

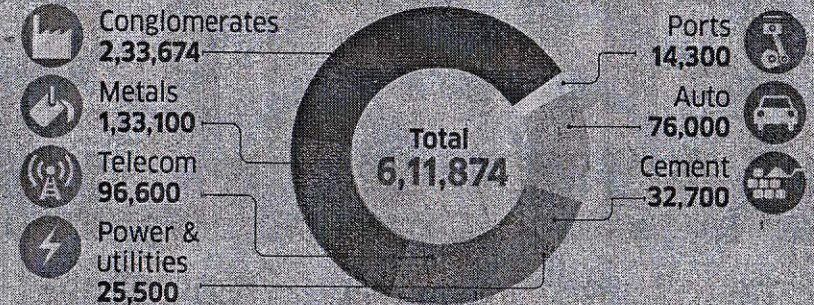
India's Private Sector Firms Could Turn Big Spenders, Soon

Fitch Ratings said growing infrastructure spend, government's production-linked incentive (PLI) schemes, and healthier corporate and bank balance sheets, among other factors, will drive private sector capex over the medium term. In a March 28 report, Fitch said Reliance Industries will dominate the mix with a large investment programme across oil-to-chemical, new energy and digital services businesses. Bharti Airtel, the second largest private investor, will spend huge sums on 5G rollout. The ratings agency said corporates rated by it will see a 10%-12% rise in capex in FY23 and FY24, even as it cautioned there were risks to this revival.

CAPEX MAJORS (LISTED PRIVATE SECTOR MAJORS)

| FY23 | FY24 | (₹) |
|----------------------|-----------------|-----|
| RIL | 2,15,448 | |
| Adani Enterprises | 18,226 | |
| Tata Steel | 32,300 | |
| JSW Steel | 31,700 | |
| Hindalco Industries | 30,300 | |
| Vedanta Limited | 26,200 | |
| Jindal Steel & Power | 12,600 | |
| Bharti Airtel | 79,800 | |
| Vodafone Idea | 16,800 | |
| Adani Transmission | 9,500 | |
| Tata Power | 16,000 | |
| Ambuja Cement | 5,400 | |
| UltraTech Cement | 15,700 | |
| Dalmia Bharat | 6,400 | |
| Shree Cement | 5,200 | |
| Tata Motors | 48,500 | |
| M&M | 14,000 | |
| Maruti Suzuki | 13,500 | |
| Adani Ports & SEZ | 14,300 | |
| TOTAL | 6,11,874 | |

SECTORAL SPREAD FY23 & FY24 | (₹Cr)



KEY DRIVERS OF CAPEX GROWTH

- 1 Structural demand visibility
- 2 Growing infrastructure spend
- 3 Production-linked incentive schemes of govt
- 4 Healthy corporate and bank balance sheets
- 5 Improved manufacturing activity and sustained growth in new orders

POTENTIAL RISKS

- High commodity prices
- Global weak economic outlook
- Rising interest rates

Source: Fitch Ratings (March 28, 2023 report) "India's Corporate Capex on the Rise"

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