

Sept 12th, 2022

Market Data

Index	Closing	% Chg	% YTD
BSE Sensex	59,793	0.18	2.64
Nifty 50	17,833	0.19	2.76
Nifty Midcap 50	8,736	0.25	3.86
BSE Smallcap	29,529	0.18	0.24

World Indices	Closing	% Chg	% YTD
Nikkei	28,524	1.10	-0.93
Hang Sang	19,362	2.69	-17.25
Dow Jones	32,152	1.19	-11.52
Nasdaq	12,112	2.11	-22.58
FTSE 100	7,351	1.23	-0.45

Currency	Closing	% Chg	% YTD
USD/INR	79.6	0.17	-6.59
EUR/INR	80.3	-0.70	4.93
EUR/USD	1.0	0.50	-11.24

Commodity	Closing	% Chg	% YTD
BRENT CRUDE	91.5	-1.43	23.95
GOLD/TROY Oz.	1,715.2	-0.09	-6.23
SILVER/TROY Oz.	18.9	0.23	-18.90

Indian ADRs	Closing	Net Chg	% Chg
Dr. Reddy's Lab	53.47	0.12	0.22
HDFC Bank	64.45	0.05	0.08
ICICI Bank	23.00	0.00	0.00
Infosys	19.06	0.53	2.89
Tata Motors	28.14	0.26	0.93
Wipro	5.220	0.090	1.75

52 Week High		
Script	Closing Price	52 Wk High Price
ADANIEN	3,451	3,506
AMBUJACEM	454	485
CONCOR	753	771

52 Week Low		
Script	Closing Price	52 Wk Low Price
NATCOPHARM	602	601
DREAMFOLKS	431	424
NVENTURES	29	26

FII & DII Activities (INR Cr)		
Market Segment	Last Trading Session	Year to Date
Index Futures	(125)	(16,021)
Stock Futures	(246)	11,496
Net Future Position	(371)	(4,525)
Index Options	8,906	340,328
Stock Options	(237)	(150,539)
Net Options Position	8,668	189,789
FII In cash Segment	2,132	(209,033)
DII In cash Segment	(1,168)	190,029
Net Cash Position	965	(19,004)

Stock /Industry Specific News

- Credit growth of commercial banks is at a near nine-year high of 15.5% YoY for the week ended August 26, latest data released by the Reserve Bank of India showed. The credit growth is the highest since November 1, 2013, when it was 16.1%.
- Reliance Petroleum Retail Limited on Saturday executed definitive documents to acquire the polyester business of Shubhalakshmi Polyesters Limited for a cash consideration of INR 1,522 crore. The RIL arm will also buy the polyester business of Shubhlaxmi Polytext Limited for INR 70 crore. The aggregate value of the two acquisitions is INR 1,592 crore by way of slump sale on a going concern basis.
- ONGC has signed six contracts for Discovered Small Fields (DSF) offshore, with three each for fields in the Arabian Sea and Bay of Bengal. The contracts were obtained under the DSF-III bid round. These include four contract areas as sole bidders and two contract areas in partnership with Indian Oil Corporation Limited (IOCL).
- The Italian government and a UAE-based private equity firm have together picked up almost 44% in Titagarh Wagons' fully-owned subsidiary Firema SpA. The company saw a "recapitalization of Euro 20 million through fresh equity infusion", raising the total capital to Euro 33 mn. Invitalia, the Italian government's investment promotion agency, pumped in Euro 10 million for a 30.30 per cent stake, and the UAE-based PE firm - Hawk Eye DMCC - picked up a 13.64 per cent shareholding for Euro 4.5 mn.
- Hindustan Copper Ltd (HCL) is considering increasing its copper ore production to 12.2 mn tonnes per annum by FY29 in its first phase of expansion. The company's copper ore production was 3.57 mn tonnes (MT) in FY22. "HCL has plans to increase its mining capacity from its current level ore production to 12.2 mn tonnes per annum in phase-I in next 7 to 8 years.
- Ashok Leyland on Friday said it has joined hands with UK-based Libertine Holdings for its commercial vehicle powertrains. The commercial vehicle major has inked a memorandum of understanding (MoU) to evaluate the use of the Libertine technology platform for its commercial vehicle powertrains. Under the terms of the MoU, Ashok Leyland will conduct due diligence on Libertine's technology and explore the scope for Linear Generator product development within its commercial vehicle portfolio.
- Mahindra Lifespace Developers is looking to acquire a few land parcels this fiscal to build housing projects with sales potential of INR 3,000-4,000 crore, a top company official said. The company will acquire these land parcels either through outright purchase or by forming Joint Development Agreements (JDAs) with landowners. The company's market cap recently touched USD 1 billion (about INR 8,000 crore).
- Gujarat Industries Power awarded an EPC Contract to KEC International at the cost of INR 244 crores for Pooling Sub-station 400/33 KV, 1200 MW of Solar / Wind / Hybrid RE Park of 2375 MW capacity at Great Rann of Kutch area, Gujarat.

Inside Arihant's Morning Daily

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India's rice exports may fall by 4-5 million tonnes post ban on broken rice, 20 pc duty

India's rice exports could fall by 4-5 million tonnes this fiscal year due to imposition of ban on broken rice as well as export duty on non-basmati rice, except for parboiled grains, exporters said. India, which commands 40 per cent share in the global rice trade, exported 21.23 million tonnes of rice in 2021-22 fiscal as against 17.78 million tonnes in the previous year. Before the COVID pandemic, the exports were 9.51 million tonnes in the 2019-20 fiscal. During April-August period of the current financial year, the government data showed that the country has already exported 9.35 million tonnes as against 8.36 million tonnes in the year-ago period.

"The exports may fall to 16-17 million tonnes in this financial year because of ban on broken rice and 20 per cent export duty," All India Rice Exporters Association (AIREA) former president Vijay Setia told PTI. He said the country was exporting non-basmati rice for USD 380-400 per tonne, lower than the rate of shipments from other countries. The price realisation is "expected to improve at par with our competitors" after these decisions, Setia said. On Friday, food secretary Sudhanshu Pandey explained the rationale behind the ban on exports of broken rice.

"During April to August this fiscal, the export share of broken rice increased to 22.78 per cent as compared to the 1.34 per cent in the corresponding period of 2019-20," the secretary had said. India exported 3.89 million tonnes of broken rice in 2021-22 fiscal and out of that China imported 1.58 million tonnes of broken rice last fiscal year. Exports of broken rice stood at 2.06 million tonnes in 2020-21, just 2,70,000 tonnes in 2019-20 and 1.22 million tonnes in 2018-19. In April-August period of this fiscal year, the export of broken rice increased to 2.13 million tonnes from 1.58 million tonnes in the year-ago period. "Export policy of broken rice ...is amended from 'free' to 'prohibited'," the Directorate General of Foreign Trade (DGFT) said in a notification dated September 8, 2022. The notification comes into effect from Friday, September 9, 2022. As per the DGFT notification, provisions under the Foreign Trade Policy 2015-2020 regarding the transitional arrangement shall not be applicable to this notification. It added that during September 9-15, certain consignments of broken rice will be allowed to be exported.

The government has made no policy change in parboiled rice so that farmer continue to get good remunerative prices. There is neither a ban nor customs duty on exports of basmati rice. Shipments of basmati rice fell to 3.94 million tonne in last fiscal from 4.63 million tonne in 2020-21. However, during April-August of this fiscal, the exports of premium basmati rice went up to 1.82 million tonnes as against nearly 1.7 million tonnes in the year-ago period. In non-basmati category, exports of parboiled rice increased to 7.43 million tonnes in FY22 from 6.17 million tonnes in the previous fiscal, while shipments of non-parboiled rice rose to 5.21 million tonnes from 4.23 million tonnes.

The uptick in domestic wholesale and retail prices of rice was also one of the reasons cited by the government for imposing restrictions. The wholesale prices have risen by 8 per cent to INR 3,291 per quintal as on September 7 from INR 3,041 per quintal a year ago, while the retail prices have gone up by 6.38 per cent to INR 37.5 per kg from INR 35.25 per kg. Animal feed prices too have also gone up. Maize price increased from INR 19 per kg on January 1, 2022 to INR 24 per kg on September 8, 2022. Broken rice price has also increased from INR 16 per kg to INR 22 per kg during the same period. On Thursday, the government imposed a 20 per cent export duty on non-basmati rice except for parboiled rice. According to a notification by the revenue department, an export duty of 20 per cent has been imposed on 'rice in husk (paddy or rough)' and 'husked (brown) rice'. The export duty comes into effect from September 9.

The ban on broken rice and export duty of 20 per cent on non-basmati rice, except for pa-boiled, have been imposed amid concern over likely fall in rice output. The area under coverage for the paddy crop has declined by 4.95 per cent to 393.79 lakh hectare in the ongoing kharif season so far due to poor rains in some states, according to the agriculture ministry data released on Friday. Paddy was sown in 414.31 lakh hectares (LH) in the year-ago period, the data showed. It is the main kharif crop and its sowing begins with the onset of the southwest monsoon in June and harvesting from October onwards.

India's total rice production during 2021-22 crop year (July-June) is estimated at a record 130.29 million tonnes (111.76 million tonnes in kharif and 18.53 million tonnes in rabi season) as against 124.37 million tonnes in the previous year. The food ministry has said on Friday that the country's rice production in kharif (summer sown) could fall by 6-7 million tonnes but the country would still have surplus output. The Centre is sitting on a stock of 47 million tonnes of rice, including rice equivalent of unmilled paddy, as of July 1. The buffer stock requirement is to have 13.5 million tonnes of rice as of July 1.

Source: Financial Express

Arihant Capital Markets Limited											
Company	Reco	Reco	Current	Target	Research	Potential	Absolute	Valuation (*P/BV, P/E)			
09-SEP-2022	Date	Price	Price	Price	Call	Upside %	Return %	FY21	FY22	FY23E	FY24E
Banking*											
Axis Bank	26-Jul-22	780	785	940	Buy	21%	1%	2.4	2.1	1.8	1.6
Bandhan Bank	25-Jul-22	285	294	338	Accumulate	19%	3%	2.7	2.7	2.3	1.9
City Union Bank	10-Aug-22	162	179	182	Accumulate	12%	10%	2.3	2.0	1.7	1.5
DCB	10-May-22	81	103	91	Accumulate	12%	28%	0.9	0.8	0.7	0.7
HDFC Bank	18-Jul-22	1362	1499	1847	Buy	36%	10%	4.1	3.5	3.1	2.7
ICICI Bank	25-Jul-22	800	901	971	Buy	21%	13%	4.2	3.7	3.2	2.7
IDFC First Bank	01-Aug-22	38	50	59	Buy	55%	33%	1.6	1.4	1.3	1.1
IndusInd Bank	21-Jul-22	879	1137	1236	Buy	41%	29%	2.0	1.8	1.6	1.4
State Bank of India	06-Aug-22	531	553	667	Buy	26%	4%	1.9	1.8	1.5	1.3
CSB Bank	22-Jul-22	209	222	292	Buy	40%	6%	1.8	1.5	1.3	1.1
Indian Bank	03-Aug-22	177	204	216	Buy	22%	15%	0.6	0.6	0.5	0.4
NBFC*											
Manappuram Finance	05-Aug-22	102	105	131	Buy	28%	3%	1.2	1.1	0.9	0.8
Sundaram Finance	27-May-22	1655	2254	1927	Accumulate	16%	36%	4.1	3.6	3.2	2.9
Home First Finance	29-Jul-22	828	874	960	Accumulate	16%	6%	5.5	4.9	4.2	3.7
IT											
Infosys	25-Jul-22	1506	1512	1728	Accumulate	15%	0%	33.2	28.7	25.1	21.9
TCS	11-Jul-22	3265	3218	3720	Accumulate	14%	-1%	37.0	30.9	28.0	24.2
Mindtree	14-Jul-22	2911	3309	3461	Accumulate	19%	14%	49.1	33.0	27.5	23.9
Coforge (NIIT Tech)	25-Jul-22	3726	3568	4133	Hold	11%	-4%	47.4	32.7	26.6	21.6
Persistent Systems	24-Jul-22	3633	3393	3910	Hold	8%	-7%	57.5	37.6	29.7	26.0
L&T Technology Services	18-Jul-22	3093	3753	3222	Neutral	4%	21%	59.7	41.4	35.6	30.3
Firstsource Solutions	04-Aug-22	104	117	110	Hold	6%	12%	22.0	14.7	17.4	14.7
Birlasoft	04-Aug-22	342	329	429	Buy	25%	-4%	28.3	19.7	18.0	15.4
RPSG Ventures	19-Aug-22	527	570	2714	Buy	415%	8%	15.8	11.5	8.7	6.2
Cement											
Ultratech Cement	25-Jul-22	6454	6784	7400	Accumulate	15%	5%	35.9	26.7	-	-
ACC	15-Jul-22	2156	2366	2435	Accumulate	13%	10%	24.1	21.9	18.6	-
Ambuja Cement	20-Jul-22	371	455	420	Accumulate	13%	23%	43.3	39.5	34.4	-
Ramco Cement	02-Aug-22	752	777	856	Accumulate	14%	3%	23.3	20.8	19.8	17.0
Shree Digvijay Cement	02-Aug-22	63	71	73	Accumulate	16%	12%	18.6	18.6	10.2	9.7
Orient Cement	01-Aug-22	116	129	136	Accumulate	17%	11%	12.4	10.1	6.1	4.7
Automobile											
M&M	06-Aug-22	1236	1301	1391	Accumulate	13%	5%	38.2	30.3	20.3	15.1
Maruti Suzuki	27-Jul-22	8658	8946	9720	Accumulate	12%	3%	63.9	71.7	39.5	25.8
Ashok Leyland	01-Jul-22	154	167	190	Buy	23%	8%	151.4	92.5	37.0	22.8
Bajaj Auto	27-Jul-22	3884	3849	4523	Accumulate	16%	-1%	24.5	22.2	20.2	18.2
TVS Motors	29-Jul-22	871	1054	1028	Accumulate	18%	21%	81.7	56.1	36.2	26.5
Hero MotoCorp	16-Aug-22	2762	2838	3405	Buy	23%	3%	19.1	22.9	18.1	15.8
Industrial Machinery											
Pitti Engineering	26-May-22	244	325	436	Buy	79%	33%	36.1	20.3	11.6	8.1
Greaves Cotton	16-Aug-22	172	174	215	Buy	25%	1%	435.4	145.1	54.4	44.7
FMCG											
Dabur India	04-Feb-22	556	575	609	Hold	10%	3%	59.9	54.8	48.3	-
Marico	06-May-22	520	522	557	Hold	7%	0%	56.1	52.7	47.4	-
Prataap Snacks	25-May-22	653	807	729	Hold	12%	24%	134.6	61.6	44.4	-
Hindustan Unilever	29-Apr-22	2144	2589	2368	Hold	10%	21%	68.8	63.8	57.8	-
Britannia Industries	05-May-22	3381	3650	3671	Hold	9%	8%	58.0	54.6	49.5	-
Textile											
Gokaldas Exports	05-May-22	432	355	468	Hold	8%	-18%	57.4	17.9	19.0	17.4
Dollar Industries	25-May-22	477	469	516	Hold	8%	-2%	31.3	18.1	15.4	12.4
Indo Count Industries	01-Jun-22	149	160	208	Buy	40%	8%	12.7	8.8	8.5	7.7
Gems & Jewellery											
D P Abhushan	21-Jan-22	397	404	446	Accumulate	12%	2%	32.9	21.7	16.4	13.6
Chemicals											
Vishnu Chemicals	10-Aug-22	1654	1480	2116	Buy	28%	-11%	51.2	21.7	13.9	10.5
India Glycols	16-Aug-22	799	915	1056	Buy	32%	15%	21.0	8.3	18.8	12.5
Heranba Industries	16-Aug-22	596	573	1073	Buy	80%	-4%	14.5	12.1	9.7	8.0
Gujarat Heavy Chemicals	31-Jul-22	644	649	898	Buy	39%	1%	20.0	10.3	10.2	9.4
Diversified											
Arihant Superstructures	28-Jul-22	170	251	296	Buy	74%	48%	83.7	25.1	16.7	6.8
Harimor Pipe Industries	12-Aug-22	230	289	403	Buy	75%	26%	32.5	15.4	13.1	7.1
Route Mobile	01-Aug-22	1401	1468	1631	Accumulate	16%	5%	59.2	52.8	31.4	24.3
Raymond	19-May-22	852	1035	1362	Buy	60%	22%	23.2	26.5	13.1	8.7
Orient Electric	27-Jul-22	276	257	321	Accumulate	16%	-7%	42.9	42.9	32.2	28.6
Pharma											
Cipla	01-Aug-22	977	1058	1080	Hold	11%	8%	35.3	32.1	28.6	24.6
Marksans Pharma	06-Jun-22	46	53	80	Buy	74%	15%	9.1	11.7	8.5	7.1
Rating scale											
BUY >20%, ACCUMULATE 12-20%, HOLD 5-12%, NEUTRAL 5% -5%, REDUCE -5% -12%, SELL < -12%											
Note: For ACC and Ambuja Cement, FY20, FY21E and FY22E corresponds to CY19, CY20E & CY21E.											

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Stock Rating Scale

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Absolute Return

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