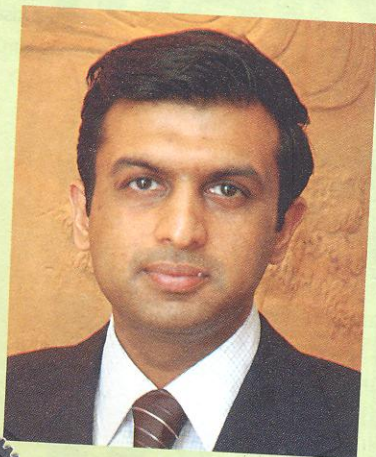


INFRASTRUCTURE STATUS IS NEEDED FOR THE WHOLE 'LOGISTICS' SECTOR



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“ The finance minister has announced a slew of measures to boost investment in the infrastructure sector with a view to propel the announced nine per cent growth trajectory by 2012. To enable the development and the flow of funds to the sector, FM has proposed tax-free bonds and has increased the FII limit for investment in corporate bonds. Government’s plan to come up with a comprehensive policy for further developing PPP projects will definitely improve the infrastructure conditions; however, what is currently required is a speedy single window approval system.

The FM has not left out the ‘logistics’ sector, the backbone of the economy, and has set aside ₹2000 crore for warehousing, mainly in the area of agriculture. Augmentation of storage capacity through private entrepreneurs and warehousing corporations has been fast tracked. Also, to pave way for introduction of the long-awaited GST regime

the Constitution Amendment Bill will be presented in the parliament—which will change the status of warehousing that exists today. We are hoping that GST will be implemented soon, which will replace the cascading effect created by existing indirect taxes.

Providing cold storage chains an infrastructure status is a welcome move—as it will help improve and add infrastructure in this area. The scope of exemptions to improve storage and warehouse specialty for agricultural produce has been further enlarged—giving full exemption of excise duty on air-conditioning equipment and refrigeration panels for cold chain infrastructure. Conveyor belts have been included in the full exemption from excise duty to equipment. The removal of duties on imports of spares for ship owners is also a welcome move as for domestic shipping firms repair costs will go down.

However, the Government should have considered giving the logistics sector an infrastructure status on a whole.”