

## **Demonetisation has reinforced investors' faith in Indian economy: Rashesh Shah**

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Hailing PM Narendra Modi's demonetisation drive, Rashesh Shah, Chairman and Chief Executive Officer of the Edelweiss Group on Wednesday said the demonetisation exercise has reinforced investors' faith in the Indian economy. "There is optimism around India amongst investors. Some dampening could be seen with respect to demonetisation but many long-term investors are entering Indian market," he told CNBC TV18. He also said that the remonetisation process should complete by March. "Affordable housing segment in the real estate sector continued to grow in December and January," he added.

Earlier this week, noted American economist Steve H Hanke criticised India's decision to scrap high value currency notes and said demonetisation is for 'losers' and even Prime Minister Narendra Modi does not know where the country is heading now. A Senior Fellow and Director of the Troubled Currencies Project at the Cato Institute in Washington, Hanke had earlier said that "India simply does not have the infrastructure to adapt to Modi's demonetisation...he should have known."

Meanwhile, Finance Minister Arun Jaitley started his Budget speech with heaps of praise for the demonetisation and its effect to curb down the flow of black money in the state. The Finance Minister said that the digital economy was a very important part of the government's strategy to wipe the system clean and weed out corruption and black money. "One of the biggest priorities of the government was to eliminate black money component from the economy. The government and the Ministry of Finance remained committed to making taxation rates more reasonable," he said.

Examining the government's recent demonetisation measure to combat black money, the Economic Survey for 2017 presented last week had said though India's lower middle class and rural population may have been the worst hit by move, black money holders also suffered in the process. It also attempts to measure how much cash was being used as black money through the criterion called "soil rates".