

October 2024

THE INDCAP NEWSLETTER

INVESTMENT BANKING INSIGHTS & UPDATES



A Indcap Advisors
Enabling Growth | Creating Value

A SEBI registered Category I Merchant Banker

www.indcap.in

CONTENT

Page No.

1-6

Monthly Update

Monthly M&A Update | Monthly PE Update | Debt Market Update | Merchant Banking Bulletin

7-9

Case Overview

NCLT | NCLAT

10-11

Markets/Commodities

Global Indices | BSE | NSE | Currency | Gold | Silver

12-13

Indcap Opportunities

Current Buy/Sell Opportunities

14-17

About Indcap Advisors

About Us | Our Services | Contact Us

MONTHLY UPDATE



Monthly M&A Update | Monthly PE Update
Debt Market Update | Merchant Banking Bulletin

M&A UPDATE

Mergers & Acquisitions Deals

Buyer	Target Company	Industry	Amount	Stake
Ambuja Cements	Orient Cement	Cement & Refractories (Cement)	81,000	73%
Ambuja Cements, part of the Adani Group, acquired Orient Cement for INR 8,100 Cr, including an open offer at INR 395/share. The deal will close in 3-4 months.				
Kotak Mahindra Bank Ltd	Standard Chartered Personal Loan Book	Financial Services	41000	-
Kotak Mahindra Bank will acquire Standard Chartered India's personal loan book worth INR 4,100 Cr (USD 490 Mn) as of September 30, 2024. It consists of loans classified Standard Loans as per the Reserve Bank of India (RBI)				
Damodar Valley Corp (DVC)	Hiranmaye Energy (formerly India Power Corp (Haldia))	Renewable Power Projects (Thermal)	15000	-
Damodar Valley Corp (DVC) acquired Kolkata-based Hiranmaye Energy for INR 1,500 Cr, marking its first acquisition and boosting its total capacity to 6,700 MW.				
Serene Productions	Dharma Productions and Dharmatic Entertainment	Media & Entertainment	10000	50%
Adar Poonawalla's Serene Productions has acquired a 50% stake in Karan Johar's Dharma Productions and Dharmatic Entertainment for INR 1,000 Cr. Karan Johar retains the other 50%.				
Nexus Select Trust	Vega City Mall	Hypermarket	8770	-
Nexus Select Trust is acquiring Vega City Mall in Bengaluru from Blue Horizon Hotels, along with the land, for INR 877 Cr. The mall spans 0.45 million sq ft.				
Actis Atlantic Holdings Ltd.	Vindhyachal Expressway Pvt Ltd	Infrastructure (Roads)	7,750	100%
Kalpataru Projects International Ltd is selling its 100% stake in Vindhyachal Expressway Pvt Ltd to Actis Atlantic Holdings Ltd for INR 775 Cr.				

Sources: VCCircle ; INR to USD conversion rate considered at USD 1 = INR 84.09

PE/VC UPDATE

Private Equity or Venture Capital Deals

INR in Mn

Investor(s)	Company	Industry	Amount
Varde Investment Partners	Reliance Power	Energy - Renewable Power Projects	41980
Reliance Power (an ADAG company) will raise INR 4,198 Cr through 10-year, 5% FCCBs from Varde Investment Partners, convertible at INR 51/share. Funds will help reduce debt and support renewable energy growth.			
Avataar Venture Partners, Sofina, Madison India Capital and Norwest Venture Partners	Finova Capital	NBFC (SME Loans)	11354
Finova Capital raised USD 135 Mn in Series E. Funds will support geographic expansion, loan book growth, and tech investment.			
HBM Healthcare Investments, WhiteOak Capital, Param Capital, Motilal Oswal, Enam Holdings and SBI Life Insurance	OneSource Specialty Pharma Ltd	Pharmaceuticals (Biopharma)	7984
Bengaluru-based OneSource Specialty Pharma Ltd, a Strides Pharma Science Ltd subsidiary, secured INR 801 Cr (USD 95 Mn) in equity at a pre-money valuation of USD 1.65 Bn.			
A91 Partners and others	Niva Bupa Health Insurance	Insurance	5000
Private health insurer Niva Bupa raised INR 500 Cr in a 100% secondary transaction led by A91 Partners (investing INR 350-400 Cr) at an enterprise valuation of INR 15,000 Cr. Family offices also participated.			
Lightspeed Ventures, Alpha Wave Global, HSBC Innovation Banking and others	Mstack	Speciality Chemicals	3350
Mumbai and Houston based specialty chemicals sourcing startup Mstack raised USD 40 Mn led by Lightspeed Venture Partners and Alpha Wave Global. The round included debt from HSBC Innovation Banking and investments from angel investors.			
NTTVC, Z47 and Nexus Venture Partners	Neysa	Enterprise Software (SaaS - Artificial Intelligence)	2522
Mumbai-based AI cloud provider Neysa, founded by Sharad Sanghi, raised USD 30 million in Series A funding co-led by NTTVC, Z47, and Nexus Venture Partners. This follows a USD 20 Mn seed round earlier this year.			

Sources: VCCircle ; INR to USD conversion rate considered at USD 1 = INR 84.09

DEBT MARKET

Debt Market Insights

Market Snapshot (%)	Current Week	1 month ago	3 months ago	6 months ago	1 year ago
Average Call Rates	6.57	6.44	6.57	6.52	6.58
Average Repo Rates	6.45	6.31	6.58	6.50	6.37
Bank Rate	6.75	6.75	6.75	6.75	6.75
Cash Reserve Ratio (CRR)	4.50	4.50	4.50	4.50	4.50
RBI-Liquidity Adjustment Facility (LAF) Repo Rate	6.50	6.50	6.50	6.50	6.50
RBI-Liquidity Adjustment Facility (LAF) Reverse Repo Rate	3.35	3.35	3.35	3.35	3.35
91-Day Cut-off Treasury Bill (T-Bill) (Primary) Yield	6.48	6.45	-	6.71	6.92
182 Day Cut-off Treasury Bill (T-Bill) (Primary) Yield	6.60	6.55	-	6.82	7.04
364 Day Cut-off Treasury Bill (T-Bill) (Primary) Yield	6.60	6.54	-	6.84	7.07
1-Year Government Securities (G-Sec) Yield	6.64	6.54	6.63	6.82	7.07
5-Year Government Securities (G-Sec) Yield	6.77	6.70	6.67	6.85	7.20
10-Year Government Securities (G-Sec) Yield	6.83	6.77	6.78	6.98	7.20
10 Year Benchmark Yield	6.83	6.80	6.74	6.94	7.21

Sources: The Clearing Corporation of India Limited (CCIL) *data available for week ended 25th October 2024

Other key highlights:

- RBI Deputy Governor Michael Patra said strengthening the macroeconomic fundamentals and building foreign exchange reserves are RBI's most effective shield against global uncertainties.
- Finance Minister Nirmala Sitharaman said India will impose restrictions on FDI in the national interest to ensure safeguards due to its location in a highly sensitive neighborhood.
- IMF left its FY25 India GDP growth forecast unchanged at 7.20%, projecting 7.40% growth in H2-FY25.

MERCHANT BANKING

Market Scenario

Particulars	No. of Issues in the month of October	Amount (INR in Mn)
Public Issues (IPO, FPO)	6	3,87,004.90
Public Issues (IPO - SME)	10	6,859.91
Rights Issues	16	9,609.90
Public Issues (Debt)	5	23,750.00

Regulatory Updates by SEBI

Facilitation to SEBI registered Stock Brokers to access Negotiated Dealing System-Order Matching (NDS-OM) for trading in Government securities Separate Business Units (SBU)



Government of India wishes to facilitate retail participation in purchase and trading of Government Securities (G-Secs). Accordingly, it is proposed that stock brokers may deal in G-Secs in the Negotiated Dealing System-Order Matching (NDS-OM) of the competent regulatory authority. In order to ensure ease of doing business and to leverage the existing infrastructure of the stock brokers, it is proposed that stock brokers may offer these services as a Separate Business Unit (SBU) of the stock broking entity itself on an arms-length basis. All the matters relating to policy, risk management, administration, supervision, enforcement, investor grievance and claims related to trading in G-Secs on NDSOM by stock brokers would come under the jurisdiction of the respective regulatory authority.

Specific due diligence of investors and investments of AIFs

In terms of Regulation 20(20) of SEBI (Alternative Investment Funds) Regulations, 2012 ('AIF Regulations'), inserted vide notification dated April 25, 2024, every AIF, Manager of the AIF and Key Management Personnel of the Manager and the AIF shall exercise specific due diligence, with respect to investors and investments of the AIF, to prevent facilitation of circumvention of such laws, as may be specified by SEBI from time to time. In this regard, the specific due diligence to be carried out by AIFs, managers of AIFs and their Key Management Personnel, with respect to investors and investments of the AIF, to prevent facilitation of circumvention of the regulatory frameworks, are being specified in the circular.

MERCHANT BANKING

Regulatory Updates by SEBI

SEBI calls for stricter review of AIF investors

The Securities and Exchange Board of India has asked alternative investment funds and their managers to exercise due diligence on their investors and investments, to prevent sidestepping of rules. At present, AIFs have been designated as qualified institutional buyers (QIB) and can avail certain benefits under SEBI rules. On October 08, 2024, Tuesday, SEBI issued a circular and said AIFs should not facilitate investors who are ineligible for QIB status on their own from availing the benefits.



Inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015

In order to strengthen the regulatory framework in relation to prohibition of insider trading in units of mutual funds, vide notification dated November 24, 2022, mutual funds units were included under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The amendments notified through the notification dated November 24, 2022 shall be applicable from November 01, 2024. AMCs shall disclose the details of the holdings of Designated Persons of AMCs, trustees and their immediate relatives on aggregate basis from November 1, 2024 on quarterly basis in the format prescribed in the circular. The holdings as on October 31, 2024 shall be disclosed on the platform of the Stock Exchanges by November 15, 2024. Thereafter, for all subsequent calendar quarters AMCs shall provide the information within 10 calendar days from the end of the quarter. Further, the details of all the transactions in the units of its own mutual funds, above the threshold amount which aggregates to a value in excess of INR 15 Lakhs, in one transaction or a series of transactions over any calendar quarter, per PAN across all schemes excluding the exempted schemes, executed by the Designated Persons of asset management company, trustees and their immediate relatives shall be reported by the concerned person to the Compliance Officer of AMC within two business days from the date of transaction in the format prescribed in the circular.

Association of persons regulated by the Board and their agents with certain persons

SEBI vide this circular, advised the persons regulated by the Board (including recognized stock exchanges, clearing corporations and depositories), and their agents to terminate their existing contracts, if any, with persons engaged in the activities (to provide advice or any recommendation, directly or indirectly; or makes any claim or returns) mentioned in clauses (i) or (ii) of paragraph 2 of this circular within three months from the date of issuance of the circular.

A copy of all the afore mentioned circulars/Consultation Papers are available on SEBI website at www.sebi.gov.in

CASE OVERVIEW



NCLT | NCLAT

National Company Law Tribunal (NCLT)

Constitution Of CoC In Violation Of Section 21(2) Proviso Of IBC Is Nullity In Eyes Of Law, Vitiates Entire CIRP: NCLT

Case Background:



- The case involves Park View Developers Pvt Ltd (Financial Creditor) and SDU Travels Pvt Ltd (Corporate Debtor).
- Mr. Vipin Kumar Sharma, represented by his Power of Attorney holder, filed an application questioning the validity of the Committee of Creditors (CoC) for including members related to the Corporate Debtor.
- The applicant sought the exclusion of related-party members from the CoC and an investigation into alleged collusion between the Resolution Professional (RP) and the Corporate Debtor.

Main issue Raised:



The main issue was whether members of the CoC were related parties under Section 21(2) of the Insolvency and Bankruptcy Code (IBC), 2016, and if their inclusion in the CoC was in violation of the Code



Hon'ble NCLT Observations:



- Respondent No. 6, Mrs. Nidhi Suri, is a related party as she is the wife of Respondent No. 1, a director of the Corporate Debtor, violating the proviso to Section 21(2) of the IBC.
- Even if Respondent No. 1 had resigned, under the precedent set in **Phoenix ARC Private Limited v. Spade Financial Services Limited & Ors.**, former related parties that deliberately ceased association to avoid disqualification remain related parties.
- NCLT found that the inclusion of related parties in the CoC violated the proviso to Section 21(2) of the IBC, which disallows related-party financial creditors from having any representation, participation, or voting rights in the CoC.
- The Tribunal emphasized that any CoC decisions made with the participation or voting of related parties are legally invalid, based on the **Jayanta Banerjee vs. Sashi Agarwal** case, where it was held that such violations render the CoC's constitution void.

Conclusion:



- NCLT concluded that the constitution of the CoC, as it stood, was flawed due to the inclusion of related parties. The application was disposed of after these corrective measures were mandated

National Company Law Appellate Tribunal (NCLAT)

Commissioner of Income Tax vs. Resolution Professional of JBF Petrochemical Ltd. – Upholding Timeliness and Finality in CIRP

Facts of the Case:



- Appellant: Commissioner of Income Tax (TDS-1), Mumbai.
- **Respondents:** Mr. Sundaresh Bhat (Resolution Professional for JBF Petrochemical Ltd.) and Committee of Creditors (CoC) represented by IDBI Bank Ltd.
- **Background:** The Corporate Debtor (JBF Petrochemical Ltd.) was admitted into Corporate Insolvency Resolution Process (CIRP) on 28.01.2022. The Commissioner of Income Tax filed a claim for TDS violations amounting to Rs. 10.14 crores after the 90-day deadline.

Main issue Raised:



Whether the appellant (Commissioner of Income Tax) was justified in submitting claims late, and if the rejection of these claims without consideration constituted a breach of natural justice.



NCLAT Observations and Decision



- **Claims Submission:** The appellant filed its claim after the stipulated 90-day deadline. The RP followed standard procedures in issuing public announcements and maintaining creditor lists, ensuring transparency.
- **Rejection of Claims:** The RP had communicated with the appellant, who failed to provide additional documentation in time. Despite the appellant's claim that they were unaware of the claim status, the updated list of creditors rejecting their claim was posted on multiple occasions.
- **Statutory Adherence:** The RP acted within IBC and CIRP Regulations, which required strict adherence to timelines.
- **Legal Precedents:** The court cited **Ghanshyam Mishra & Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.**, establishing that claims not included in an approved resolution plan are extinguished

The NCLAT dismissed the appeal, holding that the appellant did not show due diligence in filing their claim within the mandated timeframes. The rejection of the claim and the approval of the resolution plan were deemed proper and lawful.

The NCLAT's ruling underscores the necessity for creditors to adhere to statutory deadlines to preserve their claims and uphold the integrity of approved resolution plans.

MARKETS & COMMODITIES



Global Indices | BSE | NSE | Currency | Gold | Silver

AN OVERVIEW

BSE, NSE, Global Indices, Gold, Silver, Currency Rates

Stock Indices	Closing (INR) (31 st October, 2024)	Opening (INR) (1 st October, 2024)	Change %
Sensex	79,389.06	84,266.29	-5.79%
Nifty	24,205.35	25,796.90	-6.17%
FTSE	8,110.10	82,76.65	-2.01%
Nikkei	39,081.25	38,651.97	1.11%
Dow Jones	41,763.46	42,156.97	-0.93%
Gold (INR/10 Grams)	78,388.00	75,675.00	3.59%
Silver (INR/1 Kg)	94,584.00	91,618.00	3.24%
USD (\$) (INR/Dollar)	84.09	83.83	0.31%
Euro (€) (INR/Euro)	91.22	93.23	-2.16%
GBP (£) (INR/British Pound)	108.97	112.13	-2.82%

Sources: Global Indices, BSE, NSE, RBI, MCX INDIA

INDCAP OPPORTUNITIES



Current Buy/Sell Opportunities

OPPORTUNITIES

Buy Side Opportunities

Sector	Location	Company Brief	Acquisition Criteria
FMCG	West Bengal	The Company is engaged in the manufacturing and distribution of food products in Eastern India	<ul style="list-style-type: none"> > Established brand in the Food Processing Industry > Eastern India dominant > Minimum Turnover: INR 500 Mn
Chemical	West Bengal	One of the Leading chemical processing company in Eastern India	<ul style="list-style-type: none"> > Smaller companies in Carbons, Chemicals and Coal Tar sector > Region Agnostic > Turnover: above INR 500 Mn
Machinery Equipment Manufacturing	West Bengal	Engineering company having business of design and manufacturing of industrial equipment	<ul style="list-style-type: none"> > Recognized brand in equipment manufacturing having international presence > Equipped with advanced integrated technology > Turnover: above INR 2,000 Mn
Construction	Maharashtra	Manufacturer and supplier of construction material products	<ul style="list-style-type: none"> > Building material manufacturers in India > Country wide presence > Minimum turnover: INR 200 Mn
Poultry Feed	West Bengal	One of the prominent poultry and animal feed players in India	<ul style="list-style-type: none"> > Must be involved in manufacturing of poultry feed products in India
Diversified	West Bengal	Leading professional and investor	<ul style="list-style-type: none"> > Looking to invest INR ~500-1000 Mn in D2C companies based out of Eastern India
Diversified	West Bengal	A leading conglomerate headquartered in Eastern India	<ul style="list-style-type: none"> > Looking to acquire any brick and mortar business having manufacturing set up > Turnover: INR ~4000-5000 Mn

Sell Side Opportunities

Sector	Location	Company Brief	Rationale
Ecommerce Fashion	West Bengal	One of the leading cross-border e-commerce brands engaged in retail ethnic fashion wear	<ul style="list-style-type: none"> > Looking for strategic investment opportunities in the Company

ABOUT INDCAP & OUR SERVICES



[About Us](#) | [Our Services](#) | [Contact Us](#)

ABOUT US

Indcap Advisors (P) Ltd.

Executed More than INR 5,00,000 Mn in various Transaction across Debt and Structured Debt, M&A/PE and Corporate Debt Restructuring

- > Founded with the objective of providing world class service to clients and ensure that client satisfaction is achieved at all point of time while adhering to best practices and business ethics
- > Have developed a track record of advising more than 400 clients and companies over the last 25 years
- > We are a **SEBI Registered Category I Merchant Banker**
- > Extensive experience, in depth domain understanding and knowledge of Indian Businesses
- > Clients across Industries, businesses sizes and ownership structures from family-owned businesses to professionally managed Companies
- > Nationwide presence and global alliances

OUR SERVICES

Sophisticated and Customized Solutions



Capital Market Services

Issue Management-
IPO/FPO/SME/Rights/Debt/QIP Issuances,
etc. | Preference Capital/ Debentures |
Listing of Non-Convertible Debentures |
Advisory and Assistance



Capital Raising Solution

Equity – Private, Public and Convertible
Instruments |
Debt – Project Finance, Working Capital,
ECBs, Structured Debt /Treasury
Instruments



Debt Resolution Advisory

Corporate & Strategic Debt Restructuring |
Settlements | Insolvency Resolution
Advisory



Mergers & Acquisitions

Sell Side & Buy Side Advisory | Joint
Ventures | Cross Border Acquisitions |
Inbound Investment Advise



Corporate Advisory

Business reorganization advisory |
Transaction structuring advisory | TEV/
Project feasibility study | Financial
appraisals | Credit rating advisory |
Business and Equity Valuations



Contact us at.....

KOLKATA

Suite #1201, 12th Floor,
Aurora Waterfront
GN – 34/1, Sector 5, Salt Lake City
Kolkata - 700 091
Ph: +91 33 4069 8001

BENGALURU

Cove Offices
Raheja Plaza, 3rd Floor,
Richmond Road, Ashok Nagar,
Bengaluru, Karnataka 560025



kolkata@indcap.in



This publication has been prepared for general purpose and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this proposal, and, to the extent permitted by law, Indcap Advisors Private Limited (“Indcap”), its members, employees and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. Without prior permission of Indcap, this publication is not be quoted in whole or in part or otherwise referred to in any documents.