

SCTC NO.700

COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(2007-2008)

(FOURTEENTH LOK SABHA)

TWENTY-FIFTH REPORT

ON

MINISTRY OF FINANCE  
(BANKING DIVISION)

Action taken by the Government on the recommendations contained in Eleventh Report (14<sup>th</sup> 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 Syndicate Bank and credit facilities provided by the Bank to them.

Presented to Lok Sabha on 01.12.2007

Laid in Rajya Sabha on 01.12.2007

LOK SABHA SECRETARIAT  
NEW DELHI

December, 2007/Agrahayana, 1929 (Saka)

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**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF SCHEDULED  
CASTES AND SCHEDULED TRIBES (2007-2008)**

Shri Ratilal Kalidas Varma - Chairman

**MEMBERS – LOK SABHA**

2. Shri Anandrao Vithoba Adsul
3. Shri S. Ajaya Kumar
4. Shri Kailash Baitha
5. Shri S.K. Bwiswmuthiary
6. Dr. Tushar A. Chaudhary
7. Shri Eknath M. Gaikwad
8. Smt. Sushila Kerketta
9. Shri Kailash Meghwal
10. Shri Rupchand Murmu
11. Shri Jual Oram
12. Shri Virchandra Paswan
13. Shri E. Ponnuswamy
14. Shri Ashok Pradhan
15. Smt. K. Rani
16. Shri Bajju Ban Riyan
17. Shri Sarvey Sathyanarayana
18. Shri Sugrib Singh
19. Shri Chengara Surendran
20. Shri Vanlalawma

**MEMBERS – RAJYA SABHA**

21. Shri Krishan Lal Balmiki
22. Shri Sharad Anantrao Joshi
23. Shri Robert Kharshiing
24. Shri Lalhming Liana
25. Dr. Radhakant Nayak
26. Shri Mahendra Sahni
27. Shri Jesudas Seelam
28. Miss Anusuiya Uikey
29. Shri Veer Singh
30. Shri Nandi Yellaiah

**SECRETARIAT**

- |    |                                |   |                      |
|----|--------------------------------|---|----------------------|
| 1. | Dr.(Smt.) Paramjit Kaur Sandhu | - | Additional Secretary |
| 2. | Shri P.K. Misra                | - | Joint Secretary      |
| 3. | Shri Gopal Singh               | - | Director             |
| 4. | Ms. J.C. Namchyo               | - | Deputy Secretary     |
| 5. | Smt. Kalavati Gola             | - | Committee Officer    |

## 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 Twenty-fifth Report (Fourteenth Lok Sabha) on action taken by the Government on the recommendations contained in their Eleventh Report (Fourteenth Lok Sabha) on the Ministry of Finance (Banking Division) regarding – Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Syndicate Bank and credit facilities provided by the Bank to them.

2. The draft Report was considered and adopted by the Committee on 22<sup>nd</sup> November, 2007 (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 the Eleventh Report (Fourteenth Lok Sabha) of the Committee is given in Appendix-II. It would be observed therefrom that out of 31 recommendations made in the report, 17 recommendations i.e. 55 per cent have been accepted by the Government. The Committee do not desire to pursue 5 recommendations i.e. 16 per cent of the total recommendations in view of the replies of the Government. There are 8 recommendations i.e. 25 per cent in respect of which replies of the Government have not been accepted by the Committee and require further reiteration and in respect of 1 i.e. 4 per cent of total recommendations, final replies of the Government have not been received.

NEW DELHI  
December, 2007  

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Agrahayana, 1929 (Saka)

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

## **CHAPTER – I**

### **REPORT**

1.1 This Report of the Committee deals with the Action Taken by the Government on the recommendations and observations contained in the 11<sup>th</sup> Report (14<sup>th</sup> Lok Sabha) of the Committee on “Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Syndicate Bank and credit facilities provided by the Bank to them.”

1.2 The 11<sup>th</sup> Report was presented to Lok Sabha on 18<sup>th</sup> August, 2006. It contained 31 recommendations/observations. Replies of the Government in respect of all these recommendations/observations have been examined and categorised as under: -

- (i) Recommendations and observations which have been accepted by the Government (Sl. Nos. 4, 5, 7, 10, 11, 12, 13, 20, 21, 22, 23, 24, 25, 28, 29, 30 and 31).
- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of the replies of the Government (Sl.Nos.3, 6, 14, 15 and 18).
- (iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration (Sl.Nos.1,2,8, 9,17,19,26 and 27).
- (iv) Recommendations and observations in respect of which final replies have not been received – (Sl. No. 16).

1.3 The Committee hope that utmost importance will be given to the implementation of the recommendations accepted by the Government. In cases, where it is not possible for any reason to implement the recommendations in letter and spirit, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that action taken notes on the recommendations/observations contained in Chapter-I and final replies to the recommendation(s) contained in Chapter-V of the Report be furnished to the Committee within six months of the presentation of the Report.

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

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

1.5 The Committee note that the Government have nominated one Director w.e.f. 24.9.2004 on the Board of the Bank who belongs to SC/ST category. The Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980 and Scheme framed therein is reportedly do not provide reservation for SCs/STs on the Board of Directors of nationalised banks. The Committee regret to note that despite their repeated recommendations in their earlier Reports on various banks for appointment of a SC/ST member as Director on all nationalised banks, no effort seems to have been made to insert a provision of reservation in the Board of Directors in the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980 and Scheme framed thereunder. The Committee are unhappy to note the attitude of the Government for not giving a serious thought to this aspect. While, article 16 (4) of the Constitution has clearly enumerated that "Nothing in this article shall prevent the State from making any

provision for the reservation of appointments or posts in favour of any backward class of citizens which, in the opinion of the State, is not adequately represented in the services under the State”, the Committee fail to understand the reasons for Governments inaction. The Committee, therefore, recommend that appropriate action should be taken for making provision in the Banking Companies (Acquisition and Transfer of Undertaking) 1970/1980 and scheme framed thereunder for appointment of Directors belonging to the SC/ST community on the Board of Directors of the Banks.

### **Reply of the Government**

1.6 As regards the Committee’s recommendation to make mandatory provision or appointment of at least one SC Director on the Board of Directors of all Nationalised Banks and FIs is concerned, it is mentioned that in terms of guidelines for appointment of Non-official Directors on the Board of Public Sector Banks, as approved by ACC, as far as possible representation is given to women and the persons belonging to SC/ST communities. However, the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980 does not envisage any such provision for mandatory nomination from these communities.

### **Comments of the Committee**

**1.7 The Committee appreciate that in terms of guidelines for appointment of non-official Directors, representation is given to persons belonging to SC/ST communities. In the opinion of the Committee, the Government should also give a conscious thought on appointment of Directors belonging to SC/ST communities on the Board of Directors of the Banks by making a provision in the Banking Companies (Acquisition and**

**Transfer of Undertaking) Act 1970/1980 and scheme framed thereunder and to initiate action in this regard. The Committee therefore, reiterate their earlier recommendation in this regard.**

#### **Recommendation (Sl.No. 2 Para No.2.12)**

1.8 The Committee note that BSRBs which played the role of recruitment agency and provided candidates on the indents of the banks have since been abolished and as a result the Syndicate Bank is in the process of framing new recruitment policy. The Committee recommend that the new recruitment policy should be framed at the earliest and should take care of reservation orders issued by the Government for SCs/STs.

#### **Reply of the Government**

1.9 Even after the abolition of BSRBs, reservation provisions are strictly followed by the Bank in all new recruitment.

#### **Comments of the Committee**

**1.10 The Committee in their recommendation had specifically recommended that the new recruitment policy should be framed at the earliest and should take care of reservation orders issued by the Government for SCs/STs. But the Committee note that no information has been given whether the new recruitment policy has been framed. The Committee deplore the causal attitude of officers responsible for framing such incomplete replies. The Committee, therefore, reiterate their earlier recommendation and would like to know the specific reply on the earlier recommendation.**



### Recommendation (Sl. No. 4, Para No. 2.14)

1.11 The Committee also note that under details of staff strength provided as on 31.7.2002 vide para No.2.7 total under each column, 2,3,4, has been shown as 27248, 5506 and 1503 whereas these should have been 25570, 4791 and 1410 respectively. They would like the Bank to be cautious while providing the information to the Committee.

### Reply of the Government

1.12 The number of “Sweepers”(Farash) was inadvertently omitted after the row dealing with “sub-staff (excluding sweepers)”. However, the total under each column includes the number of “sweepers” and is correct. The table after due correction of the omission is given below. The inconvenience is regretted.

As on 31.07.2002

Category of Posts		Total No. of Employees as on 31.07.2002	Number of		Percentage of total		Shortfall (%)	
			SCs	STs	SCs	STs	SCs	STs
1		2	3	4	5	6	7	8
Officers	A	7723	1134	398	14.68	5.15	0.32	2.35
Clerks	B	13789	2536	722	18.39	5.24	Percentage of reservation varies from State to State	
Sub-Staff (excluding Sweepers)	D	4058	1121	290	27.62	7.15		
Sweepers	D	1678	715	93	42.61	5.54		
Total		27248	5506	1503	20.21	5.52	--	--

### Comments of the Committee

1.13 The Committee note with concern the casual reply that the number of Sweepers (Farash) was inadvertently omitted after the row dealing with “sub-staff (excluding sweepers)”. The Committee would like the Ministry of Finance and Bank to be more cautious and careful while furnishing information to the Committee.

**Recommendation (Sl. No. 5, Para No. 2.21)**

1.14 The Committee observe that there was shortfall of 43 SC and 27 ST vacancies in promotion from sub-staff to clerical cadre in 1999. The Committee further observe that only 3 ST candidates out of total of 30 employees were promoted from sub-staff to clerical cadre in 2000 and there was shortfall/ backlog vacancies of 184 ST candidates in that year. They are at a loss as to how these backlog posts have come down to 15 in 2001 when no promotion seems to have been given to ST candidates in that very year. The Committee, also observe that no promotion has been given to ST candidates in the year 1999 to 2000 despite the fact that the promotion was post based and a total of 617 and 419 employees had been promoted from clerical to officers cadre during the respective years. As stated in para No. 2.10 that the reason for the higher shortfall in respect of ST categories is that major part of Bank's Branch network is concentrated in the States like Karnataka, Kerala, Tamilnadu, Uttar Pradesh, Andhra Pradesh and Delhi where the percentage of ST population is comparatively low and consequently the State-wise reservation provided/earmarked for ST candidates is also low and that the Bank could not get sufficient eligible ST candidates from these States during the earlier recruitment processes. It has also been stated that in every promotion process, efforts are made to bring down the shortfall. The Committee hope the Bank will continue their sincere efforts in this regard in future also.

**Reply of the Government**

1.15 The Bank has shifted to Post Based Roster from vacancy Based Roster from the year 2000 effective from 02.07.1997. While providing shortfall in respect of promotion from sub-staff to clerical cadre, the Committee was

inadvertently provided the figures pertaining to Direct Recruitment. The correct data was furnished to the Government on 29.06.2004. The error is regretted.

The Bank has furnished the actual position as per promotion roster as under:

Year	Category of Posts	Total No. of employees promoted	No. of Posts filled		%age of		No. of backlog vacancies / Shortfall		Remarks
			SC	ST	SC	ST	SC	ST	
1	2	3	4	5	6	7	8	9	10
1999	Sub-Staff to Clerical cadre								
	Clerical to Officers' cadre	618	20	-	3.24	-	-	-	-
2000	Sub-Staff to Clerical cadre	-	-	-	-	-	-	27	-
	Clerical to Officers' cadre	418	32	-	7.66	-	-	-	-
2001	Sub-staff to Clerical cadre	-	-	-	-	-	-	3	-
	Clerical to Officers' cadre	1300	197	85	15.15	6.54	78	62	-
2002	Sub-staff to Clerical cadre	-	-	-	-	-	-	6	-
	Clerical to Officers' cadre	378	111	78	29.37	20.63	76	63	-
2003	Sub-staff to Clerical cadre	100	29	11	29.00	11.00	-	5	-
	Clerical to Officers' cadre	# 822	51	2	6.20	0.24	103	77	-
2004	Sub-staff to Clerical cadre	-	-	-	-	-	-	2	-
	Clerical to Officers' cadre	24	3	1	12.50	4.17	92	74	-
2005	Sub-staff to Clerical cadre	-	-	-	-	-	-	5	-
	Clerical to Officers' cadre	**179 200	103 30	76 16	57.54 15.00	42.46 8.00	15	15	-

\* As per post Based Rosters.

\*\* Special Promotion Drive.

# Special Assistants.

1.16 The reason given for the higher shortfall in respect of ST category is already apprised to the Committee. The shortfall persists in case of officers on account of movement from lower rung to higher rung.

### **Comments of the Committee**

1.17 The Committee take a serious view of the fact that while providing shortfall in respect of promotion from sub-staff to clerical cadre, the Committee were inadvertently provided the figure pertaining to Direct Recruitment. The Committee are surprised to note that although the correct data was forwarded to the Government on 29.06.2004, the same data was not furnished to the Committee. The Committee strongly advise the Government to be more cautious while providing information to the Committee in future.

### **Recommendation (Sl. No. 8, Para No. 3.3)**

1.18 The Committee observe that Chief Liaison Officer assisted by other officials of Banking Division visits PSBs periodically for the purpose of checking the rosters and examining the implementation of reservation policy in PSBs. They, however, note that Syndicate Bank was inspected only twice i.e in 2001 and in May, 2004. The Committee feel that the Banking Division should draw a schedule for all PSBs so that the Chief Liaison Officer with the assistance of officers of Banking Division could inspect the rosters maintained by these Banks once in a year. The Committee, therefore, recommend that the Banking Division should advise regular annual visits of Syndicate Bank by its Chief Liaison Officer as also of all PSBs, so that the purpose of checking the rosters and examining the implementation of reservation policy in all these banks could be observed.

### **Reply of the Government**

1.19 There are two Liaison Officers in the Banking Division. One Shri R.L. Banerjee, Director who is looking after the work relating to SCs/STs and

Shri Sudesh Kumar, Director has been appointed as Liaison Officer for OBC. A Team of officers comprising Liaison Officer, Under Secretary, Section Officer two Assistants visits the Banks periodically. The team of Banking Division draw a schedule for all Public Sector Banks/Financial Institutions so that the Chief Liaison Officer with the assistance of officers of Banking Division could inspect the reservation rosters maintained by these banks once in a year. But the Team is unable to inspect all the Banks in a year due to urgent work at New Delhi and Parliament Session. The programme of the Inspecting Team to conduct the inspection of reservation rosters of Syndicate Bank was scheduled on 13<sup>th</sup> and 14<sup>th</sup> October, 2006 which was postponed later on due to unavoidable circumstances and ensuing Winter Session of Parliament. It may be submitted that the Team of Banking Division will try to perform its duty of inspection of reservation rosters of all the Public Sector Banks/FIs in a year.

#### **Comments of the Committee**

**1.20 The Committee are not satisfied with the reply of the Government that the team of the Liaison Officers of the Banking Division is unable to inspect all the Banks in a year due to urgent work at New Delhi and Parliament Session. The Ministry of Finance need to devise a mechanism so that all the Public Sector Banks/Financial Institutions are visited at regular intervals to check the rosters, as envisaged in the OM No.8/8/71/Estt.(SCT) dated the 22<sup>nd</sup> April, 1971 of Department of Personnel and A.R. sent to all the Ministries. The Committee, therefore, reiterate their earlier recommendation.**

**Recommendation (Sl. No. 9, Para No. 3.6)**

1.21 The Committee note that in the SC/ST Cell at Head Office an officer in MMGS-III level has been deployed to handle only matters relating to SC/ST employees and that he directly reports to the Chief Liaison Officer. They, however, note that at Zonal Office level, officers posted to SC/ST Cell are assigned with other works depending upon the quantum of work relating to grievances of SC/ST employees. The Committee feel that at zonal/regional offices level too, the officers posted in SC/ST Cell should be engaged in matters exclusively relating to SCs and STs. Instead of assigning any other work, they can be assigned the task of monitoring the credit facilities given by the Bank to SCs and STs under various schemes. The Committee also desire that liaison officers posted at Head Office as well as Zonal/Regional Offices should possibly be appointed from people belonging to SC/ST categories.

**Reply of the Government**

1.22 Under the restructured organisational set up, the Bank has 35 Regional Offices besides Head Office, as against the erstwhile 8 zonal Offices. Consequently the number of Liaison Officers has increased from 9 to 36 at these Administrative Offices. Considering the smaller organisation of SC/ST Cell functioning in all the Regional Offices and Head Office, the work relating to grievances of SC/ST employees has been considerably reduced and is being attended by these cells, effectively. The task of monitoring the credit facilities extended by the Bank to SC and ST beneficiaries under the various schemes is monitored by the Priority Sector Credit Cell in the Regional Offices in a comprehensive manner including credit planning formulation of schemes, credit administration and extension education.

### **Comments of the Committee**

**1.23 The Committee had specifically recommended that the officers posted in the SC/ST Cell should be engaged in matters exclusively relating to SCs and STs. Instead of assigning any other work, they can be assigned the task of monitoring the credit facilities given by the Bank to SCs and STs under various schemes. The Ministry in their action taken reply have stated that considering the smaller organisation of SC/ST Cells functioning in all the Regional Offices and Head Office, the work relating to grievances of SC/ST employees has been considerably reduced and is being attended by these Cells, effectively. The Committee are of the view that officers posted to SC/ST Cell may be well acquainted with the problems of SC/ST employees and may have experience in the field of welfare activities for SCs/STs. Therefore, they may be assigned only the task of monitoring the credit facilities given by the bank to SCs/STs under various schemes alongwith other matters relating to the SC/ST employees instead of assigning any other work, so that more SC/ST people are benefited under such schemes and the interest of SCs/STs are effectively protected.**

### **Recommendation (Sl. No. 14, Para No. 3.24)**

**1.24 The Committee observe that during the years 2000 to 2002, 143 cases of false caste certificates were pending in the Syndicate Bank despite the claim that it did take all steps for speedy disposal of such cases by taking up the matter with the State Government officials/Caste Scrutiny Committee and pursuing the case with Banks' lawyers to speed up the court cases. The Committee were apprised that the Bank had made a lot of efforts to speed up the court cases but,**

the courts are reported to have stayed even the process of asking for clarification. The Committee have now been apprised that 15 cases were received during the years 2003 to 2005 and are pending due to stay granted by the Court. The Committee are of the view that genuine SC and ST employees should not suffer and these cases should be finalised in the earliest possible time. The Committee, therefore, recommend that the Bank should advise their lawyers to take up the cases of false caste certificates vigorously and to make it their primary objective to do everything to obtain early dates for vacation of stay etc. The Committee also recommend that the Bank should not hesitate to take immediate steps to terminate the services of officers and workmen, who have failed to produce the caste certificates within a stipulated time bearing in mind that the genuine Scheduled Caste and Scheduled Tribe employees would have no difficulty in producing the caste certificates as these are issued by the Competent Authority when they seek admission in schools and colleges on the basis of which they avail themselves stipend and other facilities. They also recommend that the cases pending at verification stage should also be pursued vigorously with the concerned authorities for early disposal of pending cases within a time frame. The Committee also desire that the Bank should not allow promotion of such employees whose cases are pending in the courts.

### **Reply of the Government**

1.25 The pending false caste certificate cases are with reference to specific complaints received against the respective employees and reference made as per Government Guidelines. The Bank is extending the benefits available to SCs and STs to the employees against whom cases of false caste certificate are



pending even during pendency of verification since the settled position of Law is that the caste certificate produced by an employees would be valid and sustainable till it is cancelled as false by the Appropriate Authority for the purpose. In the event, the caste certificate is upheld, then the entire proceeding against the employee concerned comes to an end. On the other hand, if the caste certificate is cancelled as false, then the Bank initiates action to cancel appointment, following the guidelines issued by the Hon'ble Supreme Court of India. Thus, the Bank protects the interests of the genuine SC/ST candidates at all time and they are not put into any difficulty at any point of time. The Bank has been pursuing the pending cases vigorously and could get reduce the number of pending cases to 127 as at 30.09.2006 and is persisting with its efforts.

#### **Comments of the Committee**

**1.26 The Committee are pleased to learn that the Bank is pursuing the pending cases vigorously and could get reduced the number of pending cases to 127 as on 30.09.2006 and is persisting with its efforts. The Committee may be apprised of the latest position regarding pending cases.**

#### **Recommendation (Sl. No. 16, Para No. 4.4)**

1.27 The Committee note that the credit policy for financing SCs and STs has been evolved over the years. They also note that relaxation including subsidy and quota have been extended to SC/ST borrowers in various Government schemes. They appreciate that arrangements have been made in the Ministry of Finance, RBI and Syndicate Bank to monitor the flow of credit to SC/ST beneficiaries under various poverty alleviation programmes. Despite the arrangements made to monitor the flow of credit to SC/ST at various levels, RBI

in their evaluation studies of the Centrally Sponsored Poverty Alleviation Programmes like SGSY, SJSRY and PMRY Schemes had detected operational deficiencies. The Committee are concerned that the study conducted under SGSY in 1999-2000 had revealed that the Government Agencies did not take into account the reservation for SC/ST while sponsoring applications rendering achievement of the sub-targets difficult. In case of SJSRY and PMRY too, the study had revealed that sub-targets for SC/ST were not achieved. The Committee strongly recommend that these evaluation studies in SGSY, SJSRY and PMRY at the District and State Levels should be done more frequently so that deficiencies detected in the implementation of schemes are corrected timely and the objective of formulating separate credit policy for Scheduled Castes and Scheduled Tribes may not be lost.

#### **Reply of the Government**

1.28 The Ministry of Rural Development, the Ministry of Housing and Urban Poverty Alleviation, and the Ministry of Agro and Rural Industries implement SGSY, SJSRY and PMRY, respectively. The Banking Division has forwarded the Committee's recommendations to the above Ministries and the RBI for taking necessary action. The Ministries have also been requested to forward Action Taken Report to the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes and this Ministry.

#### **Comments of the Committee**

**1.29 The Committee have been informed that the Banking Division has forwarded the Committee's recommendations to the Ministry of Rural Development, the Ministry of Housing and Urban Poverty Alleviation and the Ministry of Agro and Rural Industries and the Reserve Bank of India for taking necessary action. The Committee hope that the Ministry of Finance**

**(Banking Division) would not rest content by merely forwarding their recommendations to the above mentioned Ministries but also pursue the matter conclusively for its speedy implementation. The Committee, therefore, be apprised of the outcome and furnish the latest information in this regard.**

**Recommendation (SI.No. 17 Para No.4.11)**

1.30 The Committee are constrained to note that the position of Syndicate Bank has not been satisfactory in respect of share of Scheduled Castes and Scheduled Tribes accounts. The credit facilities granted to Scheduled Castes and Scheduled Tribes by the Bank have declined from 2.95% in 1997-98 to 2.53% in 1998-99 and from 2.59% in 1999-2000 to 2.24% in 2000-2001 respectively and the position during the years 2002-03 to 2004-05 is not better. As such nothing has been mentioned about the percentage share of credit provided to STs during the period 2002-03 to 2004-05. The main reason attributed by the Bank is smaller size of the loan accounts of persons belonging to weaker sections. They are not satisfied with the view expressed by the Bank and the Committee, therefore, recommend that the Bank should review its lending procedure in the light of past performance in regard to credit facilities provided to Scheduled Castes and Scheduled Tribes and ensure that these people do not face any difficulty in getting the loans as per their requirements. Keeping in view the economic backwardness of these communities, the Committee also urge the Bank to take up the matter seriously. The Committee feel that SCs/STs are not fully aware of various schemes formulated for their welfare and upliftment. The Committee, therefore, desire that the initiative

should be taken for generating awareness among them by distributing pamphlets and displaying hoardings at different public places, in English, Hindi and other regional languages, giving details of the schemes meant for them.

### **Reply of the Government**

1.31 As suggested by the Committee, all the Regional Offices and branches have been advised to take immediate steps to create awareness about their schemes especially among SC/ST people by distribution of handbills, display of banner and posters, erection of hoardings. Regional Offices and branches are provided with sufficient stock of handbills in regional languages on various lending schemes and advised to arrange for keeping sufficient stock of handbills in Panchayat Offices, Block Offices, Taluk Offices and other public places, besides display of banners, posters etc., at these places. Regional Offices and branches are advised to hold separate cluster meetings in the villages having more SC/ST population and to explain various lending schemes implemented by the Bank.

### **Comments of the Committee**

**1.32 While appreciating the steps taken by the Bank to create awareness about their schemes especially among SC/ST people, the Committee would like to know about the review of the lending procedure in the light of past performance in regard to credit facilities provided to SCs and STs.**

### **Recommendation (Sl.No. 18 Para No.4.16)**

1.33 The Committee note that the banks are required to lend 40% of their Net Bank Credit (NBC) to priority sector out of which 10% credit should flow to economically weaker sections, which inter-alia include Scheduled Castes and

Scheduled Tribes. They also note that there has been continuous increase in the share of advances given to the weaker sections over the years. In 2001-02, the advances to weaker sections stood at Rs. 1095 crore which in 2004-05, had reached the level of Rs 2313 crore as per the information given in the Annual Reports of the Bank for the years 2001-02 and 2004-05. The share of SC/ST was Rs 311 crore in the 2001-02 and in the year 2004-05, it stood at Rs. 413.70 crore as per the same reports. The Committee, however, note that as per the information given in the Annual Report, for the year 2002-03 that the credit outstanding of the weaker sections was Rs 1315 crore and the Bank's advances to SCs/STs is reported to have risen from Rs 311 crore to Rs 378.26 crore, whereas according to the Annual Report for the year 2003-04, the advances to weaker sections had reached Rs 1692.13 crore and advances to SCs/STs had risen from Rs 230.11 Crore to Rs 295.27 crore. The Committee, would, therefore, like to know why the share of SCs/STs during the year 2003-04 which had been achieved at R378.26 crore in the year 2002-03 has been shown to have risen from Rs 230.11 crore (instead of Rs 378.26 crore) to Rs. 295.27 crore making it difficult for them to know the exact amount that had actually been made available to SC/ST borrowers from 2001-02 onwards.

### **Reply of the Government**

1.34 With regard to observations made by Committee on discrepancy in the share of advances to SC/STs out of total advances of weaker sections during the year 2003-2004 and 2004-2005, the Bank furnished the actual position vis-à-vis the reported position the earlier reports submitted by the Bank.

**A. The position as reported to the Committee (as reported under item No.4.14-  
Page No.39 of the present report of the Committee):**

<b>Annual Report for the year</b>	<b>Advances to Weaker Sections in Rs. Crore</b>	<b>Percentage to NBC</b>	<b>Share of SC/ST beneficiaries rose from</b>
2001-02	1095.00	10.20	Rs.262 cr. to Rs.311 cr.
2002-03	1315.00	10.40	Rs.311 cr. to Rs.378.26 cr.
2003.04	1692.13	10.11	Rs.230.11 cr. to Rs.295.27 cr.*
2004-05	2313.00	10.12	Rs.295.27 cr. to Rs.413.70 cr.*

1.35 There was a discrepancy in reporting the share of SC/ST advances during the years 2003-04\* and 2004-05\*. During 2001-02 the share of SC/ST advances were correctly reported taking into account the total credit outstanding. Whereas, during the years 2003-04 & 2004-05, the share of SC/ST advances was reported inadvertently by taking into account only the Priority Sector Advances outstanding. The anomaly is rectified and correct position of the share SC/ST advances of the Bank for the period is reported below:

**B. Actual position of the share of advances to SC/STs of the Bank:**

<b>Annual Report for the year</b>	<b>Advances to Weaker Sections in Rs. Crore</b>	<b>Percentage to NBC</b>	<b>Share of SC/ST beneficiaries rose from</b>
2001-02	1095.00	10.20	Rs.262 cr. to Rs.311 cr.
2002-03	1315.00	10.40	Rs.311 cr. to Rs.378.26 cr.
2003.04	1692.13	10.11	Rs.378.26 cr. to Rs.524.12 cr.*
2004-05	2313.00	10.12	Rs.524.12 cr. to Rs.679.01 cr.*

**Comments of the Committee**

1.36 The Committee are not satisfied with the reason advanced by the Bank for the discrepancy regarding the share of SC/ST advances during the years 2003-04 and 2004-05. The data with regard to share of advances to SCs/STs out of total advances to weaker sections during the years 2003-04 and 2004-05, as furnished by the Bank, is indicative of the lack of seriousness in maintaining proper data. The Committee take serious note that the Ministry of Finance and Syndicate Bank were very casual in their approach in furnishing the information to the Committee and advise them

**to have some fool proof mechanism to maintain data and be more cautious while providing information in future.**

**Recommendation (Sl. No. 19, Para No. 4.17)**

1.37 The Committee also observe that there is no separate sub- target fixed for SCs/STs under the advances granted to weaker sections. They are of the view that atleast 22.5% of the overall 10% of Net Bank Credit fixed for weaker sections should be exclusively marked for Scheduled Caste and Scheduled Tribe beneficiaries.

**Reply of the Government**

1.38 It is considered that it would be difficult to earmark 22.5% as a separate sub-target for SCs/STs of the over all 10% of Net Bank Credit fixed for weaker sections in priority sector advance. However, depending on the merits of the proposals, Bank could sanction loans exceeding 22.5% within their 10% target for Economically Weaker Section (EWS). It would, therefore, be appropriate if flexibility within the 10% limit for EWS is maintained.

**Comments of the Committee**

**1.39 The Committee are not satisfied with the reply of the Government. They would like to be apprised as to why earmarking 22.5% of the overall 10% of Net Bank credit fixed for weaker section would be difficult. The Committee, therefore, reiterate their earlier recommendation and urge the Government to examine the matter again.**

**Recommendation (Sl. No. 21, Para No. 4.19)**

1.40 The Committee are also constrained to note that the performance of the Syndicate Bank has not been satisfactory in providing prescribed shares to Scheduled Castes and Scheduled Tribes under different schemes as per details given for the years 2002-03 to 2004-05. As stated in para No.4.2 the prescribed share of PMRY is 22.5%, whereas the percentage share of SC/ST was only 13%, 15% and 15% respectively during the years 2002-03, 2003-04 and 2004-05. In case of SGSY, the percentage of reservation has been fixed at 50% but the Bank could provide only to 24%, 23% and 24% to SCs/STs during the same period. The Committee also find that the percentage share of SC/ST accounts to total accounts under DRI Scheme during the years 2002-03 and 2003-04 was 38% and 27% respectively, whereas during the year 2004-05 percentage share went down to 20% indicating a downward trend. The Committee, therefore, recommend that the Syndicate Bank should be more conscious in future about its social obligations towards Scheduled Castes and Scheduled Tribes in the matter of sanctioning of loans to them and should endeavour to take all possible steps to cover atleast the prescribed targets for Scheduled Castes and Scheduled Tribes under various schemes of lending.

**Reply of the Government**

1.41 Non-sponsoring of sufficient number of applications of SC/ST beneficiaries by the sponsoring agencies is the major reasons for non-achievement of stipulated percentage of disbursements to SCs/STs under various Government Sponsored Schemes. All Regional Offices and branches have been advised to request sponsoring agencies to sponsor the applications from SC/ST beneficiaries proportionately, to achieve the mandatory targets to Scheduled



Castes and Scheduled Tribes under different schemes. Regional Offices and branches have been also advised to establish closer liaison with the Nodal Agencies implementing various Government Sponsored Schemes, so that sufficient number of applications of SC/ST beneficiaries are sanctioned.

1.42 In all 25 Lead Districts where the Bank is having Lead Bank responsibility, the Lead District Managers have been advised to take up the matter with sponsoring agencies to sponsor sufficient number of applications of SC/ST beneficiaries under various Government Sponsored Schemes, so that stipulated percentage of disbursements to SCs/STs shall be achieved without fail.

1.43 To ensure that applications of SC/ST beneficiaries shall not be rejected by the branches on flimsy grounds, Bank has put in place a procedure that branches should get prior permission from Regional Office for rejecting the applications of SC/ST beneficiaries, if any, due to genuine reasons. The Regional Managers and other Officers of the Administrative Offices have been advised to verify the reporting register/applications received register, during their visits to the branches, to confirm that branches are adhering to the above stipulation and required attention/priority is being given in sanctioning applications of the SC/ST beneficiaries.

#### **Comments of the Committee**

**1.44 The Committee desire that the Bank should ensure that the Regional Managers and other officers of the Administrative offices make periodical visits to its branches to confirm that branches are adhering to the stipulation and required attention/priority is being given in sanctioning applications of the SC/ST beneficiaries.**

**Recommendation (SI.No. 26 Para No.4.36)**

1.45 The Committee further note that the Bank has undertaken to make a specific study to find out the grounds of rejections of loan applications of SCs/STs. They would like to know the details and outcome of such a study undertaken by the Bank.

**Reply of the Government**

1.46 The Bank has laid down the procedure, in case the loan applications pertaining to SC/ST community are to be rejected, on valid grounds. The rejection of the loan application vests with one tier above the loan sanctioning authority. If the Branch Manager opines that the loan application pertaining to SC/ST category does not deserve to be considered for sanction, he has to forward to application to his next higher authority furnishing the reasons for opining so and seek direction. The competent authority will take a decision and communicate to the sanctioning authority, who had submitted the proposal with his opinion for rejection. As such the system is fool-proof to avoid any hasty decision on the part of the sanctioning authority in concluding for rejection of the loan applications, pertaining to SC/ST category. The rejection of the loan applications cited are properly recorded in the loan application register, which is verified by the visiting executives/higher authorities to the branches and also inspectors. The verification/study of the grounds for rejection of loan applications pertaining to SCs/STs is a continuous process.

### **Comments of the Committee**

**1.47 The Committee note that the specific reply on the recommendation of the Committee to furnish the details and outcome of a specific study to find out the grounds of rejections of loan applications of SCs/STs has not been given. Therefore, the Committee reiterate their earlier recommendation and would like to know the specific reply to the recommendation.**

#### **Recommendation (Sl. No. 27, Para No. 4.41)**

1.48 The Committee are constrained to note that the performance of the Syndicate Bank with regard to extending Educational Loans to Scheduled Castes and Scheduled Tribes under both DRI and General Educational Loan Schemes is very disappointing. They note that the number of SC/ST students who availed themselves of Education Loan under DRI Scheme was 55 in 1999-2000 which came down to 51 in 2001-02 and the loan amount disbursed was Rs. 2.23 lakh in 2001-02 as compared to Rs. 2.71 lakh in 1999-2000. However, the Committee note that during the years 2002-03, 2003-04 and 2004-05 the Bank did not disburse any Education Loan under the scheme. The Committee would like to know the reasons why no Education Loan under DRI scheme was disbursed to SC/ST students. The Committee also note that under General Education Loan Scheme, the total amount of loan disbursed to SC/ST students is not impressive. In 1999-2000, the share of SC/ST was 2.80% of total loan disbursed but in the year 2004-05 it has come down to 2%. In recent years, the total loan amount disbursed has increased but correspondingly there has not been much improvement in the loan disbursement to SC/ST students. In 2003-04, the total

amount of loan disbursed was Rs. 90.55 crore which increased to Rs. 142.41 crore in 2004-05 whereas the amount of Education Loan extended to SC/ST students during the same period is Rs 2.78 crore only. As a result, the share of SC/ST in 2004-05 registered only 2.00 % of the total loan disbursed under the General Educational Loan Scheme, which is very disappointing. The Committee, therefore, recommend the Bank to make all efforts to improve the performance of the Bank in regard to lending Educational Loan to SC/ST students under both DRI and General Education Loan Schemes so that more and more SC/ST students could avail the facility of loan. They like the Bank to review the Schemes periodically to meet the need of the students. The Committee also like the Bank to give wide publicity for both the Schemes so that meritorious and deserving SC/ST candidates could be benefited.

#### **Reply of the Government**

1.49 A special campaign has been launched to publicize Bank's education loan scheme "Synd Vidya" among the colleges/educational institutes and mobilize applications from weaker section students including SCs/STs. With these campaigns, the Bank is showing increasing trend in the share of SC/ST advances under educational loan scheme.

#### **Comments of the Committee**

**1.50 The Committee note that a special campaign has been launched to publicise Bank's education loan scheme 'Synd Vidya' among the Colleges/educational institutions and mobilise applications from weaker section students including SCs/STs. The Committee would like the Ministry to ensure that regular publicity programmes are organised to improve the performance of the Banks in regard to lending Education Loan to SC/ST students under both DRI and General Education Loan Schemes.**

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (SI.No. 4 Para No.2.14)

2.1 The Committee also note that under details of staff strength provided as on 31.7.2002 vide para No.2.7 total under each column, 2,3,4, has been shown as 27248, 5506 and 1503 whereas these should have been 25570, 4791 and 1410 respectively. They would like the Bank to be cautious while providing the information to the Committee.

#### Reply of the Government

2.2 The number of "Sweepers"(Farash) was inadvertently omitted after the row dealing with "sub-staff (excluding sweepers)". However, the total under each column includes the number of "sweepers" and is correct. The table after due correction of the omission is given below. The inconvenience is regretted.

#### As on 31.07.2002

Category of Posts		Total No. of Employees as on 31.07.2002	Number of		Percentage of total		Shortfall (%)	
			SCs	STs	SCs	STs	SCs	STs
1		2	3	4	5	6	7	8
Officers	A	7723	1134	398	14.68	5.15	0.32	2.35
Clerks	B	13789	2536	722	18.39	5.24	Percentage of reservation varies from State to State	
Sub-Staff (excluding Sweepers)	D	4058	1121	290	27.62	7.15		
Sweepers	D	1678	715	93	42.61	5.54		
Total		27248	5506	1503	20.21	5.52	--	--

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### Comments of the Committee

2.3 Please see para 1.13 of Chapter I.

**Recommendation (SI.No. 5 Para No.2.21)**

2.4 The Committee observe that there was shortfall of 43 SC and 27 ST vacancies in promotion from sub-staff to clerical cadre in 1999. The Committee further observe that only 3 ST candidates out of total of 30 employees were promoted from sub-staff to clerical cadre in 2000 and there was shortfall/ backlog vacancies of 184 ST candidates in that year. They are at a loss as to how these backlog posts have come down to 15 in 2001 when no promotion seems to have been given to ST candidates in that very year. The Committee, also observe that no promotion has been given to ST candidates in the year 1999 to 2000 despite the fact that the promotion was post based and a total of 617 and 419 employees had been promoted from clerical to officers cadre during the respective years. As stated in para No. 2.10 that the reason for the higher shortfall in respect of ST categories is that major part of Bank's Branch network is concentrated in the States like Karnataka, Kerala, Tamilnadu, Uttar Pradesh, Andhra Pradesh and Delhi where the percentage of ST population is comparatively low and consequently the State-wise reservation provided/earmarked for ST candidates is also low and that the Bank could not get sufficient eligible ST candidates from these States during the earlier recruitment processes. It has also been stated that in every promotion process, efforts are made to bring down the shortfall. The Committee hope the Bank will continue their sincere efforts in this regard in future also.

**Reply of the Government**

2.5 The Bank has shifter to Post Based Roster from vacancy Based Roster from the year 2000 effective from 02.07.1997. While providing shortfall in respect of promotion from sub-staff to clerical cadre, the Committee was

inadvertently provided the figures pertaining to Direct Recruitment. The correct data was furnished to the Government on 29.06.2004. The error is regretted.

The Bank has furnished the action position as per promotion roster as under:

Year	Category of Posts	Total No. of employees promoted	No. of Posts filled		%age of		No. of backlog vacancies / Shortfall		Remarks
			SC	ST	SC	ST	SC	ST	
1	2	3	4	5	6	7	8	9	10
1999	Sub-Staff to Clerical cadre								
	Clerical to Officers' cadre	618	20	-	3.24	-	-	-	-
2000	Sub-Staff to Clerical cadre	-	-	-	-	-	-	27	-
	Clerical to Officers' cadre	418	32	-	7.66	-	-	-	-
2001	Sub-staff to Clerical cadre	-	-	-	-	-	-	3	-
	Clerical to Officers' cadre	1300	197	85	15.15	6.54	78	62	-
2002	Sub-staff to Clerical cadre	-	-	-	-	-	-	6	-
	Clerical to Officers' cadre	378	111	78	29.37	20.63	76	63	-
2003	Sub-staff to Clerical cadre	100	29	11	29.00	11.00	-	5	-
	Clerical to Officers' cadre	# 822	51	2	6.20	0.24	103	77	-
2004	Sub-staff to Clerical cadre	-	-	-	-	-	-	2	-
	Clerical to Officers' cadre	24	3	1	12.50	4.17	92	74	-
2005	Sub-staff to Clerical cadre	-	-	-	-	-	-	5	-
	Clerical to Officers' cadre	**179 200	103 30	76 16	57.54 15.00	42.46 8.00	15	15	-

\* As per post Based Rosters.

\*\* Special Promotion Drive.

# Special Assistants.

2.6 The reason given for the higher shortfall in respect of ST category is already appraised to the Committee. The shortfall persists in case of officers on account of movement from lower rung to higher rung.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Comments of the Committee**

2.7 Please see para 1.17 of Chapter I.

#### **Recommendation (SI.No. 7 Para No.2.23)**

2.8 The Committee note that in the case of promotion from sub-staff to clerical cadre, clerical to officers' cadre and within officers' cadre where reservation/concession to SC/ST candidates is required to be provided the Bank is invariably associating a representative belonging to SC/ST category in the selection process. The Committee feel that association of a representative belonging to SC/ST category should not be confined only where reservation/concession to SC/ST candidates is required to be provided but keeping in view the fact that SC/ST officers have also to be considered or interviewed even against unreserved vacancies, SC/ST representative should be associated invariably in all the selection process in direct recruitment as well as promotions.

#### **Reply of the Government**

2.9 The Bank is associating a representative belonging to SC/ST in all selection processes in direct recruitment and promotions up to MMGS-III. However, the Committees recommendations are noted by the Bank.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Recommendation (SI.No. 10 Para No.3.11)**

2.10 The Committee note that the Bank is maintaining Complaint/Grievance Register at Head Office/Zonal Offices for recording the complaints / grievances of SC/ST employees. Majority of complaints received from Scheduled Caste and



Scheduled Tribe employees are reported to be related to modification/cancellation of transfer orders while other complaints were about review of performance appraisal, absorption of temporary employees, promotion, duty free leave, non sanctioning of stagnation increment and on disciplinary matters. The Committee note that the Bank takes only three to sixty days for disposal of a complaint. They would desire that the complaint received from Scheduled Caste and Scheduled Tribe employees should be gone into carefully and immediate corrective measures be taken as per prescribed rules. The Committee appreciate that the Syndicate Bank is holding periodic meetings with SC and ST Employees' Association on quarterly basis to sort out their problems/grievances. The Committee feel that it is a step in the right direction and would like the Syndicate Bank to continue the same in future also.

#### **Reply of the Government**

2.11 The views/suggestions of the Committee has been noted by the Bank for future compliance.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Recommendation (Sl.No. 11 Para No.3.12)**

2.12 The Committee further note that five cases are pending as on date. The Committee, therefore, recommend that the Bank should make sincere efforts for early disposal of these pending cases and they may also be informed of the same.

### **Reply of the Government**

2.13 Five pending cases have since been disposed of by the Bank.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Recommendation (SI.No. 12 Para No.3.14)**

2.14 The Committee note that in regard to inspection of rosters by the Chief Liaison Officer/Liaison Officers certain discrepancies like – Reservation points having not been plotted correctly, mistakes in arriving at summary at the end of the roster, distinct colouring having not been used for differentiating each category etc. were noted. These discrepancies cannot be ignored as plotting of reservation points and mistakes in arriving at summary at the end of the roster may have effect on overall reservation of posts for SC/ST employees. The Committee, therefore, emphasise that liaison officers and officers working in the SC/ST Cell should be given orientation training on reservation matters so that they may not be found wanting in proper maintenance of rosters and such discrepancies/irregularities do not recur in future.

### **Reply of the Government**

2.15 The minor deficiencies/irregularities observed during the inspection of Reservation Roster in the last inspection have been rectified while preparing current year's Roster (2005). The suggestions of the Committee have also been noted for future compliance by the Bank.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

**Recommendation (Sl.No. 13 Para No.3.18)**

2.16 The Committee note that a minimum period of six days has been fixed for pre-promotion training to Scheduled Caste and Scheduled Tribe employees to enable them to prepare for the Departmental Exams. They are of the view that the minimum period of six days for training is too short a time for Scheduled Caste and Scheduled Tribe employees. The Committee, therefore, recommend that the duration of pre-promotion training should be increased and the training programmes be so drawn that maximum number of Scheduled Caste and Scheduled Tribe employees would be benefited by training and be able to pass departmental exam. The Committee note that since the Bank has started recruitment procedure it should also make provision for pre-recruitment training of SC/ST candidates. The Committee also appreciate that the Bank is sponsoring adequate number of SC/ST employees for training and hope it would continue to do so in future.

**Reply of the Government**

2.17 The Bank has taken note of the Committees observation in respect of pre-promotion training to SC/ST employees. The Bank has been giving pre-recruitment training to SC/ST candidates as and when they initiate the recruitment process for recruitment of Clerks and Officers.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

**Recommendation (Sl.No. 20 Para No.4.18)**

2.18 The Committee also recommend that the Bank should include details of advances given to SC/ST beneficiaries separately as overall details given in their Annual Reports do not project the true picture as to advances given to each community.

### **Reply of the Government**

2.19 The suggestions of the Committee have been noted for future Compliance by the Bank.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Recommendation (Sl.No. 21 Para No.4.19)**

2.20 The Committee are also constrained to note that the performance of the Syndicate Bank has not been satisfactory in providing prescribed shares to Scheduled Castes and Scheduled Tribes under different schemes as per details given for the years 2002-03 to 2004-05. As stated in para No.4.2 the prescribed share of PMRY is 22.5%, whereas the percentage share of SC/ST was only 13%, 15% and 15% respectively during the years 2002-03, 2003-04 and 2004-05. In case of SGSY, the percentage of reservation has been fixed at 50% but the Bank could provide only to 24%, 23% and 24% of SCs/STs during the same period. The Committee also find that the percentage share of SC/ST accounts to total accounts under DRI Scheme during the years 2002-03 and 2003-04 was 38% and 27% respectively, whereas during the year 2004-05 percentage share went down to 20% indicating a downward trend. The Committee, therefore, recommend that the Syndicate Bank should be more conscious in future about its social obligations towards Scheduled Castes and Scheduled Tribes in the matter of sanctioning of loans to them and should endeavour to take all possible steps to cover atleast the prescribed targets for Scheduled Castes and Scheduled Tribes under various schemes of lending.

### **Reply of the Government**

2.21 Non-sponsoring of sufficient number of applications of SC/STs beneficiaries by the sponsoring agencies is the major reasons for non-achievement of stipulated percentage of disbursements to SC/STs under various Government Sponsored Schemes. All Regional Offices and branches have been advised to request sponsoring agencies to sponsor the applications from SC/ST beneficiaries proportionately, to achieve the mandatory targets to Scheduled Castes and Scheduled Tribes under different schemes. Regional Offices and branches have been also advised to establish closer liaison with the Nodal Agencies implementing various Government Sponsored Schemes, so that sufficient number of applications of SC/ST beneficiaries are sanctioned. In all 25 Lead Districts where the Bank is having Lead Bank responsibility, the Lead District Managers have been advised to take up the matter with sponsoring agencies to sponsor sufficient number of applications of SC/ST beneficiaries under various Government Sponsored Schemes, so that stipulated age of disbursements to SC/STs shall be achieved without fail. To ensure that applications of SC/ST beneficiaries shall not be rejected by the branches on flimsy grounds, Bank has put in place a procedure that branches should get prior permission from Regional Office for rejecting the applications of SC/ST beneficiaries, if any, due to genuine reasons. The Regional Managers and other Officers of the Administrative Offices have been advised to verify the reporting register/applications received register, during their visits to the branches, to confirm that branches are adhering to the above stipulation and required attention/priority is being given in sanctioning applications of the SC/ST beneficiaries.

### **Comments of the Committee**

2.22 Please see para 1.44 of Chapter I.

#### **Recommendation (Sl.No. 22 Para No.4.22)**

2.23 The Committee note that under Agriculture and Allied Activities sector, proper attention has not been given by the Bank to small/marginal farmers and landless Scheduled Caste and Scheduled Tribe labourers. Out of total amount which has been advanced to small and marginal farmers and landless labourers during each of the above mentioned three years, only 6.31%, 6.65% and 6.04% have been financed to Scheduled Caste and Scheduled Tribe farmers and labourers. The Committee further note with concern that the position of Syndicate Bank in lending to Scheduled Castes and Scheduled Tribes has declined during the year 2002-03. Unfortunately, most of the SCs/STs do not hold much of the agricultural land and they are the ones who need to be assisted. They are of the view that unless liberal and sympathetic attitude is adopted towards those small and marginal Scheduled Caste and Scheduled Tribe farmers, the situation will not improve. The Committee hardly need to point out that mere provision for lending funds in favour of Scheduled Castes and Scheduled Tribes will have no meaning unless some attractive package is made for them.

#### **Reply of the Government**

2.24 Bank has identified various activities under agriculture in the operational areas of rural and semi-urban branches and prepared areas specific schemes for extending timely credit to such activities. Many schemes such as dairy, sheep rearing, piggery, bee keeping etc., have been prepared mainly for the benefit of small and marginal farmers and landless labourers and implemented through all rural and semi-urban branches of the Bank. All rural and semi-urban branches

have been advised to conduct extension programmes and village level interaction meetings to explain the benefit of various schemes to the target group and mobilize good number of proposals. Bank has recently introduced two schemes exclusively for extending need based credit to tenant farmers and landless labourers viz.

- (i) Scheme for financing tenant farmers under Joint Liability Group (JLG) approach.
- (ii) Scheme for financing tenant farmers under individual approach.

2.25 The implementation of the above schemes is being closely monitored to reach maximum number of tenant farmers.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Recommendation (Sl.No. 23 Para No.4.26)**

2.26 The Committee note that DRI scheme which was introduced in 1972 does not seem to be popular among the people as is apparent from the decline in the number of beneficiaries over the years. They feel that eligibility criteria fixed for family income at Rs. 7,200/- p.a. in urban and semi-urban areas and Rs. 6,400/- p.a. in rural areas and the loan limit fixed at a maximum of Rs. 6,500/- (as stated in para No.4.2) could be the reasons for its unpopularity. The Committee regret to note that the maximum limit of loan amounting to Rs. 6,500/- under DRI scheme was revised in September, 1996 and thereafter it has not been correspondingly revised in relation to price index. The Committee, therefore, recommend that the maximum limit of the amount at Rs.6,500/- and eligibility criteria regarding family income should be increased suitably so that more and more people of weaker sections, particularly, SC and ST families could continue to be benefited from this scheme.

### **Reply of the Government**

2.27 In the Budget Speech of Finance Minister for the year 2007-08, announcement has been made to increase the loan limit under Differential Rate of Interest (DRI) Scheme from Rs.6,500/- to Rs.15,000/- and the limit of the housing loan from Rs.5,000/- to Rs.20,000/- per beneficiary. Reserve Bank of India has been requested to initiate necessary action in this regard, vide D.O. letter No.3(4)/2007-CP dated March 6, 2007.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Recommendation (SI.No. 24 Para No.4.31)**

2.28 The Committee note that to create awareness on self-employment opportunities and upgrade the skills, the Bank has co-sponsored Rural Development and Self Employment Training Institutes during the year 1982. They have also established Syndicate Rural Development Trust under the aegis of which six SIRD have been set up to train and provide escort and follow up services to them. The Committee, however, feel that these institutes do not appear to be sufficient as the number of total candidates trained till 31.3.2003 since inception of these institutes is only 1,26,722 while the number of Scheduled Caste and Scheduled Tribe candidates trained were 25,167 which is about 19.86% of total trained and the number of Scheduled Caste and Scheduled Tribe candidates settled is only 17,614. The Committee further note that 28190 and 31,543 SC/ST candidates had been trained by the years 2003-04 and 2004-05, since inception which are only 20.01% and 20.24% of total trained candidates and that 20,527 SC/ST candidates in the year 2003-04 and 23,627 SC/ST candidates in the year 2004-05 had been settled. It should be kept in mind that many of the targeted groups living in rural and remote areas do not



have access to newspapers or television/radio sets and hence are unaware of various training programmes and publicity campaign initiated by the banks and the government agencies. The Committee feel that such programmes should be popularised through personal interactions at the Panchayat level by showing films/film slides etc. The stress should be laid on training schemes depending upon the need of the people residing in that area. The Committee recommend that the all out efforts be made to provide sufficient training and infrastructure facilities in remote and rural areas so that the rural youths including the SC/ST youths could be well-equipped/trained for self-employment.

### **Reply of the Government**

2.29 RUDSETIs and SIRDs have been advised to take following steps, besides giving publicity through press and electronic media to create awareness about the training programmes for mobilizing good number of trainees from target groups living in rural and remote areas where they do not have access to newspapers or television/radio:

- (i) Training schedules of RUDSETIs and SIRDs have been made available to all Bank branches falling under the jurisdiction of the training institutes, so that the branch managers and other officials at the branch can have direct interaction with target group to mobilize applications for training under various vocations.
- (ii) RUDSETIs and SIRDs are conducting Entrepreneurship Awareness Programmes in the branches under their command area, in co-ordination with Government Agencies, NGOs, Panchayat Officials, Youth Clubs etc., to create awareness and generate applications for various training programmes conducted by the institutes.

- (iii) RUDSETIs and SIRDs have been advised to participate in the Rural Extension Education Programmes and other Village Level Meetings being organized by the Bank branches, to have direct interaction with target group, to explain about the benefits of various training programmes of the institute and mobilize applications.
- (iv) RUDSETIs and SIRDs have been advised to conduct village level counselling programmes especially in the distress districts to encourage people to take alternative income generating activities by providing training required for taking up such activities successfully and arranging need based credit at the Bank branches.
- (v) RUDSETIs and SIRDs have been encouraged to conduct camp training programmes at a place convenient to group of trainees from the target group. This will facilitate the candidates, particularly women candidates to attend the training programmes who otherwise hesitate to come all the way to institute for training.
- (vi) All RUDSETIs and SIRDs have been provided with required infrastructure and manpower support to conduct training programmes successfully and to increase settlement rate by ensuring timely credit facility to take up the activity.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

**Recommendation (Sl.No. 25 Para No.4.35)**

2.30 The Committee note that the loan application forms for agricultural purposes are printed in English/Hindi and regional languages and that for other loans the forms are filled in English/Hindi only. They are of the view that the application forms for other loans too should also be printed in regional languages where Hindi is not the first language and where the weaker sections including the SCs/STs are not well versed in Hindi/English languages.

**Reply of the Government**

2.31 Bank has already taken up the matter for printing of applications for other loans also in regional languages as suggested by the Committee. We have also advised the Regional Offices and branches to explain the contents of the applications in the regional languages to the beneficiaries and help them to fill the applications, till they get sufficient stock of applications printed to regional languages.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

**Recommendation (Sl. No. 28, Para No. 4.49)**

2.32 The Committee observe that the Bank has made arrangements for imparting skill upgradation for rural artisans under which not only training but also post training financial assistance, escort services and handholding facilities are provided. The Committee feel that due publicity should be provided to all these schemes as also basic information, steady supply of raw material and easy marketability of their products. The Committee strongly recommend that the Bank should identify and adopt SC/ST areas/villages where youths engaged in

traditional family trades are concentrated so that a large number could be financed for their economic development. Keeping in view that the SC/ST people living in backward and remote areas from where their access to those training institutes is difficult, the Committee would like the Bank to involve Panchayats/BDOs for dissemination of information regarding schemes and training programmes of the Bank so that more and more of the SC/ST youths could take advantage of the same.

### **Reply of the Government**

2.33 In order to increase outreach of banking services to the target group, Bank has initiated the following measures:

- Every Rural and Semi-urban branch of the Bank was advised to adopt two villages in their operational area to achieve 100% financial inclusion in a time bound manner. Branches were advised to select villages with more SC/ST population for this purpose. Accordingly, Bank has adopted 2246 villages through its 1123 rural and semi-urban branches.
- In addition to above, Bank has also adopted two villages in each of its 25 Lead Districts under “Synd Grama Yojana”. Under this scheme also SC/ST population is the criteria for selection of the village. The objective of the programme is to achieve overall development of the village by properly planning to meet credit and non-credit inputs required.

### **Recommendation (SI.No. 29 Para No.4.50)**

2.34 The Committee note that the number of SC/ST borrowers given advances under SSI was 2847 out of the total borrowers numbering 30013. The amount advanced to SC/ST borrowers was only Rs.6.50 crore out of the total advances outstanding stood at Rs.1085.21 crore. The Committee find that very few SC/ST people have been given advances under SSI. They are also concerned by the

fact that their share of advances under SSI over the years is also going down. SSI share was 8.3% of Net Bank Credit in 2002-03 which came down to 7.35% in 2003-04 and was only 6.96% in 2004-05. The Committee would, therefore, like the Bank to take steps to ensure that more and more people belonging to SCs/STs take advantage of these schemes.

### **Reply of the Government**

2.35 Bank has taken steps to increase the flow of credit to SCs/STs under SSI and advised branches to extend collateral free loans up to Rs.25,00 lakh and cover such loans under the guarantee cover of Credit Guarantee Fund Scheme for Small Industries (CGFSI). As a pro-active step in this direction, bank has reduced the one time guarantee fee payable from 2.50% to 1.50% in respect of the following category of advances covered under CGFSI w.e.f. 01.10.2005:

- (a) All loans up to Rs.2.00 lakh;
- (b) All eligible women entrepreneurs;
- (c) All eligible borrowers located in the North Eastern Region (including Sikkim) and Jammu and Kashmir.

2.36 Bank is also sharing 50% of the one time guarantee fee (of 1.50%) as well as annual service charges (of 0.75%) on advances covered under CGFSI, with a view to lessen the burden to the borrowers under tiny sector.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

**Recommendation (Sl.No. 30 Para No.4.56)**

2.37 The Committee note that total number of loans disbursed during the year 2004-05 had increased to 5,40,940 from 4,22,653 in 2002-03 and the number of SC/ST beneficiaries had increased to 50,919 in the year 2004-05 from 38,498 in the year 2003-04. No doubt, there is a marginal increase in the number of Scheduled Caste and Scheduled Tribe beneficiaries, but compared to total number of loans disbursed it is only marginal. In view of RBI advice to step up advances to SCs/STs, the role of Principle Lead Bank has been well defined. The Committee, however, find that Syndicate Bank has failed in its basic obligation to sponsor more SC/ST beneficiaries. The Committee, therefore, recommend that the Bank in coordination with the developmental agencies should draw special bankable scheme for SC/ST people so that economic condition of SC/ST people living in all 24 districts could be improved to some extent by promoting their self-employed trades.

**Reply of the Government**

2.38 In order to step up advances to SC/STs, the Lead District Managers in all our 25 Lead Districts (Number of Lead Districts, where our Bank is having Lead Bank responsibility as on date are 25 with addition of newly formed Mewat District in Haryana State during last year) to take following steps:

- (i) Review and monitoring of the flow of credit to SC/ST during quarterly DCC and DLRC meetings.
- (ii) Weightage to the Scheduled Castes and Scheduled Tribes at the block level planning process and review of the flow of credit against the allocation made in the quarterly BLBC meetings.

- (iii) Identification and formulation of special Bankable schemes sited for SC/ST people and allocation of scheme-wise targets to various Bank branches functioning in the Block/District.
- (iv) Visiting rural branches to verify and confirm that required attention is being given to the applications of SC/ST beneficiaries to provide timely credit. LDMs have been advised to accompany NABARD and RBI officials during their branch visits.
- (v) LDM being the member in task force of various committees conducting interviews for selection and sponsoring of applications under Government Sponsored Schemes, they have been advised to give due weightage for sponsoring applications of SC/ST beneficiaries.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Recommendation (SI.No. 31 Para No.4.57)**

2.39 The Committee also recommend that awareness camps should be organised on regular basis especially in areas where the weaker sections including SC/ST people reside.

#### **Reply of the Government**

2.40 All rural and semi-urban branches are conducting village level campaigns and cluster meetings in all villages coming under their operational area on regular basis. They are giving proper publicity to such meetings to ensure participations by all sections of people.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

**CHAPTER III****RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT****Recommendation (Sl.No. 3 Para No.2.13)**

3.1 The Committee have been apprised that since 1993 no recruitment has been made by the Syndicate Bank except for some limited number of posts in specialized officers cadre, on compassionate grounds and regularization of temporary employees working in regular vacancies. It has also been stated that the Bank had optimum staff strength and, therefore, no recruitment was made in the officers and clerical cadres after the abolition of BSRBs. The Committee note vide statement of recruitment at Appendix II that 82 clerks belonging to ST category have been recruited under special drive to clear the 'shortfall' as on 1<sup>st</sup> July, 2004. The Committee are of the view that the Bank should have filled up the SC/ST backlog vacancies after the abolition of BSRBs as there was no ban on recruitment for these vacancies. They would, therefore, recommend that special recruitment drive should be initiated to wipe out shortfall whenever it occurs in future.

**Reply of the Government**

3.2 There were no recruitment except for some posts in specialized officer's cadre, compassionate grounds and regularization of Temporary employees working in regular vacancies since 1993 to 2004. The Bank has not filled backlog vacancies by conducting special drive not because of ban on recruitment



up to 2004 but the Bank had optimum staff strength. However, the entire backlog/shortfall identified as on 01.07.2004 was cleared by conducting Special Recruitment Drive.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Recommendation (Sl.No. 6 Para No.2.22)**

3.3 The Committee note that during the year 2003, 829 employees were reported to have been promoted from Special Assistant cadre to Officers cadre but only 51 SC and 2 ST employees were promoted. Whereas 103 SC and 77 ST have been shown as backlog vacancies and these posts are reported to have been filled up by promotion under Special Recruitment Drive in the year 2004. The Committee would like to know why these were not covered in 2003 itself when others were being promoted. Moreover, the post of Special Assistant has been projected in 2003 and in 2004 as distinct post to clerical cadre while nothing has been projected about the post in the previous year as well as during the year 2005. Factual position in this regard may also be communicated to the Committee.

### **Reply of the Government**

3.4 Bank had taken a decision to abolish the Special Assistant post during 2003 and all eligible and willing Special Assistants were offered one time promotion to Officer cadre in JMGS-I. In the process, there were only 51 SCs and STs eligible for promotion and all of them were promoted. Special Assistants who are performing supervisory duties are not treated as a separate

cadre. The clerical employees are entrusted with Special Assistants duties. For the reason stated above only, it was shown as distinct, for all other purposes they are under clerical cadre. The posts reserved for SC/ST in Special Assistants to Officers cadre was filled up by conducting promotion process for clerical cadre to Officers cadre under Special Promotion Drive in 2004-2005. The delay is because the acceptance of one time promotion to Officer cadre by Special Assistants was completed only in 2004, and then only net shortfall was made good by conducting Special Promotion from Clerical cadre to Officers cadre. The suggestions of the Committee have been noted for future compliance by the Bank.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Recommendation (Sl.No. 14 Para No.3.24)**

3.5 The Committee observe that during the years 2000 to 2002, 143 cases of false caste certificates were pending in the Syndicate Bank despite the claim that it did take all steps for speedy disposal of such cases by taking up the matter with the State Government officials/Caste Scrutiny Committee and pursuing the case with Banks' lawyers to speed up the court cases. The Committee were apprised that the Bank had made a lot of efforts to speed up the court cases but, the courts are reported to have stayed even the process of asking for clarification. The Committee have now been apprised that 15 cases were received during the years 2003 to 2005 and are pending due to stay granted by the Court. The Committee are of the view that genuine SC and ST employees

should not suffer and these cases should be finalised in the earliest possible time. The Committee, therefore, recommend that the Bank should advise their lawyers to take up the cases of false caste certificates vigorously and to make it their primary objective to do everything to obtain early dates for vacation of stay etc. The Committee also recommend that the Bank should not hesitate to take immediate steps to terminate the services of officers and workmen, who have failed to produce the caste certificates within a stipulated time bearing in mind that the genuine Scheduled Caste and Scheduled Tribe employees would have no difficulty in producing the caste certificates as these are issued by the Competent Authority when they seek admission in schools and colleges on the basis of which they avail themselves stipend and other facilities. They also recommend that the cases pending at verification stage should also be pursued vigorously with the concerned authorities for early disposal of pending cases within a time frame. The Committee also desire that the Bank should not allow promotion of such employees whose cases are pending in the courts.

### **Reply of the Government**

3.6 The pending false caste certificate cases are with reference to specific complaints received against the respective employees and reference made as per Government Guidelines. The Bank is extending the benefits available to SCs and STs to the employees against whom cases of false caste certificate are pending even during pendency of verification since the settled position of Law is

that the caste certificate produced by an employees would be valid and sustainable till it is cancelled as false by the Appropriate Authority for the purpose. In the event, the caste certificate is upheld, then the entire proceeding against the employee concerned comes to an end. On the other hand, if the caste certificate is cancelled as false, then the Bank initiates action to cancel appointment, following the guidelines issued by the Hon'ble Supreme Court of India. Thus, the Bank protects the interests of the genuine SC/ST candidates at all time and they are not put into any difficulty at any point of time. The Bank has been pursuing the pending cases vigorously and could get reduced the number of pending cases to 127 as at 30.09.2006 and is persisting with its efforts.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Comments of the Committee**

3.7 Please see para 1.26 of Chapter I.

#### **Recommendation (SI.No. 15 Para No.3.26)**

3.8 The Committee note that there is no reservation in accommodation for Scheduled Caste and Scheduled Tribe Employees. The Banks have, however, been advised to provide 10% reservation in allotment of quarters where available. In view of the position the Committee desire that the reservation in accommodation should also be provided to the Scheduled Caste and Scheduled Tribe employees of all categories.

### **Reply of the Government**

3.9 Bank owned quarters are not available at all places/centres. Wherever, Bank owned quarters are available, preference is given to SC/ST officers. In other places eligible officers may opt for either House Rent Allowances to apply for quarters on personal lease within the rent ceiling applicable to the place/centre.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Recommendation (Sl.No. 18 Para No.4.16)**

3.10 The Committee note that the banks are required to lend 40% of their Net Bank Credit (NBC) to priority sector out of which 10% credit should flow to economically weaker sections, which inter-alia include Scheduled Castes and Scheduled Tribes. They also note that there has been continuous increase in the share of advances given to the weaker sections over the years. In 2001-02, the advances to weaker sections stood at Rs. 1095 crore which in 2004-05, had reached the level of Rs 2313 crore as per the information given in the Annual Reports of the Bank for the years 2001-02 and 2004-05. The share of SC/ST was Rs 311 crore in the 2001-02 and in the year 2004-05, it stood at Rs. 413.70 crore as per the same reports. The Committee, however, note that as per the information given in the Annual Report, for the year 2002-03 that the credit outstanding of the weaker sections was Rs 1315 crore and the Bank's advances to SCs/STs is reported to have risen from Rs 311 crore to Rs 378.26 crore, whereas according to the Annual Report for the year 2003-04, the advances to weaker sections had reached Rs 1692.13 crore and advances to SCs/STs had risen from Rs 230.11 Crore to Rs 295.27 crore. The Committee, would,

therefore, like to know why the share of SCs/STs during the year 2003-04 which had been achieved at R378.26 crore in the year 2002-03 has been shown to have risen from Rs 230.11 crore (instead of Rs 378.26 crore) to Rs. 295.27 crore making it difficult for them to know the exact amount that had actually been made available to SC/ST borrowers from 2001-02 onwards.

### Reply of the Government

3.11 With regard to observations made by Committee on discrepancy in the share of advances to SC/STs out of total advances of weaker sections during the year 2003-2004 and 2004-2005, the Bank furnished the actual position vis-à-vis the reported position the earlier reports submitted by the Bank.

**A. The position as reported to the Committee (as reported under item No.4.14-Page No.39 of the present report of the Committee):**

Annual Report for the year	Advances to Weaker Sections in Rs. Crore	Percentage to NBC	Share of SC/ST beneficiaries rose from
2001-02	1095.00	10.20	Rs.262 cr. to Rs.311 cr.
2002-03	1315.00	10.40	Rs.311 cr. to Rs.378.26 cr.
2003.04	1692.13	10.11	Rs.230.11 cr. to Rs.295.27 cr.*
2004-05	2313.00	10.12	Rs.295.27 cr. to Rs.413.70 cr.*

3.12 There was a discrepancy in reporting the share of SC/ST advances during the years 2003-04” and 2004-05\*. During 2001-02 the share of SC/ST advances were correctly reported taking into account the total credit outstanding. Whereas, during the years 2003-04, 2004-05, the share of SC/ST advances was reported inadvertently by taking into account only the Priority Sector Advances outstanding. The anomaly is rectified and correct position of the share SC/ST advances of the Bank for the period is reported below:

**B. Actual position of the share of advances to SC/STs of the Bank:**

Annual Report for the year	Advances to Weaker Sections in Rs. Crore	Percentage to NBC	Share of SC/ST beneficiaries rose from
2001-02	1095.00	10.20	Rs.262 cr. to Rs.311 cr.
2002-03	1315.00	10.40	Rs.311 cr. to Rs.378.26 cr.
2003.04	1692.13	10.11	Rs.378.26 cr. to Rs.524.12 cr.*
2004-05	2313.00	10.12	Rs.524.12 cr. to Rs.679.01 cr.*

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### Comments of the Committee

3.13 Please see para 1.36 of Chapter I.

**CHAPTER IV****RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES  
HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE  
REITERATION****Recommendation (Sl.No. 1 Para No.1.5)**

4.1 The Committee note that the Government have nominated one Director w.e.f. 24.9.2004 on the Board of the Bank who belongs to SC/ST category. The Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980 and Scheme framed therein is reportedly do not provide reservation for SCs/STs on the Board of Directors of nationalised banks. The Committee regret to note that despite their repeated recommendations in their earlier Reports on various banks for appointment of a SC/ST member as Director on all nationalised banks, no effort seems to have been made to insert a provision of reservation in the Board of Directors in the Banking Companies (Acquisition and Transfer of Undertakings) 1970/1980 and Scheme framed thereunder. The Committee are unhappy to note the attitude of the Government for not giving a serious thought to this aspect. While, article 16 (4) of the Constitution has clearly enumerated that "Nothing in this article shall prevent the State from making any provision for the reservation of appointments or posts in favour of any backward class of citizens which, in the opinion of the State, is not adequately represented in the services under the State", the Committee fail to understand the reasons for Governments inaction. The Committee, therefore, recommend that appropriate action should be taken for making provision in the Banking Companies (Acquisition and Transfer of Undertaking) Act 1970/1980 and scheme framed thereunder for appointment of Directors belongings to the SC/ST community on the Board of Directors of the Banks.

### **Reply of the Government**

4.2 As regards the Committee's recommendations to make mandatory provision or appointment of at least one SC Director on the Board of Directors of all Nationalised Banks and FIs is concerned, it is mentioned that in terms of guidelines for appointment of Non-official Directors on the Board of Public Sector Banks, as approved by ACC, as far as possible representation is given to women and the persons belonging to SC/ST communities. However, the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980 does not envisage any such provision for mandatory nomination from these communities.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Comments of the Committee**

4.3 Please see para 1.7 of Chapter I.

### **Recommendation (Sl.No. 2 Para No.2.12)**

4.4 The Committee note that BSRBs which played the role of recruitment agency and provided candidates on the indents of the banks have since been abolished and as a result the Syndicate Bank is in the process of framing new recruitment policy. The Committee recommend that the new recruitment policy should be framed at the earliest and should take care of reservation orders issued by the Government for SCs/STs.

### **Reply of the Government**

4.5 Even after the abolition of BSRBs, reservation provisions are strictly followed and the Bank in all new recruitment.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Comments of the Committee**

4.6 Please see para 1.10 of Chapter I.



**Recommendation (SI.No. 8 Para No.3.3)**

4.7 The Committee observe that Chief Liaison Officer assisted by other officials of Banking Division visits PSBs periodically for the purpose of checking the rosters and examining the implementation of reservation policy in PSBs. They however, note that Syndicate Bank was inspected only twice i.e in 2001 and in May, 2004. The Committee feel that the Banking Division should draw a schedule for all PSBs so that the Chief Liaison Officer with the assistance of officers of Banking Division could inspect the rosters maintained by these Banks once in a year. The Committee, therefore, recommend that the Banking Division should advise regular annual visits of Syndicate Bank by its Chief Liaison Officer as also of all PSBs, so that the purpose of checking the rosters and examining the implementation of reservation policy in all these banks could be observed.

**Reply of the Government**

4.8 There are two Liaison Officers in the Banking Division. One Shri R.L. Banerjee, Director who is looking after the work relating to SCs/STs and Shri Sudesh Kumar, Director has been appointed as Liaison Officer for OBC. A Team of officer comprising Liaison Officer, Under Secretary, Section Officer two Assistants visits the Banks periodically. The team of Banking Division draw a schedule for all Public Sector Banks/Financial Institutions so that the Chief Liaison Officer with the assistance of officers of Banking Division could inspect the reservation rosters maintained by these banks once in a year. But the Team is unable to inspect all the Banks in a year due to urgent work at New Delhi and Parliament Session. The programme of the Inspecting Team to conduct the inspection of reservation rosters of Syndicate Bank was scheduled on 13<sup>th</sup> and

14<sup>th</sup> October, 2006 which was postponed later on due to unavoidable circumstances and ensuing Winter Session of Parliament. It may be submitted that the Team of Banking Division will try to perform its duty of inspection of reservation rosters of all the Public Sector Banks/FIs in a year.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Comments of the Committee**

4.9 Please see para 1.20 of Chapter I.

### **Recommendation (Sl. No. 9, Para No. 3.6)**

4.10 The Committee note that in the SC/ST Cell at Head Office an officer in MMGS-III level has been deployed to handle only matters relating to SC/ST employees and that he directly reports to the Chief Liaison Officer. They, however, note that at Zonal Office level, officers posted to SC/ST Cell are assigned with other works depending upon the quantum of work relating to grievances of SC/ST employees. The Committee feel that at zonal/regional offices level too, the officers posted in SC/ST Cell should be engaged in matters exclusively relating to SCs and STs. Instead of assigning any other work, they can be assigned the task of monitoring the credit facilities given by the Bank to SCs and STs under various schemes. The Committee also desire that liaison officers posted at Head Office as well as Zonal/Regional Offices should possibly be appointed from people belonging to SC/ST categories.

### **Reply of the Government**

4.11 Under the restructured organisational set up, the Bank has 35 Regional Offices besides Head Office, as against the erstwhile 8 zonal Offices. Consequently the number of Liaison Officers has increased from 9 to 36 at these

Administrative Offices. Considering the smaller organisation of SC/ST Cell functioning in all the Regional Offices and Head Office, the work relating to grievances of SC/ST employees has been considerably reduced and is being attended by these cells, effectively. The task of monitoring the credit facilities extended by the Bank to SC and ST beneficiaries under the various schemes is monitored by the Priority Sector Credit Cell in the Regional Offices in a comprehensive manner including credit planning formulation of schemes, credit administration and extension education.

#### **Comments of the Committee**

4.12 Please see para 1.23 of Chapter I.

#### **Recommendation (Sl.No. 17 Para No.4.11)**

4.13 The Committee are constrained to note that the position of Syndicate Bank has not been satisfactory in respect of share of Scheduled Castes and Scheduled Tribes accounts. The credit facilities granted to Scheduled Castes and Scheduled Tribes by the Bank have declined from 2.95% in 1997-98 to 2.53% in 1998-99 and from 2.59% in 1999-2000 to 2.24% in 2000-2001 respectively and the position during the years 2002-03 to 2004-05 is not better. As such nothing has been mentioned about the percentage share of credit provided to STs during the period 2002-03 to 2004-05. The main reason attributed by the Bank is smaller size of the loan accounts of persons belonging to weaker sections. They are not satisfied with the view expressed by the Bank and the Committee, therefore, recommend that the Bank should review its lending procedure in the light of past performance in regard to credit facilities

provided to Scheduled Castes and Scheduled Tribes and ensure that these people do not face any difficulty in getting the loans as per their requirements. Keeping in view the economic backwardness of these communities, the Committee also urge the Bank to take up the matter seriously. The Committee feel that SCs/STs are not fully aware of various schemes formulated for their welfare and upliftment. The Committee, therefore, desire that the initiative should be taken for generating awareness among them by distributing pamphlets and displaying hoardings at different public places, in English, Hindi and other regional languages, giving details of the schemes meant for them.

#### **Reply of the Government**

4.14 As suggested by the Committee, all the Regional Offices and branches have been advised to take immediate steps to create awareness about their schemes especially among SC/ST people by distribution of handbills, display of banner and posters, erection of hoardings. Regional Offices and branches are provided with sufficient stock of handbills in regional languages on various lending schemes and advised to arrange for keeping sufficient stock of handbills in Panchayat Offices, Block Offices, Taluk Offices and other public places, besides display of banners, posters etc., at these places. Regional Offices and branches are advised to hold separate cluster meetings in the villages having more SC/ST population and to explain various lending schemes implemented by the Bank.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

#### **Comments of the Committee**

4.15 Please see para 1.32 of Chapter I.

**Recommendation (Sl. No. 19, Para No. 4.17)**

4.16 The Committee also observe that there is no separate sub- target fixed for SCs/STs under the advances granted to weaker sections. They are of the view that atleast 22.5% of the overall 10% of Net Bank Credit fixed for weaker sections should be exclusively marked for Scheduled Caste and Scheduled Tribe beneficiaries.

**Reply of the Government**

4.17 It is considered that it would be difficult to earmark 22.5% as a separate sub-target for SCs/STs of the over all 10% of Net Bank Credit fixed for weaker sections in priority sector advance. However, depending on the merits of the proposals, Bank could sanction loans exceeding 22.5% within their 10% target for Economically Weaker Section (EWS). It would, therefore, be appropriate if flexibility within the 10% limit for EWS is maintained.

**Comments of the Committee**

4.18 Please see para 1.39 of Chapter I.

**Recommendation (Sl.No. 26 Para No.4.36)**

4.19 The Committee further note that the Bank has undertaken to make a specific study to find out the grounds of rejections of loan applications of SCs/STs. They would like to know the details and outcome of such a study undertaken by the Bank.

**Reply of the Government**

4.20 The Bank has laid down the procedure, in case the loan applications pertaining to SC/ST community are to be rejected, on valid grounds. The rejection of the loan application vests with one tier above the loan sanctioning

authority. If the Branch Manager opines that the loan application pertaining to SC/ST category does not deserve to be considered for sanction, he has to forward to application to his next higher authority furnishing the reasons for opining so and seek direction. The competent authority will take a decision and communicate to the sanctioning authority, who had submitted the proposal with his opinion for rejection. As such the system is fool-proof to avoid any hasty decision on the part of the sanctioning authority in concluding for rejection of the loan applications, pertaining to SC/ST category. The rejection of the loan applications cited are properly recorded in the loan application register, which is verified by the visiting executives/higher authorities to the branches and also inspectors. The verification/study of the grounds for rejection of loan applications pertaining to SCs/STs is a continuous process.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Comments of the Committee**

4.21 please see para 1.47 of Chapter I

### **Recommendation (Sl.No. 27 Para No.4.41)**

4.22 The Committee are constrained to note that the performance of the Syndicate Bank with regard to extending Educational Loans to Scheduled Castes and Scheduled Tribes under both DRI and General Educational Loan Schemes is very disappointing. They note that the number of SC/ST students who availed themselves of Education Loan under DRI Scheme was 55 in 1999-2000 which came down to 51 in 2001-02 and the loan amount disbursed was Rs. 2.23 lakh in 2001-02 as compared to Rs. 2.71 lakh in 1999-2000. However, the Committee

note that during the years 2002-03, 2003-04 and 2004-05 the Bank did not disburse any Education Loan under the scheme. The Committee would like to know the reasons why no Education Loan under DRI scheme was disbursed to SC/ST students. The Committee also note that under General Education Loan Scheme, the total amount of loan disbursed to SC/ST students is not impressive. In 1999-2000, the share of SC/ST was 2.80% of total loan disbursed but in the year 2004-05 it has come down to 2%. In recent years, the total loan amount disbursed has increased but correspondingly there has not been much improvement in the loan disbursement to SC/ST students. In 2003-04, the total amount of loan disbursed was Rs. 90.55 crore which increased to Rs. 142.41 crore in 2004-05 whereas the amount of Education Loan extended to SC/ST students during the same period is Rs 2.78 crore only. As a result, the share of SC/ST in 2004-05 registered only 2.00 % of the total loan disbursed under the General Educational Loan Scheme, which is very disappointing. The Committee, therefore, recommend the Bank to make all efforts to improve the performance of the Bank in regard to lending Educational Loan to SC/ST students under both DRI and General Education Loan Schemes so that more and more SC/ST students could avail the facility of loan. They like the Bank to review the Schemes periodically to meet the need of the students. The Committee also like the Bank to give wide publicity for both the Schemes so that meritorious and deserving SC/ST candidates could be benefitted.

### **Reply of the Government**

4.23 A special campaign has been launched to publicize Bank's education loan scheme "Synd Vidya" among the colleges/educational institutes and mobilize applications from weaker section students including SCs/STs. With these campaigns, the Bank is showing increasing trend in the share of SC/ST advances under educational loan scheme.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Comments of the Committee**

4.24 Please see para 1.50 of Chapter I.



**CHAPTER V****RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT HAVE NOT BEEN RECEIVED****Recommendation (Sl.No. 16 Para No.4.4)**

5.1 The Committee note that the credit policy for financing SCs and STs has been evolved over the years. They also note that relaxation including subsidy and quota have been extended to SC/ST borrowers in various Government schemes. They appreciate that arrangements have been made in the Ministry of Finance, RBI and Syndicate Bank to monitor the flow of credit to SC/ST beneficiaries under various poverty alleviation programmes. Despite the arrangements made to monitor the flow of credit to SC/ST at various levels, RBI in their evaluation studies of the Centrally Sponsored Poverty Alleviation Programmes like SGSY, SJSRY and PMRY Schemes had detected operational deficiencies. The Committee are concerned that the study conducted under SGSY in 1999-2000 had revealed that the Government Agencies did not take into account the reservation for SC/ST while sponsoring applications rendering achievement of the sub-targets difficult. In case of SJSRY and PMRY too, the study had revealed that sub-targets for SC/ST were not achieved. The Committee strongly recommend that these evaluation studies in SGSY, SJSRY and PMRY at the District and State Levels should be done more frequently so that deficiencies detected in the implementation of schemes are corrected timely and the objective of formulating separate credit policy for Scheduled Castes and Scheduled Tribes may not be lost.

### **Reply of the Government**

5.2 Ministry of Rural Development, Ministry of Housing and Urban Poverty Alleviation, and Ministry of Agro and Rural Industries implement SGSY, SJSRY and PMRY, respectively. The Banking Division has forwarded the Committee's recommendations to the above Ministries and the Reserve Bank of India for taking necessary action. The Ministries have also been requested to forward Action Taken Report to the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes and this Ministry.

[Ministry of Finance, DEA(Banking and Insurance Division) No.F.19/5/2003-SCT(B) dated 19<sup>th</sup> March, 2007]

### **Comments of the Committee**

5.3 Please see para 1.29 of Chapter I.

**NEW DELHI;**  
**December, 2007**  
**Agrahayana,1929 (Saka)**

**RATILAL KALIDAS VARMA,**  
**CHAIRMAN**  
**COMMITTEE ON THE WELFARE**  
**OF SCHEDULED CASTES AND**  
**SCHEDULED TRIBES**

**APPENDIX - I**

**MINUTES**

(vide para 2 of Introduction)

**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES  
AND SCHEDULED TRIBES  
(2007-2008)**

**(FOURTEENTH LOK SABHA)**

**EIGHTH SITTING**

**(22.11.2007)**

The Committee sat from 1500 to 1530 hrs.

**PRESENT**

Shri Ratilal Kalidas Varma - Chairman

**MEMBERS**

**LOK SABHA**

2. Shri Anandrao Vithoba Adsul
3. Shri S. Ajaya Kumar
4. Shri Kailash Baitha
5. Smt. Sushila Kerketta
6. Shri Rupchand Murmu
7. Shri Virchandra Paswan
8. Shri Bajju Ban Riyan
9. Shri Vanlalzawma

**RAJYA SABHA**

10. Shri Sharad Anantrao Joshi
11. Shri Lalhming Liana

**SECRETARIAT**

1. Shri P.K. Misra, Joint Secretary
2. Shri Gopal Singh, Director
3. Ms. J.C. Namchyo, Deputy Secretary
4. Smt. Maya Lingi, Under Secretary

At the outset, the Hon'ble Chairman welcomed the Hon'ble Members of the Committee. The Committee then considered the draft report on Action taken by the Government on the recommendations contained in the Eleventh Report (14<sup>th</sup> Lok Sabha) of the Committee on the subject "Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Syndicate Bank and credit facilities provided by the Bank to them" and adopted the same. The Hon'ble Chairman also desired that Members could send their suggestions if any, to be incorporated in the draft report latest by 26<sup>th</sup> November, 2007.

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

The Committee then adjourned.

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**APPENDIX II****(Vide Para 4 of Introduction)****ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE ELEVENTH REPORT (FOURTEENTH LOK SABHA) OF THE COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES.**

1. Total number of recommendations.....31
  
2. Recommendations/observations which have been accepted by the Government (vide recommendations Sl. No. 4, 5, 7, 10, 11, 12, 13, 20, 21, 22, 23, 24, 25, 28, 29, 30 and 31)
  - Number.....17
  - Percentage to the total.....55%
  
3. Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies (vide recommendations Sl. No. 3, 6, 14, 15 and 18)
  - Number.....5
  - Percentage to the total.....16%
  
4. Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration (vide recommendations Sl. No. 1, 2, 8, 9, 17, 19, 26 and 27)
  - Number .....8
  - Percentage to the total..... 25%
  
5. Recommendations/Observations in respect of which final replies of the Government have not been received (vide recommendations Sl. No. 16)
  - Number.....1
  - Percentage to the total.....4%