

**INFRA SECTOR GETS MUCH NEEDED BUDGET PUSH**

JULY 11, 2014

[FINANCIAL CHRONICLE](#)

## Infra sector gets much needed budget push

By Vikas Srivastav Jul 11 2014 , Mumbai

Tags: Union budget 2014, News

Finally, the infrastructure sector gets what it desires. The plethora of

### RELATED ARTICLES

- ▶ The budget has set the stage for boosting investment
- ▶ Done deal
- ▶ Custom and export duty hike to boost manufacturing sector
- ▶ Share sale must start now to realise target
- ▶ Holding UPA's big burden, FM weighs bailout

measures across the roads, power and oil and gas sectors in terms of setting up physical infrastructure and provisions for financing are expected to provide opportunities that would keep them busy over the coming years if the measures are rightly implemented.

Anil Sardana, managing director of Tata Power says power plants have long gestation periods and extending the 10-year tax holiday for power companies will help achieve India's capacity generation targets. "Fuel security to domestic coal based plants could become a reality by providing coal linkages, improving coal

production and optimising transport of coal. The budget has also made the basic custom duty on varieties of coal imports uniform. But a lot more still needs to be done to make existing imported coal based plants viable," said Sardana.

"We are hopeful that introduction of innovative schemes like the Gujarat's Jyotigram Yojana for feeder separation would help in increasing efficiency and bringing down distribution losses. The Rs 200-crore fund allocated to distribution reforms in Delhi is a good step," added Sardana.

Anil Chaudhry, country president and managing director, Schneider Electric India, said smart cities are at the heart of the budget. "The government has made an allocation of Rs 7,060 crore — an enabling factor that will boost the planning and development of the smart cities. And to complement it, the government has incisively identified seven corridors. Overall, these are very promising preamble to the realisation of the smart city concept," said Chaudhry.

Sumant Sinha, chairman and CEO, ReNew Power believes the government's focus on clean energy in the budget has been very holistic. The allocation of Rs. 1,000 crore for the solar power sector is much needed as is the intent to construct ultra mega solar power projects in key radiation-rich states. The implementation of the green energy corridor project would help maximise the utilisation of renewable power and simultaneously send the right signals to overseas investors.

Ajay Goel, CEO of Tata Power Solar however feels that some of the key areas pertaining to solar which require immediate attention and the budget missed are matters pertaining to inverted duty structure for solar components, concessional financing for manufacturing and fund allocation and availability for solar programmes. Also, in spite of the central theme of the budget to boost domestic manufacturing, job creation and FDI, we have not seen any impetus for strengthening domestic solar manufacturing.