



15<sup>th</sup> June 2021

# Industry Developments



## Overall

### Ministries, departments asked to cut controllable expenditure by 20%

The central government has directed all ministries and departments to take steps to curb wasteful and avoidable expenditure and aim for 20 per cent reduction in controllable expenditure.

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### FM asks ministries to front-load capex

On 11 June 2021, Finance Minister Nirmala Sitharaman held the fifth review meeting with ministries and departments on the infrastructure roadmap ahead.

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### World Bank cuts India's GDP growth forecast for 2021-22 to 8.3%

The World Bank has revised India's GDP growth forecast for 2021-22 downwards to 8.3 per cent from 10.1 per cent estimated in April 2021. It has cited negative impact of the second wave of COVID-19 on the economic recovery as reason for downgrading the growth forecast.

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## Banking and Financial Services

### Corporates repaying debt leading to slowdown in credit growth

The low credit growth was a direct fallout of corporates rapidly deleveraging by repaying high-cost loans through funds raised through bond issuances, according to SBI. Top 15 sectors, from more than 1000 listed entities, reported more than Rs.1.70 trillion of debt reduction in the pandemic year 2021, according to SBI.

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### AUM of mutual funds rises by 2.1% in May 2021

Net assets under management (AUM) of mutual funds increased to Rs.33.1 trillion by end May 2021 from Rs.32.4 trillion in April 2021. This translates into a rise of 2.1 per cent.

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### Covid stress in MSME sector, not corporate book

Regarding bad loans, Union Bank of India CEO Rajkiran Rai stated as follows in a media report - 'the stress is not in the corporate book, which is nearly 50 per cent of loans for any big bank, and that book is pretty stable.

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## HealthCare

### Oxygen plant made must for new medical colleges

The government has made it mandatory for all medical college hospitals being established from the current financial year to have dedicated pressure swing adsorption (PSA) or vacuum swing adsorption (VSA) technology plants within six months.

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### Oxygen banks, generation plants key to tackling 3rd wave: Experts

Medical experts have laid stress on oxygen banks for private hospitals and oxygen plants at civic hospitals to avoid a repeat of an acute shortage such as the one in April. Experts said a dedicated oxygen bank operated by civic bodies would go a long way in meeting the needs of private hospitals

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## Pharmaceuticals

### Sun Pharma has no plans to enter vaccine production

Sun Pharma has no immediate plans to enter vaccine production since this vertical will require a separate manufacturing set-up.

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### GST Council cuts tax on Covid-19 medicines, equipment

The GST Council has decided to reduce GST rates on the specified items being used in Covid-19 relief and management till 30 September 2021. These specified items include medicines, medical grade oxygen, oxygen generation equipment and related medical devices, testing kits and medicines and other Covid-19 related relief material.

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### Covaxin trials: AIIMS-Delhi to screen kids aged 6-12 years

The screening of children aged 6 to 12 years for the clinical trials of indigenously developed Covid-19 vaccine, Bharat Biotech's Covaxin is scheduled to start from Tuesday. After the recruitment of children aged 6-12 years, AIIMS-Delhi will be conducting trials for the 2-6 age group. The trials are taking place at 525 centres.

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## Energy

### Next auction round to be of large fields

While announcing the third auction round of discovered small fields (DSF-III) on 10 June 2021, oil minister Dharmendra Pradhan stated that 'There will be no DSF next time. Next time, it will be a 'major' round', indicating the auction of large fields.

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### Odisha approves Rs 1,637 cr investment projects; Power sector in focus

The Odisha government on Friday gave its approval to four industrial projects envisaging investment of around Rs 1,637.41 crores. As per the State government, the proposals envisage direct employment opportunities for more than 1,116 persons.

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### A ray of sunshine: Solar industry gets fresh push from PLI scheme

The solar power tariffs continue to hit new lows in the reverse bids conducted and have been on steady decline. Introduction of the PLI scheme would provide the needed fillip to the production capacity expansion needed to meet the ambitious target of solar electricity generation set by Indian Government.

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## Information Technology

### Telangana's IT sector exports record steep growth

According to the Telangana annual IT and industry report, the state's IT and ITES exports have been pegged at Rs.1.4 trillion for FY2020-21, recording an increase of 12.9 per cent.

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### More than a dozen think tanks call for end of digital censorship in India

More than a dozen privacy and digital think tanks from across the world have called upon the government to suspend the implementation of India's new IT rules, which came into effect last month.

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### Capgemini building up India team to ride 5G, Edge wave

Capgemini SE is strategically building out its India team to serve the next wave of demand for skills in technologies like 5G and edge computing.

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## Real Estate

### 25 projects held up in Mumbai as BMC, realtors spar over development fee

At least 25 housing projects in Mumbai are in limbo as developers and BMC spar over development charges in mixed-use projects. These are residential-cum-commercial projects where the former is predominant.

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### NBCC says its bid to acquire Jaypee Infratech compliant, backed by government

State-owned NBCC, which is in the race to acquire Jaypee Infratech Ltd (JIL), on Sunday assured stuck homebuyers that its bid is concrete, fully backed by the government and the PSU will complete over 20,000 pending flats on time as per the schedule.

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### Over 95% realtors fear project delays due to second Covid wave, seek urgent relief

Over 95 per cent developers in the country expect delays in project completion due to the second wave of Covid-19, according to a survey by the Confederation of Real Estate Developers' Associations of India (CREDAI).

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## Education

### ADP strengthens education sectors: UNDP report

Hailing the Aspirational Districts Programme (ADP) of the government, the UNDP India in a report has recommended the programme to be replicated in other parts of the world.

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### Launch of online module to track, re-enroll out-of-school children

Ministry of Education has launched an online module to compile data on out-of-school children that will facilitate age-appropriate admissions for children in the 6-14 age group and financial assistance will be provided for out-of-school children in 16-18 age group.

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### Children orphaned due to Covid-19 to get free education in Madhya Pradesh

The MP government has allowed the children orphaned due to Covid-19 to get free education in private schools of the state.

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## Telecom and Media

### Telecom industry recommends linking public procurement norms with PLI

Telecom industry manufacturers and experts recommended the linkage of India's public procurement norms with the PLI scheme, to provide market access to global companies who make equipment locally.

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### ZEE to launch OTT service ZEE5 in US on 22 June 2021

Zee Entertainment Enterprises is set to launch its video streaming service, ZEE5, in the US. While the service was launched in Indian three years back, ZEE had to wait for the US launch as its existing distribution contract with US pay.

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### Skylo, Inmarsat tie up to service inaccessible regions

Home-grown IoT company Skylo Technologies has partnered with UK-based satellite connectivity provider Inmarsat to connect millions of IoT devices used in inaccessible regions of India for use cases such as fisheries in high seas, precision farming, fleet management and managing vaccine efficacy during delivery.

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## Automobiles and ancillaries

### Auto dealers seek financial support as retail sales skid

With retail sales of cars, two wheelers, three wheelers, commercial vehicles and tractors down 70 per cent in May due to the lockdown in various parts of the country, auto dealers are demanding financial and other support from vehicle manufacturers.

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### New vehicle registrations slide by nearly 40% in Bengaluru

Around 370,000 new vehicles were registered in Bengaluru in 2020-21, down from 610,000 in 2019-20, according to the transport department's records.

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### Centre modifies FAME-II scheme

In a partial modification of the FAME-II scheme (Faster Adoption and manufacturing of electric vehicles in India) under the National Mission for Clean mobility, the govt has decided to for aggregation of electric buses and three wheelers.

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## Start-ups

### UBS investment makes Byju's the most valuable startup in India

EdTech giant Byju's has become the most valuable startup in India after raising about \$350 million in a new tranche of investment from UBS Group and Zoom founder Eric Yuan, Blackstone and others that valued the Bangalore-based firm at \$16.5 billion.

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### Defence Ministry Announces INR 499 Cr Support For Startups, MSMEs

The Defence Ministry announced budgetary support of INR 498.8 crore for research and innovation in the defence sector involving small businesses and startups. The scheme intends to financially support close to 300 MSMEs, startups, individual innovations, and 20 partner incubators under the DIO framework for the next five years.

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### T-AIM launches Revv Up accelerator programme for AI startups

The Telangana government on Monday announced the rollout of an accelerator programme called Revv Up for AI startups as part of its Telangana Artificial Intelligence (AI) Mission (T-AIM). This is aimed at growth-stage AI startups that are based in Hyderabad or intending to set up their facility in the city.

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## Steel

### JSW Steel reports 10% growth in crude steel production in May 2021

JSW Steel has reported a 10 per cent year-on-year growth in crude steel production in May 2021. It produced 13.67 lakh tones as against 12.48 lakh tones in May 2020. The capacity utilization remained at 91 per cent in May 2021 as the Liquid Oxygen supplies were over 30,000 tones for medical purposes from the steel complexes of the company across India as against over 20,000 tones in April 2021.

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### Steel prices unlikely to soften in H2FY22: BWR

The record high price of steel may not ease in the second half of the current fiscal with demand expected to spike amid the ongoing second wave of the pandemic that has caused the demand outlook to continue to be weak and uncertain in the first half, a report by rating agency BWR said

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## Transportation

### Cabinet nod likely soon to push Indian-owned ships

The Union Cabinet is likely to soon approve a scheme to promote the share of Indian-owned ships in its trade fleet, as per a media report. A subsidy of over Rs.16 billion will be provided to shipping companies that participate in global tenders floated by ministries and central public-sector enterprises.

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### Andhra Pradesh govt allocates Rs.14.4 billion for Krishnapatnam Port

The Andhra Pradesh government has allocated an amount to the tune of Rs.14.4 billion towards the development of the Krishnapatnam Port in Nellore district. As per a media report, the development will be taken up on over 1,011 hectares of land, under the Chennai Bengaluru Industrial Corridor project.

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### IndiGo plans up to 7-hour overseas flights

IndiGo plans to launch overseas flights of up to seven hours duration from Delhi, Mumbai, Chennai, Bengaluru and Kolkata, some of them with its longer-range Airbus A321s.

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### NR allows sale of platform tickets at 8 major stations under Delhi division

Northern Railway (NR) has now permitted the sale of platform tickets at eight major stations under the Delhi division. However, the price has been enhanced to Rs.30 per platform ticket in order to prevent unnecessary crowding at the stations.

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### RSRTC recommences services of 1,600 buses in Rajasthan

On 10 June 2021, the Rajasthan State Roadways Transport Corporation (RSRTC) recommenced its services and started operating nearly 1,600 buses in the state, as part of the coronavirus (Covid-19) unlocking process.

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