

RBI norms to spur increase in NPAs'

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.

- The RBI said that for accounts where a bank's exposure exceeds Rs 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 expiry of the 180 days.
- 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%.

The RBI norms, announced 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 restructured 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.

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.

Centre plans to merge small savings, PPF laws

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.

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

- 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.

INTERNATIONAL

ANC orders Zuma to step down

South Africa's ruling party ordered Jacob Zuma to step down as head of state after marathon talks over the fate of a leader whose scandal-plagued years in power darkened and divided Nelson Mandela's post-apartheid 'Rainbow Nation'.

- Leading members of the African National Congress (ANC) now want new party leader Cyril Ramaphosa to replace Mr. Zuma as president.

The ANC party can "recall" the head of state, but the process is a party-level instruction and Mr. Zuma is under no constitutional obligation to obey.

Despite the damning decision to order Mr. Zuma's "recall" — party speak for 'removal from office' — domestic media said the 75-year-old might yet defy the party's wishes, forcing it into the indignity of having to unseat him in Parliament.

South Africa's economy has stagnated during Mr. Zuma's nine-year tenure, with banks and mining companies reluctant to invest because of policy uncertainty and rampant corruption.

Since becoming President in 2009, Mr. Zuma has been dogged by scandal. He is fighting the reinstatement of 783 counts of corruption over a 30 billion-rand (now \$2.5 billion) government arms deal arranged in the late 1990s when he was Deputy President.

Pakistan to take over JuD assets

The Pakistani government is set to take over the assets of the Jamaat-ud-Dawa (JuD) and its subsidiary, Falah-e-Insaniyat Foundation (FIF), which are linked to Hafiz Saeed, following a presidential decree to rein in the UN-declared terrorist outfits.

- The JuD and the FIF were banned by the UN, but they got a reprieve from the Lahore High Court. Saeed, the alleged mastermind of the 2008 Mumbai terror attack, was jailed for months last year

Kim stresses need to boost inter-Korea talks

North Korean leader Kim Jong-un said that he wants to boost the “warm climate of reconciliation and dialogue” with South Korea after his high-level delegation returned from a visit.

- Mr. Kim gave instructions for measures aimed at more inter-Korean engagement after his younger sister Kim Yo-jong led a three-day visit to the Pyeongchang Winter Olympics.

The U.S. appeared to endorse deeper post-Olympics engagement between the two Koreas that could lead to talks between Pyongyang and Washington.

- The South's President, Moon Jae-in, said that the U.S. was open to talking with North Korea.

STATE-TELANGANA

IT Congress to bring world's first robot citizen to city

An unlikely guest speaker will share the dais with national and international leaders at the World Congress on Information Technology, 2018 (WCIT-2018).

- The guest to address the congregation alongside Prime Minister Narendra Modi, Sri Lankan premier Ranil Wickramasinghe, is none other than Sophia, the first humanoid robot to be granted citizenship of any country.
- She has been prominently featured among speakers on the web page of the NASSCOM's WCIT-Nasscom India Leadership Forum 2018, and is scheduled to speak on February 20.

Already popular for the sophisticated use of Artificial Intelligence in the making of her, Sophia also boasts of looks like Hollywood celebrity Audrey Hepburn.

- She is the work of Hong Kong-based Hanson Robotics in 2015, manufactured to be media-savvy with exceptional conversational skills.

- In 2017, the robot was granted Saudi Arabian citizenship, and made the United Nations Development Programme's Innovation Champion for Asia and the Pacific.
- Equipped with face and voice recognition, and visual data processing features, Sophia can not only answer simple questions on predetermined topics, but also has the inherent capabilities to process the interactions, and progressively improve on her conversational skills.
- Endowed with 62 kinds of human-like expressions/emotions, she has also been given the gift of mobility at the start of this year.
- Albeit her maiden visit to the city, this is by no means Sophia's first to the country. She had earlier made a sari-clad appearance at IIT-Bombay's annual techfest in December last years, where she called for collaborative coexistence between humans and robots.

Shamshabad airport bags award

GMR Hyderabad International Airport Ltd. (GHIAL), which operates Rajiv Gandhi International Airport, at Hyderabad, has won the prestigious 'Golden Peacock Award for Corporate Social Responsibility' for 2017 in the transportation sector under the 'Aviation' category.

- Former chief justice of India M.N. Venkatachaliah handed over the award at the 39th Golden Peacock Awards presentation ceremony during the Institute of Directors, India & 12th International Conference on Corporate Social Responsibility'.
- The Golden Peacock Awards, constituted by the Institute of Directors (IOD), India, is regarded as a benchmark of corporate excellence worldwide.