

Don't hesitate to invest more: FM to India Inc

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Union Finance Minister Nirmala Sitharaman on Thursday said there should no longer be hesitation for industry to invest, expand capacities, and produce more in India, as the government has delivered on key reforms in taxation, ease of doing business, and foreign direct investment.

“Today, I have a basket of things on which the government has delivered... The industry wants demand to be visible on the horizon... The horizon keeps shifting, I understand, because of global chal-



lenges,” Sitharaman said at an event organised by the Indian Foundation for Quality Management in New Delhi.

She urged the private sector to work with the government in readying youth to be job-ready for quick and direct employment.

On September 3, the government announced an overhaul of the goods and services tax (GST) framework by reducing the four-tier structure to two main rates. The reforms will come into effect from September 22. Tax measures introduced in the FY26 Budget in February, such as raising the personal-income threshold for tax payments, were also aimed at boosting demand.

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Maruti Suzuki reduces car prices by up to ₹1.3 lakh

Maruti Suzuki India on Thursday announced price cuts of up to ₹1.3 lakh across its models effective September 22, passing on full GST benefits, along with additional reductions, to boost demand and encourage customers to move from two-wheelers to four-wheelers ahead of the festival season.

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FM asks India Inc to invest more

In July, the FM had said that healthy corporate balance sheets were sitting on passive investible funds, instead of directing them towards capacity expansion. Private investment has lagged government capital expenditure, which rose 32.7 per cent year-on-year in April-July FY26, reaching 30.9 per cent of the Budget Estimates, according to Controller General of Accounts (CGA) data.

Speaking separately, at an event in Kolkata, Sitharaman said the virtuous cycle of growth would soon accelerate, pointing to the impact of GST reforms.

The cut in rates, she said, would spur consumption and create higher demand. "More the demand, companies will invest more to create capacities. More production will lead to more jobs which means a wider tax base," she said.

Widening of the tax base, she added, would lay the foundation for even lesser taxes. "If more people are paying tax, we can bring the burden down even further. That will lead to lower taxes and more spending in the economy. The virtuous cycle will actually start moving and moving fast," the FM said.

The Centre expects the next-generation GST reforms, announced by Prime Minister Narendra Modi in his Independence Day speech from the Red Fort as a "gift ahead of Diwali", will inject around ₹2 trillion into the economy.

Responding to opposition criticism over the announcement, Sitharaman said: "The GST Council is a constitutional body – we respect it. Well before the Prime Minister's announcement, the group of ministers had already received the proposal. They would have seen it. So, it is not as if the Prime Minister announced

it before due process was followed."

"The GST Council is a constitutional body – we respect it. Well before the PM's announcement, if I'm right, even the previous night, the group of ministers were sent the proposal already." "They had received it, they would have seen it as well. So, it's not as if the PM was announcing much before they received it," she said, adding that every rule was followed.

Sitharaman said the upcoming Durga Puja had influenced in determining the implementation date, and urged West Bengal to show the way and make the most of the GST reforms. "This will naturally have an impact on the overall economy."

Earlier in the day, while talking about the contribution of micro, small, and medium enterprises (MSMEs) to India's GDP, Sitharaman said the government had ensured that the Small Industries Development Bank of India (Sidbi) maintains a physical presence in MSME clusters. "Even in this digital age, we insisted that Sidbi must be present in each of these clusters," she said.

Sitharaman called for continuous engagement between industry and government, not just before the Budget. She talked about the industry's grievance that even after recruiting those qualified, companies spend almost six to eight months getting them job-ready.

"The industry should very quickly work on bridging human resource insufficiencies and inadequate training... That element has to be done by all of us," she said while responding to a question from Tata Sons Chairman N Chandrasekaran on her key expectations from industry.