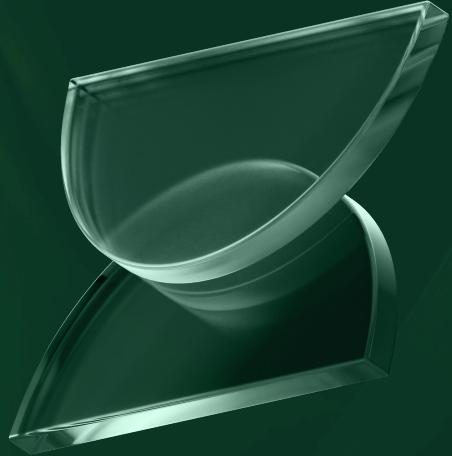


Begur Bulletin

Artificial Intelligence (AI)

Whitepaper 2025

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Managing Partner's Foreword

Welcome to this edition of the **Begur Bulletin**, where we strive to bring you insightful, relevant, and timely analyses on the legal and business developments shaping our industries today. At **Begur & Partners**, we take pride in our multifaceted expertise, which spans across multiple *"Focus Areas"* and a diverse range of *"Sectors"*, reflecting the depth of our practice established over three decades. In an ever-evolving global landscape, it is imperative to stay informed about the legal nuances and trends that impact businesses, individuals, and institutions alike. Through the **Begur Bulletin**, we aim to share not only our knowledge but also our perspective on these critical developments, empowering our readers to navigate challenges and seize opportunities with clarity and confidence.

Each **Begur Bulletin** is carefully curated to address pressing topics, offering deep analysis and insight that is not only legally sound but also practical and actionable. From corporate mergers to emerging technologies, our insights reflect our commitment to the pursuit of legal excellence and thought leadership in the legal domain. I invite you to explore this edition and reflect on the ideas shared within. As always, we welcome your feedback and look forward to continuing this dialogue with you, our esteemed readers, and hope to contribute to the ever-dynamic legal and business landscape.

Thank you for your continued trust and engagement.

Warm Regards,

Rajesh Begur

Managing Partner, Begur & Partners





White Paper

on

ARTIFICIAL INTELLIGENCE

in

INDIA

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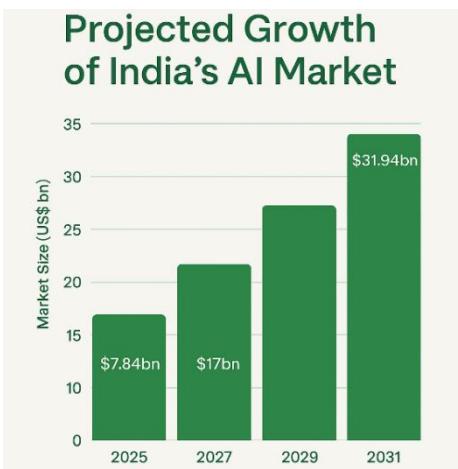
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BIRD'S EYE VIEW

Artificial Intelligence (AI), a term first coined by the father of AI, John McCarthy, has transitioned from a speculative concept to a groundbreaking force that is reshaping industries, governance, and daily life. As AI technologies become increasingly integral to sectors such as healthcare, finance, transportation, and education, the need for a robust legal framework to address the unique challenges they present has become urgent. In India, a nation that stands as both a significant consumer and developer of AI technologies, the convergence of AI and law is drawing increasing attention. This white paper aims to explore the emerging legal landscape surrounding AI in India, highlighting the key challenges, regulatory gaps, and the path toward establishing a comprehensive legal framework to ensure responsible and equitable AI deployment.

The Artificial Intelligence market is growing at a CAGR of 20.2% and is projected to reach around US\$7.84bn by 2025 and US\$17 billion by 2027. In global comparison, the largest market size will be United States (US\$73.98bn in 2025). The government prioritizes cybersecurity, hyper-scale computing, AI, and blockchain. With data costs at Rs. 10/GB (US\$ 0.12/GB), India ranks among the world's cheapest. The rate of Artificial Intelligence (AI) adoption in key industries across India reached approximately 48% in FY24, with expectations to expand by an additional 5-7% in FY25. Further, following the launch of Chat GPT's image generation feature, over 130 million users in India generated more than 700 million images, contributing significantly to global AI engagement. At Mahakumbh 2025, AI-driven Digital Public Infrastructure (DPI) was key to managing the world's largest human gathering. AI tools tracked real-time railway passenger movement to streamline crowd dispersal in Prayagraj. The Bhashini-powered 'Kumbh Sah'Al'yak' chatbot offered voice-enabled lost-and-found support, real-time translation, and multilingual assistance. Initiatives like the IndiaAI Mission and the establishment of Centres of Excellence for AI are strengthening the country's AI ecosystem, paving the way for innovation and self-reliance in this critical sector. The integration of generative AI is projected to boost productivity in India's IT industry by 43% to 45% over the next five years.

Sources: IBEF, PIB, Statista



KEY DEVELOPMENTS IN THE SECTOR

India is ramping up investments in AI computing and semiconductor infrastructure to support its growing digital economy. Key focus areas include:

AI Centres of Excellence (CoE)

- 3 CoEs have been launched:
 - Healthcare – AIIMS & IIT Delhi
 - Agriculture – IIT Ropar
 - Sustainable Cities – IIT Kanpur
 - Education (Announced under the Budget 2025-26)

Future Skills Prime Programme

- The Ministry of Electronics and IT (the “MeitY”) has initiated the FutureSkills PRIME programme in collaboration with the National Association of Software and Service Companies (“NASSCOM”). The intention of the program is to educate individuals on topics such as AI and data science through certification courses.

Indo-US Science & Technology Forum

- US-India Artificial Intelligence was launched by IUSSTF (Indo-US Science & Technology Forum) in March 2021 to build a strong platform for promoting the growth of AI through idea exchange, exploring R&D opportunities, and collaboration between the two countries.

BharatGen

- The world’s first government-funded multimodal LLM initiative, BharatGen was launched in 2024 in Delhi. It aims to enhance public service delivery and citizen engagement through foundational models in language, speech, and computer vision.

Union Budget 2025-26

- 2,000 crore (US\$ 232 million) allocated to boost AI adoption, infrastructure, and innovation.

Affordable Computer Access

- Launch of subsidized GPU facility for startups/researchers at ₹100/hr (vs. global \$2.5–\$3/hr).

IndiaAI Mission (2024)

- Approved in 2024; includes building a supercomputing facility with **18,693 GPUs**—among the world’s largest. MeitY proposes the establishment of “**IndianAI Safety Institute**”.

Semiconductor Manufacturing

- 5 semiconductor labs in development to support AI and electronics ecosystem in India.

Source: Ministry of Electronics and Information Technology and ors.

SECTORAL IMPLEMENTATION

Sector	Initiative	Impact
Indian Judiciary	Supreme Court Vidhik Anuvaad Software (SUVAS)	Bridging the language barrier in India's diverse legal landscape through an AI-powered translation tool, translating from English into 09 languages, developed by the Supreme Court of India.
	Supreme Court Portal for Assistance in Court's Efficiency (SUPACE)	Assisting judges in legal research and enhancing Court efficiency, this AI-based portal is designed to intelligently gather and analyze relevant facts and legal provisions, streamlining the decision-making process within the judiciary.
Healthcare	Ayushman Bharat Digital Mission (ABDM)	Supports digital health records; regulates AI-based diagnostic tools to ensure patient safety and accuracy.
Finance / FinTech	RBI's regulatory sandbox for AI/ML;	Encourages innovation in AI-based fintech while ensuring ethical and secure financial services, by allowing controlled testing of innovative fintech products using AI/ML, under regulatory supervision.
	EmTech Repository	This repository is an RBI initiative and aims to collect data on the adoption of emerging technologies such as artificial intelligence, machine learning, and cloud computing by entities like banks, NBFCs, insurance companies, capital market entities, etc.
Agriculture	AI4AI (AI for Agriculture Innovation) by NITI Aayog & Ministry of Agriculture	Promotes precision farming, crop prediction, and agri-advisory using AI.
Education	National Education Policy (NEP) 2020 – emphasis on EdTech and AI integration	Encourages personalized and inclusive learning through AI tools and platforms.
Transport & Mobility	AI-based Intelligent Transport Systems (ITS), NITI Aayog's partnership with Ola for EV AI	Promotes traffic management, predictive maintenance, and autonomous systems.
Defense & Security	AI Task Force by Ministry of Defence; iDEX (Innovations for Defence Excellence)	Drives AI-powered surveillance, autonomous weapons, and national security applications.
Urban Development	Smart Cities Mission – AI in surveillance, traffic, utilities	Enhances efficiency, safety, and citizen engagement in urban infrastructure through AI.

REGULATORY FRAMEWORK & GUIDELINES

As of March 2025, India does not have standalone AI-specific framework that comprehensively governs and regulates Artificial Intelligence. However, there are policy frameworks, guidelines, drafts, and indirect sector-specific regulations that touch upon and oversee AI governance. They are as under:

a) The Ministry of Electronics and IT (the “MeitY”): In January 2025, MeitY introduced the AI Governance Guidelines to promote the responsible and ethical use of AI. The framework emphasizes transparency, requiring AI systems to disclose their capabilities and limitations. It highlights accountability by making developers and users responsible for outcomes and calls for safety and regular monitoring to ensure reliable performance. Privacy and security are taken care of with mandates for data protection compliance and security-by-design. The guidelines also introduce digital-by-design governance to enable proactive, tech-driven regulation and risk management.

b) **Reserve Bank of India (“RBI”):** RBI has announced the formation of a committee to develop a framework for the responsible and ethical use of Artificial Intelligence in the financial sector. The committee will propose a governance framework to ensure the responsible and ethical implementation of AI models and applications within India’s financial sector. Given the dependency on third parties, the RBI released a ‘Guidance Note on Operational Risk Management and Operational Resilience’, which provides internal lines of defenses that Regulated Entities (“REs”) ought to implement while engaging with third-party vendors.

c) CDSCO guidelines for AI in medical devices: The Central Drugs Standard Control Organization (CDSCO), India’s national regulatory body for pharmaceuticals and medical devices, has started drafting guidelines to regulate AI-based medical devices, ensuring safety, efficacy, and ethical use.

d) Securities and Exchange Board of India (SEBI) Consultation Paper November 2024 (Proposed): The Securities Exchange Board of India (SEBI) released a consultation paper in November 2024, proposed amendments with respect to assigning responsibility for the use of

artificial intelligence tools by Market Infrastructure Institutions, Registered Intermediaries and other persons regulated by SEBI.

e) **Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2025:** SEBI introduced amendments incorporating provisions related to the use of AI and machine learning tools by stock exchanges and clearing corporations, aiming to enhance the integrity and efficiency of the securities market.

f) The Bureau of Indian Standards (BIS) – the BIS is India’s national standard-setting body and has published certain standards on artificial intelligence. To list a few:

- IS/ISO/IEC 24668:2022 - Information Technology Artificial Intelligence Process Management Framework for Big Data Analytics.
- IS/ISO/IEC/TR 24372:2021 - Information Technology Artificial Intelligence AI Overview of Computational Approaches for AI Systems; and
- IS/ISO/IEC/TR 24030:2021- Information Technology Artificial Intelligence AI Use Cases;
- IS/ISO/IEC/TR 24028:2020 - Information Technology Artificial Intelligence Overview of Trustworthiness in Artificial Intelligence
- IS/ISO/IEC/TR 24029-1:2021 - Artificial Intelligence AI Assessment of the Robustness of Neural Networks Part 1 Overview.

g) **Policy for Open-Source Software:** Released by MeitY, the policy promotes the adoption of Open Source Software (OSS) and Artificial Intelligence (AI) in government organizations by providing a framework for effective implementation. It aims to

ensure long-term strategic control in e-Governance systems, enable AI-driven innovation, and reduce the total cost of ownership of projects.

h) Leveraging Artificial Intelligence and Big Data in Telecommunication Sector: TRAI has called for a regulatory framework for responsible AI in India,

recommending risk-based regulation with legally binding rules for high-risk use cases. Proposes establishing an independent body, the Artificial Intelligence and Data Authority of India (AIDAI), to oversee AI development and regulation.

LEGAL FRAMEWORK

India has acknowledged the transformative potential of AI and is actively engaged in developing structured regulatory approaches to address its ethical, legal, and socio-economic implications. The legislative framework governing Artificial Intelligence in India is still evolving. While there is currently no standalone AI-specific statute in effect, several existing legal and regulatory mechanisms intersect with and address AI-related concerns to a significant extent. In parallel, various policy proposals and suggested frameworks are under consideration, reflecting the government's growing focus on responsible AI governance. These include:

Sr. No.	Act/ Regulations/ Rules	Overview
1.	The Information Technology Act, 2000 and The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (IT Rules 2011)	This Act and Rules contains penal provisions that would apply in instances of unlawful training, creation, and use of AI. The IT Act provides recourse through several provisions, including: Section 66C: identity theft, Section 66D: cheating by personation using a computer resource; and Section 67: obscene content distribution.
2.	Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Rules 2021”)	It regulates intermediaries like social media, digital news, and OTT platforms, requiring them to prevent unlawful content. This is particularly relevant for AI systems generating content, such as deepfakes or automated media.
3.	Advisory issued by MeitY on deployment of AI models dated March 15, 2024	It requires intermediaries and platforms to comply with IT Rules 2021 and Act before using or offering untested AI models, including Large Language Models (LLM) and Generative AI, to Indian users, without needing prior permission.
4.	AI Advisories Issued by MeitY dated November 7, 2023	The MeitY released advisory requiring intermediaries detect and take down misinformation and deepfakes within 36 hours of reporting, as required by the IT Rules 2021. MeitY issued two more advisories in March 2024 on deployment of AI tools by intermediaries and platforms.
5.	Advisory on deepfake technology by the Indian Computer Emergency Response Team dated November 27, 2024	The CERT-In issued a comprehensive advisory aligning with MeitY's advisories. The advisory addresses the multifaceted risks posed by sophisticated deepfake technology, including misinformation propagation, fraudulent activities, and reputational harm.

6.	Ethical guidelines for application of Artificial Intelligence in Biomedical Research and Healthcare	Provide a framework for responsible development, deployment, and use of AI. Aimed at all stakeholders (Developers to clinicians) - they cover ethical principles, stakeholder responsibilities, ethics review, governance, and informed consent.
7.	The Copyright Act, 1957	Traditional performance rights under Section 38-B of the Copyright Act, 1957 may not cover AI replications, as they don't involve directly copying previous performances. Certain known cases such as that of celebrities, which will be further studied in detail, highlight these issues as AI content mimics their voices and personas without replicating past performances.
8.	The Trade Marks Act, 1999	If an AI-generated output uses a celebrity's name or brand deceptively, it could amount to Passing Off & Misrepresentation under Section 27, even if the mark isn't registered.
9.	The Patents Act, 1970	Section 3(k) excludes mathematical or business methods, and AI algorithms may be scrutinized under this clause.
10.	Digital Personal Data Protection Act, 2023	Section 43A (Compensation for failure to protect data) and Section 72A (Punishment for disclosure of personal information) are important for AI systems handling personal data.
11.	Bharatiya Nyay Sanhita, 2023 ("BNS 2023")	The BNS 2023 strengthens the framework under the IT Act by addressing various aspects of fraud, personation, forgery, and defamation.
Sr. No.	Proposed Framework	Overview
1.	Draft National Data Governance Framework Policy (NDGF)	Released by the MeitY in May 2022, the NDGF Policy is still under finalization, but several of its principles are being implemented in parallel through The IndiaAI Mission, The India Datasets Platform (currently in early-stage deployment) and the Coordination with Digital Personal Data Protection Act (DPDP), 2023.
2.	Digital India Act (DIA) Blueprint (Proposed)	The Ministry of Electronics and Information Technology's (MeitY) proposed Digital India Act includes provisions for regulating high-risk AI systems, aiming to establish a legal framework for AI governance and replace the IT Act, 2000, addressing cybercrime, data protection, online safety, and intermediary regulation..

CASE STUDIES

While India is in the works of establishing a comprehensive statutory framework for Artificial Intelligence, this has not deterred its judiciary from addressing AI-related issues and upholding individual rights. India's legal landscape has evolved considerably, shaped by landmark judicial decisions involving both high-profile individuals and major organizations.

- A) **Arijit Singh v. Codible Ventures LLP and Ors [IPR SUIT (L) NO.23443 OF 2024]:** In this case, the Bombay High Court expressed concerns over how celebrities like Arijit Singh are being exploited by unauthorized

generative AI and ruled against all parties involved. The Court held that Codible Ventures LLP and others violated the singer's rights by using his name, voice, image, and other personal attributes without permission. The Court underscored that celebrities have the right to control and protect their public persona from unauthorized commercial use. The AI-based replication of Arijit Singh's voice was considered a serious breach of these rights.

- B) Amitabh Bachchan v. Rajat Negi and Ors., [CS(COMM) 819/2022]: In this case, the Delhi High Court issued an ex-parte ad interim order recognizing and protecting the personality rights of actor Amitabh Bachchan. The Court restrained both known and unknown parties from misusing his name, image, voice, and other personal attributes for commercial purposes. Mr. Bachchan had complained about the unauthorized use of his identity in fake Kaun Banega Crorepati messages, lottery scams, and domain name registrations.
- C) ANI MEDIA PVT. LTD. V. OPEN AI OPCO LLC, [CS(COMM) 1028/2024]: In this case, Asian News International (ANI) has filed a case against OpenAI, alleging unauthorized use of its copyrighted news content to train ChatGPT. ANI claims OpenAI had no right to commercially exploit its material, even if it was publicly accessible. The agency seeks ₹2 crore in damages and an injunction to stop further use. ANI asserts that OpenAI ignored its request for a licensing agreement, which could have legitimized the usage of ANI's content. The case highlights the growing tension between content creators' IP rights and AI companies' use of online data for training. Open AI contends that since it trains on publicly available internet data, it does not require permission to use such material. This case is currently pending before the Delhi High Court.

GLOBAL UPDATES

Global Partnership on Artificial Intelligence (GPAI): India became a founding member of the Global Partnership on Artificial Intelligence (GPAI) on June 15, 2020. As one of the 44 member countries, India has played an active role in shaping GPAI's agenda. In 2024, it further reinforced its commitment to fostering responsible and human-centric AI by assuming the chair of the GPAI Council.

United States–India Initiative on Critical and Emerging Technology (iCET): In addition to GPAI, India is a participant in the United States–India Initiative on Critical and Emerging Technology (iCET), a bilateral collaborative framework established to enhance cooperation in developing fields of technology, including artificial intelligence.

The Paris Charter on Artificial Intelligence in the

Public Interest: On February 11, 2025, India, along with other 09 other countries including Chile, Finland, France, Germany, Kenya, Morocco, Nigeria, Slovenia, and Switzerland, adopted The Paris Charter on Artificial Intelligence in the Public Interest. The Charter recognizes the unequal distribution of AI's benefits and harms, commits to adhering to international human rights laws, and calls for high-quality data governance and accessible infrastructure. It also encourages the development of smaller, environmentally sustainable AI models and outlines principles for a global initiative to promote collaborative AI advancement that allows community engagement.

As artificial intelligence becomes increasingly integrated into public and private sector operations, a growing

number of jurisdictions have moved to regulate its development and deployment. With respect to legislative implementation, while certain countries have enacted specific laws governing the use and development of artificial intelligence, others—such as Brazil—currently have draft legislation under discussion. Many jurisdictions are also in the process of formulating comprehensive legal and regulatory frameworks for AI governance. A brief overview on some of the framework is provided below:

Region	AI Statute	Features
European Union	AI Act, 2024	The Act provides for risk-based regulation; bans some uses such as social scoring; provides transparency rules for high-risk AI. Further, on November 14, 2024, the EU Commission published the first draft of a General-Purpose AI Code of Practice under the AI Act (Act).

In the United States, several states have enacted AI-specific legislation addressing areas such as transparency, consumer protection, algorithmic bias, and ethical use. Notable examples include –

- California
 - SB-942: Focuses on labeling AI-generated content.
 - AB 2013: Mandates disclosure of training data used in AI systems.
- Colorado
 - SB24-205: Regulates high-risk AI systems across critical sectors such as employment, finance, and healthcare.
- Utah
 - This state has enacted laws that require disclosures when users interact with AI systems.
- Tennessee
 - Passed legislation to protect against AI-driven impersonation, such as deepfakes.
- Texas & Hawaii
 - Currently have a draft legislation under review related to AI governance.

Collectively, these efforts underscore a commitment to balancing innovation with accountability, as governments seek to establish legal mechanisms that ensure the responsible and equitable use of AI technologies.

Proposed Frameworks, Bills and Initiatives		
Region	Proposed Framework	Features
Canada	AIDA in Bill C-27	Proposed to regulate high-impact AI, ensure accountability, mandatory risk assessments and documentation.
Kenya	Robotics & AI Bill	Proposed to promote local innovation, data protection compliance and responsible AI development.
UK-Qatar	AI Research Commission	On December 5, 2024, the UK and Qatar launched a joint AI research commission, led by Queen Mary University of London and Hamad bin Khalifa University. Funded by the UK's Gulf Strategy Fund, the project aims to boost AI collaboration in ecosystem development, policy, regulation, and security, aligning with the Amir of Qatar's State Visit. It has been designed and developed as a collaboration between Qatar's Ministry of Foreign Affairs, the AI Committee of the Qatar

		Ministry of Communications & Information Technology (MCIT), Qatar Research, Development and Innovation Council (QRDI), and the British Embassy in Doha.
United Kingdom	UK's AI Opportunities Action Plan (Plan)	On January 13, 2025, the Prime Minister unveiled the UK's AI Opportunities Action Plan (Plan), together with the government's response to the Plan.
United States	Three-part report series	On January 29, 2025, the US Copyright Office published the second report of a three-part series focusing on copyright and AI. The series analyzes copyright law and policy issues raised by AI. It follows a Notice of Inquiry published in August 2024 seeking comments on copyright and AI systems.

HOW WE CAN ASSIST

BEGUR & PARTNERS has extensive knowledge of the evolving legal framework governing artificial intelligence (AI), and we are highly skilled in providing legal assistance to businesses operating in this dynamic and competitive market. We are well-equipped to provide strategic legal support to businesses navigating this transformative and regulated sector. Our capabilities encompass a wide range of AI-related regulations, including those addressing data protection and privacy, algorithmic accountability, ethical AI deployment, intellectual property, cybersecurity, digital advertising, and compliance with government advisories and industry best practices. We cater for domestic and international clients on various technology, AI and data protection and regulation matters. Our primary objective is to assist clients in achieving their business goals while effectively managing any associated legal risks.

OUR CAPABILITIES

Advisory on cross-border AI deployment, international data flows, and export control regulations.

Advisory on protection of AI-related Intellectual Property (IP).

Contract Drafting and Negotiation relating to AI technologies, including licensing, data sharing, SaaS agreements, and strategic partnerships.

Compliance with Environmental Regulations and Sustainability Practices.

Compliance with Consumer Protection Laws.

Advisory on AI product liability, risk mitigation strategies, and recall management protocols.

Legal support for AI-driven advertising practices.

Packaging & Labelling & Regulatory Compliances.

Disclaimer: The contents of this document are intended for informational purposes only and are not in the nature of a legal opinion or advice. It provides general information and guidance as on date of preparation and does not express views or expert opinions of Begur & Partners. They may not encompass all possible regulations and circumstances applicable to the subject matter and readers are encouraged to seek legal counsel prior to acting upon any of the information provided herein. Begur & Partners will not be liable for any damages of any kind arising from the use of this document, including but not limited to direct, indirect, incidental, punitive and consequential damages. It is recommended that professional advice be sought based on the specific facts and circumstances. This White Paper does not substitute the need to refer to the original pronouncements.

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Latest Awards and Recognitions

RSGI Resight (RSG India)

IBLJ A List

A List (2023-2024)

ALB India Law Awards 2025

Notable Firm (2024)

Legal 500

Private Equity (including Venture Capital) - Tier 5 (2025)

IFLR1000 (34th Edition) 2024

1. Rajesh Begur B Ranking: Leading Lawyer – Highly Regarded
2. Firm Ranking: Recommended Firm
3. Southern Asia, Australasia and Central Asia Ranking: Highly Regarded

Corporate INTL Global Awards

Cross Border Private Equity Transactions Law Firm of the Year in India - 2025

Forbes India – Legal Powerlist 2023

Top Law Firm (above 10 years' experience)

Asia Law 2022

Notable Firm – Private Equity, Investment Funds, Banking and Finance, Corporate and M&A

Global Law Expert 2021

Cross Border Private Equity Transactions Law Firm of the year

RSG Consulting 2019

Top 40 Indian Law Firm

