

# VITT – VRIDDHI

## THE SAMNIDHY NEWSLETTER



### SAMNIDHY FUND PERFORMANCE VS. BENCHMARK



#### TOP GAINERS THIS WEEK



UPL



PI Industries



Reliance

#### TOP LOSERS THIS WEEK



Balkrishna Industries



Infosys



HUL

# News & Updates

## Energy & Metal

The government introduced windfall tax on 1st July 2022 when the price of WTI crude oil was greater than USD100. The prices have been sustaining at lower levels for the last few months, correspondingly the government has slashed taxes on export of diesel and Aviation Turbine Fuel (ATF), also on domestically produced crude oil.

**Analysis:** The decrease in windfall profit tax will lead to better profit margins for the refineries and is expected to increase exports. There is a possibility of this special additional excise duty being scrapped completely in the near future.

## Consumer Durables

Godrej Appliances expects the sales of its air conditioners to nearly double in the upcoming fiscal year as a result of the launch of India's first leak-proof split air conditioner and 25 more SKU's and as a result of a strong summer that will allow companies to grow their cooling appliance business.

**Analysis:** Major players in the consumer durables industry expect a significant bounce back in the domestic demand of Air conditioners with an average expected CAGR of 30% and an aggressive strategy from Godrej may affect other listed players like Voltas, Havells, Bluestar and Whirlpool India.

## Infrastructure

Godrej Properties have acquired Raj Kapoor's bungalow in Mumbai, to be redeveloped for an ultra premium, luxurious residential property. The property is located in the eastern suburbs of Mumbai and is spread across 1-acres. The deal has been said to be finalized 100cr and the real estate developer expects a revenue of 500cr upon successful completion of the project.

**Analysis:** With this deal Godrej Properties Ltd. have added a second heritage property linked with Bollywood's celebrated actor, director and producer Lt. Shri Raj Kapoor to its portfolio after acquisition of 2.2-acre R.K Studios in 2019.

## Financial

In preparation for a prospective IPO in 2025, Tata Capital, the financial services division of Tata Group, is thinking about consolidating its businesses. The group's three lending companies, Tata Capital Financial Services, Tata Capital Housing Finance, and Tata Cleantech Capital, as well as its three investing and advisory companies, Tata Securities, Tata Capital Singapore, and Private Equity, are all under the umbrella of Tata Capital.

**Analysis:** The action is a part of the company's larger intentions to adhere to the RBI's new scale-based regulations (SBR) for its subsidiary, Tata Capital Financial Services. The firm must list within three years following the central bank's classification of it as a "upper layer" non-bank lender.



# Major Business Deal



## **Bharat Heavy Electricals bags Rs 300 cr order to renovate, modernise 2 units at**

Bharat Heavy Electricals Limited (BHEL) is a leading engineering and manufacturing company in India has received a contract for the R&M (Renovation and Modernization) of steam turbines at Gujarat's Ukai, Thermal Power Station (TPS). Gujarat State Electricity Corporation has given BHEL the order for R&M of the 200 MW Unit-3 and the 210 MW Unit-5, which is estimated to be worth roughly INR 300 crores. Notably, BHEL is also the Original Equipment Manufacturer (OEM) of these turbine sets. BHEL's R&M effort will raise the efficiency levels of these turbines, overcoming technical obsolescence concerns, making them more environmentally friendly, and prolonging the life and reliability of Units-3&5 at Ukai Thermal Power Station. BHEL has completed about 35,000 MW of R&M projects so far. With its vast portfolio of 1,32,000+ MW of coal-based power plants installed in country, BHEL is the undisputed market leader in the thermal utility projects.