

Short Takes

■ Timelines in the Works to List All Profit- Making PSUs

NEW DELHI With just six PSUs listed in eight years, the government plans to fix strict timelines for all profit-making, large and medium sized state-owned firms to launch IPOs and list on stock exchanges. The government is clear in its approach of getting all profit-making central public sector enterprises (CPSEs) listed in a time-bound manner to open them up for public scrutiny and higher transparency, DIPAM secretary Neeraj Gupta said.

■ Pay I-T or Apply for PAN Through an App Soon

NEW DELHI In step with government's digital India drive, the income-tax department is developing an app that will soon allow assesseees to pay taxes or apply for PAN using smartphones. The department is also working on a project to issue PAN to assesseees within minutes by way of e-KYC authentication using Aadhaar, a move that will help bring more people under the tax net by making it easier for people to get Permanent Account Numbers.

■ Wheat Procurement Target Fixed at 33 mt

NEW DELHI The government on Wednesday fixed wheat procurement target at 33 million tonnes during the marketing year starting April against 22.96 mt purchased by FCI this year. The target was fixed in the meeting of state food secretaries held here. It was chaired by food secretary Preeti Sudan, said a statement issued by the food ministry. "In consultation with the states, it was decided to procure 33 mt wheat during 2017-18 rabi marketing season, which is considerably more in comparison with the last season actual procurement of 22.96 mt," it said.

■ Insurance Penetration may Cross 4% this Yr: Report

NEW DELHI Insurance penetration in India is expected to cross 4% mark by year-end amid proliferation of insurance schemes, says a report. "The penetration has started its northward journey and it is evident from the fact that it has increased from 3.3% in 2014 to 3.44% in 2015 on the back of insurance schemes launched by the government," said the Assocham report. During the first decade of the sector's liberalisation, there has been a consistent rise from 2.71% in 2001 to 5.20% in 2009.

ARCs may Get a Push as Bad Bank Put on Hold

Govt to explore giving more space to asset-reconstruction & state-run cos to take over stressed assets; meetings with stakeholders likely

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New Delhi: The government will look to give more space to asset-reconstruction and state-run companies to take over stressed assets instead of setting up a bad bank, an idea that gained currency after the Economic Survey suggested it to help banks get rid of their biggest burden. "There are a number of initiatives that are being taken to resolve the stressed assets issue. In this (year's) Budget, more measures have been taken to strengthen asset reconstruction companies. As of now, there is no need for a bad bank," a senior financial ministry official said. The government is expected to hold meetings with all stakeholders to assess the dispute resolution process. The Economic Survey suggested the setting up of a public sector asset rehabi-

litation agency, or bad bank, to buy non-performing assets from state-run banks. In its monetary policy review on February 8, the Reserve Bank of India said it was open to such an idea. The level of stressed assets is seen at over 20% of the gross advances of banks. Bad loans have been the biggest drag on the performance of the state-run banks in the recent years. Getting these out of the books will allow them to focus more on lending. But many, including central bank officials, are cautious on their comments about the success of a bad bank, including on how to find buyers for the NPAs such an entity would take over from banks. A second government official said globally, bad banks have not been very successful and in India as well the experiment with Stressed Asset Stabilization Fund (SASF) has not been encouraging.

On the Back Burner

Bad Bank May be the Last Resort

GOVT NOT keen to set up a bad bank | WANTS ALL stakeholders to explore options | FEARS BAD BANK may ultimately put burden on govt resources



Stressed assets of around ₹9,000 crore were transferred into SASF when IDBI was converted into a bank. This trust has recovered ₹4,500 crore and the remaining valuation of the block is only ₹400 crore.

Past experience not too convincing

GLOBALLY, NOT all bad banks have been a success story

SASF SET UP for taking over IDBI's bad loans also struggling | GOVERNMENT wants ARCs, public sector companies to take lead

all stakeholders," the official said. Earlier this month, during an interaction with industry associations, finance minister Arun Jaitley also said that although the government would consider the suggestion for a bad bank, it was not in favour of a bad loan situation supported only through Budget. Private asset reconstruction companies have not been successful in resolving bad debt, the Economic Survey 2016-17 had noted. A professionally run central agency, with government backing, could overcome the coordination and political issues that have impeded its progress, it added. The government had earlier explored the idea of setting up a National Asset Management Company that could act as a nodal agency to deal with the problem of bad loans. "That process is already on through various channels, including the Banks Board Bureau," said the second official.

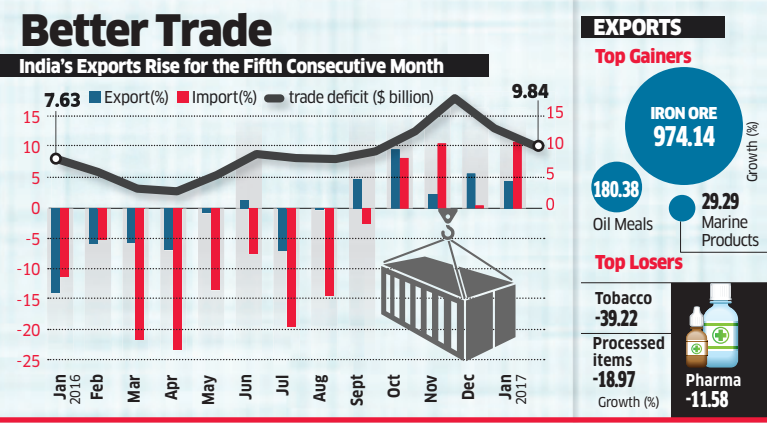
LIMITED IMPACT OF DEMONETISATION

Jan Exports Rise 4.3%, Trade Deficit Widens to \$9.8 billion

Imports increased 10.7% to \$31.9 billion during the month

Our Bureau

New Delhi: Improved demand from the United States, European Union and Japan helped increase India's exports for the fifth month in a row in January, indicating that demonetisation has not hit exports as much as feared. A faster increase in imports, however, widened the trade deficit. Exports went up 4.3% in January from a year ago to \$22.1 billion, data released by the commerce and industry ministry on Wednesday showed. Imports rose 10.7% to \$31.9 billion during the month, yielding a \$9.8 billion trade deficit in January compared with \$7.6 billion in the year-ago period.



Gold imports declined almost 30% to \$2.04 billion in January. As many as 17 out of 30 exporting sectors showed an increase in shipments, but labour intensive sectors such as leather, carpets, and gems and jewellery reported a fall in exports. "Overall the trade balance has improved," the ministry said. Global trade is expected to have grown about 1.7% in 2016 from the previous year: "Positive trade data sets the stage for a further buildup in India's exports taking advantage of pickup in the US and Europe," said T S Bhasin, chairman, EEPIC India.

Coal India Mopup via E-auction Rises

In December quarter, average realisations from e-auction rose to ₹1,546/t

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Kolkata: Federal monopoly Coal India's average e-auction prices for the solid fuel have risen after about 12 months, reflecting a hardening global trend in the costs of the energy source. In the December quarter, average realisations from e-auction rose to ₹1,546 per tonne, 17% higher than the preceding three months, reversing a series of declines that had begun in April 2015. Analysts expect prices to remain firm and aid Coal India improve its financial performance because of output moderation by large regional exporter Indonesia and revival of demand from smokestack industries in China, which had initially triggered global declines by shutting some coal-fired power plants. Coal importer SPIML said international prices are expected to stay stable for the next few months: Imports from Indonesia

into India and continued demand from China – key attributes in reversing price declines now – will likely continue, H Sethi, associate director at SPIML, told ET. Coal India, based in Kolkata, is one of the world's few miners of the fossil fuel that returns at a rate higher than its weighted average cost of capital, according to Bloomberg. Through a raft of operating companies grouped by the geography where the monopoly mines, Coal India raised about 7% of the world's output in 2015, Bloomberg data showed. Since April 2015, average prices fetched by Coal India from local auctions started to fall and in the subsequent 12 months, prices dipped by about 39% from ₹2,184 per ton in the quarter ended June 2015 to ₹1,337 per ton during the quarter ended September 2016. "Reasons for the fall included adequate stocks at power plants and non-power coal consumers, such as cement and fertilisers. International prices were also reflected in the auction prices, which were on the decline prior to July last year," said a senior Coal India executive.

INTERNATIONAL TOOLING SUMMIT 2017

DRIVING THE TOOLING INDUSTRY TOWARDS SELF SUFFICIENCY

'Make in India' has captivated the collective consciousness, and the Tool and Gauge manufacturing industry is playing a pivotal role in making this vision into a reality



(Left to Right) Rajeev Wasan, senior VP, Honda Motors; A Dayanand Reddy, president, TAGMA India; Rajiv Gandhi, executive director-production, Maruti Suzuki India Ltd.; S K Arya, chairman, JBM Group; Sree Prakash, vice president, TAGMA India; Michael Walter, managing director, Buderus Edelstahl GmbH, Germany

Tool and Gauge Manufacturers Association of India (TAGMA), the Apex Body of Indian Tooling Industry had launched the second International Tooling Summit 2017 on 9th February at The Grand Hotel, New Delhi. The two-day summit brought together 300+ key policy makers, CEOs, MDs, manufacturing heads, purchase heads, business heads, etc. under one common platform, to discuss best practices and seek solutions to some of the most pressing challenges in the manufacturing industry. The Die, Moulds and Press Tool manufacturing industry has substantial multiplier effect on the domestic economy hence must be nurtured to become self-reliant. Speaking on the inaugural of the summit, Gandhi said, "India is a country full of opportunities and is capable to unleash much more to the world. The manufacturing sector plays a significant role in India's GDP and for this sector to grow, the OEMs cannot do it all alone. There has to be an ecosystem where OEMs and suppliers support each other and co-exist so that the overall growth objective is met. Both the OEMs and suppliers (including tooling) have to work very closely to

"The Indian tooling industry is expected to grow further with government initiatives. Major OEMs in India are working on a plan for indigenisation of components getting into their main assemblies as per government guidelines. Policy reforms by government to make the procurement of tooling from indigenous sources will ensure growth in domestic production. Hence, to enhance the contribution of tool room industry to the growth and development of the Indian National Economy and to encourage members to be progressive, this two-day conference on tooling industry has been an excellent platform for industry experts to get together, and share their opinion with industry delegates."

— A DAYANAND REDDY, president, Tool and Gauge Manufacturers Association of India (TAGMA)

achieve the best results. I am sure it is possible by collaborating mutually and sharing the thoughts in a structured manner. Another important point which remains a challenge for all us is upgrading our capabilities to meet the global quality standards of the product – be it a tool or a car. Hence, we believe that this Summit will try to bring focus on all these important issues so that it mutually benefits all the stakeholders." In his welcome address A Dayanand Reddy, president, Tool and Gauge Manufacturers Association of India (TAGMA) said, "The Indian tooling industry is expected to grow further with government initiatives. Major OEMs in India are working on a plan for indigenisation of components getting into their main assemblies as per government guidelines. Today, OEMs are procuring tooling from indigenous sources as importing from neighbouring countries is becoming expensive year after year. This will ensure growth in domestic production. Hence, to enhance the contribution of tool room industry to the growth and development of the Indian National Economy and to encourage members to be progressive, this two-day conference on tooling industry has been an excellent platform for industry experts to get together, and share their opinion with industry delegates. With the union budget presented last week for total transformation of India and the GDP growth of 6.5% this year and forecast of about 8% for the next year, with various pro industry policies of the Central Government including 'Make in India' programme, let's hope all of us are poised for good business in the immediate future and in the years to come." Despite various challenges, the tooling industry has managed to surge ahead in the last 10 years with diversification into several emerging areas giving a new lease of life to the sector with an expectancy of 15-20% year-on-year growth.

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INTERNATIONAL Tooling SUMMIT 2017 9 - 10 Feb. 2017 The Grand Hotel, New Delhi TAGMA INDIA www.tagmaindia.org

INITIATIVES FROM TAGMA IN DRIVING THE TOOLING INDUSTRY TOWARDS SELF SUFFICIENCY

TAGMA Centre of Excellence and Training (TAGMA CET)

A Common Facility Centre "promoted by TAGMA and Funded by DHI", is coming up at Chakan, Pune. The construction of facility is in full swing.



We invite Equity participation from the industry for these noble cause and promote the concept of cluster facilities for the growth of the Tool & Die industry



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