

COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES

(2006-2007)

(FOURTEENTH LOK SABHA)

THIRTEENTH REPORT

ON

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(BANKING DIVISION)

Action taken by the Government on the recommendations contained in First Report (14th Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the subject – Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Dena Bank and credit facilities provided by the Bank to them.

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Presented to Lok Sabha on 22.8.2006

Laid in Rajya Sabha on 21.8.2006

LOK SABHA SECRETARIAT
NEW DELHI

August, 2006/Sravana, 1928 (Saka)

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**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF SCHEDULED
CASTES AND SCHEDULED TRIBES (2006-2007)**

Shri Ratilal Kalidas Varma - Chairman

MEMBERS – LOK SABHA

2. Shri Anandrao Vithoba Adsul
3. Shri S. Ajaya Kumar
4. Shri M. Appadurai
5. Shri Biren Singh Engti
6. Shri Eknath M. Gaikwad
7. Dr. P.P. Koya
8. Shri G.V. Harsha Kumar
9. Shri Rajesh Kumar Manjhi
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15. Shri Ashok Kumar Rawat
16. Shri Bajju Ban Riyan
17. Dr. (Col.) Dhani Ram Shandil
18. Shri Sugrib Singh
19. Shri Lalit Mohan Suklabaidya
20. Shri Vanlalawma

MEMBERS – RAJYA SABHA

21. Shri Sharad Anantrao Joshi
22. Shri Robert Kharshiing
23. Shri Surendra Lath
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29. Shri Veer Singh
30. Shri Nandi Yellaiah

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu, Additional Secretary
2. Shri P.K. Bhandari, Joint Secretary
3. Shri Gopal Singh, Director
4. Ms. J.C. Namchyo

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 Thirteenth Report (Fourteenth Lok Sabha) on action taken by the Government on the recommendations contained in their First Report (Fourteenth Lok Sabha) on the Ministry of Finance, Department of Economic Affairs (Banking Division) regarding Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Dena Bank and credit facilities provided by the Bank to them.

2. The draft Report was considered and adopted by the Committee on 10th August, 2006 (Appendix I).

3. The Report has been divided into the following chapters: -

I	Report
II	Recommendations/ Observations, which have been accepted by the Government.
III	Recommendations/Observations which the Committee do not desire to pursue in view of replies of the Government.
IV	Recommendations /Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.
V	Recommendations / Observations in respect of which final replies of the Government have not been received.

4. An analysis of the action taken by the Government on the recommendations contained in their First Report (Fourteenth Lok Sabha) of the Committee is given in Appendix II. It would be observed therefrom that out of 25 recommendations/observations made in the report, the Government have accepted 6 recommendations i.e. 24 per cent. The Committee do not desire to pursue 14 recommendations i.e. 56 per cent, in view of the Government replies. There are 2 recommendations i.e. 8 per cent in respect of which replies of the Government have not been accepted by the Committee and which require further reiteration and 3 recommendations i.e. 12 per cent in respect of which final replies of the Government are still awaited.

NEW DELHI
18 August, 2006
27 Sravana, 1928 (Saka)

RATILAL KALIDAS VARMA
Chairman
Committee on the Welfare
of Scheduled Castes and
Scheduled Tribes

REPORT

CHAPTER – I

1.1 This Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the Action Taken by the Government on the recommendations contained in the First Report (Fourteenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the Ministry of Finance, Department of Economic Affairs (Banking Division) regarding “Reservation for and employment of Scheduled Castes and Scheduled Tribes in Dena Bank and credit facilities provided by the Bank to them”.

1.2 The First Report was presented to Lok Sabha on 15 December, 2004. It contained 25 recommendations/observations. Replies of the Government in respect of all these recommendations/observations have been examined and may be categorised as under:-

- (i) Recommendations/Observations which have been accepted by the Government; (Sl.Nos. 2,3,10,20,23 and 24).
- (ii) Recommendations/Observations which the Committee do not desire to pursue taking into consideration the replies of the Government; (Sl. Nos. 1,4,5,6,7,8,9,11,12,13,17,19,21 and 22,).
- (iii) Recommendations/Observations which have not been accepted by the Committee which need reiteration; (Sl. Nos.15 and 18).
- (iv) Recommendations/Observations in respect of which final replies have not been received (Sl. Nos. 14,16 and 25).

1.3 The Committee desire that final replies in respect of the recommendations for which only interim reply has been given or no final replies have been given by the Government ought to be furnished within three months of the presentation of the report.

1.4 The Committee will now deal with those Action Taken Replies of the Government which need reiteration or merit comments:-

Recommendation (Sl.No.6, Para No.2.8)

1.5 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.

Reply of the Government

1.6 The duration of pre-promotion training to SC/ST has already been enhanced from one week to ten days.

1.7 The Bank already have a system where SC/ST employees are informed at the time of calling for applications that pre-promotion training is arranged. The SC/ST candidates have been largely taking advantage of such training arranged for them.

Comments of the Committee

1.8 The Committee observe that the reply of the Government is silent about enhancing period of pre-recruitment training. The Committee would, therefore, like to know whether the Bank has done away with pre-recruitment training programme for SCs/STs after the abolition of Banking Service Recruitment Board.

Recommendation (Sl. No. 7, Para No.2.12)

1.9 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.

Reply of the Government

1.10 There is a vast difference in the sanctioned strength in all the cadres as existed when the Bank switched over to the "Post Based Roster" on 2.7.1997 and the present strength (i.e. post VRS era). It would, therefore, be neither practical nor logical to fill up the backlog which existed in the year 1997 as per vacancy based roster at this juncture.

Comments of the Committee

1.11 The Committee are not convinced by the reply of the Ministry that it was neither practical nor logical to fill up the backlog which existed in the year 1997 as per vacancy based roster at that juncture. It had clearly been provided in the O.M.No.36012/2/96 Estt.(Res.) dated the 2nd July, 1997 issued by the Ministry of Personnel, Public Grievances and Pension (Department of Personnel and Training) that before switching over to post based roster, all the backlog vacancies reserved for Scheduled Castes and Scheduled Tribes should be filled up. The Committee feel that the Bank not only overlooked the provision of this O.M. but later on in the garb of Voluntary Retirement Scheme neutralised those backlog vacancies. They take serious note of the matter. However, in future the Bank should make sincere efforts to maintain the prescribed number of reserved categories of persons at all posts.

Recommendation (Sl. No. 9, Para No. 2.17)

1.12 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.

Reply of the Government

1.13 In this connection, the Bank feel that it would not be advisable to publish or to take action against an employee whose verification of caste certificate has been delayed by the District Collector/Scrutiny Committee. The genuine SC/ST employees can suffer for no fault on their part.

1.14 The concerned authorities may however, be strictly advised to complete the process in a time bound schedule so that such delay and unpleasant actions can be avoided.

Comments of the Committee

1.15 The Committee are not fully convinced by the reply of the Government that it would not be advisable to publish or to take action against an employee whose verification of caste certificate has been delayed by the District Collector/Scrutiny Committee. Unless some tangible and drastic action is taken, unscrupulous elements would always try to take advantage

of the lax system and enjoy at the expense of rightful beneficiaries. The Committee, therefore, recommend that all out efforts should be made to pursue the pending verification cases expeditiously so that the persons found serving in Dena Bank on the basis of bogus caste certificates could be dismissed immediately from service. Besides their cases should be referred to the local police and the concerned District Magistrates for initiating penal action against them. They would also like to be apprised of the latest position in regard to the number of pending cases of the false caste certificates.

Recommendation (Sl. No. 15, Para No. 3.18)

1.16 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.

Reply of the Government

1.17 Loans under DRI scheme are being granted by the banks at concessional rate of interest of 4%. However, no subsidy is available under the scheme. Higher subsidy available in SGSY and other poverty alleviation schemes has

become disincentive to prospective borrowers to avail loans under DRI even though rate of interest under DRI scheme is low i.e. only 4%. Loan quantum for various activities under above schemes is higher than that available under DRI i.e. Rs.6500/-. The loan amount (Rs.6500/-) is not sufficient to bring the beneficiaries above poverty line. Borrowers do not prefer to avail loan under DRI because of low loan quantum and also non availability of the subsidy thereunder.

Comments of the Committee

1.18 The Committee feel that the Government should take necessary steps to make the DRI scheme more popular and attractive not only by increasing the loan amount from Rs.6500/- to Rs.25000/- but by providing incentives to banks so that they get motivated to make of the scheme successful. The Committee, therefore, reiterate their earlier recommendation that the loan amount under DRI Scheme should be increased to Rs.25,000/-.

Recommendation (Sl. No. 17, Para No. 3.23)

1.19 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.

Reply of the Government

1.20 The Government of India has since merged various self employment programmes i.e. IRDP, DWCRA, TRYSEM, SITRA, and SGKY into the new

scheme namely **Swaranjayanti Gram Swarozgar Yojana (SGSY)** with effect from 1st April, 1999. Accordingly, the Bank has been implementing SGSY since 1st April, 1999. The details of disbursements made by the Bank under SGSY during the financial years ended March 2002, 2003, 2004 and the share of finance extended to SC/STs beneficiaries are furnished below:

1.21 From the data furnished below, it may be stated that the share of SCs/STs in the total disbursement under SGSY has been on increasing trend.

Swarnajayanti Gram Swarozgar Yojana (SGSY) Amount Rs.in lakh)						
Year ended	Total Disbursement		Of which Finance extended to SCs/STs beneficiaries		% of SCs/STs to total	
	No. of A/cs	Amount	No. of A/cs	Amount	No. of A/cs	Amount
March 2002	3969	1307.91	629	147.12	15.84	11.25
March 2003	2575	845.78	463	136.62	17.98	16.15
March 2004	2459	919.33	652	228.00	26.51	24.80

1.22 As regards clearing the arrears, it is submitted that Bank is providing financial assistance under SGSY scheme in terms of which applications are being sponsored by DRDAs. As such, the matter of sponsoring the applications in adequate number is being taken up with DRDAs so that Bank may reach the prescribed target.

Comments of the Committee

1.23 The Committee note that the Bank has not been able to enroll beneficiaries as is apparent from the data provided to them. As a

result, the number of beneficiaries has come down from 3969 to 2459 from the year ended March, 2002 to March, 2004 and total disbursement amount has also come down from Rs.1307.91 lakh in the year ended March, 2002 to Rs.919.33 lakh in the year ended March, 2004. Although the number of accounts of SC/ST beneficiaries has increased marginally from 629 to 652 and the amount disbursed to them increased from Rs.147.12 lakh in the year ended March, 2002 to Rs.228 lakh in the year ended March, 2004, the target fixed for SC/ST under the SGSY Scheme i.e. (50% reservation) has not been achieved. The Committee would, therefore, like the Bank to give stress on vigorous publicity campaigns for the scheme and provide them with necessary input for enhancing their knowledge and skill for self employment.

Recommendation (Sl.No.18 Para No.3.27)

1.24 The Committee are not satisfied with the reply of the Ministry. The Committee note that housing advances up to 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.

Reply of the Government

1.25 The Committee may take a considered view, though it is felt that a loan amount of Rs.40,000/- may be difficult for the beneficiary to service due to his meagre earnings.

Comments of the Committee

1.26 The Committee agree with the view of the Ministry that it may be difficult for beneficiary to return the loan amount of Rs.40,000/- out of his meagre income. At the same time we should not forget that an amount of Rs.5000/- is too low to construct a house. The Government can at best stagger the repayment amount in such a way that the beneficiary could repay the loan amount in small instalments in the maximum possible time. The Committee, therefore, reiterate that Government should increase the loan amount to Rs.40,000/- under DRI scheme which can be linked to the repaying capacity of the borrowers.

CHAPTER – II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl.No.2, Para No.1.10)

2.1 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.

Reply of the Government

2.2 The Bank has noted the recommendations of the Committee for giving one month's time for appearing in interview and for joining the service after selection in subordinate cadre.

2.3 The Communications to candidates for appearing in interview as well as for joining the service are generally sent by Registered A.D./Speed Post/Courier. However, the recommendation of the Committee has been noted for compliance with respect to sending the same by Registered A.D. to SC/ST candidates.

2.4 The request for extension of joining time received from SC/ST candidates is considered favourably.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl.No.3 Para No.1.11)

2.5 The Committee note that Dena Bank has 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.

Reply of the Government

2.6 Approval since received from Ministry of Finance, Government of India. The Bank has already made recruitment in officers' cadre JMG Scale I and MMG Scale II and the backlog as on 30.6.2004 has already been cleared. The Bank has also taken up recruitment exercise for officers' cadre and steps are being taken to recruit the required number of SCs/STs as per the Government guidelines.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005.]

Recommendation (Sl.No.10 Para No.2.20)

2.7 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.

Reply of the Government

2.8 The limit for Housing Loans has since been enhanced as per Government guidelines, as under:

Officers : Rs. 7.50 lacs

Clerks : Rs. 4.50 lacs

Sub-staff: Rs. 3.00 lacs

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005.]

Recommendation (Sl.No.20, Para No.3.37)

2.9 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 up to 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.

Reply of the Government

2.10 The details of Bank's total advances to SSI and the share of SC/STs for the last three years are furnished below:-

Year ended March	Total advances of SSI		of which advances to SC/ST		(Amount Rs..in crore) % of share of SC/ST	
	A/c	Amt.	A/c	Amt.	A/c	Amt.
2002	12848	1345.72	2020	29.06	15.38	2.16
2003	13540	1377.45	2159	17.08	14.29	1.24
2004	12679	1317.51	1912	14.58	15.38	1.11

2.11 The Bank has already initiated necessary steps to enhance the share of SC/STs in total SSI advances.

2.12 In order to provide training to the prospective beneficiaries, the Bank has already established a Society named as Dena Rural Development Foundation (DRDF) which has already set up a training Institute known as Dena Rural Development & Self Employment Training Institute (DENA RUDESETI) on 25.2.2005 at Bhuj and another institute is proposed to be opened at Mehsana in the State of Gujarat. These institutes will provide training to SSI/PMRY/SGSY and rural entrepreneurs including SC/ST beneficiaries.

2.13 The focus of the institute will be to equip the candidates for self-employment and train them on practical aspects along with necessary theoretical inputs. The institute would also aim to provide counseling and consultancy, guidance and render all possible help to the youth in the field of self employment and rural development.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005.]

Recommendation (Sl.No.23, Para No.4.6)

2.14 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.

Reply of the Government

2.15 The Branches/Offices have been advised to adhere to the following guidelines in respect of credit to SC/ST beneficiaries.

- i) Loans applications of SC/ST beneficiaries should be considered sympathetically and expeditiously.
- ii) In order to ensure that loan proposals from SC/ST applicants are not rejected without valid reasons, Branches/Offices have been advised that in the case of such proposals, rejection should be at higher level than that of a Branch Manager.

- iii) The Bank has advised its Branches/Offices to organize village Meeting/Gram Sabhas to discuss the credit needs as well as recovery of loans from the borrowers where the SC/ST beneficiaries are also invited. The informal discussion with them is helpful in understanding their credit needs.
- iv) Bank has issued a comprehensive circular based on the master circular issued by RBI on credit facilities to SC/ST in order to give special emphasis to the flow of credit to SC/STs and render to them all possible assistance in choosing the viable economic activities as per their choice and to fill up loan application forms.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005.]

Recommendation (Sl.No.24 Para No.4.11)

2.16 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 of such instances be taken.

Reply of the Government

2.17 According to the information furnished by Dena Bank, the beneficiaries belonging to SC/STs are generally vulnerable to exploitation by unscrupulous middle men/officers. The Bank has been advised to avoid middlemen and establish direct contact with the borrowers while sanctioning and disbursing loans. Branches have also been advised to ensure that the borrower is supplied with the pass book/statement of accounts. Further, to check any malpractice the branches are required to display the messages in the branch premises to address the complaints, if any, to Head Office/concerned Regional Office of the Bank. The malpractices in disbursement of loan and involvement of middlemen while financing in non priority sector is being dealt with seriously by the management.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005.]

CHAPTER – III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Sl.No.1, Para No.1.5)

3.1 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.

Reply of the Government

3.2 The Boards of the Nationalised Bank are constituted by the Government in accordance with the criteria and procedure prescribed in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980. These Acts do not specifically provide for any reservations for persons belonging to SC/ST categories on the Boards of the concerned Banks. Moreover, guidelines have been framed for selection of part-time non-official directors. In these guidelines, it is mentioned that as far as possible representation may also be given to persons belonging to SC/ST community.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl.No.4, Para No.1.16)

3.3 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.

Reply of the Government

3.4 Cadre-wise representation of SC/ST as of 30.06.2004 is given below:-

Cadre	Category	
	SC	ST
Officers	20.27%	8.17%
Clerks	18.31%	10.74%
Sub-staff	31.49%	13.69%
PTC	36.45%	21.50%

3.5 Thus, the percentage of representation in both the categories was more than the percentage stipulated by the Government.

3.6 The Bank has informed that in July, 2005 they recalculated the reservation position and it was found that there is no backlog in any cadre in SC/ST category in Direct Recruitment/Promotion.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl.No.5, Para No.1.24)

3.7 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.

Reply of Government

3.8 Reservation is provided in both the channels of promotion.

3.9 As regards transfer on promotion, it is stated that as far as possible SC/ST employees alongwith the other candidates are accommodated near their places of posting to the extent of vacancies at that centre.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl.No.6, Para No.2.8)

3.10 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.

Reply of the Government

3.11 The duration of pre-promotion training to SC/ST has already been enhanced from one week to ten days.

3.12 The Bank already have a system where SC/ST employees are informed at the time of calling for applications that pre-promotion training is arranged. The SC/ST candidates have been largely taking advantage of such training arranged for them.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005.]

Comments of the Committee

Please see Para No. 1.8 of Chapter I.

Recommendation (Sl. No. 7, Para No.2.12)

3.13 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 desired 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.

Reply of the Government

3.14 There is a vast difference in the sanctioned strength in all the cadres as existed when the Bank switched over to the "Post Based Roster" on 2.7.1997 and

the present strength (i.e. post VRS era). It would, therefore, be neither practical nor logical to fill up the backlog which existed in the year 1997 as per vacancy based roster at this juncture.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Comments of the Committee

Please see Para No. 1.11 of Chapter I.

Recommendation (Sl.No.8, Para No.2.13)

3.15 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.

Reply of Government

3.16 The rosters are prepared by the Bank as per Government directives and checked by Banks' Chief Liaison Officer for SC/ST every year. The rosters were also checked by the Chief Liaison Officer for SC/ST, Banking Division, Ministry of Finance on 22.11.2003 and were observed to be by and large in order and the inadequacies pointed out in the report were rectified and a report to that extent was also sent to the Ministry.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl. No. 9, Para No. 2.17)

3.17 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.

Reply of the Government

3.18 In this connection, the Bank feel that it would not be advisable to publish or to take action against an employee whose verification of caste certificate has been delayed by the District Collector/Scrutiny Committee. The genuine SC/ST employees can suffer for no fault on their part.

3.19 The concerned authorities may however, be strictly advised to complete the process in a time bound schedule so that such delay and unpleasant actions can be avoided.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Comments of the Committee

Please see Para No.1.15 Chapter-I.

Recommendation (Sl.No.11, Para No.2.21)

3.20 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.

Reply of Government

3.21 Clerical and sub-staff are generally not transferred out of the centre. The officers transferred out are, however, provided quarters wherever available. At places where quarters are not available, the accommodation is leased in Bank's/officer's name and the rent paid by officers is reimbursed as per their eligibility.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl. No. 12, Para No. 3.7)

3.22 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.

Reply of the Government

3.23 The Assistant, who is assigned the duties of monitoring of flow of credit facilities to the SCs/STs by the Public Sector Banks (PSBs), is also assisted by the Supporting Staff viz. LDC. The work of the Assistant is closely scrutinized by a Section Officer and Under Secretary and an officer of the level of Director, and under the overall supervision of Additional Secretary (FS).

3.24 It will, therefore, be seen that monitoring of credit facilities to SCs/STs by PSBs is being closely supervised at all levels. Government, is therefore, of the view that the existing arrangement is working satisfactorily.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl.No.13, Para No.3.8)

3.25 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.

Reply of the Government

3.26 The flow of credit to Scheduled Castes/Scheduled Tribes(SCs/STs) under various schemes of State/Central Government and Employment Generation Programmes is being closely monitored at various levels by the State Level Bankers Committees(SLBCs) at State level, District Level Consultative Committees(DLCCs) / District Level Review Committees(DLRCs) at District level and Block Level Bankers Committees at Block level. All concerned State Government Departments/Officials, Agencies dealing with financial and social affairs of SCs/STs viz; National Commission for SCs/STs, National SCs/STs Financial Development Corporation (NSFDC) and State SCs/STs Financial Development Corporation (SCDC) etc. are also invited to attend the meetings at various levels. These Committees *inter-alia* review the progress of credit facilities extended by Public Sector banks (PSBs) to SCs/STs at frequent intervals with reference to the action points in the Annual Credit Plan for State/District/Block.

3.27 The Hon'ble Committee may, therefore, appreciate the setting up of another body for identifying schemes for employment generation may result in multiplicity of such bodies for the same purpose and will not really help in augmenting the credit facilities by the PSBs to the SCs/STs.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl. No. 17, Para No. 3.23)

3.28 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.

Reply of the Government

3.29 The Government of India has since merged various self employment programmes i.e. IRDP, DWCRA, TRYSEM, SITRA, and SGKY into the new scheme namely **Swaranjayanti Gram Swarozgar Yojana (SGSY)** with effect from 1st April, 1999. Accordingly, the Bank has been implementing SGSY since 1st April, 1999. The details of disbursements made by the Bank under SGSY during the financial years ended March 2002, 2003, 2004 and the share of finance extended to SC/STs beneficiaries are furnished below:

3.30 From the data furnished below, it may be stated that the share of SCs/STs in the total disbursement under SGSY has been on increasing trend.

Swaranajayanti Gram Swarozgar Yojana (SGSY)						Amount Rs.in lakh)
Year ended	Total Disbursement		Of which Finance extended to SCs/STs beneficiaries		% of SCs/STs to total	
	No. of A/cs	Amount	No. of A/cs	Amount	No. of A/cs	Amount
March 2002	3969	1307.91	629	147.12	15.84	11.25
March 2003	2575	845.78	463	136.62	17.98	16.15
March 2004	2459	919.33	652	228.00	26.51	24.80

3.31 As regards clearing the arrears, it is submitted that Bank is providing financial assistance under SGSY scheme in terms of which applications are being sponsored by DRDAs. As such, the matter of sponsoring the applications in adequate number is being taken up with DRDAs so that Bank may reach the prescribed target.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Comments of the Committee

Please see Para No.1.23 of Chapter I.

Recommendation (Sl.No.19, Para No.3.33)

3.32 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.

Reply of the Government

3.33 According to the information furnished by Dena Bank, the details of outstanding Education Loans and the SCs/STs beneficiaries for the last three years are as under:

Year ended March	Total outstanding under Education Loan		Of which loans to SC/ST (Rs. in Lakhs)	
	A/Cs	Amt.	A/Cs	Amt.
2002	1500	1151	176	85
2003	1677	2116	166	109
2004	2520	3293	186	160

3.34 The data from the above table show that the aggregate financial assistance to students of SCs/STs under educational loans have increased from the level of Rs. 85 lakhs as of March 2002 to a level of Rs. 160 lakhs as of March 2004.

3.35 The Dena Vidya Laxmi Educational Loan Scheme is based on the Model Educational Loan Scheme formulated by the Indian Banks' Association (IBA) at the instance of the Finance Ministry. The Scheme has been modified recently by IBA after a detailed review though in its present form, the scheme does not stipulate a separate quota for SC/ST students. However, it is always the bank's endeavour to encourage more and more SC/ST students.

3.36 Besides, there is no restriction/ceiling in terms of the number of loanees under the Education Loan Scheme and any number of students can avail loan facilities irrespective of category. Bank is actively promoting Educational Loan Scheme by giving wide publicity so that more and more students can avail of loans to pursue higher education

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl.No.21, Para No.3.41)

3.37 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 utilize the income generated from the activity for repaying the loans and making the schemes successful.

Reply of the Government

3.38 The Bank has been according priority to improve the recoveries and reduction of NPAs by resorting to various measures including holding recovery camps where assistance of Government machinery is also sought for in order to improve the recovery performance.

3.39 Dena Bank is the convener Bank of State Level Bankers' Committee for the State of Gujarat and UT of Dadra & Nagar Haveli. The representative of Corporations engaged in development of SCs/STs and the representatives of National Commission for Scheduled Castes/Scheduled Tribes are invited in the meetings of the SLBC, Gujarat and their assistance is sought for improving the performance.

3.40 Similarly, while preparing the Block Level Plans and District Credit Plans under the Service Area approach/Lead Bank Scheme, the representatives of SC/ST Development Corporations are invited at Block Level Bankers' Committee Meetings and District Level Consultative/Review Meetings to share their experiences on improving not only the flow of credit to SC/ST beneficiaries but

also to seek their assistance in better utilization of assets financed by the banks and also improving the overall recovery performance.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Recommendation (Sl.No.22, Para No.3.42)

3.41 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.

Reply of the Government

3.42 Dena Bank has been impressing upon its field officials to have close liaison with the SC/ST Corporations and seek their help in identification of SC/ST beneficiaries. Besides, these Corporations are also requested to render requisite assistance in the matter of recovery of loans of such beneficiaries whose applications are sponsored under various Government Sponsored Schemes.

3.43 The issue of proper coordination in the matter of identification of beneficiaries and sponsoring of their applications is being taken by Dena Bank at various form at District level as well as SLBC meeting. Dena Bank is the convener Bank of SLBC for the State of Gujarat and UT of Dadra & Nagar Haveli and is entrusted with the Lead Bank responsibility in 7 districts in the State of Gujarat, 5 districts in the State of Chhattisgarh and 1 in the Union Territory of Dadra and

Nagar Haveli. In its Lead Districts the Bank convenes various meetings like District Level Consultative Committee (DLCC) Standing Committee of DLCC and District Level Review Committee (DLRC), in which the representatives of Banks and various Government Agencies and representatives of SC/ST Corporations are invited.

3.44 The representatives of Corporations engaged in development of SCs/STs as well as the representative of NCSC are invited in the meetings of the SLBC. Gujarat wherein the review of progress in sponsoring of applications, sanction of loans to SCs/STs as well as the matters related to recovery of loans under programmes for development of SCs/STs is reviewed.

3.45 Similarly, at the District level, the representatives of SC/ST Corporations are invited in the DLCC, DLRC and Standing Committee meetings. During these meetings besides the issue of progress in financing under various Government Sponsored Programmes including the finance extended in respect of applications sponsored by SC/ST Corporations, the recovery position under these programmes is also taken up as agenda of these meetings.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December,

CHAPTER – IV**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION****Recommendation (Sl. No. 15, Para No. 3.18)**

4.1 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.

Reply of the Government

4.2 Loans under DRI scheme are being granted by the banks at concessional rate of interest of 4%. However, no subsidy is available under the scheme. Higher subsidy available in SGSY and other poverty alleviation schemes has become disincentive to prospective borrowers to avail loans under DRI even though rate of interest under DRI scheme is low *i.e.* only 4%. Loan quantum for various activities under above scheme is higher than that available under DRI *i.e.* Rs.6500/-. The loan amount (Rs.6500/-) is not sufficient to bring the beneficiaries above poverty line. Borrowers do not prefer to avail loan under DRI because of low loan quantum and also non availability of the subsidy thereunder.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 20th March, 2006]

Comments of the Committee

Please see Para No.1.18 of Chapter-I.

Recommendation (Sl.No.18 Para No.3.27)

4.3 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.

Reply of the Government

4.4 The Committee may take a considered view, though it is felt that a loan amount of Rs.40,000/- may be difficult for the beneficiary to service due to his meager earnings.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 20th March, 2006.]

Comments of the Committee

Please see Para No. 1.26 of Chapter I.

CHAPTER – V**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL
REPLIES OF THE GOVERNMENT HAVE NOT BEEN RECEIVED****Recommendation (Sl. No. 14, Para No.3.12)**

5.1 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.

Reply of the Government

5.2 As per extant guidelines of RBI, domestic banks are required to lend 40% of their Net Bank Credit (NBC) to the priority sector. Within the overall target of 40% banks have been advised to channelise 10% of their NBC or 25% of Priority Sector Advances to the economically weaker sections which include inter-alia Scheduled Castes/Scheduled Tribes (SCs/STs). It is, however, observed from the

statistics of the priority sector advances by banks that banks are yet to achieve the prescribed 10% of their net bank credit to the priority sector. Progress in this regard is as under:-

Year	Loan outstanding (Amt. In Rs.) Crores	%of net bank credit
March 2002	30117	6.55%
March 2003	34083	6%
March 2004	43064	6.5%

5.3 In the above background, it is submitted that the present target for Weaker Sections in the Priority Sector Advances seems to be adequate. However, the recommendation of the Committee is being forwarded to RBI again for their views/comments and the Committee would be apprised in due course of time.

[Vide Ministry of Finance, Department of Economic Affairs (Banking Division) OM No. 19/3/2004-SCT(B) dated the 12th December, 2005]

Comments of the Committee

Please see Para No.1.3 of Chapter-I.

Recommendation (Sl. No. 16, Para No.3.19)

5.4 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.

Reply of the Government

N I L.

Comments of the Committee

Please see Para No.1.3 of Chapter-I.

Recommendation (Sl. No. 25, Para No.4.15)

5.5 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.

Reply of the Government

N I L.

Comments of the Committee

Please see Para No.1.3 of Chapter-I.

New Delhi
18 August, 2006
 27 Saravana, 1928(S)

(RATILAL KALIDAS VARMA)
 CHAIRMAN
 COMMITTEE ON THE WELFARE
 OF SCHEDULED CASTES AND
 SCHEDULED TRIBES

APPENDIX I

MINUTES

**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES
(2006-2007)**

(FOURTEENTH LOK SABHA)

FOURTH SITTING

(10.08.2006)

The Committee sat from 1500 to 1600 hrs.

PRESENT

Shri Ratilal Kalidas Varma - Chairman

MEMBERS

LOK SABHA

2. Shri Anandrao Vithoba Adsul
3. Shri M. Appadurai
4. Shri Biren Singh Engti
5. Shri Eknath M. Gaikwad
6. Dr. P.P. Koya
7. Shri Rupchand Murmu
8. Shri Bajju Ban Riyan
9. Dr. (Col.) Dhani Ram Shandil
10. Shri Sugrib Singh
11. Shri Vanlalawma

RAJYA SABHA

12. Shri Surendra Lath
13. Shri Lalhming Liana
14. Shri Nabam Rebia
15. Shri Nandi Yellaiah

SECRETARIAT

1. Shri P.K. Bhandari, Joint Secretary
2. Shri Gopal Singh, Director
3. Ms. J.C. Namchyo, Under Secretary

At the outset, the Hon'ble Chairman welcomed the Hon'ble Members of the Committee. The Committee then considered the draft reports on (i) Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Central Board of Excise and Customs (CBEC); (ii) Action taken by the Government on the recommendations contained in First Report (14th Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the subject "Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Dena Bank and credit facilities provided by the Bank to them"; and (iii) Action taken by the Government on the recommendations contained in Fourth Report (14th Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the subject "Atrocities on Scheduled Castes and Scheduled Tribes and pattern of social crimes towards them" and adopted the same. The Hon'ble Chairman also requested the Members to send their suggestions if any, to be incorporated in the three draft reports latest by 14th August, 2006.

2. The Committee also authorised the Chairman to finalise the reports in the light of consequential changes and present the same to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX - II

(Vide Para 4 of the Introduction)

Analysis of action taken by Government on the recommendations contained in First Report (14th Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes.

1.	Total number of recommendations	25
2.	Recommendations/Observations that have been accepted by Government (<u>vide</u> recommendations at Sl. Nos. 2,3,10,20,23 and 24)	
	Number	6
	Percentage to the total	24%
3.	Recommendations/Observation which the Committee do not desire to pursue in view of Government's replies (<u>vide</u> recommendations at Sl. Nos. 1,4,5,6,7,8,9,11,12,13, 17,19,21 and 22)	
	Number	14
	Percentage to the total	56%
4.	Recommendations/Observations in respect of which replies of Government have not been accepted and which require reiteration (<u>vide</u> recommendations at Sl. Nos.15 and 18)	
	Number	2
	Percentage to the total	8%
5.	Recommendations/Observations in respect of which final replies of Government have not been received (<u>vide</u> recommendations at Sl. Nos.14, 16 and 25)	
	Number	3
	Percentage to the total	12%