

India Inc pushes capex as capacity use nears 75%

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With India Inc's average capacity utilisation touching 74 per cent, according to the Reserve Bank of India (RBI), top Indian conglomerates are finally pressing the pedal on capital expenditure.

According to a report by Motilal Oswal Financial Securities (MOSL), private sector capital expenditure (capex) has started ramping up from select sectors, which will get another leg up from thermal power, production linked-led capex and semiconductor capex.

Last week, Tata Electronics and

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Recent private capex announcements



BPCL: Targets ₹1.5–1.7 trillion capex in 5 years

Maruti Suzuki: ₹1.25 trillion spending in 8 years

ONGC/IOC: ₹1.2 trillion for expansion

JSW Steel/EV: Lines up ₹1 trillion to raise capacity

Tata Power: ₹60,000 crore capex over 3 years

Tata Motors: ₹38,000 crore

UltraTech: Announces third capex round worth ₹13,000 crore

Amul: Sets aside ₹11,500 crore to expand operations across six states

Adani Enterprises: To spend \$1.5 billion on data centres

Cairn India: To double annual capex to \$1 billion in 5 years

SOURCE: MOTILAL OSWAL

Powerchip Semiconductor Manufacturing Corp (PSMC), Taiwan, announced plans to invest ₹91,000 crore in Dholera, while Tata Semiconductor Assembly and Test

Private Limited announced plans to invest ₹27,000 crore in Assam.

“The Tata Group has a tradition of pioneering many sectors in the country, and we are confident that

our entry in semiconductor fabrication will add to this legacy,” Tata Sons Chairman N Chandrasekaran said after announcing a slew of investments in the semiconductor busi-

ness. Other conglomerates are also leading the investment plans. Aditya Birla announced plans to invest ₹10,000 crore in the paints business.

The Adani Group is leading the capex plans in the infrastructure sector as it expects to report record Ebitda (earnings before interest, tax and depreciation) of ₹80,000 crore for the financial year ended March 2024, with ₹1 trillion for 2025. It will invest in data centres, airports, roads, ports and power generating units in the coming quarters with equity investments expected from sovereign funds from West Asia.

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