

Info Capsule

NET OWNED FUND (NOF) FOR ASSET RECONSTRUCTION COMPANIES (ARCS)¹

In exercise of the powers conferred by clause (b) of sub-section (1) of section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, Reserve Bank of India hereby specifies that the Net Owned Fund (NOF) for Asset Reconstruction Companies (ARCs) shall be minimum Rupees One Hundred Crore on an ongoing basis with effect from the date of this Notification.

All the ARCs which are already registered with Reserve Bank of India, having less than Rupees One Hundred Crore NOF shall achieve the prescribed minimum NOF level latest by March 31, 2019 and the same should be duly certified by the Statutory Auditors.

THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (IBBI) CONSTITUTES TECHNICAL COMMITTEE TO LAY DOWN TECHNICAL STANDARDS FOR THE PERFORMANCE OF CORE SERVICES AND OTHER SERVICES UNDER IBBI (INFORMATION UTILITIES) REGULATIONS, 2017²

The Insolvency and Bankruptcy Board of India (IBBI) has constituted a Technical Committee in accordance with Regulation 14 of the IBBI (Information Utilities) Regulations, 2017. The Technical Committee (Committee) shall consist of the Chairperson and three Members.

The Committee shall give its recommendation for laying down Technical Standards for the performance of core services and other services under Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 and specifically on the following matters, namely:

- (a) the Application Programming Interface;
- (b) standard terms of service;
- (c) registration of users;
- (d) unique identifier for each record and each user;
- (e) submission of information;
- (f) identification and verification of persons;
- (g) authentication of information;

¹ Available at: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10949&Mode=0>

² Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

- (h) verification of information;
- (i) data integrity;
- (j) consent framework for providing access to information to third parties;
- (k) security of the system;
- (l) security of information;
- (m) risk management framework;
- (n) porting of information;
- (o) exchange or transfer of information between information utilities;
- (p) inter-operability among information utilities;
- (q) preservation of information; and
- (r) purging of information.

CABINET APPROVES NATIONAL STEEL POLICY 2017³

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for National Steel Policy (NSP) 2017.

The new Steel Policy enshrines the long term vision of the Government to give impetus to the steel sector. It seeks to enhance domestic steel consumption and ensure high quality steel production and create a technologically advanced and globally competitive steel industry.

Background

Steel is one of the most important products in the modern world and forms the backbone to any industrial economy. India being one of the fastest growing economies in the world, and steel finding its extensive application right from construction, infrastructure, power, aerospace and industrial machinery to consumer products, the sector is of strategic importance to the country. The Indian steel sector has grown exponentially over the past few years to be the third largest producer of steel globally, contributing to about 2% of the country's GDP and employing about 5 lakh people directly and about 20 lakh people indirectly.

Untapped potential with a strong policy support becomes the ideal platform for growth. Owing to the strategic importance of the sector along with the need to have a robust and restructured policy in present scenario, the new NSP, 2017 became imminent. Though, National Steel Policy 2005 (NSP 2005) sought to indicate ways and means of consolidating the gains flowing out of the then economic order and charted out a road map for sustained and efficient growth of the Indian steel industry, it required adaptation in view of the recent developments unfolding in India and also worldwide, both on the demand and supply sides of the steel market.

Key features of the NSP 2017:

1. Create self-sufficiency in steel production by providing policy support & guidance to private manufacturers, MSME steel producers, CPSEs
2. Encourage adequate capacity additions,
3. Development of globally competitive steel manufacturing capabilities,
4. Cost-efficient production

³ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

5. Domestic availability of iron ore, coking coal & natural gas,
6. Facilitating foreign investment
7. Asset acquisitions of raw materials &
8. Enhancing the domestic steel demand.

The policy projects crude steel capacity of 300 million tonnes (MT), production of 255 MT and a robust finished steel per capita consumption of 158 Kgs by 2030 - 31, as against the current consumption of 61 Kgs. The policy also envisages to domestically meet the entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications and increase domestic availability of washed coking coal so as to reduce import dependence on coking coal from about 85% to around 65% by 2030-31.

Some Highlights of New Steel Policy

- The Indian steel sector has grown rapidly over the past few years and presently it is the third largest steel producer globally, contributing to about 2% of the country's GDP. India has also crossed 100 MT mark for production for sale in 2016-17.
- The New Steel Policy, 2017 aspires to achieve 300MT of steel-making capacity by 2030. This would translate into additional investment of Rs. 10 lakh Crore by 2030-31.
- The Policy seeks to increase consumption of steel and major segments are infrastructure, automobiles and housing. New Steel Policy seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from existing level of around 60 Kg.
- Potential of MSME steel sector has been recognised. Policy stipulates that adoption of energy efficient technologies in the MSME steel sector will be encouraged to improve the overall productivity & reduce energy intensity.
- Steel Ministry will facilitate R&D in the sector through the establishment of Steel Research and Technology Mission of India (SRTMI). The initiative is aimed to spearhead R&D of national importance in iron & steel sector utilizing tripartite synergy amongst industry, national R&D laboratories and academic institutes.
- Ministry through policy measures will ensure availability of raw materials like Iron ore, Coking coal and non-coking coal, Natural gas etc. at competitive rates.
- With the roll out of the National Steel Policy-2017, it is envisaged that the industry will be steered in creating an environment for promoting domestic steel and thereby ensuring a scenario where production meets the anticipated pace of growth in consumption, through a technologically advanced and globally competitive steel industry. This will be facilitated by Ministry of Steel, in coordination with relevant Ministries, as may be required.

Team ICSI

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