

JULY 2023

THE INDCAP NEWSLETTER

INVESTMENT BANKING INSIGHTS & UPDATES



A Indcap Advisors
Enabling Growth | Creating Value

A SEBI registered Category 1 Merchant Banker

www.indcap.in

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DEAL INSIGHT



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

M&A UPDATE

Mergers & Acquisitions

INR in Mn

Buyer	Target Company	Industry	Amount	Stake
Proximus Opal SA	Route Mobile	IT Services & Consulting	59,220	57.56%
HCLTech	ASAP Group	IT Services & Consulting	23,013	NA
Samvardhana Motherson International	Dr. Schneider Group	Automotive	10,823	NA
Syngene International Ltd	Stelis Biopharma	Biopharmaceutical	7,020	NA
Mahindra & Mahindra	RBL Bank	Automotive	4,170	3.53%
Sheela Foam	Furlenco	Home Furnishing	3,000	35%
Corona Remedies	Myoril	Healthcare Industry	2,340	NA
Tata Communications	Oasis Smart SIM Europe SAS	Telecommunications	993	41.90%
Sheela Foam	Kurlon	Home Furnishing	23,299	95%
Bikaji Foods International Ltd	Bhujialalji (P) Ltd	Food Processing	51	49%
Uth Beverage Factory Ltd	HealthXP	Nutrition	Undisclosed	NA
DSM Fresh foods	Dr. Meat	Food Processing	Undisclosed	NA
Swiggy	Lynk Logistics	Online Food Delivery Platform	Undisclosed	NA
Styched	Flatheads	Retail Apparel & Fashion	Undisclosed	NA
Pantomath Financial Services Group	fundgini.com	Finance	Undisclosed	75%
JetSynthesys	KidzByte Media Tech (P) Ltd	Entertainment Media	Undisclosed	51%

Sources: VCCircle ;

INR to USD conversion rate

considered at USD 1 = INR 82.24

PE/VC UPDATE

Private Equity or Venture Capital Deals

INR in Mn

Investor(s)	Company	Industry	Amount
Goldman Sachs	Pharmeasy	Pharmaceutical	25000
Quadria Capital	Maxivision Eye Hospital	Healthcare	13000
Peak XV and Lightspeed Venture	India's AI4Bharat	Artificial Intelligence	9859
Diverse Managers	Insight Partners	Technology	9693
BeyondNetZero	o9 Solutions Inc	Artificial Intelligence	9512
Dai-ichi Life Holdings	RenewBuy	Insurtech	3280
Princeton	Leverage EdTech (P) Ltd.	Education	3200
Tiger Global, Blume Ventures, The Ecosystem Integrity Fund (EIF) and British International Investment (BII)	Battery Smart	Transport	2720
PremjiInvest	Indiejewel Fashions (P) Ltd.	Fashion	2000
Lightspeed Venture Partners	Zluri	Software-as-a-service (SAAS)	1640
Findoc Finvest (P) Ltd.	SmartDukaan	Technology	830
Chiratae Ventures and Qualcomm Ventures	Cavli Wireless	Internet-of-things (IoT)	821
Triple Jump Financial Inclusion Resilience Fund B.V and BlueOrchard Finance Ltd.	Dvara KGFS	Finance	821
QED Investors	Efficient Capital Labs	Software-as-a-service (SAAS)	574
Nexus Ventures, Arkam Ventures, Blume Ventures and Alteria Capital	Smartstaff	Recruitment	507
TRGC and CryptoViet	Shardeum	Technology	411
GMO VenturePartners, GMO Payment Gateway	Bureau	Finance	369

Sources: VCCircle ;

INR to USD conversion rate considered at USD 1 = INR 82.24

DEBT MARKET

Debt Market Insights

Market Snapshot (%)	Current Week	1 month ago	3 months ago	6 months ago	1 year ago
Average Call Rates	6.50	6.80	6.71	6.34	5.06
Average Repo Rates	6.45	6.63	6.70	6.37	5.15
Bank Rate	6.75	6.75	6.75	6.50	5.15
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	6.25	4.90
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	6.72	6.76	6.82	6.47	5.62
182 Day Cut-off Treasury Bill (T-Bill) (Primary) Yield	6.86	6.87	6.97	6.87	5.98
364 Day Cut-off Treasury Bill (T-Bill) (Primary) Yield	6.89	6.87	7.00	6.90	6.33
1-Year Government Securities (G-Sec) Yield	6.91	6.91	6.94	6.87	6.22
5-Year Government Securities (G-Sec) Yield	7.16	7.09	7.02	7.23	7.06
10-Year Government Securities (G-Sec) Yield	7.20	7.13	7.15	7.40	7.33
10-Year Benchmark Yield	7.17	7.10	7.11	7.39	7.29

Sources: The Clearing Corporation of India Limited (CCIL)

U.S. Federal Reserve has increased federal funds rate by 25 basis points to 5.25-5.5%, the highest level since January 2001 and signaled the possibility of further increases ahead.

Yield on the 10-year benchmark paper increased to 7.17% as on 28/07/2023 from 7.09% as on 21/07/2023

MERCHANT BANKING

Market Scenario/Regulatory Updates by SEBI

Particulars	No. of Issues			Amount (INR in Mn.)		
	May	June	July	May	June	July
Public Issues (IPO, FPO)	1	1	4	43,260	6,070	22,230
Public Issues (IPO - SME)	7	17	12	1,570	6,800	3,510
Rights Issues	6	6	8	27,900	1,920	1,780
Public Issues (Debt)	-	4	5	-	5,390	6,740



Trading Window closure period under SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") – Extending framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level to all listed companies in a phased manner:

As per PIT Regulations, a notional trading window shall be used for monitoring the trading by the designated persons. The trading window shall be closed when the compliance officer determines that designated person(s) can be expected to have possession of UPSI. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

SEBI has issued a Circular laying down a framework for developing a system to restrict the trading by Designated Persons (DPs) by way of freezing the PAN at security level during Trading Window closure period. Accordingly, a system has been developed and framework put in place by the Depositories and the Stock Exchanges. The framework was initially made applicable for NIFTY 50 and SENSEX listed Companies, now the framework has been extended to all the listed companies.

MERCHANT BANKING

Market Scenario/Regulatory Updates by SEBI

● Online Processing of Investor Service Requests and Complaints by RTAs

Physical security certificate holders are required to submit various documents to Registrars & Share Transfer Agents for any service request or complaint. SEBI has proposed to digitize the whole process in 2 phases. A mechanism is provided for investors to lodge service requests and online complaints and track status to get periodical updates.

Amendment to Guidelines on Anti-Money Laundering Standards and Combating the Financing of Terrorism /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules Framed there under



SEBI had issued a Master Circular on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT). Later Government of India amended

Prevention of Money Laundering (Maintenance of Records) Rules, 2005. To comply with these amendments and to further enhance the effectiveness of AML/CFT framework, SEBI amended and modified certain provisions of the aforesaid Master Circular.

● Sebi exploring instant trade settlement

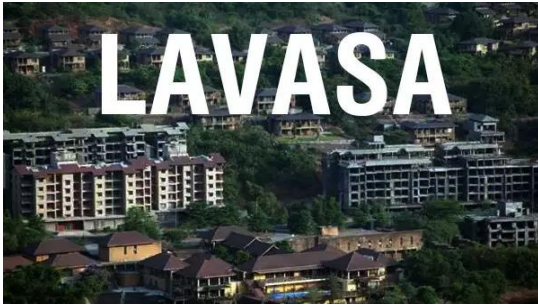
The SEBI is exploring an instant settlement of trades at the stock markets. The market regulator is aiming to bring real-time transaction settlement process by next fiscal. It means trade-related settlements happen within a day or within 24 hours of the actual transaction. Mutual Fund investors will receive the proceeds from their redemptions more quickly.

CASE OVERVIEW



NCLT | NCLAT | Apex Court

National Company Law Tribunal (NCLT)



Lavasa Corporation (“Corporate Debtor”) obtains NCLT approval to the resolution plan submitted by Darwin Platforms Infrastructure Limited aggregating to INR 18,140 Mn

Darwin Platform Infrastructure Limited, promoted by Ajay Harinath Singh has

emerged as the Successful Resolution Applicant for Lavasa Corporation, the company primarily involved in the business of development of private hill station near Pune. *On 21 July 2023, the Mumbai NCLT approved the resolution plan submitted for Lavasa Corporation. The resolution plan was approved with 96.41% of the votes from the COC.* The payout of INR 18,140 million against the claims of over INR 66,420 million will be discharged over eight years which includes INR 9,290 million to lenders and INR 4,380 million on delivering fully constructed homes to home buyers.

NCLT extends deadline for completion of Insolvency of Future Retail to August 17th (dated 20 July, 2023)

NCLT has extended the deadline for completion of insolvency proceedings of debt-ridden Future Retail Ltd (FRL) to August 17, 2023. *The Mumbai bench has allowed the plea of FRL to exclude 33 days from the CIRP.*

Earlier in April, the NCLT bench had granted FRL an extension of 90 days till July 15, 2023 for concluding the CIRP.

NCLT approves resolution plan for Pune based real estate corporate debtor DS Kulkarni Developers Ltd. amounting to INR 10,800 Mn

The Mumbai bench of NCLT approved the resolution plan submitted by consortium of Ashdan Properties Private Limited, Classic Promoters and Builders (P) Ltd. and Atul Builders for DS Kulkarni Developers Ltd. which was admitted into CIRP in September 2019. *The resolution plan provided for recovery of 40% of the claims amounting to INR 26,764.70 Mn.*

NCLAT

National Company Law Appellate Tribunal (NCLAT)



IDBI Bank moves NCLAT on ZEE (dated 20 July 2023)

IDBI Bank moved the National Company Law Appellate Tribunal (NCLAT), challenging a National Company Law Tribunal order of 19 May, that rejected IDBI Bank's plea to initiate insolvency proceedings against Zee Entertainment Enterprises (ZEE). The case has been filed with the court registrar but is yet to be listed for hearing.

IDBI Bank's claim against ZEE arises out of a debt service reserve account (DSRA) guarantee that it alleged ZEE provided to secure loans provided by IDBI Bank to Siti Networks Ltd—both were part of Essel Group.

The Mumbai bench of the National Company Law Tribunal had earlier reserved its order on the proposed merger between Zee Entertainment Enterprise and Sony Pictures. The merger has faced opposition from financial creditors due to unpaid dues.

RP has the right to ask Adjudicating Authority for release of attached goods which were under the attachment of GST and Excise Department (Pradeep Kumar Kabra (Resolution Professional of Cengries Tiles Limited) vs Assistant Commissioner, CGST & Central Excise, dated 04 July 2023)

In the instant case, some inventory of the Corporate Debtor was attached by the CGST and Central Excise department prior to start of the CIRP process due to non payment of dues. The RP filed an application under section 60(5)(c) of IBC with NCLT for passing an order for release of the inventory. The NCLT rejected the application stating that it had no jurisdiction to issue direction to the State Authorities about the action which are taken prior to the CIRP and asked RP to approach proper forum. Aggrieved by the order, the RP preferred an appeal before the NCLAT.

The NCLAT upon hearing both the sides held that NCLT has committed error in rejecting application filed by RP, by holding that NCLT has no jurisdiction to issue direction to the State Authority. Further, NCLAT set aside the order of NCLT and directed to release the attached assets in question.

APEX COURT

The court with the supreme judicial authority and the highest court of the country

Insolvency Law Will Prevail Over Electricity Act, Says Supreme Court

**| Paschimanchal Vidyut Vitran Nigam Ltd. Vs. Raman Ispat (P) Ltd. & Ors. |
(Dated 17 July 2023)**

The Insolvency and Bankruptcy Code overrides the provisions of the Electricity Act, 2003, the Supreme Court said.

The dispute pertained to unpaid electricity dues that Raman Ispat (P) Ltd. owed to Paschimanchal Vidyut. This led PVVNL to get an order of attachment of Raman Ispat's property in its favour.

Subsequently, Raman Ispat went into liquidation, and its liquidator argued before the tribunal that the attached property be released immediately, as whatever dues are owed to PVVNL will be distributed in accordance with the IBC. The NCLAT agreed with the liquidator's view and ordered the release of the property with immediate effect.

This prompted PVVNL to approach the apex court. It argued before the court that the Electricity Act exercised primacy over IBC and that it could opt to stay out of the liquidation process and recover its dues independently under the act.

However, the top court was not inclined to accept this argument and held that provisions of the Electricity Act cannot have primacy over the IBC.

The court concluded by saying that PVVNL, which is undisputedly a secured creditor in this case, is entitled to its dues in accordance with the IBC mechanism, and the same shall be adjudicated upon within 10 weeks.

MARKETS & COMMODITIES



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

AN OVERVIEW

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

Stock Indices	Opening (INR) (1st July, 2023)	Closing (INR) (31st July, 2023)	Change %
Sensex	64,836.16	66,527.67	2.61%
Nifty	19,246.50	19,753.80	2.64%
FTSE	7,527.26	7,699.41	2.29%
Nikkei	33,517.60	33,172.22	-1.03%
Dow Jones	34,369.78	35,559.53	3.46%
Gold (INR / 10 Grams)	58,189.00	59,447.00	2.16%
Silver (INR / 1 Kg)	69,075.00	75,227.00	8.91%
USD (\$) (INR / Dollar)	82.06	82.24	0.22%
Euro (€) (INR / Euro)	89.54	90.62	1.21%
GBP (£) (INR / British Pound)	104.08	105.74	1.59%

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

INDCAP OPPORTUNITIES



Current Buy/Sell Opportunities

OPPORTUNITIES

Buy/Sell Opportunities in various Industries

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
Aquaculture Feed	West Bengal	Globally recognized manufacturers of high quality Aquaculture feed products	<ul style="list-style-type: none"> > Must be involved in manufacturing of animal and/or aquaculture feed products in India
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

ABOUT INDCAP & OUR SERVICES



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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
- > 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
- > 4 offices in India and global alliances

OUR SERVICES

Sophisticated and Customized Solutions



Corporate Advisory

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



Mergers & Acquisitions

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



Debt Resolution Advisory

Corporate & Strategic Debt Restructuring |
Settlements | Insolvency Resolution
Advisory



Capital Raising Solution

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



Capital Market Services

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

EVENTS AT INDCAP

Key highlights in the month of July 2023

Indcap at Conferences



Indcap's Promoter Director, Mr. Samir Agarwal, acting as a moderator in the conference organised by TiECon Kolkata 2023 conducted on 10th July, 2023 with esteemed speakers Ravi Todi (Shrachi Group) and Sidharth Pansari (Primarc Projects) on the topic of 'Reinitiating Growth in Family Businesses'

Successful Mandates

Indcap Advisors (P) Ltd. Acted as advisors to BTL EPC Ltd. For the successful acquisition of McNally Bharat Engineering Company Ltd. under the IBC Process.

Indcap Advisors (P) Ltd. has successfully completed the debt syndication for a Company operating a multispecialty hospital chain based out of NCR.

SEBI registered

Indcap Advisors (P) Ltd. is happy to announce that we are now a **SEBI REGISTERED CATEGORY 1 MERCHANT BANKER**



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