

### Five associates merger with SBI takes effect today



**THIRUVANANTHAPURAM, MARCH 31** /-/- Seventy two years after coming into being in Kerala, the curtains will come down on the State Bank of Travancore (SBT) on Saturday following its merger with parent State Bank of India (SBI). Besides the State Bank of Travancore, the State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Patiala and State Bank of Hyderabad will also be merged with the State Bank of India, and the assets of these banks will be transferred to the parent bank on Saturday. "It is not a matter of sentiment that after working for the past 35 years in SBT...we will work in another name from tomorrow," a senior SBT official said.

The branches of SBT will be renamed SBI from Saturday. The official, however, assured customers that they need not worry, adding that there would not be any change in their accounts, passbooks and cheque books.

The State Bank of Travancore has about 14,000 employees on its payroll, he added. In the honour of "Kerala's own bank", the state Postal Department will also release a post cover with pictures of SBT emblem. The merger has come into effect despite strong opposition from both ruling CPI(M) led LDF and Congress-headed UDF Opposition in the state. A Save SBT forum with people drawn from different sections of society also held a state-wide campaign to put pressure on the Centre to avoid the merger. The Kerala Assembly had passed a unanimous resolution asking the Centre and RBI to desist from the merger move. The resolution stated that SBT had played a major role in the economic growth of the state and that the compensation would adversely affect the state's economy.

State Bank of Travancore was established as Travancore Bank Ltd in 1945 and sponsored elsewhere while Princesly State of Travancore. It became an associate of the State Bank of India in 1959. (PTI)

## Trai rejects TC's contention against free offers, resultant lower tariffs

**NEW DELHI, MARCH 31** /-/- TRAI has rejected the Telecom Commission's contention of free offers by Reliance Jio playing havoc on finances of telecom companies saying its policies are aimed at promoting competition and lowering tariffs that benefit consumers.

The government, it emphasised, should not look at the sector and policy governing it through the prism of revenue maximisation. In a three-page letter, the telecom sector regulator highlighted that affordable services and consumer interest are key elements of the National Telecom Policy 2012 which "surprisingly appear to have been overlooked".

At the same time, it has said, if the maximisation of the government revenue, which is not one of the objectives of NTP has been given centre stage by the Telecom Commission in its letter dated February 23, 2017,

"This is surprising since it is widely accepted that consumer interest is critical to good regulation and the same cannot be substituted by revenue maximisation," it has said.

Disagreeing with the Commission's suggestion that the regulator has not implemented its own decision and directions on promo offers in letter and spirit, the authority pointed out that while examining the free offers, it had also sought a formal legal opinion from the Attorney General of India. TRAI asserted that the tariff regulatory regime established which it has since 1999 has promoted competition in the sector and facilitated all operators, including newcomers, to offer competitive tariffs to consumers. TRAI has ruled that ignoring these aspects and relying only on revenue data for a few quarters, the Commission has concluded that the regime needs

revisiting. This, it said, has been argued to be in the larger interest of the government revenue, without dwelling into the benefits accruing to consumers on account of lower tariffs and its positive impact on the overall economy.

Rejecting the commission's contention linking lower tariffs to the poor financial health of the sector, TRAI said that this approach is "inconsistent" with the principles of public policy and canons of public economics. Therefore, it said that the objectives of telecom policy should not be viewed only through the lens of maximisation of government revenue from the telecom services sector.

Also, TRAI recommends telecom telco ombudsman to resolve consumer grievances. It further said that tariff and impact on government revenue also need to be seen in the larger context of

Digital India programme and affordable data connectivity. TRAI said that the measures taken by it to facilitate competition have not only significantly contributed towards growth of the sector but resulted in data tariff reduction, thus benefiting customers. TRAI in its letter to Telecom Secretary P K Pujari has also drawn attention of the government to its past recommendations and specifically to its suggestion of allowing spectrum as collateral could relieve stress of telecom and banking sectors. Recommendations such as these and others pertaining to methodology for estimation of revenue for levying licence fee and spectrum usage charges and increased duration of investments and repayment of loans. (PTI)

Do you need term insurance if your spouse has one already? A: Term insurance plan takes into consideration the family's total income. You could be contributing equally towards your family's financial plan. The deciding factor should be - do you have a provision to replace your future income? Do you need term insurance if you are a homemaker? A: Term insurance is a means of securing the future financial plan of a family against adversity. If you are a homemaker, ensure that your earning spouse has purchased adequate financial protection. Q: Consider the consequences of inadequate insurance for a surviving spouse who has to worry about repaying a home loan and also arrange for a decent education for her children, all this without the support of the primary earner. A: The loss of a family member is irreplaceable. However, term insurance acts as a replacement for the loss of income and is a cover against such liabilities. It ensures that the family or a single spouse is not burdened with repayment of loans, in case of demise of the other. Q: How much financial protection do you need? A: Broadly, individuals up to the age of 40 need life insurance equivalent to 20-30 times the annual income. A person in the 40s will need a life cover that is 10-20 times the annual income and individuals in their 50s will need a cover of about 5-10 times the annual income. Amount of cover should always be the amount required to cover your current expenses and future liabilities. For instance a life cover of Rs. 1 crore will ensure that your current expenses up to Rs. 65,000 are met assuming an 8% rate of interest. Q: What if you already have insurance from your employer? A: You need to assess whether the life cover provided is adequate. If not, purchase additional cover to ensure your income is replaced in case something unfortunate happens. Also remember, if you are changing jobs, you may be exposed for a period - the time between leaving your current employer and before joining the new one. It is imperative that you stay financially protected all the time. Q: Your husband has an insurance policy which also offers returns at the end of term. Is it better than term insurance? A: Insurance policies other than pure term, have savings or wealth creation as the primary objective with insurance cover as a wrap around. A savings insurance plan used for financial protection would cost approximately Rs. 10,00,000 for a life cover of Rs. 1 crore. Compared to this term insurance costs substantially less. Q: How much does term insurance cost? A: Term plans are cost effective. You could actually purchase a life cover worth Rs. 1 crore for a premium between Rs. 8000 - Rs. 10,000, depending on your age - which roughly works out to as low as Rs. 22 per day. Q: Which is the best term insurance product for you? A: There are different types of products available in the market these days. Apart from plans of pure protection, there are plans with in-built benefits. They offer payouts on diagnosis of critical illnesses such as heart ailments, stroke and cancer, accidents and disability. After the critical illness benefit is paid the life cover continues. It is reduced to the extent of the payout made. Q: How would you choose a life insurer? A: There are two aspects to consider before choosing a life insurer: Step 1: Look for a consistently high claims settlement ratio Step 2: Filter further to get the one which has the least time taken to settle claims Choose an insurer who delivers on the promise made at the time of purchasing the policy. After all, that is why you are buying life insurance. Q: What about medical tests? A: Depending on your age and the cover chosen, you may have to undergo medical tests. Most insurers arrange for the plan and time of medicals as per your convenience. Q: What if the medical tests reveal something? A: It is always better to know your current health condition. If there is a prognosis, you may have to pay a higher premium, which is not a bad option. It means that you need life insurance all the more. Financial protection is the first step in financial planning. A term plan offers financial protection at a nominal cost. Today, the digital world offers a plethora of opportunities for consumers to compare and make an informed buying decision. (Author is the Executive Director, ICICI Prudential Life Insurance Company Limited)

### Term insurance - A necessity for women

SANDEEP BATRA

The number of women in the Indian workforce is significant. The working woman today is not only financially independent but also an equal contributor towards the family's finances.

Financial protection is a must for every working individual with responsibilities - man or woman. Term insurance is the instrument that provides financial protection. It forms the bedrock of every financial plan.

In this article, I have addressed some of the commonly asked questions on term insurance.

A: It is one of the simplest and cheapest forms of life insurance. The policyholder pays a fixed premium for which a certain amount is assigned as a sum assured. In case of death of the policyholder during the policy term, the beneficiary receives this amount. Buying a term plan is the first step towards building a solid financial plan - it is a financial safety net. Never view term plans with an investment lens or as an expense. You can invest via several other financial savings products. Do you need term insurance if your spouse has one already?

A: Term insurance plan takes into consideration the family's total income. You could be contributing equally towards your family's financial plan. The deciding factor should be - do you have a provision to replace your future income? Do you need term insurance if you are a homemaker?

A: Term insurance is a means of securing the future financial plan of a family against adversity. If you are a homemaker, ensure that your earning spouse has purchased adequate financial protection. Q: Consider the consequences of inadequate insurance for a surviving spouse who has to worry about repaying a home loan and also arrange for a decent education for her children, all this without the support of the primary earner. A: The loss of a family member is irreplaceable. However, term insurance acts as a replacement for the loss of income and is a cover against such liabilities. It ensures that the family or a single spouse is not burdened with repayment of loans, in case of demise of the other. Q: How much financial protection do you need? A: Broadly, individuals up to the age of 40 need life insurance equivalent to 20-30 times the annual income. A person in the 40s will need a life cover that is 10-20 times the annual income and individuals in their 50s will need a cover of about 5-10 times the annual income. Amount of cover should always be the amount required to cover your current expenses and future liabilities. For instance a life cover of Rs. 1 crore will ensure that your current expenses up to Rs. 65,000 are met assuming an 8% rate of interest. Q: What if you already have insurance from your employer? A: You need to assess whether the life cover provided is adequate. If not, purchase additional cover to ensure your income is replaced in case something unfortunate happens. Also remember, if you are changing jobs, you may be exposed for a period - the time between leaving your current employer and before joining the new one. It is imperative that you stay financially protected all the time. Q: Your husband has an insurance policy which also offers returns at the end of term. Is it better than term insurance? A: Insurance policies other than pure term, have savings or wealth creation as the primary objective with insurance cover as a wrap around. A savings insurance plan used for financial protection would cost approximately Rs. 10,00,000 for a life cover of Rs. 1 crore. Compared to this term insurance costs substantially less. Q: How much does term insurance cost? A: Term plans are cost effective. You could actually purchase a life cover worth Rs. 1 crore for a premium between Rs. 8000 - Rs. 10,000, depending on your age - which roughly works out to as low as Rs. 22 per day. Q: Which is the best term insurance product for you? A: There are different types of products available in the market these days. Apart from plans of pure protection, there are plans with in-built benefits. They offer payouts on diagnosis of critical illnesses such as heart ailments, stroke and cancer, accidents and disability. After the critical illness benefit is paid the life cover continues. It is reduced to the extent of the payout made. Q: How would you choose a life insurer? A: There are two aspects to consider before choosing a life insurer: Step 1: Look for a consistently high claims settlement ratio Step 2: Filter further to get the one which has the least time taken to settle claims Choose an insurer who delivers on the promise made at the time of purchasing the policy. After all, that is why you are buying life insurance. Q: What about medical tests? A: Depending on your age and the cover chosen, you may have to undergo medical tests. Most insurers arrange for the plan and time of medicals as per your convenience. Q: What if the medical tests reveal something? A: It is always better to know your current health condition. If there is a prognosis, you may have to pay a higher premium, which is not a bad option. It means that you need life insurance all the more. Financial protection is the first step in financial planning. A term plan offers financial protection at a nominal cost. Today, the digital world offers a plethora of opportunities for consumers to compare and make an informed buying decision. (Author is the Executive Director, ICICI Prudential Life Insurance Company Limited)

### Kudankulam unit 2 begins commercial operation

**NEW DELHI, MARCH 31** /-/- The second unit of Kudankulam Nuclear Power Plant (KNPP) with a capacity of 1000 MW became operational Friday, giving a boost to the atomic power generation in the country. Commercial operation of KNPP unit 2 is expected to take to 10 nuclear power to 6,700 MW. The unit was connected to the grid on August 2. The KNPP units 1 and 2, both with capacity of 1000 MWs, have been built with Russian collaboration. (PTI)

### News In Brief

#### China mfg expands in March

**BEIJING, MARCH 31** /-/- Chinese factory activity accelerated in March, official data showed Friday, a sign of stability in the world's second largest economy. The official purchasing managers' index (PMI), which gauges conditions at factories and mines, came in at 51.8 in March, the National Bureau of Statistics (NBS) said, slightly beating the 51.7 forecast in a Bloomberg News survey and up from the previous month's 51.6.

#### I-T dept contribution

**NEW DELHI, MARCH 31** /-/- The officers and staff of the Income Tax department here have contributed their one-day salary towards the Clean India mission. The contribution of Rs 52,75,183 was made by the Indian Revenue Service (IRS) Association, Income Tax Gazetted Officers Association and Income Tax Employees Federation. A delegation representing these associations handed over the cheque to Minister of State for Finance, Santosh Gangwar on Thursday.

#### Bihar to pay power bill subsidy

**PATNA, MARCH 31** /-/- Bihar Chief Minister Nitish Kumar Friday announced in the state Assembly that the state government would provide subsidy on power bill to consumers instead of power companies from 2017-18 fiscal. The CM's statement came six days after Bihar Electricity Regulatory Commission (BERC) had come up with an unprecedented hike of 55 per cent in power tariff that sparked protests. (PTI)

### Tata Motors launches 'TIGOR'



#### EOI CORRESPONDENT

**KOLKATA MARCH 31** /-/- Tata Motors today announced the commercial launch of its new StyleBack, TIGOR, meant for the young and fast-paced generation. With its stunning, break free and revolutionary design, the Tata TIGOR is existing passenger vehicle portfolio and address needs of the ever evolving customer. At a starting price of Rs 4.96 lakh for the Revotrom 1.2L (petrol) variant and Rs 5.92 lakh, for the Revotrom 1.05L (diesel) variant, exclusive showroom Kolkata the TIGOR will be available across the country.

Vivek Srivatsa, Head - Marketing, Passenger Vehicle Business Unit, Tata Motors said, "The TIGOR embodies changing preferences of today's milieu who increasingly prefer stylish cars. With its excellent value proposition and unique first-in-segment features the TIGOR will serve a wide range of customers raising the benchmark in this new segment. TIGOR seeks to give customers a wholesome package of design with unprecedented elegance, top class safety, extreme sense of comfort, pleasant and dynamic road performance. With a renewed focus on design, Tata Motors is redefining the consumer mind space, which is helping the Company to strengthen its brand proposition. Creating an immediate and lasting impact, Tata Motors has worked intricately on the styling of the TIGOR, the 3rd vehicle based on the IMARC Design philosophy. The TIGOR is smartly de-

signed on the outside with 'Expressive', 'Exciting', and 'Extraordinary' exterior features. Its lively and dynamic stance exudes the feeling of youthfulness. On the inside, the TIGOR makes 'Intelligent' use of space and has 'Inviting' interiors and connectivity features that will make owners feel 'N'touch' with the world inside and outside. Available in 8 variants (with 2 optional variants) XP 1.2 P, XT 1.2 P, XZ (0) 1.2 P, XE 1.05 D, XT 1.05 D, XZ 1.05 D and XZ (0) 1.05 D, the TIGOR will come in six exciting colour options - Copper Dazzle, Espresso Brown, Pearllescent White, Platinum Silver, Striker Blue and Berry Red. TIGOR will come with a standard warranty of 2 years or 75,000km, whichever is earlier, with an option to further extend.

### Trump set for action on trade gaps with China, India and others

**WASHINGTON, MARCH 31** /-/- President Donald Trump is set to sign executive orders instructing his administration to examine the cause of trade imbalances with over 15 countries, including China and India. The announcement, which would come just days ahead of Trump's first meeting with his Chinese counterpart Xi Jinping, is widely seen as targeting China.

However, Commerce Secretary Wilbur Ross, during his interaction with White House reporters, insisted that the executive order expected to be signed is not just about China. It is about all major countries with which the United States has significant trade deficit. Reading out the list of countries with which the US has significant trade deficit, Ross said, "From a policy point of view, it really goes like a laser at a problem and it solves it quickly, one that's been going on for 15 years," Navarro said. (AFP)

Other countries mentioned in the list were Italy, South Korea, Malaysia, Thailand, France, Switzerland, Taiwan, Indonesia and Canada. "This is not meant to say that everybody on this little list is an evil doer. That's not the case," Ross said, noting that China is the number one source of trade deficit. As per the executive order, Ross said President would instruct the Department of Commerce and the US Trade Representative to examine the cause of trade imbalances with over 15 countries with which the United States has significant trade deficit. The report among other things would identify reasons for trade deficit and to what extent these are caused by 'cheating and other inappropriate behaviour', Ross said. Echoing similar views, Peter Navarro, Director of White House National Trade Council, said, "Nothing we're saying tonight is about China. Let's not make this a China story. This is a story about trade abuses."

"This is a story about under-collection of duties, this is a story about 40 countries that basically subsidise

their products and send them into our country or dump their products, and this is about collecting those products and defending American workers and manufacturing," Navarro said.

Responding to questions, Ross said the report among other things would also examine issues like currency misalignment, foreign exchange capacity or constraints imposed by the WTO on the United States have contributed to the bilateral deficits.

"It will demonstrate the administration's intention not to hip-shoot, not to do anything causal, not to do anything abruptly, but to take a very measured and analytical approach, both to analysing the problem and therefore to developing the solutions for it," Ross said.

In another executive order, Trump would instruct the Department of Homeland Security to strengthen anti-dumping rules and enforcement. "From a policy point of view it really goes like a laser at a problem and it solves it quickly, one that's been going on for 15 years," Navarro said. (AFP)

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