

REFORMS, PLI: THE DOUBLE ENGINES INDIA INC SEEKS

CEOs expect the new government to maintain policy continuity despite the results



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NADIR GODREJ
CHAIRMAN AND MANAGING
DIRECTOR, GODREJ INDUSTRIES

"Very difficult to gauge the mood of the public in a vast country like ours. This is amply clear from today's numbers! What we are witnessing today is something nobody expected, and showcases how a democracy of our size functions"

SAJJAN JINDAL
CHAIRMAN, JSW GROUP

"The economy grew with major investments into developing the country. The real estate industry always looks towards a stable government that will ensure no interruptions in the ongoing schemes and investments into the development"

ANUJ PURI
CHAIRMAN, ANAROCK GROUP

"The real estate sector has seen good growth in recent years and is poised to achieve new heights. We hope the new government will extend the income tax benefits on home loans in the new income tax regulations as well"

PRADEEP AGGARWAL
FOUNDER AND CHAIRMAN,
SIGNATURE GLOBAL (INDIA)

"The PLI scheme has helped industry become stronger, and we hope the new government continues with the scheme. Additionally, it should also continue to pursue climate action and sustainable development goals"

HM BANGUR
CHAIRMAN,
SHREE CEMENT

BS REPORTERS
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Notwithstanding the "unexpected" election results, chief executive officers (CEOs) of Indian companies anticipate that the new government will persist with economic reforms and maintain policy continuity, even though the National Democratic Alliance (NDA) secured fewer seats than projected in the general elections.

Industry leaders are calling for continued economic development through infrastructure enhancement and manufacturing boosts via production-linked schemes.

"It is the collective wisdom, and one should accept it. From what it seems, the same party will form the government again, so the policies should continue once things settle," said H M Bangur, chairman of Shree Cement, a leading cement manufacturer.

The election results coincide with a slowdown in manufacturing activity for the second consecutive month in May. Nevertheless, business sentiment remained optimistic, evidenced by increased hiring, according to the May Manufacturing Purchasing Managers' Index.

"The exit polls seemed to have been very wrong, and the market seems to have reacted very badly. Although the NDA leads in the elections, there is still a lot of uncertainty, although the industry will not be badly affected. Some industries depend-

ent on the government will be affected. I also feel the market overreacted on both days," said Nadir Godrej, chairman and managing director (MD) of Godrej Industries.

Although the stock markets reacted negatively to the election results, CEOs expressed confidence that the markets will recover as reforms continue. "The stock markets fell on Tuesday after high expectations created by exit polls. But once reality sinks in, the industry will look at the composition of the new government," said a CEO of a company.

Industry leaders said the current government had, over the past two terms, made substantial strides on the policy front and in the economic development of the nation.

"The economy grew with major investments in developing the country. The real estate industry always looks towards a stable government that will ensure no interruptions in the ongoing schemes and investments in infrastructure development. This, above everything else, unleashes the real estate potential of current and developing geographies," said Anuj Puri, chairman of Anarock Group, a real estate firm.

CEOs said a stable government should come into power to take up major issues like labour and farm reforms.

"The production-linked incentive scheme has helped the industry become stronger, and we hope the new government continues with the scheme. Additionally, the new gov-

ernment should continue to pursue climate action and sustainable development goals," said B Thiagarajan, MD of Blue Star, a consumer durables firm.

CEOs emphasised the importance of stability and conducive policies for the industry. "We look forward to a government committed to fostering innovation, streamlining regulations, and investing in infrastructure. Expedited project completions and a reduction in goods and services tax (GST) on televisions (TVs) and air conditioners will further propel our sector's growth, enabling us to contribute considerably to India's economic progress," said Avneet Singh Marwah, CEO of Super Plastronics, a TV manufacturer.

Top executives also highlighted the need for policy continuity to rapidly transition India's energy mix towards cleaner power and progress towards the net-zero target.

"We hope the new Union government will take an even more pragmatic approach to incentivising wide-scale adoption of clean energy, whether through lower taxes and duties on clean energy solutions or more simplified subsidies," said Aayush Goyal, MD and CEO of RCRS Innovations, a lithium-ion battery manufacturer.

Ayush Jain, CEO of Mindbrowser Inc, a digital transformation and product engineering company, emphasised the importance of continuing digital transformation in the healthcare sector.

"Through programmes like ABHA (Ayushman Bharat Health Account), we have seen how technology can enhance last-mile health care delivery and create better outcomes for patients, as well as growth opportunities for health technology startups and established information technology players. These programmes must see faster implementation under the new government, paving the way for affordable health care with wider reach into rural India," said Jain.

The infrastructure and real estate sectors are key to achieving the goal of Viksit Bharat.

"We are confident that the new government will continue its focus on infrastructure development beyond metro and large cities and on the real estate sector, as they have a multiplier effect on the economy. The real estate sector has seen good growth in recent years and is poised to achieve new heights. We hope the new government will extend the income-tax (I-T) benefits on home loans in the new I-T regulations as well. We also expect the new government to address some of the challenges faced by these sectors and take the lead in convincing the GST Council to ease the burden of GST on both developers and consumers," said Pradeep Aggarwal, founder and chairman of Signature Global, a real estate development company.

With inputs from Sharleen D'Souza, Amritha Pillay, Ayushman Baruah, Aneeka Chatterjee, and Dev Chatterjee