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Summary:

COP29, held in Baku, was the 29th United Nations Climate Change, aimed to implement further measures to limit global warming to 1.5°C, emphasizing the urgent need for investment in climate action. In December 2024, the BSE Sensex fell 2.08% to 78,139, and the Nifty 50 declined 2.01% to 23,645, driven by weakness in IT and banking stocks. Investor sentiment was dampened by global and domestic challenges, including geopolitical tensions, U.S. election uncertainties, Federal Reserve concerns, rising inflation, slower GDP growth, and a depreciating rupee.

Key M&A and PE Deals include Metropolis Healthcare acquiring Core Diagnostics for \$29 Million, and Insulation panel manufacturer, EPACK Prefab raising \$20 million from GEF Capital Partners.

Economic Update:

- The International Monetary Fund (IMF) upgraded India's GDP projections by 20 basis points to 7 percent, from previous estimate of 6.8 percent in April, reflecting carryover from upward revisions to growth in 2023 and improved prospects for private consumption, particularly in rural areas.



- For the year 2025, the IMF projected India's growth rate at 6.5 per cent. It attributed robustness and strength in domestic demand and a rising working-age population behind its growth projections.
- With this, India continues to maintain its position as the fastest-growing economy among emerging markets and developing economies.

COP-29:

- COP29, held in Baku, was the 29th United Nations Climate Change, aimed to implement further measures to limit global warming to 1.5°C, emphasizing the urgent need for investment in climate action.
- COP-29 began on a controversial note as it was held in Azerbaijan, one of the major oil and gas producer with an alarming human rights record. Also, many pointed out that several official partners of COP29 being businesses directly owned by President of Azerbaijan Ilham Aliyev, or tied to the Aliyev family's businesses.
- Simon Steill gave the opening address, with a warning that "We mustn't let 1.5 slip out of reach. And even as temperatures rise, the implementation of our agreements must claw them back."
- The International Energy Agency expects global clean energy investment to exceed USD 2 trillion for the first time in 2024.
- COP29 reached agreement on carbon markets, whereby countries agreed on the final building blocks that set out how carbon markets will operate under the Paris Agreement, making country-to-country trading and a carbon crediting mechanism fully operational.

Capital Market

- Countries also agreed a decision on gender and climate change, extending the enhanced Lima Work Programme on Gender and Climate Change for another 10 years, reaffirming the importance of gender equality and advancing gender mainstreaming throughout the convention.
- The proposal to increase the financial support to developing nations for climate-related projects, from the previous target of USD 100 billion annually to USD 300 billion annually by 2035, as a part of global efforts to help vulnerable countries transition to a low-carbon economy, mitigate climate impacts, and adapt to the changing climate.
- The COP-29 Secure efforts of all actors to work together to scale up finance to developing countries, from public and private sources, to the amount of USD 1.3 trillion per year by 2035.
- The conference concluded with a new finance goal as an insurance policy to help countries to protect their people and economies against climate disasters, and share in the vast benefits of the clean energy boom.

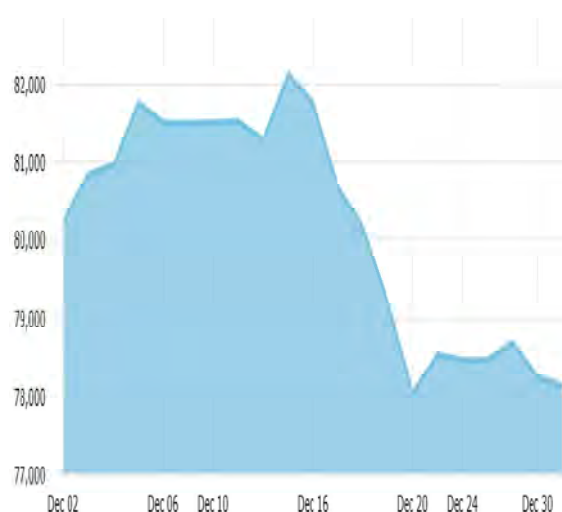
India's plea – Too little, Too Distant:

- India at the closing plenary of the UN climate conference, fiercely rejected the paltry \$ 300 billion climate finance package for the Global South, calling it "too little, too distant".
- The USD 300 billion figure is far cry from the USD 1.3 trillion the Global South has been demanding

over the past three years of talks to tackle climate change.

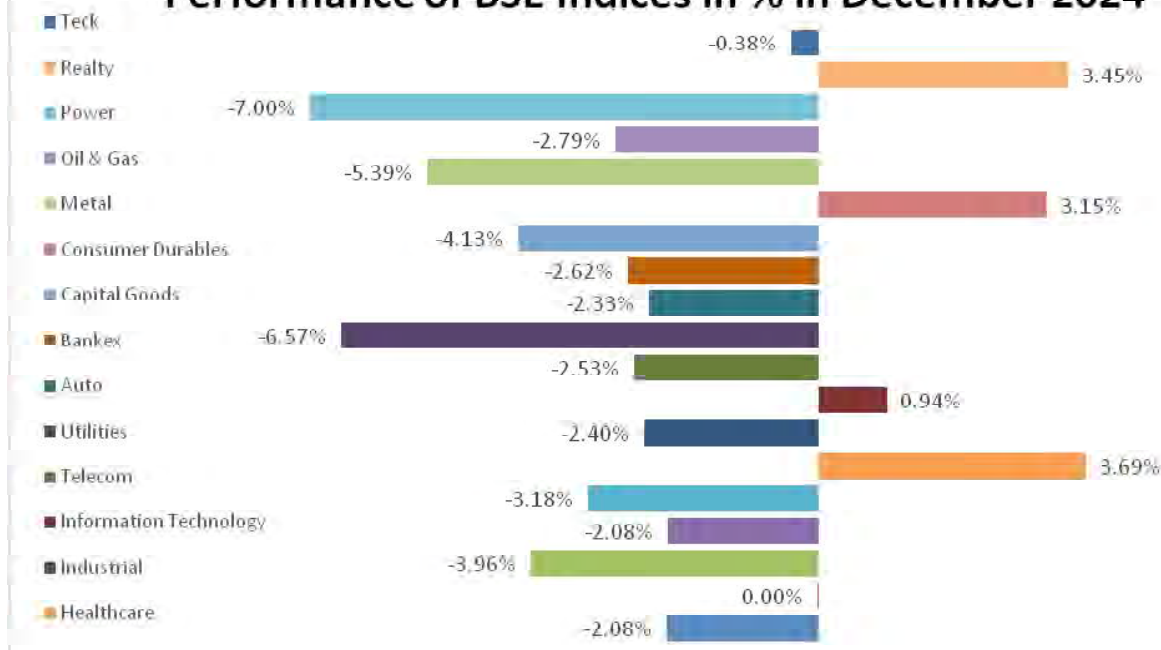
Secondary Market:

- The BSE Sensex closed at 78,139 down by 2.08% and the Nifty 50 closed at 23,645 down by 2.01% in December 2024, amid weakness in IT and select banks.
- From a sector perspective, leading gainers were Information Technology (+6%), Teck (+5%) Consumer Durables (+3%), and Capital Goods (+2.5%) while Utilities (-6.5%), Power (-4.5%) and Energy (-3.5%) went down.
- Foreign portfolio investors (FPIs) turned net buyers during the month and invested Rs. 17,045 crores into Indian equities, primarily through IPOs and Qualified Institutional placements, and Rs. 8,404 crores in debt markets.
- The data highlighted that the net FPI inflows sharply plunged from Rs. 1.71 lakh crore in 2023 to just Rs. 2,026 crores in 2024, driven by elevated valuations prompting investors to redirect their investment to attractively valued Chinese equities.
- The dampened investor sentiment was collectively driven by a mix of global and domestic factors like heightened geopolitical tensions Israel and Iran conflict, US Presidential election, Federal Reserve policy concerns, Rising inflation and slower GDP growth and depreciating rupee.



Equity Markets	Nov-24	Dec-24	% Change
BSE Sensex	79,803	78,139	-2.08%
Nifty 50	24,131	23,645	-2.01%
BSE 500	35,726	35,189	-1.50%
BSE Healthcare	43,666	45,277	3.69%
BSE IT	42,783	43,188	0.94%
BSE FMCG	21,213	20,772	-2.08%
BSE Industrial	15,279	14,912	-2.40%
BSE Auto	52,898	51,663	-2.33%
BSE Teck	19,552	19,478	-0.38%

Performance of BSE Indices in % in December 2024



Primary Market Update:

There were 15 main board IPOs in December 2024 of Suraksha Diagnostics Limited, as One Mobikwik Systems Limited, Sai Life Sciences Limited, Vishal Mega Mart Limited, Inventurus Knowledge Solutions LIMITED, International Gemmological Institute India Limited, Transrail Lighting Limited, Mamata Machinery Limited, Concord Enviro Systems Limited, Sanathan Textiles Limited, DAM Capital Advisors Limited, Senores Pharmaceuticals Limited, Xarraro India Limited, Ventive Hospitality Limited and UNimech Aerospace & Manufacturing Limited against 08 main board IPOs in November 2024. There were 07 SME IPOs in December 2024 as against 01 SME IPOs in November 2024.

Mamata Machinery Limited:

About the Company	Incorporated in April 1979, Mamata Machinery Limited manufactures and exports machines for making plastic bags, pouches, packaging, and extrusion equipment. The company provides manufacturing solutions for the packaging and caters to FMCG, Food, & Beverage industries in 75+ countries. In March 2024, the company reported a revenue of Rs. 237 crore and a profit after tax (PAT) of 36 crore.
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Funds Utilization	The company will not receive any proceeds from the public issue, and the entire fund will go to the selling shareholders, after deducting IPO-related expenses.
Selling Shareholders	The company's promoters Mahendra Patel, Nayana Patel, Bhagvati Patel, Mamata Group Corporate Services LLP, and Mamata Management Services LLP sold their stakes in the public offering.
Objective	To gain the listing benefits of equity shares on the stock exchanges, boost its visibility and brand image, provide liquidity to its shareholders, and establish a public market for the shares.
IPO Performance	The Rs. 179 Crore IPO was entirely an offer for sale. The issue was over subscribed over 195 times, with Non-Institutional investors subscribed the most at 274 times to the issue. Shares of Mamata Machinery Limited made a bumper debut on the bourses on December 27, and got listed at Rs 600 on both BSE and NSE, i.e. a premium of 147% percent over the issue price of Rs 243.

Funds Mobilization by Corporates (Rs. In Crore)

Particulars	Oct-24	Nov-24
I. Equity Issues	54,616	49,507
a. IPOs (i+ii)	34,981	35,849
i. Main Board	33,757	35,729
ii. SME Platform	1,224	120
b. FPOs	0	0
c. Equity Rights Issues	670	417
d. QIPs/PPPs	15,589	11,190
e. Preferential Allotments	3,376	2,051
II. Debt Issues	76,752	67,758
a. Debt Public Issues	670	218
b. Private Placement of Debt	76,082	67,540
III. REITs/ InvITs	694	0
a. REITs	0	0
b. InvITs	694	0
Total Funds Mobilized (I+II+III)	1,32,062	1,17,265

Mergers and Acquisitions (M&A) and Private Equity (PE) key deals:**M&A: Metropolis Healthcare to acquire Core Diagnostics for \$29 Million, strengthening leadership in Cancer testing****Transaction:**

- Metropolis Healthcare Limited, India's second-largest pathology chain acquires 100% stake in oncology-focused diagnostic services provider Core Diagnostics for Rs 246.8 Crore.
- The acquisition will take place through a combination of cash and stock, with 55% of the transaction in cash around Rs. 135.76 crore, funded through internal accruals and debt, and 45% through a preferential issue and allotment of equity shares of the company.
- After the acquisition is completed, Core Diagnostics will become a wholly owned subsidiary of Metropolis Healthcare.

About Core Diagnostics Private Limited:

- Founded in 2012, the company specializes in diagnostic services, particularly in the field of oncology operating in 200+ cities, 9 labs and provides 1300+ high end tests in India.

- It also operates through franchisee network across 10+ countries in Asia, Africa, and the Middle East.
- The company was backed by PE firms like Artiman Ventures, F-Prime Capital Partners and Eight Roads Ventures.

About Metropolis Healthcare Limited:

- Established in 1981, head quartered in Mumbai, the diagnostic chain has a strong presence in South and western India, 3 union territories and 650+ towns in India offering 4,000+ advanced tests for the diagnosis of cancer, neurological disorders, infectious diseases and various genetic abnormalities.
- It operates through a robust network of 190+ laboratories, 4000+ collection centers across 7 countries including India, Sri Lanka, Uganda, Zambia, Kenya, Mauritius and Ghana.

Rationale:

- Geographical Synergy: The acquisition will help Metropolis leverage Core Diagnostics' existing relationships with 1600 cancer specialists and tie-ups with oncology hospitals, expanding its footprint in northern and eastern India.

INR (Cr.)	Metropolis	Core	Combined
Total Revenue*	1,189	110	1,299
Specialty Revenue	440	93	533
Specialty as a % Contribution	37%	85%	41%

Oncology Reach	Metropolis	Core	Combined
Oncology Sales Team	30	100	130
Oncologist Connect	600	1,600	2,200

- Specialized Capabilities: It will enhance Metropolis Healthcare's portfolio in advanced cancer testing, and boost its market share in the specialized diagnostics market with the addition of high-end testing, and also oncology testing contribution to rise from 4% to 10% and specialized test contribution to 41% from 37% of Metropolis's revenues.
- Cost Synergies: Merging of overlapping labs, procurement efficiency, logistics synergy and overhead cost optimization will lead to better EBITDA levels.
- Cross Selling: Wide opportunity to diversify the portfolio and reach a broader client base by

offering non-oncology tests to Core diagnostic hospital and labs, while cross-selling to Core's specialized oncology tests to MHL's clients.

- Core Diagnostics registered revenue of INR 110 crore in FY 2023-24. The deal was valued at 1.6x its FY25(E) revenue and 2.2x of FY24 revenue.
- In Oct 2021, Metropolis Healthcare acquired Chennai based Hitech Diagnostic Centre (Hitech) and its subsidiary Centralab Healthcare Services, based in for Rs. 636 crore.
- The Indian cancer market is rapidly growing and is expected to expand at a CAGR of 17.5% from 2023 to 2028, driven by rising cancer incidences, technological advancements, improved healthcare access, and increased awareness.

PE:EPACK Prefab raises \$20 million from GEF Capital Partners to boost modular construction.

Transaction:

- EPACK Prefab secured USD 20 million in the first funding round, led by GEF Capital Partners, global private equity fund.
- This funding underscores EPACK Prefab's commitment to sustainability, leveraging modular construction technologies with a significantly lower carbon footprint compared to traditional methods.

About EPACK Prefab:

- Established in 1999, EPACK Prefab manufactures PEB, prefabricated modular structures and insulation products, with a strong emphasis on sustainability and fast construction methods.
- The end-to-end PEB solutions cater to a broad range of industries, including warehousing, aviation, healthcare, education, and data centres with 7409+ projects execution to its credit.

About Investor:

- Formed in 2018, through a corporate spin-out from Global Environment Fund, GEF Capital Partners is a PE fund in the climate growth investment spectrum, investing in middle-market opportunities.
- The portfolio investments of the fund includes Hero Motors, Electra EV, Premier Energies, 3SC and Seedworks.

Rationale:

- The capital infusion will enhance the company's manufacturing capacity at its advanced facilities in Greater Noida, Ghiloth in Rajasthan, and Mambattu in Andhra Pradesh. Collectively, these have an annual production capacity of over 133,924 metric tonnes.
- The investment will enhance production capabilities, accelerate new product development, and fund energy-efficient, prefabricated construction technologies, with a strong focus on sustainability.
- The funds will support the company's nationwide growth and expansion into international markets, positioning it as a leader in rapid building solutions.
- Reflecting its commitment to fast and eco-friendly building processes, EPACK Prefab recently set a benchmark by constructing one of India's fastest buildings in just 150 hours at its Mambattu facility in Andhra Pradesh, showcasing the power of prefabricated construction.
- Prefabricated buildings offer environmental benefits, such as waste reduction and better air quality during construction, while also significantly shortening build time, making them a more efficient and eco-friendly option.
- It also demonstrates a 47% reduction in GHG emissions and a 60–62% savings in electricity consumption for heating and cooling, attributed to the use of efficient building methods and polyurethane insulation.
- The increasing urban population and government initiatives like PMAY are driving demand for prefabricated buildings, particularly in affordable housing projects, making them an essential solution for rapid urbanization.
- According to reports, The Prefabricated construction industry in India is expected to grow at a CAGR of 13.5% from INR 1,146 billion in 2024 to reach INR 1,904.8 billion by 2028.

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