

## **TBA Bulletin 24**

### **Week gone by January 19-27, 2021**

BFSI-Steady movement in the sector as PayTm account holders can avail FD services from Suryodaya Bank and India's FDI grows 13% in 2020 compared to the downward trend set by global FDI flows.

ARBITRATION- Simmering legal battle takes ugly turn as Amazon alleges violation of securities market rules against Biyani.

TECH- Lucknow police is now deploying AI based cameras to help women in distress and TESLA sues former employee over stealing 26,000 confidential files

DATA PRIVACY- Controversial WhatsApp privacy policy has now been directed to certain changes by Government and Grindr gets slapped with 11.7 million dollars fine with breach of data privacy

FINTECH- Chinese fintech major sees 108 Billion dollars loss on crackdown.

## **BFSI**

### **NATIONAL**

#### **PayTm account holders can now avail FD services from Suryodaya Bank**

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#### **The regulatory and supervisory framework of NBFCs shall be based on a four layered structure base layer, middle layer, upper layer and a possible Top Layer**

- The regulatory and supervisory framework of NBFCs shall be based on a four-layered structure– Base Layer, Middle Layer, Upper Layer and a possible Top Layer. NBFCs in lower layer will be known as NBFC-Base Layer (NBFC-BL). NBFCs in middle layer will be known as NBFC-Middle

Layer (NBFC-ML). An NBFC in the Upper Layer will be known as NBFC-Upper Layer (NBFC-UL) and will invite a new regulatory superstructure. There is also a Top Layer, which is ideally supposed to be empty. As such, no separate nomenclature is suggested," RBI said as part of its proposals for NBFCs.

- The extant regulatory framework for NBFC-NDs (non-deposit taking) will now be applicable to Base Layer NBFCs while the extant regulatory framework applicable for NBFC-NDSI will be applicable to Middle Layer NBFCs. NBFCs residing in the Upper Layer will constitute a new category.
- RBI also proposed NBFC NPA classification norm of 180 days be 'harmonized' to 90 days.

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#### **FDI In India grows by 13% in 2020 as global FDI flows down 42% in 2020**

- Global foreign direct investment (FDI) collapsed in 2020 by 42 percent to an estimated \$859 billion from \$1.5 trillion in 2019
- FDI in India rose by 13 percent, boosted by investments in the digital sector.
- China was the world's largest FDI recipient, with flows rising by 4 percent to \$163 billion, overtaking USA.

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## **ARBITRATION**

### **NATIONAL**

#### **Amazon to Delhi HC: Enforce arbitration order, jail Biyani**

- Amazon.com Inc on Monday filed a petition in the Delhi high court, seeking imprisonment of promoters, including founder Kishore Biyani, for allegedly violating securities market rules by illegally encumbering group company shares.
- According to the petition, a copy of which was reviewed by *Mint*, Amazon has also sought the enforcement of an emergency arbitration order of Singapore International Arbitration Centre (SIAC). The Singapore court in October ordered an interim stay on Future Group's ₹24,713 crore deal to sell its retail assets to Reliance Industries. A single-judge bench of the Delhi high court had later allowed the deal to go through, subject to regulatory approvals.
- In its petition, Amazon alleged that Future Group had obtained financing from the Mukesh Ambani group in violation of the SIAC ruling. "In addition, the petitioner (Amazon) verily believes that the respondents (Future Group and promoters) continue to encumber their shares in FRL (Future Retail Ltd) and allow invocation of pledges on their shares in FRL, in direct contravention of the directions issued by the emergency arbitrator (of

SIAC)," Amazon said. In a related development on Monday, SIAC extended its interim stay order on Future-Reliance deal till further modification.

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## **DATA PRIVACY**

### **NATIONAL**

#### **Government tells WhatsApp to withdraw policy tweaks**

- India, the biggest market for WhatsApp, on Tuesday asked the instant messaging platform to withdraw recent controversial changes it made to its terms of service and privacy policy, expressing "grave concern" over implications for Indian citizens.
- It also asked the Facebook-owned company, used by as many as 400 million Indians, to respond to some critical queries on its privacy and data policy within a week, people aware of the matter said.
- In a letter to WhatsApp's global chief executive officer Will Cathcart, the government sought details about the exact categories of data it collects from Indian users, the permission and consent required by different versions of the application, and whether these are also sought from users in other countries.

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### **INTERNATIONAL**

#### **Grindr faces 11.7 million dollars fine in Norway for breach of data privacy**

- Norway's Data Protection Authority said on Tuesday it plans to fine dating app Grindr NOK 100 million (roughly \$11.7 million/ Rs. 85 crores) for what the regulator said was illegal

disclosure of user data to advertising firms.

- The Norwegian Consumer Council (NCC), a watchdog, said in a January 2020 report that Grindr shared detailed user data with third parties involved in advertising and profiling, such as a user's IP address, advertising ID, GPS location, age, and gender
- Grindr has until February 15 to respond to the claims, after which the Data Protection Authority will make its final decision in the case, the agency said.

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## **TECHNOLOGY**

### **NATIONAL**

#### **Chingari music industry losing value thanks to shorts video apps**

- The music industry in India is losing about Rs 200 crore in revenues annually as short-video apps bypass payments and access libraries of music labels illegally. Services such as Moj, owned by ShareChat, and Chingari have signed deals with music labels such as T-Series and Zee Music. However, there are those who flout copyright rules.
- IMI is the apex body that represents the interest of music companies or record labels on a pan-India basis. India's homegrown short-video app market has been trying to make the most of the Make in India wave that has gained ground since the ban on Chinese apps such as TikTok last year as they cater to a young, primarily small-town base of users
- it is difficult for short platforms to license content from the hundreds of labels across India, more than 200 according to industry estimates, and

most limit themselves to the top five or seven national and regional language majors, said Shahir Muneer, founder and director of Divo, a south-Indian music label.

- "There is no unified mechanism for licensing music content. In mature markets, rates are dependent on the monthly active user base of the short video app, but in India, they can be negotiated on the basis of the market share of the music label," Munir said.

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## **EdTech**

### **Byjus**

**India's leading startup in online education, Byju's, is set to expand through a corporate buyout.**

- The Bangalore-based company is currently negotiating with Aakash Educational Services to acquire the brick-and-mortar provider of test preparatory services, Nikkei Asia has learned;
- The acquisition will be at least the third buyout for Byju's in the past two years, after acquiring two companies for a total of \$420 million. The purchase of Aakash, if realized, would give Byju's, which now has 80 million registered users and 5.5 million paid subscribers for its online courses, a solid foothold in the field of traditional educational services as well.

#### **Lucknow police deploying AI cameras to recognise facial expressions of women in distress and alert officers**

- Lucknow police is deploying facial recognition technology backed by security cameras that will read expressions of women in distress and alert their nearest police station. The

technology is claimed to use artificial intelligence (AI) to read facial expressions of women. The new project will take place under the Uttar Pradesh government's Mission Shakti programme that was launched in October. It is projected to help reduce cases of harassment of women subjected to stalking and threat in the city.

- "We don't know what expressions they are tracking and how accurate the system of tracking these expressions is," she said. "Also, it's not necessary that a person who's making an expression of anger or distress is actually being harassed in a manner wherein police intervention is needed. I could be talking to a friend, and I could get upset over something. And that could also trigger the cameras."

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## INTERNATIONAL

### **Tesla sues former employee for allegedly stealing 26,000 confidential files**

- Tesla has sued a former employee for allegedly stealing about 26,000 confidential files in his first week of working at the company, according to a court filing seen by AFP
- Tesla said that when confronted by Tesla's security team, Khatilov claimed he had only transferred "a couple of personal administrative documents", whilst trying to delete the evidence.
- Tesla's security team detected the file downloads on January 6, after Khatilov was hired on December 28, and confronted him via video-call as he was working from home, according to the court filing.

### **Google says it will shut search engine in Australia if forced to pay for news**

- Alphabet's Google said on Friday it would block its search engine in Australia if the government proceeds with a new code that would force it and Facebook to pay media companies for the right to use their content.
- Australia is on course to pass laws that would make tech giants negotiate payments with local publishers and broadcasters for content included in search results or news feeds. If they cannot strike a deal, a government-appointed arbitrator will decide the price.
- "Coupled with the unmanageable financial and operational risk if this version of the Code were to become law, it would give us no real choice but to stop making Google Search available in Australia," Mel Silva, managing director for Australia and New Zealand, told a senate committee

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## FINTECH

## INTERNATIONAL

### **Ant Group's Valuation seen dropping to 108 Billion dollars on crackdown**

- Ant Group Co.'s valuation may be cut further under new measures proposed by China to curb market concentration in its online payments market, according to new estimates from Bloomberg Intelligence.
- "Ant Group's valuation may plunge further if its payment unit is forced to break up due to potential anti-trust probes by China's central bank," Chan wrote in a research note.
- The revised estimate for Ant is a far cry from valuations that ran as high as \$320 billion before the company was forced to scrap its record initial public offering in November. China's crackdown forced Ma's firm to

withdraw the \$35 billion IPO just days  
before its planned listing in Hong Kong

and Shanghai.

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