

No fallout of Bihar, says Puri

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Unlikely to
Hit Economy'
HDFC Bank
MD Aditya Puri
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economic
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No Fallout of Bihar, says Puri

HDFC Bank MD feels Bihar poll results will not affect Centre's functioning

**MC Govardhana Rangan
& Joel Rebello**

Mumbai: Political pundits may be pitching the Bihar polls as the biggest test for Narendra Modi since he became PM and one that may decide the fate of economic reforms, but one of the nation's best bankers says it hardly matters to the economy.

"I don't think there will be an economic fallout of the Bihar elections," Aditya Puri, MD of HDFC Bank, the most valuable Indian

lender, told ET in an interview. "They (the National Democratic Alliance government) have been elected for a five-year term. Their main objective will be that they should have a very good running economy, with poor people taken care of, closer to the elections. They will keep working on that. Why should things change? Will ease of doing business stop? Will states stop doing what they are doing? Will government stop spending? What will happen? That's my view."



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Puri Slams Stalling of Parliament

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The Bihar elections currently underway are being seen as crucial for PM Modi and Bharatiya Janata Party.

Winning a majority in Bihar assembly will not only boost the saffron party, but also help the NDA government secure much-needed numbers in the Rajya Sabha, where key legislation such as the goods & services tax (GST) and land Bill have been stalled by Congress.

Asserting that the economic engine is revving up and green shoots are visible, Puri criticised the Opposition for obstructing the functioning of Parliament.

"I definitely recommend to all the politicians, as an Indian I want GST passed. GST should come and you

The country's improved economic health is beginning to reflect in corporate earnings too

can't blame the government for that. They (the Opposition) cannot continue to stall Parliament. They have to find a reason for stalling."

The HDFC Bank chief said PM Modi has delivered on many fronts since taking charge in May 2014. "Are we in a good fiscal position? Yes. Somebody has worked for that. We are in a position where government spending has started. Have we got inflation under control? We have to give credit to the government. Is your current account under control? Yes. You can say it is because of oil, but other things also have happened."

Improved Economic Health

The country's improved economic health is beginning to reflect in corporate earnings too, he said, although some of the numbers that investors look at conventionally may present a misleading picture due to the collapse of commodity prices.

"Hindustan Unilever's top line may not go up, but its volumes have gone up," said Puri. "Even our results saw top line growing 27%. Something has changed for the top line to rise after some time."

Private investments are gradually picking up, but would accelerate after government spending seeps through the system, he said. "The only thing left is private investments, which will only come as a follow-on of the effects of government spending and good policies like unclogging of projects and roads, etc," said Puri.

The ace banker also saw growth at 7.6%. "I do believe at the end of this year we will be at 7.5% to 7.6% range and we will be moving up after GST. Private investment green shoots are visible, but it will take a little while."