

NEWS CHRONICLE

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Editorial Team: Knowledge Management @ Acquisory

CORPORATE UPDATES

1. Blackstone forms joint venture with Hiranandani Group for logistics foray

US-based private equity investor Blackstone Group has entered into a 50:50 joint venture with Hiranandani group to invest in the Indian logistics market. With this joint venture platform, Blackstone group is expecting to strengthen its foothold to build, own and operate industrial, logistics and warehousing assets across India. Both partners will be investing ₹2,500 crore initially to develop 12 million sq. ft. industrial and warehousing assets portfolio under the aegis of Hiranandani's GreenBase platform. Additional assets which have been built up through acquisitions of land or warehousing assets in other locations in India will also be brought under the platform.

2. Crisil to acquire Greenwich Associates LLC

Crisil Ltd. disclosed in its regulatory filing that it is going to acquire stake in Greenwich Associates LLC and its subsidiaries, for a consideration of USD 40 million (INR 284.3 crores). The acquisition will be done through Crisil's wholly owned subsidiary Crisil Ivena US LLC. Through this acquisition, Crisil is expecting to further enhance its existing portfolio of products and expand its offerings to other segments of financial services.

3. CCI approves subscription of CCDs of Piramal Enterprises Limited by CDPQ

CCI has approved subscription of Compulsory Convertible Debentures (CCDs) of Piramal enterprises by CDPQ. Upon conversion, the equity shareholding of CDPQ will increase from 3.68% to 8.99%. Piramal enterprises will raise ₹5,400 crore through rights issue and preferential allotment of CCDs.

4. Acquisition of stake in Future Supply by Nippon Express

CCI has approved acquisition of 22% stake in the total issued and paid – up share capital by Nippon Express in Future Supply Chains Solutions Ltd. As part of the deal, the Future Supply will issue 37,89,350 shares to Nippon express at price of ₹664 per share. Future Supply is expected to raise ₹252 crore through this transaction to support its near term growth plans.

POLICY UPDATES

1. RBI amends guidelines for “On-tap” licensing of private sector Small Finance Banks

The RBI has made changes to its guidelines for On-tap licensing of SFBs in private sector. The major changes to the rules (which were first notified in 2014) include:

- a) The licensing window will be open on – tap.
- b) Minimum paid – up voting equity capital/ net worth of any applying entity should be ₹200 crore.
- c) Initial requirement of net worth of ₹100 crore for primary (urban) co-operative banks desirous of transiting into SFBs, to be increased to ₹200 crore within 5 years of commencement of business.
- d) SFBs to be given the status of Scheduled Banks immediately after commencement of operations.
- e) Payments banks can apply for conversion into SFBs after five years of operations.

2. Sanction for prosecution given for 366 cases for violation of CSR norms

Action has been initiated against corporate bodies who have violated CSR norms in previous years. So far, sanction for prosecution against 366 cases has been accorded. 118 applications for compounding have been received and 37 cases have been compounded.

3. SEBI allows AMCs to provide management and advisory services to Sovereign Funds, FPIs and Multilateral Agencies

SEBI has allowed AMCs of mutual funds to provide management and advisory services to sovereign wealth funds, foreign portfolio investors owned by central banks, international multilateral organisations and other agencies including entities controlled or at least 75% owned by respective governments. Apart from this, AMCs can also provide asset management services to regulated entities such as pension funds, insurance or reinsurance entities, banks and mutual funds besides FPI where regulated entities own over 50%. AMCs which are already providing management and advisory services to FPI which do not fall under the above category have been given one – year exit time period.

4. Waiver of Charges from NEFT and RTGS

With a view to give further boost to retail digital payments, the banks will not levy any charges from savings bank account of customers for electronic funds transfer through NEFT system w.e.f. 1st January 2020.

5. Introduction of semi – closed Prepaid Payment Instrument (PPI)

A new type of digital payments system has been introduced by the RBI in its Statement on Developmental and Regulatory Policies, known as PPI. PPI can be used only for purchases of goods and services up to a limit of Rs. 10,000/-. The loading/ unloading of such PPIs will be only from a bank account and will be used for making payments towards bills, merchants, etc.

GST COUNCIL DECISIONS

The GST Council in its last meeting recommended the following:

1. Grievance Redressal Committee (GRC) to be constituted with SGST and CGST officers, representatives of trade and industry and other GST stakeholders.
2. Due date of annual return in Form GSTR-9 and reconciliation statement in Form GSTR-9C for FY 2018 – 19 to be extended till 31.03.2020.
3. Following measures are to be taken to improve filing of Form GSTR-1:
 - Waiver of late fee to taxpayers for filing form GSTR-1 from July 2017 to November 2019, if such returns are filed by 10.01.2020.
 - E-way bills for taxpayers who did not file GSTR-1 will be blocked.
4. Suitable action to be taken to block out fraudulently availed input tax credit, with the intent to keep a check on fake invoices.
5. Due date for filing GST returns pertaining to November 2019, to be extended for North – eastern states.

GLOSSARY

AMC	Asset - Management Company	GST	Goods & Services Tax
CCD	Compulsory Convertible Debentures	NEFT	National Electronic Funds Transfer
CCI	Competition Commission of India	PPI	Prepaid Payment Instrument
CDPQ	Caisse de dépôt et placement du Québec (Pension Fund Company)	RBI	Reserve Bank of India
CGST	Central Goods & Services Tax	RTGS	Real Time Gross Settlement
CSR	Corporate Social Responsibility	SEBI	Securities and Exchange Board of India
FPI	Foreign Portfolio Investor	SFB	Small Finance Banks
GRC	Greivance Redressal Committee	SGST	State Goods & Services Tax

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