MINISTÈRE DE L'ÉCONOMIE, DES FINANCES ET DE LA RELANCE
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REVUE DE PRESSE SECTORIELLE NUMERIQUE

UNE PUBLICATION DU SERVICE ÉCONOMIQUE REGIONAL DE NEW DELHI

N° 11 –1-16 Aôut 2021

En bref

NUMÉRIQUE :

- Le Premier ministre lance le chèque numérique eRUPI.
- La RBI clarifie les règles relatives à la sous-traitance des fonctions essentielles pour les opérateurs de systèmes de paiement non bancaires licenciés.
- Victoire d'Amazon : la Cour suprême indienne soutient un arbitrage de Singapour et suspend la vente de Future Group à Reliance.
- Adani, l'un des conglomérats indiens les plus riches, se lance dans le numérique et envisage de construire une « super app ».
- La Haute Cour de Bombay estime que certaines clauses des *IT rules* relatives aux exigences éthiques applicables aux éditeurs en ligne limitent la liberté d'expression et accorde un sursis à leur application.

TÉLÉCOMMUNICATIONS:

- Plusieurs entreprises indiennes développent des produits 5G locaux.
- Les associations commerciales internationales s'opposent à l'adoption obligatoire de la norme indienne 5Gi.

Revue de presse

1. NUMÉRIQUE

e-RUPI could be a major digital tool in reducing high cash flow in economy

Business Today, 02/08/2021

Prime Minister Narendra Modi today launched a digital payment solution e-RUPI, which is in the form of a QR code or SMS string-based e-voucher directly delivered to the mobile number of beneficiaries.

This payments platform, which doesn't require any internet connection, has been developed by the retail payment nodal agency, the National Payments Corporation of India (NPCI), on its UPI platform, in collaboration with other government departments.

Currently, the government's direct benefit transfers (DBT) scheme subsidies are disbursed through the Jan Dhan accounts. The beneficiaries withdraw the DBT money as soon as it's credited in their accounts. In 2020-21, the government made a huge DBT transfer of Rs 2.96 lakh crore, one of the reasons cited by experts as a reason for high cash levels in the economy.

The e-RUPI vouchers will be given for a specific purpose to the end-user beneficiaries, and there is no need to withdraw cash to give cash for a service. The e-RUPI adoption could be extended to many services or payments like DBT, which will go a long way in reducing cash in the economy in rural and semi-urban areas.

Bharat Panchal, chief risk officer at financial technology company FIS, said stronger controls may be required to monitor any possible fraud. "If a real beneficiary starts encashing such vouchers in lieu of cash, it would be difficult to trace such pre-paid instruments once it starts to move from one hand to another," he says.

He suggests it would be "effective to match the beneficiary's details at the time of redemption to make sure the real beneficiary is only using it and not someone else".

The cash to GDP has already breached the 14 per cent mark in 2020-21, despite various digitisation initiatives in the payment space. The 14.6 per cent cash to GDP is much higher than the 12 per cent level before the demonetisation.

The currency in circulation (CIC) or cash in the economy as a percentage of GDP is a universal indicator of measuring the cash in the system.

The smaller towns and cities are the weakest link in the digital payments chain. In smaller cities, the bank branches are at faraway places and the ATM network is, too, very limited. This forces people to withdraw cash at one go for their monthly expenses.
There are also tax issues in the banking correspondent model, which are actually a link between the bank branches and the account holder. Take, for example, a banking correspondent is liable to pay TDS at the rate of 2.0 per cent for cash withdrawals exceeding Rs 20 lakh in a financial year. The TDS rates increase to 5.0 per cent if the cash withdrawals exceed Rs 1 crore in a financial year.

Most banking correspondents are small-time traders and kirana store wallas, who hardly file tax returns. As a result, many banking correspondents are not doing business beyond Rs 20 lakh, to avoid unnecessary questions from bank officials.

RBI tightens rules for payment companies outsourcing core activities

ET Bureau, 03/08/2021

The Reserve Bank of India has formalised the framework for payment companies outsourcing payment and settlement related activities to third party operators. The central bank's fresh guidelines come at a time when India's tech ecosystem has seen several high-profile cyber attacks such as those at Juspay, Upstox and Mobikwik over last year targeting customers' payments data.

As per the new rules, licensed non-bank Payment System Operators (PSOs), cannot outsource core management functions, including internal audits, and compliance with KYC norms to third-party service providers.

As defined by the central bank, core management functions include management of payment system operations such as netting and settlement, transaction management including reconciliation, reporting and item processing, managing customer data, risk management, information technology and information security management etc.

The central bank also added that the board of payment companies must "carefully evaluate" the need for outsourcing responsibilities.

"The PSO shall carefully evaluate the need for outsourcing its critical processes and activities, as well as selection of service provider(s) based on comprehensive risk assessment," the central bank said. "The critical processes are those, which if disrupted, shall have the potential to significantly impact the business operations, reputation, profitability and / or customer service."

The new rules also state that the liability of third-party losses would fall on the relevant board members and senior management of licensed payment operators. "Outsourcing of any activity by the PSO shall not reduce its obligations, and those of its board and senior management, who are ultimately responsible for the outsourced activity," the central bank said.

The RBI had first announced the plan during the monetary policy announcement on 5 February 2021 with a view to enable effective management of attendant risks in outsourcing of payment and settlement activities.

"The resilience of the digital payment ecosystem to operational risks needs to be constantly upgraded," RBI Governor Shaktikanta Das had said during his February MPC address.

"A potential area of operational risk is associated with outsourcing by payment system operators and participants of authorised payments systems," he added. "To manage the attendant risks in outsourcing and ensure that code of conduct adhered to while outsourcing payment and settlement related service, RBI shall issue guidelines on outsourcing of such services by these entities," RBI Governor has said.

In addition, the central bank has also asked non-bank PSOs to have clear contractual specifications on responsibilities being outsourced as well as conduct its own due diligence on technology and legal compliances when working with relevant third-party companies.

Amazon scores big win as Supreme Court stalls $3.4-billion Reliance-Future deal

Reuters, 07/08/2021

India's top court on Friday handed Amazon a major victory in a dispute where it sought to block its partner Future Group from selling $3.4 billion in assets to rival Reliance Industries

The outcome of the tussle involving two of the world's richest men, Amazon's Jeff Bezos and Reliance's Mukesh Ambani, is seen reshaping India's pandemic-hit shopping sector and deciding if Amazon can blunt Reliance's dominance of the country's nearly trillion-dollar retail market.

Amazon and Future have been locked in legal battles over the Future Group deal, with the U.S. firm accusing the Indian group of violating pre-existing contracts when it sold its assets to Reliance. Future has denied any wrongdoing.

A two-judge bench of the Supreme Court said that an interim decision by a Singapore arbitrator in October - that put the deal on hold after finding merit in Amazon's objections - was valid and enforceable in India.

Amazon had argued that the order is binding, while Future had argued it was not. Both sides had agreed to use the Singapore arbitrator in case of disputes when Amazon invested $200 million in a unit of Future in 2019. The arbitration proceedings are still ongoing.

Shares in Future Retail were up 6% ahead of the ruling, but tanked 10% and hit a lower-circuit breaker in Mumbai trading after the order. Reliance Industries fell as much as 2.3%.

Future Retail said in a statement it had been "advised that it has remedies available in law, which it will exercise." It did not elaborate on the legal options, but said it will take steps to conclude the deal and protect the interests of its stakeholders and workforce.

Amazon said in a statement that it welcomed the court's ruling, adding: "We hope that this will hasten a resolution of this dispute with Future Group."

Reliance did not respond to a request for comment.

India strictly regulates its retail and e-commerce sector. That has made it difficult for foreign giants like Walmart and Amazon to rapidly expand in one of the world's fastest growing consumer markets, whose retail landscape is dominated by brick-and-mortar retailers.

Liquidation fears

Future had previously said the deal's failure would push the company towards liquidation and impact livelihoods of 50,000 employees and 6,000 small- and medium-sized vendors.

But the arbitrator in October said "economic hardship alone is not a legal ground for disregarding legal obligations".

Future is still trying to convince a Singapore arbitration panel to revoke the October interim decision stalling the deal, a lawyer involved in the case told Reuters on Friday. That decision is expected in coming weeks.

"Everything is clear for Amazon, it is a big win for them. It's for the arbitration panel to decide now," said the lawyer, who declined to be identified.

The dispute started after Future, India's second-largest retailer with over 1,700 stores, entered into a deal last year to sell its retail, wholesale, logistics and certain other businesses to Reliance for $3.38 billion, after COVID-19 hit its operations hard.

Amazon, which had its sights set on ultimately owning part of Future's retail assets itself, argued the 2019 deal it had with a unit of Future contained clauses prohibiting the Indian group from selling them to anyone on a "restricted persons" list including Reliance.

Around 1,300 of Future's retail outlets in 400 cities sell groceries. Its budget supermarkets cater to middle-class shoppers, while its upmarket stores offer products like imported cheese and fresh guacamole, relatively rare in India's retail landscape. That makes Future a prized asset for both Reliance and Amazon.

Though the Supreme Court ruling is a shot in the arm for Amazon, it faces another challenge from India's antitrust regulator which recently accused the U.S. firm of concealing facts when it sought approval for the 2019 investment in the

Future unit, Reuters has reported. Amazon has said it is confident of addressing those concerns.

Adani group set for digital foray, to build a super app

ET Bureau, 14/08/2021

Adani group is all set for a foray into the digital world as the chairman held its first internal meeting with employees of Adani Digital Labs, the youngest arm of the billionaire Gautam Adani-controlled conglomerate.

"We must be the Ferrari of the digital world," the chairman said addressing an audience of about 80 young employees.

"We must design the app for every human in India across the vast ecosystem."

The group will soon launch a supper app, which will aim to club all consumers of the group companies paving the way for digital transactions in a unified platform.

This means, while a customer of Adani Port can use it to transact, another one from Adani Green too will be able to engage on the same platform.

"We will build most influential and profitable super app in the world," Adani said in a town hall.

The group appointed Nitin Sethi as Chief Digital Officer for consumer business on April 1 this year. Digital Labs is hiring people now.

"It took me less than 30 minutes to decide that we must be a player in this space," the chairman said. The group has 400 million consumers that engage with multiple levels of Adani products and service.

Adani Digital Lab is billed as a path of Adani Enterprises, which is one of the largest parent incubators in the world. Across the group companies, consumers are growing at 15%. It aims to onboard every (Adani) consumer on the proposed digital platform.

The chairman believes that the app should be handy to every class of consumers including students, grandmothers, shopkeepers, farmers and food-stall owners.

Sagar Adani, the chairman's nephew and Jeet Adani, his son have been entrusted to spearhead the digital invasion.

"I have personally asked Sagar and Jeet to be engaged with each of you," said the chairman, asking every employee to share their ideas with him directly.

Bombay HC delivers a relief to online news publishers on India IT Rules

ET Bureau, 15/08/2021

Mumbai: Stating that "dissent" is vital for democracy, Bombay High Court has granted an interim stay to the operation of parts of the India IT Rules, 2021, which require that all online publishers follow a "code of ethics".

Sub-clauses 1 and 3 of clause 9 of the new rules were, on the face of it, "manifestly unreasonable", and "the indeterminate and wide terms of the rules bring about a chilling effect qua (regarding) the right of freedom of speech and expression of writers/editors/publishers" as they can be hauled up for anything if authorities so wish, the high court said on Saturday.

A bench of Chief Justice Dipankar Datta and Justice GS Kulkarni stayed these two sub-clauses of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, saying they seem to violate the petitioners' constitutional right to freedom of speech and expression under Article 19.

"Dissent in democracy is vital... For proper administration of the State, it is healthy to invite criticism of all those who are in public service for the nation to have a structured growth, but with the 2021 Rules in place, one would have to think twice before criticising any such personality, even if the writer/editor/publisher may have good reasons to do so," the judges said.

If a committee proposed under the rules did not approve of criticism of a public figure, anyone who criticises such a person would invite punishment, said the court.

The order came on petitions filed by legal news portal 'The Leaflet' and journalist Nikhil Wagle which challenged several provisions of the new India IT Rules claiming that they were vague and likely to have a "chilling effect" on a citizen's right to free speech. The rules went beyond the scope of the main IT Act and also the "reasonable restrictions" on freedom of speech and expression allowed by Article 19 (2) of the Constitution, the petitioners said.

The rules are "manifestly unreasonable and go beyond the IT Act, its aims and provisions," the court said.

The India IT Rules 2021 include an appendix on 'Code of Ethics' that a publishing body, journalist, an intermediary or any other person posting content online must adhere to. These norms include an advisory code of conduct prescribed by the Press Council of India (PCI) and the Cable TV network (CTVN) Rules.

The Bombay High Court pointed out that the IT Act itself did not have a provision for bringing in such censure on online content. The PCI and CTVN norms were formulated under separate statutory legislation but the Union government tried "illegally" to grant an "exalted status" of mandatory compliance to such norms, the court said.

"People would be starved of the liberty of thought and feel suffocated to exercise their right of freedom of speech and expression, if they are made to live in present times of content regulation on the internet with the Code of Ethics hanging over their head as the Sword of Damocles," the high court said.

The court, however, refused to stay Clause 14 that pertains to setting up of an inter-ministerial committee with powers to regulate online content and deal with grievances and breach of rules, and Clause 16 which is about blocking of online content in case of an emergency.

2. Télécommunications

Can domestic vendors dominate India's 5G market?

LightReading, 09/08/2021

Several recent developments have highlighted how Indian vendors are upping the game where developing 5G products is concerned.

Factors including the departure of Chinese vendors from the Indian market and the Aatmanirbhar (self-reliance) push by the government are spurring the growth of India's domestic vendor ecosystem.

Added to this, new technology approaches like open RAN are not as capital intensive and make it easier for new entrants to develop products for 5G. Here's the lowdown on recent developments in the developing 5G ecosystem:

STL collaborates with Facebook Connectivity to develop 4G and 5G radios

STL announced recently that it would be working with Facebook Connectivity as part of its Evenstar program to design and develop 4G and 5G radio products. The company will build two advanced, high-power macro radio products over the next year.

The first one is an O-RAN compliant radio providing higher capacity for dense deployments, according to a press release. STL will also develop an O-RAN compliant 4G+5G Dual Technology Radio that supports both technologies individually or/and concurrently.

"India will have a vibrant 5G component, equipment, and deployment ecosystem for sure. With so many homegrown technology companies and startups coming up with disruptive offerings, it will be an exciting space to watch out for," said Chris Rice, CEO of Access Solutions Business, STL Technologies.

WiSig launches India's first 5G cellular chip

WiSig, a startup incubated at the Indian Institute of Technology (IIT) in Hyderabad, a prominent engineering school, recently announced the launch of Koala, India's first 5G cellular chip. The commercial launch of the chipset is expected within a year, as per media reports.

Saankhya procures spectrum to conduct 5G trial

Saankhya Labs is working on several 5G products. It is creating an open 5G RAN solution portfolio, which includes multi-band remote radio units (RRU).

It recently procured 5G spectrum from the Department of Telecommunications (DoT) to conduct a trial of 5G Broadcast, a data transmission solution that uses data offloading to optimize user experience.

"We have decided to take the road less traveled by developing our own chip, which is a key differentiating factor. We started working on 5G about a year and a half back and ORAN offers a massive opportunity to us. Over the next few years, we believe our revenue from the domestic market will increase," said Parag Naik, founder and CEO, Saankhya Labs.

Tata Sons to acquire a controlling stake in Tejas Networks in India

The Tata Group, through its subsidiary Panatone Finvest Ltd, signed a binding agreement to acquire a 43.3% stake in Tejas Networks, a prominent Indian gear maker, for INR18.5 billion (US$248 million).

According to the press note, Tejas will use gains from the preferential allotment to invest in research and development, sales and marketing, people, infrastructure, and to grow its manufacturing and operational capabilities.

While this is not a technology-related announcement, the deal is significant as Tata Consultancy Services (TCS), a Tata group company, has developed its own 5G stack. Tejas brings hardware capabilities that complement TCS' software competencies. Further, Tejas has applied under the government's Production Linked Incentive (PLI).

TCS has recently partnered with Bharti Airtel, India's second-largest service provider, to deploy its open RAN-based radio, non-standalone and standalone 5G solution.

Tejas started its operations way back in 1999 and is one of the few Indian vendors to make a mark globally. Being a part of the Tata Group will help Tejas leverage the competencies of other Tata firms, specifically TCS and Tata Communications Transformation Services (TCTS), to offer consolidated 5G products and services to the service providers.

Apart from these developments, other vendors, including HFCL, government-owned ITI, C-DoT and Tech Mahindra are also pushing the envelope to innovate and develop 5G products.

Slowly and steadily, there is a shift in the vendor ecosystem as gear makers look to indigenously developed 5G products and solutions. It remains to be seen whether this is enough to bring down our dependence on foreign vendors.

International trade bodies oppose mandatory adoption of 5Gi; say global standard must for QUAD nation collaboration

ETTelecom, 09/08/2021

NEW DELHI: UK and US trade and technology bodies opposed the mandatory adoption of the Indian 5G standard, 5Gi, and warned that doing so could set back vital shared work on supply chain security, vendor diversification, and alternative network architectures such as Open RAN which will also rely on globally harmonized standards.

"As TEC considers incorporation of 5Gi as a national standard, we hope that it will also consider the importance of globally harmonized standards for 5G to the success of India' ICT ecosystem. We also ask that, whatever standards are adopted, that the Department of Telecommunications avoid making the use of any one standard mandatory and allow telecommunications service providers to deploy technologies conforming to the standards of their choice," trade bodies said in a joint letter to the telecom department.

These bodies include Information Technology Industry Council (ITI), Telecommunications Industry Association (TIA), UK India Business Council (UKIBC), U.S. Chamber of Commerce US-India Business Council (USIBC) and US-India Strategic Partnership Forum (USISPF).

Japan Director General of Global Strategy Bureau under the Ministry of Internal Affairs and Communications (MIC) Yasuo Tawara said the government is internationally promoting open and interoperable network technologies.

He also said that Japan has also started a tax incentive programme for the O-RAN project.

"This year MIC will start to extend financial suppor for 5G openness and virtualisation demonstration experiments by our industry overseas."

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Responsable de la publication : Service économique de New Delhi
Rédacteurs : Feli VISCO

Pour s'abonner : Contacter le SER de New Delhi
Crédits photo : ©DG Trésor