

## **Indian Union Budget Comment - Mr. Vineet Mittal, Founder President Solar Power Developers Association**

### **Comment on the Budget:**

The overall sentiment in the industry post the budget is very positive; it is a very business-friendly budget.

We would like to congratulate the Finance Minister on putting together the vision of the new government on the critical sectors of the economy. Our compliments for the great road map drawn up for the Renewable Energy industry as a whole and the special thrust for broad basing and up scaling the Solar power sector nationally.

To start with the proposed UMPPs in Rajasthan, Gujarat, Tamil Nadu and Ladakh in J&K with a budget of 500 crores is very encouraging. If the govt ensures issues of evacuation, land and availability of the water is taken care of – there will be a lot of players willing to enter this segment. Another positive move is the govt relaxing requirements of CRR, SLR, priority sector lending, because of this banks are now being able to issue long term bonds as loans for projects as long as 25-30 years!

There is good news for the manufacturers as well especially with regards to concession of duty. A concessional basic customs duty of 5 percent is also being extended to machinery and equipment required for setting up of a project for solar energy production. This will give a shot in the arm for the local manufacturers.

Even the issue on supply of power which was a major area of concern has been addressed – now instead of annual extensions – it has been extended by 3 years. This will give predictability to the tax implications. This stability in our policy will help the investors to plan their investments better.

An additional budget of Rs. 100 crores has also been set aside for the development of 1MW Solar parks on the banks of canals. Implementation of the green energy corridor project will be accelerated in this financial year to facilitate evacuation of renewable energy across the country.

Overall it is a step in the right direction.