

For Immediate Release

This Budget is a balanced and practical step of commitment towards growth: IEEMA

- *Budget allocates Rs. 22,000 Cr to Power and Renewable sector for FY 21; consumers to get choice of supplier*
- *Solar power's allocation rises by 10 per cent*
- *PM KUSUM scheme for solar pumps, targets to cover 20 lakh farmers*
- *Prepaid Smart Meters to replace Conventional Energy Meters*

Indian Electrical and Electronics Manufacturers Association (IEEMA) today welcomed the Union Budget announced by the Hon'ble Union Finance Minister Smt. Nirmala Sitharaman, as a balanced budget. It mainly focused on India's current power situation and also emphasised on steps that the government has taken to resolve issues concerning the power sector. This year's union budget has the elements needed to boost our economy while providing stimulus to infrastructure sector including drinking water supply, irrigation, renewable energy, power generation, airport, railways sectors among others.

Finance minister in her speech has attempted to address the trust deficit across a host of sectors. She has assured stock market investors by abolishing dividend distribution tax, addressed concerns of start-ups with respect to ESOPS and in the renewable energy sector through strengthening of contracts act and lowering of Corporate tax rate for new energy companies. While there was pressure to move away from fiscal responsibility the Government has chosen to walk a middle path allowing for an acceptable increase in fiscal deficit while putting some extra money in the hands of tax payers.

Reacting on the budget Mr. RK Chugh, President, IEEMA said, "The allocation of Rs. 22,000 crore for the Power and Renewable Energy Sector will help India in reducing the carbon emissions as per our commitment under the Paris Agreement on climate change. Solar energy generation will be boosted by setting up solar-power capacity alongside the rail tracks as India is having the 4th largest rail network in the world. The concept of prepaid energy meters to save on losses being incurred by the distribution utilities may get sorted with the replacement of conventional energy meters with the prepaid 'smart meters' in the next three years as announced by the Finance Minister."

Mr. Sunil Misra, Director General, IEEMA opined, “The announcement to strengthen the framework related to contracts act is a good initiative as thousands of contract claims and arbitration cases are pending for realization for a very long period. I feel that the measures announced for the infrastructure development, easing of norms, tax benefits along with other plans will prove to be beneficial in the long run towards creating a \$5 trillion economy in the next 5 years’ time.”

Mr. Yogendra Agarwal, Chairman, Economic & Taxation Committee, IEEMA stated that “There is a case for maximising the benefits of three separately developing economic activities: (1) the upcoming economic corridors; (2) revitalisation of manufacturing activities; and (3) Technology and the demands of aspirational classes. Hence, it is proposed to develop five new smart cities in collaboration with States in PPP mode.

The development of 5 new Smart cities & linking 1 lakh gram panchayats with BharatNet augurs well for our businesses. The proposal to digitally refund to exporters, duties and taxes levied at the Central, State and local levels, such as electricity duties and VAT on fuel used for transportation, which are not getting exempted or refunded under any other existing mechanism will also benefit the industry. Further measure to reform DISCOMs will help the ailing discoms.”

About IEEMA

IEEMA is the apex association of manufacturers of electrical, industrial electronics and allied equipment in India. Founded in 1948, IEEMA is the first ISO certified industry association with member organisations encompassing the complete value chain in power generation, transmission and distribution equipment. IEEMA members contribute to more than 90% of the power equipment installed in India. The Indian electrical equipment industry size is of USD 42 billion with exports of USD 5.5 billion and the power equipment share in the capital good industry is about 50%. IEEMA plays a crucial policy advocacy role with government and its agencies. It works closely with standardisation bodies, R&D organisations and testing institutes for formulating Indian standards for developing energy efficient products. IEEMA evolves and operates equitable and uniform PVC Clause and due to its unbiased approach, IEEMA PVCs have gained recognition and credibility over last 3 decades. IEEMA holds product specific conferences, seminars and large exhibitions like ELECRAMA, distribuELEC and E3.

Press Queries

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