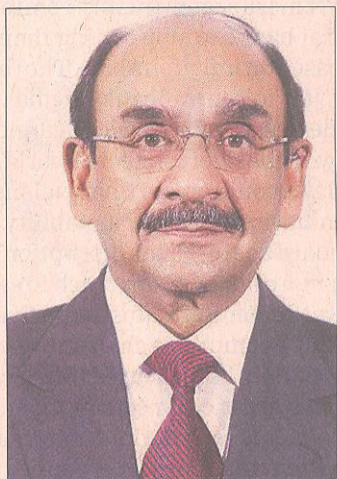


Give Govt 2 Years Before Evaluating It: CII President

ET Q&A

Countering the impatience voiced by some

sections of India Inc – most recently HDFC chairman Deepak Parekh – about the Narendra Modi government's performance, **Confederation of Indian Industry (CII) president Ajay Shriram** says it's unrealistic to judge a government of a \$2-trillion-plus economy in just eight months. "If you can wait for Tata Group chairman Cyrus Mistry to work for two years before you evaluate him, let's give the government two years too," Shriram, who is also chairman and senior managing director at DCM Shriram, told **ET's Vikas Dhoot** in an exclusive interview. Edited excerpts:



TIME FACTOR

Mature governance is about doing the right thing. It's unreasonable to expect everything to happen in no time

MONEY TALK

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not easy.

Are you hearing of any new investment projects yet?

Individual firms are... Our board met three months ago and cleared ₹700 crore of investments for expanding capacities. Companies are investing, though certain sectors are still to see action. FMCG firms are expanding... JCB has put up two new plants.

Each one has to do it in their own time. One can't expect 90% of companies to start putting money just because a new government has come and launched a 'Make in India' programme.

On tax disputes, are you happy with the government's approach?

We definitely appreciate the government not going to a higher court in the Vodafone case, which is a clear indication of intent. Similarly, they want to push the dispute resolution system. We also suggested simplification of taxes. Please remove some of the many exemptions. We have urged the FM to raise the threshold for personal income tax exemption so that more money reaches people's hands and tax authorities' burden is lowered.

Do you feel the Delhi election results would affect the reforms process?

In two-three years, we will see a lot of reforms anyway. If you can wait for Mr Mistry to work for two years before you evaluate him, let's give the government two years too.

What's your reading of the government's performance ahead of its first full Budget?

In the 2014 Lok Sabha polls, I don't remember any one other than BJP's PM nominee Narendra Modi campaigning around development, growth and good governance.

And he won with that. So, the approach of the government is to push job creation and satisfy the aspirations of the people and the way it is looking at changing policies and rules is quite rapid compared to the past. I can't remember any time in the past that so much has happened in the first eight months of a government.

Are higher expectations set by the election campaign fostering a sense of impatience about ground-level action?

Mature governance is about doing the right thing. It's unreasonable to expect everything to happen in no time. Cyrus Mistry completed two years as Tata group chairman a couple of months back, and it's only now that people are assessing what he's done in that time to change the organisation.

Compared to the \$100-billion (about ₹6,40,000 crore) Tata Group, you want to evaluate a government of 1.2 billion people managing a \$2-trillion-plus (approx ₹1,24,00,000 crore) economy with 29 states and thousands of people in governance after it has been there just eight months, and say "Achhe din should have come yesterday!" Is that real?

Is industry worried about the slow bank credit growth?

Banks' non-performing assets from the past are an issue of systemic concern. We have urged the finance minister to see how all pending infrastructure projects can be brought on track. It is a difficult proposition as we know people have bid very aggressively on a lot of these public-private partnerships. So there is a question of viability. But if the bank has given money and it's not working, the bank has to take charge of the asset and get it going. The government can't pump in money. The government had managed the Satyam crisis by changing the board of directors and taking quick decisions.

Solutions like this have to be found on a war footing as there are so many projects held up. States, corporates, financial institutions are involved. It's