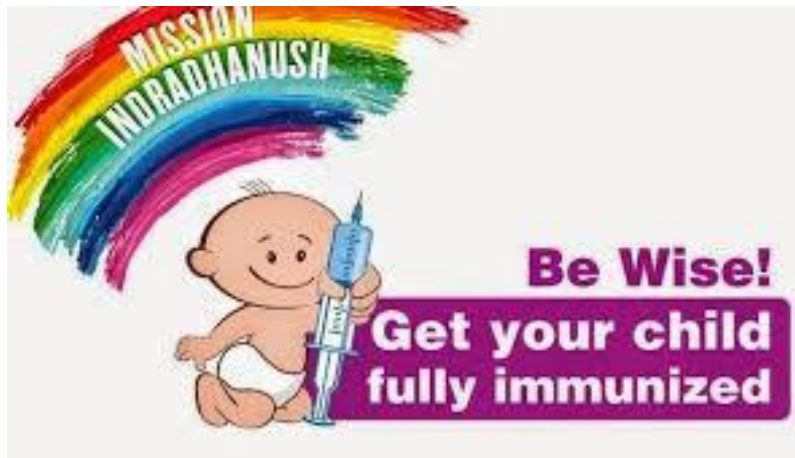


# Mission Indradhanush launched in Northeast States

Ministry of Health and Family Welfare (MOHFW) has launched Mission Indradhanush on 25 December, 2014. Lets Know about it.



- The mission was launched on **25th December, 2014**.
- The aim is to expand immunization coverage to all children across INDIA by year 2020.
- Objective is also to expand immunization coverage in **INDIA** to at least **90% children** in next **Five Years**.
- Mission IndraDhanush's main focus is on controlling of **7 diseases** which include **Diphtheria, Whooping Cough, Tetanus, Polio, Tuberculosis, Measles and Hepatitis B**.
- The government has planned to conduct **four** special vaccination campaigns between **January and June 2015**.
- All vaccines are available **free of cost** under **Universal Immunization Program in INDIA**.
- **Officially**, the mission would be implemented in **8 Districts in Assam, 6 District in Nagaland, 5 Districts in Arunachal Pradesh, 4 Each in Manipur and Mizoram and 3 each in Tripura and Meghalaya**.
- In 2015, government intends to cover **201 high focus districts**
- **82 Districts** lie in just four states of India namely - **Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan**.

# Mission Indradhanush for Banks



## A PLAN FOR REVAMP OF PUBLIC SECTOR BANKS

### ROAD MAP -

1. Appointments
2. BBB ( Bank Board Bureau )
3. Capitalisation
4. De-stressing
5. Empowerment
6. Framework of Accountability
7. Governance Reforms

### APPOINTMENTS

- The post of chairman and MD in public sector banks to be split into :
  - MD and CEO
  - Non-Executive Chairman
- This approach is based on global best practices
- As per the guideline in the companies Act it will ensure appropriate checks and balances in day to day functioning of these banks .
- The selection process for both these positions has been made more transparent and meritocratic

- Under the new process of selection for MD & CEO , even private sector candidates were also allowed to apply for position of MD & CEO .

## **BANK BOARD BUREAU**

- BBB ( Bank Board Bureau ) will be a body of eminent professionals and officials, which will replace the Appointments Board for appointment of Whole-time Directors as well as non-Executive Chairman of PSBs.
- It is an autonomous body.
- They will also constantly engage with the Board of Directors of all the PSBs to formulate appropriate strategies for their growth and development.
- Help banks develop differentiated strategies of capital raising plans to innovative financial methods and instruments
- The bureau will have three ex-officio members and three expert members (of which two would necessarily be from the banking sector), in addition to the Chairman.
- The Search Committee for members of the BBB comprise of the Governor, RBI and Secretary (FS) and Secretary (DoPT) as members
- Vinod Rai, a former comptroller and auditor general is chairman.
- Other members of the bank board bureau include
- Anil K. Khandelwal, former chairman and managing director of Bank of Baroda,
- N. Sinor, former joint managing director of ICICI Bank and
- Rupa Kudwa, former managing director of rating agency Crisil,
- The tenure of all the appointees will be two years.
- The bureau will also have members from the government.

## Capitalization

- Although PSBs have been under stress, but they are still adequately capitalized and meeting all the Basel III and RBI norms.
- Now, the Government of India has shown its intent to adequately capitalize all the PS banks to have a safe buffer over and above the minimum norms of Basel III during the next few years.
- Out of total requirement the Government of India proposes to make available Rs 70,000 Cr. Out of budgetary allocation for four years as per the following table :

### Allocation of Fund

<b>Financial Year 2015 -16</b>	<b>Rs 25,000 Cr</b>
<b>Financial Year 2016 -17</b>	<b>Rs 25,000 Cr</b>
<b>Financial Year 2017 -18</b>	<b>Rs 10,000 Cr</b>
<b>Financial Year 2018 -19</b>	<b>Rs 10,000 Cr</b>
<b>Total</b>	<b>Rs 70,000 Cr</b>

## De-stressing PSBs

- The infrastructure sector and core sector have been the major recipient of PSBs' funding during the past decades.
- But due to several factors, projects are increasingly stalled/stressed thus leading to NPA burden on banks.
- In a recent review, problems causing stress in the power, steel and road sectors were examined

## **The major reasons affecting these projects**

- Delay in obtaining permits / approvals from various governmental and regulatory agencies,
- land acquisition, delaying Commercial Operation Date (COD); lack of availability of fuel, both coal and gas; cancellation of coal blocks;
- Closure of Iron Ore mines affecting project viability; lack of transmission capacity;
- limited off-take of power by Discoms given their reducing purchasing capacity;
- Funding gap faced by limited capacity of promoters to raise additional equity
- Reluctance on part of banks to increase their exposure given the high leverage ratio; inability of banks to restructure projects even when found viable due to regulatory constraints.

## **Measures**

- Project Monitoring Group (Cab. Sectt.) / Respective Ministries will pursue with concerned agencies to facilitate issue of pending approval/permits expeditiously
- Pending policy decisions to facilitate project implementation/operation would be taken up by respective Ministries/Departments.
- Ministry of Coal/PNG will evolve policies to address long-term availability of fuel for these projects.
- Respective Discoms will be provided hand-holding towards enabling early reforms.
- Promoters will be asked to bring in additional equity in an attempt to address the worsening leverage ratio of these projects.
- Wherever the promoters are unable to meet this requirement, the Banks would consider viable options for substitution or taking over management control.

- The decision to increase import duty on steel has already been taken.
- RBI has been requested to consider the proposal of the Banks for granting further flexibility in restructuring of existing loans wherever the Banks find viability.

## **Empowerment**

- The Government has issued a circular that there will be no interference from Government and Banks are encouraged to take their decision independently keeping the commercial interest of the organisation in mind.
- The Government intends to provide greater flexibility in hiring manpower to Banks.
- The Government is committed to provide required professionals to the Board so that well-informed and well-discussed decisions are taken.

## **Framework of Accountability**

- The government also announced a new framework of key performance indicators for state-run lenders to boost efficiency in functioning while assuring them of independence in decision making on purely commercial considerations.
- A clear distinction has been made between interference and intervention
- A robust grievance redressal mechanism is being put in place for customers of banks as well as staff.

## **Governance Reforms**

- Performance link incentives will be announced .
- No political Interference in Bank .

## Conclusion

- After Reading the above facts , we can forecast there are 2 Basic challenges in front of Banking Sector , these are as follows : -

Financial Challenges	Non - Financial Challenges
<b>A. NPA (Non Performing Assets )</b> <b>B. Financial Inclusion</b> <b>C. Capitalisation</b>	<b>A. Political Interference</b> <b>B. High attrition rate</b> <b>C. Vacant position at higher level</b>