

CAPEX BY CENTRE, STATES AND PUBLIC SECTOR ENTERPRISES AT ₹21.2 TRN A YEAR

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Asks pvt sector to be main engine of capital formation

BANIKINKAR PATTANAYAK New Delhi, December 9

AHEAD OF THE Budget for FY24, chief economic advisor VAnantha Nageswaran on Friday said the impressive pace of growth in capital spending by the public sector in recent years can't be sustained for long, as he exhorted the private sector to step up and be the "primary engine" of capital formation in the economy.

Speaking at a CII event, he said the combined capex by the Centre, states and public sector enterprises have jumped 3.5 times over the last 10 years to hit ₹21.2 trillion a year now.

"In the decade when the non-financial corporate sector and the banking system were repairing balance sheets, the public sector took over and kept up economic growth throughout the second decade of the millenium and it has continued well into the

current decade as well," he said.

The CEA's observation came after finance minister Nirmala Sitharaman in September asked India Inc as to what was holding it back from investing in manufacturing when foreign investors had been bullish about India. She also wondered if corporate India, just like Lord Hanuman, needed to be reminded of its immense ability.

While the government had slashed the corporate tax rates in 2019 in a bid to woo investors, private investments are yet to turn the corner meaningfully.

The CEA said the private corporate sector currently possesses a very healthy balance sheet. At the same time, profitability and the overall balance sheets of banks and financial institutions have improved, so they are ready to lend, he said.

"Therefore, it may not be necessary or may not be healthy for the public sector to keep expanding capital investment at the same pace," the CEA said. Nevertheless, the CEA stressed: "Capital expendi-



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So, there is a need to decide whether the public sector must continue to scale up its capex at the same pace or allow the private sector to take over as the dominant investor—something for which "all of us have been waiting".

tor capex rose to Rs 3.1 trillion in the first half of this fiscal, against Rs 2.4 trillion in FY22 in the same period of the pre-pandemic year (FY20). However, it's still lower than the desirable level, as economic growth in FY20 stood at a meagre 3.7%.

The CEA's statement comes just weeks before the Budget for FY24 is to be presented on February 1. Sources had earlier told FE that the pace of rise in the Centre's Budgetary capex in FY24 could be lower than the 27% rise budgeted for FY23 (to Rs 7.5 trillion), thanks to a high base and limited capacity of departments and other

relevant agencies to spend the substantially-elevated amount year after year. However, the targeted growth in the capex in FY24 will still beat that in revenue spending by a wide margin, as the Centre bets big on the former's high multiplier effect.

Just like this fiscal, the enhanced capex outlay in FY24 could include the long-term interest-free loans to states for asset creation (the FY23 allocation stood at Rs 1 trillion), sources had said. As for the current fiscal, the finance ministry has already asserted that the capex target will be met.

In the aftermath of the pandemic, the central government raised its budgetary capex by as much as 27% on year in FY21, 39% (albeit including equity infusion into Air India Assets Holding) in FY22 and 27% (budgeted) in FY23—way above the increase in overall Budget size of the relevant years. It believed a sustained push to productive spending will spur economic growth, more so after the pandemic.

Remove 11% import duty on cotton, CAI urges Goyal

NAYAN DAVE Ahmedabad, Dember 9

WITH A VIEW TO provide a level playing field to the Indian textile industry, the Cotton Association of India (CAI) has demanded withdrawal of import duty on cotton. In a letter to Union Minister of Textile Piyush Goyal, CAI president Atul Ganatra said that prices of Indian cotton are ruling 10-15% higher than international cotton prices.

2023, although it will remain higher than the pre-Covid levels.

Arti Roy Associate Director, CareEdge said that there is a possibility of 28-30% dgerowth in the export volume of cotton yarn in FY23, impacted by high prices and global headwinds. The margins of spinners are expected to decline by 5-7% due to lower capacity utilisation and continued high raw cotton prices, she added.

Government of India Ministry of Housing & Urban Affairs invites applications for the post of Chairman and Managing Director(CMD) in Housing and Urban Development Corporation (HUDCO) Last date of receipt of applications in Moh&UA is by 1500 hours on 23.01.2023. For details please visit website http://mohua.gov.in



"Removal of 11% import duty on cotton is necessary to provide Indian textile industry a level playing field so as to facilitate mills to compete internationally and run with full capacity," said Ganatra adding that due to higher rate of Indian cotton during last 4 to 5 months Indian mills are running at 40 to 60% capacity only.

Spinning segment is already facing challenges of lower export demand and with domestic cotton prices ruling higher than international markets, Indian spinners are not being able to compete with their counterparts in countries like China and Vietnam, says Gautam Dhamsania, secretary, Spinners Association of Gujarat (SAG). "Prices of cotton are currently hovering around Rs 70,000 per candy (356 kg per candy), which is much higher than international prices and hence removal of import duty is extremely important for the entire textile value chain," he opined.

A recent report by credit rating agency CareEdge India maintains that cotton yarn exports during H1FY23 have been hit, as domestic cotton prices remained high, impacting India's competitiveness globally. Exports in cotton yarn have witnessed a downward trend from January 2022 onwards, further aggravated by a slowdown in global demand. Furthermore, H2FY23 is expected to remain muted for cotton yarn exporters due to the weak demand, resulting in lower capacity utilisation and higher cotton prices as compared to pre-covid levels, according to the report.

Cotton production in India has reduced from 352 lakh bales in 2020-21 to 315 lakh bales in Cotton-22 (CS) 2021-22. The domestic cotton price increased to record peak of over Rs 1.10 lakh per candy during FY22, the report states adding that recently prices have started to moderate and have corrected to Rs 65,000 per candy in October 2022. CareEdge believes that cotton prices will moderate further with the expectation of higher

Midwest Integrated Steels Limited Statement of Standalone for the quarter and the Year ended March 31, 2022 and Consolidated Audited Financial Results for the Year ended March 31, 2022. Table with columns for Particulars, Standalone Results (Quarter Ended, Year Ended), and Consolidated Results (Year Ended).

Midwest Integrated Steels Limited CIN: L74899DL1992PLC050216. Registered Office: H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110048. NOTICE is hereby given that the 29th Annual General Meeting (AGM) of the members of the Company will be held on Friday, 30th December, 2022, at 11.00 A.M. through Video Conferencing ("VC") or Audio-Visual Means ("OAVM").

ANDHRA PRADESH STATE BEVERAGES CORPORATION LIMITED CIN: U15400AP2015SGC097161. Registered office: 1st Floor, PNH & Excise Complex, D.No.5-69-55/9A, Taluk Office Compound, 6/1, Brodipet, Guntur Andhra Pradesh-522002. EXTRACT OF FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2022.

Aarti Pharmalabs Limited (Formerly known as Aarti Organics Limited) CIN: U24100GJ2019PLC110964. Regd. Off.: Plot No. 22/C/1 & 22/C/2, 1st Phase, GIDC Vapi-396195, Valsad, Gujarat. NOTICE TO MEMBERS: NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules").

CANARA ROBECO Canara Robeco Asset Management Fund Investment Manager: Canara Robeco Asset Management Co. Ltd. Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001. Tel.: 6658 5000 Fax: 6658 5012/13 www.canararobeco.com CIN No.: U65990MH1993PLC071003. NOTICE-CUM-ADDENDUM NO. 42. Change in the Official Point of Acceptance of Transactions of Canara Robeco Mutual Fund.

Bank of Maharashtra A GOVT. OF INDIA UNDERTAKING. Thane Zonal Office B-37, Wagle Industrial Estate, Thane (W) - 400 604. DEMAND NOTICE (Under Section 13 (2) of the Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI ACT) read with Rule 3 (1) of the Security Interest (Enforcement) Rule, 2002).



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Table: Mideast Integrated Steels Limited. Statement of Standalone for the quarter and the Year ended March 31, 2022 and Consolidated Audited Financial Results for the Year ended March 31, 2022. Includes financial data for Quarter Ended and Year Ended, with columns for Sr. No., Particulars, Standalone Results, and Consolidated Results.

Notice from Mideast Integrated Steels Limited regarding the 20th Annual General Meeting (AGM) to be held on Friday, 30th December, 2022, at 11:00 AM through Video Conferencing (VC) and Audio-Visual Means (AVM).

ANDHRA PRADESH STATE BEVERAGES CORPORATION LIMITED. Extract of Financial Results for the Quarter Ended September 30, 2022. Includes financial data for Quarter Ended and Year Ended, with columns for Sr. No., Particulars, and Financial Results.

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Aarti Pharmed Labs Limited. Notice to Members regarding the Postal Ballot for the 20th Annual General Meeting (AGM) to be held on Friday, December 09, 2022. Includes details about the company, the meeting, and the voting process.

Canara Robeco Mutual Fund. Change in the Official Point of Acceptance of Transactions of Canara Robeco Mutual Fund. Includes details about the fund, the change in address, and contact information.

Bank of Maharashtra. Demand Notice regarding the Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) read with Rule 3 (1) of the Security Interest (Enforcement) Rule, 2002. Includes details about the borrowers and guarantors.



