

FORTY-NINTH REPORT

COMMITTEE ON PETITIONS

(SIXTEENTH LOK SABHA)

**MINISTRY OF FINANCE
(DEPARTMENT OF FINANCIAL SERVICES)**

(Presented to Lok Sabha on 3.8.2018)



**LOK SABHA SECRETARIAT
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CONTENTS

PAGES

COMPOSITION OF THE COMMITTEE ON PETITIONS..... (iii)

INTRODUCTION..... (v)

REPORT

Action Taken by the Government on the Recommendations of the Committee on Petitions made in their Thirty-First Report (Sixteenth Lok Sabha) on the Representation received from S/Shri Arvind Sawant and Rajan Vichare, M.Ps., Lok Sabha regarding transformation/privatization of IDBI Bank Limited and protection of reservation rights of SC/ST/OBC employees and related issues.

ANNEXURE

(i) Minutes of the 47th sitting of the Committee held on 16.4.2018

(i)

**COMPOSITION OF THE COMMITTEE ON PETITIONS
(2017-2018)**

Shri Bhagat Singh Koshyari -*Chairperson*

MEMBERS

2. Shri Suresh C. Angadi
3. Shri Om Birla
4. Shri Jitendra Chaudhury
5. Shri Ram Tahal Choudhary
6. Dr. K. Gopal
7. Shri C.P. Joshi
8. Shri Chhedi Paswan
9. Shri Kamlesh Paswan
10. Shri Arjun Charan Sethi
11. Shri Kodikunnil Suresh
12. Shri Dinesh Trivedi
13. Shri Rajan Vichare
14. Shri Dharmendra Yadav
15. Vacant

SECRETARIAT

- | | | |
|----------------------------|---|---------------------|
| 1. Shri Shiv Kumar | - | Joint Secretary |
| 2. Shri Raju Srivastava | - | Additional Director |
| 3. Shri G.C. Dobhal | - | Deputy Secretary |
| 4. Shri Anand Kumar Hansda | - | Executive Assistant |

(iii)

FORTY-NINTH REPORT OF THE COMMITTEE ON PETITIONS
(SIXTEENTH LOK SABHA)

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Forty-Ninth Action Taken Report (Sixteenth Lok Sabha) of the Committee to the House on the Action Taken on the recommendations of the Committee on Petitions made in their Thirty-First Report (Sixteenth Lok Sabha) on the Representation received from S/Shri Arvind Sawant and Rajan Vichare, M.Ps., Lok Sabha regarding transformation/privatization of IDBI Bank Limited and protection of reservation rights of SC/ST/OBC employees and related issues.

2. The Committee considered and adopted the draft Forty-Ninth Action Taken Report at their sitting held on 16 April, 2018.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;
16 April, 2018
26 Chaitra, 1940 (Saka)

BHAGAT SINGH KOSHYARI,
Chairperson,
Committee on Petitions.

(v)

REPORT

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (SIXTEENTH LOK SABHA) IN THEIR THIRTY FIRST REPORT ON THE REPRESENTATION RECEIVED FROM S/SHRI ARVIND SAWANT AND RAJAN VICHARE, M.Ps., LOK SABHA REGARDING TRANSFORMATION/PRIVATIZATION OF IDBI BANK LIMITED AND PROTECTION OF RESERVATION RIGHTS OF SC/ST/OBC EMPLOYEES AND RELATED ISSUES.

The Committee on Petitions (Sixteenth Lok Sabha) presented their Thirty First Report to Lok Sabha on 16 March, 2017 on the Representation received from S/Shri Arvind Sawant and Rajan Vichare, M.Ps., Lok Sabha regarding transformation/privatization of IDBI Bank Limited and protection of reservation rights of SC/ST/OBC employees and related issues.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Finance (Department of Financial Services) were asked to implement the recommendations and furnish their action taken notes thereon for further consideration of the Committee.

3. Action Taken Notes have been received from the Ministry of Finance (Department of Financial Services) in respect of all the recommendations contained in the Report. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Finance (Department of Financial Services) are detailed in the succeeding paragraphs.

4. In paras 30, 31, 32, 33, 34 and 35 of the Report, the Committee had observed/recommended as follows:-

"The Committee note that the Industrial Development Bank of India (IDBI) was constituted under the Industrial Development Bank of India Act, 1964 as a Development Financial Institution (DFI) and it came into being as 1 July, 1964 vide Government of India notification dated 22 June, 1964. In terms of the provisions of Section 4-A of the Companies Act, 1956, the IDBI was regarded as a Public Financial Institution and it continued to serve as a DFI for 40 years till the year 2004 when it was transformed into a Bank."

"The Committee also note that the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 was enacted inter alia for repealing the Industrial Development Bank of India Act, 1964. In terms of the provisions of the said Repealing Act, a new Company under the name of Industrial Development Bank of India Limited (IDBI Ltd.) was incorporated as a Government Company under the Companies Act, 1956 on September 27, 2004. Thereafter, the undertaking of IDBI was transferred to and vested in IDBI Ltd., with effect from 1 October, 2004. As the matter stands now, in terms of the provisions of the Repeal Act, IDBI Ltd. has been functioning as a Bank in addition to its earlier role of a Financial Institution. Since the name of the Financial Institution ought to reflect the functions being carried out by them, the name of IDBI Ltd., was changed to IDBI Bank Limited with effect from 7 May, 2008."

"Though the IDBI Bank Ltd., has a long cherished history as one of the pioneering Institutions in the financial sector of the country, yet the Committee are pained to notice that during the fiscal year 2015-16, the IDBI Bank Ltd., registered a loss of Rs. 3664 crore as against a net profit of 873 crore in 2014-15. The overall financial health of the Bank has also witnessed decline in terms of profit, on a sequential basis, which was Rs. 2031 crore in 2011-12 to Rs. 1882 crore and Rs. 1121 crore during the financial year(s) 2012-13 and 2013-14, respectively. The primary reasons for successive decline in the profit of IDBI Bank Ltd., could be attributed to the increase in the Gross Non-Performing Assets, loan write-offs and poor financial results. Considering this, the Committee are of the firm opinion that the IDBI Bank Ltd., requires a Transformational Plan to be urgently put in place with the underlying objectives of doubling of Bank's business volume, reducing the Gross NPA level below three percent, issue of Basel-III compliant Tier-II bonds on private placement basis, etc., to strengthen its capital adequacy, regulation, supervision and risk management. The Committee, therefore, recommend that the Ministry of Finance (Department of Financial Services) should effectively liaise with the IDBI Bank Ltd., for formulating a Transformational Plan with a target of putting the stressed projects back on track, bringing down the Gross NPA to 3 percent and Net NPA to '0'

percent by the fiscal year 2018-19, selling of non-core assets to fund the growth of IDBI Bank Ltd., etc. The Committee also urge the Government to work out their priorities for timely revival of their Financial Institutions, like IDBI Ltd., etc., in such a manner that it does not surpass the 'point of recoverability'. The Committee would like to be apprised of the action taken by the Government in the matter within three months of the presentation of this Report to the House."

"The Committee note that as on August, 2016, the Government of India's shareholding in the IDBI Bank Ltd., was 73.98%. The Committee also note that the decision for diluting equity of the Government was indicated by the Finance Minister in his budget speech, wherein, it was mentioned that "the process of transformation of IDBI Bank has already started. The Government will take it forward and also consider the option of reducing its stake below 50 percent". However, at the same point, the Committee also note that the Government vide their letter dated 30 December, 2015 had allowed the IDBI Bank to raise capital to the tune of Rs.3771 crore through QIP route subject to the condition that the Government of India holding does not fall below 52 percent."

"While drawing a parallel of divesting the shareholding of the Government in the IDBI Bank with the mounting loss of Rs. 3664 during the fiscal year 2015-16 as well as the burgeoning problem of Non-Performing Assets (NPAs), the Committee note that IDBI Bank is taking the following steps to contain NPAs as well as to improve recovery from NPA accounts which are providing to be inadequate:-

- Monitoring of Special Mention Accounts (SMAs) to keep a check on further slippages.
- Initiating stringent recovery measures to increase the recovery from NPAs.
- To upgrade the NPAs.
- Exploring of options to sell the NPAs to reduce its GNPA's."

"Since the IDBI Bank Ltd., is one of the pioneering financial institutions in the country, there is no dearth of resources, manpower, expertise and other infrastructural support to it. Despite these essential pre-requisites for a successful and profit-oriented business venture, the efforts so far made by IDBI Bank to contain NPAs and strengthen their capital adequacy mechanism betrays the

confidence of the Government and, thus, speaks volumes about apathy of the Bank towards the serious concerns which it needs to address immediately. In this context, the Committee would like to caution the IDBI Bank Ltd., that in the changed economic environment of the country and the renewed approach of the Government to give foremost importance to the principle of self-sustainability and reducing the perennial dependency of infusion of funds and scarce resources, any further twirl in the balance sheet of IDBI Bank in the form of further losses or unproductive expenditure could result in divesting of the shareholding of the Government. The Committee, therefore, strongly recommend that the Ministry of Finance (Department of Financial Services) should work out a renewed strategy with the Management of the IDBI Bank Ltd., to put in place the Revamp Plan of doubling the bank's business volume and reducing its gross NPA level. The Committee also recommend that with a view to improving and strengthening regulation, supervision and risk management in the IDBI Bank, the procedure of raising money through Tier-II Bonds should now be complied with Basel-III norms. Besides, the IDBI Bank should also make full use of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Debt Recovery Tribunals for recovering its NPAs. The Committee would like to be apprised of the action taken by the Government in this regard."

5. The Ministry of Finance (Department of Financial Services), in its action taken reply, has submitted as follows:-

"At the Board meeting held on July 29, 2016, strategy for transformation of IDBI Bank was laid down, which included business augmentation, rebalancing portfolio mix and improvement in profitability leading to cost reduction in operations. In September 2016, the bank appointed SBI Capital Markets Ltd and 6 merchant bankers for raising fresh equity of Rs.6000 crore by way of Qualified Institutional Placement (QIP)/Preferential Issue/ Follow-on Public Offer (FPO). Merchant bankers recommended one tranche under QIP with preferential allotment and another under fast track FPO. Further, Boston Consulting Group (BCG) was appointed in September 2016 for making strategy of IDBI Bank transformation who suggested the following measures to be undertaken viz (i) Build a next-gen SME lending franchise, (ii) rapidly grow CASA, retail assets, third party products, (iii) create a best-in-class Transaction Banking enterprises, (iv) establish itself as a leader in Digital Banking, (v) Implement robust risk management techniques and (vi) Undertake comprehensive HR Transformation-

including performance management, manpower planning and posting, career paths.

In March 2017, Government infused Rs.1900 crore in the bank through issue of preferential equity.LIC has also infused Rs 406.90 crore through preferential equity route.

As part of the capitalization exercise, a Memorandum of Understanding (MoU) has been undertaken between Government, management of the bank and employee union. As per MoU, the bank has prepared a detailed turnaround plan covering various areas of the banks' functioning, particularly improvement in asset quality, NPA management, reduction of operating costs and optimization of capital. Any further capital infusion in the bank shall be done by Government subject to achievement of agreed upon milestones by the bank .

IDBI is a lender in 11 of 12 cases that have been referred to National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code (IBC) for resolution. This should reduce pressure on the bank in the medium term.

It is noteworthy that budget for Financial Year 2016-17 only commits to transformation of the Bank and to consider the option of reducing Government stake in IDBI Bank Ltd. below 50%. It is not a commitment to reduce the stake. Therefore, IDBI Bank has been allowed to raise capital from markets through FPO or QIP diluting Government of India holding up to 52% initially in phased manner considering valuation, capital requirement, market condition etc."

6. In paras 36, 37, 38, 39 and 40 of the Report, the Committee had observed/recommended as follows :-

"The Committee note that IDBI Bank Ltd., has been following Government of India's policy on reservation in services as applicable to the Public Sector Banks (PSBs). The reservation is made available in the direct recruitment as well as in the inter cadre promotions. The Committee also note that reservation of 15% for Scheduled Castes, 7.5% for Scheduled Tribes and 27% for Other Backward Classes along with 3% horizontal reservation for "Persons with Disabilities "is made while filling up of various posts. The Committee further note that the relaxations in the age limit (5 years for SCs/STs and 3 years for OBCs), 5% in the minimum qualifying marks and 5% in the marks obtained in the interview for SC and ST candidates are also being extended; in the IDBI Bank Ltd."

"The Committee have also been informed by the Ministry that in terms of the comprehensive and updated Brochure on Reservation for SCs, STs and OBCs issued by the Department of Personnel & Training vide Office Memorandum No.36011/1/201-Estt. (Res) dated 17.11.2011 and with a view to monitoring the implementation of reservation to the aforesaid categories, the IDBI Bank Ltd is maintaining the Reservation Register."

"The system of reservation in the Government jobs, enrolment; in higher educational Institutions, etc., is an affirmative action undertaken by way of reserving access to seats for Caste and Tribes recognized in the list of Scheduled Castes and Scheduled Tribes. Over the years, the categories of affirmative action has been expended beyond the lists of Scheduled Castes and Scheduled Tribes to include the Other Backward Classes (OBCs). The Committee, therefore, recommend the Ministry of Finance (Department of Financial Services) to ensure that all the Public Sector Banks, including the IDBI Bank Ltd., should maintain and update the Reservation Register in a transparent manner. The entries made in the Reservation Register should also be uploaded in the website of the respective Banks so that the employees concerned need not resort to giving representations, etc., for knowing the extent of its compliance in regard thereto. The Committee would like to be apprised of the action taken in this regard within three months of presentation of the Report to the House."

"The Committee note that in the Clerical and Subordinate Cadres in the IDBI Bank Ltd, there is no shortfall in the sanctioned and existing strength of personnel belonging to Scheduled Castes, Scheduled Tribes and Other Backward Classes. The Committee, however, note that in the case of Officer Cadre, in the IDBI Bank Ltd., there is shortfall of 322 reserved category of personnel vis-à-vis the sanctioned strength (SCs-67, STs-94 and OBCs-161), in spite of the fact that a Special Recruitment Drive was conducted in the year 2010 to fill up the backlog vacancies."

"Keeping in view the large number of reserved category of posts lying vacant, the Committee are not convinced with the averments made by the IDBI Bank Ltd., to the effect that they are fully compliant with the extant reservation policy of the Government. The Committee, therefore, recommend that adequate provisions be made with respect to the proper implementation of reservation policy for SCs, STs, OBCs in all the Public Sector Banks, including the IDBI Bank Ltd. The Committee also recommend that Chief Liaison Officers and Zonal Liaison Officers should not only be appointed in all the Zones but also these posts should

not be kept unfilled, even for a shorter duration so that flawless compliance of various guidelines pertaining to reserved category employees along with effective redressal for their grievances are ensured on a permanent basis. The Committee would like to be apprised of the action taken by the Ministry in this regard."

7. In their action taken reply, the Ministry of Finance (Department of Financial Services) has submitted as follows:-

Reservation Register for the Bank is hosted on the Bank's website since August, 2014.

All PSBs/FIs/PSICs (including IDBI Bank Ltd.) have been requested on 13.01.2014 and 20.7.2016 to upload reservation register on their respective websites.

As on December 31, 2016, Bank has no shortfall in Reservation Register in SC/ST/OBC. The shortfall in earlier years was due to the retirement, resignation and non-availability of adequate number of suitable candidates belonging to reserved category (even after extending necessary relaxation/concession as per Government of India guidelines etc.) in direct recruitment.

Bank is complying with the Reservation Policy of the Government of India. Bank has appointed Chief Liaison Officer and Zonal Liaison Officer and no positions are kept vacant.

All PSBs/FIs/PSICs have been requested on 27.3.2017 that Chief Liaison Officers and Zonal Liaison Officers should not only be appointed in all the Zones but also these posts should not be kept unfilled, even for a shorter duration so that flawless compliance of various guidelines pertaining to reserved category employees along with effective redressal for their grievances are ensured on a permanent basis."

Observations/Recommendations

Strategizing and execution of Transformational Plan for IDBI Bank Ltd.

8. The Committee while noticing and considering that the primary reasons attributing to successive decline in the profit of IDBI Bank Ltd., are the increase in the Gross Non-Performing Assets(GNPAs), loan write-offs and poor financial results, had firmly opined that IDBI Bank Ltd., required a Transformational Plan to be urgently put in place with the underlying objectives of doubling the Bank's business volume, reducing its Gross NPA level below three percent, issuing of Basel-III complied on private placement basis, etc., and strengthening its capital adequacy, regulation, supervision and risk management. In this regard, the Committee had recommended that the Ministry of Finance (Department of Financial Services should effectively liaise with the IDBI Bank Ltd., for formulating a Transformational Plan with a target of putting the stressed projects back on track, bringing down the Gross NPA to '3' percent and Net NPA to '0' percent by the fiscal year 2018-19, selling of non-core assets to fund the growth of IDBI Bank Ltd., etc. The Committee had further recommended that the Ministry should work out their priorities for timely revival of their Financial Institutions, like IDBI Bank Ltd., etc., in such a manner that it does not surpass the '*point of recoverability*'.

9. In response, the Ministry of Finance (Department of Financial Services) has stated as under:-

- *At the Board Meeting held on July 29, 2016, strategy for transformation of IDBI Bank was laid down, which included business augmentation, rebalancing portfolio mix and*

improvement in profitability leading to cost reduction in operations.

- *In September 2016, the Bank appointed SBI Capital Markets Ltd. and 6 other Merchant bankers for raising fresh equity of Rs.6000 crore by way of Qualified Institutional Placement (QIP)/Preferential Issue/ Follow-on Public Offer (FPO). Merchant bankers had recommended one tranche under QIP with preferential allotment and another under fast track FPO.*
- *Further, Boston Consulting Group (BCG) was also appointed in September 2016 for making strategy of IDBI Bank transformation who suggested the following measures to be undertaken:-*
 - (i) Build a next-generation SME lending franchise;*
 - (ii) Rapidly grow CASA, retail assets, third party products;*
 - (iii) Create a best-in-class Transaction Banking enterprises;*
 - (iv) Establish itself as a leader in Digital Banking;*
 - (v) Implement robust risk management techniques; and*
 - (vi) Undertake comprehensive HR Transformation including performance management, manpower planning and posting, career paths.*

10. The Committee appreciate the initiatives of the Ministry of Finance (Department of Financial Services) and the IDBI Bank that the discussions on the transformation of IDBI Bank were on the agenda of the Bank's Board Meeting held on July 29, 2016, wherein the strategy with respect to the Transformational Plan was laid down. Further, the Committee take note of the appointment of SBI Capital Markets Ltd., and six other Merchant Bankers by the IDBI Bank in September 2016, for raising fresh equity of Rs. 6000 crore by way of QIP/Preferential Issue/ FPO. The Committee also take note of the appointment of Boston Consulting Group (BCG) by the IDBI Bank in September 2016, which suggested certain measures to be

undertaken in respect of the strategy for transformation of IDBI Bank. The Committee, however, recommend that the Ministry of Finance (Department of Financial Services) should continually overview the Transformational Plan for IDBI Bank, particularly, its execution part, chalked out in its Board Meeting held in July, 2016, and should also ensure prompt, careful and effective implementation of the measures as suggested by the Boston Consulting Group (BCG) in regard to the strategy for Bank's turnaround and improving its financial performance. In this connection, the Committee further reiterate that, while having an overview of the Transformational Plan in liaison with the IDBI Bank Ltd., the Ministry should also take into consideration the target of putting the stressed projects back on track, bringing down the Gross NPAs to '3' percent and Net NPA to '0' percent by the fiscal year 2018-19, and selling of non-core assets to fund the growth of IDBI Bank Ltd., etc. The Committee would like to be apprised of the measures taken by the Government in this regard.

Divestment of Government's shareholdings vis-a-vis capitalization exercise for Bank's turnaround

11. While noting the details that Government *vide* their order dated 30 December, 2015 had allowed IDBI Bank Ltd., to raise capital to the tune of Rs. 3771 crore through QIP route subject to the condition that the Government of India's shareholding does not fall below 52% and Government of India's shareholding in the IDBI Bank Ltd., being 73.98% as on August, 2016, the Committee, had cautioned the IDBI Bank Ltd., that in the changed economic environment of the country and the renewed approach of the Government to give foremost importance to the principle of self-sustainability and reducing the perennial dependency of infusion of

funds and scarce resources, any further twirl in the balance sheet of IDBI Bank in the form of further losses or unproductive expenditure could result in divesting of the shareholding of the Government. In this context, the Committee had recommended that the Ministry of Finance (Department of Financial Services) should work out a renewed strategy with the Management of the IDBI Bank Ltd., to put in place the Revamp Plan of doubling the bank's business volume and reducing its gross NPA level. The Committee had further recommend that with a view to improving and strengthening regulation, supervision and risk management in the IDBI Bank, the procedure of raising money through Tier-II Bonds should now be complied with Basel-III norms. Besides, the Committee had also recommended that the IDBI Bank should also make full use of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Debt Recovery Tribunals for recovering its NPAs.

12. In response, the Ministry of Finance (Department of Financial Services) have stated as follows:-

- *In March 2017, Government infused Rs.1900 crore in the bank through issue of preferential equity. Life Insurance Company of India(LIC) has also infused Rs 406.90 crore through preferential equity route.*
- *As part of the capitalization exercise, a Memorandum of Understanding (MoU) has been undertaken between Government, management of the bank and employee union. As per MoU, the bank has prepared a detailed turnaround plan covering various areas of the banks' functioning, particularly improvement in asset quality, NPA management, reduction of operating costs and optimization of capital. Any further capital*

infusion in the bank shall be done by Government subject to achievement of agreed upon milestones by the bank.

- *Budget for Financial Year 2016-17 only commits to transformation of the Bank and to consider the option of reducing Government stake in IDBI Bank Ltd. below 50%. It is not a commitment to reduce the stake. Therefore, IDBI Bank has been allowed to raise capital from markets through FPO or QIP diluting Government of India holding up to 52% initially in phased manner considering valuation, capital requirement, market condition etc.*

13. The Committee appreciate the efforts of the Government, for infusing Rs.1900 crore in the IDBI Bank under its turnaround linked Capital Infusion Plan, through issuance of preferential equity and also for LIC infusing Rs. 406.90 crore through preferential equity route. The Committee take note of the capitalization exercise undertaken through a Memorandum of Understanding (MoU) between the Government, Management of the Bank and Employee Union with respect to a detailed Turnaround Plan covering various areas of the banks' functioning, particularly improvement in asset quality, NPA management, reduction of operating costs and optimization of capital. Further, the Committee are happy to note a much clear picture now that, notwithstanding the Government's consideration of the option to reduce the Government's stakes in the IDBI Bank Ltd., below 50%, as indicated in the Budget for Financial Year 2016-17, the divestment of Government's stakes below 50% is not on the cards of the Government.

14. While appreciating for the various measures being taken by the Government in getting the financial position of the Bank back on track, the Committee reiterate to the Ministry of Finance (Department of Financial Services) to work out on an amenable strategy with the Management of the

IDBI Bank Ltd., to put in place the Revamp Plan of doubling the Bank's business volume and reducing its gross NPA level with a view to improving and strengthening regulation, supervision and risk management in the IDBI Bank, the procedure of raising money through Tier-II Bonds complied with Basel-III norms, besides, to make full use of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Debt Recovery Tribunals for recovering its NPAs. The Committee would like to be apprised of the measures taken by the Government in this regard.

15. As regards the NPA management, the Committee recommend that the Ministry of Finance (Department of Financial Services) should continually review their turnaround strategy to assess, monitor and risk management in the IDBI Bank. In this context, the Committee desire that a 'Credit Monitoring Group/Mechanism' with dedicated manpower may be formed in the IDBI Bank to find out potential NPAs based on early warning signals, to recover their mounting NPAs and to identify loan defaulters, particularly *willful defaulters*, at an early stage.

16. The Committee expect from the Ministry of Finance (Department of Financial Services) to keep a constant vigil on the performance of the IDBI Bank Ltd., with respect to milestones to be achieved such as active bad loans management, strengthening of credit underwriting, arranging capital from the market, continuing plan for disposal of non-core assets, divestment of subsidiary stake to closure of loss-making domestic/international branches etc., under its comprehensive turnaround plan, besides, rationalisation and reduction of administrative, operating

expenses including temporary restructuring of employees, if need be. The Committee recommend that such quantifiable and measureable milestones should come under time bound turnaround plan, which could be monitored on quarterly basis. The Committee would like to be apprised of the measures taken by the Government on this count.

Implementation of provision for reservation to SCs/STs and OBCs and Maintenance of Reservation Register/Reservation Roster Register- offline and online.

17. The Committee had taken note of the fact that reservation of 15% for Scheduled Castes, 7.5% for Scheduled Tribes and 27% for Other Backward Classes along with 3% horizontal reservation for "Persons with Disabilities" are made while filling up of various posts in the IDBI Bank, as per the Government of India's policy on reservation in services as applicable to the Public Sector Banks (PSBs). The Committee had further noted that the relaxations in the age limit (5 years for SCs/STs and 3 years for OBCs), 5% in the Minimum Qualifying Marks and 5% in the marks obtained in the interview for SC and ST candidates are also being extended; in the IDBI Bank Ltd. The Committee had also observed that the reservations are made available in the Direct Recruitment as well as in the *inter cadre* Promotions and there was no shortfall in the sanctioned and existing strength of personnel belonging to Scheduled Castes, Scheduled Tribes and Other Backward Classes. In this context, the Committee had recommended that the Ministry of Finance (Department of Financial Services) to ensure that all the Public Sector Banks, including the IDBI Bank Ltd., should maintain and update the Reservation Register in a transparent manner and the entries made therein should also be uploaded

in the websites of the respective Banks so that the employees concerned need not resort to giving representations, etc., for knowing the extent of its compliance in regard thereto.

18. In response, the Ministry of Finance (Department of Financial Services) have stated as follows:-

- *Reservation Register for the Bank is hosted on the Bank's website since August, 2014.*
- *All PSBs/FIs/PSICs (including IDBI Bank Ltd.) have been requested on 13.01.2014 and 20.7.2016 to upload reservation register on their respective websites.*

19. The Committee appreciate the efforts of the IDBI Bank with respect to the compliance to the Government of India's policy on Reservation in Services, viz., in Direct Recruitment as well as in the *inter cadre* Promotions and also in providing age relaxation to SC, ST and OBC candidates and providing relaxation in minimum qualifying marks and marks obtained in the interview to SC and ST candidates. Further, the Committee are satisfied to note that the Reservation Register of the IDBI Bank has already been hosted on the Bank's website since August, 2014 and all the PSBs/FIs/PSICs (including IDBI Bank Ltd.) have also been requested on 13.01.2014 and 20.7.2016 to upload their Reservation Register on their respective websites. However, in this regard, the Committee expect from the Ministry of Finance (Department of Financial Services) to ensure that all the PSBs/FIs/PSICs must comply with the mandatory requirement of maintaining Reservation Register and also the Reservation Roster Register with updated entries from time to time and both these Registers must be

uploaded on their respective official websites with a view to monitoring the full implementation of reservation policy with respect to the reserved categories. The Committee would like to be apprised of the measures taken by the Government in this regard.

Fulfillment of vacancies reserved for SCs/STs/OBCs/Persons with Disabilities(including backlog) and their grievance redressal

20. The Committee had noted that in the Clerical and Subordinate Cadres in the IDBI Bank Ltd., there was no shortfall in the sanctioned and existing strength of personnel belonging to Scheduled Castes, Scheduled Tribes and Other Backward Classes , however, in case of the Officer cadre, there was shortfall of 322 reserved category of personnel *vis-a-vis* the sanctioned strength (SCs - 67, STs - 94 and OBCs - 161), as on 30 June, 2016, in spite of the fact that a Special Recruitment Drive was conducted in the year, 2010 to fill up the backlog vacancies. While noticing a large number of reserved category of posts lying vacant in case of the Officer cadre, the Committee had recommended that adequate provisions be made with respect to the full and proper implementation of Reservation Policy for SCs, STs and OBCs, in all the Public Sector Banks, including the IDBI Bank Ltd. The Committee had further recommended that Chief Liaison Officers and Zonal Liaison Officers should not only be appointed in all the Zones but also these posts should not be kept unfilled, even for a shorter duration

so that flawless compliance of various Guidelines pertaining to reserved category of employees along with effective redressal of their grievances are ensured on a permanent basis.

21. In response, the Ministry of Finance (Department of Financial Services) have stated as follows:-

- *As on December 31, 2016, Bank has no shortfall in Reservation Register in SC/ST/OBC.*
- *Bank is complying with the Reservation Policy of the Government of India.*
- *Bank has appointed Chief Liaison Officer and Zonal Liaison Officer and no positions are kept vacant.*
- *All PSBs/FIs/PSICs have been requested on 27.3.2017 that Chief Liaison Officers and Zonal Liaison Officers should not only be appointed in all the Zones but also these posts should not be kept unfilled.*

22. The Committee are satisfied to note that as on December 31, 2016, IDBI Bank has no shortfall in Reservation Register with respect to SC, ST and OBC categories and the Bank is complying with the Reservation Policy of the Government of India. However, the Committee recommend that the Ministry of Finance (Department of Financial Services) should ensure that there should not be any shortfall in vacancies against the reserved categories viz. SCs, STs and OBCs including the 'Persons with Disabilities', in other PSBs/FIs/PSICs as well. Further, the Committee also recommend that the concerned Organizations/Institutions should hold Special Recruitment Drive from time to time against the Backlog Vacancies and

also conduct continuous recruitment of carry forward vacancies. The Committee also recommend that promotion policy for SCs, STs and OBCs should not be discriminatory against them and a more transparent method of promotion in various cadres including Officers' cadre, must be adopted to ensure due representation and opportunity for these categories of weaker sections of society. The Committee would like to be apprised of the measures taken by the Government in this regard.

23. On the aspect of appointment of Chief Liaison Officers/Zonal Liaison Officers, the Committee recommend the Ministry of Finance (Department of Financial Services) to formulate such policy provision(s) that these posts do not remain vacant at any point of time and also to ensure their proper management and training for prompt and effective redressal for grievances pertaining to SC/ST/OBC employees on a permanent basis. The Committee would like to be apprised of the action taken by the Government in this regard.

24. Besides, the Committee also recommend that a dedicated SC/ST/OBC Cell must be created in all PSBs/FIs/PSICs including IDBI Bank Ltd., may be under aforementioned Liaison Officers for submission, better coordination and monitoring of grievances (offline or online) pertaining to SC/ST/OBC employees and their timely redressal. The Committee would like to be apprised of the action taken by the Government in this regard.
