



**COMMITTEE ON PETITIONS
(2012-2013)**

FIFTEENTH LOK SABHA

TWENTY SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

July 2013 / Ashadha, 1935 (Saka)

CPB. NO. 1 Vol.XXVII

Price: Rs.....

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by the Manager, Government of India press, Minto Road, New Delhi

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- (i) Minutes of the Forty Ninth sitting of the Committee on Petitions held on 06 September, 2012.
- (ii) Minutes of the Fifty Ninth sitting of the Committee on Petitions held on 1 July, 2013.

COMPOSITION OF THE COMMITTEE ON PETITIONS

Shri Anant Gangaram Geete - Chairman

Members

2. **Shri Khiladi Lal Bairwa**
3. **Shri A Sai Prathap**
4. **Shri Syed Shahnawaz Hussain**
5. **Shri Vincent H. Pala**
6. **Shri G.V.Harsha Kumar**
7. **Shri Arvind Kumar Chaudhary**
8. **Shri Bhartruhari Mahtab**
9. **Shri Yashvir Singh**
10. **Shri M.B. Rajesh**
11. **Prof.(Dr.) Ram Shankar**
12. **Shri Rakesh Singh**
13. **Shri Adhi Shankar**
14. **Shri Adagooru Vishwanath**
15. **Vacant**

SECRETARIAT

Shri P.K. Grover	-	Additional Secretary
Smt. Sudesh Luthra	-	Joint Secretary
Shri Shiv Kumar	-	Director
Md. Aftab Alam	-	Deputy Secretary
Smt. Jagriti Tewatia	-	Under Secretary
Shri Soumik Roy	-	Executive Assistant

**TWENTY SEVENTH REPORT OF THE COMMITTEE ON PETITIONS
(FIFTEENTH LOK SABHA)**

INTRODUCTION

I, the Chairman, Committee on Petitions, having been authorized by the Committee to present the Report on their behalf, present this Twenty Seventh Report on the representation received from Smt. Vijaya Dhawale, General Secretary, AIIDBEA, Mumbai regarding : Denial of Wage Revision to the Working Staff of IDBI Bank.

2. The Committee considered and adopted the draft Twenty Seventh Report at their sitting held on 1 July, 2013.
3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

1 July, 2013

10 Asadha, 1935 (Saka)

**Anant Gangaram Geete,
Chairman,
Committee on Petitions.**

REPORT**REPORT ON THE REPRESENTATION RECEIVED FROM SMT. VIJAYA DHAWALE, GENERAL SECRETARY, AIIDBEA, MUMBAI REGARDING DENIAL OF WAGE REVISION TO THE WORKING STAFF OF IDBI BANK.**

Smt Vijaya Dhawale, General Secretary, All India Industrial Development Bank Employees Association (AIIDBEA), Mumbai in her representation dated 12 September 2011 submitted to the Committee stated that the Industrial Development Bank of India (IDBI) has denied the benefit of Wage Revision to the Workmen Staff of the IDBI. In her representation, she invited the attention of the Committee to an assurance given by the then Finance Minister in Lok Sabha on 8.12.2003 that IDBI would be maintained as a Development Financial Institution even after its Corporatization. Thus, in furtherance of the aforesaid assurance, it was provided in Clause 3(1) of IDBI (Transfer Of Undertaking Repeal) Bill 2002, that IDBI would carry on banking business - in addition to its mandated existing Development Bank role. It was also assured by the then Finance Minister that the existing terms and conditions of services, rights and privileges of employees and officers shall prevail even after the conversion of IDBI into a Corporate entity. Consequently, however, the Government of India had reviewed its earlier stand to the effect that from 1.11.2007 a Settlement for Pay and Allowances will be negotiated and mutually agreed upon between the Bank and the Association of Employees.

Smt. Dhawale also submitted that the Committee on Petitions (14 Lok Sabha) had, earlier also examined a similar representation dated 15 December 2006 by the then General Secretary, AIIDBEA and while examining the issue, the Committee had sought to know from the Ministry of Finance whether the Wage Settlement after the stipulated conditionality would be beneficial to the employees of the IDBI as per the assurance given by the Finance Minister on the floor of the House and also to explain by comparing the benefits being given to the IDBI employees vis-à-vis proposed to be given after conversion of IDBI into a deemed Banking Company after the conclusion of

Wage Settlement on 31.10.2007. The Ministry of Finance in its reply had submitted that while approving the Wage Settlement for IDBI Employees, the Government of India vide its letter dated 31.7.2006 had extended two aspects of Public Sector Banks to IDBI i.e the Managerial Autonomy and Performance Linked Incentive.

Smt. Dhawale further submitted that while approving the earlier Wage Settlement which was effective from 01.11.2002, Government of India treated the employees of IDBI, NABARD and SIDBI on a similar footing on the question of imposing pre-conditions. Therefore, the Petitioner's claim that since IDBI functions as a Development Bank also, the dispensation of Wages to its employees should be similar to NABARD and SIDBI and Wage Settlement and other Service Conditions should be at par with the RBI. She has claimed that while the IDBI management is resisting Wage Revision for its Workmen Staff it has carried on Wage Revision for its Officers' Cadre. She, therefore, sought intervention of the Committee to direct the Authorities to implement the Wage Revision for the Workmen Staff.

2. The Committee took up the matter with the Ministry of Finance (Department of Financial Services) for detailed examination under Direction 95 of the Directions by the Speaker, Lok Sabha and the representation was accordingly referred to the Ministry of Finance for furnishing their comments thereon.

3. The Ministry of Finance, in the written note gave a brief chronological account of the formation of the IDBI Bank and the events surrounding the issue raised in the representation. The Ministry submitted that the erstwhile Industrial Development Bank of India (eIDBI) was established as a Development Financial Institution, pursuant to the provision of the Industrial Development Bank Act 1964 (IDBI Act). It, then, functioned as a separate Department of Reserve Bank of India. Thereafter, in October 2004 eIDBI was converted into a Banking company - IDBI Ltd. and was Notified as a Scheduled Bank by the RBI. On April 2006 erstwhile IDBI Bank Ltd. (a Private Bank and subsidiary of eIDBI) was amalgamated with the IDBI Bank Ltd. On October 2006 the erstwhile United Western Bank was amalgamated with the IDBI Bank Ltd based on the GOI Notification dated 30 September 2006. The eUWB Bank at the time of the merger had both Workmen Employees and officers on its rolls. Thus IDBI Bank Ltd is an

amalgamation of erstwhile IDBI(DFI) (eIDBI), two private banks , IDBI Bank Ltd (merged with IDBI in April 2005)and eUWB (merged with IDBI in October 2006).

4. Elaborating about the Wage Settlement, the Ministry stated the Committee that prior to the merger, all the three entities had different sets of Pay and Allowance and Service Conditions. The eIDBI had pay, allowance and Service Conditions on the lines of RBI, the IDBI Bank Ltd had pay and Service Conditions linked to market structure and the UWB had pay and Service Conditions as per Public Sector Banks. Among the three banks, the IDBI Bank was an Officer run Bank while the other two Banks had both Officers and Workmen Employees. In this connection the Ministry further elaborated that the Wage Settlement in the case of Officers is made through administrative circulars whereas Wage of the Workmen Employees is fixed through a Bipartite Settlement. Thus, ever since its inception, the IDBI has entered into various bi-patrite Wage Settlements with the All India Industrial Development Bank Employees Association (AIIDBEA) and Industrial Development Bank Workmen Union (IDBUWU) representing Class III and Class IV employees in line with the RBI. As a matter of fact in all Wage Settlements signed with the AIIDBEA, the following provision stood always incorporated:

"it is hereby expressly agreed that any modification to the provisions of the Memorandum of Settlement dated 24 October 2005 between the All India Reserve Bank Workers Federation and the management of Reserve Bank of India, shall *mutatis mutandis* apply to this Settlement and if so required, the parties hereto shall enter into a amendatory Agreement to give effect to such modifications."

5. The Ministry also made a mention about the previous Bipartite Settlement for the period of 2002-2007 with the All India Industrial Development Bank Employees Association(AIIDBEA). It was stated by the Ministry that the last Wage Settlement for the period of November 2002 to October 2007 was signed with the AIIDBEA in March 2006 and was sent to the Government of India (GOI) for approval. The GOI then directed IDBI Bank to de-link Wage parity with RBI in future Wage Settlements

considering that IDBI Bank had converted into a Commercial Bank and advised incorporating a revised clause in place of the aforesaid clause in regard to RBI parity. Consequently, the bi-partite Settlement for the period November 2002 to October 2007 incorporated the following clause:-

"We further agree that upon expiry of the Settlement for the said period, all Pay and Allowances would be negotiated and mutually agreed upon between the Bank and its employees having regard to the well accepted principles of Wage fixation."

6. The Ministry, however, while elucidating upon the prevailing position in regard to the Wage Agreement submitted that in November 2007 the Indian Banks Association (IBA) sought the Banks mandate for negotiating Wage Settlement to be effective from November 2007 on behalf of IDBI Bank with the Workmen Union. However, as the three amalgamated entities had different Service Conditions the Bank instead engaged a Human Resource Consultancy Firm to draw up an independently developed compensation package harmonizing the three distinct Pay and Allowances structure. Later on a Committee of Ex-bankers was also appointed to oversee the compensation package. Prior to placing the draft Compensation package before the Board, AIIDBEA, which was signatory to the previous Settlements was called for discussion in April 2009 and the harmonized and Revised Compensation Package without linking to RBI parity was offered to them. AIIDBEA however refused to discuss the offer and demanded RBI parity. Nevertheless, the harmonized package was implemented for Officers for the Settlement period 2002-2007 in January 2010. The AIIDBEA was again invited for discussions in June 2009 but the Association submitted a Charter of demands and refused to discuss any Compensation Package till the RBI Settlement is finalized. The Wage Settlement in Reserve Bank of India was signed in September 2010 and the AIIDBEA started approaching the IDBI for Wage Settlement after September 2010 for negotiation as per Wage Settlement of RBI. Both the AIIDBEA and the IDBIKS (Karamchari Union) were called for discussions in December 2010 regarding certain changes made in the Service Conditions for the employees of the Bank. Discussions

continued throughout February 2011 till August 2011. A Committee of three Executive Directors was also constituted to arrive at a Settlement. However, the AIIDBEA continued with their demand of RBI parity and resorted to agitations/strikes in November and December 2011. In this regard the Ministry has also drawn reference to the reply to a Calling Attention Notice on 15 December 2013 wherein the Government of India replied:-

"After conversion of IDBI Ltd. into a Banking Company in October 2004, IDBI Bank Ltd, is categorized as other Public Sector Bank. In terms of the MoS signed between the Management of IDBI Bank Ltd and AIIDBEA dated January 20 2007, subsequent Settlement for Pay and Allowances were to be based on the well accepted principles of Wage fixation and no longer linked with RBI. Since Settlement under the aegis of Indian Banks Association, adopted in the nationalized banks do not have parity with the Pay Scales of RBI, any demand for such parity in the IDBI Bank Ltd which is a public sector Bank is unjustified and hence not acceptable. It is the endeavor of the Management of IDBI Bank Ltd to expeditiously arrive at a fair, reasonable and amicable Settlement."

7. The Ministry further submitted before the Committee that after prolonged informal discussion, two separate bi-partite Settlements for Class III and Class IV employees for the Settlement period of November 2007 to October 2012 without RBI Parity were signed between the Bank and AIIDBEA on 22 February 2012 and the same was approved by the Board on 2 March, 2012. Though, AIIDBEA signed the Wage Settlements, they did not agree to the modifications to the Service Conditions more or less in line with the Industry. The Wage Settlement was forwarded to GOI for approval vide letter dated 14 March 2012. Certain clarification was sought by GOI regarding implementation of compensation package for Workmen Employees which were furnished by the Bank vide letter dated 3 May 2012. AIIDBEA again gave call to strike on 15 and 16 May regarding delay in implementation of Wage Settlement, which was deferred after meeting with the Conciliation Officer. The Ministry further assured the

Committee that the Bank on its part is taking all the necessary steps to implement the Wage Settlement at the earliest.

8. Thereafter, during Study Visit to Mumbai on 6 June 2012, the Committee held an informal discussion with both the representatives of AIIDBEA and the officials of the Ministry of Finance and Industrial Development Bank of India on the aforesaid issue. The representatives of AIIDBEA during the informal discussion held during the study tour submitted before the Committee that since IDBI functions as a Development Bank also, the dispensation of Wages to its employees should also be similar to NABARD and SIDBI and thereafter their Wage Settlement and other Service Conditions should be at par with the RBI. They further stated that while the IDBI management is resisting Wage Revision for its Workmen Staff while it had already carried on Wage Revision for its Officer Staff. The Association had entered into an Agreement with the management of IDBI on 3.3.2012; for which an approval is pending and no stipulated time / date has been specified in any of the Agreements. IDBI Management Board has also given its approval thereto, however, the approval of the Central Government remains to be obtained by them.

9. The representatives of IDBI during the aforesaid deliberations emphasized that prior to merger, all three entities had different Pay and Allowances and Service Conditions. Erstwhile Industrial Development Bank of India had Pay, Allowances and Service Conditions on the lines of RBI; erstwhile IDBI Bank Ltd. had Pay and Service Conditions linked to market structure (cost to company basis) and erstwhile United Western Bank Ltd. had pay and Service Conditions as per Public Sector Banks. It was also stated before the Committee that while the erstwhile IDBI Bank Ltd. was officer run and did not have any Workmen Employees, erstwhile Industrial Development Bank of India and United Western Bank Ltd. had Workmen Employees. The Wage Settlement for officers through the issue of Administrative circulars; however, in the case of Workmen Employees, the practice has always been that the Wage Settlement are arrived at through bi-partite Settlements. The Committee were further informed that during discussions on Wage Settlement for the period November, 2002 till October, 2007, though the Settlement was signed with AIIDBEA by the bank in March, 2006, and

was sent to GoI for approval, GoI directed IDBI to de-link Wage parity with RBI in future Wage Settlements, considering that IDBI had converted into a commercial Bank, and had advised incorporating a revised clause in place of the aforesaid clause in regard to RBI parity.

10. In the written note submitted by the Ministry of Finance during the aforesaid study visit, the Committee were apprised that post merger with erstwhile United Western Bank, the Bank had two unions viz. AIIDBEA belonging to the erstwhile IDBI Ltd. and IDBI Karamchari Sangh (IDBIKS) belonging to the erstwhile UWB Ltd. All India IDBI Employees Association had been emphasizing that the current bi-partite Settlements have to be signed with them only, claiming the majority status in terms of membership. IDBI Karamchari Sangh had also claimed that the Bank had to negotiate and sign the Settlement with them as they have the majority membership. Wage Settlement in RBI was signed in September, 2010 after which the AIIDBEA started approaching the IDBI from September, 2010 for negotiations on their charter of demands, which was as per Wage Settlement of RBI.

11. In the written note it is further elaborated that after prolonged informal / formal discussions, two separate bi-partite Settlements for Class III & IV employees for the Settlement period November, 2007 to October, 2012 without RBI parity were signed between the Bank and AIIDBEA on 22.2.2012 and the same was approved by the Board on 2.3.2012. Though AIIDBEA signed the Wage Settlements, but, however, they had not by then agreed to the modifications made in the Service Conditions more or less in line with the Industry. The Wage Settlement signed between IDBI Bank and AIIDBEA was forwarded to GoI for approval on 14.3.2012. Certain clarifications were sought by GoI regarding implementation of compensation package for Workmen Employees, which were furnished by the Bank on 3.5.2012. It is further apprised that another Calling Attention notice regarding non-implementation of Wage Settlement was raised in the Parliament in May, 2012. After the discussions, the Hon'ble Finance Minister had replied the following :-

"I would have no problem if the Employees' Association had agreed to give the mandate to the IBA (India Banks' Association) which negotiates on behalf of all

the public sector banks. They did not agree. That is why the problem came that when all Public Sector Banks Settlement took place, this bank could not settle. The second issue is that the Industrial Development Banks Employees Association was requested to make negotiations several times. But the association did not agree and insisted on having parity with RBI. On January, 2012, the package was once again offered without linkage to RBI parity and now that the package has been agreed on February, 2012. I would have no problem to implement it immediately. But in between, another union namely Karamchari Sangh has refused to agree to this package. During the last negotiation, I told them that even if they want a bit more, I asked them to negotiate. I assure you, as soon as the Parliament Session is over, I will call the IDBI Chairman and the other relevant concerns and I will try to attempt an agreed solution where the package is acceptable to both the Employees Association and Karamchari Sangh."

12. The Ministry of Finance in the written note submitted that the revised pay scales for officers for the period 2007-12 were implemented in January, 2010 through administrative circulars after obtaining Board's approval of IDBI Bank. The matter is under consideration of the Government. The Committee during the course of discussion at the study visit to Mumbai on 6 June, 2012 on a specific query as to whether the approval of the Government for revision of salaries of officers in revised pay scales was necessary for which only Board approval was taken, the Committee were informed that there is a need for Government approval for revision of officers pay scales.

13. The Committee emphasized during the informal discussion held with the representatives of the Ministry of Finance and IDBI at the study tour in Mumbai on 6 June, 2012 that the Wage Agreement for the Workmen employees of IDBI should be implemented according to the Agreement within the stipulated timeframe for which the representative of IDBI requested for 30 days time to implement the Wage Settlement Agreement.

14. Subsequently, the Ministry vide its correspondence dated 01 August, 2012 stated that the Government of India, Ministry of Finance vide its letter dated 21 June, 2012 had conveyed their approval on the Wage Revision and terms and conditions of service in respect of Class III & IV Workmen Employees of the Bank subject to certain pre conditions to be agreed upon by the employees. Accordingly, GOI approval was communicated to AIIDBEA vide letter dated 21 June, 2012 with an advice to communicate their acceptance of the pre-conditions by the Workmen Employees. In response, AIIDBEA vide their letter dated 24 June, 2012 refused to accept the conditions stipulated by the GOI and demanded immediate implementation of Wage Settlement. The position as obtaining on the issue was however further clarified before the Committee that the matter was referred to the GOI for seeking permission to implement Wage Settlement without insisting to first accept the pre-conditions. However, Ministry of Finance vide letter dated 05 July, 2012 reiterated their stand conveyed vide letter dated 21 June, 2012.

15. On being categorically asked by the Committee to explain the procedure involved in undertaking Wage Revision, the Ministry of Finance in its written submission submitted:-

“as per the past practice, the Union, AIIDBEA representing Class III & IV employees would submit its charter of demands for Wage Revision and a Bipartite Settlement used to be arrived at between the Union and the Management. The Bipartite Settlement is subject to Government approval and on approval of Government, the Wage Revision is implemented. The last Settlement for the period 2002-2007 was signed between AIIDBEA and IDBI Bank in March, 2006 and was subsequently implemented in the Bank.”

16. The Ministry further submitted :

“Wage Revision exercise for the Workmen staff and the officers is undertaken simultaneously. In case of the present Settlement, the revised compensation package and the harmonized terms and conditions of the service were prepared together for both officers and Workmen Employees. The harmonized terms and conditions of the service for officers were approved in July, 2009. In case of

Workmen Employees covered under the Industrial Disputes Act 1947, the revised compensation package were offered to the AIIDBEA for negotiations in April, 2009. AIIDBEA however, declined to discuss and insisted to wait till the Wage Settlement of Reserve Bank of India. After RBI Settlement was signed in September, 2010 AIIDBEA submitted its charter of demands.”

17. Asked to explain the reasons for imposing the pre conditions on the Workmen Staff, the Ministry submitted:

“The next Wage Settlement shall be on the lines of practices of Wage fixation in Public Sector Banks since the IDBI bank has been converted into a Banking company and categorized as other public sector banks.”

18. The Ministry of Finance vide its correspondence dated 5 September, 2012 further apprised the Committee as under:

“in connection with Wage Revision of IDBI Bank employees for 2007-2012 has been reconsidered in its entirety and Government has accordingly decided to agree to the revised proposal of IDBI. In response IDBI Bank has accordingly informed that letter for implementing the Wage Settlement for the period 2007-2012 has been sent to General Secretary AIIDBEA. In turn the association taking a positive note of the Development has withdrawn a call of strike on 05 September, 2012. Hence, it is understood that the matter stands settled.”

19. During the course of oral evidence with the representatives of the Ministry of Finance on 06 September, 2012 the Committee enquired about the progress made so far in the matter of Wage Revision of the working staff of the IDBI. In response the witnesses submitted that after having discussions with the representatives of the workers and the management of IDBI, a proposal was sent to the IDBI which was subsequently accepted by the AIIDBEA and the same has already been implemented. It was further stated by the witness that the issue stands appropriately settled and now there was no dispute as such on this count.

Observations/Recommendations

20. In her representation, the Petitioner, Smt. Vijaya Dhawale, General Secretary, All India Industrial Development Bank Employees Association (AIIDBEA) had stated that the Industrial Development Bank of India (IDBI) has denied the benefit of Wage Revision to the Workmen Employees of the Bank in line with the RBI. The petitioner further stated that while approving the earlier Wage Settlement, which was effective from 1.11.2002, the Government of India had treated the employees of IDBI, NABARD & SIDBI on similar footing on the question of imposing pre conditions. The petitioner also claimed that since the IDBI functions as a Development Bank the dispensation of Wages to its employees should be similar to NABARD & SIDBI and accordingly Wage Settlement and other Conditions of the Service of the employees should be at par with RBI. The petitioner had also referred to an assurance given by the then Hon'ble Finance Minister in Lok Sabha on 8.12.2003 that, IDBI would be maintained as a Development Financial Institution even after its Corporatization. Thus, it was provided in clause 3(1) of IDBI (Transfer of Undertaking Repeal) Bill 2002 that IDBI would carry on Banking business in addition to its mandated existing Development Bank role. It was also assured that the existing terms and conditions of services, rights and privileges of employees and officers shall prevail even after the conversion of IDBI into a Corporatised Bank. The petitioner had claimed that while the IDBI Management was resisting Wage Revision for its Workmen Staff it has carried on Wage Revision for its Officer Cadre. She had, therefore, sought intervention of the Committee to go into the issue of implementation of Wage Revision in respect of Workmen Employees of IDBI.

21. The Committee note from the written submission of the Ministry of Finance that the erstwhile Industrial Development Bank of India (eIDBI) was established as a Development Financial Institution, pursuant to the provision of the Industrial Development Bank Act 1964 (IDBI Act). It, then, functioned as a separate Department of Reserve Bank of India till the ownership

transfer to Government of India in February, 1976. Thereafter, on October 2004 eIDBI was converted into a Banking company - IDBI Ltd. and was Notified as a Scheduled Bank by the RBI. On April 2005 erstwhile IDBI Bank Ltd. (a private bank and subsidiary of eIDBI) was amalgamated with the IDBI. In October 2006 the erstwhile United Western Bank was amalgamated with the IDBI Bank Ltd based on the GOI notification dated 30 September 2006. The eUWB Bank at the time of the merger had both Workmen Employees and Officers on its rolls. Thus IDBI Bank Ltd is an amalgamation of three different entities i.e IDBI(DFI)(eIDBI) and two private banks , IDBI Bank Ltd (merged with IDBI in April 2005)and eUWB (merged with IDBI in October 2006).

22. The Committee further note that while the erstwhile IDBI Ltd. had only Officer Cadre the other two banks had both Officer cadre and Workmen Employees on its pay roll. Thus while fixing remuneration for Bank it has to follow two methods. While the Wage Settlement for Officers is made through the issue of Administrative circulars; in case of Workmen Employees, the practice is that the Wage Settlement is arrived at through bi-partite Settlements.

23. The Committee also note from the submission of the Ministry that the previous Wage Settlement was made for the period from November, 2002 till October, 2007 and the Agreement was reached at and was sent to the Government of India (GoI) for approval. The GoI had then directed IDBI to de-link Wage parity with RBI in future Wage Settlements, considering that IDBI had converted into a Commercial Bank, and had advised incorporating a revised clause in place of the clause regarding RBI parity.

24. In November, 2007 the Indian Banks Association (IBA) sought the Banks mandate for negotiating Wage Settlement. However, as the three amalgamated entities had different Service Conditions the Bank instead engaged a Human Resource Consultancy Firm to draw up an independently developed Compensation Package harmonizing the three distinct Pay and

Allowances structure. Prior to placing the draft Compensation Package before Board, the AIIDBEA was called for discussion in April 2009 and the harmonized and revised Compensation Package without linking to RBI parity was offered to them. AIIDBEA however refused to discuss the offer and demanded parity with RBI. However, the harmonized package was implemented for Officers for the Settlement period 2002-2007 in January 2010. The AIIDBEA was again invited for discussions in June 2009 but the Association submitted a charter of demands and refused to discuss any compensation package till the RBI Settlement is finalized. The Wage Settlement in Reserve Bank of India was signed in September 2010. Thereafter, the AIIDBEA started approaching the IDBI after September 2010 for negotiating Wage Settlement as per Wage Settlement of RBI.

25. The Committee find that after prolonged informal discussions two separate bi-partite Settlements for Class III and Class IV Employees for the Settlement period of November 2007 to October 2012 without RBI Parity were signed between the Bank and AIIDBEA on 22 February 2012 and the same was approved by the Board on 2 March, 2012. Though, AIIDBEA signed the Wage Settlements they did not agree to the modifications to the Service Conditions more or less in line with the industry. The Wage Settlement was forwarded to GoI for approval vide letter dated 14 March 2012. Certain clarifications were sought by GoI regarding implementation of Compensation Package for Workmen Employees, which were furnished by Bank on 3.5.2012 and the Government had conveyed its approval for the same on 21 June 2012 on the Wage Revision and terms and conditions in respect of Class III & IV Workmen Employees of the Bank - signed on 22 February 2012 subject to certain pre-conditions to be agreed upon by the employees.

26. The Committee however note that the AIIDBEA vide their letter dated 24 June, 2012 refused to accept the conditions stipulated by the GoI and the matter was referred to GoI for seeking permission to implement Wage Settlement without insisting to accept the pre-condition. The GoI, Ministry

of Finance vide its letter dated 5 July, 2012 reiterated their stand as conveyed vide their letter dated 21 June, 2012.

27. The Committee during the study visit to Mumbai on 6 June, 2012 further deliberated on the issue during the informal discussions with the representatives of the Ministry of Finance and Industrial Development Bank of India. The Committee at that time emphasized to implement the Agreement within the stipulated timeframe for which the representative of IDBI requested for 30 days time to implement the Wage Settlement Agreement.

28. The Committee understand that after the matter was seized by the Committee the Wage Revision of IDBI Bank employees for 2007-12 has been reconsidered in its entirety and the Government has accordingly decided to agree to the revised proposal of IDBI. The Committee are informed vide Ministry of Finance OM dated 5 September, 2012 that the IDBI Bank has sent a letter to the General Secretary, AIIDBEA, for implementation of Wage Settlement and the Association in turn while taking a positive note of the developments had withdrawn the strike scheduled for 05.09.2012.

29. The Committee note from the replies given by the Ministry of Finance that the negotiations with AIIDBEA could be concluded on 22 February, 2012 and the revision of Wages of Workmen staff is being implemented from September, 2012. The Secretary, Financial Services, Ministry of Finance during the course of deposition before the Committee on 6 September, 2012 apprised the Committee that the issue has been settled fully and no dispute is left. The Secretary also apprised the Committee that the Wage Settlement agreed upon between the management of IDBI Bank and AIIDBEA on 22nd February, 2012 has been approved by the Government of India with the condition that the next Wage Settlement shall be on the lines of practices of Wage fixation in Public Sector Banks.

30. The Committee note with satisfaction that the issue of Wage Settlement of Workmen employees of IDBI has finally been reached as

apprised to by the representatives of the Ministry of Finance with the pursuance of the issue by the Committee. While the Committee have been given to understand that no dispute is left, it has come out during the course of examination that the Workmen Association has not directly given their consent fully to the Wage Settlement with the pre-conditions. Withdrawal of the strike by the Association has been considered by the Government as consent of the Association for the Wage Settlement. The Committee hope and trust that the issue has been settled amicably between the Management of IDBI and the Workmen Association as well as the Workmen employees as a whole. The Committee also hope that all the arrears due to the Workmen employees by way of Settlement of the Agreement which was given effect retrospectively should have been settled by now and the Workmen employees benefited by the Wage Agreement.

31. The Committee understand that the quantification of the Wage is a matter between the Bank and the Officers and workers of the Organization as a whole. However, the Committee disapprove different yardsticks for Wage revision of Officers and the Workmen employees that has come out during the course of examination. The salaries of the Officers of IDBI were increased through Board approval only. However, the issue of Wage Settlement of Workmen employees remained pending for a longer period even when an assurance was given by the Finance Minister on the Floor of the House during May, 2012, while responding to the issues raised in Parliament through the Calling Attention. The Wage revision pertaining to period 2007-12 was settled for Officers on June, 2010, whereas the Settlement of the Workmen Employees could be reached in September, 2012 thereby delaying the benefit arising out of the Wage Settlement to the Workmen Employees for more than two and a half year as compared to the Officers. While deploring the way, the Wage Settlement for the Workmen employees has been dealt with and delayed by IDBI, the Committee would like to emphasize that due care should be taken in future so as to have

simultaneous implementation of Wage revision both for the officers and Workmen employees. The Committee emphasize that employees are the greatest asset for any Organisation and the cordial relations between the management and the workers Association as well as workers at large is a pre-requisite for the smooth functioning of any Organisation. As such it is utmost necessary that various issues between Management and the Association and the employees are settled in a cordial manner; for which more interface between management and the association and employees is required. The Committee hope that all the desired action would be taken by IDBI so as to have a smooth Wage revision exercise in future.

The Committee would like to be apprised about the conclusive action taken by the authorities on the issues raised by the Committee in the Report within three months of the presentation of this Report to the House.