To,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir/Madam,

Sub: Compliance as per Regulation 52(8) of SEBI (LODR)

We, Muthoot Microfin Limited, a Public Limited Company having its registered office at 13th Floor, Parinee Crescenzo, Bandra Kurla Complex,Bandra East, Mumbai -400051, having listed our Secured Non Convertible Debentures in Bombay Stock Exchange are hereby submitting the copy of Unaudited and Reviewed Financial Results for the half year ended 30th September 2017, published in Newspaper as per Regulation 52(8)

Kindly take the same on record

Thanking you,

Yours faithfully,

For Muthoot Microfin Ltd

For Muthoot Microfin Limited

Company Secretary

Neethu Ajay
Company Secretary

Place: Ernakulam
Date : 14/11/2017

IOL CHEMICALS AND PHARMACEUTICALS LTD.

Regd. Office : Trident Complex, Raikot Road, Barnala-148 101 (Punjab)
CIN : L24116PB1986PLC007030 Website : www.iolcp.com

EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30 SEPTEMBER 2017

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended 30.09.2017 (Un-audited)	Half Year ended 30.09.2017 (Un-audited)	Quarter ended 30.09.2016 (Un-audited)
1.	Total Income from Operations **(Refer note no.2)**	218.14	451.44	187.78
2.	Net Profit /(Loss) for the period (before tax, exceptional and/or extraordinary items)	5.84	9.01	1.26
3.	Net Profit /(Loss) for the period before tax (after exceptional and/or extraordinary items)	5.84	9.01	1.26
4.	Net Profit /(Loss) for the period after tax (after exceptional and/or extraordinary items)	4.43	7.41	0.95
5.	Total Comperhensive income for the period [comprising profit/(loss) for the period (after tax) and other compehensive income(after tax)]	4.43	7.41	0.95
6.	Equity share capital	56.21	56.21	56.21
7.	Reserves (excluding Revaluation Reserves) as shown in the audited balance sheet of the previous year	-	-	-
8.	Earning per share (of Rs.10/- each) (for countinuing and discountinued operations)			
	Basic	0.79	1.32	0.17
	Diluted	0.79	1.32	0.17
	Cash	2.14	3.89	1.51

Notes :

1. The above is an extract of the detailed format of quarterly/ half yearly financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly /half yearly financial results is available on the Stock Exchange websites i.e. www.bseindia.com & www.nseindia.com and Company's website www.iolcp.com.
2. Post implementation of Goods and Service Tax (GST) w.e.f. 01 July 2017, revenue from operations is disclosed net of GST. Accordingly, revenue from operations for the quarter and half year ended 30 September 2017 are not comparable with those of the previous periods presented in the results.

Had the previously reported revenue shown net of excise duty, comparative revenue of the company would have been as follows: (Rs. in Crore)

Particulars	Quarter ended 30.09.2017	Half Year ended 30.09.2017	Quarter ended 30.09.2016
Net revenue from operation	**217.79**	**433.10**	**172.35**

3. The reconciliation of the financial results for the quarter and half year ended 30 September 2016 to those reported under previous Generally Accepted Accounding Principles (GAAP) is summarised as follows: (Rs. in Crore)

Particulars	Quarter ended 30.09.2016	Half Year ended 30.09.2016
Profits after tax as per previous Indian GAAP	**0.98**	**1.71**
Add / less adjustments		
Loan processing fees recognised using effective interest method	(0.06)	(0.12)
Profit on reinstatement of investments	-	0.01
Subsidy income amortized	0.03	0.06
Reversal of depreciation on account of loan processing fee decapitalised	0.02	0.04
Additional depreciation on account of capital subsidy capitalised	(0.02)	(0.04)
Deferred tax adjustments	-	-
Total adjustments	**(0.03)**	**(0.05)**
Net profit before Other Comprehensive Income (OCI) as per Ind AS	**0.95**	**1.66**

4. Figures for the previous corresponding period have been regrouped, wherever considered necessary.

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited
Sd/-
Vijay Garg
Joint Managing Director
DIN : 06510248

Place : Ludhiana
Date : 13 November 2017

Members are requested to register their e-mail id for quick correspondence to the Depository participants / rta@alankit.com

CORRIGENDUM

With reference to advertisement titled "EXPRESSION OF INTEREST FOR RESOLUTION PLAN – RAJPUR HYDRO POWER PRIVATE LIMITED (RHPPL)" published in the Business Standard English Edition on 11.11.2017, the line "The Net Worth shall be defined as Paid Up Capital + Free Reserves & Surplus (excluding revaluation reserves) – Intangible Assets" may be treated as withdrawn.

Also the words "after netting up of all liabilities" may be treated as withdrawn

Other matter remain unchanged

SANJAY KUMAR DEWANI
RESOLUTION PROFESSIONAL
RAJPUR HYDRO POWER PRIVATE LIMITED
E-mail ID: rp.rhppl@gmail.com
D-55, Defence Colony, New Delhi-110024

Place:New Delhi
Dated:13.11.2017

REL
REVATHI EQUIPMENT LIMITED

REVATHI EQUIPMENT LIMITED

Regd. Office : Pollachi Road, Malumachampatti, Coimbatore - 641 050.
CIN NO:L29120TZ1977PLC000780
Phone No. 0422-6655100, 0422 - 6655111
E-Mail : admin@revathi.in Website: www.revathi.in

NOTICE

Pursuant to Regulation 29 read with Regulation 47 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that a meeting of the Board of Directors of the Company is scheduled to be held on Thursday, the 23rd November, 2017 at Mumbai to consider interalia and approve the unaudited Financial Results of the Company for the quarter ended 30th September 2017.

The said Notice may be accessed on the Company's website at www.revathi.in and may also be accessed on the stock exchange websites at www.bseindia.com and www.nseindia.com.

For Revathi Equipment Ltd
M.N. SRINIVASAN
Company Secretary

Coimbatore
13.11.2017

ISGEC HEAVY ENGINEERING LIMITED

CIN: L23423HR1933PLC000097
REGD. OFFICE: RADAUR ROAD, YAMUNANAGAR - 135001 (HARYANA)
Tel: +91-120-4085405, Fax: +91-0120-2412250 Email: cfo@isgec.com, Website: www.isgec.com

EXTRACT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30.09.2017

(₹ in Lacs except earning per share)

Sl. No.	Particulars	Quarter ended 30.09.2017 (Unaudited)	Quarter ended 30.09.2016 (Unaudited)	Six Months ended 30.09.2017 (Unaudited)	Six Months ended 30.09.2016 (Unaudited)	Year ended 31.03.2017 (Audited)
1	Total Income from Operations	67,667	78,817	1,18,903	1,47,755	3,20,422
2	Net Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	6,264	6,695	8,784	12,662	26,766
3	Net Profit/(Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	6,264	6,695	8,784	12,662	26,766
4	Net Profit/(Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	4,600	4,289	6,292	8,495	18,863
5	Total Comprehensive Income for the period [(Comprising Profit/(Loss) for the period (after Tax) and Other Comprehensive Income (after tax)]	4,591	4,280	6,274	8,476	18,827
6	Equity Share capital	735	735	735	735	735
7	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year.					1,11,815
8	Earning Per Share (of Rs. 10 /- each) (for continuing and discontinued operations)					
	(a) Basic (in ₹)	62.56	58.33	85.57	115.53	256.54
	(b) Diluted (in ₹)	62.56	58.33	85.57	115.53	256.54

Notes:

1. The above results of the company were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13th November, 2017 and have been subjected to "Limited Review" by the Statutory Auditors.
2. These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under Section 133 of the Companies Act 2013 and other recognized accounting practices and principles generally accepted in India. The Company adopted Indian Accounting Standards (Ind AS) from 1st April 2016.
3. In accordance with the requirement of Ind AS, revenue from operations for the quarter ended 30th September,2017 is net of Goods and Service Tax ('GST'). However, revenue from operations for the period upto 30th June,2017 is inclusive of excise duty. Accordingly revenue from operations for the quarter and six months ended 30th September, 2017 are not comparable with the previous period presented in the results.
4. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Results are available on the Stock exchange website, www.bseindia.com and on the Company's website www.isgec.com.

FOR **ISGEC HEAVY ENGINEERING LIMITED**
Sd/-
(ADITYA PURI)
MANAGING DIRECTOR

Date : 13th November, 2017
Place: Noida

PVP VENTURES LIMITED

Registered Office: Door No. 2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai-600031, Email: investorrelations@pvpglobal.com; Website: www.pvpglobal.com
CIN:L72300TN1991PLC20122

EXTRACT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

(as per format of Newspaper Publishing Purpose of Regulation 33 of SEBI Listing Regulations, 2015)

(Rs. In Lacs)

Sl. No.	PARTICULARS	STANDALONE Quarter ended 30/9/2017 Unaudited	STANDALONE Half year ended 30/9/2017 Unaudited	STANDALONE Quarter ended 30/9/2016 Unaudited
1	Total income from operations (net)	543.85	1,461.19	820.05
2	Net Profit / (Loss) for the period (before tax, exceptional items)	(275.19)	(52.53)	108.95
3	Net Profit / (Loss) for the period before tax (after exceptional items)	(275.19)	(52.53)	108.95
4	Net Profit / (Loss) for the period after tax (after exceptional items)	(317.31)	(140.05)	108.95
5	Total comprehensive Income for the period (Comprising profit / (loss) for the period (after tax) and ther comprehensive income (after tax))	(317.31)	(140.05)	140.73
6	Equity Share Capital (Face value of Rs. 10 each)	24,505.27	24,505.27	24,505.27
7	Earnings Per Share (not annualised) of Rs. 10 each/-			
	Basic	(0.13)	(0.06)	0.06
	Diluted	(0.13)	(0.06)	0.06

NOTES :

1 The above results have been reviewed by the Audit Committee at its meeting held on 13th November, 2017 and approved by the Board of Directors at its meeting held on even date. The above quarterly results have also been reviewed by the statutory auditors.

2 The above is an extract of the detailed format of Standalone financial results for the quarter and half year ended 30th September, 2017 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Exchange websites www.bseindia.com & www.nseindia.com and on the company's website www.pvpglobal.com.

For and on behalf of the Board of Directors
Sd/-
R. NAGARAJAN
Director

Place : Chennai
Date : November 13th, 2017

muthoot MICROFIN
A Muthoot Pappachan Group Company

LEADING THE WAY IN EMPOWERING RURAL WOMEN ENTREPRENEURSHIP

muthoot Believe in Blue

MUTHOOT MICROFIN LIMITED: Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 Admn Office: 5th Floor, Muthoot Towers, Opp. Abad Hotel, M G Road, Ernakulam - 682 035.

Statement of financial results for the half-year ended 30 September 2017

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

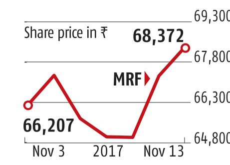
Particulars	Half year ended 30 September 2017 Unaudited	Half year ended 30 September 2016 Unaudited	Year ended 31 March 2017 Audited
Revenue			
Revenue from operations	20,194.42	9,543.66	24,384.12
Other income	56.29	0.17	0.27
Total revenue	**20,250.71**	**9,543.83**	**24,384.39**
Expenses			
Employee benefits expense	4,929.41	2,585.05	6,523.10
Finance costs	7,044.91	3,026.50	8,178.59
Depreciation and amortisation	82.05	46.87	97.30
Other expenses	2,875.80	1,535.79	3,863.28
Total expenses	**14,932.17**	**7,194.21**	**18,662.27**
Profit before tax	5,318.54	2,349.62	5,722.12
Tax expense/ (income)			
Current tax	1,881.58	863.50	2,187.18
Deferred tax	(75.85)	(50.35)	(168.88)
	1,805.73	**813.15**	**2,018.30**
Net profit for the period	**3,512.81**	**1,536.47**	**3,703.82**
Earnings per equity share (not annualised)			
Basic (in ₹)	4.18	2.24	4.88
Diluted (in ₹)	3.96	2.24	4.81
Par value of equity shares (in ₹)	10.00	10.00	10.00

Business Standard
BENGALURU | TUESDAY, 14 NOVEMBER 2017

The Smart Investor

WWW.SMARTINVESTOR.IN FOR INFORMED DECISION MAKING

QUICK TAKE: ANALYSTS TURN BULLISH ON MRF



The MRF stock gained 1.6 per cent on Monday after margins recovered in the second quarter. Analysts expect its earnings to improve on the back of improved domestic auto sales, restrictions on imported tyres and correction in rubber prices

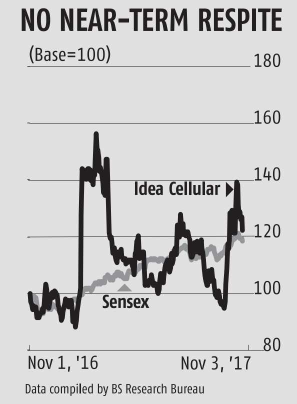
COMMODITIES P16
BRENT-WTI PRICE GAP RAISES SHALE DEMAND

Idea Cellular: Muted Q2, lower tower valuations disappoint

The tower sale will help bring down debt

RAM PRASAD SAHU
Mumbai, 13 November

NO NEAR-TERM RESPITE



Data compiled by BS Research Bureau

The Idea stock fell 3.6 per cent in trade on disappointing September quarter (Q2) results and the sale of standalone towers at lower-than-estimated valuations. The company announced on Monday it had sold its portfolio of about 10,000 towers housed in fully owned subsidiary Idea Cellular Infrastructure Services to ATC Telecom Infrastructure for an enterprise value of ₹4,000 crore or $611 million. While this is in line with the company's strategy of monetising its tower assets and will help bring down its net debt as of September at ₹54,000 crore, the valuations of the deal are lower than the $900 million that analysts had earlier estimated.

Analysts had pegged a higher value (over ₹60 lakh a tower) for the tower portfolio given that a higher proportion (63 per cent) was ground-based and thus could fetch higher tenancies. The 30 per cent reduction over estimates given lower tenancies, which will reduce further on merger with Vodafone, means that ATC will be getting the towers at an enterprise value of about ₹40 lakh a tower. This is lower than the tower deals such as ATC's purchase of 51 per cent stake in Viom which had a valuation of ₹50 lakh a tower. Nevertheless, given the high level of debt, the deal should help bring down standalone debt going ahead. Vodafone, too, is selling its standalone towers to ATC for ₹3,850 crore, taking the combined deal size to ₹7,850 crore.

On the operational front, while the trend of increasing pricing pressure witnessed in the prior three quarters continued, what compounded matters in a seasonally weak quarter was higher indirect tax rates. The goods and services tax (GST) of 18 per cent increased the tax burden given the earlier 15 per cent service tax rate. In the quarter, Idea in particular faced revenue pressures given a larger proportion of rural subscribers as compared to other incumbents.

LOSSES INCREASE SHARPLY

In ₹ crore	Q4FY17	Q1FY18	Q2FY18
Revenues	**8,126**	**8,166**	**7,465**
% change q-o-q	-6.2	0.5	-8.6
Ebitda	**2,119**	**1,875**	**1,501**
% change q-o-q	-3.3	-11.5	-19.9
Ebitda (%)	26.1	23.0	20.1
Net profit	**-327**	**-815**	**-1,106**

q-o-q: quarter on quarter; Ebitda: Earnings before interest, taxes, depreciation, and amortisation Source: Company

On the back of a 10 per cent fall in voice realisations per minute to 22 paise on a sequential basis and a halving of data realisations for the second quarter in a row to 2.7 p per megabyte (MB), revenues declined by nearly nine per cent to ₹7,465 crore. While voice volumes grew by 1.7 per cent to 255 billion minutes, what stood out was the strong 73.5 per cent growth in data volumes to 438.6 billion MBs over the June quarter. This is better than Bharti Airtel's 65 per cent growth in data volumes for Q2. But, unlike the leader which added 1.4 million subscribers during the quarter, Idea lost subscribers. While Bharti's average revenue per user (ARPU) stood at ₹145, down six per cent quarter-on-quarter, Idea's sequential ARPU fall was similar at 6.4 per cent to ₹132.

Falling revenues and higher operational costs (largely roaming and access fee) and employee costs (increments) led to a 20 per cent fall in operating profit to ₹1,501 crore. Margins thereby shrunk nearly 300 basis points over the June quarter to 20.1 per cent and almost 10 percentage points over the year-ago period.

The operational stress, depreciation and amortisation costs on account of network roll-out, coupled with higher interest costs of ₹1,182 crore, led to the company to report its fourth consecutive quarter of loss which crossed the ₹1,000-crore mark. Net debt has increased from ₹50,000 crore at the end of FY17 (including deferred spectrum liabilities) to the current ₹54,050 crore. The company had reported a profit of ₹91 crore in the September quarter last year and a loss of ₹815 crore in the June quarter.

While the tower sale is a positive, the next important trigger for the company would be closure of its merger deal with Vodafone which is currently on track and going according to plan.

Market falls on fiscal deficit concerns

AGENCIES
New Delhi, 13 November

The Indian market fell nearly one per cent on Monday as rising global crude oil prices and rate cuts in goods and services tax (GST) on several items stoked fears of a widening fiscal deficit. The Sensex fell 0.84 per cent, or 281 points to 33,034 with banking and energy stocks leading the fall. The rupee declined 0.40 per cent to ₹65.43 against the dollar compared over its previous close of 65.17. The yield on the 10-year benchmark government security hardened to 6.97 per cent.

The GST panel on Friday moved 178 items to the 18 per cent GST rate from 28 per cent earlier. Meanwhile, brent crude prices continued to hover around their two-year high level of $64 a barrel. "Should crude continue to rise, it will get incrementally tougher to remain optimistic about equities amidst high valuations," said Sunil Sharma, chief investment officer, Sanctum Wealth Management.

Industrial production (IIP) grew at a slower pace of 3.8 per cent in September 2017 compared to five per cent in September 2016 and 4.5 per cent in August this year, data released by the Central Statistics Office (CSO) showed on Friday.

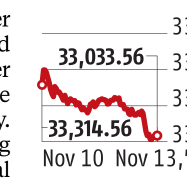
"Domestic investors turned cautious giving more weight to slow down in IIP, geopolitical tensions in West Asia and continued advancement in crude prices. Despite significant tax relief in the recent GST Council meet, expectation of rise in CPI & WPI inflation added to the cautiousness," said Vinod Nair, head of research, Geojit Financial Services. Foreign and domestic institutional investors sold shares worth ₹234 crore and ₹269 crore respectively on Monday.

TRACKING THE INDICES

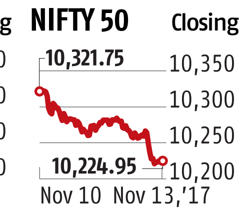
Losers	Nov 13, '17	% change*
Adani Ports	414.05	**-4.11**
ONGC	184.30	**-3.41**
Coal India	276.10	**-3.00**
HDFC	1,671.10	**-2.15**
L & T	1,240.35	**-1.87**
Gainers		
TCS	2,758.90	**2.06**
Mahindra & Mahindra	1,411.05	**1.27**
Sun Pharma	532.50	**0.99**
Kotak Mahindra Bank	994.95	**0.24**
NTPC	176.95	**0.17**

* Change over previous day's close; price in ₹
Compiled by BS Research Bureau Source: Bloomberg

SENSEX Closing



NIFTY 50 Closing



RCom shares plunge over 13%

SANKALP PHARTIYAL & DEVIDUTTA TRIPATHY
Mumbai, 13 November

Reliance Communications posted a fourth straight quarterly loss and said it failed to pay interest on some debentures, sending the debt-laden firm's shares tumbling 14 per cent to a record low and its bonds down on Monday.

The Anil Ambani-controlled telecom operator reported late on Saturday a quarterly loss of ₹2,709 crore ($414.06 million), compared with a profit of ₹62 crore a year ago. Revenue nearly halved to ₹2,667 crore, amid a price war started by upstart rival Reliance Jio, which is backed by Anil's elder brother Mukesh Ambani.

CRASH & BURN
Share price on BSE in ₹

Source:Bloomberg
Compiled by BS Research Bureau

RCom, as the company is widely known, also said in a securities filing over the weekend that it has missed interest payments on two outstanding domestic non-convertible debentures.

The loss and missed payments make a recovery for RCom much harder and it came at a time, when there are doubts about a previously flagged debt-restructuring plan. With net of debt of ₹44,300 crore rupees as of end-March, RCom is the most leveraged among listed Indian telecom companies.

BLOOMBERG

BofAML advises buyers to avoid risk

AMEYA KARVE & NUPUR ACHARYA
13 November

Want to buy shares in Asia's most-expensive stock market? Stay with high-quality companies that better weather downturns and perform respectably on the way up.

That's the advice from Bank of America Merrill Lynch after Indian equities posted multiple records this year, fueled by a tide of liquidity and optimism about the government policy. The euphoria has had the usual side effect: stocks have become expensive. The S&P BSE Sensex's estimated price-earnings ratio has reached 22, the steepest among equity benchmarks in the region. A measure of smaller companies is even costlier.

"It is better to stick with companies that are delivering consistently, where the earnings outlook for the next three to four quarters does not lie in a wide range," Sanjay Mookim, BofAML's India equity strategist, said in an interview in Mumbai. "We advise clients that the operative philosophy in Indian equities is to avoid risk."

> "WE ADVISE CLIENTS THAT THE OPERATIVE PHILOSOPHY IN INDIAN EQUITIES IS TO AVOID RISK"
> **SANJAY MOOKIM**
> India equity strategist, BofAML

Mookim was the best Sensex forecaster last year among leading overseas brokerages tracked by *Bloomberg*. The index ended 2016 just 2.4 percent above his year-end target of 26,000. It closed at 33,314.56 Friday.

Sentiment has shifted toward companies with the reliable record of profits and sales growth, with Maruti Suzuki India, Hindustan Unilever and HDFC Bank being among the best performers on the Sensex in 2017. At the other end are drugmakers, the once favourite growth stories are now facing lower prices for generics in the US.

Stocks fitting into higher-quality buckets — retail banks, auto- and auto-parts makers and consumer companies — are few and pricey, Mookim said. Even so, investors must seek firms with robust earnings and avoid companies where the market is only "pricing in hopes of significant change," he said.

"There's a very narrow portion of the market that is steadily delivering and is expensive, but that's my recommendation: boring portfolios, safe portfolios because valuations risks are high," Mookim said.

BLOOMBERG

THE COMPASS

L&T walks a tightrope as new orders dwindle

Company braces for a lacklustre order inflow scenario in FY18

HAMSINI KARTHIK

Larsen and Toubro (L&T), reckoned as India's best proxy to play the domestic capital expansion (capex) market, seems to be walking a tightrope. While the Street gave a thumbs up to its September quarter (Q2) results, the big disappointment was the cut in FY18 order inflow guidance to flat growth (zero per cent growth) against a 12-14 per cent increase guided earlier. L&T's order book (pending orders) grew just two per cent to ₹2,57,500 crore in Q2. This was after removing ₹6,500 crore of slow or non-moving projects. The current order book offers reasonable revenue outlook. Yet, for the size, magnitude and diversity of L&T's business, a strong order book is critical to keep its operating profit margins and working capital position intact. Analysts at JP Morgan note the tender-to-award cycle remains elongated and the deferment of lumpy orders could weigh on L&T's core business growth in FY19 as well.

Just when fundamentals were looking better than last year's, thinning order inflows don't offer comfort to investors. While working capital ratio is on the mend from 25 per cent a year ago to 21 per cent in Q2, much of the improvement is coming from faster or better order execution. Yet, while revenue growth is looking up and the quarterly run-rate has been in the 8–12 per cent range in the past few quarters, operating profit margins (stuck at seven-nine per cent for the past two fiscal years), particularly for its core infrastructure segment, hasn't gained similar traction.

Far fewer big-ticket projects being bid and intense competition from relatively small- and mid-sized contractors are weighing on L&T's profitability. Even as there are signs of revival in India's capex because of public spending, meaty orders from power and construction sectors remain elusive. Therefore, whether L&T foregoes margins to keep its order inflows buoyant or vice versa will be closely watched.

Compiled by BS Research Bureau

Also, the order book mix after course correction is now in favour of domestic projects (74 per cent of total order book). But, international projects tend to have better realisations as well as execution risk. Whether L&T will tinker with its domestic and overseas order proportion to keep its act together is also a key monitorable. Having burnt its fingers with overseas projects in the past, investors may not be happy if the order book mix changes significantly in favour of foreign projects.

In all, it's a tough balancing act for L&T. Whether it chooses to focus on order inflows growth, profitability or working capital utilisation needs to be seen as a holistic improvement remains distant; a marked improvement in domestic infrastructure spends, though, could improve things. The current scenario, perhaps, justifies the discount attributed to L&T stock. Trading at 25x FY19 earnings, L&T is one of the undervalued large-cap stocks. Yet, analysts at IDFC who have a 'neutral' view on L&T believe valuations do not offer margin of safety against risk to earnings from weak order inflow and execution.

Strong order book, margin gains ahead for Motherson

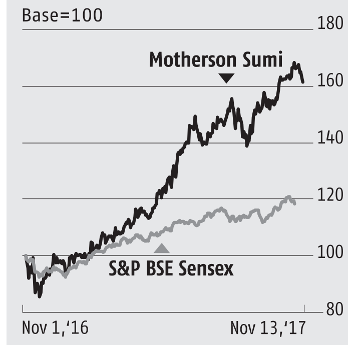
Though Q2 was a bit disappointing, analysts expect numbers to improve in the second half

RAM PRASAD SAHU

Motherson Sumi's September quarter (Q2) results were marginally lower than estimates due to slowing revenue growth and margin pressure at its overseas subsidiaries, SMR and SMP, respectively. Consolidated operating profit, which came in at ₹1,250 crore (up 26 per cent year-on-year or y-o-y), was about five per cent lower than consensus estimates. Adjusted for the PKC group acquisition, operating profit growth was limited to 11 per cent. Over 85 per cent of revenue and 74 per cent of operating profit for Motherson Sumi comes from its overseas operations of SMR, SMP and PKC.

Operating profit margins fell 50 basis points (bps) y-o-y to 9.3 per cent due to start-up costs at SMP. These costs relate to the setting up of new plants, which more than doubled on a sequential basis to €13.7 million, impacting SMP's (down 50 bps y-o-y to 5.9 per cent) and overall margins. Adjusted for the start-up costs, margins would have been in line with estimates at about 10.1 per cent. SMP, the largest of the company's three major subsidiaries, however, posted a robust 19 per cent y-o-y growth to €808 million. Analysts at Elara Capital say SMP's revenue growth trajectory has been impressive and expect start-up costs to taper off as the new plants ramp up, thereby increasing margins.

Similarly, while SMR's revenues saw a muted growth of one per cent over the year-ago quarter to €378 million, analysts expect growth to come back to double digits as two new plants each are expected to become operational in the December and March quarters. This should aid the top line as well as margins, which were robust at 10.1 per cent in Q2. Consolidated net profit at ₹436 crore was up 21 per cent y-o-y but lower than estimates due to the reasons explained above.



Compiled by BS Research Bureau

Unlike the volatility in the overseas subsidiaries, standalone operations outperformed expectations with revenues growing 17 per cent y-o-y. This was led by passenger vehicle growth, market share gains given supplies to higher selling Baleno and Brezza models of Maruti and rise in copper prices. Operating profit, which grew 12 per cent y-o-y at ₹360 crore, was better than estimates. Indian operations are important as margins at 19.6 per cent are more than double that of consolidated operations and its contribution to the bottom line is over 60 per cent.

Though the Q2 results were slightly sub-par, most analysts have a buy rating on the stock given strong order book (€15.2 billion at the end of Q2) at SMP/SMR and robust growth rates at the Indian entity. Analysts at Emkay Global expect consolidated revenues to grow at 20 per cent annually in the FY17-20 period, and improvement in operating profit margins by 130 bps, led by leverage and plant utilisation at SMR and SMP.