

Recommendations for Personal Data Protection Bill (as submitted to *MEITY* by EdGE Networks)

India is making strides on its digitalization journey at a velocity never seen before. This implies that per capita data generated is always on the rise. And at this juncture, the absence of a law related to data protection and privacy would come up as a major hindrance to the developmental aspirations of a nation like ours and its citizens.

We welcome the move for a law in this regard and believe it will provide the necessary framework to safeguard customers and help accelerate India's fast-growing digital economy. The Justice Srikrishna committee held public consultations before framing the draft bill, interacting with representatives/ experts from the public, private enterprises and various institutions. We, from EdGE were glad to be part of one such public debate held in Bangalore. Post the deliberations, the draft bill is now ready for further study and appeal. (The Ministry of E&IT has pushed the dates for final submission of feedback regarding the draft bill multiple times and it is now 10 October 2018.)

As a tech company, while we are happy to see a much-needed data security law being finalized, we have also noticed certain points of concern regarding the proposed law. They are in the areas of:

1. *Data localization*
2. *Clarity in terms of responsibilities for data fiduciaries and processors (re compliance, consent etc.)*
3. *Arbitrary penalty clauses that currently lack clarity regarding processes (around the validation for claims)*

One of the points that the proposed bill appears to profess is the need for data localization, meaning retaining copies of data within national borders, or at times the outright restricting of exchange/flow outside territorial borders. The practicality and resulting overheads make this difficult for tech companies – but what might also transpire is the outright chance of missing out on opportunities of innovation and better tools/systems when the vendors/users/builders might choose to avoid the region itself just to avoid the overheads of compliance. This could result in economic as well as administrative overheads for small and medium businesses. In this regard, we wish to convey that data localization might end up harming the people (users, builders) by forcing the enterprises to use sub-optimal solutions just to remain compliant.

Further, the draft law misses providing total clarity with respect to the rights and duties of the data fiduciary against the data processors who provide a service of data processing for the said fiduciaries. The rights of the data fiduciary and the data processor needs to have better clarity for proper understanding and compliance.

Lastly, while we believe violators need to be disciplined, we would like to express our concern regarding the penalty clauses which seem to be pretty arbitrarily configured. From our reading, with the offence being made a non-bailable one – the penalties are indeed

steep. We think a more nuanced approach (wherein differing levels of violation should be treated with differing levels of penalty) would be more appropriate.

About EdGE Networks:

Founded in 2012 by Arjun Pratap, this Bangalore based start-up offers HR-tech solutions to its clients like Wipro, HCL, Dell etc. Their products and services are garnered through contemporary technologies like Artificial Intelligence, Data Science, and Predictive Analytics. They are helping MNCs save big bucks by forecasting and managing attrition, predicting employee joining probability and more.

EdGE Networks is also a product innovation partner with NSDC. The startup has raised \$4.5 million in Series A led by Kalaari Capital and co-invested by Ventureast in 2017.

For more information, please visit our website: <https://edgenetworks.in/>