



JVL Agro Industries Ltd
(CIN L15140UP1989PLC011396)

December 13, 2017

To
National Stock Exchange Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400051

To
BSE Limited
P.J. Towers, Dalal Street, Fort,
Mumbai-400001

BSE Scrip Code: 519248
NSE Symbol: JVLAGRO

Sub: Results alongwith Newspaper Publications of UFR

Dear Sir,

The Board of Directors of the Company held their meeting yesterday, i.e. Wednesday, 13th September, 2017 starting at 4.00 PM & concluded at 6.00 P.M. In the meeting the Board, inter alia, transacted the following businesses:

1. The Board of Directors of the Company have taken on record and approved the Unaudited Financial Results for the quarter/half year ended September 2017. The copy of the Unaudited Financial Results & Limited Review Report from the Auditor in the prescribed formats were already submitted yesterday for your kind perusal & records.
2. Further, we are also enclosing now the results image as published in the newspaper for information of the exchanges.

Please find enclosed the same for your kind perusal and records.

Thanks & Regards,
For JVL Agro Industries Limited

For JVL Agro Industries Ltd.

Company Secretary

(Company Secretary)

Encl: As above

**Review Report to
The Board of Directors of
JVL Agro Industries Limited
Varanasi**

We have reviewed the accompanying statement of unaudited financial results of JVL Agro Industries Limited for the period ended 30th September 2017. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For SPARSH & Co.
Chartered Accountants**



(Rahul Kumar Singh)

Partner

Membership Number: 405120

**Place: Varanasi
Date: 13.12.2017**

STANDALONE UN - AUDITED FINANCIAL RESULTS FOR HALF YEAR / QUARTER ENDED 30.9.2017

Particulars	3 Month Ended 30.9.2017 Un-Audited	Preceding 3 Month Ended 30.6.2017 Un-Audited	Correspo. 3 Month Ended 30.9.2016 Un-Audited	6 Month Ended 30.9.2017 Un-Audited	Correspo. 6 Month Ended 30.9.2016 Un-Audited	(Rs. in Crore) Year Ended 31.3.2017 Audited
Income						
Revenue from Operations	734.27	843.56	975.75	1577.83	1961.40	3860.30
Total Income (I)	734.27	843.56	975.75	1577.83	1961.40	3860.30
Expenses						
Cost of Material Consumed	686.37	701.00	804.00	1387.37	1505.00	3311.85
Purchase of Stock in Trade	32.80	20.06	120.00	52.86	205.00	320.50
Changes in Inventories of Finished goods, Work in Progress and Stock in Trade	(35.06)	78.24	1.96	43.18	153.65	55.97
Employees Benefit Expenses	2.86	3.25	3.22	6.11	6.43	12.45
Finance Costs	29.70	17.50	16.50	47.20	33.19	69.50
Depreciation	4.55	5.15	5.10	9.70	9.61	17.95
Other Expenses	11.79	17.50	21.70	29.29	41.70	69.58
Total Expenses (II)	733.01	842.70	972.48	1575.71	1954.58	3857.80
Profit Before Exceptional Item & Tax (I - II)	1.26	0.86	3.27	2.12	6.82	2.50
Exceptional Items	2.43	7.03	8.36	9.46	16.57	34.00
Profit Before Tax	3.69	7.89	11.63	11.58	23.39	36.50
Tax Expenses (III)						
Current tax	0.10	0.50	1.00	0.60	2.00	0.53
Deferred Tax	0.00	0.00	0.00	0.00	0.00	3.58
Total Tax Expenses	0.10	0.50	1.00	0.60	2.00	4.11
Net Profit for the Period	3.59	7.39	10.63	10.98	21.39	32.39
OTHER COMPREHENSIVE INCOME						
Items that will not be considered to Profit or Loss	0.00	0.00	0.00	0.00	0.00	0.00
Items that will be reclassified to Profit or Loss	0.03	-0.02	0.00	0.01	-0.02	-0.09
Other Comprehensive Income for the Period (IV)	0.03	-0.02	0.00	0.01	-0.02	-0.09
	3.62	7.37	10.63	10.99	21.37	32.30
Paid Up Equity Share Capital (Face Value Rs.1/- Each)	16.79	16.79	16.79	16.79	16.79	16.79
Earning Per Equity Share (of Rs.1/- Each)						
Basic (Rs.Per Share)	0.22	0.44	0.63	0.65	1.27	1.92
Diluted (Rs.Per share)	0.22	0.44	0.63	0.65	1.27	1.92

Statement of Assets & Liabilities (Standalone)		(Rs. in Crore)	
Particulars		As at Half Year Ended 30.9.2017 (un-Audited)	As at Year ended 31.3.2017 (Audited)
ASSETS			
1 Non Current Assets			
a) Property, Plant & Equipment		416.15	411.16
b) Capital work in Progress		0.52	0.52
c) Financial Assets			
i) Investments		4.23	4.23
ii) Loans		0.38	0.38
iii) Others		18.02	19.02
Total Non Current Assets		439.30	435.31
2 Current Assets			
a) Inventories		962.65	964.16
b) Financial Assets			
i) Investments		6.09	6.09
ii) Trade Receivable		278.93	331.79
iii) Cash & Cash Equivalent		0.50	0.49
iv) Bank Balance		196.17	259.95
c) Other current Assets		184.60	186.37
Total Current Assets		1628.94	1748.85
Total Assets		2068.24	2184.16
1 EQUITY & LIABILITIES			
EQUITY			
a) Equity Share Capital		16.79	16.79
b) Reserve & surplus		597.02	586.03
Total		613.81	602.82
LIABILITIES			
2 Non Current Liabilities			
a) Financial Liabilities			
i) Borrowing		12.28	12.19
ii) Deferred Tax Liabilities		40.59	40.59
iii) Other Financial Liabilities		4.47	4.47
Total Non Current Liabilities		57.34	57.25
3 Current Liabilities			
a) Financial Liabilities			
i) Borrowing		505.08	354.28
ii) Trade Payables		830.72	1106.22
iii) Other Financial Liabilities		61.29	63.59
b) Provisions		0	0
Total Current Liabilities		1397.09	1524.09
Total Liabilities		1454.43	1581.34
Total Equity & Liabilities		2068.24	2184.16



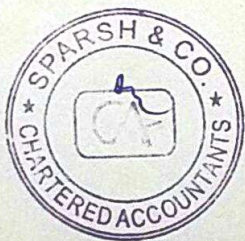
1. The above unaudited financial results have been reviewed by the audit committee and approved by the the Board of Directors of the company in the meeting held on 13.12.2017.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013.
3. During the period under review the overall sales have been reduced marginally in the light of implementation of GST.
4. The previous period figures have been regrouped and/ rearranged wherever necessary.
5. Exceptional Items represent the likely refund of SGST against the capital investment under the industrial policy of respective state. It is currently assumed that 80% of SGST paid will be refunded amounting to Rs.2.43 Crs and the regulatory clarity on the same is awaited.

Particulars	3 Month Ended 30.9.2016 Un-Audited	Preceeding 6 Month Ended 30.9.2016 Un-Audited	Year To Date Figures for 31.3.2017 Audited
Reconciliation of Total Comprehensive Income	10.63	21.39	32.39
Profit as per GAAP (After Tax) (A)	10.63	21.39	32.39
Ind AS Adjustments			
a) Fair Value of Investment	0.01	0.02	0.01
b) Loss Allowance Sundry debtors	-0.01	-0.04	-0.02
c) Loss of Property, Plant & Machinery De-recognize	0.00	0.00	-0.08
d) Deferred and Current tax Adjustments on above (N	0.00	0.00	0.00
Total Effect of transition to Ind AS (B: sum a to d)	0.00	-0.02	-0.09
Profit for the year as per Ind AS (A+B)	10.63	21.37	32.30
Net Profit as per Ind AS	0.00	0.00	0.00
Total Comprehensive income under Ind AS	10.63	21.37	32.30

Place: Varanasi
Dated: 13.12.2017

For JVL Agro Industries Ltd

(S.N.Jhunjunwala)
Managing Director & CEO



फिर भी शासन से अनुमति लेकर रंगारं कागजों का रंगारं है। यह रंगारं कागज है और

नहीं है। उन्हें जो रंग अच्छा लगता हो उसी में रंगवार ताँक मँडो सुंदर दिखे।

बन्धु, तारिक हमन खां, मो. मुस्ताक, मो. जफर अंसारी आदि थे।

शुरू हो गयी पहड़िया मंडी की सफाई

वाराणसी। पूर्वांचल की सबसे बड़ी मंडी पहड़िया में बुधवार से विशेष सफाई अभियान शुरू हो गया। मंडी निदेशक धीरज कुमार के निदेश पर अभियान शुरू किया गया है। 20 दिसम्बर तक मंडी की सफाई पूरी करने है। उपनिदेशक मंडी प्रशासन डॉ. हिमाशु शोहर त्रिपाठी के कार्यालय में मंगलवार को वीडियो कॉन्फ्रेंसिंग हुई। मंडी निदेशक धीरज कुमार ने मंडियों में गंदगी पर असंतोष जताया था और अभियान चलाकर सफाई के निर्देश दिये थे। उस क्रम में बुधवार को उपनिदेशक मंडी प्रशासन ने नगर निगम की टीम के साथ सफाई शुरू करायी।

जनकवि को किया गया याद

प्रेमेश्वर / हिन्दुस्तान संवाद

साहित्य सेवा समिति वाराणसी के नेतृत्व में जनकवि नकछेद सिंह शिराज को धीरहर कुटी प्रांगण में साहित्यकारों, समाजसेवियों एवं ग्रामीणों ने ब्रह्मा मुष्मन अर्पित किये। प्राणी अंचल के प्रख्यात कवि नकछेद सिंह शिराज का 78 वर्ष की आयु में 9 दिनों की देहांत हो गया था। नकछेद सिंहाई विभाग में कार्यरत थे।

प्रकाशकों ने किया। उनकी कहानियों व उपन्यासों में ग्रामीण अंचल का प्रतिबिम्ब एवं उनकी पीड़ा झलकती है। धीरहर में अवस्थित रामलीला, भरत मिलाप तथा अन्य सामाजिक गतिविधियों में इनकी अहम भूमिका होती थी। सभा की अध्यक्षता वरिष्ठ कवि जय शंकर (जय), संघटन उमेश कुमार सिंह व धन्यवाद अर्पित पांडे ने किया। ब्रह्मावल सभा में गंगा शाण रघुवंशी, गजलकार मकबूल अंसारी, अशोक कुमार सिंह (बन्धु), सुरेश सिंह, बोरिंद प्रसाद, बेनीमाधव, राधे रघुम सेठ, सखी सिंह, कमलेश्वरिचक्रवर्ती, प्रदीप, अजय चौबे आदि मौजूद रहे।

जिले के साढ़े चार लाख कार्डधारक छंटे

वाराणसी। शुद्ध संवाददाता

सरकारी छंटे मल्लो को कुनन से एपीएल श्रेणी से जुड़े करीब साढ़े चार लाख कार्डधारक अमान्य कर दिए गए हैं। अब एपीएल उन्नी का बनेगा जिन्हें किसी बैंक में खाता खोलवाने या अन्य किसी महत्वपूर्ण के रूप में उपयोग करने की जरूरत है। जिलापूर्ति अधिकारी दीपक कुमार बाबूप के मुताबिक अब केवल रुपये देखा से नीचे जीवन ससर करने वाली का ही गलत कार्ड बनेगा। दरअसल राष्ट्रीय खाद्य सुरक्षा कानून तब होने के बाद सरकार ने पारिवी देखा

कार्ड बनवाने के लिए यह करीब बीपीएल श्रेणी के लोग अभी अपना राशन कार्ड बना सकते हैं। जिलापूर्ति अधिकारी के मुताबिक कार्ड बनवाने के पहले एक फॉर्म जमा करना होगा। अर्द्धन के एक सप्ताह के अंदर संबंधित व्यक्ति को कार्ड उपलब्ध करा दिया जाएगा।

पहले नौ लाख थे कार्डधारक वर्ष 2015-16 में जिले में कार्डधारकों की संख्या करीब 9.42 हजार थी। मगर अब एपीएल श्रेणी के कार्डधारकों की संख्या कम होने के बाद यह संख्या 5.13 लाख रह गई है। आगामी विभाग के मुताबिक शहर इलाके में अब करीब 2.18 हजार कार्डधारक हैं।

से नीचे बसर करने वाली को ही खाद्यन देने का निर्देश दिया है। परिणाम, साढ़े चार लाख के करीब एपीएल कार्ड धारक छंटे गए। जिलापूर्ति अधिकारी ने बताया

कि अब सिर्फ दो लाख के कार्ड बनकर जा रहे हैं जिनमें राष्ट्रीय खाद्य सुरक्षा कानून के तहत पात्र गृहस्थ के रूप में महिलाओं को मुखिया के तौर पर रखा गया है।



Market Leader & Household name in North, Central & Eastern India



JVL AGRO INDUSTRIES LIMITED

(CIN L15140UP1989PLC011396)
Regd. Office : Jhunjunwala Bhawan, Nati Imli, Varanasi-221001 (U.P.)
Telephone no. 0542-2211312, 0542-2595930 ; Fax no. 0542-2595941, Website: www.jvlagro.com

STANDALONE UN-AUDITED FINANCIAL RESULTS FOR HALF YEAR / QUARTER ENDED 30.09.2017 (Rs. in Crore)

Particulars	3 Month ended 30.09.2017 (Un-Audited)	6 Month ended 30.09.2017 (Un-Audited)	Financial Year ending 31.03.2017 (Audited)
Total Income from Operations (Net)	734.27	1577.83	3860.30
Net Profit from Ordinary Activities after Tax	3.62	10.99	32.30
Net profit for the Period after Tax (after Extraordinary Items)	3.62	10.99	32.30
Equity Share Capital	16.79	16.79	16.79
Reserve Excluding Revaluation Reserve as per balance sheet of previous accounting year	597.02	597.02	586.03
EPS (In Rs.) - Not Annualised			
A) Before Extra Ordinary Items Basic/ Diluted	0.22	0.65	1.92
B) After Extra Ordinary Items Basic/ Diluted	0.22	0.65	1.92

Notes:
1. The above unaudited financial results have been reviewed by the audit committee and approved by the the Board of Directors of the company in the meeting held on 13.12.2017.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013.
3. During the period under review the overall sales have reduced marginally in the light of implementation of GST.
4. The previous period figures have been regrouped and/ rearranged wherever necessary.
5. Exceptional Items represent the likely refund of SGST against the capital investment under the industrial policy of respective state. It is currently assumed that 80% of SGST paid will be refunded amounting to Rs. 2.43 Crs and the regulatory clarity on the same is awaited.

For JVL Agro Industries Ltd
SD/-
(S.N. Jhunjunwala)
Managing Director & CEO
Place: Varanasi
Date : 13.12.2017

WWW.ECONOMICTIMES.COM

GEARING UP FOR THE FINAL POLICY

DoT Plans to Set up Panel to Take a Call on Net Neutrality

Trai's Suggestions

Keep the Internet open and unblocked or slowing down of content on the Internet, under its recommendations

Telecom or Internet service providers should be barred from signing pacts that can lead to discriminatory treatment

Internet access services should be governed by a principle that restricts any form of discrimination or interference in the treatment of content



Gulveen, Aulakh
@timesgroup.com

New Delhi: The telecom department is likely to set up an internal committee to evaluate the regulator's recommendations which suggests amending licensing conditions allowing carriers to provide some traffic management practices (TMPs) to ensure quality of services and preserve security of networks.

"A committee will be set up within the department to look into the net neutrality recommendations," said a senior official at the telecom department.

The Telecom Regulatory Authority of India (Trai) had also suggested granting fast lanes to 'specialised services', which it said will be defined by DoT, while it kept content delivery networks out of the ambit of net neutrality. The official did not state the process that DoT will adopt to determine the specialised services.

Late last month, Trai suggested keeping the internet open and unblocked or slowing down of content on the internet, under its recommendations on net neutrality, a principle will talk of equal access of the internet to all people.

The regulator had added that telecom or Internet service providers should be barred from signing pacts that can lead to discriminatory treatment on the internet, based on content, sender, receiver, protocols or even equipment. It has recommended changes in the licence conditions and other provisions so that the penalties for violating license conditions would also be applicable here as well.

"Internet access services should be governed by a principle that restricts any form of discrimination or interference in the treatment of content, including practices like blocking, degrading, slowing down or granting preferential speeds or treatment to any content," the regulator had said while issuing its suggestions, which will be examined by the DoT.

Telecom minister Manoj Sinha said on Tuesday that the regulator's recommendations were similar to the views expressed by a DoT committee in 2015, pointing to the similarities between both sets of recommendations.

The telecom department committee on net neutrality had in May 2015, acknowledged the need for net neutrality and had suggested allowing for legitimate traffic management. It had however disallowed exploitative or anti-competitive traffic management, app-based specific control within the Internet traffic and traffic prioritisation on paid basis.

Trai's recommendations that were issued after two years of consultations are broadly in line with the committee's suggestions. Trai allowed TMPs on telcos' networks to ensure quality of services, preserve security of networks, providing emergency services and for implementing a court order or government direction, as long as they are transparent and their impact on users is declared.

Trai's Views on In-flight Connectivity Soon

Move to push telecom dept to set rules for airlines to offer Internet services on board

Our Bureau

New Delhi: Passengers wishing to use Wi-Fi, voice and data services during flights may not have to wait long as the telecom regulator plans to issue recommendations on allowing in-flight connectivity by the year-end, setting the broad parameters for the service.

The recommendations will propel the telecom department (DoT) to set rules for carriers that are keen to offer Internet services for flights within India and international flights in

Indian airspace, and thus enable connectivity for consumers in-flight.

The Telecom Regulatory Authority of India (Trai) will also give its views on the policy to be adopted for expansion of broadband, the infrastructure needed and the licensing framework around it, to the telecom department as part of its contribution to the new telecom policy (NTP).

"Recommendations on in-flight connectivity will come out by the year-end, which is in the next 15 days," Trai chairman R S Sharma said, on the sidelines of an event on satellite communications on Wednesday. At present, in-flight connectivity is barred within Indian airspace and in domestic airlines.

"In-flight connectivity will be allowed, and recommendations will set the broad parameters for that," he said without divulging further details. Trai had issued a consultation paper in September at the behest of the

telecom department, and intends to recommend licensing terms and conditions for providing voice, data and video services in-flight, besides looking at associated issues such as entry fee, and licence fee.

DoT had also asked Trai to give views on spectrum-related issues, including usage charges and method of allocation. Telcos have backed offering Internet and mobile services in-flight. While the civil aviation ministry has agreed to this, it, along with some domestic and international airlines, wants a 'spectrum neutral' approach be followed and that aeronautical spectrum not be infringed.

The ministry has added that international practices such as keeping connectivity off during take-off and landing should be adhered to, and that an override control should rest with the airline. Trai will also give its views on the NTP, which will emanate from fo-



HOW SOON?

Recommendations on in-flight connectivity will come out by the year-end, which is in the next 15 days

R S SHARMA
Chairman, Trai

ur working groups created within the regulatory body. "We have created four working groups, which will give views on broadband, infrastructure and licensing framework... We will soon give our inputs to DoT," the Trai chairman said. The DoT is taking inputs from 12 working groups within the ministry which include industry, academia, regulatory and consumer representations. It plans to bring out a draft by the year end and the NTP policy itself by March next year.

On the open sky policy, Sharma said that while the policy mandated that the service provider or anyone that wants to provide broadband will be able to contract satellite operators, there were still some "deficiencies" in the system. "That, we will need to work out," he said, but ruled out a separate consultation paper on the same. The new telecom policy will exemplify all those issues," he said.



Writing New Stories
Everyday...

Market Leader & Household
name in North, Central &
Eastern India



JVL AGRO INDUSTRIES LIMITED

(CIN L15140UP1989PLC011396)

Regd. Office : Jhunjhunwala Bhawan, Nati Imli, Varanasi-221001 (U.P.)

Telephone no. 0542-2211312, 0542-2595930 ; Fax no. 0542-2595941, Website: www.jvlagro.com

STANDALONE UN-AUDITED FINANCIAL RESULTS FOR HALF YEAR / QUARTER ENDED 30.09.2017 (Rs. in Crore)

Particulars	3 Month ended 30.09.2017 (Un-Audited)	6 Month ended 30.09.2017 (Un-Audited)	Financial Year ending 31.03.2017 (Audited)
Total Income from Operations (Net)	734.27	1577.83	3860.30
Net Profit from Ordinary Activities after Tax	3.62	10.99	32.30
Net profit for the Period after Tax (after Extraordinary items)	3.62	10.99	32.30
Equity Share Capital	16.79	16.79	16.79
Reserve Excluding Revaluation Reserve as per balance sheet of previous accounting year	597.02	597.02	586.03
EPS (In Rs.) - Not Annualised			
A) Before Extra Ordinary Items Basic/ Diluted	0.22	0.65	1.92
B) After Extra Ordinary Items Basic/ Diluted	0.22	0.65	1.92

Notes:

- The above unaudited financial results have been reviewed by the audit committee and approved by the Board of Directors of the company in the meeting held on 13.12.2017.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013.
- During the period under review the overall sales have reduced marginally in the light of implementation of GST.
- The previous period figures have been regrouped and/ or rearranged wherever necessary.
- Exceptional Items represent the likely refund of SGST against the capital investment under the industrial policy of respective state. It is currently assumed that 80% of SGST paid will be refunded amounting to Rs. 2.43 Crs and the regulatory clarity on the same is awaited.

For JVL Agro Industries Ltd
SD/-
(S.N. Jhunjhunwala)
Managing Director & CEO

Place: Varanasi
Date : 13.12.2017



Markets: Beating Volatility

Market Trends

STOCK INDICES	N CHG
Nifty 50	10192.95 0.46
Sensex	33053.04 0.53
MSCI India	857.54 0.64
MSCI EM	2423.08 0.32
MSCI BIC	621.98 0.45
MSCI World	8380.51 0.03
SX 40	19732.47 0.44
Nikkei	22758.07 0.47
Hang Seng	25222.1 1.49
S&P 500	2468.77 0.09
India VIX	11.95

OILS	BOND
DIGITAL CHD	10-YR YIELD
91.33	7.17
0.89	0.01
0.01	0.01

GOLD RATE
Prices per 100g (USD)
US
OPEN 1246.30
LAST 1243.00
1243.00

FOREX RATE
USD
OPEN 64.48
LAST 64.48

Marked on Twitter @ETMarket

Traders See No End to Dollar's Pain in 2018

Manish Nigam

New York: For the almighty dollar, 2017 has been nothing short of a roller coaster. The year might be even worse.

Despite a recent bounce back, analysts and investors say the greenback could lose more ground against the euro and yen as the prospect of stronger economic growth and tighter monetary policy outside the US more than offsets higher interest rates at home. The dollar is down more than 7% versus the world's major currencies this year, the most in over a decade.

The economic growth "we're seeing in Europe, emerging markets and the rest of the world will likely cause the dollar to fall again," said Jim Brown, the head of asset allocation at UBS Asset Management, which oversees about \$75 billion. When it comes to what central banks in Europe and Japan might do, "there's very little predictability."

Brown says the euro could reach \$1.30 in 2018, representing a 10.7% advance against the dollar. That would be on top of a rally of about 12% this year. She also expects further gains in the yen. The dollar was at \$1.14 per euro and \$113.23 per yen. It wasn't supposed to turn out like this. At the start of the year, strategists were almost uniformly bullish on the dollar as traders embraced President Donald Trump's election and his pro-growth promises of lower taxes and higher infrastructure spending. The Federal Reserve was set to raise rates, providing more support for the currency.

Yet, much of that optimism soon unraveled. Yen, the Fed has raised rates twice (and another is expected next Wednesday), but the rally never materialized as lackluster inflation and pessimism over the ability of Trump and his fellow Republicans to make good on their legislative promises took their toll.

Currency traders sold dollars this year despite a surge in forward interest rate swaps, which essentially reflects a bet on the dollar's future. Instead, they bought euros and yen. — Bloomberg

■ Their portfolios expand due to rising fund inflows, which may hurt performance

Selling Mid- and Smallcap Funds may Lose Some Zing

Prashant Maheshwari

Mumbai: The uninterrupted flow of money into mid- and small-cap mutual funds is forcing various fund managers to add more stocks to their portfolios, an investment model that could put a lid on the extent of their outperformance over a longer period.

Investment advisors said schemes that bet on smaller shares have been able to give outstand returns in the last couple of years partly because of a tighter share portfolio in a raging bull market. The concern is that a wider section of stocks could weigh on the performance of these schemes.

An ET study of mid- and small-cap funds shows the portfolios of some equity schemes have expanded 40-50% in the past three years. Schemes that held 30-50 stocks earlier now hold 70-90.

"When funds increase the number of stocks in a portfolio, it's a sign that they are going defensive. With 70-90 stocks in a portfolio, the fund manager cannot take a contrarian position in any stock, which will eventually lead to lower returns," said Gajendra Kothari, managing director, Rites Wealth Management.

A bigger portfolio size has not affected returns of most schemes in the past three years. The number of stocks in

The Stock Count

The Stock Count

Fund name	AUM (₹ crore)		No. of stocks	
	Jan '15	Nov '17	Jan '15	Nov '17
Reliance Small Cap Fund	1,579	5,664	60	87
L&T Emerging Businesses	340	2,892	53	75
HDFC Midcap Opportunities	9,653		67	80
DSP BR Microcap	1,819	6,467	61	87
Franklin India Smaller Cos	1,868	7,075	62	75

Source: Accurat Fintech, Compiled by ETG Database

INCREASE IN HOLDINGS

Portfolios of some mid- and smallcap equity schemes have expanded 40-50% in the past three years. Schemes that held 30-50 stocks earlier now hold 70-90.

close, which may not always be possible," said Vishal Dhanraj, chief financial planner, Plan Ahead Wealth Advisors. "In a scenario where the fund manager is

not stopping inflows, investors will have to ensure they make the right allocation to this segment."

Investors have been pouring money into mid- and small-cap funds due to higher returns from the segment compared with large-cap funds. This has forced many fund managers to hunt for new ideas as most schemes have a cap on the exposure to a stock.

"We usually do not invest more than 5% of the portfolio in a single stock," said Sameer Kachhi, fund manager, Reliance Mutual Fund. Even though a few funds have put restrictions on inflows into their schemes, most continue to accept money through systematic investment plans and systematic transfer plans.

A consistent supply of shares sold by companies through initial public offerings has given the funds more ideas to invest in. According to Motilal Oswal Securities, IPOs worth Rs70,000 crore have hit the market so far in the financial year 2017-18.

"The good part is fund managers will identify good opportunities in this space. Mid- and small-cap fund managers hardly follow benchmark-hugging strategies as the success of these funds lies in their ability to identify the right stocks in this space, which can ride the earnings cycle," said Hem Pothan, head of research, fundspartan.com.

10 Stocks Behind the Surge of the Mid-cap Index

Mid-cap stocks continued to be in vogue in 2017 with the S&P Midcap Index gaining almost 40% during the calendar year. On Tuesday, the index hit an all-time high. Although the Midcap Index has constituted from various sectors, some stocks have made a bigger contribution to the rise in the index. ET takes a

Gujarat PSUs See Self-Off Ahead of Poll Results

MUMBAI: Shares of Gujarat government-owned companies are witnessing a sell-off ahead of the state election results amid heightened uncertainty about the Bharatiya Janata Party's prospects in the polls. Shares of Gujarat State Fertilizers & Chemicals (GSFC), Gujarat Mineral Development Corporation (GMDC) and Gujarat Narmada Valley Fertilizers & Chemicals (GNFC) have dropped 10-15% since Nov 1 after rallying strongly for the previous three months.

ON SMART INVESTING

Finmin Meets PSB Chiefs to Gauge Capital Requirements

ECONOMY 11

For Airtel, Warburg Deal Couldbe Next Trigger After Tata Tele Buy

Ajeet Sharma

Mumbai: Sunil Mittal's \$500 million deal with Warburg Pincus has again put the spotlight on the Bharti Airtel stock. Market watchers are enthused by the significant ramp up in the share price over the past two months, with the company's market capitalisation climbing by over \$5,000 crore. This is partly triggered by market disrepute RIL's recent actions, which suggest a bottoming out of tariffs. But, our analysis suggests a direct correlation between the increase in Sunil Mittal's successful negotiation with the Tata group to buy Tata Televisions.

Airtel's share price started increasing exactly from October 12, the day the deal with the Tata group was announced. Our analysis has tried to break up the value of the Tata deal to Airtel, which works out to over \$5,000 crore if you include onboarding of 10 million wireless subscribers to access to all the spectrum owned by the Tata group company, and the Tata fiber network.

Here is how the numbers add up. Firstly, the acquisition of about 10 million wireless subscribers, with a weighted average ARPU of Rs100 and data of around Rs10, could add around \$2,000 to \$3,000 crore per year to Airtel's bottom line. The EBITDA percentages on these subscribers could easily cross 50% as there is no cost of acquisition. Over the next 10 years, this would be worth \$20,000 crore or more.

Then comes the value of the spectrum. Analysts say the "liberalised" component of Tata's wireless spectrum, acquired through auctions of 3G and 4G spectrum, and

discounting for the license period that has already lapsed, has a market value of over \$1,000 crore. Less is known about the fiber access that Airtel has secured on the Tata network, but if speculation that this includes intra-city fiber is correct, then the value could exceed \$5,000 crore given that the value of the right of way in cities such as Mumbai can go up to as high as \$1.5 crore per km.

In sum, Airtel's deal with Tata could fetch benefits worth well over \$5,000 crore, and this explains a sizeable component of the market capitalisation increase in Airtel stock since the deal was struck. Of the three broker-age analysts who track the stock, the number of "buy" calls has doubled. In fact, 55% of the consensus rating is a "buy" against 41% before the deal.

"Bharti" deal with Tata will lead to meaningful market share gains in India going forward. Besides, signs of turnaround in its Africa business mean the stock is poised for growth over the next 12-18 months," says Neven Kulkarni of Philip Capital.

Experts also say another trigger could be an offer to acquire a larger deal with Tata, one that could include a merger of other Tata assets, including Tata Sky and possibly even a play for Tata Communications.

Indian government bonds have been under pressure following a surge in price pressures and also the fear that government may over-shoot its borrowing plan for the fiscal and amid concerns that revenue growth may slow down due to the Goods and Services Tax. This has raised questions on whether the RBI will hold rates and shift its stance from neutral to tightening.

"Inflation had hit sentiment, and now there is the likelihood of Rs 50,000 crore moving out of the system due to the December advance tax payments, which is one of the highest of the fiscal year because it is done during the busy season," said Harish Krishnamoorthy, treasurer at FirstFund Bank.

However, it is unlikely that bond yields will move down in a hurry because high inflation and lack of clarity of the government's fiscal position will keep the market on tenterhooks. "The yields are unlikely to fall below 7%. In fact, there is a chance that the bond yield may move up again because the government may have to borrow more to fund its fiscal gap. If the gap is sell bonds," said Neven Singh, head of government securities trading at ICICI Securities P.

Yields had shot up in the last two days after consumer price inflation rose 4.9% year on year in November, much higher than the 2.6% rise in October, pushing it outside the RBI's target of keeping inflation at 4% with a 2% band on either side. "This means that we may have now seen the last of open market operation (OMO) bond sales. The RBI will now look to ensure that liquidity comes back to neutral. They may not announce a buy-back, but they will definitely not do more than Rs 50,000 crore in the next three months," says Neven Singh, head of government securities trading at ICICI Securities P.

NOW RANKED EIGHTH India Beats Canada in MCap

India has vaulted past Canada to occupy the eighth position on the market capitalisation leader board globally on the back of its strong performance of its equity markets this year. The 49% increase in market capitalisation so far this year has taken India's market capitalisation to \$2.23 trillion, against the \$2.21 trillion of Canada, according to Bloomberg data.

India posted the biggest gain in market capitalisation among the top 10 underperformed by three factors. The benchmark Sensex rose 24% in local currency terms, the rupee appreciated 12% against the dollar, and local companies posted gains in dollar terms, and local companies posted gains in dollar terms, and local companies posted gains in dollar terms.

This year, 40 Indian companies raised over Rs 71,687 crore (\$1.1 billion) in the market, adding about \$100 billion to the market. Funds raised through the IPOs were the highest ever in a calendar year, according to ETG database.

To be sure, despite handsome gains this year, India's share in the total global market capitalisation is still 1.4% lower than the 2010 peak. It now accounts for 2.4% of the world's market capitalisation, compared with the 10-year average of 2.4%.

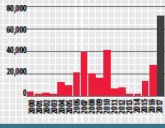
— Anshu R. Shyam, ET Intelligence Group

Market Capitalisation: India vs Canada



Source: Bloomberg, ETG Database

Money Raised from IPO



Source: ETG Database

Global Market Capitalisation Pecking Order

Country	Market Cap (USD Trillion)
US	28.4
China	7.5
Japan	6.2
UK	3.6
France	2.5
Germany	2.4
India	2.23
Canada	2.21
South Korea	1.7

CCI Investigates if Anti-diabetic Drug Price was Fixed

Anti-competition body sends notice to 4 cos seeking their trade details

Dhruv Rajgopal

Mumbai: The Competition Commission of India (CCI) has initiated investigation against four drugmakers for alleged price fixing of the blockbuster anti-diabetic drug Vildagliptin. ET has learnt that CCI has sent notices to drug maker Abbott, Novartis, USV and Emurex pharma asking them for trade details of the drug in an attempt to find out if the companies colluded with each other to keep the price of the drug at certain levels. The anti-competition body is also looking at the involvement of senior executives from these companies over price fixing. USV drug maker Novartis confirmed to ET that it has received the notice from CCI. "We can confirm that we have received a notice from the Competition Commission of India and have responded to the notice. Given that the

notice is sub-judice, you will appreciate that we are unable to comment any further," Novartis said in an email response to ET. Abbott, which is also being investigated in this case did not respond to ET's phone calls and email sent by ET. Emurex did not respond to ET's email and USV remained unresponsive to ET's email.

The CCI's notice comes 10 months after ET had reported that a whistle blower had reached out to various Indian regulators over details of cartel formed by these drug companies for this specific drug.

Vildagliptin, sold under the brand name Galvus is a proprietary drug of Novartis that comes under the new class of anti-diabetic drugs known as DPP-4 inhibitors. These drugs are prescribed for patients with Type 2 diabetes and are considered to be far more effective in controlling blood glucose levels compared to the older class of drugs. Novartis which recorded revenues worth Rs 397 crore this year for this drug has licensed the marketing rights to Abbott, Emurex and USV. This year the combined brand of Vildagliptin recorded sales worth Rs 790 crore, in the Rs 2000-crore glycin market.

Writing New Stories Everyday...

Market Leader & Household name in North, Central & Eastern India

JVL

Chudho aasman ko!

JVL AGRO INDUSTRIES LIMITED

Regd. Office : Jhunjhuniwala Bhawan, Nati Imli, Varanasi-221001 (U.P.)

Telephone no. 0542-2211312, 0542-2595930; Fax no. 0542-2595941, Website: www.jvlagro.com

STANDALONE UN-AUDITED FINANCIAL RESULTS FOR HALF YEAR / QUARTER ENDED 30.09.2017 (Rs. In Crore)

Particulars	3 Month ended 30.09.2017 (Un-Audited)	6 Month ended 30.09.2017 (Un-Audited)	Financial Year ending 31.03.2017 (Audited)
Total Income from Operations (Net)	734.27	1577.83	3860.30
Net Profit from Ordinary Activities after Tax	3.62	10.99	32.30
Net profit for the Period after Tax (after Extraordinary Items)	3.62	10.99	32.30
Equity Share Capital	16.79	16.79	16.79
Reserve Excluding Revaluation Reserve as per balance sheet of previous accounting year	597.02	597.02	586.03
EPS (In Rs.) - Not Annualised			
A) Before Extra Ordinary Items Basic/ Diluted	0.22	0.65	1.92
B) After Extra Ordinary Items Basic/ Diluted	0.22	0.65	1.92

Notes: 1. The above unaudited financial results have been reviewed by the audit committee and approved by the Board of Directors of the company in the meeting held on 13.12.2017.

2. This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules 2015 (Ind AS) prescribed under section 13 of the Companies Act, 2013.

3. During the period under review the overall sales have reduced marginally in the light of implementation of GST.

4. The previous period figures have been regrouped and reclassified wherever necessary.

5. Exceptional Items represent the likely refund of SGST against the capital investment under the industrial policy of respective state. It is currently assumed that 80% of SGST paid will be refunded amounting to Rs. 2.43 Crs and the regulatory clarity on the same is awaited.

For JVL Agro Industries Ltd. S.D. (S.N. Jhunjhuniwala) Managing Director & CEO

Place: Varanasi Date : 13.12.2017

