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OUTREACH OF INDIAN LAWS IN AN ERA OF ARTIFICIAL INTELLIGENCE: A BRIEF ANALYSIS

Pragati Patel
Technocrats Institute of Law, Bhopal

ABSTRACT

The rapid proliferation of Artificial Intelligence technologies across various sectors in India has exposed significant gaps in the existing legal framework. While India aspires to become a global AI hub through strategic investments and policy initiatives, the absence of comprehensive AI-specific legislation raises critical questions about accountability, liability, data protection, and intellectual property rights. This article examines the current state of Indian laws concerning AI, analyzes key challenges, and evaluates the adequacy of existing legal mechanisms in addressing AI-related concerns.

KEYWORDS: *Law for AI, AI for Law, Legal recourse for AI, Legal outreach*

1. INTRODUCTION

Artificial Intelligence has emerged as one of the most transformative technological developments of the twenty-first century. In India, the AI market is projected to reach significant proportions, with estimates suggesting growth from USD 5.47 billion in 2024 to USD 14.72 billion by 2030. The Indian government has recognized this potential and positioned AI as a catalyst for the nation's digital economy through initiatives such as the National Strategy for Artificial Intelligence under the hashtag #AIForAll.

However, as AI systems become increasingly autonomous and integrated into critical sectors including healthcare, finance, law enforcement, and transportation, they present unprecedented legal challenges. The autonomous nature of AI, its capacity for independent decision-making, and its potential to cause harm have rendered traditional legal frameworks inadequate. This article examines how Indian laws are evolving to address these challenges and identifies critical areas requiring urgent legislative attention.

2. CURRENT LEGAL LANDSCAPE GOVERNING AI IN INDIA

2.1 Absence of Dedicated AI Legislation

Unlike the European Union, which has implemented the comprehensive AI Act with a risk-based regulatory approach, India currently lacks any statute specifically governing AI development, deployment, or usage. The Ministry of Electronics and Information Technology has been proactive in issuing advisories and guidelines, but these remain non-binding and lack enforceable mechanisms.

The most significant regulatory intervention came on March 15, 2024, when MeitY issued an advisory requiring intermediaries and platforms to ensure that AI models do not facilitate bias or discrimination, particularly concerning electoral integrity. The advisory mandated that untested or under-development AI models must seek explicit permission before deployment and that AI-generated content must be labelled with unique identifiers or metadata. However, this advisory primarily targets large platforms, with startups receiving exemptions from stringent compliance requirements.

2.2 Information Technology Act, 2000

The Information Technology Act remains the foundational legislation governing digital activities in India. Several provisions have relevance to AI systems, though they were not originally designed with AI in contemplation:

Section 66D penalizes impersonation through computer resources, which has been extended to address AI-generated deepfakes and fraudulent content. Section 67 prohibits publishing obscene material in electronic form, potentially applicable to inappropriate AI-generated content. Section 79 provides safe harbor provisions to intermediaries, though its applicability to autonomous AI models that independently create or alter data remains legally uncertain.

The IT Rules of 2021, particularly the Intermediary Guidelines and Digital Media Ethics Code, impose due diligence obligations on platforms. However, these rules were drafted before the current wave of generative AI technologies and do not adequately address algorithmic accountability or transparency requirements specific to AI systems.

2.3 Digital Personal Data Protection Act, 2023

The Digital Personal Data Protection Act represents a significant milestone in India's data protection regime. While not AI-specific, the DPDP Act has profound implications for AI development and deployment. The Act established a consent-based framework for personal data processing, granting individuals rights to access, correction, and erasure of their data.

For AI developers, the DPDP Act imposes several critical obligations. Data fiduciaries must implement appropriate technical and organizational measures to protect personal data, conduct data protection impact assessments for high-risk processing activities, and notify affected individuals and the Data Protection Board in case of data breaches. The Draft DPDP Rules released in January 2025 introduced additional provisions relevant to AI, including requirements for

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Significant Data Fiduciaries to conduct periodic algorithmic audits to detect and mitigate bias.

One particularly controversial provision of the DPDP Act is its broad exemption for publicly available personal data. The Act entirely exempts personal data made publicly available by individuals themselves or under legal obligation, which goes further than similar provisions in other jurisdictions. This exemption has significant implications for AI training datasets, as it potentially allows AI developers to utilize publicly available data without obtaining consent, raising concerns about the scope of individual privacy protections.

3. CRITICAL LEGAL CHALLENGES

3.1 Liability and Accountability Framework

Perhaps the most vexing legal challenge posed by AI is determining liability when autonomous systems cause harm. Traditional legal frameworks presume human agency and control, making it difficult to assign responsibility when AI systems make independent decisions.

Consider autonomous vehicles: if a self-driving car is involved in an accident, should liability rest with the vehicle manufacturer, the software developer, the AI algorithm creator, or the vehicle owner? Indian law currently lacks explicit provisions addressing such scenarios. The Consumer Protection Act of 2019 provides for product liability claims, but it does not specifically address AI systems or clarify the allocation of responsibility among multiple actors in the AI supply chain.

Legal scholars have proposed various approaches to address this gap. Some advocate for a strict liability regime similar to the European Union's approach under its AI Act, where providers of high-risk AI systems are held accountable regardless of fault. Others suggest adopting a shared liability framework that distributes responsibility among developers, deployers, and users based on their respective roles and degree of control over the AI system. However, Indian courts have yet to develop comprehensive jurisprudence on AI-specific liability, relying instead on analogies drawn from existing product liability and negligence principles.

3.2 Copyright and Intellectual Property Rights

AI-generated content has exposed fundamental gaps in Indian copyright law. The Copyright Act of 1957 defines an author as a natural person who creates a work, thereby excluding AI systems from authorship recognition. This creates a legal vacuum regarding ownership of purely AI-generated content.

The landmark case involving the AI system RAGHAV illustrated this ambiguity. In 2021, the Indian Copyright Office initially granted copyright registration to an artwork listing RAGHAV as co-author alongside a human creator. However, the office subsequently sought to cancel this registration, citing the requirement for human authorship under the Act. This reversal highlighted the inadequacy of existing law to address AI-generated works.

Another critical issue concerns the use of copyrighted material in training AI models. The ongoing case of Asian News International versus OpenAI represents the first major judicial examination of whether using copyrighted content to train large language models constitutes infringement. ANI has alleged that OpenAI used its exclusive news content without authorization to train ChatGPT. The case raises fundamental questions about whether such use falls within the fair dealing provisions of Section 52 of the Copyright Act.

Unlike jurisdictions such as the United States, where courts have developed the doctrine of transformative use to analyze such questions, India lacks well-developed jurisprudence on this issue. The narrow interpretation of fair dealing provisions in Indian law suggests that AI developers face significant legal uncertainty when utilizing copyrighted materials for training purposes.

3.3 Constitutional Rights and Ethical Concerns

AI systems that process vast amounts of personal data implicate fundamental constitutional rights, particularly the right to privacy recognized as part of Article 21 in the landmark Justice K.S. Puttaswamy judgment. AI-powered surveillance systems, facial recognition technologies, and automated decision-making processes raise concerns about state overreach and individual autonomy.

Furthermore, AI algorithms trained on biased historical data can perpetuate and amplify existing societal discrimination. This poses serious challenges to the constitutional guarantee of equality under Article 14. AI systems used in hiring, lending, law enforcement, and healthcare may produce discriminatory outcomes that disproportionately affect marginalized communities. While MeitY's advisory requires AI models to be free from bias, the lack of enforceable standards and accountability mechanisms limits the effectiveness of this requirement.

4. POLICY INITIATIVES AND REGULATORY PROPOSALS

4.1 NITI Aayog's Framework

NITI Aayog, India's premier policy think tank, has published several foundational documents addressing AI governance. The National Strategy for Artificial Intelligence released in 2018 focused on leveraging AI for inclusive growth in sectors such as healthcare, agriculture, education, and infrastructure. Subsequent reports on Principles for Responsible AI and Operationalizing Responsible AI have outlined ethical considerations including transparency, accountability, fairness, and safety.

These principles emphasize system-level considerations such as ensuring AI systems are transparent in their decision-making processes and accountable for their outcomes, as well as societal considerations regarding AI's impact on employment and social equity. However, these remain advisory documents without legal force.

4.2 Proposed Digital India Act

The government has announced plans for a Digital India Act intended to replace and modernize the Information Technology Act. Expected to address AI-specific concerns, the proposed legislation aims to balance innovation with safeguarding digital

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citizens' interests. Reports suggest that the Act will avoid prescribing penal consequences for violations to encourage innovation, while requiring platforms to label and watermark AI-generated content.

4.3 Establishment of AI Regulatory Bodies

In 2024, recommendations were made for creating an Artificial Intelligence and Data Authority of India to oversee responsible AI development and regulate its use. Additionally, the government sanctioned INR 103 billion for AI projects over five years, including development of computing infrastructure, establishment of a National Data Management Office, and support for AI startups.

5. International Comparisons and Lessons

India's approach to AI regulation can benefit from examining international models. The European Union's comprehensive AI Act adopts a risk-based classification system, imposing strict requirements on high-risk applications affecting fundamental rights. The United States follows a more fragmented, sector-specific approach with different regulatory frameworks for healthcare, finance, and autonomous vehicles.

The United Kingdom's Copyright, Designs and Patents Act of 1988 explicitly addresses computer-generated works, providing that authorship vests in the person undertaking arrangements necessary for the work's creation. This functional attribution model offers a potential framework for India to consider when addressing AI-generated content.

6. RECOMMENDATIONS AND WAY FORWARD

6.1 Enact Comprehensive AI Legislation

India urgently requires dedicated legislation establishing clear definitions of AI actors including developers, deployers, and users, along with their respective obligations and liabilities. Such legislation should adopt a risk-based approach that imposes proportionate regulatory requirements based on the potential harm AI systems may cause.

6.2 Amend Existing Laws

The Copyright Act requires amendment to address AI-generated works, clarifying authorship and ownership issues. Possible approaches include recognizing a sui generis category of rights for AI-generated content or attributing ownership to natural or juristic persons who make necessary arrangements for creation. The Consumer Protection Act should be updated to explicitly address AI systems and establish clear liability allocation mechanisms.

6.3 Establish Specialized Regulatory Bodies

Creating an independent AI regulator with expertise in technology and law would ensure effective oversight. Such a body could develop sector-specific guidelines, conduct risk assessments of AI systems, and investigate complaints while promoting innovation through regulatory sandboxes that allow controlled experimentation.

6.4 Promote Algorithmic Transparency and Accountability

Regulations should mandate explainability requirements for AI systems, particularly those making decisions affecting fundamental rights. Organizations deploying high-risk AI should be required to conduct regular audits to identify and mitigate bias, with results made available to regulators and potentially to affected individuals.

6.5 Strengthen Data Protection Framework

While the DPDP Act provides a foundation, specific provisions addressing AI-related processing are needed. This includes clarifying the scope of exemptions for publicly available data, establishing guidelines for automated decision-making, and ensuring individuals can effectively exercise their rights even after their data has been incorporated into AI models.

7. CONCLUSION

India stands at a critical juncture in its AI journey. The nation possesses immense potential to become a global leader in AI development and deployment, supported by a skilled workforce, robust startup ecosystem, and government commitment. However, the existing legal framework remains inadequate to address the unique challenges posed by AI technologies.

The absence of comprehensive AI-specific legislation, gaps in liability frameworks, uncertainty regarding intellectual property rights in AI-generated content, and concerns about algorithmic bias and discrimination all demand urgent attention. While recent policy initiatives and the enactment of the DPDP Act represent positive steps, much more needs to be done.

As AI systems become increasingly sophisticated and autonomous, the law must evolve to protect fundamental rights while fostering innovation. This requires a delicate balance between regulation and enabling technological advancement. India must act decisively to develop a robust legal framework that ensures AI technologies serve the public interest, respect constitutional values, and promote inclusive growth. The outreach of Indian laws must extend comprehensively to encompass all dimensions of AI development and deployment, ensuring that the promise of AI is realized while mitigating its risks.

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