

'Atmanirbhar' airlines

With the Covid-19 pandemic slowing the once-booming domestic market, Indian carriers are discovering virtues in the international passenger and cargo business



ANJULI BHARGAVA
New Delhi, 10 August

At a recent aviation webinar, SpiceJet chief Ajay Singh ruffled the feathers of the UAE ambassador when he said that India could no longer rely on "middlemen" to ferry its passengers and goods across to various countries and that its own airlines were now in a position to do so.

The ambassador took great exception to the use of the term "middlemen" though the import of the message settled in. In today's environment when protectionism is rearing its head again — more so in the precarious aviation industry — Singh's words should not be taken lightly. Airline authorities around the world are seeking to protect their turf, and in what promises to be a bloody future, one cannot rule out battles over ferrying of passengers and goods.

This kind of finger-pointing has already surfaced in the case of certain American airlines and the United States. In a letter to the Indian authorities, the Trump administration argued that India was running "scheduled operations" under the guise of "Vande Bharat", and this amounted to unfair trade practices since their carriers were losing out. After the US threatened retaliatory action, India quickly entered into a travel bubble arrangement and now carriers from both sides are flying back and forth.

Similar instances have occurred with other countries in West Asia and surrounding regions in June and July. IndiGo, GoAir and Air India operate flights into Kuwait but in June, when the airlines sought clearances for charter flights, there were inordinate delays by the Kuwait authorities. After the Indian side began to stop the incoming flights from the region (Jazeera and Kuwait Airways), Kuwait authorities relented. Now both sides are operating in a spirit of "give and take", says a senior ministry of civil aviation (MOCA) official.

A similar tussle between SpiceJet and Qatar — this time over cargo — was also resolved after the Indian side flexed its muscle. "In some ways, the permit raj is back in full force during Covid-19," the MOCA official says. He adds that for Indian carriers, perversely, the longer the

non-scheduled operations last, the better because it reduces competition since scheduled operations are suspended.

With a lower number of flights (750-800 a day versus the normal 3,300-3,400 a day) and lower loads (which vary between 52-55 per cent), only two million passengers were ferried by air in June instead of the usual 12 million. Now the authorities and airline executives are worried about the softening of domestic air traffic in July. Operations are ad hoc and subject to change at very short notice as states are going in for selective lockdowns as and when required. Faced with this, airlines like IndiGo and SpiceJet are focusing increasingly on charter flights and cargo.

However, the broader questions on "who does how much" are now being raised time and again. As things stand, the Indian airlines' share in ferrying its own traffic in and out of the country has been very low, and carriers like Emirates and Singapore Airlines primarily rely on Indian traffic. As the CEO of one of the domestic carriers says: "We have let Dubai become our national hub and Emirates our national carrier."

The situation with cargo is worse. In 2019-20, Indian carriers ferried around 7 per cent of the total cargo that was carried. "Even with cargo, the bulk is carried by airlines from other countries," an official points out. Domestic airlines are arguing that if Indian authorities cannot help them with a revival package of any sort, the least they can do is strengthen their own carriers to carry a larger share of the Indian traffic and cargo carried out of the country by foreign carriers. Both SpiceJet and IndiGo, and now even Vistara (which recently brought in some wide bodied), are looking at both these segments. SpiceJet, which had submitted its application before the pandemic, has more recently been designated as a carrier for flights to UK, USA and Amsterdam and is planning to wet lease

aircraft and take the plunge.

Government sources say that as far as they are concerned, the field is wide open. They argue that Indian carriers never focused on either air cargo or the international market till the pandemic hit and desperate measures kicked in. Several bilateral agreements remain in

unutilised from the Indian end because Indian carriers by and large either don't have the wherewithal to take advantage of them or have not focused on this. MOCA sources point out that the Indian carriers have been quite content with just the action on the domestic market, which is large in normal times. A top government official says that they would be very happy if IndiGo went in for wide bodied (and have conveyed this to the carrier many times) and got into the international market whole hog, but they have seen "reluctance" from its side so far. The official adds that most of the

domestic carriers don't have the aircraft for cargo operations and this business has never been their focus. It is only now — in the post-Covid-19 era — that some of them are focusing on this segment.

Air services agreements govern the frequency with which countries allow airlines from other countries to operate in their jurisdictions. Indian governments have been accused of being very generous with the grant of bilateral rights to some countries in the past, a matter of much controversy. "Air services agreements are arrived upon in a larger context and therefore have to be viewed as such. So, amending existing agreements is not always possible or desirable," points out a former external affairs ministry official.

But as the world reverts to normal, will there be a new normal where countries including India become more and more protective of their own territories, markets, bilaterals, traffic and cargo? The prospect cannot be ruled out.

Turf war

► Countries are protecting the interest of their carriers as passenger demand slows

► Number of flights in India has fallen to 750-800 a day versus 3,300-3,400 pre-Covid

► Load factor is at 52-55 per cent versus 80-85

► Two million passengers were ferried by air in June versus 12 million before

ON THE JOB

A recovery to worry

The recovery is largely in informal jobs. The situation has worsened for the salaried class



MAHESH WYAS

Most of the employment that was lost immediately after the imposition of a nationwide lockdown has been restored. An estimated 121.5 million jobs were forfeited by the lockdown in its first month, in April 2020. This loss narrowed down to 100.3 million in May and then dramatically to a much smaller 29.9 million in June. July 2020 saw a further reduction in this loss of jobs to 11 million.

The recovery in jobs reflects, to a great extent, an unlocking of the economy from the draconian cessation of practically all economic activities, save a few, in late March and through most of April. Perhaps, it also reflects the desperation of Indians to get back to some employment after a rather prolonged involuntary break.

The recovery is largely in informal jobs. The situation has worsened for the relatively better jobs: salaried jobs. In this sense, it is a recovery to worry about.

Small traders, hawkers and daily-wage labourers were the worst hit by the lockdown in April. Of the 121.5 million jobs lost in that month, 91.2 million were among these. Large numbers of these people lost their source of livelihood so quickly because their employment is almost entirely informal. They

have employment in hand only when the economy around them is humming. When this economy shuts down, they lose their employment during that period. Similarly, as the economy unlocks in steps, these jobs come back almost in lockstep.

Of the 91.2 million such jobs lost in April, 14.4 million came back in May, 44.5 million in June and 25.5 million in July. Only 6.8 million remain to return.

Many entrepreneurs also declared themselves unemployed during the lockdown. These included businessmen who own fixed assets and hire people for business purposes; self-employed professionals like doctors, lawyers or accountants; and other self-employed entrepreneurs like taxi operators. Collectively, they make for an estimated 78 million. Of these, 8.2 million declared themselves unemployed in April. Most of them came back to employment by July 2020.

The other two large categories of employment have seen different outcomes from the lockdown.

First, we see an extraordinary rush into farming. According to estimates from Consumer Pyramids Household Survey, there were 111.3 million people who declared their occupation as farming in 2019-20. This estimate rose to 117 million in March 2020 and remained there in April as well. There is never any loss of employment in farming. People just migrate out of farming, mostly voluntarily, in search of better paying employment. But, people who can, do migrate into farming when they lose non-farming jobs. This explains why the lockdown had practically no impact on farm employment

in April. In May, employment in farming inched up to 118.5 million.

Then, in June 2020, farm employment zoomed up to 130 million. Good rains and the consequent aggressive sowing absorbed a lot of the labour that was losing jobs in the non-farm sectors because of the lockdown. Employment remained high in July at 126 million, although it was lower than in June. It is tempting to conjecture that the 4-million fall in farm employment indicates reverse migration. But, there is no data to support such an inference.

The second story that is contrary to the convincing recovery in employment seen by July is the performance of salaried employees. While all kinds of work are equally honourable, jobs have a qualitative pecking order. For example, a regular salaried job is better than an informal arrangement of employment in the unorganised sector. Salaried jobs are also more resilient to economic shocks than other forms of employment.

But, unlike in the case of other types of employment, the plight of salaried employees has worsened since the lockdown began. In April, they lost 17.7 million jobs. By July, their losses had swelled to 18.9 million.

While salaried jobs are not lost easily, once lost they are also far more difficult to retrieve. Therefore, their ballooning numbers are a source of worry. Salaried jobs in July 2020 were 22 per cent lower than their level in the last fiscal year. This is a data nugget that is worth worrying about.

The writer is MD and CEO, CMIE PLtd

Truth is the first casualty of pandemic finance

ANDY MUKHERJEE
10 August

The true financial cost of Covid-19 is something India would rather not acknowledge, let alone bear — at least not until the pandemic has played out.

That explains why the central bank on Thursday allowed a one-time restructuring of corporate and personal loans that have been under stress ever since Prime Minister Narendra Modi put the country under a severe lockdown in March.

Those nationwide restrictions have given way to more localised containment. But with India becoming only the third country after the US and Brazil to zoom past the 2 million infections mark, it will be months before the authorities can shift the economy back into its pre-Covid gear.

The engine was sputtering then, too, with consumers retreating from a debt binge, companies deleveraging, exports anaemic, real estate in a mess, finance haunted by a mistrust of borrowers, and public works hobbled by low tax resources. Yet just to return to this low-speed economy, India will have to top up the capital destroyed by the coronavirus.

Like almost everywhere else, the ability of assets to earn returns in industries ranging from airlines, hotels and commercial real estate — from large firms to their small vendors — has been impaired. However, in India, truth is currently as



scarce as capital. It's in nobody's interest to discover the extent of the money shortfall because the hole won't be filled. The government doesn't have the appetite for large-scale socialisation of private losses, lest the opposition accuse Modi of cronyism. Very few large Indian business groups have dry powder, and those that do — such as billionaire Mukesh Ambani's Reliance Industries — would rather preserve it for now.

Global distressed asset specialists may be willing to take a large bite, but India's bankruptcy court is shut to new cases for a year. Without the pressure of insolvency, it's only the property and infrastructure players, whose backs were against the wall even pre-Covid, that may want to sell out to Western pri-

vate equity and pension funds. Many borrowers, particularly smaller companies, are currently in the limbo of a central bank moratorium on loan servicing. They will welcome the chance to end this suspended animation with a one-time restructuring. Those plans will be put in place by December and implemented by March, according to the Reserve Bank of India. The lenders, who aren't even giving an honest picture of delin-

quent advances, will now use tools like debt-equity swaps and two-year extensions of repayment periods to keep avoiding significant loan-loss provisions. Most of these hurried recasts will probably follow standardised templates. That's a worry in a country where even custom-made breathers have tended to fail. But hopefully by the

time the arrangements come unstuck, the economy will have stopped shrinking. That way, the banks will have some operating profit to absorb losses. If they were to come clean now, they would have to find much more than the record \$10 billion-plus fundraising currently in the works. The capital circle is just too hard to square.

Whether the loan relief succeeds or fails, one thing is certain: India's \$1.4 trillion credit machine will be in stall mode until next March as restructuring "sucks up bankers' bandwidth," and the "scope for new credit creation dwindles," says Nachiket Naik, head of corporate lending at Arka Fincap, a Mumbai-based financier.

Shadow banks will be the biggest losers. They will restructure their borrowers' loans but their own liabilities to banks won't get the same treatment. Only a few years ago, nonbank financiers were meeting 30 per cent of the economy's new credit demand. But following some bad blowups, starting with the collapse of infrastructure lender IL&FS Group in 2018, the authorities prefer that lending return to deposit-taking banks.

Expect the beaten-down nonbank financiers to become acquisition targets. American buyout firms may be keen, provided they get a good price. It will be an exchange of capital for truth — the two things in short supply in Indian finance.

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NOTICE
Sub: Updation/Registration of Email Address
In compliance with the applicable provisions of the Companies Act, 2013. General Circular No. 14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020 and No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs, Government of India and SEBI circular dated 12th May, 2020, the Notice of AGM along with the Annual Report will be sent through electronic mode only to all the members whose email addresses are registered with the Company/ Depository/Participants.
Eligible members who have not registered their e-mail addresses are requested to register the same with their Depository Participant ("DP"), if the shares are held in demat form and members holding shares in physical form are requested to provide the same to Registrar and Transfer Agent by visiting this link: <http://mopd.in/form/email-update>.
The said communication would be available at the website of the Company at www.longviewtea.org as well as on the Stock Exchange website www.bseindia.com

For Longview Tea Co. Ltd.
Sd/-
Nikita Purif
Company Secretary
ACS: 35481

Date: 10th August, 2020
Place: Kolkata

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Regd. Office: TS 140, Block No.2 & 9,
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Website: www.elnettechnologies.com
CIN: L72001TN1990PLC019459

NOTICE
NOTICE is hereby given that pursuant to Regulation 47 read with Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the 178th Meeting of Board of Directors of **ELNET TECHNOLOGIES LIMITED** is scheduled to be held on Monday, the 17th day of August, 2020 inter alia to consider and approve the Unaudited financial results for the quarter ended 30th June, 2020.
The above information can be viewed on the website of the Company at www.elnettechnologies.com and website of the stock exchange where the shares of the Company is listed i.e., www.bseindia.com.

For Elnet Technologies Limited
Sd/-
T. Joswa Johnson
Company Secretary

Date: 10th August, 2020
Place: Chennai

PRECISION CAMSHAFTS LIMITED
CIN: L24231PN1992PLC067126
Regd. Office: E-102/103 MIDC, Akkalkot Road, Solapur 413006.
Phone: +91 9168646531/32/33 Fax: (+91 217) 2357645
Email: cs@pclindia.in Website: www.pclindia.in

NOTICE
Pursuant to Regulation 47 read with Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that meeting of the Board of Directors of the Company is scheduled to be held on **Tuesday, 18th August, 2020**, inter-alia, to consider and approve the unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June, 2020.
This intimation is also available on the website of the Company at www.pclindia.in and on the website of the Stock Exchanges where the shares of the Company are listed at www.bseindia.com and www.nseindia.com

By order of the Board of Directors
For **Precision Camshafts Limited**
sd/-
Gautam V. Wakankar
Joint Compliance Officer

Place : Pune
Date : 10th August, 2020

FORTIS MALAR HOSPITALS LIMITED
(CIN: L85110PB1989PLC045948)
Regd. Office: Fortis Hospital, Sector 62, Phase – VIII, Mohali-160062
Tel : 0172 5096001; Fax No : 0172 5096002
Website: www.fortismalar.com; Email: secretarial.malar@fortishospitals.in

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(₹ in Lakhs except EPS)

Particulars	Consolidated		
	Quarter Ended June 30, 2020 (Unaudited)	Quarter Ended June 30, 2019 (Unaudited)	Year Ended March 31, 2020 (Audited)
Revenue from Operations	943.38	3,187.38	11,187.20
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(944.71)	(175.89)	(1,193.50)
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items) (Refer Note 2)	(396.83)	(175.89)	(1,193.50)
Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(291.74)	(126.96)	(889.36)
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(303.79)	(138.32)	(896.68)
Equity Share Capital (Face Value of ₹ 10/- per share)	1,875.70	1,875.70	1,875.70
Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	NA	NA	7,765.24
Earnings Per Share (face value of ₹ 10/- each) (for continuing and discontinued operations) -			
(a) Basic	(1.56)	(0.68)	(4.75)
(b) Diluted	(1.56)	(0.68)	(4.75)

Particulars	Standalone		
	Quarter Ended June 30, 2020 (Unaudited)	Quarter Ended June 30, 2019 (Unaudited)	Year Ended March 31, 2020 (Audited)
Revenue from Operations	943.38	3,187.38	11,187.20
Profit / (Loss) Before Tax	(400.35)	(184.91)	(1,215.57)
Profit / (Loss) After Tax	(294.68)	(133.47)	(905.69)

1. The above is an extract of the detailed format of quarterly financial results submitted with Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results are available on the websites of the Stock Exchange i.e. www.bseindia.com and that of the company at www.fortismalar.com.

2. Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items) includes an exceptional items of ₹ 547.88 lakhs in the quarter ended 30 June 2020 relating to unconditional waiver/concession of fixed clinical establishment fees for two quarters i.e (April to September 2020) received from Fortis Health Management Limited. The waiver / concession has been provided on account of COVID 19 Pandemic. In accounting for this waiver/concession, the Company has applied the practical expedient to the such concessions as they meet the conditions specified in the notification dated 24 July 2020 issued by the Ministry of Corporate Affairs, India

Fortis Malar Hospitals Limited
For and on Behalf of Board of Directors
Sd/-
C.K. Nageswaran
Whole Time Director
DIN: 08236347

Place: Gurugram
Date : August 10, 2020