

May 2025

THE INDCAP NEWSLETTER

INVESTMENT BANKING INSIGHTS & UPDATES



A Indcap Advisors
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A SEBI registered Category I Merchant Banker

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CONTENT

Page No.

1-7

Monthly Update

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

8-11

Case Overview

Supreme Court | NCLAT

12-13

Markets/ Commodities

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

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
Avaada Ventures Pvt. Ltd.	Avaada Energy Pvt. Ltd.	Renewable Energy	~ 6,638	3%
Global Power Synergy Public Co. Ltd. sold a 3% stake in Avaada Energy Pvt. Ltd. to Avaada Ventures Pvt. Ltd. for a total consideration of \$79 million to align with its strategy to support the expansion of renewable energy and improve project management efficiency in India , as well as facilitate better recognition of investment returns				
Nexus Select Mall Management Pvt. Ltd.	MBD group Ltd., MBD Complex	Hospitality	~ 4,984	100%
Nexus Select Mall Management Pvt. Ltd. acquired MBD Complex from MBD Group for a total consideration of \$59.3 million primarily to expand its retail real estate portfolio and strengthen its presence in North India				
Waaree Energies Ltd.	Kamath Transformers Pvt. Ltd.	Manufacturing	~ 2,930	100%
Waaree Energies Ltd. entered into a share purchase agreement to acquire Kamath Transformers Pvt. Ltd. for total consideration of \$34.3 million to bolster its manufacturing capabilities and strengthen its supply chain for renewable energy projects				
Chalet Hotels Ltd.	Lakeview Mercantile Company Pvt. Ltd.	Hospitality	~ 1,369	100%
Chalet Hotels Ltd. entered into a definitive agreement to acquire Lakeview Mercantile Company Pvt. Ltd. for a total consideration of \$16.0 million, the owning company of an over 15 acres of beachfront land in Bambolim, North Goa. This land comes with the potential to develop a 170 room luxury resort				
Saraswati Commercial India Ltd.	Precision Wires India Ltd.	Mining, Materials & Industrial Goods	~ 453	0.6%
Saraswati Commercial India Ltd. is acquiring a minority stake in Precision Wires India Ltd. for a total consideration of \$5.30 million (INR 453 million) increasing it's stake to c.1.8%				
Indus Towers Ltd.	JSW Green Energy Eight Ltd.	Renewable Energy	~ 380	26%
Indus Towers Ltd. entered into an agreement to acquire 26% stake in JSW Green Energy Eight Ltd. for total consideration of \$4.4 million (INR 380.4 million) primarily to procure renewable energy from a solar PV plant under captive mode, supporting their green energy goals and Net Zero objectives				

INR in Mn

Sources: VCCEdge ; INR to USD conversion rate considered at USD 1 = INR 85.5

PE/VC UPDATE

Private Equity or Venture Capital Deals

INR in Mn

Investor(s)	Company	Industry	Amount
Hero FinCorp Ltd., Edelweiss Financial Services Ltd., Raamdeo Ramgopal Agrawal, Motilal Oswal	Zepto Pvt. Ltd.	E-Commerce	~ 29,890
<p>Zepto Pvt. Ltd. is raising \$350 million (INR 29.9 billion) funding from Motilal Oswal, CEO of Motilal Oswal Financial Services, Raamdeo Agrawal, Chairman at Motilal Oswal Financial Services Ltd., Edelweiss and Hero Fincorp. The transaction will be done through secondary share sales. This transaction is expected to provide a partial exit to offshore investors of Zepto.</p>			
General Catalyst Group Management	PB Healthcare Services Pvt. Ltd.	Healthcare	~18,480
<p>PB Healthcare Services Pvt. Ltd. raised \$218 million (INR 18.4 million) in a seed round of funding from General Catalyst and others. As a part of the transaction, General Catalyst invested \$50 million, and the remaining \$106 million came from institutional investors and individuals.</p>			
Norwest Venture Partners & Mope Investment Advisors Pvt. Ltd.	IKF Finance Ltd.	Financial Services	~ 14,650
<p>IKF Finance Ltd. raised \$172.12 million (INR 14.7 billion) funding from Norwest and Motilal Oswal Alternates. The transaction was a mix of both primary capital and secondary transactions. As a part of the transaction, Norwest invested \$100 million.</p>			
360 One Asset Management Ltd., Ivycap Ventures Trust Fund III, SWC Global Fund, L.P.	Snitch Apparels Pvt. Ltd.	Fashion	~ 2,745
<p>Snitch Apparels Pvt. Ltd. is raising \$32.7 million (INR 2.8 billion) funding from 360 One Asset Management Fund, SWC Global and IvyCap Ventures.</p>			
Motilal Oswal Financial Services Ltd.	Archian Foods Pvt. Ltd.	Consumer Goods	~ 1,993
<p>Archian Foods Pvt. Ltd. is raising \$23.72 million (INR 2.0 billion) in a Series B round of funding from Motilal Oswal.</p>			

Sources: VCCEdge ; INR to USD conversion rate considered at USD 1 = INR 85.50

DEBT MARKET

Debt Market Insights

Market Snapshot (%)	Current Week	1 month ago	3 months ago	6 months ago	1 year ago
Average Call Rates	5.81	5.81	6.33	6.71	6.56
Average Repo Rates	5.73	5.70	6.29	6.65	6.51
Bank Rate	6.25	6.25	6.50	6.75	6.75
Cash Reserve Ratio (CRR)	4.00	4.00	4.00	4.50	4.50
RBI-Liquidity Adjustment Facility (LAF) Repo Rate	6.00	6.00	6.25	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	5.62	5.90	6.45	6.49	6.85
182 Day Cut-off Treasury Bill (T-Bill) (Primary) Yield	5.63	5.95	6.60	6.66	7.01
364 Day Cut-off Treasury Bill (T-Bill) (Primary) Yield	5.63	5.95	6.54	6.65	7.04
1-Year Government Securities (G-Sec) Yield	5.68	6.00	6.56	6.66	7.03
5-Year Government Securities (G-Sec) Yield	5.90	6.16	6.66	6.78	7.05
10-Year Government Securities (G-Sec) Yield	6.24	6.39	6.77	6.80	7.03
10 Year Benchmark Yield	6.26	6.39	6.72	6.78	6.99

Sources: The Clearing Corporation of India Limited (CCIL) *data available for week ended 30th May 2025

Other key highlights:

- Real GDP or GDP at Constant Prices is estimated to attain a level of ₹188.0 lakh crore in FY 2024-25, against the First Revised Estimates (FRE) of GDP for the FY 2023-24. GDP at Current Prices is estimated to attain a level of ₹330.7 lakh crore in the FY 2024-25, against ₹301.2 lakh crore in FY 2023-24, showing a growth rate of 9.8%.
- FDI rose to a three-year high of \$81 billion in 2024-25 and is expected to grow further.
- India's fiscal deficit for FY25 stood at ₹15.8 trillion, 100.5% of the revised annual target, according to the provisional data released by the Controller General of Accounts (CGA).

MERCHANT BANKING

Market Scenario

Particulars	No. of Issues in the month of May	Amount (INR in Mn)
Public Issue (IPO)	6	8,982.9
Public Issues (IPO – SME)	13	618.9
Rights Issues	17	5,387.3
Public Issues (Debt)	-	-

Regulatory Updates by SEBI

SEBI: Publishing Investor Charter for KYC (Know Your Client) Registration Agencies (KRAs) on their Websites

In order to facilitate investor awareness about various activities where an investor/client has to deal with KRAs for availing Investor Service Requests, SEBI has developed an Investor Charter for KRAs, inter-alia, detailing the services provided to Investors, Rights of Investors, various activities of KRAs, Dos and Don'ts for Investors and Grievance Redressal Mechanism. In this regard, all the registered KRAs shall take necessary steps to bring the Investor Charter, to the notice of existing and new investors by way of:

- Disseminating the Investor Charter on their websites / through email;
- Displaying the Investor charter at prominent places in offices, etc.

These disclosure requirements are in addition to those already mandated by SEBI.



SEBI Consultation Paper on Separate carve out for Voluntary Delisting of Public Sector Undertakings

The Securities and Exchange Board of India has released a consultation paper on Separate carve out for Voluntary Delisting of Public Sector Undertakings. The objective of this consultation paper is to seek comments / views / suggestions from the public on creating a separate carve out for voluntary delisting under SEBI (Delisting of Equity Shares) Regulations, 2021 (hereinafter referred to as “Delisting Regulations”) for public sector undertakings, where the shareholding of promoter / promoter group equals or exceeds 90% of the total issued shares. Public Comments are solicited on the aforesaid proposals.

MERCHANT BANKING

SEBI revises REITs, InvITs disclosure norms for offer documents

The SEBI revised the disclosure requirements for Real Estate Investment Trusts and Infrastructure Investment Trusts, related to financial information in offer documents and post-listing disclosures. Under the new rules, REITs and InvITs issuing offer documents or follow-on offers must disclose audited financial statements for the last three financial years and a stub period, if applicable. For initial offers, audited combined financial statements of the REIT and InvIT shall be disclosed in the offer document / placement memorandum. SEBI also specified additional disclosures, which will be included as a part of the audited financial information and shall also be subjected to audit. These include project-wise operating cash flows, contingent liabilities and commitments as of the date of the latest financials.

SEBI mandates e-book mechanism for private debt securities above Rs 20 Crores

The SEBI has made the electronic book mechanism mandatory for all private placement debt issues of Rs 20 crore or above and expanded the platform's scope to include REITs and InvITs. Under the new framework, the use of the EBP platform is now mandatory for private placements of debt securities, non-convertible redeemable preference shares (NCRPS), and municipal bonds, where the issue size is Rs 20 crore or more, including single, shelf, and subsequent issues within a financial year. Earlier, the mechanism was mandatory for all private placements of debt securities with an issue size of Rs 50 crore or more. SEBI has extended products on the EBP platform to infrastructure investment trusts (InvITs) and real estate infrastructure trusts (REITs). Before that, there was no specific regulatory provision.



SEBI updates audit committee norms for MIIs

SEBI revised norms on the composition of audit committee and internal audit mechanism at market infrastructure institutions (MIIs). The regulator said the audit committee of the MII should not have any executive director including the managing director. The auditors of the MII and the key management personnel (KMP) would have a right to be heard in the meetings of the audit committee when it considers the auditor's report but would not have the right to vote. Further, whenever required, the KMPs could be invited to attend the audit committee meetings with the permission of the chair but would not have the right to vote. SEBI also said, MIIs should conduct internal audit of functions and activities at least once in a financial year. Besides, internal auditor should be an independent audit firm and report only to the audit committee.

MERCHANT BANKING

Caution to Investors on Stock Market Scams through Social Media Platforms

The SEBI has observed that some entities are using Social Media Platforms (SMPs) to entice and deceive gullible investors in the securities market, and they use strategies to induce investors into trusting them by gaining their confidence. SEBI advised investors to deal with only SEBI registered intermediaries and through authentic trading apps. Investors are advised to verify the status of registration of entities with SEBI at <https://www.sebi.gov.in/intermediaries.html> before investing and to carry out Investors are advised to deal with only SEBI registered intermediaries and through authentic trading apps. Investors are advised to verify the status of registration of entities with SEBI. SEBI vide this Press Release cautioned investors about the rampant frauds and scams being carried out by unscrupulous entities and the means with which investors can protect themselves while carrying out transactions in the securities market by dealing with SEBI registered intermediaries.



SEBI Circular for the appointment, reappointment, termination or acceptance of resignation of specific Key Management Personnel (KMPs) and Public Interest Directors (PIDs)

The SEBI, vide this circular has prescribed the norms for the appointment, reappointment, termination or acceptance of resignation of specific Key Management Personnel (KMPs) of a Market Infrastructure Institution (MII), Cooling-off period for KMPs of an MII joining a competing MII and provision relating to re-appointment of Public Interest Directors (PIDs). The provisions of the circular shall be applicable from the 90th day of issuance of the circular. It is prescribed that the MII shall engage an independent external agency to identify and recommend suitable candidates for appointment as e Compliance Officer (CO), Chief Risk Officer (CRiO), Chief Technology Officer (CTO) and Chief Information Security Officer (CISO) or by whatever designations called. The Agency shall submit its recommendations to the Nomination and Remuneration Committee (NRC) of the MII. Further, provided that the Governing Board of an MII shall prescribe the mechanism for a cooling-off period for KMPs (including the MD) of the MII joining a competing MII as a KMP. Based on approval of the Board, it has been prescribed that in case the existing PID after completion of his first term is not considered for re-appointment by the Governing Board of the MII, the rationale for the same shall be recorded and informed to SEBI.

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

CASE OVERVIEW



SUPREME COURT | NCLT | NCLAT

SUPREME COURT

SUPREME COURT OF INDIA

National Spot Exchange Limited vs. Union of India & Ors.

Case Background:



- National Spot Exchange Limited (NSEL), a commodities exchange, faced a severe payment crisis in 2013, defaulting on investor payments amounting to thousands of crores. In response, the Ministry of Corporate Affairs (MCA) invoked Section 396 of the Companies Act, 1956, ordering a forced merger of NSEL with its parent company, Financial Technologies India Ltd. (FTIL). FTIL and its shareholders strongly opposed this move, arguing that the merger was arbitrary and illegal, as FTIL was not involved in NSEL's operations or liabilities. They contended that forcing the merger unfairly burdened FTIL and its shareholders with debts they were not responsible for.

Main issue Raised:



- Whether the government had the authority to unilaterally order a forced merger between NSEL and FTIL without the consent of FTIL and its shareholders.
- Whether such a forced amalgamation violated the constitutional rights of FTIL's shareholders, particularly the right to equality under Article 14 and the right to carry on business under Article 19(1)(g).
- Whether due process and principles of natural justice were observed before issuing such a drastic government order.

The Supreme Court struck down the government's forced merger of National Spot Exchange Limited with Financial Technologies India Ltd., emphasizing that shareholder rights and corporate autonomy must be protected even when public interest is involved. The ruling clarified that forced amalgamation is an extreme remedy that requires strict adherence to due process and cannot be imposed arbitrarily.

Observations and Decision:



- The Supreme Court undertook a careful examination of the scope of Section 396 of the Companies Act. It noted that the power to order amalgamation was meant to be exercised sparingly and only in cases where it is necessary to prevent fraud or injustice. The Court found that the government failed to demonstrate why the drastic step of forced amalgamation was justified.
- Importantly, the Court underscored that the rights of minority shareholders and the autonomy of companies cannot be ignored. It held that the merger was arbitrary because it effectively punished FTIL and its shareholders for NSEL's failures, despite FTIL having no involvement in the crisis.
- The Court further observed that no adequate opportunity was given to FTIL or its shareholders to be heard, thus violating the principles of natural justice. The merger order also failed to balance the interests of all stakeholders, focusing solely on investor compensation at NSEL's expense.

Final Ruling:



The Supreme Court **set aside the amalgamation order** issued by the Ministry of Corporate Affairs. It held that:

- The forced amalgamation was unconstitutional and violated fundamental rights under the Indian Constitution.
- The government cannot override corporate autonomy and shareholder rights without due cause and process.
- Such orders must be proportional, fair, and backed by strong justification.

SUPREME COURT

SUPREME COURT OF INDIA

Kalyani Transco vs. Bhushan Power and Steel Ltd. & Ors.

Case Background:



- Bhushan Power and Steel Ltd. (BPSL), once a leading steel manufacturer, fell into financial distress and was admitted into the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code (IBC), 2016. JSW Steel emerged as the successful resolution applicant after submitting a resolution plan approved by the National Company Law Tribunal (NCLT).
- Despite approval, JSW Steel did not implement the resolution plan for more than two years. No legal injunctions or regulatory impediments prevented JSW from executing the plan. Operational creditors, including Kalyani Transco, raised concerns over this delay, arguing that the prolonged inaction defeated the very purpose of the IBC, which aims at swift resolution and revival of insolvent companies.

Main issue Raised:



- The key legal question was whether the successful resolution applicant can indefinitely delay the implementation of an approved resolution plan without valid justification. The case also examined if courts and tribunals should permit such delay when it frustrates the resolution process and harms creditors.

This landmark judgment reinforced the principle that time is of the essence in insolvency resolution. The Court held that delay by resolution applicants in implementing approved plans violates the purpose of the Insolvency and Bankruptcy Code and will result in liquidation of the company to protect creditors' interests and uphold the integrity of the resolution process.

Observations and Decision:



- The Supreme Court stressed the importance of **time-bound insolvency resolution** under the IBC to maximize value for all stakeholders and promote economic stability. The Court noted that allowing an indefinite delay by the resolution applicant undermines the Code's objective of speedy resolution and may cause unnecessary losses to creditors.
- The Court found JSW Steel culpable for failing to act on the approved plan within a reasonable timeframe. It held that the resolution applicant cannot treat approval as a mere formality and then postpone performance indefinitely.
- The Court further clarified that the approval of the resolution plan imposes binding obligations on the successful applicant, and courts cannot tolerate a breach that nullifies the Code's efficacy.

Final Ruling:



- The Supreme Court firmly emphasized the need for timely implementation of resolution plans under the Insolvency and Bankruptcy Code (IBC). It held that once a resolution plan is approved, the successful applicant is legally obligated to execute it within a reasonable time.
- The Court found that JSW Steel's delay of over two years, without any valid legal reason, was unacceptable and frustrated the purpose of the IBC—to ensure swift resolution and protect creditors' interests. Allowing such delays would undermine confidence in the insolvency process and cause financial harm to stakeholders.
- Therefore, the Court ordered the **liquidation of Bhushan Power and Steel Ltd.**, ruling that failure to implement the plan amounted to a breakdown of the resolution process. This decision underscores that resolution applicants must act promptly, or risk losing their claim to revive the company.

National Company Law Appellate Tribunal (NCLAT)

Essar (India) Ltd. vs. Prabhat Technologies (India) Ltd.

Case Background:



Essar (India) Ltd., a major industrial conglomerate, was involved in a legal dispute with Prabhat Technologies (India) Ltd., a technology services company, during the Corporate Insolvency Resolution Process (CIRP) initiated under the Insolvency and Bankruptcy Code (IBC), 2016. The issue arose when an operational creditor had initiated insolvency proceedings against Prabhat Technologies on account of alleged unpaid operational debt. Essar (India) Ltd. challenged the admission of these insolvency proceedings, contending that the debt was disputed and the procedural requirements for initiating insolvency had not been duly followed.

Main issue Raised:



The primary legal questions in this appeal were:

- Whether there existed a **pre-existing dispute** between the parties regarding the alleged operational debt, which would bar the admission of the insolvency petition.
- Whether the operational creditor had complied with the mandatory **procedural requirements**, specifically the service of a proper **demand notice** under Section 8 of the IBC, which is essential before filing an application under Section 9.

Essar (India) Ltd. successfully challenged the insolvency proceedings against Prabhat Technologies (India) Ltd., citing a genuine pre-existing dispute and procedural lapses by the creditor. The NCLAT ruled that insolvency cannot be used as a recovery tool where disputes exist, reinforcing protections for corporate debtors.

NCLAT Observations and Decision:



The NCLAT closely examined the facts and documents submitted, particularly the correspondence and communications exchanged prior to the insolvency petition.

- It was observed that a genuine dispute existed between Essar and Prabhat Technologies concerning the quality of goods and services and the quantum of the debt claimed.
- The tribunal noted that this dispute predated the issuance of the demand notice, which is crucial as the IBC does not allow insolvency proceedings if there is a bona fide dispute.
- Furthermore, the NCLAT found lapses in the procedural compliance by the operational creditor, especially in not serving the demand notice properly, violating the mandatory requirements of Section 8 of the IBC.

Final Ruling



The NCLAT ruled in favor of **Essar (India) Ltd.**, holding that a **pre-existing dispute** existed regarding the debt, and the operational creditor **failed to properly serve the mandatory demand notice** under Section 8 of the IBC.

As a result, the tribunal:

- **Set aside** the NCLT's admission of the insolvency application,
- **Dismissed** the case as **non-maintainable**,
- And reiterated that the IBC cannot be used to recover disputed claims.

This ensured protection for the corporate debtor from improper use of insolvency proceedings.

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 May, 2025)	Opening (INR) (1 st May, 2025)	Change %
Sensex	81,451.0	80,502.0	1.2%
Nifty	24,740.7	24,346.7	1.6%
FTSE	8,772.4	8,596.4	2.1%
Nikkei	37,965.1	36,452.3	4.2%
Dow Jones	42,270.1	40,753.0	3.7%
Gold (INR/10 Grams)	94,790.0	92,592.0	2.4%
Silver (INR/1 Kg)	96,996.0	94,386.0	2.8%
USD (\$) (INR/Dollar)	85.5	84.7	1.0%
Euro (€) (INR/Euro)	97.0	95.5	1.6%
GBP (£) (INR/British Pound)	115.1	112.4	2.4%

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

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ABOUT US

Indcap Advisors (P) Ltd.

Executed more than INR 5,00,000 Mn in various transactions 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
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