

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 147

TO BE ANSWERED ON 18th JULY, 2022 (MONDAY) / ASHADHA 27, 1944 (SAKA)

Indian Banks' Association

147. SHRI MANISH TEWARI:

Will the Minister of FINANCE be pleased to state:

(a) whether Indian Banks' Association (IBA) with over 200 members undertaking and indulging in acts of gain is a registered entity;

(b) if so, whether these 'acts of gain' being undertaken by the IBA are violative of the explicit mandates of Section 11(2) of the Indian Company Act, 1956 and Section 464 of the Indian Companies Act, 2013 and if so, the details thereof;

(c) whether IBA is the approving authority for Transport Operators for discounting of their Transport Receipts by Public Sector Banks and is charging Rs.177000/- for each approval from over 700 approved transport operators and if so, whether Finance Ministry has authorized IBA to do this business and if so, the details thereof;

(d) whether Whole Time Directors of PSBs have been permitted by Finance Ministry to hold ex-officio posts in IBA as per Section 14 of their Terms-of-Appointment and if so, the details thereof; and

(e) whether IBA is competent to sign any contract/settlement with Bank Employees Unions' under Indian Contract Act, 1872 and if so, whether this is being done on directions of Finance Ministry and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (e): Indian Banks' Association (IBA) has informed that it is an un-incorporated, independent association of its members, not engaged in any business for the sole purpose of profit and gain.

Further, IBA has informed that, as per the mandate given by its member banks, it processes applications of transport operators and advises their names to banks for inclusion in their list of empanelled transport operators. It is at the sole discretion of the member banks whether or not to accept IBA's advice for inclusion of a transport operator in its empanelled list of transport operators. IBA has also informed that it charges, for a period of three (03) years, Rs. 1,50,000/- + GST (one-time application fee of Rs.45,000/- plus processing fee of Rs.35,000/- p.a. + GST) for new cases and Rs.1,05,000 + GST for renewal cases to cover the cost and other expenses involved in the processing of applications, which includes processing of various financial parameters, assess credit worthiness, loan repayments, account operations, banker's confidential report, RTO related compliances, vehicle ownership, vehicle fitness, verification from Vahan site, checking MCA records, scrutiny of complaints, if any, documentations, vehicle tax payment status, routine permits, agencies, etc.

As per inputs provided by IBA, there are no *ex-officio* posts in IBA. Further, based on the specific mandate given by banks, IBA facilitates wage negotiation between banks and their employees.
