

Pharma stocks in pink of health on price erosion

Firms with major exposure to US have outperformed, hitting 52-week highs

RAM PRASAD SAHU
Mumbai, 6 July

Health care stocks have outperformed the benchmark indices since the start of the current financial year. The BSE Healthcare Index is up 19 per cent, compared to the S&P BSE Sensex returns of 11 per cent during this period.

Nitin Agarwal, managing director, DAM Capital, highlighted this trend in a report last month. "After a sustained period of underperformance over 2020-21 (FY21) through FY23, the BSE Healthcare Index has once again captured the spotlight. The recent uptick has been driven by hospitals and emerging green shoots in pharmaceutical (pharma) exports, particularly to the US, along with sustaining momentum in domestic branded formulations," he wrote.

Within this space, pharma players with major exposure to the US market, such as Sun Pharmaceutical Industries (Sun Pharma), Lupin, Zydus Lifesciences (Zydus Life), Dr Reddy's Laboratories (Dr Reddy's), Aurobindo Pharma (Aurobindo), and Torrent Pharmaceuticals, have been the outperformers, hitting their 52-week highs over the past few weeks.

The gains for this group of stocks are on the back of expectations that ongoing approvals, including those for niche products, lower price erosion, and growth prospects in the US generics market. The steady growth in domestic formulations, too, is expected to benefit companies, given their enhanced focus on this market.

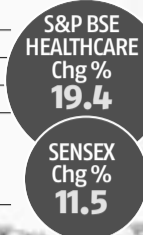
Elara Capital has turned positive on the prospects of these companies with presence

MEDICINAL VALUE

Change since FY24, in %

GAINERS	Change since FY24, in %
Aurobindo Pharma	47.0
Glenmark Pharmaceuticals	43.7
Jubilant Pharmova	40.1
Lupin	39.7
Aarti Drugs	39.2
LOSERS	Change since FY24, in %
Gland Pharma	-16.4
IPCA Laboratories	-6.2

Source: Bloomberg/Capitaline
Compiled by BS Research Bureau



in the US generics market. Analysts at the brokerage, led by Bino Pathiparampil, believe that the US market is witnessing a build-up to a major upcycle after a seven- to eight-year long downcycle.

Key indicators — bunching up of large, new product opportunities, withdrawal of players from low-priced contracts, rising incidences of product shortage, and underinvestment by players in future growth — have all congregated, says the brokerage. They expect Zydus Life, Sun Pharma, DRL, Lupin, Aurobindo, and Cipla to be the biggest beneficiaries. Among key triggers are recent product approvals, which are expected to give an incremental boost to revenue.

Last month, Lupin announced having received approval for the generic version of the dry powder inhaler Spiriva, which has a market of about \$500 million.

Nomura Research expects the company to remain the only approved generic in the market for the next two years, with the peak sales of the product in 2024-25 through 2025-26 (FY26) at \$100-120 million.

The brokerage revised the earnings and target multiple upwards for the stock.

Another example is that of Zydus Life, which got the approval for the generic version of the smoke cessation drug Chantix. The drug has a market of \$300 million and could be a \$30 million drug for the company. Zydus Life also got approval for the breast cancer drug Palbociclib which has an estimated market size of over \$3 billion. The firm is expected to launch 10 high-value products, including two launches in the first half of FY24 and three transdermal products, among others, this year.

The medium-term also offers a \$75 billion opportunity for major players as multiple drugs go off patent in the FY23-26 period. The market for these drugs is much larger than it was in the FY19-21 period patent-to-generic cycle, estimate analysts. Relief on the pricing front in the current portfolio is another positive. Brokerages believe strict action by the US Food and Drug Administration, following inspections, has led to product shortages and price hikes.

Active drug shortages at 301 are at multi-year highs. Consolidation among drug-makers in the US market has also helped support the prices of generics.

While FY23 witnessed unprecedented levels of price erosion in the wake of consolidation in buyer channels and a decline in shortage opportunities, pricing pressures have begun to moderate, even as volume dynamics have remained unaltered, observes DAM Capital. The brokerage believes that companies with large US generic portfolios, such as Aurobindo, Zydus Life, and Lupin, among others, are best placed to benefit.

Dr Reddy's, however, believes that the US market remains price sensitive. Erez Israeli, chief executive officer, Dr Reddy's, according to JM Financial Research, points out that the nature of the US market has not changed dramatically as barriers to entry remain low and price sensitivity high. Given the stock price run-up and mixed views on the price trajectory, investors should await firm trends before taking exposure to these stocks.

Eliminate price-NAV mismatch by investing in index funds

Long-term investors can optimise costs by going for ETFs through low-cost brokers

SARBAJEET K SEN

Passive investing appears to be gaining momentum. This is borne out by the National Stock Exchange's (NSE's) recent announcement that the assets under management (AUM) of passive funds, which track the Nifty indices, has surpassed ₹5 trillion.

"Passive investing reduces non-systemic risk, which refers to stock selection and portfolio manager selection. These are risks over and above market risk, which may not necessarily result in a higher expected return over the index," says Hemen Bhatia, head exchange-traded fund (ETF), Nippon Life India Asset Management.

Investors may go for ETFs or index funds when taking the passive route. Both mimic an underlying index. While an index fund can be purchased through a mutual fund distributor or from the fund house, ETFs have to be bought and sold on the exchanges.

When do index funds score?

Units of index funds are bought and sold at end-of-day net asset value (NAV). They offer investors assured liquidity. The price of an ETF trading on a stock exchange can vary from the NAV. Says Shrinath ML, senior research analyst, FundsIndia: "This variation occurs due to the prevailing demand-supply situation. Sometimes, you may end up paying a higher price when buying and receive a lower price when selling."

While index funds can be purchased using demat accounts or other means, a demat account is a must for trading in ETFs. Says Bhatia: "Index funds are preferred by investors who don't want to operate through the broking-demat route."

Systematic investment plans (SIPs) and systematic transfer plans (STPs)



THIS OR THAT?

Lowest-cost ETFs	TER* (%)
ICICI Pru S&P BSE Sensex ETF	0.03
ICICI Pru Nifty 50 ETF	0.03
Nippon India ETF Nifty 50 BeES	0.04
Nippon India ETF S&P BSE Sensex	0.04
CPSE ETF	0.05
Lowest-cost index funds	TER (%)
Navi Nifty 50 Index Fund (G)	0.26
ICICI Pru S&P BSE Sensex Index Fund (G)	0.27
UTI-Nifty 50 Index Fund (G)	0.3
UTI-S&P BSE Sensex Index Fund (G)	0.3
ICICI Pru Nifty 50 Index Fund - Regular (G)	0.34

*TER is total expense ratio; index funds are regular funds
Source: NGEN Markets

are available in index funds but not in ETFs.

When do ETFs work better?

ETFs typically have a lower expense ratio than index funds. For long-term investors with a buy-and-hold investment strategy involving large sums (using a low-cost broker), ETFs may prove more cost-effective.

ETFs are better suited for trading. Traders can seek to benefit from price fluctuations during the trading hours.

Before investing in an ETF, check how closely it tracks the real-time NAV. "Also evaluate its liquidity by looking at the daily traded volumes and bid-ask spread," says Shrinath.

Go global via passive route

Passive funds are ideal for overseas investing. "Investors with a long-term view can capture the overall growth

potential of international markets by adopting passive investing. It eliminates the need for frequent portfolio adjustments or market timing," says Bharat Phatak, director, Scripbox.

Shrinath cautions that passive investing may not be the best approach for emerging economies. "Passive investing makes sense in developed, highly efficient markets such as the US, where most active funds underperform their benchmarks. But not many emerging markets are well developed and well tracked. Some carry regulatory and geopolitical risks, which would make passive investing too risky. Active funds are the preferred option in these markets," he says.

Selecting the right passive fund

Before investing in a passive fund, check its expense ratio and tracking error. Lower values are better in both cases. Tracking error measures how closely the fund manager mimics the underlying index's performance.

Bhatia offers a simple thumb rule for selecting the right ETF: the acronym VICTER [V = volume (higher the better); IC = impact cost (lower the better); T = tracking error (lower the better); and ER = expense ratio (lower the better)]. All ETFs belonging to a specific category are not similar. One may think that all Nifty50 based ETFs would be the same because they hold the same 50 stocks in their portfolios.

"The VICTER test can help investors identify the right ETF benchmarked to a particular index," says Bhatia.

Constructing a passive portfolio

Passive funds are a good option for beginners who may find it difficult to select an active fund. "A simple Nifty50 index fund is a good starting point for a conservative investor. Investors willing to take higher risks can consider a mix of large-cap (Nifty50 or Nifty 100) and mid-cap (Nifty Midcap 150) index funds. An investor with a moderate risk profile should limit mid-cap exposure to 30 per cent, while a more aggressive investor can go up to 50 per cent," says Shrinath M.

E-Tender Notice
The Chairman on behalf of the Board of Councilors of Sonamukhi Municipality invites e-Tender WBMAD/SMK/AMRUT/NleQ-01/23-24

Tender ID	Name of Work
2023_MAD_545841_1	House service water Connection to 2042 nos at Zone I (Ward Nos. - 1,2,3,4 & 5)
2023_MAD_545841_2	House service water Connection to 1895 nos at Zone II (Ward Nos. 6,7,8,9,10 & 14)
2023_MAD_545841_3	House service water Connection to 1150 nos at Zone III (Ward No. - 11,12,13 & 15)

Bid Submission closing Date & Time: 01-08-2023 at 4:00 p.m.
Details NleQ along with complete Documents can be downloaded from the website: <https://wbmtenders.gov.in>
Sd/-
Chairman
Sonamukhi Municipality

THE TRAVANCORE-COCHIN CHEMICALS LIMITED
(A Government of Kerala Undertaking)
P.B. No.4004, Udyogamandal P.O., Kochi-683 501, Kerala, India
Phone: 0484-2546289, 2546515
CIN: U24299KL1951SGC001237, GSTIN: 32AAACT620781Z1
Email: purchase@tckerala.com, Website: www.tckerala.com

E-TENDER

Invited E-Tenders for the following through: <http://etenders.kerala.gov.in>. All relevant details, Tender Document and Corrigendum if any, can be downloaded from the above website only.

Sl. No.	Tender ID	Description	Last Date of Submitting Offer
1	2023_TCCL_585658_1	Design, Fabricating and Supply of Empty Chlorine Tonners	18.07.2023

Sd/- Asst. General Manager (Materials)

Genus Power Infrastructures Limited
(Registered Office: G-123, Sector-63, Noida-201307, Uttar Pradesh, India)
(Tel: +91-120-2581999; Email: cs@genus.in; Website: www.genuspower.com; CIN: L51909UP1992PLC051997)

Notice of the Extraordinary General Meeting and E-Voting Information
Notice is hereby given that the Extraordinary General Meeting ("EGM") of the Members of Genus Power Infrastructures Limited ("the Company") will be held on Monday, July 31, 2023 at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, read with the applicable circulars issued by the Ministry of Corporate Affairs and the SEBI, in this regard (Collectively referred to as "applicable circulars") to transact the business as set forth in the Notice of EGM. The Members can join the EGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of EGM by following the procedure mentioned in the Notice of EGM.

In accordance with the applicable circulars, the Notice of EGM has been sent on July 06, 2023 to all those Members of the Company, whose email addresses are registered with the Company/Registrar and Transfer Agent ("RTA"/Depository Participant(s)). The aforesaid documents are also available on website of the Company at www.genuspower.com, website of the Central Depository Services (India) Limited ("CDSL") at www.evotingindia.com and website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Members holding shares as on the cut-off date i.e. July 24, 2023 may cast their vote electronically on the business as set forth in the Notice of EGM through remote e-voting or e-voting during the EGM. The detailed procedure or instructions for e-voting and joining the EGM are provided in the Notice of EGM. In this regard, the Members are hereby informed that:

- The remote e-voting shall commence on Friday, July 28, 2023 at 9:00 am (IST) and end on Sunday, July 30, 2023 at 5:00 pm (IST). The remote e-voting shall not be allowed beyond the said date and time.
- The remote e-voting module shall be disabled by CDSL for voting after 5:00 p.m. (IST) on July 30, 2023.
- It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility. Members have also an option to cast their vote through e-voting by attending the EGM. Members can opt for only one mode of voting. The Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. July 24, 2023 only shall be entitled to avail the facility of remote e-voting as well as e-voting during the EGM. A person, who is not a Member as on the said cut-off date, should treat this Notice or Notice of EGM for information purposes only.
- Members, who are holding shares in physical form or who have not registered their email addresses with the Company, can cast their vote through remote e-voting or through the e-voting system during the EGM by following the procedures/instructions, mentioned in the Notice of EGM.
- Members, who have not registered their Email IDs or those who have acquired shares after the dispatch of the Notice of EGM and who continue holding shares as on the cut-off date, i.e. Monday, July 24, 2023, can obtain/generate the user ID and password as per the instructions provided in the Notice of EGM for e-voting. However, if a person is already registered with CDSL/NSDL for e-voting, then existing login ID and password can be used for casting vote. Member can also login using the login credentials of his/her demat account through his/her depository participant registered with NSDL/CDSL for e-voting facility. Members are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.
- Members, who are present in the EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the EGM.
- Member, participating through the VC/OAVM facility, shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013.
- If you have any queries or issues regarding attending EGM and e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurox, Marolli Mill Compounds, N.M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.
- The Company has appointed Mr. Sandeep Jain (Membership No. FCS 5398, CP No. 4151) and in his absence Ms. Lata Gyanmalani (Membership No. FCS 10106, CP No. 9774), partners of M/s. ARMS & Associates LLP, Practicing Company Secretaries, Jaipur as the Scrutinizer to scrutinize the e-voting at the EGM and remote e-voting process, in a fair and transparent manner.

Place : Jaipur
Dated : July 06, 2023
For Genus Power Infrastructures Limited
Ankit Jhanjhari
Company Secretary

— TENDER CARE —

— Advertorial

ENGINEERS INDIA LTD. (EIL) OBSERVES SWACHHTA PAKHWADA 2023



Engineers India Ltd. (EIL) launched the Swachhta Pakhwada celebrations on July 1, 2023 with a host of initiatives including awareness drive for the local community, Shram Daan to clean the near vicinity of the Office complex and distribution of hygiene kits.

On this occasion, Ms. Vartika Shukla, C&MD, along with Functional Directors & CVO, administered the Swachhta Pledge to the employees. Addressing the gathering, C&MD urged employees to make cleanliness a habit and offer their wholehearted participation for the Pakhwada's success and continue focused efforts in making Swachh Bharat a reality in days to come. C&MD also inaugurated hand painted murals by local artists conveying the message of hygiene and waste segregation and flagged off the Swachhta Pathgamini, a shuttle bus service with a customized swachhta message to spread the message of cleanliness & hygiene

NABHA POWER ENSURES RELIABLE POWER FOR PUNJAB STATE

Nabha Power Limited, which operates the 2x700MW supercritical thermal power plant at Rajpura, remains firmly committed to serving the state of Punjab with unwavering excellence. In the first quarter of the current year, the plant has maintained an exceptional plant availability factor (PAF) of 99.33% and a plant load factor (PLF) of 89%, surpassing all other thermal power plants within the state. This has enabled the state of Punjab to meet its commitments of supplying uninterrupted and reliable power to its consumers especially the farmers, during the ongoing paddy sowing season.

Mr. Suresh Kumar Narang, Chief Executive of Nabha Power, expressed pride in the consistent demonstration of excellence in thermal power generation and sustained reliability at Rajpura Plant. Since its commissioning in February 2014, Nabha Power has played a pivotal role in Punjab's power sector, operating at the highest plant load factor (PLF) in the state. Notably, the plant provides the most cost-effective power among all thermal power plants (TTPs) in Punjab.

NABL ACCREDITATION FOR CMPDI

CMPDI's, Environment Laboratory at RI-I, Asansol has been assessed and accredited in accordance with the standard ISO/IEC 17025:2017 "General Requirements for the Competence of Testing & Calibration Laboratories", for its facilities in the different fields of testing. CMPDI also received Biological Testing services accreditation, with this CMPDI added one more testing service under his arm.

In this laboratory, testing of air quality parameters like SO₂, NO_x, PM₁₀ & PM_{2.5}; Noise Level Measurement; Chemical testing of Water Quality (Surface/Effluent/Drinking/Ground) like pH, Ammonical Nitrogen, COD, BOD, Total Hardness, Dissolved Oxygen, TDS, heavy metals in water (Fe, Mn, Cr, Cu, Zn) along with biological testing on parameters like Total Coliform Organisms are performed by CMPDI as per the requirements.

BANK OF INDIA ROLLED - OUT MAHILA SAMMAN SAVINGS CERTIFICATE, 2023 AT ALL ITS BRANCHES

Bank of India, one of the largest Public Sector Banks in India, has rolled out on 3rd July, 2023, Mahila Samman Savings Certificate, 2023 at all its Branches. The Roll Out has been inaugurated at the hands of MD & CEO, Shri Rajneesh Karnatak through VC. The inauguration session was attended by ED Shri. P.R Rajagopal and Shri M. Karthikeyan, CGM's and GM's from Corporate Office, besides this all offices of National Banking Group & Zones also joined through VC.

MD and CEO Shri Rajneesh Karnatak has informed that Bank of India has operationalize the scheme at all its Branches. All Branches of Bank of India are made authorize to open the account under Mahila Samman Savings Certificate, 2023. This Flagship Scheme was announced by our honourable Finance Minister Mrs Nirmala Sitharaman during Budget speech FY 2023 - 2024 on 01st Feb 2023. In the Scheme, an individual girl or woman can open Mahila Samman Saving certificate or guardian on behalf of a minor girl. The minimum investment is of Rs 1000/- and any sum in multiples of Rs 100/- may be opted to deposit in an account up to maximum limit of Rs 2000000/- . An individual may open any number of accounts subject to maximum limit for investment at a time gap of three months between the two accounts but within the overall cap of Rs 2,00,000/-

SHRI YASHPAL SINGH TOMAR ASSUMES THE CHARGE AS NEW DIRECTOR (NETWORK PLANNING AND MARKETING-NPM) OF RAILTEL CORPORATION OF INDIA LIMITED (RCIL)

Sh. Yashpal Singh Tomar on 4th July, 2023 assumed the charge as new Director (Network Planning and Marketing-NPM) of RailTel Corporation of India Limited (RCIL), a Mini-Ratna PSU under Ministry of Railways. Prior to this posting, Sh. Tomar was working as Divisional Railway Manager (DRM), Palakkad Division of Southern Railway Zone of Indian Railways. Sh. Yashpal Singh Tomar, an IIT alumnus, belongs to 1991 batch of Indian Railway Service of Signal Engineers (IRSE). This is the second stint of Sh. Tomar in RailTel. In his earlier stint, Mr. Tomar worked at RailTel's Secunderabad Regional office on deputation as Group General Manager. Sh. Tomar has diverse experience of working in Projects and Construction over various capacities in Central Railway, North Central Railway and South Central Railway, RDSO (Research Designs and Standards Organisation), Lucknow and IRISST (Indian Railways Institute of Signal Engineering and Telecommunications), Secunderabad. Sh. Yashpal Singh Tomar, Director (NPM), RailTel, after taking over the new charge said, "I am honoured to assume the responsibility of Director/NPM in this Mini Ratna PSU. I look forward to working with the team and contributing to the growth of the company. Railtel has positioned itself to take advantage of the present phase in India's ambitious digital transformation story which is going to further accelerate digitization in all walks of life. My company will continue to focus on its core areas and constantly explore new business opportunities with a view to enhance revenue stream. We will continue to work on future ready Network Planning and Marketing strategies."

