

**COMMITTEE ON THE WELFARE  
OF SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1985-86)**

**(EIGHTH LOK SABHA)**

**SEVENTEENTH REPORT**

**MINISTRY OF FINANCE**

**(DEPTT. OF ECONOMIC AFFAIRS—BANKING DIVISION)**

**Action Taken by Government on the Recommendations contained in the Fifty-Fifth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Seventh Lok Sabha) on the Ministry of Finance (Deptt. of Economic Affairs—Banking Division)—Reservations for, and Employment of, Scheduled Castes and Scheduled Tribes in Union Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.**



*Presented to Lok Sabha on 30-4-1986*

*Laid in Rajya Sabha on 30-4-1986*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1986/Vaisakha, 1908 (S)*

*Price 1 Rs. 2.25*

501.43A

Corrigenda  
to the

Seventeenth Report (1985-86) of the Committee on  
the Welfare of Scheduled Castes and Scheduled Tribes

<u>Page No.</u>	<u>Para No.</u>	<u>Line No.</u>	<u>For</u>	<u>Read</u>
3	1.10	4	Earlier	carlier
12	-	3	way	why
15	4.6	3	fillup	fill up
17	-	2 0	Member	member
26	-	19	SC/ST X	SC/ST
43	-	13	uhe	the

# CONTENTS

		PAGE
COMPOSITION OF THE COMMITTEE	... ..	(iii)
INTRODUCTION	... ..	(v)
CHAPTER I	Report ... ..	1
CHAPTER II	Recommendations/Observations which have been accepted by the Government. ...	4
CHAPTER III	Recommendations/Observations which the Committee do not desire to pursue in view of the Government replies. ...	37
CHAPTER IV	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration. ...	42
CHAPTER V	Recommendations/Observations in respect of which final replies of Government have not been received. ...	47
APPENDIX	Analysis of the action taken by the Government on the recommendations contained in the 56th Report (Seventh Lok Sabha) of the Committee. ...	52

**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND  
SCHEDULED TRIBES (1985-86)**

**Shri Krishan Datt Sultanpuri—Chairman**

**MEMBERS**

*Lok Sabha*

2. Kumari Mamata Banerjee
3. Shri Banwari Lal
4. Shri Radhakanta Digal
5. Shri Prithvi Chand Kisku
6. Shri K. Kunjambu
7. Shri Wangpha Lowang
8. Shri M. Mahalingam
9. Shri Narsingh Makwana
10. Prof. Meijinlung Kamson
11. Shrimati Sumati Oraon
12. Shri Uttambhai H. Patel
13. Shri Puchalapalli Penchaliah
14. Shri Amarsingh Rathawa
15. Shri Baju Ban Riyon
16. Shri Ananta Prasad Sethi
17. Shri Narsing Suryawanshi
18. Shri Bhausahab Thorat
19. Dr. V. Venkatesh
20. Shri Mukul Wasnik

*Rajya Sabha*

21. Shri Aladi Aruna *alias* V. Arunachalam
22. Shri Dharanidhar Basumatari
23. Chowdhary Ram Sewak
24. Shri Shantimoy Ghosh
25. Prof. N. M. Kamble
26. Shri Ram Naresh Kushawaha
27. Shri Ramkrishna Mazumdar

- \*28. Shri V.C. Kesava Rao
- \*29. Shri Roshan Lal
- 30. Shri Scato Swu

**SECRETARIAT**

- 1. Shri M. K. Mathur—*Joint Secretary*
- 2. Shri P. C. Chaudhry—*Chief Legislative Committee officer.*
- 3. Shri Kudlip Sahai—*Senior Legislative Committee Officer.*

## INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to submit the Report on their behalf, present this Seventeenth Report (Eighth Lok Sabha) on Action Taken by Government on the recommendations contained in the Fifty-fifth Report (Seventh Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in Union Bank of India and Credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

2. The Draft Report was considered and adopted by the Committee on the 17th March, 1986.

3. The Report has been divided into the following Chapters :—

I. Report.

II. Recommendations/Observations which have been accepted by Government.

III. Recommendations/Observations which the Committee do not desire to pursue in view of the Government replies.

IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

v. Recommendations/Observations in respect of which final replies of Government have not been received.

4. An analysis of the action taken by Government on the recommendations contained in the Fifty-fifth Report of the Committee is given in the Appendix. It would be observed therefrom that out of 77 recommendations made in the Report, 60 recommendations i.e. 78 per cent have been accepted by Government; 7 recommendations i.e. 9 per cent are such which the Committee do not desire to pursue in view of the Government's replies; four recommendations i.e. 5.2 per cent in respect of which replies

of Government have not been accepted by the Committee, require iteration; and final replies of Government in respect of six recommendations i.e. 7.8 per cent, have not been received.

NEW DELHI;

*April 28, 1986*

*Vaisakha 8, 1908 (S)*

**KRISHAN DATT SULTANPURI,**

*Chairman,*

*Committee on the Welfare of*

*Scheduled Castes and*

*Scheduled Tribes.*

## CHAPTER I

### REPORT

This Report of the Committee deals with the Action Taken by Government, on the recommendations/observations contained in the Fifty-fifth Report (Seventh Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in the Union Bank of India and credit facilities provided by the bank for Scheduled Castes and Scheduled Tribes.

1.2 In para 2.58 of their Fifty-fifth-Report, the Committee had observed that while in Central Government services posts had been classified into 4 groups, namely, groups 'A', 'B', 'C' and 'D', there were only 3 groups of posts in Union Bank of India i.e. Officers cadre, clerical cadre and sub-staff cadre which are analogous to Group 'A', Group 'C' & Group 'D' in the Government of India. There was no Group 'B' or category of posts equivalent to Group 'B' in the services of the bank as a result of which Scheduled Caste/Scheduled Tribe employees had been deprived of the benefit of reservation in recruitment/promotion to that category, if it had been in existence. The Committee had desired that a decision in regard to reclassification of posts in banks to bring them at par with that existing in Government of India & Public Sector Enterprises as recommended in para 2.82 of their 37th Report (1982-83) on Syndicate Bank should be taken at an early date with a view to improve the promotional avenues of Scheduled Castes/Scheduled Tribes.

1.3 In their reply dated 29th November, 1985 the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) have stated that promotion from one category to the other in the banks is determined on the basis of certain number of years of service in the lower category, in addition to merit. Since a category in between clerical cadre and officers is not in existence in the public sector banks, the chances of promotion of the Scheduled Caste/Scheduled Tribe candidates from clerical cadre to the officers cadre are quicker. They become immediately eligible to come within the promotion zone as soon as they complete certain minimum years of service. In case there was one more layer in between clerical cadre and officers cadre, even though the Scheduled Caste/Scheduled Tribe candidates would have got more promotions, their chances of becoming officers in banks would have been slower.



**1.4 The Committee are not satisfied with the reply of the Government and reiterate their earlier recommendation that posts in banking industry should be reclassified on the lines of classification of posts in Central Government services so as to provide more opportunities of promotion to Scheduled Caste/Scheduled Tribe candidates as it is more beneficial monetarily for Scheduled Caste/Scheduled Tribe employees to get quicker promotions from one grade to another rather than to get belated promotion in the officer grade.**

1.5 In para 2.99 of the Report the Committee had expressed the opinion that by abolishing the system of promotion by seniority under the new promotion policy which came into force in the bank from 1st January, 1983, promotion prospects of Scheduled Caste/Scheduled Tribe employees had been considerably reduced. The Committee had therefore recommended that provision for promotion by seniority should be restored.

1.6 In their reply dated 29th November, 1985, the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) had stated that the change in the Promotion Agreement for the abolition of promotions by seniority was made in the context of guidelines issued by the Government of India.

**1.7 The Committee are not satisfied with the reply of the Government and reiterate their recommendation that the earlier provision for filling up 50% of vacancies in officers cadre by seniority should be restored as it is helpful in increasing promotion prospects of Scheduled Caste/Scheduled Tribe candidates.**

1.8 In para 2.102 of the Report, the Committee had observed that in Junior Management Grade Scale I representation of Scheduled Castes was less than 5% and of Scheduled Tribes it was less than 1%. While the prescribed minimum years of satisfactory service determines the eligibility for promotion from one scale to another, it is done on the basis of merit coupled with weightages for length of service, job responsibility and educational professional qualification. There is relaxation of 5% marks each in performance and interview for officers belonging to Scheduled Castes and Scheduled Tribes. The Committee had recommended that suitable relaxation in the minimum length of service required for becoming eligible for promotion from one scale to another should also be extended to Scheduled Castes/Scheduled Tribes.

1.9 In their reply dated 29th November, 1985, the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that the Promotion Policy to the officers cadre has been prepared in accordance with the guidelines issued by the Government in terms of Officers Service Regulations 1979. However, as no reservation is applicable in promotions

above Scale I, question of providing any relaxations in the minimum length of service in the case of Scheduled Castes/Scheduled Tribes does not arise.

**1.10 The Committee are not satisfied with the reply of the Government and reiterate their Earlier recommendation that suitable relaxation in the minimum length of service for becoming eligible for promotion from one scale to another in the officers cadre should be extended to Scheduled Caste/Scheduled Tribe candidates. The Committee are of the opinion that this relaxation is necessary in order to increase the representation of Scheduled Castes/Scheduled Tribes in the officers cadre.**

1.11 In para 7.29 of the Report the Committee had observed that while the target fixed for advances to weaker sections was 25% of total priority sector advances or 10% of total bank credit by the end of March, 1985, no separate norms had been prescribed by Government/Reserve Bank of India regarding share of Scheduled Castes/Scheduled Tribes in the total priority sector advances. The Committee had recommended that as in the case of DRI Scheme under which a minimum of 40% of the total DRI credit is to be lent to persons belonging to Scheduled Caste/Scheduled Tribe, certain minimum percentage of the priority sector lending should be earmarked for Scheduled Castes/Scheduled Tribes.

1.12 In their reply dated 29th November, 1985 the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) have stated that priority sectors *inter alia* include a number of comparatively larger borrowers like large farmers, small scale industrialists, transport operators and professionally qualified people among which the number of Scheduled Caste/Scheduled Tribe borrowers is small. Further such of Scheduled Caste/Scheduled Tribe members who fall in these categories do not require any reservation in credit for they would be considered good risks by banks. Priority sector advances also include institutional advances such as those given to Electricity Boards for energisation of pump sets etc. As such, fixing a percentage of Priority Sector advances for Scheduled Caste/Scheduled Tribe borrowers has little relevance. Most of the SC/ST borrowers are from poor and economically weaker sections. Banks have been advised to ensure that 25% of their total priority sectors lendings go to the weaker sections by March, 1985. It is felt that attainment of this target would result in a substantial increase in advances to Scheduled Caste/Scheduled Tribe borrowers.

**1.13 The Committee are not satisfied with the reply of the Government The Committee reiterate their earlier recommendation that certain minimum percentage of the priority sector lending should be earmarked for Scheduled Castes/Scheduled Tribes.**

## CHAPTER II

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

#### **Recommendation No. 2 (Para No. 1.25)**

The Committee note that functions regarding implementation of Government guidelines on reservations, concessions and employment of Scheduled Castes/Scheduled Tribes are being attended to by the Personnel Department at the Head Office of the Union Bank where Manager (Planning and Development) acts as the Liaison Officer. At the zonal offices, the Assistant General Managers have been appointed to act as Liaison Officers. A Special Cell has been set up at the Head Office of the Bank for implementation of reservation orders and looking into the complaints of Scheduled Caste/Scheduled Tribe employees. This cell is a part of Recruitment and Manpower Planning section in the Department of Personnel. There is however, no separate Cell in the Zonal Offices of the banks for looking after the reservation work.

#### **Reply of Government**

Please see reply to recommendation No. 3 para No. 1.26

[Ministry of Finance—(Department of Economic Affairs-Banking Division) O M. No. 5/10/84-SCT (B) dated 29th November 1985]

#### **Recommendation No. (3 Para No. 1.26)**

The committee recommended that Cells for looking after reservation work should also be set up at the Zonal Offices of the bank besides the one already set up at the Head Office. These Cells should exclusively do the work relating to implementation of reservation orders and should function under the direct control of the Liaison Officers. The Cells should be independent of the Personnel Department as the complaints of Scheduled Castes and Scheduled Tribes generally pertain to service matters which are dealt with in the Personnel department.

### Reply of Government

Union Bank of India has reported that separate cells have been set up at all Zonal/Regional Offices which will look after the work exclusively relating to the implementation of reservation orders. Each Zonal/Regional Cell will be headed by the Zonal Incharge/Regional Manager respectively and the Zonal Incharge will also be the Liaison Officer for the purpose. All Zonal Liaison Officers will report to the Liaison Officer at the Head Office of the Bank. The functionaries of these cells are independent of Personnel Department and they work under the direct control of Liaison Officer.

[Ministry of Finance—(Department of Economic Affairs—Banking Division O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### Recommendation No. 4 (Para No. 1.27)

The proposal for the strengthening Scheduled Caste/Scheduled Tribe Cell in the Banking Division of the Ministry of Finance has been under consideration of Government of India for quite a few years. The Committee regret to point out that there has been undue delay on the part of Government in taking a decision in the matter. The Committee need hardly stress that unless the cell has adequate staff it would not be possible for it to deal effectively with matters relating to reservation in service of public sector banks and other welfare measures for Scheduled Caste/Scheduled Tribe employees. The Committee therefore, recommend that the Cell in the Banking Division should be strengthened immediately so that it can perform its main function of monitoring the implementation of reservation orders in an effective manner.

### Reply of Government

On the recommendations the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes, the proposal for strengthening SC/ST Cell in the Banking Division of the Department of Economic Affairs Ministry of Finance was under consideration with the Staff Inspection Unit. After a detailed study the Staff Inspection Unit had recommended the following staff for a composite Cell/which would attend to both reservation for SC/ST in services and credit facilities for SC/ST Cell.

Category of Post	Existing Prior to recommendation by Staff Inspection Unit	Proposed by Staff Inspection Unit
1. Deputy Secretary	—	1 (To be upgraded from Under Secy.)

1	2	3
2. Section Officer	1	1
3. Assistant	—	3
4. Upper Division Clerk	1	—
5. Lower Division Clerk	1	2
6. Daftry/Peon	—	1

The Deputy Secretary's post is to be provided by upgrading an existing post of Under Secretary. This matter will be processed further after the current on creation of posts is lifted. The necessary staff was sanctioned. However a separate cell has been created to look after credit facilities for SC/ST alone for which one Assistant and one L.D.C. has been given from this staff,

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 5 (Para No. 1.28)**

Liaison Officers have been appointed at the Head Office and Zonal Offices of the Bank for implementation of reservation orders in favour of Scheduled Castes and Scheduled Tribes in the services of the Bank. The Committee recommend that these officers should meet at regular intervals to discuss the matters pertaining to reservations and economic aid to Scheduled Castes and Scheduled Tribes.

#### **Reply of Government**

The suggestion is noted by the Bank for future compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 8 (Para No. 2.26)**

The Committee regret to note that the Union Bank of India used the word 'routine' regarding the visit of the Committee to the Bank and also tried to belittle the work of the Committee in an affidavit filed by them before the Supreme Court in a case relating to implementation of reservation orders by the bank. The Committee note that the bank has now filed an amended affidavit deleting the offending paragraphs. The Committee desire the bank to be more careful in future about such matters.

### Reply of Government

The Bank has noted the advice of the Committee for future compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

#### Recommendation No. 9 (Para No. 2.27)

During evidence before the Committee the representative of the Ministry of Finance has stated that matters concerning court cases of nationalised banks were not normally referred to the Banking Division whenever any case was referred, they helped the bank is appreciating the position correctly. The Committee recommend that the Banking Division should issue a circular to all the nationalised banks that the cases against them before courts in which policy matters like reservations for Scheduled Castes and Scheduled Tribes were involved should be referred to the Banking Division for scrutiny and advice.

### Reply of Government

In pursuance of recommendation No. 62 made by the Commissioner for Scheduled Castes/Scheduled Tribes in his 27th Annual Report, the Department of Personnel and Administrative Reforms had issued instructions vide their OM No. 36013/6/84-Estt. (SCT) dated 29th August, 1984 to all Ministries/Departments of the Government of India. According to these instructions every Department has been requested to ensure that whenever cases involving the policy of the Govt. in regard to reservation which is based on the provisions made in the Constitution are filed in Courts, adequate steps should be taken to project the policy of the Govt. with regard to reservation correctly and also adequate steps should be taken to to defend such cases adequately in consultation with the Department of Personnel & Administrative Reforms, if necessary. These instructions were further circulated to all public sector banks/financial institutions for strict compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) OM No. 5/10/84—SCT(B) dated 29th November 1985]

#### Recommendation No. 10 (Para No. 2. 28)

The Committee are pained to note that the directives of the Government regarding reservation in promotions issued in 1972 and 1974 were not placed

before the Board of Directors of the Bank as the practice of placing copies of the directives from the Government of India before the Board of Directors has been introduced from August, 1983 on receipt of such instructions from Reserve Bank of India. This is contrary to the information given by the bank to the Committee that the Board of Directors are informed of Government instructions relating to Scheduled Castes and Scheduled Tribes and they endeavour to ensure implementation of these instructions. The Committee fail to understand how the Board can ensure implementation of instructions which are not placed before them. The Committee recommend that all instructions regarding reservations for Scheduled Castes/Scheduled Tribes in services issued by the Department of Personnel and Administrative Reforms should be placed before the Board of Directors of the bank at the earliest for prompt implementation.

#### **Reply of Government**

Union Bank of India is following the recommendations of the Committee.

[Ministry of Finance—(Department of Economic Affairs-Banking Division) O.M. No. 5-10-84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 13 (Para No. 2.60)**

The Committee also recommend that vacancies to the extent of 25% in Sub-Staff cadre in the bank should be filled by transfer/appointment of sweepers as per instructions contained in Deptt. of Personnel and Administrative Reform O.M. No. 4201503/75-Estt. (C) dt. 16th January, 1976, as amended by their O.M. dated 2nd February, 1977.

#### **Reply of Government**

As per the Agreement with the Union the Bank has a System of conversion of Sweepers as Peons. Only such of the Sweepers who conform to the norms prescribed by the Bank are converted as Peons. The vacancies in a particular State identified in the year will be first filled in by conversions and only the remaining will be filled in by direct recruitment. In this manner more than 25% vacancies in the Sub-Staff Cadre in a particular year are generally filled in by conversion (Transfer/appointment) of Sweepers.

[Ministry of Finance—(Department of Economic Affairs-Banking Division) O.M. No. 5-10-84-SCT(B) dated 29th November 1985]

**Recommendation No. 14 (Para No. 2.61)**

The Committee find that representation of Scheduled Tribes in the various services of the Union Bank of India is very low. The Committee recommends that at the time when the vacancies are notified to the local employment exchange or advertised in newspapers, the bank should simultaneously notify reserved vacancies for Scheduled Tribes to one or more stations of AIR in areas of Scheduled Tribes concentrations. The announcement on AIR should contain an advice to prospective candidates to get their names registered with the Employment Exchange of the area and approach the Employment Exchange for further assistance.

**Reply of Government**

Union Bank of India has reported that the recommendations of the Committee has been noted for future compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT(B) dated 29th November, 1985]

**Recommendation No. 15 (Para No. 2.62)**

The Committee note with satisfaction that only one case has come to notice of the Union Bank of India during the last 3 years in which false caste certificate was used to get employment and services of concerned employee have been terminated by the Bank. The Committee are of the view that securing employment on the strength of a false caste certificate is a serious offence and such cases should be dealt with promptly and severely. Besides Departmental action in appropriate cases, criminal proceedings should also be initiated against the culprit under the relevant provisions of the Indian Penal Code.

**Reply of Government**

Union Bank of India has issued necessary instructions in this regard to all its Zonal and Regional Offices.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

**Recommendation No. 16 (Para No. 2.63)**

The Committee also recommend that such cases should also be intimated to the authorities concerned for taking appropriate action against the person who has issued the false caste certificate.



### **Reply of Government**

The recommendation has been noted by Union Bank of India for future compliance.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

#### **Recommendation No. 19 (Para No. 2.98)**

Merit list prepared on the result of a test and interview is normally kept valid for one year. The Committee are shocked to find that in Union Bank of India, the merit list is continued even for three or four years. Its validity is extended by the Chairman with mutual consent with the employees Union. The Committee are of the opinion that this is against the interest of Scheduled Caste/Scheduled Tribe employees of the Bank as they lose the chance of appearing in the test till such time, that the last merit list is exhausted. The Committee recommend that validity of merit list should be limited to the year for which it is prepared and the number of successful candidates included in the list should be in relation to the contemplated vacancies in that year.

### **Reply of Government**

In terms of the Promotion Agreement entered into between the Bank Management and the Employees Union in 1983, all the merit lists prepared after the expiry of the merit list prepared in 1983 for promotion from clerical to the officers cadre, will be valid for one year and the number of candidates in the merit list would be restricted to 133% of the contemplated vacancies.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

#### **Recommendation No. 24 (Para No. 3.15)**

The Committee note that as on 31-3-1983 there was huge backlog in the representation of Scheduled Castes and Scheduled Tribes in the officers cadre. The percentage of Scheduled Tribes was quite nominal in all the three cadres of Officers, Clerks and Sub-Staff. The Committee regret to note that the Banking Service Recruitment Boards who are at present making recruitment of Officers and Clerks for the nationalised Banks have failed to provide sufficient number of candidates belonging to these communities to the Union Bank of India.

### Reply of Government

No comments.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/10/84—SCT(B) dated 29th November, 1985]

#### Recommendation No. 25 (Para No. 3.17)

The Committee are surprised to find that while the backlog in the representation of Scheduled Castes/Scheduled Tribes in the services of the Bank has continued all these years, the Union Bank of India wrote to the Banking Service Recruitment Boards only in 1983 to conduct special examination for recruitment of Scheduled Caste/Scheduled Tribe candidates for Clerical cadre. The Committee need hardly emphasise that special recruitment exclusively for Scheduled Castes and Scheduled Tribes is the only way to clear the backlog of reserved vacancies and recommend that the Recruitment Boards should resort to special recruitment as often as it is felt necessary.

### Reply of Government

Government has examined the problem of huge backlogs in reservation in Scheduled Castes/Scheduled Tribes in nationalised banks and accordingly, it was decided that special recruitment tests should be conducted, wherever necessary. Suitable instructions were issued to all public sector banks in the matter. In view of this, Union Bank of India has been requesting various Recruitment Boards to conduct special tests exclusively for Scheduled Castes/Scheduled Tribes wherever necessary. As a result of these special recruitments, Union Bank of India was able to reduce the backlog of Scheduled Caste candidates from 137 in June 1984 to 44 in June 1985 and that of Scheduled Tribes 136 in June 1984 to 123 in June 1985 in the clerical cadre. The Bank has reported that they will be wiping out these backlogs by conducting special Recruitment tests, if necessary, as soon as the government lifts the ban imposed on the filling up of the vacancies.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

#### Recommendation No. 26 (Para No. 3.18)

The Committee express their unhappiness at the backlog of 254 Scheduled Castes and 199 Scheduled Tribes in Officers cadre as at the end

of 30th June, 1983, according to the half-yearly statement furnished by the Bank to the Banking Division of the Ministry of Finance. The Committee fail to understand why the Bank has not requested the Recruitment Board so far to make special recruitment for the Officers cadre in the light of such a huge backlog in this category. The Committee feel surprised how the bank authorities took the view that "there was no need for a special recruitment in the officer's cadre and no request was made to Banking Service Recruitment Board." The Committee would like to be informed of the steps now proposed to be taken by the Bank to clear the backlog in the Officer's cadre.

### Reply of Government

Bank has stated as on June, 1985 the total backlog of officers in SSC category is only 26 as against 54 in June 1983. The backlog of officers in category is 16 in June, 1985 as against 29 in June, 1983. The bank feels that it will be able to wipe out those backlogs in normal course without resorting to special test.

Out of 26 and 16 vacancies enlisting for SC/ST candidates as on June, 1985, 17 and 7 respectively are of specialist categories like Chartered Accountants, Rural Development Officers, Security Officers etc. The bank approaches the BSRB for conducting special recruitment test in respect of one of these categories, namely, Chartered Accountants. Despite special advertisement released by the Recruitment Board no eligible applications have been received by the Recruitment Board and hence the Board is not in a position to allot this category of officer to the bank. However, instructions have been issued to the Bank for taking necessary steps for filling the vacancies of specialists reserved for SCs/STs by conducting special tests for the same, if necessary.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/10/84—SCT(B) dated 29th November 1985]

### Recommendation No. 27 (Para No. 3.19)

The Chairman of the Union Bank of India has started during evidence that while placing indent with the Recruitment Board, they included the backlog also in the current demand. This is, however, not borne out by the figures of indent furnished by the Bank to the Committee. The backlog in the officers cadre was 1.26 at the end of 1979 and 92 at the end of 1980. The indent placed for Scheduled Caste and Scheduled Tribe officers in 1980 was 20 Scheduled Castes and 5 Scheduled Tribes. This obviously did not include the backlog of 126 posts at the end of 1979. The Committee recommend

that the Union Bank of India should invariably include backlog in the current demand for Scheduled Caste/Scheduled Tribe candidates while placing indent with the Recruitment Boards and see that these vacancies including the backlog are filled within a stipulated time.

### **Reply of Government**

Union Bank of India is following the recommendation of the Committee.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

### **Recommendation No. 28 (Para No. 3.23)**

In para No. 3.28 of their Thirty-seventh Report (1982-83), the Committee had recommended that the Ministry of Finance should prepare a scheme for opening pre-recruitment centres for imparting training to officers and clerical cadre examination on the lines of pre-examination training centres, functioning under the control of the Ministry of Home Affairs. The Committee desire that an early decision should be taken in the matter.

### **Reply of Government**

Ministry of Home Affairs is directly concerned with the recruitment of staff required by the various offices of the Govt. of India. They have, therefore, set up pre-recruitment training centres for candidates belonging to SC/ST in different parts of country. Recruitment in public sector banks is done on the basis of a scheme or recruitment adopted by these banks through the Banking Service Recruitment Boards. The banks have been impressed upon the need for giving Pre-recruitment and pre-promotion training to the SC/ST in the order to facilitate their selection in the various recruitment/promotion test. The banks organise pre-recruitment and pre-promotion test in consultation with the State Governments and the Banking Service Recruitment Boards.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

### **Recommendation No. 29 (Para No. 3.30)**

The Committee note that arrangements exist in Union Bank of India for giving in service training to its employees. Employees belonging to

Scheduled Castes and Scheduled Tribes are given training for longer duration as compared to general employees. The Committee would like to stress that the aim of the in-service training should be to bring SC/ST candidates upto the required standard.

#### **Reply of Government**

Union Bank of India has reported that they have noted the advice of the Parliamentary Committee.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. NO. 5/10/84—SCT (B) dated 29th November, 1985]

#### **Recommendation No. 30 (Para No. 3. 31)**

Pre-promotion training programmes are also conducted by Union Bank of India for the benefit of eligible SC/ST employees prior to the holding of written tests. To improve the chances of promotion of SC/ST employees, the Committee recommend that such training programmes should be of longer duration.

#### **Reply of Government**

Union Bank of India has reported that they have issued necessary instructions to their lower formations for holding orientation training programmes for candidates of SC/ST category appearing in the promotion tests. The duration of such training programme has been fixed at one week, as against three days fixed earlier.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No 5/10/84-SCT (B) dated 29th November, 1985]

#### **Recommendation No. 31 (Para No. 3.32)**

The Committee would like to draw attention to the instructions contained in the Brochure on Reservation for Scheduled Castes and Scheduled Tribes in services/posts under the Public Enterprises. These instructions *inter alia* provide that :—

- (i) SC/ST officers in Group 'A' services/posts should be provided with more and more opportunities for institutional training and for attending seminars/symposia/conferences. Advantage could in this connection be taken of training facilities available at the Indian Institute of Public Administration, New Delhi, the Administrative Staff College, Hyderabad. etc.

- (ii) It should be the special responsibility of the immediate superior officer of the Scheduled Caste/Scheduled Tribe officers in Group (A) to give advise and guidance to the latter to improve the quality of their work.
- (iii) The Public Enterprises should identify the training needs of SC/ST Officers and then examine to which the training programme these officers should be deputed.
- (iv) The percentage of the seats for training should be earmarked for SC/ST Officers.

### **Reply of Government**

No comments.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

### **Recommendation No. 32 (Para No. 3. 33)**

The Committee desire that the above instructions should be followed by the Union Bank of India both in letter and spirit. The Committee also recommend that an annual Report regarding the progress made in this regard should be placed before the Board of Directors of the Bank.

### **Reply of Government**

The Union Bank of India has noted the recommendation of the Committee for compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985]

### **Recommendation No. 33 (Para No. 4. 6)**

The Committee find that Banking Service Recruitment Boards have not been able to provide requisite number of candidates belonging to Scheduled Castes and Scheduled Tribes to fillup the reserved vacancies in the Union Bank of India. As at the end of 1982 there was backlog in all the three cadres of posts in the Bank—67 Scheduled Castes and 33 Scheduled Tribes in officers cadre, 225 Scheduled Castes and 176 Scheduled Tribes in Clerical Cadre and 7 Scheduled Castes and 95 Scheduled Tribe in the Sub-Staff Cadre. In para 4.19 of their 37th Report (Seventh Lok Sabha) on Syndicate Bank, the Committee had desired that working of the recruitment Boards

should be critically reviewed by the Ministry of Finance (Banking Division). The Committee reiterate that recommendation.

### **Reply of Government**

Government have thoroughly reviewed the working of the Banking Service Recruitments Boards which recruit officers and clerical cadre staff for the 20 nationalised banks; the Central Recruitment Board and the Regional Recruitment Boards which recruit the officers and clerical cadre staff respectively for the State Bank Group, and have decided to set up a separate Banking Service Commission to recruit officer employees for the 28 Nationalised Banks. The Government have also decided to re-organise the Banking Service Recruitment Boards and Regional Recruitment Boards in such a way that hereafter there will be 15 Banking Service Recruitment Boards with headquarters at major state capitals for the recruitment of clerical cadre staff for all the public sector banks within their areas of jurisdiction. With this re-organisation, the Banking Service Recruitment Boards are expected to improve their efficiency and to provide adequate number of candidates, including SC/ST candidates, in time as and when requests are received from the banks.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985]

### **Recommendation No. 34 (Para No. 4.7)**

The Committee note that after receipt of allotment of candidates from the Recruitment Boards, the appointment orders are issued by the Central Office of the Bank.

The Committee recommend that appointment letters should invariably be sent by registered post within three months of the date of holding the interview.

### **Reply of Government**

On the basis of the recommendations of the Parliamentary Committee on the welfare of Scheduled Castes and Scheduled Tribes in their 37th Report (Seventh Lok Sabha) in respect of Syndicate Bank, Government had issued instructions to all public sector banks that the time lag between the date of examination and sending of offer of appointment should be reduced to the minimum and that all such offers of appointment should be sent by Registered Post.

Union Bank of India has stated that they have noted the advice and necessary instructions have been issued to release the appointment letters by Registered Post within three months from the date of allotment of candidates by the concerned Banking Service Recruitment Boards.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

**Recommendation No. 35 (Para No. 4.17)**

The Committee have been informed that for interviewing Scheduled Caste/Scheduled Tribe candidates, a non-official member belonging to Scheduled Caste/Scheduled Tribe is co-opted as a member of the interviewing Committee. According to the Government directives, the public Enterprises should include invariably a Scheduled Caste/Scheduled Tribe officer while constituting the Departmental Promotions Committee/Selection Board, etc. for recruitment/promotion to posts/services under them. The Committee therefore, recommend that a member belonging to Scheduled Caste/Scheduled Tribe should be associated with all Departmental Recruitment/Promotion Committee even where there is no Scheduled Caste/Scheduled Tribe to be interviewed.

**Reply of Government**

Government have examined the matter under recommendation of the Committee. Necessary guidelines have already been issued to all public sector banks financial institutions for associating the Member belonging to SC/ST with all Departmental promotion Committees even where there is no SC/ST to be interviewed. The Union Bank of India has also submitted its compliance report in this regard.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

**Recommendation No. 36 (Para No. 4.18)**

The Committee note that while a member of belonging to Scheduled Castes/Scheduled Tribes category is associated with the panel of Interviewers for promotion of officers from one scale to the other, no specific provision has been made to that effect in the promotion policy. The Committee recommend that promotion policy should be amended suitably to incorporate such a provision therein.



### Reply of Government

The recommendation of the Committee has been noted by Union Bank of India for compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### Recommendation No. 37 (Para No. 4.23)

The Committee regret to note that a large number of vacancies reserved for Scheduled Castes and Scheduled Tribes are deserved in the Bank every year. The Total number of posts deserved were 370 in 1980, 386 in 1981 and 341 in 1982 in Officers, clerical and sub-staff cadres of the Bank. The Committee feel concerned that the reserved post even in sub-staff category have been deserved for which, normally, there should be no dearth candidates. The Committee recommend that the bank which is responsible for recruitment to sub-staff cadre should make all out efforts to recruit Scheduled Caste/Scheduled Tribe candidates so that the contingency to deserve the posts does not arise. It should also be possible for Banking Service Recruitment Boards to provide by special recruitment or otherwise sufficient number of candidates belonging to Scheduled Caste/Scheduled Tribe to fill up the reserved posts in the bank in officer and clerical cadres.

### Reply of Government

With regard to the recruitment of sub-staff, Union Bank of India has reported that they are not undeserving the vacancies reserved for SC/ST in this category. These are filled only by SC/ST. With reference to recruitment of clerical and officers cadre, reply to para 3.17 and 3.18 may kindly be referred to.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### Recommendation No. 38 (Para No. 4.24)

The Committee regret to point out that prior approval of the competent authorities in the Bank is not taken before resorting dereservation. According to Government guidelines, before any reserved vacancies is undeserved and filled up by the general candidate, the prior approval of the Board of Directors for the posts of officers and that of the Chairman and Managing Director for clerical posts should be obtained. It should specifically be mentioned in the reference made to the Board of Directors/Managing

Director that the proposal for dereservation is being made with the full knowledge and concurrence of the Liaison Officer. The Committee recommend that the Bank should follow this procedure regarding dereservation scrupulously.

### **Reply of Government**

Union Bank of India has reported that the recommendation of Committee has been noted for future compliance and so that they have already started the practice of seeking approval of the competent authority for dereserving the post wherever necessary. The dereservation is also done with the full knowledge and concurrence of the Liaison Officer.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

### **Recommendation No. 39 (Para No. 4.25)**

The Committee have been informed that the cases of dereservation are brought to the notice of the Board of Directors every six months. This however, not reflected in the Minutes of the Boards' meeting held during the last three years. The Committee regret to point out that the Board of Directors has all along been kept in dark about this important aspect of reservation policy for Scheduled Castes and Scheduled Tribes.

### **Reply of Government**

Union Bank of India has noted to indicate the number of vacancies to be dereserved in the notes placed before the Board of Directors.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

### **Recommendation No. 40 (Para No. 4.39)**

The Committee note that a register has been kept in the Bank for entering complaints/grievances received from Scheduled Castes/Scheduled Tribes employees. The Committee recommend that these registers should be kept at the Central as well as the Regional/Divisional Offices of the Bank. Action taken on the complaints should also be indicated in the Registers for the information of the persons concerned.

### Reply of Government

Necessary instructions have since been given for maintenance of such registers in Regional/Zonal Offices.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

#### Recommendation No. 41 (Para No. 4. 40)

The Committee note that the Liaison Officers of the Banks have been advised to meet informally the Scheduled Castes/Scheduled Tribes employees including their representatives to bear their grievances in respect of matters arising out of policy regarding reservations. The Committee desire that a brief resume of the points discussed and the decisions if any reached should be maintained by the Liaison Officer to avoid misunderstanding at a later stage.

### Reply of Government

Necessary guidelines to the Liaison Officer to maintain a record of discussions with him have been issued.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985]

#### Recommendation No. 42 (Para No. 4. 41)

The representative of the Union Bank of India has stated during evidence that at present they are sending replies to letters received from recognised employees' Union only. The Liaison Officer communicates with Scheduled Caste/Scheduled Tribe associations which though unrecognised were registered. When the Committee suggested that replies should be sent to letters received from registered associations also, the representative of the Bank has stated during evidence :—

“We will give a reply.”

The Committee hope that Union Bank of India will implement their assurance.

### Reply of Government

A circular letter to all Liaison Officers to maintain a brief resume of points discussed with representatives of Scheduled Caste/Scheduled Tribes

as also the need to give a reply to all letters received from Registered Associations has been issued.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) OM No. 5/10/84—SCT (B) dated 29th November 1985]

#### **Recommendation No. 43 (Para No. 5.9)**

The Committee are unhappy to note that while reservations for Scheduled Castes and Scheduled Tribes in direct recruitment was introduced in Union Bank of India immediately after nationalisation of Banks in 1969 the Bank started maintaining the rosters only in 1978. The Committee fail to understand how the Bank gave effect to the prescribed reservations during 1969-70 without maintaining the rosters as required under the Government orders for determining reserved and unreserved points. The Committee need hardly stress that roster is the only mechanism to keep a watch on the implementation of policy of reservation. The Committee recommend that the Banking Division of the Ministry of Finance should check up from all nationalised Banks whether rosters are being maintained by them as envisaged in the Government Directives.

#### **Reply of Government**

According to the information available with the Government, all public sector banks/financial institutions are maintaining rosters in the prescribed forms.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

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

Since the Union Bank started maintaining the Rosters in 1978, the Committee would like to be apprised as to what procedure was followed by the Bank in giving effect to the prescribed reservation in direct recruitment during the period 1969 to 1978 *i. e.* after its nationalisation.

#### **Recommendation No. 44 (Para No. 5.10)**

Rosters in the Union Bank of India are at present being maintained at the Central Office only. As the rosters in the clerical cadre are maintained state-wise, the Committee recommend that the rosters pertaining to a state should also be maintained at the regional offices of the Bank located in that state. Likewise, rosters regarding sub-staff posts should be

maintained at the Regional Offices of the Bank in addition to the Central Office, as recruitment to this cadre is done by the Regional Office through the Employment Exchange.

### **Reply of Government**

Union Bank of India has noted the recommendation of the Committee and issued necessary instructions in this regard.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

### **Recommendation No. 45 (Para No. 5.11)**

The Committee also desires that rosters should be open documents and there should be no bar on the employees of the Bank wishing to see them.

### **Reply of Government**

Union Bank of India has noted the recommendation for future compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

### **Recommendation No. 46 (Para No. 5.12)**

The Committee recommend that Liaison Officer of the Bank should check the Rosters periodically and discrepancies, if any should be rectified immediately so that there is no mistake in calculating the reserved vacancies.

### **Reply of Government**

Liaison Officer of the Bank inspects the rosters periodically and points out the discrepancies, if any.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

### **Recommendation No. 47 (Para No. 5.18)**

The Committee noted that Union Bank of India has been sending periodical statements to the Banking Division regarding recruitment and

promotion of Scheduled Castes and Scheduled Tribes in services of the Bank. The data included in these statements pertain to the total number of employees in the Bank and the number of Scheduled Castes/Scheduled Tribes among them and the number of reserved vacancies filled up by members of Scheduled Castes/Scheduled Tribes in direct recruitment and promotion. The Committee recommend that the Bank should take immediate action to rectify deficiencies, if any pointed out by the Banking Division. The Committee are distressed to note that even the Banking Division slept over the matter all these years.

### **Reply of Government**

The various returns received from public sector banks/financial institutions regarding representations of SC/ST in their services are examined by the Government. Wherever any deficiency is observed, the same is pointed out to the concerned bank/financial institution for its rectification. However Union Bank of India has noted the recommendation of the Committee for future compliance.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

### **Recommendation No. 48 (Para No. 5.19)**

The Committee find that the Annual Reports of the Union Bank of India are at present showing only the percentage increase in the representation of Scheduled Castes/Scheduled Tribes in the Bank as compared to the previous year. The Committee recommend that the Annual Reports should show separately the percentage of Scheduled Castes/Scheduled Tribes in the various cadres in the Bank and the steps taken by the Bank to reduce the backlog as existing at the end of the previous year.

### **Reply of Government**

Union Bank of India has noted the recommendation of the Committee for future compliance. The bank has already started incorporating a paragraph regarding representation of SC/ST in the services of the bank on the lines suggested by the Committee in their Report from 1984.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

**Recommendation No. 49 (Para No. 6.7)**

The Committee note that steps are being taken for creating a Cell in the Banking Division of the Ministry of Finance for looking after the credit requirements of Scheduled Castes and Scheduled Tribes. The Committee recommend that this Cell should be separate from the existing cell in the Banking Division dealing with matters relating to reservation for Scheduled Castes and Scheduled Tribes. The new cell should be created in the Banking Division without any further delay.

**Reply of Government**

The recommendation of Parliamentary Committee on welfare of Scheduled Castes/Scheduled Tribes to create a separate Cell in the Banking Division of the Department of Economic Affairs, Ministry of Finance for looking after the credit requirements of Scheduled Castes and Scheduled Tribes has been accepted and a Cell separate from the existing SC/ST Cell has been created vide this Division's office order No. H-11013/1/84—Admn. I dated 17-11-84.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No 5/10/84—SCT(B) dated 29th November 1985]

**Recommendation No. 50 (Para No. 6.8)**

The Committee also recommend that a separate Cell should be created in the Central Office of the Union Bank of India for monitoring the flow of credit to Scheduled Castes and Scheduled Tribes.

**Reply of Government**

The bank has well organised Priority Sector Development Department at its Central Office, headed by an Executive in the cadre of Manager, which has been specially instituted for monitoring and evaluating the progress made by the Bank under various sub-sectors of Priority Sector, Weaker Section credit portfolio as also National Schemes. This department has a well equipped cell for monitoring the flow of credit to Scheduled Castes and Scheduled Tribes.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

**Recommendation No. 51 (Para No. 6.25)**

The Committee appreciated that advances by the Union Bank to Scheduled Castes and Scheduled Tribes under DRI Scheme as in March, 1983 constitute 47.5% of total DRI advances, as against the stipulation of 40% minimum under the guidelines of Reserve Bank of India. Total DRI advances constitute about 1.11% of total advances by the Bank as in June, 1983. The Committee would, however, like the Union Bank of India to find out whether there are any states or regions where the percentage of DRI advances to total advances has been less than 1% and DRI advances to Scheduled Castes Scheduled Tribes have been less than 40% of total DRI advances. The Committee desire that Bank should make concerted efforts to reach the prescribed targets in all States/Regions of its operation.

**Reply of Government**

The bank recorded further progress under the DRI Scheme as also in respect of the share of DRI Credit channelised to Scheduled Castes/Scheduled Tribes, as of end—December 1983. The DRI credit portfolio of the bank stood at Rs. 16.14 crores (spread over 1.46 lac borrowal accounts) of which Rs. 8.24 crores (spread over 0.70 lac borrowal accounts) has gone to SC/ST beneficiaries, as of end-December 1983. The share of DRI advances in the Bank's total advances a year ago improved to 1.45% as of end-December 1983, well above the Government's stipulation of 1%. Also, the share of DRI Credit channelised to SC/STX beneficiaries improved to 51.02% as of end—December 1983, as against Government's stipulation in this regard at 40%. As regards state-wise position of DRI advances of Union Bank of India as of end-December 1983, the share of DRI advances in total advances was less than 1% in respect of Union Territory of Delhi and Goa as also in the States of West Bengal and Maharashtra. In Delhi, West Bengal and Maharashtra this share is less than 1% due to predominance of Metropolitan branches. The share of DRI to SC/ST beneficiaries was less than 40% in respect of Assam, Kerala, Karnataka, Meghalaya, Jammu & Kashmir and the Union Territories of Delhi, Goa and Pondichery, as of end-December 1983. The bank has further reported that as desired by the Committee, concerted efforts will be made to reach Government's stipulations in respect of the above States also. Towards this end, necessary instructions are being issued to field functionaries.

[Ministry of Finance—(Department of Economics Affairs—Banking Division) O.M. No. 5/10/84—SCT. (B) dated 29th November 1985]



**Recommendation No. 52 (Para No. 6.26)**

Under the guidelines regarding DRI Scheme, credit may be routed through the Co-operative Societies/LAMPS organised specifically for the benefit of tribal population in areas identified by the Government. The Committee regret to note that the Union Bank of India has not extended any finance through Co-operative Societies/LAMPS under DRI Scheme. The Committee recommend that in order to give benefit of DRI Scheme to an increasing number of persons belonging to Schedule 1 Tribes, the Union Bank of India should start routing credit under DRI Scheme through Co-operative Societies/LAMPS.

**Reply of Government**

The recommendation of the Committee is noted and suitable instructions have been issued to field functionaries to make concerted efforts in exploring the possibilities of routing Credit under DRI Scheme through Co-operative Societies/LAMPS.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

**Recommendation No. 55 (Para No. 6.42)**

Scheduled Caste/Scheduled Tribe Development Corporations have been set up in most of the States with a view to expeditiously ameliorate difficulties of Scheduled Castes and Scheduled Tribes and to ensure their economic upliftment. The main function of these Corporations is to provide margin money assistance to Scheduled Caste/Scheduled Tribe families where as the institutional finance is provided by banks. Recovery is shared between the Bank and the Corporation in the proportion of Bank's loan and Margin Money Loan.

**Reply of Government**

No comments.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

**Recommendation No. 56 (Para No. 6.43)**

The Committee are surprised to note that the Union Bank of India has made tie-up arrangements with some of these Corporations only recently,

The Committee recommend that with a view to increase the flow of credit to Scheduled Castes/Scheduled Tribes, the Bank should establish contacts with all the existing Scheduled Caste/Scheduled Tribe Corporations and participate in financing the viable schemes framed by these Corporations.

#### **Reply of Government**

The recommendation of the Committee is noted. In fact, Union Bank of India has issued instructions to their field functionaries to increase the flow of credit to Scheduled Castes/Scheduled Tribes by participating in the Viable schemes framed by Scheduled Caste/Scheduled Tribe Development Corporations. Toward this end, they have been asked to maintain proper liaison and effective rapport with the officials of such Corporations. However, as desired by the Committee, these instructions have been reiterated to the field levels.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 58 (Para No. 6.60)**

The Committee note that the Union Bank has issued standing instructions to all its branches/offices that loan applications below Rs. 10,000/- should be disposed of within two weeks and those for Rs. 10,000/- and above within a reasonable time but not exceeding two months after receipt of proposal. The Committee regret to note that inspite of these instructions, complaints are sometimes received regarding delay in sanctioning of loans, The Committee 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.

#### **Reply of Government**

The recommendation of the Committee is noted by the Bank. Whenever complaints are received regarding delay in sanctioning of loans by branches, the same are investigated by the Priority Sector Development Department and immediate remedial measures including action against the persons responsible, where necessary, are initiated.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 59 (Para No. 6.61)**

The Committee have been informed that the Register of loan applications maintained by the branches shows whether the applicant belong to

**Scheduled Caste/Scheduled Tribe category.** The Committee desire that information should be compiled every six months indicating the total number of loan applications received from Scheduled Castes Scheduled Tribes and the number of applications rejected in each Zone. The Committee feel that the Head Office can monitor the flow of credit to weaker sections more effectively if such basic data is available to them.

### **Reply of Government**

The recommendation of the Committee is noted by the bank and a circular modifying the reporting system has been issued to all branches/offices of the bank.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

### **Recommendation No. 60 (Para No. 6.62)**

One of the main reasons of loan applications is stated to be that the borrower is basically ineligible. The Committee pointed out during oral evidence that this reason is absolutely vague and it should be specific. The representative of the Union Bank of India had stated in reply that he would look into the matter. The Committee recommend that instead of telling an applicant that he is ineligible for the loans, he should be informed of the reasons of his ineligibility in writing.

### **Reply of Government**

The recommendation of the Committee is noted by the bank. The bank has reiterated their instructions to field functionaries that whenever a loan application under priority sector especially those received from members belonging to Scheduled Castes/Scheduled Tribes is rejected, they should be informed of the reasons for the same in writing.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

### **Recommendation No. 61 (Para No. 6.72)**

The Committee find that the percentage of recovery of demand under total DRI credit is 42.82% as in March 1982 whereas it is 41.62% for Scheduled Castes/ Scheduled Tribes as in June 1982. The Committee note with satisfaction that the percentage of recovery from Scheduled Castes/ Scheduled Tribes borrowers is almost the same as the overall recovery in respect of total DRI Credit.

**Reply of Government**

No Comments.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

**Recommendation No. 62 (Para No. 6.73)**

The Committee have been informed that there is considerable scope for improving the recovery performance if State Governments/Scheduled Caste/Scheduled Tribe Development Corporations extend more co-operation to the Bank in recovery. To achieve this, the Committee recommend that the Bank personnel should have close liaison with Scheduled Caste/Scheduled Tribe Development Corporation and various departments of State Governments in identification of beneficiaries, selection of schemes for them and recovery of overdues.

**Reply of Government**

The recommendation of the Committee is noted by the bank. The bank has reiterated their earlier instructions to field functionaries to maintain close liaison with State Government Authorities as also Scheduled Caste/Scheduled Tribe Development Corporation.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

**Recommendation No. 63 (Para No. 6.74)**

The Committee need hardly stress that greater attention should be paid by the Bank and other developmental agencies concerned in the selection of viable schemes for which loans are given. This will automatically reduce the chances of loans being converted into bad debts.

**Reply of Government**

The recommendation of the Committee is noted by the bank and suitable instructions have been given to field functionaries.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

**Recommendations No. 65 (Para No. 7.30)**

As the end of December, 1982 the bank has extended credit to the extent of 18.55% to weaker sections under priority sector advances. The share of Scheduled Castes/Scheduled Tribes in this credit is only 3.95%.

The Committee are distressed to point out that Scheduled Castes/Scheduled Tribes who constitute more than 22½% of the country's population account for a meagre 3.95% of the total priority sector lending by Union Bank of India. The Committee recommend that the Bank should take immediate necessary measures to enhance its lendings to persons belonging to Scheduled Castes/Scheduled Tribes so that they get a substantial portion of the credit earmarked for weaker sections under Priority Sector.

#### **Reply of Government**

The recommendation of the Committee is noted. It is submitted that Bank has already issued instructions to its field functionaries to make concerted efforts for financing members belonging to Scheduled Castes/Scheduled Tribes by maintaining close liaison and effective rapport with State Government Authorities as also Scheduled Castes/Scheduled Tribes Development Corporation. (Please see Appendix II). In fact, the Scheduled Caste/Scheduled Tribe Credit portfolio of the Bank improved from Rs. 16.63 crores covering one lac beneficiaries as of end December 1982 to Rs. 26.55 crores covering 1.51 lac beneficiaries as of end June 1984. Accordingly, the share of this portfolio within Priority sector improved from 3.95% as of end December 1982 to 4.62% as of end June 1984.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 66 (Para No. 7.39)**

The Committee note that educational loans advanced by Union Bank of India were Rs. 27.19 lakhs in March, 1983 out of which advances to Scheduled Castes and Scheduled Tribes were a meagre 0.74 lakh to 29 borrowers. The Committee regret to point out the poor performance of Union Bank of India in granting educational loans in general and to Scheduled Castes/Scheduled Tribes in particular and recommend that the bank should make suitable changes in the educational loans scheme to make it more attractive. The Committee felt that the scheme is loaded with too many formalities and it is really an uphill task to get a loan under the existing conditions.

#### **Reply of Government**

The recommendation of the Committee is noted. It is submitted that under the educational loan scheme, application forms, interest rates, margin security etc., are uniform for all banks as per the guidelines issued by the

Reserve Bank of India. The differential rate offered for indigent students and others are also as per the guidelines issued by Reserve Bank of India. The only flexibility that can be introduced by the Bank on its own, is regarding quantum of finance that can be extended under the scheme. In order to make the educational loan scheme more attractive the Bank is thinking of enhancing the quantum of finance extended under the same, which will be implemented shortly.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

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

The Committee may be informed of the final decision taken in the matter.

#### **Recommendation No. 68 (Para No. 7.51)**

The Committee note that Point No. 7 of the New 20—Point Programme aims at accelerating the Programme for the development of Scheduled Castes and Scheduled Tribes and banks as a developmental agency have been called upon to play a significant role by rendering necessary financial assistance.

#### **Reply of Government**

No comments.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 69 (Para No. 7.52)**

The Committee note that at the end of December, 1982, the Union Bank of India financed 329955 borrowers with Rs. 111.02 crores under the programme. The Committee recommend that the Bank should also keep information regarding the percentage of Scheduled Castes/Scheduled Tribes among the beneficiaries and the advances made to them.

#### **Reply of Government**

The recommendation of the Committee is noted by the bank. While the total credit extended to SC/ST beneficiaries within the 20—Point Programme is available under the current reporting system designed by the Reserve Bank of India, there is no provision at present for collecting the

share of SC/ST credit point-wise under the same. However, Union Bank of India has issued circular to all branches/offices prescribing monthly/quarterly returns which provides information relating to credit provided to Scheduled Castes and Scheduled Tribes (Please see Annexure 12). By the end of September 1984 total credit under 20-Point Programme amounted to Rs. 131.15 crores. Out of this credit extended to SC/ST beneficiaries amounted to Rs. 22.91 crores.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 70 (Para No. 7.53)**

With a view to accelerate flow of credit to Scheduled Caste/Scheduled Tribe borrowers, the Committee recommend that the Bank should fixed targets for the branches in each Zone in this regard and all-out efforts should be made to attain the targets. As an incentive to the Bank staff, due weightage should be given to their performance in providing credit to Scheduled Castes and Scheduled Tribes at the time of evaluation of their work.

#### **Reply of Government**

The recommendation of the Committee is noted by the bank. In fact, under its performance Budgeting system, targets are assigned to branches/regions/zones for credit extended to Scheduled Caste/Scheduled Tribe beneficiaries. Further, in terms of the directives issued by the Ministry of Finance, Government of India, the bank has instructed its Zonal Heads/Regional Managers to give due weightage to the efforts made by the staff members in enhancing credit to Weaker Section particularly Scheduled Caste/Scheduled Tribe beneficiaries, in their Annual Appraisal Reports.

[Minister of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 71 (Para No. 7.60)**

The Committee note that consumption credit to the extent of Rs. 500/- is granted by the bank for meeting marginal and immediate requirements of borrowers. The Committee need hardly stress the importance of consumption credit in rural areas where small and marginal farmers and agricultural labourers have still to turn to landowners for monetary help in times of need. If the weaker sections are to be saved from the clutches of landlords money lenders etc., credit has to be provided by the banks to meet their

short term requirements. The Committee therefore recommend that Union Bank of India should issue necessary instructions to its branches, particularly those in rural areas, to provide consumption credit liberally to meet the immediate needs of the weaker sections.

### Reply of Government

Commercial banks have been advised by Reserve Bank of India to grant consumption loans for the purposes as under ranging between Rs. 75/- and Rs. 250/- with an aggregate ceiling of Rs. 500/- per family. However, purposewise ceiling will not apply in the case of loans against the security of gold and silver ornaments. In such cases, a ceiling of Rs. 1000/- has been stipulated.

	Rs. P.
1. General Consumption	75.00
2. Medical Expenses	250.00
3. Educational needs	100.00
4. Marriage ceremonies	250.00
5. Funerals, births, etc.	75.00
6. Certain religious ceremonies	75.00

The Union Bank of India has already issued instructions to all its branches/controlling offices, to provide consumption credit to meet the immediate needs of weaker sections as indicated above. The progress under this head is being closely monitored by Agricultural Development Department at our Central Office. However, as suggested by the Committee, the field level functionaries have been impressed upon to provide consumption credit liberally to the weaker sections.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

### Recommendation No. 72 (Para No. 7.73)

The Committee note that as on 30th December, 1982 Union Bank of India adopted 2301 villages of different States and gave agricultural loans amounting to Rs 2076.18 lacs. It has been stated that though the village adoption scheme aims at total development of the village by and large, implementation has been confined to traditional financing activities. The Committee recommend that the branch adopting a village should pay attention to all round development of the village like laying of roads, cleanliness drive, providing clean drinking water and medical facilities etc. in co-ordination with Development Departments.



### **Reply of Government**

The bank has vide its Circular No. ADD : 122(11) A/1271 dated 6.4.84 advised the branches that they should aim at bringing about overall development of the various social welfare programme like laying of roads, cleanliness drive, providing clean drinking water and medical facilities etc. in co-ordination with development departments and other service oriented organisation like Lions Club, Rotary Club. Etc. The bank has reiterated these instructions to the field level functionaries.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 73 (Para No. 7:74)**

It has been stated that in some adopted villages 2 or 3 branches of different banks extend their financing activity which may result in duplicate financing and paralel problems. The Committee recommend that in such cases the lead bank of the district should play a prominent role and sort out the problems in consultation with the other bank branches.

### **Reply of Government**

The recommendation of the Committee is noted and field functionaries have been suitably advised to take whatever remedial actions necessary in smooth implementation of the village Adoption Scheme in consultation with Lead Bank/Other Banks operating in the district.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### **Recommendation No. 74 (Para No. 7:75)**

Credit camps are being held by the bank in all the Lead Districts and also in adopted villages. Under the current management information system, the bank does not maintain information about the extent of financial assistance extended at these camps to persons belonging to Scheduled Castes/Scheduled Tribes. The Committee recommend that data regarding Scheduled Caste/Scheduled Tribe beneficiaries should be maintained by the bank so that the benefits provided to persons belonging to these communities are precisely known. It is needless to say that such basic data can be helpful in future planning of credit

### Reply of Government

The recommendation of the Committee is noted by Union Bank of India for taking necessary action.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### Recommendation No 75 (Para No. 7.83)

The Committee note that Reserve Bank of India had fixed a target of Rs. 150 crores under the Housing Finance Scheme for the Banking sector to be achieved by the end of 1983 out of which Union Bank of India's share works out to be Rs. 5.58 crores. The Committee regret to point out that as at the end of 1981, the Bank had disbursed a sum of Rs. 57.26 lacs. Rs. 82.22 lacs during 1982 and Rs. 10.72 lacs during January—June 1983. In all the total disbursement during 1981, 1982 and upto June 1983 has been Rs. 150.20 lacs against the target of Rs. 558 lacs by the end of 1983. The Committee express their unhappiness at the unsatisfactory performance of the Bank in the matter of providing housing credit.

### Reply of Government

The observation of the Committee is noted. Concerted efforts will be made to improve this portfolio and achieve the targets set under the scheme.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### Recommendation No. 76 (Para No. 7.84)

The Committee regret to note that under District Housing Finance to Scheduled Castes and Scheduled Tribes and Weaker Sections the share of Scheduled Castes and Scheduled Tribes is a meagre amount of Rs. 41,000/- in 1981, Rs. 97,000/- in 1982 and Rs. 34,000/- during January to June, 1983. The Committee have been informed that the Bank is not channelising housing finance through SC/ST Development Corporation in States other than Gujarat and Karnataka. The Committee recommend that the Bank should explore possibilities of extending housing finance through SC/ST Development Corporation in all the States wherever they exist. They should also channelise housing finance through Regional Rural Banks and Village Housing Co-operatives.

**Reply of Government**

The recommendation of the Committee is noted by Union Bank of India and the same has reported that concerted efforts will be made to explore the possibilities of enhancing credit to SC/ST beneficiaries through Development Corporations, Regional Rural Banks and Village House Cooperatives.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

## CHAPTER III

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

#### Recommendation No. 1 (Para No. 1.11)

The Committee note that it is a firm policy of the Government that there should be at least one Director belonging to Scheduled Caste/Scheduled Tribe on the Boards of Directors of nationalised banks. The Committee further note that in 18 out of 20 nationalised banks, the Boards of Directors have persons belonging to Scheduled Castes and Scheduled Tribes and steps are being taken to have them in the remaining two banks. The Committee, however, feel that it is not enough merely to take a policy decision in this regard and are of the view that uncertainty in the matter of appointment of persons belonging to Scheduled Caste/Scheduled Tribes in the Board of Directors of nationalised banks should be removed once for all by making necessary amendment in the nationalisation scheme. The Committee, therefore, recommend that early steps should be taken by Government for making statutory provision for appointment of at least one representative of Scheduled Castes/Scheduled Tribes on the Board of Directors of nationalised Banks.

#### Reply of Government

Government once again reiterate their earlier views that the interests of the persons belonging to Scheduled Castes and Scheduled Tribes are amply safeguarded as the Government have been appointing at least one person belonging to Scheduled Caste/Scheduled Tribes on the Board of Directors of each of the nationalised banks, as far as possible. The Boards of all the 20 nationalised banks are being re-constituted. Every endeavour will be made to appoint a person belonging to SC/ST on the Boards of these banks. Government is not in favour of making an explicit provision in the Scheme for appointment of directors on the Boards of nationalised banks on the basis of any caste or religion as such a provision will evoke similar demands from other sections of society.

[Ministry of Finance (Department of Economic Affairs)—Banking  
Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985]

**Recommendation No. 17 (Para No. 2.96]**

The Committee note that Government of India's Directive regarding reservations in promotion was received by the Union Bank in 1978. But reservation in promotion from Clerical to officers cadre for Scheduled Caste/Scheduled Tribes in the Bank became effective from 16.9.1980 as prior to that date, the then existing Promotion Agreement with the Employees' Union which was in force did not provide for reservations in promotions.

**Reply of Government**

No Comments

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/10/84-SCT (B) dated 29th November 1985].

**Recommendation No. 18 (Para No. 2.97)**

The Committee are surprised to note that even after the amendment of the Promotion Agreement in September, 1980, no interviews have so far been conducted for promotion from Clerical to officers' Cadre, as a result which Scheduled Caste/Scheduled Tribe employees of the Bank have been deprived of the benefits of reservation in promotions.

**Reply of Government**

Interviews could not be conducted as the Supreme Court had granted Stay order. On vacation of the stay interviews have been subsequently conducted in the year 1983 and merit lists have been prepared separately for General, Scheduled Castes and Scheduled Tribes categories from the tests conducted in 1982 and 1983, in accordance with the amended Promotion Agreement which provides for reservation as per Government guidelines received from time to time.

[Ministry of Finance-(Department of Economic Affairs—Banking Division) OM No. 5/10/84-SCT (B) dated 28th November 1985].

**Recommendation No. 21 (Para No. 2.100)**

The Committee are also not happy at the weightage given to length of service prior to 31st December, 1969 in the new policy as this works against the interests of Scheduled Castes/Scheduled Tribes of whom there were hardly any prior to the nationalisation of banks. The intake of Scheduled Caste/Scheduled Tribe candidates in the Bank started only

after the reservation policy in recruitment was applied. The Committee recommend that there should be no such weightage.

### **Reply of Government**

The weightage given for service is now not restricted to those who have joined prior to December, 1969. By the Promotion Agreement the weightage has been extended to all those who have completed 10 years of service. Hence even employees belonging to Scheduled Caste/Scheduled Tribe category who completed 10 years of service on the appointed date will get this weightage.

[Ministry of Finance-(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985].

### **Recommendation No. 22 (Para 1.101)**

The Committee note that in accordance with the revised promotional policy for promotion from clerical to officers cadre, successful candidates are empanelled to the extent of 133% of the contemplated vacancies in the relative year. This provision of 133% shall not apply for the merit list for the tests held in 1982 and 1983. In the test held in 1983, 669 candidates out of 1040 Scheduled Caste/Scheduled Tribes and 2050 candidates out of 4560 from the general category are reported to have passed whereas the vacancies for 1983 are approximately 400. The Committee recommend that the merit list to be prepared on the basis of the results of these tests should not exceed 133% of the total vacancies and the merit list should remain valid only for one year.

### **Reply of Government**

The merit list has been published in accordance with the Promotion Agreement entered into with the Employees' Union which provides that the current merit list prepared by the Bank following the test conducted in 1982 and 1983 will be valid till the entire lists exhausted. Only future lists will be valid for one year and the number of employees in the merit list will be restricted to 133% of the contemplated vacancies. If at this stage, after the Bank has released its promotions for 1983 from the merit list, the Bank restricts the list to 133% of the vacancies of 1983, there will be a spate of Industrial disputes. More so, in view of the fact that this is a list prepared by combining 2 tests held in 1982 and 1983. However, as per Government guidelines, special tests are being conducted for SC/ST wherever necessary.

[Ministry of Finance-(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985].

### Recommendation No 57 (Para No. 6.44)

The Committee note that the Union Bank of India has given loan of Rs. 30 lacs to the Gujarat Tribal Development Corporation and Government of Gujarat has agreed to guarantee the advance. The Committee are of the view that as the Scheduled Caste/Scheduled Tribe Development Corporations are created, administered and controlled by the State Governments, the Bank should not insist on guarantee of the State Government before advancing loans to these corporations.

### Reply of Government

The Union Bank of India has reported that it has not insisted on Government Guarantee in financing Gujarat Tribal Development Corporation. However, in terms of the guidelines on DRI Scheme issued by the Government of India, the advances under DRI Scheme extended to the State Corporations for SCs/STs are not eligible for guarantee cover from the Deposit Insurance and Credit Guarantee Corporation and State Governments may have to provide guarantee for such advances to the lending banks. Accordingly, the proposal offered by the Gujarat Tribal Development Corporation wherein Govt. of Gujarat has agreed to guarantee advance was accepted by the bank.

[Ministry of Finance-(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985].

### Recommendation No. 67 (Para No. 7.40)

In para 7.38 of their 37th Report (1982-83) on Syndicate Bank the Committee had recommended that Government should introduce a scheme for giving interest free educational loans to Scheduled Caste and Scheduled Tribes students. The interest on such loans may be subsidised by Government and the repayment of loan amount may commence in instalments after allowing a moratorium of one year after the completion of the course for which the loan is granted. The Committee recommended that Ministry of Finance (Department of Economic Affairs Banking Division) should take a final decision in the matter and ensure that this scheme is made applicable to all nationalised banks for the benefits of Scheduled Castes and Scheduled Tribes.

### Reply of Government

The Ministry of Home Affairs have a Scheme of awarding post matric scholarship to the students belonging to SC/ST Communities. The

scholarship is available to children of SC/ST parents having an income not exceeding Rs. 1000/- per month. This scheme covers most of the SC/ST students. Apart from this, Ministry of Education has been operating interest free National Loan Scholarship Scheme for post matric studies since 1963-64. Interest is payable only in case of default. Instalments of loan become payable one year after the loan begins to earn income or three years after termination of Scholarship, whichever is earlier. Adequate moratorium is thus provided. In addition the Scheme provides for wiping out of loan if loanee serves as a teacher in a recognised institution or as Defence services personnel at the rate of 1 per cent for each year of service put in. This Scheme covers candidates who secure 50 per cent marks in qualifying examinations and whose parental income does not exceed 6000/- per annum (Basic pay). Actually after allowing the permissible deductions/ rebates as provided for in the Scheme, students whose parental income is Rs. 24,000/- to Rs. 25,000/- per annum are generally covered under the Scheme. In view of the high income ceiling of this particular scheme, such SC/ST students as are not covered by Post-matric Scholarship Scheme are likely to be covered by National Loan Scholarship Scheme. Thus, it does not seem necessary to initiate any new interest free educational loan scheme when existing schemes are working well and providing adequate coverage to SC/ST candidates.

[Ministry of Finance—Department of Economic Affairs—Banking Division) O.M. No. 5/10/84-SCT (B) dated 29th November 1985].



## CHAPTER IV

### RECOMMENDATIONS OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation No. 11 (Para No. 2.58)

In Central Government services, posts have been classified into 4 groups, namely group 'A', Group 'B', Group 'C', and Group 'D'. Accordingly, the Brochure on Reservations for Scheduled Castes and Scheduled Tribes in post/services under the Public Enterprises issued by Bureau of Public Enterprises provides that post may be treated as Group 'A', 'B', 'C' and 'D' for the purpose of implementing reservation orders. The Committee however find that in the Union Bank of India, there are only three Groups of posts i.e. Officers Cadre, Clerical Cadre and Sub-Staff Cadre which are analogous to Group 'A', Group 'C' and Group 'D' in the Government of India. The Committee find that there is no Group 'B' or category of posts equivalent to Group 'B' in the services of the Bank as a result of which Scheduled Caste/Scheduled Tribe employees have been deprived of the benefit of reservation in recruitments/promotion to that category if it had been in existence. The Committee have been informed that the implications of the recommendations made by the Committee in Para 2.82 of their 37th Report (1982-83) on Syndicate Bank relating to reclassification of posts are still under examination. The Committee desire that a decision in this regard should be taken at an early date so that classification of posts in the Banking Industry is brought at par with that existing in Government of India and other Public Sector enterprises. The Committee are of the firm view that promotional avenues for Scheduled Caste and Scheduled Tribe will considerably improve if there are Group 'B' posts in the Banks.

#### Reply of Government

In the public sector banks, including Union Bank of India, the classification of posts are not identical or similar to that in vogue in Central Government Service or in the establishments under the administrative jurisdiction of Bureau of Public Enterprises. In the public sector banks, there are three categories of posts, namely, sub-staff clerical and the officers.

In the officers Cadre, there are seven grades. The promotion from one category to the other in the banks are determined on the basis of certain number of years of service in the lower category, in addition to merit. Since a category in between clerical cadre and officers cadre is not in existence in the public sector banks, the chances of promotion of the SC/ST candidates from clerical cadre to the officers are quicker. They become immediately eligible to come within the promotion zone as soon as they complete certain minimum years of service. In case there was one more minimum years of service. In case there was one more layer in between clerical cadre and officers cadre, even though the SC/ST candidates would have got more promotions, their chances of becoming officers in banks would have been slower.

Having regard to the above, Government are not in favour of instructing the Public Sector banks to introduce one more category of posts in the banks in between clerical and officers cadre.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

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

Please see chapter I, Para 1.4.

#### **Recommendation No. 20 (Para No. 2.99)**

A new promotion Policy has come into force in the Bank from 1st January, 1983. Under this policy, promotions upto 75 percent of the vacancies are to be made through single channel of test and interview whereas under the old policy, 50% of the vacancies in officers cadre were filled up by seniority and 25% by test. The Committee are of the opinion that by abolishing the system of promotion by seniority under the new agreement, promotion prospects of Scheduled Caste/Scheduled Tribe employees have been considerably reduced. The Committee, therefore, recommend that provision for promotion by seniority should be restored.

#### **Reply of Government**

The change in the promotion Agreement for the abolition of promotions by seniority was made in the context of guidelines issued by the Government of India.

[Ministry of Finance—Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

### Comments of the Committee

Please see chapter I, Para 1.7.

#### Recommendation No. 23 (Para No. 2.102)

There is no reservation in promotion within the officers cadre from one scale to another. Except for the Junior Management Grade Scale-I, there is hardly any representation of Scheduled Castes and Scheduled Tribes in higher scales. Even in Junior Management Grade Scale-I the representation of Scheduled Castes is less than 5% and of Scheduled Tribes it is less than 1%. While the prescribed minimum years of satisfactory services determines the eligibility for promotion from one scale to another, it is done on the basis of merit coupled with weightages for length of service, job responsibility and educational professional qualification. There is relaxation of 5% marks each in performance and interview for officers belonging to Scheduled Castes and Scheduled Tribes. The Committee recommend that suitable relaxation in the minimum length of service required for becoming eligible for promotion from one scale to another should also be extended to Scheduled Castes/Scheduled Tribes.

#### Reply of Government

The Promotion Policy to the officers cadre has been prepared in accordance with the guidelines issued by the Government in terms of Officers Service Regulations 1979. However, as no reservation is applicable in promotions above Scale I, question of providing any relaxations in the minimum length of service in the case of Scheduled castes/Scheduled Tribes does not arise.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

### Comments of the Committee

Please see Chapters I, Para 1.10.

#### Recommendation No. 64 (Para No. 7.29)

The Committee note that weaker sections under the priority sector now comprise of 5 categories, namely, (i) Small and Marginal Farmers with land holdings of 5 acres and less, landless labourers, tenant farmers and share croppers; (ii) Artisans, Village and Cottage Industries; (iii) beneficiaries under IRDP (iv) beneficiaries under DRI Scheme; and (v) beneficiaries

belonging to Scheduled Castes and Scheduled Tribes. The target fixed for advances to weaker sections is 25% of total priority sector advances or 10% of total bank credit by the end of March, 1985. The Committee regret to note that no separate norms have been prescribed by Government/Reserve Bank of India regarding share of Scheduled Castes/Scheduled Tribes in the total priority sector advances. The Committee recommend that as in the case of DRI Scheme under which a minimum of 40% of the total DRI credit is to be lent to persons belonging to Scheduled Caste/Scheduled Tribe, certain minimum percentage of the priority sector lending should be earmarked for Scheduled Castes/Scheduled Tribes.

### **Reply of Government**

The concept of the priority sectors in its present form and the target fixed for them in the total advances of the public sector banks became effective from February, 1983. Priority Sectors inter-alia include a number comparatively larger borrowers like large farmers, small scale industrialists, transport operators and professionally qualified people among which the number of SC/ST borrowers is small. Further such of SC/ST members who fall in these categories do not require any reservation in credit for they would be considered good risks by bank as Priority Sector advances also include institutional advances such those given to Electricity Board for energisation or pump sets etc. As such fixing a percentage of Priority Sector advances for SC/ST borrowers has little relevance.

The Committee is aware that most of the SC/ST borrowers are from poor and economically weaker sections. The Committee is also aware that within the priority sectors a concept of weaker sections has been evolved which consists of the following five categories :

- (a) Small and marginal farmers with land holdings of 5 acres and less, landless labourers, tenant farmers and share croppers.
- (b) Artisans, village and cottage industries.
- (c) IRDP beneficiaries.
- (d) Scheduled Castes and Scheduled Tribes.
- (e) DRI beneficiaries.

Public Sector banks have been advised to ensure that 40% of their lendings go to the priority sectors by March, 1985. Banks have also been

advised to ensure that 25% of their total priority sector lendings go to the weaker sections by that date. It is felt that attainment of these targets would result in a substantial increase in advances to SC/ST borrowers. As regards beneficiaries of IRDP and DRI, a certain percentage of credit had already been earmarked for borrowers belonging to SC/ST.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

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

Please see Chapter I, Para i.13.

## CHAPTER V

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT HAVE NOT BEEN RECEIVED

#### Recommendation No. 6 (Para No. 2-24)

The Committee note that the reservation in promotion have been made applicable in the Union Bank of India w.e.f. 16.9.1980. Asked about the delay in implementing Government orders relating to reservations in promotion which were issued in 1972 and 1974, and were received by the bank in December, 1977 the Committee have been informed that promotions from sub-staff of clerical cadre and clerical to officers cadre in the Bank are governed by promotion agreements entered into with the Employees' Association. Promotion agreement entered into in the year 1975 did not provide for any reservation in promotions from one cadre to the other cadre. On receipt of Government directives in the Bank in December, 1977, the Employees' Union was advised to come the negotiating table for amendment of the promotion Agreement to provide for the reservations in promotion in accordance with the Government Instructions. The promotion agreement was finally amended in September, 1980 and as such the reservation in promotions have been made applicable in the bank from that date. The Committee regret to point out that there has been undue delay on the part of the Ministry of Finance in circulating the orders relating to reservation in promotion to the nationalised banks as a result of which SC/ST employees could not avail of the benefits of reservations in promotion for full eight years.

#### Reply of Government

The orders issued in 1972 by the Ministry of Home Affairs vide their O.M. No. 27/2/71-Estt. (SCT) dated 27.11.72 regarding reservation in promotion on the basis of seniority subject to fitness were conveyed to the nationalised banks in September, 1973 and they were requested to send their comments. The orders issued by the Ministry of Home Affairs vide their O.M. No. 10/41/73-Estt. (SCT) dated 20.7.74 regarding reservation in promotion were sent to the Reserve Bank of India in September, 1974 for their views on the contents of the Circular. The comments received from

- nationalised banks and the Reserve Bank of India were examined in the Ministry of Finance and the orders of the Ministry of Home Affairs were sent to in December, 1977 to all public sector banks, for implementation.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

#### **Recommendation No. 7 (Para No. 2.25)**

The Committee were informed during evidence that Government orders regarding reservations in promotion were received in the Bank in 1978. The Committee find that the promotion agreement with the Employees' Association was revised in September, 1980 and thus the Scheduled Caste and Scheduled Tribe employees were denied promotional avenues for full eight years *i.e.* from 1972 to 1980. The Committee feel that there is hardly any justification in not giving the reservation in promotions to SC/ST for the period 1972 to 1980. The Committee recommend that the reservations in promotion should be made applicable from 1972 and the backlog should be calculated from 1978 onwards. The Committee need hardly stress that the reservation of Scheduled Castes/Scheduled Tribes in the Bank would have been much better if there had been timely implementation of the reservation in promotion. The Committee desire that responsibility should be fixed on persons responsible for not circulating Government orders relating to reservation in promotion to the Bank in time.

#### **Reply of Government**

The promotions are made in the Bank in terms of the Promotion Agreement entered into by the Bank with the Employees Union. The recommendations regarding giving retrospective effect to reservation orders was examined in consultation with the Ministry of Law. The view is that legally and constitutionally it is not permissible to give retrospective effect to the reservation orders from 1972 and 1974 in the case of nationalised banks. However, matter regarding calculating backlog and making promotions prior to making amendment to the Promotion Agreement was raised by certain employees of Union Bank of India belonging to Scheduled Castes/Scheduled Tribes before the High Court at Bombay and the learned High Court has dismissed the petition. The matter is now pending before the Supreme Court wherein the Employees Union are also parties to the petition.

May also kindly refer to reply-to para 2.24.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT (B) dated 29th November 1985]

### Comments of the Committee

The Committee desire that they should be apprised of the position as soon as the matter is decided by the Supreme Court.

#### Recommendation No. 12 (Para No. 2.59)

According to Bipartite Settlement, as many as 20 posts have been included in the Clerical Cadre which carry special allowance ranging from Rs. 16/- to Rs. 283/- A part of the special allowance is contributed to the Employees Provident Fund and an equal amount is contributed to the Fund by the Bank. These posts include those of Stenographer, Head Clerk, Head Cashier and Special Assistants. The Committee are surprised to note that posts having different nature of duties have been clubbed together in the same scale of pay by the mechanism of Special Allowances. But for the Special allowance, the posts would have carried different pay scales. The Committee feel that this scheme is against the interests of Scheduled Castes and Scheduled Tribes in as much as they have been denied the chances of recruitment and promotion on the basis of the scheme of reservation. The Committee recommend that there should either be reservation for Scheduled Castes and Scheduled Tribes in all allowances carrying posts in the Union Bank of India or the scheme of special allowance should be scrapped, particularly in respect of posts carrying duties of supervisory nature e.g. Head Clerks, Head Cashier and Special Assistants.

#### Reply of Government

Recommendation is being examined.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

#### Recommendation No. 53 (Para No. 6.27)

Under DRI Scheme banks advance maximum of Rs. 5,000/- as Term Loan and Rs. 1,500/- as working capital. The Committee feel that in view of the decrease in the value of money this amount is insufficient for starting a viable project and in most of the cases is practically converted into a consumption loan, thus defeating the purpose behind DRI Scheme. The Committee recommend that the limits of loan under DRI Scheme should be suitably increased to serve the purpose.



### Reply of Government

A Task Force was constituted by the Govt. to review the working of the Scheme which has submitted its Report in March 1985. The Report of the Committee is at present under examination in consultation with the various Ministries of the Central Govt., RBI and NABARD. The proposal for increasing maximum credit limits under DRI could be considered when the Government's views on this report are finalised.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84 - SCT(B) dated 29th November 1985]

#### Recommendation No. 64 (Para No. 5.28)

The Committee have been informed that a Task Force has been constituted by the Government to review the working of the DRI Scheme. The Report of the Task Force was expected by the end of December, 1983 but it has not been received so far. The Committee recommend that the Report of the Task Force should be expedited. The Committee hope that Government would take early decision on various aspects of DRI Scheme so as to make it more purposeful and beneficial to the weaker Sections.

### Reply of Government

The Task Force has submitted its report in March, 1985. This is presently under examination by the Government.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November, 1985]

#### Comments of the Committee

The Committee would like to be apprised of the decision taken by Government on the Report of the Task Force on the working of DRI scheme.

#### Recommendation No. 77 (Para No. 7.85)

Loans upto Rs 5,000/- each for construction of houses are granted by the Bank to Scheduled Castes and Scheduled Tribes at 4% rate of interest. The Committee do not consider the amount of Rs. 5,000/- as sufficient for construction of houses keeping in view the escalation in prices of various building material and higher labour charges involved. In Para 7.31 of their 37th Report (1982-83), the Committee had recommended that housing loans upto Rs. 7500/- with a provision of 25 per cent subsidy should be given to

Scheduled Castes and Scheduled Tribes at 4% rate of interest. The Committee reiterate that recommendation.

**Reply of Government**

The matter is under examination.

[Ministry of Finance—(Department of Economic Affairs—Banking Division) O.M. No. 5/10/84—SCT(B) dated 29th November 1985]

NEW DELHI;

*April 28, 1986*

*Vaisakha 8, 1908 (Saka)*

KRISHAN DATT SULTANPURI

*Chairman,*

*Committee on the welfare of*

*Scheduled Castes and*

*Scheduled Tribes*

## APPENDIX

### *Analysis of Action Taken by Government on the recommendations contained in the 55th Report of the Committee (Seventh Lok Sabha)*

(Vide para 4 of Introduction)

I.	Total number of recommendations	77
II.	No. of Recommendations which have been accepted by Government (vide recommendations at Sl. Nos. 2 to 5, 8, 9, 10, 13 to 16, 19, 24 to 52, 55-56, 58 to 63, 65-66, & 68 to 76	60
	Percentage to the total	78%
III.	No. of Recommendations which the Committee do not desire to pursue in view of Government's replies (Vide recommendations at Sl. Nos. 1, 17, 18, 21, 22, 57 & 67)	7
	Percentage to the total	9%
IV.	No. of Recommendations in respect of which replies of Government have not been accepted and which require reiteration (Vide recommendations at Sl. Nos. 11, 20, 23 & 64)	4
	Percentage to the total	5.2%
V.	No. of Recommendations in respect of which final replies of Government have not been received (Vide recommendations at Sl. Nos. 6, 7, 12, 53, 54 & 77)	6
	Percentage to the total	7.8%