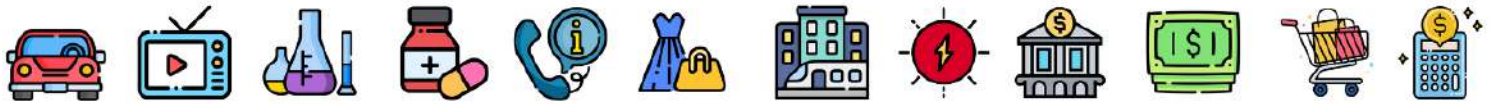
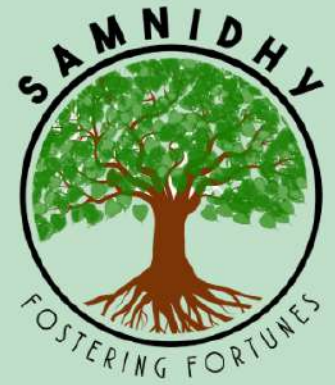
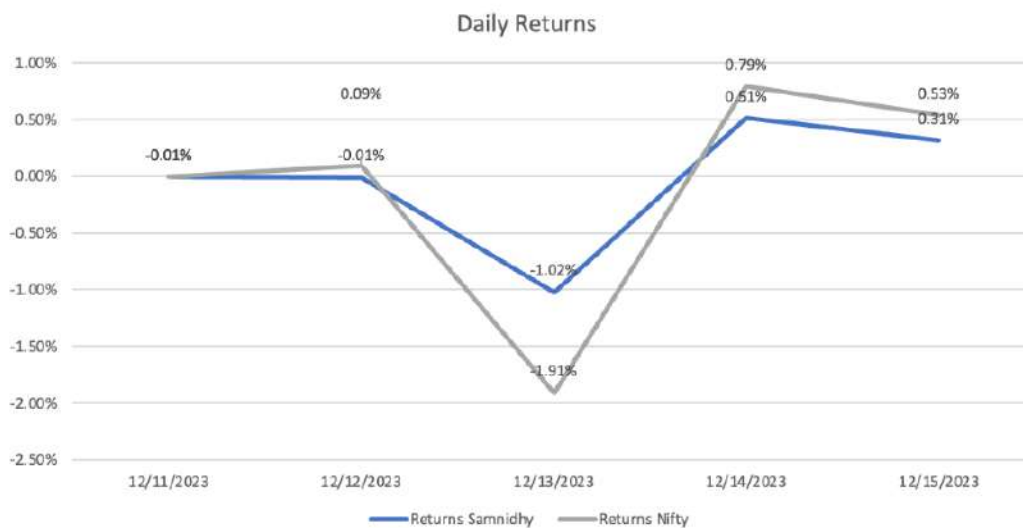


VITT – VRIDDHI

THE SAMNIDHY NEWSLETTER



SAMNIDHY FUND PERFORMANCE VS. BENCHMARK



TOP GAINERS THIS WEEK



Reliance



Campus



Cipla

TOP LOSERS THIS WEEK



Union Bank



UPL



Bajaj Finance

News & Updates

Fashion

Reliance Retail's online fashion platform, Ajo, is on track to attain profitability this month, marking a notable success in the conglomerate's online ventures. Expected to yield INR 6-8 crore in EBITDA in December, Ajo has collaborated with global brands like Jimmy Choo and Versace. Under Isha Ambani's leadership, Reliance Retail focuses on profitable growth and cost efficiency after expanding its store count by 3,300 in the past year.

Analysis: The company's move towards profitability is fueled by a market preference for premiumization. Reliance maximizes its range of international brands to elevate the average billing value. Logistic cost reductions are achieved by fulfilling orders through nearby physical stores, curbing return rates.

Paints & Chemicals

With crude derivatives accounting for about 40% of paint manufacturing costs, the recent 6% decline in Brent crude to USD 76.60/barrel has an effect on them. The shares of Shalimar Paints, Berger Paints, Indigo Paints, and Akzo Nobel India increased by 3%. Amidst the market move, Asian Paints emerged as the top Nifty gainer, rising 3%.

Analysis: Falling crude paints a rosy picture for paint makers. Crude dip boosts margins, sending paint stocks like Asian Paints and Indigo Paints soaring on hopes of wider profits and market recovery.

Finance

Japan's largest bank, Mitsubishi UFJ Financial Group Inc., plans to expand further in India, leveraging the nation's growth potential. CEO Hironori Kamezawa expressed confidence in India's economic growth, calling it a certainty. As India's economy is expected to grow by 7%, global lenders are increasingly eyeing opportunities, with India emerging as an attractive investment destination compared to China. The bank has already made key investments in Indian startups and opened a branch in Gujarat International Finance Tec-City.

Analysis: Mitsubishi UFJ Financial Group, Japan's largest bank, is poised to expand in India, citing confidence in the nation's robust economic growth. With a focus on Indian startups and back-office operations, the move aligns with a trend of global financial institutions capitalizing on India's flourishing economy..

FMCG

Tata Consumer Products is expanding its innovative product range, including health-focused and diverse food items. This move, marked by a notable innovation-to-sales ratio, aims to deepen market penetration and cater to evolving consumer needs. It signifies the company's strategic focus on new, branded categories, reflecting dynamic market adaptation.

Analysis: Tata Consumer Products strategically diversifies its brand with innovations like Tata GoFit and a varied Sampann range, achieving a 5% innovation-to-sales ratio in Q2 FY24. Strong growth in the Indian foods business underscores the focus on branded penetration in dynamic consumer segments.

Major Business Deal



Varun Beverages Expands Global Presence with Landmark Acquisition in South Africa

Pepsi India bottler, Varun Beverages, has announced its acquisition of South Africa-based The Beverage Company in a deal valued at INR 13.2 billion. This move serves as Varun Beverages' entry into Africa's largest market. The Beverage Company has operations in countries like Lesotho, Eswatini, Namibia, and Botswana, and sells non-alcoholic beverages under the PepsiCo brand. Varun Beverages, a significant PepsiCo franchisee outside the United States, disclosed that it has the option to accept a minority co-investment from a "large equity fund". The company, known for packaging and distributing beverages under popular brands such as Pepsi, Mirinda, and Tropicana, currently operates over 30 manufacturing units in India. The deal is expected to be finalized on or before July 31, 2024, once it gets the regulatory approvals.

Varun Beverages announced its plan to build a production facility in Jharkhand when it inked a Memorandum of Understanding with the state in tandem with the acquisition news. The company's dedication to increasing manufacturing capacities is shown in the venture's INR 4.5 billion capital investment. These strategic moves underline Varun Beverages' proactive stance in the global beverage market, solidifying its position as a key player for PepsiCo. The company's willingness to consider minority co-investment and the expansion into new territories highlights its commitment to growth and diversification. With the completion of the acquisition and the establishment of the manufacturing plant, Varun Beverages aims to enhance its presence in Africa and strengthen its manufacturing capabilities, aligning with broader business objectives.