

**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND
SCHEDULED TRIBES**

**(2003-2004)
(THIRTEENTH LOK SABHA)**

TWENTY EIGHTH REPORT

**ON
MINISTRY OF FINANCE AND COMPANY AFFAIRS (DEPARTMENT OF
ECONOMIC AFFAIRS – BANKING DIVISION)**

**Action taken by the Government on the recommendations contained
in the Twenty-fourth Report (Thirteenth Lok Sabha) of the Committee
on the Welfare of Scheduled Castes and Scheduled Tribes – Policy of
recruitment of staff in various Nationalised Banks after abolition of
Banking Service Recruitment Boards (BSRBs).**

Presented to Lok Sabha on 22.12.2003.

Laid in Rajya Sabha on 22.12.2003.

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2003 / Pausa, 1925 (Saka)

**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND SCHEDULED TRIBES (2003-2004)**

Shri Ratilal Kalidas Varma - Chairman

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3. Shri Mahendra Baitha
4. Prof. Dukha Bhagat
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2. Shri Krishan Lal - Director
3. Shri Gopal Singh - Deputy Secretary
4. Shri K. Jena - Assistant Director
5. Shri Joginder Singh - Committee Officer

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the report on their behalf, present this Twenty-eighth Report (Thirteenth Lok Sabha) on action taken by the Government on the recommendations contained in their Twenty-fourth Report (Thirteenth Lok Sabha) on the Ministry of Finance and Company Affairs (Department of Economic Affairs – Banking Division) regarding policy of recruitment of staff in various Nationalised Banks after abolition of Banking Service Recruitment Boards (BSRBs).

2. The draft Report was considered and adopted by the Committee on 18th December, 2003.
3. The Report has been divided into the following chapters: -

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

4. An analysis of the action taken by the Government on the recommendations contained in the Twenty-fourth Report of the Committee is given in the Appendix. It would be observed therefrom that out of six recommendations/observations made in the report, the Committee do not desire to pursue 2 recommendations i.e. 33 per cent in view of the Government replies. There are 3 recommendations i.e. 50 per cent in respect of which replies of the Government have not been accepted by the Committee and which require further reiteration. In respect of one recommendation i.e. 17 per cent, reply of the Government has not been received.

NEW DELHI
December, 2003
Pausa, 1925 (Saka)

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

CHAPTER - I

REPORT

1.1 This Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the action taken by the Government on the recommendations contained in their Twenty-fourth Report (Thirteenth Lok Sabha) on the Ministry of Finance and Company Affairs (Department of Economic Affairs – Banking Division) regarding “Policy of recruitment of staff in various Nationalised Banks after abolition of Banking Service Recruitment Boards (BSRBs)”.

1.2 The Twenty-fourth Report was presented to the Lok Sabha on 27.2.2003. It contained six recommendations. Replies of the Government in respect of these recommendations have been examined and categorised as under :-

- (i) Recommendations/Observations which have been accepted by the Government: NIL.
- (ii) Recommendations/Observations which the Committee do not desire to pursue in the light of the replies received from the Government: Sl. Nos. 3 and 5.
- (iii) Recommendations/Observations replies to which have not been accepted by the Committee and which need reiteration: Sl. Nos. 1,2 and 4.
- (iv) Recommendations/Observations in respect of which reply of the Government have not been received: Sl. No. 6.

1.3 The Committee will now deal with the action taken by the Government on some of their recommendations/observations, which need reiteration or merit comments:-

Recommendation (Sl.No. 1, Para 1.11)

1.4 The Committee had observed that in 1978, Banking Service Recruitment Boards (BSRBs) were established for recruitment of staff,

which were also to provide adequate representation of SCs/STs in the Banks and to bring uniformity in the recruitment system of all the Banks. The Committee had, therefore, apprehended that by abolishing the BSRBs of the nationalised banks, the very purpose of the nationalisation would be defeated and the interest of SCs/STs would be adversely affected.

1.5 The Government in their action taken reply have stated that BSRBs were only an agency to select the personnel for appointment in the Public Sector Banks. The number of candidates to be selected and the number of vacancies to be reserved was being decided by the Public Sector Banks and the BSRBs were only selecting personnel as per the indent received from Banks. The abolition of the BSRBs in no way affects the implementation of reservation policy or the purpose of nationalization of banks.

Comments of the Committee

1.6 The Committee are not satisfied with the reply of the Government that BSRBs were only an agency to select the personnel for appointment in the Public Sector Banks. The Committee are of the view that while selecting personnel for Banks, BSRBs provided necessary relaxations/concessions, etc. to SC/ST candidates which indicated that guidelines on the reservation policy were being followed/implemented by them. Moreover, there was hardly any chance of favouritism and partiality in recruitment by BSRBs. The Committee are, therefore, of the firm opinion that abolition of the BSRBs would certainly defeat the purpose of nationalisation of Banks and adversely affect the interest of SCs and STs in recruitment.

Recommendation (SI.No. 2, Para 1.12)

1.7 The Committee had noted that BSRBs had been abolished on the basis of the recommendations made by the Mehta Committee and the Narasimham Committee. The Committee had also noted that BSRBs had been abolished because the requirement of new recruitment had been

reduced by the Banks and because of the need of Banks for specialised categories of officers and also staff having adequate knowledge of modern technology, etc. The Committee had further noted that there was a vast difference between the opinion expressed by the Ministry and the recommendation made by the Mehta Committee. The Committee had noted that the Mehta Committee had recommended that recruitment for clerical staff might continue to be handled by the Banking Service Recruitment Boards subject to certain changes in the existing pattern. The said Committee had also recommended that it would not be advisable to abolish the number of Banking Service Recruitment Boards and the BSRBs had to be totally restructured with clear objectives and that they might be given substantive autonomy with focus on expertise building. The Committee were dismayed to note that inspite of these recommendations the BSRBs had been abolished by the Government. The Committee were strongly of the opinion that BSRBs should not have been abolished and had desired that the Government should review its decision which was having detrimental affect and sending wrong signal about the interests and welfare of Scheduled Caste and Scheduled Tribe people.

1.8 In their reply, the Government have stated that over a period of time the requirement of clerical staff in Public Sector Banks has come down substantially. In most of the banks fresh recruitment of clerical staff is not taking place. In fact, Public Sector Banks were found to have surplus personnel and to right size the number of employees, Voluntary Retirement Scheme was introduced in the Banks. The Public Sector Banks have been advised to formulate their own recruitment policy. The reservation for Scheduled Castes and Scheduled Tribes has not been affected by the abolition of BSRBs as the Banks continue to implement the reservation policy.

Comments of the Committee

1.9 The Committee do not accept the plea of the Government that after abolition of BSRBs, the reservation for SCs and STs has not been affected as the Banks continue to implement the reservation

policy. The Committee are of the opinion that formulation of recruitment policy by each Public Sector Bank, separately, may not help SC and ST people and they may not get their due share in the Banking Sector as there may be no uniform recruitment policy for all the Banks. The Committee, therefore, reiterate their earlier recommendation that the decision to abolish BSRBs must be reviewed by the Government immediately.

Recommendation (Sl.No. 4, Para No. 1.20)

1.10 The Committee had noted that some specific guidelines to implement reservation policy have been issued by the Government and in pursuance of these guidelines few banks have framed their policies and have started recruitment independently. The Committee had further noted that Banks are taking assistance of other agencies for recruitment and for this purpose faith has been shown in the Institute of Banking Personnel Selection (IBPS). The Committee were serious to note that free hand has been given to Banks to frame their own recruitment rules, though some guidelines have been issued to them but nothing has been stated regarding their implementation. The Committee had, therefore, strongly recommended that the guidelines should be made mandatory for the banks to implement them. The Committee had also noted that the Banks are free to choose their own recruiting agency. The Committee had, therefore, recommended that a uniform recruitment/selection procedure should be devised and issued by the Ministry of Finance and Company Affairs (Banking Division) to all the Banks and the Banking Division should also recognize some institutes for conducting examination/selection, who register themselves with Banking Division. The Committee had also recommended that guidelines issued by the Banking Division should be made applicable to independent recruitment agencies so that while making recruitment/selection, their role in implementation of reservation policy could be well defined and ascertained.

1.11 The Government in their reply have stated that the Public Sector Banks follow Government guidelines. The Banking Service Recruitment Boards also used to avail the services of the Institute of Banking Personnel Selection. The Banks are only continuing the practice. The Government has given functional autonomy to the Banks. The requirements for personnel differ from bank to bank. In the coming years, Banks are likely to recruit personnel who have knowledge in specialized fields like Information Technology, Law, Agriculture, etc. Therefore, it is not advisable to prescribe a uniform procedure for recruitment. The Banks usually invite applications through open advertisement and select the candidates on the basis of Written Test/Interview.

1.12 They have further added that all banks are required to follow the reservation policy in letter and spirit and extend all relaxations and concessions as per Government guidelines to the candidates belonging to SC/ST. The Government have reviewed the recruitment done by three Public Sector Banks, after the abolition of BSRBs, and found that the reservation policy is being followed and the abolition of BSRBs has in no way affected the implementation of Reservation Policy.

Comments of the Committee

1.13 The Committee are not satisfied with the reply furnished by the Government because, in the opinion of the Committee, the functional autonomy given to the banks for making recruitment may not get desired benefits to SCs and STs as enshrined in the Constitution. Moreover, the Government/Banks do not have controlling powers in the recruitment process of private agencies. The Committee, therefore, reiterate their earlier recommendation that implementation of the guidelines issued by the Ministry of Finance and Company Affairs (Banking Division) be made mandatory for the Banks. The Committee also reiterate that keeping in view the needs of all Banks, a uniform recruitment/selection procedure must be devised and issued by the Ministry of Finance and Company Affairs and they

should also recognize some institutes for conducting examination/selection who register themselves with the Banking Division and guidelines of the Government should also be followed by them while selecting candidates.

Recommendation (Sl.No. 6, Para No. 2.2)

1.14 The Committee were deeply concerned over the shortfall existing in almost all Banks/Financial Institutions and in all the categories of Posts. The Committee had expressed their unhappiness on this sorry state of affairs regarding representation of Scheduled Caste and Scheduled Tribe people in the financial institutions of the country. It was highly disappointing to find that in spite of this huge shortfall in almost all Banks/Financial Institutions in all the categories of posts, the Government, instead of taking steps to fill up such a gap of shortfall, had decided to abolish BSRBs. The Committee felt that before giving free hand for recruitment of staff to individual Banks/FIs, the shortfall/backlog should have been cleared. The Committee, therefore, had recommended that instructions should be issued by the Ministry of Finance and Company Affairs (Banking Division) directing all Banks/FIs to fill up the shortfall/backlog by conducting special recruitment drive for all categories of posts by a stipulated date, and thus the existing recruitment rules, might also be amended, if needed.

1.15 Reply of the Government has not been received in this regard.

Comments of the Committee

1.16 The Committee are dismayed to note that the Government have not furnished action taken reply on the above recommendation of the Committee. They, therefore, reiterate their earlier recommendation and desire that the shortfall/backlog in all the Banks/Financial Institutions in all the categories of posts must be filled up at the earliest by conducting Special Recruitment Drive.

New Delhi
December, 2003
Pausa, 1925(Saka)

Chairman,
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes.