

SCTC NO. 731

**COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(2010-2011)**

(FIFTEENTH LOK SABHA)

EIGHTH REPORT

ON

**MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
(BANKING DIVISION)**

Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Punjab and Sind Bank and credit facilities provided by the Bank to them.

**Presented to Lok Sabha on 28.07.2010
Laid in Rajya Sabha on 28.07.2010**



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 2010/Sravana, 1932 (Saka)

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**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES (2010-2011)**

Shri Gobinda Chandra Naskar - Chairman

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3. Shri Hoti Lal, Additional Director
4. Shri M.L.K. Raja, Deputy Secretary
5. Shri Mukesh Kumar, 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 Eighth Report (Fifteenth Lok Sabha) on the Ministry of Finance, Department of Financial Services (Banking Division) on the subject "Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Punjab and Sind Bank and credit facilities provided by the Bank to them".

2. The Committee took evidence of the representatives of the Ministry of Finance, Department of Financial Services (Banking Division) and Punjab & Sind Bank on 16th January, 2009. The Committee wish to express their thanks to the officers of the Ministry of Finance, Department of Financial Services (Banking Division) and Punjab & Sind Bank for placing before the Committee the material and information required in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 25th June, 2010.

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

New Delhi;
July, 2010
Sravana, 1932 (Saka)

(GOBINDA CHANDRA NASKAR)
Chairman
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes

PART - I**CHAPTER - I****INTRODUCTORY****A. Background**

1.1 Punjab and Sind Bank was founded in the year 1908 by Bhai Vir Singh Ji, a prominent poet and writer, Sir Sunder Singh Ji Majithia who was a philanthropist and S. Tarlochan Singh Ji, a prominent economist with a vision to build an institution which would integrate itself with the development of the economy and play vital role in the amelioration of society at large. The aim of the Bank was to help the small farmers, traders and the weaker sections of the society in order to raise their standard of living. The Bank started serving the nation from 24th June, 1908 from the holy city of Amritsar. The Bank was nationalized on 15th April 1980 alongwith other 6 private sector Banks under the Banking Companies (Acquisition and Transfer of Undertaking) Act.

B. Organisational set-up

1.2 The Head Office of Punjab and Sind Bank is situated at New Delhi. The Bank is headed by Chairman and Managing Director duly assisted by Executive Director and General Managers at Head Office. The Bank is having three tier system i.e. Head Office, Zonal Office and Branches. According to Annual Report (2008-09), the Bank had 912 branches and 10 currency chests including 5 ISO 9001.9002 certified branches spread over 24 States and 2 Union Territories.

C. Board of Directors

1.3 As regards the composition of the Board of Directors of the Bank, the Committee have been informed as under:-

1. Full time Directors	-	1
CMD	-	1
ED	-	Vacant
2. Official Directors	-	3
RBI Director	-	1
MOF Director	-	1
Addl. RBI Director	-	1
3. Non-official Directors	-	4
4. Officer Director	-	1
5. Workman Director	-	1

1.4 The Committee were informed that presently no Director on the Board of the Bank belongs to SC/ST category. When asked as to whether any SC/ST Member had ever been appointed as Chairman/Member on the Board of Directors of Punjab and Sind Bank, it has been submitted that during the period from 28.09.1989 to 24.03.2004, the Government had appointed/nominated three SC/ST Members on the Board of Directors of the Bank. In reply to another query as to what efforts have been made by the Bank to include SC/ST Members on the Board of Directors of the Bank, it has been informed that the Bank is fully owned by the Government and it is for the Government to appoint Directors on the Board.

1.5 The Committee have also been informed that the Board of Directors of the Bank review reports with regard to implementation of reservation policy for SC/ST on annual basis at the end of December every year.

1.6 When asked as to whether the Board of Directors have found any discrepancy in implementation of reservation orders in favour of SCs/STs during the last three years, the Committee were informed that Board of Directors of the Punjab and Sind Bank have not

found any discrepancy in implementation of the reservation orders in favour of SC/ST employees while reviewing reports during the last three years.

(a) Selection and appointment of Functional and Part-Time Directors

1.7 The Ministry of Finance furnished the following information in regard to procedures for selection and appointment of functional and part-time Directors on the Board of the Bank as also the policy of Government regarding appointment of SC/ST persons on the Board of Directors:

(b) Criteria for appointment of functional Directors i.e. CMDs/EDs

- (i) Section 9(3) (a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 provides that the Central Government shall appoint not more than four whole-time directors on the Board of Directors of each of the nationalized Banks after consultation with the Reserve Bank of India (RBI). One whole-time director is designated as Chairman and Managing Director (CMD) and the other as Executive Directors (ED).
- (ii) Clause 8(1) of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970/1980 provides that the whole time directors on the boards of nationalized Banks shall hold office for such term not exceeding five years as the Central Government, after consultation with RBI, may specify and shall be eligible for re-appointment. Although the above Act/Scheme does not specify any age limit for such appointments, the Appointments Committee of the Cabinet has directed that the age of retirement of Executive Directors and CMDs shall be 60 years.
- (iii) As regards the procedure for making such appointments, an Appointments Board has been constituted in the Department of Financial Services for making recommendations for appointment of whole time directors on the Boards of public sector Banks and financial institutions. Governor, RBI is the Chairman of the Boards of which includes Secretary (FS), Deputy Governor, RBI and three outside experts as its Members. In addition, there is a sub-Committee of the Board to interact with short listed Executive Directors and General Managers to prepare panel of eligible EDs for being appointed as CMDs and General Managers for being appointed as EDs respectively. The meetings of the Appointments Boards are held from time

to time to consider the recommendations of the Sub-committee for placement of persons for filling up existing and anticipated vacancies of CMDs and EDs. The recommendations of the Board are processed in the Department of Financial Services and based thereon, the decision to make appointments of whole time directors is taken with the approval of Finance Minister. After obtaining the vigilance clearance in respect of such persons and completion of other formalities, formal proposals for the appointments are submitted to the Appointments Committee of the Cabinet (ACC) for approval. After the receipt of the ACC's approval and updating of vigilance clearance, wherever required, the appointments are notified.

(c) Appointment of SC/ST persons on the Board of Directors of Public Sector Banks/Financial Institution

- (i) In terms of Section 9(3) (h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, not more than six other part-time non-official directors are required to be nominated by the Central Government. In the case of those Banks which have raised capital by public issue of shares, these six part-time non-official directors shall be replaced in a phased manner by directors elected by the share-holders other than the Central Government, as indicated below:-

(a)	Where not more than 16% of the total paid up capital is held by the public	Not more than 1 director
(b)	Where more than 16% but not more than 32% of the total paid up capital is held by the public	Not more than 2 directors
(c)	Where more than 32% of the total paid up capital is held by the public	Not more than 3 directors

- (ii) It has further been provided that in case the number of directors elected, on or before the commencement of the Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Law (Amendment) Act, 2006, exceed the number of directors specified in sub-clause (a), (b) or (c), as the case may be, such excess number of directors elected before such commencement shall retire in such manner as may be specified in the scheme and such directors shall not be entitled to claim any compensation for the premature retirement of their terms of office.

- (iii) The directors nominated under Section 9(3)(h) of the Act, shall be persons having special knowledge or practical experience in agriculture and rural economy, banking, co-operation, economics, finance, law, small scale industry or in any other matter, the special knowledge of and practical experience in which would, in the opinion of the Reserve Bank of India be useful to the Bank or represent the interests of the depositors, farmers, workers and artisans.
- (iv) In terms of the provisions of clause 9(1) of the Nationalized Banks (Management and Miscellaneous Provisions) Schemes, 1970/1980, as amended vide notification dated 21.1.2000, the directors nominated under the above categories shall hold office during the pleasure of the Government, for a term not exceeding three years and shall be eligible for a second term.
- (v) It is further added that appropriate guidelines have been put in place to nominate part time non official directors on the Boards of PSBs and a copy of the aforesaid guidelines, duly approved by ACC, is also enclosed for ready reference. These guidelines (Appendix I) clearly stipulate that 'as far as possible representation may also be given to women and the persons belonging to SC/ST community'.

1.8 The Committee note that during the period from 28.09.1989 to 23.04.2004, Government had appointed/nominated three SC/ST Members on the Board of the Bank. However, at present there is no member from SC/ST communities on the Board of Directors of the Bank. The Committee note that some guidelines stipulating therein to give representation to persons belonging to SC/ST communities on the Board of Directors as part-time non-official Directors have been issued. Despite that, no Director has been nominated from SC/ST communities on the Board of Directors after 23.4.2004. The Committee take serious view of the matter that no efforts seem to have been made by the Government in this regard. The reply of the Bank that it is fully owned by the Government and it is for the Government to appoint Directors on the Board makes

it obvious that the Government is solely responsible for not nominating a Director from SC/ST communities. The Committee, therefore, recommend that the Government should appoint/nominate at least one SC/ST Member as part-time Director on the Board as provided in the guidelines at the earliest. The Committee also recommend that the Government should always make an effort to nominate/appoint a SC/ST members on the Board as part-time Directors.

1.9 In respect of full-time Directors, the representation of a SC/ST member on the Board seems remote, since the Government do not provide promotions for SC/ST officers in higher scales even though Article 16(4) states that “Nothing in this article shall prevent the State from making any provision for the reservation for the 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” and Article 16(4A) which states that “Nothing in this article shall prevent the State from making any provision for reservation in matters of promotion, with consequential seniority to any class or classes of posts in the services under the State in favour of the Scheduled Castes and the Scheduled Tribes which, in the opinion of the State are not adequately represented in the Services of the State”. Having also noted that the Board of Directors review reports with regard to implementation of reservation policy for SCs and STs on annual basis, the Committee feel that having at least one member on the Board from SC/ST categories becomes more necessary to have a representative from these communities. The Committee, therefore, recommend that in view of the constitutional mandate, the Government should provide reservation on appointment and promotion of officers in higher scales so that SC/ST officers may also get an opportunity to become functional Directors of the Bank.

CHAPTER-II

RESERVATION IN SERVICES

A. Reservation Orders

2.1 The Committee have been informed that the guidelines on reservation for recruitment of SCs/STs are being implemented in the Bank since nationalisation i.e. 15.04.1980. The issue of reservation in promotion was first taken up by the IBA with the Ministry of Finance vide letter dated 18.08.1980 and on the basis thereof, the Government of India vide letter dated 30.05.1981 wrote to Chairman and Managing Directors of all the nationalised banks directing them to implement reservation in promotion. The IBA, in turn, advised the nationalised banks vide letter dated 17.09.1981 to implement reservations in promotions as advised by the Ministry of Finance vide letter dated 30.05.1981.

2.2 The Committee have also been informed that the percentage of reservation made in favour of Scheduled Castes and Scheduled Tribes in Punjab and Sind Bank is as under:-

POST FILLED BY DIRECT RECRUITMENT

		<u>SC</u>	<u>ST</u>
(i)	Direct recruitment of Officers on an All India basis in all categories of posts	15%	7 ½%
(ii)	Direct recruitment of Clerk and Subordinate staff	In proportion to the population of SC/ST in respective State/UT as per list enclosed (Appendix II)	

POST FILLED BY PROMOTION

(i)	Promotion by selection from Subordinate to Clerical cadre and from Clerical cadre to Junior Management Grade Scale I in the Officer's cadre in which the element of direct recruitment does not exceed 75%	15%	7 ½%
(ii)	Promotions on the basis of seniority subject to fitness in all groups of posts in which the element of direct recruitment does not exceed 75%	15%	7 ½%

2.3 It has also been informed that reservation in promotion is applicable in all cadres where the promotion is based on seniority. There is no reservation in Officer cadre where promotion is based on selection. However, there is a relaxation upto MMGS III.

B. Recruitment Procedure

2.4 The Committee were informed that after abolition of BSRBs, the Punjab and Sind Bank has formulated its own recruitment policy in 2005 for recruitment of Officers, Clerks and Subordinate Staff. The policy has been framed keeping in view the Government guidelines and other relaxations/reservations stipulated for reserved categories. It has also been informed that advertisement is inserted in the National Newspapers (one English and one Hindi) and Employment News mentioning the number of posts, eligibility criteria alongwith reservation in posts as per Government policy etc. and on the Bank's Internet/Web Site for Officers. For recruitment in Clerical and Award Staff in addition to above, the advertisement is also released in one local vernacular Newspaper. Besides, a copy of advertisement is sent to certain institutions/organizations like local Employment Exchange for clerical recruitment, Directorate General of Resettlement, New Delhi, Zilla Sainik Board, local Special Employment Exchange for Physically Handicapped in different States including SC/ST/OBC Welfare Associations, recognized for the purpose of notifying vacancies as per list in the "Brochure on Recruitment of SC/ST/OBC in Services" issued by the Government of India.

2.5 When the Committee desired to know whether vacancies reserved for SCs/STs are advertised through All India Radio/Doordarshan, it was replied that there is no such provision in their recruitment policy.

2.6 The Committee have been informed that separate interviews for SC/ST candidates are conducted in appointments made by direct recruitment to which reservations are applicable. It has also been informed that the Bank re-advertises SC/ST vacancies which

remained unfilled in the first process in the subsequent recruitment process, which is proposed to be initiated within a year.

2.7 The Committee have further been informed that one SC/ST representative is being included in the Selection Committee/DPCs for recruitment and promotion to such categories of posts where the reservations for SC/ST do not apply, but SC/ST candidates do appear for the interview.

2.8 When asked whether the Punjab & Sind Bank resort to ad-hoc appointment, it has been informed that there is no provision in the Bank's Recruitment policy for ad-hoc appointment.

2.9 The Committee have also been informed that the selection process involves outside agencies like IBPS-Mumbai which invites and processes applications, conducts written test/skill test and sends list of eligible candidates to the Bank for interview and selection. The interview of the eligible candidates for final selection is conducted by the Bank. The recruitment policy of the Bank also provides for recruitment of officers in specialised cadre through campus placement.

2.10 To a query as to how it is ensured that involvement of outside agencies like IBPS, Mumbai for selection process is functioning satisfactorily, it has been stated that Institute of Banking Personnel Selection (IBPS), Mumbai is an autonomous body registered under the Societies Registration Act, 1860. The Governing Board of IBPS has representatives from RBI, the Public Sector Banks, NIBM, Ministry of Finance, Government of India. The Institute primarily caters to the selection, promotion and placement needs of various Banks and Central Financial Institutions. It has been rendering assistance to financial sector in the activities of employees selection, promotion and placement. Further the Bank engages the services of IBPS for conducting written examinations for recruitment and promotion purposes. Even, the BSRBs during their existence used to engage IBPS for conducting written examinations on their behalf.

2.14 The reason for backlog of SC/ST is reported to be non-availability of suitable candidates and when asked about break up of officers' post numbering 46 for which ST candidates are not available and the efforts that were made to fill up these ST posts, it was stated that the carried forward posts are in Junior Management Grade Scale-I. The Bank is initiating Special Recruitment Drive for filling of these 46 unfilled ST vacancies within a year. With regard to carry forward of 2 SC Clerical posts, it has been stated that the Bank will take necessary action to fill up these 2 SC posts which belong to Sports category in Clerical cadre by recruiting sportsmen belonging to SC category for Bank's Hockey Team.

2.15 The Committee note that guidelines on reservation for recruitment of SCs/STs are being implemented in the Bank since 15.4.1980. In case of post filled by direct recruitment of Officers on an All India basis in all categories of posts, the percentage prescribed for SC and ST is 15% and 7.5% respectively. However, in case of direct recruitment of Clerk and Sub-staff, the prescribed percentage for SC and ST is in proportion to population of SC and ST in respective State. The Committee also note that an autonomous body, Institute of Banking Personnel Selection (IBPS), Mumbai has been undertaking selection process like inviting applications, conducting multi test/skill test and sending list of eligible candidates to the Bank for interview and selection. It has been reported that IBPS was engaged in undertaking Special Recruitment Drive for filling of backlog of SC and ST vacancies in the year 2005-06. It has further been reported that its governing body comprises representatives from RBI, the public sector Banks, NIBM, Ministry of Finance. The Committee desire that it should always be ensured that the Institute takes utmost care while processing applications so that only genuine SC/ST candidates apply against SC/ST posts. While sending letters for written examinations, sufficient time should also be ensured for SC/ST candidates.

2.16 The Committee also note that advertisement for recruitment of posts is inserted in the National Newspapers and Employment News mentioning the number of posts, eligibility criteria alongwith reservation in posts as per Government Policy, etc. and on the Bank's internet/website for Officers. In addition, for recruitment in Clerical and Award Staff, the advertisement is also released in one local vernacular newspaper. The Committee, however, note that in the recruitment policy of the Bank there is no provision for announcement of vacancies through All India Radio and Doordarshan. The Committee recommend that advertisement should be inserted in more than one English and Hindi National newspapers as also widely read local vernacular newspapers in SC concentrated and tribal dominated areas including North East States for wider publicity. The Committee also recommend that examination centres should be set up nearer to SC concentrated and tribal areas especially in North East States so that they do not have to travel long distances to appear for written examination. The Committee further recommend that the advertisement for recruitment should invariably be announced on All India Radio and Doordarshan in terms of para 7.1(IV) of the "Brochure on Reservation for SCs/STs in Services".

2.17 The Committee observe from the details of recruitment at para 2.13, that recruitment was conducted in the year 2006 only when 43 SC and 40 ST in Officer category, and 16 SC and 5ST in Clerk and Sub-staff categories respectively had been recruited. It seems that SC/ST persons recruited were against the carry forward vacancies from the year 2005. The Committee are distressed to note that the Bank had to resort to Special Recruitment Drive after accumulating SC/ST posts over the years. The Committee strongly recommend that the SC/ST vacancies should be filled up within the same recruitment year. If sufficient number of suitable SC/ST candidates do not become available to fill up the

vacancies reserved for them in the first attempt of recruitment, another attempt should be made in the same recruitment year so that no backlog vacancies are created. The Committee also strongly recommend that the Bank should maintain separate data for current vacancies and backlog vacancies for Direct Recruitment so that there is no confusion in shortfall and backlog vacancies. The Committee note that despite the Special Recruitment Drive, there are still 46 ST posts in Officer category and 2 SC posts in Clerk category lying vacant. The Committee strongly recommend that all backlog vacancies of 46 ST posts and 2 SC posts should be filled up at the earliest and the outcome thereof should be furnished to them.

E. Staff strength and Shortfall

2.18 The category-wise staff strength of Punjab and Sind Bank as on 01.01.2008 provided earlier was as under:-

Category of Posts	Total No. of Posts	Number of		Percentage		Shortfall		%of Shortfall	
		SC	ST	SC	ST	SC	ST	SC	ST
1	2	3	4	5	6	7	8	9	10
OFFICER	4513	511	149	11.32	3.30	166	189	3.68	4.20
CLERK	3366	131	57	3.89	1.69	374	195	11.11	5.81
SUB STAFF	1547	272	35	17.58	2.26	-	81	-	5.24

2.19 While furnishing the post evidence reply, the Ministry have now furnished the same information as under:

Category of Posts	Total No. of Posts	Number of		Percentage		Shortfall		%of Shortfall	
		SC	ST	SC	ST	SC	ST	SC	ST
1	2	3	4	5	6	7	8	9	10
OFFICER	4513	511	149	11.32	3.30	166	189	3.68	4.20
CLERKS	3157	123	51	3.90	1.61	350	186	11.10	5.89
SUB STAFF	1452	255	39	17.56	2.68	Nil	70	Nil	4.82

2.20 The Committee have been informed that the gap in percentage in prescribed reservations is due to the fact that reservations were made applicable in the Punjab & Sind Bank from the date of nationalization. In the subsequent

recruitment after nationalization, the Bank has filled appropriate reserved quota of SC/ST in all cadre. The shortfall of SC/ST could not be filled up as restrictions were imposed by Government on direct recruitment in the past. However, to reduce the shortfall, the Bank had undertaken Special Recruitment Drive for SCs/STs in the year 2006.

2.21 To a query as to whether the restriction on direct recruitment is applicable to reserved posts of SC/ST where the strength of these categories is below the required percentage prescribed for these categories, the Committee have been informed that there was a cap on manpower strength of the Bank by the Ministry of Finance.

2.22 When the Committee enquired about wiping out and fixing of any time frame for clearing of SC/ST shortfall, it has been stated that the Bank is in the process of undertaking another Special Recruitment Drive for filling up the backlog of 46 ST vacancies in Officer cadre within a year.

F. SPECIAL RECRUITMENT DRIVE

2.23 The Committee were informed that the Special Recruitment Drive to fill the backlog reserved vacancies was held in 2005-06. The Bank filled the backlog of SC/ST vacancies for the period 02.07.1997 to 01.07.2004 as per the Ministry of Finance directives. However, backlog of 46 ST vacancies in Officer cadre could not be filled up due to non-availability of suitable candidates.

2.24 When asked to furnish the position of staff strength and shortfall as on 01.01.2006, the following statement has been furnished:-

Category of posts	Total number of posts	Number of		Percentage of		Shortfall	
		SCs	STs	SCs	STs	SCs	STs
1	2	3	4	5	6	7	8
OFFICER	4485	477	119	10.63	2.65	120*	100*
CLERKS	3406	135	47	3.96	1.38	Nil	23*
SUBSTAFF	1609	284	36	17.65	2.23	Nil	05*

2.25 In reply to another query about the details of posts identified and filled up during Special Recruitment Drive undertaken in the year, 2006 it has been stated that as per the instruction of Govt. of India, Ministry of Finance vide letters dated 25.08.2004 and 12.07.2005, the Bank identified the following posts for filling during Special Recruitment/ Promotion Drive in the year 2005-06:-

S.NO	CADRE	SC	ST	TOTAL
1.	Promotion from Clerical to Officer (JMGS-1)	120	97	217
2.	Direct recruitment in Officer cadre	NIL	03	03
3.	Promotion from Sub-staff to Clerical cadre	NIL	14	14
4.	Direct recruitment in Clerical cadre	NIL	09	09
5.	Direct recruitment in Sub-staff cadre	NIL	05	05
TOTAL		120	128	248

The above said posts were filled in Special Recruitment /Promotion Drive undertaken in 2005 & 2006 as per details given below:

Posts	To be filled		Total	Posts filled		Total	Posts remaining unfilled		Total
	SC	ST		SC	ST		SC	ST	
Officer	120	100	220	120	54	174	Nil	46	46
Clerks	Nil	23	23	Nil	23	23	Nil	Nil	Nil
Substaff	Nil	05	05	Nil	05	05	Nil	Nil	Nil
Total	120	128	248	120	82	202	Nil	46	46

The above said shortfall/identified posts were checked and found correct by the inspecting team of the Ministry of Finance during their visit/inspection of implementation of Government reservation policy for SCs/STs in Bank.

2.26 To a specific query as to whether the Bank allowed the backlog vacancies to lapse or kept them alive for future consideration, the Committee have been informed that no such vacancy allowed to be lapsed so far. The Bank keeps these vacancies alive for future consideration.

2.27 The Committee note that as on 01.01.2008, in Sub-Staff category, there was shortfall of SC in the categories of Officers and Clerks and that of ST in all categories of posts. According to data provided in paras 2.18 and 2.19 above, there was shortfall of 3.68% of SC and 4.20% of ST in Officers category. In respect of Clerks and Sub-Staff categories of posts, although there is change in data at paras 2.18 and 2.19, yet there is huge shortfall of SC and ST in Clerical posts and of ST in Sub-Staff category of posts. It is a matter of great concern that there is a huge shortfall of 11.10% of SCs and 5.89% of STs in Clerical category of posts as also shortfall of 4.82% of ST in Sub-Staff category. The Committee are not convinced by the reply that the shortfall of SC/ST is due to restrictions imposed by the Government on Direct Recruitment for the posts and that the gap in percentage in prescribed reservations is due to the fact that reservations were made applicable in the Bank from the date of nationalization. The Committee are also not sure whether in subsequent recruitments after nationalization, the Bank has been filling up appropriate reserved quota of SCs and STs in all categories as mentioned in the reply. It is now almost 30 years since the nationalization of the Bank and introduction of reservation policy therein. In fact, by this time the required percentage of SCs and STs should have been employed in the Bank. However, there is still shortfall of SCs and STs in all categories of posts as on 1.1.2008. The Committee are especially amazed by huge SC shortfall in Clerical posts. While the usual line of reasoning of the Government is non-availability of STs against their reserved posts, the Committee observe that in case of the Punjab & National Bank, there is not many SCs too in Clerical category. The Committee find it strange that there is shortfall of 11.10% of SC in the Clerical category even though most of the branches of the Bank are located in States where there is no dearth of SC population. The Committee are, therefore, of the view that it is a

matter of gross mismanagement in implementation of reservation policy which has resulted in huge shortfall of SC and ST in Clerical category. The Committee, therefore, recommend that the matter should be thoroughly enquired into so as to know as to how out of 15%, there is shortfall of 11.10% of SCs and out of 7.5% there is shortfall of 5.8% of STs in Clerical category as on 1.1.2008. Similarly, the shortfall in case of Officers and Sub-staff needs to be looked into. The outcome of the enquiry should be apprised to the Committee. The Committee also urge the Punjab and Sind Bank and the Ministry of Finance to chalk out a strategy to fill up SC/ST shortfall in all categories of posts within a time frame through Special Recruitment Drive and apprise the Committee of the action initiated in this regard within three months of the presentation of this report to Parliament.

2.28 The Committee are also surprised by the reply that when it queried as to whether any time frame for clearing of SC/ST shortfall has been fixed, it was casually replied that the Bank is in the process of undertaking another Special Recruitment Drive for filling up the backlog of 46 ST vacancies in Officers Cadre within a year. The Committee are concerned not only about backlog of SC and ST vacancies, but concerned about shortfall of SC and ST in every recruitment and promotion year. It seems that the Ministry and the Bank are interchanging backlog vacancies and shortfall and trying to confuse the Committee. How the shortfall as on 1.1.2008 can be mixed up with backlog of 46 ST vacancies which resulted after Special Recruitment Drive carried out in the years 2005 and 2006. The Committee feel that by not filling up the SC/ST vacancies for years together, the Bank has been taking away the constitutional rights of the SC/ST unemployed youths. The Committee feel that by mixing up shortfall and backlog vacancies together, the Bank has tried to mislead them. The Committee, therefore, recommend that the Ministry of Finance should ensure that the Bank revises the backlog and shortfall

vacancies of SC/ST as on 31.3.2008 and continues to maintain separate record for shortfall and backlog vacancies in future too. The Committee should also be apprised of the action taken in this regard.

2.29 The Committee also note that backlog of 46 ST vacancies in the officers cadre could not be filled up due to non-availability of suitable candidates. The Committee note that lack of “suitable” candidates has been often been cited as one of the reasons for not filling up the reserved vacancies. The Committee desire to be explained as to what constitutes “suitability” for each of the vacancy mentioned in the Report for which the Bank has not selected candidates citing non-availability of suitable candidates. The Committee would like to be apprised about the details of 46 ST vacancies in officers cadre for which the Bank was in the process of undertaking another special recruitment drive.

G. Promotional Procedure

2.30 The Committee have been informed that the Bank has negotiated and settled promotion policies duly approved by the Board of Directors of the Bank in vogue for all Officers, Specialised officers, Clerical and Subordinate Staff. The promotion policies are framed in such a manner that no Government guidelines/rules are flouted and due reservation/relaxation are provided to SC/ST candidates.

H. Concessions/Relaxations

2.31 In regard to the concessions/relaxations given to SC/ST employees at the time of promotion, the Committee have been informed as under:-

- (i) Relaxation of 5% marks are given to SC/ST candidates in written test for promotions from Scale-I to Scale-II and Scale-II to Scale-III as per Government guidelines.
- (ii) Also 5% relaxation of marks to SC/ST candidates in interview are given, where the minimum qualifying marks in interview are prescribed.
- (iii) Where there is no reservation, but the SC/ST officers, who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies

for which the select list has to be drawn up are included in that list provided they are not considered unfit for promotions. Their position in the select list would, however, be the same as assigned to them by DPC, on the basis of their record of service.

- (iv) Pre-promotional trainings are being imparted to SC/ST candidates of Officer/Clerical/Sub-Staff cadre.
- (v) In promotion from Clerical to Officer cadre and Sub-staff to Clerical cadre if within the normal zone of consideration sufficient number of SC/ST candidates are not available, the zone of consideration is extended to 5 times the number of vacancies.

I. Details of Promotion

2.32 The following statements have been furnished to the Committee showing the total number of persons promoted during the years 2005 to 2008 in various categories of posts and also the number of SC/ST employees among them:

Category – Clerical to Officers (JMGS-I)

Year	Total Number of employees promoted	Number of posts filled		% of		Number of backlog vacancies/ shortfall		Remarks
		SC	ST	SC	ST	SC	ST	
1	2	3	4	5	6	7	8	9
2005	91	77	14	84.61	15.38	-	-	Spl. SC/ST drive
2006	-	-	-	-	-	-	-	
2007	154	04	-	02.59	-	29	15	Not sufficient SC/ST found in feeder cadre
2008	322	04	01	01.24	00.31	57	30	Not sufficient SC/ST found in feeder cadre
					Total	86	45	

Category – Sub staff to Clerical Cadre

Year	Total Number of employees promoted	Number of posts filled		% of		Number of backlog vacancies/ shortfall		Remarks
		SC	ST	SC	ST	SC	ST	
1	2	3	4	5	6	7	8	9
2005	07	-	07	-	100	-	-	Spl. ST drive
2006	-	-	-	-	-	-	-	
2007	08	02	-	25	-	-	01	Not sufficient ST found in feeder cadre.
2008	25	03	-	12	-	01	02	Not sufficient ST found in feeder cadre.
					Total	01	03	

2.33 The reason for shortfall in promotion is stated to be due to non-availability of SC/ST in feeder cadre. When asked as to what efforts have been made in the past and proposed to be taken by the Bank to wipe out shortfall in promotion of SCs/STs in Officers cadre, it has been reported that in the year 2006, the backlog vacancies in direct recruitment and promotion were combined together and were filled in the Special Recruitment Drive for SCs/STs. In the next Recruitment drive, these vacancies will be clubbed again if suitable candidates are not found available in the feeder cadre.

2.34 In the Annual Report of the Punjab and Sind Bank 2007-08, it has been mentioned that the total staff of the Bank as on 31-03-2008 stood at 9013 comprising 4454 Officers, 3143 Clerks and 1416 Sub staff. During the year, the Bank promoted 526 employees and officers in different scales.

2.35 When the Committee enquired about the break up of staff strength of 9013 as also the number of SC/ST employees promoted out of those 526 employees promoted category-wise during the year, the following information has been furnished :-

Category-wise Staff Strength as on 31.3.2008:-

Cadre	SC	ST	Total
Officer	506	149	655
Clerk	122	51	173
Sub Staff	249	39	288
TOTAL	877	239	1116

No. of SC and ST promoted during the year 2007-08:

Cadre	SC	ST
Officer	29	10
Clerk	02	00
Sub Staff	-	-

2.36 When inquired about the broad guidelines laid down on the promotions/transfers in Punjab & Sind Bank, whether SC/ST employees on promotion are posted to

remote/sensitive areas where they find difficulties in arranging residential accommodation due to caste prejudice and whether any representations from SC/ST employees were received against their posting on promotion, the Committee were informed that the transfer in the Officer cadre are made on All India basis as per administrative requirement, functional needs and SC/ST employees are treated at par with the other employees in the matter of posting and transfer and no separate record of SC/ST representations is maintained.

2.37 The Committee note that the Punjab and Sind Bank had negotiated and settled promotion policies duly approved by the Board of Directors of the Bank in vogue for all Officers, Specialised Officers, Clerical and Subordinate staff. It has been stated that the promotion policies are framed in such a manner that no Government guidelines/rules are flouted and due reservations/relaxations are provided to SC/ST candidates. The Committee, however, are perturbed to note that there was shortfall of 29 SC and 15 ST during the year 2007 and of 57 SC and 30 ST during the year 2008 in promotion from Clerical to Officers (JMGS-I) category. In case of promotion from Sub Staff to Clerical category, there was shortfall of 1 ST during the year 2007 and of 1 SC and 2 ST during the year 2008. The reason stated for the shortfall is that not sufficient STs were found in feeder cadre. According to Annual Report 2007-08, there were promotions of 526 employees. When asked as to the number of SC/ST out of 526 employees promoted, it was replied in post-evidence reply that it included 29 SC and 10 ST in Officers category and 2 SC in Clerical category. However, these figures do not seem to match with the data for promotion as provided for the years 2007 and 2008 at para 2.31. The Committee feel that the Ministry and the Bank are not at all sincere in projecting the actual picture. The Committee, therefore, recommend that an explanation should be given as to how there is mismatch in the number of SC and ST promoted in

Officers and Clerical categories for years 2007 and 2008. The Committee also recommend that all SC/ST backlog vacancies i.e. 86 and 45 in Officers category and 1 SC and 3 ST in Clerical category, which have been accumulated during the year 2008 should be filled up by conducting Special Recruitment Drive in a time bound manner. The outcome of the same should be apprised to the Committee.

2.38 The Committee also note that in the matter of posting and transfer on promotion, no separate record of SC/ST representations is maintained. The Committee recommend that the Punjab and Sind Bank should not treat representations from SC/ST employees on posting on promotion casually. The Bank should maintain separate record of SC/ST representations like other nationalized Banks/PSUs.

CHAPTER III

MEASURES TO IMPROVE REPRESENTATION OF SCHEDULED CASTES/SCHEDULED TRIBES IN SERVICES

A. Liaison Officer and SC/ST Cell in the Ministry of Finance (Banking Division)

3.1 The Committee have been informed that the Department of Financial Services is headed by a Secretary of the Government of India. The SCT (B) Section has been set up in the Ministry of Finance, Department of Financial Services (Banking Division) to oversee the implementation of orders on reservation for and employment of Scheduled Castes and Scheduled Tribes in Punjab & Sind Bank.

3.2 When asked about the number of staff working in SCT(B) Section and whether the staff working in it is adequate to cope up with the work assigned to it, the Ministry have furnished the following information:

1.	Section Officer	-	1 (General)
2.	Assistant	-	1 (General)
3.	UDC	-	2 (1 SC and 1 General)
4.	LDC	-	1 (Vacant)
5.	Peon/Daftry	-	1 (Vacant)

The staff working in SCT(B) Section is reported to be adequate.

3.3 When asked whether the Liaison Officer has been appointed in the Ministry to oversee implementation of reservation policy in all establishments and services under their administrative control, the Committee were informed that an officer in the rank of Deputy Secretary to the Government of India has been appointed as Chief Liaison Officer for SC/ST/OBC. He also belongs to ST category. The Chief Liaison Officer for SCs/STs ensures that reservation orders issued in respect of SC/ST are actually implemented in all Public Sector Banks. Periodical inspections of the Banks are undertaken and the reservation rosters maintained by the Banks are checked and verified. Other relevant records, registers etc. are also inspected by the Chief Liaison Officer (CLO) from time to time. This is also ensured by periodical reports and returns submitted by the Banks.

3.4 When asked whether the Liaison Officer appointed in the Ministry conducts Annual Inspection/visit of the Bank to ensure proper implementation of Reservation Orders, it has been stated that all possible efforts are made to inspect the Banks annually but sometimes due to preoccupation of the CLO for exigencies of work, the same could not take place. However, the Punjab & Sind Bank was inspected on 6.8.2005 and 30.4.2008 by CLO.

B. Liaison Officer and SC/ST Cell in Punjab & Sind Bank

3.5 The Committee have been informed that SC/ST Cells are functioning at Head Office as well as Zonal Office level. The SC/ST Cells help in prompt and quick redressal of the grievances of the SC/ST employees. The Cell mainly assists the Liaison Officer to discharge his duties effectively. The SC/ST Cell at Head Office comprises a Manager, Officer (belonging to SC category) and a Clerk. Similar composition is formed at Zonal Office level. It has also been informed that an officer holding the rank of General Manager has been appointed as Chief Liaison Officer (CLO) for SCs/STs at Head Office and at Zonal Office. Zonal Manager/2nd man is appointed as Liaison Officer. It has also been informed that the CLO is looking after other Department also as General Manager at Head Office.

3.6 When asked whether adequate staff is posted at SC/ST cells, it has been reported that adequate staff is posted in SC/ST Cells at Head Office and Zonal Offices to cope with the workload entrusted to them. Also officers and staff posted in SCT Cells are acquainted in the reservation policy for SCs and STs.

3.7 When asked about the procedure for selecting/appointing the Liaison Officer and whether they are given formal training to acquaint themselves with the reservation policy of the Government, it was informed that the Liaison Officer belongs to the Top Management and he is fully aware of SC/ST guidelines/instructions issued by the Government from time to time.

3.8 When asked whether efforts are made to ensure that Liaison Officer and supporting staff posted in the SC/ST Cell belong to SC/ST category, it has been submitted in their post-evidence reply by the Ministry that the Bank has reported that it is the endeavour to post Liaison Officers and supporting staff in the SC/ST Cells belonging to SC/ST category whenever available in the Zonal Offices. Further in Zonal Offices at least one of the supporting staff belongs to SC/ST. When asked about the details of Branches or Zonal Offices of the Bank inspected by Chief Liaison Officer during the last three years and specific observations made by them, it has been reported that the Chief Liaison Officer supervises the functioning of SC/ST Cell at Zonal Offices through the Cell set up at Head Office.

3.9 When asked whether any lacuna observed by the Chief Liaison Officer in the implementation of the reservation policy during his inspection and what follow up action has been taken by the concerned officer, it has been reported that while supervising the functioning of SC/ST Cell at Zonal Offices through SC/ST Cell at Head Office for implementation of reservation policy, no irregularity has been observed by the Chief Liaison Officer in the last three years.

3.10 Regarding frequency of meetings held by the Chief Liaison Officer/Liaison Officer with the SC/ST Employees Association, it has been reported that the Chief Liaison Officer/Liaison Officers hold meetings with the representatives of SC/ST Welfare Council on quarterly basis as required and minutes of such meeting are duly drawn.

C. Rosters

3.11 The Committee have been informed that the Bank is maintaining rosters of Officers (JMGS-I) and Clerical categories on national level at Head Office. For the subordinate staff, the rosters are maintained at Zonal Office, State-wise.

3.12 When asked whether the rosters for recruitment and promotion are maintained separately, it has been stated that the separate rosters are maintained for recruitment and promotion.

3.13 When asked as to how many times the rosters were inspected by the respective Liaison Officers during the last three years, it was stated in the post-evidence reply that these rosters are inspected on yearly basis by Liaison Officer.

3.14 When the Committee desired to know whether the representative of Ministry of Finance, Department of Financial Services (Banking Division) visited the Head Office and Regional/Zonal/Circle Offices of the Punjab & Sind Bank to check the rosters and if so, the types of discrepancies that have come to their notice during such inspections and corrective measures suggested to rectify those discrepancies, the Committee were informed that the representatives of Ministry of Finance are inspecting roster registers and other records. No discrepancies were pointed out during the inspections carried out by them in their inspection held on 30.04.2008. It has also been stated that no complaints regarding negligence/manipulation in maintenance of rosters has been brought to the notice of the Bank at any point of time by the Welfare Association of SC/ST Employees.

3.15 The Committee observe that the Ministry of Finance to ensure that reservation orders issued in favour of SCs/STs are actually implemented in Public Sector Banks have appointed a Chief Liaison Officer (CLO), who conducts periodical inspections of the Banks, checks and verifies the reservation rosters maintained by the Banks. Other relevant records, registers etc. are also inspected by the CLO from time to time. The Committee however, note that the CLO inspected the Punjab & Sind Bank only twice i.e. on 6.8.2005 and 30.4.2008. The Committee feel that the Ministry of Finance (Banking Division) should draw a schedule of all Public Sector Banks including Punjab & Sind Bank, so that the

CLO, with the assistance of Officers of Banking Division, could inspect the roster registers maintained by the Banks atleast once in a year. The Committee, therefore, recommend that the Ministry of Finance (Banking Division) should ensure regular annual visits by its Chief Liaison Officer of all Public Sector Banks including Punjab & Sind Bank so that he may be able to check roster registers and see that reservation orders are properly implemented in all Nationalized Banks.

3.16 The Committee note that SC/ST Cells are functioning at Head Office as well as Zonal Offices level of the Bank. The SC/ST Cell at Head Office comprises a Manager, an Officer belonging to SC category and a Clerk. The Committee also note that similar composition is formed at Zonal Office level. The Committee further note that a General Manager level Officer has been designated as Chief Liaison Officer at Headquarters of the Bank and Zonal Manager/2nd Man at Zonal Office as Liaison Officer in Zonal Offices of the Bank. The Committee stress that the nomination of Liaison Officer should not be considered as mere fulfillment of a formality. The Committee, therefore, recommend that only such officer should be appointed as Liaison Officer who not only is fully acquainted with reservation orders but is committed to justify his appointment as an Institution to safeguard the welfare of SC/ST employees. The Committee also desire that Liaison Officer for SC/ST should be engaged exclusively in the matters relating to SC/ST and should not be burdened with other matters. His services should rather be utilized in monitoring of the credit facilities given by the Bank to SCs/STs under various Schemes. The Committee also desire that Chief Liaison Officer posted at Headquarters as well as Liaison Officers at Zonal Offices should possibly be appointed from people belonging to SC/ST category.

3.17 Inspection of Roster is part of the job assigned to a Liaison Officer. The Committee, therefore, recommend that Chief Liaison Officer should inspect the rosters kept at Head Office and Zonal Offices every year.

D. Training

(a) In Service Training

3.18 The Committee have been informed that in service training is given by the Bank to all employees including SC/ST employees. The Bank has reported that in service training is provided to staff for making them aware of changing scenario in the Banking industry and keeping them updated with policies, latest Government guidelines, system, procedure and development. The training programmes are devised on different topics and the duration is accordingly decided keeping in view the matter involved. The details of in service training given to all employees including SC/ST employees during the years 2005-06, 2006-07 and 2007-08 are as under:-

Year	General Category	SC/ST Category	Total
2005-06	1399	197	1596
2006-07	1687	469	2156
2007-08	2147	421	2568
2008-Till date	291	44	335

(b) Pre-recruitment Training

3.19 The Committee have also been informed that the Bank gives pre-recruitment training. During the year 2005, 77 SC/ST candidates were imparted pre-recruitment training.

3.20 When asked whether the SC/ST candidates who had undergone pre-recruitment training were able to get into the job for which they were given training, it has been informed that the Bank gave pre-recruitment training to 77 candidates belonging to ST category and the 16 selected candidates were among these candidates.

3.21 The Committee were also informed that no recruitment was made during the years 2007 and 2008 except appointment of seven sport persons and one on compassionate ground.

(c) Pre Promotional Training

3.22 When asked whether Punjab & Sind Bank has conducted any pre-promotion training for SC/ST employees, the duration of such training and whether the duration of training was sufficient, the Committee were informed that the pre-promotional training is provided to SC/ST candidates so as to enable them to compete in departmental exams and interviews. The details of pre promotional training given to SCs/STs employees during the years 2005 to 2007 are given below:-

Year	SC/ST
2005	234
2006	220
2007	281

(d) Training Abroad

3.23 The Committee have been informed that only one officer in Scale-II was sent to Singapore for training on SWIFT and she belongs to General category. The Committee were also informed that the core team consisting of five persons constituted for implementation of CBS project was taken to Philippines by Bank's franchisee M/s Satyam Computers at their own expenses during the year 2007. None of the employees belonged to SC/ST category.

3.24 Regarding procedure for nominating officers for training abroad and reason for not nominating any SC/ST employees to the core team of five persons taken to Philippines, the Committee were informed through post evidence replies that the team to Philippines was sent primarily to check the software to be installed under the CBS Project. The team was constituted out of core team of officers already working in CBS Cell. However,

actual training on CBS is being imparted to all employees including SC/ST during the course of implementation of the project.

3.25 The Committee are pleased to note that pre-recruitment training is being given to SC/ST candidates by the Bank. During the year 2005, the Bank had provided pre-recruitment training to 77 SC/ST candidates, out of which 16 ST candidates are reported to have been selected. The Committee also note that in service training is imparted by Punjab & Sind Bank to all employees including SC/ST employees to make them aware of changing scenario in the Banking industry and keep them updated with policies, latest government guidelines, system procedure and development. The Committee recommend that the Bank should provide in-service training to all its SC/ST employees. The Committee also note that the Bank give pre-promotional training to SC/ST employees. During the year 2005 to 2007, several number of SC/ST employees were given pre-promotional training. The Committee, however, note that the number of promotion given to SC/ST employees during the period does not seem to reflect the effect of the pre-promotional training. The Committee feel that the objective of pre-promotional training to SC/ST would be defeated if they do not pass the pre-promotional examination and interview. The Committee are, therefore, of the view that the pre-promotional training should not be a formality. The Committee, therefore, recommend that the pre-promotional training should be of adequate duration so as to cover all the topics which are required to be prepared for the pre-promotional examination and interview.

3.26 The Committee are however, unhappy to note that none of the employees belonging to SC/ST category were included in the core team consisting of five persons constituted for implementation of CBS project that was taken to Philippines by Bank's franchisee M/s Satyam Computer at their own expenses

during the year 2007. The Committee recommend that the Ministry of Finance should issue specific instruction in term of Para 17.3(iii & iv) of the “Brochure on Reservation for SCs/STs in Services” which envisage that it would be useful to include eligible SC/ST officers in such training programmes to broaden their outlook and also build up specialized knowledge thereby boosting up the morale of the officers of these communities.

E. Appointment on Compassionate Grounds

3.27 In reply to a question as to how many persons were appointed by the Bank on compassionate grounds during the last five years and the number of SCs/STs out of them, the following information has been furnished by the Punjab & Sind Bank:-

Year	Cadre	Total persons appointed on compassionate grounds	Out of these	
			SC	ST
2003	Clerk	40	-	-
2003	Sub Staff	38	2	-
2006	Clerk	1	-	-

3.28 About the pending cases of compassionate grounds appointment and delay in disposing of these cases, it has been reported that there are 10 cases pending for giving employment on compassionate grounds under the old scheme in which lien has been marked on account of the candidate not attaining the requisite age. There is no SC/ST case in the pending 10 cases. The said scheme for providing appointments has been replaced by the Ministry of Finance since 2004 by a new scheme for providing financial assistance. The delay in disposing of pending cases is due to facts that some irregularities pointed out in these cases have not been rectified so far.

3.29 The Committee note that during the years 2003 to 2006, a total of 41 Clerks and 38 Sub-Staff including 2 SC candidates were appointed on compassionate grounds. The Committee also note that 10 cases are still pending under the old

scheme of providing appointments on compassionate grounds. The Committee, however, note no case of SC/ST is pending for appointment on compassionate grounds in Punjab & Sind Bank. The Committee expect that these 10 cases pending would be settled expeditiously so that the dependents of the deceased employees do not face hardships. The Committee also note that the scheme for providing appointment has been replaced by a new Scheme of providing financial assistance in 2004 by the Ministry of Finance. The Committee are of the view that families of deceased employees, especially from SC/ST categories might prefer to have a steady income instead of one time financial help because of their economic background. The Committee, therefore, recommend that jobs should be provided to dependents of deceased SC/ST employees instead of financial assistance so that they do not face hardships after the demise of their bread winner.

F. Housing Facilities

3.30 The Committee have been informed that the Bank is providing House Rent Allowance/Lease accommodation etc. to its employees as per their entitlement under the rules applicable to them. The Bank is also having residential flats in 3-4 selected places. All officers including SC/ST posted from outside at these places are provided with accommodation without any discrimination. It has been reported that the Bank is having residential flats at Mumbai, Chennai and Ludhiana. All Officers posted from outside who want to avail the facility are provided accommodation. The accommodation comprises one room, two rooms and three rooms set. The Bank is aware of the Government guidelines on the subject, but due to availability of sufficient number of flats, no SC/ST has ever found any difficulty in getting the accommodation.

3.31 The Committee were also informed that the housing loan is given to all employees of the Bank including SC/ST employees at a concessional rate of interest and on liberal terms & conditions.

3.32 The Committee note that the Bank is having residential flats comprising one room, two rooms and three rooms set in three-four selected places. The Committee note that all officers including SCs/STs posted from outside at Mumbai, Chennai and Ludhiana are provided with the accommodation without any discrimination. Also due to availability of sufficient number of flats, no SC/ST has ever found any difficulty in getting the accommodation. The Committee desire that the Bank should continue to provide accommodation to SC/ST officers, whenever, they require.

G. Complaints/Grievances of SC/ST Employees

3.33 The Committee have been informed that in Punjab & Sind Bank, SC/ST Cells at Head Office as well as in every Zonal Office are looking after the redressal of grievances of SCs/STs. Quarterly meetings with the Welfare of Council of SC/ST are also being regularly held at Head Office. It has also been stated that at Head Office, Chief Liaison Officer and at Zonal Offices Zonal Managers as Liaison Officers are the competent authority for redressal of the grievances of SCs/STs.

3.34 The Committee have also been informed that proper complaints/grievances Register is maintained at Head Office and Zonal Office level. The details of complaints received during the years 2005, 2006 and 2007 are as under:

Year	No. of Complaints	Nature of Complaint	Disposed of	Pending
2005	06	Discrimination in transfers, promotion, misbehavior, harassment	06	NIL
2006	02	Transfer, caste based objectionable words	02	NIL
2007	03	Misbehaviour, promotion, dismissal	03	NIL

3.35 When asked whether any case(s) of harassment or discrimination against SC/ST employees on the grounds of social origin received, it has been stated that out of the two cases mentioned in the year 2006 above, one is caste based complaint in which disciplinary action proceedings are in progress against the delinquent employee.

3.36 Regarding role and control of the Ministry on the Banks with regard to complaints/problems of SC/ST employees of the Bank, the Committee have been informed that all Public Sector Banks including Punjab & Sind Bank have been given functioning authority in respect of various functions including H.R. issues. However, when any complaints/problems of SC/ST employees are received in the Ministry, comments of the Bank are sought and after examining the same, directions, if necessary, are issued to Bank for appropriate action.

3.37 To a query regarding remedial/corrective action taken by the Ministry in cases of harassment/victimization of SC/ST employees at the levels of the management of the Bank, the Committee have *inter-alia* been informed that the management of the Bank conducts quarterly/half yearly meetings with the representatives of the SC/ST Welfare Associations and redresses their grievances. The grievances/representations of the SC/ST employees received in the Ministry of Finance, Department of Financial Services are taken up with the management of the Bank and efforts are made to settle the same amicably as far as possible. The management of the Bank is also directed to take corrective action in this regard.

3.38 When asked whether the Ministry of Finance have received any representation from any SC/ST Employees Association of the Banks relating to the grievances or the cases of victimization at the hands of management of the Punjab and Sind Bank through Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes in which it has been alleged that a SC employee of Punjab & Sind Bank has been dismissed from service on false and fabricated charges holding only brief departmental inquiry with biased intention, whereas no dismissal action has been taken against other employees of general category against whom even CBI has recommended action for their involvement in financial fraud thereby making loss of lakhs/crores of rupees to the Punjab & Sind Bank, the Committee were informed that only one such case has been

received and was forwarded to the Punjab & Sind Bank . The Punjab & Sind Bank has also reported that they had received such representation from Shri P.N. Chaudhary Ex-Manager through Parliamentary Committee on Welfare of SCs/STs, Ministry of Finance and National Commission for Scheduled Castes. The Bank has stated that the representation was misleading and was devoid of facts, as he was not dismissed from Bank service on false charges as alleged by him. Certain serious irregularities were committed by Shri Chaudhary for which he was charge-sheeted. A departmental enquiry was conducted and allegations were established on the basis of documentary as well as oral evidence. During the enquiry, Shri Chaudhary was given fair opportunity to put up his case and defend himself. The Bank has stated that it takes suitable disciplinary action, without any discrimination depending on the charges, available evidence, and other related facts. Any observations made by CBI, (if any) are also duly considered and matter is dealt on merits.

3.39 When the Committee desired to know the numbers of representations of cases of harassment/victimization received and corrective action taken by the Ministry thereon in respect of SC/ST employees of Punjab and Sind Bank, the information as provided to the Committee are as under:

The following four cases were received during the period from 1.1.2008 to 31.3.2009 in the SCT Section:

- (i) Reinstatement case of Shri A.K. Gautam, an officer of Punjab & Sind Bank, District Bhagalpur, Bihar
- (ii) Representation of Shri P.N. Chaudhary, General Secretary of All India Punjab & Sind Bank SC/ST Welfare Association, Ghaziabad regarding deliberate violations of reservation policy and victimization of office bearers.
- (iii) Institution and false enquiry against Shri Bhupender Singh, officer, Punjab & Sind Bank, Ludhiana.
- (iv) Harassment due to social origin of Scheduled Caste. Representation of Shri Bhupender Singh, Punjab & Sind Bank, Ludhiana.

In all the above cases, comments were invited from Punjab & Sind Bank. These were examined and wherever necessary, appropriate directions were issued.

3.40 When the Committee desired to know the number of cases like that of Shri Chaudhary, the Bank has replied that departmental action cases in Banks generally contain charges evolving financial implications. But, each case differs with other on the basis of gravity, circumstances, intent i.e. bonafide/malafide, procedural lapses, concealment of facts etc. by the delinquent employee. The case of Shri P.N. Chaudhary involves grave financial irregularities and fraudulent transactions.

3.41 When asked as to whether in all such cases the employees involved were dismissed from services, it has been stated that there are as many as 79 cases during the period from 1.1.2005 to 31.12.2008 where services of the delinquent employees have been terminated by way of dismissal, removal and compulsory retirement. Out of these 79 cases, 63 employees belong to general category, whereas 13, 2 and 1 belong to SC, ST and OBC categories respectively.

3.42 In one of his representations, Shri Chaudhary had mentioned that CBI recommended action against several officers of general category of the Bank who were involved in fraudulent act thereby making loss to Bank in lakhs/crores of rupees and that only minor penalty i.e. one or two increments have been stopped in their cases and even they have been promoted to higher posts in spite of severe findings against them. Whereas, in the case of Shri Chaudhary only departmental inquiry was held and as per this inquiry, loss of Rs.89 lakhs was reported likely to occur in the form of NPA and not proved loss of Rs.89 lakhs and that Shri Chaudhary was dismissed from service. When asked whether it was not a biased and discriminatory act on the part of the Bank, it was replied that the instant case involved serious financial irregularities including fraudulent transactions where the delinquent officer and his family were found to be the ultimate beneficiary. A departmental inquiry was conducted with respect to the charges and

complete opportunity of defence was given to the delinquent officer in terms of Punjab & Sind Bank Officer's (Discipline & Appeal) Regulations, 1981. After the inquiry, the appropriate punishment was awarded by the Disciplinary Authority under the said regulations. When asked whether the action of Shri Chaudhary as alleged is of very serious nature that he is dismissed from service, it was stated in post-evidence reply that the acts committed by Shri P.N. Chaudhary were of serious nature. In reply to a query as to how much financial loss the Bank has suffered by the act of Shri Chaudhary, it was reported by the Bank that an amount of Rs.89,94,971/- has turned into NPA category out of the advances sanctioned by Shri P.N. Chaudhary during his tenure at B.O., Loni. However, as per latest information, the Bank is likely to suffer loss of Rs.24.27 lakh as on 7.2.2009 due to the acts of Shri Chaudhary. It is however, submitted that loss/unlikely loss of the Bank is not the only criteria to decide upon the quantum of punishment. In case of Shri P.N. Chaudhary, there are transactions of fraudulent nature out of which pecuniary benefits was derived by him or his family members besides other financial irregularities committed by him which affected image of the Bank.

3.43 In reply to a query on not referring the case to other independent agency or CBI for fair inquiry as agreed by the Bank in a meeting held on 19th March, 2008 with the Committee, particularly when Shri P.N. Chaudhary has alleged that the inquiry against him was biased and not fair, it has been reported that the Ministry has carefully examined the case and has come to the conclusion that in the light of the clarifications provided and due to the fact that the stipulated procedures have been followed in the inquiry and in disposal appeal, no further action needs to be taken. To conduct Departmental enquiries is a quasi-judicial procedure and there is no scope for interference/issue of directions to Disciplinary Authorities. The decision was taken in Shri Chaudhary's with the approval of MOS.

3.44 During evidence, a representative of the Ministry stated in this regard as under:-

“I just want to react to the specific suggestion that has been made. All the Banks have their own Discipline and Appeal Rules; and all inquiries under each Bank are conducted under those rules. That is the legal position; we cannot go beyond those rules. They have been made under the Act passed by the Parliament and these rules are paramount for taking any action or in taking any decision in any disciplinary case.”

3.45 When asked whether the charges levelled against Shri P.N. Chaudhary were all proved on the basis of evidence, the Committee were informed that out of 24 charges levelled against Shri Chaudhary, 22 were held fully proved and one as partially proved by the Inquiry Officer. However, the DA after independent application of mind on the inquiry report, the oral and documentary evidence adduced in the case declared 17 charges as fully proved and 5 as partially proved. It has also been informed that no other officer of the Bank has been held accountable for charges levelled against Shri P.N. Chaudhary. It has also been informed that no false and fabricated documents and evidence were used against Shri Chaudhary during the course of inquiry.

3.46 When asked as to whether the Bank has different sets of rules to victimize the officials of reserved category only, it has been informed that the Bank duly observes uniformity in all matters concerning its employees who are considered as prime assets.

3.47 The Committee note that SC/ST Cells at the Bank's Head Office as well as in every Zonal Office are looking after the redressal of grievances of SCs/STs. Quarterly meetings with the Welfare Council of SC/ST are also being regularly held at the Head Office. At the Head Office, Chief Liaison Officer and at Zonal Offices, Zonal Managers as Liaison Officers are the competent authorities for redressal of grievances of SCs/STs. The Committee appreciate that none of the complaints/grievances received by the Bank during the years 2005 to 2007 is pending redressal. The Committee also note that grievances/representations of SC/ST employees received in the Ministry are taken up with the Management of the Bank

and efforts are made to settle the same amicably as far as possible. Further, the Management of the Bank concerned is also directed to take corrective action in this regard.

3.48 The Committee also note that the Bank had received a representation from Shri P.N. Chaudhary belonging to SC category, Ex-Manager, through this Committee, Ministry of Finance and the National Commission for Scheduled Castes. The Bank has reported that the representation was misleading and devoid of facts as Shri Chaudhary was not dismissed from the service on false charges as alleged by him. It was further stated that certain serious irregularities were committed by him for which he was chargesheeted. A departmental enquiry was conducted and allegations were established on the basis of documentary as well as oral evidence. During the enquiry, he was given fair opportunity to put his case and defend himself. The Committee also note that out of 24 chargers leveled against Shri Chaudhary, 22 were held fully proved and one has partially proved by the inquiry officer. However, the Disciplinary Authority, after independent application of mind on the inquiry report, the oral and documentary evidence adduced in the case of declared 17 charges as fully proved and 5 as partially proved. No other officer of the Bank has been held accountable for charges levied against Shri Chaudhary. Also, no false and fabricated documents and evidence were used against Shri Chaudhary during the course of inquiry.

3.49 The Committee observe that the Bank authorities had taken action against Shri Chaudhary based on the report submitted by the Disciplinary Authority. The case had not been referred to either CBI or an independent investigating agency as requested by the accused officer citing unfair inquiry conducted by the Disciplinary Authority. The Bank authorities had been accused of meting out differential punishment to officials who belong to Scheduled Castes/Scheduled

Tribes and others, often leading to major punishments to the officials from oppressed society and minor punishments to others even after agencies like CBI confirming their fraudulent acts. The Committee feel that such a situation, if found to be true, does not augur well for the ethos and ideals that are enshrined in our constitution that provides special protection to the Scheduled Castes and Scheduled Tribes and Equality before law. The Committee, therefore, want the bank to furnish detailed reply about fraudulent activities found to have been committed, inquiry/investigation done, nature of crime committed, quantum of money involved and punishment meted out to each one of them, during the years from 2005 to 2009.

3.50 The Committee observe that the case of Shri Chaudhary was not referred to other independent agency or CBI for their inquiry, as agreed to by the Bank, in a meeting held on 19.03.2008 with them. A necessity arises particularly when Shri Chaudhary had alleged that the inquiry against him was biased and not fair. The plea of the Ministry is that they have carefully examined the case and has come to the conclusion that in the light of the clarifications provided and due to the fact that the stipulated procedures have been followed in the inquiry and in disposal appeal no further action needs to be taken. The Ministry has further stated that to conduct Departmental enquiry is a quasi-judicial procedure and there is no scope for interference issue of directions to Disciplinary Authority. The Committee feel that in order to completely do away with any iota of subjectivity of inquiry and judgement since the whole inquiry and decision were taken by the Bank's own officials, an independent inquiry in this case should be conducted by an independent investigative agency instead of Punjab and Sind Bank. The Committee would also like to know the present status of the case.

PART II**CHAPTER IV****CREDIT FACILITIES****A. Priority Sector Lending to Weaker Sections**

4.1 Credit to SCs/STs is part of lending to weaker sections under the priority sector lending of the Banks and lending to priority sector is monitored by RBI and the Department of Financial Services.

4.2. Presently, the broad categories of priority sector lending for all scheduled commercial Banks are as under:-

1. Agriculture (Direct and Indirect Finance),
2. Small Enterprise (Direct and Indirect Finance),
3. Retail Trade,
4. Micro Credit,
5. Education Loan,
6. Housing Loan,
7. Weaker Sections,
8. Export Credit.

4.3 Further, the weaker sections under priority sector lending include lending to:

- a) Small and marginal farmers with land holding of 5 acres and less, and landless labourers, tenant farmers and share croppers;
- b) Artisans, village and cottage industries where individual credit limits do not exceed Rs.50,000/-;
- c) Beneficiaries of Swarnjayanti Gram Swarozgar Yojana (SGSY);
- d) Scheduled Castes and Scheduled Tribes;
- e) Beneficiaries of Differential Rate of Interest (DRI) Scheme;
- f) Beneficiaries under Swarna Jayanti Shahari Rozgar Yojana (SJSRY);
- g) Beneficiaries under the scheme for Liberation and rehabilitation of Scavengers (SLRS);
- h) Advances to Self Help Group;
- i) Loans to distressed poor to prepay their debt to informal sector, against appropriate collateral or group security;
- j) Loans granted under (a) to (i) above to persons from minority communities as may be notified by Government of India from time to time.

In State, where one of the minority communities notified is, in fact, in majority, item (j) will cover only the other notified minorities. These States/Union Territories are Jammu & Kashmir, Punjab, Meghalaya, Mizoram, Nagaland and Lakshadweep.

B. Reservations for SC/ST beneficiaries under major Centrally Sponsored Schemes:

(i) Swarnjayanti Gram Swarozgar Yojana (SGSY):

4.4 Under Swarnjayanti Gram Swarozgar Yojana (SGSY) Scheme, which is a major poverty alleviation scheme in rural/semi-urban areas, not less than 50 percent of the families assisted should belong to SCs/STs.

(ii) Prime Minister's Rozgar Yojana (PMRY):

4.5 The Prime Minister's Rozgar Yojana (PMRY) has been designed to provide credit to educated unemployed youth for setting up of the self-employment ventures in industries, services and business Sectors. A reservation of 22.5% has been provided for SCs/STs in the Scheme. As per the revised guidelines under PMRY issued by the Ministry of Micro, Small and Medium Enterprises (MSME) the preference is given to weaker sections including women. Assistance to SC/ST beneficiaries should be targeted in such a manner that they are benefited in proportion to their population in the respective district/State. However, the number of SC/ST beneficiaries should not be less than 22.5% and 27% for other Backward Class (OBC) as is currently envisaged in the PMRY. In case SC/ST/OBC candidates are not available, State/UT Government will be competent to consider other categories of candidates under PMRY. The implementing Banks (Public and Private Sector Banks) are moreover following the guidelines issued by the Government of India and are taking all care to provide credit to poor people especially SC/ST and OBCs as per the Government of India. Further, Ministry of MSME (Nodal Ministry of PMRY) has already decided to merge PMRY with Rural Employment Generation Programme (REGP) into a new scheme to be called as Prime Minister's Employment Generation Programme (PMEGP). As of now, PMRY is not implemented anymore in its present form from 2008-09.

(iii) **Swarna Jayanti Shahari Rozgar Yojana (SJSRY):**

4.6 Under Swarna Jayanti Shahari Rozgar Yojana (SJSRY), which is a poverty alleviation scheme in urban areas, advances should be extended to SCs/STs to the extent of their strength in the local population..

(iv) **Differential Rate of Interest Scheme (DRI):**

4.7 Under the DRI Scheme, Banks can provide individual loans upto Rs.15000/- at a concessional rate of interest of 4% p.a. to the weaker sections of the community for engaging in productive and gainful activities. In order to ensure that persons belonging to SCs/STs also derive adequate benefit under the Differential Rate of Interest (DRI) Scheme, Banks have been advised to grant eligible borrowers belonging to SCs/STs such advances to the extent of not less than 2/5th (40 percent) of total DRI advances.

(v) **Scheme for Liberation and Rehabilitation of Scavengers (presently renamed as Scheme for Rehabilitation of Manual Scavengers):**

4.8 The National Scheme for Liberation and Rehabilitation of Scavengers is for liberating the scavengers and their dependence from the existing hereditary and obnoxious occupation of manually removing night soil and fill and to provide them with alternate dignified occupation. The scheme covers primarily all scavengers belonging to the Scheduled Caste community. Scavengers belonging to other communities are also eligible for assistance. The Scheme has now been renamed as Scheme for Rehabilitation of Manual Scavengers (SRMS).

C. Relaxations for SC/ST beneficiaries under major Centrally Sponsored Schemes

- 1) Under SGSY Scheme, beneficiaries belonging to SC/ST are entitled to subsidy of 50% of the project cost with a maximum ceiling of Rs.10,000/- as against the subsidy of 30% of project cost with a maximum ceiling of Rs.7,500 in case of beneficiaries under general category.

- 2) There is 10 year relaxation for the beneficiaries belonging to SCs/STs in the upper age limit to be eligible under PMRY (age limit for general category is 18-35).
- 3) Under the DRI scheme, the eligibility criteria that size of land holding should not exceed 1 acre of irrigated land and 2.5 acres of unirrigated land is not applicable to SCs/STs. Moreover, members of SCs/STs satisfying the income criteria of the scheme can also avail of Housing Loan of Rs.20,000/- per beneficiary over and above the individual loan of Rs.15,000/- available under the Scheme (As announced in the Union Budget 2007-08).

4.9 The Committee note that credit to SCs/STs is part of lending to weaker sections under priority sector lending of the Banks. The Committee also note that reservations and relaxations for SC/ST beneficiaries exist under certain Central Government sponsored schemes. However, they observe that there are limitations on project cost/housing loans etc. upon which the subsidies/concessions are extended to SC/ST beneficiaries. For example, under Swarnjayanti Gram Swarozgar Yojana (SGSY), apart from reserving fifty percent of the scheme for SC/ST beneficiaries, a subsidy amount of fifty percent of the project cost with a maximum of Rupees Ten thousand has been prescribed. In the opinion of the Committee, such limitations are to be reviewed periodically, considering the increase in cost of inputs, inflation etc. Therefore, the Committee recommend that the limitations under such Schemes, upon which concessions/subsidies are extended, should be increased based on the factors mentioned above.

4.10 The Committee note that in case of SJSRY nothing has been said about the maximum amount that can be advanced to the beneficiaries and the subsidy amount that is available to SC/ST beneficiaries. As the scheme is meant for urban unemployed youth, the Committee urge the Government to undertake this project more vigourously in tribal dominated areas including north east states. The

Committee also recommend that the amount of loan and subsidy allowed are realistic enough for undertaking the project and should be revised from time to time. In case of PMRY, it has been stated that since 2008-09, it has been merged with Rural Employment Generation Programme (REGP) into a new Scheme i.e. Prime Minister's Employment Generation Programme (PMEGP). The Committee, therefore, recommend that details of this Scheme including reservations and relaxations given to SC/ST beneficiaries should be made available to them.

D. Organisational set up to monitor flow of credit to SCs/STs

Ministry of Finance

4.11 The Committee have been informed that since lending to SC/ST is one of the components of lending to weaker sections, separate monitoring of lending to SC/ST is not feasible. Thus, there is no separate organisational structure for monitoring credit to SCs/STs in the Department. However, credit flow to SC/ST from PSBs is being monitored in the Department as of March, 2008 onwards.

4.12 When asked about the reasons as to why separate monitoring of lending to SCs/STs is not feasible, it was reported that lending to SC/ST is a part of the lending to weaker sections in priority sector lending. The weaker sections consist of 12 categories. No sub-targets are stipulated for each category of weaker section. There is a Credit Monitoring Cell in the Department which is monitoring priority sector lending including lending to weaker sections. A separate organisational set up exclusively for monitoring of lending to SC/ST may not be required under the circumstances, particularly since RBI is reviewing the same on half yearly basis.

4.13 Asked whether the Ministry are satisfied with the existing arrangement to monitor the credit flow to SCs/STs, the Committee were informed that lending under priority sector was mainly monitored by RBI. However, the Department of Financial Services has

now been monitoring the progress at State Level Bankers Committee (SLBC) level through Quarterly reporting by Convener Banks of SLBC and participation in SLBC meetings.

Reserve Bank of India (RBI)

4.14 The Committee were informed that RBI being regulatory authority for Banks has taken various steps to ensure that a fair percentage of Bank credit is disbursed to SCs/STs which, *inter-alia*, are as under:

1. Banks have been advised to help the poor, illiterate borrowers in filling up the forms and completing other formalities so that they are able to get credit facility within a stipulated period from the date of receipt of applications.
2. Banks have been advised not to insist on deposits while considering loan applications under Government Sponsored Poverty Alleviation Schemes, Self Employment Programmes from borrowers belonging to SCs/STs.
3. All the necessary institutional support is being provided by Banks to the National SC/ST Finance and Development Corporation to enable the institution to achieve the desired objectives.
4. The rejection of applications in respect of SCs/STs will have to be done at higher level instead of at the Branch level. Further, reasons for rejection of applications will be clearly indicated on the application forms. The register of rejection of applications maintained by Banks is made available to the inspecting officers.
5. Banks have been advised to set up training institutes on the lines of Rural Development and Self Employment Training Institute (RUDSETI) jointly with the State Governments by utilizing their existing infrastructures of ITIs, SISIs. Sensitization Programmes are being conducted by Banks to train the SC/ST beneficiaries.

4.15 Further, RBI has also separately issued specific instructions/guidelines to all scheduled commercial Banks thereby advising to implement all Central Government sponsored poverty alleviation schemes, viz. Swarnjayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Scheme for Liberation and Rehabilitation of Scavengers (SLRS) and Deferential Rate of Interest (DRI) Scheme under the priority sector lending. Banks have been advised to extend necessary co-operation in the matter of sanctioning and disbursement of loan to the beneficiaries under the various Government sponsored schemes. It has also been stated that a master circular incorporating all the existing instructions/guidelines regarding credit facilities to SCs/STs is issued by RBI on a yearly basis. **(Appendix I).**

4.16 It was also stated that Special Programme Division in RPCD, RBI monitors performance of the scheduled commercial banks through the receipt of monthly/quarterly progress report and yearly recovery statements from the Banks under the schemes such as Swarnjayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY.), Scheme for Liberation and Rehabilitation of Manual Scavengers (SLRS/SRMs) etc. The Lead District Officers of the Regional Offices of RBI are members of the District Consultative committee/District Level Review Committee where the review on the progress of the Government sponsored schemes is also undertaken. RBI is represented at the highest level in the quarterly meetings of the State Level Bankers Committee (SLBC) where the progress of the schemes is reviewed invariably.

4.17 It has further been stated that a high-level Committee for monitoring the performance of SGSY was constituted under the Chairmanship of Joint Secretary, Ministry of Rural Development for which RBI is the convenor. The Committee undertakes field visits to various States to understand the practical issues in operationalization of the SGSY and also to study the successful cases for evolving Banking procedure for SGSY.

4.18 The Government of India has also constituted a high-level monitoring committee under SJSRY in which RBI is also a member to review the progress on flow of credit by Banks under the Scheme. The Special Programme Division coordinates with the Ministry of Finance, the Ministry of Urban Employment and Poverty Alleviation and the Ministry of Social Justice and Economic Empowerment while evolving policies. Department of Financial Services also monitors the progress/performance of the Public Sector Banks under Priority Sector Lending and lending to weaker sections which include credit to SCs/STs in periodic meetings with CEOs of Public Sector Banks.

Punjab & Sind Bank

4.19 The Committee were informed that Punjab & Sind Bank accords due importance to the welfare of SCs/STs in accordance with National Policy towards the upliftment of weaker sections of the society. In this direction, the Bank is implementing various Central/State Government sponsored schemes aimed at economic betterment of the deprived sections of the society, in particular to SCs/STs, by extending financial support. For instance, PMRY, SGSY, SJSRY, IAY, SLRS, DRI, etc. are being implemented by the Bank with specific instructions to the field functionaries to give due considerations to SC/ST beneficiaries under these schemes. The Bank has also been implementing Scheme for Liberation & Rehabilitation of Scavengers (SLRS) since it was conceived. The Ministry of Social Justice & Empowerment has proposed a new scheme known as “Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)” under which all the remaining scavengers and their dependents are to be rehabilitated by March 2009. The Bank is working out the modalities for active participation in the renewed scheme.

4.20 When asked about the other agencies involved by the Bank in formulating various schemes, it was reported that the Bank is giving due recognition to the cases sponsored by State SC/ST Corporations. The field functionaries are specifically instructed that no

case belonging to SCs/STs is returned by the branch on flimsy grounds and for rejection of any case the power are vested with one step higher than the sanctioning authority.

4.21 Regarding procedure followed for selecting SC/ST beneficiaries and role of Bank in this regard, the Committee have been informed that a simple documentation without insisting any Collaterals/Guarantees is applied for small loan up to Rs. 50,000/- every care is taken to assist SC/ST beneficiaries by making available cheaper and hassle free credit for taking up viable ventures.

4.22 When asked whether any discussion on the progress made under Central Government Schemes with the Punjab & Sind Bank was held and if so, the outcome thereof, it was stated that State Level Bankers Committee (SLBC) and District Level Consultative Committee (DLCC) are the State level and District level bodies respectively for monitoring progress of the Banks in various Schemes. The Banks operating in the respective State and Districts are members of the SLBCs and DLCCs. The meetings of SLBCs and DLCCs are held periodically wherein the progress made by each Bank is reviewed. Separate discussions are not held with individual Banks.

4.23 The Committee have been informed that Punjab & Sind Bank has a separate Priority Sector Advances Department headed by a General Manager. The department looks after the advances covered under priority sector segment as per the stipulation of the Government. The schemes sponsored by the Government for the welfare of weaker sections including SCs/STs are being implemented by the Bank. For regular monitoring and follow up of SC/ST advances, the periodical statements are called for from branches/zonal offices and scrutinized as per the laid down targets.

4.24 When enquired whether the Priority Sector Advances Department has adequate staff to cater to the need of SC/ST borrowers, it was stated that the Department is adequately equipped with required manpower to handle priority sector segment including schemes sponsored by the Government for the welfare of weaker sections and SCs/STs.

In reply to a query whether the arrangement made to monitor the credit flow to SCs and STs is satisfactory, it was stated that the arrangement to monitor the credit flow to SCs/STs is satisfactory and the Bank will ensure that more emphasis is laid towards further improvement in the system where required.

4.25 The Committee note that credit flow to SCs/STs from Public Sector Banks is being monitored by the Department of Financial Services as of March 2008 onwards. A Credit Monitoring Cell in the Department is monitoring the progress of credit extended to SCs/STs as a part of lending to weaker sections under Priority Sector Lending of the Banks. It has further been stated that monitoring of progress is being done at State Level Bankers Committee (SLBC) level through Quarterly reporting by Convener Banks of SLBC and participation in SLBC meetings. Further, as a part of monitoring/review mechanism, RBI is issuing instructions to all Scheduled Commercial Banks to implement the Schemes to achieve the targets set under different Schemes and play active role for implementation. Further, the Committee note that RBI is also monitoring the credit flow to SCs/STs under priority sector through the half yearly and annual priority sector returns from the Banks. RBI is also monitoring performance of Scheduled Commercial Banks in credit lending to SCs/STs under various schemes such as SGSY, SJSRY, SLRS/SRLS etc. through receipt of monthly/quarterly progress reports and half yearly recovery statements from Banks. The Committee also note that Punjab & Sind Bank has a separate Priority Sector Advances Department headed by a General Manager. The Department looks after the advances covered under priority sector segment as per the stipulation of the Government. The Committee note that in the Master Circular on priority sector lending – credit facilities to SCs and STs issued by the RBI dated 1st July 2009 to all the scheduled commercial banks, it has been specifically stated that a Special Cell should be set up at the head office of banks for monitoring the

flow of credit to SC/ST beneficiaries. Apart from ensuring the implementation of the RBI guidelines, the Cell would also be responsible for collection of relevant information/data from the Branches, consolidation thereof and submission of the requisite returns to RBI and Government. The Committee, however, note that presently Punjab & Sind Bank does not have a Special Cell. The Committee, therefore, recommend that Punjab & Sind Bank should set up a Special Cell to monitor flow of credit to SC/ST beneficiaries at the earliest so that it may fulfill the job entrusted to it as per the instruction given by RBI. The Committee also urge RBI to ensure that all the public sector banks including the Punjab & Sind Bank follow the instruction issued by them in letter and spirit so that the objective of monitoring priority sector lending to weaker sections especially SC/ST beneficiaries may be met effectively.

E. Priority Sector Advances

4.26 Under Priority Sector lending norms, SC/ST credit form a part of overall weaker section credit, for which, target of 10% of Adjusted Net Bank Credit (ANBC) is stipulated by RBI. The Bank credit to weaker sections as per 31.3.2008 stood at 8.84%.

4.27 The year-wise position of priority sector advances given to weaker sections is stated to be as under:

[Amount in crore]

	2004-05	2005-06	2006-07	2007-08
Advances Granted to Weaker Sections	455.70	525.61	653.40	1056.10

Within the overall weaker sections of Rs.1056.10 crore, advances to SC/ST beneficiaries constitute Rs.160 crore as at March 2008 i.e. 15%.

4.28 The year-wise position of advances granted to Scheduled Castes/Scheduled Tribes out of total priority sector advances is stated to be as under:

[Amount in Crore]

SECTOR	Advances to SCs/STs (Outstanding)							
	2004-05		2005-06		2006-07		2007-08	
	SCs	STs	SCs	STs	SCs	STs	SCs	STs
Priority Sector	131.53	5.20	144.48	5.39	118.64	2.05	141.21	6.55
Agriculture	59.53	2.42	71.17	2.66	65.44	0.97	82.77	3.30
Small Scales Industries/Small Enterprises	12.15	0.44	9.95	0.51	7.98	0.05	20.33	1.20
Other Priority Sector Advances (OPS)	59.85	2.34	63.36	2.22	45.22	1.03	38.11	2.05
Out of OPS								
Education Loans	2.47	-	2.82	0.01	3.00	0.03	2.34	0.11
Housing Loans	20.54	0.38	23.59	0.48	15.60	0.31	18.64	1.11

4.29 When asked whether the Banking Division is satisfied with the performance of the Punjab & Sind Bank in respect of credit facilities provided to SCs/STs, the Ministry have stated that there appears to be growth in advances to SC/ST by Punjab & Sind Bank. The following statements show the total advances given by the Punjab & Sind Bank in lending to SC/ST within the weaker sections of the priority sector and percentage thereof during the years 2006-07, 2007-08 and 2008-09as provided by the Ministry:

(Amount in Crore)

Particulars	2006-07		2007-08		2008-09	
	No.	Amt.	No.	Amt.	No.	Amt.
Banks Advances to SC/ST within weaker section	30445	120.60	28859	147.76	38980	364.58

Share of SC/ST in advances to weaker section for the last three years:-

(Amount in Crores)

Particulars	2006-07		2007-08		2008-09	
	No.	Amt.	No.	Amt.	No.	Amt.
Share of SC/ST in advances to weaker section	31.9%	18.5%	29.1%	14%	30%	21.8%

4.30 Following are the statements showing details of advances granted by Punjab & Sind Bank to Scheduled Caste/Scheduled Tribes as on the last reporting Friday of March 2005, 2006, 2007 and 2008.

2005

		Scheduled Castes		Scheduled Tribes		Total	
		No. of Accounts	Balance Outstanding	No. of Accounts	Balance Outstanding	No. of Accounts	Balance Outstanding
		1	2	3	4	5	6
A	Priority Sector Advances	46682	1315312	2041	51997	48723	1367309
1	Agriculture	28149	595312	1035	24185	29184	619497
	of which advances to small/marginal farmers with land holding of 5 acres or less and landless labour	18314	516072	929	21933	19243	538005
2	Small Scale Industry	2626	121532	193	4438	2819	125970
	of which advances to artisans/village/cottage industries	229	9878	41	1111	270	10989
3	Industrial Estates	0	0	0	0	0	0
4	Small Roads & Water Transport Operators	1205	52706	48	2367	1253	55073
5	Retail Trades	7169	191842	350	8350	7519	200172
6	Small Business	5344	111140	353	8152	5697	119292
7	Professional and Self-Employed Persons	398	11723	10	619	408	12342
8	Education Loans	161	24688	1	43	162	24731
9	Housing Loans	1580	205398	49	3763	1629	209161
10	Consumption Loans	50	971	2	100	52	1071
11	State sponsored organization for SC/ST for purchase and supply of inputs to and/or marketing of outputs of the beneficiaries (may be shown under columns 5 and 6)						

2007

		Scheduled Castes		Scheduled Tribes		Total	
		No. of Accounts	Balance Outstanding	No. of Accounts	Balance Outstanding	No. of Accounts	Balance Outstanding
		1	2	3	4	5	6
A	Priority Sector Advances	30067	1186433	378	20501	30445	1206934
1	Agriculture	16385	654399	137	9704	16522	664103
	of which advances to small/marginal farmers with land holding of 5 acres or less and landless labour	11914	344570	128	8681	12042	353251
2	Small Scale Industry	1563	79845	13	464	1576	80309
	of which advances to artisans/village/cottage industries	1187	59430	12	367	1199	59797
3	Industrial Estates	0	0	0	0	0	0
4	Small Roads & Water Transport Operators	647	27769	26	960	673	28729
5	Retail Trades	5371	130977	67	1603	5438	132580
6	Small Business	3802	92918	117	3906	3919	96824
7	Professional and Self-Employed Persons	288	10924	3	310	291	11234
8	Education Loans	190	29967	3	350	193	30317
9	Housing Loans	1700	156052	9	3053	1709	159105
10	Consumption Loans	121	3582	3	151	124	3733
11	State sponsored organization for SC/ST for purchase and supply of inputs to and/or marketing of outputs of the beneficiaries (may be shown under columns 5 and 6)						

4.31 When asked about the reasons for decrease in advances to SCs/STs during the year 2006-07, it was reported by the Bank that the decrease in advances to SC/ST during the year 2006-07 is mainly attributed to the conscious decision of Bank for prudential write off/ waives of NPAs in which mainly poor borrowers/SCs/STs and others loan cases are stuck up over the years. The other reason was recovery effected in their accounts during the period under review.

4.32 In Annual Report 2008–09 of the Punjab & Sind Bank, it has been mentioned that the priority sector advances of the Bank rose from Rs.6045 crore as on 31.3.2008 to Rs.7388.41 crore as on 31.3.2009 which stood at 40.13% of adjusted net Bank credit as against national target of 40%.

4.33 The Committee note that under priority sector lending norms, SC/ST credit form a part of overall weaker section credit for which target of 10% of adjusted net bank credit is stipulated by RBI. The Punjab & Sind Bank credit to weaker sections over the years has increased from Rs.455.70 crore in the year 2004-05 to Rs.1056.10 crore in the year 2007-08. Ironically, the share of SC/ST beneficiaries within the weaker sections during the same period has not increased proportionately. As per the statement at para 4.25, in the year 2004-05, the share of SC/ST beneficiaries was Rs.136.73 crore which was 30% of the share within the total credit advance to weaker sections. Similarly, in the year 2005-06, the share of SC/ST beneficiaries was Rs.149.87 crore which is equivalent to 28.51% of the total credit to weaker sections. In the year 2006-07, the share of SC/ST beneficiaries was Rs.120.69 crore which amounts to 18.47% of the total credit given to weaker sections. In the year 2007-08, the share of SC/ST is Rs.147.76 crore which amounts to 13.99% of the total credit to weaker sections. However, the Ministry have calculated the share of SC/ST beneficiaries as Rs. 160 crore and percentage of SC/ST beneficiaries at 15%

vide para 4.24 above. The Committee wonder as to how there is variance in what the Ministry has stated at para 4.24 and data provided at para 4.25. The Committee should be apprised of the correct figure.

4.34 The Committee are also not convinced by the reply of the Ministry in regard to performance of the Bank that there appears to be growth in advances to SCs/STs. If there is an actual increase in the advances to SC/ST beneficiaries, there would have been a corresponding increase in share of SC/ST beneficiaries too. Further there is no mention of total number of weaker sections to which bank advances were given vide statements at para 4.26. It is therefore, difficult to compare and accept the percentage figure of SC/ST beneficiaries as furnished. The Committee also note that no separate share of SCs/STs has been fixed in the 10% of total advances earmarked for weaker sections. The Committee, therefore, recommend that the Government should ensure that Punjab & Sind Bank takes immediate necessary measures to see that the number of SC/ST beneficiaries and their shares in the bank credit do not fall below 22.5% of the total share within the weaker sections under priority sector advances.

F. Credit Flow

4.35 The following information has been furnished in regard to the performance of the Bank under various Central Government schemes during the years 2005-06, 2006-07 and 2007-08:

DISBURSEMENT MADE BY THE BANK UNDER VARIOUS GOVERNMENT SPONSORED SCHEMES

Amt. in Crores

Name of the Programme	2005-06			2006-07			2007-08		
	Target	Achievement		Target	Achievement		Target	Achievement	
	(In Nos)	No	Amt	(In Nos)	No	Amt	(In Nos)	No	Amt
Prime Minister Rozgar Yojana (PMRY)									
Bank as Whole	4003	2782	19.47	3692	2783	18.70	3782	3218	27.69
Out of above Advances to SCs/STs		286	1.70		245	1.65		301	2.37
%age		10.28	8.73		8.80	8.82		9.35	8.56
Swarnjayanti Gram Swarozgar Yojana (SGSY)									
Bank as Whole	1308	1009	7.27	1052	886	6.31	1298	1072	6.43
Out of above Advances to SCs/STs		410			390			590	
%age		40.63			44.02			55.04	
Swarna Jayanti Shahari Rozgar Yojana (SJSRY)									
Bank as Whole	612	254	1.14	895	358	1.55	762	344	1.61
Out of above Advances to SCs/STs		19	0.07		22	0.09		56	0.24
%age		7.48	6.14		6.15	5.81		16.28	14.91
Scheme for Liberalisation and Rehabilitation of Scavengers (SLRS)									
Bank as Whole	275	36	0.19	74	48	0.16	102	74	0.15
Out of above, Advances to SCs/STs		36	0.19		37	0.09		55	0.12
%age		100	100		77.08	56.25		74.32	80
D.R.I.									
Disbursements	-	86	0.05	-	202	0.12	-	214	0.21
Outstanding under DRI (Bank as Whole)		571	0.79		431	0.44		502	0.56
Out of above, Advances to SCs/STs			0.65			0.33			0.48
%age			82.28			75			85.71

4.36 When the Committee asked about details of shortcomings noticed by RBI officials in the monthly/quarterly progress reports and half yearly recovery statement by Punjab & Sind Bank during the years from 2006 to 2008, they were informed that as regards the progress reports in respect of the implementation of the Government sponsored schemes (SGSY, SJSRY and SRMS) being submitted by Punjab & Sind Bank, no significant shortcomings and inconsistencies as such which are substantially at variance with those observed in the case of the other public sector Banks have been observed.

Scheme for Liberation and Rehabilitation of Scavengers (SLRS) and Scheme for Rehabilitation of Manual Scavengers (SRMS) Schemes

4.37 It has been stated that the Bank has been implementing Scheme for Liberation and Rehabilitation of Scavengers (SLRs) since it was conceived. The Ministry of Social Justice & Empowerment has proposed a new scheme known as “Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)”. The Bank is working out the modalities for active participation in the renewed scheme. The Schemes aim at rehabilitation of manual scavengers across the country. Under SLRS loan upto 50% of project cost with capital subsidy maximum Rs. 10,000/- and Margin money @ 15% of the project cost i.e. upto Rs. 7,500/- is admissible. As per SRMS scheme which is designed to rehabilitate the remaining manual scavengers, Bank credit upto Rs. 5 Lakh is provided. For loans up to Rs. 25,000/-, capital subsidy is available upto 50% of the project cost and above Rs. 25,000/- @ 25% of the project cost with max subsidy Rs. 20,000/- at concessional rate of interest 4% to 6% p.a..

4.38 The performance of Punjab & Sind Bank under the schemes is as under:-

Scheme	No. of Cases Outstanding as on 30.11.2008	Amount in Rs. Lakh	Of which to SC/ST
SLRS	48	7.92	100%
SRMS	15	3.75	100%

4.39 The concentration of the Bank's branches is mainly in Punjab, Chandigarh, Haryana and Delhi which are declared scavengers free States. Thus, the numbers of application sponsored to the Bank are less. However, the cases sponsored during the remaining period of year 2008-09 will be cleared expeditiously.

4.40 The details of disbursement made by the Bank under various Government sponsored schemes show that the Bank could not achieve target fixed for beneficiaries in all the schemes. The position of advances to SC/ST beneficiaries was even worse except in case of SGSY Scheme, where the number of SC/ST beneficiaries was little higher than 40% and more. The Committee urge the Bank to review as to why the targets fixed by it for the number of beneficiaries could not be achieved during the year 2005-06 to 2007-08 and the reasons as to why very few SC/ST people have been benefitted. The Committee also recommend that the Bank should make earnest efforts to popularize all the Government sponsored Schemes, especially in SC/ST dominant areas through local newspapers, electronic media, etc.

4.41 Further, the Committee note that as regards the progress reports in respect of the implementation of the Government sponsored schemes being submitted by the Bank, no significant shortcomings and inconsistencies as such which are substantially at variance with those observed in the case of the other public sector banks had been observed. However, the Committee desire to know the shortcomings and inconsistencies that had been observed in the performance of all the Public Sector Banks as a whole and how it compares with the Punjab & Sind Bank. The reply may be given with detailed statistics with percentages.

4.42 The Committee note that the Ministry of Social Justice & Empowerment had proposed a new scheme known as "Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)", under which all the remaining Scavengers and their

dependents are to be rehabilitated by March, 2009. The Bank has stated that it is working out the modalities for active participation in the renewed scheme. The Committee recommend that the number of cases which were outstanding as on 30.11.2008 and thereafter should be cleared expeditiously. If not, the reasons for not achieving the target and steps taken by the Ministry of Social Justice & Empowerment as well as the Bank in this regard should be apprised to the Committee.

G. Loans to Rural Artisans

4.43 The Committee were informed that rural artisans are provided credit facilities on liberal terms through Artisan Credit Card (ACC) and General Credit Card (GCC) in accordance with the guidelines of RBI. GCC Scheme covers applicants who are not considered under Kisan Credit Card (KCC) in rural and semi-urban areas for loan limit of Rs.25000/-, without any security/margin repayable in 12 months period. Under ACC Scheme, artisans irrespective of their location are provided credit up to Rs.Two lakh at terms i.e. nil margin for loans up to Rs.25000/- and 25% margin for loans above Rs.25000/-. The position with regard to the outstanding under ACC and GCC is as under:-

(Amt. in Lacs)

Artisan Credit Card (A.C.C.)	Total Outstanding		SC/ST	
	No. of A/c	Amt.	No. of A/c	Amt.
31.03.2007	176	334.40	48	84.26
31.03.2008	198	386.10	53	97.74
31.12.2008	232	421.10	64	118.15
General Credit Card (G.C.C.)				
31.03.2007	Scheme launched on 11.11.2006			
31.03.2008	226	61.08	49	13.02
31.12.2008	170	42.01	37	9.14

4.44 The Committee note that artisans get credit upto Rs. 2 lakh irrespective of their location under ACC scheme whereas under GCC scheme, the credit given is only Rs. 25,000/-. Under GCC Scheme, total number of outstanding account and

outstanding amount as on 31.3.2008 are 226 and Rs.61.08 lakh whereas as on 31.12.2008 i.e. after nine months, the total outstanding account and the amount has decreased to 170 and Rs.42.01 lakh. The position in regard to SCs/STs is also similar as their number has come down from 49 to 37 and their outstanding amount from Rs.13.02 lakh to Rs.9.14 lakh during the same period. The Committee should be apprised as to why there is decline in the total outstanding number of account and amount within nine months from 31.3.2008 to 31.12.2008 in case of GCC scheme. The Committee feel that credit given under GCC Schemes is not adequate. The Committee recommend that the credit amount should be realistic and revised upwardly periodically so that the artisans may be able to create / expand their work profitably. The Committee also recommend that whatever scheme for weaker sections is undertaken, the Bank should also carry out wide publicity of the same otherwise it is futile to have such Scheme in name only.

H. Housing Loans

4.45 It has been stated that for low cost housing, the Bank is implementing "Indira Awaas Yojana (IAY)" where SC/ST beneficiaries are specifically benefitted. IAY houses have also been included under the differential rate of interest (DRI) scheme for lending by Nationalized Banks upto Rs.20,000/- per unit at an interest rate of 4% in addition to financial assistance provided under IAY.

Subsidy: Rs. 35,000/- per unit in plain areas
 Rs. 38,000/- per unit in hilly/difficult areas
 Rs. 15,000/- per unit for upgradation of an existing Kutcha house.

In addition, under normal housing loan scheme/Golden Jubilee Rural Housing Scheme (GJRHS), borrowers residing in rural/semi-urban areas can avail loan, (i) up to Rs.5 lakhs for construction of new house, (ii) Rs. 3 lakhs for repair/upgradation of existing house and (iii) maximum period for repayment is 15 years against mortgage of property or other

security such as LIC Policy, Government Promissory Note, share/debentures, gold ornaments or any other security. Following details in respect of disbursement of loan under Golden Jubilee Rural Housing Scheme (GJHRS) have been provided by the Bank:

(Amt. in crores)

Name of the Programme	2005-06			2006-07			2007-08		
	Target	Achievement		Target	Achievement		Target	Achievement	
	(In Nos)	No	Amt	(In Nos)	No	Amt	(In Nos)	No	Amt
Bank as a Whole	2650	2443	44.27	3000	1587	35.68	2000	1432	44.66
Out of above, advances to SCs/STs		178	3.68		132	4.75		107	1.84

4.46 The Committee note that for low cost housing, the Bank is implementing Indira Awaas Yojana (IAY) where SC/ST beneficiaries are specifically benefitted. However, no details of credit given to SC/ST beneficiaries under the Scheme were provided. The Committee should, therefore, be provided with the details of credit and subsidy allowed to SC/ST beneficiaries under IAY during the years 2005-06 to 2009-10. The Committee note that the Bank had fixed a target to give credit under GJRHS. However, it is noted that the Bank did not achieve the target during the period for which the details have been provided. The Committee are of the view that the target for reaching the beneficiaries should be fixed only after carrying out the survey so that only genuine beneficiaries are benefitted.

I. Education Loan

4.47 The Committee have been informed that the Bank provides education loans to deserving students for studies in India and abroad for studies/professional courses for an amount up to Rs. 10 lakh and Rs. 20 lakh respectively. For small amounts, as per the revised guidelines under DRI scheme, the loans are considered up to Rs.15,000/-. The

details of Education Loans dispersed by Punjab & Sind Bank during the years 2004-05, 2005-06, 2006-07 and 2007-08 is as under:-

Amount in crores

Particulars	2004-05		2005-06		2006-07		2007-08	
	A/C	Amt.	A/C	Amt.	A/C	Amt.	A/C	Amt.
Bank as a whole	2427	47.47	3375	69.78	4463	111.65	5981	148.02
Of above, Education Loans granted to Students of SC/ST	162	2.47	180	2.82	193	3.03	229	3.15

4.48 When asked whether the present amount of loan for pursuing studies in India and abroad is sufficient, it was informed that Bank is implementing the IBA guidelines with regard to education loan amount. The applications for education loan are considered under Bank's education loan policy. All cases are promptly attended to and the Bank in order to facilitate the intending students has provided on line facility for education loan proposals whereby an applicant cases register his/her request for loan and gets with reply/status on line.

4.49 When asked about reasons for less number of SC/ST beneficiaries under education loan amount, the Committee were informed that there is no caste discrimination under Bank's education loan policy. However, lesser SC/ST concentration in the area where the Bank has a sizable presence i.e. States of Punjab and Haryana, U.T. Chandigarh and Delhi, can be the probable reasons for little less number of SC/ST beneficiaries for education loans.

4.50 The Committee observe that during the years from 2004-05 to 2007-08, only 764 students out of 16246 belonging to SC/ST communities availed of the loan facilities provided under the Education Loan Scheme. The Committee note that the number of beneficiaries and the amount of education loan has increased over the years but the number of SC/ST students who were given education loan is still few.

Keeping in mind that more SC/ST students may like to avail education loan in future, the Committee recommend that the Bank should consider giving concessions/relaxations in favour of SCs/STs students and also making the Educational Loan Scheme more popular among them. The Committee further recommend that wide publicity of the Education Loan Scheme may be made by the Bank to ensure that it reaches the SC/ST people so that the performance of the Bank in this regard is improved.

J. Lead Bank Scheme

4.51 It has been informed that Punjab & Sind Bank is performing the Lead Bank role in 3 districts of Punjab viz., Faridkot, Moga & Ludhiana. As Lead Bank, the Bank is discharging all the responsibility i.e. preparation and implementation of Annual Credit Plan, monitoring Government sponsored schemes, organizing credit awareness camp, liaison with civic Authority, arranging reviews and DCC meetings.

4.52 When asked to state the details of beneficiaries belonging SCs and STs granted loans and their percentage under Lead Bank Schemes, following details have been furnished:-

2007-08

(Amt. In crores)

Name of Distt.	Target Amt.	Total Loan Disbursed		Out of which Loan to SC/ST		% to SC/ST
		No. of A/c	Amt.	No. of A/c	Amt.	No.
Ludhiana	360	16817	408	1208	3.67	7.18
Moga	185	12543	190	970	1.11	7.73
Faridkot	186	4659	189	600	1.93	12.88

2008-09 (Dec. 2008)

Name of Distt.	Target Amt.	Total Loan Disbursed		Out of which Loan to SC/ST		% to SC/ST
		No. of A/c	Amt.	No. of A/c	Amt.	No.
Ludhiana	382	16364	359	1567	3.80	9.57
Moga	193	15066	196	1350	1.95	8.96
Faridkot	84	5270	82	610	1.34	11.57

4.53 Asked whether the Punjab & Sind Bank had arranged any credit camps in the Lead Districts, the Committee were informed that Punjab and Sind Bank has established Rural Development Division (RDD) in 50 branches in Punjab, Haryana, Rajasthan, UP and Uttarakhand. A Rural Development Centre (RDC) is also set up at Ludhiana with the primary objective of sensitization and promoting awareness/skill development in the rural areas, particularly amongst rural artisans, landless labourers and tenant/share croppers. The RDC organized camps for credit awareness and expansion at different places, progress is as under:-

Year	Camps held
2005-06	98
2006-07	70
2007-08	46

4.54 The Committee note that Punjab & Sind Bank is performing the lead bank role in three districts of Punjab i.e. in Faridkot, Moga and Ludhiana. It has been reported that under the Bank Scheme, the Bank disbursed loans totaling Rs.787 crore to 34019 beneficiaries, out of which the share of SC/ST was Rs.6.71 crore and their account was 2778 during the year 2007-08. During the year, 2008-09 (upto December 2008), the number of beneficiaries had increased from 34019 to 36700 and the number of SC/ST beneficiaries had also increased from 2778 to 3527 and the amount of loan disbursed to them had also increased from Rs.6.70 crore to Rs.7.09 crore. The Committee, however, note that the loan amount has decreased from Rs.787 crore to Rs.637 crore while surprisingly in case of SC/ST, the amount of loan disbursed has increased. The Committee should, therefore, be apprised as to how the number of beneficiaries has increased but correspondingly the amount disbursed has not increased. The Committee demand a proper explanation for this poor performance.

4.55 No doubt, there is a marginal increase in the number of SC/ST beneficiaries and the amount disbursed to them but compared to total number of loans disbursed, it is only marginal. The percentage of SC/ST beneficiaries who are given loan amount in three districts is around 9 to 10% whereas SC population in the State is reported to be at 28.9% according to 2001 census. The Committee find that Punjab & Sind Bank has failed in its basic obligation to sponsor more SC/ST beneficiaries in the State of Punjab. The Committee, therefore, recommend that the Bank should immediately draw out a plan to all the development agencies – Government and non-Governmental, to reach out to SC/ST population with specific target over a period of time.

4.56 The Committee note that Punjab & Sind Bank has established Rural Development Centre in 50 branches in Punjab, Haryana, Rajasthan, UP and Uttarakhand and that a rural development center has also been set up at Ludhiana with the primary objective of sensitization and promoting awareness/scheme development in the rural areas. While the Bank has mentioned about the number of credit camps held during the years 2005-06 to 2007-08, no specific mention has been made about the credit camps held particularly in lead districts. The Committee recommend that credit camps held specifically in Lead districts of Punjab, the details of loan disbursed and details of skill development of SC/ST beneficiaries during the year 2006-07 to 2009-10 should be furnished.

K. Recovery of Loans

4.57 Regarding recovery of loans, it has been stated that the percentage of loans recovery from SC/ST borrowers is 47.03% as compared to the overall recovery of the 78.54%. The reasons attributed to low recovery are primarily the low economic level of the beneficiaries besides lack of adequate sensitization and skilled development prior to

sponsoring of their loan applications. In reply to a query as to what steps have been taken for the recovery of overdue loans, it has been stated that practically no assistance in effecting recovery is forthcoming from State Government Agencies/State SC/ST Development Corporation.

4.58 When asked whether any corrective steps have been taken to check misutilization of loans by borrowers, the Bank has reported that normally the beneficiaries of the sponsored loans are the borrowers from the BPL category. There is some tendency of default on account of the poor economic conditions of such families. The Bank has a sympathetic approach while dealing with such borrowers who are time to time encouraged and educated for the proper end use of the loan to improve their economic status.

4.59 When asked whether any remedial steps have been taken to increase recovery of loans from SC/ST borrowers, it was stated that for weaker sections borrowers, especially SC/ST category, the Bank approach for recovery is through persuasion and motivation. Rescheduling of the repayment terms in genuine cases is undertaken to facilitate the borrowers for helping recovery. When asked whether non-cooperation in regard to recovery of loans from State Government agencies/State SC/ST Development Corporations has been brought to the notice of Government/RBI, it was stated that where default is willful, the Government authorities are apprised to intervene for recovery of dues.

4.60 The Committee note that percentage of loan recovery from SC/ST borrowers is 47.03% as compared to the overall recovery of the Bank 78.54%. The Committee recommend that all out efforts should be made by Punjab & Sind Bank to improve the recovery position for recycling funds. The Bank should also extend all possible guidance and advice to SC/ST beneficiaries so that they may fully utilize

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

4.61 The Committee also observe that practically no assistance in effecting recovery is forthcoming from the State Government Agencies /State SC/ST Development Corporations in the matter of recovery of overdue loans to Punjab & Sind Bank and therefore, recommend that the Bank officials should have a close liaison with State Government Agencies, SC/ST Development Corporations and make efforts to involve them in the process of identification of needy SC/ST beneficiaries so that they may also feel their responsibility and provide necessary assistance in recovery of overdue loans.

L. Loan Waived

4.62 The details of loans waived by Punjab & Sind Bank during the years 2006-07 and 2007-08 are as under:-

Amt. In Lakhs

Year	Accounts	Amount	Of which to SC/ST	
			Accounts	Amount
2006-07	524	26367.68	14	44.35
2007-08	26068	37187.16	2132	926.68

4.63 When the Committee pointed out that it appears that cases of waiving of loans of General Category seem to be more in number of accounts and amount in comparison to SC/ST people and asked as to the reasons for discriminatory attitude of the Bank in the matter, the Committee were informed that the number of accounts and amount of loans waived represented in the questionnaire by the Bank during the last two years includes Technical Write-Off (TWO). In technical write off, accounts above Rupees one lakh are covered as per policy. Usually, the quantum of loans availed by weaker section/SC/ST borrowers is small and beyond the coverage of T.W.O. scheme. The Committee were

also informed that out of 26592 accounts prudentially written off/waived under Bank's schemes, 2146 pertain to SC/ST. The bad loans/NPAs of the Bank were waived/written-off within the purview of RBI norms without any discrimination.

4.64 When asked about the detailed criteria for waiving of loans by the Bank, it was stated that the technical write off of loans is undertaken adhering to RBI guidelines on prudential write-off. In terms of RBI guidelines, the accounts which have turned bad and doubtful of recovery where Bank provided adequate provisions in accordance with the NPA norms are considered for technical write off. The loans are considered for waiver where the unit/activity failed, securities eroded, borrower means to repay the loan exhausted and there is no willful default.

4.65 The Committee note that a sum of Rs.26367.68 lakh in respect of 524 accounts was waived off during the year 2006-07 and a sum of Rs.37187.16 lakh was waived off in respect of 26068 accounts during the year 2007-08. During the year 2006-07, the amount waived off in case of SC/ST was Rs.44.35 lakh and the number was 14 - a mere 0.16% of the total amount and 2.67% of the total number of accounts waived off. Similarly, during the year 2007-08, the amount waived in case of SC/ST accounts was Rs.926.68 lakh and the number of accounts was 2132. Thus, the percentage share of SC/ST in regard to amount and number are 8.17% of the total amount and 2.49% of total account waived off. The Committee are pained to note that while the Bank has not been able to give enough credit to weaker sections including SCs/STs, as is evident in data furnished, it gave more credit to others which eventually had to be waived off as bad loans/NPAs during the years 2006-07 and 2007-08. The Committee are of the view that by giving credit of more than Rs. 1 lakh and above to others, the Bank was burdened with huge bad loans/NPAs. The Committee, therefore, recommend that the foolproof mechanism should be created in the Bank so that the bad loans/NPAs are minimized in future.

The Committee also like to remind the Bank that it is duty bound to fulfill its aim to help the weaker sections including SCs/STs to raise their living standard as was envisaged by their founders. The Committee, therefore, recommend that the Bank should emphasize on fulfilling its aim by formulating new schemes in coordination with State Government agencies, giving wide publicity to existing Central Government schemes, imparting training for job skill and conducting more credit camps so that appreciable economic development of SCs/STs is achieved. The Committee also recommend that the Bank should furnish the details of loans waived off during 2008-09 and 2009-10.

M. Loan Applications

4.66 The Bank has reported that the cases of sanction of loans are disposed of within the prescribed time frame of 2 to 3 weeks period on completion of the documents. It has been reported that loan application forms are being printed in English/Hindi and regional languages.

4.67 The record pertaining to disposal of loan applications under different schemes is maintained at the branch level. The sanctioning authorities are strictly advised to maintain records regarding receipt and disposal of SC/ST loan applications. The rejection of cases is not vested with the sanctioning authority, for which the matter is to be referred to the one step higher authority with specific reasons thereon. The Bank has reported that the applications are primarily not considered on account of the following reasons:

- (i) The applicant hailing beyond the operational area of the branch.
- (ii) The applicant hiding material information
- (iii) Activity undertaken being unviable etc.

4.68 When asked what steps the Bank propose to take to ensure that applications of SC/ST are rejected to the minimum in future, it was stated that though as per experience, there is very little rejection of the application of SC/ST, the sponsoring agency must ensure imparting of adequate technical skill, job knowledge and marketing potential of the products of a particular venture to be undertaken by the beneficiary before sponsoring the applications. As such the Bank has forbidden the rejection of SC/ST loan application at the level of sanctioning authority and powers for rejection are vested with next higher authority recording relevant reasons of rejection of each case. Besides, the Bank's Rural Development Centre has organized 84 camps at different places to educate the beneficiaries. The Bank has also established RSETI institute to impart training for skill development and this institute has been advised to encourage SC/ST participation in all programmes. In the near future, 2 programmes are being organized specifically for SCs/STs.

4.69 The Committee note that the authority for rejection of loan applications from SCs/STs is not vested with the sanctioning authority but with the next higher official than the sanctioning authority and that too with specific reasons thereof. The Bank has taken certain appreciable initiative like organizing camps through its Rural Development Centre (RDC), establishing RSETI to impart training for skill development etc. However, the Committee observe from the reply that the sponsoring agency must ensure imparting of adequate technical skill, job, knowledge and marketing potential of the products of the particular venture to be undertaken by the beneficiary before sponsoring the applications. The Committee feel that not only the sponsoring agency but the Bank in its own interest should give counsel and impart skill training to SC/ST loan seekers so that there is no question of rejection of their applications. The Committee, therefore, desire that not only the sponsoring agency but the Bank should always ensure that every

effort is made by both to enhance the capabilities of SC/ST seeking loans and thus increase the success rate of loan sanctions. Further, it is seen from the reply that the Committee's query regarding data relating to loan applications from SCs/STs that were received/sanctioned/rejected/pending during the years from 2005 to 2009 was not responded. The Committee take strong exception to this. The Committee, therefore, recommend that the information sought by them should be furnished.

N. Orientation and Training Programmes for officers regarding socio-economic Development of SCs/STs

4.70 When asked whether the Punjab & National Bank has any orientation and training programme for officers to equip them to have a positive approach towards socio economic development of Scheduled Castes at branch level, and if, so to give details of programme, the Committee were informed that SC/ST pre-promotion trainings are being conducted to equip them to compete at par with other employees. The orientation/induction programmes are being conducted to train them on promotion to handle their jobs more efficiently.

4.71 When the Committee desired to know whether any incentive is given to Branch Managers for working in rural and semi urban areas where they have greater scope to serve the weaker sections and if so, the details thereof, it was been stated that one year rural service of Branch Manager/Officer is treated as two years qualifying service for promotion to next grade provided the Branch Manager/Officer has rendered a minimum of two years service in rural areas. This concession is available only once in the career of an officer in the post in which he has completed the minimum of tenure of two years of rural service.

4.72 The Committee had asked a general question as to whether Punjab & Sind Bank organizes orientation and training programme for officers to have a positive approach towards socio-economic development of SCs/STs at branch level and

whether any incentive is given to branch managers for working in rural and semi-urban areas, the reply given is surprisingly confined to SC/ST officers. The Committee note that instead of a straightforward reply the Ministry/Bank have tried to sideline the issue by saying that SC/ST officers are given pre-promotion trainings and orientation/induction programme on promotion. The Committee are of the view that the Bank has not conducted any orientation and training programme for officers to equip them to have a positive approach towards socio-economic development of SCs/STs. The Committee stress that such orientation programme is needed to change the mindset of officers who otherwise are not inclined to help the weaker sections of the society. The Committee, therefore, strongly recommend that all officers should undergo orientation and training programme so that they may have a positive approach towards SCs and STs and for their socio-economic development.

O. Bank Branches

4.73 As on 31.05.2008, the Bank had network of 898 branches spread all over the country. Out of these 123 branches were located in Metro cities, 287 branches in urban, 136 branches in semi urban areas and 324 branches were located in rural areas.

4.74 When asked about the reasons for not opening branches of the Bank in rural and other areas of North Eastern Region, Western Region and Southern Region, it was reported that Punjab & Sind Bank is basically a north based Bank. People in this region identify themselves with this Bank and strongly patronize this Bank. Therefore, for business reasons, there is a strong concentration in the northern region. To make its presence all over India the Bank has opened branches in other regions of the country also. The Bank is further exploring the possibility of opening branches in other regions also including the North East.

4.75 To a specific query regarding opening of branches in areas predominantly inhabited by SC/ST populations, it has been stated that 18 branches are in operation in the areas predominantly inhabited by SC/ST population as per details given below:

SI. No.	Name of the State	Branch Name
1	Haryana	Ambala City
2		Panchkula
3		Gurgoan
4		Rewari
5		Ladwa District Kurukshetra
6		Ellanabad District Sirsa
7		Narwana
8		Kalka
9	Punjab	Jalandhar
10		Zirakpur
11	Rajasthan	Jaipur
12		Hanumangarh
13	Uttar Pradesh	Indirapuram District Ghaziabad
14		Char Bagh, Lucknow
15		Gomti Nagar, Lucknow
16	West Bengal	VIP Lake Town, Kolkatta
17		New Alipore, Kolkatta
18		Khidderpore, Kolkatta

4.76 Asked about any programme prepared by the Punjab & Sind Bank so as to provide optimum benefit to the SC/ST people living in the remotest of the remote areas, it has been informed that the Bank has 324 rural branches spread over different parts, some of which are located in very remote areas in Uttarakhand/J&K/Himachal Pradesh/U.P./Chhattisgarh/M.P. etc. The Bank, with a view to extend its outreach to remote centers for Banking facilities, has undertaken I.T. solutions such as use of Biometric Smart Card etc. as a pilot project. The success of this I.T. enabled financial inclusion programme will be useful in other areas for optimum benefits to weaker sections including SCs/STs.

4.77 When asked whether Punjab & Sind Bank has been operating any mobile branch in remote areas especially those areas which have concentration of SC/ST population, it

has been stated that the Bank has satellite office at Balera in District Solan in the state of Himachal Pradesh to cater to the remote rural population and on receipt of viable proposal more offices can be considered on priority basis.

4.78 The Committee note that Punjab & Sind Bank have 898 Branches as on 31.5.2008 which are mostly located in the northern part of the country. 18 Branches are reported to have been opened in SC/ST inhabited areas and existence of a Satellite Office at Balera in Himachal Pradesh to cater to the remote rural population. Having noted that there is no Branch of Punjab & Sind Bank in North-Eastern States, the Committee strongly recommend that the Bank should explore opening of its Branches in that area too.

P. SC/ST Development Corporation

4.79 The Committee have been informed that the Punjab & Sind Bank does not have any exposure on any State SC/ST Development Corporation. There are common instructions/guidelines from Government of India/R.B.I. to banks under priority sector lending for providing loans to SCs/STs through SC/ST Development Corporations of the States. There are no separate instructions/guidelines for Punjab & Sind Bank to this effect.

4.80 The Committee note that Punjab & Sind Bank does not have any exposure on any SC/ST Development Corporation. According to the reply given by the Bank, there are common instructions/guidelines from Government of India/RBI under Priority Sector Lending through SC/ST Development Corporations. However, there are no separate instructions/guidelines in this regard. The Committee, therefore, recommend that the Ministry of Finance/RBI should issue the said guidelines to all the Public Sector Banks to ensure that the aforesaid guidelines are followed by them in letter and spirit.

Q. 20 Point Programme

4.81 The Committee have been informed that the Government guidelines in respect of 20 point programme are being complied with by the bank. The performance of the bank as on 31.03.2008 is as under:-

(Amt. in Thousands)

Item	Disbursement		Balance Outstanding	
	Accounts	Amount	Accounts	Amount
Attack on Rural Poverty	4422	544562	43858	3281183
Strategy for Rainfed Agriculture	178	6810	1005	50149
Better use of irrigation water	2930	585231	16771	1974139
Bigger Harvest	3289	639971	11100	1389546
Enforcement of Land Reforms	15	1000	55	6200
Special Programmes for Rural Labour	778	31128	5860	205437
Health for all	0	0	18	1163
Justice for SC	3228	193292	26733	1207617
Justice for ST	192	15418	2486	136884
Equality for Women	3704	930064	28550	5993323
Housing for the People	3124	889034	16927	4413817
Improvement of Slums	0	0	0	0
New Strategy for Forestry	0	0	0	0
Concern for the Consumer	1104	157010	5018	989820
Energy for the villages	4	1500000	10	2765190
Total	22968	5493520	158391	22414468

4.82 When asked about the assistance given to SCs/STs under the aforesaid programme during the last three years, the information is provided in **Appendix II**.

4.83 When the Committee desired to know about the efforts made by the Bank to popularize schemes under 20 point programme and steps proposed for future course of action by the bank, the Committee were informed that the bank is organizing awareness camps at different places to popularize the Government schemes as well as sensitizing its staff to contribute in alleviation of poverty and upliftment of society as envisaged under 20 point programme. Rural Development Centre setup by the Bank at Ludhiana organized 84 such camps at different places for the purpose.

4.84 When asked whether the Bank has taken any step to increase the flow of credit to SCs/STs under aforesaid programme, it was replied that the Bank will continue to ensure that credit flow to SCs/STs will further increase under the programme.

4.85 When enquired about any survey conducted by Punjab & Sind Bank to ascertain the impact of the schemes under 20 points programme, it has been submitted that 20 point programme is being monitored regularly by RBI/Government of India through the periodical control returns sought from the banks to ascertain the impact towards social empowerment. However, no separate survey has been conducted by the Bank to ascertain the impact of schemes under the programme.

4.86 The Committee note that the Bank is reported to comply with guidelines in respect of 20 Point Programme. The Bank has furnished the performance report of the Bank during the year(s) 2005-06, 2006-07 and 2007-08 but has not provided separate data for SCs/STs as desired by the Committee. The Committee observed that the Ministry of Finance and Punjab & Sind Bank are not at all serious about SCs and STs. That is why the information furnished to the Committee is very casual. The Committee takes serious note of this fact and want this to be brought to the knowledge of the Minister. The Committee recommend that data in respect of SC/ST wherever collected should always be kept separately in respect of schemes/programmes including 20 Point Programme. The Committee further recommend that the Ministry of Finance should issue necessary direction in this regard.

4.87 The Committee also observe that the bank has provided consolidated data for SCs and STs with regard to the credit facilities provided to them in Part-II of the Report. The Committee desire that data in respect of SCs/STs should henceforth be provided separately.

**New Delhi;
July, 2010
Sravana, 1932 (Saka)**

**(GOBINDA CHANDRA NASKAR)
Chairman
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes**

MASTER CIRCULAR

**CREDIT FACILITIES TO SCHEDULED CASTES
& SCHEDULED TRIBES**



**RESERVE BANK OF INDIA
RURAL PLANNING AND CREDIT DEPARTMENT
CENTRAL OFFICE, MUMBAI**

RBI/2008-09/43
RPCD.NO.SP.BC.5/09.09.01/2008-09

July 1, 2008

All Indian Scheduled Commercial Banks

Dear Sir,

Master Circular

Priority Sector Lending-Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)

Reserve Bank of India has, periodically, issued instructions/directives to banks with regard to providing credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs) to enable banks to have current instructions at one place. A master Circular incorporating all the existing guidelines/ instructions/directives has been prepared and is appended. We advise that this master Circular has been updated and consolidates all the previous instructions issued by Reserve Bank from time to time, which are listed in Annexure-III.

Please acknowledge receipt.

Yours faithfully,

(G. Srinivasan)
Chief General Manager

INDEX

SR. NO.	DESCRIPTION
1.	Flow of Credit to SCs/STs
2. Annexure I	Statement showing Advances granted to Scheduled Castes/Scheduled Tribes as on the fast reporting Friday of March/September
3. Annexure II	Statement showing Advances granted to Scheduled Castes/Scheduled Tribes under Differential Rate of Interest Scheme as on the feast reporting Friday of March
4. Annexure III	List of Circulars consolidated in the Master Circular .

Master Circular

CREDIT FACILITIES TO SCHEDULED CASTES (SCs) & SCHEDULED TRIBES (STs)

1. Flow of Credit to SCs/STs

- 1.1 Special emphasis has been given to the welfare of the scheduled castes and scheduled tribes. Banks should take the following measures to step up their advances to SCs/STs:

Planning Process

- (a) At the block level, a certain weightage is to be given to scheduled castes/ scheduled tribes in the planning process. Accordingly, the credit planning should be weighted in favour of scheduled castes/scheduled tribes and special bankable schemes suited to members of these communities should be drawn up to ensure their participation in such schemes and larger flow of credit to them for self-employment. It will be necessary for the banks to consider loan proposals of these communities with utmost sympathy and understanding.
- (b) The District Level Consultative Committees formed under the Lead Bank Scheme should continue to be the principal mechanism of co-ordination between banks and development agencies.
- (c) The district credit plans formulated by the lead banks should be elaborated to indicate clearly the linkage of credit with employment and development schemes.
- (d) Banks will have to establish closer liaison with the District Industries Centres, which have been set up in different districts for promoting self-employment.
- (e) Banks should periodically review their lending procedures and policies to see that loans are sanctioned in time, are adequate and production oriented and that they generate incremented income to make them self-liquidating.
- (f) Credit planning should be weighted in favour of Scheduled Castes/Scheduled Tribes and special bankable schemes suited to members of these communities should be drawn up to ensure a large flow of credit to them for self-employment. Loan proposals of these communities should be considered sympathetically and expeditiously.
- (g) While 'adopting' villages for intensive lending, villages with sizeable population of these communities may be specially chosen; the alternative of adopting specific localities (bastis) in the concerned villages which have a concentration of these communities could also be considered.
- (h) Special efforts should be made to evolve suitable bankable schemes for weaker sections including members of these communities.

Role of Banks

- (i) Bank staff may help the poor borrowers in filling up the forms and completing other formalities so that they are able to get credit facility within a stipulated period from the date of receipt of applications.
- (j) In order to encourage SC/ST borrowers to take advantage of credit facilities, greater awareness among them about various schemes formulated by banks will have to be created. As a majority or the eligible borrowers would be illiterate persons, publicity **through** brochures, other literature, etc. will be of limited utility. The *more desirable* method would be for the field staff of banks to contact such borrowers and explain to them the salient features of the schemes as also the advantages that will accrue. Banks should advise their branches to organize meetings more frequently exclusively for SC/ST beneficiaries to understand their credit needs and to incorporate the same in the credit plan.

- (k) Bank should keep Application Register/ Deposit Register, Complaint Register in desired order and maintain relevant documents and pass book in local language too, besides *in* Hindi and English.
- (l) Circulars issued by RBI/NABARD. should be circulated among the staff for compliance.
- (m) Banks should not insist on deposits while considering loan applications under Government sponsored poverty alleviation schemes/self-employment programmes from borrowers belonging to SCs /STs.It should also be ensured that applicable subsidy is not held back while releasing the loan component till the full repayment of bank dues. Non release of subsidy upfront amounts to under-financing and hampers asset creation/ income generation.
- (n) A National SC/ST Finance and Development Corporation has been set up under the administrative control of Ministry of Welfare. Banks should advise their branches/controlling offices to *render all the* necessary institutional support to enable the institution to achieve **the** desired objectives.
- (o) Advances sanctioned to State sponsored organizations of SC/ST for the specific purpose of purchase and supply of inputs to and/or the marketing of outputs of the beneficiaries viz. artisans, village and cottage industries of these organizations, should be treated as priority sector advances, subject to the condition that the relative advances are exclusively for the purpose of purchase and supply of inputs to and/or marketing of the outputs of beneficiaries of these organizations.

Role of SC/ST Development Corporations

- (p) The Ministry of Welfare, Government of India has advised all State Governments that the Scheduled Caste Development Corporations can consider bankable schemes / proposals for bank finance. As regards Collateral Security and / or third party guarantee for loans, guidelines issued to banks on priority sector lending will apply.

Rejection of Applications

- (q) If applications in respect of SCs/STs are to be rejected, it should be done at the next higher level instead of at the branch level. Further, reasons for rejection of applications should be clearly indicated.

Centrally sponsored schemes

There are several major centrally sponsored schemes under which credit is provided by banks and subsidy is received through Government Agencies. Credit flow under these schemes is monitored by RBI Under each of these, there is a significant reservation / relaxation for the members of the SC/ST communities.

Reservations for SC/ST beneficiaries under major Centrally Sponsored Schemes

Swamjayanti Gram Swarozgar Yojana (SGSY)

- (r) Under Swamjayanti Gram Swarozgar Yojana (SGSY) Scheme, which is a major poverty alleviation scheme in rural / semi urban areas, not less than 50 percent of the families assisted should belong to SCs/STs.

Prime Minister's Rozgar Yojana

- (s) The Prime Minister's Rozgar Yojana (PMRY) has been designed to provide credit to educated unemployed youth for setting up of the self-employment ventures in industries, services and business sectors. A reservation of 22.5 percent has been provided for SCs/STs in the scheme.

Swarna Jayanti Sahari Rozgar Yojana

- (t) Under Swarna Jayanti Sahari Rozgar Yojana (SJSRY), which is a poverty alleviation scheme in urban areas, advances should be extended to SCs/STs to the extent of their strength *in* the local population.

Differential Rate of Interest Scheme

- (u) Under the DRI scheme, banks can provide individual loans upto Rs. 15,000/- at a concessional rate of interest of 4% p.a. to the weaker sections of **the** community for engaging in productive and gainful activities. In order to ensure that persons belonging to SCs/STs also derive adequate benefit under the Differential Rate of Interest (DRI) scheme, banks have been advised to grant eligible borrowers belonging to SCs/STs such advances to the extent of not less than 2/5th (40 percent) of total DRI advances.

Scheme for Liberation and Rehabilitation of Scavengers

- (v) The National Scheme for Liberation and Rehabilitation of Scavengers is for liberating the scavengers and their dependents from the existing hereditary and obnoxious occupation of manually removing night soil and filth and to provide them with alternate dignified occupation. The scheme covers primarily all scavengers belonging to the scheduled caste community. Scavengers belonging to other communities are also eligible for assistance. The scheme has now been renamed as Scheme for Rehabilitation of Manual Scavengers (SRMS).

Relaxations for SC/ST beneficiaries under major centrally sponsored schemes

- (w) Under SGSY scheme, beneficiaries belonging to SC/ST are entitled to subsidy of 50% of the project cost with a maximum ceiling of Rs. 10,000/- as against the subsidy of 30% of project cost with a maximum ceiling of Rs. 7,500/- in case of beneficiaries under general category.
- (x) There is 10-year relaxation for the beneficiaries belonging to SCs/STs in the upper age limit to be eligible under PMRY (age limit for general category is 18- 35).
- (y) Under the DRI scheme, the eligibility criteria that size of land holding should not exceed 1 acre of irrigated land and 2.5 acres of unirrigated land is not applicable to SCs/STs. Moreover, members of SC/STs satisfying the income criteria of the scheme can also avail of housing loan up to Rs. 20,000/- per beneficiary over and above the individual loan of Rs. 15,000/- available under the scheme (as announced in the Union Budget 2007-08).

2. Monitoring and Review

- 2.1 A special cell should be set up at the Head Office for monitoring the flow of credit to SC/ST beneficiaries. Apart from ensuring the implementation of the RBI guidelines, the cell would also be responsible for collection of relevant information/data from the branches, consolidation thereof and submission of the requisite returns to RBI and Government.
- 2.2 Convener banks (of SLBC) should invite the representative of National Commission for SCs/STs to attend SLBC meetings. Besides, the Convener banks may also invite representatives from National Scheduled Castes and Scheduled Tribes Financial Development Corporation (NSFDC) and State Scheduled Castes and Scheduled Tribes Financial and Development Corporation (SCDC) to attend SLBC meetings.
- 2.3 A periodical review should be made by the Head Office of banks of the credit extended to SCs/STs on the basis of returns and other data received from the branches.

- 2.4 The Board of Directors should review on quarterly basis, the measures taken to enhance the flow of credit to SC/ST borrowers. The Review Notes, besides indicating the actual performance of the bank during the relevant quarter, should also contain information about how the bank proposes to expand the coverage of this sector in *the* context of potential for business and its network of branches with particular reference to such schemes as DRI, SGSY, etc. The review should also consider the progress made in tending to these communities directly or through the State-level Scheduled Caste/Scheduled Tribe Corporations for various purposes based, amongst others, on field visits of the senior officers from the Head Office/Controlling Offices. A copy each of such review notes should be sent to Reserve Bank.

3. Reporting Requirements

It has been considered necessary to have data of banks' advances for SCs and STs under priority sectors and Differential Rates of Interest (DRJ) Scheme separately. Accordingly banks may submit to RBI on half-yearly basis as on the last reporting Friday of March and September a statement showing the credit extended to SCs and STs under priority sectors (Annexure I). Further, banks may submit to Reserve Bank on yearly basis as on the last reporting Friday of March a statement showing the credit extended to SCs and STs under DRI Scheme (Annexure II). The statements should reach RBI within two months from the end of the relevant half-year/year.

**DISBURSEMENT & OUTSTANDING UNDER 20-POINT PROGRAMME FOR
THE LAST THREE YEARS**

(A/c in actual amt. in lakhs)

Name of item	2005-06				2006-07				2007-08			
	Disbursement		Balance Outstanding		Disbursement		Balance Outstanding		Disbursement		Balance Outstanding	
	Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount
Attack on rural poverty	4717	2337.19	34777	10344.53	3924	2449.61	41138	17408.25	4422	5445.62	43858	32811.83
Strategy for rained agriculture	84	79.49	1461	649.50	36	14.70	793	343.54	178	68.10	1005	501.49
Better use of irrigation water	2353	2742.1	12250	11494.55	2565	4268.10	15579	14479.57	2930	5852.31	16771	19741.39
Bigger harvest	4144	3458.63	14328	16249.29	3059	7938.24	14626	18270.65	3289	6399.71	11100	13895.46
Enforcement of land reforms	0	0	3	173.75	48	57	52	61.46	15	10	55	62
Special programmes for rural labour	752	237.37	4818	856.79	768	377.68	5083	1772.81	778	311.28	5860	2054.37
Health for all	5	1	22	13.88	1	0	28	135.57	0	0	18	11.63
Justice for SC	4688	1391.39	40055	9138.70	3946	1620.02	30684	10380.73	3228	1932.92	26733	12076.17
Justice for ST	153	62.1	2043	471.60	267	102.44	2417	860.87	192	164.18	2486	1368.84
Equality for women	3256	8708.6	30009	36425.78	3534	3798.84	27417	30839.73	3704	9300.64	28550	59933.23
Housing for the people	11439	80343.84	22506	101138.02	3643	7545.58	16837	41875.41	3124	8890.34	16927	44138.17
Improvement of slums	0	0	0	0	15	3.60	124	19.78	0	0	103	16.89
New strategy for forestry	0	0	0	0	0	0	0	0	0	0	0	0
Concern for the consumer	1023	1068.74	5240	1996.76	940	577.79	3350	1827.51	1104	1570.1	5018	9898.2
Gas energy for the villa	0	0	0	0	4	30000	20	55303.8	4	15000	10	27651.9
Total	32614	100430.4	167511	188955.35	22730	4376000	158017	165913.60	22968	54935.20	158391	224144.68

CONFIDENTIAL**MINUTES****COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES
(2008-2009)****(FOURTEENTH LOK SABHA)****TWELFTH SITTING
(16.01.2009)**

The Committee sat from 1500 to 1700 hrs. in Committee Room, 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Ratilal Kalidas Varma - Chairman

MEMBERS**Lok Sabha**

2. Shri Anandrao Vithoba Adsul
3. Smt. Susheela Bangaru Laxman
4. Sardar Sukhdev Singh Libra
5. Shri Virchandra Paswan
6. Shri Kishanbhai V. Patel
7. Shri Ramjilal Suman
8. Shri Chengara Surendran
9. Shri Narsingrao H. Suryawanshi
10. Smt. Krishna Tirath

Rajya Sabha

11. Shri Krishan Lal Balmiki
12. Shri Mahendra Sahni
13. Shri Thomas Sangma
14. Miss Anusuiya Uikey
15. Shri Nandi Yellaiah

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

WITNESSES**REPRESENTATIVES OF THE MINISTRY OF FINANCE, DEPARTMENT OF FINANCIAL SERVICES (BANKING DIVISION)**

1. Shri K.V. Eapen, Joint Secretary

PUNJAB AND SIND BANK

1. Shri R.P. Singh, Chairman and Managing Director
2. Shri G.S. Vedi, Executive Director
3. Shri Devinder Singh, Chief General Manager
4. Shri G.S. Rekhi, General Manager
5. Shri D.K. Gupta, Chief Vigilance Officer

At the outset, the Hon'ble Chairman welcomed the representatives of the Ministry of Finance, Department of Financial Services (Banking Division) as well as Punjab and Sind Bank. Thereafter, the Hon'ble Chairman informed the Committee about a communication received from the Ministry of Finance requesting exemption for Finance Secretary from attending the meeting on 16.01.2009 due to his prior fixation of other meeting with representative of Regional Rural Banks. Although the Hon'ble Chairman acceded to the request, he informed the representatives of the Ministry that courtesy demanded that the Finance Secretary should have himself written the letter or personally spoken to Chairman telephonically.

2. The Committee then took evidence of the representatives of the Ministry of Finance, Department of Financial Services (Banking Division) and Punjab and Sind Bank on the subject "Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Punjab and Sind Bank and credit facilities provided by the Bank to them".

3. The evidence was completed.

(The witnesses then withdrew)

4. Thereafter, the Committee deliberated in regard to some objectionable language used by CMD, Punjab and Sind Bank before the Committee during evidence. The Committee, therefore, decided unanimously that a D.O. letter to Prime Minister and copy to Minister of Finance thereof should be sent by the Hon'ble Chairman highlighting therein the objectionable language used by CMD before the Committee.

5. A verbatim record of the proceedings was kept.

The Committee then adjourned.

MINUTES**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND
SCHEDULED TRIBES
(2010-2011)****(FIFTEENTH LOK SABHA)****THIRD SITTING
(25.06.2010)**

The Committee sat from 1430 to 1515 hrs. in Committee Room "D", Parliament House Annexe, New Delhi.

PRESENT

Shri Gobinda Chandra Naskar – Chairman

MEMBERS**Lok Sabha**

2. Shri M. Anandan
3. Shri Tara Chand Bhagora
4. Shri Bhudeo Choudhary
5. Smt. Paramjit Kaur Gulshan
6. Shri Kamal Kishor 'Commando'
7. Shri Virendra Kumar
8. Shri Gajendra Singh Rajukhedi
9. Shri Ashok Kumar Rawat
10. Shri Bajju Ban Riyan
11. Shri Bhausaheb Rajaram Wakchaure

Rajya Sabha

12. Shri Lalhming Liana
13. Shri Thomas Sangma
14. Shri Veer Pal Singh Yadav

SECRETARIAT

1. Dr. R.K. Chadha – Joint Secretary
2. Ms. J.C. Namchyo – Director
3. Shri Hoti Lal – Addl. Director
4. Shri M.L.K. Raja – Deputy Secretary

At the outset, the Chairman welcomed the Members of the Committee. The Committee then considered the draft report on “Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Punjab and Sind Bank and credit facilities provided by the Bank to them” and adopted the same with minor modifications.

2. The Committee authorized the Chairman to finalize the Report in the light of consequential changes and present the same to both the Houses of Parliament.

3. The Hon'ble Chairman also requested the Members to join the study visit of the Committee to Mirchpur village, District Hisar, Haryana on 2nd July, 2010 with a view to have an “on-the-spot examination” of the situation prevailing and measures undertaken by the administration in consequence of atrocities committed on the scheduled caste people in the village on 21st April, 2010.

The Committee then adjourned with a vote of thanks to the Chair.

APPENDIX – E
(Vide para 4 of Introduction)

SUMMARY OF CONCLUSIONS/RECOMMENDATIONS CONTAINED IN THE REPORT

Sl. No.	Para No.	Conclusions/Recommendations
1.	2.	3.
1.	1.8	<p>The Committee note that during the period from 28.09.1989 to 23.04.2004, Government had appointed/nominated three SC/ST Members on the Board of the Bank. However, at present there is no member from SC/ST communities on the Board of Directors of the Bank. The Committee note that some guidelines stipulating therein to give representation to persons belonging to SC/ST communities on the Board of Directors as part-time non-official Directors have been issued. Despite that, no Director has been nominated from SC/ST communities on the Board of Directors after 23.4.2004. The Committee take serious view of the matter that no efforts seem to have been made by the Government in this regard. The reply of the Bank that it is fully owned by the Government and it is for the Government to appoint Directors on the Board makes it obvious that the Government is solely responsible for not nominating a Director from SC/ST communities. The Committee, therefore, recommend that the Government should appoint/nominate atleast one SC/ST Member as part-time Director on the Board as provided in the guidelines at the earliest. The Committee also recommend that the Government should always make an effort to nominate/appoint a SC/ST members on the Board as part-time Directors.</p>
2.	1.9	<p>In respect of full-time Directors, the representation of a SC/ST member on the Board seems remote, since the Government do not provide promotions for SC/ST officers in higher scales even though Article 16(4) states that “Nothing in this article shall prevent the State from making any provision for the reservation for the 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” and Article 16(4A) which states that “Nothing in this article shall prevent the State from making any provision for reservation in matters of promotion, with consequential seniority to any class or classes of posts in the services under the State in favour of the Scheduled Castes and the Scheduled Tribes which, in</p>

the opinion of the State are not adequately represented in the Services of the State". Having also noted that the Board of Directors review reports with regard to implementation of reservation policy for SCs and STs on annual basis, the Committee feel that having atleast one member on the Board from SC/ST categories becomes more necessary to have a representative from these communities. The Committee, therefore, recommend that in view of the constitutional mandate, the Government should provide reservation on appointment and promotion of officers in higher scales so that SC/ST officers may also get an opportunity to become functional Directors of the Bank.

3. 2.15 The Committee note that guidelines on reservation for recruitment of SCs/STs are being implemented in the Bank since 15.4.1980. In case of post filled by direct recruitment of Officers on an All India basis in all categories of posts, the percentage prescribed for SC and ST is 15% and 7.5% respectively. However, in case of direct recruitment of Clerk and Sub-staff, the prescribed percentage for SC and ST is in proportion to population of SC and ST in respective State. The Committee also note that an autonomous body, Institute of Banking Personnel Selection (IBPS), Mumbai has been undertaking selection process like inviting applications, conducting multi test/skill test and sending list of eligible candidates to the Bank for interview and selection. It has been reported that IBPS was engaged in undertaking Special Recruitment Drive for filling of backlog of SC and ST vacancies in the year 2005-06. It has further been reported that its governing body comprises representatives from RBI, the public sector Banks, NIBM, Ministry of Finance. The Committee desire that it should always be ensured that the Institute takes utmost care while processing applications so that only genuine SC/ST candidates apply against SC/ST posts. While sending letters for written examinations, sufficient time should also be ensured for SC/ST candidates.

4. 2.16 The Committee also note that advertisement for recruitment of posts is inserted in the National Newspapers and Employment News mentioning the number of posts, eligibility criteria alongwith reservation in posts as per Government Policy, etc. and on the Bank's internet/website for Officers. In addition, for recruitment in Clerical and Award Staff, the advertisement is also released in one local vernacular newspaper. The Committee, however, note that in the recruitment policy of the Bank there is no provision for

announcement of vacancies through All India Radio and Doordarshan. The Committee recommend that advertisement should be inserted in more than one English and Hindi National newspapers as also widely read local vernacular newspapers in SC concentrated and tribal dominated areas including North East States for wider publicity. The Committee also recommend that examination centres should be set up nearer to SC concentrated and tribal areas especially in North East States so that they do not have to travel long distances to appear for written examination. The Committee further recommend that the advertisement for recruitment should invariably be announced on All India Radio and Doordarshan in terms of para 7.1(IV) of the "Brochure on Reservation for SCs/STs in Services".

5. 2.17

The Committee observe from the details of recruitment at para 2.13, that recruitment was conducted in the year 2006 only when 43 SC and 40 ST in Officer category, and 16 SC and 5ST in Clerk and Sub-staff categories respectively had been recruited. It seems that SC/ST persons recruited were against the carry forward vacancies from the year 2005. The Committee are distressed to note that the Bank had to resort to Special Recruitment Drive after accumulating SC/ST posts over the years. The Committee strongly recommend that the SC/ST vacancies should be filled up within the same recruitment year. If sufficient number of suitable SC/ST candidates do not become available to fill up the vacancies reserved for them in the first attempt of recruitment, another attempt should be made in the same recruitment year so that no backlog vacancies are created. The Committee also strongly recommend that the Bank should maintain separate data for current vacancies and backlog vacancies for Direct Recruitment so that there is no confusion in shortfall and backlog vacancies. The Committee note that despite the Special Recruitment Drive, there are still 46 ST posts in Officer category and 2 SC posts in Clerk category lying vacant. The Committee strongly recommend that all backlog vacancies of 46 ST posts and 2 SC posts should be filled up at the earliest and the outcome thereof should be furnished to them.

6. 2.27

The Committee note that as on 01.01.2008, in Sub-Staff category, there was shortfall of SC in the categories of Officers and Clerks and that of ST in all categories of posts. According to data provided in paras 2.18 and 2.19 above, there was shortfall of 3.68% of SC and 4.20% of ST in Officers category. In

respect of Clerks and Sub-Staff categories of posts, although there is change in data at paras 2.18 and 2.19, yet there is huge shortfall of SC and ST in Clerical posts and of ST in Sub-Staff category of posts. It is a matter of great concern that there is a huge shortfall of 11.10% of SCs and 5.89% of STs in Clerical category of posts as also shortfall of 4.82% of ST in Sub-Staff category. The Committee are not convinced by the reply that the shortfall of SC/ST is due to restrictions imposed by the Government on Direct Recruitment for the posts and that the gap in percentage in prescribed reservations is due to the fact that reservations were made applicable in the Bank from the date of nationalization. The Committee are also not sure whether in subsequent recruitments after nationalization, the Bank has been filling up appropriate reserved quota of SCs and STs in all categories as mentioned in the reply. It is now almost 30 years since the nationalization of the Bank and introduction of reservation policy therein. In fact, by this time the required percentage of SCs and STs should have been employed in the Bank. However, there is still shortfall of SCs and STs in all categories of posts as on 1.1.2008. The Committee are especially amazed by huge SC shortfall in Clerical posts. While the usual line of reasoning of the Government is non-availability of STs against their reserved posts, the Committee observe that in case of the Punjab & National Bank, there is not many SCs too in Clerical category. The Committee find it strange that there is shortfall of 11.10% of SC in the Clerical category even though most of the branches of the Bank are located in States where there is no dearth of SC population. The Committee are, therefore, of the view that it is a matter of gross mismanagement in implementation of reservation policy which has resulted in huge shortfall of SC and ST in Clerical category. The Committee, therefore, recommend that the matter should be thoroughly enquired into so as to know as to how out of 15%, there is shortfall of 11.10% of SCs and out of 7.5% there is shortfall of 5.8% of STs in Clerical category as on 1.1.2008. Similarly, the shortfall in case of Officers and Sub-staff needs to be looked into. The outcome of the enquiry should be apprised to the Committee. The Committee also urge the Punjab and Sind Bank and the Ministry of Finance to chalk out a strategy to fill up SC/ST shortfall in all categories of posts within a time frame through Special Recruitment Drive and apprise the Committee of the action initiated in this regard within three months of the presentation of this report to Parliament.

7. 2.28. The Committee are also surprised by the reply that when it queried as to whether any time frame for clearing of SC/ST shortfall has been fixed, it was casually replied that the Bank is in the process of undertaking another Special Recruitment Drive for filling up the backlog of 46 ST vacancies in Officers Cadre within a year. The Committee are concerned not only about backlog of SC and ST vacancies, but concerned about shortfall of SC and ST in every recruitment and promotion year. It seems that the Ministry and the Bank are interchanging backlog vacancies and shortfall and trying to confuse the Committee. How the shortfall as on 1.1.2008 can be mixed up with backlog of 46 ST vacancies which resulted after Special Recruitment Drive carried out in the years 2005 and 2006. The Committee feel that by not filling up the SC/ST vacancies for years together, the Bank has been taking away the constitutional rights of the SC/ST unemployed youths. The Committee feel that by mixing up shortfall and backlog vacancies together, the Bank has tried to mislead them. The Committee, therefore, recommend that the Ministry of Finance should ensure that the Bank revises the backlog and shortfall vacancies of SC/ST as on 31.3.2008 and continues to maintain separate record for shortfall and backlog vacancies in future too. The Committee should also be apprised of the action taken in this regard.
8. 2.29 The Committee also note that backlog of 46 ST vacancies in the officers cadre could not be filled up due to non-availability of suitable candidates. The Committee note that lack of "suitable" candidates has been often been cited as one of the reasons for not filling up the reserved vacancies. The Committee desire to be explained as to what constitutes "suitability" for each of the vacancy mentioned in the Report for which the Bank has not selected candidates citing non-availability of suitable candidates. The Committee would like to be apprised about the details of 46 ST vacancies in officers cadre for which the Bank was in the process of undertaking another special recruitment drive.
9. 2.37 The Committee note that the Punjab and Sind Bank had negotiated and settled promotion policies duly approved by the Board of Directors of the Bank in vogue for all Officers, Specialised Officers, Clerical and Subordinate staff. It has been stated that the promotion policies are framed in such a manner that no

Government guidelines/rules are flouted and due reservations/relaxations are provided to SC/ST candidates. The Committee, however, are perturbed to note that there was shortfall of 29 SC and 15 ST during the year 2007 and of 57 SC and 30 ST during the year 2008 in promotion from Clerical to Officers (JMGS-I) category. In case of promotion from Sub Staff to Clerical category, there was shortfall of 1 ST during the year 2007 and of 1 SC and 2 ST during the year 2008. The reason stated for the shortfall is that not sufficient STs were found in feeder cadre. According to Annual Report 2007-08, there were promotions of 526 employees. When asked as to the number of SC/ST out of 526 employees promoted, it was replied in post-evidence reply that it included 29 SC and 10 ST in Officers category and 2 SC in Clerical category. However, these figures do not seem to match with the data for promotion as provided for the years 2007 and 2008 at para 2.31. The Committee feel that the Ministry and the Bank are not at all sincere in projecting the actual picture. The Committee, therefore, recommend that an explanation should be given as to how there is mismatch in the number of SC and ST promoted in Officers and Clerical categories for years 2007 and 2008. The Committee also recommend that all SC/ST backlog vacancies i.e. 86 and 45 in Officers category and 1 SC and 3 ST in Clerical category, which have been accumulated during the year 2008 should be filled up by conducting Special Recruitment Drive in a time bound manner. The outcome of the same should be appraised to the Committee.

10. 2.38 The Committee also note that in the matter of posting and transfer on promotion, no separate record of SC/ST representations is maintained. The Committee recommend that the Punjab and Sind Bank should not treat representations from SC/ST employees on posting on promotion casually. The Bank should maintain separate record of SC/ST representations like other nationalized Banks/PSUs.
11. 3.15 The Committee observe that the Ministry of Finance to ensure that reservation orders issued in favour of SCs/STs are actually implemented in Public Sector Banks have appointed a Chief Liaison Officer (CLO), who conducts periodical inspections of the Banks, checks and verifies the reservation rosters maintained by the Banks. Other relevant records, registers etc. are also inspected by the CLO from time to time. The Committee however, note that the CLO inspected the Punjab & Sind Bank only twice i.e. on 6.8.2005 and

30.4.2008. The Committee feel that the Ministry of Finance (Banking Division) should draw a schedule of all Public Sector Banks including Punjab & Sind Bank, so that the CLO, with the assistance of Officers of Banking Division, could inspect the roster registers maintained by the Banks atleast once in a year. The Committee, therefore, recommend that the Ministry of Finance (Banking Division) should ensure regular annual visits by its Chief Liaison Officer of all Public Sector Banks including Punjab & Sind Bank so that he may be able to check roster registers and see that reservation orders are properly implemented in all Nationalized Banks.

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| 12. | 3.16 | <p>The Committee note that SC/ST Cells are functioning at Head Office as well as Zonal Offices level of the Bank. The SC/ST Cell at Head Office comprises a Manager, an Officer belonging to SC category and a Clerk. The Committee also note that similar composition is formed at Zonal Office level. The Committee further note that a General Manager level Officer has been designated as Chief Liaison Officer at Headquarters of the Bank and Zonal Manager/2nd Man at Zonal Office as Liaison Officer in Zonal Offices of the Bank. The Committee stress that the nomination of Liaison Officer should not be considered as mere fulfillment of a formality. The Committee, therefore, recommend that only such officer should be appointed as Liaison Officer who not only is fully acquainted with reservation orders but is committed to justify his appointment as an Institution to safeguard the welfare of SC/ST employees. The Committee also desire that Liaison Officer for SC/ST should be engaged exclusively in the matters relating to SC/ST and should not be burdened with other matters. His services should rather be utilized in monitoring of the credit facilities given by the Bank to SCs/STs under various Schemes. The Committee also desire that Chief Liaison Officer posted at Headquarters as well as Liaison Officers at Zonal Offices should possibly be appointed from people belonging to SC/ST category.</p> |
| 13. | 3.17 | <p>Inspection of Roster is part of the job assigned to a Liaison Officer. The Committee, therefore, recommend that Chief Liaison Officer should inspect the rosters kept at Head Office and Zonal Offices every year.</p> |
| 14. | 3.25 | <p>The Committee are pleased to note that pre-recruitment training is being given to SC/ST candidates by the Bank. During the year 2005, the Bank had provided pre-recruitment training to 77 SC/ST</p> |

candidates, out of which 16 ST candidates are reported to have been selected. The Committee also note that in service training is imparted by Punjab & Sind Bank to all employees including SC/ST employees to make them aware of changing scenario in the Banking industry and keep them updated with policies, latest government guidelines, system procedure and development. The Committee recommend that the Bank should provide in-service training to all its SC/ST employees. The Committee also note that the Bank give pre-promotional training to SC/ST employees. During the year 2005 to 2007, several number of SC/ST employees were given pre-promotional training. The Committee, however, note that the number of promotion given to SC/ST employees during the period does not seem to reflect the effect of the pre-promotional training. The Committee feel that the objective of pre-promotional training to SC/ST would be defeated if they do not pass the pre-promotional examination and interview. The Committee are, therefore, of the view that the pre-promotional training should not be a formality. The Committee, therefore, recommend that the pre-promotional training should be of adequate duration so as to cover all the topics which are required to be prepared for the pre-promotional examination and interview.

15. 3.26 The Committee are however, unhappy to note that none of the employees belonging to SC/ST category were included in the core team consisting of five persons constituted for implementation of CBS project that was taken to Philippines by Bank's franchisee M/s Satyam Computer at their own expenses during the year 2007. The Committee recommend that the Ministry of Finance should issue specific instruction in term of Para 17.3(iii & iv) of the "Brochure on Reservation for SCs/STs in Services" which envisage that it would be useful to include eligible SC/ST officers in such training programmes to broaden their outlook and also build up specialized knowledge thereby boosting up the morale of the officers of these communities.
16. 3.29 The Committee note that during the years 2003 to 2006, a total of 41 Clerks and 38 Sub-Staff including 2 SC candidates were appointed on compassionate grounds. The Committee also note that 10 cases are still pending under the old scheme of providing appointments on compassionate grounds. The Committee, however, note no case of SC/ST is pending for appointment on compassionate grounds in

Punjab & Sind Bank. The Committee expect that these 10 cases pending would be settled expeditiously so that the dependents of the deceased employees do not face hardships. The Committee also note that the scheme for providing appointment has been replaced by a new Scheme of providing financial assistance in 2004 by the Ministry of Finance. The Committee are of the view that families of deceased employees, especially from SC/ST categories might prefer to have a steady income instead of one time financial help because of their economic background. The Committee, therefore, recommend that jobs should be provided to dependents of deceased SC/ST employees instead of financial assistance so that they do not face hardships after the demise of their bread winner.

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| 17. | 3.32 | The Committee note that the Bank is having residential flats comprising one room, two rooms and three rooms set in three-four selected places. The Committee note that all officers including SCs/STs posted from outside at Mumbai, Chennai and Ludhiana are provided with the accommodation without any discrimination. Also due to availability of sufficient number of flats, no SC/ST has ever found any difficulty in getting the accommodation. The Committee desire that the Bank should continue to provide accommodation to SC/ST officers, whenever, they require. |
| 18. | 3.47 | The Committee note that SC/ST Cells at the Bank's Head Office as well as in every Zonal Office are looking after the redressal of grievances of SCs/STs. Quarterly meetings with the Welfare Council of SC/ST are also being regularly held at the Head Office. At the Head Office, Chief Liaison Officer and at Zonal Offices, Zonal Managers as Liaison Officers are the competent authorities for redressal of grievances of SCs/STs. The Committee appreciate that none of the complaints/grievances received by the Bank during the years 2005 to 2007 is pending redressal. The Committee also note that grievances/representations of SC/ST employees received in the Ministry are taken up with the Management of the Bank and efforts are made to settle the same amicably as far as possible. Further, the Management of the Bank concerned is also directed to take corrective action in this regard. |
| 19. | 3.48 | The Committee also note that the Bank had received a representation from Shri P.N. Chaudhary belonging to SC category, Ex-Manager, through this Committee, Ministry of Finance and the National Commission for Scheduled Castes. The Bank has reported that the |

representation was misleading and devoid of facts as Shri Chaudhary was not dismissed from the service on false charges as alleged by him. It was further stated that certain serious irregularities were committed by him for which he was chargesheeted. A departmental enquiry was conducted and allegations were established on the basis of documentary as well as oral evidence. During the enquiry, he was given fair opportunity to put his case and defend himself. The Committee also note that out of 24 chargers leveled against Shri Chaudhary, 22 were held fully proved and one has partially proved by the inquiry officer. However, the Disciplinary Authority, after independent application of mind on the inquiry report, the oral and documentary evidence adduced in the case of declared 17 charges as fully proved and 5 as partially proved. No other officer of the Bank has been held accountable for charges levied against Shri Chaudhary. Also, no false and fabricated documents and evidence were used against Shri Chaudhary during the course of inquiry.

20. 3.49 The Committee observe that the Bank authorities had taken action against Shri Chaudhary based on the report submitted by the Disciplinary Authority. The case had not been referred to either CBI or an independent investigating agency as requested by the accused officer citing unfair inquiry conducted by the Disciplinary Authority. The Bank authorities had been accused of meting out differential punishment to officials who belong to Scheduled Castes/Scheduled Tribes and others, often leading to major punishments to the officials from oppressed society and minor punishments to others even after agencies like CBI confirming their fraudulent acts. The Committee feel that such a situation, if found to be true, does not augur well for the ethos and ideals that are enshrined in our constitution that provides special protection to the Scheduled Castes and Scheduled Tribes and Equality before law. The Committee, therefore, want the bank to furnish detailed reply about fraudulent activities found to have been committed, inquiry/investigation done, nature of crime committed, quantum of money involved and punishment meted out to each one of them, during the years from 2005 to 2009.
21. 3.50 The Committee observe that the case of Shri Chaudhary was not referred to other independent agency or CBI for their inquiry, as agreed to by the Bank, in a meeting held on 19.03.2008 with them. A necessity arises particularly when Shri Chaudhary had

alleged that the inquiry against him was biased and not fair. The plea of the Ministry is that they have carefully examined the case and has come to the conclusion that in the light of the clarifications provided and due to the fact that the stipulated procedures have been followed in the inquiry and in disposal appeal no further action needs to be taken. The Ministry has further stated that to conduct Departmental enquiry is a quasi-judicial procedure and there is no scope for interference issue of directions to Disciplinary Authority. The Committee feel that in order to completely do away with any iota of subjectivity of inquiry and judgement since the whole inquiry and decision were taken by the Bank's own officials, an independent inquiry in this case should be conducted by an independent investigative agency instead of Punjab and Sind Bank. The Committee would also like to know the present status of the case.

22. 4.9

The Committee note that credit to SCs/STs is part of lending to weaker sections under priority sector lending of the Banks. The Committee also note that reservations and relaxations for SC/ST beneficiaries exist under certain Central Government sponsored schemes. However, they observe that there are limitations on project cost/housing loans etc. upon which the subsidies/concessions are extended to SC/ST beneficiaries. For example, under Swarnjayanti Gram Swarozgar Yojana (SGSY), apart from reserving fifty percent of the scheme for SC/ST beneficiaries, a subsidy amount of fifty percent of the project cost with a maximum of Rupees Ten thousand has been prescribed. In the opinion of the Committee, such limitations are to be reviewed periodically, considering the increase in cost of inputs, inflation etc. Therefore, the Committee recommend that the limitations under such Schemes, upon which concessions/subsidies are extended, should be increased based on the factors mentioned above.

23. 4.10

The Committee note that in case of SJSRY nothing has been said about the maximum amount that can be advanced to the beneficiaries and the subsidy amount that is available to SC/ST beneficiaries. As the scheme is meant for urban unemployed youth, the Committee urge the Government to undertake this project more vigorously in tribal dominated areas including north east states. The Committee also recommend that the amount of loan and subsidy allowed are realistic enough for undertaking the project and should be revised from time to time. In case of PMRY, it has

been stated that since 2008-09, it has been merged with Rural Employment Generation Programme (REGP) into a new Scheme i.e. Prime Minister's Employment Generation Programme (PMEGP). The Committee, therefore, recommend that details of this Scheme including reservations and relaxations given to SC/ST beneficiaries should be made available to them.

24. 4.25

The Committee note that credit flow to SCs/STs from Public Sector Banks is being monitored by the Department of Financial Services as of March 2008 onwards. A Credit Monitoring Cell in the Department is monitoring the progress of credit extended to SCs/STs as a part of lending to weaker sections under Priority Sector Lending of the Banks. It has further been stated that monitoring of progress is being done at State Level Bankers Committee (SLBC) level through Quarterly reporting by Convener Banks of SLBC and participation in SLBC meetings. Further, as a part of monitoring/review mechanism, RBI is issuing instructions to all Scheduled Commercial Banks to implement the Schemes to achieve the targets set under different Schemes and play active role for implementation. Further, the Committee note that RBI is also monitoring the credit flow to SCs/STs under priority sector through the half yearly and annual priority sector returns from the Banks. RBI is also monitoring performance of Scheduled Commercial Banks in credit lending to SCs/STs under various schemes such as SGSY, SJSRY, SLRS/SRLS etc. through receipt of monthly/quarterly progress reports and half yearly recovery statements from Banks. The Committee also note that Punjab & Sind Bank has a separate Priority Sector Advances Department headed by a General Manager. The Department looks after the advances covered under priority sector segment as per the stipulation of the Government. The Committee note that in the Master Circular on priority sector lending – credit facilities to SCs and STs issued by the RBI dated 1st July 2009 to all the scheduled commercial banks, it has been specifically stated that a Special Cell should be set up at the head office of banks for monitoring the flow of credit to SC/ST beneficiaries. Apart from ensuring the implementation of the RBI guidelines, the Cell would also be responsible for collection of relevant information/data from the Branches, consolidation thereof and submission of the requisite returns to RBI and Government. The Committee, however, note that presently Punjab & Sind Bank does not have a Special Cell. The Committee, therefore, recommend that

Punjab & Sind Bank should set up a Special Cell to monitor flow of credit to SC/ST beneficiaries at the earliest so that it may fulfill the job entrusted to it as per the instruction given by RBI. The Committee also urge RBI to ensure that all the public sector banks including the Punjab & Sind Bank follow the instruction issued by them in letter and spirit so that the objective of monitoring priority sector lending to weaker sections especially SC/ST beneficiaries may be met effectively.

25. 4.33

The Committee note that under priority sector lending norms, SC/ST credit form a part of overall weaker section credit for which target of 10% of adjusted net bank credit is stipulated by RBI. The Punjab & Sind Bank credit to weaker sections over the years has increased from Rs.455.70 crore in the year 2004-05 to Rs.1056.10 crore in the year 2007-08. Ironically, the share of SC/ST beneficiaries within the weaker sections during the same period has not increased proportionately. As per the statement at para 4.25, in the year 2004-05, the share of SC/ST beneficiaries was Rs.136.73 crore which was 30% of the share within the total credit advance to weaker sections. Similarly, in the year 2005-06, the share of SC/ST beneficiaries was Rs.149.87 crore which is equivalent to 28.51% of the total credit to weaker sections. In the year 2006-07, the share of SC/ST beneficiaries was Rs.120.69 crore which amounts to 18.47% of the total credit given to weaker sections. In the year 2007-08, the share of SC/ST is Rs.147.76 crore which amounts to 13.99% of the total credit to weaker sections. However, the Ministry have calculated the share of SC/ST beneficiaries as Rs. 160 crore and percentage of SC/ST beneficiaries at 15% vide para 4.24 above. The Committee wonder as to how there is variance in what the Ministry has stated at para 4.24 and data provided at para 4.25. The Committee should be apprised of the correct figure.

26. 4.34

The Committee are also not convinced by the reply of the Ministry in regard to performance of the Bank that there appears to be growth in advances to SCs/STs. If there is an actual increase in the advances to SC/ST beneficiaries, there would have been a corresponding increase in share of SC/ST beneficiaries too. Further there is no mention of total number of weaker sections to which bank advances were given vide statements at para 4.26. It is therefore, difficult to compare and accept the percentage figure of SC/ST beneficiaries as furnished. The Committee also note that no separate share of SCs/STs has been fixed in the 10% of total

advances earmarked for weaker sections. The Committee, therefore, recommend that the Government should ensure that Punjab & Sind Bank takes immediate necessary measures to see that the number of SC/ST beneficiaries and their shares in the bank credit do not fall below 22.5% of the total share within the weaker sections under priority sector advances.

27. 4.40 The details of disbursement made by the Bank under various Government sponsored schemes show that the Bank could not achieve target fixed for beneficiaries in all the schemes. The position of advances to SC/ST beneficiaries was even worse except in case of SGSY Scheme, where the number of SC/ST beneficiaries was little higher than 40% and more. The Committee urge the Bank to review as to why the targets fixed by it for the number of beneficiaries could not be achieved during the year 2005-06 to 2007-08 and the reasons as to why very few SC/ST people have been benefitted. The Committee also recommend that the Bank should make earnest efforts to popularize all the Government sponsored Schemes, especially in SC/ST dominant areas through local newspapers, electronic media, etc.
28. 4.41 Further, the Committee note that as regards the progress reports in respect of the implementation of the Government sponsored schemes being submitted by the Bank, no significant shortcomings and inconsistencies as such which are substantially at variance with those observed in the case of the other public sector banks had been observed. However, the Committee desire to know the shortcomings and inconsistencies that had been observed in the performance of all the Public Sector Banks as a whole and how it compares with the Punjab & Sind Bank. The reply may be given with detailed statistics with percentages.
29. 4.42 The Committee note that the Ministry of Social Justice & Empowerment had proposed a new scheme known as "Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)", under which all the remaining Scavengers and their dependents are to be rehabilitated by March, 2009. The Bank has stated that it is working out the modalities for active participation in the renewed scheme. The Committee recommend that the number of cases which were outstanding as on 30.11.2008 and thereafter should be cleared expeditiously. If not, the reasons for not achieving the target and steps taken by the Ministry of Social Justice

& Empowerment as well as the Bank in this regard should be apprised to the Committee.

30. 4.44 The Committee note that artisans get credit upto Rs. 2 lakh irrespective of their location under ACC scheme whereas under GCC scheme, the credit given is only Rs. 25,000/. Under GCC Scheme, total number of outstanding account and outstanding amount as on 31.3.2008 are 226 and Rs.61.08 lakh whereas as on 31.12.2008 i.e. after nine months, the total outstanding account and the amount has decreased to 170 and Rs.42.01 lakh. The position in regard to SCs/STs is also similar as their number has come down from 49 to 37 and their outstanding amount from Rs.13.02 lakh to Rs.9.14 lakh during the same period. The Committee should be apprised as to why there is decline in the total outstanding number of account and amount within nine months from 31.3.2008 to 31.12.2008 in case of GCC scheme. The Committee feel that credit given under GCC Schemes is not adequate. The Committee recommend that the credit amount should be realistic and revised upwardly periodically so that the artisans may be able to create / expand their work profitably. The Committee also recommend that whatever scheme for weaker sections is undertaken, the Bank should also carry out wide publicity of the same otherwise it is futile to have such Scheme in name only.
31. 4.46 The Committee note that for low cost housing, the Bank is implementing Indira Awaas Yojana (IAY) where SC/ST beneficiaries are specifically benefitted. However, no details of credit given to SC/ST beneficiaries under the Scheme were provided. The Committee should, therefore, be provided with the details of credit and subsidy allowed to SC/ST beneficiaries under IAY during the years 2005-06 to 2009-10. The Committee note that the Bank had fixed a target to give credit under GJRHS. However, it is noted that the Bank did not achieve the target during the period for which the details have been provided. The Committee are of the view that the target for reaching the beneficiaries should be fixed only after carrying out the survey so that only genuine beneficiaries are benefitted.
32. 4.50 The Committee observe that during the years from 2004-05 to 2007-08, only 764 students out of 16246 belonging to SC/ST communities availed of the loan facilities provided under the Education Loan Scheme. The Committee note that the number of beneficiaries and the amount of education loan has increased over

the years but the number of SC/ST students who were given education loan is still few. Keeping in mind that more SC/ST students may like to avail education loan in future, the Committee recommend that the Bank should consider giving concessions/relaxations in favour of SCs/STs students and also making the Educational Loan Scheme more popular among them. The Committee further recommend that wide publicity of the Education Loan Scheme may be made by the Bank to ensure that it reaches the SC/ST people so that the performance of the Bank in this regard is improved.

33. 4.54 The Committee note that Punjab & Sind Bank is performing the lead bank role in three districts of Punjab i.e. in Faridkot, Moga and Ludhiana. It has been reported that under the Bank Scheme, the Bank disbursed loans totaling Rs.787 crore to 34019 beneficiaries, out of which the share of SC/ST was Rs.6.71 crore and their account was 2778 during the year 2007-08. During the year, 2008-09 (upto December 2008), the number of beneficiaries had increased from 34019 to 36700 and the number of SC/ST beneficiaries had also increased from 2778 to 3527 and the amount of loan disbursed to them had also increased from Rs.6.70 crore to Rs.7.09 crore. The Committee, however, note that the loan amount has decreased from Rs.787 crore to Rs.637 crore while surprisingly in case of SC/ST, the amount of loan disbursed has increased. The Committee should, therefore, be apprised as to how the number of beneficiaries has increased but correspondingly the amount disbursed has not increased. The Committee demand a proper explanation for this poor performance.
34. 4.55 No doubt, there is a marginal increase in the number of SC/ST beneficiaries and the amount disbursed to them but compared to total number of loans disbursed, it is only marginal. The percentage of SC/ST beneficiaries who are given loan amount in three districts is around 9 to 10% whereas SC population in the State is reported to be at 28.9% according to 2001 census. The Committee find that Punjab & Sind Bank has failed in its basic obligation to sponsor more SC/ST beneficiaries in the State of Punjab. The Committee, therefore, recommend that the Bank should immediately draw out a plan to all the development agencies – Government and non-Governmental, to reach out to SC/ST population with specific target over a period of time.

35. 4.56 The Committee note that Punjab & Sind Bank has established Rural Development Centre in 50 branches in Punjab, Haryana, Rajasthan, UP and Uttarakhand and that a rural development center has also been set up at Ludhiana with the primary objective of sensitization and promoting awareness/scheme development in the rural areas. While the Bank has mentioned about the number of credit camps held during the years 2005-06 to 2007-08, no specific mention has been made about the credit camps held particularly in lead districts. The Committee recommend that credit camps held specifically in Lead districts of Punjab, the details of loan disbursed and details of skill development of SC/ST beneficiaries during the year 2006-07 to 2009-10 should be furnished.
36. 4.60 The Committee note that percentage of loan recovery from SC/ST borrowers is 47.03% as compared to the overall recovery of the Bank 78.54%. The Committee recommend that all out efforts should be made by Punjab & Sind Bank to improve the recovery position for recycling funds. The Bank should also extend all possible guidance and advice to SC/ST beneficiaries so that they may fully utilize the income generated from the activity for repaying the loans and making the schemes successful.
37. 4.61 The Committee also observe that practically no assistance in effecting recovery is forthcoming from the State Government Agencies /State SC/ST Development Corporations in the matter of recovery of overdue loans to Punjab & Sind Bank and therefore, recommend that the Bank officials should have a close liaison with State Government Agencies, SC/ST Development Corporations and make efforts to involve them in the process of identification of needy SC/ST beneficiaries so that they may also feel their responsibility and provide necessary assistance in recovery of overdue loans.
38. 4.65 The Committee note that a sum of Rs.26367.68 lakh in respect of 524 accounts was waived off during the year 2006-07 and a sum of Rs.37187.16 lakh was waived off in respect of 26068 accounts during the year 2007-08. During the year 2006-07, the amount waived off in case of SC/ST was Rs.44.35 lakh and the number was 14 - a mere 0.16% of the total amount and 2.67% of the total number of accounts waived off. Similarly, during the year 2007-08, the amount waived in case of SC/ST accounts was Rs.926.68 lakh and the number

of accounts was 2132. Thus, the percentage share of SC/ST in regard to amount and number are 8.17% of the total amount and 2.49% of total account waived off. The Committee are pained to note that while the Bank has not been able to give enough credit to weaker sections including SCs/STs, as is evident in data furnished, it gave more credit to others which eventually had to be waived off as bad loans/NPAs during the years 2006-07 and 2007-08. The Committee are of the view that by giving credit of more than Rs. 1 lakh and above to others, the Bank was burdened with huge bad loans/NPAs. The Committee, therefore, recommend that the foolproof mechanism should be created in the Bank so that the bad loans/NPAs are minimized in future. The Committee also like to remind the Bank that it is duty bound to fulfill its aim to help the weaker sections including SCs/STs to raise their living standard as was envisaged by their founders. The Committee, therefore, recommend that the Bank should emphasize on fulfilling its aim by formulating new schemes in coordination with State Government agencies, giving wide publicity to existing Central Government schemes, imparting training for job skill and conducting more credit camps so that appreciable economic development of SCs/STs is achieved. The Committee also recommend that the Bank should furnish the details of loans waived off during 2008-09 and 2009-10.

39. 4.69

The Committee note that the authority for rejection of loan applications from SCs/STs is not vested with the sanctioning authority but with the next higher official than the sanctioning authority and that too with specific reasons thereof. The Bank has taken certain appreciable initiative like organizing camps through its Rural Development Centre (RDC), establishing RSETI to impart training for skill development etc. However, the Committee observe from the reply that the sponsoring agency must ensure imparting of adequate technical skill, job, knowledge and marketing potential of the products of the particular venture to be undertaken by the beneficiary before sponsoring the applications. The Committee feel that not only the sponsoring agency but the Bank in its own interest should give counsel and impart skill training to SC/ST loan seekers so that there is no question of rejection of their applications. The Committee, therefore, desire that not only the sponsoring agency but the Bank should always ensure that every effort is made by both to enhance the capabilities of SC/ST seeking loans and

thus increase the success rate of loan sanctions. Further, it is seen from the reply that the Committee's query regarding data relating to loan applications from SCs/STs that were received/sanctioned/rejected/pending during the years from 2005 to 2009 was not responded. The Committee take strong exception to this. The Committee, therefore, recommend that the information sought by them should be furnished.

40. 4.72 The Committee had asked a general question as to whether Punjab & Sind Bank organizes orientation and training programme for officers to have a positive approach towards socio-economic development of SCs/STs at branch level and whether any incentive is given to branch managers for working in rural and semi-urban areas, the reply given is surprisingly confined to SC/ST officers. The Committee note that instead of a straightforward reply the Ministry/Bank have tried to sideline the issue by saying that SC/ST officers are given pre-promotion trainings and orientation/induction programme on promotion. The Committee are of the view that the Bank has not conducted any orientation and training programme for officers to equip them to have a positive approach towards socio-economic development of SCs/STs. The Committee stress that such orientation programme is needed to change the mindset of officers who otherwise are not inclined to help the weaker sections of the society. The Committee, therefore, strongly recommend that all officers should undergo orientation and training programme so that they may have a positive approach towards SCs and STs and for their socio-economic development.
41. 4.78 The Committee note that Punjab & Sind Bank have 898 Branches as on 31.5.2008 which are mostly located in the northern part of the country. 18 Branches are reported to have been opened in SC/ST inhabited areas and existence of a Satellite Office at Balera in Himachal Pradesh to cater to the remote rural population. Having noted that there is no Branch of Punjab & Sind Bank in North-Eastern States, the Committee strongly recommend that the Bank should explore opening of its Branches in that area too.
42. 4.80 The Committee note that Punjab & Sind Bank does not have any exposure on any SC/ST Development Corporation. According to the reply given by the Bank, there are common instructions/guidelines from Government of India/RBI under Priority Sector Lending

through SC/ST Development Corporations. However, there are no separate instructions/guidelines in this regard. The Committee, therefore, recommend that the Ministry of Finance/RBI should issue the said guidelines to all the Public Sector Banks to ensure that the aforesaid guidelines are followed by them in letter and spirit.

43. 4.86 The Committee note that the Bank is reported to comply with guidelines in respect of 20 Point Programme. The Bank has furnished the performance report of the Bank during the year(s) 2005-06, 2006-07 and 2007-08 but has not provided separate data for SCs/STs as desired by the Committee. The Committee observed that the Ministry of Finance and Punjab & Sind Bank are not at all serious about SCs and STs. That is why the information furnished to the Committee is very casual. The Committee takes serious note of this fact and want this to be brought to the knowledge of the Minister. The Committee recommend that data in respect of SC/ST wherever collected should always be kept separately in respect of schemes/programmes including 20 Point Programme. The Committee further recommend that the Ministry of Finance should issue necessary direction in this regard.
44. 4.87 The Committee also observe that the bank has provided consolidated data for SCs and STs with regard to the credit facilities provided to them in Part-II of the Report. The Committee desire that data in respect of SCs/STs should henceforth be provided separately.