

# HyMA

An update on Hyderabad Mergers & Acquisitions

A fortnightly E-Newsletter from  
Lakshmikumaran & Sridharan Attorneys

**INDIA**



Artistic Representation of  
Charminar. at Charminar Rd,  
Char Kaman, Ghansi Bazaar,  
Hyderabad, 500002

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## Celebrity investments in India

The investment landscape in India has seen a growing trend of celebrities—actors, sportspersons, and influencers—investing in startups often in sectors aligned with their public image, such as wellness, beauty, fashion, food & beverages, and online gaming platforms. These investments not only diversify their portfolios but also allows them to leverage their personal brands in new and impactful ways. However, these investments bring with them a host of legal obligations and strategic considerations, especially when the brand is unique or tied closely to the celebrity's image.

Unlike traditional endorsements, celebrities' investment in equity instruments changes the public perception from viewing the celebrities as a mere endorser of the brand to the genuine backer/user of the products or service. These investments often align with the celebrity's personal brand value. Nevertheless, a celebrity must evaluate the startups business model, customer base, and growth trajectory realistically and select a brand which compliments their image and further association enhances their long-term brand equity.

However, mere equity holding does not entitle the startups to publicize celebrity's involvement. The celebrity must retain the right to approve any use of name, likeness, or affiliation, ideally through image rights agreement. The line between endorser and the investor blurs if not negotiated properly creating compliance risks under the Guidelines for Prevention of Misleading Advertisements and Endorsements, 2022 issued under the Consumer Protection Act, 2019. These guidelines require a clear and prominent disclosure of 'material connection' with the brand including equity ownership, profit-sharing arrangements, or any other form of consideration required under the Guidelines.

An investment in startups may also create conflicts with existing or future endorsement deals agreed or to be agreed by a celebrity. An ongoing association with a fast-moving consumer goods (FMCG) brand may create commercial and

contractual difficulty to invest in startup, direct to consumer competitor. This overlap can lead to reputational risk or breach of exclusivity or non-compete, depending upon the structure of the endorsement contracts.

To mitigate such exposure, investment and endorsement agreements should include strong morality clauses and reputational exit rights, allowing celebrities to withdraw from the brand if it engages in illegal, unethical, or publicly damaging conduct. Image rights must also be contractually secured to prevent any post-termination use of the celebrity's name or likeness, ensuring they retain control over their public association and can avoid unwanted linkage to a brand whose values no longer align with theirs.

Since, celebrities now invest for brand synergy rather than pure financial returns, an ambiguous exit roadmap can lead to complications if the brand diverges from its original identity or faces reputational challenges. The commercial terms such as put options, buyback clauses, and tag-along rights are critical to ensure that the investor retains flexibility and control in instances of shifting brand direction, reputational risks, or changes in ownership and offering a clear path for exit. While an Initial Public Offerings (IPO) also serves as another rewarding exit route, offering liquidity, while expanding the brand's public credibility, given the regulatory hurdles and market dependencies, IPO is usually viewed as a long-term possibility rather than a guaranteed outcome.

A celebrity investment is no longer mere endorsements but a strategic investment with legal and commercial consequences. A celebrity offering credibility and market visibility to the brand at a cost equivalent to its reputation remains exposed and must be protected accordingly. Therefore, celebrities must carefully evaluate the potential risks and rewards of such investments, ensuring alignment with their personal brand values and long-term goals. **[The article is authored by Corporate and M&A Team at Lakshmikumaran & Sridharan Attorneys, Hyderabad]**

## Hyderabad Angels floats ₹100-cr fund HAF to support growth stage start-ups

Hyderabad Angels has announced the launch of a ₹100 crore fund named Hyderabad Angels Fund (HAF) to invest in early and growth-stage startups across India. The fund will focus on sectors including deeptech, healthtech, fintech, and enterprise SaaS, and aims to support 25–30 startups over the next three to four years. Managed by SEBI-registered professionals, HAF will also allow contributions from its 300+ angel members. The initiative marks Hyderabad Angels' transition into a structured venture capital fund.

[Source: [Hindu Business Line](#), 4 April 2025]

## Accenture acquires Hyderabad-based deeptech firm TalentSprint

Accenture has acquired Hyderabad-based deeptech education firm TalentSprint in a move aimed at strengthening its talent development in advanced technologies such as AI, machine learning, and data science. TalentSprint, known for its partnerships with top academic institutions and its tech-focused upskilling programs, will support Accenture's workforce transformation initiatives. The acquisition reinforces Accenture's strategy to invest in specialized digital talent across India.

[Source: [The New Indian Express](#), 23 April 2025]

## MSN Labs eyes acquisitions in CDMO, generics space

MSN Laboratories, part of the \$1.2 billion MSN Group, is actively pursuing acquisitions in the Contract Development and Manufacturing Organization (CDMO) and generics sectors to address gaps in its therapeutic portfolio. The company is considering deals up to ₹2,000 crore, aiming to enhance its capabilities in high-demand areas such as oncology, injectables, and biosimilars. This strategic move aligns with the growing global demand for Indian pharmaceutical services, driven by factors like the US-China trade tensions and the increasing need for diversified supply chains. MSN's expansion plans also include establishing a manufacturing unit and R&D center in Telangana's Green Pharma City, as part of a broader initiative involving other major pharma companies.

[Source: [Times of India](#), 19 April 2025]

## Telangana to set up Future City Development Authority

The Telangana government has launched the Future City Development Authority (FCDA) to oversee a 765 sq. km smart city project in Ranga Reddy district, near the Rajiv Gandhi International Airport. The initiative aims to build a net-zero carbon city with advanced infrastructure, electric transport, and zones like AI City, Pharma Hub, and Clean Energy Innovation Zone. The project will span 56 revenue villages across seven mandals and is positioned as a global model for sustainable urban development. TSIIC will lead the creation of industrial clusters, while HMDA's expanded jurisdiction will support integrated regional growth.

[Source: [Deccan Chronicle](#), 13 March 2025]

### Citizens Financial Group to set up its GCC in Hyderabad with Cognizant

Citizens Financial Group, a prominent U.S.-based financial institution, has partnered with Cognizant to establish its first Global Capability Center (GCC) in Hyderabad. This center is expected to employ 1,000 IT and data analytics professionals by March 2026, focusing on enhancing Citizens' digital transformation, enterprise platforms, and data-driven decision-making capabilities. The collaboration aims to reduce reliance on external vendors and accelerate the delivery of innovative banking products.

[Source: [Business Standard](#), 15 April 2025]

### IBM to anchor country's maiden Quantum Valley at Amaravati

IBM, in collaboration with TCS and IIT Madras, will anchor India's first Quantum Valley in Amaravati, Andhra Pradesh, as part of a proposed DeepTech Research Park. Set to host the country's largest quantum computer by 2026, the initiative aligns with the National Quantum Mission and aims to position Andhra Pradesh as a hub for quantum research and innovation. The center will focus on applications across finance, healthcare, logistics, and security.

[Source: [The Hindu Business Line](#), 2 May 2025]

### Contact Us

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