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EUROPE'S WINE MAKERS BATTLE
TO ADAPT TO CLIMATE DISRUPTION

WORLD P9
BRITISH PM JOHNSON TO TRUMP:
KEEP OUT OF UK ELECTION

SEBI REJECTS INTERIM
RELIEF TO KARVY

The Securities and Exchange Board of India (Sebi) has refused any modification to its order dated November 22 against Karvy Stock Broking (Karvy) for alleged misuse of client funds. The brokerage had moved the Securities Appellate Tribunal, seeking some relief on the use of power of attorney on grounds that it was causing losses to its existing clients. The tribunal had directed a Sebi whole time member to provide a hearing to Karvy.

YES Bank invokes 6.5 mn
pledged shares of Rlnfra

Private sector lender YES Bank has invoked 6.5 million pledged shares of Reliance Infrastructure's promoter between November 25 and 28, the company said in a BSE filing. These shares, representing 2.57 per cent of the share capital of Reliance Infra, were held by one of the company's promoters, Reliance Project Ventures and Management.

ECONOMY & PUBLIC AFFAIRS P6
IBC tweaks to address
cross-border insolvency

Insolvency and Bankruptcy Board of India Chairman M S Sahoo on Saturday said work was on to amend the Insolvency and Bankruptcy Code (IBC) 2016 that would address cross-border insolvency. On Thursday, Sahoo had said the government was keen to introduce a globally accepted and well-recognised cross-border insolvency framework.

COMPANIES P2
78 firms had over 75%
promoter holding in Q2

Seventy-eight listed companies had promoter shareholding of over 75 per cent in the September quarter of this financial year. The Securities and Exchange Board of India requires listed companies to maintain maximum promoter shareholding of 75 per cent. MAYANK PATWARDHAN & SACHIN P MAMPATTA report

BACK PAGE P12
64.12% votes cast in first
phase of Jharkhand polls

An estimated 64.12 per cent votes were cast in 13 constituencies of Jharkhand where polling was held in the first phase on Saturday, Election Commission officials said. The 13 constituencies are in six Maoist-hit districts.

BS SPECIAL
ON SUNDAY

IN DEPTH
Pulwama attack and the
Balakot effect



In the shaping of the larger-than-life image of Narendra Modi, the surgical strike was his version of 1971, writes RAJDEEP SARDESAI

Zurich landing at Jewar may challenge IGIA monopoly

Delhi's capacity constraints will favour the new airport, but connectivity issues may prove to be a hurdle

ARINDAM MAJUMDER
New Delhi, 30 November

Flughafen Zurich winning the bid for the proposed Jewar airport in Uttar Pradesh is likely to bring a paradigm change to India's airport sector, threatening monopolies for the first time, said sector experts.

If the project is completed on time, Jewar airport — projected as the second such facility for the National Capital Region — will compete with GMR-owned Indira Gandhi International Airport (IGIA) from 2023 to attract air traffic. This could be a threat to IGIA's monopoly on air traffic in north India, which has made it the crown jewel in GMR Infrastructure's airport portfolio.

Zurich Airport offered a revenue share of ₹400.97 per passenger. GMR, which had the right of first refusal (RoFR), offered ₹351 per passenger. It would have had the chance to match the highest bid only if its offer was within 10 per cent of it.

"GMR's bid was aggressive and rightly so, as they were desperate to win it because of a lot of synergy it offers with IGIA. That Zurich was able to outbid GMR, which had a RoFR, is something extraordinary. It doesn't happen every day," said an executive of a financial institution which invests in infrastructure projects.

Advantages for Jewar

- Limited space for Delhi Airport to expand beyond 2022
- Better facilities, lower airport charges

Disadvantages for Jewar

- Connectivity issues with Delhi and major cities in western UP
- Weaker income profile of prospective flyers in the region

STRENGTH ASSESSMENT



Projected spillover traffic
Passengers from Delhi's IGI Airport's catchment area that might shift to Jewar due to capacity constraints (Figures in mn per annum)

FY 25	0.0
FY 30	1.8
FY 35	1.8
FY 40	2.9
FY 45	3.4
FY 50	3.7

Source: PwC

Jewar is about 80 km from IGIA. A six-year-long moratorium over concession fees to be paid to the government may give a buffer to Zurich. But, in the long term, completion of the project on time will determine its ability to compete with Delhi, said experts.

"The winning bid marks the re-entry of Zurich Airport in India. What is defining is the entry of an experienced player in a market that has GMR, GVK,

Fairfax, and Adani. Their bidding number underscores their understanding of the Indian market and how important they think it is," said Sidharath Kapur, former executive director at GMR Airports.

Capacity crunch in Delhi and Zurich's ability to offer better services may make Jewar airport popular among India's airlines that are frantically expanding their fleets but facing infrastructure

crunch at major airports.

Delhi Airport is currently undergoing a ₹9,000-crore upgrade to increase its capacity from 70 million fliers per annum to 100 million by 2022.

"After 2022, when Delhi finishes its fourth runway and terminal expansion, it has limited capability to expand capacity. Naturally, airlines and customers will have no other option," said an airline executive.

He added, "For an airline, peak-hour slots are crucial. There is little Delhi will be able to offer to airlines as all of them have been grabbed. So, for an airline like IndiGo, which expands rapidly, it will make sense to grab slots offered at Jewar."

The executive added that airlines will not quit IGIA but will plan future growth keeping Jewar in mind. A lot will also depend on the Uttar Pradesh government's ability to complete high-speed rail and road networks before operations commence at Jewar. This will determine the airport's profitability.

GMR's boardroom is seeking comfort from the fact that centrality of IGIA will always keep it more attractive than Jewar.

"Jewar is on the highway from Noida to Agra, 60 km away. IGIA is almost in the heart of the city," said Saurabh Chawla, executive director (finance) at GMR Group.

NEW TWIST IN SINGUR
TALE, PANEL TO DECIDE
ON ARBITRATION

A new chapter is set to unfold in the 10-year-old Singur-Tata Motors saga. A three-member panel will deliver its decision on whether or not to start arbitration proceedings in the dispute, surrounding the acquisition of land in Singur, shortly. At the heart of the dispute is Tata Motors' claim for compensation of the losses incurred in Singur — the location of the Nano project — from which it pulled out in 2008, following a Mamata Banerjee-led agitation by locals against the acquisition of land. ISHITA AYAN DUTT reports 12

Stressed firms
want loans to
pay tax dues at
deep discount

DILASHA SETH & ABHISHEK WAGHMARE
New Delhi, 30 November

Keen to shore up revenues, the Central Board of Indirect Taxes and Customs (CBIC) is examining an unusual demand from industry.

For the first time perhaps, industry has sought government intervention in getting bank loans to pay the excise and service tax dues under the Legacy Dispute Resolution Scheme (LDRS) such as Sabka Vishwas. However, there's little clarity on whether such a loan is feasible and under what head.

Major taxpayers, especially in the real estate sector, are unable to pay their dues because of the current financial stress, field officers have informed the CBIC, which is assessing reasons for the lacklustre response to the Sabka Vishwas scheme, closing on December 31.

In fact, field officers have told the Board that most taxpayers are willing to settle pending cases if banks provide them loans for the purpose. The CBIC, in turn, has asked for a list of such taxpayers.

"The realisation of tax dues under the scheme is not as per the expectation. It has been learnt from some of the field formations that major taxpayers, especially in the real estate sector... are not able to avail of the scheme due to financial crunch. Further, these taxpayers are willing to settle cases if banks provide them loans," the letter sent to all principal chief commissioners and chief commissioners said. "There may be taxpayers in your jurisdiction facing similar situation," it added. "In this regard, information should be furnished to the Board by December 2," it added.



NARENDRA MODI,
PRIME MINISTER

"DURING THE LAST SIX MONTHS, WE HAVE TAKEN NUMEROUS DECISIONS THAT HAVE FURTHERED DEVELOPMENT, ACCELERATED SOCIAL EMPOWERMENT AND ENHANCED INDIA'S UNITY"

The data on Friday had showed that for 'public administration, defence and other services, the gross value added, at the 2011-12 base year, for the July-September 2019 quarter grew by a staggering 11.6 per cent compared to growth of 8.6 per cent for the same period last year.

The key indicator of this sector, namely, the Union government's revenue expenditure net of interest payments excluding subsidies, grew by 33.9 per cent compared to 22.2 per cent for the same period last year.

Soumya Kanti Ghosh, chief economic advisor at State Bank of India, had said after the GDP data that excluding defence, public administration, and other services, the GVA growth would have been merely 2.8 per cent, instead of 4.3 per cent.

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