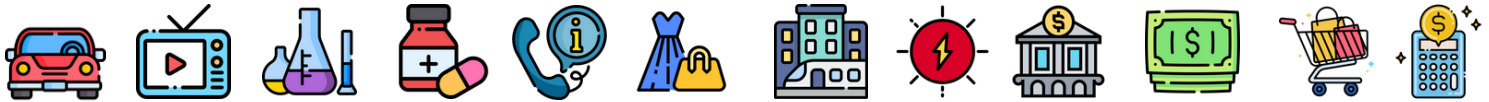
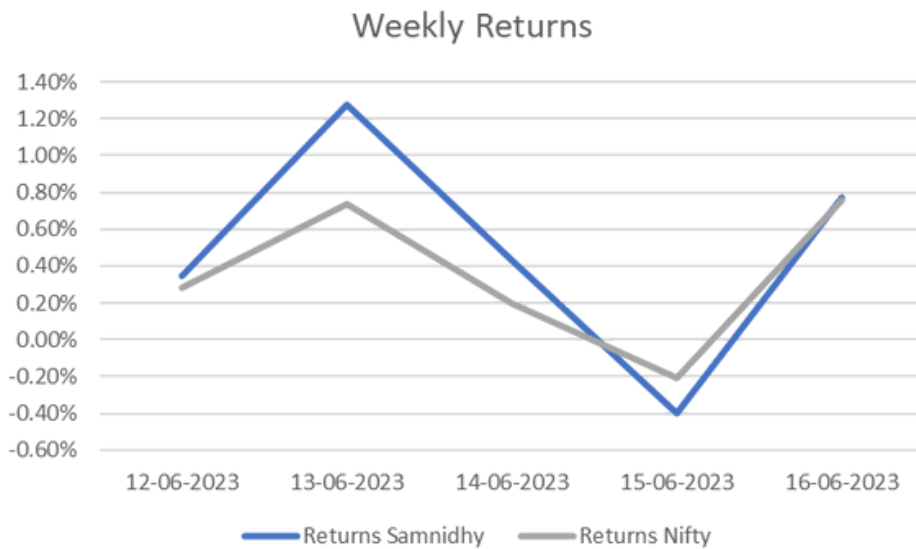


VITT – VRIDDHI

THE SAMNIDHY NEWSLETTER



SAMNIDHY FUND PERFORMANCE VS. BENCHMARK



TOP GAINERS THIS WEEK



Tata Steel



PI Industries



Trent

TOP LOSERS THIS WEEK



HDFC



Larsen & Turbo



Bharti Airtel

News & Updates

Paints & Chemicals

Anupam Rasayan India's shares soared 6% to Rs 1,150/share on BSE after signing a Rs 2,186 crore (\$265 million) letter of intent with a major Japanese specialty chemical firm. The 5-year deal focuses on supplying innovative patented life science active ingredients, starting production in 2025 following an 18-month validation phase. Manufacturing will occur in the company's existing multipurpose facilities.

Analysis: Anupam Rasayan, a leading Indian synthesis and specialty chemical company, will become the primary supplier of new-age patented life science active ingredients through this contract. The company's backward integration will strengthen the business and ensure a reliable supply chain.

Automobiles

In May 2023, the automobile industry experienced significant growth in the domestic market, with double-digit increases in the passenger vehicle, two-wheeler, and three-wheeler segments. This was primarily due to strong demand and improved semiconductor supply, leading to a 13.54% year-on-year rise in passenger vehicle volumes, reaching 334,247 units, according to the latest data shared by the industry body Society of Indian Automobile Manufacturers (SIAM).

Analysis: The robust growth in May's automobile industry, driven by increased demand and improved semiconductor supply, signifies a positive outlook. This trend highlights the resilience and potential for further expansion in the sector.

Consumer Durables

Dixon Tech has partnered with Xiaomi to make and export its mobile phones, Xiaomi is the market leader with quarter of the total sales in India followed by Vivo. Dixon expects to start production by August after formalisation of the agreement by setting up a new production facility in Noida having size of 3,20,000 sq.ft.

Analysis: Major phone companies are accelerating their manufacturing efforts in India which is a good sign for the Electronic Manufacturing Service (EMS) industry. Dixon-Xiaomi partnership is a push towards the government Make-In-India initiative.

Energy & Metals

Shortage of coal due to flooding of coal mines or railway disruptions or limited train tracks allocated for coal transport during monsoons has been a troublesome but near regular phenomena. High coal stocks of 110.58 million tonne(MT) compared to 76.67 MT last year indicate effective preparation this year.

Analysis: High stocks reduce the need for coal imports. Increased inventory levels mitigate manufacturing risks from power loss amid global recession concerns and India's focus on boosting manufacturing.

Major Business Deal



Physics Wallah will acquire a 50% stake in Xylem in three years for INR 500 crores.

Physics Wallah, a unicorn edtech firm, will acquire a 50% stake in Xylem Learning, a Kerala-based edtech firm, over a three-year period for INR 500 crores. The partnership aims to expand Physics Wallah's (PW) presence in the southern market.

In addition to scaling up operations, the partnership will invest strategically in Xylem with cash and equity. Physics Wallah's partnership with Xylem Learning not only aligns with Physics Wallah's shared vision of providing quality education to all, but also moves the company closer to their strategic goal of becoming the leading education platform in South India. Xylem Learning claims a strong presence in Kerala and plans to expand to Tamil Nadu, Andhra Pradesh, and other southern markets. Xylem Learning currently offers free classes to over 3 million students via their 30 YouTube channels. Furthermore, it has over 1 lac paid students enrolled in its various online courses and 30,000 students enrolled in its offline or hybrid centers located in five prime districts of Kerala. It also runs ten tuition centers and a school-integrated program in seven different schools. It has also expanded into commerce and Kerala PSC test preparation and plans to continuously expand in other categories. The partnership between both companies is based on the exchange of technology and knowledge; thus, this collaboration leverages the strengths of both platforms to enhance and deliver the learning experience for both JEE and NEET aspirants in South India. Both companies have set a target of INR 300 crores in revenue with a 25% EBITDA margin in FY24, up from INR 150 crores in FY23.