



INDIAN IT ACT, 2000 AND ITS AMENDMENTS: AN ANALYSIS OF ITS IMPACT ON E-BUSINESS

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Abstract: *Revolution in digital communication is witnessing positive growth in e-business. E-business is the trend setter in the recent years and it has become the integral part in the everyday life. Indian Information Technology (IT) Act extends the support for e-business legislatively. E-business is dependent on several factors for its effective functioning. These effective factors are availability, modifiability, performance, security and usability. Indian IT Act came into existence on 17th October, 2000. This Act ensures the permissible groundwork for electronic based business. IT Act legalizes the e-mail as a legal document and also legalized alternative mode of paper based communication which may involve electronic communication. Few of the objectives with respect to the IT Act, 2000 involves Legal recognition to digital signature, electronic contracts are legally valid, digital signature certificate, secure electronic record etc.*

*Indian IT act was amended and was passed in the year 2008 hence it is named as Indian IT Act, 2008. This act involves Protection of data/infrastructure and to suggest penal provisions in the IT Act. Hence, this conceptual paper focuses on **Indian IT Act, 2000 and its amendments: An analysis of its impact on e-business.***

Keywords: *Indian Information Technology (IT) Act, E-Business*

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1. INTRODUCTION

Information Technology (IT) Act, 2000 established by the approval of president of India on 9th June 2000 and the act came into existence from 17th October 2000. IT Act was legislated to deliver legal recognition for transaction carried out by means of any electronic data interchange and other means of electronic communication, commonly referred to as “Electronic Commerce or e-commerce”, to enable electronic filing or usage of documents with government agencies, which may involve the use of auxiliary to paper, based method of communication. This Act can be applicable to any form of data message, which may use for any commercial purpose.

Features of Indian IT act are listed below:

- IT act grant legal recognition for any kind of transaction carried out by means of electronics or digital communication
- To provide and facilitate storage of data by means of electronic medium
- To provide legal recognition for electronic signature or digital signature for authentication sake
- To provide legal recognition to maintain the accounts by means of electronics form
- To facilitate or grant legal recognition for electronic fund transfer

Even with IT Act, 2000, Advancement in technology leads much possible illegal activity. Some of them are Data Misuse, Unauthorized access, Email spoofing, Trojan attacks, Email Spamming, Email bombing, Sending threatening emails and message, Denial of service attacks (DOS attacks) etc., This IT Act had undergone extensive debates and criticisms by the different think tanks and channels. Indian Penal code (IPC) even in the form of technology based cases with IT Act referenced in the process and relies more on IPC rather than Indian IT act. Thus, it underwent amendments. Different vendors, industry bodies, think tanks, advisory groups were formed to amend IT Act, 2000.

2. DRAWBACKS/CRITICISM OF IT ACT, 2000

- This law completely missed out issues related to Intellectual Property Rights (IPR), this act was not having provisions with respect to copyrights, patents or trademarks for electronic information/data.
- Satisfactory sensible provisions were not included in the internet censorship.
- Regulation of Internet payment was not so effective.



Hence, Recommendations made by the committee are carefully analyzed and taken up a wide-ranging amendment by considering the legalized administrative procedure. This amalgamated amendment called Information Technology Amendment Act 2008. It was put in parliament and passed without any such discussion/debate by the end of 2008. Amendment to IT Act got the President's acceptance on 5th Feb 2009 and same was made effective from 27th October 2009.

3. INDIAN IT AMENDMENT ACT (IT ACT 2008)

Indian Government positively respondent to create a dynamic policy to make use of technology to its best. This act deals proactively to the new challenges posed by the internet. Computer system can defined in Act 2008 has *"Computer System means a device or collection of devices, including input and output support devices and excluding calculators which are not programmable and capable of being used in conjunction with external files, which contain computer programmers, electronic instructions, input data, and output data, that performs logic, arithmetic, data storage and retrieval, communication control and other functions"*, The IT Act 2000 was established to encourage the IT industry, regulate e-commerce/e-business, facilitate e-governance and prevent cybercrime. The Act also wanted to provide security practices within India that would serve the country in a global context. The Amendment was created to address issues that the original bill failed to cover and to accommodate further development of IT and related security concerns since the original law was passed. Major salient features of Indian IT act 2008 are listed below:

- Defining the cyber cafe
- Giving attention on data Privacy
- Giving attention on data security
- Use of digital signatures
- Facilitating reasonable security practices
- Restating the role of intermediaries
- Included additional care policy to avoid child pornography and cyber terrorism

4. CYBERCRIME AND CYBER LAW

Cybercrime is a broad notation that refers to all criminal activities done using the medium of computers, or any other forms of digital/electronic communication such as internet. The Indian Penal Code or Indian IT Act does not use the term cybercrime but in Indian IT Act,



2008 states Cyber security in section(2)(b) means protective information, device, computer form of resource, equipment, unauthorized access of data or computer, disclosure or disruption of data, modification or destruction of data etc.,

Cybercrime was put under two categories namely:

1. Cybercrime (computer crime): In the narrow sense cybercrime states unlawful conduct by *“means of electronic/digital operations that aim the security of computer systems and data processed by them”*.
2. Cybercrime (Computer related crime): In the broader sense cybercrime states any form of illegal conduct committed by *“means of or in relation to, a computer system or network, including such crimes as illegal possession [and] offering or distributing information by means of a computer system or network”*.

5. FEATURE OF E-BUSINESS

The word commerce meant for sorts of activities refer to purchase/buying or sales of goods and service. The term e-commerce refers to doing commerce sorts of activities using computer network, computer enables software's and digital technology. E-commerce is not only online shopping, which includes several set of features and the same are given below:

- Online service/business
- Providing advertisement
- Provide medium for interaction/communication
- Helps in reaching globalization
- Helps in reducing cost for goods/service
- Provides anytime and anywhere service

E-business provides wide range of application. Few of the major applications can be given as Facilitate video on demand, Provides Home shopping, efficient purchasing, Facilitate online marketing/Advertisement, Facilitate Auctions/Bid, E-business helps in attracting new potential customer. Any Vendor can use e-business to extend its service or building a good customer relationship. E-business also helps in collecting direct customer feedback.

E-business is having lots of scope under the Indian IT Act. Some of them are listed below:

- **E-payment:** e-payment is very seemly to have payment with the use of digital communication network. It does not involve any physical interchange of money.



- **E-Banking:** Indian IT acts provides the provision for e-banking. It helps in doing the banking related activity anytime and anywhere banking.
- **E-Marketing:** Steady growth in internet and other digital communication has created number of opportunities for firms and other e-business companies to Participate in global market.
- **E-Security:** Indian IT acts facilitates system to protect data and system through furnished use of adequate protections measure.
- **E-Governance:** Technology based law which advises expert/authority on government, issue notification, accept fillings or fee payment etc.

6. GROWTH OF E-BUSINESS IN INDIA

Study by ASSOCHAM-Deloitte says *"E-commerce has emerged as India's new sun-rise industry and is set to cross business worth \$16 billion by the end of 2015"*. Innovations study shows that digital India or Make in India Plays a vital role in growth *"steadily from \$4.4 billion in 2010 to \$13.6 billion in 2014 and likely to touch \$16 billion by the end of 2015 on the back of growing internet population and increased online shoppers"*. The adoption of smartphones, internet based computer system are the biggest driver for e-business based companies. *"The smartphone is steadily growing and consists of 35% of the overall mobile phones market in the country and success rate of some of the technologies is directly connected to the success of e-commerce."*

Few of the Sharpe growth are listed below

- Reduced purchase cost
- Reduced overall operational cost
- Facilitate more business opportunities
- Facilitate good efficient channel for goods and service
- Facilitate Transactional information more effectively

7. INITIATION TO AVOID CYBER CRIME

Government has taken more Initiative projects to avoid the cybercrimes. Few of them are listed below

- Initiated Cyber lab set up in Metropolitan area
- Cybercrime police cell set up across the country



- Efficient e-surveillance
- Facilitate more public awareness campaigns
- Experts/Specialized forensic investigators are appointment
- Synchronization among police and cyber agencies
- Trained officers to putted tack e-mails, extract evidence or mobile phones etc.,

8. CONCLUSION

Indian Government has tossed National e-Governance Plan (NeGP) to support the growth of e-business in India. The plan visualizes adoption of right environment to conduct e-business in India to lower the cybercrime. Biggest benefit of Indian IT Act was its potential to have web based economy in both public as well as in private sectors. Hence, authors are of the opinion that India is a better place to work with e-business and more care has to be taken to avoid the cyber mischievous.

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