

Recovery in ad revenues may help Sun shine again

Brokerages positive on Sun TV, given its attractive valuations

RAM PRASAD SAHU
Mumbai, 3 April

The stock of Sun TV Network is down 17 per cent from its January highs on weaker than expected December quarter performance, delays in the pickup of advertising revenues, and a cut in earnings expectations.

Brokerages are positive on the stock given its attractive valuations and expect a re-rating if there is value unlocking for its IPL franchise.

The company's revenues were up 3 per cent year-on-year (Y-o-Y) but missed brokerage expectations. JM Financial Research says revenues were 7 per cent below its estimates and were driven by lower movie distribution revenues.

While overall core revenues were in line, advertising revenue growth was down 3 per cent Y-o-Y as the Cricket World Cup likely diverted FMCG ad spend towards cricket.

Abhishek Kumar and Anuj Kotewar of JM Financial Research expect a more gradual recovery in advertising revenues as still soft volume growth and weak rural demand will likely cap FMCG ad spend. However, subscription revenue is likely to sustain its momentum.

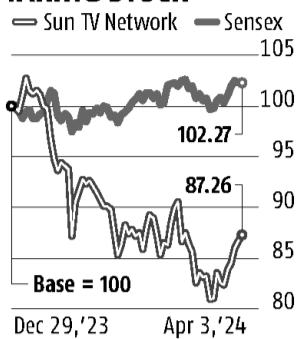
The brokerage has a buy rating with an unchanged target price of ₹750.

While Sun TV has a strong presence in the South, Nuvama Research highlights that forays by national players such as Zee into the southern market have been successful, while Sun TV's foray into the northern market needs to be more focused.

The other area where Sun TV needs to



TAKING STOCK



improve is the over-the-top (OTT) segment. According to analysts led by Abneesh Roy of Nuvama Research, "At present, it is recycling linear and movie content into OTT."

It would have to be more aggressive in creating originals and obtaining movie rights for its OTT platform, apart from marketing, to benefit from the fast-expanding digital media segment.

The brokerage has a buy rating on the company with a target price of ₹800 a share.

Elara Capital is bullish on the company given that Sun Network has outperformed on the advertising revenue growth front with an uptick of 19 per cent over the FY21-23 period compared to the overall India TV industry growth of 16.7 per cent.

According to Karan Taurani and Rounak Ray of the brokerage, "We believe the regional genre may not see a rapid decline in consumption and cord-cutting compared to the Hindi genre, due to limited adoption of regional content on digital

and higher time spent on linear TV within the South vs pan-India averages."

Its operating profit margins at 64-66 per cent remain well ahead of peers due to a regional content focus, which has a lower content cost, production of exclusive fictional content with a higher return on investment, the absence of involvement in sports properties, and no investment in originals for SUN NXT, say the analysts.

The brokerage has a buy rating on the stock with a target price of ₹800 and believes that the core broadcasting segment is trading at an inexpensive valuation of 7.0 times the FY26 price-to-earnings ratio despite outperformance in TV advertising and healthy profitability. Elara Capital expects a re-rating towards a 12.0 times one-year forward price-to-earnings ratio for the core TV segment. In addition to the valuations, brokerages point out that a healthy 4 per cent dividend yield and 6 per cent free cash flow yield are positive from an investment standpoint.

SRM Contractors shares close 12% higher in debut trade

Engineering, construction and development company SRM Contractors closed with gains of 12 per cent over the issue price in its maiden trade on Wednesday.

Shares of the company were listed at ₹225, reflecting a premium of 7.14 per cent to the issue price of ₹210 per share on

BSE. The stock closed the day at ₹236.20, reflecting a jump of 12.48 per cent from the issue price. On the NSE, SRM Contractors shares listed at ₹215.25, up by 2.50 per cent against the issue price. The scrip ended at ₹226 per piece, up by 7.49 per cent.

During the day, shares of

the company hit the upper circuit limit on both bourses.

At close, the company's market valuation stood at ₹541.94 crore on the BSE.

In volume terms, 10.11 lakh equity shares were traded on the NSE while 3.49 lakh shares were traded on the BSE during the day. On Wednesday, the 30-

share BSE Sensex benchmark fell 27.09 points, or 0.04 per cent, to close at 73,876.82.

The broader Nifty went lower 18.65 points to end at 22,434.65. The Initial Public Offering (IPO) of SRM Contractors got subscribed 86.57 times on the last day of bidding on March 28. PTI

Keep low-cost Nifty 50 index fund at core of your portfolio

SANJAY KUMAR SINGH & KARTHIK JEROME

S&P Dow Jones Indices recently published the S&P Indices Versus Active Funds (SPIVA) India scorecard for the year ended December 2023. Over a five-year horizon, 85.7 per cent largecap funds failed to beat their benchmarks. The number was lower at 58.1 per cent for the mid/smallcap category.

Key takeaways

Active funds are struggling to beat their benchmarks, especially over longer horizons. "To think that just by investing in active funds you will be able to enjoy alpha is incorrect. Do not ignore passive funds just because they give returns similar to their benchmark," says Siddharth Srivastava, head-ETF (exchange-traded fund) product and fund manager, Mirae Asset Investment Managers (India).

Largecap active funds' performance has improved over the past year. "Only 51.6 per cent largecap funds have underperformed the benchmark over this period, much lower than in past SPIVA reports," says Ravi Saraogi, co-founder, Samasthi Advisors.

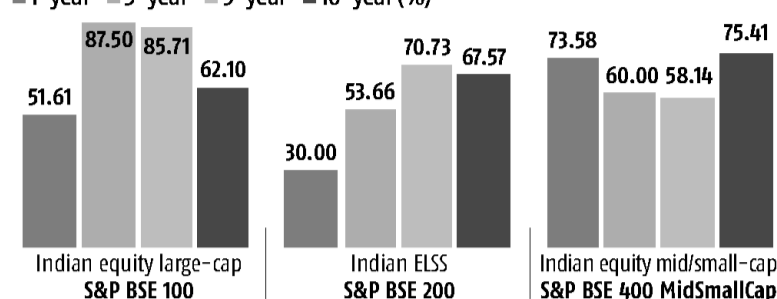
One reason for this, according to him, is that largecap funds are allowed to have 20 per cent exposure to mid- and smallcap stocks, which have very weak. Over the three, five and 10-year periods, the largecap category's performance remains poor.

In the mid-/smallcap category, 73.6 per cent of funds underperformed over one year.

Some experts are of the view that the clubbing of the midcap and the smallcap category and comparing this merged category's performance with the S&P BSE 400 MidSmallCap Index has blurred the picture. "One would have preferred to see segregated data for the midcap and the smallcap category. And their performance should have been compared to indices such as the S&P BSE MidCap and the S&P BSE SmallCap index respectively. That would have been more informative, even if the number of funds in each category was small," says Saraogi.

MOST ACTIVE FUNDS STRUGGLE TO BEAT BENCHMARK OVER LONGER HORIZONS

Percentage of funds outperformed by the index (based on absolute return)



Actionable points

The SPIVA report makes a strong case for going passive. "Investors should just stick to a single market cap weighted passive index fund based on the Nifty 50 index," says Avinash Luthria, a Securities and Exchange Board of India (Sebi) registered investment advisor (RIA) and founder, Fiduciaries. He does not recommend midcap and smallcap funds due to their potential for high volatility.

Despite nearly 50 per cent largecap funds beating the benchmark over the past year, financial advisors are not convinced about going active in this segment.

"Based on one-year data, the chance of outperformance still remains only 50:50. Longer-term data, moreover, suggests that passive is the way to go in this segment. For this view to change, active largecap funds would have to show sustained outperformance," says Saraogi.

The performance of midcap and smallcap funds, according to Saraogi, is better when compared separately to a midcap index and a smallcap index respectively. "In these segments, I recommend going with active funds," he says.

Build core and satellite exposure

Investors should, according to Srivastava, use a mix of active and passive funds. Many advisors use the

concept of core (70 per cent of total) and satellite (30 per cent) portfolios. The core portfolio should have safe assets with low volatility. A Nifty 50-based passive fund is an ideal fit here.

In the satellite portfolio, investors may take some risk to generate outperformance. They may include midcap and smallcap funds, factor funds (the more volatile ones), and so on, here.

Index fund or ETF?

Most advisors favour index funds for retail investors, as they are simpler. "Go with any Nifty 50-based fund having an expense ratio of 20 basis points or less," says Luthria.

According to Srivastava, when choosing an index fund, one should compare the expense ratio and the tracking error/tracking difference (measures of how closely the fund replicates the benchmark's performance). Lower is better for all these criteria.

Saraogi suggests going with an index fund with at least a five-year track record and sticking to one of the top five by AUM.

In an ETF, investors need to (in addition to the criteria mentioned above) check liquidity on the exchanges. "The ETF should have maintained a trading volume of at least 1 crore every day in the recent past and should not pay out dividends," says Luthria.



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BHAKTI GEMS AND JEWELLERY LIMITED
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Website : www.bhaktijewellery.com; || Contact No. : 9428508418
Email ID : compliancebhakti@gmail.com; || CIN : L36910GJ2010PLC060064

NOTICE OF EXTRA ORDINARY GENERAL MEETING
Notice is hereby given that the Extra Ordinary General Meeting (EGM) of the members of Bhakti Gems and Jewellery Limited ("the Company") will be held on Tuesday, the 30th day of April, 2024 at 11:00 A.M. at the registered office of the Company situated at FF/02, 413/1 Kalp Bhakti House, Nr. Narayan Society, B/h. Axis Bank, C.G. Road, Ashram Road P.O., City Taluka Ahmedabad GJ 380009 to transact the businesses as set out in the Notice of EGM which is being circulated for convening the EGM. The company already dispatched the notice of EGM, through electronic mode to the shareholder whose email addresses are registered with the company and / or Depositories in accordance with the circulars issued by the MCA and SEBI. The notice EGM is also available on the website of National Depository services limited (NSDL) at www.evoting.nsdl.com and on the website of the Company www.bhaktijewellery.com

Remote e-voting and e-voting during EGM:
As per Section 108 of the Companies Act, 2013 read with rules made there under and Regulation 44 of SEBI (LODR) Regulations, 2015 and the Secretarial Standards on General Meeting ("SS-2") issued by the CSE, the Company is providing facility to all its Members to cast their vote on all resolutions to be set forth in the Notice of the EGM by electronic means (e-voting) by using electronic voting system provided by the NSDL. The voting rights of the members shall be in the proportion to the equity share held by them in the paid-up equity share of the Company as on Tuesday, 23/04/2024 (the "cut-off date"). The details are required pursuant to the provision of the Companies Act, 2013 and rules made thereunder are given below:
(1) The Book closure period shall commence on Wednesday, 24/04/2024 to Tuesday, 30/04/2024 (Both days inclusive); (2) The remote e-voting period will commence at Saturday, 27/04/2024 at 9:00 A.M. and will end on Monday, 29/04/2024 at 5:00 p.m.; (3) Cut-off date for determining rights of entitlement of e-voting is Tuesday, 23/04/2024; (4) The members will not be allowed to vote through remote e-voting beyond the period as specified above; (5) Shareholder acquiring the share of the company and becomes the members of the company after sending of the Notice and holding Shares as of the cut-off date may follow steps mention in the Notice of EGM to exercise their voting rights; (6) The Members who have cast their vote by remote e-voting prior to the EGM may also attend/participate in the EGM but shall not be entitled to cast their vote again. Members who have not casted their vote through remote e-voting shall be eligible to vote through e-voting facility during the EGM; (7) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting; (8) In case of any queries/grievances pertaining to remote e-voting you may refer to the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at www.evoting.nsdl.com under help section or contact at 022-23058542/43; (9) The Board has appointed M/s. Neelam Soman & Associates, Practising Company Secretary to act as the Scrutinizer to scrutinize the e-voting procedure.

For, Bhakti Gems and Jewellery Limited
sd/- Akshay Sevantilal Mehta
Managing Director (DIN: 02986761)
Date : 03/04/2024
Place : Ahmedabad

Limda Branch
At & Po Limda, Near Ramji Mandir, Tal.- Waghodia, Dist. Baroda-391780
Email:limda@bankofbaroda.com

APPENDIX-IV (Rule 8(1)) POSSESSION NOTICE (Immovable Property)
Whereas, The undersigned being the Authorized Officer of the Bank of Baroda under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of Powers conferred under Section 13(12) read with (Rule-8) the Security Interest (Enforcement) Rules, 2002, issued a demand notice dated 13-04-2023 calling upon the Borrowers/Guarantor/ Mortgage Mr. Yogesh L Kapadnis & Mr. Lotan Pandurang Kapadnis to repay the amount mentioned in the notice being Rs. 8,02,119/- (Rupees Eight Lakh Two Thousand One Hundred Nineteen Only) as on 13-04-2023 and unapplied interest and other charges thereon within 60 days from the date of notice/date of receipt of the said notice. The Borrowers/Guarantor/Mortgagor having failed to repay the amount, notice is hereby given to the Borrowers/Guarantor/Mortgagor and the public in general that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him/her under Section 13(4) of the said Act read with Rule 8 of the said Rules on this 31th Day of March of the year 2024.

The Borrowers/Guarantor/Mortgagor in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the Bank of Baroda for an amount of Rs. 8,02,119/- (Rupees Eight Lakh Two Thousand One Hundred Nineteen Only) as on 13-04-2023 and interest plus other charges thereon.

The borrower's attention is invited to provision of sub section (8) of the section 13 of the Act, in respect of time available, to redeem the secured assets.

DESCRIPTION OF IMMOVABLE PROPERTY
All that piece and parcel of the Land with construction thereon the immovable residential property being registration District Vadodara Sub. District Vadodara At village Tarshali, S. No. 414/P City Survey No. 1300, Gujrat Housing Board Scheme House No. 128, adm. 31.20 Sq. Mtrs. Situated at Village Tarsali Taluka & District Vadodara owned and possessed by Mr. Yogesh L Kapadnis. Bounded: East Road, West House No. 113, North: House No. 127, South: House No. 129.

Date: 31.03.2024
Place: Vadodara
Authorized Officer
Bank of Baroda

