

TBA Bulletin #33

#Weekgoneby- March 31 – 12 April, 2021

BFSI - Movement seen as RBI extends the deadline for implementation of new E-payments rules, gives companies six months' time. E-Wallet lets a customer send money from a wallet to a bank account and also from one company's wallet to another. RBI lays down new monetary policy- look at the key changes.

Repo rate to remain at 4% by RBI under the monetary policy.

Arbitration – Reliance extends deadline to complete deal with Future Group, whereas Amazon moves to Supreme Court against the Delhi High Court order dated March 22, 2021. Reliance has moved the Long Stop Date from March 31, 2021 to September 30, 2021. Read [here](#)

Anti-Trust and Company – UK Competition and Markets Authority (CMA) has recently completed its probe into the Facebook- Giphy deal. UK regulators: CMA launched Digital Markets Unit. ValueLicensing vs. Microsoft – Hurting the second-hand software market. China regulators fine Alibaba \$2.75bn for anti-monopoly violations.

Tech – Meesho generates revenue by taking a small cut from each transaction, and it also sells advertisements to merchants that want to showcase their products more prominently. Youtube tests hiding dislike counts on videos.

Data Privacy - LinkedIn Confirms Data Breach of 500 Million Subscribers, Personal Details Being Sold Online.

EdTech - Byju's in talks to acquire US- based reading platform Epic. Govt IT spending in India to grow 11.4% to \$7.3 billion in 2021: Gartner report.

Foodtech - Government PLI on FoodTech Industry leaders have welcomed it. iD Fresh Food invests ₹40 crore to launch new plant. India's Swiggy nears \$5 billion valuation in new \$800 million fundraise

BFSI

NATIONAL

Companies get six (6) months to frame E-payments rules.

- RBI has extended the deadline for implementation of new rules for payment gateways and online merchants that would prohibit them from storing card details of customers. The new rules will now come into effect on 31 December 2021.
- Based on the representations received from the industry seeking additional time for implementing the above

instructions, it has been decided, as a one-time measure, to extend the timeline for non-bank PAs (payment aggregators) by six months, till 31 December 2021, to enable the payment system providers and participants to put in place workable solutions.

- Internet companies such as Flipkart, Amazon, Netflix, Microsoft, and Zomato have written to the central bank expressing concerns around the impact on customer payment experience if they are not exempted.
- Typically, a lot of consumers store their card data on platforms so that they do

not have to enter the details every time they transact.

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E-Wallet - let a customer send money from a wallet to a bank account and also from one company's wallet to another.

- Mobile wallets will soon be allowed to transfer and receive funds, in addition to making payments, similar to bank accounts.
- RBI has decided on April 7 to make it mandatory for all prepaid instruments (PPIs) such as mobile wallets and prepaid cards to be interoperable. So far, it was voluntary for PPIs to be interoperable.
- Customers will also be able to use mobile wallets at ATMs to withdraw cash and at point-of-sale terminals (card-swiping machines). Currently, only wallets issued by banks offered a cash withdrawal facility.

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RBI new monetary policy: Have a look at the key highlights.

- RBI has announced the monetary policy in which it has kept the repo rate unchanged at 4%. Monetary Policy Committee decides to retain its 'accommodative' policy stance
- The two key takeaway are: - RBI's bend towards looking through inflationary pressures in current uncertain times and ERR in favour of growth.
- Second, RBI's commitment to ensure smooth execution of government's huge borrowing program by a separate G-sec Acquisition.
- The RBI has taken reassuring steps to infuse additional liquidity into the housing sector through the interventions of increased financing to

NHB and extension of priority sector tag for bank funding to NBFCs for housing loans.

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ARBITRATION

NATIONAL

Reliance extends deadline to complete deal with Future Group.

- Reliance Retail Ventures Ltd (RRVL), a subsidiary of Reliance Industries, has extended the long-stop date for completion of its ₹24713 crore deal with Kishore Biyani's Future Group by another six months as the latter is engaged in a legal battle with Amazon.
- Long Stop Date from March 31, 2021 to September 30, 2021.

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Future- RIL deal: Amazon challenges Delhi High court order in Supreme Court.

- In its petition, Amazon has claimed the high court's 22 March division bench order was illegal, random, inequitable and unfair, and asked the apex court to grant a stay on the order to prevent Amazon from suffering an 'irreparable' damage in its business in India.
- Amazon's key objective is to prevent Reliance from gaining an edge in India's retail market.

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ANTI TRUST

INTERNATIONAL

UK Competition and Markets Authority (CMA) has recently completed its probe into the Facebook- Giphy deal.

- The UK Competition and Markets Authority (CMA) has recently completed its probe into the Facebook-Giphy deal and concluded that it raised competition concerns and has called for in-depth investigation.
- Giphy is one of the global top libraries for GIFs, animated images etc. that are shared frequently on the internet. It has competitors like Google-owned GIF platform Tenor & Gfycat (start-up).
- It was found that Giphy wanted to expand its digital advertising partnerships in UK & other markets before the deal was cracked. It is expected that this combination would mean less incentive for Giphy to expand its digital ads business which in turn would lead to a potential loss of competition.
- While the Facebook spokesperson said “this merger is good for competition and in the interests of everyone in the UK who uses GIPHY and our services – from developers to service providers to content creators.”

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UK regulators: CMA launched Digital Markets Unit

- UK Regulators have launched the Digital Markets Unit. The new launched unit is given the charge of framing codes of conduct for competition but without any statutory powers in its hands. The DMU will take up on big-tech companies cracking on unfair practices and thus restricts consumer choice.
- This is the first time that any unit has been specifically given charge for examining the role of big tech firm’s play in business and society. It will focus on encouraging competition and reducing the monopolization of digital services.
- The powers are yet to be known but it could include the power to impose

monetary penalties along with block and reverse decisions tech giants take.

- The CMA, chief executive Andrea Conscelli said “People shopping on the internet and sharing information online should be able to enjoy the choice, secure data and fair prices that come with a dynamic and competitive industry”

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ValueLicensing vs. Microsoft – Hurting the second-hand software market.

- Microsoft has been sued by a UK-based reseller ValueLicensing in damages to the tune of roughly US\$371 million over allegations of hurting the second-hand software market.
- The founder, Jonathan Horley accused Microsoft of persuading the companies to take up cloud-based software with discounts to give up perpetual licenses.
- The complainant business operates by buying fully paid perpetual Microsoft software licenses that Microsoft places in the Market with the European Economic Area and later the latter sells them second-hand providing savings on license of up to 70%.

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China regulators fine Alibaba \$2.75bn for anti-monopoly violations.

- Alibaba Group Holding Ltd have been fined 18 billion yuan (\$2.75 billion) for violation of anti-monopoly rules and abuse of its dominant position.
- This is the highest ever antitrust fine which has been imposed in China.
- The penalty, equivalent to around 4% of Alibaba’s revenues in 2019, comes amid an unprecedented regulatory crackdown on the home-grown technology conglomerates in the last

few months that have weighed on company shares.

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TECH

INTERNATIONAL

Youtube tests hiding dislike counts on videos.

- The company says it will run a “small experiment” with different designs that hide dislike counts, but not the “dislike” button itself.
- YouTube isn’t yet committed to removing the dislike count for everyone at this time. The feedback from this test will help inform YouTube as to if, when or how it will release designs like this more broadly.
- The company told TechCrunch the tests will run globally over the next few weeks on Android and iOS while it gathers feedback from a handful of designs.

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NATIONAL

Meesho generates revenue by taking a small cut from each transaction, and it also sells advertisements to merchants that want to showcase their products more prominently.

- Meesho, an Indian e-commerce startup, on Monday said it raised \$300 million from a group of investors led by SoftBank Group's Vision Fund 2.
- The deal valued Meesho at \$2.1 billion, according to the company. Existing investors including Prosus Ventures -- the venture capital arm of Prosus, formerly known as Naspers -- and China's Shunwei Capital also participated.

- Founded in 2015, Meesho operates a marketplace that mainly sells products made by small businesses and entrepreneurs, who are often women. Instead of directly connecting the seller and buyer, resellers using Meesho can recommend products to their friends on social apps such as WhatsApp. The reseller can earn a commission if the friend buys the product.

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DATA PRIVACY

INTERNATIONAL

LinkedIn Confirms Data Breach of 500 Million Subscribers, Personal Details Being Sold Online

- LinkedIn is the latest victim of a massive data breach and data of over 500 million of its users has been scraped from the platform and posted online for sale. The dataset includes sensitive information like email addresses, phone numbers, workplace information, links to their social media accounts, and gender details.
- A few days earlier, personal data of 533 million Facebook users was leaked recently on a hacking forum. The large dataset includes users from 106 countries, including 32 million records from users in US and 6 million users in India. A Facebook spokesperson said that the dataset was breached due to a vulnerability patched two years ago.

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EDTECH

NATIONAL

Byju’s in talks to acquire US- based reading platform Epic.

- The Indian startup is in talks to acquire online reading platform Epic, a startup that offers unlimited access to over 40,000 books, videos and quizzes from more than 250 publishers to kids aged 12 or younger, two people familiar with the matter told TechCrunch.
- Byju's is separately in the middle of concluding a new funding round whose size is expected to balloon over \$600 million. The new round is expected to value Byju's at \$15 billion.

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Govt IT spending in India to grow 11.4% to \$7.3 billion in 2021: Gartner report.

- An IT research firm Gartner has estimated the Indian government's IT spending to see a growth from 11.4% to \$7.3 billion in 2021. It will glide in 2021 after having declined by 11% in 2020.
- Out of many, online learning is one of the factors for this increasing IT spending which led over the education in pandemic times.

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FOODTECH

NATIONAL

Government PLI on FoodTech Industry leaders have welcomed it.

- Government of India approved a ₹10,900 crore-production linked incentive (PLI) scheme for its food processing industry, aimed at helping farmers earn better prices and reduce crop wastage.
- The government said the scheme will create jobs for 250,000 people and attract investments from global and

domestic companies in the food processing sector.

- It will also help expand the food processing capacity to generate processed food output worth ₹33,494 crore by 2026-27, the government said.

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India's Swiggy nears \$5 billion valuation in new \$800 million fundraise

- The long-term goal for the startup, which competes with heavily-backed Zomato and new entrant Amazon, is to serve 500 million users in the next 10-15 years, pointing to Chinese food giant Meituan, which had 500 million transacting users last years and is valued at over \$100 billion.
- The food delivery business is the strongest it's ever been, and we're now well on our way to drive continued growth over the next decade.
- In addition, some of our new bets like Instamart (grocery delivery business) are showing amazing promise while we've also made strides in setting up some of our other adjacencies for liftoff very soon.

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INTERNATIONAL

iD Fresh Food invests ₹40 crore to launch new plant.

- Fresh food brand, iD Fresh Food, on Wednesday said that it has invested close to ₹40 crore to set up its new plant, in Anekal, Karnataka, which will be producing its popular idly and dosa batter.
- The company currently caters to over 45 cities, across 30,000 retail stores in India, UAE and US.

- Recently, the company also launched its maiden online store to offer its iD Instant Filter Coffee Liquid, as the company looks to directly sell to customers and address changing

consumer behavior towards e-commerce.

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