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## Cybersecurity and Information Ethics: A Comparative Study of Privacy Rights in Digital India and the Global Framework

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#### Abstract

With the rapid expansion of digital technologies, cybersecurity and information ethics have become critical concerns in safeguarding personal data and ensuring the ethical handling of information. In India, the right to privacy was constitutionally recognized in *Justice K.S. Puttaswamy v. Union of India (2017)*, yet the country's legal and regulatory framework for data protection remains underdeveloped compared to global standards like the European Union's General Data Protection Regulation (GDPR). The Digital Personal Data Protection Act (DPDPA), 2023, while a step forward, has been criticized for its broad government exemptions, lack of regulatory independence, and weaker enforcement mechanisms.

This research paper examines cybersecurity challenges and ethical concerns in India's digital ecosystem, analyzing the legal gaps, policy shortcomings, and ethical dilemmas surrounding government surveillance, corporate data handling, and artificial intelligence-driven decision-making. A comparative study with the GDPR highlights the disparities in data protection enforcement, individual user rights, and corporate accountability. The research identifies key concerns such as data breaches, the misuse of personal information, weak cybersecurity enforcement, and the ethical risks of AI-powered surveillance technologies.

Through case studies such as the Aadhaar data breach (2018), the Facebook-Cambridge Analytica scandal, and Paytm's cybersecurity vulnerabilities, this paper illustrates how inadequate data governance poses serious risks to user privacy and digital security. Additionally, it examines international best practices in cybersecurity governance and proposes reforms for strengthening India's legal, technological, and ethical frameworks.

The paper concludes with policy recommendations, emphasizing the need for:

- A. Independent regulatory oversight to ensure fair enforcement of privacy laws
- B. Stronger cybersecurity measures to protect sensitive personal data
- C. Ethical AI governance to prevent discriminatory and privacy-invasive data processing
- D. Cross-border data transfer mechanisms that align with global privacy standards

By addressing these concerns, India can develop a robust cybersecurity and data protection framework that ensures a balance between national security, individual privacy, and technological progress.

#### 1. Introduction

The digital age has revolutionized global economies and governance structures, creating new challenges in cybersecurity and information ethics. As individuals and businesses become increasingly reliant on digital platforms for communication, financial transactions, and government services, cyber threats, data breaches, and ethical concerns over data governance have intensified. The proliferation of big data, artificial intelligence (AI), the Internet of Things (IoT), and cloud computing has further complicated the landscape of privacy, security, and ethical data use.

In India, the recognition of privacy as a fundamental right in *Justice K.S. Puttaswamy v. Union of India* (2017) marked a major legal milestone in cybersecurity and information ethics. However, the subsequent Digital Personal Data Protection Act (DPDPA), 2023, while a step forward, has been criticized for broad government exemptions, lack of independent oversight, and weaker enforcement mechanisms. Compared to global standards like the European Union's General Data Protection Regulation (GDPR), India's legal framework is considered inadequate in ensuring data protection, preventing cybercrime, and maintaining ethical standards in digital governance.

#### This paper aims to:

A. Examine India's cybersecurity and privacy framework and its alignment with international standards.



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- B. Analyze key cybersecurity challenges, including government surveillance, corporate data governance, and ethical concerns in AI-driven decision-making.
- **C.** Compare India's data protection laws with global best practices, particularly the GDPR.
- **D.** Propose legal and policy reforms to strengthen India's cybersecurity infrastructure, data privacy laws, and ethical standards in information governance.
- Relevance of Cybersecurity and Information Ethics in the Digital Age 1.1.

#### 1.1.1. Growing Cyber Threats, Data Breaches, and Ethical Dilemmas in Digital Governance

The rise of cyber threats has led to increased risks for individuals, corporations, and governments worldwide. Cyberattacks are not only financially damaging but also undermine trust in digital ecosystems. A 2023 IBM Security Report found that the global average cost of a data breach has reached \$4.45 million, reflecting a 15% increase over three years.<sup>1</sup> India ranks third globally for cyberattacks, with financial institutions, healthcare providers, and government agencies being the primary targets.<sup>2</sup>

Major cyber incidents in India highlight systemic vulnerabilities in cybersecurity frameworks:

- Aadhaar Data Breach (2018): Exposed biometric and demographic data of over 1 billion Indian citizens, raising concerns about state surveillance and inadequate security measures.<sup>3</sup>
- Air India Data Breach (2021): Compromised passport and credit card details of 4.5 million passengers after hackers infiltrated the airline's data processor, SITA.<sup>4</sup>
- AIIMS Ransomware Attack (2022): Crippled India's premier healthcare institution, disrupting medical services for over a week and highlighting critical weaknesses in healthcare cybersecurity infrastructure.5

Beyond cybersecurity breaches, ethical dilemmas in digital governance are also growing. The Facebook-Cambridge Analytica scandal (2018) revealed how personal data could be exploited for political profiling, leading to concerns over data consent, ethical corporate behaviour, and democratic integrity.<sup>6</sup> The rise of AI-driven surveillance and algorithmic decision-making has further raised questions about ethical responsibility in data processing. Governments and corporations now face immense pressure to balance innovation with privacy and security.

#### 1.1.2. **Role of Cybersecurity in Protecting Personal and Corporate Data**

Cybersecurity plays a vital role in protecting personal, corporate, and governmental data from unauthorized access, cyberattacks, and misuse. Modern cybersecurity strategies include:

- **Encryption:** Ensures that sensitive data remains secure from unauthorized access.<sup>7</sup>
- Zero Trust Architecture (ZTA): Assumes no implicit trust within digital networks, requiring • continuous identity verification.8
- AI-Driven Cybersecurity: Uses machine learning to detect anomalies, predict cyber threats, and prevent data breaches.9

<sup>4</sup>Air India, Data Breach Notification, Air India (May 2021).

<sup>&</sup>lt;sup>1</sup>IBM Security, *Cost of a Data Breach Report 2023* (2023).

<sup>&</sup>lt;sup>2</sup>Ministry of Electronics & Information Technology, Cyber Security Trends in India 2023, Govt. of India (2023).

<sup>&</sup>lt;sup>3</sup>Karan Deep Singh, Aadhaar Data Breach Sparks Privacy Concerns, N.Y. Times (Jan. 4, 2018).

<sup>&</sup>lt;sup>5</sup>AIIMS Cyber Attack Exposes Security Lapses, Hindustan Times (Dec. 2022).

<sup>&</sup>lt;sup>6</sup>Carole Cadwalladr & Emma Graham-Harrison, The Cambridge Analytica Files: The Story That Changed the World, Guardian (Mar. 2018).

<sup>&</sup>lt;sup>7</sup>Bruce Schneier, Applied Cryptography: Protocols, Algorithms, and Source Code in C (2d ed. 1996).

<sup>&</sup>lt;sup>8</sup>National Institute of Standards and Technology (NIST), Zero Trust Architecture, Special Publication 800-207 (2020).

<sup>&</sup>lt;sup>9</sup>Nidhi Rastogi & James Hendler, AI in Cybersecurity: The State of the Art and a Research Roadmap, 10(3) ACM Computing Surveys 1 (2020).



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Despite technological advancements, legal and ethical frameworks governing cybersecurity remain inadequate. Unlike the GDPR, which mandates strict security protocols and heavy penalties for breaches, India's DPDPA, 2023, lacks strong cybersecurity compliance mandates and enforcement mechanisms.<sup>10</sup>

For corporations, cybersecurity is not just a compliance requirement but a key operational priority. A 2022 Deloitte survey found that 60% of global businesses identified cybersecurity as their top operational risk, yet only 30% had comprehensive cybersecurity strategies.<sup>11</sup> Without robust cybersecurity governance, both corporations and individuals remain vulnerable to identity theft, financial fraud, and state-sponsored cyber espionage.

### 1.1.3. Ethical Implications of Government Surveillance and Corporate Data Handling

Ethical concerns surrounding mass surveillance and corporate data exploitation are at the forefront of digital governance debates. India's mass surveillance programs, including the Central Monitoring System (CMS), NATGRID, and Aadhaar, have drawn criticism for:

- Lack of judicial oversight, allowing unchecked data collection.<sup>12</sup>
- Unclear data retention policies, creating risks of unauthorized access and misuse.<sup>13</sup>
- Absence of user control, contradicting international human rights standards.<sup>14</sup>

In contrast, the GDPR limits government surveillance by enforcing principles of legality, necessity, and proportionality.<sup>15</sup> Additionally, the California Consumer Privacy Act (CCPA) gives individuals the right to opt out of data collection, offering greater digital autonomy than India's laws.<sup>16</sup>

Corporate data ethics is also a growing concern. Major tech companies have faced legal action for privacy violations, including:

- Amazon (€746 million GDPR fine, 2021): Violated personalized advertising laws.<sup>17</sup>
- Google (€50 million GDPR fine, 2019): Lacked transparency in data processing.<sup>18</sup>
- WhatsApp (€225 million GDPR fine, 2021): Inadequate disclosures on data sharing with Meta.<sup>19</sup> These cases emphasize the importance of ethical data governance and the need for stronger regulatory oversight in digital ecosystems.

### 1.2. Background on Privacy Rights and Cybersecurity in India

### 1.2.1. Judicial Evolution of Privacy as a Fundamental Right

India's privacy jurisprudence evolved through key judicial milestones:

- M.P. Sharma v. Satish Chandra (1954): Denied privacy as a fundamental right.<sup>20</sup>
- K.S. Puttaswamy v. Union of India (2017): Established privacy as a constitutional right under Article 21.<sup>21</sup>
- 1.2.2. Cybersecurity Laws in India

<sup>&</sup>lt;sup>10</sup>The Digital Personal Data Protection Act, No. 43, Acts of Parliament, 2023 (India).

<sup>&</sup>lt;sup>11</sup>Deloitte, Global Risk Management Survey 2022, Deloitte Insights (2022).

<sup>&</sup>lt;sup>12</sup>The Indian Telegraph Act, No. 13, Acts of Parliament, 1885 (India).

<sup>&</sup>lt;sup>13</sup>Government Surveillance and the Right to Privacy in India, Economic & Political Weekly (2021).

<sup>&</sup>lt;sup>14</sup>United Nations High Commissioner for Human Rights, Right to Privacy in the Digital Age, U.N. Doc. A/HRC/39/29 (2018).

<sup>&</sup>lt;sup>15</sup>European Union, General Data Protection Regulation (GDPR), Regulation 2016/679, OJ L 119/1 (2016).

<sup>&</sup>lt;sup>16</sup>California Consumer Privacy Act, Cal. Civ. Code § 1798.100 (West 2018).

<sup>&</sup>lt;sup>17</sup>Commission Nationale de l'Informatique et des Libertés (CNIL), CNIL Fines Google €50 Million for GDPR Violations, CNIL Press Release (Jan. 2019).

<sup>&</sup>lt;sup>18</sup>European Data Protection Board, Annual Report on GDPR Enforcement, EDPB (2021).

 <sup>&</sup>lt;sup>19</sup>19. Irish Data Protection Commission, WhatsApp Fined €225 Million for GDPR Violations, DPC Ireland (Sept. 2021).

<sup>&</sup>lt;sup>20</sup>M.P. Sharma v. Satish Chandra, (1954) SCR 1077 (India).

<sup>&</sup>lt;sup>21</sup>Justice K.S. Puttaswamy v. Union of India, (2017) 10 SCC 1 (India).



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- The Information Technology (IT) Act, 2000: India's first cybersecurity law, focusing on cybercrime • and electronic transactions.<sup>22</sup>
- Digital Personal Data Protection Act (DPDPA), 2023: India's comprehensive privacy law, but • criticized for lacking enforcement mechanisms and independent oversight.<sup>23</sup>

#### **Role of Technology in Reshaping Privacy Concerns** 1.2.3.

- The emergence of AI, IoT, and Big Data has introduced new risks in cybersecurity and data ethics:
- AI-driven profiling raises concerns over algorithmic bias and discrimination.<sup>24</sup>
- IoT devices collect extensive user data, often without explicit consent.<sup>25</sup> •

#### 1.3. **Research Problem and Objectives**

India's data protection framework remains weaker than global standards due to:

- A. Lack of regulatory independence: No autonomous data protection body, unlike the EU's EDPB.
- **B.** Weak cybersecurity best practices: No mandatory breach notification framework.
- C. Limited ethical oversight: No explicit user rights over AI-driven data processing.

#### 1.4. **Research Objectives**

This paper seeks to:

- A. Assess India's cybersecurity and privacy framework in comparison with global best practices.
- **B.** Analyze key legal and ethical challenges in cybersecurity governance.
- C. Propose reforms to enhance cybersecurity resilience, regulatory independence, and ethical governance.

### 2. Theoretical Framework of Cybersecurity and Information Ethics

Cybersecurity and information ethics form the foundation of digital governance in the modern age. As societies transition to data-driven economies, concerns regarding privacy, data security, and ethical handling of digital information have intensified. Cybersecurity policies and ethical standards must balance data protection, corporate responsibility, and government surveillance to ensure a secure and ethical digital environment. This section explores:

- **A.** The core principles of cybersecurity and its connection to data privacy.
- B. Ethical dilemmas in data protection, particularly the conflict between privacy rights and state surveillance.
- C. Global perspectives on information ethics, analyzing regulatory frameworks such as the GDPR, U.S. privacy laws, and China's Personal Information Protection Law (PIPL).

#### 2.1. Defining Cybersecurity and Its Relationship with Data Privacy

#### 2.1.1. **Cybersecurity Principles: Confidentiality, Integrity, and Availability**

Cybersecurity is defined as the practice of protecting systems, networks, and data from cyber threats.<sup>26</sup> It is built upon three fundamental principles, commonly referred to as the CIA Triad:

- A. Confidentiality: Ensuring that data is accessible only to authorized individuals. Encryption techniques and access controls are commonly used to uphold confidentiality.<sup>27</sup>
- B. Integrity: Maintaining the accuracy and reliability of data by preventing unauthorized modifications. Cryptographic hashing and secure software development practices reinforce data integrity.<sup>28</sup>

<sup>&</sup>lt;sup>22</sup>The Information Technology Act, No. 21, Acts of Parliament, 2000 (India).

<sup>&</sup>lt;sup>23</sup>Government of India, Digital Personal Data Protection Bill, 2023, Ministry of Electronics & Information Technology.

<sup>&</sup>lt;sup>24</sup>Sandra Wachter, Brent Mittelstadt & Chris Russell, Bias in Al Decision Making and GDPR Compliance, 10(1) Nature Machine Intelligence 20 (2020).

<sup>&</sup>lt;sup>25</sup>Federal Trade Commission (FTC), The Internet of Things: Privacy and Security in a Connected World, FTC Report (2015).

<sup>&</sup>lt;sup>26</sup>National Institute of Standards and Technology (NIST), Cybersecurity Framework (2023).

<sup>&</sup>lt;sup>27</sup>Bruce Schneier, Applied Cryptography: Protocols, Algorithms, and Source Code in C (2d ed. 1996).

<sup>&</sup>lt;sup>28</sup>William Stallings, Cryptography and Network Security: Principles and Practice (8th ed. 2020).



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**C.** Availability: Ensuring that systems and data remain accessible and functional when needed, often through redundancy measures and Distributed Denial-of-Service (DDoS) protection.<sup>29</sup>

Together, these principles form the backbone of cybersecurity policies and influence privacy protection frameworks worldwide.

#### 2.1.2. Types of Cyber Threats: Hacking, Ransomware, Phishing, and Identity Theft

Cyber threats are evolving rapidly, posing significant risks to individual privacy, corporate security, and national cybersecurity infrastructure. Major cyber threats include:

- A. Hacking: Unauthorized access to computer systems, often to steal or manipulate data. The 2021 SolarWinds cyberattack compromised thousands of governments and corporate networks globally.<sup>30</sup>
- **B.** Ransomware: Malicious software that encrypts user data, demanding payment for restoration. In 2021, Colonial Pipeline paid a \$4.4 million ransom to cybercriminals after a ransomware attack crippled fuel supply operations in the U.S.<sup>31</sup>
- **C. Phishing:** Fraudulent emails or messages designed to trick users into revealing personal information, often leading to identity theft. In 2020, Google reported blocking **18 million phishing emails per day** related to COVID-19 scams.<sup>32</sup>
- **D.** Identity Theft: The unauthorized use of personal information to commit fraud. The 2017 Equifax data breach exposed the personal details of 147 million Americans, leading to identity fraud cases worldwide.<sup>33</sup>

Cyber threats often intersect with privacy concerns, highlighting the importance of integrating cybersecurity measures into data protection laws.

#### 2.1.3. Intersection of Privacy Laws and Cybersecurity Policies

Privacy laws and cybersecurity policies complement each other to protect personal data and ensure digital security. Key global frameworks addressing this intersection include:

- The GDPR (EU): Mandates companies to implement security measures like data encryption, breach notification protocols, and user consent mechanisms.<sup>34</sup>
- The DPDPA (India): Introduces data protection principles, but lacks clear cybersecurity enforcement mechanisms.<sup>35</sup>
- The U.S. Cybersecurity Information Sharing Act (CISA): Encourages public-private information sharing on cyber threats while raising concerns about mass surveillance.<sup>36</sup>

Cybersecurity policies must align with privacy regulations to strike a balance between security, transparency, and individual rights.

#### 2.2. Ethical Issues in Data Protection

Ethical concerns in data protection stem from increasing state surveillance, corporate data collection, and the rise of AI-driven decision-making.

#### 2.2.1. Right to Privacy vs. State Surveillance (Aadhaar, NATGRID, CMS)

Governments often justify mass surveillance programs under the pretext of national security. However, critics argue that such programs violate privacy rights and lack sufficient oversight mechanisms.

<sup>&</sup>lt;sup>29</sup>U.S. Department of Homeland Security, Cybersecurity Strategy 2023, DHS Report (2023).

<sup>&</sup>lt;sup>30</sup>U.S. Cybersecurity and Infrastructure Security Agency (CISA), SolarWinds Cyberattack Analysis (2021).

<sup>&</sup>lt;sup>31</sup>Colonial Pipeline Co., Ransomware Incident Report, U.S. Department of Energy (2021).

<sup>&</sup>lt;sup>32</sup>Google, COVID-19 Phishing Attacks and Cybersecurity Trends (2020).

<sup>&</sup>lt;sup>33</sup>Federal Trade Commission (FTC), Equifax Data Breach Settlement Report, FTC Press Release (2019).

<sup>&</sup>lt;sup>34</sup>European Union, General Data Protection Regulation (GDPR), Regulation 2016/679, OJ L 119/1 (2016).

<sup>&</sup>lt;sup>35</sup>The Digital Personal Data Protection Act, No. 43, Acts of Parliament, 2023 (India).

<sup>&</sup>lt;sup>36</sup>The Cybersecurity Information Sharing Act, 6 U.S.C. §§ 1501-1510 (2015).



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- Aadhaar (India): India's biometric ID system, criticized for its lack of explicit consent mechanisms and security vulnerabilities. The 2018 Aadhaar data leak exposed over 1 billion users' biometric and demographic information.37
- NATGRID (India): A centralized intelligence platform integrating data from banks, airlines, and telecom companies, raising concerns over unchecked government surveillance.<sup>38</sup>
- Central Monitoring System (CMS) (India): A real-time surveillance tool that allows interception of calls and digital communications without judicial approval.<sup>39</sup>

Comparatively, the GDPR restricts mass surveillance, requiring that any data collection by the state must be necessary, proportionate, and legally justified.<sup>40</sup>

#### 2.2.2. **Corporate Responsibility in Data Collection and Consent Management**

Companies collect vast amounts of user data, often without clear consent mechanisms. Ethical concerns include:

- A. Opaque Data Practices: Companies like Facebook (Meta) and Google have been fined under the GDPR for failing to provide transparent consent mechanisms.<sup>41</sup>
- B. Dark Patterns in Consent: UI/UX manipulations trick users into unintended data sharing, violating informed consent principles.42
- C. Data Monetization: Companies like Amazon and TikTok monetize user data, raising concerns over consumer privacy exploitation.<sup>43</sup>

A strong ethical framework is needed to ensure corporate accountability in data governance.

#### 2.2.3. Ethical AI and Automated Decision-Making Risks

- The integration of AI into cybersecurity and governance presents ethical risks:
- Bias in AI Algorithms: AI-driven hiring and credit scoring systems have been found to discriminate • against marginalized groups.<sup>44</sup>
- Automated Facial Recognition: Used for law enforcement and surveillance, often without public consent. China's PIPL restricts such usage, whereas India lacks strong AI governance laws.<sup>45</sup>

AI ethics demand transparency, explainability, and accountability in automated decision-making

systems.

#### 2.3. **Global Perspectives on Information Ethics**

Different countries have adopted varied approaches to cybersecurity and data ethics:

#### GDPR's Approach to Data Ethics (Consent, Accountability, Transparency) 2.3.1.

- The GDPR (2016) is considered the gold standard in data ethics, enforcing:
- **A.** Explicit User Consent for data collection.<sup>46</sup>
- **B.** Strict Corporate Accountability, with fines up to 4% of global revenue for violations.<sup>47</sup>
- C. Transparency Obligations, ensuring users know how their data is processed.<sup>48</sup>

<sup>40</sup>European Court of Justice, Schrems II Case: Data Transfers and Surveillance Concerns, Case C-311/18 (2020).

<sup>41</sup>Commission Nationale de l'Informatique et des Libertés (CNIL), CNIL Fines Google €50 Million for GDPR

Violations, CNIL Press Release (Jan. 2019).

<sup>&</sup>lt;sup>37</sup>Karan Deep Singh, Aadhaar Data Breach Sparks Privacy Concerns, N.Y. Times (Jan. 4, 2018).

<sup>&</sup>lt;sup>38</sup>Ministry of Home Affairs, National Intelligence Grid (NATGRID) Policy Overview, Govt. of India (2022).

<sup>&</sup>lt;sup>39</sup>Economic & Political Weekly, Government Surveillance and the Right to Privacy in India (2021).

<sup>&</sup>lt;sup>42</sup>Harry Brignull, Deceptive Design: Dark Patterns in Consent Mechanisms (2021).

<sup>&</sup>lt;sup>43</sup>Shoshana Zuboff, The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power (2019).

<sup>&</sup>lt;sup>44</sup>Sandra Wachter, Brent Mittelstadt & Chris Russell, Bias in Al Decision-Making and GDPR Compliance, 10(1) Nature Machine Intelligence 20 (2020).

<sup>&</sup>lt;sup>45</sup>Personal Information Protection Law of the People's Republic of China (PIPL), National People's Congress (2021).

<sup>&</sup>lt;sup>46</sup>European Data Protection Board (EDPB), Guidelines on User Consent under the GDPR (2020).

<sup>&</sup>lt;sup>47</sup>European Data Protection Board (EDPB), Guidelines on User Consent under the GDPR (2020).



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### 2.3.2. U.S. Model of Sectoral Privacy Regulations (CCPA, HIPAA, FTC Act)

- Unlike the GDPR, the U.S. lacks a unified privacy law and relies on sector-specific regulations:
- CCPA (California): Grants users the right to opt out of data sharing.<sup>49</sup>
- **HIPAA (Healthcare):** Regulates patient data privacy.<sup>50</sup>
- **FTC Act:** Addresses unfair corporate data practices.<sup>51</sup>

### 2.3.3. China's PIPL: State-Controlled Privacy Framework

#### China's Personal Information Protection Law (PIPL) (2021) enforces:

- A. Strict data localization, requiring companies to store Chinese user data within China.<sup>52</sup>
- **B.** State-controlled oversight, enabling government access to private data.<sup>53</sup>
- C. Limited individual autonomy, restricting users' ability to challenge state surveillance.<sup>54</sup>
- Unlike the GDPR, PIPL prioritizes state interests over user rights.

Theoretical frameworks for cybersecurity and information ethics differ across jurisdictions, with varying approaches to balancing privacy, security, and state authority. The GDPR leads in user protection, whereas China's PIPL favours state control. India must adopt stronger cybersecurity and ethical data frameworks to ensure individual privacy, corporate accountability, and AI transparency.

#### 3. Data Protection Laws and Cybersecurity in India

The legal landscape of data protection and cybersecurity in India has evolved significantly, shaped by constitutional interpretations, legislative frameworks, and regulatory policies. While India has recognized privacy as a fundamental right and introduced cybersecurity laws such as the Information Technology (IT) Act, 2000, gaps remain in enforcement mechanisms, regulatory oversight, and cybersecurity best practices. This section explores:

- A. The legal evolution of privacy rights in India, from M.P. Sharma (1954) to Puttaswamy (2017).
- **B.** The key challenges in India's cybersecurity framework, including government surveillance concerns, lack of independent regulatory oversight, and weak cybercrime enforcement.
- **C.** Sector-specific cybersecurity regulations, covering financial services (RBI guidelines), insurance (IRDAI), and telecommunications (TRAI regulations).

### 3.1. Legal Evolution of Privacy Rights

India's approach to **privacy and cybersecurity laws** has been shaped by judicial rulings and legislative responses to **technological advancements and rising cyber threats**.

### 3.1.1. From M.P. Sharma (1954) to Puttaswamy (2017): Privacy as a Constitutional Right

The legal recognition of privacy in India has evolved through key Supreme Court decisions:

- 1. **M.P. Sharma v. Satish Chandra (1954):** The Supreme Court ruled that privacy is not a fundamental right, dismissing challenges to government searches and seizures under Article 20(3) of the Indian Constitution.<sup>55</sup>
- 2. Kharak Singh v. State of Uttar Pradesh (1962): While rejecting nighttime police surveillance, the Court still refused to recognize privacy as a constitutional right. However, Justice Subba Rao's dissenting opinion laid the foundation for future privacy jurisprudence.<sup>56</sup>

<sup>&</sup>lt;sup>48</sup>UK Information Commissioner's Office (ICO), Transparency and Fair Processing Principles in Data Protection (2021).

<sup>&</sup>lt;sup>49</sup>California Consumer Privacy Act, Cal. Civ. Code § 1798.100 (West 2018).

<sup>&</sup>lt;sup>50</sup>Health Insurance Portability and Accountability Act (HIPAA), 42 U.S.C. §§ 1320d-1 to 1320d-9 (1996).

<sup>&</sup>lt;sup>51</sup>Federal Trade Commission Act, 15 U.S.C. § 45 (1914).

<sup>&</sup>lt;sup>52</sup>China National Cybersecurity Administration, Data Localization Guidelines Under PIPL (2022).

<sup>&</sup>lt;sup>53</sup>Graham Webster, China's Approach to Privacy and State Surveillance Under PIPL, DigiChina Report (2022).

<sup>&</sup>lt;sup>54</sup>Human Rights Watch, Privacy and Freedom of Expression in the Digital Age: China's Data Laws (2023).

<sup>&</sup>lt;sup>55</sup>M.P. Sharma v. Satish Chandra, (1954) SCR 1077 (India).

<sup>&</sup>lt;sup>56</sup>Kharak Singh v. State of Uttar Pradesh, AIR 1963 SC 1295 (India).



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- R. Rajagopal v. State of Tamil Nadu (1994): The Supreme Court affirmed the right to be let alone, 3. recognizing privacy within Article 21 (Right to Life and Personal Liberty), but only in the context of media freedom and unauthorized publication of personal data.<sup>57</sup>
- 4. People's Union for Civil Liberties (PUCL) v. Union of India (1997): The Court ruled that telephone tapping violates privacy rights, leading to procedural safeguards under the Indian Telegraph Act, 1885.58
- 5. Justice K.S. Puttaswamy v. Union of India (2017): A landmark ruling where a nine-judge bench unanimously held that privacy is a fundamental right under Article 21. This judgment paved the way for comprehensive data protection laws in India.<sup>59</sup>

#### The Information Technology (IT) Act, 2000: India's First Cybersecurity Framework 3.1.2.

The IT Act, 2000, was India's first major legislation addressing cybersecurity, cybercrime, and electronic transactions. Key provisions include:

- Section 43A: Mandates corporate entities to implement reasonable security practices for personal data protection, holding them liable for negligence.<sup>60</sup>
- Section 66: Criminalizes hacking and unauthorized access to computer systems, imposing penalties for • cybersecurity violations.<sup>61</sup>
- Section 72: Protects personal data confidentiality, penalizing government officials for unauthorized disclosure of electronic records.<sup>62</sup>

Despite these provisions, the IT Act remains outdated, lacking comprehensive data protection principles, strong user rights, and independent regulatory oversight.

#### 3.1.3. The Digital Personal Data Protection Act (DPDPA), 2023: Strengths and Weaknesses

The DPDPA, 2023, is India's first dedicated data protection law, modelled after the EU's GDPR. Key strengths include:

- A. Consent-Based Data Processing: Requires explicit user consent for data collection and processing.<sup>63</sup>
- **B.** User Rights: Grants individuals the right to access, correct, and erase personal data.<sup>64</sup>
- C. Data Protection Board (DPB): Establishes a regulatory authority for grievance redressal.<sup>65</sup>

However, the DPDPA has significant weaknesses:

- A. Government Exemptions: State agencies can bypass consent for reasons of national security, public order, and law enforcement, raising surveillance concerns.<sup>66</sup>
- B. Lack of Regulatory Independence: The Data Protection Board (DPB) is government-appointed, reducing regulatory autonomy.<sup>67</sup>
- C. Limited Scope: The law does not cover non-personal data or strong penalties for corporate data breaches.68

#### 3.2. Key Challenges in India's Cybersecurity Framework

<sup>&</sup>lt;sup>57</sup>R. Raiagopal v. State of Tamil Nadu, (1994) 6 SCC 632 (India).

<sup>&</sup>lt;sup>58</sup>People's Union for Civil Liberties (PUCL) v. Union of India, (1997) 1 SCC 301 (India).

<sup>&</sup>lt;sup>59</sup>Justice K.S. Puttaswamy v. Union of India, (2017) 10 SCC 1 (India).

<sup>&</sup>lt;sup>60</sup>The Information Technology Act, No. 21, Acts of Parliament, 2000 (India).

<sup>&</sup>lt;sup>61</sup>Id. § 66 (addressing hacking and unauthorized system access).

<sup>&</sup>lt;sup>62</sup>Id. § 72 (criminalizing unauthorized disclosure of personal data).

<sup>&</sup>lt;sup>63</sup>The Digital Personal Data Protection Act, No. 43, Acts of Parliament, 2023 (India).

<sup>&</sup>lt;sup>64</sup>Id. § 6 (requiring explicit user consent for data collection).

<sup>&</sup>lt;sup>65</sup>Id. § 19 (establishing the Data Protection Board).

<sup>&</sup>lt;sup>66</sup>Id. § 17 (allowing government agencies exemptions from data protection obligations).

<sup>&</sup>lt;sup>67</sup>Economic & Political Weekly, Government Surveillance and the Right to Privacy in India (2023).

<sup>&</sup>lt;sup>68</sup>Rahul Matthan, Privacy 3.0: Unlocking Our Data-Driven Future 182 (2022).



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Despite legislative advancements, India's cybersecurity framework faces critical challenges in government surveillance, weak enforcement mechanisms, and lack of independent oversight.

#### 3.2.1. **Government Surveillance vs. Individual Privacy**

The DPDPA, 2023, allows broad exemptions for government surveillance, raising concerns over privacy violations. Existing surveillance programs in India include:

- Aadhaar: India's biometric ID system has faced criticism for security breaches and lack of informed consent mechanisms.69
- NATGRID (National Intelligence Grid): Integrates data from banks, airlines, and telecom providers • for real-time surveillance, bypassing judicial oversight.<sup>70</sup>
- Central Monitoring System (CMS): A mass surveillance tool that enables the government to intercept calls, emails, and social media communications.<sup>71</sup>

In contrast, the EU's GDPR limits government surveillance, requiring judicial approvals and proportionality standards.72

#### 3.2.2. Lack of Independent Cybersecurity Regulatory Bodies

Unlike the European Data Protection Board (EDPB) under GDPR, India lacks an independent regulatory authority overseeing cybersecurity and data protection. The Data Protection Board (DPB) under DPDPA, 2023, remains government-controlled, reducing transparency and enforcement effectiveness.<sup>73</sup>

#### 3.2.3. **Cybercrime and Weak Enforcement Mechanisms**

India has witnessed a sharp rise in cybercrime, but law enforcement agencies lack the expertise to handle sophisticated cyber threats. Major concerns include:

- Low conviction rates for cybercriminals due to weak investigation frameworks.<sup>74</sup> •
- Lack of mandatory data breach notification laws for businesses.<sup>75</sup>
- Inadequate cybersecurity infrastructure in critical sectors such as healthcare and banking.<sup>76</sup>

#### 3.3. Sector-Specific Cybersecurity Regulations

India has sector-specific cybersecurity regulations governing financial services, insurance, and telecommunications.

#### 3.3.1. **RBI Data Localization Guidelines (Financial Sector)**

- Mandates that all payment data be stored within India.<sup>77</sup> •
- Aims to reduce foreign data risks but raises cost concerns for global businesses.<sup>78</sup>

#### 3.3.2. **IRDAI Data Protection Norms (Insurance Sector)**

- Requires encryption of sensitive financial and health records.<sup>79</sup>
- Mandates two-factor authentication for insurance transactions.<sup>80</sup>

### 3.3.3 TRAI Regulations (Telecommunications Sector)

Prevents telecom companies from sharing consumer data without consent.<sup>81</sup> •

<sup>&</sup>lt;sup>69</sup>Karan Deep Singh, Aadhaar Data Breach Sparks Privacy Concerns, N.Y. Times (Jan. 4, 2018).

<sup>&</sup>lt;sup>70</sup>Ministry of Home Affairs, NATGRID Policy Overview, Govt. of India (2022).

<sup>&</sup>lt;sup>71</sup>Telecom Regulatory Authority of India (TRAI), Central Monitoring System: Policy Brief, Govt. of India (2021).

<sup>&</sup>lt;sup>72</sup>European Union, General Data Protection Regulation (GDPR), Regulation 2016/679, OJ L 119/1 (2016).

<sup>&</sup>lt;sup>73</sup>European Data Protection Board (EDPB), Annual Report on GDPR Enforcement (2021).

<sup>&</sup>lt;sup>74</sup>National Crime Records Bureau (NCRB), Cybercrime in India: Statistical Overview (2022).

<sup>&</sup>lt;sup>75</sup>U.S. Federal Trade Commission (FTC), Data Breach Notification Policies: A Global Comparison (2021).

<sup>&</sup>lt;sup>76</sup>Indian Computer Emergency Response Team (CERT-In), Cybersecurity Incidents and Response Mechanisms (2023).

<sup>&</sup>lt;sup>7</sup>Reserve Bank of India (RBI), Data Localization Guidelines for Payment Systems (2018).

<sup>&</sup>lt;sup>78</sup>NASSCOM, Impact of RBI Data Localization on Global Business Operations (2022).

<sup>&</sup>lt;sup>79</sup>Insurance Regulatory and Development Authority of India (IRDAI), Data Security and Privacy Guidelines for Insurance Companies (2021).

<sup>&</sup>lt;sup>80</sup>Id. at § 7 (mandating encryption of sensitive financial and health records).



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### • Enforces caller identification protocols to prevent fraud.<sup>82</sup>

India's data protection and cybersecurity laws have evolved from judicial recognition of privacy rights to legislative frameworks such as the IT Act (2000) and DPDPA (2023). However, challenges remain in surveillance oversight, enforcement mechanisms, and independent regulatory governance. Strengthening cybersecurity laws, sectoral compliance policies, and regulatory autonomy is critical for ensuring robust data protection in India.

#### 4. Comparative Analysis: India vs. GDPR

The General Data Protection Regulation (GDPR), implemented in 2018, is regarded as the global standard for data protection and cybersecurity. It establishes strict user rights, heavy penalties for data breaches, and an independent regulatory mechanism. In contrast, India's Digital Personal Data Protection Act (DPDPA), 2023, while a significant step forward, contains several weaknesses, including broad government exemptions, limited user rights, and weaker enforcement mechanisms.

This section compares GDPR with India's DPDPA, 2023, highlighting GDPR's strengths in cybersecurity and privacy protection, DPDPA's weaknesses, and case studies of privacy breaches in both regions.

#### 4.1. Strengths of GDPR in Cybersecurity and Privacy Protection

The GDPR sets a high benchmark for cybersecurity and privacy through:

### 4.1.1. Strict Penalties for Data Breaches

GDPR imposes severe financial penalties for data breaches, ensuring corporate accountability:

- Companies violating GDPR can be fined up to 4% of their annual global turnover or €20 million, whichever is higher.<sup>83</sup>
- In 2021, Amazon was fined €746 million for violating GDPR's targeted advertising rules.<sup>84</sup>
- British Airways was fined £20 million for failing to protect user data in a 2018 cyberattack.<sup>85</sup>

In contrast, India's DPDPA, 2023, imposes much lower penalties:

- Maximum fine for non-compliance is ₹250 crore (approximately €28 million).<sup>86</sup>
- No strict penalties for data breaches unless personal harm is proven.
- 4.1.2. User Rights: Data Portability and the Right to Be Forgotten

GDPR guarantees strong individual rights:

- **Right to Data Portability:** Users can request their personal data in a machine-readable format and transfer it to another service provider.<sup>87</sup>
- **Right to Be Forgotten:** Users can request deletion of their personal data if it is no longer needed or processed unlawfully.<sup>88</sup>
- **Right to Object to Data Processing:** Individuals can refuse data collection based on legitimate interest or direct marketing purposes.<sup>89</sup>

In contrast, DPDPA, 2023, does not explicitly include:

- The right to object to profiling or behavioral tracking.<sup>90</sup>
- The right to be forgotten is limited and subject to government discretion.<sup>91</sup>

#### 4.1.3. Independent Regulatory Bodies: European Data Protection Board (EDPB)

<sup>81</sup>Telecom Regulatory Authority of India (TRAI), Telecom Consumer Protection Regulations (2020).

<sup>82</sup>Id. at § 5 (requiring caller identification protocols to prevent fraud).

<sup>83</sup>European Union, General Data Protection Regulation (GDPR), Regulation 2016/679, OJ L 119/1 (2016).

<sup>84</sup>CNIL v. Amazon, Case No. FR-746M (2021).

<sup>85</sup>UK Information Commissioner's Office (ICO), British Airways Data Breach Fine (2020).

<sup>86</sup>The Digital Personal Data Protection Act, No. 43, Acts of Parliament, 2023 (India).

- <sup>87</sup>GDPR Art. 20 (Right to Data Portability).
- <sup>88</sup>GDPR Art. 17 (Right to Be Forgotten).

<sup>&</sup>lt;sup>89</sup>GDPR Art. 21 (Right to Object to Data Processing).

<sup>&</sup>lt;sup>90</sup>DPDPA, 2023, § 11 (Lack of Right to Object to Profiling).

<sup>&</sup>lt;sup>91</sup>Id. § 15 (Limited Right to Be Forgotten).



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GDPR ensures strong regulatory enforcement through the European Data Protection Board (EDPB):

- EDPB is an independent authority, ensuring consistent enforcement across EU member states.<sup>92</sup> •
- National data protection authorities (e.g., CNIL in France, ICO in the UK) enforce GDPR with full • autonomy.93

India's DPDPA, 2023, lacks such independence:

- The Data Protection Board (DPB) is appointed by the government, raising concerns about political interference.<sup>94</sup>
- Unlike GDPR, the DPB does not have clear enforcement powers.

#### 4.2. Weaknesses in India's DPDPA, 2023

Despite being India's first dedicated privacy law, the DPDPA, 2023, has significant limitations when compared to GDPR.

#### 4.2.1. **Broad Government Exemptions Allow Mass Surveillance**

- Section 17 of DPDPA allows the government to bypass data protection obligations for reasons of national security, public order, or investigation purposes.95
- Government agencies are not required to seek user consent for data collection.
- In contrast, GDPR limits state surveillance, requiring proportionality and necessity tests for government data collection.<sup>96</sup>

This broad exemption raises concerns that state-led surveillance programs like Aadhaar, NATGRID, and CMS could continue without independent oversight.

#### 4.2.2. No Explicit Right to Object to Data Collection and Profiling

- GDPR allows users to object to their data being collected or used for profiling.97
- DPDPA does not grant Indian users a similar right, making it easier for companies to track online behaviour without explicit consent.

#### 4.2.3. Weak Enforcement and Lower Penalties for Data Breaches

- Unlike GDPR, DPDPA does not mandate immediate breach notifications.
- Companies can take longer to report a data breach, increasing the risk of identity theft and fraud.
- Maximum fines under DPDPA are lower than GDPR, making enforcement weaker.

#### 4.3. **Case Studies of Privacy Breaches**

India and the EU have witnessed significant data breaches, exposing vulnerabilities in data protection.

#### 4.3.1. Aadhaar Data Leak (2018) - India

- Aadhaar, India's biometric identity system, suffered a massive data leak where 1.1 billion users' ٠ personal data was exposed online.98
- Weak authentication mechanisms and lack of strong encryption were key failures. •
- Unlike GDPR, India's IT Act, 2000, did not mandate strict breach notification, allowing the issue to persist without immediate public awareness.

#### Facebook-Cambridge Analytica Scandal (2018) – Impact on Indian Users 4.3.2.

Cambridge Analytica harvested data from over 87 million Facebook users, influencing political campaigns.99

<sup>&</sup>lt;sup>92</sup>European Data Protection Board (EDPB), Annual Report on GDPR Enforcement (2021).

<sup>&</sup>lt;sup>93</sup>UK Information Commissioner's Office (ICO), Role of Independent Regulators under GDPR (2021).

<sup>&</sup>lt;sup>94</sup>DPDPA, 2023, § 19 (Government-Controlled Data Protection Board).

<sup>&</sup>lt;sup>95</sup>Id. § 17 (Government Exemptions).

<sup>&</sup>lt;sup>96</sup>European Court of Justice, Schrems II Case: State Surveillance Restrictions, Case C-311/18 (2020).

<sup>&</sup>lt;sup>97</sup>GDPR Art. 21 (User Right to Object).

<sup>&</sup>lt;sup>98</sup>Karan Deep Singh, Aadhaar Data Breach Sparks Privacy Concerns, N.Y. Times (2018).

<sup>&</sup>lt;sup>99</sup>Carole Cadwalladr & Emma Graham-Harrison, The Cambridge Analytica Files, Guardian (2018).



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- Approximately 500,000 Indian users were affected, raising concerns about lack of transparency in political data profiling.<sup>100</sup>
- GDPR's enforcement in 2018 led to Facebook being fined €265 million, whereas India lacked any legal framework to penalize data misuse at the time.

#### 4.3.3. Paytm Data Leak (2020) - India

- Paytm, a leading Indian fintech company, faced a data breach where hackers stole financial data and user transaction details.<sup>101</sup>
- India's lack of mandatory breach disclosure laws delayed public awareness of the issue.
- No major penalties were imposed, highlighting weak enforcement mechanisms under Indian law.

The GDPR provides a strong framework for privacy and cybersecurity, offering strict penalties, robust user rights, and independent regulatory oversight. In contrast, India's DPDPA, 2023, while a step forward, has significant gaps, particularly in:

- Government surveillance exemptions. •
- Lack of user rights, such as objection to profiling.
- Weaker penalties and enforcement mechanisms.

India must strengthen its data protection framework by incorporating GDPR-like standards to ensure stronger cybersecurity, enhanced user rights, and better corporate accountability.

### 5. Recommendations for Strengthening India's Cybersecurity and Privacy Framework

India's cybersecurity and privacy framework has seen progress with the Digital Personal Data Protection Act (DPDPA), 2023, but significant gaps remain. To align with global best practices, India must undertake legal and policy reforms, enforce ethical AI governance, and strengthen international data protection mechanisms.

This section outlines recommendations in three areas:

- A. Legal and policy reforms, including an independent data protection authority, stronger penalties, and judicial oversight.
- B. Ethical AI and cybersecurity standards, emphasizing privacy-by-design principles, AI transparency, and cybersecurity education.
- C. Cross-border data flow mechanisms, adopting GDPR-style data transfer rules and encryption standards.

#### 5.1. Legal and Policy Reforms

India's DPDPA, 2023, lacks independent oversight, strong penalties, and judicial safeguards against mass surveillance. To strengthen the legal and policy framework, India should adopt:

#### 5.1.1. Establish an Independent Data Protection Authority (Modeled on GDPR's EDPB)

- GDPR established the European Data Protection Board (EDPB), ensuring consistent enforcement and • independent decision-making across EU nations.<sup>102</sup>
- India's Data Protection Board (DPB) is government-appointed, reducing regulatory autonomy.<sup>103</sup>
- A truly independent authority is needed to:
  - Monitor corporate and government compliance with privacy laws.
  - Handle user complaints and data breaches without political interference. 0

#### **Stronger Penalties for Cybersecurity Breaches** 5.1.2.

- GDPR fines reach €20 million or 4% of a company's global turnover.<sup>104</sup>
- In contrast, DPDPA's maximum fine is ₹250 crore (approx. €28 million), significantly lower than global standards.<sup>105</sup>

<sup>&</sup>lt;sup>100</sup>Election Commission of India, Cambridge Analytica and Indian Political Data Use (2019).

<sup>&</sup>lt;sup>101</sup>Indian Computer Emergency Response Team (CERT-In), Paytm Data Breach Report (2020).

<sup>&</sup>lt;sup>102</sup>European Data Protection Board (EDPB), Role of the EDPB in GDPR Enforcement (2022).

<sup>&</sup>lt;sup>103</sup>The Digital Personal Data Protection Act, No. 43, Acts of Parliament, 2023 (India), § 19.

<sup>&</sup>lt;sup>104</sup>European Union, General Data Protection Regulation (GDPR), Regulation 2016/679, OJ L 119/1 (2016), Art. 83.



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- Strengthening penalties would:
  - Encourage corporate compliance with cybersecurity best practices.
  - Deter data breaches, ensuring user data security.
- 5.1.3. Judicial Oversight on Government Data Collection
  - Section 17 of DPDPA allows the government to bypass data protection obligations under national security and public order exceptions.<sup>106</sup>
  - NATGRID and CMS operate without independent oversight, raising concerns over mass surveillance.<sup>107</sup>
  - Implementing **judicial oversight** would:
    - Ensure government surveillance remains proportional and necessary.
    - Prevent arbitrary data collection without legal safeguards.
- 5.2. Ethical AI and Cybersecurity Standards

•

- With AI-driven data processing, ethical standards must be integrated into cybersecurity laws.
- 5.2.1. Privacy-by-Design Approach in Digital Services
  - GDPR mandates companies to follow Privacy-by-Design principles, embedding data protection at every stage of system development.<sup>108</sup>
  - India's DPDPA lacks explicit requirements for privacy-focused product design.<sup>109</sup>
    - Implementing privacy-by-design would:
      - Ensure end-to-end encryption, minimal data collection, and user control over data.
      - Prevent unauthorized data sharing by digital platforms.

#### 5.2.2. Transparency in AI-Based Decision-Making

- AI algorithms increasingly determine financial credit, hiring decisions, and government services, raising concerns over bias and lack of accountability.<sup>110</sup>
- The EU AI Act mandates AI transparency, while India lacks a similar framework.<sup>111</sup>
- To ensure **ethical AI usage**, India should:
  - Require **explainable AI models**, where users understand how decisions are made.
  - Ensure human oversight over AI-driven decisions.

### 5.2.3. Enhanced Cybersecurity Education and Awareness Programs

- India lacks structured cybersecurity education in school and university curricula.<sup>112</sup>
- Over 80% of cyberattacks in India exploit human error (e.g., phishing, weak passwords).<sup>113</sup>
- Cybersecurity education should include:
  - Public awareness campaigns on secure digital practices.
  - Government-backed training programs for businesses and employees.

### 5.3. Cross-Border Data Flow and International Collaboration

Global trade and digital services require secure cross-border data flow mechanisms. India must align with international data transfer norms to attract foreign investment and ensure compliance with global privacy laws.

### 5.3.1. Adopt GDPR-Style Cross-Border Data Transfer Rules

<sup>105</sup>DPDPA, 2023, § 25 (Penalties for Non-Compliance).

<sup>106</sup>Id. § 17 (Government Exemptions).

<sup>&</sup>lt;sup>107</sup>Ministry of Home Affairs, NATGRID and CMS Surveillance Policies, Govt. of India (2022).

<sup>&</sup>lt;sup>108</sup>GDPR, Art. 25 (Privacy by Design and by Default).

<sup>&</sup>lt;sup>109</sup>DPDPA, 2023, lacks an equivalent provision.

<sup>&</sup>lt;sup>110</sup>Sandra Wachter et al., Bias in AI Decision-Making and GDPR Compliance, 10(1) Nature Machine Intelligence 20 (2020).

<sup>&</sup>lt;sup>111</sup>European Commission, The AI Act: Regulating High-Risk AI Systems (2023).

<sup>&</sup>lt;sup>112</sup>National Cybersecurity Policy, Ministry of Electronics & Information Technology (2021).

<sup>&</sup>lt;sup>113</sup>Indian Computer Emergency Response Team (CERT-In), Cybersecurity Incident Reports (2023).



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- GDPR restricts data transfers to countries lacking adequate privacy protections.<sup>114</sup>
- DPDPA lacks explicit rules on international data transfers, raising concerns over data security in • foreign jurisdictions.<sup>115</sup>
- India should:
  - Require data transfers only to nations with equivalent data protection laws.
  - Implement accountability mechanisms for companies handling international data. 0

#### 5.3.2. Standard Contractual Clauses (SCCs) for Global Compliance

- GDPR uses SCCs to ensure companies legally commit to data protection when transferring data abroad.116
- India should mandate:
  - SCCs for corporate agreements involving data transfers.
  - Clear penalties for violating international data security norms.
- 5.3.3. Stronger Encryption Standards for International Data Sharing
  - End-to-end encryption is crucial for secure data transfers.
  - U.S. cybersecurity laws (e.g., NIST encryption guidelines) mandate minimum encryption standards for global transactions.<sup>117</sup>
  - India should enforce:
    - Mandatory encryption for all cross-border financial and healthcare data transfers.
    - Stronger cloud security policies for international data storage.

India's DPDPA, 2023, requires significant improvements to match global data protection standards. Recommendations include:

- A. Legal and policy reforms ensuring independent regulatory oversight, stricter penalties, and judicial safeguards.
- B. Ethical AI governance, integrating privacy-by-design, AI transparency, and public cybersecurity education.
- C. Stronger cross-border data flow mechanisms, adopting GDPR-style safeguards and encryption protocols.

By implementing these changes, India can strengthen its cybersecurity framework, protect user privacy, and foster global digital trust.

### 6. Conclusion

#### 6.1. Cybersecurity and Information Ethics Are Critical to Digital Privacy Protection

In the digital era, cybersecurity and information ethics play a crucial role in protecting user privacy, preventing cyber threats, and ensuring ethical governance of personal data. With the increasing adoption of artificial intelligence (AI), big data analytics, and cloud computing, governments and corporations collect and process massive volumes of personal data, making data security and ethical handling of information more important than ever.

- Cyber threats such as hacking, ransomware, and identity theft continue to grow, targeting individuals, corporations, and government institutions.<sup>118</sup>
- Ethical concerns, such as AI bias, mass surveillance, and unauthorized data collection, raise questions about corporate responsibility and state oversight.<sup>119</sup>

<sup>&</sup>lt;sup>114</sup>GDPR, Art. 45 (Cross-Border Data Transfers).

<sup>&</sup>lt;sup>115</sup>DPDPA, 2023, lacks explicit cross-border transfer provisions.

<sup>&</sup>lt;sup>116</sup>European Commission, Standard Contractual Clauses (SCCs) for Data Transfers (2021).

<sup>&</sup>lt;sup>117</sup>National Institute of Standards and Technology (NIST), Encryption Standards for Global Data Protection (2022).

<sup>&</sup>lt;sup>118</sup>European Union Agency for Cybersecurity (ENISA), Cyber Threat Landscape Report 2023.

<sup>&</sup>lt;sup>119</sup>Sandra Wachter et al., Bias in Al Decision-Making and GDPR Compliance, 10(1) Nature Machine Intelligence 20 (2020).



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• Inadequate cybersecurity policies lead to large-scale data breaches, harming users and eroding trust in digital systems. The Aadhaar data breach (2018) and Paytm data leak (2020) exposed critical vulnerabilities in India's cybersecurity infrastructure.<sup>120</sup>

Given these challenges, comprehensive cybersecurity policies and ethical data governance frameworks are required to safeguard digital privacy and prevent misuse of personal data.

### 6.2. India's Legal Framework Needs to Evolve to Match GDPR's Global Standards

India's Digital Personal Data Protection Act (DPDPA), 2023, is a step forward in establishing a national data protection regime, but it lacks several key provisions present in the EU's General Data Protection Regulation (GDPR):

Aspect	GDPR (EU, 2016)	DPDPA (India, 2023)
Independent Regulatory	Yes (European Data Protection	No (Government-controlled Data
Authority	Board - $EDPB$ ) <sup>121</sup>	Protection Board) <sup>122</sup>
Strict Data Breach	Up to 4% of global turnover or	Max ₹250 crore (€28M), lower
Penalties	€20M <sup>123</sup>	than GDPR <sup>124</sup>
Right to Object to	Explicit user right to object <sup>125</sup>	No such provision <sup>126</sup>
Profiling		
Govt. Surveillance	Strict necessity and proportionality	Broad exemptions for national
Limitations	tests <sup>127</sup>	security <sup>128</sup>
<b>Cross-Border Data Flow</b>	Standard Contractual Clauses	No clear international data
Rules	(SCCs) & Adequacy Tests <sup>129</sup>	transfer framework <sup>130</sup>

For India to align with **global best practices**, legal reforms should:

- A. Ensure regulatory independence (establish a Data Protection Authority similar to the EDPB).
- B. Strengthen penalties for data breaches to deter corporate non-compliance.
- C. Expand user rights, allowing users to object to profiling and AI-based decision-making.
- D. Impose stricter oversight on government surveillance, ensuring proportionality and necessity.
- E. Adopt GDPR-style cross-border data transfer regulations to facilitate international compliance.

### 6.3. Stronger Cybersecurity Policies, Ethical AI Governance, and Regulatory Independence Are Essential

To enhance cybersecurity and privacy protection, India must adopt a multi-pronged approach, integrating stronger legal safeguards, ethical AI policies, and independent regulatory oversight.

### 6.3.1. Stronger Cybersecurity Policies

- Mandate data breach notification within 72 hours (as per GDPR guidelines).<sup>131</sup>
- Develop national cybersecurity resilience strategies, focusing on critical infrastructure protection (finance, healthcare, energy, telecommunications).<sup>132</sup>
- Increase penalties for companies failing to implement strong cybersecurity measures.<sup>133</sup>

<sup>123</sup>European Union, General Data Protection Regulation (GDPR), Regulation 2016/679, OJ L 119/1 (2016), Art. 83.

<sup>125</sup>GDPR, Art. 21 (User Right to Object to Profiling).

<sup>&</sup>lt;sup>120</sup>Karan Deep Singh, Aadhaar Data Breach Sparks Privacy Concerns, N.Y. Times (2018).

<sup>&</sup>lt;sup>121</sup>The Digital Personal Data Protection Act, No. 43, Acts of Parliament, 2023 (India), § 25.

<sup>&</sup>lt;sup>122</sup>European Data Protection Board (EDPB), Role of the EDPB in GDPR Enforcement (2022).

<sup>&</sup>lt;sup>124</sup>DPDPA, 2023, § 25 (Penalties for Non-Compliance).

<sup>&</sup>lt;sup>126</sup>DPDPA, 2023, lacks an explicit right to object.

<sup>&</sup>lt;sup>127</sup>European Court of Justice, Schrems II Case: State Surveillance Restrictions, Case C-311/18 (2020).

<sup>&</sup>lt;sup>128</sup>DPDPA, 2023, § 17 (Government Exemptions).

<sup>&</sup>lt;sup>129</sup>European Commission, Standard Contractual Clauses (SCCs) for Data Transfers (2021).

<sup>&</sup>lt;sup>130</sup>DPDPA, 2023, lacks explicit cross-border transfer provisions.

<sup>&</sup>lt;sup>131</sup>GDPR, Art. 33 (Data Breach Notification Requirement).

<sup>&</sup>lt;sup>132</sup>Ministry of Electronics & Information Technology (MeitY), India's National Cybersecurity Strategy 2023.

<sup>&</sup>lt;sup>133</sup>Indian Computer Emergency Response Team (CERT-In), Cybersecurity Compliance Report (2023).



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#### 6.3.2. Ethical AI Governance

- Transparency in AI decision-making to prevent algorithmic bias and discrimination.<sup>134</sup>
- Mandate privacy-by-design in AI systems handling sensitive personal data.<sup>135</sup>
- Ensure human oversight in high-risk AI-based decisions (e.g., financial scoring, law enforcement surveillance).<sup>136</sup>

#### 6.3.3. Regulatory Independence

- Establish an independent Data Protection Authority (DPA), ensuring autonomous enforcement of privacy laws.
- Strengthen cross-sector coordination between the Reserve Bank of India (RBI), Telecom Regulatory Authority of India (TRAI), and Indian Computer Emergency Response Team (CERT-In) to improve cybersecurity governance.<sup>137</sup>

# 6.4. Future Research Should Explore AI-Driven Cyber Threats and Decentralized Identity Management Solutions

As AI advances, new cybersecurity threats emerge, requiring continued research into AI-driven cyber risks, decentralized identity management, and blockchain-based data security solutions.

#### 6.4.1. AI-Driven Cyber Threats

- AI-powered attacks, such as deepfake fraud, automated phishing, and adversarial machine learning, pose new cybersecurity risks.<sup>138</sup>
- Future research should focus on developing AI-based cybersecurity defense mechanisms to counter AI-generated cyber threats.<sup>139</sup>

#### 6.4.2. Decentralized Identity Management

- Traditional centralized identity systems (e.g., Aadhaar, government-issued IDs) are prone to mass breaches.<sup>140</sup>
- Decentralized identity solutions (using blockchain and self-sovereign identity (SSI) models) can provide greater privacy and security.<sup>141</sup>
- Future research should explore blockchain-based authentication mechanisms to enhance user control over personal data.<sup>142</sup>

### 6.5. Conclusion: India Must Prioritize Cybersecurity, Privacy, and AI Ethics

To establish a robust cybersecurity and privacy framework, India must:

- A. Modernize its legal system, aligning DPDPA with GDPR-like global standards.
- **B.** Strengthen cybersecurity policies, focusing on data breach prevention and resilience building.
- C. Adopt ethical AI regulations, ensuring fair, transparent, and privacy-friendly AI deployment.
- **D.** Promote research into AI-driven cyber threats and decentralized identity solutions, securing India's digital future.

By implementing these reforms, India can position itself as a leader in digital privacy, cybersecurity, and AI governance, ensuring a secure and ethically governed digital ecosystem for its citizens.

<sup>135</sup>GDPR, Art. 25 (Privacy by Design and Default).

<sup>&</sup>lt;sup>134</sup>European Commission, The AI Act: Regulating High-Risk AI Systems (2023).

<sup>&</sup>lt;sup>136</sup>EU AI Act, Art. 14 (Human Oversight in AI Systems).

<sup>&</sup>lt;sup>137</sup>Reserve Bank of India (RBI), Cybersecurity Framework for Financial Institutions (2022).

<sup>&</sup>lt;sup>138</sup>MIT Technology Review, The Rise of AI-Powered Cyber Attacks (2023).

<sup>&</sup>lt;sup>139</sup>NIST, AI and Cybersecurity: New Defense Strategies (2022).

<sup>&</sup>lt;sup>140</sup>Blockchain Council, Decentralized Identity Systems: Future of Digital Security (2022).

<sup>&</sup>lt;sup>141</sup>World Economic Forum, The Future of Self-Sovereign Identity (2023).

<sup>&</sup>lt;sup>142</sup>IBM Research, Blockchain for Digital Identity Security (2023).