

BUDGET 2016



Given the global economic volatility, Union Budget 2016 has been pragmatic and has taken a series of measures for ease of doing business, simplifying tax administration and resolving tax disputes in an amicable manner. State-owned power companies have been allowed to raise funds from bonds in the next financial year and this will ensure additional resources for investment in the power sector. However the demand of other infrastructure financial companies to raise tax saving infrastructure bonds has not been included in the budget. In addition, 100% electrification of villages by 2018 and exemption of service tax for SVC under rural electrification plan is a welcome step and will give a fillip to power sector related infrastructure. Solar lamp has been exempted from excise duty, which is quite positive in the Indian context. The enabling environment in the economy and the push to provide power to all will facilitate setting up of more power projects, including renewable energy. That will only give more financing options to a company like PFS, which is focused on lending to the power sector.

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