

# PROMETHEUS FINSIGHTS

Fortnightly Newsletter of the Prometheus Finance Club, Alliance University

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## Quotes For The Month

- “Money is always eager and ready to work for anyone who is ready to employ it”.  
- Idowu Koyenikan
- “Investing money is the process of committing resources in a strategic way to accomplish a specific objective”.  
- Alan Gotthardt
- “If you aren't thinking about owning a stock for ten years, don't even think about owning it for ten minutes”.  
- Warren Buffett

# RBI Insights as on April 30, 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: 3.50%

Statutory liquidity ratio: 18.00%

## LENDING / DEPOSIT RATES:

Base rate: 7.40% - 8.80%

MCLR (overnight): 6.55% - 7.05%

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 APRIL 30, 2021

Indian Rupee	1.00 INR
INR / 1 USD	73.96
INR / 1 GBP	102.54
INR / 1 EUR	89.37
INR / 100 JPY	67.88

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

## Indices of Stock Market

PRICES AS ON APRIL 30, 2021

Name	Current Value	Change	%Change
Sensex	48,782.36	-938.58	-1.98
Nifty 50	14,631.10	-263.80	-1.77
Nifty Banks	32,781.80	-932.70	-2.77
Nifty Mid-cap 100	24,195.90	-90.55	-0.37

Source: <https://in.investing.com/indices/major-indices>

## **BYJU'S TO BECOME INDIA'S MOST-VALUABLE STARTUP AFTER FUNDING**

Byju's, India's online education pioneer, is raising about \$150 million from UBS Group AG at a valuation of about \$16.5 billion, multiple people familiar with the deal said. The funding will make it India's most valuable start-up.

**Read more at:** <https://bit.ly/3uibaDj>

## **ZOMATO IPO: TAKE A LOOK AT HOW MUCH COMPANY'S TOP EXECUTIVES EARNED IN FY2021**

Ant Group-backed online food ordering platform Zomato has filed preliminary papers with capital market regulator SEBI to raise Rs 8,250 crore through an initial share sale at a time when the demand for its services is growing due to COVID-19 pandemic-related restrictions. The company's revenue in FY20 jumped over two-fold to around Rs 2,960 crore as compared to the 2018-19 fiscal. Take a look at the salaries of top employees in FY2021.

**Read more at:** <https://bit.ly/33f9HI6>

## **THE IMPACT OF THE SECOND WAVE WILL NOT BE AS BAD AS THE LAST YEAR: HUL CMD SANJIV MEHTA**

Packaged consumer goods maker Hindustan Unilever Ltd (HUL) said that the second wave of the COVID-19 pandemic won't hurt the company and the overall FMCG market as much as it did a year ago thanks to rural growth holding up and better preparedness on part of companies.

**Read more at:** <https://bit.ly/3ullcT8>

## **MUTUAL FUND INDUSTRY REACTS TO SEBI'S NEW SKIN-IN-THE-GAME RULE**

Securities market regulator SEBI has directed that top management of AMC's will now be paid 20% of their compensation in units of schemes that they have a role in or oversight of. This will "align the interest" of key employees of AMC's with unitholders of their schemes, the regulator said in an April 28 circular.

**Read more at:** <https://bit.ly/3eKrSV6>

## **CCI APPROVES ACQUISITION OF ALIBABA-BACKED BIGBASKET BY TATA SONS**

The Competition Commission of India (CCI) on Thursday approved the acquisition of Alibaba Group Holding Ltd.-backed online grocery seller BigBasket by Tata Sons

**Read more at:** <https://bit.ly/3b0vD89>

## **RIL, TITAN, HUL, POWERGRID INVIT, BHARTI AIRTEL, BAJAJ FINSERV, AMBUJA CEMENTS STOCKS IN FOCUS**

Nifty futures were trading 37 points or 0.25 per cent higher at 14,882 on Singaporean Exchange on Thursday, suggesting a positive start for BSE Sensex and Nifty 50. Technical analysts say that the Nifty index has given a breakout of its upper band of Falling Wedge formation, which signifies a bull run in the counter. The index has given closing above 21-DMA, which suggests strength in the index. Additionally, the MACD indicator is trading with a positive crossover which suggests a positive rhythm in the counter.

**Read more at:** <https://bit.ly/3tecPs5>

## **INDIA STEELMAKERS SEEN GAINING AS CHINA SIGNALS MORE IMPORTS; TATA STEEL, JSW STEEL SHARES RALLY**

Indian steelmakers stand to gain higher prices after China tweaked its import and export levies on steel, signalling that the world's largest consumer of the alloy is willing to import more to meet its growing requirement.

**Read more at:** <https://bit.ly/3xNHBeP>

## **POWERGRID INVIT GARNERS RS 3,480 CRORE FROM ANCHOR INVESTORS AHEAD OF IPO**

PowerGrid Infrastructure Investment Trust on Wednesday raised a little over Rs 3,480 crore from anchor investors ahead of its initial public offer, which opens for subscription on Thursday.

**Read more at:** <https://bit.ly/3aZfn7l>

## **MARUTI SUZUKI SHUTS DOWN PLANTS TO MAKE OXYGEN FOR MEDICAL NEEDS**

Maruti Suzuki, the country's largest car maker, will shut down its manufacturing units in Haryana to make oxygen gas available for medical needs, the company said in a stock exchange filing. Suzuki Motor has also decided to shut down its manufacturing unit in Gujarat, Maruti Suzuki added.

**Read more at:** <https://bit.ly/2PMSrkh>

## **LAURUS LABS Q4 RESULTS**

Drug firm Laurus Labs on Thursday reported a nearly three-fold jump in consolidated net profit to Rs 296.92 crore for the fourth quarter ended March 31, 2021 on the back of robust performance in all divisions.

**Read more at:** <https://bit.ly/3nOwspM>

## **EXPLAINED: HOW 2ND COVID-19 WAVE WILL IMPACT INDIA'S ECONOMY**

An unprecedented rise in Covid-19 cases is likely to slow down India's economic recovery, but the overall impact will be milder in comparison to last year's devastation. Experts say that extent of economic loss during the second wave will primarily depend on how fast the chain of infections can be broken.

**Read more at:** <https://bit.ly/3tguLCC>

## **INSURANCE SCHEME FOR FRONT LINE WORKERS EXTENDED FOR 6 MONTHS**

Prime Minister Narendra Modi, during a meeting on Friday, approved the extension of the Centre's insurance scheme for front line workers for another six months.

The central government should work in close co-ordination with the states to ensure that the poor get the benefits of free food-grain without any issues, said the PM.

He added that steps should be taken to expedite the settlement of pending insurance claims.

**Read more at:** <https://bit.ly/3vCEzby>

# Industry Analysis – Pharmaceutical Sector

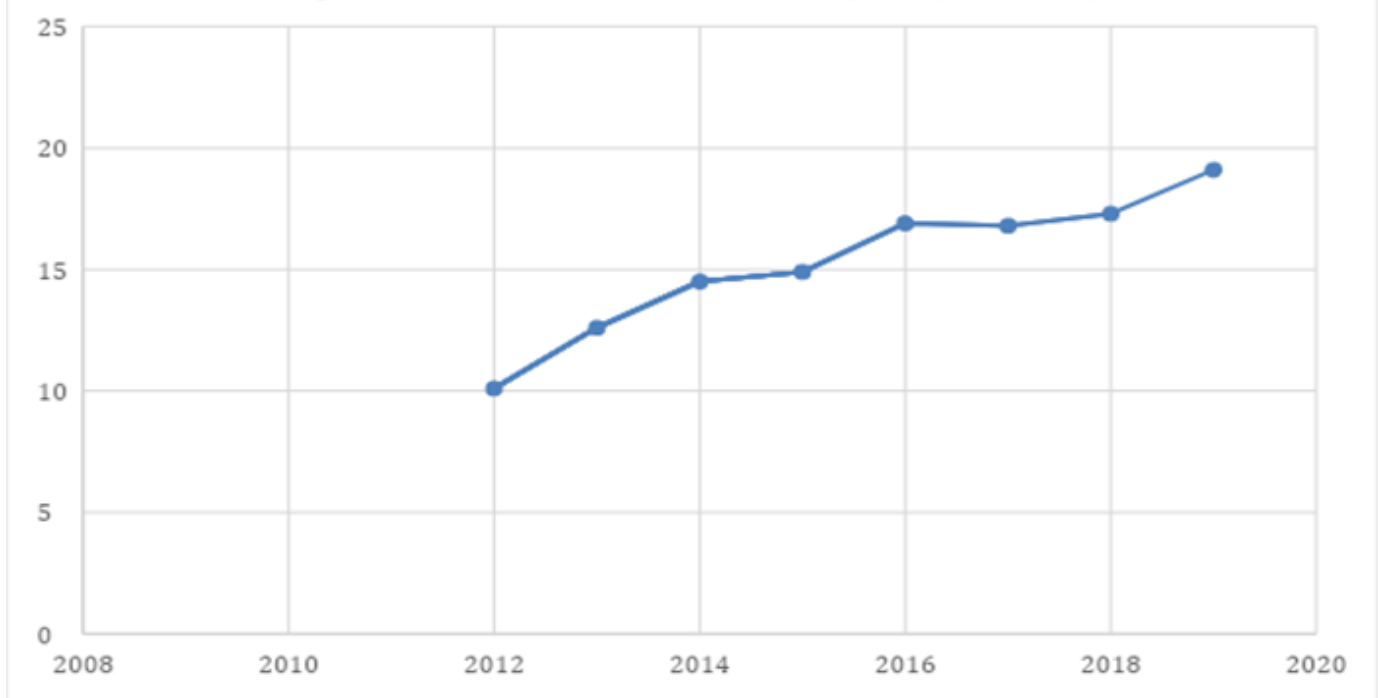
The Indian pharmaceutical industry has to reinvent and undertake fundamental reforms to achieve the ambitious target of \$130 billion in size by 2030, said a EY-FICCI vision report.

The overall growth has been driven by the industry's leadership in supplying generic formulations to markets across the globe. In the 2020-2030 period, it is envisaged that the Indian pharma industry will have to grow at a CAGR of 12% to reach \$130 billion by 2030 from \$41.7 billion in 2020, said the EY FICCI report titled.

## THE GROWTH OF PHARMA INDUSTRY

- India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK.
- India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights.
- Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.
- The current \$42 billion, the Indian pharmaceutical industry will require to double the last decade's growth rate of 6% to 12%. Though the pharma industry has grown at a compounded annual growth rate (CAGR) of approximately 13% over the two decades, in the last decade it was 8.5% and has been lower at 6.2% over the past five years.
- FY 2021 is likely to be a game-changing year for the healthcare industry. Due to the pandemic experience, the population is focusing on health, fitness and building immunity. Strengthening health and wellness as well as fitness of the body is going to be a major focus all over the world.
- As a result, the pharma industry will no longer be able to focus only on illness while providing medication but will have to keep a balance of how quickly a patient's health is restored. To do that, besides hospitals, building rehabilitation centres, health clinics and gymnasiums along with yoga will be seeing the light of day.
- In a nutshell, we are moving towards personalised focus in healthcare. That's one reason we can say that it's a game-changing year after the pandemic.

Figure 1: Value of Pharmaceutical Exports (in \$Billion)



## OPPORTUNITY

A US\$33 billion opportunity, the pharmaceutical industry in India presents considerable potential for collaborative and outsourced R&D in drug development, biotechnology, chemicals, and manufacturing of medicinal products.

The pharmaceutical industry is projected to grow to be worth US\$65 billion by 2024

- India has shown a strong economic track-record, despite the pandemic blip, and key reforms to liberalize market access and ease doing business make the country an attractive investment destination for US investors.
- Besides improvements to the business climate, most sectors are open to foreign investors.
- India's digital economy offers some of the brightest prospects with over 300 million internet subscribers.
- Further, India has a significant and growing middle-class, presenting new customers for US businesses in areas from consumer durable goods to automobiles to healthcare.

India is the sixth largest economy in the world based on nominal GDP and third largest by purchasing power parity (PPP). It is the second most populated country with over 1.38 billion people and the largest democracy in the world. India boasts of a range of industries and a huge youth cohort driving investments and market consumption and supporting a diversified labor market supply.



## ACQUISITIONS AND INVESTMENT ACTIVITIES

1. Expanding the product range for building a good product portfolio – The Pharma companies find it lucrative to build a product portfolio inorganically, e., through mergers and acquisitions rather than building it organically through research and development activities, which involve an enormous amount of finance.
2. Gaining access to approved facilities outside India – In the past, Indian companies had come under the scrutiny of US regulatory authorities and have faced import bans and penalties for irregularities in their manufacturing facilities, therefore the Indian Pharma are always on a lookout for approved facilities overseas to evade such hurdles.
3. Access to distribution channels and gaining market presence – Another focus area for Indian pharma firms are intermediaries and distributors with established, large distribution and marketing networks. Companies can market their products in international geographies if they can acquire such a distribution network.
4. Pressure by governmental agencies, insurance companies various countries to reduce cost of medicines, due to difficulty in meeting mounting healthcare costs, therefore Indian companies are looking to acquire pharma companies overseas with their local manufacturing and research facilities.
5. India’s current foreign direct investment (FDI) policy allows 100 percent FDI under automatic route in greenfield pharmaceutical projects and 74 percent FDI under the automatic route in brownfield projects – upwards of which can still be allowed through the government approval route.
6. India approved another PLI scheme: Roll-Out of Manufacturing Incentives in India’s Pharmaceuticals Sector: Approved Beneficiaries and New PLI Scheme Criteria. The duration of the scheme will be from FY 2020-21 to FY 2028-29. This will include the period for processing applications (FY 2020-21), optional gestation period of one year (FY 2021-22), incentive for six years, and FY 2028-29 for disbursement of incentive for sales of FY 2027-28.



# Invest in IPOs

## **POWERGRID INVIT IPO | APRIL 29 TO MAY 03, 2021**

PRICE RANGE: Rs. 99.00 - 100.00

Minimum Quantity: 1100

Minimum Investment: RS 110000

# Upcoming IPOs

## **KIMS HOSPITALS**

The company has filed preliminary papers with SEBI for Rs. 700 crore IPO. The corporate healthcare group is one of the largest in Andhra Pradesh and Telangana region.

As per the DRHP filed with SEBI, the offer includes a fresh issue of shares aggregating up to Rs. 200 crores and an OFS of up to 21,340,931 shares from promoters and existing shareholders.

## **SONA BLW PRECISION FORGINGS (SONA COMSTAR)**

The auto components company aims to raise Rs. 6000 crores. The IPO comprises a fresh issue worth Rs. 300 crores and an offer for sale of up to Rs. 5,700 crores by Singapore VII Topco III Pte. Ltd., an affiliate of Blackstone. Incorporated in the year 1995, Sona Comstar is a leading Gurgaon based auto technology company. The company is engaged in manufacturing, designing and supplying highly engineered, mission-critical automotive systems and components to OEMs across the US, Europe, India and China.

## **SEVEN ISLANDS SHIPPING**

The sea borne logistics company has already received SEBI's approval to raise Rs. 600 crores. The public issue comprises a fund raiser via fresh issue amounting to Rs. 400 crores and an offer for sale up to Rs. 200 crores by FIH Mauritius Investments. The Mumbai headquartered company has 20 Indian flagged and Indian owned liquid cargo vessels.

## AADHAR HOUSING FINANCE

Backstone backed mortgage financier Aadhar Housing Finance that caters to the housing finance need to the low income strata filed draft papers with the SEBI for a Rs. 7300 crore IPO. The company came into existence in 2010.

## MACROTECH DEVELOPERS

Macrotech Developers, erstwhile Lodha Developers, will also open its proposed Rs 2,500 crore IPO on April 7. The price band for the issue has been pegged at Rs 483 - Rs. 486 per equity share. The company is among the largest realty company by residential sales value for the financial year 2014-2020.

## DODLA DAIRY

The Hyderabad based dairy company's IPO issue will include fresh equity shares aggregating to up to Rs. 50 crores and an OFS of up to 1 crore equity shares by promoters.

**Source:** <https://bit.ly/33bn4CY>

# Investor's Corner

## TOP GAINERS / LOSERS AS ON APRIL 30, 2021

### TOP GAINERS AS ON APRIL 30, 2021 AS PER SENSEX

Company Name	Last Price	% Gain
ONGC	108.55	4.32
SUN PHARMA	654.70	1.57
DR REDDYS LABS	5,164.30	1.23

### TOP LOSERS AS ON APRIL 30, 2021 AS PER SENSEX

Company Name	Last Price	% Lose
HDFC	2,420.15	-4.38
HDFC BANK	1,412.20	-4.09
ICICI BANK	600.40	-3.36
KOTAK MAHINDRA	1,748.60	-3.24
ASIAN PAINTS	2,540.10	-2.81
M & M	752.85	-2.80
TCS	3,038.40	-2.40

### Daily Change: 1 Day Change

Gold	Rs 46,668 ▼ 0.70% - at 6 PM
Silver	Rs 68,455 ▼ 1.71% - at 6 PM
USD-INR	Rs 74.06/USD ▲ 0.03%
Dow Jones	34,063.69 ▲ 0.72% - 29 April
Nasdaq	14,082.20 ▼ 0.06% - 29 April

### Long Term: 20-Year Returns

Sensex	▲ 14.05% p.a.
Nifty	▲ 13.68% p.a.
Dow Jones	▲ 5.94% p.a.
Nasdaq	▲ 9.94% p.a.

## Investor News

### LOCKDOWNS HAVE A SILVER LINING FOR FMCG, PHARMA STOCKS

Lockdowns have rekindled bullishness in FMCG and pharma stocks with companies expected to report exceptional sales in the short term. The ET Pharma Index has gained 5.3 per cent in the past one month with a price-to-earnings (PE) multiple of 33.4.

**Source:** <https://bit.ly/3eh91lR>

### INDIAN PHARMA EXPORTS GROW AT 18 PERCENT TO \$24.44 BN IN FY 21

"We have observed a big leap in our exports in the month of March 2021 which is USD 2.3 billion (figures for March are provisional) and is highest among the exports of all the months of this financial year, the growth rate for this month is 48.5 per cent against the exports in March 2020 (USD 1.54 billion)," Udaya Bhaskar, Director General of Pharmexcil said in a release.

**Source:** <https://bit.ly/2RmotUL>

### STOCKS OF PHARMA COMPANIES LINKED TO VACCINES RALLY

The Centre recently announced the expansion of the vaccination drive to cover those aged 18-45 years. It also allowed vaccines for the private market, where domestic players will have to supply 50 per cent quantity to the central government, and the balance to state governments or private hospitals.

**Source:** <https://bit.ly/3tjF08W>

## **OXFORD UNIVERSITY GETS ETHICAL NOD FOR COVID REINFECTIONS STUDY**

London: Researchers at the University of Oxford have gained ethical approval for a new human challenge trial that aims to check the immune response needed to protect people against reinfection.

As part of the trial, healthy people will be deliberately exposed to a disease-causing organism in a carefully controlled manner, The Guardian reported.

**Source:** <https://bit.ly/33cnwRg>.

## **MEDICAL OXYGEN SUPPLY TREBLED DURING APRIL 4-20, SAY OFFICIALS**

The supply of medical oxygen in India tripled between April 4 and April 20 to 6,042 tonnes, with an almost 27% increase witnessed during April 17-20 even as the supply to industry nearly halved in the four-day period, officials said. The supply to Delhi rose by nearly two-thirds over the past week to 335.7 tonnes on April 20. Total medical oxygen supplied on April 4 was 2,050 tonnes while on April 17, it was 4,739 tonnes.

**Source:** <https://bit.ly/3udhBHH>

## **MARKET MOVERS: PHARMA STOCKS SURGE, BANKS SINK; 37 STOCKS BLINK SELL**

As many as 37 stocks listed on the National Stock Exchange gave sell signals based on MACD indicators. Names include NALCO, NMDC, Titan Company, Cyient and Tanla Platforms.

**Source:** <https://bit.ly/3nXnczL>

## **AXIS MF'S NEW FUND TO INVEST IN HEALTHCARE COMPANIES**

The fund will be suitable for investors who are seeking, long-term wealth creation solution through targeted sectoral exposure to the healthcare sector, the company said:

Axis Mutual Fund on Friday will launch Axis Healthcare Exchange Traded Fund (ETF), which will allow access to investors in the healthcare sector. The open-ended ETF, which will close on 10 May, will track Nifty Healthcare Index and will be managed by Jinesh Gopani, head-equity, Axis AMC.

**Source:** <https://www.livemint.com/>

# 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 fortnightly Newsletter issued by the Prometheus Finance Club during the first and third week 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.

**Disclaimer:** This Newsletter is for internal circulation among Alliance University Community ONLY.

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