

Taxpayers Have to Share Email ID, Mobile Number with I-T Dept

PRESS TRUST OF INDIA
NEW DELHI

Taxpayers filing their income tax returns this year will have to share their e-mail IDs and mobile phone numbers with the tax department. The Central Board of Direct Taxes (CBDT), the administrative authority of the I-T department, has introduced a new column in the I-T return Forms asking for filer's personal e-mail ID and mobile number. "A valid e-mail ID and mobile number has to be registered on the e-filing website of the Income Tax Department so that direct communication with taxpayer can be possible," CBDT said in a statement on Friday.

Whenever the taxpayer changes the mobile number or e-mail ID in their profile, the process will be repeated to ensure that the particulars provided are correct, it added.

To ensure that family members and related business concerns not having personal e-mail or mobile can be covered under a common e-mail or mobile, the department said that one mobile number or e-mail ID can be used for a maximum of 10 user accounts as the primary contact mobile number and e-mail ID in e-filing.

The taxpayer can enter any other person's e-mail or mobile number in addition, as a secondary contact, it added. Till now, taxpayers had to mention similar details of their CAs or tax filing helpers in the existing column asking for personal details of the filer.

In case, a taxpayer changes his CA or is not in touch with him, it was found, any communication made by the I-T to the taxpayer used to languish without reaching the desired person. The department advised that e-mails and SMSes from the Income tax Department may be included in the 'safe list' or 'white list' to prevent the communications from the department from being blocked or rejected or sent to Spam folder. The department, which is facing issues of pending refunds, has designed the new I-T forms so that in case of emergency a tax officer could directly get in touch with the individual tax filer.

Diesel Vehicle Sales May Skid on Deregulation of Fuel Prices

SHRINKING EFFECT With the gap between petrol & diesel prices narrowing since Jan '13, share of diesel vehicles fell to 53% in FY14 from the peak of 58% reached in FY13

NABEELA KHAN
NEW DELHI

The government's move to gradually deregulate diesel prices is expected to substantially reduce the share of diesel vehicles in total sales of passenger cars and force automakers to scout for other markets to make full use of their capacity.

With the gap between petrol and diesel prices narrowing since January 2013, when the government announced a monthly hike of 50 paise a litre in diesel prices to reduce the losses of oil marketing companies, the share of diesel vehicles fell to 53% in 2013-14 from the peak of 58% reached in the previous year. The share of diesel passenger vehicles in total sales had scaled a high in 2012-13 from a mere 15% in 2007-08.

Analysts say the reversal of trend seen in the financial year to March is likely to continue in the coming years.

"We expect the share of diesel vehicles in annual passenger vehicle sales to reduce to around 30-35% in the next two years. This is on the assumption that India's vehicle taxation policy will remain fuel neutral as also the current rate of excise duty and VAT imposed on petrol and diesel will remain unchanged," said Subrata Ray, senior vice president of rating agency ICRA.

Automakers had rushed to invest in capacity addition as de-

ON REVERSAL TREND
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Subrata Ray
SENIOR VICE PRESIDENT, ICRA

mand for diesel vehicles shot up over the past few years. Such companies will have to look for newer markets, said Abdul Majeed, partner with PwC India. "The demand for diesel vehicles had significantly shot up due to the steep gap between diesel and petrol prices. Automakers that have made significant investments in diesel technology will have to look for other markets to utilise their capacity fully," he said.

Diesel vehicles are more fuel efficient than the petrol variants, but the one-time investment is higher in case of diesel vehicles. That is why demand for diesel passenger vehicles generally falls when the price gap between the two fuels shrinks. However, diesel continues to be the fuel of overwhelming choice in the utility vehicles category. In 2012-13, about 97% of the total utility vehicles sold were powered by diesel engines while the share of diesel UVs fell marginally

ON NEWER MARKETS
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Abdul Majeed
PARTNER, PWC INDIA

in the following year to 94%. Before the government moved to start deregulating diesel prices, automakers of all hues made substantial investments in diesel technology.

Maruti Suzuki India set up a new diesel plant with a capacity of 150,000 units at a capex outlay of ₹1500 crore in 2013-14. The company also sources 100,000 diesel engines from Fiat.

Even the Indian unit of Japanese carmaker Honda Motor, which used to sell exclusively petrol vehicles, embraced diesel technology and launched its first diesel car Honda Amaze in April 2013 along with its petrol variants. In the first month, four of every five units sold by the company were diesel variants. Recently, Honda Cars India also launched the new Honda City in both diesel and petrol variant and lined up multipurpose vehicle Mobilio in both fuel options. "We also have petrol engine and

manufacturing plants are flexible, so we will manage according to the shift in demand," said Janeshwar Sen, senior vice president, Honda Cars India, adding that the demand for petrol variants would go up as the price gap between petrol and diesel narrowed. "We are already exporting diesel engine components from India to Europe and might explore this option further," he said.

Minus this weekend's hike, diesel prices have risen by a cumulative ₹9.55 a litre in 15 instalments since last January.

"Diesel prices are likely to be completely deregulated over the next 12 months as monthly increase in rates bridges the gap between cost and retail price," rating agency Moody's said.

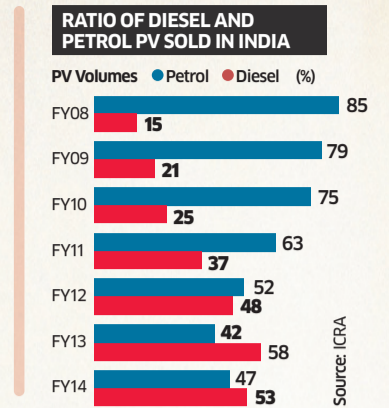
Sugato Sen, deputy director general of Society of Indian Automobiles Manufacturers (SIAM) said that while the widening price gap between petrol and diesel was not good for the industry "the continuous rise in fuel price is also not in favour of the industry".

While some analysts and automakers argue that more innovation will be required to sustain interest in diesel vehicles, Rakesh Batra, partner-automotive practice at E&Y said the government's new fuel efficiency norms to be introduced by April 2016 would help diesel vehicles.

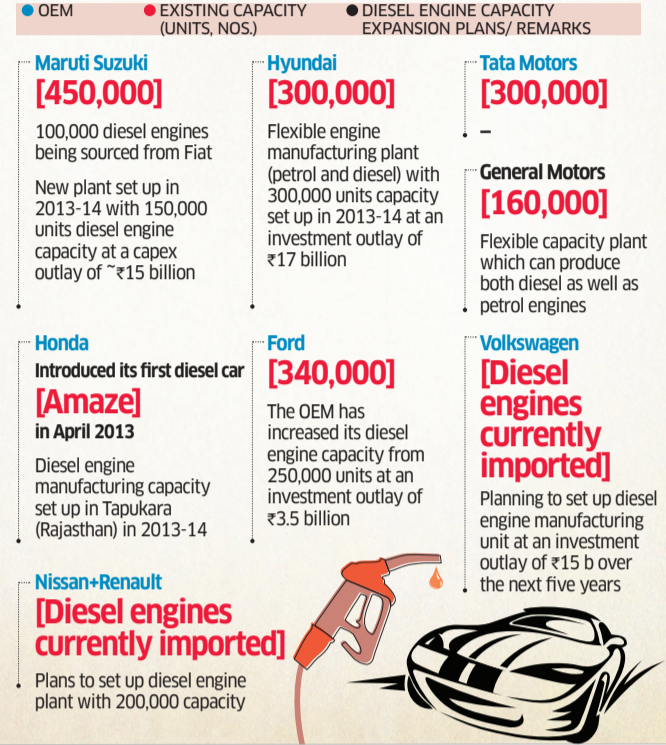
German component supplier Bosch is gearing up to adapt to the changing market dynamics.

Slowing Demand...

The contribution of diesel passenger cars to total sales fell to the lowest level for the first time in six years in FY13-14. Diesel cars accounted for 15% of total PC sales in 2007-08 rose to 58% in FY 12-13 and declined to 53% in the just concluded fiscal year



...But Companies Remain Invested



SHORT TAKES

Oil Completes Acquisition of 50% Stake in Russia Oil Block

NEW DELHI Oil India Ltd (OIL) on Friday said it has completed acquisition of 50% stake in an oil block in Russia for \$85 million. OIL bought the stake from Ireland-registered, Russia-focused firm PetroNeft Resources plc in Licence 61 in Tomsk Oblast in Russia. The deal includes a three-stage payout including \$35 million in cash up-front, \$45 million in exploration and development spending and a performance bonus of up to \$5 million. "The total commitment from OIL will be \$85 million including \$45 million for development capex. The effective date of the acquisition is January 1, 2014," the company said.

GVK Inks Deal for 75% Land Acquisition for Oz Rail Proj

HYDERABAD Australia's Hancock Coal, owned by GVK Group promoters, has completed negotiations for acquiring 75% of the land required for its proposed rail line being developed between its coal mines in Galilee Basin and Abbot Point Coal in Queensland province, the company said. According to a project update report, GVK said the process for acquiring the remaining 25% of the land will be initiated shortly.

Govt Plans 'Reverse SEZs' Abroad for Cheaper Chemicals

MUMBAI The government on Friday said it is planning to set up 'reverse SEZs' in various countries to make certain chemicals available at affordable prices. "We are planning to set up reverse SEZs in countries like Iran and Myanmar. This will target the availability of certain chemicals easily and at affordable prices," Union minister for chemicals and fertilisers Ananth Kumar told reporters at the launch of India Chem 2014.

Govt to Soon Bring Revised Real Estate Regulatory Bill

NEW DELHI The government will soon bring in a revised real estate regulatory bill with provisions fixing accountability of property developers, housing and urban poverty alleviation minister Venkaiah Naidu said on Friday. "I am now examining the bill and also interacting with real estate stakeholders. I have heard the views of the states as well and we will incorporate them to bring a revised bill," Naidu said. The previous United Progressive Alliance government had introduced a similar bill last year but it has since lapsed.

'Cold Chain Investments in India May Reach \$15B in 5 Yrs'

NEW DELHI Investments in cold chains in India could reach \$15 billion in the next five years, according to a report. The report by Institution of Mechanical Engineers (IMEChE) stated cold chains running on renewable energy can help in cutting down loss of perishable items like fruits and vegetables, which runs as high as 40% of the total fresh food produce. London-headquartered IMechE is a professional body of engineers with over 100,000 members in more than 140 nations.

Adani Ports, French Shipping Co in JV to Build Container Terminal in Mundra

THE FOURTH TERMINAL Will be able to handle 1.3 m containers a year



The company says construction will start immediately and is scheduled to be completed in 24 months

OUR BUREAU
MUMBAI

Adani Ports & SEZ Ltd formed an equal joint venture (JV) with French shipping company CMA CGM to build a container terminal at Mundra in Gujarat, the company said in a statement.

This will be the fourth container terminal at Mundra, with a capacity to handle 1.3 million twenty foot equivalent containers annually. The construction phase will start immediately and will be completed in a 24 months, the statement said.

CMA CGM, the third-largest container shipping line in the world, has 24 offices and 8 direct shipping services in the country.

"We are very pleased with this JV partnership that will help put our continued expansion at the Mundra port on an even steeper trajectory. The strategic value of such a partnership with a major global player like CMA CGM is hugely significant and opens up a whole

set of additional opportunities and synergies for both the companies," said Gautam Adani, chairman, Adani Group.

The company said the JV is another major step by AP-SEZ to continue to rapidly expand its container terminals footprint across India's coastline.

"Apart from receiving regular calls from CMA CGM shipping lines, CMA CGM would bring whole lots of global operational expertise of construction & management of terminal. It may also capitalized on its JV business with Ameyia logistics who has Container Freight Station in Mundra," said Abhishhek Dhanesha, vice-president at Systematix Capital Services.

The new terminal adds to the company's existing two container handling locations at Mundra and Hazira along with its already announced two container terminals to be constructed at Ennore in Chennai and Dhamra in Odisha.

Anti-dumping Duty on Solar Gear Imports Won't Hurt Consumers: Isma

Lobby representing 25 solar manufacturers says price of power will go up by a mere 2-3 paise

MITUL THAKKAR
NEW DELHI

Solar power gear makers have rejected the argument put forth by developers that imposition of anti-dumping duty on imported solar power equipment will double the cost of solar power in the country, saying the cost escalation will not be even 10%.

"With imposition of anti-dumping duty, the price of solar power is expected to rise by only 6-8%," said a spokesperson for Indian Solar Manufacturers' Association (Isma), which represents 25 solar manufacturers. "The overall price of power at the billing point of the consumer will be a mere 2 to 3 paise more based on the current energy mix." The price of unsubsidised solar power is in the range of ₹7.5-8.5 per unit.

The statement came after developers opposed a commerce ministry move to levy anti-dumping duty on solar cells imported from the US, Malaysia, China and Taiwan to protect domestic

manufacturers. Following representations by developers, the ministry of new and renewable energy has asked the commerce ministry to review its proposal.

Union minister for power, coal and renewable energy Piyush Goyal had recently said that domestic equipment capacity is inadequate to meet the demands of the country's ambitious solar power mission. He, however, added that India needs to promote its own manufacturing capabilities.

Isma says the government's target to raise solar power capacity to 20,000 MW by 2022 from the current 1,200 MW will attract investments worth ₹1.50 lakh crore. Companies such as Tata Power Solar Systems, Moser Baer Solar, Jupiter Solar Power and Indosolar are members of Isma.

"There is a strong international and domestic investor interest in solar manufacturing in India. Investors are awaiting a clear message from government to ramp up their manufacturing

programme," ISMA said. ISMA says imposition of anti-dumping duty on imported gear will not affect the ongoing 975 MW capacity addition as claimed by the developers.

"USA and European Union have already imposed anti-dumping duties on solar cells and modules from China. Now, a two-year Indian investigation has also recommended the same. The Indian renewable energy policy should be based on well-established principles of self-sufficiency, conservation of foreign exchange and promotion of Indian manufacturing," Isma said.

Stressing on the possibility of bringing down the cost of domestic solar panels, ISMA said India has abundant resources of silica to manufacture silicon wafer and its members have the ability to repeat the success story of telecom and information technology if the government provides it adequate protection from dumping of cheaper supplies.

Domestic Solar Gear Making Can Create Up to 5 Lakh Jobs a Year

NEW DELHI Domestic solar power equipment manufacturing can offer up to five lakh jobs annually, industry players said today while pressing for anti-dumping duty on import of these products mainly from China and Taiwan. "Government has envisaged producing 1,00,000 Mw of solar power capacity by 2027 and to cater to that a manufacturing capacity of 10,000 Mw is required every year," Isma member and Moser Baer Solar's CEO KN Subramaniam said on the sidelines of the industry body's press briefing. "We require 50 people for producing equipment for generating 1 Mw capacity," he added. - PTI

Montek Gone, Leaves Advisor Behind

Montek Singh Ahluwalia, days before leaving office, granted extension of tenure to his advisor

VIKAS DHOOOT
NEW DELHI

Planning Commission chairman and Prime Minister Narendra Modi may not have appointed a deputy chairman at the think tank, but the government continues to have an advisor to the deputy chairman on its rolls, inherited from the think tank's previous boss Montek Singh Ahluwalia. Days before he demitted office on the forenoon of May 26, Ahluwalia had granted an extension of tenure to his advisor on infrastructure issues, Gajendra Haldea.

Haldea has had several run-ins with infrastructure ministries who have questioned his overreach and persistent interference in policy making, though he was only Ahluwalia's advisor. Commission member BK Chaturvedi was officially responsible for infrastructure sectors, but ministries often blame Haldea for bringing core sector projects to a virtual halt in recent years.

"This has created a highly unusual and piquant situation that there is no deputy chairman (DCH) of the Planning Commission, but there is an advisor to the DCH, a post that

was specifically created to accommodate Haldea after he superannuated from service in early 2009," said a senior government official, requesting anonymity.

Ahluwalia didn't respond to a detailed questionnaire from ET on the tenure extension he granted to Haldea for a role that should have been co-terminus with his tenure, but a senior official close to the former Plan Panel honcho said he had decided to extend Haldea's tenure for a period of four months (till the end of September 2014) in a bid to provide some continuity in the infrastructure division of the think tank.

"Since the central deputation tenure of Ravi Mittal, the other senior official looking at infrastructure in the Commission was about to end, Ahluwalia decided to extend Haldea's tenure in government to ensure there is no vacuum in the infrastructure space," the official said, responding on behalf of Ahluwalia.

Planning Commission secretary Sindhushree Khullar as well as Haldea also didn't respond to e-mailed queries from ET. Haldea, who had drafted elabo-

rate model concession agreements for public-private partnerships in different sectors, has often triggered strong views from line ministries and infrastructure building agencies.

This April, for instance, National Highways Authority of India (NHAI) chairman RP Singh wrote a stinging rebuttal when the Road Transport and Highways ministry forwarded a letter from Haldea to

the NHAI to ascertain if the authority was the International Centre for Alternate Dispute Resolution (ICADR) rules for resolution of disputes as mandated in the concession pact approved by the cabinet. "I am not sure whether the letter of adviser to the deputy chairman has the approval of the deputy chairman... Incidentally, (he) had been opposing the cabinet decision even though (Ahluwalia) was party to (it). Though the adviser to Ahluwalia is only a consultant, he has been creating an impression that his views are official... The actual position, however, is that the member (infrastructure) and the commission secretary many a time had totally different views on various issues," Singh wrote to the highway ministry. "Not only Planning Commission has delayed the decision process, their objections have invariably resulted in suboptimal decisions which have created complications rather than solving the problem," Singh added, urging the ministry to ignore Haldea's letter as it "does not seem to be an official communication from the Commission."

Planted Transplant Methods to Soon be Radical & Feasible

Renowned surgeon KM Cherian has built a facility near Chennai to control and supervise experiments on animals

V PREM SHANKER
CHENNAI

When infants require a new pulmonary artery, a good doctor looks for a suitable pig. That is because replacements for important human valves and arteries are increasingly sourced from animal such as pigs and buffaloes. But since these don't come cheap, one of India's most renowned surgeons has built a facility near Chennai that can dramatically reduce costs using indigenous and patented methods.

K M Cherian's Frontier Mediville—the country's first private centre for control and supervision of experiment on ani-

mals—is on the verge of becoming operational after it received clearances from the Indian Council of Medical Research. One of its main activities will be the breeding of big and small species of animals for testing. And the other is to use the cells, tissues and valves of these animals in humans through patented transplant methods.

"This will open the doors for new avenues in social, medical and economic improvement," Cherian, the chairman and CEO of the International Centre for Cardio Thoracic and Vascular Diseases, told ET.

Cherian, 72, is a well-respected figure in the medical community and has many

firsts to his credit, including the first coronary artery bypass surgery in India. He has been awarded the Padma Shri and was the honorary surgeon to the president of India between 1990 and 1993.

"A xenograft (transplanting cells, tissues or organs from one species to another) that is developed from pigs abroad can cost up to 5,000 euro (₹4 lakh). The ones we develop using patented techniques like can bring down the cost to 1,000 euro. Similarly a bovine jugular vein developed in the US can cost up to \$2,000 (₹1.2 lakh) while here we can make it for \$700. We hope that once the commercialisation of these techniques is

through, these practical applications of tissue engineering can be made affordable to the common man," Cherian said.

Cherian, who has performed about 40,000 heart surgeries so far, thinks it is time India encourages emphasis on advanced medical research. "It looks almost impossible for any corporate group to invest in this field because of the long gestation period and you can never see immediate results," remarking that it took over a year for him to get approval from the Committee for Approval of Control and Supervision of Experiment on Animals.

Cherian said it has been a hard ride so far because he has borrowed from banks

and invested over ₹160 crore in the centre and interest costs have piled up during the year-long wait to get regulatory approval. On the positive side, negotiations are underway for an Argentinian contract and with medical device manufacturer Medtronic.

PM Murali, president of the Association of Biotechnology Led Enterprises, said that when it comes to areas such as animal testing and research, there are several rigorous checks that need to be put in place and that delays are likely. Besides, when it comes to dealing with controversies over using animals for testing, government departments are generally very cautious.