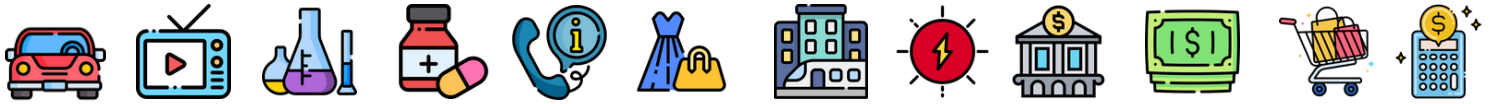
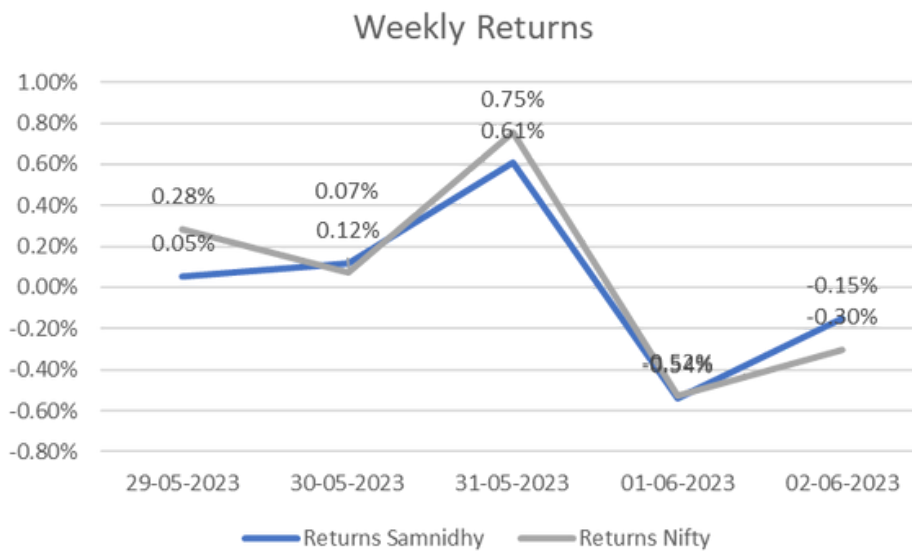


# VITT – VRIDDHI

## THE SAMNIDHY NEWSLETTER



### SAMNIDHY FUND PERFORMANCE VS. BENCHMARK



#### TOP GAINERS THIS WEEK



Larsen & Turbo



PI Industries



UltraTech Cement

#### TOP LOSERS THIS WEEK



HUL



Asian Paints



Infosys

# News & Updates

## FMCG

Shakti Bhog Foods, a manufacturer of wheat flour is undergoing an insolvency case at the National Company Law Tribunal. It has been late on its bank loans of INR 7,000 crore. The manufacturer received resolution plans from ITC Limited, Vidya Polymer, and Shanti GD Ispat and Power Limited.

**Analysis:** Bankers may have to take a 95% haircut because recoveries from resolution offers are unlikely to exceed INR 500 crore. There are hardly any assets left in the company. The value lies in the brands.

## Textiles & Services

Cotton prices fell over 25% from INR 10,000 to INR 7,200/quintal in the past 8 months. It led the farmers to stock their cotton and wait for the prices to increase. This resulted in a cotton shortage in the market. The new Minimum Support Price (MSP) of INR 7,020/quintal is expected to stop this downtrend and increase production by 5%.

**Analysis:** Due to the increase in the MSP, the artificial shortage of cotton will stop and help in the smooth running of the cotton market. The increase in production will also ensure that there is no actual shortage of cotton.

## Industrial Manufacturing

Vedanta Iron Ore Karnataka has partnered with Volvo CE to trial zero-emission electric machinery in its Karnataka mines. The collaboration involves the deployment of Volvo's all-electric excavator and electric wheel loader. Vedanta aims to achieve carbon neutrality and accelerate sustainability efforts through the partnership. The pilot project will serve as a case study for exploring ESG goals through zero-emission machinery.

**Analysis:** It shows Vedanta's commitment to sustainability and its alignment with the government's goal of achieving net-zero emissions by 2050. This partnership signifies a significant step toward reducing carbon emissions in the mining industry and accelerating the transition to sustainable practices.

## Pharmaceutical

Jagat Pharma is now the recipient of WHO-GMP and CoPP certification for its Isotine Plus ayurvedic eye drops, which have successfully treated conditions like cataracts, macular degeneration, myopia, hypermetropia, glaucoma, diabetic retinopathy, and retinitis pigmentosa since the last 36 years. Currently exporting to Cambodia and Russia, Jagat Pharma plans to expand to Germany, Hong Kong, Japan, UAE, Thailand, and Taiwan.

**Analysis:** The accreditation from WHO-GMP and Certificate of Pharmaceutical Products (CoPP) enhances Jagat Pharma's reputation and opens opportunities for international expansion such as markets of Germany, Hong Kong, Japan, UAE, Thailand, and Taiwan.

# Major Business Deal



## **Chinese fast fashion e-commerce platform Shein has partnered with Reliance Retail Ventures Limited (RRVL)**

Chinese fast fashion e-commerce platform Shein has partnered with Reliance Retail Ventures Limited (RRVL) to enter the Indian market. The deal does not require FDI approval as Shein will have no equity investment in the new operations, which will be run by a company entirely owned by RRVL. The agreement also states that the platform and servers will be within India and there will be no customer data transfer outside India.

The partnership is seen as a potential boost for India's textile industry, as Shein currently sources 93% of its products from China. The company has said it could shift up to 25% of its sourcing to India under the new agreement. This would create a potential export opportunity of INR 50,000 crore (USD 625 million).

The deal comes at a time when India's textile exports are under pressure due to a slowdown in demand from western countries. In April 2023, exports of readymade garments (RMG) dipped as much as 23.1% to USD 1,210.66 mn, while exports of cotton yarn, fabrics, made-ups, and handloom products declined by 23.42% to USD 887.89 mn.

The Shein partnership is seen as a way for India to tap into the growing global demand for fast fashion, while also helping to boost the country's textile industry. The deal is also a sign of the growing importance of the Indian market for Chinese companies, as they look to expand their reach beyond their home market.

The Shein partnership is a significant development for the Indian textile industry. The deal could help to boost exports, create jobs, and bring new technology and expertise to the sector. It will be important to monitor the impact of the deal in the coming months and years.