

SCTC NO. 643

COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(2004-2005)

(FOURTEENTH LOK SABHA)

FIRST REPORT

ON

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS - BANKING DIVISION)-
Reservation for and Employment of Scheduled Castes and Scheduled
Tribes in Dena Bank and Credit Facilities provided by the Bank to them

Presented to Lok Sabha on _____

Laid in Rajya Sabha on _____

LOK SABHA SECRETARIAT
NEW DELHI

November/December, 2004 / Kartika / Agrahayana, 1926 (Saka)

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**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND SCHEDULED TRIBES (2004-2005)**

Dr. Satyanarayan Jatiya - Chairman

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3. Shri M. Appadurai
4. Shri Kailash Baitha
5. Shri S. K. Bwiswmuthiary
6. Shri Biren Singh Engti
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8. Shri Faggan Singh Kulaste
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17. Shri Sugrib Singh
18. Shri Lalit Mohan Suklabaidya
19. Shri Ratilal Kalidas Varma
20. Smt. Usha Verma

MEMBERS – RAJYA SABHA

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28. Shri Faquir Chand Mullana
29. Shri R. Sarath Kumar
30. Shri Nandi Yellaiah

SECRETARIAT

1. Shri R.C. Ahuja - Joint Secretary
2. Shri Gopal Singh - Deputy Secretary
3. Ms. J.C. Namchyo - Under Secretary

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the Report on their behalf, present this First Report (Fourteenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs – Banking Division) – Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Dena Bank and credit facilities provided by the Bank to them.

2. The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs – Banking Division) and Dena Bank on 06th August, 2001. The Committee wish to express their thanks to the officers of the Ministry of Finance and Dena Bank for placing before the Committee the material and information the Committee desired in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 1st October, 2004.

4. A summary of conclusions/recommendations contained in the Report is appended (Appendix)

NEW DELHI;
December, 2004
Agrahayana 1926(Saka)

DR.SATYANARAYAN JATIYA
Chairman
Committee on the Welfare
of Scheduled Castes and
Scheduled Tribes

PART I

CHAPTER - I

RESERVATION IN SERVICES

A. **ORGANISATIONAL SET UP AND BOARD OF DIRECTORS**

1.1 The Committee have been informed that the overall management of Dena Bank rests with the Board of Directors of the Bank which is headed by the Chairman and Managing Director. The Chairman and Managing Director is assisted by 1 Executive Director and 8 General Managers, 14 Deputy General Managers and 22 Regional Managers.

1.2 It has been stated that the Bank has a three-tier structure i.e. a Corporate Office, 22 Regional Offices and 1170 Branches. (as on 31.03.2000).

As regards the constitution of the Board of Directors of the Bank, the same has been stated to be as under :-

Two Full Time Directors – CMD and Executive Director

One Government Nominee – Director

One RBI Nominee – Director

One workmen Representative – Director

One Non-workmen Employee – Director

Others – Directors (2)

Four Shareholders' elected Representatives – Directors (4)

1.3 In reply to a question whether there is any member from Scheduled Caste and Scheduled Tribe category on the Board of Directors, the Committee have been informed that at present, there is no member from SC/ST community on the Board of Directors of Dena Bank.

1.4 The Committee have also been informed that there are eight General Managers of the Bank. For better administration, the concerned General Managers of Maharashtra, Gujarat and rest of India operations have been stationed in their regions.

1.5 The Committee note that the overall management of Dena Bank rests with the Board of Directors of the Bank. The Committee also note that the Board is headed by the Chairman-cum-Managing Director and the other members of the Board are, one Executive Director and ten Directors. The Committee regret to note that at present there is no member belonging to the SC/ST category on the Board of Directors of Dena Bank. The Committee, therefore, recommend that the Ministry of Finance should arrange to appoint at least two persons belonging to the SC community and one person belonging to the ST community as Directors on the Board of Directors of the Bank.

B. RESERVATION

1.6 The Committee have been informed that the percentage of reservation applicable to Scheduled Castes & Scheduled Tribes in Dena Bank in direct recruitment (w.e.f. 19.7.1969) and in promotion (w.e.f. 1.4.1978) is as under: -

(i)	Posts filled by direct recruitment w.e.f. 19.7.1969	Scheduled Castes	Scheduled Tribes
	Officers' Cadre (All India)	15%	7.5%
	Clerical & Subordinate Cadre	Reservation is provided for SCs/STs in proportion to their population in respective States as per Roster prescribed by Government of India.	

(ii)	Posts filled by Promotion w.e.f. 1.4.1978	
	From Subordinate to Clerical Cadre	Reservation for SCs at 15% and for STs at 7.5% is provided in the case of promotion whenever the direct recruitment in the clerical cadre does not exceed 75% of the total clerical requirement.
	Promotions from Clerical to Officers' Cadre	15% for SCs & 7.5% for STs on all India basis.
	Promotion within Officers' Cadre	In terms of Government guidelines, there is no reservation in promotion, within the officers cadre from one scale/grade to another since promotion is based on the selection process. However, concession is applicable in promotion up to Scale III by way of Zone of Consideration.

1.7 The Committee have also been informed that reservation orders are applicable to all the categories of posts in direct recruitment (i.e. officers, clerks and subordinates). Reservation orders are applicable in case of promotion from clerical cadre to Junior Management Grade Scale -I officers cadre only.

C. **RECRUITMENT**

1.8 In reply to a question regarding the minimum time given to Scheduled Caste and Scheduled Tribe candidates for appearing in an interview and for joining the post in case of their selection, the Committee have been informed that candidates including SCs/STs, appearing in an interview for recruitment to subordinate cadre, are normally given time of two weeks. It has also been stated that candidates including SCs/STs, are normally given time between two weeks to one month, depending on the mode of recruitment i.e. Local / All India, for joining the services of the Bank. Candidates working in other organisations are given adequate time to serve the resignation notice. Any request received from SC/ST candidates for extension of joining time is also considered favourably / sympathetically.

1.9 It has been stated that the Bank had launched a Voluntary Retirement Scheme (VRS) and that there is restriction on filling up the VRS vacancies. Hence, the Bank could not draw a time-bound schedule. However, the Bank has prepared a manpower plan (Post-VRS), which has

been approved by the Board. After obtaining approval from the Government of India, Ministry of Finance, steps would be taken to clear the backlog in the Officers' cadre. However, in respect of Clerical and Sub-staff cadres, clearance of backlog may take some time.

1.10 The Committee note that only two weeks' time is given to Scheduled Caste and Scheduled Tribe candidates for appearing in an interview and for joining the post in case of their selection in subordinate cadre. In the opinion of the Committee, two weeks' time is quite inadequate, especially, for SCs/STs who stay in remote areas. The Committee, therefore, recommend that at least one month's time be given to all candidates including SCs/STs for appearing in interview as well as joining the service after selection. The communications to SC/ST candidates for appearing in interview as well as for joining the service should be sent by registered A.D. If any request for extension of time from SC/ST candidates is received after the expiry of the prescribed date for joining the service, the same may be considered favourably.

1.11 The Committee note that Dena Bank have launched Voluntary Retirement Scheme (VRS) and there is restriction on filling up of vacancies due to VRS. The Committee also note that the Bank has prepared manpower planning which has been approved by the Board of the Bank and after the approval of the same by the Ministry of Finance and Company Affairs (Banking Division), steps will be

taken to clear the backlog in officers' cadre. The Committee desire that the Ministry of Finance and Company Affairs (Banking Division) should give its clearance to manpower planning which has been approved by the Board of Dena Bank enabling the Bank to clear the backlog in officers' cadre and also issue similar instructions to other Banks to initiate recruitment procedure for filling up of the reserve vacancies for SCs/STs, particularly, in officers' cadre.

D. STAFF STRENGTH AND SHORTFALL

1.12 As regards the staff strength and shortfalls as on 19.7.1969 and 1.10.2000, Dena Bank has submitted the following statement to the Committee:-

Category of posts	Total No. of employees in position	Number of		Percentage of total		Shortfalls (%)	
		SC	ST	SC	ST	SC	ST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(i) As on 19-7-1969							
Officers	970	0	0	0	0	0	0
Clerks	2750	0	0	0	0	0	0
Sub-staff	1271	26	13	2.05	1.02	0	0
TOTAL	4991	26	13	0.52	0.26	0	0
(Reservation was not applicable upto 18-7-1969 and hence there was no shortfall)							
(ii) As on 01-01-2000:							
Officers	4214	586	253	13.9	6	1.1	1.5
Clerks	6543	966	523	14.76	7.99	0.24	0
Sub-staff	3745	1027	434	27.42	11.59	0	0
TOTAL	14502	2579	1210	17.78	8.34	0	0
Out of above Sub-staff, Part-time cleaners/sweepers are as under:							
P.T.C.	379	80	67	21.1	17.68	0	0

It may be seen from the above statement that as on 1.1.2000 there was a shortfall of 1.1% in SC and 1.5% in ST categories in officers' cadre and 0.24 % in SC category in clerical cadre.

1.13 In reply to another query whether the Bank has framed any time bound scheme to clear the backlog of reserved vacancies in officers' and clerical cadres, it has been submitted that,

“the Bank had recently launched Voluntary Retirement Scheme (VRS) and there is restriction on filling up VRS vacancies. Hence, the Bank could not draw the time bound schedule. However, the Bank had prepared Manpower Planning Post VRS, which was approved by the Board in its meeting held on 15.9.2001. After obtaining approval from the Government of India, Ministry of Finance, steps will be taken to clear the backlog in officers' cadre. However, in respect of clerical and sub-staff cadres, clearance of backlog may take some time.”

1.14 Regarding the staff strength of Dena Bank as on 31.3.2003, the Committee have been furnished with the following statement during their tour:-

(As on 31.03.2003)

Category of Posts	Total No. of Posts	Number of		Percentage of		Shortfall	
		SCs	STs	SCs	STs	SCs	STs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
OFFICERS	2,899	548	220	18.9	7.58	-104*	-1*
CLERKS	4,873	921	526	18.9	10.79	-3*	-42*
SUBSTAFF	2,596	793	352	30.54	13.56	0*	-12*
PART TIME CLEANERS/SWEEPERS							
PTCs	185	76	33	41.08	17.84	0*	0*
TOTAL	10,553	2,338	1,131	22.15	10.72	-107*	-55*

(*Provisional)

It is observed from the statement that though the percentage of SCs/STs in officers cadre are 18.9 and 7.58 but the shortfall are 102 of SC in officers cadre promoted from clerical cadre, 2 SC and 1 ST in direct recruitment in Scale II. Similarly, the shortfall in clerical cadre is 3 for SC and 40 for ST and in substaff cadre the shortfall in ST category is 13. The reason for the shortfall in promotion from clerical cadre to officers cadre is stated to be on account of adjusting the SC and ST candidates promoted on their own merit against unreserved vacancies pertaining to the promotion exercise made during the year 1998 and 2002 subsequent to releasing the promotion; after receiving clarification from the Government.

1.15 As regards the action taken for clearing the backlog, it has been stated that during the year 1996, the Bank had launched a Special Recruitment Drive for clearing the backlog of 7 SC and 5 ST vacancies in officers' cadre and 8 SC and 9 ST vacancies in clerical cadre as well as 3 SC and 5 ST vacancies in subordinate cadre. Subsequently, 1 SC and 1 ST candidates joined in officers' cadre, and 5 SC and 8 ST Clerks and 2 SC and 3 ST subordinates had been recruited. It is also stated that the Bank has switched over from the vacancy-based roster to the post-based roster for all cadres of employees for recruitment as well as promotion as per the Government guidelines issued vide letter dated 2.7.1997 and 8.8.2000 and the Bank has calculated the actual vacancies reserved for SCs and STs in various cadres and prepared the rosters as on

31.03.2000 while taking into consideration the cut-off dated as 2.7.1997. The rosters prepared on 31.3.2000 have been updated from time to time.

1.16 The Committee note that as on 1.1.2000, there was marginal shortfall in the representation of SCs /STs in officer and clerical categories. The Committee find the shortfall in SC category as 1.1% and in ST category as 1.5% in officers cadre and of 0.24% in SC category in clerical cadre. The Committee also note that as on 31.3.2003 in Dena Bank, there was a shortfall of 104 SC and 1 ST candidates in officers' cadre and 3 SC and 42 ST candidates in clerical cadre and 12 ST candidates in sub-staff cadre. However, as per the latest information furnished by the Ministry of Finance, the shortfall are 102 of SC in officers cadre promoted from clerical cadre, 2 SC and 1 ST in direct recruitment in Scale II. Similarly, the shortfall in clerical cadre is 3 for SC and 40 for ST and in substaff cadre the shortfall in ST category is 13. The reason for the shortfall in promotion from clerical cadre to officers cadre is stated to be on account of adjusting the SC and ST candidates promoted on their own merit against unreserved vacancies pertaining to the promotion exercise made during the year 1998 and 2002 subsequent to releasing the promotion; after receiving clarification from the Government. The Committee observe that the shortfall of SC/ST candidates still remains despite the fact that the Bank had switched over from the vacancy-based roster to the post-based roster which

was prepared on 31.3.2000. The Committee are of the opinion that the shortfall of SC/ST vacancies identified before switching over to the post-based roster should have been filled up and, therefore, urge the Government that the shortfall of SCs/STs in all categories of posts also be cleared through special recruitment drives before initiating any action for new recruitment and if necessary further relaxations to SC/ST candidates be extended.

E. **PROMOTION**

1.17 In reply to a question as to whether the Bank is following any promotional policy after arriving at an agreement with the Bank Employees Union, the Committee have been informed that the following procedure is being followed for promotion in different categories of posts in Dena Bank:-

(a) Sub-staff to clerical cadre:

Promotion from sub-staff to clerical staff cadre is governed by settlement dated 9.4.1992 with the Employees Unions. Salient features thereof are as under: -

i) Eligibility:

Subordinates with the following qualifications are eligible.

- a) SSC pass with 3 years of service.
- b) SSC fail with 7 years of service.
- c) IX pass with 8 years of service.

- ii) Relaxation in service to ex-servicemen upto the maximum of two years in the ratio of 5 years of army service to one year.
- iii) Vacancies: 15% of the direct recruitment or 25 vacancies are to be filled up every year.
- iv) Selection Procedure:-
Written Trade Test. Qualifying marks 40% for general candidates, 35% for SC/ST candidates.
- v) Administration of the test:
The test will be administered by an outside agency such as the Institute of Banking Personnel Selection (IBPS).
- vi) Pre-Promotion training for a minimum one week's duration is given to SC/ST candidates.

(b) Clerical cadre to officers cadre in JMG Scale – I :

Promotion from clerical to officers cadre in JMG Scale – I is governed by the settlement dated 12.06.1990 and 15.03.1993 with the employees unions. Salient feature thereof are as under:-

- i) Eligibility: -
 - a) Graduates – 5 years' service.
 - b) Graduates with CAIIB Part-I – 4 years' service.
 - c) Graduates with CAIIB Part-II – 3 years' service.
 - d) Matric Pass – 6 years' service.
 - e) Matric with CAIIB Part-I – 5 years' service.
 - f) Matric with CAIIB Part-II – 4 years' service.

g) Non-Matric – 8 years' service.

(ii) Selection procedure:

The promotion policy lays down two channels of promotion.

- a) Seniority-cum-Merit – The selection of the candidates under this channel is based on the aggregate marks scored in written test and weightage, by way of marks is given to seniority and educational qualifications.
- b) Merit Channel – The selection of the candidates under this channel is based on the aggregate of marks scored in written test and weightage given to educational qualifications (seniority in service is not given any weightage).
- c) The selection is made by administering a written trade test comprising 40 marks. Under the merit channel, the minimum qualifying marks in written test will be 50% for general candidates and 45% for SC/ST employees.
- d) The test is administered by an outside agency viz. the Institute of Banking Personnel Selection (IBPS).

Promotion from Scale I to Scale - II: -

1.18 It has been stated that weightage of 5% (of the marks obtained by the SC/ST candidates) by way of addition to SC/ST officers in written test/interview. The concession by way of zone of consideration is

provided to all SC/ST officers during promotion and accordingly SC/ST officers who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select list has to be drawn up are promoted, provided they are not considered unfit for promotion.

Promotion from Scale II to Scale - III: -

1.19 The concession by way of zone of consideration is provided to all SC/ST officers during promotion and accordingly SC/ST officers who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select list has to be drawn up are promoted, provided they are not considered unfit for promotion. The policy for promotion from subordinate to clerical cadre (whenever the direct recruitment in the clerical cadre does not exceed 75% of the total clerical requirement in the relevant year) and from clerical cadre to officers' cadre provides for reservation i.e. 15% for SC and 7.5% for ST and relaxation in qualifying marks by 5% as per Government guidelines.

1.20 Promotions for the following posts in the officers cadre are conducted by the Departmental Promotion Committee constituted by the Competent Authority in accordance with the guidelines under Regulation 17 of the Dena Bank Service Regulations. The procedure for promotion in

the officers cadre i.e., from JMG Scale-I onwards in Dena Bank is as under:-

SR. NO.	POST	SELECTION PROCEDURE		
		MODE OF SELECTION		COMMITTEE COMPRISING
1.	JMG SCALE-I TO MMG SCALE-II	INTERVIEW CHANNEL	WRITTEN TEST CHANNEL	One General Manager and two Deputy General Managers(*)
		Officers with service of 13 yrs. & above are eligible	Officers with service of 7 yrs. & above & below 13 yrs. are eligible	
2.	MMG SCALE-II TO MMG SCALE-III	Interview		ED & two GMs, or in absence of second GM, a DGM(*)
3.	MMG SCALE-III TO SMG SCALE-IV	Interview		CMD, ED & one GMs (one more GM. In case the post of CMD or ED is vacant.
4	SMG SCALE-IV TO SMG SCALE-V	Interview		CMD, ED & Government Nominee Director / RBI Nominee Director.
5	SMG SCALE-V TO TEG SCALE-VI	Interview		CMD, ED & Government Nominee Director / RBI Nominee Director.
6	TEG SCALE-VI TO TEG SCALE-VII	Interview		CMD (ED in case, the post of CMD is vacant), Government Nominee Director and RBI Nominee Director.

(*) For promotion from Scale I to Scale II and from Scale II to Scale III, if there is an eligible SC/ST Officer appearing for promotion, an Officer of the designation mentioned therein, if available within the Bank, would be included as a member of the Committee; otherwise member belonging to SC/ST may be co-opted. In that case, the composition of the Committee would be four Officers as mentioned against Serial Number 1 and 2. The co-opted members may be one scale above the level for which promotion is made and he/she will function like other regular members and participate in all the meetings of the Committee.

The members of the various Departmental Promotion Committees are appointed by the Chairman & Managing Director/Executive Director.

1.21 When pointed out that for the last three years, there has been no promotion even in subordinate staff, the representative of the Ministry of Finance (Banking Division) stated during evidence as under: -

“When the Committee had come to Ahmedabad in October last year, we immediately prepared this notification. As I said, thereafter, there has been no promotion in Dena Bank. We have taken note of it and as and when promotion process takes place, this would be ensured.”

F. **TRANSFER ON PROMOTION**

1.22 It has been stated that in regard to the transfer on promotion, Dena Bank has issued the following guidelines:-

- a) Sub-staff on promotion to Clerical cadre are transferred from surplus centres (after declaration of result regarding a particular promotion) to the nearest deficit centres within the Region.
- b) Clerical staff promoted to officers' cadre in JMG Scale-I under Seniority-cum-Merit Channel are retained to the extent of vacancies in the same Region otherwise transferred to the deficit region. The promotees of Merit Channel in excess of

vacancies are transferred to the deficit Regions or to bring back Officers who have completed three years in other Regions to their parent Region.

- c) Within officers' cadre from Scale-I to Scale-II, the guidelines provide for transfer from surplus Region to nearest deficit Region and if there is no surplus they are posted/transferred within the Region.
- d) Within officers' cadre from Scale-II to Scale-III and above, the guidelines provide for transfer on All India basis as per the requirement of the Bank and the availability of the vacancies.
- e) In case of clerical and subordinate staff who have been recruited on regional basis and who belong to scheduled tribe, efforts are made to give them posting as far as possible, subject to administrative constraints, near their native place within the Region. The Award Staff, i.e., Clerical and Sub-staff are not transferred from one centre to another, except on promotion. However, the above policy is under negotiation with the Union for transferring the Award Staff upto a reasonable distance.

1.23 On being questioned whether SC/ST employees are treated at par with the other employees in the matter of posting on promotion/transfer, it has been stated that:

“SC/ST employees are treated at par with the other employees in the matter of posting on promotion/transfer. No discrimination in transfer is made. Transfer on promotion is made irrespective of whether one belongs to General or Reserved Category. No employee above the age of 58 years irrespective of caste or sex is transferred.”

1.24 The Committee note that there have been two channels of promotion in Dena Bank viz. (i) Seniority-cum-merit and (ii) Merit Channel. The Committee also note that while in the seniority-cum-merit channel, the selection is based on the aggregate marks scored in written test with due weightage by way of marks given to seniority and educational qualification, in the merit channel due weightage is given only to educational qualifications and aggregate of marks obtained in written test. The Committee recommend that reservation be provided to SC/ST employees in both the channels. It has also been brought to the notice of the Committee that the Bank has issued specific guidelines for transfer of employees after promotion. The Committee desire that SC/ST employees be kept as near as possible to their native places after promotion considering the social conditions.

CHAPTER II

MEASURES TO IMPROVE REPRESENTATION OF SCs/STs IN SERVICES

A. PRE-RECRUITMENT AND PRE-PROMOTIONAL TRAINING

2.1 The Committee have been informed that Dena Bank is conducting pre-recruitment training programmes for SC/ST and religious minority candidates at Regional Staff Training Colleges on receiving lists of candidates from respective Banking Service Recruitment Boards. The duration of the training programme is one week. The training programme covers various subjects like general awareness, aptitude test, numerical test, reasoning and also interview. Various tips are also provided to help the candidates for better performance in the selection tests. All candidates are provided with free lunch, tea and study material during the training programmes.

2.2 The details of pre-recruitment training provided as per request from various BSRBs during the years 1997-1998, 1998-1999 and 1999-2000 are as under:-

YEAR	Scheduled Caste	Scheduled Tribe	TOTAL
1997-1998	611	91	702
1998-1999	241	73	314
1999-2000	181	10	191

2.3 It has been stated that the Bank is also imparting pre-promotion training to SC/ST employees to enable them to compete in departmental exams. The duration of such pre-promotion training is one week which is sufficient. The details of the same are given below:

Year	Cadre	No. of Trg. Prog. Conducted	Total No. of participants	No. of SC/ST participants	
				SC	Scheduled Tribe
1998-99	Officers	0	0	0	0
	Clerks	0	0	0	0
	Subordinates	6	20	12	8
	Total	6	20	12	8
1999-2000	Officers	0	0	0	0
	Clerks	0	0	0	0
	Subordinates	16	209	125	84
	Total	16	209	125	84
2000-01	Officers	10	105	77	28
	Clerks	0	0	0	0
	Subordinates	9	175	133	42
	Total	19	280	210	70

B. IN-SERVICE TRAINING

2.4 The Committee have been informed that the Bank is also providing need-based training to all employees including SCs/STs at its internal training institutes i.e. one Apex Level College, one Dena Bank Institute of Information Technology. (DIIT) and 8 Staff Training Colleges at regional level across the country and also at other external training institutes such as National Institute of Bank Management (NIBM), Pune, Bankers' Training College of RBI, Mumbai, Indian

Institute of Management, Bangalore/Calcutta, Jawaharlal Nehru Institute of Development Banking, Hyderabad, etc., to equip the employees with the latest knowledge and skill for better performance. Executives including those belonging to SCs/STs are also deputed abroad to acquaint them with International Banking practices.

2.5 The details of in-service training provided to employees including SCs/STs during last three years are as under :-

Year	Cadre	Total	SC	ST	% SC	%ST
1997-1998	Officer	4,618	488	169	10	4
	Clerks	5,001	1184	616	24	12
	Subordinates	1319	304	95	23	7
	Total	10938	1976	880	18	8
1998-1999	Officers	4140	939	274	23	7
	Clerks	3855	1284	451	33	12
	Subordinates	1334	426	174	32	13
	Total	9329	2649	899	28	10
1999-2000	Officers	5610	652	219	12	4
	Clerks	3912	850	325	22	9
	Subordinates	925	204	91	22	10
	Total	10477	1706	635	17	6

2.6 The above figures include pre-promotion training given to SC/ST employees, details of which are as under:-

Year	Cadre	Total	SC	ST
1997-1998	Officer	170	126	44
	Clerks	1097	740	357
	Subordinates	335	258	77
	Total	1602	1124	478
1998-1999	Officers	0	0	0
	Clerks	0	0	0
	Subordinates	20	12	8
	Total	20	12	8
1999-2000	Officers	0	0	0
	Clerks	0	0	0
	Subordinates	209	125	84
	Total	209	125	84

2.7 It is observed from the above statement that during 1997-98, 1998-99 and 1999-2000, the number of SC/ST employees trained is 1602, 20 and 209, respectively.

2.8 The Committee note that the Bank provides pre-recruitment training to the SC/ST candidates to acquaint and equip them with tips covering various subjects for better performance in the written examination duration of which is only one week. The Committee feel that such a short period of training falls short of the requirement to equip the SC/ST candidates adequately for clearing the written test/interview, etc. The Committee, therefore, recommend that the period of pre-recruitment training for SC/ST candidates should be increased to at least two weeks so that the purpose of imparting the training is achieved and the public money spent thereon does not go waste. The Committee also desire that since the training both

for pre-recruitment and pre-promotion is quite useful for SC/ST candidates, it should be given wide publicity among these candidates so that they may take maximum advantage of the training.

C. ROSTERS

2.9 The Committee have been informed that as per Government guidelines separate rosters are maintained in Dena Bank, the details of which are as under:-

- OFFICERS:
- 1) Scale-wise separate rosters for direct recruitment on all India basis upto Scale V are maintained.
 - 2) Separate roster for promotion from clerical cadre to Officers cadre under JMG Scale I is maintained.

CLERKS: Separate rosters, state-wise, are maintained.

SUBORDINATES: Separate roster for full time subordinates and part-time Subordinates, state-wise, are maintained.

In terms of the latest Government guidelines, post-based roster for direct recruitment as well as for promotion, cadre-wise, scale-wise, has been prepared.

2.10 It has also been stated that roster is being inspected by the Chief Liaison Officer annually and half-yearly progress report is also put up to the Board of Directors for review. Copies of the half-yearly and annual progress reports duly reviewed by the Board, are forwarded to the Ministry of Finance (Banking Division) for their perusal and necessary action, if any.

2.11 When the Committee, desired to know whether the representative of the Ministry of Finance (Banking Division) ever inspected the rosters of Dena Bank and whether any discrepancies/shortcomings were found during inspection, and if so, what were the corrective measures taken thereon, the Committee were informed in a written note that no visit had been made by the representatives of Banking Division to Dena Bank in the recent past. However, the rosters of six other Nationalised Banks had been checked during the year 2001. The shortcomings were pointed out to the Banks, whose rosters were checked and they had been advised to take corrective steps.

2.12 The Committee note that as per Government guidelines, post-based rosters have been prepared for direct recruitment as well as for promotion, both cadre and scale wise. The Committee desire that the backlog vacancies reserved for SCs/STs before implementation of the post-based roster should be cleared at the earliest, before initiating any action for new recruitment and the vacancies be identified afresh on the basis of the post-based roster, both in the matter of recruitment and promotion so that justice could be rendered to SC/ST candidates.

2.13 The Committee are surprised to note that no visit has been made by the representatives of the Ministry of Finance (Banking Division) to Dena Bank in the recent past to inspect the rosters. The Ministry have tried to cover this lapse by giving the reply that the rosters of six other Nationalised Banks were checked during the year 2001 and shortcomings pointed out to the concerned Banks and they were advised to take

corrective steps whereas the Committee's specific query was in regard to inspection of Dena Bank. The Committee take serious note of this attitude of the Ministry and strongly advise that the Ministry should not adopt such tactics before a Parliamentary Committee. The Committee also feel that the roster is a sacred mechanism to keep a legitimate watch on the proper and adequate intake of SCs/STs in services and that it would cease to have any significance whatsoever if it is not maintained properly in the light of existing rules, regulations and instructions. With a view to achieving the above objective, the Committee emphasise that earnest efforts should be made by the Banking Division as well as Dena Bank to see that Government orders on the maintenance of rosters are meticulously followed so that no injustice is done to SC/ST candidates in the matter of recruitment and promotions and recommend that the rosters be checked up by the Liaison Officer of the Ministry of Finance, periodically, on regular basis.

D. FALSE CASTE CERTIFICATES

2.14 The Committee have been informed that Dena Bank has come across such instances where persons obtained employment by producing false caste certificates. The Committee have also been informed that during the last three years from 2000 onwards, seven cases of bogus caste certificates have been reported. During the year 2001, one case belonging to ST certificate was reported but no disciplinary action was taken against the employee as he had

obtained stay order from the court. Out of the six cases reported during the year 2002, 4 persons were issued chargesheets and the employees filed writ petitions in various courts and obtained stay orders. In one case departmental enquiry is under process and in the remaining one case the employee has been dismissed.

2.15 The Committee have also been informed that as on 31.03.2003, Dena Bank had 16 pending cases relating to false caste certificates. In 4 cases, the concerned employees have been issued chargesheets and they have obtained stay orders and the cases are pending in various Courts/Tribunals. The cases are not coming up for hearing as the concerned Courts are not giving dates regularly. The Court cases normally take longer period. In 12 cases, the verification reports from the District Magistrates/Scrutiny Committees are awaited. It has also been stated that the matter is being regularly followed-up by the Bank with the concerned District Magistrates/Scrutiny Committees for early submission of verification reports. The Bank has also requested the Chief Secretaries of the States of Tamil Nadu, Karnataka and Maharashtra to intervene in the matter and advise suitably the District Magistrates/Scrutiny Committees for early disposal of the cases.

2.16 During the evidence, the Committee pointed out that in the case of producing false caste certificate, the person has cheated the Bank and this amounts to misconduct at the time of entry. So, he should simply be removed. In this connection, C.M.D. Dena Bank stated: "I have taken note of your suggestion."

2.17 The Committee observe that Dena Bank has come across some instances where persons obtained employment on production of false caste certificates. The Committee strongly feel that if found guilty such persons should be removed from service immediately and criminal proceedings should also be initiated against them. The Committee also note that out of the 16 pending cases, chargesheets have already been issued in 4 cases and the concerned employees have obtained stay orders. In 12 cases the verification reports from the District Magistrates/Scrutiny Committees are awaited. The Committee desire that the Bank authorities should pursue the matter vigorously and initiate criminal action against the persons found guilty of furnishing the false caste certificates. The Committee also recommend that effective preventive steps should be taken to check the recurrence of such cases in future. The Committee also recommend that if such cases get delayed due to non-receipt of the verification reports from the District Collectors, these cases should be published in newspapers so that the culprits may leave their jobs out of fear of being exposed before the public. The Committee also recommend that if the verification of caste certificates is not finalised by the District Collectors and Scrutiny Committee within one month, it may be presumed that the caste certificates so issued are false/bogus and further appropriate action may be taken in such cases.

E. **ALLOTMENT OF ACCOMMODATION**

2.18 The Committee have been informed that the Bank is providing housing facilities to officers under three categories i.e., (i) allotment of Banks quarters, (ii) providing quarters under lease arrangement and (iii) reimbursement of house rent in lieu of accommodation. The Bank owns a limited number of residential quarters located at various centres and the same are allotted to officers taking into consideration the need of the officers and seniority, etc. Out of the total 219 quarters of the Bank, 27 quarters are allotted to SC/ST officers (i.e. 20 SC, 7 ST Officers) representing more than 10% of the SC/ST Officers. It has been further stated that Dena Bank has not allotted quarters to clerical and subordinate cadres. The Bank is providing house building loans to the employees including SCs/STs for construction/purchase of house/flat or for purchase of land (plot) to construct a house, the main terms and conditions for which are as under:-

Sr. No.	Category of Employee	Limit (Rs. in lakh)	Eligibility
1	Officer	5	5 years of continuous service.
2	Clerk	3	-- do --
3	Substaff	2	-- do --

Rate of interest : 5% upto Rs.1.10 lakh and 11% above Rs.1.10 lakh.

Repayment : 25 years in monthly installments subject to the extent of service.

During the last two years 404 SC/ST employees were given Housing Loans amounting to Rs.899/- lakh.

2.19 In reply to a question whether the HRA paid to employees is sufficient enough to get a house on rent near the place of their posting, it has been stated that HRA is paid as per the settlement arrived with the associations/unions at industry level.

2.20 The Committee note that the limit of the House building loans in respect of officers, clerks and sub-staff is Rupees 5 lakh, 3 lakh and 2 lakh, respectively. The Committee are of the view that at present it is very difficult to purchase a house with such a meagre amount due to hike in prices of land, building materials, etc. Therefore, the Committee recommend that the Bank should increase the limit of the House Building loans suitably and it should at least be double of the present limit.

2.21 The Committee also observe that the Bank quarters are not provided to clerical and sub-staff cadres. However, they are paid house rent allowance. Keeping in view the social conditions, the Committee feel that it is very difficult for SC/ST employees to discharge their duties properly in the absence of accommodation especially when they are transferred from one place to another. Since sometimes they do not get the house on rent easily due to social conditions, the Committee recommend that instead of paying the house rent allowance, the Bank should provide suitable

accommodation to SC/ST employees in all categories and allot the Bank quarters to them on usual terms and conditions as per quota fixed by the Government in allotment of its residential accommodation.

PART II

CHAPTER – III

CREDIT FACILITIES

A. **ORGANISATIONAL SET UP IN THE MINISTRY OF FINANCE TO REVIEW CREDIT FACILITIES TO SCs/STs.**

3.1 The Committee have been informed that a separate cell for monitoring the flow of credit to persons belonging to SC/ST categories is in existence in the Ministry of Finance and Company Affairs (Banking Division). This Cell is now a part of Development Section in the Banking Division. One Senior Assistant is assigned to the Cell for monitoring the flow of credit to persons belonging to SC/ST categories. He is assisted by other supporting staff of the Development Section.

3.2 It has been stated that the Banking Division reviews the flow of credit under priority sector including credit to weaker sections from time to time. The Banking Division also holds regular meetings with the Senior Executives of public sector banks, where the performance of the public sector banks in the matter of extending credit assistance to priority sector, weaker sections, SC/ST beneficiaries, etc., is reviewed. The Credit Cell in the Banking Division obtains information from the public sector banks about their performance in extending credit facilities to SCs/STs. The same is reviewed and discussed in the above meeting. Besides, RBI also monitors the progress on a regular basis.

B. CREDIT POLICY OF THE GOVERNMENT FOR THE UPLIFTMENT OF SCs/STs

3.3 The Committee have been informed that as per the Government guidelines, the commercial banks should provide credit under priority sector to the extent of 40% of their net bank credit (NBC). The priority sector includes agriculture, small-scale industries (SSI), small business and service sector. Within the overall target of 40%, banks have been advised to lend 10% of their net bank credit to economically weaker sections, which include inter-alia SCs/STs. Various Schemes/ Programmes for poverty alleviation and employment generation have also been formulated by different administrative Ministries of the Union Government, such as Prime Minister Rozgar Yojana (PMRY), Swarna Jayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Sahari Rozgar Yojana (SJSRY) and Differential Rate of Interest (DRI) Scheme under which banks are required to provide a specified percentage of credit to SC/ST beneficiaries.

A. INSTRUCTIONS/GUIDELINES ISSUED BY RESERVE BANK OF INIDA

3.4 The Committee have been informed that reservation for SCs / STs has been provided under the Swarnjayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Sahari Rozgar Yojana (SJSRY), Differential Rate of Interest Scheme and the Scheme for Liberation and Rehabilitation of Scavengers (SLRS). Further, with a view to ensuring that the banks make available adequate credit to SCs/STs, the Reserve Bank of India have advised banks that: -

- (i) Credit Planning should take into account the needs of SCs/STs.

- (ii) In order to ensure that loan proposals from SCs/STs applicants are not rejected without valid reasons, banks have been advised that in the case of such proposals, rejection should be at higher level than that of a branch manager.
- (iii) Loan applications of SCs/STs should be considered sympathetically and expeditiously.
- (iv) Special efforts should be made to evolve suitable and bankable schemes for these communities.
- (v) Banks should participate in the specific programmes drawn up by the State agencies for the upliftment of SCs/STs.
- (vi) Bank staff may help poor borrowers in filling up the forms and completing other formalities so that they are able to get credit facility without delay.
- (vii) Bank staff may contact illiterate borrowers and explain to them the salient features of the schemes as also the advantages that will accrue to them by availing of credit under the schemes.
- (viii) The members of SCs/STs form part of the weaker sections under priority sector. Banks have to raise the proportion of their advances to priority sector to 40% and the advances to weaker sections should reach a level of 10% of total bank credit.
- (ix) At least 40% of the DRI advances should be extended to SCs/STs.
- (x) Under SGSY not less than 50% of the families assisted should belong to SCs/STs.
- (xi) Under PMRY reservation of 22.5% has been provided to SCs/STs.

- (xii) Loans upto Rs.5000/- are granted by banks to members of SCs/STs for construction of houses at a concessional rate of interest of 4% under DRI Scheme provided they satisfy the income criteria of DRI Scheme.
- (xiii) Banks have been advised to take effective action to ensure monitoring of the priority sector lending not only from the quantitative aspect but also qualitative aspect including support from Governmental agencies for the various schemes.
- (xiv) Periodical review has to be made by the Head Offices of banks of the credit extended to SCs/STs on the basis of return and other data received from the branches.
- (xv) Banks submit quarterly returns on priority sector advances which also indicate separately data relating to advances granted to SC/ST borrowers.
- (xvi) Banks have been advised to set up a special cell at the Head Offices for monitoring the flow of credit to SC/ST beneficiaries.

3.5 On being asked whether there is any special cell in RBI to monitor and evaluate the progress of various schemes launched by the Nationalised Banks for the socio-economic development of SCs/STs, the Committee have been informed through a written reply that: -

“State and Central Governments have launched programmes for benefit/uplift of SCs/STs community. There is no separate cell in RBI. The Rural Planning and Credit Department has a special programmes section which monitors progress under the Government sponsored poverty alleviation programme of SGSY and the self employment scheme of

SJSRY and the PMRY scheme as also SLRS. As already indicated, separate sub-targets have been provided for SCs/STs under the centrally sponsored schemes/programmes. The performance of banks in provision of credit to SCs/STs is discussed at SLBC/DCC meetings and at special review meetings convened by Government of India.”

3.6 The Committee have been informed that the system of credit facilities provided to SC/ST beneficiaries primarily rests with the branches headed by Branch Managers who are vested with adequate discretionary powers to sanction credit facilities including those under various Government sponsored schemes. There are 22 Regional Offices of Dena Bank each of which controls a cluster of branches. Policy matter regarding financing SC/ST beneficiaries are looked after at the Bank’s Head office where a separate Department i.e. “Retail Banking Department” headed by a Deputy General Manager is functioning under the overall supervision of the General Manager (Priority Sectors). The Department also monitors and reviews the performance of Regional Offices in implementation of the programmes/schemes pertaining to credit facilities to Scheduled Castes and Scheduled Tribes for their socio-economic development. Dena Bank is convenor of the State Level Bankers’ Committee for Gujarat State and UT of Dadra and Nagar Haveli and acts as coordinator between Banks/Financial Institutions, the Reserve Bank of India, NABARD and the State Government/UT and other Development Agencies.

3.7 The Committee note that a separate cell for monitoring the flow of credit facilities to persons belonging to SC/ST categories is in existence in

the Ministry of Finance and Company Affairs (Banking Division). This cell is now a part of Development Section in Banking Division. One Senior Assistant is assigned to the cell for monitoring the flow of credit facilities to persons belonging to SC/ST categories and he is also assisted by other supporting staff of the Development Section. The Committee feel that the staff strength of the cell is inadequate to look after the work relating to credit facilities provided by all the Nationalized Banks and financial institutions. The Committee, therefore, recommend that the strength of the cell should be immediately increased keeping in view the volume of work and instead of a Senior Assistant, an officer not below the rank of Deputy Secretary competent to take independent decision should be assigned to monitor the flow of credit facilities to SCs/STs.

3.8 The Committee also feel that the availability of bank credit facilities alone in the absence of adequate infrastructure, marketing and extension facilities will not yield results to the desired extent. The Committee, therefore, urge the Government to set up a body consisting of representatives of the Ministry of Finance, R.B.I. and State Government concerned to identify the schemes which could be taken up in a particular area depending upon the resources and skills of the people inhabiting in that area and lay down the financial targets for providing credit facilities and for proper coordination among the State Banking Institutions helping in the operation of lending schemes for SCs and STs.

D. **PRIORITY SECTOR ADVANCES**

3.9 As regards the details of total priority sector advance and the share of SC/ST during the period 1997 to 1999, the Committee have been furnished the following information:-

(Amt. Rs. in Crores)

As on	Total Outstanding		Of which loans to SC/ST	
	A/C	Amt.	A/C	Amt. Outstanding
Dec. 97	245,048	1,920.35	70,716 (28.86%)	55.63 (2.90%)
Dec. 98	236,446	2,688.73	70,038 (29.62%)	86.79 (3.23%)
Dec. 99	223,423	3,032.81	66.721 (29.86%)	98.86 (3.26%)

3.10 It has also been informed that members of SCs/STs form part of the weaker section under priority sector. The Banks have to raise the proportion of their advances to priority sector upto 40% and the advances to weaker section should reach a level of 10% of the total bank credit.

3.11 The Committee have also been informed that the Bank has achieved the target in lending in priority sector. However, the bank needs to take further steps for improving flow of credit to agriculture and weaker sections which include SCs/STs.

3.12 The Committee observe that as per the data provided to them the percentages of advances to SCs/STs in priority sector are considerably low. The Committee also observe that nationalised banks including Dena Bank have been advised to lend 10% of their aggregate credit to weaker sections which include SC/ST beneficiaries. No separate share of SCs/STs has been fixed in the 10% of total advances earmarked for weaker sections. In the opinion of the Committee, 10% of total advances earmarked for weaker sections including

SCs/STs are not sufficient. The Committee, therefore, recommend that the Government should take immediate necessary measures to suitably increase the percentage of their aggregate credit to be given by the banks to weaker sections and out of that fix a share of 22½% for SCs/STs so that they may get a substantial portion of the credit earmarked for weaker sections under priority sector advances.

E. **DIFFERENTIAL RATE OF INTEREST SCHEME**

3.13 The Committee have been informed that a scheme was introduced in 1972 by Government of India and implemented through all scheduled commercial banks throughout the country. The scheme seeks to provide bank finance at a concessional rate of interest of 4 per cent per annum to weaker sections of the society for engaging in productive and gainful activities in order to improve their economic conditions. Persons of modest means engaged in gainful activities in agriculture and/or allied activities, cottage and rural industries, vocations, etc. and whose annual family income does not exceed Rs. 7200/- in urban or semi-urban areas and Rs. 6400/- per annum in rural areas are eligible for assistance under this scheme. Besides, the borrower who will be eligible for assistance, should not own any land or in case he owns any land, his land holdings should not exceed one acre in the case of irrigated land and 2.5 acres in the case of unirrigated land. The land holding criteria is not applicable to borrowers who belong to SCs/STs. The maximum amount of assistance per beneficiary available under the scheme for productive purposes is Rs. 6500/-. In addition to

Rs. 6500/-, a housing loan of Rs. 5000/- per beneficiary can be granted under the scheme to the members belonging to SCs/STs provided that they satisfy the income criteria of this scheme. Further, 40 per cent of the total DRI advances are required to be granted to SC/ST beneficiaries. In order to ensure that the weaker sections in rural areas derive the maximum benefits, banks are required to ensure that not less than two-third of their advances under the scheme are routed through their rural and semi-urban branches.

3.14 The Committee enquired whether uniform norms have been prescribed for the people in plains and hilly areas for sanctioning loans. In reply, the Committee have been informed that uniform norms are prescribed for the people in plains and hilly areas for sanctioning loans.

3.15 The amount disbursed under DRI Scheme and the total number of beneficiaries and the share of SCs/STs is as under: -

(The figures for disbursements under DRI Scheme are collected annually in March. Accordingly the figures reported below are for MARCH each year.)

Disbursement under DRI (No. of A/Cs Actual)(Amt. Rs. in Lakhs)

1997		1998		1999		2000	
A/c	amt.	A/c	amt.	A/c	amt.	A/c	amt.
64	4.8	56	3.09	70	2.75	48	1.66

Disbursement to SCs/STs under DRI (No. of A/Cs Actual)(Amt. Rs. in Lakhs)

1997		1998		1999		2000	
A/c	amt.	A/c	amt.	A/c	amt.	A/c	amt.
16	3	15	1	42	1.73	21	1.68
5%	2.5%	.27%	.33%	60%	91%	43.75%	41%

3.16 It has been observed from the above data that there is a decrease in the percentage of loans to SCs/STs under DRI from 60% in 1999 to 43.75% in 2000.

The reasons for the decline of amount disbursed under DRI scheme are stated to be that the people prefer to avail subsidy linked credit schemes (such as SGSY, SJSRY) as well as under the state sponsored schemes. In view of this, branches do not get sufficient loans applications under DRI scheme.

3.17 In reply to a question whether any guidance is provided by the Bank to SC/ST beneficiaries in formulating viable schemes/projects to get loans under DRI scheme, the Committee have been informed that the Bank is providing all assistance to SC/ST beneficiaries including filling up of application forms, explaining to them the salient features of various bankable schemes.

3.18 The Committee note that the maximum assistance to a beneficiary under DRI scheme (1972) has been fixed at Rs. 6,500/- for engaging in productive and gainful activities. The Committee feel that in view of the decrease in the value of money, this amount is not sufficient for starting a productive and gainful project and in most of the cases there is a possibility of this loan practically being converted into a consumption loan, thus defeating the very purpose of DRI scheme. The Committee, therefore, recommend that the limit of loan under DRI scheme should be increased to Rs. 25000/- so that the real purpose of the scheme could be served.

3.19 The Committee also feel that the conditions in hilly areas are totally different from plain areas and various development programmes for SCs/STs cannot be implemented properly in hilly areas and there is a need for relaxation in the norms fixed for hilly areas. The Committee, therefore, urge the Government to be more practical and formulate different

liberalised norms for the benefit of the people living in difficult and inaccessible hilly areas.

F. INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP).

3.20 It has been stated that the beneficiaries under IRDP are identified by Block Development officials from the identified list of Below Poverty Line (BPL) families. However, under the new scheme i.e. SGSY which has replaced IRDP, beneficiaries are identified in the Gram Sabha comprising officials from banks, sponsoring agencies and Gram Pramukh. Applications of identified beneficiaries are then sponsored by Block Development Officers (BDO) to Banks.

3.21 The details of total number of beneficiaries and the number of SCs/STs among them with details of amount disbursed during the last three years under IRDP scheme are as under :-

(Amt. Rs. In crore)

Year	Total disbursement under IRDP/SGSY		Of which SC/ST	
	A/C	Amt.	A/C	Amt
March, 1998	11,566	18.09	3,625	5.14
March, 1999	11,756	20.01	3,621	6.5
March, 2000	3,689	7.52	1,086	1.62
March, 2001*	4,313	9.78	1,189	2.41

* SGSY

3.22 It may be observed from the above statement that the total number of SC/ST beneficiaries has continuously declined from March 1998 to March 2000. According to guidelines issued by the RBI, the share of SCs/STs under the programme is stipulated at 50% but Dena Bank has not accomplished the stipulated target for SCs/STs under IRDP.

3.23 The Committee note that the performance of Dena Bank has not been satisfactory during the period from March, 1998 to March, 2001 under IRDP and SGSY Schemes. The Committee, therefore, recommend that Dena Bank should make all out efforts to accomplish the work of these projects meant for SCs/STs as per guidelines of R.B.I. and clear arrears within one year positively and inform the Committee immediately after the completion of the scheme.

G. HOUSING LOANS

3.24 It has been stated that as per RBI guidelines, housing loans upto Rs. 5,000/- can be granted to beneficiaries of SC/ST categories under DRI scheme in addition to the composite loan of Rs. 6500/- admissible under DRI Scheme.

The details of housing loans granted by Dena Bank to SCs/STs during the years from 1996 to 2000 and as under :-

(Amt. Rs. In lakhs)

Year	Total		Of Which SC/ST	
	A/c	Amt.	A/c.	Amt.
1996-97	431	653.85	95	155.09
1997-98	845	,212.52	69	67.96
1998-99	1,008	,766.54	142	142.82
1999-2000	1,844	,163.58	151	232.32

3.25 It has also been stated that during 1996-97, an amount of Rs.100 lakh was disbursed to the U.P. Rural Housing Board out of the total sanctioned limit of Rs.350 lakh for the purpose of housing for SCs/STs under DRI scheme at 4% p.a. interest.

An amount of Rs.300 lakh was provided to HUDCO during the years 1994-95 and 1995-96 for the purpose of housing for SCs/STs under DRI scheme at 4% p.a. interest.

The Bank also granted advance to the AP Housing Finance Corpn. Ltd. to the tune of Rs. 326.25 lakh during the period from 1986-87 to 1994-95.

Finance to the extent of Rs. 53.76 lakh was made available to the Gujarat Rural Housing Board during the period 1980-1983.

3.26 The Committee desired to know that in view of the inflation and escalation in the cost of building material whether the amount of Rs.5000/- for housing purpose is sufficient and whether the Government would consider enhancing the amount of loan for housing. In reply, the Ministry have informed in a written note that the focus of the DRI Scheme is towards the poorest of the poor, which are financed at very modest scale and concessional rate of interest at 4% p.a. It would not be feasible to enhance the amount of loan for housing under DRI Scheme.

3.27 The Committee are not satisfied with the reply of the Ministry. The Committee note that housing advances upto Rs.5000/- are granted by the Bank to SCs/STs at the concessional rate of interest of 4%. The Committee do not consider the amount of Rs.5000/- sufficient for construction of a house, keeping in view the escalation in the prices of building materials and higher labour charges involved. The Committee, therefore, recommend that the Government should increase the amount of housing loans to Rs. 40,000 under the DRI Scheme.

H. **EDUCATIONAL LOANS SCHEME**

3.28 The Committee have been informed that the RBI in terms of interim order dated 11.8.95 of the Supreme Court of India directed Banks vide Circular RPCD No. SP BC.18/09.07.01/95-96 dated 19th August, 1995 to provide Educational Loans upto Rs.15000/- to a free/merit seat student and upto Rs.50000/- to a payment seat student admitted to a Medical/Dental College in a Private Professional College. The rate of interest was 4 % as per the interim orders of the Supreme Court.

3.29 The details of educational loans given by the Bank are as under:-
(Amt. Rs. in lakhs)

Scheme	Year	Total		Of which SC/ST	
Educational Loans to students in Private & Dental Colleges	1996				
	1997				
	1998				
	1999				
	2000 (1.7.99-31.7.99)				
	2000 (1.4.99-Mar.2000)				

3.30 The Committee have further been informed that Dena Bank has prepared its own scheme for granting educational loan for higher studies in India and abroad. The scheme is named as Dena Vidya Laxmi Educational Loan Scheme. Educational loans upto Rs. 3.50 lakh are being granted to students for higher studies in India

and abroad under this scheme. The details of educational loan granted under this scheme during the last three years are given below:-

(Amount Rs. in lakh)

Scheme	Year	Total Sanction		Of which SC/ST	
Vidya ational Loan ne	97				
	98				
	99		3		
			1		

3.31 The terms and conditions for loans under the Bank's Dena Vidya Laxmi Educational Loan Scheme are as under:

lity	nt should be an Indian National between 15 and 25 years and should have a consistent and good academic record. case of SC/ST category, e is relaxable ssing marks will be sufficient.
n	of the total requirements to be borne by the borrower as Margin. e case of SC/ST students, margin requirement may be waived.

3.32 The Committee desired to know whether the amount of loan granted by the Bank for pursuing higher studies in India/abroad is sufficient in view of the low purchasing power of the rupee and whether the amount of loan is proposed to be increased. In reply thereto, the Committee have been informed that the Bank has enhanced the limit of finance under the Scheme.

The details of number of SC/ST students granted loans for pursuing studies in foreign countries during the last three years are as under: -

	granted to SCs/STs		Amount of loan in each case
	Number	Percentage	
1998			
1999			Lakh in each case
2000			Lakh only
2001			

3.33 The Committee observe that during the years from 1995 to March, 2000, only 2 students belonging to SC/ST communities availed of the loan facilities provided under the Educational Loan Scheme. Similarly, under Dena Vidya Laxmi Educational Loan Scheme, out of the 383 students who availed of the loan facilities during the period from 1996 to 1999, only 94 belonged to SC/ST categories. The Committee feel that the number of beneficiaries under the Educational Loan Scheme is not satisfactory and recommend that the Bank should consider giving further concessions/relaxations in favour of SC/ST students and also making the Educational Loan Scheme more popular among them. The Committee further recommend that certain quota for SCs/STs students in the Educational Loan Scheme may be fixed and the scheme with details of the quota may be given wide publicity by the Bank to ensure that it reaches the SC/ST people and the performance of the Bank in this regard is increased.

I. LOANS TO RURAL ARTISANS AND SMALL SCALE INDUSTRIES

3.34 The Committee have been informed that the maximum assistance per beneficiary has been fixed at Rs. 6,500/- for productive purposes. Members of SC/ST communities satisfying the income criteria of the scheme can also avail of housing loan upto Rs. 5000/- per beneficiary over and above the loan of Rs. 6500/- available under the scheme.

3.35 Advances to SSI and share of SCs/STs in SSI advances are as under:-

(Amt. Rs. in crores)

	SS I	h share of SC/ST	
		Amt	%
1997)
1998)
1999		14)

Comparing the figures of 1998 and 1999, it has been observed that there is a declining trend in the number of borrowers' accounts of Scheduled Caste/Scheduled Tribe beneficiaries.

3.36 In reply to a query whether Dena Bank arranges some sort of training for prospective borrowers so as to make them proficient in handling the jobs, it has been submitted to the Committee that in some of the Government sponsored schemes such as PMRY as well as SGSY, there is a provision for imparting training to the beneficiaries. Hence, the concerned sponsoring agencies viz. DIC/DRDA arrange to provide training to the beneficiaries/rural entrepreneurs.

3.37 The Committee are constrained to note that the performance of Dena Bank has not been satisfactory in respect of the share of SC/ST borrowers in the advances given to Small Scale Industries both in terms of number of SC/ST beneficiaries and the amount. The number of accounts in favour of SC/ST

is declining and the share of amount of loan given to them is also very low. The Committee recommend that Dena Bank should be more conscious in future about its social obligations towards SCs/STs in the matter of disbursement of loans to them and efforts should be well directed so that these downtrodden sections may get a chance to come upto a respectable level. The Committee further recommend that while disbursing loans to rural artisans and small scale industries, the Bank should arrange by themselves or ensure through the concerned agencies some sort of training for the prospective borrowers so as to make them efficient in handling the job.

J. **RECOVERY OF LOANS**

3.38 As regards the percentage of recovery of loans under DRI Schemes in respect of others and percentage of recovery in respect of SCs/STs, the following statement has been furnished to the Committee:-

Year	Total Recovery Percentage	Percentage of recovery from SCs/STs
1996	23.58	23.67
1997	44.42	38.02
1998	22.99	21.73
1999	24.31	23.62
2000	25.02	24.28

3.39 It has been informed that some of the major reasons for delay in recovery of overdue loans are as under:

- i) Diversion of bank's funds for purposes other than the activity/business for which bank loan was given.

- ii) Utilisation of income generated from the activity for domestic consumption/social needs.
- iii) Natural calamities.
- iv) Willful default.

3.40 The Committee have also been informed that the following steps are initiated for recovery of loans:

- I. Physical verification of assets is carried out.
- II. Personal visits by branch officials to the borrowers.
- III. Non-business Working days are utilised for contacting the borrowers to effect recoveries.
- IV Case is filed under the State Recovery Act for recovery through Revenue Officials by issuing Revenue Recovery Certificate (RRC).

When the Committee desired to know the role of State Government agencies or SC/ST Development Corporations in the recovery of loans, the Ministry submitted that “generally, no assistance is available from SC/ST Development Corporations in the matter of recovery of overdue loans.”

3.41 The Committee note that the percentage of recovery of overdue loans in respect of SC/ST beneficiaries is satisfactory in comparison to the percentage of total recovery made during 1996-2000. The Committee recommend that all out efforts should be made by Dena Bank to improve the recovery position for recycling the funds. The Bank should also extend all possible guidance and advice to SC/ST beneficiaries so that they may

fully utilise the income generated from the activity for repaying the loans and making the schemes successful.

3.42 The Committee also observe that no assistance is available from SC/ST Development Corporations in the matter of recovery of overdue loans to Dena Bank and, therefore, recommend that the Bank Officials should have a close liaison with SC/ST Development Corporations and make efforts to involve them in the process of identification of needy SC/ST beneficiaries so that these Corporations may also feel their responsibility and provide necessary assistance in recovery of overdue loans.

CHAPTER IV

OTHER MATTERS

A. LOAN APPLICATIONS

- 4.1 The Committee have been informed that Dena Bank has instructed its Branches to maintain a register for loan applications received under all schemes. The Regional authorities during their visit to Branches are advised to check the register. The register contains a column where the category of applicant is indicated i.e. SC/ST or General. The details of applications received, sanctioned, rejected and pending, for SC/ST beneficiaries, for the period from 1997 to 30.6.2000 are as under:-

ulars		YEARS		
		98	99	2000 (2000)
SGSY				
Applications recd.	Total	6355	5523	1872
Sanctioned		3972	4249	1440
Rejected		635	583	182
Pending		1748	691	250
ng*		-	-	-
General				
Applications recd.	Total	698	1634	762
Sanctioned		304	681	584
Rejected		128	133	108
Pending		142	268	105
ng		124	452	35
Other				
Applications recd.	Total	592	568	142
Sanctioned		337	411	33
Rejected		62	84	15
Pending		193	73	94
ng		-	-	-

* Applications received during the particular year are not kept pending with the banks and are disposed of.

4.2 The Committee have been informed that periodic reviews conducted at Regional level by the Bank indicate that the loan applications are rejected for reasons such as:-

- (i) if the applicant is a defaulter
- (ii) if the applicant belongs to an area other than the service area village allotted to the Bank.
- (iii) if not permanent resident of the area.

4.3 On being asked as to what steps are taken by the Bank to ensure that loan applications are not rejected in future, the management stated as under: -

“The loan applications of SCs/STs are not to be rejected at branch level but are required to be referred to higher authority i.e. Regional Authority for taking decision thereon.”

4.4 It has also been stated that the Bank by maintaining proper liaison with sponsoring agencies ensures proper sponsoring of cases only of those applicants who fulfil the basic criteria/eligibility norms prescribed under various schemes. This reduces rejection of applications.

4.5 The Committee desired to know the methods devised by the Bank to popularise the various credit facilities provided to SCs/STs particularly in rural areas. In reply, the Committee have been informed that Branches of the Bank contact the local village bodies, block authorities and sponsoring agencies to get adequate number of loan applications. Besides, the Bank is also organising meetings of customers, farmers clubs, SHGs through which various credit schemes of the Bank are being popularised.

4.6 The Committee note that a large number of loan applications received from SC/ST people are rejected by the Bank. The Committee are of the view that in order to help the Scheduled Caste and Scheduled Tribe beneficiaries under various schemes, there should be an objective assessment of the schemes for which loan is sought and the Bank should lend all possible assistance to SC/ST beneficiaries to fill up loan application forms and to prepare viable projects.

B. SANCTION OF LOAN

4.7 The Committee have been informed that Dena Bank is giving emphasis on financing more number of eligible beneficiaries belonging to SCs/STs categories and more particularly under Government sponsored programmes. Branches are contacting the local village bodies/block authorities, sponsoring agencies of the Government for sending adequate number of loan applications, Besides the Bank is also organising meetings of customer, farmers' clubs, SGHs regarding the same.

4.8 The Committee desired to know whether the Scheduled Castes/Scheduled Tribes Finance Development Corporations which are functioning in the States and Union Territories can play an effective role in getting adequate number of sponsored applications from the Scheduled Caste/Scheduled Tribe beneficiaries. In this connection, it has been submitted by the Ministry that the Corporations play an effective role in getting adequate number of sponsored applications from SC/ST beneficiaries and the Bank maintains liaison with these Corporations.

- 4.9 The Committee enquired whether there has been any case of malpractice in disbursement of loans which has come to the notice of the Bank during the last three years. In reply, the Committee have been informed that no case of malpractice in disbursements of loans under priority sector advances has been noticed in the recent past.
- 4.10 The Committee further desired to know whether there was any case of involvement of middlemen or Bank officials in the cases of disbursement of loan and if so what action was taken against them. The Bank has informed in a written note that “no instance of involvement of middlemen while financing under priority sector advance has come to Bank’s notice in the recent past.”
- 4.11 The Committee are happy to note that Dena Bank is giving emphasis on financing more number of eligible beneficiaries belonging to SCs/STs and its Branches are contacting the local village bodies/block authorities, sponsoring agencies of the Government for sending adequate number of loan applications and also organising meetings of customers, farmers, etc. The Committee are also happy to note that no case of malpractice in disbursement of loans and involvement of middlemen while financing under priority sector advances has come to the notice of Dena Bank. However, in this regard, the Committee observe that the reply of the Ministry relates to priority sector advances only and the query in regard to malpractices in disbursement of loan and involvement of middlemen while financing in non-priority sectors still remains unanswered. The Committee are of the view that in some cases because of collusion between the Bank**

officials and the middlemen, a big chunk of the loans sanctioned to illiterate persons including those belonging to SCs/STs is taken away by such persons. Therefore, the Committee recommend that whenever such instances come to the notice of the Bank authorities, strict action should be taken against the culprits and defaulting bank employees and preventive measures to check occurrence such instances be taken.

C. ORIENTATION TRAINING PROGRAMMES FOR OFFICERS REGARDING SOCIO-ECONOMIC DEVELOPMENT OF SCs/STs.

- 4.12 The Committee have been informed that Dena Bank organises orientation and training programmes for officers at Branch level to equip them to have a positive approach towards socio-economic development of SCs/STs. In all the training programmes conducted at the Staff Training Colleges, special sessions are allotted on rural financing, priority sector advances, financing under the Government sponsored schemes and emphasis is also given to develop positive approach for socio-economic development of SC/ST candidates.
- 4.13 It has also been stated that in addition to the above, the Bank is also organising special training programmes on self-help groups, high-tech agricultural financing, rural financing, priority sector advances financing under various government sponsored schemes like PMRY, etc. During these programmes, the importance and objective of various schemes are highlighted and emphasis is given to develop positive approach towards socio-economic development of SCs/STs to achieve the social objectives.

4.14 The Committee desired to know whether any incentive is given to Branch Managers for working in rural and semi-urban areas where they have greater scope to serve the weaker sections. In reply, it has been submitted to the Committee that in terms of the Bank's promotion policy, officers are required to serve for minimum 2 or 3 years in rural/semi-urban Branches for being eligible for promotion upto Scale-IV.

4.15 The Committee are happy to note that Dena Bank organises orientation and training programmes for officers at Branch level to equip them to have positive approach towards socio-economic development of SCs/STs. In the opinion of the Committee, it would help in mobilising more officers to work in rural and semi-urban areas where they have greater scope to serve the weaker sections. The Committee desire that Dena Bank should keep up this tempo in future also.

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