

Take Decisions Freely, Invest Without Fear: PM

Economy will come out stronger, Modi tells corporates at Assocham event

Our Bureau

New Delhi:

Prime Minister Narendra Modi said on Friday that the Indian economy had witnessed ‘ups and downs’ in the past too and would pull through from the current situation stronger than before, as he urged industry to invest freely, while promising that genuine commercial decisions would not be penalised.

Speaking at the centenary function of business chamber Assocham, Modi said he was aware of discussions around the economy, but reminded industry leaders present that GDP growth rate had fallen to as low as 3.5% in one quarter during the UPA government’s tenure as well. “In that era, CPI headline inflation was at 9.4%. Where was CPI core inflation? 7.3%. WPI inflation had reached 5.2%. Fiscal deficit was (at) 5.6% of GDP,” he pointed out.

India’s economic growth slumped to a six-year low of 4.5% in the July-September quarter and is likely to grow around 5% in the ongoing fiscal year, against 6.8% last year.



‘Investors’ Hopes High from India’

“There have been ups and downs in the economy in the past as well, but the country has the capacity to come of this every time... stronger than before,” Modi said. “Therefore, India will come out even from the current situation.”

The prime minister also assured the banking and corporate sector that earlier weaknesses had been addressed.

“Therefore, take decisions freely, invest freely, and spend freely. I assure

you that there will be no unwarranted action in respect of right decisions or genuine commercial decisions,” he said.

The government also accepts failure in a growing economy, he said.

“All failures cannot be due to any financial crime. So, companies and their owners must get a better ‘exit route’ and we have looked at this. The Insolvency and Bankruptcy Code is helping many such

companies that are facing failure,” the prime minister said.

He said the government would de-criminalise more provisions in the Companies Act and address the inverted duty structure to reduce manufacturing costs. Modi also reiterated the government’s \$5-trillion GDP target by financial year 2024-25. “We have improved in global competitiveness and ... most investors are looking at India with belief, confidence and hope. Based on this positivity, we are moving towards the \$5 trillion economy target,” he said.

BANKS RETURN TO PROFIT

Modi also said the foundation of the banking sector was transparent and strong enough to power the \$5 trillion goal, recalling the weak banks the government had inherited and efforts to return them to strength. “Thirteen banks have now returned to profit. Six banks have come out of prompt corrective action (PCA) too. We have expedited the merger of banks. We have stopped any interference in the commercial decisions taken by banks,” he said. The prime minister also pointed to the improvement in tax administration.

“We are moving towards faceless tax administration to bring about transparency, efficiency and accountability,” he said, adding that the government had cut corporate tax rates to the lowest ever.

Modi said labour reforms, the Insolvency and Bankruptcy Code and banking reforms, among others, would safeguard capital and business.

He said the government was encouraging states and efforts to double the economy were not limited to Delhi. Many measures are being taken to encourage manufacturing and exports and expand the Make in India initiative.

Technology and defence manufacturing are being given priority and the country was making fast progress in electronic manufacturing.

He also said Indian industry was capable to compete with the rest of the world in global markets.



Prime Minister Narendra Modi

MINISTRIES TO PRESENT 5-YR ROAD MAP TO PM

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