

Nov 24<sup>th</sup>, 2022

**Market Data**

Index	Closing	% Chg	% YTD
BSE Sensex	61,511	0.15	5.59
Nifty 50	18,267	0.13	5.26
Nifty Midcap 50	8,628	0.52	2.59
BSE Smallcap	28,878	0.54	-1.97

World Indices	Closing	% Chg	% YTD
Nikkei	28,449	1.18	-1.19
Hang Sang	17,596	0.41	-24.80
Dow Jones	34,194	0.28	-5.90
Nasdaq	11,285	0.99	-27.87
FTSE 100	7,465	0.17	1.09

Currency	Closing	% Chg	% YTD
USD/INR	81.90	-0.22	-9.18
EUR/INR	84.50	-0.73	-0.34
EUR/USD	1.04	0.66	-8.25

Commodity	Closing	% Chg	% YTD
BRENT CRUDE	85.33	-0.09	17.08
GOLD/TROY Oz.	1755.18	0.68	-4.05
SILVER/TROY Oz.	21.64	1.68	-7.14

Indian ADRs	Closing	Net Chg	% Chg
Dr. Reddy's Lab	54.21	0.02	0.04
HDFC Bank	68.63	0.63	0.93
ICICI Bank	22.98	0.12	0.50
Infosys	19.43	0.06	0.36
Tata Motors	25.79	-0.15	-0.60
Wipro	4.80	-0.022	-0.47

**52 Week High**

Script	Closing Price	52 Wk High Price
AEGISLOG	330	334
BANKBARODA	169	170
BANKINDIA	79	81

**52 Week Low**

Script	Closing Price	52 Wk High Price
AMBER	1,953	1,946
AVANTI	365	364
GLAXO	1,300	1,296

**FII & DII Activities (INR Cr)**

Market Segment	Last Trading Session	Year to Date
Index Futures	283	(12,846)
Stock Futures	1,198	18,244
<b>Net Future Position</b>	<b>1,481</b>	<b>5,398</b>
Index Options	13,082	5,52,267
Stock Options	(148)	658
<b>Net Options Position</b>	<b>12,934</b>	<b>5,52,925</b>
FII In cash Segment	(790)	(2,76,987)
DII In cash Segment	414	2,56,811
<b>Net Cash Position</b>	<b>(376)</b>	<b>(20,176)</b>

**Stock /Industry Specific News**

- Biocon entered a semi-exclusive partnership agreement with European pharmaceutical company Zentiva for the commercialisation of its vertically integrated, complex formulation, Liraglutide, a drug-device combination for the treatment and management of type 2 diabetes and obesity. The company has also issued commercial papers worth Rs 2,250 crore on private placement basis at a coupon of 7.75%.
- Aparna Kuppuswamy, chief risk officer of SBI Cards and Payment Services, has tendered her resignation. Her last working day with the company will be Feb. 10, 2023.
- Neuland Laboratories board appointed Abhijit Majumdar as chief financial officer and key managerial person. The board also approved transfer of company's property spanning 1.75 lakh square feet in Nanakramguda, Hyderabad to various parties via perpetual lease for an overall consideration of INR 117.96 crore.
- Poonawalla Fincorp clarified that the statement by Poonawalla Housing Finance's MD & CEO Manish Jaiswal quoted in the media report of its housing arm being put on the block was in the context of the earlier in-principle approval granted by the board for raising funds in the unit.
- Life Insurance Corporation of India picks additional 2.01% stake in M&M Financial Services. Life Insurance Corporation of India bought additional 2.01% shares in M&M Financial Services via open market transactions, increasing the shareholding to 7.02% from 5.01% earlier.
- PVR;NCLT, Mumbai Bench vide its Order dated 3 November 2022 has fixed 15 December date for hearing and final disposal of application about the merger with rival Inox Leisure.
- EasyMyTrip has approved the allotment of a 3:1 bonus issue. The stock on Monday went ex-bonus of a 3:1 issue and ex-stock split of 2:1. It had also announced a 1:1 bonus issue in February this year. During the September quarter, the company recorded its highest-ever gross booking revenue of INR 2,000 crore.
- Adani Enterprises/Adani Power/Tata Power: Supreme Court upheld Aptel order on INR 7,000 crore transmission contract awarded by MERC to Adani Electricity Mumbai Infra. Tata Power had challenged this order in April 2021.
- HG Infra Engineering receives appointed date letter from Adani Road Transport for road project in Uttar Pradesh. The company has received a letter from Adani Road Transport regarding declaration of appointed date as November 3, by Authority for project in Uttar Pradesh. The company will execute civil and associated works on engineering procurement & construction basis for development of an access-controlled six lane road project in Uttar Pradesh on DBFOT (toll) basis under PPP. The project will be completed within 820 days from appointed date.

**Inside Arihant's Morning Daily**

- Online gaming likely to attract 28% GST on full value
- Arihant Capital Coverage Universe

## Online gaming likely to attract 28% GST on full value

A group of ministers (GoM) on casinos, race courses and online gaming on Tuesday decided not to change its earlier recommendation for a uniform 28% tax on the full value of the consideration on all the three. This paves the way for the GST Council to go for a 28% tax on online gaming on the full value, including prize money, both for skilled and unskilled games. Currently, an 18% tax is levied on the platform fee.

"All the states have reiterated their earlier stance (28% tax on full value) and the view will be communicated to the GST Council in the form of a report for a decision on the matter," West Bengal Finance Minister Chandrima Bhattacharya, who attended the meeting, told FE.

In the GST Council meeting on June 29, Union finance minister Nirmala Sitharaman, who is the chair of the federal body, gave 15 more days to the GoM to relook at the taxation issues after the Goa government flagged some concerns about Casinos. However, the GoM could not arrive at any further decision due to divergent opinions.

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The GoM, in its first report in June, had recommended that in the case of online gaming, the activities should be taxed at 28% on the full value of the consideration, by whatever name such consideration may be called, including contest entry fee, paid by the player for participation in such games.

Since GST is levied on online skill-based gaming at 18% currently on the platform fee (up to 20% of the contest entry fee), the tax incidence on the gaming industry will rise if the proposal is implemented.

In the case of racecourses, the GoM had earlier said that GST should continue to be levied at the rate of 28% on the full value of bets pooled in the totalisator and placed with the bookmakers. In the case of casinos, GST should be applied at the rate of 28% on the full face value of the chips/coins purchased from the casino by a player, it said. In the case of casinos, once GST is levied on the purchase of chips/coins (on face value), no further GST to apply to the value of bets placed in each round of betting, including those played with winnings of previous rounds, the GoM had said in the first report.

In its last meeting in September, the GoM decided to seek legal opinion on whether the prize money in online gaming and horse racing is covered within "actionable claim".

In the same meeting, West Bengal and Uttar Pradesh reiterated their stand that GST on online gaming, horse racing and casinos should be at a uniform rate of 28% on the full value of the consideration without making a distinction between games of skill or chance.

On the question of whether horse racing, casinos and online gaming are activities of games of skill or chance, the general view of the Central government officials is that this should not be relevant for GST regime like in the virtual digital assets (VDAs) for income tax. In the FY23 Budget, the Centre imposed a 30% income tax on gains from VDA transactions even though the debate is still going on whether to ban these private virtual currencies/assets or regulate them.

Analysts said the GST Council might categorise actionable claim as 'services' by putting it under Section 7 of the CGST Act for taxation purposes without getting into the debate of games of skill or chance.

**Source: Financial Express**

Arihant Capital Markets Limited

Company	Reco	Reco	Current	Target	Research	Potential	Absolute	Valuation (*P/BV, P/E)			
23-Nov-22	Date	Price	Price	Price	Call	Upside %	Return %	FY21	FY22	FY23E	FY24E
<b>Banking*</b>											
Axis Bank	26-Jul-22	780	875	980	Hold	26%	12%	2.6	2.3	2.0	1.8
Bandhan Bank	25-Jul-22	285	215	338	Accumulate	19%	-24%	2.0	2.0	1.7	1.4
City Union Bank	10-Aug-22	162	185	182	Accumulate	12%	14%	2.3	2.1	1.8	1.5
DCB	10-May-22	81	122	132	Accumulate	63%	51%	1.0	0.9	0.9	0.8
HDFC Bank	18-Jul-22	1362	1599	1847	Hold	36%	17%	4.3	3.7	3.3	2.9
ICICI Bank	25-Jul-22	800	927	971	Accumulate	21%	16%	4.4	3.8	3.2	2.8
IDFC First Bank	01-Aug-22	38	57	59	Hold	55%	50%	1.8	1.5	1.4	1.3
IndusInd Bank	21-Jul-22	879	1174	1236	Accumulate	41%	34%	2.1	1.9	1.7	1.5
State Bank of India	06-Aug-22	531	608	667	Accumulate	26%	14%	2.1	1.9	1.7	1.4
CSB Bank	22-Jul-22	209	218	292	Accumulate	40%	4%	1.7	1.4	1.2	1.1
Indian Bank	03-Aug-22	177	276	216	Hold	22%	56%	0.8	0.8	0.7	0.6
<b>NBFC*</b>											
Manappuram Finance	05-Aug-22	102	112	131	Buy	28%	9%	1.3	1.1	1.0	0.8
Sundaram Finance	27-May-22	1655	2257	1927	Accumulate	16%	36%	4.1	3.6	3.2	2.9
Home First Finance	29-Jul-22	828	707	960	Accumulate	16%	-15%	4.5	3.9	3.4	3.0
<b>IT</b>											
Infosys	14-Oct-22	1420	1583	1619	Accumulate	14%	11%	34.7	30.0	25.7	22.6
TCS	11-Oct-22	3119	3308	3609	Accumulate	16%	6%	38.0	31.8	29.3	25.3
Mindtree	14-Oct-22	3324	141	3826	Accumulate	15%	-96%	2.1	1.4	1.2	1.1
Persistent Systems	27-Oct-22	3829	3735	3845	Neutral	0%	-2%	63.3	41.4	29.6	24.3
L&T Technology Services	25-Oct-22	3511	3823	3420	Neutral	-3%	9%	60.8	42.1	36.0	31.4
AxisCades Technologies	11-Nov-21	351	286	394	Accumulate	12%	-19%	#DIV/0!	15.3	11.5	9.5
Firstsource Solutions	03-Nov-22	105	105	93	Reduce	-11%	0%	19.8	13.3	17.8	14.4
<b>Cement</b>											
Ultratech Cement	25-Jul-22	6454	6824	7400	Accumulate	15%	6%	36.1	26.9	-	-
Ambuja Cement	20-Jul-22	371	563	420	Accumulate	13%	52%	53.6	48.9	42.6	-
Ramco Cement	02-Aug-22	752	671	856	Accumulate	14%	-11%	20.2	17.9	17.1	14.7
Shree Digvijay Cement	02-Aug-22	63	65	73	Accumulate	16%	4%	17.2	17.2	9.5	8.95
Orient Cement	01-Aug-22	116	124	136	Accumulate	17%	7%	11.9	9.7	5.9	4.48
<b>Automobile</b>											
M&M	12-Nov-22	1287	1236	1391	Hold	8%	-4%	36.2	28.7	20.6	15.4
Maruti Suzuki	29-Oct-22	9493	8935	10872	Accumulate	15%	-6%	63.8	71.6	35.1	22.8
Ashok Leyland	12-Nov-22	148	145	172	Accumulate	16%	-2%	132.2	80.8	53.9	23.1
Bajaj Auto	17-Oct-22	3571	3608	4155	Accumulate	16%	1%	22.9	20.9	17.9	16.0
TVS Motors	07-Nov-22	1114	1052	1197	Hold	7%	-6%	81.6	56.0	36.2	26.5
Mahindra CIE	19-Oct-22	312	286	397	Buy	27%	-8%	26.2	16.5	14.4	12.2
Hero MotoCorp	04-Nov-22	2589	2659	3437	Buy	33%	3%	17.9	21.5	18.2	15.5
<b>Industrial Machinery</b>											
Pitti Engineering	15-Nov-22	299	306	446	Buy	49%	2%	34.0	19.1	15.2	10.4
Greaves Cotton	16-Nov-22	153	147	189	Buy	24%	-4%	367.0	122.3	44.5	36.7
<b>FMCG</b>											
Dabur India	27-Nov-22	532	551	598	Accumulate	12%	4%	57.4	55.7	49.7	45.20
Marico	06-Nov-22	539	491	583	Hold	8%	-9%	52.8	49.6	45.9	43.04
Prataap Snacks	09-Nov-22	915	978	1401	Buy	53%	7%	163.0	74.7	58.9	23.29
Hindustan Unilever	25-Oct-22	2655	2507	2962	Hold	12%	-6%	74.2	66.9	55.8	48.2
Britannia Industries	09-Nov-22	4142	4155	4468	Hold	8%	0%	66.1	62.1	57.2	49.29
<b>Textile</b>											
Gokaldas Exports	23-Oct-22	378	384	419	Hold	11%	2%	62.2	19.4	17.1	15.6
Dollar Industries	15-Nov-22	439	431	498	Accumulate	13%	-2%	28.6	16.5	20.3	16.5
<b>Gems &amp; Jewellery</b>											
D P Abhushan	21-Jan-22	397	311	446	Accumulate	12%	-22%	25.3	16.7	12.6	10.5
<b>Chemicals</b>											
India Glycols	15-Nov-22	800	769	1056	Buy	32%	-4%	17.7	7.0	22.0	14.0
Heranba Industries	10-Nov-22	530	520	1073	Buy	102%	-2%	13.2	11.0	10.6	7.3
Gujarat Heavy Chemicals	01-Nov-22	647	567	898	Buy	39%	-12%	17.4	9.0	4.3	4.6
<b>Diversified</b>											
Arihant Superstructures	16-Nov-22	236	218	316	Buy	34%	-8%	72.6	21.8	14.5	5.9
Hariom Pipe Industries	18-Nov-22	284	277	462	Buy	63%	-2%	31.1	14.7	15.2	8.3
Route Mobile	01-Aug-22	1401	1305	1631	Accumulate	16%	-7%	52.6	46.9	27.9	21.6
Raymond	09-Nov-22	1286	1296	1539	Accumulate	20%	1%	29.0	33.1	12.0	10.9
Orient Electric	07-Nov-22	263	279	285	Hold	8%	6%	46.5	46.5	55.8	39.9

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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