

Financial Insights
August 2019

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- AWI, through unit Air Water India (P) Ltd., has signed a binding term sheet to acquire the South India business of Linde India Ltd. for INR 13,800 Mn (\$194 million) in cash.
- Xander Investment Management, the private equity real estate arm of global investor The Xander Group Inc., has bought office building Weikfield IT Citi Info Park in Pune for INR 9,000 Mn (\$130 million).
- Global energy giant Royal Dutch Shell Plc has sold its entire 10% stake in compressed natural gas and piped natural gas retailer Mahanagar Gas Ltd., exiting the venture. Shell-owned BG Asia Pacific Holding sold the shares for INR 7,700 Mn (\$110 million).
- Global private equity major Blackstone has acquired about a 6 per cent stake in Future Lifestyle Fashion Ltd. (FLFL), part of Kishore Biyani-led Future Group, for about INR 5,450 Mn (about \$79 million).
- Billionaire Mukesh Ambani-led Reliance Industries Ltd. will acquire a majority stake in Shopsense Retail Technologies (P) Ltd., which runs fashion portal Fynd, for INR 2,952 Mn (\$41.9 million at current exchange rates).
- Haldiram Bhujawala has acquired a majority stake in Pan India Food Solutions (P) Ltd. from private equity firm Everstone Capital for INR 1,000 Mn.
- Software services firm HCL Technologies Ltd. has picked up a 6.64% stake for INR 140 Mn (\$2 million) in London-headquartered artificial intelligence (AI)-enabled business networking app Kalido.
- Drugmaker Strides Pharma Science Ltd. has acquired a manufacturing facility in Florida from Micelle BioPharma Inc to expand its presence in the US for 35.9 Mn.
- Mahindra & Mahindra Financial Services Ltd. has entered into an agreement to acquire a majority 58.2 per cent stake in Sri Lanka's Ideal Finance Ltd. (IFL) for INR 11 Mn (LKR 2 billion).

*INR to USD conversion rate considered at USD 1 = INR 70.35

- **Online food delivery startup Swiggy** is in advanced stages of closing **INR 49,700 Mn (\$700-750-million)** round led by existing investor **Naspers**.
- **Soft Bank** is in advanced talks to invest as much as **INR 28,810 Mn (\$400 million)** in Delhi-based eyewear retailer **Lenskart**.
- **Indian bike rental startup Bounce** is close to finalising a **\$200-million** funding round from existing and new investors. Existing investors are **Accel US** and **B Capital Group**.
- **Soft Bank** is in advanced talks to invest as much as **INR 10,800 Mn (\$150 million)** in Bengaluru-based news aggregator **Dailyhunt**.
- **Social commerce platform Meesho** has raised **INR 8,857 Mn (\$125 million)** in a round led by **South Africa's Naspers** with participation from **Facebook** and existing investors **SAIF, Sequoia, Shunwei Capital, RPS** and **Venture Highway**.
- **ShareChat**, a regional language video and picture sharing platform, has raised **INR 7,200 Mn (\$100 million)** in a fresh round of funding from new investors **Twitter** and private equity firm **TrustBridge Partners**.
- **US-based enterprise-focused artificial intelligence (AI) startup H2O.ai** has secured **INR 5,220 Mn** in a **Series D** funding round led by **Goldman Sachs** and the **Ping An Global Voyager Fund** as it looks to expand footprint in **China** and other **Asian markets**.
- **Indian online grocery startup Grofers** has raised **INR 5040 Mn** from **Japan's SoftBank Vision Fund** as part of the ongoing **\$200-million Series F** round.
- **Innovaccer Inc.**, a **Noida- and San Francisco-based healthcare data platform**, is in advanced talks to raise **INR 4,320 Mn** funding from **Tiger Global Management, Steadview Capital, and Dragoneer Investment Group**.
- **Roppen Transportation Services (P) Ltd.**, which runs **bike pooling and taxi startup Rapido**, has raised **INR 3,910 Mn (\$54.6 million at current exchange rate)** in its **Series B** funding round led by private equity firm **WestBridge Capital**.

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| Buyer | Target/Company | Industry | Amount INR in Mn | Stake (%) |
|--|--|----------------------------|------------------------|--------------|
| Air Water India (P) Ltd. | Linde India Ltd. | Industrial Gas | 13,800 | NA |
| The Xander Group Inc. | Weikfield IT Citi Info Park | Real Estate | 9,000 | NA |
| Mahanagar Gas Ltd. | Royal Dutch Shell Plc | Natural Gas | 7,700 | NA |
| Blackstone | Future Lifestyle Fashion Ltd. (FLFL) | Fashion | 5,450 | 6% |
| Reliance Industries Ltd. | Shopsense Retail Technologies (P) Ltd., | Fashion | 2,952 | NA |
| Haldiram Bhujawala | The Coffee Bean & Tea Leaf and Gelato Italiano. | Food | 1,000 | NA |
| HCL Technologies Ltd. | Kalido | Technology | 140 | 7% |
| Strides Pharma Science Ltd. | Micelle BioPharma Inc- Manufacturing Fascility | Manufacturing | 35.9 | NA |
| Mahindra & Mahindra Financial Services Ltd. | Ideal Finance Ltd. (IFL) | Finance | 11 | 58.20% |
| Razorpay Software (P) Ltd. | Thirdwatch Data (P) Ltd. | Artificial Intelligence | NA | NA |
| Saudi Aramco | Reliance Industries Ltd. -Oil Chemical Business | Lubricant | NA | 20% |
| Varroc Engineering Ltd. | CarIQ Technologies Pvt Ltd. | Technology | NA | 74% |
| Marico Ltd. | Revolutionary Fitness (P) Ltd. | Manufacturing | NA | 37% |
| Grexter Living | i2Stay | Infrastructure | NA | NA |
| Ola | Pikup.ai | Artificial Intelligence | NA | NA |
| Rapido | Vahanalytics | Data Analytics | NA | NA |
| IIFL Wealth Management Ltd. | L&T Finance Holdings Ltd. - Wealth Management | Finance | NA | NA |
| LGT Lightstone | Aspada | Finance | NA | NA |
| Cisco Systems Inc. | CloudCherry Analytics (P) Ltd. | Technology | NA | NA |
| DocsApp -Phazorz Technologies (P) Ltd. | DocWise-Kyros Healthcare Solutions (P) Ltd. | Ecommerce | NA | NA |
| Amazon.com | Future Coupons Ltd. | Ecommerce | NA | 49% |
| ITC Ltd. | Coffee Day Enterprises Ltd. | Bevarages | NA | NA |

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| Buyer | Target/Company | Industry | Amount INR in Mn |
|--|---|-------------------------|---------------------|
| Goldman Sachs and the Ping An Global Voyager Fund | H2O.ai | Artificial Intelligence | 5,220 |
| SoftBank Vision Fund | Grofers | Ecommerce | 5,040 |
| Tiger Global Management, Steadview Capital, and Dragoner Investment Group | Innovaccer Inc. | Healthcare | 4,320 |
| WestBridge Capital | Roppen Transportation Services (P) Ltd. | Ecommerce | 3,910 |
| March Capital Partners | Uniphore | Artificial Intelligence | 3,672 |
| Tiger Global Management | Vogo Automotive (P) Ltd. | Ecommerce | 3,600 |
| Ribbit Capital, and Steadview Capital. Existing investors - Sequoia Capital, Beenext Capital and Insight Partners. | BharatPe | Fintech | 3,600 |
| XL Innovate, Hearst Ventures and ACME Capital, BMW iVentures, NYCA, and SignalFire. | Zendrive | Data Analytics | 2,664 |
| Tiger Global Management and WestBridge Capital. | Vedantu | Edutech | 2,160 |
| Bertelsmann India Investments | Rupeek Fintech (P) Ltd. | Fintech | 2,138 |
| Iron Pillar and Joe Hirao | FreshToHome | Ecommerce | 1,440 |
| Steadview Capital | Zenoti | | 1,440 |
| Iron Pillar | Freshtohome Foods (P) Ltd. | Food | 1,433 |
| Emergence Capital | Vymo | Technology | 1,240 |
| Vostok New Ventures and Flashpoint and Addventure. | Wefast | Courier | 1,080 |
| Fosun International and Chiratae Ventures | GoMechanic | Automobile | 1,080 |
| Mitsubishi Corporation | SastaSundar Healthbuddy | Healthcare | 994 |

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| Buyer | Target/Company | Industry | Amount INR in Mn |
|--|---|----------------------|---------------------|
| Angel Investors | Plunes Technologies | Ecommerce | 864 |
| ResponsAbility Investments AG | Aye Finance (P) Ltd. | Finance | 720 |
| A91 Partners | Atomberg Technologies | Manufacturing | 720 |
| Norwest Venture Partners | SILA | Real Estate | 560 |
| Shell | Punjab Renewable Energy Systems Pvt Ltd. (PRESPL) | Renewable Energy | 550 |
| Chiratae Ventures (formerly IDG Ventures India), YourNest Venture Capital, Bruno Raschle's family office | Emotix | Robotics | 540 |
| Storm Ventures, Inventus Capital, Eileses Capital and Emergent Ventures | Talview | HR Technology | 486 |
| Sequoia Capital India | Progcap | Financial Technology | 344 |
| Samsung Venture Investments Corporation (SVIC) | RentoMojo | Ecommerce | 277 |
| Accel Partners and Mitsui Sumitomo Insurance Venture Capital (MSIVC) | Infra.Market | Ecommerce | 252 |
| TVS Motor (Singapore) Pte. Limited | Predictronics Corporation | Automobile | 230 |
| Stonebridge | Dailyhunt | Media | 216 |
| Lumis Partners | Awign Enterprises (P) Ltd. | | 210 |
| institutional investors | FuelBuddy | Ecommerce | 144 |
| Khosla Ventures | Veri5Digital | Technology | 140 |
| Growth DNA | AdmitKard | Edutech | 72 |
| GrowX Ventures and Sprout Venture Partners | Advantage Club | Service | 72 |
| Sixth Sense Ventures | Fitternity | Healthcare | 72 |
| McKinsey partners and HNIs | Tjori | Ecommerce | 50 |
| Angel Investors | Lo! Foods | Food | 36 |
| edLABS | iDreamCareer (iDC) | Counslutancy | NA |
| Smile Group | Spyne | Counslutancy | NA |
| Das Capital and Gunosy Capital | Faircent | Ecommerce | NA |
| Venture Catalysts | Global eSports | Sports | NA |

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Case Study Analysis of IBC Code Amendments

| Case Study | Interim Finance for Corporate Debtor (CD) as per Section 25 (c) of IBC |
|------------|--|
| Reference | In the matter of M/s Sai Regency Power Corporation Private Limited. NCLT order dated 21 st August 2019 |
| Brief | An application was filed by the RP to seek clarification on the Approved Interim Finance and any cost related to Interim Finance. Two FC namely M/s Edelweiss Assets Reconstruction Company and Axis Bank were reluctant to release the letter of Comfort the lead bank Punjab National Bank who is willing to disburse the Interim Finance to CD. |
| Judgement | Since Interim Finance was approved by the COC as the provision of Section 28 (3) of the IBC, the NCLT ordered each member of the COC having voting power to release their share of the Interim Finance. |

| Case Study | CIRP Application by Operational Creditors (OC) u/s 9 of the IBC |
|------------|---|
| Reference | In the matter of S.A. Consultants & Forwarders Private Limited v. Cargo planners Limited 867 / 2019. NCLT order dated 8th August 2019. |
| Brief | An application allowed was filed by S.A Consultants & Forwarders Private Limited (OC) under section 9 of the IBC, 2016 against Cargo planners Limited (CD) for initiating CIRP. The OC rendered freight services to the CD and was not paid for its services. The OC later served a demand notice as per Section 8 of the code, however no reply was received from the CD within the statutory period of 10 days. The CD stated that the proceeding under section 138 of the Negotiable Instruments Act, 1881 was also pending before the Patiala House Court, New Delhi to point out there is a dispute pending before the parties. |
| Judgement | The NCLT on perusal of the facts, admitted the application for initiating CIRP, Moratorium was declared and IRP was appointed. |

| Case Study | Time line for completion of CIRP |
|------------|---|
| Reference | In the matter of Committee of Creditors of Amtek Auto Ltd. through Corporation Bank. Vs. Dinkar T. Venkatasubramanian & Ors. CA(AT)(Insolvency) No. 219-2019 |
| Brief | <p>Corporate Insolvency Resolution Process of Amtek Auto was initiated on July 24, 2017 by the NCLT and lenders of the company had selected the resolution plans by two firms - UK-based Liberty House Group Pte Ltd., and Deccan Value Investors LP.</p> <p>Later, Deccan Value Investors withdrew from the race and a revised plan of Liberty House was selected by the CoC on April 2, 2018 with 94.20 per cent votes.</p> <p>However, Liberty House backed out from the race and even refused to furnish the performance guarantee and other terms and conditions which were approved.</p> <p>Following this, the CoC encased Liberty House's ₹50 crore Bid Bond Guarantee and requested NCLT to grant another 90 days to the resolution professional (RP) to make another attempt for a fresh process and to debar the UK-based firm.</p> |
| Judgement | NCLAT said there was no scope for going beyond 270 days and starting the process to publish re-advertisement and invite fresh plans etc would defeat the IBC, which mandates time-bound resolution |
| Case Study | Consolidation of CIRP |
| Reference | State Bank of India and Others. v. Videocon Industries Limited and Others 02 / 2018 |
| Brief | <p>Fifteen applications were heard together in this case which were all regarding the consolidation of insolvency process of Videocon Industries. The application was filed by SBI seeking consolidation of the fifteen corporate debtors, who were all a part of Videocon industries. The applications were filed under Sections 7 & 9 of the code respectively after which they were heard together. The applicant submitted that the debtor would be jointly and severally liable for the debt as the debtors have been collectively performing their business activities with absolute interdependence with unity of interest and ownership. It was contended that consolidation of CIRP was necessary as it would also protect the interests of all the corporate debtors. Other parties to the case contended that CIRP should not be consolidated.</p> |
| Judgement | With reference to the contentions of the parties, consolidation of CIRP was ordered for thirteen debtors out of fifteen and the other two debtors were kept out of consolidation, considering their financial status. |

| Case Study | Home buyer as financial creditors |
|------------|--|
| Reference | In the matter of Pioneer Urban Land and Infrastructure Limited and Anr. Vs. Union of India & Ors. Supreme Court Order dated 9th August 2019. |
| Brief | <p>The petitioner also pleaded that unnecessary insolvency petition will lead to commercial death of many good developers if there are no resolution plans or all resolution plans are rejected either by the committee of creditors or by the authorities under the Code, a perfectly solvent firm would then be wound up, which would not be in the interest of anybody</p> <p>The petitioner also pleaded that the home buyers has been provided sufficient safeguard with the enactment of RERA which deals with real estate development projects and must, therefore, be given precedence over the Code, which is only a general enactment dealing with insolvency generally.</p> |
| Judgement | The Supreme Court upheld changes to the Insolvency and Bankruptcy Code (IBC) that allows homebuyers to initiate proceedings under the law against real estate developers in case they default on debt repayments, putting them on par with financial creditors. However, the court also said that vacant posts in the insolvency benches, the appellate bodies and regulatory agencies should be filled in three months and homebuyers can't file cases against developers until then. |

| Case Study | Non Corporation of Erstwhile Management of the Corporate Debtor |
|------------|---|
| Reference | In the matter of Mr. T.V.Balasubramaniam, RP (Gemini Arts (P) Ltd.) 710 / 2017 |
| Brief | The Applicant has filed an application to exclude 180 days of CIRP has the erstwhile management has not allowed the previous RP to proceed with the CIRP by not providing the information about the Corporate Debtor. |
| Judgement | The NCLT has held that, the 180 days of CIRP has been excluded and extended the period for another 180 days with effect from completion of 56 days extension already provided. |

| Stock Indices | Opening (1st Aug'19) | Closing (31st Aug'19) | Change % |
|------------------------------|-------------------------|--------------------------|----------|
| Sensex | 37,387.18 | 37,332.79 | -0.15% ↓ |
| Nifty | 11,060.20 | 11,023.25 | -0.33% ↓ |
| FTSE | 7,586.80 | 7,207.20 | -5.00% ↓ |
| Nikkei | 21,361.58 | 20,704.37 | -3.08% ↓ |
| Dow Jones | 26,879.86 | 26,403.28 | -1.77% ↓ |
| Gold (INR/10 Grams) | 31,757.00 | 32,118.00 | 1.14% ↑ |
| Silver (INR /1 Kg) | 36,735.00 | 36,442.00 | -0.80% ↓ |
| USD (\$) (INR /Dollar) | 71.75 | 68.95 | -3.90% ↓ |
| Euro (€) (INR /Euro) | 78.89 | 76.27 | -3.32% ↓ |
| GBP (£) (INR /British Pound) | 87.25 | 87.89 | 0.73% ↑ |

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



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