

# FIPB removal to encourage foreign investors



**ANIL SARDANA**  
CEO & MD, TATA POWER

**F**OLLOWING THE announcement of Union Budget 2017-18, we appreciate the government's efforts to bring more emphasis on greater formalisation and efforts on digitisation of the economy. As part of the power sector, which forms the backbone of the economy, we are supportive of the government's focus to "transform, energise, and clean India".

The government has shown increased focus in rural

infrastructure development by fast-tracking rural electrification. The increased budget for the Deen Dayal Upadhyaya Gram Jyoti Yojana scheme is a welcome step and will uphold the ongoing work of feeder separation (rural households and agricultural) and strengthening of sub-transmission and distribution infrastructure, including metering at all levels in rural areas. This would help augment the reliability and quality of the supply distribution

network, which is ailing due to bad financial condition of discoms.

Even as the government has announced its focus on the second phase of solar power development of additional 20,000 MW, a real boost for the sector would come by strengthening the renewable purchase obligations (RPO) mechanism. The various initiatives by the FM to strengthen the financial sector are a welcome move and would directly help infrastructure development in the

country, especially in the power sector. Removal of the FIPB would also encourage foreign investors.

It is good to note that the different concerns holding up GST rollout have been resolved. We are hopeful that the electricity sector will be included in the GST regime. Else, the very objective of the reform will not be fulfilled, as it will not only keep tariffs at a higher level, but also have a cascading effect on the economy as power is the backbone of all industries.