Indian Banks' Association

CORPORATE & INTERNATIONAL BANKING

No. C&I/CIR/2014-15/675
September 29, 2014

To

The Chief Executives of All Member Banks

Dear Sirs/Madam,

Modification of the IEC Guidelines

Please refer to our circular no. C&I/CIR/IEC/2014-15/214 dated June 24, 2014 regarding formation of IEC under the framework as notified by Reserve Bank of India (RBI). Based on the representations received from member banks, reference to RBI and the meeting of the senior bankers held recently, it has been decided to modify the guidelines relating to formation of Joint Lending Forum (JLF) and Independent Evaluation Committee (IEC) and rules of its conduct, as under:

a) It is clarified that the banks in the JLF should be represented by an officer of the bank not below the rank of AGM and with a clear mandate from the bank.

b) The IEC meetings may be held at monthly or at shorter intervals, as per the convenience of IEC members and the business requirements.

c) With increase in number of reference to JLF, the heads of the institutions on the IEC panel may be requested to depute other senior functionaries of the institute to facilitate speedy disposal of referred cases.

d) The quorum for IEC meeting will be three out of four members. It will be advisable to obtained suitable confirmation from the members while fixing the date of the meeting.

e) As far as possible the IEC should dispose of reference in its first meeting itself. To facilitate a speedy disposal of IEC referenced, the lead lender/MI should send all the relevant papers and information in one lot. IEC should reach a consensus on the references made to it; otherwise a decision should be taken by the IEC based on a simple majority of the members present.
f) The remuneration etc. of IEC members attending the meeting would be as under:

   i. Member attending IEC would be paid a sitting fee of ₹25,000 per meeting per reference.

   ii. Members will be reimbursed travelling, stay and out of pocket expenses, on actuals, as applicable to the senior management of the banks / senior partners of Statutory Central Auditors of the banks.

   iii. If more than one case is discussed in the IEC on any day, the out of pocket expenses may be apportioned on the IEC references considered on that day.

Yours faithfully,

(Sangeet Shukla)
Senior Advisor