

NEWS CHRONICLE

AUGUST 2020

Stay Connected with Acquisory

www.acquisory.com



CONTENTS	REGULATORY UPDATES	3
	CORPORATE UPDATES	4
	REAL ESTATE BYTES	5
	GLOSSARY	6
	CONTACT US	7

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.

DISCLAIMER

Editorial Team: Knowledge Management @ Acquisory

➤ **RBI provides Additional Standing Liquidity Facility (ASLF) to NHB and NABARD of ₹5,000 crore each**

RBI announced an ASLF of ₹10,000 crore in total for NABARD and NHB to support their lending activities. The facility will be for a period of 1 year and will be charged at repo rate. This SLF will be provided to NHB over and above ₹10,000 crore already provided to it for supporting the HFCs. Further to provide support to NBFC-MFIs and other smaller NBFCs with asset size of < ₹500 crore, ASLF of ₹5,000 crore will be provided to NABARD to support lending to agricultural and allied activities and the rural non – farm sector.

➤ **Introduction of Automated Sweep-in and Sweep-out (ASISO) facility**

To facilitate management of end of the day CRR in Banks, the RBI has introduced an optional Automated Sweep – in Sweep - Out (ASISO) facility in its e-Kuber system. The banks will be able to pre-determine the amount (specific or range) to be maintained as balances in their current accounts with RBI at end of business day. Depending upon this pre-set amount, marginal standing facility (MSF) and reverse repo bids, as the case may be, will be generated automatically without any manual intervention. Participants who are eligible for availing the Liquidity Adjustment Facility (LAF) and MSF will have the option to ASISO w.e.f. 6th August 2020. ASISO facility is optional and is in addition to the existing mechanism of placing manual bids in reverse repo and MSF windows through e-kuber portal.

➤ **Resolution Framework for COVID-19-related Stress**

In view of the global pandemic adversely affecting the borrowers and lenders, the RBI has allowed for one – time restructuring scheme of loans without classifying them as NPAs. This move is expected to bring relief to companies and individuals under financial stress. Unlike the guidelines issued on 7th June 2019, the new guidelines provide for a specified timeline within which the scheme needs to be invoked and implemented.

Acquisory's detailed document can be viewed on [<link>](#)

➤ **Restructuring of MSME debt**

In view of continuing COVID-19 disruption, the RBI has decided that stressed MSME borrowers whose accounts were classified as standard as on 1st March 2020 will be made eligible for restructuring their debt under existing framework. This restructuring must be implemented by 31st March 2021. This move is expected to alleviate stress faced by MSME borrowers, while ensuring the soundness of banking system and credit culture.

RBI BLOCKS NBFC PLANS OF MAURITIUS – FUNDED STARTUPS

The RBI has returned applications of many top – funded start-ups for obtaining NBFC licensing. The move has followed recent geo-political developments which have made the norms and scrutiny of Chinese investments into India tighter, specially those investments routed through tax havens like Mauritius, where most of the VCs and equity funds are registered.

Edu-Tech in Focus**➤ Byju's and Indian Finance School raises funds**

Byju's has raised \$122 million from Yuri Milner's investment fund DST Global. IFS has raised \$30 million in a mix of equity and debt from existing investor Gray Matters Capital along with co-lending commitments from NBFC partners InCred, U GRO and Profectus Capital.

Byju's and IFS belong to the Edu-Tech sector, which is one of those few segments which has gained popularity during the pandemic, as the students worldwide have turned to online classes. This has led to investors turning more bullish on the sector, with several companies bagging large funding rounds over the last few months.

Start – Ups in Focus**➤ Government launches contest in small towns to promote start-ups**

The government has launched contests called "Chunauti" to promote homegrown startups and software product companies, with special focus on smaller towns of the country. According to the norms of the challenge, around 300 startups working in selected areas will be identified and provided with seed funding of ₹25,00,000 along with other support.

A budget of ₹95 crore over 3-year period has been earmarked by the Government for this program. The Chunauti contest will identify start-ups in areas, viz., edu-tech, agri-tech & fin-tech solutions; supply chain, logistics and transportation management and infrastructure and remote monitoring. Other areas also include medical healthcare, diagnostic, preventive and psychological care; jobs & skilling, linguistic tools & technologies.

Other than monetary support of ₹25 lakh, the start-ups will also be given cloud credits from leading cloud service providers.

➤ Pixxel secures \$5 million in seed funding

Pixxel, an Indian space-tech start-up has raised \$5 million in seed round led by Blume Ventures, growX ventures and Lightspeed India. This round of funding included contributions from Inventus Capital India, Stanford Angels and Ryan Johnson. Through this funding, Pixxel expects to put its plan of first satellite launch in action later this year and also extend funds towards developing its second satellite.

➤ Text Mercato raises ₹4.85 crores from investors

Digital cataloguing startup Text Mercato has raised ₹4.85 crores from various investors. The funding was led by 1Crowd and included contributions from Accelerator Betatron, angel investor Andrew Dell and Sequent Software. Through this funding, Text Mercato aims to streamline the marketing process by focusing on end-to-end stacks, single sign-ons, central management and scale across languages from an existing multi-department listing procedure.

➤ **Developers request for one-year extension of projects in Uttar Pradesh**

The NAREDCO has requested for an extension of 12 months for real estate projects in UP. The UP chapter has written to UP RERA stating that the pandemic has pushed back the project completion deadlines by 18 months.

In May 20, UP RERA had allowed automatic extension of six months for all projects, due to outbreak of COVID-19

➤ **DLF to move into Middle – income Housing**

As a diversification decision, DLF is all set to move into mid – income housing segment which will see the company develop a 10 million sq. ft. housing targeted at mid – income groups. DLF's traditional target market includes luxury and super luxury housing.

The company is expecting to earn a revenue of around ₹5,000 crore from its mid income housing projects.

➤ **Mumbai registrations decline as buyers expect deduction in stamp duty**

Mumbai witnessed a decline in the number of registrations in the month of August 2020, as homebuyers held back their registrations in anticipation of a possible stamp duty reduction which was announced by the State Government earlier.

The stamp duty collections for the month of August were around ₹202 crore as against ₹240 crore in July.

The Government of Maharashtra announced reduction in stamp duty on property registrations from 5% to 2% for transactions between 1st September and 31st December. The stamp duty will be 3% for agreements to be registered between 1st January and March end.

ASISO	Automated Sweep-in and Sweep-out	NABARD	National Bank for Agriculture and Rural Development
ASLF	Additional Standing Liquidity Facility	NAREDCO	National Real Estate Development Council
HFC	Housing Finance Company	NBFC	Non-Banking Financial Company
IFS	Indian Finance School	NHB	National Housing Bank
LAF	Liquidity Adjustment Facility	NPA	Non - Performing Asset
MFI	Micro Finance Institution	RBI	Reserve Bank of India
MSF	Marginal Standing Facility	RERA	Real Estate (Regulation and Development) Act
MSME	Micro, Small and Medium Enterprises	VC	Venture Capital

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
- Asset Management Tool

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