

NEWS CHRONICLE

JANUARY 2020



Stay Connected with
Acquisory

www.acquisory.com

CONTENTS

POLICY UPDATES	3
CORPORATE UPDATES	4
OTHER UPDATES	5
GLOSSARY	6
CONTACT US	7

DISCLAIMER

All rights reserved. No part of this news chronicle may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means without the prior permission in writing of Acquisory Consulting LLP or as expressly permitted by law. Enquiries concerning the reproduction outside the scope of the above should be sent to the relevant department of Acquisory Consulting LLP, at the address mentioned therein below.

The readers are advised not to circulate this News Chronicle in any other binding or cover and must impose this same condition on any acquirer.

Editorial Team: Knowledge Management @ Acquisory

1. SEBI issues guidelines for listed ReIT and InvIT on rights issue

SEBI has issued new guidelines wherein it has specified the manner of issuance of units under the rights issue by listed ReIT and InvIT. The issuer will have to disclose objects of the issue, related – party transactions, valuation, financial details, review of credit rating and grievance redressal mechanism in the placement document. In respect of pricing, the investment manager on behalf of ReIT and InvIT will decide the issue price before determining the record date, in consultation with lead merchant banker(s).

2. SEBI issues Operating Guidelines for Investment Advisers (IA) in International Financial Services Centre

SEBI has issued guidelines for entities operating as investment advisers in International Financial Services Centre (IFSC). Advisers are required to have a net worth of at least USD 1.5 million (around ₹10.50 crores). As per the guidelines mentioned in the framework, the investment advisers may form an LLP to provide such investment advisory services.

The individuals representing these IAs will need to have post graduate degree or post graduate diploma of a minimum 2 – year tenure in the fields of finance, accountancy, business management, commerce, economics, etc. and should also have an experience of minimum 5 years in activities related to advisory in financial products/ securities or fund/ asset/ portfolio management, or investment advisory services.

3. MCA notifies Companies (Winding Up) Rules 2020 w.e.f. 01.04.2020

As per the notified rules, petition for winding up of the Company has to be presented in form WIN1 and WIN2, as the case may be, in triplicate. The rules also lay down the procedure to file the statement of affairs required under section 274 (1) to be filed in Form WIN4. The rules further lay down provisions related to petition being filed, liquidator and all such stake holders w.r.t. winding up.

4. Revision in prescribed limits for appointment of whole – time CS and Secretarial Audit

MCA has amended the rules for appointment of whole – time Company Secretary. The prescribed limit for paid – up share capital for appointment of KMP has been enhanced from ₹5 crores to ₹10 crores. Any company having a paid – up capital of ₹10 crores or more is now required to compulsorily appoint a whole – time Company Secretary. MCA has also amended the rules to include private companies in the ambit of Secretarial audit. After the amendment, every company, including private companies, having outstanding loans or borrowings from banks or financial institutions of ₹100 crores or more will be required to undergo secretarial audit as per Section 204 of the Act.

1. Siemens to acquire C&S Electric for ₹2,100 crores

Siemens has agreed to acquire 99% equity in C&S Electric for approximately ₹2,100 crores. This deal is expected to strengthen Siemens's position in the low-voltage power distribution and electrical installation technology in the country. The closing of acquisition is subject to approval by regulators, which are expected to get completed by December 2020. Post this transaction, Siemens plans to establish a design and manufacturing hub in the country to support global electrification solution export markets.

2. Vedanta acquires Ferro Alloys for ₹10 crores

Vedanta Ltd. has acquired Ferro Alloys Corporation Ltd. (FACOR) and its subsidiary Facor Power through an insolvency driven process. This follows Vedanta's acquisition of Electrosteel Steels through IBC-led process in 2018 for ₹5,320 crores. This transaction is expected to add value to Vedanta's existing steel business and further enhance its portfolio. The transaction value of this acquisition is ₹10 crores and the remaining through subscription of Non – Convertible Debentures (NCDs) worth ₹270 crores.

3. CCI approves subscription of units of Tower Infrastructure Trust by Jarvis, BCI and subsidiaries of GIC Infra Holdings

CCI has approved subscription of units of Tower Infrastructure Trust by BIF IV Jarvis India Pte, British Columbia Investment Management and subsidiaries of GIC Infra Holdings. Tower Infrastructure Trust (InvIT) at present holds 51% shares of RJIPL. From the proceeds of this deal, the InvIT proposes to acquire a further 46% stake in RJIPL.

4. CCEA approves disinvestment in NINL

The CCEA has granted "in-principle" approval for disinvestment of NINL. The government intends to sell its holding by disinvesting its shares held in NINL through MMTC (49.78%), NMDC (10.10%), BHEL (0.68%) and MECON (0.68%). The remaining equity is with 2 Odisha Government owned entities. The government expects to utilize the finds obtained through this transaction in its social sector by conducting developmental programs for the benefit of the public. This transaction is further expected to bring in new technology and management ideas through private investors.

1. MoHUA launches e-commerce platform for real estate sector

To win back the trust of home buyers amidst the on-going liquidity crisis and to facilitate selection of genuine properties by home buyers, the Ministry of Housing and Urban Affairs (MoHUA) has launched an online portal named “HousingForAll.com”. The portal will remain open for a period of 1 month for the developers to register their projects. From 14th February 2020, the portal will be thrown open to the home buyers with a 45-day sale period. The projects which have received occupancy certificates (OC) will be registered on this portal which is expected to create a seamless and transparent information interface for the home buyers.

2. Lawyers registered with MahaRERA to help distressed homebuyers with free consultancy

In the roadblock between homebuyers and developers, the advocates of the Legal Aid Cell run by Bar Association of Maharashtra and registered with MahaRERA have come to the aid of distressed home buyers. The advocates have offered free legal consultancy and assistance in representation before the RERA tribunal for litigants who cannot afford high lawyer fees and are not very conversant with the regulations and legal procedures. The petitioner will have to pay only a nominal sum of ₹5,000 as fee to MahaRERA to file the complaint. This is an additional conciliation/ resolution option to the already existing ADR mechanism offered by MahaRERA.

3. Housing Sales decline in 9 cities.

Housing sales fell by 9% across 9 cities (Bangalore, Chennai, Mumbai, Thane, Kolkata, Noida, Gurugram, Pune and Hyderabad) during Oct - Dec 2019 compared to Oct – Dec 2018. This decline in sales is attributed to economic slowdown and concurrent liquidity crisis. On a relatively positive note, housing sales recorded a 5% year – on – year increase between calendar year 2018 and 2019.

GLOSSARY

ADR	Alternative Dispute Resolution	LLP	Limited Liability Partnership
BCI	British Columbia Investment Management	MCA	Ministry of Corporate Affairs
BHEL	Bharat Heavy Electricals Limited	MECON	Metallurgical & Engineering Consultants (India) Limited
CCEA	Cabinet Committee on Economic Affairs	MMTC	Minerals and Metals Trading Corporation Ltd.
CCI	Competition Commission of India	MoHUA	Ministry of Housing and Urban Affairs
CS	Company Secretary	NCD	Non – Convertible Debentures
FACOR	Ferro Alloys Corporation Ltd.	NINL	Neelachal Ispat Nigam Ltd
FY	Financial Year	NMDC	National Mineral Development Corporation
IA	Investment Advisers	OC	Occupancy Certificate
IBC	Insolvency and Bankruptcy Code	ReIT	Real Estate Investment Trust
IFSC	International Financial Services Centre	RERA	Real Estate Regulatory Authority
InvIT	Infrastructure Investment	RJPL	Reliance Jio Infratel Pvt Ltd
KMP	Key - Managerial Personnel	SEBI	Securities and Exchange Board of India

CONTACT US

OUR OFFICES

Delhi NCR

1116, 11th Floor, WTT, C-1,
Sector 16,
DND Flyway, Noida – 201301
T: +91 120 614 300
Fax: +91 120 6143033

Mumbai

1st Floor, Unit No. 108, Inspire,
BKC, Bandra Kurla Complex,
Bandra East, Mumbai City,
Maharashtra, 400051
T: +91 22 68648100
Fax: +91 22 68648132

Bengaluru

BHIVE WORKSPACE- 7th
Floor, Mahalakshmi Chambers,
29, MG Road, Yellappa Garden,
Yellappa Chetty Layout, Ashok
Nagar, Bengaluru, Karnataka
560001

info@acquisory.com

Our Services

M&A Advisory

- Deal Structuring / Negotiation
- Buy Side / Sell Side Advisory
- Due Diligence
- Valuations
- M&A Integration
- Corporate Finance

Asset Management

- Portfolio Management
- Strategic Advice
- Finance Management
- Dispute Resolution and Litigation Management
- Exit advisory

Operations & Risk Consulting

- Internal Audit
- Risk Management
- IFC Review
- DAS Audit
- Compliance Management
- Process Improvement
- Cost Reduction
- Working Capital Optimization
- Data Analytics
- Physical Verification

Assurance & Regulatory

- Compliances
- Accounting & Reporting
- Regulatory Compliance Audits
- Financial Audits
- FEMA / RBI Regulatory Compliances
- RERA Compliance
- Secretarial

IT Risk, Forensics

- Information Security Management Services
- Forensics
- Technology Risk Solution
- Security Risk Management
- Creative Training Solution

Krishan Goyal

krishan.goyal@acquisory.com

Rajarshi Datta

rajarshi.datta@acquisory.com

Divya Vij

divya.vij@acquisory.com

Dinesh Pillai

dinesh.pillai@acquisory.com