

High cotton prices to lift apparel stocks: Analysts

Recommend holding on to shares of firms with steady inventories in the long run

LOVISHA DABAD New Delhi, 26 August

Extreme weather conditions, coupled with lower crop yield, have triggered a sharp rise in cotton prices. So far, in the month of August, the prices of this commodity have surged over 11 per cent to \$50,600 per bale from \$45,297 earlier.



MIXED BAG FOR THE YARN

Table showing performance of various textile stocks like Swan Energy, Ganware Technical Fibres, Gasim Industries, etc., with columns for CMP (₹), Change YTD (%), and other metrics.

Sensex 58,833.9 1.0 Filtered for BSE500 textile companies. Compiled by BIS Research Bureau Source: Bloomberg, exchanges and Capitaline

Meanwhile, shares of SKF India, Raymond and Greaves Cotton have surged up to 53 per cent, ACE Equity data shows. In comparison, frontline indices Nifty50 and the Sensex climbed over 0.8 per cent each.

Globally, most countries have been hit by an acute cotton production due to dry spells and intense heat waves. The drought has not spared the US — the world's largest exporter of cotton.

Despite the huge cotton shortage across the country, analysts believe India needs to storm through the crisis once prices ease. Vinith Bolinjkar, head of research, Ventura Securities, is bullish on the long-term prospects of companies with steady inventory like KPR Mills and Vardhman Textiles.

Moreover, the finance ministry extended the exemption of Customs duty on raw cotton imports till October 31 as domestic production takes a hit.

The exemption from duty would benefit the textile chain — yarn, fabric, garments and made-ups and provide relief to consumers.

Against this backdrop, though minimal meaningful recovery is anticipated for the textiles sector in the near-term due to elevated prices, the long-term bet looks profitable, believe analysts.

Gaurang Shah, investment strategist at Geojit Financial Services, expects value buying to emerge after a fall in the prices of cotton. 'As India has battled high cotton prices in the past, we remain optimistic on the textiles sector in the long haul as well. Hence, we recommend that investors hold on to companies like Vardhman Textiles and Raymond', he added.

Limiting inflows via SIPs helps fund managers stick to quality

Massive investments force them to buy at high valuations

SARBAJEET K SEN

WhiteOak Capital Mutual Fund's new fund offer (NFO)—WhiteOak Capital Mid-Cap Fund—has an interesting feature. The fund house has said it will accept money into the fund only via the systematic investment plan (SIP) route after the NFO closes.

'This is perhaps the first time a fund house has chosen to restrict inflows into a scheme only through the SIP route from the very beginning. There are other funds that have done so earlier. But they had done it as a course correction measure, in response to market conditions', says Arun Kumar, head of research, FundSIndia.

Controlling inflows

Mirae Asset Emerging Bluechip Fund also restricts investments to a monthly SIP of ₹2,500 per permanent account number (PAN).

DSF Small-Cap Fund had stopped inflows altogether in February 2017, then reopened it via the SIP/STP route in September 2018, and finally began accepting lump sum investments in March 2020.

AMC had announced it would accept money in its international funds through existing SIP, STP and transfer of IDCW (income distribution cum capital withdrawal) only.

According to experts, fund houses impose such restrictions to control inflows. 'This helps the fund manager to choose stocks based on quality instead of cash availability,' says Sridharan, founder & principal officer, Wealth Ladder Direct.

Fund houses are often accused of indulging in indiscriminate AUM growth. Stopping or limiting inflows into a fund is an investor-

Table comparing returns of different schemes: Scheme, AUM (₹ cr) (Jul '22), HDFC Mid-Cap Opportunities, Kotak Emerging Equity Scheme, Axis Midcap. Returns (%) for 1-year SIP, 1-year Lumpsum, 3-year SIP, 3-year Lumpsum, 5-year SIP, 5-year Lumpsum, 10-year SIP, 10-year Lumpsum.



YOUR MONEY

When a category is red hot, and past returns appear strong, a flood of new money pours into the best-performing funds. In a segment like small-cap, the number of quality stocks (with adequate liquidity) tends to be limited. An excess of inflows also forces the fund manager to deploy money at high valuations. Doing so can affect future performance negatively.

Investing via SIPs also enables investors to ride through market highs and lows. Since SIPs are started for a fixed period of time, the large majority lets them continue even when markets are down (as was witnessed in the latest October to June 2022).

Investors have the option to invest both via SIP and lump-sum in most schemes,' says Kumar. They should use the SIP mode for long-term wealth building. They may, in addition, invest via the lump-sum mode when the markets are down, to provide a tactical boost to their portfolios.

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This disciplined approach reduces timing risk. This is especially true in the case of the more volatile small- and mid-cap funds. Investors who invest in lump sum tend to do so when these categories are doing well (at high valuations). And they get scared into not investing when these categories are in the doldrums, producing suboptimal returns.

What should you do? Don't compare lump sum returns for a certain period with SIP returns and try to arrive at a conclusion regarding which approach is better.

If at the start of the period (for which you are making the comparison), the markets were at a low, and they are at a high at the end of that period, returns from the lump-sum method are likely to be better.

The gain from SIP investing is primarily behavioural. A regular SIP doesn't pinch. Investors also don't get affected by market conditions and are gradually able to build a large corpus.

Fund houses may not restrict inflows in all equity schemes to the SIP mode only. 'Restricting inflows through SIPs is a fund house call. Investors have the option to invest both via SIP and lump-sum in most schemes,' says Kumar. They should use the SIP mode for long-term wealth building. They may, in addition, invest via the lump-sum mode when the markets are down, to provide a tactical boost to their portfolios.

Sequoia cuts Zomato holding to 4.4%

Venture capital firm Sequoia Capital has reduced its holding in food delivery start-up Zomato to 4.4 per cent after selling shares in open market, according to a regulatory filing by the online food delivery platform.

Sequoia Capital had held a 6.41 per cent stake in Zomato before the sale. In a regulatory intimation

by Sequoia Capital filed on the BSE by Zomato, Sequoia Capital India (SCI) Growth Investment Holdings I sold 6.67 crore shares in the period from September 6 to October 14, 2021, and another 2.12 crore shares in the open market between June 27 to August 25, 2022.

Similarly, SCI Growth Investments II also sold 8.34 crore shares between June 27, 2022, to August 25, 2022. It added, 'Subsequently, Sequoia's holding in Zomato has come down to 37.59 crore shares carrying 4.4 per cent voting rights, the filing said. Zomato shares declined by 0.81 per cent to ₹161.55 in afternoon session on BSE. PFI

Siagen India Limited. CIN: L1460MH0000303493. Regd. Office: 4th Floor, 5RD House, No. 88, Main Road, Gurgaon, Haryana-122002. Website: www.siagen.com | E-mail: companysecretary@siagen.com Ph: 044 4075 4075

PUBLIC NOTICE TO SHAREHOLDERS. TRANSFER OF EQUITY SHARES OF THE COMPANY TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF). Notice is hereby given pursuant to Rules 6 of Investor Education and Protection Fund (IEPF) (Accounting, Audit, Transfer and Refund) Rules, 2018 (the "Rules") that according to Section 124(6) of the Companies Act, 2013, the shares in respect of which, dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund (IEPF). Accordingly, the Company proposes to transfer to IEPF Authority, the equity shares in respect of which dividends remain unclaimed for the last seven consecutive years.

KICL KOTHARI INDUSTRIAL CORPORATION LIMITED. CIN NO. L24110TN1970PLC005865. Regd. Office: Kothari Bhatnagar 114, Mahatma Gandhi Sala, Nungambakkam, Chennai - 600 034. Website: www.kotharis.in, Phone: No. 044-28334565 Email: enquiries@kotharis.in. Is hereby given that the 52nd Annual General Meeting (AGM) of the Company will be held at 11.00 a.m. on Tuesday, 27th September, 2022 through video conferencing / Other Audio-Visual Means ("VOAVM").

LA OPALA RG LIMITED. CIN: L2610WB1987PLC042512. Regd. Office: Eco Centre, 8th Floor, EM - 4, Sector - 15, Gurgaon - 700061. Phone No. +91 7604 988145/67, Email: info@laopala.in, www.laopala.in. Manner of registering / updating email address: The member holding shares in physical form and who have not registered their email id may register their email id through our RTA. Please send a request to this mail id, i.e. yuvraj@integratedindia.in for registering email address. For the Members holding shares in demat form, please send your email address through your respective Depository Participant's.

NOTICE (For the attention of Equity Shareholders). Notice is hereby given that the Thirty Fifth (35th) Annual General Meeting (AGM) of the Company will be held on Thursday, September 29, 2022, at 3:00 P.M. (IST) through Video Conferencing (VC) / OAVM in compliance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder and the Securities and Exchange Board of India (SEBI) (LODR) Regulations, 2015, (Listing Regulations).

RENAISSANCE GLOBAL LIMITED. CIN: L3891MH1989PLC054498. Regd. Office: Plot No. 36A & 37, Sector, Andheri (E), Mumbai - 400096. Tel: 022-22022022. Website: www.renaissanceglobal.com. NOTICE TO SHAREHOLDERS. Transfer of Equity Shares to the Investor Education and Protection Fund (IEPF) (As per Section 124(6) of the Companies Act, 2013). Members are hereby informed that in terms of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2018 as amended, to date, the shares, on which dividend has not been claimed or paid for seven consecutive years from the dividend declaration date, are liable to be transferred to the Demat account provided by the IEPF Authority, constituted by the Government of India under Section 125 of the Companies Act, 2013.

मध्यप्रदेश रोड डेवलपमेंट कॉर्पोरेशन लि. (म.प्र. राज्य राजमार्ग प्राधिकरण) (म.प्र. शासन का उपकरण) 45-ए, जेठो हिल्स, भोपाल-462011, फोन नं. : 0755-2597290-2765205 फेक्स : 0755-2572645, वेबसाइट : mprcdonline. CIN : U45203MP2004SGC016758

मध्यप्रदेश सड़क विकास निगम में परामर्शी केंद्र पर नियुक्ति क्र. 9390/एसीआईसीटी/856/एन/2022. मध्यप्रदेश सड़क विकास निगम, एन.एच. 4 पर एक प्रतिष्ठित निगम है जो प्रदेश में राष्ट्रीय राजमार्गों, एन.एच. 4 पर अन्य स्वयंसेवायक परिवहनसेवाओं के निगमों एवं संगठनों को वित्तियत करता है। निगम अंतर्गत एक दिन पूर्वनिर्धारित व्यक्तियों के संश्लेषण हेतु परामर्शी केंद्रों का गठन किया गया है। निगम द्वारा जारी परिचय क्र. एफ 11-10/2022 नियम-वार भोपाल, दिनांक 06 अक्टूबर, 2012 एवं क्र. एफ 11-10/2022 नियम-वार भोपाल, दिनांक 24 मई, 2022 अनुसार निगम को हेतु आवेदन एवं आमंत्रित किए जाते हैं। नियुक्ति विवरण निम्नानुसार है :-

Table with 4 columns: क्र. नम्बर, पदों की संख्या, अर्हता, वेतनमान. 1 परामर्शी 01 भारतीय वायु सेना के सेवानिवृत्त अधिकारी जिन्हें नियुक्तन 20 वर्षों का अनुभव हो, विद्यार्थी रूप से न संलग्न, विवाहित, प्रजाधिकार, सड़क के किनारे स्वायत्त और सुनियंत्रित बानिकी के क्षेत्र में।

R SYSTEMS INTERNATIONAL LIMITED. Corporate Identity Number: L174899DL1993PLC053579. Registered Office: GF-1-A, 6, Devika Tower, Nehru Place, New Delhi- 110019. Corporate Office: C-40, Sector 59, NOIDA, Distt. Gautam Budh Nagar, U.P., India - 201 307. Website: www.rsystems.com; Email: rsil@rsystems.com

FOR Transfer of equity shares to the Demat Account of Investor Education and Protection Fund Authority. In terms of Requirements of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2018 (the "Rules"), the Company is mandated to transfer such shares in respect of which dividend has not been claimed or paid for a period of seven consecutive years to the Demat account ("IEPF Account") as specified by the Investor Education and Protection Fund Authority ("IEPF Authority"). It is noticed from the records that certain shareholders of the Company have not encashed their dividends for seven consecutive years since the declaration of 3rd Interim Dividend 2015 for the financial year ended December 31, 2015 and onwards.

By order of the Board For Renaissance Global Limited Sd/- CS Vishal Dhojar Company Secretary & Compliance Officer. Place: Mumbai Date: August 26, 2022

By Order of the Board For La Opala Rg Ltd. Sd/- Kanchan P Jaiswal Company Secretary (Mem. No.-438107) Date: August 26, 2022 Place: Kolkata

By Order of the Board For R Systems International Limited Sd/- Bhaskar Dubeey Company Secretary & Compliance Officer. Date: August 26, 2022 Place: Noida, (U.P.)

