

ACC

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Under Performer
Rs140

We sought legal position and clarifications from an M&A expert regards whether an MNC was required to get the go ahead from the Foreign Investments Promotion Board (FIPB) and a NoC from the ACC Board to take up the stake held by the Custodian. Verification with the present policy would however, be necessary.

It may be noted here that for foreign investments, the Secretariat of Industrial Approvals (SIA) has an interactive chat session (between 4.00 & 5.00 PM) daily except on Saturday and Sunday.

Question: If an MNC wants to pick up a stake in ACC by acquiring the equity held by the Custodian, would it require FIPB approval and a NoC from ACC's Board?

Expert Opinion: **Yes.**

Question: If it does not require FIPB approval for the Custodian's stake, will it need it for making a subsequent voluntary Open Offer?

Expert Opinion: **Open Offer would also require FIPB approval even if the original acquisition were under FIPB approval.**

Question: Can a foreign company give loan to an Indian company? In this case to Lafarge India.

Expert Opinion: **No.**

View

ACC should be bought only if one is convinced that despite presence of GACL nominees, the ACC Board will give NoC twice (for picking up the Custodian's stake and to make an Open Offer). **We firmly believe that the rumours are being spread to ensure an Exit opportunity like was the case when rumours of an Open Offer by Ambuja -- how and why it is inevitable -- were spread in the market. Sell**

Stock Ratings Absolute Returns

Buy	:	> 25%
Out Performer	:	16 - 25%
Market Performer	:	0 - 15%
Under Performer	:	< 0%

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