

## IN BRIEF



## Flat solar power tariff drops to all-time low

**NEW DELHI**  
The levelised solar power tariff has dropped to an all-time low of ₹3.15 per unit in an auction of a 250 MW project at Kadapa in Andhra Pradesh. Earlier in February, the lower capital expenditure and cheaper credit had pulled down solar tariff to a new low of ₹2.97 per unit for the first year in an auction conducted for 750 MW capacity in Rewa Solar Park in Madhya Pradesh. PTI

## CCEA nod for listing 11 PSUs on bourses

**NEW DELHI**  
The Cabinet Committee on Economic Affairs on Wednesday approved the listing of 11 central PSUs. They include IRCON International, Indian Railway Finance Corp., IRCTC, Rail Vikas Nigam Ltd., RITES, Mazagon Dock Shipbuilders, Bharat Dynamics, Garden Reach Shipbuilders & Engineers and Mishra Dhatu Nigam (Midhani), North Eastern Electric Power Corp. and MSTC.

## Cabinet approves export promotion scheme

**NEW DELHI**  
The Cabinet has approved the implementation of the Supreme Court's October 2015 judgment regarding the Target Plus Scheme (TPS) 2004-09 for export promotion. The apex court had held that the government's notifications of February 2006 and another in June 2006 related to the TPS could not be applied retrospectively and would be effective only from the date of their issue.

## Jharkhand set to enact GST law

State is prepared to implement the GST regime, says Chief Secretary Verma

**VIKAS DHOOT**  
**NEW DELHI**

Jharkhand may soon become one of the first states to clear the State Goods and Services Tax law following Parliament's clearance of the four central laws necessary to implement GST from this July, Chief Secretary Raj Bala Verma told *The Hindu*.

"We were the second state after Assam to agree to GST. We will call a special session to pass the state GST law," Ms. Verma said adding that the Jharkhand administration was ready for the Goods and Services Tax regime.

The legislative assemblies of all state governments need to pass the state GST law in order to switch over from the current system of levying multiple indirect taxes at the state and the Central level.

## Arcelor Mittal

The mineral-rich state expects to receive mining and mining-related investments of ₹2 lakh crore. "They are capital intensive projects such as a power plant with coal linkages, a steel plant with iron ore linked to it. The chief minister is very keen on labour-intensive sectors to check the high migration of our people," Ms. Verma said.

However, a marquee ₹50,000 crore investment for a 12 million tonne steel plant proposed by Arcelor Mittal in 2005 remains stuck.

Ms. Verma said that the long-delayed project is still a work in progress and has not been abandoned despite the inability to execute leases for the iron ore mine earlier allotted to the firm. The firm which has acquired a part of the land for the project can still secure iron ore linkages by tying up with those who win mining rights under the new auction regime for mineral reserves, she pointed out.

"We are still in active talks with the company. The pro-



**Off the block:** Jharkhand will soon convene a special session of the Assembly to pass the State GST law. ■ GETTY IMAGES/ISTOCKPHOTO

posal is very much on. They have been allocated an iron ore mine, but the lease has not been executed as the forest clearance is not yet in. Now, there will be mineral auctions so iron ore will be in the market so whoever gets it can supply (to them). They can have a linkage," Ms. Verma said.

Though the proposed mine is located in Jharkhand's Saranda forest, the thickest Sal forest in Asia with an elephant corridor, it doesn't fall in the 'No Go' area, the top state government official said. "Only about 7% of the forest area has minerals and the 'no go' area is limited," she said.

## Tackling Maoists

Ms. Verma said that the Maoist menace in the state will be history by the end of the year and investors are no longer concerned about the state's law and order situation.

"Our surrender policy is very good - we have an open

jail, where they can stay with their family. On the fringes, perhaps some possibility (of Left-Wing extremist activity) is there, but our forces are working very hard to curb that," she said.

"There are 13 areas such as Kunda and Pratappur and we have set up camps everywhere. I have been visiting all these areas and going to each door there. So if there is an able-bodied boy looking for a job, dropouts from school, we are getting them into school, looking into their economic issues, holding health camps," said Ms. Verma.

## State investment board

Ranked high on the Centre's ease of doing business index, the state scored the highest marks for labour reforms across all states and is ranked fifth in terms of attractiveness for foreign direct investment or FDI. It has also set up an Investment Promotion Board led by the Chief Minister that includes

representatives from all departments, including environment and pollution control authorities.

"The CM wants ownership and equal stake of all the departments and he does not want any red-tapism in clearances. We are the most investment ready state and have included all stakeholders on the Board to ensure no issue comes up and it becomes a collective decision with ownership. Till there is no sense of ownership, you know how file movement becomes," Ms. Verma said.

## Weekly meetings

Apart from a monthly meeting steered by the CM for investment projects, the chief secretary holds a meeting every week to resolve issues that come up. Several of the investors that signed pacts with the state in an investment summit in February have already seen the land parcels on which their projects can come up, she said.

## FCA India to roll out Jeep Compass by June this year

Firm had invested \$280 mn. for the project at its Pune unit

**SPECIAL CORRESPONDENT**  
**MUMBAI**

FCA India, the wholly owned subsidiary of Fiat Chrysler Automobiles, announced plans to roll out the locally-made Jeep Compass from its Ranjangaon plant by June 2017.

The company had invested \$280 million on the project at its facility near Pune. The SUV, the first to be produced by FCA in India, is expected to enter the domestic auto market's fastest-growing segment in the third quarter of calendar 2017.

"The local production schedule of the Jeep Compass is firmly on track and we are all set to begin local production of the Jeep brand's global SUV by June," said Kevin Flynn, President and MD, FCA India. "The Jeep Compass will come



**Power play:** The product will come with two power train options and will be priced in the region of ₹20 lakh. ■ REUTERS

with several industry-first features and will set benchmarks in the Indian SUV space."

The company also announced two power train options that will be offered with the Jeep Compass - the 160+ HP, 250 Nm multi-air

petrol and the 170+ HP, 350 Nm, diesel.

Jeep Compass is expected to be priced at about ₹20 lakh and will compete with existing SUVs such as Mahindra and Mahindra's XUV 500 and Hyundai Motor India's Creta.

## Pharma exports likely slid to \$16.4 billion in 2016-17

Price erosion, absence of off-patent blockbuster drugs hurt

**SPECIAL CORRESPONDENT**  
**HYDERABAD**

India's pharmaceutical exports are projected to have declined marginally in the financial year ended March 31, 2017, after clocking more than 9% growth in 2015-16, amid an absence of blockbuster drugs going off patent.

Director General of Pharmaceuticals Export Promotion Council of India (Pharmexcil) Ravi Uday Bhaskar forecast exports in 2016-17 to be about \$16.4 billion, down from \$16.89 billion in the previous fiscal.

Price erosion, an absence of blockbuster drugs going off patents - generic drugs

constitute the bulk of India's pharmaceutical exports - and currency issues in the African and Latin American markets contributed to the decline, he said at a press meet about the upcoming International Exhibition for Pharma and Healthcare (IPHEX) 2017 on Wednesday.

The outlook for the current year was, however, positive, Mr. Bhaskar and IPHEX chairman P. Ramesh Babu said, citing the fact that India bagged more than 30% of Abbreviated New Drug Applications granted by the U.S. FDA in 2016. According to Pharmexcil, the Indian pharmaceuticals industry increased at a CAGR of about

17.5% between 2005-2016, growing from \$6 billion in 2005 to about \$34 billion in 2016. By 2020, it is expected to touch \$55 billion. India accounted for about 30% (by volume) and about 10% (by value) of the \$70-80 billion generics market in the U.S.

On FDA inspections and Form 483 observations to units, both of them said with about a third of the exports going to the U.S. such inspections were bound to increase. While Mr. Bhaskar sought to downplay the Form 483 issue stating that it was akin to a show cause notice, Mr. Babu said 90% of observations were addressed by units in 3-4 days.

## Overbooking of flights soars in India

Between Aug.-Feb., 12,957 domestic ticketed passengers weren't allowed to fly

**SOMESH JHA**  
**NEW DELHI**

India's domestic airlines routinely deny boarding to thousands of passengers who had bought tickets - and the incidence of overbooked flights is rising sharply.

On Sunday, American carrier United Airlines had a passenger evicted from its plane after overbooking its Chicago to Louisville flight. Aviation experts said it was a legal practice followed by the transportation sector globally. A video of the passenger being dragged along the aircraft's aisle went viral on the Internet drawing ire from across the world.

In the seven months between August 2016 and February 2017, 12,957 passengers on domestic Indian flights were not allowed to board their flights - a 65.8% increase from the year-earlier period.

That such incidents are going up alarmingly indicates that airlines haven't been deterred by a Directorate General of Civil Aviation (DGCA) directive last August, steeply increasing the compensation carriers need to pay passengers holding a booking for denying them boarding.



**In the lurch:** Airlines haven't been deterred by a DGCA directive to pay higher compensation for denying boarding.

Jet Airways accounted for the highest proportion of cases related to boarding denial at 84%, followed by Air India with 11.1% of such cases from August 2016-February 2017, after the higher compensation regulation kicked in.

## Ticket refund

Airlines in India have typically offered refunds for the ticket, hotel accommodation, alternative flights and monetary compensation to passengers who have been denied boarding. Many airlines in India and globally tend to issue confirmed bookings to more passengers than the number of seats available on a flight in anticipation of a few ticket can-

cellations and to cut the possibility of departing with empty seats. Airlines may deny boarding even in cases when passengers may be holding confirmed bookings for travel on a flight.

"This is a global practice followed by the transportation sector," said Mark D. Martin, Founder and CEO of Martin Consulting. "In India, even the Indian Railways follows this concept by issuing reservation against cancellation (RAC) and wait-listed tickets to passengers."

In India, the airlines first check with passengers who are interested in voluntarily taking the next flight in exchange for some incentives. If that doesn't work, airlines deny boarding to passengers

at the check-in counter and they are liable to compensation of up to ₹20,000.

## Compensation

However, airlines are not liable to pay compensation, as per DGCA rules, in case another flight is arranged within an hour of the original scheduled departure.

An AirAsia India spokesperson said the airline decides the number of seats to be overbooked on a flight based on historical flight data, "without causing inconvenience to guests and is carried out in compliance with the regulatory body."

"We do not overbook as a practice; however, if we were to run into an overbooked situation due to unplanned schedule disruption, we would accommodate customers in order of check-in," said a Vistara spokesperson. "We have the lowest denied boarding rate in India, which is predominantly zero."

"Airlines deny boarding at the check-in counter" and United-like situations haven't happened here so far, said D. Sudhakara Reddy, founder Air Passengers Association of India. "Centre should formulate guidelines not to allow such incidents in India."

## Cisco's Cyber Lab to boost security

Indian facility is the fifth, with the other four in Australia

**YUTHIKA BHARGAVA**  
**GURUGRAM**

U.S. networking major Cisco on Wednesday inaugurated its Cyber Range Lab in India that aims to provide cybersecurity training to professionals by simulating real-life threat scenarios.

Inaugurated by National Cyber Security Coordinator Gulshan Rai, the lab is part of Cisco's \$100 million investment commitment to India and is the company's fifth such lab in the world - the other four are based in Australia.

"With the cybersecurity

framework in place now, the need is for active implementation to better handle the ever changing threat landscape," said Mr. Rai, adding that an effective implementation of cybersecurity requires IT infrastructure and technical expertise for which the industry should play a responsible role.

The lab will use 200-500 different types of malware, ransomware and 100 attack cases to deliver realistic cyberattack experiences.

The facility can be accessed virtually from any part of the world.

"The demand for cybersecurity experts has grown three times faster than any other IT job role, and training a cybersecurity workforce is a priority for many organisations," Cisco India President India and SAARC Dinesh Malkani said. "The cybersecurity lab aims to provide highly specialised technical training workshops to help security staff build the skills and experience to combat new age threats," Mr. Malkani added.

(The writer was at Gurugram at the invitation of Cisco)

## GMR JV bids €480 mn. for Crete airport

**REUTERS**  
**ATHENS**

The only bid submitted to build an airport on the island of Crete was priced at €480 million (\$509.4 million), well below the expected €850 million, sources close to the project said on Wednesday.

The bid was submitted last year by a joint venture of India's GMR Infrastructure and Greek construction group GEK TERNA.

"The financial offer was unsealed on Tuesday," one of the sources told Reuters.

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