



English rendering of text of PM's speech at Golden Jubilee Year Celebrations of ICSI

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My colleague in the council of Ministers, Minister of State for Corporate Affairs, Shri PP Chaudhary Ji,

President of Institute of Company Secretaries of India, Dr. Shyam Agrawal Ji and other dignitaries present on this occasion.

ICSI is celebrating its 50th anniversary today. My heartfelt greetings to all those associated with the institution on this occasion.

It has been a privilege for me to be amongst the people who have been a part of this journey of the ICSI over the past 49 years and felicitate them. I am honored to be with the experts who ensure that every company in the country follows the law of the land, maintain complete transparency and do not fudge its .The onus is on you to see to it what should be the corporate culture of the country.

The motto of your institute is *Satyam Vada, Dharmam Chara* . It implies that one should speak the truth and follow rules and regulation. Your advice- right or wrong has an impact on the corporate Governance of the country..

Friends, on several occasions, it has been seen that the people do not tread the path which they ought to have done. For example, both Yudhishtir and Duryodhan were taught by the same Guru, however their actions were altogether different.

In Mahabharata, Duryodhan has been quoted as saying: *Janami Dharmam Na Cha Mei Pravittih, Janami Adharmam Na Cha Mei Nivrittih*. It means, 'I know what is righteousness but I have no desire to follow that path, I also know what is wickedness but I have no desire to refrain from it.'

Your institution reminds such people of the values from this lesson of *Satyam Vada, Dharmam Chara*. Your institution plays an important role in institutionalizing the transparency and honesty in the country.

Brothers and sisters, Acharya Chanakya had said:

Eken Shushka Vrikshena

Dahya Manen Vanhi Na;

Dahyate Ta Vanam Sarvam Kuputren Kulam Yatha.

It means, 'Even if a single dry tree in the forest catches fire, the entire forest is engulfed in the fire. In the same way, even if one member of the family does wrong, the reputation of the entire family is at stake'

Friends, this axiom applies in the context of the nation as well. A handful of people in our country have been engaged in harming its reputation, they have been trying to weaken our honest social fabric. The Government has launched a campaign to clean-up the system and the institutions from such elements once it assumed office.

Under this campaign immediately after the formation of the government, a Special Investigation Team - SIT, has been set up by the Cabinet in its first decision. It was suggested by the Supreme Court several years ago.

-Black Money Act was put in place to tackle the black money stashed abroad.

-Tax treaties with several new countries were signed and earlier tax agreements were amended. New ways were found in consultation with them.

- Insolvency and Bankruptcy Codes were enacted.

- Benami Property Law that had been lying in limbo for 28 years, was implemented.

- Good And Simple Tax- GST - that was stuck up for several years was put in place.

- This is the government that has shown the courage to take the decision of Demonetization.

Brothers and sisters, This government has worked to strengthen the institutional probity in the country. As a result of relentless hard work by this government alone, we are having a less cash economy. 9th November, 2016 will be remembered as the opening day of corruption free movement in the history of India. The cash to GDP ratio has come down to 9 per cent after Demonetization. It used to be above 12 per cent before 8th November 2016. Was it possible if a new era of honesty had not been ushered in the country, in the economy of the country? Who knows it better than you about the easy exchange of black money earlier, and today people have to think at least 50 times before resorting to it.

Friends, There was another character, *Shalya* in the Mahabharata. *Shalya* was charioteer of Karna. On the other hand, Krishna was the Sarathi of Arjuna. This character, *Shalya* always used to discourage those who were in the battle field and spread despair. He used to say, you don't have the courage, your horses and chariot are weak and how would you fight. *Shalya* belonged to the Mahabharata era. But still we have some people having the same Shalya mentality. Such people take pleasure in spreading the despair. The slowdown in the GDP even in one quarter has become the biggest news item these days for such people. They are perpetually in a mode of pessimism saying how will you do it and what will happen next.

When the Doklam issue surfaced. They again tried to spread pessimism thinking, nothing can be done. Some people take pleasure in spreading pessimism. They get a good sleep out of it. For them slowdown in GDP in one quarter is like a dose .There is a need to identify such people. Friends, When the data suits their thinking, the institutions and processes appear correct to them.

However, the moment, the same data is unsuitable for them, they immediately start questioning the institutions and its processes. It is very important to identify such people before arriving at a conclusion only then we shall tread the correct path of truth.

Friends, do you really feel that this is for the first time when the GDP growth of the country has reached to the level of 5.7% in a quarter? No it's not. The GDP growth slipped to 5.7% or even lower 8 times during six years of the previous government. Nation's economy has seen those quarters when the growth rate slipped down to 0.2 per cent, 1.5 per cent. That kind of slowdown was even more harmful for the economy since during those years India was also struggling with higher Inflation, higher Current Account Deficit and higher Fiscal Deficit.

If you look at the two preceding years before 2014 such as 2012-13 and 2013-14, the average growth rate was around 6%. Now some people may ask why I have picked up those two years only. Because, it won't take much time for people with Shalya mentality to contest it.

Friends, I have referred to those two years because the method to calculate the GDP growth has been during and those two years of the previous government and three years of this government. When Central Statistics Office, CSO released the figure of 7.4% GDP growth during the tenure of this government, some people dismissed it. It was their view that the GDP data did not match with their own understanding of the ground realities. These people said that they were not able to feel that economy was indeed growing at that rate. It means that it does not fit into their Shalya mentality.

Same Institutions were not of their liking, same processes were not of their liking at that time. But the moment, GDP growth rate came down to 5.7%, it lifted their spirit. They began telling, the institutions are correct. Same set of people used to state that they are not feeling it. Economy growing at a fast pace, was not acceptable to the.

So, these handful of people telling that there was something wrong with the new method of calculating the GDP. At that time these people were not talking on the basis of the data but they were talking on the basis of their gut-feelings and that is why they were not able to see the growth of the economy.

Brothers and sisters, But, as soon as the GDP growth slowed down to 6.1 and 5.7% in the two quarters the same data started appearing correct to those Shalya mentality economists.

Brothers and sisters, I'm not an economist and neither have I ever claimed so. However, today when so much of discussion is taking place about the economy, I would like to take you back in time.

Brothers and sisters, there was a time when India was included in a group related to international economy called Fragile Five, unlike the groups today like, G-7, G-8 or G-20.

Fragile Five group was considered a dangerous group as not only their own economy was in shambles but they were also considered as a stumbling block in the recovery of global economy. India was named as a member of the same group. What it meant was that we can't manage our economy rather become a problem for others and India was tagged along with Fragile Five group.

A person like me, who has little knowledge of economy is still unable to understand how such a thing happened despite the presence of those top economists at that time. You must be aware about that around that time the issues hogging limelight were - the growth in the inflation rate rather than GDP growth, while growth in current account deficit and fiscal deficit were prominently in the news. Growth in the rate of Dollar vis a vis Rupee used to be the headline in the newspapers while the growth of interest rate was animatedly debated. At that time, these parameters which reverse the growth trajectory of the nation were the favourite of a handful of people.

Now when the same parameters have shown marked improvements, development is in the right direction, a handful of people are still having a look at it with their colored vision. They can't see the writing on the wall clearly and I want to bring this to your notice. I am also showing you the slides.

Rate of Inflation which was more than 10% has come down and this year the average is around 2.5%. Can you compare 10% with 2.5%. Current Account Deficit which was 4% has come down to nearly 1%. You can see it.

While improving upon the parameters, the Central Government has brought down the fiscal deficit from 4.5% under the previous regime to 3.5%.

Foreign investors have made record investments in India today. India's Foreign Exchange Reserve has gone up by 25% from around \$30,000 crore to \$40,000 crore.

The reforms in economy, the confidence, the success perhaps do not matter to a handful of people. Therefore it is for the nation to understand whether some people are striving for the interests of the country or just espousing the interests of others..

Friends, it is correct that despite attaining average growth rate of 7.5% over the past three years, GDP growth rate in April-June period this year saw a decline. We don't deny it. However, let me tell you that the Government is fully committed to reverse this trend, capable and we are ready to take decisions.

Many experts have agreed that the fundamentals of economy are strong. We have taken several decisions and the process is on. The financial stability of the country will be maintained. We would take every step to bring in more investments. and carry forward the momentum of growth.

I would like to assure that the steps taken by the Government would help India move into a new league in the years to come. According to Reserve Bank today, the estimates from the next quarter are expected to show a rise in the growth of economy which may reach eventually to 7.7%.

Government is alert to reach out to and if needed to provide assistance to any sector following the structural reforms sector. It can be MSME or export sector or a part of our non-formal economy. I would like to reiterate from this forum that in the changing scenario, honesty will command a premium and the Government will protect the interest of honest persons.

I know that there is an element of apprehension among some of the traders who have joined the mainstream that whether their old records would be tracked seeing their new businesses. Let me assure you that any such thing is not going to happen. It might have happened with the earlier regime, since the rules at that time, their attitude and behavior was different. There can't be a greater sin than stopping you from joining the mainstream. And hence, our Government is of the view that we welcome those who wish to join the mainstream. Please leave aside the old thinking. Don't worry, we shall be there with you all the time.

I would also like to tell about the GST. It has been three months since it has been implemented. We have seen closely what is working and what is not. We have sought feedback even on minor issues. The GST Council has been told to review all the bottlenecks and problems- related to technology, filling of forms among others and a solution be worked out involving all political parties and state Governments. I assure traders that we are not orthodox and conservative. We also don't know everything. But if something needs to be done, we shall do it.

We do not claim that we know everything. However, this is an effort to move in the right direction. Wherever there are obstacles, we shall try to overcome them based on our experience over the past three years and usher in reforms as and when required.

Friends, while discussing the state of economy with you, I would like to share the following details. I leave it to you to judge the implications of these details.

Friends, I have a firm belief that whenever you bought a new car, you won't have purchased it under compulsion. You must have seen your household budget, the cost of educating your children, the expenditure over medical treatment of the elderly in the family. And then when you have the saving, you would have thought of buying a house or a car. This is the basic thinking of our society. In such a situation-

-What will be you take if the Sale of passenger cars in the country has grown by nearly 12% after June ?

- What would you say when you find that the sale of commercial vehicles too has registered a growth of more than 23% after June?

- What would you say when the sale of two wheelers in the country has registered a growth of over 14%?

-What will you say when the number of domestic air travelers has registered an increase of 14% over the past two months?

- What will you say when international air freight traffic has registered a growth of nearly 16%?

-What would you like to say when the number of telephone subscribers has registered a growth of over 14%?

-Brothers and sisters, these developments indicate that people are buying vehicles, new phone connections and using air travel. These indicators reflect the growth in demand in urban areas.

· Hence, if we look at indicators related to rural demand then the sale of tractors has registered a growth of over 34% in the recent months.

· Even in the FMCG sector, the trend of growth in demand is on the upside in the month of September.

-Friends, these things happen when the confidence among the people of the country grows up. When people of the country feel this thing: yes, the economy is strong.

- The recently released PMI Manufacturing Index reflects the expansive mode. And Future Output Index has crossed the figure of 60.

·-If we have a look at the recently released data, the production of coal, electricity, steel and natural gas has registered a robust growth.

·-Friends, even the disbursal of personal loan has registered rapid growth.

· The loans given by Housing Finance Companies and Non-Banking Finance Companies have registered significant growth.

· Not only this, there is more investment in the mutual funds and insurance sector in the capital market.

· Companies have mobilized more than 25000 crore rupees in the first six months of this year through the IPOs. During the entire period of last year this figure was Rs. 29000 crore.

· In less than four months, more than 45,000 crore rupees have been invested in Non-Financial Entities through corporate bonds and private placement.

-This data reflects the broad base of financing in the country. It means that financing in India is no longer confined to bank loans alone.

-Friends, This government has continuously emphasized on the proper utilization of both time and resources. One can see a clear difference in the pace of work during the three years of the previous government and this government.

· 80 thousand kilometers long rural roads were constructed during the last three years of the previous government. During the three years of our government, 1 lakh 20 thousand kilometers long rural roads have been constructed. It means a growth of 50% in the construction of rural roads.

-The previous Government during its last three years, had awarded the work to construct 15,000 kilometers long national highways. Our government has awarded the work to construct 34,000 kilometers long national highways in its three years.

·If you talk about the investment in this sector, then the previous government has spent Rs. 93,000 crore during the last three years of its tenure in land acquisition and on construction of the roads. This figure has gone up to Rs. 1.83 lakh crores in this government. It means this government has nearly doubled the investment.

Even you would be aware that how many administrative and financial steps are needed to be taken by the government for construction of highways. This data reflects that how the government has performed the role of a policy maker and policy implementer after bringing the country out of policy paralysis.

Similarly, if we talk about the railway sector:

- Nearly 1,100 kilometer long new rail lines were laid during the last three years of the previous government. In the three years of this government this figure has crossed 2100 kilometers mark. It means that we have laid the new railway lines almost twice as fast.

- During the last three years of the previous government, 1300 kilometer long railway tracks were converted in the double line. During the three years of this government, 2600 kilometer long railway track has been converted in the double line. It means that we have carried out the work of doubling of railway tracks twice as fast.

Friends, capital expenditure worth Rs. 1.49 lakh crore was made during the last three years of the previous government. During the three years of this government, this figure has gone up to Rs. 2.64 lakh crore. It means a growth of over 75%.

Now if I talk about the development of Renewable Energy sector, then:

- A total of 12,000 megawatt renewable energy capacity was added during the last three years of the previous government. If we talk about the three years of this government, then more than 22,000 megawatt renewable energy capacity has been connected to the grid power. It means that this government's performance in this sector is nearly two times better.

- During the last three years of the previous government, it spent nearly Rs. 4,000 on the renewable energy. Our government has spent more than Rs. 10,600 crores in this sector in the three years.

- If we talk about the growth of shipping industry during the previous government, then the growth in cargo handling was negative during its tenure whereas during the three years of this government, it has registered an increase of 11%.

Friends, The government has been paying full attention for strengthening the social infrastructure of the country along with the strengthening of physical infrastructure related to important sectors like rail-road and electricity. We have taken major policy decisions and carried out financial reforms in the field of affordable housing which are unprecedented for the sector.

Friends, during the last three years of the previous government, it approved the projects worth Rs. 15,000 crores. While this government has cleared projects worth Rs. 1.53 lakh crores during its first three years. This is a reflection of our commitment to provide houses to the poor people, to the middle class.

Brothers and sisters, More capital investment is required for this kind of developmental work that is taking place across the country. The government has stressed upon bringing more foreign investment in the country.

- You might be aware that when the issue of reforms in the insurance sector was first discussed, the newspaper headlines used to say that if such a thing happens, it would be a major economic decision. It was during the previous government. That government completed its term without bringing reforms in the insurance sector. We have brought in the reforms in the insurance sector. It happened during this government. However, this is the mentality of some Shalya mentality people that even this reform doesn't seem big to them since it was not done during that time, and it could not be carried out by a government liked by them

- I would like to tell those people who have made this word - Reform - their theme song that we have carried out 87 small and big reforms in 21 sectors. Big changes have been brought about in the investment policies related to several sectors including construction sector, defence sector, financial services, food processing, or other sectors you name it.

If you compare the total amount of foreign investment in India that has come after the liberalization and the foreign investment made during the last three years, you will realize the impact of economic reforms carried out by our government.

Brothers and sisters, you are from this field. However, the statistics which I am placing before you will leave you surprised. The liberalization time frame began after 1992. If I take it as the basis, let us compare what has been the impact from liberalization till 2014 and then from 2014 to 2017.

- 75% of the total foreign investment in the construction sector has come in the last three years alone.
- Even in the civil aviation sector, 69% of the total foreign investment has come in these last three years.
- 56% of the total foreign investment in the mining sector has come in the last three years alone.
- 53% of the total foreign investment in the computer software and hardware sector has come in the last three years alone.
- 52% of the total foreign investment in the electrical equipments has come in during the three years of this government.
- 49% of the total foreign investment in the renewable energy sector has come in during the three years of this government.
- 45% of the total foreign investment in the textile sector has come in the last three years alone.
- It may be surprising for you that the automobile industry which has already attracted plenty of foreign investment earlier, even in that sector 44% of the total foreign investment has come in during the last three years.

Growing FDI inflow in the country is proof of the fact that how much faith the foreign investors have in the country's economy.

Our Policies, their implementation and our vision has raised the level of confidence..All this investment is playing an important role in increasing the rate of growth of the country's development and job creation. Increase in road construction, expanding rail lines, doesn't it need creation of jobs? How did it happen? But Shalya mentality goes on.

Friends, this government realizes the value of every single penny earned by your hard work. That is why, the government's policies and schemes are formulated in a manner that they help in not only making the lives of poor and middle class people easier, but should also help them in saving the money.

Friends, This is the result of the government's constant efforts that a LED bulb which was priced at Rs. 350 during the previous government, has now been brought down to Rs. 40-45 under the Ujala scheme by this government. Now you tell me, whether it resulted in savings for a middle class or a poor person or not. I can't understand why the cost of LED bulb at that time was Rs.350.?. This is a matter of research.

·So far more than 26 crore LED bulbs have been distributed in the country. If we consider an average reduction of Rs. 250 in the price of a bulb, even then the middle class of the country has saved nearly Rs. 6,500 crores on this account. These bulbs have reduced the electricity consumption in every household. It has resulted in the estimated savings worth Rs. 14,000 crores to the middle class families in just one year. Now you see the total savings on LED bulb purchase and electricity consumption becomes more than Rs.20,000 crores. This, in itself is empowering the middle class families.

·Due to the efforts made by the government, those local bodies are also reaping the financial benefits. They have been replacing their street lights with LED bulbs. As per an estimate, the municipality of a tier-two town has made on an average saving Rs. 10-15 crore. Now this money. is being spent for the development of the cities and spurring economic growth. .

- For the first time, the middle class has been given relief on the interest rates for construction of houses by this Government. You might recall, never before middle class was granted relief for construction of houses.

Government has always taken steps to ease the burden of the middle class, to provide the opportunities to the lower-middle class and for the empowerment of poor people, Steps are being taken, policies are being formulated and implemented in a time bound manner. We have been pro active I this direction.

I am aware that sometimes I'll have to face criticism for empowering the people and the country instead of handing out doles. However, I cannot compromise with the future of the country to protect my present. Do we need to worry only about the power and the vote.? We have chosen the path which is difficult. However we are treading the right path keeping in mind the welfare of the people.

I have to often face criticism for this reason. Look, if you hand out doles, people will sing paeans for you. I am being criticized. The vested interests feel aggrieved since my Government believes in transferring the money into the accounts of the beneficiaries through Direct Benefit transfer. It has ensured that ghost accounts are done away with. That is why such people won't like PM Modi .

That is why our emphasis is on empowering the common man. I would like to tell my fellow citizens humbly that I cannot compromise with the future of the country to protect my present.

Friends, This government has laid emphasis on the personal sector along with the private sector and public sector. Otherwise, the discourse was confined only to the private and the public sector. Personal Sector, which is connected to the personal aspirations of the people is equally important. That is why this government is extending every possible help to the youth who want to do something on their own, who want to fulfill their dreams.

· Loans of more than Rs. 3.75 lakh crore have been given to more than 9 crore account holders without any bank guarantee under the Mudra scheme.

· Out of these 9 crore people, 2.63 crores are the youth who are the first time borrowers, it means that this is for the first time that they borrowed a loan under the Mudra scheme to start their business.

The government has been encouraging the self employment through the schemes like Skill India Mission, Stand-up India and Start-up India. Companies have been given financial incentives for bringing more and more people in the formal economy.

Brothers and sisters, If we take a look at some of the indicators related to formal sector employment, then:

-By the end of March 2014, there were 3.26 crore employees who have been actively contributing the provident fund money into the Employees Provident Fund Organization every month. In the last three years, this number has gone up to 4.80 crore. Some people forget this thing that this number cannot go up without growth in employment.

Friends, We have taken steps to ensure that the Government schemes bring in a qualitative change in the lives of poor people, lower middle class and middle class people.

Bank accounts of more than 30 crore poor people have been opened under the Jan-Dhan scheme. More than three crore women have been provided a gas connection free of cost under the Ujjwala scheme. Nearly 15 crore poor people have been brought under the coverage of government insurance schemes. The Saubhagya Scheme has been launched a few days ago to provide free electricity connections to the poor people. These schemes have been empowering the poor people.

However, it is corruption and black money which have been a bane for the nation. Your institution and the company secretaries of the country have an important role in curbing the black money and corruption.

Registration of 2.1 lakh companies of the total 3 lakh shell companies, which were suspected of channelizing the black money following the note ban, have been cancelled.

I am hopeful that the level of awareness among the directors will be increased and companies will become more transparent following this cleansing operation against the shell companies.

Friends, This period is of immense changes, of transformative changes in the history of the nation.

The importance of a transparent and honest administration is now understood in the country. The recommendations made by the ICSI played a positive role in formulating the Corporate Governance Framework.

Now it is the need of the hour for you all to play an active role in producing a new business culture. Nearly 19 lakh new citizens have come under the scope of indirect taxes following the implementation of GST. Be it a small trader or a big trader, he should adopt the honest tax system inbuilt in the GST. It is also your duty to encourage the business community in this regard. Lakhs of students have been enrolled with your institution. Can your institution take this responsibility that it will train one lakh youth

about small-small things related to GST? They can help small businesses and traders in their area linking them with GSTN, in filing returns after receiving a training of 7 to 10 days.. It will open up a new avenue of employment. If it is taken up in organized way, even one lakh would be small number.

Friends, nation celebrates 75 years of independence in 2022. We must have a dream to fulfill the aspirations and wishes of our freedom fighters and great leaders who spent their prime of life in jails, struggled for independence throughout their life and sacrificed their lives for the freedom of the country. Every Indian citizen should have the dream like the one in 1942 during Quit India Movement, when people decided that they won't stop till Britishers leave India. We should also move ahead with a dream for 2022, in 75th year of our independence.

Friends, I want some promises from the ICSI for 2022 when the country will celebrate the 75th year of its independence. These promises will have your pledges and you should fulfill it- .

- Can you take the responsibility of making the country a high tax compliant society by 2022?
- Can you ensure that there will not be a single shell company in the country by 2022?
- Can you ensure that by 2022 every company in the country will honestly pay the taxes?
- Can you establish an honest business culture in the country by 2022 by expanding the scope of your help?

I hope that in the beginning of its golden jubilee year, the ICSI will embark on a journey to meet these goals with guidelines and will also include them in its work culture.

Once again, Congratulations to you all in this Golden Jubilee Year.

I would like to assure my fellow citizens that we do not take offence to the recent spate of criticisms of the Government on the economic front. The Government is sensitive towards the concerns of the people. We take even the harshest criticism in our stride. We would strive to carry forward the nation of 1.25 billion on the road to growth and development with humility, and keeping in mind the interests of the people with the same rhythm and fast pace.

I would also like to tell our critiques humbly that we do not subscribe to the view that all the critiques are wrong. However, we should desist from creating an atmosphere of pessimism in the country.

I showed you the glimpses of a parameter which reflects the strength of our economy. There are many other parameters which prove how strong is our economy and a clear reflection of the decision making powers of the Government. This is the proof of the direction and momentum of the Government. The economic strength is also reflected in the rising confidence about India both inside the country and abroad.

We should not ignore it. Let us march ahead for building a New India with a renewed vigour, zeal, confidence and culture.

Congratulations to you all on the Golden Jubilee. Since you belong to this field, I thought of sharing my views on this issue with you and I am quite hopeful that through this platform, it will reach out to the fellow citizens.

Once again many- many greetings

Thank You.

AKT/SH/SK

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