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Title: Shri Basudeb Acharia called the attention of the Minister of State in the Ministry of Finance to the situation arising out of non-revision of wages of employees of IDBI Ltd. and steps taken by the Government in this regard.

MR. CHAIRMAN : We will take up the `Zero Hour' issues after the Calling Attention.

...(Interruptions)

SHRI BASU DEB ACHARIA (BANKURA): Sir, I would like to draw the attention of the hon. Minister to the following matter of urgent public importance and he may make a statement thereon:

"The situation arising out of non-revision of wages of employees of IDBI Ltd and steps taken by the Government in this regard "

...(Interruptions)

MR. CHAIRMAN: Hon. Minister you may lay the Statement on the Table of the House.

...(Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): *Sir, in terms of the scheme of amalgamation, erstwhile IDBI Bank Ltd. was amalgamated with Industrial Development Bank of India Ltd. with effect from 2nd April 2005. United Western Bank was amalgamated with IDBI Ltd. with effect from 3rd October, 2006. The name was changed to IDBI Bank Ltd. with effect from 7th May 2008.

A Memorandum of Settlement was signed between the Management of IDBI Ltd. and the All India IDBI Employees Association on 17th March 2006 for a period of 5 years, beginning 1st November 2002, which was subsequently modified vide the Supplementary Memorandum of Settlement signed between the Management of IDBI Ltd. and the All India IDBI Employees Association on 20th January 2007. This *inter alia* stated that:

"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".

Prior to its merger with IDBI Ltd., the terms & conditions of service of workmen employees of erstwhile United Western Bank were similar to the bipartite settlements signed under the aegis of Indian Banks' Association and applicable to Public Sector Banks. As per the scheme of amalgamation, the employees of erstwhile United Western Bank were to be granted the same compensation and the same terms and conditions of service as were applicable to the employees of IDBI Ltd. within a period of 3 years.

Indian Banks' Association in November, 2007, sought IDBI Ltd.'s mandate to negotiate with the industry-wide officers and workmen Unions on behalf of IDBI Ltd. with regard to the proposed revision in pay & allowances that would be effective from 1st November, 2007. However, in view of the different compensation packages existing in the three merged entities before the merger, IDBI Ltd. did not give its mandate to Indian Banks' Association and decided to develop its own compensation package.

While developing the compensation package, the management of IDBI Bank Ltd. invited the All India IDBI Employees Association for consultations on 16th April 2009 when copies of the proposed pay scales and terms and conditions of service were handed over to them. Another meeting with the All India IDBI Employees Association was convened on 13th May 2009. However, All India IDBI Employees Association, vide letter dated 12th May 2009, sought a mutually convenient date for discussion. Another round of consultations was scheduled on 2nd June 2009, but the All India IDBI Employees Association did not participate.

Board of Directors of the IDBI Bank Ltd., in its meeting held on 23rd May 2009 approved the compensation package for its employees. This package has been implemented for officers in January 2010 for the period November 2007 to October 2012. However, in the case of workmen employees, the wage revision settlement, for a similar period, could not be finalized as All India IDBI Employees Association has, so far, not agreed to execute the bipartite Memorandum of

Settlement despite the best efforts of the management of IDBI Bank Ltd.

In order to resolve the matter amicably, the management of IDBI Bank Ltd. set up a Committee of three Executive Directors to hold consultations with the All India IDBI Employees Association on its revised proposal. Besides a series of informal consultations, a meeting was also held on 26th August 2011 when the revised proposal was presented. However, no agreement on the proposed compensation package could be reached.

All India IDBI Employees Association has, during the consultations, been demanding parity with the Reserve Bank of India in pay and allowances. They are also opposed to negotiations by the management with IDBI *Karamchari Sangh*, representing mostly the employees of the erstwhile United Western Bank. On the WP No. 3699 filed by the IDBI *Karamchari Sangh*, the Hon'ble High Court of Bombay has, vide order dated 18th August 2011, directed the Deputy Labour Commissioner to verify the membership of the petitioner union.

After conversion of IDBI Ltd into a Banking company in October 2004, IDBI Bank Ltd. is categorised as other Public Sector Bank. In terms of the Memorandum of Settlement signed between the Management of IDBI Bank Ltd. and the All India IDBI Employees Association on 20th January 2007, subsequent settlement for pay and allowances were to be based on the well accepted principles of wage fixation and were no longer linked with the RBI. Since settlement under the aegis of the Indian Banks' Association, adopted in the nationalised banks, do not have parity with the pay scales in the RBI, any demand for such parity in the IDBI Bank Ltd., which is a public sector bank, is unjustified and, hence, not acceptable.

Management of IDBI Bank Ltd. has, in November, 2011, and again in December 2011, advised the All India IDBI Employees Association that it is open to bilateral discussions and sought their cooperation in finalizing the compensation package. It is the endeavour of the Management of IDBI Bank Ltd. to expeditiously arrive at a fair, reasonable and amicable settlement.

12.21 hrs

At this stage, Shri P. Kumar and some other hon. Members came

and stood on the floor near the Table.

...(Interruptions)

12.22 hrs.

At this stage Shri Ravindra Kumar Pandey and some other hon. Members came and stood on the floor near the Table

MR. CHAIRMAN: Hon. Members, please go back to your seats.

...(Interruptions)

MR. CHAIRMAN: When I am standing, you please sit down. Please go back to your seats. I will give my ruling.

...(Interruptions)

संसदीय कार्य मंत्री तथा जल संसाधन मंत्री (श्री पवन कुमार बंसल): अब क्या जुलूस निकालने में लगे हुए हैं लोकतंत्र का?...*(ल्यवधान)*

MR. CHAIRMAN: The House stands adjourned to meet again at 2 pm.

12.23 hrs

The Lok Sabha then adjourned till Fourteen of the Clock.

14.00 hrs.

Lok Sabha reassembled at Fourteen of the Clock.

(Mr. Deputy Speaker *in the Chair*)

श्री शरद यादव (मधेपुरा): उपाध्यक्ष जी, यह जो विदम्बरम साहब का मामला है...(व्यवधान)

उपाध्यक्ष महोदय: किसी की भी बात रिकार्ड में नहीं जाएगा।

...(व्यवधान) *

14.00½ hrs

*At this stage, Shri S. Semmalai and some other hon. Members came
and stood on the floor near the Table.*

...(Interruptions)

MR. DEPUTY-SPEAKER: Please go back to your seats.

...(Interruptions)