



**ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION**  
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)  
163/4, Kutchery Road, Mylapore, Chennai - 600004  
E mail i.d: [aiubparf@gmail.com](mailto:aiubparf@gmail.com)/ [ubioatngr@gmail.com](mailto:ubioatngr@gmail.com)/ [suryanarayananram@gmail.com](mailto:suryanarayananram@gmail.com)

---

Com. P.B. Thomas Chairman Thiruvananthapuram M: 09447177456	Com. B.B. Yadav Vice Chairman Sangli M: :098811 91110	Com. Nitin Desai President Ahmedabad M: 097277 60641	Com. S. Bagchi Working President Kolkata M: 0983081586	Com. N. Govindarajulu General Secretary Chennai M: 09841089111
--	--	---	---	---

---

Dear Comrades,

24th May , 2019

### News of Interest 24th May

#### QUOTE OF THE DAY

#### HIGHLIGHTS

1. 'GREATEST ELECTORAL TRIUMPH': MODI CRUSHES OPPOSITION, SWEARS BY DEMOCRACY
2. HINDUSTAN INFRA LOG ACQUIRES 76 PERCENT STAKE IN KRIBHCO INFRASTRUCTURE
3. BEYOND CAPITAL AND INFRASTRUCTURE, INDIAN MSMES SEEK ECOSYSTEM OVERHAUL FROM NEW GOVERNMENT
4. BRIDGE NBFC-BANK DIVIDE, GET CREDIT TO FLOW
5. RBI ALLOWS MODERN CURRENCY CHESTS TO HIKE SERVICE CHARGES

#### Business Standard

#### 1. 'Greatest electoral triumph': Modi crushes Opposition, swears by democracy

BJP returns with bigger mandate than 2014; Congress decimated in all big states; Rahul Gandhi loses Amethi

Archis Mohan

Never since Indira Gandhi's famous 1971 electoral triumph had an incumbent prime minister returned with a majority. Never since 1984 had a party crossed the 300-seat mark.

On Thursday, Prime Minister Narendra Modi became the first ever non-Congress prime minister to return to power after a full term, and also the first in 48 years to return with a majority.

The BJP, at the time of filing this report, was leading in 303 seats, and in 353 seats along with its allies.

The last time a party crossed the 300-seat mark was in 1984, when the Congress won more than 400 seats in the wake of Indira Gandhi's assassination.

The scale and spread of the BJP's victory are impressive. Apart from winning an unprecedented majority, the BJP vote share in 12 states is more than 50 per cent, including in big states such as Karnataka, Gujarat, Madhya Pradesh and Rajasthan. In Uttar Pradesh and Tripura, the BJP vote share is 49 per cent.

The Congress, expected to challenge the BJP at least in some of the Hindi heartland states after its Assembly poll successes in December, won or was leading in a mere 52 seats. It had won 44 seats in 2014.

No one from the Congress may get the status of the leader of the opposition party in the Lok Sabha — for the second time in succession — because it does not have 10 per cent of the strength of the House.

The Congress could not win a single seat in as many as 14 states including Rajasthan, Gujarat and Haryana. In bigger states such as Madhya Pradesh, UP, Jharkhand, Karnataka and Maharashtra, the Congress could win or was leading in one seat each. To rub salt into its wounds, the BJP's Smriti Irani defeated Congress President Rahul Gandhi in his stronghold of Amethi by over 55,000 votes. Gandhi, who won his other seat from Kerala's Wayanad, has offered to quit as his party's chief.

In states like Uttar Pradesh, where some had expected the 'mahagathbandhan' of the Samajwadi Party-Bahujan Samaj Party-Rashtriya Lok Dal to stop the BJP's juggernaut, it not only won or was leading in 64 seats, along with two of the ally Apna Dal, but bagged a staggering vote share of 49.6 per cent.

In effect, the BJP in UP improved significantly on its 2014 vote share of 42.3 per cent. In 2014, the BJP alliance had won 73 seats, including two of the Apna Dal. The mahagathbandhan could win or was leading in only 15 seats, with the Bahujan Samaj Party winning 10 and Samajwadi Party five. However, BSP chief Mayawati thanked her allies, indicating the alliance was likely to continue for the 2022 UP Assembly polls.

The BJP made inroads into states it had termed its "final frontiers", including West Bengal, Odisha and Telangana. In West Bengal, the BJP won or was leading in 18 seats against the Trinamool Congress' 22, with a vote share of 40.2 per cent. In Telangana, the BJP won four seats. Nationally, the BJP is on its way to increasing its vote share from its all-time high of 31 per cent in 2014 to nearly 37 per cent.

At the BJP's victory celebrations in the national capital in the evening, Modi appealed to his workers to exhibit humility in what is the "greatest electoral triumph since the independence in 1947".

"We have to move ahead.

We have to take everyone with us, even our opponents. We have to work for the benefit of the country," he said, adding he would not do anything with bad intent even though he might at times commit a mistake on the job.

According to sources, the prime minister is likely to ask all his ministers to prepare a 100-day agenda for the government. The BJP will hold its parliamentary party meeting in the central hall of Parliament on Sunday, where the newly elected MPs of the party will elect Modi their leader. The President would subsequently invite Modi, and his council of ministers, to take oath of office. In 2014, the swearing-in took place on May 26. The Cabinet will meet on Friday to recommend the dissolution of the current Lok Sabha to the President.

The BJP's win will be interpreted in various ways in the days to come.

In a statement, the Rashtriya Swayamsevak Sangh (RSS), the ideological parent of the BJP, said the election was between two "ideas of Bharat", one that believes in its "ancient spiritualism based on integral, holistic and all-inclusive worldview" versus the un-Indian worldview of looking at society through the prism of identities and exclusion.

At the celebrations, BJP chief Amit Shah introduced Modi as one of the most powerful leaders of the world. Congratulatory messages poured from leaders across the world, including from Chinese President Xi Jinping, Japanese Prime Minister Shinzo Abe, Russian President Vladimir Putin and Pakistan Prime Minister Imran Khan.

The PM is set to visit Bishkek to attend the Shanghai Cooperation Organisation summit in mid-June, when he is set to meet Xi and Khan.

The PM's immediate challenge would be to revive both consumption and investment in the economy. There would also short- as well as long-term ramifications of the BJP's win. The Janata Dal (Secular)-Congress government in Karnataka could face trouble, as could the Congress' Madhya Pradesh government, which has a slim majority in the state's Assembly.

In his speech, while Shah congratulated Odisha Chief Minister Naveen Patnaik and Andhra Pradesh's YSR Congress Party on their respective wins in the Assembly polls in the two states, he warned that the BJP would soon conquer West Bengal.

While the BJP now has a brute majority of its own in the Lok Sabha, it still needs the support of its allies in the Rajya Sabha to get key bills passed. The BJP can hope to have numbers that are more comfortable in the Rajya Sabha by 2022 to push through, with the help of its allies, constitution amendment bills, which require passage by two-thirds of the members of the two Houses.

In its second term, the BJP could also pursue with more intent its core agenda of abolishing Article 370 of the Constitution, which gives Jammu and Kashmir special status, constructing a Ram temple in Ayodhya, and implementing a uniform civil code.

The situation in Jammu and Kashmir remains a challenge for the new Modi government. The opposition to the BJP could come from the parties in southern Indian states. The BJP has now emerged a challenger to K Chandrasekhar Rao-led Telangana Rashtra Samiti and Dravida Munnetra Kazhagam has swept the polls in Tamil Nadu.

In his speech at the BJP headquarters in front of supporters unfazed by the drizzle, the PM said the BJP respected India's constitution and federalism, but

was deeply committed to its ideological tenets. He likened the electoral battle to that of Mahabharata, and thanked the people for their support to him, who are a simple fakir, or ascetic.

Amid cries of 'Bharat mata ki jai', Modi said the BJP's inspiration was its commitment to nationalism, but also said the electoral triumph belonged to the poor, who have benefited from his government's social welfare schemes.

He renewed his promise to provide housing to all by 2022. The PM said this was a rare election where inflation and corruption were not electoral planks. He said the electoral verdict of 2019 had dealt a blow to those who exploited caste for electoral benefits. "Now, there are only two castes — one of the poor, and the other of those who can help uplift those who are in poverty," he said.

## **2. Hindustan Infralog acquires 76 percent stake in KRIBHCO Infrastructure**

By: [FE Bureau](#)

Hindustan Infralog, a joint venture between the National Infrastructure and Investment Fund (NIIF) and Dubai-based port company DP World, acquired a 76% stake in KRIBHCO Infrastructure (KRIL) — an Indian rail logistics unit of fertiliser manufacturer Krishi Bharati Cooperative Society (KRIBHCO).

KRIBHCO will retain 24% stake in the company.

Hindustan Infralog acquired KRIBHCO Infrastructure through its 90% owned subsidiary Continental Warehousing Corporation (Nhava Seva). The deal will amount to less than 1% of DP World's net asset value as on financial year 2018, the company said in a press release.

"We believe the strategic partnership with Continental Warehousing Corporation will enable KRIL's assets to improve efficiencies, offer a compelling value-add solution to customers and deliver long-term value for all stakeholders," KRIBHCO chairman Chandra Pal Singh said.

KRIBHCO Infrastructure, founded in 2009, operates in three major inland container depots in Gujarat, Uttar Pradesh and Haryana.

DP World is a Dubai-based logistics giant involved in ports infrastructure and maritime logistics. It has operations in India, Rwanda, Brazil and Argentina among other countries.

"In India, we have made strong progress in building an integrated logistics platform which can deliver a competitive solution to cargo owners and we aim to continue adding scale to our offering to deliver greater efficiencies and value to the trade," DP World chairman and CEO Sultan Ahmed Bin Sulayem said.

## **3. Beyond capital and infrastructure, Indian MSMEs seek ecosystem overhaul from new government**

By: [Sandeep Soni](#)

Even while PM Narendra Modi has retained power for the next five years, India's micro, small and medium enterprises (MSME), which 24.63 per cent to

the GDP from service activities and 33.4 per cent to the manufacturing output, is hopeful of reforms across key challenge areas. Among the key expectations is around the expert committee that was set-up in January this year to submit a report by the end of June to “understand the structural bottlenecks and factors affecting the performance of the MSMEs,” the Reserve Bank of India had said in a statement.

### **Capital Connect**

Led by former SEBI Chairman U.K. Sinha, the report would be looking at “current institutional framework to support MSMEs, “impact of economic reforms”, factors affecting “timely availability of finance”, adoption of “global best practices in India”, impact of “MSME-focused policies on the sector”, etc., the central bank had said.

“Due to demonetisation, GST, insolvency process of the corporate sector, and problems in the banking and NBFC sector has led MSMEs into deep distress. Because this committee is studying the problems and has met the stakeholders, the government should immediately implement the recommendation of this group when out in the report,” Anil Bhardwaj, Secretary General, Federation of Indian Micro and Small & Medium Enterprises (FISME) told Financial Express Online.

The delayed realisation of bills has been among the eternal challenges facing MSMEs from large corporate and government organisations. The government had in October 2017 launched a dedicated portal for MSMEs called *MSME Samadhaan* to register their cases pertaining to delayed payments. So far, 17,417 applications have been filed by micro and small units out of which 1,302 applications have been mutually settled with buyers while 2,965 applications have been rejected by the MSE Facilitation Council.

“MSMEs are facing huge problems in realising payments from the public sector undertaking with delays. Whenever we try to take advantage of the delayed payment realisation process or facilitation council, it remains ineffective because once you get the order from the facilitation council you have to get it executed by the state government,” added Bhardwaj.

### **NPA Rework**

Another area of expectation is increasing the duration for non-performing assets beyond 90 days. “The new government along with the Reserve Bank of India (RBI) should focus on changing the NPA definition to increase it from 90 days,” Chandrakant Salunkhe, Founder and President, SME Chamber of India told Financial Express Online.

The RBI is looking at various options to rejig the NPA framework. Among the options include adding 30-60 days more to 90 days time before beginning with resolution process for stressed accounts, PTI had reported in April this year citing sources. The leeway would be looked at for businesses concerned to repay the loans, sources said.

### **Mature Ecosystem**

Some of the other areas where Salunkhe seeks improvement includes lack of capital, high land and electricity cost, labour that is “not easily available,

particularly in rural areas, lower interest rate on bank loan, and need for a leasing system to make industrial labs affordable for MSMEs.”

“We need to have financial sector reforms. 75 per cent banking sector is still in government hands. Most of the money they get through short term deposits ultimately used by different needs of the government rather than going for the creation of more value in the private sector. There is no need for the size and economy of a country like India to have 75 per cent of its banking sector’s leading norms and practices to be dictated by the government,” said Bhardwaj.

Moreover, the ranking of countries with respect to Ease of Doing Business (EoDB) gives a rough estimate by taking into account only a few cities, such as Delhi and Mumbai in India, to gauge a country’s business-friendly regulations. The need is to undertake the ranking across other cities as well. “For MSMEs, the biggest problem is the labour issue, the high cost of social security and a high benchmark for the minimum wages. Moreover, for the ecosystem to thrive it is important to acknowledge failure,” added Bharadwaj. Banking and financial sector providing finance to small companies should come out of the mindset that once a company is established it will not always be profitable.

## **Economic Times**

### **4. Bridge NBFC-bank divide, get credit to flow**

Over-leveraging, excessive concentration and massive asset-liability mismatch have deepened problems for NBFCs, and in turn clogged the credit pipeline.

*By Shilpy Sinha*

Non-banking finance companies (NBFCs), which have helped credit reach last-mile borrowers, would likely be priority for the new administration that needs to ease access to funds for NBFCs so that India’s consumption demand and financial stability remain unaffected.

The sector has faced a credit squeeze ever since IL&FS and its units defaulted on repayment commitments, the strain being visible in the latest monthly sales charts of cars, two-wheelers and trucks.

Over-leveraging, excessive concentration, and massive mismatch between assets and liabilities have exacerbated problems for a sector that has otherwise been at the vanguard of taking formal financing to homes that remain unbanked. The sector constitutes about 15% of the balance sheet of the formal banking sector.

“A clear majority of NBFCs are in ICCU. I will be surprised if in June, the central bank and the government do not come out strongly to support the sector on a fair basis,” said Anil Ambani, chairman ADAG. “A lot of us in the sector have been asking RBI to allow us to take fixed deposits. RBI’s response has been: No.”

The government, which is returning with an even stronger mandate than that of 2014, is likely to work on enhancing the trust between banks and NBFCs. The central bank and the government could work together to improve system level liquidity, relax the rules of securitisation across asset classes, accelerate the co-origination model, and reduce the risk weight across sectors.

In February, RBI had reduced the minimum holding period for housing finance companies to 6 months from 12 months so that more assets can be

securitised. Today, risk weight for a bank lending to AAA rated NBFC is 35%. It can be brought down temporarily.

Nomura said that the new government would review the regulatory framework, work with the central bank to ensure sufficient liquidity, and look to avoid grey swan events in the NBFC sector.

The government will have to take a call on converting large NBFCs into banks and giving banking/deposit-taking licenses to small, innovative NBFCs. A stable system is possible only if asset liability mismatches are lower. In the short-term, amendments in securitisation guidelines will help the sector, which has been seeking the quashing of the prescribed minimum holding period of six months and minimum retention thresholds on securitisation.

The sector wants a minimum holding period for loans with maturity of 2-5 years to be reduced from 6 months to 3 months.

## **Business Line**

### **5. RBI allows modern currency chests to hike service charges**

#### Our Bureau

The Reserve Bank of India, on Thursday, said it will allow large modern currency chests to increase the service charges on cash deposited by non-chest bank branches from the existing rate of ₹5 per packet of 100 pieces to a higher rate subject to a maximum of ₹8 per packet. For this, only a currency chest (CC) that fulfils the minimum standards will be eligible to be classified as a large modern CC, the RBI said in a circular to all banks. "Banks may approach the issue office of the RBI under whose jurisdiction the currency chest is located for such classification. "The increased rates can be charged only after such classification by the issue office concerned," the RBI said.

Thanking you,

Yours Comradely,



**(N. GOVINDRAJULU)  
GENERAL SECRETARY**