

*A nation is a society united by delusions about its ancestry and by common hatred of its neighbors*  
William Ralph Inge

## The Mumbai eatery fire

The huge fire in a Mumbai eatery on Thursday-Friday night killed fourteen people, mostly women, not by burning them but by choking them to death as there was only one entry-exit in the building. This is reminiscent of what happened in the Amri Hospital at Dhakuria in south Kolkata in 2011 in which ninety people, mostly patients were killed, mostly because of suffocation. After the Mumbai tragedy it has now come to light that the rooftop eatery, '1-Above' where a party was going on had no licence, the two exit points except one were blocked, that there were no fire-fighting mechanism in place and that all these irregularities had gone on for a long time right under the nose of the BMC - the civic body of the metropolitan city. Now a frantic blame game is going on, each concerned authority eager to disclaim any responsibility and passing the buck to someone else. The Mayor has the insufferable hauteur and hubris to say that it is not his duty to go and check every hotel in the city. Obviously not. But it is his duty to ensure that those whose duty it is to check whether the hotels are observing the civic laws are doing their job or not. He has failed on that score and he cannot be excused on any account.

What has happened in the Kamala Mills compound is a tragedy that was waiting to happen. Several authorities - the civic body, the police, the fire-brigade people - should be held jointly and severally responsible for this gruesome tragedy. But for their culpable complicity in not enforcing the statutory provisions for such buildings the eatery could not have turned into a blazing inferno. Now the Fadnis Government in Maharashtra should make it a point to ensure that the authorities concerned make a thorough inspection of such buildings not only in Brihanmumbai but throughout the State. There should be specific provisions in the relevant laws for fixing responsibility on concerned individuals so that each one is held accountable and cannot escape through any legal hole after such incidents. Negligence and dereliction of duty usually takes place when the people know that nobody can be held guilty for not doing his duty by passing the buck on to others. If this is not done, there will be a repetition of such accidents, creating commotion for a few days and then dying out and forgotten till the next one happens.



Members of Sarrago Productions theater company perform "Beringe" during the Santiago a Mil International Theatre Festival in Santiago, Chile. REUTERS

# Banks under stress, stir brewing

## REFLEX ACTION

C.H. Venkatachalam

The Cabinet approved the FRDI Bill (Financial Resolution & Deposit Insurance Bill) and thereafter the Bill was introduced in the Parliament on the last day of the last Session and now the Bill has been referred to the Joint Parliamentary Committee.

The Bill has created widespread fear, apprehension and panic amongst the depositors that the government is contemplating to liquidate the banks and the deposits of the banks will not be returned because of the Bail-in Clause of the Bill. In March 2016, a committee was set up under the chairmanship of Ajay Tyagi, additional secretary, department of economic affairs, ministry of finance, to draft and submit the Bill. The draft of Financial Resolution and Deposit Insurance Bill 2017 was drawn up based on the recommendations of this committee. After considering the suggestions, the Union Cabinet approved the introduction of FRDI Bill 2017 in the Parliament. The Bill provides for setting up a new authority Financial Resolution Corporation which will deal with liquidation and resolution of banks, insurance and other financial institutions. This FRC will supersede the powers of RBI and other agencies dealing with the problem at present. Deposit Insurance Corporation guarantees Deposits up to Rs. 1 lakh per customer. This will be closed down and the FRC will decide the amount now.

Even the ceiling of Rs. one lakh per customer has no meaning now. This was fixed in 1993. Today 2125 commercial banks and cooperative banks, etc. are covered under Deposit Insurance Corporation covering total deposits of Rs. 105 lakh crores. Out of this, under the present scheme with the ceiling of Rs. 1 lakh per customer, only Rs. 30 lakh crores are covered under insurance. Balance deposits are not covered even today.

There is a need to cover the entire deposits of the banks so that in a country like India, common people feel assured of their hard-earned savings and there is no threat to their deposits. Instead, FRDI Bill is talking of removing even the

existing ceiling of Rs. 1 lac. Government should clarify on this to the people. In addition, the FRC has power to liquidate any bank. The FRC can permit to use the depositors' money to bail-in a bank. This provision is creating doubt and panic in the minds of every one.

In India, between 1913 to 1960, nearly 1600 private banks failed, and closed down. Depositors lost all their money kept in the banks. Hence AIBEA took up the issue in Parliament and an amendment was made to Banking Regulations Act in 1960 by which any Bank failing will be put on moratorium and merged with another Bank. That is why since then, in the last more than 55 years, though many private banks faced liquidation, all these banks were merged with another bank and no bank has been liquidated since then.

No depositor has lost his/her money (Banks failed but merged with other Banks during the last 50 years: Bank of Bihar, Belgam Bank, Lakshmi Commercial Bank, Miraj State Bank, Hindustan Commercial Bank, Traders Bank, Bank of Tamilnad, Bank of Thanjavur, Parur Central Bank, Purbanchal Bank, Bank of Karad, Kashinath Seth Bank, Barley Bank, Sikkim Bank, Benaras State Bank, Nedungadi Bank, Global Trust Bank, United Western Bank, etc).

All these banks were protected under Banking Regulations Act and merged with other banks and hence people did not lose a single rupee because of their failure. Instead of taking stringent measures to recover the huge bad loans from the big corporate companies and other

major defaulters and strengthening the banks, the government is bringing this FRDI Bill to oblige the IMF and succumbing to the pressures of the Financial Stability Board. This Act is required for those countries where the banks are in private hands and when the regulations on banks are liberalized. In India, our banks are insulated because of our strong regulations and predominantly, our banks are in public sector enjoying the sovereign guarantee of the government.

Hence question of liquidation of our banks does not arise at all and hence there is no need or scope of Bail-in. Hence the entire FRDI Bill is misplaced in Indian context and wrongly timed. For India, FRDI Act is unwarranted. Government should reconsider and defer the whole Bill and assure the people of India that their money in banks is totally safe and guaranteed by the government. They must take tough measures to recover the bad loans and make our banks more viable and vibrant. It is an irony that our government is pushing our banks towards privatization, thus increase the risks and then talk of Bail-in on liquidation. Rather, government should bring all banks under public sector. Government should ensure recovery of bad loans and strengthen our public sector banks and extend total guarantee for people's deposits.

It is strange that the government talks of Sabka Vikas and prosperity for the people which is possible only if banks give more and more loans to all needy sections of the economy and people. For this, banks need resources and deposits of the people are the main resources of the banks. But the government is bringing FRDI Bill with bail-in clause and creating panic amongst the people which will drive them away from banks and make the banks unviable. AIBEA has already appeared before the Joint Parliamentary Committee and urged upon them to reject the Bill. All India Bank Employees Association is contemplating a strike action against this unwarranted FRDI Bill, if the government proceeds further. (IPA)

## BEAUTIFUL BLUE

Yogesh

Seeing your pictures in blue.  
Captivated I am with beautiful you.  
Holding you close to my heart deep.  
Dreaming of seeing you soon as I sleep.  
Beautiful you with smile sweet.  
Seem fascinating in deep blue.  
May I kiss your hands sleek.  
Dear dream girl as I meet you sweet.  
Saying nothing you only smile a little.  
Charming cheerful young angel.  
Beautiful you in deep blue.  
Speaking in silence I do love you.  
Whispering back in your ears.  
I too love you like anything dear.  
I do kiss your diamond stud-ded ears..

Sparkling like fresh white flowers..  
Your beautiful black eyes..  
Drooping down for a while..  
As I look into your enchanting eyes..  
Adding grace to beauty you smile.  
A beautiful tune is on play.  
Somewhere on piano not on display.  
Two loving hearts coming very close..  
Writing together a romantic poem not prose..  
Holding you in embrace close.  
Saying words sweet with grace.  
Feeling fortunate I am my dear.  
With beautiful you being so near.  
It is heavenly beautiful night.  
Beautiful moon shining bright..  
Romantic being the moonlit night..  
Moments in love and romance quiet..  
Suddenly silence of night speaks..  
As it rains outside in drizzles

sweet..  
Fragrance fresh soil like filling the air.  
Heavenly beautiful being the atmosphere.  
Night of love I do recall..  
Romantic rains raining all..  
Raindrops keep falling in drips drops..  
Sweet feeling of love resonating in hearts..  
Beautiful you are in blue..  
Handsome too are you..  
Reciprocating each other in love..  
We smile and laugh in love..  
Now time to say good night..  
Night passing by in fading moonlight..  
With promises to meet again..  
Dawn of love breaking once again..  
What a beautiful moment it was..  
Seeing you in deep blue lost I was..  
Beautiful you in romantic blue..  
Seem like an angel out of blue..!!!

Additional Principal  
Chief Conservator of  
Forests (Wildlife)

**Conventional Crossword**

1	2	3	4	5	6	7	8	9	10

- |                       |                           |
|-----------------------|---------------------------|
| <b>ACROSS</b>         | <b>DOWN</b>               |
| 1 Musical sounds      | 1 Unmusical sounds        |
| 2 Be indebted         | 2 Paces                   |
| 3 Precise             | 3 Swarmed                 |
| 10 Unsuitable         | 4 Colonist                |
| 12 Male deer          | 5 Perform                 |
| 13 Ships' officers    | 8 Donkey                  |
| 15 Old cloth measures | 11 Domesticated           |
| 18 Unhappy            | 14 Leaks out              |
| 20 Unbleached linen   | 16 Most ill-mannered      |
| 22 Deception          | 17 Goes by                |
| 23 Yield              | 19 Affirm with confidence |
| 25 Strips             | 21 Regret                 |
| 27 Scope              | 22 Marsh                  |
| 28 Observers          | 23 Horse's mother         |
| 29 Locations          | 26 Sheltered side         |

**SUDOKU: 2075**

8			1	2	7	6		
					8	9	5	
	6	4		7	1			
				3				
			9	4	1	2		
9	3		1					
5								8
	7	3	9	5				

**Yesterday's Solution 2074**

6	9	3	8	5	2	1	4	7
1	2	8	3	4	7	9	5	6
4	7	5	1	6	9	3	2	8
2	3	6	5	9	1	8	7	4
5	8	9	7	2	4	6	3	1
7	1	4	6	8	3	2	9	5
8	4	7	9	3	6	5	1	2
3	6	1	2	7	5	4	8	9
9	5	2	4	1	8	7	6	3

**Yesterday's Cross Word Solution 083**

P	L	U	M	S	P	A	N
S	I	S	I	S	E	M	U
H	I	V	E	S	A	P	T
O	I	T	E	N	S	E	
E	N	D	E	A	R	E	R
A	K	E	E	P	E	R	
T	O	T	E	M	R	O	
R	U	M	I	D	I	O	
I	R	E	O	T	I	C	E
D	E	N	E	P	E	E	

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# Infirmities in 2G scam verdict

**i. Penalty of Rs 1 lakh imposed on petitioner seeking imposition of Prohibition:** An NGO from Vishakhapatnam had filed a petition in the Supreme Court asking it to direct the implementation of the Directive Principles of State Policy in Article 47 of the Constitution, which requires the state to work towards the prohibition of intoxicating drinks, amongst others. The NGO had conducted a study in the slums of Vishakhapatnam and came to the conclusion that increased alcohol consumption was a cause for the increase in violent incidents, illnesses, mental disorders etc. It sought an audit on manufacture, distribution and supply, sale and consumption of various types of liquor, and an appropriate direction to the Union of India and respondents to prepare an action plan with regard to creating awareness on ill-effects of consumption of alcohol. On hearing the petition, the court not only dismissed it but also imposed a penalty of Rs. 1 lakh (Chaitanya Sravanthi v Union of India, Writ Petition (Civil) Nos. 1186/2017, order dated 15.12.2017).

**ii. Notice issued on PIL challenging the day time ban on condom ads:** The Rajasthan High Court has issued notice to the Centre in a PIL challenging

the recent ban on condom ads between 6 am and 10 pm, indicating that such ads are indecent for children. The petitioner, an NGO working with HIV +ve persons, argued that the directive is without any basis and ignorant of the situation prevailing in the country, highlighting how the awareness about condoms is very low in rural areas. It further argued that the ban will be a hindrance in the plans launched by the government and NGOs to promote safe sex, especially among young teens (Global Alliance for Human Rights v Union of India, Civil Writ No. 23387/2017, order dated 20.12.2017).

**iii. Delhi footwear manufacturers damages to Christian Louboutin for infringement of trademark:** The Delhi High Court has awarded damages to the French Designer, Christian Louboutin, for the infringement of its trademark 'red sole', which has over the years become very famous. In India, Louboutin has very limited distribution, having one store in Delhi and one in Mumbai. Two dealers in Delhi were using this signature design on their footwear. The red sole design was found to enjoy a high border reputation, and in India, because of various factors

including tourist travel, in-flight magazines, Internet and broadcasting of various films and television programmes. The goodwill of the red sole was found to have spilled over to India from various countries and Indian customers found to be well aware of its reputation. Thus the traders were ordered to pay damages (Christian Louboutin v Pawan Kumar, Civil Suit (Commercial) 714/2016, order dated 12.12.2017).

**iv. Accused in Ryan school murder case to be tried as an adult:** It was determined that the offence was heinous and the facts of the case warranted such treatment, as the teenager was mature enough to understand the consequences of his acts. The Board relied on various medical legal reports to come to the conclusion. The Board, however,

clarified that if he was to be convicted, he would be kept in a correctional home till he turns 21 and during the duration of the trial he will be kept in an observational home in Faridabad.

**v. Wife going to work against the wishes of the husband is not cruelty:** The Allahabad High Court has ruled that a wife working against the wishes of her husband cannot qualify as 'cruelty', a ground for divorce under the Hindu Marriage Act. The Court underscored the freedom of a woman to work and develop her personality. Further, when the woman marries a man, she is not to be treated as a subservient to him, but equal to him. Thus, the woman joining a service against the wishes of her husband cannot be grounds of divorce (Smt. Gurpreet Kaur v Shri Rajeev Singh, First Appeal Defective No. of 2011, order dated 18.12.2017).

**Other legal developments:**  
**vi. MCA allows filing of**

overdue annual returns and financial statements by disqualified directors until March 31: Directors recently disqualified under Section 164(2) of the Companies Act for non filing of annual statements will be allowed to file them under a scheme of condonation. The new date of filing these overdue statements is March 31, 2018. Earlier the MCA had disqualified more than 3 lakh directors in a move to combat the inflow of black money.

**vii. No subsidy diversion without Aadhaar holder's informed consent:** The UIDAI authority has issued a directive to banks and National Payments Corporation of India indicating that the bank account to which LPG and other subsidies will be received cannot be switched without an express consent of the Aadhaar card holder. This directive has come in the light of incidents being reported where, when individuals linked their Aadhaar with their Airtel Payments Bank or a second bank account, they stopped receiving the money in the account they had specified earlier. Banks and Airtel had automatically switched the accounts with NPCI Aadhaar Payments Mapper. (IPA/Concluded)

## FOCUS

Amritananda Chakravorty and Mihir Samant