

# CHANAKYA

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## Probe of Air India, Indian Airlines to cover gamut of Rs. 45,000-cr deals

The CBI's decision to probe the merger of Indian Airlines and Air India, the purchase of 111 aircraft from Boeing and Airbus, and alleged irregularities in the purchase and lease of aircraft by the two state-owned airlines comes in the wake of the Supreme Court setting the investigating agency a June deadline to complete the case.

On January 5, the apex court had given a direction on a petition filed by the Centre for Public Interest Litigation led by lawyer Prashant Bhusan.

On Monday, the CBI registered three FIRs and a preliminary enquiry (PE) to go into the decisions taken by the Manmohan Singh government, including surrender of profitable routes to favour private airlines.

The cases were registered against unidentified officials of Air India, Ministry of Civil Aviation and others under charges of criminal conspiracy, cheating and corruption. CBI sources said "all stakeholders" were under its scanner.

Finance Minister Arun Jaitley had recently said the government was open to strategic divestment of Air India, which had a debt of Rs. 50,000 crore and a market share of 14 per cent.

Both Air India and Indian Airlines have been dogged by controversies since the Manmohan Singh government assumed office in 2004. In September 2005, Indian Airlines signed a Rs. 10,000-crore deal to acquire 43 Airbus A-320 family aircraft.

Months later, Air India acquired 68 Boeing aircraft at over Rs. 35,000 crore. This too ran into controversy; government officials who had objected to such a large number of aircraft being ordered were reportedly shunted out before the deal was inked in January 2006.

In 2007, the government completed the Air India-Indian Airlines merger into one airline under the name Air India. But problems soon emerged between the staff of the airlines.

Before the merger, the airlines followed different human resource management policies. The then Civil Aviation Secretary told the Parliamentary Committee on Public Sector Undertakings that unless there was a merger in "the hearts of the people" the new airline will not work as intended.

Under the Manmohan Singh government, the number of domestic carriers increased with IndiGo, Go Air, Kingfisher Airlines and SpiceJet taking to the skies. This too led to controversy as it was alleged that Indian Airlines was pressured to give up preferred times of operations in favour of private airlines. It was not uncommon for a flight by a private airline to depart on the same route a few minutes before an Indian Airlines' flight.

While the Manmohan Singh Government had three civil aviation Ministers, Praful Patel was Minister when Indian Airlines and Indian Airlines ordered the aircraft, the merger took place between the two airlines and many new airlines took off.

## After spectacular onset, monsoon may hold strong for three more days

The South-West monsoon made one of the most spectacular onsets that Kerala has witnessed in recent years, with most parts of the State receiving heavy to very heavy rainfall on Tuesday.

It came two days ahead of the normal onset, and exactly as forecast by India Met Department (IMD) two weeks ago.



'Active' monsoon conditions are expected to last for three days more, the Thiruvananthapuram Met Office said.

The early arrival of monsoon, which is forecast to be near-normal for the four-month season, has brightened the prospects of the country's farm sector.

Further advance

On Tuesday morning, the IMD said that the monsoon had entered Kerala and advanced into some parts of Nagaland, Manipur, Mizoram and Arunachal Pradesh in the North-East.

It had covered Maldives-Comorin entirely, entered more parts of South Arabian Sea, southern parts of Lakshadweep area, and more parts of the Bay of Bengal.

The IMD said conditions are favourable for further advance into South Arabian Sea, southern parts of Lakshadweep and Kerala, parts of Central Arabian Sea, Coastal and South Interior Karnataka, more parts of Tamil Nadu and the North-Eastern States.

The monsoon has been heavy over the North-East also. Heavy to very rain has been forecast for these States which had earlier in the day

witnessed the fury of cyclone 'Mora' that barreled into Bangladesh coast.

Cyclone-borne

In fact, it was the severe cyclone that carried the monsoon into both Kerala and the North-East in much the same manner as predecessor 'Maarutha' heralded the seasonal rains into Andaman &

Nicobar Islands almost two weeks ago. The strong to very strong monsoon flows in the Arabian Sea may, by the weekend, prove beyond the capacity of the Western Ghats to handle, likely making a progressively large band blow back into the sea.

This could briefly disrupt the heavy rain pattern along the west coast, but the flows would resume with even more strength from early next week as the Bay of Bengal likely tosses up another low-pressure area.

The Andhra Pradesh coast is expected to host the system. This would mean another punishing spell of rain for the entire peninsula, extending coverage to Andhra Pradesh, Tamil Nadu, Telangana, Maharashtra and parts of Madhya Pradesh.

Rain outlook  
The Met has warned of another spell of heavy to very heavy rain for Kerala on Wednesday. Heavy rainfall is expected to continue on Thursday, Friday and Saturday. No significant change in weather is forecast for three days beginning Sunday.

Strong winds from a westerly direction with speed occasionally reaching 45-55 km/hr is likely along and off Kerala coast and over Lakshadweep area until Wednesday afternoon, the Met Office said.

## Jet Airways net dives 91% to Rs. 36.8 cr on rise in fuel price

A massive rise in fuel costs led to a 90.73-per cent plunge in March quarter profits for Jet Airways. The airline reported net profit of Rs. 36.8 crore in the quarter against Rs. 397.16 crore in the corresponding

period last year. cited increased capacity and pressure from rival carriers to keep fares low as reasons for the difficult quarter.

For the full year, Jet Airways reported consolidated



net profit of Rs. 438.45 crore, down 64 per cent from the Rs. 1,211.65 crore it reported in FY16. The company paid back debt of Rs. 1,902 crore during FY17.

Expenses on aviation turbine fuel, which match the recent spike in global Brent crude oil prices, rose 58 per cent year-on-year for the carrier, while aircraft maintenance expenses went up 38 per cent. The airline also

Revenues from codeshare traffic for the fourth quarter rose 5.3 per cent, the airline said

## Tata Group cos underperform Nifty by a wide margin...

Tata group companies have underperformed the Nifty 50 by a wide margin since N Chandrasekaran took over as Chairman of Tata Sons on February 21.

While the Nifty 50 gained 8 per cent, the market capitalisation of Tata group companies has risen by only 4 per cent in the said period. Even if one considers the announcement of Chandra's appointment as chairman in January, the rise in market value of companies at 8 per cent has lagged the Nifty's return of 14 per cent.

100 days not enough

Market analysts, however, said 100 days may be too short

a time to affect changes that result in strategic outcomes. "There is expectation that companies will become far more capital efficient. Except Tata Consultancy Services, return ratios of other big companies are not so great. We like Tata Motors among Tata group companies," said the head of research of a brokerage firm run by one of top Indian private banks.

The under-performance comes despite Tata Sons' plans to increase stakes in group companies. However, a fund manager of one of the top 10 mutual funds welcomes this decision being a minority shareholder. "Strategy of the promoter increasing shareholding in the companies

instil confidence," he said. In March, the group announced that it will invest Rs. 10,000 crore in various group companies.

The under-performance should also be looked at in the context of Indian markets touching new highs backed by money flows and improved outlook. The Nifty 50 on Tuesday touched its lifetime high of 9,637.75. Among the large companies, Voltas has been the star performer with 34 per cent jump in market capitalisation since February 21 thanks to superior financial performance and robust business outlook. On the other hand, Tata Communications has been a drag on the group's value with a 6 per cent drop in market capitalisation.

## MFSL consolidated net up 57% in FY17

Max Financial Services (MFSL) on Tuesday reported a 57 per cent increase in consolidated net profit for FY17 at Rs. 396 crore (Rs. 253 crore). Total consolidated revenue grew 30 per cent to Rs. 15,249 crore (Rs. 11,712 crore), according to MFSL's filing with the stock exchanges.

On a standalone basis, MFSL, one of the only two listed companies providing pure access to the private life insurance sector, recorded a 34

per cent rise in net profit to Rs. 154 crore (Rs. 115 crore).

In the three months ended March 31, 2017, MFSL narrowed its net loss to Rs.



20.49 crore, from Rs. 23.83 crore in the same quarter last fiscal.

For FY17, MFSL's sole

operating subsidiary Max Life Insurance recorded a profit before tax of Rs. 768 crore, up 50 per cent over the previous year. Max Life Insurance's embedded value stood at Rs. 6,590 crore as on March 31, 2017, with an operating return on EV of 20 per cent.

The value of new business written by Max Life Insurance in FY17 was Rs. 499 crore, up 29 per cent over the previous year, according to a release issued by MFSL on Tuesday.

## GDP growth in FY17 may beat CSO estimate of 7.1%

The updation of the base year of the index of industrial production (IIP) and the wholesale price index, along with improved farm sector prospects and higher public spending, may have given a boost to the economy in 2016-17, despite the downsides of demonetisation.

The Central Statistics Office (CSO), in its first and second advance estimates, had pegged GDP growth at 7.1 per cent for the last fiscal, and indications are that the economy grew at this rate, if not higher.

"Growth is likely to be close to the CSO estimate, if not higher," said a source. The CSO will on Wednesday release provisional estimates of the national account for the fourth quarter and for the entire

2016-17.

Most analysts also don't expect GDP growth prospects to be as dismal as was predicted after the note-ban in November, which squeezed out consumer demand as well as production for a while.

"The new IIP and WPI series will impact all GDP numbers from 2013-14. We expect GDP growth in 2016-17 to be revised to 7.6 per cent," said a research report by State Bank of India, while pegging GDP growth in the fourth quarter at 7.2 per cent.

DK Joshi, Chief Economist, Crisil, said the economy may have been a little sluggish in the fourth quarter due to demonetisation, but growth may have been higher than estimated in the

full fiscal.

Mild Upturn  
"There is an expectation of a mild upturn in GDP growth in 2016-17 as the nominal GDP may be a little better due to the new WPI deflator. Further, the higher growth registered in the new IIP series will also boost unorganised manufacturing," he said.

Similarly, India Ratings also expects GDP growth at 7 per cent for 2016-17 as well as the fourth quarter of the fiscal.

"There may be a marginal upside in the gross value added and GDP numbers. The expectation was that the pain of demonetisation would be felt in all of the fourth quarter. But it started waning by the middle of February," said DK Pant, Chief Economist, India Ratings.

PRATIKSHA CHEMICALS LIMITED				
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EXTRACT FROM THE STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31.03.2017 (Rs. In Lacs)				
Sr. No	PARTICULARS	Quarter ended on 31st March, 2017	For the year ended on 31st March, 2017	Corresponding 3 Months Ended on 31st March, 2016
1	Total income from operations	340.36	1273.00	275.83
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(5.98)	5.21	(6.75)
3	Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	(5.98)	5.21	(6.75)
4	Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	(5.52)	6.15	(6.75)
5	Total Comprehensive Income for the period [ Comprising Profit/ (loss) for the period (after tax) and other Comprehensive Income (after tax)]	-	-	-
6	Equity Share Capital	557.03	557.03	557.03
7	Reserves (excluding Revaluation Reserve as shown in the Audited Balance Sheet of Previous Year	(285.20)	(285.20)	-
8	Earnings Per Share (of Rs. / - each) (for continuing and discontinued operations)	(0.10)	0.11	(0.12)
	Basic :	(0.10)	0.11	(0.12)
	Diluted :	(0.10)	0.11	(0.12)

Notes:  
1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchange under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. The full Format of financial Results are available on the Stock Exchange website (www.bseindia.com) and on the Company website www.pratikshachemicals.in  
2. The result of the Quarter ended on 31ST March, 2017 were reviewed by the Audit Committee and approved by the Board of Director at its meeting held on 30, May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS FOR, PRATIKSHA CHEMICALS LIMITED  
SD/-  
MR. JAYESH PATEL  
(DIN: 00401109)

Place : Ahmedabad  
Date : 30-05-2017

## POLYLINK POLYMERS (INDIA) LIMITED

CIN : L17299GJ1993PLC032905  
Regd. Office & Works : Block No. 229-230, Valthera, Tal - Dholka, Dist. - Ahmedabad-387810  
Phone No. 079-26427800 FAX No. 079-26421864  
Email: polylink@polylinkpolymers.com; website: www.polylinkpolymers.com

PARTICULARS	Quarter Ended		Year Ended		
	March 31, 2017 (Audited)	Dec 31, 2016 (Unaudited)	March 31, 2016 (Audited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
	Total income from operations (gross)	1,003.80	871.97	861.34	3,456.27
Net Profit/(Loss) from ordinary activities after taxes	40.59	33.33	23.35	128.25	182.44
Net Profit/(Loss) for the period after taxes (after Extraordinary items)	40.59	33.33	23.35	128.25	182.44
Equity Share Capital (Paid-up)	1,105.58	1,105.58	1,105.58	1,105.58	1,105.58
Reserves excluding revaluation reserve	-	-	-	80.72	(47.53)
Earnings per share of before and after extraordinary items (Not annualized)					
(a) Basic (Rs)	0.18	0.15	0.11	0.58	0.83
(b) Diluted (Rs)	0.18	0.15	0.11	0.58	0.83

Notes:  
1. The quarterly and yearly audited results were reviewed by the Audit Committee and approved and taken on record by the Board of Directors at its meeting held on 30th May, 2017.  
2. The above is an extract of the detailed format of the audited financial results for the quarter and year ended March 31, 2017, filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the audited financial results for the quarter and year ended March 31, 2017 is available under Investors section of our website at www.polylinkpolymers.com and under Financial Results at Corporates section of www.bseindia.com.  
3. The Ind AS as prescribed vide Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2015 is not applicable to the Company for the financial year under report.

For, Polylink Polymers (India) Limited  
SD/-  
U.S. BHARTIA  
CHAIRMAN  
DIN : 00063091

Place : Noida  
Date : 30th May, 2017