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Green Revolution: How India Went “Ship-to-Mouth” to Grain Surplus in a Single Generation



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Summary:

Global economy is facing increasing uncertainty due to trade tensions and market volatility. US President is intensifying this instability by initiating trade wars with both allies and adversaries, using tariffs to counter what he considers unfair trade practices. US and China have already entered into economic brinksmanship over it which should result into increasing inflation and recession risks for at least US and China. The BSE Sensex closed at 77,415 gaining by 5.76% and the Nifty 50 closed at 23,519 gaining by 6.30% in March, pausing after a six-session rally that erased their 2025 losses, however uncertainty over U.S. reciprocal import tariffs kept investors cautious. (At the time of writing this, Tariff wars have wiped out most of the gains).

Key M&A and PE Deals include Zydus Lifesciences Limited acquiring controlling stake in French Orthopedics Firm Amplitude Surgical SA for over €256.8 million and DCDC Health Services Private Ltd (DCDC) raising Rs. 150 Crores from ABC Impact, the Asia-focused impact investor backed by Temasek.

Economic Update:

US Tariff War II:

- The global economy is facing increased uncertainty due to trade tensions, market volatility, and geopolitical risks. The US President is intensifying this instability by initiating trade wars with both allies



and adversaries, using tariffs to counter what he considers unfair trade practices. His goals include boosting U.S. manufacturing, increasing revenue, and leveraging tariffs in negotiations.

Liberation Day:

- April 2, 2025, a day the US President called "Liberation Day", he signed an executive order imposing a minimum 10% tariff on all US imports with elevated tariffs on 57 nations and limited exceptions.
- The general tariffs took effect on April 5, 2025.
- Import tariffs on the 57 nations, ranging from 11% to 50%, began on April 9, 2025.

How Reciprocal Tariffs are being calculated:

- When Trump presented a giant cardboard chart detailing the tariffs in the White House Rose Garden it was initially assumed that the charges were based on a combination of existing tariffs and other trade barriers (like regulations).

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}$$

- But later, the White House published what might look like a complicated mathematical formula.

Trump's tariff rates explained



- But if you unpick the formula above it boils down to simple math: take the trade deficit for the US in goods with a particular country, divide that by the total goods imports from that country and then divide that number by two.
- For example, the US buys more goods from China than it sells to them - there is a goods deficit of \$295bn. The total amount of goods it buys from China is \$440bn.
- Dividing 295 by 440 gets you to 67% and you divide that by two and round up. Therefore, the tariff imposed on China is 34%.
- Similarly, when it applied to the EU, the White House's formula resulted in a 20% tariff.

Impact:

- The Nasdaq fell from 20,204 to 17,398 in just 32 trading sessions, a staggering 14% decline in just over a month. That drop officially pushed the index into bear market territory (defined as a decline of 20% or more from recent highs). And it's not just the Nasdaq. The Dow Jones and S&P 500 also saw sharp pullbacks. The CBOE Volatility Index (VIX), which measures market fear, surged to 45.3, the highest level since April 2020 when COVID first roiled markets.
- In total, the U.S. market has lost over \$6 trillion in value in just two days, more than 1.5X India's GDP.
- After days of turmoil since tariffs were first revealed, global markets initially recovered some ground on 8th April, 2025 as senior US officials attempted to reassure investors that new tariffs – including rates of 20% on the European Union, 26% on India and 49% on Cambodia – could be temporary.
- But the bounce didn't last long. On Wall Street, the benchmark S&P 500 closed down 1.6%, at 4,982.77 – below 5,000 for the first time in more than a year – as the Dow Jones industrial average fell 0.8%. The technology-focused Nasdaq Composite also came under pressure, dropping 2.2%.

Reactions:

- Trump claimed “many” countries were seeking a deal with Washington, as his administration prepared to impose steep tariffs on goods from dozens of markets.
- However, Beijing vowed to “fight to the end” after Trump threatened to hit Chinese exports with additional 50% tariffs if the country proceeds with plans to retaliate against his initial vow to impose tariffs of 34% on its products. That would come on top of the existing 20% levy and take the total tariff on Chinese imports to 104%.
- The latest tariffs are higher than the previous 10% flat rate imposed on all global imports to the US and are tailored to specific countries based on a formula that has been criticized by economists that divides trade in goods deficit by twice the total value of imports.

Way Ahead:

- Prominent figures have urged the US president to pause trade tariffs citing risks of economic nuclear winter.
- Tariffs have increased inflation risk for the average Americans and heightened probability of US entering recession in coming year.
- Goldman Sachs said there is a 45% probability of the US entering a recession within the year; after estimating a 35% probability a week before, Trump unveiled his tariff plans at “Liberation Day”.
- As on date the question that everyone is wondering is that is the US president serious about cutting deals and bringing an end to the economic brinkmanship or are we looking at a new protectionist era of global trade? Hopefully it happens to be the earlier one.
- Anyways, tariff wars between US and China once again might prove beneficial for India as many MNCs may again revert to a “China +1” strategy which involves moving production out of China and into other countries (the +1) to minimize tariffs & geopolitical risks & to reduce dependency on Chinese production.

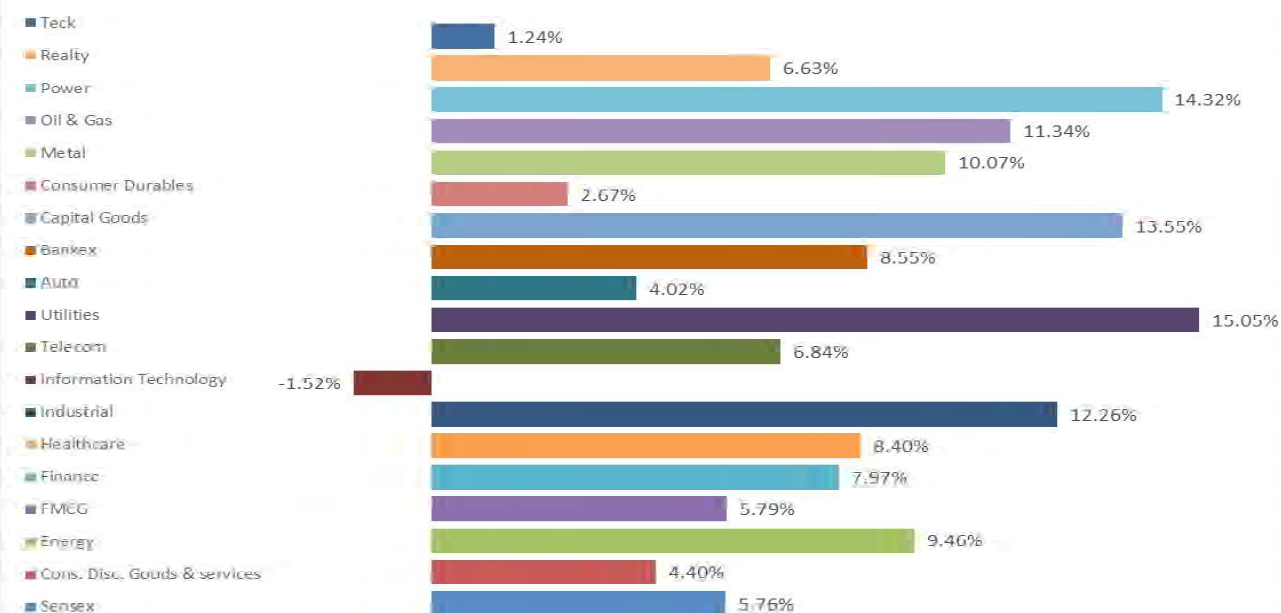
Secondary Market Update:

- The BSE Sensex closed at 77,414.92 gaining by 5.76% and the Nifty 50 closed at 23,519.35 gaining by 6.30% in March 2025, pausing after a six-session rally that erased their 2025 losses, as uncertainty over U.S. reciprocal import tariffs kept investors cautious. (However, At the time of writing this US Tariff wars have drained most of the gains)
- Market gains were driven by foreign inflows, stock purchases, and positive economic indicators, but volatility persisted due to earnings concerns and tariff risks.
- On the BSE, 2,501 stocks declined, 428 hit 52-week lows, and 354 reached their lower circuit, reflecting broad market weakness
- According to NSDL data, FPIs have sold shares worth Rs 6027.77 Crores in the secondary market during March 2025. This follows their sale of shares worth Rs 41748.97 Crores in February 2024.

- Merchandise trade deficit increased to \$79.2 billion in Q3FY25 from \$71.6 billion during Q3FY24.
- India's external sector is also experiencing pressure. The country has witnessed net FPI outflows of \$ 22 bn since Oct 2024, contributing to a \$ 50 bn decline in forex reserves, now standing at \$ 654 bn.
- Net services receipts increased to \$51.2 billion in Q3FY25 from \$45 billion a year ago. Services exports have risen on a y-o-y basis across major categories such as business services, computer services, transportation services and travel services.
- According to the latest CareEdge Global Economy Update March 2025, the economic landscape is marked by trade wars, rising gold prices, and currency fluctuations influencing growth prospects worldwide.



Equity Markets	Feb-25	March-25	% Change
BSE Sensex	73,198.10	77,414.92	5.76%
Nifty 50	22,124.70	23,519.35	6.30%
BSE 500	31,296.85	33,579.22	7.29%
BSE Healthcare	38,211.72	41,421.50	8.40%
BSE IT	36,679.01	36,122.71	-1.52%
BSE FMCG	18,382.82	19,447.48	5.79%
BSE Metal	28,004.41	30,824.72	10.07%

Performance of BSE Indices in % in March 2025

Primary Market Update:

There were Nomain board IPOs in March 2025 against 04 main board IPOs in February 2025. There were 07 SME IPOs in March 2025 as against 06 SME IPOs in February 2025.

After heightened activity in 2024, there has been a slowdown in new listings, with no main-board IPOs hitting the market in the past three weeks due to a correction in the secondary market.

This slowdown in market is reflected in IPO activities, as only five companies went public in January and four in February, compared to 16 listings in December 2024. This shift follows a remarkable 2024 in which 91 maiden public issues collectively raised Rs. 1.6 lakh crore, driven by robust retail participation, a resilient economy, and booming private capital expenditure.

Funds Mobilization by Corporates (Rs. In Crore)

Particulars	Jan-25	Feb-25
I. Equity Issues	13,653	18,345
a. IPOs (i+ii)	3,066	14,745
i. Main Board	2,078	13,905
ii. SME Platform	987	840
b. FPOs	0	0
c. Equity Rights Issues	507	768
d. QIPs/PPs	3,961	0
e. Preferential Allotments	6,119	2,832
II. Debt Issues	68,527	83,623
a. Debt Public Issues	770	297
b. Private Placement of Debt	67,757	83,326
III. REITs/ InvITs	6,876	0
a. REITs	0	0
b. InvITs	6,876	0
Total Funds Mobilized (I+II+III)	89,055	1,01,968

Mergers and Acquisitions (M&A) and Private Equity (PE) key deals:

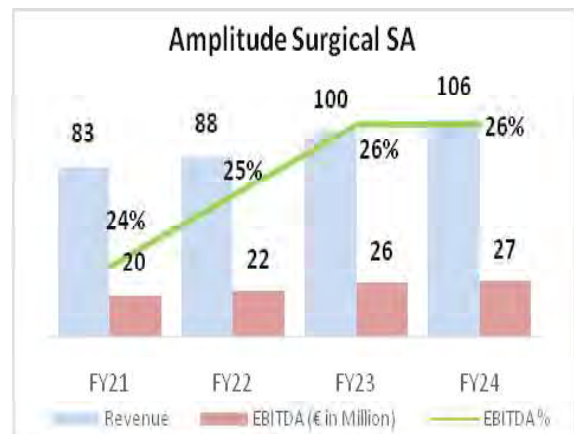
M&A: Zydus Lifesciences Limited acquires controlling stake in French Orthopedics Firm Amplitude Surgical SA for over €256.8 million.

Transaction:

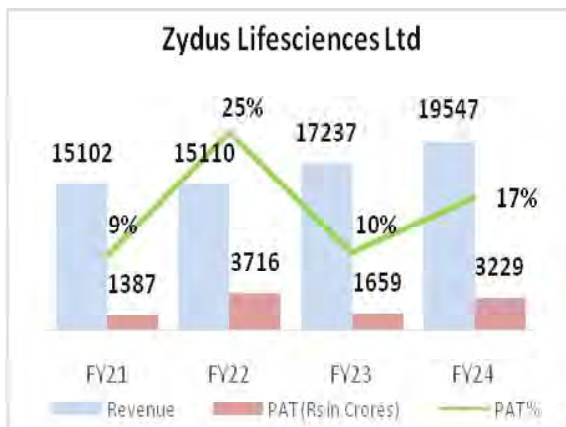
- Zydus Lifesciences Limited has entered into exclusive negotiations to purchase a controlling stake of 85.6% in France-based Amplitude Surgical SA for a deal valued at €256.8 million (over Rs. 2,400 crore).
- Zydus will file a mandatory cash tender offer for the remaining shares of Amplitude at the same purchase price of €6.25 per share, potentially leading to a full acquisition valued at €300 million (Rs. 2,850 crore) and subsequent delisting from Euronext Paris.
- Zydus Life will make a mandatory offer to buy shares via a simplified cash tender offer for the balance 14.4% stake for 43.2 million euros.

About Amplitude Surgical SA:

- Amplitude Surgical is a European MedTech leader in lower-limb orthopaedic technologies, specialising in the design and development of knee and hip prostheses, which are implanted in place of damaged or worn-out joints.



- The company has also been expanding internationally through its units in more than 30 countries. As of June 2024, Amplitude Surgical had 428 employees.



- Supported by PAI Partners, through its Mid-Market Fund, Amplitude Surgical has experienced significant growth over the last four years, driven by new product development, international growth, investments in manufacturing capabilities, and R&D.

About Zydus Lifesciences Limited:

- Established in 1995 Cadila Healthcare following the split of Cadila Laboratories, division managed by Mr. Pankaj Patel, was renamed Cadila Healthcare, which was renamed Zydus Life in Feb 2022.
- Zydus Life is one of the leading pharmaceutical companies in India. It also has a growing presence in the regulated markets, particularly the US, and is one of the top 5 players in the US generics market in terms of prescriptions. Its other segments include emerging markets formulations, consumer wellness, animal healthcare and bulk drugs.
- The group has a network of manufacturing facilities which comprises of 18 formulation manufacturing units, 1 animal health unit, 6 bulk drug manufacturing units, 3 biologics units, 6 vaccine units and 4 consumer product facilities. Moreover, the company has eight R&D centers. As on September 30, 2024, 74.98% stake in Zydus Life was held by the promoters.

Rationale:

- Zydus Lifesciences's MD, Mr. Sharvil Patel, said that in Amplitude Surgical, they saw several

medium-term & long-term growth opportunities with respect to portfolio, capabilities, manufacturing, & geographies.

- With this move Zydus would be making a foray into the global MedTech space, adding that they wanted to offer services beyond just medicines, whether it was medical devices that were highly technologically oriented or companion diagnostics areas, where they felt better patient outcomes could be seen.
- Zydus sees significant opportunities for the growth of medical devices, both domestically and overseas, and was eyeing three segments - orthopedics, interventional cardiology, and nephrology.
- Mr. Patel pointed out that there was currently a high burden of imports versus exports in India and that there was a significant skew toward a large number of imports related to medical devices and medical technology. He added that while India's exports were growing, there was still a large opportunity to scale up.
- He further stated that although there were a few medical devices companies in existence, none had yet achieved the scale and size that one would aim for. He believed that over the next five to seven years, they saw a significant opportunity to grow and build a very sizable medical device business in the three mentioned areas, through both organic and inorganic means.
- Zydus may introduce Amplitude's products to the Indian market. At present, Amplitude has no presence in India.
- The acquisition price is at 80.6% premium over the last closing price as of March 10, and premiums of 88.2% and 92.2% over the 3-month and 6-month volume-weighted average price of Amplitude Surgical, respectively.
- The Indian orthopedic limb implants market, valued at \$791.4 million in 2023, is projected to reach \$1,256.3 million by 2030, driven by factors such

as an ageing population and an increase in orthopedic disorders.

PE: DCDC Health Services Private Ltd (DCDC) raised Rs. 150 Crores from ABC Impact, the Asia-focused impact investor backed by Temasek.

Transaction:

- DCDC Kidney Care, which operates dialysis centers under the DCDC Kidney Care brand, has secured an investment of Rs. 150 crore from Singapore-based ABC Impact, the Asia-focused impact investor backed by Temasek.

About DCDC Kidney Care:

- Founded in 2009, DCDC operates over 200 centers across India & is one of the foremost operators of dialysis clinics under public-private partnerships (PPP) & company-owned standalone clinics.
- DCDC counts IFU, a Danish Government owned investment fund; and ADB (Asian Development Bank) among its existing shareholders.
- Since 2021, it has significantly expanded, delivering nearly 100,000 dialysis sessions per month.

About ABC Impact:

- ABC Impact is a Pan-Asia impact investment firm built on the UN Sustainable Development Goals focused on driving sustainable growth and delivering measurable social and environmental impact.
- With over \$ 900 Million in AUM across 2 funds, the firm employs a disciplined, thematic investment strategy to identify and scale high-potential businesses.

Rationale:

- The investment from ABC Impact will support DCDC's expansion plans, facilitating the rollout of over 150 new clinics across the country in the coming months.
- With this investment, DCDC plans to expand our network of company-owned centers, ensuring last-mile connectivity and making high-quality dialysis care accessible closer to patients' homes. DCDC also plans to address this challenge and extend their solutions to countries beyond India.
- In December 2024, DCDC secured debt of Rs 82 crore from British International Investment (BII), the UK's development finance institution and impact investor.
- In 2014, DCDC raised \$ 5 Mn in Series A Funding round from CDC Backed Pragati India. And in 2018, in Series B Funding round DCDC raised \$ 10 Mn from Asian Development Bank.
- On average, Patients in India must travel up to 50 km to access a dialysis center. This expansion will help address the growing need for accessible, affordable dialysis services for those with ESRD in line with the Ayushman Bharat Yojna.

Acknowledgements: RBI Bulletin (www.bulletin.rbi.org.in), SEBI (www.sebi.gov.in), NSE (www.nseindia.com), BSE (www.bseindia.com)

“Food is the moral right of all who are born into this world.”