

## IN BRIEF

**NTPC to supply 300 MW power to Bangladesh**

**NEW DELHI**  
NTPC said it had won a tender to supply 300 megawatts (MW) of electricity to Bangladesh for 15 years. Without giving details of the rate at which power will be supplied, NTPC said the supply is likely to begin from June 2018 after commissioning of the 500 MW HVDC inter-connection project between India and Bangladesh. India currently exports approximately 600 MW to Bangladesh. PTI

**Fortis accepts Singh brothers' resignations**

**NEW DELHI**  
Fortis Healthcare said on Tuesday its board had accepted the resignations of promoters Malvinder Mohan Singh and Shivinder Mohan Singh. The board of directors of the company accepted the resignations of Malvinder, executive chairman, and Shivinder, non-executive vice chairman, with effect from February 8, 2018, the company said in a BSE filing. The board has constituted a management committee to oversee the functioning of the company. PTI

**'Wheat acreage declines 4.27% in 2017-18'**

**NEW DELHI**  
Area sown to wheat has declined 4.27% to 30.42 million hectares in the current rabi season of 2017-18, which may lead to a fall in production from last year's record 98.38 million tonne (MT). According to official data, wheat acreage has fallen because of lesser area coverage in Madhya Pradesh, Uttar Pradesh, Rajasthan, Haryana, West Bengal, Maharashtra and Uttarakhand. PTI

**'Plantation staff can buy subsidised fertilizers'**

**M. SOUNDARIYA PREETHA**  
**COIMBATORE**  
The Ministry of Chemicals and Fertilizers on Tuesday clarified that registered companies and partnership firms engaged in plantation work can authorise any of their employees to purchase subsidised fertilizers. The clarification said the employee can purchase any specified quantity and type of subsidised fertilizers on behalf of the company using his or her Aadhaar number and produce the authorisation letter at the retail outlet at the time of purchase.

However, a plantation sector source said this might not benefit the plantations as they cannot take GST input credit on fertilizers if an employee purchases it in his or her name.

# 'RBI norms to spur increase in NPAs'

Early identification of stress and resolution will prevent future evergreening, says Moody's unit ICRA

**SPECIAL CORRESPONDENT**  
**MUMBAI**

The Reserve Bank of India's new norms directing banks to start insolvency proceedings on accounts, if stress is not resolved in 180 days, could result in an increase in bad loans, according to Moody's unit ICRA.

"In our view, the revised framework on resolution of stressed assets issued by RBI is likely to increase the reported non-performing asset (NPA) levels of the banks in coming quarters," ICRA said.

The RBI said that for accounts where a bank's exposure exceeds ₹2,000 crore, a resolution plan must be implemented within 180 days from the date of first default, and in case a resolution is not implemented, lenders should file an insolvency petition within 15 days of the



**No pain, no gain:** The latest norms will increase the short-term pain for borrowers as well lenders, says ICRA. \*REUTERS

expiry of the 180 days.

"This has been the case with most of the NCLT 2 list of borrowers, whereby the resolution plans failed for most of the borrowers and were referred under IBC; this is expected to further spike up the credit provisioning requirements for banks during

FY2019," ICRA said.

The RBI had sent two lists of firms against which insolvency proceedings could be taken at the National Company Law Tribunal. Banks have to make a 50% provision in respect of accounts that are subject to insolvency proceedings. In comparison, the

provisioning norm for sub-standard assets is 15-20%.

**Proactive resolution**

The RBI norms, announced on Monday, entail proactive resolution of stressed assets with lenders needing to finalise the resolution plan as an account slips into special mention account category. SMA category indicates the time period over which repayment on a loan has not been made. Banks' gross NPAs and standard restructuring advances were estimated at 12.6% as on September 30, 2017. The RBI had estimated SMA 2 advances (where repayment is not made for more than 60 days) to be 3.5% of gross advances.

ICRA said overall stress levels of banks including SMA0 (overdue between 1 and 30 days) and SMA1 (over-

due between 31 and 60 days) borrowers was much higher than the reported GNPA level of 10.3% as on September 30.

"While in the short-term this will increase the pain for the borrowers as well the lenders... early identification of stress and resolution will prevent future evergreening of loans and ensure a good financial health for the banking system in the long-term," said Karthik Srinivasan, Group Head, Financial Sector Ratings, ICRA.

KPMG said RBI should have been more accommodative on provisioning. Genuine business cycles and economic cycles that could lead to payment delays should have been factored in, observed Manish Aggarwal, Partner & head resolutions - special situations group, KPMG India.

## Centre plans to merge small savings, PPF laws

'Move aimed at removing ambiguities'

**SPECIAL CORRESPONDENT**  
**NEW DELHI**

In a bid to consolidate the legislations pertaining to small savings schemes, the government is proposing a merger of the various laws into a Government Savings Promotion Act.

"The government gives highest priority to the interest of small savers, especially savings for the benefit of the girl child, senior citizens and regular savers who form the backbone of our country's savings architecture," the government said in a release.

"In order to remove existing ambiguities due to multiple Acts and rules for small saving schemes... [the go-

vernment] has proposed merger of Government Savings Certificates Act, 1959 and Public Provident Fund Act, 1968 with the Government Savings Banks Act, 1873." "All existing protections have been retained while consolidating PPF Act under the proposed Government Savings Promotion Act," the release added.

**Benefits retained**

"No existing benefits to depositors are proposed to be taken away through this process. The main objective in proposing a common Act is to make implementation easier for the depositors as they need not go through different rules and Acts."

## Citi India prohibits use of its cards to buy bitcoins

Move follows RBI's concerns over trade in cryptocurrencies

**SPECIAL CORRESPONDENT**  
**MUMBAI**

Citi India announced its customers cannot use its credit and debit cards to purchase or trade in cryptocurrencies. The lender has informed its customers about the decision. This is the first instance that a bank in India has taken such a step.

**'Potential risks'**

"Given concerns both globally and locally including from Reserve Bank of India cautioning members of the public regarding potential economic, financial, operational, legal and customer protection and security-related risks associated in



dealing with bitcoins, other cryptocurrencies and virtual currencies, Citi India has decided not to permit usage of its credit and debit card towards purchase or trading of such... currencies," the foreign lender said in a com-

munication to its customers.

The move is in line with Citigroup's global policy that has barred usage of cards for purchase of and trade in cryptocurrencies.

Recently, the banking regulator had voiced concerns over virtual currencies and said it had not given any licence or authorisation to any entity or company to operate trading platforms or deal in bitcoins or any virtual currency.

"The creation, trading or usage of VCs including bitcoins, as a medium for payment, are not authorised by any central bank or monetary authority," the Reserve Bank of India had said.

## 'Accords with UAE to boost energy security'

ADNOC to invest \$400 mn in storage

**SPECIAL CORRESPONDENT**  
**NEW DELHI**

Prime Minister Narendra Modi's recent trip to the UAE has resulted in two agreements being signed that will strengthen India's energy security, said Petroleum and Natural Gas Minister Dharmendra Pradhan.

"Two highlights of the PM's visit were the signing of the Concession Agreement between an Indian consortium and Abu Dhabi National Oil Company for award of 10% stake in Lower Zakum Offshore oil field, and an agreement between Indian Strategic Petroleum Reserves (ISPRL) and ADNOC to operationalise the filling up of a strategic petroleum reserve cavern in Mangalore," he said at a press conference. The Lower Zakum oil field is coming up



Dharmendra Pradhan

for rebidding for 40% of its capacity, of which 10% had been awarded to India.

The second agreement allowed ADNOC to invest in the strategic crude oil storage facility in Mangalore.

"ADNOC will invest about \$400 million [for] storing crude in one ISPRL underground rock cavern... of capacity 5.86 million barrels."

## Oracle adds programme for start-ups

**PEERZADA ABRAR**  
**BENGALURU**

Technology giant Oracle has announced the expansion of its global start-up programme in an effort to increase support for the start-up community.

The expansion includes the unveiling of a new virtual-style and non-residential global programme, named 'Oracle Scaleup Ecosystem.'

It is designed for young firms and venture capital and private equity portfolio companies to enable hypergrowth and scale.

"It enables us to reach more innovators and entrepreneurs, regardless of location, including later-stage scaleup companies," said Reggie Bradford, Oracle senior vice-president, Startup Ecosystem and Accelerator, in a statement.

## 'Ultra rich spend time, money to be hale and hearty; number to double by FY22'

Health, fitness a priority; equity regains popularity as investment: Kotak study

**SPECIAL CORRESPONDENT**  
**MUMBAI**

Health and wealth go hand in hand for a small group of super-rich Indians.

A study of such ultra high-net worth individuals (Ultra HNIs) - who have a minimum net worth of ₹25 crore - showed that a majority of such entities are less than 40 years and are spending more time and money on yoga, memberships in exclusive health clubs, sleep management programmes, smart wearable technology and fitness apps.

The latest study by Kotak Wealth Management said the total number of ultra HNIs in India rose 10% in 2017 to 1.6 lakh with a combined wealth of ₹153 lakh crore. Further, the number of such people is expected to grow to 3.3 lakh



**Sweating the big bucks:** Almost 60% of the individuals surveyed were below the age of 40.

by 2021-22 with a cumulative net worth of ₹352 lakh crore.

Interestingly, the average age of such ultra HNIs has gone down with almost 60% of the individuals surveyed below the age of 40. The latest edition of the survey had 47% respondents below 40.

The latest survey included 200 respondents.

These individuals increased spends in apparel and accessories, holidays, home décor, jewellery, cars, electronic gadgets, philanthropy, vintage spirits and liquor while spending stayed

steadily in luxury watches and art. A majority of respondents said they adopted a structured approach to health and wellness and follow a fitness regime.

**Home gyms popular**

Memberships to health clubs or select gyms were popular, and so were multi-equipment home gyms, said the report.

Further, 23% of respondents - majority of these aged 25-35 years - attended sleep-management programmes. Among investment avenues, equity regained popularity and the share of equity as a source of wealth doubled while debt and real estate lost some sheen. Alternate investment funds and private equity, gained prominence, it said.



**Data talk:** IBM CEO Ginni Rometty (right) with SBI Chairman Rajnish Kumar at a forum in Mumbai on Tuesday. \*VIJAY BATE

## IBM is placing a 'big bet' on India, says CEO

'Data, an opportunity and an issue'

**SPECIAL CORRESPONDENT**  
**MUMBAI**

Technology giant IBM is placing a 'big bet' on India and making substantial investments in 'one of the fastest-growing economies in the world', according to its chairman, president and CEO Ginni Rometty.

"India is important for IBM. Here, we do real product development and research. We have our global business and technology delivery centre [here]. With digital India, India is moving very fast and we will make investments in [the country]," said Ms. Rometty, without disclosing the size of investments.

Ms. Rometty also batted for "responsible stewardship" saying organisations and governments need to ensure that principles of data security and privacy are upheld as new technologies like cloud and artificial intelligence evolve and influence lives of citizens globally.

**'Inflection point'**

Speaking at the IBM think Forum here, she said the evolution of these technologies presents an "inflection point" for enterprises, technology and the overall socie-

ty. "We have to usher these technologies in with purpose and transparency. Purpose meaning artificial intelligence (AI) is here to augment what you and I do, not replace us," she said emphasising that enterprises need to share with customers information like the use of AI and the data collected.

She said the world is entering an era where incumbent companies can now become disrupters by leveraging technology platforms, infusing in processes and letting employees learn from data.

"One of the topics I spoke to PM Modi about... all these wonderful data, it will be the opportunity of our life, but it could also be the issue of our times. All the data is going to put a premium on what I call 'responsible stewardship' for society to bring those new technologies into this world really safely," she said.

"We all have to live by a set of data principles. Who do you think should own the data? We believe you own your data... things like ownership, privacy, security.. no government should access it inappropriately."

(With PTI inputs)

### IN FOND REMEMBRANCE

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**Shri T.S. Narayanaswami**  
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