity for online intermediaries for purposeful misinformation or other content violations from third parties
4. Create digital standards and laws regarding artificial intelligence (AI) and machine learning (ML) technology
5. Protect user safety and privacy to adequately address and monitor the use of artificial intelligence in today's world and criminalise cyberbullying, identity theft, and unauthorised sharing of personal information without consent
6. Regulate content creators and monetization of their content by advertising technology (ad-tech) companies
7. Remove monopolies from the digital space (big



tech) and allow fair competition from local startups

### Globalising India's UPI

Towards the end of February 2023, the India entered into a first of its kind collaboration with Singapore to link their respective online payments systems, Unified Payments Interface (UPI) with Singapore's PayNow, for seamless cross-border transactions between the two countries.

UPI (Unified Payments Interface) has so far been used primarily for peer-to-peer (P2P) and merchant payments within India, and has not yet been available for international transactions. However, India's collaboration with Singapore's PayNow is an acknowledgement of the various benefits underlying globalisation of UPI.

The e-commerce industry in India could benefit greatly from the ability to use UPI for cross-border transactions. Indian consumers could easily purchase products from international websites and make payments through UPI, which would simplify the process and potentially reduce costs compared to using traditional payment methods such as credit cards. The travel industry could also benefit from UPI's international expansion. Indian tourists could use UPI to pay for travel expenses such as hotel bookings, airline tickets, and other travel-related expenses while abroad. This could make it easier and more convenient for Indians to travel internationally.

Globalisation of UPI is also likely to have an

impact on the financial industry, particularly in terms of remittances. UPI's low transaction costs and fast transaction speeds could make it an attractive option for Indians living abroad to send money back home to family and friends.

Another expected impact could be on the Indian banking industry, which could see an increase in demand for UPI-enabled banking services from both domestic and international customers. This could lead to greater competition among banks to offer more innovative and user-friendly UPI services, potentially leading to more advanced financial technology solutions being developed.

Another potential impact could be on the Indian digital payments industry, which could see an increase in the adoption of UPI as a preferred method of payment for international transactions. This could lead to more businesses adopting UPI-enabled payment systems, resulting in an increase in the number of UPI transactions and potentially driving down transaction costs.

### Privacy and Data Protection Bill Approved

India has come a long way in the last decade to building an effective privacy and data protection legal regime, a journey which may broadly be summarised as under:

2000: The Information Technology Act, 2000: The Information Technology Act was introduced to regulate the use of digital signatures, electronic records, and data messages. However, it did not provide any specific provisions for the protection



of personal data.

2010: The National Identification Authority of India Bill: The bill was introduced to create a national identification system for Indian residents, called the Aadhaar system. However, the bill did not provide any specific provisions for data protection.

2011: The Privacy Bill: The Privacy Bill was introduced to provide a legal framework for the protection of personal data.

2012: The Justice A.P. Shah Committee was constituted to examine the issues related to privacy and the protection of personal data. The committee recommended the introduction of a comprehensive data protection law.

2017: In the landmark decision of *Jt. KS Puttaswami v Union of India*, the Supreme Court recognized the right to privacy as a fundamental right under the Indian Constitution.

2017: The Srikrishna Committee was constituted to draft a comprehensive data protection law for India. The report recommended the introduction of a data protection law based on the principles of the European Union's General Data Protection Regulation (GDPR).

2018: The Personal Data Protection Bill, 2018 was introduced in the Indian Parliament to provide a legal framework for the protection of personal data. The bill was based on the recommendations of the Srikrishna Committee Report.

2019: The Personal Data Protection Bill, 2019 was introduced in the Indian Parliament to replace the 2018 version of the bill. The 2019 version of the bill incorporated some amendments based on feedback received from stakeholders.

2019: The Data Protection Committee was constituted to review the 2019 version of the Personal Data Protection Bill.

2019: The Personal Data Protection Bill, 2019 was reintroduced in the Indian Parliament with amendments recommended by the Data Protection Committee.

2019: The Personal Data Protection Bill, 2019 (referred to a parliamentary committee) was referred to a parliamentary committee for further review.

2020: The Joint Parliamentary Committee submitted its report on the Personal Data Protection Bill, 2019.

2021: The Personal Data Protection Bill, 2021 was reintroduced in the Indian Parliament with amendments based on the recommendations of the parliamentary committee.

2022: On 18 November 2022, the Government of India released the long awaited fourth draft of India's proposed privacy law, now renamed as the Digital Personal Data Protection Bill ('Bill').

After a decade long effort, the parliamentary standing committee has approved the draft



Digital Personal Data Protection Bill, which will now be introduced in the upcoming budget session of the parliament.

### **India Discovers Lithium-ion reserves in J&K**

On February 9, 2023 the Ministry of Mines, the Geological Survey of India for the first-time established lithium inferred resources (G3) of 5.9 million tonnes in the Salal-Haimana area of the Reasi district of Jammu and Kashmir. The reports say that the Center will require that only domestic refineries use the reserves.

#### Why it matters?

Presently, Lithium for India is sourced from the US, China, and Hong Kong. According to Mint, GSI, a partnership of three PSUs—National Aluminium Co., Hindustan Copper, and Mineral Exploration Corp.—is striving to build a platform for R&D for lithium-ion battery recycling, acquisition, and joint manufacture. The discovery is likely to impact the EV industry. The annual electric vehicles market size is predicted to reach more than \$800 billion by 2030. Hence, India will be able to join the driving market of essential EV material alongside Australia, Chile, Argentina, and China, the world's largest producers and exporters of lithium. If India has its own sources of lithium, it would also not have to rely too much on imports for its lithium needs, as it currently does. In 2020-21, India imported Rs 173 crore worth of lithium and Rs 8,811 crore worth of lithium ions;

#### Word of caution

The discovery requires further exploration efforts

to convert the estimated resources to an exploitable category with a high degree of confidence level and explore the possibility of augmenting Li [lithium] resources in the area. Unless proper technology/method is deputed to profitably extract lithium from its ore, India will not be able to reap the real benefit of the reserves. The government is also required to be mindful of the impacts of lithium mining on the environment and ecology. The process of extracting lithium from its ore is extremely water-intensive; as per one estimate, it takes approximately 2.2 million liters of water to produce one ton of lithium

The central government has unveiled incentives of at least \$3.4 billion to expedite its lagging adoption of EVs as Prime Minister Narendra Modi vows to reach net zero by 2070. The government will be inviting tenders by June'23.







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