

**COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(1999-2000)**

(THIRTEENTH LOK SABHA)

FIFTH REPORT

ON

MINISTRY OF FINANCE (BANKING DIVISION)

**(Reservation for and employment of Scheduled Castes and
Scheduled Tribes in State Bank of Patiala and credit facilities
provided by the Bank to them)**



Presented to Lok Sabha on 20-4-2000

Laid in Rajya Sabha on 20-4-2000

**LOK SABHA SECRETARIAT
NEW DELHI**

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE.....	(iii)
INTRODUCTION.....	(v)
PART I	
CHAPTER I REPRESENTATION ON THE BOARD OF DIRECTORS	
(A) Organisational set-up	1
(B) Board of Directors.....	1
CHAPTER II RESERVATION IN SERVICES	
(A) Reservation.....	3
(B) Recruitment	4
(C) Staff Strength and Shortfall	5
(D) Promotion.....	6
CHAPTER III ORGANISATIONAL MATTERS	
(A) Liaison Officers and SC/ST Cell in the Ministry of Finance (Banking Division)	11
(B) Liaison Officer and SC/ST Cell in State Bank of Patiala	11
(C) Grievances of SC/ST Employees	11
(D) Allotment of accommodation.....	12
PART II	
CHAPTER IV CREDIT FACILITIES	
(A) Credit Policy	14
(B) Organisational set up to monitor the flow of Credit to SCs/STs.....	15
(C) Priority Sector Advances.....	16
(D) DRI Scheme.....	17
(E) Integrated Rural Development Programme (IRDP).....	20
(F) Performance of State Bank of Patiala in lending to SCs/STs under other schemes	22
(G) Housing Loans to SCs/STs.....	22
(H) Lead Bank Scheme	23
(I) Loan to Rural Artisans and Small Scale Industries.....	24
(J) Educational Loan Scheme.....	25

	PAGE
CHAPTER V OTHER MATTERS	
(A) Loan applications	27
(B) Sanction of Loans.....	28
(C) Branches.....	29
(D) Orientation Training Programme for officers regarding socio-economic development for SCs/STs and Branch level	30
(E) Recovery of loans.....	31
APPENDIX	
Summary of conclusions/Recommendations contained in the Report.....	34

COMPOSITION OF THE COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND SCHEDULED TRIBES (1999-2000)

Shri Kariya Munda — *Chairman*

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SECRETARIAT

1. Shri Joginder Singh—*Joint Secretary*
2. Shri Babu Ram Kanathia—*Director*
3. Shri Shiv Singh—*Assistant Director*

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 Fifth Report (Thirteenth Lok Sabha) on Reservation for and Employment of Scheduled Castes and Scheduled Tribes in State Bank of Patiala and Credit Facilities provided by the Bank to them.

2. The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs—Banking Division) and State Bank of Patiala on 16 March, 1999. The Committee wish to express their thanks to the officers of the Ministry of Finance (Department of Economic Affairs — Banking Division) and State Bank of Patiala for placing before the Committee material and information the Committee desired in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 6th April, 2000.

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

NEW DELHI;
April, 2000

31 Chaitra, 1922 (Saka)

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

PART I

CHAPTER I

REPRESENTATION ON THE BOARD OF DIRECTORS

A. Organisational set up of State Bank of Patiala

1.1 The Committee have been informed that the overall management of the Bank is with the Board of Directors, headed by the Chairman of State Bank of India. Besides, the Board of Directors, Managing Director is the Head of the Organisation. The Managing Director is assisted by the 1 Chief General Manager and 5 General Managers.

1.2 The Bank have 7 Zonal Offices, 17 Regional Offices, 703 Branches and 105 extension counters throughout India as on 1.7.97. The organisational structure of the Head Office has been so designated as to enable it to exercise effective control over the Zonal Offices directly, whereas Regional Offices and Branches are overseen by Zonal Offices and Regional Offices respectively.

B. Board of Directors

1.3 It has been stated that the Directors of the Board of the Banks subject to the provisions of sub-section (2) of State Bank of India (Subsidiary Banks) Act, 1959, the Board of Directors of a subsidiary Bank shall consist of the following:—

- (a) Chairman of the State Bank, Ex-officio.
- (aa) The Managing Director appointed under Sub-section (i) of Section 29, or under Section 32.
- (b) An Officer of the Reserve Bank to be nominated by the Bank.
- (c) Not more than 5 Directors to be nominated by the State Bank of whom not more than 3 shall be officers of that Bank.
- (c-a) One Director, from among the employees of the subsidiary bank, who are workmen, to be appointed by the Central Government in the manner provided in the rules made under this Act.
- (c-b) One Director, from among such of the employees of the subsidiary bank as one not workmen, to be appointed by the

Central Government in the manner provided in the rules made under this Act.

- (d) Two more Directors to be nominated by the State Bank of India under this clause.
- (e) A Director nominated by the Government of India.

1.4 The Committee were informed that there were 12 Members in the Board of Directors and one position of director is vacant and there is one Member from SC/ST Community represented in the Board.

1.5 The Committee are happy to note that at present there is one SC/ST Member in the Board of Directors of the State Bank of Patiala. The Committee hope that the Bank will continue their sincere efforts in future also to keep at least one Member of reserved category in the Board of Directors of State Bank of Patiala.

CHAPTER II

RESERVATION IN SERVICES

A. Reservation

2.1 The percentage of reservation followed in favour of SCs/STs in State Bank of Patiala in respect of posts filled by direct recruitment and posts filled by promotion are as under:—

(i) *Posts filled by direct recruitment.*

Posts	Percentage of Reservation	
	SC	Scheduled Tribes
(A) Officers	15%	7.5%
(B) Clerks		State wise roster
(C) Sub-Staff		Point system as prescribed by Govt.

(ii) *Posts filled by Promotion*

Promotion from clerical to officers cadre	15%	7.5%
Promotion from Sub-Staff to clerical		No reservation is necessary as per Govt. directive as the direct recruitment in clerical cadre exceeds 75%.

B. Recruitment

The following table gives the picture regarding rectt. made in S.B. Patiala during 1994-96:—

Total No. of vacancies occurred	No. of vacancies reserved for Scheduled Castes		Total	No. of vacancies reserved for Scheduled Tribes		Total	Number of Scheduled castes actually appointed	Number of Scheduled Tribes actually appointed	Number of vacancies carried forward SCs	STs	Remarks
	Carried forward from previous year	Reserved during the year out of actual recruitment		Carried forward from previous year	Reserved during the year out of actual recruitment						
1	2	3	4	5	6	7	8	9	10	11	12
Officers											
1994	24	1	5	6	1	2	3	2	—	4	3
1995	25	4	1	5	3	1	4	5	2	0	2
1996	25	0	6	6	2	3	5	4	1	2	4
Clerical											
1994	222	27	60	87	2	7	9	64	4	25 (+2)	5
1995	53	25	9	34	5	2	7	15	2	19	5
1996	345	19	88	107	5	5	10	103	8	4	2
Sub-staff											
1994	98	1	34	35	8	7	15	32	2	6 (+3)	13
1995	102									3 (+11)	10
1996	135	6	19	25	13	5	18	33	8	— (+4)	6

+ Denotes the excess recruitment of SCs made in certain States which cannot be adjusted towards the backlog in other States.

C. Staff Strength and Shortfall

2.3 Table below gives the staff strength as on 31.3.1997:—

Category of posts	Total No. of employees in position as on 31.3.1997	Num-ber of		Percen-tage of total		Short-Falls		%age of shortfall	
		SCs	STs	SCs	STs	SCs	STs	SCs	STs
1	2	3	4	5	6	7*	8*	9**	10**
The Latest available figures as on 31.12.1981 are as under:									
Offices	1239	60	7	4.84	0.56	22	14	**	**
Clerks	4035	635	19	15.73	0.47	180	132	**	**
Sub-Staff	1571	296	33	18.84	2.10	19	27	**	**
Sweepers	424	424	—	100.00	—	—	—	**	**
ii. As on 31.3.1997									
Officers	3045	505	58	16.58	1.90	2	4	**	**
Clerks	6777	1612	51	23.78	0.75	4	2	**	**
Sub-staff	2923	782	72	26.75	2.46	—	6	**	**
Sweepers	656	656	—	100.00	—	—	—	**	**

2.4 From the above statement it is observed that there is a shortfall of SC employees in officers and clerks category and ST employees in all the categories of posts except in Sweeper Posts. The reasons for shortfall are stated to be non-availability of sufficient number of eligible ST candidates and also allotment of inadequate number of ST candidates by the CRB/BSRB as they are not getting sufficient number of eligible SCST candidates.

2.5 The Committee were informed that to make good the deficit of STs in promotion bank is arranging to hold special promotion test for STs only.

2.6 The Committee were also informed that on the basis of special recruitment drive undertaken in the year 1996, candidates are being allotted by Central Recruitment Board/Banking Services Recruitment Boards and it is expected that the backlog will be wiped off.

2.7 In a reply to a question whether State Bank of Patiala ever asked Banking Service Recruitment Board to conduct special examination for

*The figures shown in column Nos. 7 & 8 represent backlog in recruitment of SCs & STs respectively.

Indents on regular basis and also under special recruitment drive have already been placed. All the backlog candidates will be allotted within this year and backlog is likely to be made good.

**The number of SCs in the Bank is already more than the statutory requirement. However, there is no reservation of STs in the places predominantly served by our Bank, i.e. Punjab, Haryana and Chandigarh. The backlog of STs shown is in respect of Himachal Pradesh, Madhya Pradesh, Maharashtra, Rajasthan, Tamilnadu and Delhi where the presence of our Bank is nominal and intake is very low.

recruitment of SC/ST candidates only for clerical and officers grade, it is submitted:—

“Whenever Government of India issued directives for conducting special recruitment drives, BSRBs/CRS conducted special examination for the recruitment of SCs/STs. State Bank of Patiala also participated in clearance of backlog through such drives. The last such drive was conducted in 1996-97.

2.8 In reply to another question whether State Bank of Patiala have any time bound Schedule to clear the backlog of reserved vacancies in sub-staff cadre as per the Government guidelines, it is submitted:—

“Concerted efforts are being made by the Bank to clear the backlog at the earliest as per Government guidelines out of backlog of six vacancies for STs in sub-staff cadre 5 have since been filled up. The remaining backlog of one will be cleared in due course.”

2.9 The Committee find that the statement showing the yearwise recruitment made by the Bank during 1994, 1995 and 1996 indicate considerable shortfall in the representation of Scheduled Castes and Scheduled Tribes in officers clerical and sub-staff categories. During 1996, 6 posts for Scheduled Castes and 5 posts for Scheduled Tribes were reserved in officers cadre out of which 4 Scheduled Castes and 1 Scheduled Tribes were appointed and 2 posts of Scheduled Castes and 4 posts of Scheduled Tribes remain unfilled. Similarly in the same year in clerical cadre out of 107 posts reserved for Scheduled Castes and 10 posts reserved for Scheduled Tribes, 103 Scheduled Castes and 8 Scheduled Tribes were appointed, hence 4 posts for Scheduled Castes and 2 posts for Scheduled Tribes remain unfilled and in sub staff cadre out of 11 posts reserved for Scheduled Tribes only 5 posts were filled and 6 posts remained unfilled. The usual plea of shortfall stated by bank is non-availability of sufficient number of Scheduled Tribes candidates despite permitting them the available relaxation/concessions and allotment of inadequate number of ST candidates by the CRB/BSRBs because they are not getting the sufficient numbers. The Committee recommend that Government should make concerted efforts to wipe out the shortfall of SCs/STs in all categories of posts by conducting repeated special recruitment drives by giving further relaxation so that the shortfall could be wiped out.

2.10 The Committee strongly recommend that State Bank of Patiala should clear the backlog in all the categories expeditiously and they may be apprised of the latest position.

D. Promotion

2.11 The Committee have been informed that the procedure followed for promotion in different categories of posts in State Bank of Patiala is as under:—

(I) Promotion from subordinate to non-subordinate cadre:—

2.12 There are two channels for promotion from subordinate cadre to

clerical cadre, namely Channel 'A' and Channel 'B'. The selection is on All India basis. However, there is no provision for maintaining a waiting list. The details about eligibility criteria etc. in each channel is as under:—

Channel of Promotion	Vacancies	Promotion Process
<i>Channel 'A'</i>		
Matriculates with 5 years of service	10% of the recruitment of cashiers in the previous recruitment year	Written test is held. Based on marks secured in the written test candidates twice the number of posts are called for interview. Final selection is made after combining the marks obtained in written test & interview which is in the ratio of 80% and 20%.
<i>Channel 'B'</i>		
Non-matriculates but 8th pass with 8 or more years of service.	need-based	-do-

(II) Promotion from clerical cadre to officer cadre in JMGS-I

Promotion from clerical to officer cadre in JMGS-I is made on year to year basis depending upon the requirement of officers in the Bank.

There are three channels for promotion from clerical cadre to officer cadre in JMGS-I.

	<i>Group A</i>	<i>Group B</i>
Eligibility Age	Minimum 8 years service Not more than 55 years	Minimum 4 years service Not more than 35 years Relaxation of 5 years for SC/ST/EX-servicemen, Disabled.
Qualification	Matric	Matric with Both Parts of CAIIB Graduation with CAIIB Part-I
% age of Total vacancies	55%	25%

Group-D

Employees who have put in 13 or more years of service are eligible to undergo the promotion process under this channel.

(III) Promotion from JMG-I to MMGS-II (Regular Channels fast channel).

There are two channels of promotion under this category, One is regular channel and other is the fast channel. Separate ranking lists are drawn under each channel taking into account the marks for performance and other traits to be given under each channel.

(IV) Promotion from MMGS-II to MMGS-III.

Officers with the Minimum 5 years of satisfactory service in MMGS-II including a minimum of 3 years service in rural/semi urban area as on 1st December of the relevant year will be eligible for consideration for promotion. The officers are ranked on the basis of marks secured in Promotion/Performance appraisal and interview. There is no written test.

(V) Promotion from MMGS-III to SMGS-IV

Minimum 5 years of satisfactory service in scale III is required for consideration for promotion. The officers are ranked on the basis of marks secured in Promotion/Performance appraisal and interview.

(VI) Promotion from SMGS-IV to SMGS-V

3 years of satisfactory service in SMGS-IV is required. The ranking list is drawn by Internal Promotion Committee on the basis of marks secured in Promotion/Performance appraisal and interview.

(VII) Promotion from SMGS-V to TEGS-VI

2 years of satisfactory service in SMGS-V is required. The ranking list is drawn by the Internal Promotion Committee on the basis of marks secured in Promotion/Performance appraisal and interview.

(VIII) Promotion from TEGS-VI to TEGS-VII

Three years of satisfactory service in TEGS-VI is required. The ranking list is drawn by the Common Promotions Committee on the basis of marks secured in Promotions/Position appraisal and interview.

2.13 The following statement has been furnished to the Committee showing the total number of award staff employees promoted during the years 1994 to 1996 in various categories and also the number of Scheduled Castes/Scheduled Tribes employees among them:

Category/ Designa- tion of posts	Total No. of emplo- yees promoted	No. of posts filled		% age		No. of backlog		Remarks
		SC	ST	SC	ST	SC	ST	
1	2	3	4	5	6	7	8	9
<i>Sub-staff to clerical Cadre</i>								
1994	45	19	—	42.0	—	NA	NA	—
1995	45	10	—	22.0	—	NA	NA	—
1996	45	14	—	31.0	—	NA	NA	—
<i>Clerical to officer Cadre SMGS-I</i>								
1994	128	27	2	21.1	1.6	17	32	Due to non availability of ST candidates in our bank
1995	142	49	7	34.5	4.9	0	26	
1996	130	34	2	26.2	1.5	0	22	

Special drive to clear the backlog of ST vacancies is undertaken as advised by Government of India.

2.14 From the above statement it is observed that there is backlog of 17 SCs and 32 STs in Promotion from clerical to officer cadre JMG scale-I in 1994 and there is backlog of 26 and 22 Scheduled Tribes in the year 1995 and 1996 respectively in the same grade. The reasons for such backlog stated to be non-availability of Scheduled Tribes candidates.

2.15 When the Committee enquired about the efforts made by the Bank to make available Scheduled Tribes candidates in the feeder cadre of sub-staff it was stated:—

“Bank persuade eligible Scheduled Tribes candidates to participate in the promotion process. Bank has been providing pre promotion training to all eligible employees to enable them to compete in the promotion test successfully. They are persuaded to improve their professional qualification *i.e.* CAIIB Part-I so that they become eligible as early as possible for promotion through the fast channel.”

2.16 In regard to the posting on promotion it has been stated that postings are made keeping in view the requirement of Bank and suitability of the officers for particulars post so as to help him to acquire sufficient experience and skill for further career development. The need for causing minimum hardship is also kept in view while posting an officer.

2.17 The Committee note that 17 posts of SCs and 32 posts of STs in the year 1994 to be filled through promotion from clerical to officer cadre JMG Scale—I could not be filled as the requisite number of Employees belonging to these communities were not available. Similarly in 1995, 26 and in 1996,

22 posts reserved for STs could not be filled through promotion from clerical to officer cadre JMG, Scale-I. The usual plea of non-availability of suitable/eligible Scheduled Tribes candidate is hardly convincing. The Committee desire that State Bank of Patlala should clear the shortfall in promotions in respect of SCs/STs at the earliest by giving them further relaxations so that the shortfall could be wiped out. The Committee also recommend that to overcome the shortfalls, the promotional posts should be filled up by diverting the posts to direct recruitment for SCs and STs only.

2.18 The Committee are of the view that unless the liberal and sympathetic attitude is adopted towards Scheduled Castes/Scheduled Tribes employees the situation is not likely to improve. The Committee hardly need to point out that by making mere provision of reservation in promotions in favour of Scheduled Castes/Scheduled Tribes will have no meaning unless all the vacancies reserved for them are actually filled up by them if necessary by giving them special concessions/relaxations in experience etc.

2.19 In view of heavy shortfalls in the representation of SCs/STs in promotional posts the Committee recommend that SCs/STs should be given promotion by giving them concession/relaxation in the criteria determined for promotion so that SC/ST shortfall could be wiped out at the earliest.

2.20 The Committee also recommend that to overcome the problem of non-availability of eligible Scheduled Tribes candidates in the feeder cadre the promotional post should temporarily be diverted to direct recruitment of Scheduled Castes/Scheduled Tribes candidates.

CHAPTER III

ORGANISATIONAL MATTER

A. *Liaison officers and Scheduled Castes/Scheduled Tribes Cell in the Ministry of Finance (Banking Division)*

3.1 A Cell named Scheduled Castes and Scheduled Tribes Cell exists in the Banking Division of the Ministry of Finance. This Cell consists of one Section Officer, three Assistants and two Lower Division Clerks. The Cell is working under the charge of the Joint Secretary who is assisted by a Deputy Secretary and an Under Secretary.

3.2 It is responsible for monitoring the implementation of Government orders regarding reservation for and Employment of Scheduled Castes and Scheduled Tribes in Public Sector Banks/Financial Institutions including State Bank of Patiala. Besides, it also deals with the implementation of reservation in services in the public sector Banks and Financial Institutions for OBCs, physically handicapped persons and Ex-Servicemen.

B. *Liaison Officer and SCST Cell in the State Bank of Patiala*

3.3 It has been informed that bank has nominated Liaison Officers for SCs/STs at Head Office/Zonal Offices/Regional Offices so as to ensure due compliance of the instructions pertaining to reservation for SCs/STs and other concessions admissible to them and also to look after the interest of Scheduled Castes/Scheduled Tribes.

3.4 The Cell has been set up in the year 1987 in the zonal offices. Further, the Liaison Officers were posted at Regional Offices *w.e.f.* 1994. One officer in middle management cadre in each Regional Office has been designated as Liaison Officer and he is assisted by one employee posted in the cell as in-charge of Scheduled Castes/Scheduled Tribes cell.

3.5 It was further stated that SC/ST employees or their representatives are free to meet the designated Liaison Officer during working hours on any working day to discuss any of their grievances for its redressal.

3.6 In the post evidence reply to a question it was replied that there are five Liaison Officers posted at Head Office/Zonal/Regional Offices belonging to SCs/STs categories.

C. *Grievances of Scheduled Castes/Scheduled Tribes Employees*

3.7 In regard to the Grievances of Scheduled Castes/Scheduled Tribes employees it was stated that the redressal of Grievances of the Scheduled Castes/Scheduled Tribes Employees is being looked into by the Scheduled Castes/Scheduled Tribes cells at Head Office/Zonal Office/Regional Offices in coordination with the Liaison Officers for

SCs/STs. The Liaison Officers meet the Scheduled Caste/Scheduled Tribe employees from time to time to discuss their grievances and take necessary redressal measures whenever warranted.

3.8 Moreover, periodical meetings are arranged by the Liaison Officer for Scheduled Castes/Scheduled Tribes at Head Office with the Managing Director of the Bank where the representatives of Scheduled Castes/Scheduled Tribes are invited.

3.9 On being asked about the total number of complaints and the nature of such complaints received from Scheduled Caste/Scheduled Tribe employees during the last three years, the Committee were informed that their complaints relating to posting were received from SC/ST employees and the same were disposed of promptly.

D. Allotment of Accommodation

3.10 The Committee were informed that the Bank has been providing furnished housing facilities to the eligible officers at all the centres. It was further stated that in respect of clerical and sub staff cadres bank does not provide any housing facilities. However, House rent allowance is paid to them accordingly to their eligibility as per place of their posting.

3.11 When the Committee desired to know the reasons for not allotting quarter to clerical and sub-staff cadre, it was stated that the employees in clerical and sub-staff cadre are governed by Bipartite settlement at Industry level where no entitlement has been prescribed for allotment of housing accommodation to them.

3.12 The Committee note that the Bank has nominated Liaison Officer for SCs/STs at Head Office/Zonal Office/Regional Offices so as ensure due compliance of the instructions pertaining to reservation for SCs/STs and other concession admissible to them and also to look after interest of SCs/STs. The Committee is of the opinion that the Chief Liaison Officer should conduct periodical meetings with the Liaison Officers of the Regions/Zones to exchange view about their common problems to avoid any controversy in the implementation of reservation orders.

3.13 The Committee desire that action taken on the complaints/grievances should also be indicated in the register and checked and countersigned by the Liaison Officer of the Banking Division periodically.

3.14 The Committee note that according to the present policy of State Bank of Patiala bank quarters are not provided to clerical and sub-staff cadres. However, they are paid House Rent Allowance. Keeping in view the social status of SCs/STs, it is very difficult for SC/ST employees to discharge their duties properly in the absence of housing facility especially when they are transferred from one place to another, as they do not get the accommodation easily due to their social status on cheaper rates

comensurating with their pay and allowances. The Committee recommend that instead of paying the House Rent Allowance, the Bank should hire suitable accommodation for SC/ST employees in all the categories and allot the same to them on usual terms and conditions.

PART II

CHAPTER IV

CREDIT FACILITIES

A. Credit Policy

4.1 The Committee were informed that Government has taken a number of steps to uplift the weaker sections of society and to reduce inequalities in income, status and opportunities for such sections of society which includes SCs/STs. Towards the same, several poverty alleviation programmes have been introduced. The main thrust of the various poverty alleviation programmes is to provide credit linked self-employment schemes to the weaker sections of the society including SCs/STs and to provide them opportunities to improve their economic conditions.

4.2 The first such programme with a specific provision for SCs/STs was introduced in 1972 when DRI scheme was launched. Subsequently at different times different new schemes such as IRDP, PMRY, SUME have been launched by different ministries concerned with the subject. Modifications in the schemes have also been made from time to time after reviewing their performance. The present target for weaker sections (which include SCs/STs) in the priority sector advances (10% of total bank credit or 25% of the priority sector advances of banks) was stipulated on the basis of recommendations of a working group which was constituted by RBI in 1982.

4.3 Separate sub-targets for assistance to SCs/STs in various poverty alleviation programmes is determined by the administrative ministry concerned who are implementing the credit linked subsidy schemes and in whose budget provision for subsidy are provided. For this purpose, the Government has formulated several subsidy linked programmes also. The Banks have been making efforts to enlarge the credit dispensation to the weaker sections (which include SCs/STs) with the assistance of Government machinery, SC/ST Development Corporations, etc. However, certain factors such as inappropriate activity selection, inadequate availability of proper infrastructure, lack of marketing facilities, misutilisation of credit, etc., had an impact on the effectiveness of the programme. Several steps have already been taken for improving the efficacy of the programmes based on concurrent evaluation of IRDP and programme specific special studies undertaken by the Ministry of Rural Development.

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

(i) Ministry of Finance

4.4 The Committee have been informed that a separate cell for monitoring the flow of credit to persons belonging to SC/ST categories is a part of the Development Section of Banking Division (Deptt. of Economic Affairs). This cell is now a part of Development Section in the Banking Division.

4.5 It has been stated that the Banking Division holds a half-yearly meeting with the Senior Executives of Public Sector Banks, where the performance of public sector banks in the matter of extending credit assistance to priority sector, weaker sections, SC/ST beneficiaries, etc. is reviewed. The credit cell in the Banking Division prepares necessary information with regard to performance of public sector banks, on the basis of feed back received from them, regarding credit facilities provided to SCs/STs and same is reviewed and discussed in this meeting.

4.6 The Committee have been informed that the last meeting by the Banking Division with the public sector banks including State Bank of Patiala was held on 8.1.1999 for reviewing, among other issues, the flow of credit to priority sector, which *inter-dia*, include credit flow to weaker sections including to SC/ST beneficiaries.

4.7 In response to a query by the Committee that the Scheduled Tribes people living in remote areas do not get their due share of credit it is submitted as under:—

“Bank credit is only one of the inputs for upliftment of weaker sections including SCs/STs. The flow of bank credit to weaker sections including SCs/STs within the priority sector has been showing a steady increase in the last three years. However, availability of bank credit alone in the absence of adequate infrastructure, marketing and extension facilities will not yield results to the desired extent.”

(ii) State Bank of Patiala

4.8 It has been stated to facilitate smooth sanction and delivery of credit, the State Bank of Patiala, at present is operating under a four tier structural system as under:

Head Office

Zonal Offices

Regional Offices

Branches

4.9 The lending programmes of the Bank are effectively implemented by the branches at grass root level. The branches are headed by the managers. Under the Service Area Approach Programme the branches involve themselves in preparation of village level credit plan for villages allotted to the respective branches and these plans form the basis for lending activities in that region.

4.10 Each office is provided with adequate sanctioning powers at appropriate levels to sanction the loans and to meet the genuine credit requirement of borrowers.

(iii) Monitoring of flow of credit to SCs/STs by RBI

4.11 A separate section has been formed in the RBI-RPCD to monitor/review the progress made by banks in the implementation of various poverty alleviation programmes of the Government of India, which includes flow of credit to SCs/STs also.

4.12 The Committee note that a special Cell has been created in the Banking Division which is a part of Development Section of the Ministry of Finance to monitor the flow of credit to persons belonging to SCs/STs. The Committee feel that in the absence of infrastructure the Cell will not be of much help in monitoring the flow of credit to weaker sections. The committee, therefore, recommend that adequate number of staff should be provided in the Speical Cell so that the work pertaining to credit facilites could be done properly. The Committee also recommend that an SC/ST officer should be made in-charge of this Cell who can better take care of the interests of SCs/STs.

4.13 The Committee also take note of the reply by the Ministry of Finance, Department of Economic Affairs (Banking Division) that bank credit is only one of the inputs for upliftment of weaker sections including SCs/STs. However, availability of bank credit alone in the absence of adequate infrastructure marketing and extension facilites will not yield result to the desired extent. The Committee would, therefore, like the Government to set up a body consisting of representatives of the Ministry of Finance, Reserve Bank of India and State Government concerned to identify the schemes which could be taken up in a particular area depending upon the resources and skills of the people inhabiting that area to lay down the financial targets for providing credit facilities and for proper co-ordination among the Centre, States and Banking institutions helping in the operation of lending schemes for the SCs/STs.

C. Priority Sector Advances

4.14 The Committee have been informed that SC/ST group forms part of weaker sections. 10% of net bank credit is earmarked for weaker section advances. However, there is no specific norm prescribed for financing SCs/STs.

4.15 The detail of total priority sector advances and the share of SC/ST under priority sector advances are as under:—

Year	Total priority credit (Bank as a whole)	Accounts (Rs. in lacs)		Out of which to SC/ ST		%age share	
		No. of borrowal A/cs	Amt.	No. of borrowal A/cs	Amt.	No. of borro- wal A/cs	Amt.
Mar. 94	312377	89950	95935	6108	30.71	6.79	
Mar. 95	320064	102787	96919	6975	30.28	6.79	
Mar. 96	328182	124680	101946	7440	31.06	5.97	
Mar. 97	331858	152438	105204	8755	31.70	5.74	

4.16 Under the above norms State Bank of Patiala's assistance to weaker sections as on March, 1997 was 10.20% of net bank credit against the stipulated norm of 10% and out of the total priority sector credit as at the end of March, 1997, 5.74% of the advances have gone to SCs/STs.

4.17 It may be seen from the above data that the percentage of advances to Scheduled Castes/Scheduled Tribes in Priority sector is considerably low. Secondly, no separate norms have been prescribed by Government/RBI regarding share of Scheduled Castes/Scheduled Tribes in total priority advances. The Committee recommend that adequate percentage of the priority sector lending should be earmarked for SCs/STs, so that they get a substantial portion of the credit earmarked for weaker sections under priority sector.

4.18 The Committee also recommend that the Bank should take immediate necessary measures to enhance its lending to persons belonging to SCs/STs.

D. DRI Scheme

4.19 Under DRI scheme, branch officials identify the eligible beneficiaries for extending need based credit. Bank also undertake many promotional activities such as farmers meet, customers meet etc. to popularise various schemes. Each branch is given target for sanctioning cases under DRI Scheme.

4.20 Under DRI Scheme maximum permissible loan for any productive venture undertaken for setting up small units is Rs. 6500/- either as working capital of term loan carrying 4% interest.

4.21 The Committee were informed that for DRI uniform norms based on family income have been prescribed for plain as well as hilly areas for the purpose of sanctioning loans.

4.22 When the Committee enquired as to whether any assistance/guidance is rendered by the Bank to SC/ST beneficiaries in formulating viable schemes/project to get loan under DRI Scheme, the Committee have been informed that the field functionaries of the Bank while considering the loan applications discuss the projects to be financed and provide guidance whenever desired.

4.23 The amount disbursed under DRI Scheme and the total number and share of SC/ST beneficiaries is as under:—

Year	Disbursement under DRI Scheme					
	Total for Bank as a whole		Out of which to SC/ST		Share of SC/ST%	
	No. of Borrowal Accounts	Amt.	No. of Borrowal Accounts	Amt.	No. of Borrowal Accounts (%age)	Amt.
March 94	4872	205.48	2256	58.68	46.30	28.56
March 95	1431	667.04	738	489.36	51.57	73.36
March 96	1304	92.64	701	38.02	53.76	41.04
March 97	4257	250.10	3910	219.47	91.85	87.75

The borrower-wise percentage of SCs/STs share in DRI advances has increased from 46.30% as on March, 1994 to 91.85% as on March, 1997. It has also increased amount-wise from 28.56% to 87.75%.

4.24 It has been observed that the old borrower-wise percentage of SCs/STs share in DRI advances has increased from 46.30% as on March, 1994 to 91.85% as on March, 1997. It has also increased amount from 28.56% to 87.75%. The reasons for the decline of amount disbursed under DRI Scheme are stated to be as under:—

“The stipulated sub-target of SCs/STs under DRI is 40% whereas in March, 1996 the Bank has exceeded the target under the Scheme to the extent of 41.04%. As sufficient number of eligible borrowers could not be identified the percentage during 1995-96 is relatively low as compared with previous years but the achievement is still above the stipulated level.”

4.25 The Committee need hardly to point out that the conditions in hilly areas are totally different from plain areas and various development programmes for SCs/STs cannot be implemented properly in hilly areas. The Committee feel that there is a need for relaxation in the norms fixed for hilly areas. The Committee, therefore, urge upon the Government to be more practical and formulate different liberalised norms in respect of people living in difficult and inaccessible hilly areas for their prompt and proper development.

4.26 The Committee feel that the amount of Rs. 6500/- for setting up small productive venture under DRI Scheme is quite inadequate in view of the infrastructure requirements being costly. The committee, therefore, strongly recommend that the Ministry should take up with the Reserve Bank of India for enhancing the existing amount of Rs. 6500/- for setting up productive venture under DRI scheme.

E. Integrated Rural Development Programme (IRDP)

4.27 It has been stated that under IRDP Scheme applicant:—

- (i) is identified in the Grama Sabha and sponsored by Block level officials.
- (ii) belong to the poorest of the poor as per income criteria in vogue.
- (iii) Comes from the service area village.
- (iv) Undertakes an economically viable activity to service the debt.

4.28 The total number of beneficiaries and the number of SC/ST among them, category-wise with details of the amount disbursed during the last 3 years under IRDP Scheme is as under:

Sector-wise Performance under IRDP

(Rs. in Lakhs)

Sector	1994-95		1995-96		1996-97		1997-98		September 98	
	A/C	Amount	A/C	Amount	A/C	Amount	A/C	Amount	A/C	Amount
Primary	4607	254.48	4125	274.56	3800	332.21	2808	322.68	713	124.05
Secondary	1350	74.58	1184	96.71	1190	133.35	647	74.17	147	23.11
Tertiary	1031	75.51	970	84.67	897	86.98	549	72.16	225	42.18
Total	6988	434.57	6279	455.94	5887	572.54	4004	469.01	1085	109.34
Out of Above to SC/ST										
Primary	2208	126.68	2063	135.95	1633	120.98	1135	124.48	336	54.04
Secondary	647	33.21	592	47.89	511	55.84	261	28.61	69	10.07
Tertiary	494	33.63	485	41.92	385	31.68	222	27.84	106	18.37
Total	3349	193.52	3140	225.76	2529	200.50	1618	180.93	511	82.48

4.29 It may be observed from the above data that the total number of SC/ST beneficiaries has continuously declined from 1994-95 to September, 1998. According to guidelines issued by the RBI share of SCs/STs under the Programme is stipulated at 50% and the achievement by the State Bank of Patiala does not accomplish stipulated targets for SCs/STs under IRDP.

4.30 The Committee note that the performance of State Bank of Patiala has not been satisfactory during the years 1994-95 to September, 98. The Committee therefore recommend the State Bank of Patiala to make all out efforts to accomplish stipulated targets for SCs/STs under IRDP and also fix responsibilities for not achieving the stipulated target.

F. Performance of State Bank of Patiala in lending to Scheduled Castes and Scheduled Tribes under other Schemes

4.31 The Committee have been informed that in tune with the social objectives of Government of India/RBI for the economic development and social upliftment of SC/ST groups, based on the guidelines issued by Government of India/RBI from time to time, the Bank has been in the forefront in making available the credit facilities to SCs/STs under various sectors of priority credit such as Agriculture and Allied activities like Dairy, Poultry, Sheep rearing, Piggery, Bee keeping, Sericulture, setting up of small business, retail trade, professional and self-employment ventures, road transport business, small scale industries, education etc.

4.32 Apart from extending credit facilities to productive ventures, schemes have also been drawn up to cover consumption credit, housing finance and educational loans to SCs/STs.

4.33 Further, under 20 points programme and IRDP Scheme, which lay emphasis on assisting SC/ST groups, the Bank has ensured its involvement in implementation of these programmes.

4.34 For intensive lending to SC/ST groups, the branches have the instructions to give priority to SCs/STs and ensure achievement of stipulated bench marks.

G. Housing Loans to SCs/STs

4.35 It has been stated that according to RBI guidelines in regard to grant of housing loan is as under:—

(a) Direct Finance

Amount of loan:— Loan per unit to any category of the borrowers should not normally exceed Rs. 3 lakhs in rural/semi-urban areas and Rs. 10 lakhs in urban/Metropolitan cities.

(b) Indirect Finance

- (i) Assistance given to any Government agency for the purpose of constructing houses exclusively for the benefit of SCs/STs and

economically weaker section where the loan component does not exceed Rs. 3 lakh per unit.

- (ii) Assistance to any Government agency for slum clearance and rehabilitation of slum dwellers subject to other conditions specified above.
- (iii) Loan upto 5000/- granted for construction of houses for repair to damage houses to SCs/STs conforming DRI norms are treated as housing loan under DRI Scheme and interest charged is 4% per annum.

4.36 The detail of direct housing loan granted to SCs/STs are as under:

Year	No. of Accounts (Disbursed)	Amount Disbursed (in Lakh)
1994-95	64	26.01
1995-96	490	107.72
1996-97	203	95.92

4.37 Since there are many schemes in the State Governments for providing shelter to SCs/STs, as such there is not much demand for bank finance.

4.38 The Committee note that housing advances upto Rs. 5000 are granted by the bank to SCs/STs at the concessional rate of interest of 4%. The Committee do not consider the amount of Rs. 5000/- as sufficient for construction of a house keeping in view the escalation in the prices of the various building materials and higher labour charges involved. The Committee, therefore, recommend that the Ministry should take up with RBI the matter of upward revision of housing loans suitably under DRI scheme.

H. Lead Bank Scheme

4.39 It has been stated that all the 6 districts allotted to State Bank of Patiala have successfully launched the Service Area Credit Plan for the year 1997-98 well ahead of time schedule.

4.40 The Service Area Approach (SAA) was made operational from 01.04.1989. The objectives of the SAA is to ensure increase in production, productivity and income levels of the people, especially living in rural areas. The State Bank of Patiala has been allotted 1009 villages, through 135 rural/semi-urban branches.

4.41 In reply to a question whether the bank has arranged any credit camps in the lead districts, it has been stated that the lead bank offices of the bank have conducted training programmes, in their lead district for the benefit of IRDP beneficiaries and are actively involved in effective

implementation of IRD Programme. However, no credit camps are being held under IRDP.

4.42 The Committee have been informed that no credit camps meetings are held under IRDP for identification of beneficiaries. The Committee feel that credit camps (Grama Sabha) meetings should be held for identification of Scheduled Caste/Scheduled Tribe beneficiaries and bank managers should be made responsible to select and provide credit to more persons from Scheduled Caste/Scheduled Tribe community under this scheme.

I. Loan to Rural Artisans and Small Scale Industries

4.43 Committee have been informed that under DRI Scheme maximum permissible loan for any productive venture undertaken for setting up small units is Rs. 6500/- either as working capital or term loan carrying 4% interest.

4.44 It has been stated that the total advance given by the bank to SSI and the share of SC/ST entrepreneurs and also the total number of borrowers under SSI and the number of SCs/STs availing them during each of the last three years are as under:—

(Rs. in lacs)

Year	Total outstandings under SSI			
	Bank as a whole		Share of SC/ST	
	No. of borrowal Accounts	Amt.	No. of borrowal Accounts	Amt.
March 94	35140	34994	9235	1197
March 95	37275	39106	9425	1215
March 96	39770	53605	13494	1340
March 97	38540	63400	13086	1120

4.45 It has been seen from the above data that there is decline in the number of borrowers account of SC/ST beneficiaries during the 1996-97. The Committee desire to know the reasons and steps State Bank of Patiala planned to take care of it.

4.46 It is also submitted that during the year 1997 there was an overall decline in the number of SSI borrowers due to recession. However, the percentage share of SC/ST borrowers which was 26.28% as on March, 1994 increased to 33.93% by March, 1996 and 33.95% by March, 1997. Thus the percentage share of SC/ST borrowers in SSI advances has continuously improved.

4.47 The Committee are constrained to note that the performance of State Bank of Patiala has not been satisfactory in respect of share of SCs/STs borrowal accounts. Against the number of borrowal accounts held by SC/ST people, number of borrowal accounts in favour of them are declining and indicative of treatment being meted out to SC/ST people, approaching to State Bank of Patiala for loans. The Committee recommend that State Bank of Patiala should be more conscious in future about its social obligation towards SCs/STs in the matter of disbursement of loans to them and efforts should be well directed so that these downtrodden sections may get a chance to come upto certain level.

4.48 The Committee further recommend that before disbursing loans to rural artisans and small scale industries the Bank should arrange some sort of training for prospective borrowers so as to make them proficient in handling the job.

J. Educational Loan Scheme

4.49 The Committee have been informed that there is no separate DRI Scheme for granting loan to poor meritorious students. But such students are eligible to raise education loan to meet tuition and other fees/maintenance costs/books and equipments etc. (and cost of passage for studies abroad) for pursuing studies in recognised schools/colleges/institutions.

4.50 The details of assistance to Scheduled Caste/Scheduled Tribe under Educational Loan are as under:—

Year	(Rs. in lakhs)			
	Disbursement (April-March)		Outstanding (as at 31st March)	
	No.	Amount	No.	Amount
1994-95	4	2	102	40
1995-96	11	8	107	42
1996-97	10	5	111	47

4.51 The Committee note with dismay that during the years from 1994 to 1997 only 25 students belonging to Scheduled Caste/Scheduled Tribe communities availed of the loan facility provided under Educational Loan Scheme. This gives a poor picture of representation of Scheduled Castes/Scheduled Tribes under the scheme. The Committee feel that the number of borrowers under Educational Loan is not satisfactory. The Committee recommend that the bank should consider giving further concessions/relaxation in favour of students belonging to Scheduled Castes and

Scheduled Tribes so as to make Educational Loan Scheme more popular to them. The Committee further recommend that wide and intensive publicity of Educational Loan Scheme should be given by the bank to ensure that it reaches the Scheduled Caste/Scheduled Tribe masses and the performance of the bank in this regard is increased.

CHAPTER V

OTHER MATTERS

A. Loan Application

5.1 According to information furnished to the Committee, State Bank of Patiala is maintaining record of receipt and disposal of all priority sector applications received from all category of borrowers including Scheduled Castes/Scheduled Tribes at the branches.

5.2 The details of disposal of applications of Scheduled Castes/Scheduled Tribes under Priority sector for the last three years are as under:—

		As on March		
		1995	1996	1997
(i)	Total No. of loan applications received from persons belonging to SC/ST	5249	6132	6632
(ii)	No. of loan applications sanctioned	4410	5192	5189
(iii)	No. of applications rejected	710	751	1269
(iv)	No. of applications pending as at the end of the year	129	189	174

5.3 The main reasons for rejection of loan applications are stated as follows:—

- (i) Applications having credit facilities with other Banks.
- (ii) Applicants experience in business does not inspire confidence.
- (iii) Outside Service Area.
- (iv) Non-viable project.
- (v) Projects considered not feasible.
- (vi) Party already financed under other Subsidy Programmes.
- (vii) Necessary papers not submitted.
- (viii) Party not interested in implementing the Project.
- (ix) Business premises not arranged.
- (x) Party did not turn up.

5.4 The Committee have also been informed that all branches of State Bank of Patiala have been advised to consider the applications from Scheduled Castes/Scheduled Tribes on priority

Branch Managers do not have power to reject the loan applications and the rejection is invariably permitted by the next higher authority.

5.5 It has also been informed that normally loan applications upto Rs. 25,000/- are disposed of within 14 days and those above Rs. 25,000/- are disposed of generally within 3 weeks.

5.6 The Committee have observed that generally loan applications are rejected on the ground "Necessary papers/documents not submitted." The Committee enquired whether there is any mechanism whereby the illiterate loanees are given proper guidance/assistance so as to avoid rejection of their loan applications, it has been stated in a note furnished to the Committee that in case the beneficiaries do not complete the formalities for availing the loans they are informed in writing to do the needful. These beneficiaries are also guided and assisted by the field staff during their village visits in completing the formalities for availing the loan facilities.

5.7 The Committee note that normally loan applications upto Rs. 25,000/- are disposed of within 14 days and those above Rs. 25,000/- are disposed of generally within 3 weeks. The Committee regret to note that inspite of these instructions complaints are sometimes received regarding delay in sanctioning of loans. The Committee, therefore, recommend that whenever cases of delay in sanctioning of loans by branches come to the notice of bank authorities immediate action should be taken against persons responsible for the delay.

5.8 The Committee also note that main reason for rejection of loan applications for Scheduled Castes/Scheduled Tribes are non-feasibility and non-viability of project. The Committee are of the view that in order to help the Scheduled Caste/Scheduled Tribe beneficiaries under the credit schemes there should be objective assessment to determine the viability of a particular scheme for which loan is sought. The Committee recommend that the Bank should lend all possible help to Scheduled Caste/Scheduled Tribe beneficiaries to prepare viable project.

B. Sanction of Loan

5.9 The Committee have been informed that to ensure the end use of loan by the beneficiaries there is a system of post sanctions inspection of the assets created out of the Bank Finance at periodical intervals. To prevent exploitation by middlemen/others the loan proceeds are directly issued in the name of the vendors towards purchases of assets.

5.10 The Committee regret to note that instead of giving bank loans for various purposes to borrowers themselves the loan proceeds are directly issued in the name of vendors towards purchase of assets on the plea that such payments prevent exploitation by middlemen and others. The Committee are of the view that such a practice is fraught with the danger of forcing the poor Scheduled Caste/Scheduled Tribe borrower to take delivery of goods from a particular supplier without exploring the possibility

of getting goods cheaper from another source. The Committee are not in favour of present procedure. They, therefore, recommend that such practice should be discontinued forthwith and loans should be disbursed to the poor Scheduled Caste/Scheduled Tribe borrowers on cash basis.

C. Branches

5.11 State-wise total number of Branches, Circle Offices, Regional Offices and Divisional Offices as on July, 1997 in Chandigarh (UT) Uttar Pradesh and Delhi is stated to be as under:—

State	Rural	Semi-Urban	Urban	Metro-politan	Total	R.O.	Z.O.
Chandi-garh UT	6	1	15	—	22	4	2
Uttar Pradesh	5	9	30	8	52	—	—
Delhi	4	1	—	30	35	3	1

The area-wise compositions as on July, 1997 is as under:—

Area	No. of Banks
Rural	277
Semi-Urban	183
Urban	167
Metropolitan	76
	703

5.12 When the Committee asked as to the reasons for such less number Bank Branches in Chandigarh (UT), Uttar Pradesh and Delhi, it is stated that the number of rural branches in Delhi at 11.4%, Chandigarh at 27.2% and Uttar Pradesh at 9.6% as compared to 45.71%, 35.20% and 80.82% in the States of Punjab, Haryana and Himachal Pradesh respectively is low due to the reason that most of the villages surrounding Delhi and Chandigarh have been merged in the cities. Nevertheless, the bank has the maximum number of rural branches amongst all scheduled commercial banks in Chandigarh. As regard the State of UP the bank entered the State at a late stage and to start with branches were opened at important commercial centres.

5.13 It is further stated that the Bank is not operating any mobile branch and does not have any definite plan for opening such branches in the future.

5.14 In a reply to a question about whether Bank have any future planning to augment the number of branches in rural areas it is informed that bank is regularly reviewing the position. A branch is likely to establish soon at Garhidiwala.

5.15 During the last three years 15 branches have been opened by the Bank in rural areas where substantial percentage of population is of Scheduled Castes.

5.16 278 rural branches of the bank are catering to the requirements of the rural population which includes Scheduled Castes/Scheduled Tribes. Emphasis is laid on coverage of Scheduled Caste/Scheduled Tribe applicants under all schemes and it is ensured that all bench marks for financing Scheduled Castes/Scheduled Tribes as prescribed by the Government of India/RBI are achieved/exceeded. At present Bank is having 105837 Scheduled Castes/Scheduled Tribes borrowers on the books of the bank.

5.17 The Committee recommend that the State Bank of Patiala should gear up its machinery so that it does not fall into arrears in opening of new branches in unbankable areas of Chandigarh (UT), U.P. and Delhi. The Committee hope that the new branches will be opened in rural areas of above mentioned States by the State Bank of Patiala at the earliest. The Committee suggest that in view of the fact that in remote areas Scheduled Castes/Scheduled Tribes are not generally aware of the details of welfare programmes/schemes launched by the Government due to their general ignorance and leading a life in isolation in remote areas of the country, adequate steps should be taken to popularise the various credit schemes among them. The Committee also recommend that the Bank should formulate a plan for opening mobile branches in remote areas, so that the poor Scheduled Castes/Scheduled Tribes do not face any difficulty to avail of the credit facilities from the bank.

D. Orientation and Training Programme for officers regarding socio-economic development of Scheduled Castes and Scheduled Tribes at Branch level

5.18 The Committee have been informed that in all programmes related to credit emphasis is being given on the socio-economic development of the down-trodden especially of Scheduled Castes/Scheduled Tribes.

5.19 The detail of the credit related programmes conducted for officers at STCSBSC & ST are given below :

- (i) Programme on Agricultural Finance
- (ii) Programme on SIB Finance
- (iii) Programme for Branch Managers for rural/semi-urban branches

- (iv) Branch Management Programme Phase—I
- (v) Branch Management Programme Phase—II
- (vi) Credit Management Programme
- (vii) Rural Development Programme
- (viii) Business Development Programme in Non-farm Sector
- (ix) Animal Husbandry (Small and Medium Size Units)
- (x) Special Programme on Poverty Alleviation.

5.20 The Bank is also imparting training to Scheduled Caste/Scheduled Tribe employees. Besides imparting training in general and specialised programmes, training is also imparted exclusively to Scheduled Caste/Scheduled Tribe employees for promotion from sub-staff to clerical cadre and from clerical to officer cadre. Exclusive pre-test training is arranged for Scheduled Caste/Scheduled Tribe candidates appearing for BSRB tests for recruitment in banks.

5.21 In reply to a query whether there was any proposal to give incentive to Branch Managers for working in rural and semi-urban areas where they have greater scope to serve the weaker sections, it was submitted that as an incentive and to encourage the officers to work in rural areas, the Bank allows them to keep their residential accommodation (furnished) at a place within the radius of 15 kilometres of the branch. Besides, the centres which are difficult, officers are allowed to have their residential accommodation (furnished) at a place of their choice.

5.22 The officers posted at very difficult centres are considered for their transfer after 1-½ year of their stay.

5.23 To encourage the officers to serve in rural/semi-urban areas, two years rural service for promotion to MMGS-II and three years rural—semi-urban service for promotion to MMGS-III has been made mandatory.

5.24 The Committee are happy to note that State Bank of Patiala allows the officers to have furnished residential accommodation at a place of their choice as a measure of encouragement to work in rural and semi-urban areas. The Committee feel, it would help in mobilising more officers to work in rural and semi-urban areas where they have greater scope to serve the weaker sections. The Committee also desire that State Bank of Patiala should keep up this tempo in future also.

E. Recovery of loans

5.25 The percentage of recovery of loans from Scheduled Caste/Scheduled Tribe borrowers and from others under DRI Scheme is stated to

be as under:—

(Rs. in lakhs)

Percentage of recovery under DRI loans						
Year (March)	Demand (Rs.)	Recovery (Rs.)	%age recovery	Demand (Rs.)	SC/ST Recovery (Rs.)	%age recovery
1994	542.67	212.16	39.09	354.30	245.23	69.21
1995	559.32	216.36	38.68	364.52	250.17	68.63
1996	604.95	377.31	64.10	93.01	35.70	38.38
1997	960.17	360.00	37.49	307.67	145.04	47.15

5.26 The reasons for delay in recovery of overdue loans were stated as under:—

- (i) Natural calamities affecting the assets of the borrowers.
- (ii) Misutilisation, willful and intentional default.
- (iii) Lack of required support from State Government for recovery.
- (iv) Migration of borrowers.

5.27 When Committee desire to know whether the State Bank of Patiala has conducted any special survey in certain areas to ascertain the reasons for poor recovery from Scheduled Castes/Scheduled Tribes, it was stated that no special survey has been conducted. However, the bank's field functionaries during their visit to identified the reasons for poor recovery and initiate steps for rectification, wherever necessary.

5.28 In a reply to a question, Committee were informed that the following steps are taken to check mis-utilisation of fund and default:—

- (i) Field functionaries make visits to the business place to ensure creation of assets.
- (ii) Whenever possible, disbursement is made to the suppliers from whom the borrowers intend to purchase goods/equipments.
- (iii) The borrowers are reminded for repayment of loans by personal visits and written notices.
- (iv) Help of influential persons is obtained to persuade the defaulters.

5.29 The Committee were also informed that 60% of the borrowers under DRI Scheme have been found to be defaulters and no penalty is imposed on beneficiaries under DRI Scheme.

5.30 The Committee note that the recovery position from Scheduled Caste/Scheduled Tribe borrowers was better than the borrowers from the general category under DRI. The Committee suggest that in the Annual

Reports of the Banks the recovery position from Scheduled Caste and Scheduled Tribe borrowers should be highlighted so that these schemes would gain more support from these communities.

5.31 Committee note with concern that 60% of the borrowers under DRI have been found defaulter and no penalty is imposed on the beneficiaries under the scheme by the bank. The Committee, therefore, recommend that stern action should be initiated against the defaulters and penalty may also be imposed on defaulters so that defaulting cases may be minimised.

**NEW DELHI;
April, 2000**

Vaisakha, 1922 (Saka)

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