

Consider infrastructure status for power sector

The Ministry of Finance should work in closer co-ordination with the Ministry of Power to set an achievable and realistic target of capacity addition which should be backed up with adequate allocation of funds. It is, therefore, important that the Government speeds up and gives confidence that the 11th & 12th Plan targets will be met and the under-performance of 10th Plan would not be repeated.

Power sector reforms be continued and to expedite implementation, to attract the much required investments in this critical sector.

With the Government's



target of improving the generating capacity; reduction in T&D losses and electricity for all at affordable cost, the Government should consider more investments and release of adequate funds in growth-oriented schemes like Restructured Accelerated Power

Development and Reforms Programme (RAPDRP) along with lowering of project costs by reducing the extra burden of taxes and duties.

Labour and administrative reforms have become critically important, given India's poor record in productivity.

Power generation, transmission and distribution business should be added to the list of infrastructure projects appearing under Section 80 IA of IT Act & Service Tax so that similar benefits provided to roads, highway projects, water supply projects, ports, airports etc. are also available to the power sector.

The deduction facility un-

der Section 80 IA should at least be extended for such projects commissioned till March 31, 2012, keeping in mind the Government's Programme "Electricity for All at affordable cost by year 2012".

To maintain competitiveness of the Indian industry, The Central Government in co-ordination with the State Government should evolve policies helping reduce the number of taxes, simplify procedures, reduce transaction cost, financing cost, etc. Alternately, these taxes should be made VATable.

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