

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 a device for transferring money from impatient to patient. - Warren Buffet
- The trick is not to learn to trust your gut feelings, but rather to discipline yourself to ignore them. Stand by your stocks as long as the fundamental story of the company hasn't changed. - Peter Lynch
- Every day is a bank account, and time is our currency. No one is rich no one is poor, we have got 24 hours each. - Christopher Rice

RBI Insights as on November 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: 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 NOVEMBER 30, 2021

Currency	INR
INR / 1 USD	75.0740
INR / 1 GBP	100.0129
INR / 1 EUR	84.9500
INR / 100 JPY	66.25

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

Indices of Stock Market

PRICES AS ON NOVEMBER 30, 2021

Name	Current Value	Change	% Change
Sensex	57064.87	-2200.75	-3.85%
Nifty 50	16983.20	-685.2	-4.03%
Nifty Banks	35695.30	-3277.3	-9.18%
Nifty Mid-cap 100	29650.65	-733.35	-2.47%
Nifty 100	17270.25	-681.7	-3.94%
Nifty IT	35043.75	445.25	1.85%
S&P BSE Small Cap	27937.31	-45.49	-0.16%

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

Trending News

GST OVERHAUL EXPLAINED

How could the possible rate rationalization impact your business - The one country, one tax is all set to get a makeover. Govt is likely to go for a rate rationalization in the upcoming GST council meeting or before the budget session. Why is the govt planning to do this, and what does this mean for Indian companies

Read more at: <https://bit.ly/3IW6LUm>

INDIA, THE US SETTLE ON A 2% EQUALIZATION LEVY

India will continue to impose the levy March 31, 2024, or till the implementation of Pillar 1 of the OECD agreement on taxing MNCs.

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

INDIA, ADB SIGN USD 300 BN LOANS TO IMPROVE ACCESS TO HEALTHCARE IN URBAN AREAS OF 13 STATES

As per an official release by the Ministry of Finance, "Rajat Kumar Mishra, Additional Secretary, Department of Economic Affairs in the Ministry of Finance, signed for the GOI the agreement for Strengthening Comprehensive Primary Health Care and pandemic preparedness in Urban Areas Program with Takeo Konishi, Country Director of ADB's India Resident Mission.

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

I-T REFUNDS WORTH RS 1.23 LAKH CR ISSUED TO 1.11 CR TAXPAYERS SO FAR IN FY22

The refunds include personal income tax refunds of Rs 41,649 crore and corporate tax refunds of Rs 82,018 crore.

Read more at: <https://bit.ly/31S1rdm>

FOUR CPSES PAY RS 5,155 CRORE DIVIDEND TO THE GOVERNMENT

With this, so far, this fiscal Rs 25,376.75 crore has been obtained through dividends from various CPSEs, as per the Department of Investment and Public Asset Management (DIPAM) website.

Read more at: <https://bit.ly/3rSA0eF>

GOVT SELLS CENTRAL ELECTRONICS TO NANDAL FINANCE AND LEASING FOR RS 210 CR

The Alternative Mechanism (AM) on strategic disinvestment comprises Road Transport Minister Nitin Gadkari, Finance Minister Nirmala Sitharaman and Minister of State for Science and Technology Jitendra Singh

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

Industry Analysis

INTRODUCTION

The Pharmaceutical industry in India is the third largest in the world in terms of volume. It currently contributes to around 1.72% of the country's GDP. Indian medicines are preferred worldwide thereby rightly making the country the 'Pharmacy Capital of the world'. The pharmaceutical exports from India reach more than 200 nations around the world, including highly regulated markets of the USA, West Europe, Japan and Australia.

The Indian Pharmaceutical industry contributes 3.5 percent of the total drugs and medicines exported globally. Major segments of the pharmaceutical industry are generic drugs, OTC medicines and API/Bulk drugs, vaccines, contract research & manufacturing, Biosimilars & Biologics. Pharmaceuticals industry is expected to reach USD 65 billion by 2024 and USD 120 billion by 2030. It is one of the top ten attractive sectors for foreign investment in India. Around 20% of the global exports in generic drugs are met by India therefore making it the largest provider of generic drugs globally.

The annual turnover of the pharmaceutical industry in the year 2018 to 19 is estimated at INR 2.5 lakh crores. Considering the pandemic scenario and the rapid development in the field of pharmaceuticals, the growth has been commendable. India recorded a growth of 10.72% in pharmaceutical exports. The medical devices sector is expected to grow up to USD 50 billion in the next few years. India has exported more than 65 million doses of Covid vaccines to nearly 100 countries in 2021. The total size of the drugs and medical device industry is around USD 43 billion.

MARKET SIZE AND MORE

The Indian Pharmaceutical industry is valued at over 40 billion dollars. Not only is India the largest manufacturer of generic drugs in the world, but it also supplies over 50% of the worldwide demand for various vaccines. There is no doubt that India plays an important position in the global pharmaceutical and healthcare industry. According to Care Ratings, The Indian Pharmaceutical industry has a market size of around 45 billion dollars in FY 21 and ranks thirteen globally in terms of value. India's healthcare market may see a 3-fold jump in value terms to reach USD 372 billion by 2022 with rising income, greater health awareness, increased precedence of lifestyle diseases and improved access to insurance. India's 1.8 trillion-dollar pharmaceutical market is showing signs of returning to normalcy as sales of non-covid products which account for 63% of the market is rising strongly, while growth of some pandemic related products like vitamin has tapered.

the Indian pharmaceutical market grew an annual 17.7% in August 2021 accelerating from 13.7% in July 2021. The growth was led by improving sales of non-COVID-19 products as a sign of returning to normalcy. In August 2021, volumes rose 9% while price growth was 5.9% and 2.9% growth came from new launches. In the first quarter of FY22, the market grew 37.8 on YoY base is due to the low base of 2020. The sector continues to price hikes of 5 to 6% while launches will contribute markedly to growth. or rating agency India Ratings and research expect more moderate growth of 12% in FY22.

INVESTMENT SCENARIO

The Indian drugs & pharmaceuticals limited (IDPL) a public limited company, aims to encourage indigenous production of pharmaceuticals and to support various health programs of the central government. It is currently manufacturing 86 products under public private partnership, and 25 products under non-public private partnership mode.

Japanese companies have been invited to invest in Indian pharmaceutical and medical device industry. The Pharmaceutical Traders Association and Japan Federation of Medical Devices Associations have come to the mutual understanding that cooperation between the two countries can contribute to stabilise the global supply chain especially of API's and medical devices.

The government of Assam has proposed a pharmaceutical park in Chaygaon, Kamrup Rural on a land area of 100 acres. The estimated project cost of which is INR 154 crores. Under the production link incentive (PLI) schemes for promotion of domestic manufacturing of critical key starting materials 47 applications with committed investments of INR 5400 crores have been approved.

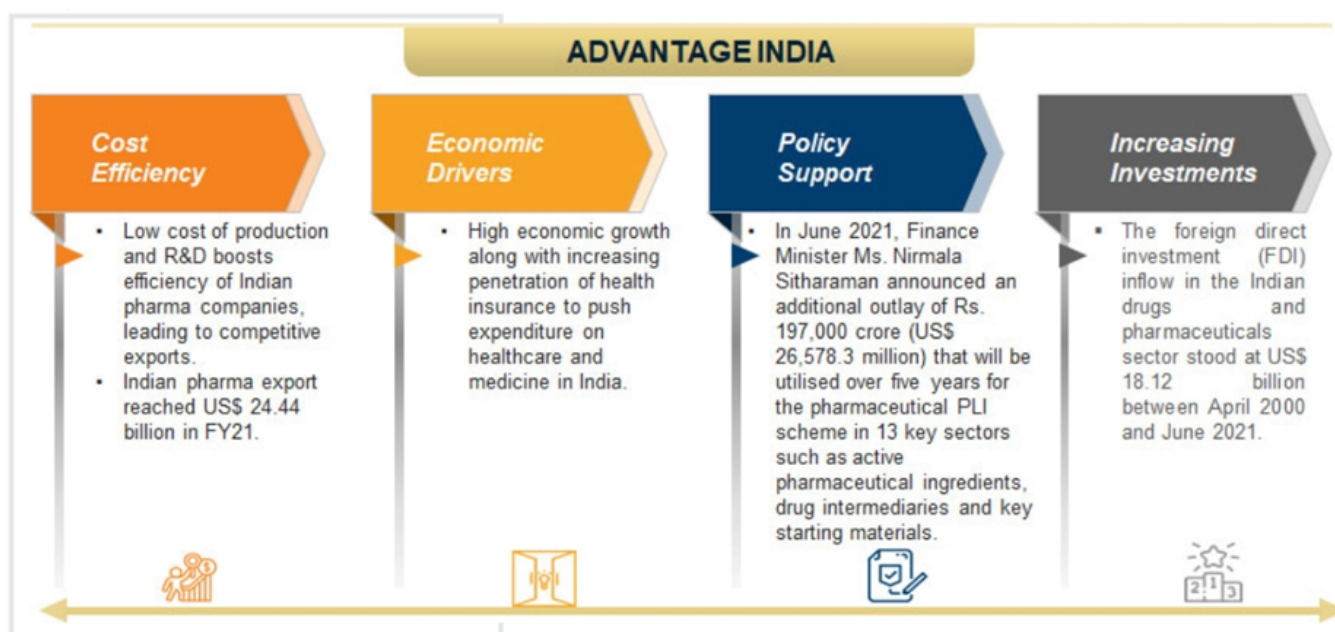
Export of drugs and pharmaceuticals was valued at USD 200.2 Billion in August 2021 with a growth of 1.21% over exports of approximately 200 billion dollars in August 2020.

The following contributes to the growth of the pharmaceutical industry

- Innovation and R&D
- Medical tourism
- Infrastructure development
- Strong drug manufacturing
- Strong domestic demand

Noteworthy foreign investors

1. Teva pharmaceuticals, Israel
2. Procter and gamble, USA
3. Pfizer, USA
4. Johnson and Johnson, USA
5. AstraZeneca, Sweden-UK



GOVERNMENT INITIATIVES

The Umbrella Scheme

The department of pharmaceuticals has prepared an umbrella scheme namely 'scheme for development of pharma industry'. The umbrella scheme comprises the following sub-schemes:

- Assistance to Bulk drug industry for common facilitation centres
- Assistance to medical device industry for common facilitation centres
- Assistance to Pharmaceutical industry (CDP-PS)
- Pharmaceutical promotion and development scheme (PPDS)
- Pharmaceutical technology upgradation assistance scheme (PTUAS)

Under the various schemes the department of pharmaceuticals aims to do the following:

- Have to conduct training/knowledge improvement programs on issues relevant to the growth of the pharmaceutical industry
- To organize summits convention exhibitions meetings in India and abroad and produce promotional materials.
- Conduct research studies and sector reports etc.
- Purchase books, quality standards, pharmacopoeias, Magazines, directories, eat learning modules, etc.
- Give awards to achievers in the pharmaceutical industry

NATIONAL TELEMEDICINE SERVICES

National Telemedicine Services or 'eSanjeevani' is a digital health initiative of the ministry to implement teleconsultation in all the 1.5 Lakh Health and Wellness Centers by December 2022. It has already crossed a milestone by completing 7 million consultations. In June it served around 12.5 lakh patients which is the highest since the services were launched in March 2020. More than 80 Lakh patients served through central government eSanjeevani scheme. The National Telemedicine Services is facilitating over 60,000 consultations for seeking healthcare on a daily basis.

AYUSHMAN BHARAT

Ayushman Bharat Is a National Health protection scheme which will cover over 100 million poor and vulnerable families providing coverage up to INR 5 Lac per family per year for secondary and tertiary care hospitalization.

PROMOTION OF BULK DRUG PARKS SCHEME

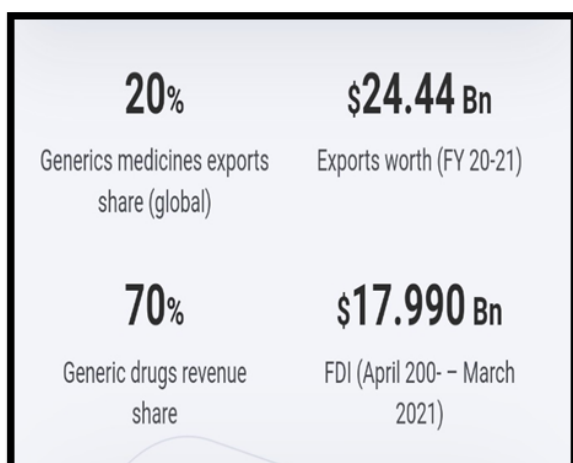
The union government aims to develop three mega bulk drug parks in India in partnership with states under the scheme. The parks will have common facilities such as or solvent recovery plant, distillation plant, power and steam units, and a common effluent treatment plant.

In June 2021 the finance minister of India, Ms. Nirmala Sitharaman Announced an additional outlay of rupees 1.977 crores that will be utilised over five years for pharmaceutical PLA scheme.

In August 2021, union health minister, Mr. Mansukh Mandaviya announced that an additional number of pharmaceutical companies in India are expected to commence and manufacture anti-coronavirus vaccines by November 2021. This move is expected to further boost the vaccination drive across the country.

The presence of skilled workforce as well as a high managerial and technical competency is a source of attraction for private players. pharma companies have already increased spending in the country to tap rural markets and develop better infrastructure. nearly 11.9 lakh health ID's have been generated and register on the platform. the Government of India plans to manufacture 5 billion vaccines next year and ensure the safety and security of people across the world post-vaccination.

KEY ACHIEVEMENTS



1. Pharmaceuticals and medical devices Bureau of India has completed the target of opening 8300 Mantri Bhartiya Jan Aushadhi Kendras for the FY 2021 to 2022 before end of September 2021.
2. More than 11.74 Lac users are connected with the Jan Aushadhi Sugam app.
3. Under the Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana, about 11,600 educated unemployed youth of the country have got direct sustainable employment.
4. The total export of drugs and medical devices is USD 20 billion of which drugs form around 90% of the total exports.

Read more at: <https://bit.ly/3yi8t7x>

Investor's News

CIGARETTE MANUFACTURER TO BUY MAJORITY STAKE IN AYURVEDIC BABY CARE BRAND FROM AUTO TO IT

Read more at: <https://bit.ly/3DJ246n>

INDIA'S TATA IN TALKS TO SET UP \$300 MILLION SEMICONDUCTOR ASSEMBLY UNIT

Read more at: <https://bit.ly/3lX8Dw1>

NIFTY ALL SET TO HAVE LOWER OPENING ON NEW COVID STRAIN

Read more at: <https://bit.ly/3DL1rJq>

HERE'S WHY IRCTC SHARES HAVE DECLINED ALMOST 3% ON FRIDAY

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

TATA MOTORS, MARUTI SUZUKI AMONG TOP LOSERS; NIFTY AUTO PLUNGES OVER 4%

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

AMIT SHAH ASKS INDUSTRIES TO INVEST IN NORTHEAST

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

80% OVERSEAS INDIANS INVESTING IN-COUNTRY, FINDS HSBC REPORT

Read more at: <https://bit.ly/3s4kXhM>

INDIAN WAREHOUSING STOCK LIKELY TO TOUCH 360 MILLION SQ FT BY 2024

Read more at: <https://bit.ly/3lU7CVw>

RATHI WEALTH SETS IPO PRICE BAND AT RS 530-550, ISSUE TO OPEN ON THURSDAY

In September 2018, Anand Rathi Wealth had filed its prospectus for an IPO with the market regulator but later dropped its plan to go public, citing difficult market conditions.

STAR HEALTH IPO: RJ-BACKED ISSUE TO OPEN TODAY: WORTH SUBSCRIBING?

Star Health, which commands a market share of 15.8 per cent in the health insurance market as of FY21, stands out among other standalone health insurers in terms of size, strong growth in gross written premium and better operational performance, analysts said.

STAR HEALTH RAISES RS 3,217 CR FROM ANCHOR INVESTORS AHEAD OF IPO

The company has decided to allocate a total of 3,57,45,901 equity shares to 62 anchor investors at Rs 900 apiece, aggregating to Rs 3,217.13 crore, according to a circular uploaded on BSE website.

SOFTBANK-BACKED SNAPDEAL TARGETS \$250 MILLION INDIA IPO IN 2022

Snapdeal, founded in 2010, had emerged as one of the country's leading e-commerce providers, but lost ground to its larger rivals. In 2017, it backed away from a potential merger with Flipkart that would have united the two local-e-commerce companies against Amazon, a deal that SoftBank had been pushing for.

JHUNJHUNWALA-BACKED STAR HEALTH IPO SEES 8% SUBSCRIPTION SO FAR

The IPO, with a price band of Rs 870-900 a share, is open for public subscription till December 2.

STAR HEALTH IPO OPENS : CAN THE RAKESH JHUNJHUNWALA TOUCH PROTECT YOUR PORTFOLIO?

Star Health IPO is open for subscription till December 2. Buyers can bid for a minimum of 16 shares and in multiples thereof.

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 2nd 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.

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

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