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“This budget is with a clear view to uplift the rural economy”

We welcome this budget as it is positive and growth oriented with a clear view to uplift the rural economy.

The budget will result in major change in the sectors of agriculture and farmer welfare, rural development, infrastructure, social sector development and manufacturing among others. This is expected to result in increased employment, boost to entrepreneurship, better health care system and increased ease of doing business, all of which are pivotal to growth of the economy.

I congratulate the finance minister for taking definitive steps to address concerns of the global slowdown. Spurring rural development, focus on job creation and increasing consumer demand and exports are steps in the right direction for the Indian economy. The finance minister has maintained the fiscal discipline path by setting the fiscal deficit target of 3.5% in FY17.

The budget also reiterates the mission and vision of the government to achieve long term self-sufficiency and sustainability, create the necessary support infrastructure and enhance the nation's literacy rate.

On renewable energy specifically, as part of rural development, the government continues on its plan to providing 100% electrification by 1st May, 2018. This poses incredible opportunity for the renewable sector and to boost rural economy. At the same time, coal cess has been doubled to Rs. 400/tonne, thereby, creating the resources to achieve 30-35% carbon emissions reduction target outlined by India at COP21 this year and also 175GW renewables target by 2022.

Further, government commitment to improve grid infrastructure is reflected in the proposed additional depreciation for the plant and machinery acquired, installed for transmission activity.

The excise duty reduction from 12.5% to 6% on materials used for parts and sub-parts of rotor blades for wind operated electricity generators is a positive move. However, the government should review the increase in excise duty of unsaturated Polyester Resin (polyester based infusion resin and hand layup resin), Hardeners/Hardener for adhesive resin, Vinyl Ester Adhesive (VEA) and Epoxy Resin used for manufacture of rotor blades. Also, the imposition of service tax on freight charges incurred for transport of goods by sea will adversely impact the competitiveness of Wind turbine manufacturing in India and hence the finance minister should also review the same.

We hope the government will reconsider the Accelerated Depreciation (AD) limit which has been reduced from 80% to 40% effective FY18. We wish to reiterate that the Accelerated Depreciation limit of 80% should continue till 2022, aligned to the government target of 175GW renewables by 2022 and to boost manufacturing under the Make in India vision.