



CIN: L65190MH2004GOI148838

आईडीबीआई बैंक लिमिटेड

पंजीकृत कार्यालय : आईडीबीआई टॉवर,

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IDBI Bank Limited

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Tel.: (+91 22) 6655 3355, 2218 9111

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Website : www.idbi.com

Information under Right to Information Act, 2005 (RTI Act)

Designated Appellate Authority:

Central Information Commission,
Baba Gangnath Marg, Munirka,
New Delhi – 110 067

Appellant:

C.D Sounder Rajan,
191, Gandhi Salai,
New No 85, Natham Post,
Chengalpet-603002

CPIO:

IDBI Bank Ltd (Finance & Accounts),
IDBI Tower, 22nd floor, Cuffe Parade,
Mumbai 400 005

Second Appeal No. CIC/IDBIL/A/2017/157369

Particulars of the Order:

The appellant filed an application under the Right to Information Act, 2005 (RTI Act) before the Central Public Information Officer (CPIO), IDBI Bank Ltd, seeking information on seven points, including the queries mentioned here under. The appellant is not satisfied with the information provided on Point Nos. 4 & 7 of his RTI application. The appellant stated that he has not received information on points nos.1,2,3,5, & 6 of RTI application and that the FAA did not pass any order on his first appeal.

Brief of Hearing and Decision:

The Notice for Hearing served upon the appellant was returned undelivered to the Commission with remark "Deceased" on the envelope. The respondent no.2 Shri Sachin Bhortake, GM & CPIO (Finance & Accounts) submitted that the reply dated 07-06-2017 has provided information, as per the available records on point nos.1,2,3,5 & 6 of the RTI application. The application was rejected as the queries were in the nature of question, seeking answer, explanation or comments from the Bank and hence does not fall within the meaning of 'information' as per Section 2(f) of the RTI Act.

The Commission, however, observed that perhaps, the IDBI Management must have recorded the reasons, in case it is so, Bank is obliged to provide the same to appellant. As the appellant Deceased, Commission directed the respondent to publish the information sought vide point nos. 1,2,3,5 & 6 of the RTI application on the Bank's website within four week from the date of receipt of the copy of the order.

As directed by Commission, the following information, as available in the Management record is furnished herewith.

Query no. 1 – Information Sought: Net loss of IDBI Bank in the fourth quarter widened to Rs. 3200 crore ended March 2017 against Rs. 1736 crore a year ago. Let me know the reason for this and action taken.

Reply: The net loss has increased to Rs. 3200 crore during the quarter as compared Rs.1736 crore of the corresponding quarter of previous year mainly on account of higher provisioning for NPAs and provisions for depreciation on investments in view of continued stress on the Bank's portfolio.

IDBI has devised a comprehensive turnaround strategy that seeks to leverage its strengths and entails identification of areas for cost containment and revenue maximization that would help in ensuring sustainable growth and profitability for the Bank. IDBI continued its efforts toward close review and monitoring of its Non-Performing Assets (NPA) with a view to improving recovery as well as upgrading the

NPAs. During the year, Bank initiated several steps to settle the NPA and Technically written off (TWO) cases in its portfolio.

Query no. 2 – Information Sought: While operating profit fell to Rs. 1389 crore from Rs. 1595 crore for the full year. Let me know the reason for this and action taken.

Reply: The operating profit for the quarter March 2017 has declined to Rs.1390 crore as against Rs.1595 crore for the corresponding period of the previous year showing a decrease of Rs.205 crore (13%). The reduction is mainly due to reversal of interest income in SDR/ S4A cases, as per the RBI circular issued vide DBR.No.BP.BC.34/21.04.132/2016-17 November 10, 2016.

For action plan, please refer to the reply of query no.1 mentioned above.

Query no. 3 – Information Sought: IDBI's net loss deepened at Rs. 5158 crore from Rs. 3664 crore in FY 2016. For this let me know the action taken by management and reason for high net loss.

Reply: During the FY 2016-17, Bank's total income amounted to Rs.31759 crore, comprising interest income of Rs.27,791 crore and other income of Rs.3968 crore. Total expenditure (excluding provisions and contingencies) stood at Rs. 27,180.52 crore with interest expenses at Rs.22,040 crore and operational expenses at Rs.5141 crore. Total provisioning of IDBI increased in view of continued stress on the Bank's portfolio. The provisions include Rs.13875.09 crore towards provision for non-performing assets, bad debts written-off and investments. As a result, IDBI incurred a net loss of Rs.5158.14 crore during FY 2016-17.

For action plan, please refer to the reply of query no.1 mentioned above.

Query no. 5 – Information Sought: The Gross NPA for the Bank rose to 21.25% as on 31.03.2017 from 15.16 % in the Oct to Dec quarter. Let me know the reason for that and action taken for improvement.

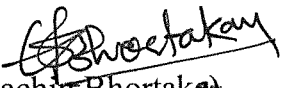
Reply: The Gross NPA ratio of Bank has increased due to deterioration in its asset quality due to continued stress in Bank's portfolio, which saw rising level of Non-Performing Assets (NPA).

IDBI continued its efforts toward close review and monitoring of its Non-Performing Assets (NPA) with a view to improving recovery as well as upgrading the NPAs. During the year, Bank initiated several steps to settle the NPA and Technically written off (TWO) cases in its portfolio. Focused and account-specific resolution strategies were implemented and progress was monitored regularly. Thrust was also given on up gradation of NPAs to performing assets. Among others, the Bank resorted to One Time Settlements/ Negotiated Settlements (OTS/ NS) including OTS under Special Recovery Campaign, legal actions under the applicable laws, enforcement actions under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, follow up with Debt Recovery Tribunals (DRTs)/ courts on continuous basis so as to minimize the delays in obtaining recovery certificates/ decrees and execution thereof. The Bank also took recovery measures for resolution wherever warranted. In addition to this, concerted and focused efforts were also made to attach the properties of guarantors through DRTs after ascertaining their assets through Private Detective Agencies and other independent enquiries/ searches made by the Bank. The Bank also sold some NPAs to Asset Reconstruction Companies (ARCs)/ banks. A recovery of Rs.158.60 crore was made from technically written-off accounts during the year.

Query no. 6 – Information Sought: Karur Vysya Bank has recorded a 57.6 % rise in its net profit for the 4th quarter ending March 2017 at Rs. 217.56 crore as compared to Rs. 138 crore during the corresponding quarter last year. See the Tamil Nadu based private sector has increased its profit. Let me know the action taken by the management to improve to profit like KVB.

Reply: The action plan to match with any particular bank is not available with CPIO. However, Bank strive to tap the emerging opportunities to enable it to grow its business, especially on the retail and priority sector front. Bank has devised a comprehensive turnaround strategy that seeks to leverage its strengths and entails identification of areas for cost containment and revenue maximization that would help in ensuring sustainable growth and profitability for the Bank.

Yours faithfully,


(Sachin Bhortakay)

Central Public Information Officer &
General Manager- Finance & Accounts

Copy for information forwarded to:

1. Shri. Sudhir Bhargava, Information Commissioner,
Central Information Commission,
Baba Gangnath Marg, Munirka,
New Delhi- 110 067