

PROMETHEUS FINSIGHTS

Monthly Newsletter of the Prometheus Finance Club, Alliance University

NEWS & FEATURES

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Quotes For The Month

- "The stock market is filled with individuals who know the price of everything, but the value of nothing." - Phillip Fisher
- "I never attempt to make money on the stock market. I buy on the assumption that they could close the market the next day and not reopen it for ten years." - Warren Buffett
- "You must gain control over your money or the lack of it will forever control you." - Dave Ramsey

RBI Insights as on October 29, 2021

POLICY RATES:

Policy repo rate: 4.00%

Reverse repo rate: 3.35%

Marginal standing facility rate: 4.25%

Bank Rate: 4.25%

RESERVE RATIOS:

Cash reserve Ratio: 4.00%

Statutory liquidity ratio: 18.00%

LENDING / DEPOSIT RATES:

Base rate: 7.30% - 8.80%

MCLR (overnight): 6.50% - 7.00%

Savings Deposit Rate: 2.70% - 3.00%

Term Deposit rate >1 year: 4.90%-5.50%

Source: <https://www.rbi.org.in/>

Exchange Rates

AS ON OCTOBER 29, 2021

Currency	INR
INR / 1 USD	74.9818
INR / 1 GBP	103.3215
INR / 1 EUR	87.3894
INR / 100 JPY	65.9472

Source: <https://www.x-rates.com/>

Indices of Stock Market

PRICES AS ON OCTOBER 29, 2021

Name	Current Value	Change	% Change
Sensex	59265.63	-719.07	-1.2 %
Nifty 50	17668.4	-188.9	-1.06 %
Nifty Banks	38972.6	-536.3	-1.36 %
Nifty Mid-cap 100	30,384.00	109.90	0.36 %
Nifty 100	17,951.95	-76.15	-0.42 %
Nifty IT	34598.5	-315.1	-0.9 %
S&P BSE Small Cap	27893.4	-196.57	-0.7 %

WPI August would be released on next month

Source: <https://bit.ly/3iz3Yie>

Investor's Corner

TOP GAINERS / LOSERS AS ON OCTOBER 29, 2021 AS PER SENSEX

TOP GAINERS

Company Name	Last Price	% Gain
Canara Bank	216.75	10.93 %
Interglobe Avi	2,170.65	8.64 %
Bharat Elec	214.05	6.86 %
Lupin	937.6	6.33 %
United Spirits	947.65	6.17 %

TOP LOSERS

Company Name	Last Price	% Loss
RBL Bank	183	-8.98 %
IRCTC	859.2	-5.94 %
Dixon Technolog	5,019.95	-2.72 %
Kotak Mahindra	2,042.35	-2.68 %
NTPC	133.7	-2.66 %

Source: <https://bit.ly/3a7pcz1>

Trending News

MORGAN STANLEY DOWNGRADES INDIA EQUITIES ON HIGH VALUATION, FOLLOWS NOMURA, UBS; STAYS STRUCTURALLY POSITIVE

India share market bulls may take a breather for the next three to six months as expensive valuations limit returns on Dalal Street, according to Morgan Stanley. Global brokerage firm Morgan Stanley has downgraded India equities to equal-weight in its recent Asia Emerging Market strategy note, after similar downgrades by Nomura and UBS recently. Recently, domestic markets have been under pressure after hitting all-time highs as inflation concerns and expensive valuations take center stage.

Read more at: <http://bitly.ws/imdY>

TESLA'S M-CAP SURPASSES \$1 TRN AFTER BAGGING MEGA ORDER

Tesla Inc surpassed \$1 trillion in market value on 26th October after landing its biggest ever order from car rental company Hertz, a deal that reinforced the electric car leader's ambitions to top the entire auto industry in sales over the next decade. Tesla shares surges as much as 14.9% to \$1045.02, making it the world's most-valuable automaker according to calculations based on its latest filing. Tesla is the first carmaker to join the elite club of trillion-dollar companies that includes Apple Inc., Amazon.com Inc, Microsoft Corp and Alphabet Inc(Google).

Read more at: <http://bitly.ws/im8e>

BANKS SANCTION RS.11,168 CR UNDER CREDIT OUTREACH PROGRAMME

Banks have sanctioned loans worth Rs11,168 crore to about 2 lakh borrowers under the credit outreach programme, Finance Minister Nirmala Sitharaman said on Tuesday. Under the programme, banks have been holding special camps across various parts of the country to sanction loans to eligible borrowers as per the prudential norms.

Read more at: <http://bitly.ws/im8J>

OLA CARS TO HIRE 10000, EYES \$2-BILLION VALUATION

Ola cars will hire 10,000 people as it eyes a market leadership position with \$2 billion GMV(gross merchandise value) over the next 12 months. Earlier, this month, the Bengaluru based company half announced the launch of its vehicle commerce platform that enables customers to buy new and pre-owned vehicles through the Ola app.

Read more at: <http://bitly.ws/im9c>

FOREX RESERVES UP BY \$1.492 BN TO \$641 BN

The country's foreign exchange reserves rose by \$1492 billion to reach \$641.008 billion in the week ended October 15, RBI data showed. In the previous week ended October 8, the reserves had increased by \$2.039 billion to \$639.516 billion.

Read more at: <http://bitly.ws/imjt>

FINANCE MINISTRY APPROVES 8.5% RETURN ON PF DEPOSITS FOR FY21

The finance ministry has given its go ahead to 8.5% rate of interest on provident fund deposit for 2020-21 paving way for the Employees' Provident Fund Organisation to credit the interest in accounts of over 60 million beneficiaries. The move is expected to bring some cheer a week ahead of Diwali.

Read more at: <http://bitly.ws/im55>

IMF CHIEF ECONOMIST GITA GOPINATH TO QUIT

The 49- year old Indian-American Economist had joined the International Monetary Fund as the Chief Economist in January 2019. Mysuru-born Gopinath is the first-ever woman Chief Economist of the IMF. She was also the director of the Research Department of the IMF.

Read more at: <http://bitly.ws/im6r>

NPCI UNVEILS TOKENIZATION OF RUPAY CARDS FOR SAFETY

The National Payments Corporation of India (NPCI) on October 20th, 2021 announced the tokenization system for RuPay cards to enhance the safety of card data. The NPCI Tokenisation System(NTS) is to support tokenization of cards as an alternative to storing card details with merchants, NCPI said.

Read more at: <http://bitly.ws/im7u>

Industry Analysis

INTRODUCTION

Power is among the most critical component of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. To meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In May 2018, India ranked fourth in the Asia Pacific region out of 25 nations on an index that measured their overall power. India was ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity as of 2018. India ranked sixth in the list of countries to make significant investments in clean energy at US\$ 90 billion. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

MARKET SIZE

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

By 2022, solar energy is estimated to contribute 114 GW, followed by 67 GW from wind power and 15 GW from biomass and hydropower. The target for renewable energy has been increased to 227 GW by 2022.

In FY22 (until June 2021), the total thermal installed capacity in the country stood at 234.05 GW. Installed capacity of renewable, hydro and nuclear energy totalled 96.95 GW, 46.32 GW and 6.78 GW, respectively.

INVESTMENT SCENARIO

Between April 2000 and March 2021, the industry attracted US\$ 15.33 billion in Foreign Direct Investment (FDI), accounting for 3% of total FDI inflow in India.

Some major investments and developments in the Indian power sector are as follows:

In July 2021, National Thermal Power Corporation Renewable Energy Ltd (NTPC REL), NTPC's fully owned subsidiary, has invited a domestic tender to build India's first green hydrogen fueling station in Leh, Ladakh.

In July 2021, Bharat Heavy Electricals Limited (BHEL) received a large contract from Nuclear Power Corporation of India Limited (NPCIL) for the supply of 12 steam generators of India's highest rated indigenously-developed 700 MW Pressurized Heavy Water Reactors (PHWR) worth Rs. 1,405 crore (US\$ 189.20 million).

In July 2021, NTPC announced that it would invest Rs. 2-2.5 crore (US\$ 0.27-0.34 million) over the next 10 years to expand renewable capacity. In July 2021, the company invited bids for an engineering, procurement, and construction (EPC) package, with land development for 500 MW of grid-connected solar projects anywhere in India.

In June 2021, NHPC signed a memorandum of understanding (MoU) with Bihar State Hydro-Electric Power Corporation Limited (BSHPCL) to execute Dagmara HE Project (130.1 MW). in the state.

In June 2021, the NTPC floated a global tender for setting up a 1,000-megawatt hour (MWh) grid-scale battery storage system. The plan involves designing, building and operating such a system and also offers a co-investment partnership.

In April 2021, GE Renewable Energy announced to supply 42 units of 2.7-132 onshore wind turbines, totaling 110 MW for onshore wind hybrid projects to CleanMax.

In March 2021, Actis LLP, a private equity firm, planned to invest US\$ 850 million to build two green energy platforms in India.

According to the firm, the first platform will focus on setting up grid-connected solar and wind power parks, while the second platform will tailor to the commercial and industrial segment.

In January 2021, TOTAL acquired a 20% stake in Adani Green Energy. In addition, as a part of this deal, TOTAL undertook 50% in 2.35 GW portfolio of operating solar assets in Adani Energy Limited. The combined deal amount was worth US\$ 2.5 billion.

In December 2020, the Asian Development Bank (ADB) and the Government of India signed a US\$ 100 million loan to modernise and upgrade the power distribution system for enhancing the quality and reliability of electricity supply in Bengaluru, Karnataka.

In January 2021, Tata Power received a letter of award (LOA) from Kerala State Electricity Board Limited (KSEBL) to develop a 110 MW solar project. With this, Tata Power's renewable capacity will increase to 4,032 MW, out of which 2,667 MW is operational and 1365 MW is under implementation, including 110 MW won under this LOA.

In December 2020, the foundation stones of India's largest hybrid renewable energy park having 30 GW capacity was laid in Gujarat at Vighakot village in the district of Kutch. The estimated cost of this project is ~Rs. 1.5 lakh crore (US\$ 20.44 billion).

In December 2020, The Asian Development Bank (ADB) and Government of India signed a US\$ 132.8 million loan to strengthen and modernise the distribution network and improve quality of power supplied to households, industries and businesses in Meghalaya.

In March 2020, the Central Government signed virtual agreement to conclude strategic sales in Kamarajar Port Ltd, THDC India Ltd and North Eastern Electric Power Corporation Limited (NEEPCO), and it will receive Rs. 13,500 crore (US\$ 1.93 billion) from these deals.

In December 2019, NTPC announced investment of Rs. 50,000 crore (US\$ 7.26 billion) to add 10GW solar energy capacity by 2022.

In August 2019, Sembcorp Industries, the Singapore-based energy firm, made an equity infusion of Rs. 521 crore (US\$ 101.6 million) into Sembcorp Energy India Ltd.

Brookfield will invest US\$ 800 million in ReNew Power.

In September 2019, Adani Transmission planned to acquire the entire stake in Bikaner Khetri Transmission.

ReNew Power and Shapoorji Pallonji will invest nearly Rs. 750 crore (US\$ 0.11 billion) in a 150 megawatt (mw) floating solar power project in Uttar Pradesh.

The Government of India expected to offer nearly 20 power transmission projects worth Rs. 16,000 crore (US\$ 2.22 billion) for bidding in 2019.

GOVERNMENT INITIATIVES

- The Government of India has identified power sector as a key sector of focus to promote sustained industrial growth. Some initiatives by the Government to boost the Indian power sector are as below:
- In July 2021, Ministry of Petroleum and Natural Gas, Government of India owned GAIL lined up Rs 5,000 crore (US\$ 671.14 million) for setting up two plants each for producing ethanol and compressed biogas (CBG) from municipal waste.
- In July 2021, India sent its first coal-laden rake (~4,000 tonnes) to Bangladesh's Rampal Thermal Power Station. The 1,320 MW power plant is a joint venture between National Thermal Power Corporation (NTPC) and Bangladesh Power Development Board (BPDB).
- In June 2021, the Export-Import Bank of India (Exim Bank) announced that it has extended a line of credit (LOC) worth US\$ 100 million to the Sri Lankan government for the purpose of funding projects in the solar energy sector and assure that the country's 70% power requirements are met by renewable energy sources by 2030.
- In April 2021, the Ministry of Power (Mop) released the draft National Electricity Policy (NEP) 2021. The Mop has created an expert committee including members from state governments, the Ministry of New and Renewable Energy (MNRE), NITI Aayog and the Central Electricity Authority (CEA).
- As per the Central Electricity Authority (CEA) estimates, by 2029-30 the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%.
- On November 17, 2020, Energy Efficiency Services Limited (EESL), a joint venture of PSUs under the Ministry of Power and Department of New & Renewable Energy (DNRE), Goa, signed a memorandum of understanding to discuss roll-out of India's first Convergence Project in the state.

- In October 2020, the government announced a plan to set up an inter-ministerial committee under NITI Aayog to forefront research and study on energy modelling. This, along with a steering committee, will serve the India Energy Modelling Forum (IEMF) jointly launched by NITI Aayog and the United States Agency for International Development (USAID).
- The Government of India has allocated Rs. 111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2019-25. The energy sector is likely to account for 24% capital expenditure over FY 2019-25.
- Government plans to establish renewable energy capacity of 500 GW by 2030.
- Pradhan Mantri Sahaj Bijli Har Ghar Yojana-Saubhagya was launched by Government of India with an aim to achieve universal household electrification by March 2019.
- In September 2018, a draft amendment to Electricity Act, 2003 was introduced. It discussed separation of content & carriage, direct benefit transfer of subsidy, 24*7 power supply as an obligation, penalisation on violation of PPA, setting up smart meter and prepaid meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS) with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15% by FY19.

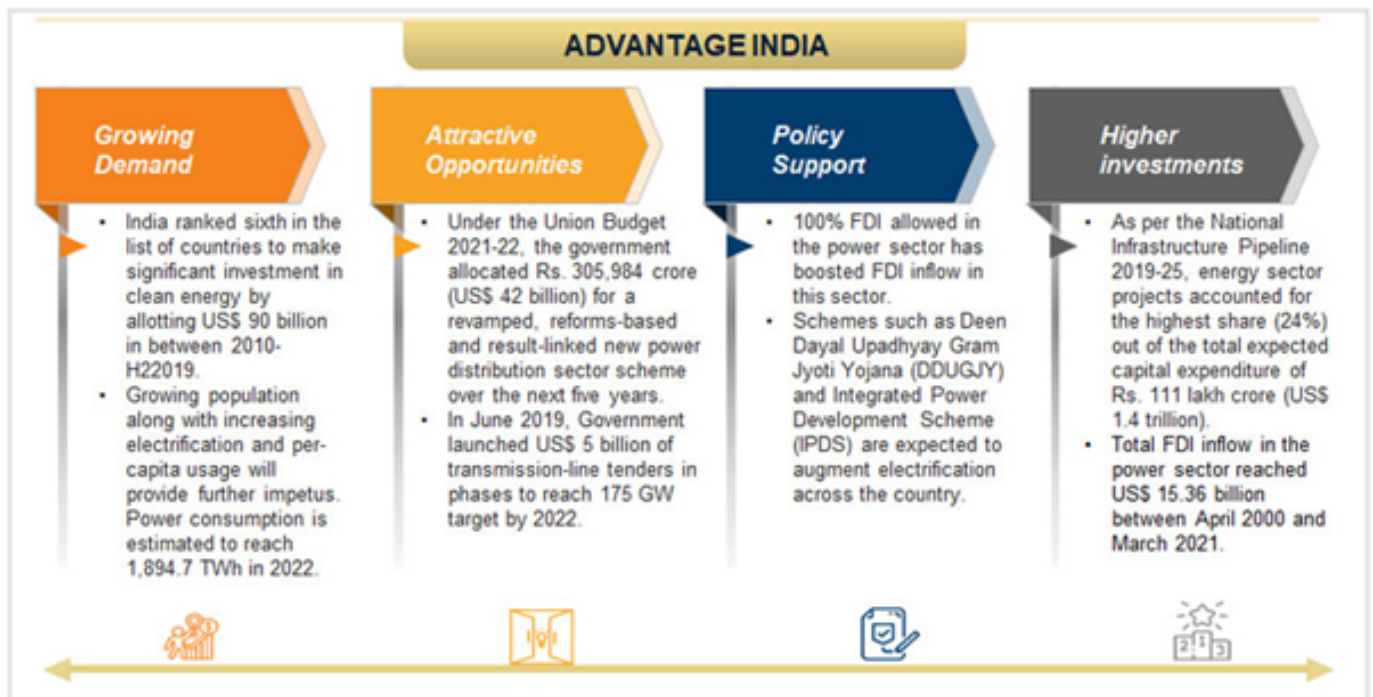
ACHIEVEMENTS

- Following are the achievements of the Government in the past four years:
- According to data from the Ministry of Power, India's power consumption increased by 12% in July to 125.51 billion units (BU) and recovered to pre-pandemic levels, owing to lifting of lockdown restrictions and delayed monsoon.
- The Nathpa Jhakri Hydro Electricity Station of Satluj Jal Vidyut Nigam (SJVN) has set a new monthly power generation record, increasing from 1,213.10 million units to 1,216.56 million units on July 31, 2021.
- According to the Union Budget 2021-22, 139 GW of installed capacity and 1.41 lakh circuit km of transmission lines were added, and 2.8 crore households were connected in the past 6 years.
- Solar tariffs in India have reduced from ~Rs. 7.36/kWh (US 10 cents/kWh) in FY15 to Rs. 2.63/kWh (US 3.57 cents/kWh) in FY20.
- As December 2020, over 36.69 crore LED bulbs, 1.14 crore LED tube lights and 23 lakh energy-efficient fans have been distributed across the country, saving ~47.65 billion kWh per year.
- Power consumption grew at 12.6% in the first week of June to 25.36 billion units (BU), indicating slow recovery in the commercial and industrial electricity demand.
- For FY21, electricity generation attained from conventional sources was at 1234.44 BU, comprising 1,032.39 BU of thermal energy; hydro energy (150.30 BU) and nuclear (42.94 BU). Of this, 8.79 BU was imported from Bhutan.
- NTPC Ltd.'s oldest unit in Singrauli, Uttar Pradesh, has achieved the highest Plant Load Factor (PLF) of 100.24% among all thermal units in the country between April 2020 and December 2020.
- India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.
- Energy deficit reduced to 0.7% in FY20 from 4.2% in FY14.
- As of April 28, 2018, 100% village electrification was achieved under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY).

THE ROAD AHEAD

The Government of India has released its roadmap to achieve 227 GW capacity in renewable energy (including 114 GW of solar power and 67 GW of wind power) by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power-generation capacity in India, which currently stands at 199.5 GW, is expected to witness total installed capacity addition of 47.86 GW by 2022.



INDIA AMONG WORLD'S TOP 10 FOR CLIMATE TECH INVESTMENT:

India ranks ninth in the list of top 10 countries for climate technology investment over the past five years and Indian climate tech firms received USD 1 billion in venture capital (VC) funding from 2016 to 2021, according to a new report released in London on Tuesday, October 26.

Read more at: <http://surl.li/anmie>

FIVE UPCOMING IPOs IN INDIA 2021

We are witnessing a wave of IPOs in the market. While some of the companies are part of our daily lives such as Zomato, IRCTC, and others, others are not that much popular yet.

In the first half of 2021, we came across some of the most popular IPOs in India were Zomato, Comstar, IRFC, PowerGrid InVit, and others. In this half of the year, there are a lot more in the pipeline as well. However, before getting into individual IPOs which are on their way, let us discuss IPO in brief.

Read more at: <http://surl.li/anmjv>

SHARES OF EV START-UP LUCID SURGE AS MUCH AS 47% AFTER CONFIRMING DELIVERIES OF ITS FIRST CAR

Shares of electric vehicle start-up Lucid Group surged by as much as 47% during trading Thursday, a day after the company confirmed the first customer deliveries of its \$169,000 Air Dream Edition sedan would begin Saturday.

Lucid's stock hit \$39.78 a share - its highest point since the company went public through a SPAC deal on July 26 - before retreating to close at \$35.48 a share, up by 31.3%.

Read more at: <http://surl.li/anmkq>

About Prometheus Finance Club

Prometheus - Finance Club of Alliance University is a student-driven initiative collaborating both academia and inputs from experts from various corporate sectors to impart financial knowledge, enable students to improve their analytical skills, and engage in activities that add value. Students are encouraged to plan and organize events on various topics like wealth creation through investments, virtual trading, financial modeling, career opportunities in finance sectors, current economic scenarios, etc. The club organizes workshops, guest lectures, quizzes, training programs for students to understand the nuances of finance. To add more value, few initiatives are proposed like publishing newsletters, a glossary of financial jargons to equip the student community to the finance world.

About Prometheus Finsights Newsletter

Prometheus Finsights is a Monthly Newsletter issued by the Prometheus Finance Club on the 2nd and 4th Saturdays of every month. The Newsletter will cover the current issues and news in Finance which includes RBI insights, SEBI notifications, Stock market movements, Bank rates & exchange rates, Industry analysis, and a lot more. Do read our Newsletter for all finance updates.

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