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Dear Comrades,

19th December, 2017

News of Interest 19th DEC

MOTIVATIONAL QUOTES

“A PEOPLE WITHOUT THE KNOWLEDGE OF THEIR PAST HISTORY, ORIGIN AND CULTURE IS LIKE A TREE WITHOUT ROOTS. “ MARCUS GARVEY

HIGHLIGHTS

1. BJP RETAINS GUJARAT WITH 99 SEATS, TRAMPLES CONGRESS IN HIMACHAL
2. SECTION OF PSU BANK UNIONS THREATENS STRIKE ON DECEMBER 27
3. DEPOSITORS CAN STOP WORRYING FOR NOW AS FRDI BILL MAY NOT BE TABLED IN BUDGET SESSION TOO
4. GROSS NPAS OF BANKS CROSS RS 8.50 LAKH CRORE IN FIRST HALF: MOS
5. IRDAI PANEL URGES MORE FLEXIBILITY IN INVESTMENT NORMS FOR INSURERS

Business Standard

1. BJP retains Gujarat with 99 seats, tramples Congress in Himachal

The twin victories tightened BJP's grip over the country's politics that saw Congress lose one more state with general elections only 18 months away

[Press Trust of India](#)

Gujarat elections result (182/182 seats)

The BJP fought off a strong challenge from Rahul Gandhi-led Congress to win the Gujarat assembly polls for the sixth straight time today, and also wrested power from the Congress in Himachal Pradesh in a sweeping victory.

The twin victories tightened BJP's grip over the country's politics that saw Congress lose one more state with general elections only 18 months away.

Still, the euphoria in the BJP camp was tempered by the lower-than-expected margin of victory in Gujarat — it took 99 seats, down from 115 it won in 2012, and far lower than the 150-plus seats it had hoped for. Congress won 77 seats.

Prime Minister Narendra Modi hailed the party's victory in Gujarat where it has been continuously in power since 1998 — as "unprecedented", noting that retaining office was once considered a huge achievement in the country.

Modi also said the win in Gujarat this time was not 'samanya' (normal) but 'asamanya' (special).

He accused the Congress of promoting casteism in the elections, and said there were "many forces at work" besides the opposition party to bring the BJP down.

"In their hunger for power, some people tried to sow the seeds of casteism in the last few months for the elections. The people rejected it," he said.

Gujarat is a prestigious trophy for the BJP given that both Modi and BJP President Amit Shah hail from the state. The two leaders personally led a high-pitched campaign to counter Gandhi, who grew in influence with well chosen homilies, one- liners and clever barbs to target the BJP on issues such as GST, corruption and development.

The elections, especially the Gujarat polls, became a virtual trailer for the next Lok Sabha elections, which should be held before May 2019.

Today's victories establish not only the BJP's supremacy but also Modi's apparent invincibility. Yet, it also made Gandhi, who recently assumed Congress president ship, a serious challenger as he appeared more confident in taking on the BJP stalwarts.

Shah pointed out that though the BJP lost about 15 seats, its vote share rose by a little over 1 per cent to 49.1 per cent compared to the 2012 Assembly polls.

The Congress, which had 61 in 2012, also improved its vote share, which touched 41.4 per cent--a two per cent increase. The Congress was also helped by young Patidar and Dalit leaders Hardik Patel, Alpesh Thakor and Jignesh Mewani.

"This is double joy for me," said Modi, a former Gujarat chief minister, in a victory speech at the BJP headquarters in New Delhi.

He said he was happy that his successors continued the development work which he had spearheaded during his stint as chief minister from 2001 to May 2014.

In a tweet, Modi said: "I assure (people of Gujarat and Himachal Pradesh) that we will leave no stone unturned in furthering the development journey of these states and serve the people tirelessly."

Party	Won	Leading	Total
Bharatiya Janata Party	99	0	99

Indian National Congress	77	0	77
Nationalist Congress Party	1	0	1
Bhartiya Tribal Party	2	0	2
Independent	3	0	3
Total	182	0	182

In a tweet, Gandhi said his party "accepts the verdict of the people and congratulates the new governments in both states."

He thanked his party members for fighting "anger with dignity."

The Congress now rules only Karnataka and Punjab among the major states, besides Puduchery, Meghalaya and Mizoram. Karnataka elections are due next year.

"We have set a record in the history of the BJP by winning consecutive assembly polls... Anti-incumbency is not working there. The prime minister's popularity is intact. Amit Shah's strategy has worked," BJP vice president Shyam Jaju said.

As the victories became clear, party workers gathered in the streets and headquarters, distributing sweets and bursting firecrackers.

The BJP's dip this time was touted by the Congress as a reflection of Gandhi's efforts during the campaign, when he appeared to have improved his reputation as a politician.

"The Congress' tally has gone up there, while the BJP's numbers have fallen. This is the start of Rahul Gandhi's political story," senior Congress leader Kamal Nath told reporters outside Parliament. The BJP said what matters is the victory.

"Jo jeeta wohi Sikandar (whoever wins is the king)," said Union minister Smriti Irani, when asked if the Congress gave her party a tough fight.

Gujarat Chief Minister Vijay Rupani retained his Rajkot West seat, defeating Indranil Rajyaguru of Congress.

The Dec 9 and 14 elections took place in the backdrop of GST and demonetisation, which the opposition had claimed would inflict a huge dent in Modi's popularity.

Gujarat Deputy Chief Minister Nitin Patel won the Mehsana seat against Congress candidate Jivabhai Patel. Mehsana was the epicentre of the Patidar reservation agitation.

The BJP has won every election in Gujarat since 1995. However, it was out of power for a couple of years in between elections due to party infighting and rebellion by Shankersinh Vaghela. BJP came back to power in 1998, and has ruled uninterrupted since then.

Himachal Pradesh election result (68/68 seats)

The Bharatiya Janata Party (BJP) snatched power from the Congress in Himachal Pradesh amid the embarrassment of its Chief Ministerial candidate Prem Kumar Dhumal facing defeat.

Out of 68 seats, BJP bagged 44. Congress won 20 constituencies. The Communist Party of India (Marxist) and an independent won one seat each.

The counting of votes for the 68 seats in Himachal Pradesh began at 8 am. The Election Commission of India will announce the final Himachal Pradesh election results by the evening.

Party	Won	Leading	Total
Bharatiya Janata Party	44	0	44
Indian National Congress	20	1	21
Communist Party of India (Marxist)	1	0	1
Independent	1	1	2
Total	66	2	68

2. Section of PSU bank unions threatens strike on December 27

Banks have been informed by Indian Banks' Association that members of All India Bank Employees Association and All India Bank Officers Association have served notices of strike

Press Trust of India

A section of bank unions have given a strike call for December 27 for early implementation of wage revision for IDBI Bank employees which has been due since 2012.

Following the strike call, many banks including State Bank of India (SBI), Vijaya Bank have already informed their customers about inconvenience if it materialises.

Banks have been informed by Indian Banks' Association (IBA) that members of All India Bank Employees Association (AIBEA) and All India Bank Officers Association (AIBOA) have served notices of strike on IBA for December 27 in all banks on certain issues.

According to AIBEA General Secretary C H Venkatachalam, the strike call has been given in the support of IDBI Bank employees and staff protest of undue delay of about 5 year in implementation of wage revision.

The wage revision in IDBI Bank has been due since 2012, he said, adding that the Chief Labour Commissioner has called conciliatory meeting on December 20.

If IBA and bank management do not come up with assurance, the unions would be forced to go on strike, he added.

"Members of the said unions are likely to participate in this strike. The strike has been called by AIBEA or AIBOA which have members in certain areas of our bank. Hence, the likely impact of strike may not be much excluding few areas," SBI said in a filing to stock exchanges.

Financial Express

3. Depositors can stop worrying for now as FRDI Bill may not be tabled in Budget Session too

The controversial Financial Resolution and Deposit Insurance (FRDI) Bill, which was officially listed for the Winter Session of the Parliament, may not be introduced in Parliament even during the Budget Session

By: [FE Online](#)

The controversial Financial Resolution and Deposit Insurance (FRDI) Bill, which was officially listed for the Winter Session of the Parliament, may not be introduced in Parliament even during the Budget Session as the Parliamentary Standing Committee gets an extension to submitting its report "up to the last day of Budget Session, 2018". Lok Sabha Speaker Sumitra Mahajan informed the House that extension of time has been granted for the joint panel on the FRDI Bill "up to the last day of Budget Session, 2018".

The committee on the FRDI Bill decided to seek extension as they were not ready for a presentation by December 15 — the first day of the ongoing Winter Session. The Union Cabinet chaired by Prime Minister Narendra had approved the proposal to introduce FRDI Bill in June this year. The bill was tabled in Lok Sabha in the monsoon session.

The FRDI Bill establishes a Resolution Corporation to monitor financial firms, anticipate the risk of failure, take corrective action, and resolve them in case of such failure. The bill created controversy over its 'bail-in' clause, which allowed critically ill banks to restructure their liabilities, which are also depositors' monies.

The clause is being opposed by many sections of society, as it is understood to be putting depositors' money in danger. So far thousands of people have petitioned against it online even as the government, on several occasions, assured the public that the bill was depositor friendly and provided more protection.

What the bail-in clause is

A bail-in is rescuing a financial institution on the brink of failure by making its creditors and depositors take a loss on their holdings. A bail-in is an opposite of bail-out, in which, the banks instead of saving bankrupt companies, save themselves. So, the FRDI bill, if passed in the Winter Session scheduled to commence on December 15, will allow critically ill banks to restructure their liabilities, which are also depositors' monies. Restructuring of liabilities means that they can take your deposited cash and issue bonds, shares etc, which can be redeemed only after a fixed period of time.

Economic Times

4. Gross NPAs of banks cross Rs 8.50 lakh crore in first half: MoS

PTI

Gross Non-performing Assets (NPAs) of banks crossed Rs 8.50 lakh crore at the end of September 2017, Minister of State for Finance Shiv Pratap Shukla informed the Lok Sabha.

"Reserve Bank of India (RBI) has informed that the growth in provisions for NPAs of Public Sector Banks (PSBs) in the first half of the current financial year (as on September 30, 2017 over March 31, 2017) was 9.5 per cent," he said in a written reply to the house.

RBI has issued directions to certain banks for referring 12 accounts, with fund and non-fund based outstanding amount greater than Rs 5,000 crore and with 60 per cent or more classified as non-performing as of March 31, 2016, to initiate insolvency process under the Insolvency and Bankruptcy Code, 2016, the minister said.

These 12 accounts constituted about 25 per cent of the gross NPAs of the banking system, he said in another reply.

In addition to these accounts, Shukla said, RBI has also issued directions to resolve certain other accounts within six months, failing which insolvency proceedings under the Code will need to be initiated.

Replying to another question, the minister said there is no proposal under consideration of the government to withdraw bank cheque book facility.

"While the government is committed to transform India into a less cash economy and promote digital and electronic transactions through multi-pronged initiatives, cheques are an integral part of the payments landscape and form the backbone of trade and commerce, by being negotiable instruments, which often serve as the security for underlying trade transactions," he said. PTI DP BAL 12181845 NNNN

Business Line

5. IRDAI panel urges more flexibility in investment norms for insurers

OUR BUREAU

A panel formed by the Insurance Regulatory and Development Authority of India (IRDAI) has suggested major changes in the investment norms for the life insurance sector, among a host of other measures.

The committee, constituted by the regulator in January this year, opined that current investment norms applicable to traditional business were quite 'restrictive' and making it difficult to offer competitive returns to the policyholders.

The current investment regulations mandating investment in certain asset classes limit the returns that may be generated to enable better return for the policyholders.

The norms "should undergo significant change" to improve the returns generated by the funds while taking account of the risks inherent in the various asset classes, it said.

There is a need to review the IRDAI (Non- Linked Insurance Products) Regulations, 2013 and IRDAI (Linked Insurance Products) Regulations in February, 2013 due to changing economic environment.

The panel recommendations, which were released by the Authority, pointed out that the expectation of generating a return of at least 8 per cent per annum is a "tall order" given that at least 50 per cent of assets of the insurer are mandatory to be backed by government securities (G-Secs), which currently yield about 6.7 per cent to 7.2 per cent annually.

Further, given the downward pressure on interest rates, the actual yields on future premiums are only expected to be lower, it said adding lowering of

the mandatory proportion of 'G-Secs' in the Life Fund and the Pension and General Annuity Funds might be of help.

The panel further said along with existing avenues like NPS, EPF, PPF, multiple other avenues will be required to reach the untapped working population.

According to IRDAI data, life insurance penetration surged from 2.15 per cent in 2001 to 4.60 per cent in 2009. Since then, it has exhibited a declining trend reaching 2.6 per cent in 2014, marginally increasing to 2.72 per cent in 2016.

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY