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"Tata Power welcomes the Union budget 2016-2017 and appreciates the Government's balanced effort to maintain Current Account Deficit under a strict disciplined regime.

The Government has announced its focus on providing "power for all", by May 1, 2018. The Minister has allocated a fund of ₹ 8,500 crore under 'Deen Dayal Upadhyaya Gram Jyoti Yojana' that will be used to facilitate rural electrification. With focus on rural electrification and the allocation of ₹ 8,500 crore under 'Deen Dayal Upadhyaya Gram Jyoti Yojana' will be a prominent step towards this. We clearly see more role

for our sponsored companies like Tata Projects & Tata Power Solar to have enhanced participation. However, to sustain an electrified India, there also needs to be a strong power distribution sector. We hope more discoms will benefit from the Uday scheme to meet this goal.

Already the tariffs in some States, when it comes to supply to commercial and industrial sectors, are on par with wind and solar power generation. However, limiting the accelerated depreciation to 40 per cent may hit the growth of this industry. The Clean Environment Cess (erstwhile Clean Energy Cess) has doubled from ₹ 200 per tonne to ₹ 400. This would increase the cost of power generation by 10-12 paise per unit. This will also put more stress on tariffs and Regulators, as in most of the states cost of Average Billing is lower than Average Cost of Service.

Also, Finance Minister's announcement on pursuing Public Private Partnership (PPP) options and debottlenecking PPP matters through 'Public Utility Dispute Resolution Bill' and 'Guidelines for renegotiations of PPP contracts' would go a long way in resolving matters related to stranded assets. Government already has recommendations of Vijay Kelkar committee with it.

We also want to congratulate the Government on focusing on social and employability issues like its announcement of increasing its allocation to Skill India Mission to ₹ 1,700 crores. We look forward to working closely with the government towards holistic development of the country. Tata Power is committed to provide 24x7 uninterrupted and reliable power supply and the fuel of the economy!"