



## **The Prime Minister of India**

### **PM's key message to Private Businesses**

**February 24, 2021**

Relevant to all Mahindra Businesses

#### **Background**

- Modi's statements pitching the importance of the private sector come in the backdrop of a push towards government spending, which the government expects will help crowd in private investment.
- The government is working towards creating a Development Finance Institution for infrastructure financing, aiming to have a government owned DFI and have space for the private sector also.
- Private sector investment in the country has been tapering over the years, while the government's efforts to elicit such expenditure have been largely unsuccessful. This includes plans to raise Rs 2.1 lakh crore in funds through divestment and strategic sales of government-owned enterprises in 2020-21, of which the centre was only able to raise Rs 19,499.07 crore.

#### **Industry Response**

- Uday Kotak, who is the president of the Confederation of Indian Industry, said that the Prime Minister's recognition of the role of the private sector in Parliament "has boosted the morale of every entrepreneur."
- CII Vice President and Bajaj Finserv Chairman and Managing Director Sanjiv Bajaj said it is encouraging for all entrepreneurs to hear the PM lauding the role of the private sector in wealth creation.
- "Government, under his (Modi's) leadership has shaped a great environment for doing business," said Tata Steel managing director and CII president-designate TV Narendran.

#### **Union Budget and Private Businesses**

- The Union Budget 2021-22 has given a clear roadmap to take India to a high-growth trajectory.
- There is a focus on strong participation by private sector for India's development in the Budget, while scope and targets have been laid out clearly for public-private partnership (PPP), Modi said.
- Disinvestment and asset monetisation is an important part of the Budget, the Prime Minister said while speaking at a webinar on effective implementation of Budget provisions, organised by the Department of Investment and Public Asset Management (DIPAM).
- Saying that the time and needs of the country were different when public sector enterprises (PSEs) were started, Modi said there is always a scope for improvement in policies designed 50-60 years ago, and the intention behind reforms announced in Budget is to ensure proper usage of public money.