

‘Unlock rally’ in hotel, multiplex, and retail stocks may fizzle out

Currently, the Street is ignoring shrinkage of balance sheets and delay in return to normalcy

SHREEPAD S AUITE
Mumbai, 26 August

The gradual relaxation of lockdown restrictions has improved sentiment towards stocks in categories, such as hotel, retail, and multiplex, which have been hit the hardest by the Covid-19 pandemic. Many stocks from these segments have gained 30-100 per cent in the past three months, outperforming the 26.5-per cent rise on the BSE Sensex.

There is little doubt that things now aren't as bad as they were three-four months back and the market is now looking beyond the 2020-21 financials. However, the key issue is whether the rally will sustain.

According to G Chokkalingam, founder of Equinomics Research and Advisory, “We believe the rally in the stocks of categories, such as retail, hotel, and multiplex, is unlikely to sustain. The market is ignoring two key aspects — the balance sheet shrinkage because of losses during the pandemic period and the expected delay in return to normalcy.”

Dhananjay Sinha, director and head of institutional research at Systematix Group, shared a similar view. “Things may be looking better now. But, we believe categories like hotel, retail, and multiplex will continue to remain under pressure and underperform the overall market,” said Sinha, adding, “We prefer other stocks, such as those from the banking or automobile ancillary space, where earnings visibility and value addition are relatively good.”

What is still keeping the recovery outlook of these categories gloomy is the consumer buying behaviour amid income uncertainty. Some experts said even if restrictions are removed, a recovery in the economic status of households will not happen immediately. Besides, limited social events and people avoiding crowded/public places cannot be ruled out. These will have direct implications on business growth in these categories, taking a toll on operating leverage and, thus, the overall earnings.

While in the case of hotels, even though the lockdown is fully lifted, occupancy improvement will take time. Archana Gude, an analyst at IDBI Capital, said, “Earnings visibility is very feeble for hotels, though the September quarter should see sequential improvement. Unless there is earnings sustainability, hotel stocks are unlikely to get back their valuation multiples.”

For retailers, geographical mix and the nature of the product portfolio are key deciding factors. For instance, stocks such as V-Mart will be in better shape, given their higher exposure to semi-urban and rural areas, while companies like Trent and Aditya Birla Fashion and



SHARP GAINS

	August 26	Change (%)
Lemon Tree Hotels	30.8	84.7
PVR	1,322.7	58.2
Indian Hotels	104.9	54.8
EIH	89.5	54.6
Shoppers Stop	194.2	46.2
Inox Leisure	292.3	41.9
Trent	649.7	41.4
Aditya Birla Fashion	149.0	39.5
V-Mart Retail	2,073.7	31.6
Avenue Supermarts	2,408.5	5.2
BSE SENSEX	39,073.9	27.7

Retail, which have a major presence in tier-1/urban areas, will continue to feel the pain, said Akhil Parekh, analyst at Elara Capital. Essential consumer goods retailers, such as Avenue Supermarts, should witness less impact than those selling apparel and luxury goods.

In the case of multiplexes, though some analysts have a positive stance, footfall should be impacted by the rising preference for over-the-top platforms. Further, a likely delay in content releases and lower demand in the food and beverage segment (over 20 per cent of revenue) are the other key challenges.

Some analysts believe smaller/single-screen players, which have large a market share and are struggling with liquidity issues in this period, will pave the way for players like PVR and Inox Leisure, with relatively fast recovery. The jury, however, is out on this.

Also, many companies in sectors, such as multiplex and retail, have undertaken stringent cost-control measures and favourably re-negotiated rental cost.

Experts warn against chasing momentum

Retail investors may get fingers burnt by aggressively buying small-, mid-caps stocks

SANJAY KUMAR SINGH

Mid- and small-cap stocks have outperformed large caps in the ongoing market rally. Since the market's low on March 23, the Sensex is up 49.5 per cent, the S&P BSE MidCap Index is up 55.4 per cent, and the S&P BSE SmallCap Index is up 67.6 per cent.

After this run-up, experts say they are seeing signs of momentum-chasing in some mid- and small-cap counters, which could result in retail investors getting their fingers burnt.

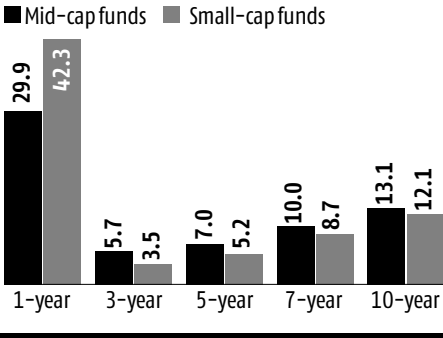
The mid- and small-cap universe underperformed in 2018 and 2019. It also got battered during the March downturn. “After the March lows, the mid- and small-cap indices were at extremely attractive valuations, which led to the recent run-up,” says Pranav Gokhale, fund manager, Invesco Mutual Fund.

The rally has been broad-based so far. “In future, it is likely to become more selective. Only stock prices of those companies will continue to rise that

IF YOU CAN'T TRACK STOCKS, TAKE THE MUTUAL FUND ROUTE

Category average SIP returns (%)

Source: mutualfundindia.com



show strong earnings growth,” says Jatin Khemani, founder and chief executive officer, Stalwart Advisors, a Securities and Exchange Board of India-registered independent equity research firm.

The economy at large will have to turn around for more mid- and small-cap stocks to show improved earnings performance.

“For that to happen, the rural recovery must continue, private capital expenditure must revive, and the government's Make-In-India initiative must fructify,” says Madanagopal Ramu, fund manager,

Sundaram Alternate Assets.

Valuations are no longer as attractive as they were in March. “Mid-cap valuations are above their 10-year mean, but small-cap valuations are still below their 10-year mean on the basis of positive, adjusted price-to-earnings ratio. Valuations are at the higher end, but they are not extremely stretched,” says Gokhale.

Valuations have turned frothy in some stocks. “Current prices discount a few years of earnings growth in some cases and some of these stocks are running based purely on momentum,” says Ramu. Things could end badly for retail investors in such stocks.

Many new entrants have chosen to invest directly.



YOUR MONEY

‘Stock-picking now has become harder’

There is limited upside for Indian equities unless there is slowdown in the spread of the virus, says VIDHU SHEKHAR, country head-India, CFA Institute. In conversation with Ashley Coutinho, he says stock-picking has become harder, but the potential reward for stock-picking skills has increased. Excerpts:

Retail volumes in the market have shot up lately.

This seems to be a global trend, with people at home turning their attention towards trading. Modern trading platforms use a variety of behavioural nudges to encourage trading. Irrespective of what happens to the markets, long-term outcomes for uninformed investors and traders are seldom positive.

The market seems to have run ahead of fundamentals on

hopes of an early rebound in the economy. How difficult has stock-picking become in this environment?

Over the past few years, it has become increasingly hard for fund managers to beat the index. My guess is that while stock-picking has got harder with the pandemic, the potential reward for stock-picking skills has increased. Companies differ in terms of the resilience of their balance sheets, their ability to hold on to business in a



shrinking market, and their agility to reinvent themselves.

Is a correction imminent, given the significant run-up from March lows?

Market correction depends on the earnings recovery in the next

few quarters. Liquidity should remain adequate, but financial sector stress and availability of credit will drive both consumption and investment.

Fund managers, particularly those of large-cap funds, have struggled to beat the benchmarks. Do we see an acceleration in the shift towards passive funds in India?

The difficulty in beating the index is a sign of maturity of Indian markets and the Indian asset management industry. This will continue to put pressure on asset managers; to what extent this will translate into a shift from active to passive depends on the wealth management industry.

More on www.business-standard.com

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NOTICE OF 35TH ANNUAL GENERAL MEETING, REMOTE E-VOTING AND BOOK CLOSURE

NOTICE is hereby given that the 35th Annual General Meeting (“AGM”) of the Members of **Rupa & Company Limited** will be held on **Friday, September 18, 2020 at 11:00 a.m. (IST)** through Video Conferencing/ Other Audio Visual Means (“VC/ OAVM”), in compliance with the applicable provisions of the Companies Act, 2013 read with the Ministry of Corporate Affairs (“MCA”) Circular No.20/2020 dated May 5, 2020 read with Circular Nos.14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (“SEBI Circular”), to transact the business, as set out in the Notice of 35th AGM.

In pursuance of MCA Circulars and SEBI Circular, the Notice of the 35th AGM and Annual Report of the Company, for the Financial Year 2019-20 have been sent only through e-mail to the Members of the Company to the e-mail address registered with the Company/Registrar and Share Transfer Agent/Depository Participant, on August 25, 2020. The Company has completed dispatch of the same through e-mails on Tuesday, August 25, 2020. Members are requested to refer to the newspaper publication issued by the Company in Business Standard and Arthik Lipi, edition on August 20, 2020. These documents are available on the website of the Company at www.rupa.co.in. The Notice of 35th AGM and Annual Report 2019-20 of the Company are also available on the website of NSE and BSE.

The Company is providing to its members a facility to exercise their right to vote on resolutions proposed to be considered at the 35th AGM by electronic means (“e-voting”) and the business set out in the Notice of 35th AGM will be transacted through e-voting. The Company has engaged NSDL to provide the facility of remote e-voting to the Members and the facility of e-voting to the Members participating in the 35th AGM through VC/OAVM. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at www.evoting.nsdl.com under “Shareholder/Member” login by using the remote e-voting User ID and Password.

We further confirm that the remote e-voting period commences on **Tuesday, September 15, 2020 at 09.00 a.m. (IST)** and ends on **Thursday, September 17, 2020 at 5.00 p.m. (IST)**. The remote e-voting module shall be disabled for voting after 5.00 p.m. (IST) on Thursday, September 17, 2020 and no remote e-voting will be allowed thereafter. The voting rights shall be as per the number of equity shares held by the Member(s) as on cut-off date, Friday, September 11, 2020. Members holding shares, either in physical or in dematerialised form, on the said cut-off date, only shall be eligible to avail the facility of remote e-voting or e-voting at the AGM.

Members who have acquired shares after the dispatch of the Notice of AGM but before the cut-off date may approach the NSDL or the Company, by sending request at evoting@nsdl.co.in or investors@rupa.co.in, respectively, for getting User ID and Password for exercising their right to vote by electronic means.

At the AGM, facility for voting through e-voting shall be made available and only the Members as on the cut-off date, i.e. Friday, September 11, 2020, who have not already cast their vote by remote e-voting, shall be entitled to exercise their right to vote at the AGM through e-voting. The Members who have cast their votes through electronic means prior to the AGM may still attend the AGM but shall not be entitled to cast their vote again.

The Notice of the 35th AGM containing, *inter alia*, the procedure of e-voting, is available on the Company's website, www.rupa.co.in, and on NSDL's website, <https://www.evoting.nsdl.com>. In case of any queries or grievances pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the “Downloads” section of <https://www.evoting.nsdl.com/> or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, “A” Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai-400 013 at Telephone No. +91-22-24994360/ +91-22-24994545 or Toll-free No. 1800-222-990 or at e-mail ID: evoting@nsdl.co.in.

Further, pursuant to the provisions of Regulation 42 of the SEBI Listing Regulations, 2015 and Section 91 of the Companies Act, 2013, read with the allied Rules, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 12, 2020, to Friday, September 18, 2020 (both days inclusive), for the purpose of payment of Dividend on Equity Shares of the Company, for the Financial Year ended March 31, 2020, subject to the approval of the same by the Members of the Company at the ensuing 35th AGM. Please note that the Members whose names will appear in the Register of Members as at the close of business hours on Friday, September 11, 2020, will be eligible for Dividend to be declared at the 35th AGM. In respect of the shares held in Electronic Form, the Dividend will be paid to those Members whose names shall appear as beneficial owners as at the end of the business hours on Friday, September 11, 2020, as per details to be furnished by the NSDL and the Central Depository Services (India) Limited.

For Rupa & Company Limited
Sd/-
Kundan Kumar Jha
Company Secretary & Compliance Officer
ACS 17612
Place: Kolkata
Date: 25.08.2020

G.S. INTERNATIONAL LTD.
CIN: L34300PB1973PLC003301
GS ESTATE, GT ROAD, LUDHIANA-141010 (INDIA)
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NOTICE

Notice is hereby given that Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020, 14/ 2020, 17/2020 and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/ 2020/79 has allowed the Companies to conduct the AGM through Video Conferencing (VC) or other Audio Visual Means (OAVM) without the physical presence of members at a common venue. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the Annual General Meeting and Annual Report is being sent only through electronic mode to those members whose email IDs are registered with the Company/ RTA/Depositories. Therefore, members are requested to kindly register/ update their email addresses with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, the Members are requested to notify the email addresses, if any, at the earliest to the Registrar & Share Transfer Agent/ Company at the following:
E-mail: amninder@gsgruppindia.com, admin@skylinertat.com

For G.S. Auto International Limited
Sd/-
(Amninder Kaur)
Company Secretary
Place : Ludhiana
Date : 26/08/2020

EXIDE
EXIDE INDUSTRIES LIMITED
(CIN: L31402WB1947PLC014919)
Registered Office: Exide House, 59E Chowringhee Road, Kolkata – 700020
Phone No.: 033 23023400/2283 2118/50/71; Fax No.: 033 2283 2637
Email – exideindustriesslimited@exide.co.in
Website: www.exideindustries.com

NOTICE TO SHAREHOLDERS (Sub: For transfer of shares of the Company to Investor Education and Protection Fund)

This Notice is published pursuant to Section 124(6) of the Companies Act, 2013, the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto (“*IEPF Rules*”), the shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more are liable to be transferred by the Company to the Investor Education and Protection Fund (“*IEPF*”). The details of such shareholders including their folio number or DP and Client ID and number of shares due for transfer are available on the Investors section of the Company's website www.exideindustries.com. Individual letters have also been sent to the concerned Members in this regard at their address registered with the Company.

Please note that dividend for the financial year 2013-14 (Interim) that has remained unpaid / unclaimed for a period of seven years will be due to be credited to the IEPF on 29th November, 2020. The corresponding shares on which dividend remains unpaid or unclaimed for seven consecutive years will also get due to be transferred to the Demat account of the IEPF Authority within 30 days from due date of transfer.

The concerned shareholders are advised to make their claim for the unclaimed dividends in respect of the shares held by them by writing to the Company or the Company's Registrar & Share Transfer Agent, C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019 [Phone: (033) 2280 6692 / 4011 6700, Fax: (033) 4011-6739; E-mail: rtat@cbmsl.com] latest by **10th November, 2020** to avoid transfer of shares, to the demat account of the IEPF authority.

In case shareholders wish to claim the shares/dividend after its transfer to IEPF, a separate application has to be made to the IEPF Authority in form IEPF-5, as prescribed under IEPF Rules and the same is available along with all details at the IEPF website www.iepf.gov.in.

For Exide Industries Limited
Sd/-
Jitendra Kumar
Company Secretary and
EVP (Legal) & Administration
ACS No. 11159
Place : Kolkata
Date : 26th August 2020

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ROYALREALTORS SKY HEIGHT PRIVATE LIMITED
CIN:U45309MH2018PTC316584
Registered office-Office No.1, 6th Floor,Shah Trade Center Rani Sati Marg, Nr. W. E. Highway, Malad (E), MUMBAI - 400 097.
Tel- 022 67193333 , Website- <http://rrgindia.in/> , email id- cs@royalrealtorsgroup.in
Statement of Audited standalone & Consolidated Financial Results for the half yearly and year ended March 31, 2020
(Rs. In Lakhs except per share data)

Particulars	Standalone			Consolidated		
	6 months Ended (31/03/2020)	6 months Ended (31/03/2019)	Year to Date figures ended (31/03/2020)	Previous year ended (31/03/2019)	6 months ended (31/03/2020)	Year to Date figures ended (31/03/2020)
	Audited	Audited	Audited	Audited	Audited	Audited
Total Income	108.63	-	108.63	-	866.97	866.97
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)#	48.88	(0.62)	48.56	(0.62)	56.66	56.66
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	48.88	(0.62)	48.56	(0.62)	56.66	56.66
Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	48.88	(0.62)	48.56	(0.62)	51.80	51.80
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	48.88	(0.62)	48.56	(0.62)	51.80	51.80
Paid up Equity Share Capital	1.00	1.00	1.00	1.00	1.00	1.00
Reserves (excluding Revaluation Reserve)	48.26	(0.62)	47.94	(0.62)	298.29	298.29
Net worth	49.26	0.38	48.94	0.38	299.29	299.29
Minority's interest					1723.21	1723.21
Outstanding Debt	1510.98	-	1510.98	-	5098.94	5098.94
Outstanding Redeemable Preference Shares	-	-	-	-	-	-
Debt Equity Ratio	30.67	-	30.88	-	2.52	2.52
Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) -						
1. Basic:	488.80	(17.23)	485.55	(17.23)	518.05	518.05
2. Diluted:	488.80	(17.23)	485.55	(17.23)	518.05	518.05
Capital Redemption Reserve	-	-	-	-	-	-
Debenture Redemption Reserve	-	-	-	-	-	-
Debt Service Coverage Ratio	0.07	-	0.07	-	0.05	0.05
Interest Service Coverage Ratio	0.55	-	0.55	-	0.76	0.76

The above is an extract of the detailed format of half yearly/annual financial results filed with the Stock Exchanges under Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the half yearly/annual financial results are available on the websites of the Stock Exchange(s) and the website of the Company <http://rrgindia.in/>
Previous due date for the payment of interest was March 31, 2020 which is duly paid on time, further next due date for interest payment of NCD is on September 30, 2020 amounting to Rs. 92.72, 249/- Credit Rating for secured Non-convertible Debentures (NCDs) is BWR BB/Stable by Brickwork Ratings India Private Limited. Asset cover ratio for Consolidated financial statement is 0.866 and for Standalone financial statement is 1.024.
For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the Stock Exchange(s) (BSE) and can be accessed on the website of the Company- <http://rrgindia.in/>
The consolidated financial statements are the first set of consolidated financial statements of the Group. Accordingly, corresponding previous years figures are not reported.

For and on behalf of the Board of Directors
Sd/-
Deven Premji Shah
Director
DIN- 02023433
Date - August 25, 2020