

**COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES
(1986-87)**

(EIGHTH LOK SABHA)

TWENTY-FOURTH REPORT

MINISTRY OF FINANCE

**DEPARTMENT OF ECONOMIC AFFAIRS—
BANKING DIVISION)**

**Reservations for, and Employment of, Scheduled
Castes And Scheduled Tribes in UCO Bank and
Credit Facilities Provided by the Bank for
Scheduled Castes and Scheduled Tribes.**



Presented to Lok Sabha on 28-4-1987

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**LOK SABHA SECRETARIAT
NEW DELHI**

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**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES (1986-87)**

Shri K. D. Sultanpuri—Chairman

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- 1. Shri N. N. Mehra—*Joint Secretary*
- 2. Shri M. G. Agarwal—*Chief Legislative Committee Officer.*
- 3. Shri Kuldip 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 Twenty-Fourth Report (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in UCO Bank and credit facilities provided by the bank to Scheduled Castes and Scheduled Tribes.

2. The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs—Banking Division) and UCO Bank on the 2nd and 3rd December, 1986 and 27th and 28th January, 1987. The Committee wish to express their thanks to the officers of the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) and UCO Bank for placing before the Committee material and information the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on April 21, 1987.

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

NEW DELHI;

KRISHAN DATT SULTANPURI

Chairman,

Committee on the Welfare of

*Scheduled Castes and Scheduled
Tribes.*

April 24, 1987

Vaisakha 4, 1909 (Saka)

CHAPTER I

INTRODUCTORY

A. Organisational Set up

The Committee have been informed that UCO Bank has a four tier organisational structure with around 40 branches reporting to a Divisional Manager in Scale IV or V or VI and two to five Divisional Managers reporting to a Zonal Manager in Scale V or VI and Zonal Managers reporting to Head Office. The Bank's Chief Executive is Chairman and Managing Director supported by an Executive Director and four General Managers. Their respective functional areas being:—

- (1) Operations (Credit) and International Banking;
- (2) Personnel, Inspection and Vigilance;
- (3) Planning and Development and Priority Sectors;
- (4) Accounts and General Administration.

1.2 There are 40 Divisions out of which 36 report to 12 Zonal Managers and the remaining four directly to Head Office. Divisional Office is operational control tier having specified responsibilities and powers for development of business, sanction and control of advances, expenditure, lease of premises etc. control on house keeping, personnel matters with a separate SC/ST Cell. Zonal Office is Management control tier located in State Headquarters/Centres, to lead and control the Divisions based on MIS reflecting critical performance indicators in all important areas like Deposits, Advances, House-keeping, Profitability, Personnel, etc. Brabourne Road, Calcutta branch and D. N. Road, Bombay branches are the only two branches that being exceptionally large branches headed by Asstt. General Managers report directly to the Zonal Managers in Scale VI. Head Office role involves mainly planning, policy making necessary linkages with Government, RBI and other external systems and overall review of critical aspects of operational performance. General Managers are supported by Asstt. General Managers and Chief Officers etc. Under General Manager Personnel, Inspection and Vigilance there is a Deputy General Manager also who is in charge of Personnel.

B. Board of Directors

1.3 In a note furnished to the Committee, it has been stated that there are five Directors in the Board of Directors of UCO Bank including Chairman & Managing Director and Executive Director. Appointments of Directors in the Board are made by Government of India in consultation with Reserve Bank of India in terms of Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970.

1.4 When asked whether there was any member belonging to Scheduled Caste and Scheduled Tribe on the Board of Directors to look after their interests, it has been stated in a written note furnished to the Committee that there is no representation of SC/ST on the Board. However, interests of SC/ST are well taken care of by the Board.

1.5 While tendering evidence before the Committee in November, 1983 in connection with 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, representative of the Ministry of Finance (Banking Division) had stated that Government have agreed that the Scheduled Castes should be represented on the Boards of Directors of the Banks. This is a firm policy of the Government.

The Committee desired to know in the context of the firm policy of Government as to why a SC/ST member had not been nominated on the Board of Directors of UCO Bank. The Secretary, Banking Division, has stated during evidence that the policy is to have among the members of the Board of Directors one SC/ST Member. At the moment in most banks, there are no non-official Directors. When the new Board is constituted by the Government, care would be taken to ensure that the Bank has at least one SC/ST member.

1.6 When suggested by the Committee that a sub-heading "reservation" should also be included under the heading "Personnel" in the important areas for review by the Board of Directors which would help in getting the required feed back, the Secretary, Banking Division agreed and promised to ask the banks to do so.

1.7 The Committee desired to know whether the Board of Directors made periodical review of implementation of reservation orders in favour of Scheduled Castes and Scheduled Tribes. In a note furnished to the Committee it has been stated that the progress report on the implementation of Government directives regarding reserva-

tion for SC/ST in the appointment made in the Bank were last placed in the Board meeting dated 26.8.1980. The minutes regarding the same are reproduced below:

"The Board noted the information contained in the Memorandum. It desired that a Note giving latest position regarding recruitment of SC/ST should be placed before it."

This information was placed in the Board Meeting held on 10 October 1980, the minutes of which are reproduced below:

"The Board noted the information contained in the following Memorandum dated 15 September, 1980 regarding progress report on the implementation of Government directions in regard to reservation for SC/ST communities."

1.8 The Bank has since drawn a calendar of items wherein such reviews are placed before the Board for every half year (December and June). The review for the half year ending December 1985 is under preparation and is expected to be placed before the Board in the Meeting to be held in August, 1986.

1.9 When the Committee pointed out that the Minutes of the Board were vage and asked for their elucidation, the Secretary, Banking Division stated as follows:—

"One of the points made by the Board's Note was that we should have an exclusive test for Scheduled Castes/Scheduled Tribe candidates at the time of next recruitment, wherever backlog is considerable.

1.10 The Committee wanted to know the date from which the banks had been advised to place the half-yearly statements before the Board of Directors. The Secretary, Banking Division stated that the advice in this regard was sent on 7th February, 1978 and it was reiterated on 28th November, 1986, after the questionnaire from the Committee was received.

1.11 When asked as to why no progress report on the implementation of Government directive regarding reservation for SC/ST was placed before the Board after 26.8.1980, the Secretary, Banking Division has stated during evidence that this is a lapse on the part of the Banks. He assured that the report would be submitted on due dates hereafter and also upto 1986.

1.12 It has been further stated in a note furnished to the Committee that the Progress Report has now been placed again on

20.8.86 and 20.12.86. In between the statement could not be placed before the Board because, this was not entered in the calendar by the bank inadvertently. While regretting the omission the bank has since entered this provision in its calendar and will ensure that this statement is placed before the Board of its Directors, on half yearly basis.

1.13 The Government has also recently written to all the public sector banks drawing their attention to the requirement of placing the statements before the Board of Directors and asking them to ensure that the statement is so placed on half yearly basis.

1.14 When asked as to who was responsible for the lapse, Secretary, Banking Division stated during evidence as follows:—

“Additionally we monitor the implementation of the orders of reservation that they are adhered to. The possibility or the gravity of that particular lapse now has to be assessed in the sense that if it was a persuasion of a shift, that is one thing, if the progress was not made, I would say that it was a much more important lapse. That means, that is the only fact on ground because we expect to know the reservation orders are implemented. The Chairman should have placed the Report. It is the responsibility of the Chairman, because in respect of all the matters the Chairman is responsible.”

1.15 The Committee are constrained to note that while a firm policy had been laid down by the Government some time back that one member belonging to Scheduled Caste/Scheduled Tribe should be on the Boards of Directors of all nationalised banks, there is no member belonging to Scheduled Caste/Scheduled Tribe on the Board of Directors of UCO Bank so far. As assured by the Secretary, Ministry of Finance (Department of Economic Affairs—Banking Division) during evidence, the Committee trust that when a new Board of UCO Bank is constituted a member belonging to Scheduled Caste/Scheduled Tribe will be appointed as Director on the Board of Directors to look after the interests of Scheduled Castes and Scheduled Tribes, and the Committee informed accordingly.

1.16 The Committee are concerned to note that the progress report relating to implementation of Government directives regarding reservation for Scheduled Castes and Scheduled Tribes in UCO Bank was once placed in the Board meeting held on 26 August 1980 and it was again placed before the Board of Directors only on 20 August, 1986, after a lapse of six years and that too apparently when

the Committee took up this subject for detailed examination. The Ministry of Finance (Department of Economic Affairs—Banking Division) also failed to monitor this information. Had they done this, surely they would have reminded the management of UCO Bank in this regard in time. The Ministry also woke up when they received the questionnaire of the Committee for oral evidence and sent a communication to the Bank only on 28 November, 1986. This all shows that proper care and interest is not being taken either by the UCO Bank or the Ministry of Finance (Banking Division) towards the welfare of Scheduled Castes/Scheduled Tribes and it makes it all the more essential that there should be a SC/ST member on the Board of Directors to look after the interests of SCs/STs and ensure that such lapses do not recur.

The Committee are not satisfied with the reason advanced for not placing the progress reports before the Board of Directors regularly viz. that 'it was not entered in the calendar by the Bank inadvertently.'

The Committee consider it to be a grave lapse and accordingly recommend that responsibility should be fixed for the lapse and action taken against the erring officer. The Committee further recommend that necessary steps should be taken to make the system fool-proof so that in future the progress reports are placed before the Board of Directors regularly and there may not be any lapse in this regard for any reason whatsoever.

1.17 The Committee feel that sending of a simple communication by the Banking Department to banks reminding them to place their progress reports before the Board of Directors regularly is not enough. The Committee, therefore, recommend that the Banks should be asked by the Ministry of Finance to send a copy of Minutes of half-yearly meetings of their Board of Directors to the Ministry to ensure that progress reports relating to implementation of Government directives on reservations for Scheduled Castes and Scheduled Tribes are being placed before the Board regularly. The Ministry of Finance, should critically examine the Minutes and bring to the notice of the concerned Banks any deficiency or shortcomings found in the implementation of Government directives on reservations for Scheduled Castes and Scheduled Tribes, suggesting remedial measures to rectify the deficiencies/shortcomings.

1.18 The Committee note that the Minutes of Board Meeting, dated 10 October, 1986 record as follows:—

"The Board noted the information contained in the following

Memorandum dated 15 September 1980 regarding progress report on the implementation of Government directives in regard to reservation for SC/ST communities."

When pointed out during evidence that the aforesaid Minutes were vague and did not give clear picture of the business transacted at the Board meeting, the Secretary, Banking Division, stated that 'one of the points made by the Board's note was that they should have an exclusive test for SC/ST candidates at the time of next recruitment wherever backlog was considerable'.

The Committee are constrained to observe that the Minutes of meeting do no reflect any such decision. The Committee need hardly point out that the Minutes of Board Meetings are important material and an effective instrument for bringing about improvement in the working of the banks. The Committee, therefore, recommend that the Minutes of the Board Meeting should record the business transacted and observations made in clear and unambiguous terms so that the observations made and the decisions taken by the Board at its meetings are properly and effectively implemented.

C. Role of the Ministry of Finance

1.19 The Ministry of Finance have informed that in the Banking Division there is a SC/ST Cell working under the overall charge of a Joint Secretary which is responsible for watching the implementation of Government orders regarding reservations for, and employment of, Scheduled Castes and Scheduled Tribes in the public sector banks/financial institutions including UCO Bank. At present, the composition of the Cell is as follows:—

Section Officer	1
Assistants	2
L.D.C.	1
Daftry/Peon	1

An Under Secretary is incharge of this Cell. The work of the Under Secretary is supervised by a Deputy Secretary. The overall charge is with a Joint Secretary.

1.20 The Committee enquired about the duties entrusted to the Scheduled Caste and Scheduled Tribe Cell in the Banking Division and whether the staff in the Cell was adequate to cope with the work entrusted to it. The Secretary, Banking Division has stated during evidence that the Scheduled Caste and Scheduled Tribe Cell is responsible for implementation of reservation orders issued by the Central Government for the welfare of Scheduled Castes and

Scheduled Tribes, ex-servicemen, physically handicapped persons employed in the nationalised banks and financial institutions. As regards the staff in the SC/ST Cell, it was stated that considering the overall constraint of Government on staff expansion, it was considered adequate at the moment. One Section Officer was in charge of the entire section i.e. he was controlling the Assistants, LDC and Messenger. Actually, the Deputy Secretary was the head of that Branch. The Deputy Secretary was the Liaison Officer and an Under Secretary worked under him and both of them reported to the Joint Secretary.

1.21 In reply to a question, the Secretary, Banking Division stated that there were 28 Public Sector Banks and four all-India major financial institutions under their control. Their total strength will exceed 7.8 lakh people and out of them about one lakh are SC/ST employees.

1.22 When asked whether the staff in the Cell was sufficient to deal with the problems of SC/ST employees according to the Presidential Directives, the Secretary, Banking Division stated as follows:—

"If the Banking Division is to monitor the effective implementation by visiting each and every bank and by inspecting them for ensuring proper functioning, then of course, it is not adequate. But what I was trying to say is that the Government expects the banks to implement its order and through the reports which the banks submit, we can monitor it. But it is not possible for the Banking Division to actually do the job of monitoring for these large number of people with the present staff. There, Sir, you are right."

1.23 The Committee desired to know the checks devised by the Ministry of Finance to ensure that the reservation orders issued in favour of Scheduled Castes and Scheduled Tribes were actually implemented by the UCO Bank. It has been stated in a note furnished to the Committee that the following steps have been taken by the Banking Division in the Department of Economic Affairs to ensure implementation of the reservation policy of the Government by banks:—

- (i) All policy circulars regarding implementation of reservation policy received from the Department of Personnel and Training are vetted and if necessary modified to make them suitable for implementation by the Banks/financial institutions under the control of this Division. These cir-

culars are thereafter forwarded to the Banks for implementation of the instructions contained therein. The Banks are asked to acknowledge the receipt of these instructions.

- (ii) the banks are sending an yearly statement regarding the recruitment and the reservations in the Banks.
- (iii) the representations received from the SC/ST employees, their associations or the Members of Parliament etc. are got examined from the Bank and wherever necessary corrective action is advised to the banks etc.
- (iv) A representative of the Banking Division is generally, present during the course of the visits of the Parliamentary Committee on the Welfare of Scheduled Castes/ Scheduled Tribes to the various banks to ascertain the position of reservations in those organisations.
- (v) the banks have been advised to place half-yearly statements before the boards of their Directors with regard to the implementation of reservation orders by them. The position is watched by the Government Directors on the Board of these banks.

However, in view of the large number of public sector banks and financial institutions under the control of the Banking Division and a very limited staff available with it, it is not possible to institute regular visits to the Banks.

1.24 Asked whether the Liaison Officer in the Banking Division periodically visited the Banks to oversee the implementation of reservation orders, the Secretary, Banking Division stated during evidence that the Liaison Officer did not visit the Bank for this specific purpose. When the Parliamentary Committee visits, then the Liaison Officer also visits along with it. If visits have to be made by the Liaison Officer just to inspect the roster or review it, that will require a different set up. At the moment the idea was that the Liaison Officer was in-charge of ensuring that this particular order was implemented and the report sent. His work was connected with data collection and to get the information. It was quite right that monitoring was weak. That has to be strengthened.

1.25 When the Committee enquired whether the officer from the Banking Division attending the meeting of the Committee with Banks on tour, submitted a report to the Secretary so that the Secretary got all the feed-back material. The Secretary, Banking Divi-

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sion stated that there was no procedure that after visit of Parliamentary Committee, a report should be submitted. But if something unusual happens or if some special point is made which requires the consideration of Government in that case it is put up. If there is any doubt, about interpretation of circulars, that clarification will have to be obtained from the Department of Personnel.

1.26 When it was pointed out that there was no feed back to the Banking Division about the implementation of Government directives the Secretary (Banking Division) stated that so far as the implementation of the reservation quota was concerned, that particular part was very much in the notice of Government at all levels.

1.27 The Committee enquired about the action taken by the Ministry of Finance (Banking Division) on receipt of annual statements regarding recruitment and reservations for Scheduled Castes/Tribes in the Bank and the dates on which these statements were received by the Ministry from UCO Bank during the last two years. The Ministry of Finance have stated in a note furnished to the Committee that the statements regarding recruitment and reservations in banks are basically for the purpose of collection of data which is supplied to the Commission for Scheduled Castes and Scheduled Tribes. The data is also utilised for the Annual Report of the Ministry of Finance. The various policy formulations are also carried out on the basis of this data.

1.28 It was further stated that statement as on 1st January, 1985 was received in May, 1985 and statement as on 1st January, 1986 was received in May, 1986.

1.29 The Committee note that Deputy Secretary has been appointed Liaison Officer in the Banking Division to ensure due compliance of orders on reservations in favour of Scheduled Castes and Scheduled Tribes by the appointing authorities. An Under Secretary works under him and both of them report to the Joint Secretary. The Committee also note that there is a SC/ST Cell consisting of one section Officer, two Assistants, one Lower Division Clerk and one Messenger, under the overall charge of the Joint Secretary which is responsible for watching the implementation of Government orders regarding reservations for, and employment of, Scheduled Castes and Scheduled Tribes in the Public Sector Banks/Financial Institutions including UCO Bank. The Committee have been informed that there are 28 Public Sector Banks, and four all India major financial institutions under the control of Banking Division and their total strength is more than 7.3 lakhs persons and out of them about one lakh are SC/ST employees. There is no

doubt that the main function of the Cell is to ensure due compliance by the subordinate appointing authorities with the orders and instructions pertaining to the reservations of vacancies in favour of Scheduled Castes and Scheduled Tribes and other benefits admissible to them. However, the Secretary, Banking Division admitted during the course of evidence that it is not possible for the Banking Division to actually do the job of monitoring for these large number of people with the present strength of staff. The Committee, therefore, urge the Banking Division to suitably strengthen the Cell and streamline its working so that it could perform the duties assigned to it efficiently and effectively. The Committee also recommend that the staff working in the Cell should not be given any other work not connected with the Cell.

1.30 The Committee regret to note that annual statements regarding representation of Scheduled Castes and Scheduled Tribes in the services of the UCO Bank for the years 1984 and 1985 were submitted by the Bank to the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) in May, 1985 and May 1986 respectively, although these statements should have been sent to them latest by the 1st March every year as laid down in the Department of Personnel and Administrative Reforms O.M. No. 36022/6/76-Estt (SCT) dated the 10th May, 1976. The Committee need hardly stress that the very purpose of submitting these annual statements gets defeated if these statements are not submitted in time. The Committee, therefore, recommend that the Ministry of Finance should impress upon the UCO Bank to submit these statements in time. Failure to submit these statements in time should be regarded as a serious lapse on the part of the concerned officers.

1.31 The Committee also suggest that these annual statements, on receipt by the Banking Division should be critically examined and analysed and any deficiencies noticed should be pointed out to the Bank expeditiously, so that the Bank could take necessary corrective measures without any delay.

CHAPTER II

RESERVATIONS

A. Adoption/Implementation of Reservations

2.1 The Committee have been informed that the percentage of reservation made in favour of the SC/ST in UCO Bank is being maintained as under:—

(1) Posts filled by Recruitment :	SC	ST
(i) Direct recruitment in officers cadre on all India basis	15	7½
(ii) Recruitment in clerical cadre (Group C)	}	The percentage of reservation is maintained on State/region basis as prescribed by Govt. of India from time to time.
(iii) Recruitment in Subordinate cadre (Group D)		
(2) Posts filled by Promotion :		
From clerical cadre to officers grade JMG Scale I	15	7½
From Subordinate cadre to clerical cadre	15	7½

2.2 The dates from which reservation has been enforced in UCO Bank are as under:—

- (i) Posts filled by direct recruitment with effect from 1-1-71.
- (ii) Posts filled by promotion with effect from 1-1-79.

2.3 In reply to a question, it has been stated that reservation orders are applicable to the following categories of posts:

- (i) Officers cadre upto Middle Management Grade Scale III
- (ii) Clerical cadre
- (iii) Subordinated cadre

Reservation rules does not apply to posts in Scale IV and above in Officers' cadre.

2.4 The Committee wanted to know the reasons for enforcing reservations in promotion so late i.e. w.e.f. 1-1-1979. The Chairman of UCO Bank stated during evidence that when a Presidential

Directive was received by them, they implemented it. Government instructions regarding reservation in promotions were received by the end of January, 1978. The first promotion was initiated in 1979 after receipt of instructions. So these orders could not have been implemented earlier than 1979.

2.5 In this connection, in a note furnished to the Committee it has been stated that the Government instructions introducing reservation in promotions were issued by Ministry of Finance, Banking Division vide their letter of 31st December, 1977. In the Accounts Department of UCO Bank no promotions were made after issue of the Government orders in December, 1977, till July, 1980. As the promotion process was started in 1979, the date has been stated as 1.1.1979. In the Cash Department, however, all those who were selected as Head Cashiers are offered the post of Chief Cashiers on reaching 9th stage in clerical scale of pay. The Bank is presently negotiating with the Unions for integration of Cash Department with Accounts Department for drawing a common seniority panel so that all in the clerical cadre could compete.

2.6 When the Committee enquired from the Secretary, Banking Division as to why they had taken seven years in communicating Government orders on reservation in promotion to UCO Bank the Secretary, Banking Division stated during evidence as follows:—

“You will recall that this Committee had earlier examined on this point in great detail in respect of Canara Bank and it was submitted that there was delay in the procedure between the Banking Department, the Reserve Bank of India and the Banks.”

2.7 The representative of the Banking Division further stated that some correspondence was going on with the Reserve Bank of India and Banking Division and ultimately the decision regarding reservation in promotion for Scheduled Castes and Scheduled Tribes was delayed.

2.8 With regard to the date of Government decision for reservation in promotion, the Secretary, Banking Division stated as follows:—

“So far as the public sector banks are concerned, I understand that it was a general Government decision in 1971 that there should also be rules applicable for promotions. After that, when the matter was referred to the Ministry of Finance, Department of Banking then they

started reopening this issue as to whether this particular order should also apply to the banks. Any decision should have been made within a reasonable period because taking 7 years to take a decision cannot be defended. But the decision to apply it, I do not think, was taken in 1971 so far as the nationalised banks are concerned because there was a view put forward at that time that so far as banks are concerned, this should not apply to promotions."

2.9 While not agreeing with the views of the Secretary, Banking Division, the Committee pointed out that the Government had implemented the decision on reservation in promotion since 1972 but the Banking Division had delayed the implementation of reservation in promotion in the banks, seeking clarification on trivial matters.

2.10 The Committee observed that SC/ST employees of the Bank had suffered immensely due to delay in implementation of reservation in promotion. As such, the Law Ministry should have been approached. The Secretary, Banking Division stated during evidence that they had referred the matter to the Law Ministry whether reservations in promotion could be implemented retrospectively but they did not agree and stated that it would be unconstitutional. The representative of the Banking Division stated that they can examine it and once again approach the Ministry of Law.

2.11 In a subsequent note furnished to the Committee, the Ministry of Finance, Banking Division, explaining the delay in implementation of reservations in promotion in UCO Bank, have stated that the Parliamentary Committee on the Welfare of Scheduled Caste/Scheduled Tribe in February, 1983, while taking the oral evidence of the representatives of Finance Ministry (Banking Division) had *inter alia* desired to know if there were any legal implications involved if the orders on reservation for SC/ST in promotion are given retrospective effect from the date of their issue. A reference was made to the Ministry of Law on this subject which opined at the level of Law Secretary as follows:—

"...we are of the opinion that it would not be legally and constitutionally permissible to give retrospective effect to the reservation orders of 1972 and 1974 in the case of nationalised Banks."

2.12 Since a similar point was raised by the Hon'ble Committee during the oral evidence in December, 1986, a fresh reference was

made to the Ministry of Law which reiterated its earlier advice as under:—

“Our earlier opinion dated 6-7-1983 correctly summarised the legal position regarding making reservation in promotions with retrospective effect. There is no change in that.”

2.13 When the Committee drew attention of the representatives of the Ministry of Finance, Banking Division to Chapter 12 of the Brochure on Reservation for Scheduled Castes and Scheduled Tribes in services (1982 ed.), wherein it had been stated that reservation for SC/ST in promotion should be made applicable from 1968, the witness has stated that reservation in promotions within the officers' cadre were applicable only by seniority. If the promotion is by selection, no reservations are available. But upto MMG Scale III, (equivalent to the pay scale of Rs. 2250/-) they have provided that all officers falling within the actual number of vacancies will be taken if otherwise not found unfit. Actually in the banks even the junior-most post in the officers cadre has pay scale of more than Rs. 2250/-. However, they have provided that posts upto Scale III will be equated to posts with ultimate pay of Rs. 2250/- in Government and this procedure will apply. If promotions are based on seniority, reservations will apply even beyond scale III. This is the position and it is contained in page No. 186 of the Brochure issued by the Department of Personnel.

2.14 When asked on what basis it was decided to restrict it to MMG Scale III and why not upto Scale VI, Ministry of Finance, Banking Division, have stated in a note furnished to the Committee that with effect from 1.9.1978 the pay scales in the public sector banks were revised in terms of the Pillai Committee's recommendations and were fixed with reference to Consumer Price Index (C.P.I.) at 200. The pay scales at that time in the Government services were also with reference to the same C.P.I. In the case of the Government services the provisions of para 12.2(a) of the Brochure on Reservation for Scheduled Castes and Scheduled Tribes in services (Sixth Edition), were applicable to all Group A posts, which carried an ultimate salary of Rs. 2250 per month or less. In the public sector banks MMG Scale III was in the pay scale of Rs. 1800—75—2250. The MMG Scale—III in the public sector banks was therefore equated to the Group A posts referred to in para 12.2(a) of the Brochure on Reservations for Scheduled Castes and Scheduled Tribes in services (Sixth Edition). The pay scales in the Public Sector Banks were however being revised

more frequently than in the Government services. It was therefore decided that irrespective of the pay scale attached to the position the public sector banks in the officers cadres, MMG Scale—III will continue to be equated to the posts in Group A in the Government services, the maximum of which does not exceed Rs. 2250 for the purpose of para 12.2(a) of the Brochure on Reservations for SC/ST in services (Sixth edition). The orders to this effect were issued on 30th May, 1981.

2.15 The scales of pay of all the grades of pay in officers' cadre in the banks are as under:—

(a) Scales of pay as existed upto 1-2-1984:—

(i) Top Executive Grade	Scale VII Scale VI	Rs. 3000-125-3500 Rs. 2750-125-3250.
(ii) Senior Management Grade	Scale V Scale IV	Rs. 2500-100-2700. Rs. 2000-100-2400.
(iii) Middle Management Grade	Scale III Scale II	Rs. 1800-75-2250. Rs. 1200-70-1550- 75-2000.
(iv) Junior Management Grade	Scale I	Rs. 700-40-900-50- 1100-EB-1200- 60-1800.

(b) Scales of pay-with effect from 1-2-1984:—

(i) Top Executive Grade	Scale VII Scale VI	Rs. 4100-125-4600. Rs. 3850-125-4350.
(ii) Senior Management Grade	Scale V Scale IV	Rs. 3575-110-3685- 115-3800; Rs. 2925-105-3450.
(iii) Middle Management Grade	Scale III Scale II	Rs. 2650-100-3250. Rs. 1825-100-2925.
(iv) Junior Management Grade	Scale I	Rs. 1175-60-1475- 70-1895-EB-895-95- 2275-100-2675.

2.16 As regards inter-se promotion, the Chairman, UCO Bank has stated that in officers grade, promotion from Scale-I to Scale-II is by selection. There is no reservation for Scheduled Castes and Scheduled Tribes but the reserved category officers who are within the actual number of vacancies in the zone of consideration are promoted if they are not found unfit for promotion. For example, if there are 100 vacancies, all the reserved category officers who are within 100, are promoted, if they are not found unfit for promotion.

2.17 When specifically asked about the zone of consideration, the Chairman, UCO Bank has stated that it is three times the vacancies. Each time the Board has to decide whether, it should be three times or four times.

2.18 When asked whether there was reservation for Scheduled Caste/Scheduled Tribe upto MMG-III, the Chairman, UCO Bank stated that there is no reservation for SC/ST upto MMG-III. The representative of the Banking Division added that there are no reservations within the officers' cadre. These are concessions and not reservations. If the Scheduled Caste or Scheduled Tribe candidates are found to be fit and within the actual number of vacancies, then they will be automatically promoted.

2.19 The Addl. Secretary (Deptt. of Banking) further stated as follows:—

"The whole idea is to show whatever the Government policy is, they are properly followed in the Banks. Now, Government scales are different from the banks. The government have introduced a system for giving preference to Scheduled Caste and Scheduled Tribe candidates upto Rs. 2250/-. We tried to compare Rs. 2250 with our scales and we were a little more liberal than what actually the amount would have indicated. We made it applicable to them, the same concessions which were available to the Government servants drawing upto Rs. 2250."

These concessions and the rules which were explained earlier. "If we have said something which has given a different impression, then, we are very sorry because the whole intention is to apply the Government rules to the public sector and we tried to be liberal in applying them by including one more grade."

2.20 When asked how the reservation was being watched without maintaining roster, the Secretary (Banking) stated as follows:—

"If the impression given is that this information is given on the roster basis, then obviously there is something wrong in our explanation. But we are trying to faithfully carry out whatever instructions Government have given in the Brochure, and trying to make them applicable to banks. Where there is difficulty in application, we are trying to put it in favour of Scheduled Castes and Scheduled Tribes."

2.21 In a note furnished to the Committee, it has been stated that from JMG Scale I to MMG Scale II and from MMG Scale II to MMG Scale III within officers' cadre in the Bank, promotions

are by selection. Since as per the Brochure on Reservations for Scheduled Castes and Scheduled Tribes in services there is no reservation for Scheduled Caste/Tribe officers in the matter of such promotions, no rosters are maintained.

2.22 Secretary, Banking Division further explained that the promotion was done by selection and by seniority. The title of the Brochure was "Reservations for Scheduled Castes/Scheduled Tribes in services." The reservation rules in this particular case have been used to cover the instructions issued in this behalf.

2.23 When the Committee asked the representative of the Ministry to correct the written reply relating to reservations applicable upto MMG Scales III furnished to the Committee, the representative of the Ministry modified the reply as follows:—

"The instructions contained in the Brochure on Reservations for SC/ST in services' issued by the Department of Personnel and Administrative Reforms are generally applied to all posts in the banks as follows:—

- (i) Reservations for promotions to all posts in officers, clerical and sub-staff cadres based on seniority-cum-fitness.
- (ii) Concessions as applicable in terms of para 12.2(a) of the Brochure, to any promotions within the officers cadre upto MMG Scale III.
- (iii) All promotions based on selection from clerical to officers cadre."

2.24 When asked whether the modifications were authentic or not, the representative of Banking Division stated that Government orders were not *ipso-facto* applicable.

2.25 In this connection, the Secretary, Banking Division clarified that when he used the word 'modifications' what he meant was that the grades, scales of pay etc. were different in banks. The procedures are different.

2.26 When it was pointed out that in promotions by the method of selection, rosters had to be maintained for Scale I and Scale II, the representative of the Banking Division stated that had it been equivalent between the Government and banks, there would be no difficulty. Since in Banks Group 'A' and 'B' categories were

different, this problem has arisen. This is something which has to be interpreted. He further stated in this regard as follows:—

“I will just try to understand the point that has been made so that we are clear. What we understand is that since the banks have only three categories unlike four categories in the Government, there is no need for second Grade in the Banking Sector. There are two ways of looking at it. The first point is that the second grade does not exist. The second interpretation could be that part of the officers need to be considered as grade II officers for which reservation is available. Earlier, representations were received suggesting that the Junior Grade in the Bank should be considered as equivalent to Grade II in the Government; therefore, reservation should be made available for this category. After detailed examination, the Government did not accept this representation but came to the conclusion that the entire officers class should be treated as Grade I. That is the position. I appreciate the point that is being made by the Hon. Committee that, if, part of the officers are considered as Group-II, then the candidates belonging to the Scheduled Castes and Scheduled Tribes would get entitled to certain benefits which they do not get today unless the promotion is by seniority in which case there is no difference.”

2.27 The Committee pointed out that last time when Canara Bank was examined, this matter was also discussed at some length. The traditional practice in the banks, the abolition of Class II, all these were taken into consideration. That was how salary was equated. Reservation was made applicable upto that rung and it had been in practice. It was also being implemented. The only thing was that it was not being regularised by maintaining rosters. The Committee desired to know how in the absence of rosters, it was ensured that reservation was being given. The representative of the Banking Division stated that their understanding of the position was that, after the I, II and III categories, if the promotion was by seniority then only the reservation was applied. If it was by selection, then only concessions were given as per Government instructions in paragraph 12.2(a) of the Brochure.

2.28 In reply to a question, the representative of the Banking Division stated that like Central Government, there is no Group-B

category in the Banking Sector. Therefore there was no reservation for promotion from Group-B to Group-A.

2.29 The Committee pointed out that this question was discussed long back. That was why salary at par was taken. Till then, reservations were made applicable. At this, the representative of the Banking Division stated as follows:—

“Rs. 2250 was another dividing line. It was not a dividing line between Group II and I. It was a dividing line within Group I. That was the dividing line we have taken among officers and made the orders applicable accordingly. Unless there is a separate Group II carried out of the overall officers' class, automatic reservation will not apply. All are considered as one group, that is, Group I. Within Group I, wherever there is a limit of Rs. 2250, there we have drawn the limit. This is the decision which the Government has taken and communicated to the Committee.”

2.30 On a point raised by the Committee that when upto MMG-III which was the lower rung of class I Officers, reservation was applicable, then what was the practical difficulty in continuing what was being given presently, the representative of the Banking Division stated that the Banking Division was giving reservation where there was promotion by seniority and the second system of concession was where there was a selection.

2.31 In this connection, the Secretary, Banking Division, stated that the matter was to be examined further in the sense that the point whether a roster for reservation was to be maintained upto MMG-III or not. Direct recruitment was also by selection and in that case reservation was applicable.

2.32 The Chairman, UCO Bank further clarified as follows:—

“Sir, as has been stated already we are not following reservation from Scale I to Scale III because it is all by promotion. We are giving concessions as made applicable to Government servants drawing basic pay of Rs. 2,250 because Government has said this Rs. 2250 is Scale III.”

2.33 The Committee enquired that when reservation was not applicable and rosters were not maintained, how it was known that so many persons were required to be promoted from Grade I to Grade II and from Grade II to Grade III and only those people who

would come in seniority, they would be promoted. The Chairman, UCO Bank stated as follows:—

“I declared 1500 vacancies and therefore, that is done. According to seniority list, 18 Scheduled Castes and Scheduled Tribes people were in that 1500. I have promoted them, the balance 1147 officers are from amongst the 4500 of the seniority list. That is why we jumped the *inter-se* promotion.”

2.34 The Committee desired to know why reservation for Scheduled Castes and Scheduled Tribes in promotion to Cashier and Special Assistant was not provided. The Chairman, UCO Bank stated that the post of Cashier was not a separate cadre in UCO Bank. There was a Cash Department apart from Accounts Department.

2.35 When asked why there was reservation for the higher cadre among the Special Assistants, the Chairman of the Bank stated that in view of the experience gained by them on account of functioning as Special Assistants, the Management thought that they might be considered for officer's post in a different way.

2.36 The Committee pointed out that SCs/STs were not even one per cent in Special Assistant post and enquired whether reservation in promotion to officer's cadre was not as such, disadvantageous to them. The Chairman of UCO Bank stated that so far as promotion to officer's cadre was concerned, they were not at a disadvantage.

2.37 Asked why there was no reservation for Scheduled Castes/Scheduled Tribes for the post of Special Assistant, the representative of the Banking Division informed the Committee that Special Assistant post was given by seniority, and that the appointment of an Assistant on the post of Special Assistant, which carried a special pay, was not treated as promotion and as such there was no reservation for this post. When they were promoted to the officers cadre, there was a special reservation for SC/ST. The representative of the Banking Division further stated that the Ministry have to see that while in the Officers' cadre there must be a proper reservation for the SCs/STs as a whole, the special reservation for Special Assistant was scrapped. The Chairman of UCO Bank promised to consider the proposal of representative of Banking Division.

2.38 When the Committee pointed out that the Banking Division had to take a policy decision in this regard as what they said had

to percolate to all the Banks the Secretary, Banking Division replied as follows:—

“The point made by you is valid. We accept it. This has to be corrected. I would request the Liaison Officer to take personal interest. If there is a special promotion quota for Special Assistants, then the reservation should apply there also.”

2.39 Additional Secretary, Banking Division further added that the Scheduled Castes/Scheduled Tribes should not suffer in promotion because a part of it was not covered by the promotion policy. A solution had to be found. It will be examined and seen how it can be corrected.

2.40 The Committee enquired about the method by which vacancies other than the 25 per cent vacancies filled by direct recruitment, were filled in the Officer's cadre. The Chairman, UCO Bank stated during evidence that 50 per cent vacancies were filled by written test and interview and 25 per cent were filled from amongst the Special Assistants.

2.41 Pointing out that there was no reservation in promotion to the posts of Special Assistants, the Committee asked whether it was not disadvantageous to the Scheduled Castes and Scheduled Tribes. The Chairman, UCO Bank, replied that the Government had recently given a clarification that Special Assistants must not be considered for promotion exclusively and the Bank Management have already started negotiations with the Bank Unions. The Bank Management was going to draft a new policy by which seniority in the clerical cadre will be considered and the separate stream for Special Assistants will be given up.

2.42 In reply to a question, the Chairman, UCO Bank stated that the new policy would be applicable from 1987.

2.43 When the Committee pointed out that all these years there was loss to SC/STs because there was no SC/ST candidate in the Special Assistant cadre which was the feeder cadre, the Chairman, UCO Bank replied as follows:—

“We can only follow the backlog procedure and we carry forward those available vacancies and fill up in the new promotion process.”

2.44 He further confirmed that to clear the backlog they would follow the prescribed procedure and to the extent of 50 per cent they would fill the reserved vacancies.

2.45 When asked about the provision of reservation in the agreement with the Bank Employees' Union, the Chairman, UCO Bank, stated as follows:—

"In the past promotion policy we have added a clause that it is all subject to Government's direction on reservation.

We have made this position clear to the Union also now. However, we are going to fill up the backlog. It is not going to be part of the promotion policy. That is our implementation responsibility. We have only to enter into an agreement regarding the procedure of how promotions are to be made."

2.46 The Committee note that reservation of vacancies in favour of Scheduled Castes and Scheduled Tribes to be filled by direct recruitment has been enforced in UCO Bank with effect from 1-1-1971 and for those to be filled by promotion with effect from 1-1-1979. Explaining the reasons for delay in implementation of reservations in promotion, the Secretary, Banking Division has informed the Committee during evidence that so far as public sector banks are concerned, it was a general government decision in 1971 that (reservation) rules should also be applicable for promotions. After that, when the matter was referred to the Ministry of Finance, Department of Banking, then they started reopening this issue as to whether this particular order should also apply to the banks. The Committee express their displeasure at the casual approach of the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) on arriving at a decision on an important issue like this, after seven years. The Committee feel that the decision should have been taken within a reasonable period because seven years to take a decision on an important issue like enforcement of reservation orders is indefensible. It is all the more regrettable that the Banking Department have delayed the implementation of reservation for Scheduled Castes and Scheduled Tribes in promotions for as long as seven years seeking clarifications on trivial matters. Obviously, this has deprived many a Scheduled Caste and Scheduled Tribe employees of their promotion against reserved vacancies during those years.

The Committee have been informed that the Ministry of Finance (Banking Division) made a reference to the Ministry of Law when

the matter was raised earlier by the Committee in 1983 and 1986 to know the legal implication involved if the orders on reservation for Scheduled Castes/Scheduled Tribes in promotion were given retrospective effect from the date of their issue. The Committee have been informed that the Ministry of Law opined that it would not be legally and constitutionally permissible to give retrospective effect to the reservation orders of 1972 and 1974 in the case of nationalised banks.

In the light of the opinion expressed by the Ministry of Law, the Committee need hardly impress upon the Ministry of Finance (Banking Division) to take a lesson from the past and realise the necessity for taking prompt decision in future in the matter of application of reservation orders for Scheduled Castes and Scheduled Tribes as soon as they are issued and communicate the same to the public sector banks immediately to ensure their implementation in letter and spirit from the date of issue.

2.47 The Committee are sorry to observe that in the preliminary material furnished by Government, it had been stated that reservation orders in promotion were applicable to officers' cadre upto Middle Management Grade Scale III in UCO Bank. However, regretting for their wrong interpretation of reservation rules, the representative of Banking Division stated during evidence that there was no reservation for Scheduled Castes and Scheduled Tribes in promotion within the officers' cadre but those candidates who fell within the zone of consideration so as to be within the number of vacancies, were promoted, if they were not found unfit for promotion. Hence, there is no reservation for Scheduled Caste/Tribe employees beyond Junior Management Grade Scale I in UCO Bank. The Management was only providing concession to Scheduled Castes/Tribes as per instructions contained in para 12.2(a) of Brochure on Reservations for Scheduled Castes and Scheduled Tribes in services, 6th Edition (1982), which reads as follows:—

"In promotions by selection to posts within Group A (Class I) which carry an ultimate salary of Rs. 2,250 per month or less, there is no reservation but the Scheduled Caste/Tribe officers, who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select list has to be drawn up, would be included in that list provided they are not considered unfit for promotion."

The Committee feel that the interests of Scheduled Castes and Scheduled Tribes are jeopardised with the existing classification of posts in UCO Bank. The banks have only three categories of posts, unlike four categories of posts in the Government. In the Central Government, in promotion by Selection a Scheduled Caste/Scheduled Tribe employee gets at least two chances of promotion to officers' category viz. first from Class II (non-gazetted) to Class II (Gazetted) and then from Class II gazetted to lowest rung to Class I, whereas in Banks a Scheduled Caste/Scheduled Tribe employee gets only one chance i.e. from Clerical cadre to Officers' cadre (JMG Scale I).

The Committee, therefore, recommend that the posts in the public sector banks, including UCO Bank, should be reclassified so that the chances of Scheduled Caste and Scheduled Tribe employees for further promotions in officers' cadre are brought at par with those working in Central Government offices.

2.48 The Committee note that in officers cadre 25 per cent vacancies are filled by direct recruitment, 50 per cent vacancies are filled by written test and interview from clerical cadre and 25 per cent vacancies are filled from amongst the Special Assistants. The Committee are of the opinion that since there is no reservation for Scheduled Castes and Scheduled Tribes in promotion to the post of Special Assistant, the above promotion policy goes against the interests of Scheduled Caste/Tribe employees in so far as 25 per cent promotions from Special Assistant to Officers' cadre are concerned.

The Committee have been informed that the Government have recently given a clarification that Special Assistants must not be considered for promotion exclusively and the Bank Management have already started negotiations with the Bank Unions in the matter. The Bank Management is going to draft a new policy by which seniority in the clerical cadre would be considered and the separate stream for Special Assistants would be given up.

The Committee recommend that the Ministry of Finance (Banking Division) should study the whole matter in depth and evolve a suitable policy for promotion from clerical cadre to officers' cadre (both in Accounts and Cash Departments) for all the public sector banks which should fully protect the interests of Scheduled Castes and Scheduled Tribes and provide full justice to them in the matter of promotion to officers' cadre in the nationalised banks.

2.49 The Committee feel that in the absence of reservation for Scheduled Castes and Scheduled Tribes in promotion to Special Assistant, these employees have suffered a great loss in promotion to officers cadre as there was no Scheduled Caste/Scheduled Tribe candidate available in the Special Assistant cadre which was the feeder cadre. The Committee recommend that UCO Bank should calculate the backlog, thus caused, retrospectively and fill the future vacancies in Officers' cadre to the extent of 50 per cent by Scheduled Caste and Scheduled Tribe candidates to clear the backlog, as promised during the course of evidence.

B. Liaison Officer/Cell

2.50 The Committee have been informed that separate Liaison Officers have been designated at Head Office and at Zonal/Divisional Offices to look after the interests of SC/ST. Their duties and responsibilities are detailed below which are in addition to the duties as outlined in Chapter 15 of the Brochure on Reservation for Scheduled Castes and Scheduled Tribes in services (Sixth Edition), 1982:—

- (i) The Liaison Officer may meet informally the SC/ST employees including their representatives and hear their grievances in respect of matters arising out of policy regarding reservations. In these meetings the factual position including policy decisions may be explained to the SC/ST employees in order to eliminate any misgivings in their minds. No formal minutes of meeting need to be exchanged. However, Liaison Officers may maintain a record note for follow up action.
- (ii) The grievances of the SC/ST employees should be looked into and prompt remedial action taken wherever necessary.
- (iii) The representations received from the Association about reservation and other related grievances should be acknowledged.
- (iv) All the representations received from the Association should be entered in a register showing therein the action taken on each representation. This register should be inspected by the Liaison Officer periodically.

2.51 In reply to a question, it has been stated that none of the Liaison Officers at Head/Zonal/Divisional Office belong to SC/ST

community. This is because Liaison Officers at Zonal/Divisional Offices are the heads of these offices and these posts are in Scale IV/V/VI. At Head Office the Liaison Officer is in Scale V. None of the SC/ST officers has reached that level so far.

2.52 The Committee enquired whether a Cell had been set up under the direct control of each of the Liaison Officer to assist him in the implementation of reservation orders. It has been stated in a written note furnished to the Committee that structure of the bank was reorganised last year. Prior to that Special Cells were set up at Head Office and all the Divisional Offices. Consequent on reorganization, Special Cell in all the new Zonal/Divisional Offices have been set up.

2.53 As regards the staff strength of the Cell it has been stated that normal strength of the Cell is one officer and/or one Clerk, depending on the work load.

2.54 The Committee note that Liaison Officers have been designated in the Head Office and at Zonal/Divisional Offices of UCO Bank and Cells under their direct control have been set up to look after the work relating to reservations for Scheduled Castes and Scheduled Tribes and other concessions/relaxations admissible to them. Besides their normal duties, the Liaison Officers have been asked to meet the SC/ST Employees informally to hear their grievances for redressal. The Committee are of the view that mere appointing a Liaison Officer is not enough. What is needed is concerted action on the part of the Liaison Officer to ensure due compliance by the appointing authorities with the orders and instructions pertaining to the reservations in favour of Scheduled Castes and Scheduled Tribes and other concessions/relaxations admissible to them. It should also be ensured that the staff posted in the Cell is adequate and well conversant with the orders/instructions relating to reservations for Scheduled Castes and Scheduled Tribes. The Committee recommend that a seminar should be organised each year in which Liaison Officer of nationalised banks incharge of the work relating to reservations for Scheduled Castes and Scheduled Tribes where points of common interest, fresh instructions issued during the last year and clarifications given about interpretation of various orders should be discussed and notes exchanged. This will go a long way in implementing the orders in the right spirit and with promptitude.

CHAPTER III

RECRUITMENT AND PROMOTION

A. Recruitment Procedure

3.1 The Committee have been informed that the following procedure is followed in UCO Bank for recruitment to different categories of posts:—

(a) *Officers cadre:*

- (i) 25 per cent of total vacancies in officers cadre in a particular recruitment year are filled up by direct recruitment through Banking Service Recruitment Board.
- (ii) 50 per cent by written test and interview.
- (iii) 25 per cent from amongst Special Assistant.

(b) *Clerical Cadre:*

In terms of Government directives, vacancies in clerical cadre are filled up State-wise through different regional Banking Service Recruitment Boards.

(c) *Subordinate Cadre:*

Vacancies in subordinate cadre are filled up through different employment exchanges in terms of Government directives by the Bank.

3.2 The Committee enquired how the Ministry coordinated between BSRB and the banks to see that the procedure for recruitment prescribed in the Presidential order and instructions issued by the Banking Department/Banks in this regard were being followed by BSRB. The Additional Secretary, Ministry of Finance (Banking Division) has stated during evidence that they issue instructions to BSRB so far as various aspects of direct recruitment are concerned. The banks place their indents with BSRB for a particular year. BSRB takes steps to recommend the required number. If the Ministry make any relaxation in terms of qualifications etc., then it is advised to all BSRBs that for Scheduled Castes and Scheduled Tribes such were the instructions.

3.3 When asked about the machinery through which the bank ensured that all the promises given to this Committee got fulfilled, the Additional Secretary, Banking Division, has stated that they have quarterly meetings with BSRB Chiefs where the matter was discussed. A representative of the UCO Bank is also there on the Board of BSRB. Last meeting in this connection was held in November, 1986.

3.4 When asked as to who ensured that instructions given by the Ministry were actually being implemented by the BSRB, the witness has stated as follows:—

“For each State we have BSRB which is attached to one bank. West Bengal BSRB is attached to UCO Bank. I agree with you on this point that somebody has to ensure that whatever has been presented before the Committee does take place on the ground.”

3.5 Thereupon the Committee observed as follows:—

“Attaching a BSRB to a particular bank will certainly create a problem. There seems to be a missing link in following it up. I want the banks and the BSRB to ensure these reservation provisions. I request the Ministry to look into this aspect because BSRB is not only responsible for the UCO Bank but it recruits for other banks also. We want to know how far it has been implemented.”

3.6 When the Committee desired to know how the indents placed with the BSRB were not fulfilled and how the Bank would say that they did not have the eligible candidates, the Chairman, UCO Bank explained that West Bengal BSRB did not have Chairman for about six months and that it has not functioned for nearly two years. Only six months ago, a new Chairman has come. After that he has started recruiting and holding the examination.

3.7 In reply to a question, the Chairman, UCO Bank, has stated that last recruitment was held in 1983. In 1983, 1984 and 1985 the Bank have not placed any indents for officers.

3.8 The Committee desired to know the authority that sent the indents to BSRB for filling vacancies in clerical and officers cadre. The Chairman, UCO Bank has stated that for clerical recruitment, it is zonal indent and for recruitment of officers it is all-India indent.

3.9 In reply to a question, the Chairman of UCO Bank has stated that the time lag between the indent sent by the Bank and recruitment of candidates made by BSRB varies from State to State, but generally it takes from six months to one year. In the case of officers' cadre it takes about an year.

3.10 When asked about the procedure of placing the indents, the witness has stated that generally an annual exercise is made as to how many candidates are required in the next year, and then indents are placed on the basis of that study. He has further stated that generally speaking, the 1987 vacancies are determined by December, 1986 and the indents are placed. By 1987 end the Bank must have the staff.

3.11 The Committee desired to know whether Scheduled Castes and Scheduled Tribe candidates were interviewed along with general candidates or they were interviewed on separate dates and in separate blocks other than the date on which general candidates were interviewed. It has been stated in a written note furnished to the Committee that Scheduled Caste and Scheduled Tribe candidates are interviewed, on date(s) other than the date on which general candidates are interviewed, in case number of SC/ST candidates is more than 25 or in separate block as may be convenient.

3.12 During evidence Chairman, UCO Bank, clarifying the procedure adopted for interview has stated as follows:—

“What I meant is that if there are a few SC and ST candidates, a separate sitting is made on the same day. If there are more than 25 candidates, a separate date is fixed because not more than 25 candidates are interviewed on any day. So, if there are more than 25 candidates, one full day is allotted for interviewing them.”

3.13 In reply to a question, Additional Secretary, Ministry of Finance (Deptt. of Finance Affairs—Banking Division) has stated that when the Bank Management interviews SC/ST candidates, separately on the same day or on the next day if the number is more than 25, they prepare separate lists for general candidates, for Scheduled Caste candidates and for Scheduled Tribe candidates. These lists are prepared. The BSRB also follows the same procedure.

3.14 It has been further stated that first three separate lists are drawn up. Thereafter appointments are made. As for the mixing up

it is done when combined merit lists are prepared. The candidates are given their seniority according to the marks obtained by them. It is possible that all the Scheduled Caste and Scheduled Tribe candidates may be at the bottom of the list.

3.15 In reply to a question, the Chairman, UCO Bank has stated that the roster is for determining the number of vacancies; it is not for the merit or seniority. That is why separate list is there. When the seniority is drawn up that will be according to the marks obtained by the candidates. The *inter-se* seniority is determined based on the marks obtained by the candidates belonging to the different lists within the same batch.

3.16 When asked about the minimum time given to the Scheduled Caste and Scheduled Tribe candidates for appearing in an interview and for joining the post in case of their selection, it has been stated as follows:—

“Officers and Clerical Cadre:

- (i) The task of conducting interview for recruitment to the post of officers and clerical cadre is entrusted to BSRBs. The minimum time for appearing in interview for the aforesaid posts as advised by BSRB for all candidates is 2/4 weeks.

Subordinate Cadre:

- (ii) Sufficient time is given by the bank for SC/ST candidates for appearing in an interview which is generally more than 15 days. It is ensured that call letters for interview are sent to all candidates well in advance, including SC/ST candidates.

Minimum time for joining:

Officers Cadre:

The Bank allows one month's time for joining. As and when the Bank receives request from any candidates for extension of joining time (including SC/ST, the Bank accedes to such requests, depending on merit.

Clerical and Subordinate Cadre:

The Bank allows minimum of 15 days' time for joining. As and when the Bank receives requests from any candidates for extension of joining time (including SC/ST candi-

date) the Bank accedes to such requests, depending upon merit of each case."

3.17 When asked as to who sanctioned the extension of time to a candidate to join the Bank, the Chairman, UCO Bank has stated that it is the Personnel Department of the Bank. The extension is generally granted when asked for. He has further stated that it is generally decided by the appointing authority whether the time is to be given or not, but the experience of the Bank has been that the extension of time has never been denied.

3.18 In this connection, Additional Secretary, Banking Division has stated as follows:—

"We can also issue instructions that if a Scheduled Caste/Scheduled Tribe candidate asks for more time and the appointing authority is a junior officer and if such a request has to be rejected, it should not be rejected without forwarding it to the G.M."

3.19 In reply to a question, he has stated that if the Management has to send the appointment letters by Registered A.D. post, it is a question of cost. If the Committee so desire, they can look into that aspect also. But in the case of SC/ST candidates, when a call letter is issued and subsequently the appointment has to be rejected on the ground that in spite of having given the time, the candidate did not attend, the appointment would not be rejected without referring the matter to the General Manager.

3.20 In reply to a further question, he has stated as follows:—

"We send always another letter. In the case of Scheduled Caste/Tribe candidate, we will send another letter Registered AD, so that no person misses his chance because of this."

3.21 In a subsequent note furnished to the Committee by the Ministry of Finance, it has been stated that it has since been decided that the letter of appointment in the first instance may be sent to all the candidates by ordinary post. If, however, the SC/ST candidate does not report for duty within the stipulated period, it will not be presumed that he is not interested in the post. A second letter by Regd. A/D post would be sent to such candidates. Only after there is no response to such a letter, it will be presumed that the person is not interested in the post.

3.22 As regards the verification of caste of candidates belonging to Scheduled Castes and Scheduled Tribes, the Committee pointed

out during the course of evidence that a candidate recruited against a reserved vacancy should be asked to prove his bona-fides within a fortnight or so and it should not take years together. If any candidate was found giving false information about his caste he should be placed under suspension. The representative of the Banking Division has stated as follows:—

“I would submit that this will create problems. Suppose, we suspend that person. After verifications, if it is proved that the complaint is a bogus one, then that punishment or suspension will be very harsh..”

3.23 He has further added that this is in the Brochure which is being followed by them. It provides for the procedure which is to be followed. There is a valid recommendation which reads as follows:—

“Where a candidate belonging to SC/ST community is unable to produce a certificate from any of the prescribed authorities, he may be appointed provisionally on the basis of whatever *prima facie* proof he is able to produce in support of his claim subject to his furnishing the prescribed certificate within a reasonable time or if there is a genuine difficulty in his obtaining a certificate, the appointing authority should itself verify his claim from the District Magistrate.”

On this basis a permanent letter is issued.

3.24 The Committee are unhappy to observe that till now the Management of UCO Bank has not been sending appointment letters by Registered A.D. Post to Scheduled Caste/Tribe candidates, in view of the cost involved. However, the Ministry of Finance (Banking Division) have now taken a decision that henceforth the letter of appointment in the first instance will be sent to all the candidates by ordinary post. If Scheduled Caste/Tribe candidates do not report for duty within the stipulated period, a second letter by Registered A.D. post will be sent to such candidates.

The Committee have further been assured that in case of Scheduled Caste/Tribe candidates when a call letter is issued by Registered A.D. post and subsequently in spite of having been given time, the candidate does not attend/join, the appointment would not be rejected without referring the matter to the General Manager.

The Committee hope that this new procedure will be strictly adhered to and followed by all the appointing authorities in UCO Bank and the SRBs in letter and spirit.

3.25 The Committee have been informed during evidence that the Personnel Department of UCO Bank generally grants the extension of time asked for by Scheduled Caste/Tribe candidates to join service in the Bank. The Committee recommend that if a Scheduled Caste/Tribe candidate expresses his inability to join the Bank within the time stipulated in the letter of appointment sent to him and request for extension of time to join the Bank, his request for extension should not be turned down. If the Personnel Department does not think it a fit case for grant of extension of time, a decision in this regard should be taken at a sufficiently higher level say by General Manager in the case of Sub-Staff/Clerical cadre and Managing Director in the case of Officers' cadre.

B. Concessions/Ralaxations

3.26 The Committee have been informed that the following concessions/relaxations are provided to Scheduled Caste/Scheduled Tribe candidates at the time of recruitment of officers, clerical and subordinate cadres:—

- (a) *Age limit:* The upper age limit is relaxable to the extent of 5 years in case of candidates belonging to SC/ST category.
- (b) *Educational Qualifications:* Recruitment to Officers and Clerical cadres is being done by BSRBs.

In case of subordinate cadre no relaxation is allowed to SC/ST candidates as per Govt. guidelines.

- (c) *Fees for Examination:* Previously one-fourth of normal fees but completely waived since 1-7-85.
- (d) *Travelling Allowance:* (i) Direct recruitment to officers and clerical cadres through BSRBs, Calcutta.
- (ii) For recruitment to subordinate cadre in advertised posts/recruitment through Employment Exchanges, the recruiting authority may allow IIInd class rail fare by passenger train by the shortest route from the railway station nearest to their normal place of residence or from which they actually perform the journey which-

ever is nearer to the place of interview, and back to the same station, provided the distance travelled by rail each way exceeds fifty miles. No extra charges incurred for reserving seat, sleeping berth in the train will, however, be reimbursed to them.

- (e) SC/ST candidates are eligible for relaxation/concession in qualifying marks in written test to the extent of 10 per cent when required number of candidates belonging to these communities are not available for selection to the post in subordinate cadre on the basis of general standard.

3.27 When asked whether concessions/relaxations given to SC/ST candidates were indicated in the advertisements for recruitment, the Addl. Secretary, Banking Division, has stated that the BSRB indicates about the relaxations also. The instructions on the subject get reflected in the advertisement and the basic purpose is served. Everybody knows about the reduced qualifications.

3.28 However, another representative of the Banking Division, has stated as follows:—

“We had given relaxation in respect of officers and clerical cadres, but in case of subordinate cadres, we have not given any relaxation. Whatever is the minimum qualification, that is there and no relaxation is given for the Scheduled Caste and Scheduled Tribe candidates.”

He has further stated as follows:—

“The Government guidelines do not permit relaxation in respect of officers and clerical cadre. The Brochure of the Department of Personnel says and subsequently we have also gone back to them. They say that no relaxation in respect of educational qualifications for recruitment of staff is in line of the Government policy. All the same we have given relaxation in respect of officers and clerical cadres, although, we are not giving relaxation in respect of subordinate cadre.”

3.29 When the Committee enquired about the T.A. paid to SC/ST candidates, the representative of the Banking Division has stated that when they are called for interview, they are given IInd class Rail fare, but when they take the written examination, they are not given the fares.

3.30 When asked why TA was not paid when the SC/ST candidates came for written examination, the Additional Secretary, Banking Division has stated that the number of candidates appearing for written examination is very large. He has however, promised to examine the question as to what are the implications, if they pay the charges.

3.31 The Committee enquired about the exact procedure for relaxing the standard for selection of SC/ST candidates. The Chairman, UCO Bank, has stated during evidence that first the written test is held and the answer papers are evaluated. Suppose ten candidates are to be taken, the first ten are selected. If the 3 SC and ST persons to be selected are not available within the first ten, then the Management comes down in the list after ten to see whether they are available there.

3.32 In this connection, the Addl. Secretary, Banking Division, has stated as follows:—

“Your point is very clear. If, of their own, they come up, then there is no further problem. If sufficient number of people is not available, then what can we do.”

3.33 When asked whether relaxation was given in the case of Scheduled Tribes, the Addl. Secretary, Banking Division has stated that this had been done. But in spite of that if nobody came up, then that is a different matter. It only shows that the number is not adequate in the case of Scheduled Tribes. He has, however, promised to check it again.

3.34 When asked about the bank employees, posted in Branches of the bank in foreign countries the Committee have been informed that total number of employees posted in branches of UCO Bank in foreign countries are as under:—

- Officers—80
- Clerical staff—183
- Sub-staff—51

Except 22 officers who are posted from India, all other employees are locally recruited staff.

3.35 In reply to a question, it has been stated that none of the 22 officers posted from India to foreign branches belong to SC/ST community.

3.36 The Committee are surprised to learn that the UCO Bank have given relaxation in educational qualification to SC/ST candidates in respect of Officers and Clerical cadres but in the case of Subordinate cadre, they have not given any relaxation as per Government guidelines. This might have deprived many a Scheduled Caste and Scheduled Tribe candidate from being considered eligible for the posts applied for. The Committee would like to draw the attention of Ministry of Finance (Banking Division) to the Ministry of Personnel, Public Grievances and Pension (Deptt. of Personnel and Training) O.M. No. 36011/8/84-Estt (SCT) dated 17th October 1986 wherein it has been provided that 'if adequate number of Scheduled Caste and Scheduled Tribe candidates who satisfy the minimum standard are not available to fill the reserved vacancies, then Scheduled Caste and Scheduled Tribe candidates may be selected to the extent of shortfall in vacancies by relaxing the minimum standard, provided that they are not considered unfit to hold the post'. The Committee, therefore, impress upon the Ministry of Finance (Banking Division) to issue necessary instructions to all concerned authorities accordingly so that the shortfall in reserved vacancies of the Subordinate cadre becomes a thing of the past.

3.37 The Committee further recommend that relaxations in educational qualification etc. available to Scheduled Caste/Tribe candidates should invariably be mentioned while advertising the vacancies in newspapers as it will help in attracting a larger number of SC/ST candidates against the reserved vacancies and to wipe out backlog in their representation in services of the Bank.

3.38 The Committee note that Scheduled Caste/Tribe candidates are paid II Class rail fare as travelling allowance when they are called for interview but they are not paid this travelling allowance when they come to appear in written test. The Committee would like to draw the attention of the Ministry of Finance (Banking Division) to Para 3 of Chapter V of the Brochure on reservation for Scheduled Castes and Scheduled Tribes in posts/services under the Public Enterprises issued by the Bureau of Public Enterprises wherein it has been stated inter alia that SC/ST candidates called for written test for Group 'C' and 'D' posts should be allowed the lowest class rail fare if the distance exceeds 80 Km. The Committee, therefore, suggest that the Ministry of Finance may, issue necessary instructions to the authorities concerned to pay rail fare to SC/ST candidates called for written test for Group 'C' and 'D' posts if the distance involved is more than 80 Km.

3.39 The Committee regret to note that none of the 22 officers of

UCQ Bank posted from India to foreign branches belongs to Scheduled Castes/Tribe community. The Committee would urge that the claims of Scheduled Caste and Scheduled Tribe employees should be considered favourably at the time of making postings in foreign countries to enable them to acquire the experience of working in the branches abroad. The Committee feel that their stay in a foreign country for a couple of years would, by itself, be a very useful experience for the Scheduled Caste/Scheduled Tribe employees and would help them a lot in broadening their outlook and bringing them up socially and economically.

C. Promotion

3.40 The procedure followed for promotion in different categories of posts in UCO Bank is stated to be as under:—

I. "Interscale Promotion within Officers' Cadre:

(1) The minimum eligibility in terms of number of years of service for promotion from one officers' scale to another scale generally is as under:—

- (i) For promotion from Scale I to Scale II, an officer should have completed a minimum of 7 years of satisfactory service in Scale I and should have put in a minimum of 2 years of service as an officer in a rural branch.
- (ii) For promotion from Middle Management Grade Scale II to Middle Management Grade Scale III, an officer should have completed a minimum 5 years of satisfactory service in the Middle Management Grade Scale II and should have put in a minimum service of 3 years as an officer in a rural and/or semi-urban branch.
- (iii) For promotion from Middle Management Grade Scale III to Senior Management Grade Scale IV, an officer should have completed a minimum of 5 years of satisfactory service in the Middle Management Grade Scale III.
- (iv) For promotion from Senior Management Grade Scale IV to Senior Management Grade Scale V, an Officer should have completed a minimum of 3 years of satisfactory service in Senior Management Grade, Scale IV.

- (v) For promotion from Senior Management Grade, Scale V to Top Executive Grade, Scale VI an officer should have completed a minimum of 2 years of satisfactory service in Senior Management Grade, Scale V.
- (vi) For promotion from Top Executive Grade, Scale VI to Top Executive Grade, Scale VII, an officer should have completed a minimum of 3 years of satisfactory service in Scale VI.

(2) The Management may in its discretion relax the minimum length of service referred to above without relaxing the minimum prescribed service at "Rural" and at "Rural" and/or "Semi-Urban" Branches for officers in Scale I and Scale II respectively, if at any time the number of officers becoming eligible for promotion is less than 3 to 4 times the number of posts available in the next higher scale/grade.

(3) The relaxation in the minimum length of service shall generally be for not more than 2 years. However, there will be no relaxation in the minimum service required at rural branch for officers in Scale I and at rural and/or semi-urban branch for officers in Scale II.

(4) The provisions regarding minimum service at rural branch for officers in Scale I and at rural and or semi-urban branch for officers in Scale II will become operative with effect from 1-6-1988.

(5) The number of officers to be considered for promotion from one scale to another shall normally be restricted to 3 to 4 times the number of posts for which promotions are being considered.

Provided the Board of Directors may relax this criteria in exceptional circumstances after recording the reasons therefor.

There are two channels of promotion and both are by selection.

- (i) Promotions based on seniority-cum-merit;
- (ii) Promotions based on merit."

Allocation of estimated vacancies in the higher scale(s) for promotions through the above two channels will be under:—

Movement	Seniority cum merit	Merit
Junior Management Grade Scale I to Middle Management Grade Scale II	85%	15%
Middle Management Grade Scale II to Middle Management Grade Scale III	80%	20%
Middle Management Grade Scale III to Senior Management Grade Scale IV	50%	50%
Senior Management Grade Scale IV to Senior Management Grade Scale V	25%	75%
Senior Management Grade Scale V to Top Executive Grade scale VI	Nil	100%
Top Executive Grade Scale VI to Top Executive Grade Scale VII	Nil	100%

As per Government directives reservation guidelines are applicable only for promotion from JMG Scale I to MMG-Scale II and from Scale II to Scale III. SC/ST officers who are senior enough and in zone of consideration for promotion so as to be within the number of vacancies for which select list is drawn are considered for promotion provided they are not considered unfit for promotion.

II. Promotion from Clerical Cadre to Bank's Officers Cadre:

- (a) 50 per cent of the total vacancies in officers' cadre are filled up from among the eligible candidates in clerical cadre through written test and interview by giving weightage of the length of service and educational qualifications of the employees.
- (b) 25 per cent of the total vacancies in the officers' cadre are filled up from the rank of special Assistants in the clerical cadre entirely on the basis of the seniority without any test and interview, subject to their having put in ten years of service in clerical cadre of which at least one year in the capacity of a Special Assistant.

Since Special Assistants are also Clerks, the question of including all clerks for promotion through this channel of promotion is being examined by the Bank.

- (c) The remaining 25 per cent of the total number of vacancies are filled up by direct recruitment through Banking Service Recruitment Board.

Relaxation/Concession for candidates belonging to SC/ST communities in promotion to officers cadre JMG Scale—1.

- (i) Reservation in post filled by promotion to officers' cadre JMG Scale I is 15 per cent for Scheduled Caste and 7½ per cent for Scheduled Tribe candidates.
- (ii) Relaxation in length of service—Relaxation by one year in length of service in clerical cadre in the Bank for determining the eligibility to appear in the written test.
- (iii) The marks secured by the employees belonging to SC/ST categories in the written test and interview are enhanced by 5 per cent of total marks allocated for written test as well as for interview by way of relaxation to enable them to qualify in the written test and interview. Similarly, for promotion to officers' cadre on the basis of seniority the reservation to the extent of 15 per cent for Scheduled Castes and 7½ per cent for Scheduled Tribes and relaxation in length of service to the extent of one year in total length of service for determining the eligibility for inclusion in the promotional panel of seniority basis are also considered by the bank.

Separate Panels of successful candidates belonging to SC/ST categories alongwith combined panel of General category candidates are prepared.

- (iv) Carry forward of unfilled reserved vacancies is not applicable for promotion through written test and interview. Government have to protect and safeguard the interest of SC/ST Employees decided that having regard to the fact that reservation policy for SC/ST was implemented in Banks only some time after nationalisation and that sufficient number of SC/ST employees with requisite seniority may not be available, decided that for a period of 5 years these promotion tests and interview tests be also treated as qualifying for 3 year carry forward. The position is to be reviewed after 5 years. We are complying with this directive. Government is presently reviewing this matter. In case of promotion based on seniority only, reservation and carry forward of unfilled reserved vacancies are applicable and are followed.

Criteria for calling the candidates for Test and Interview:

The eligibility criteria for appearing in the written test from

Clerical cadre to Bank's Officers cadre in Junior Management Grade Scale I (Accounts Department) is:

(i) Maximum age limit	56 completed years.
(ii) Length of service	For graduates having passed both parts of CAIIB Exam.—2 years. For Graduates having passed Part I of CAIIB Exam.—3 years. For undergraduates having passed both parts of CAIIB Examination—4 years. For matriculates or for employees having passed Part I of CAIIB Exam.—5 years. For employees not covered by the above mentioned clauses.—6 years.
(iii) Relaxations/concessions :	Relaxations/concessions will be extended to the extent of one year in the length of service as aforesaid in favour of employees belonging to SC/ST categories.
(iv) Allocation of marks in the written test and interview :	Written test : 40 marks Interview : 10 marks Length of service in clerical cadre (2 marks for each completed year of service subject to max. marks) : 30 marks Educational Qualification 20 marks Total Marks : 100 marks

Promotion in the Cash Department:

Besides that, an employee in clerical cadre in Cash Department who has already reached 9th stage in clerical scale of pay and has worked as a Head Cashier will be given the offer of Chief Cashier in Junior Management Grade, Scale I on automatic basis.

III. Promotion From Subordinate Cadre to Clerical Cadre:

The different aspects of provisions for this type of promotion are enumerated below:—

Age Limit: There shall be no age limit in respect of promotion from subordinate cadre to the clerical cadre.

Educational Qualification:

- (1) For promotion to the clerical cadre in the Accounts Department : first division in Matriculation/Higher Sec-

ondary Examination or forty five per cent marks in Intermediate or simple graduation from a recognised University.

- (ii) For promotion as Asstt. Cashier and Asstt. Cashier-cum-Godown Keeper—Matriculation/Higher Secondary Examination from a recognised Board/University.
- (iii) For promotion to the post of Typist—same as for (ii) above with the additional requirement of a speed not less than thirty words per minute in English Typewriting.
- (iv) For promotion as Filing Clerk, Despatch Clerk, Record Clerk, Stationery Clerk, Clerks in Building and Caretaker's Department, etc.—at least a pass in the eighth standard but not Matriculation with a minimum of seven years' continuous service in the bank and possession of reasonable knowledge in English.

Members of subordinate staff who have put in a minimum of ten years continuous service in the bank shall irrespective of their educational qualification be allowed to compete for promotion in these posts.

Matriculate employees may also be allowed to compete for promotion in the above posts provided they forfeit their chance for promotion to the post of Assistant Cashier and Assistant Cashier-cum-Godown Keeper.

Note : (a) Matriculation or equivalent examination or the higher examination referred above should be conducted by a Board, University or Institute duly recognised by the Government of India for this purpose.

- (b) Failure in a higher like examination higher secondary, pre-University or Intermediate will not be taken automatically as a success or as an evidence of a passed in the next lower examination. The last examination passed supported by the certificate issued by the Board/University or Institute concerned will be taken as the highest qualification attained.

Written test and Interview.

- (i) For promotion as a Clerk in the Account Department employees who are graduates from a recognised University or

have passed Matriculation/Higher Secondary Examination in First Division or have secured at least forty-five percent marks in Intermediate Examination from a recognised University/Board shall be promoted without any written test subject to the vacancies arising in the region.

- (ii) (a) For promotion to the post of Asstt. Cashier/Asstt. Cashier-cum-Godown Keeper and Typist—Employees who have passed at least Matriculation or Higher Secondary Examination from a recognised Board and have put in a minimum continuous service of six years in the Bank shall be promoted without any written test to the aforesaid posts except that for the post of Typist there shall be a test in English typewriting requiring a speed of not less than thirty words per minute provided, however, that the total number of posts filled in the above manner shall not exceed twenty-five percent of the total vacancies for the post of Asstt. Cashier/Asstt. Cashier-cum-Godown Keeper and Typist as assessed by the Bank in that region.
- (b) Employees who have not completed a minimum continuous service of six years in the Bank and are not covered under (a) above and others subject to their fulfilling the requirements prescribed above will have to qualify in a written test and will be governed by all rules and criteria that may be prescribed for such promotion. The test for above mentioned posts will be a simple promotional test other than one prescribed for clerks directly recruited. For the post of Typist, there shall be a test in English typewriting requiring a speed of not less than thirty words per minute.
- (iii) For promotion the post of Filing Clerk, Despatch Clerk, Record Clerks, Stationery Clerk, Clerks in Building and Caretaker's Department etc.
- (a) For promotion to the above posts, employees fulfilling the requirements prescribed above shall be required to appear in a simple test in Arithmetic and English.
- (b) Members of subordinate staff who have put in a minimum of twenty years of continuous service as peon in the Bank shall, irrespective of their educational qualification, be allowed to appear in a simpler test subject, however, that the promotion to the aforesaid posts from among the said employees shall not exceed twenty five percent of the total

number of vacancies in the said posts as assessed by the Bank in the respective regions.

- (iv) Employees who have secured a minimum of thirty three percent marks in aggregate in the written test (subject to minimum of fifteen percent marks in each subject—English and Arithmetic) shall be called for interview and be empanelled in order of aggregate marks obtained by them in the written test and interview and the weightage be given for length of service at the rate of two marks for each completed year of service subject to a maximum of twenty marks.
- (v) Persons disqualified in the written test : Employees who fail to qualify in the written test will be intimated accordingly. Candidates for the post of Asstt. Cashier/Asstt. Cashier-cum-Godown Keeper/Typist and others as indicated in Para III (ii), (iii) and (iv) above who fail to qualify in the written test shall have the option to appear in the subsequent promotional test as and when conducted. Such candidates will be eligible for appearing in the subsequent written test taking place when vacancies arise after a lapse of least one year from the date of the previous written test. On their passing a written test they may be called for an interview and included in the Panel for promotion to the respective posts in accordance with the procedure outlined above, their names appearing after the names of employees already empanelled.
- (vi) Employees who are eligible to compete for promotion to the post of Filing Clerk, Despatch Clerk, Record Clerk, Stationery Clerk and Clerks in the Building and Caretaker's Department as mentioned in Para III (iv) above shall not be eligible for promotion as officer in Junior Management Grade Scale I. This disability shall also apply to non-matriculate employees who were promoted to Bank's Clerical cadre from subordinate cadre and are still in clerical cadre doing similar duties.

(vii) Employees selected for the post of Filing Clerk, Despatch Clerk, Record Clerk, Stationery Clerk, etc. shall also be required, in the Bank's discretion, to issue tokens write pass books, scroll accounts and statement of accounts and do similar other work of routine nature besides their general duties.

Reservation of Posts/Relaxation/Concession for candidates belonging to SC/ST Communities for promotion from the Subordinate Cadre to the Clerical Cadre.

- (i) Directives issued by the Central Government regarding percentage of reservation in promotion from the subordinate cadre to the clerical cadre in each State is applied in respect of promotion from subordinate cadre to clerical cadre. However, in case of reserved vacancies not being filled up on account of non-availability of required number of eligible candidates in these categories, the shortfall thus occurring is dereserved and filled by general candidates and carried forward as backlog as per directive of the Government.
- (ii) The following relaxations/concessions are provided to the candidates belonging to SC/ST categories to the extent the number of vacancies reserved for them could not be filled on the basis of general standard subject to the fitness of these candidates for promotion to the clerical cadre provided they are not found unfit for such promotions:—
 - (a) Marks secured by the candidates in these categories both in the written test and interview is enhanced by five per cent of the total marks allotted for written test and interview.
 - (b) Separate panels of successful candidates belonging to SC/ST categories are prepared.
 - (c) Relaxation in length of service by one year to the employee in subordinate cadre who belongs to SC/ST com-

munities is given in connection with the promotion to the different posts in clerical cadre i.e. Filing Clerk/ Despatch Clerk/Record Clerk/Stationery Clerks/Clerk in Building and Caretaking Deptt. etc., and as Asstt. Cashier-cum-Godown Keeper/Typist in Comparison to the candidates belonging to general category to the extent of the number of vacancies reserved for the SC/ST communities are not filled up on the basis of the general standard.

IV. *Procedure relating to Full-time Sweeper/Part-time Sweeper regarding Selection to the Post of Peon/Peon-cum-Farash in Subordinate Cadre and their Promotion to Clerical Cadre.*

Reservation (Reservation for the post of Peon)

In pursuance of the instructions of the Ministry of Finance, the Bank is filling up 25 per cent of the vacancies accruing in the grade of peons by way of transfer of full-time sweepers who are on regular employment of the Bank and have put in a minimum period of 5 years of service as full-time sweeper but may not be possessing minimum educational qualification as required for direct recruitment to the post of peons. They should however, possess elementary standard of literacy and give proof of ability to read either English or Hindi or Regional Language, as the case may be and pass a separate and simple written test as and when held for the purpose. Provisions relating to reservation meant for full-time Sweepers will not, however, apply to the post of part-time Sweepers.

Appointment to the post of Peon from full-time Sweepers:

Full time sweepers who have passed 8th or 9th standard from a recognised school during the course of their service are eligible to compete along with the outside candidates for being selected to the post of Peons, irrespective of their length of service but subject to their having fulfilled all the eligibility criteria as prescribed for direct recruitment to the post of Peon.

Appointment of full-time Sweepers as Peon and Promotion to Clerical Cadre:

The full time Sweepers who are on the regular employment of the Bank and have passed Matriculation or equivalent examination after having joined the bank can be appointed as Peon/Peon-cum-Farash Straighta way without any test subject to vacancies. They are also eligible to appear in the written test for promotion to the post of Asstt. Cashier-cum-Godown Keeper in clerical cadre regardless of the fact whether they have become Peon/Peon-cum-Farash or not.

Appointment of Full time Sweepers/Clerks:

The full time Sweepers who become graduate during the course of their service would be eligible to become Clerk as per existing Promotion Policy.

The Selection of Part-time Sweepers as Peon/Peon-cum-Farash and their Promotion to Clerical Cadre:

Provisions meant for full-time Sweepers in connection with their appointment as Peon/Peon-cum-Farash will also apply to part-time Sweepers for their selection to the post of Peon/Peon-cum-Farash provided that they have passed 8th or 9th Standard from a recognised school after joining the service in the Bank.

Part-time employees who are matricualtes are eligible to be appointed as Peon without any test subject to the availability of vacancies. If appointed as Peon they can appear in the promotional test for Asstt. Cashier after a minimum period of service of 2 years as Peon-cum-Farash. Part-time Sweepers only on becoming as Peon are eligible to appear in the promotional test for clerical cadre after completion of a minimum period of 2 years of service as Peon-cum-Farash if they satisfy all the eligibility criteria prescribed for such promotion. Part-time Sweepers who become Graduates during the course of their service would be eligible to become Clerk, subject to availability of the vacancies."

The statement furnished to the Committee indicating the number of persons promoted from clerical to officers cadre and from sub-staff to clerical cadre during the years 1982, 1983, 1984 and 1985 is as under :-

Year	Category of post	Total Fresh reser- No. of vation emplo- years		Backlog		Total			Promoted			Percentage			Carried forward		Remarks
		SC	ST	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST		
1982	Clerical to Officers JMS-I	1106*	165	83	16	35	181	118	180	21	16	02	01	97			Through written test & Interview
	Do.	451	68	34	..	..	60	34	01	02	0.2	8.4	67	32			On seniority basis
	Sub-staff to Clerical cadre	420	63	31	..	31	63	62	67	15	16	4	..	..	
1983		*Consequent on refusal of promotion offers, 173 employees were promoted in 1983 but w.e.f. 1-7-82.															
1984	Sub-staff to Clerical Cadre	490	74	37		47	74	84	81	25	16.5	5	..	59			
1985	Sub-staff to Clerical Cadre	351	52	36		59	52	87	89	12	22	3	..	73			
	Sub-staff to Clerical Cadre	42	06	03		73	06	76	10	02	24	5	04	66			8 ST vacancies were exchanged

Note : No promotions were made in 1983, 1984 and 1985 from Clerical to Officers Cadre JMG-Scale-I in Accounts Deptt. either by test and interview or on seniority basis.

3.42 As regards *Inter-se* promotion, the Chairman, UCO Bank has stated during evidence that in officers' grade promotion from Scale I to Scale II is by selection. However, the reserved category officers who are within the actual number of vacancies the zone of consideration are promoted if they are not found unfit for promotion. For example, if there are 100 vacancies, all the reserved category officers who are within 100 are promoted, if they are not found unfit for promotion.

3.43. When specifically asked about the zone of consideration the Chairman, UCO Bank stated that it is three times the vacancies. Each time the Board has to decide whether it should be three times or four times. Since the promotion is by selection, there is no reservation for Scheduled Castes and Scheduled Tribes but those candidates who come within the actual number of vacancies will be given promotion, if not unsuitable.

3.44 When asked about the total promotion made, the Chairman, UCO Bank stated that during 1983-84, 1165 persons were promoted from Scale I to II and 13 and 5 of them were Scheduled Castes and Scheduled Tribes respectively. They were fit and promoted according to the relaxation given by the Government.

3.45 The position regarding total number of employees promoted in officers cadre during the years 1983, 1984 and 1985 and the number of SC/ST employees among them as furnished to the Committee is as under:—

Year	Category of Posts	Total No. of employees promoted	No. of		Percentage		Shortfall		Remarks
			SC	ST	SC	ST	SC	ST	
1	2	3	4	5	6	7	8	9	10
1983	Officer Scale I to Scale II	1165	18	5	1.5	.44			Promotion by selection. No reservation.
1983	Scale II to Scale III	615	5	—	.03	—			-do-
1984	Scale I to Scale II	62	—	—	—	—			—
1984	Scale II to Scale III	27	—	—	—	—			—
1984	Scale V to Scale VI	9	—	—	—	—			Reservation provision not applicable.

1	2	3	4	5	6	7	8	9	10
1984	Scale VI to Scale VII	2	—	—	—	—		Reservation provision not applicable	
1985	Scale III to Scale IV	43	—	—	—	—		-do-	
1985	Scale IV to Scale V	22	—	—	—	—		-do-	

3.46 As desired by the Committee, following information in regard to Inter Scale promotions within officers cadre from 1979 to 1982 has also been furnished :

Year	Promotion from Scale to Scale		Number of officers promoted	Number of	
				SCs	STs
1979	III	IV	27	—	—
	V	V	5	—	—
	V	VI	4	—	—
1980	III	IV	9	—	—
	IV	V	10	—	—
	V	VI	2	—	—
1981	III	IV	6	—	—
	IV	V	7	—	—
1982	—	—	Nil	—	—

3.47 The number of cases in which the minimum length of service was relaxed for inter-scale promotion in officers' cadre during the last three years is as under:—

Year	Promotion From	To	Total No. of cases	No. of SC/ST officers included in Col. 4
	Scale	Scale		
1983	I	II	1122	21
	II	III	535	2
1984	I	II	23	—
	II	III	26	—
1985	No relaxation allowed			

3.48 When asked to indicate the percentage of posts in officers' cadre filled by promotion, based on seniority only, the Committee was informed as follows :—

“(a) (i) 25% of the posts in Officers' cadre-IMG Scale I in Accounts Department are filled from Special Assistants in the clerical cadre on seniority basis.

(ii) In cash Deptt. promotion from Asstt. Cashiers/Head Cashiers in the Clerical cadre to Chief Cashiers JMG Scale I in 100% on seniority basis.

However, the bank is presently negotiating with the Unions for the integration of Cash Deptt. with Account Deptt., for drawing a common seniority panel and so that all in the clerical cadre could compete.

(b) (i) The last promotion in Accounts Deptt. on the basis of seniority only from Special Assistants in Clerical cadre was held in 1982. 451 Special Assistants were promoted out of which one was Scheduled Caste and two were Scheduled Tribes.

(ii) Number of Asstt. Cashiers/Head Cashiers promoted as Chief Cashiers in JMG-Scale I in 1985 were 164 of which 20 were SC and 2 ST employees.”

3.49 The Committee enquired about the exact procedure for relaxing the standard for selection of SC/ST candidates. The Chairman, UCO Bank, stated that first the written test was held and the answer papers were evaluated. Suppose ten candidates were to be taken, the first ten, then were selected. If the 3SC and ST persons to be selected were not available within the first ten, then the Management came down in the list after ten to see whether they were available there.

In this connection, the Addl. Secretary, Ministry of Finance (Banking Division) stated as follows :—

“Your point is very clear. If, of their own, they come up, then there is no further problem if sufficient number of people is not available, then what can we do.”

3.50 When asked whether relaxation was given in the case of Scheduled Tribes, the Addl. Secretary, Banking Division, stated that this had been done. But in spite of that if nobody came up,

then that was a different matter. If only showed that the number was not adequate in the case of Scheduled Tribes. He, however, promised to check it again.

3.51 When asked about the total marks allotted for written test and interview for promotion from subordinate cadre to clerical cadre and the concession in marks, actually given to SC/ST candidates, it has been stated in a written note furnished to the Committee that total marks allotted for written test and interview for promotion from subordinate cadre to clerical cadre are :—

Written test 100 marks of which English 45.

Arithmetic 45 and neatness 10.

For interview 20 marks.

Marks secured by SC/ST candidates in the written test and in the interview are increased by 5 per cent of the total marks allotted for written test and 5 per cent for interview.

3.52 The Committee pointed out that in the last six years promotion from the clerical cadre to the officers cadre came to nearly 10 per cent and enquired as to how it has gone down in 1983 to below 1 per cent. The Chairman UCO Bank explained during evidence that the position was that as per the statement of officers as on 1-1-71 in the first place, and secondly from 1971 to 1978, the reservation was being only in recruitment and not in promotion. So during these periods, when promotions were made, reserved category people did not come up. So from 1979 only, both in recruitment and in promotion, reserved categories had been filled up. After 1979, three promotions had taken place and no reserved vacancy had lapsed. In so far as direct recruitment was concerned, in course of a year, some vacancies had been filled up.

3.53 In reply to a question, the Chairman, UCO Bank stated that in 1980 and 1982, 1702 clerks were promoted to officers' cadre of which 254 were the Scheduled Castes and 31 Scheduled Tribes. It comes to 14.9% for Scheduled Castes and 1.8 per cent for Scheduled Tribes. From Special Assistants to officers, 1 Scheduled Caste and 2 Scheduled Tribes were promoted. So the backlog as of today is 82 for Scheduled Caste and 39 for Scheduled Tribes.

3.54 The Committee desired to know the total number of Sweepers selected as Peon in UCO Bank during the last three years. The

Committee have been informed that the number of Sweepers in UCO Bank as on 30-6-86 was:

	Total	of which	
		SC	ST
Full time	153	98	—
	1,367	796	40

Number of Sweepers selected as peons in the last three years are as follows :—

	Total	of which	
		SC	ST
1983	33	19	—
1984	15	7	—
1985	7	3	—
	55	29	—

3.55 The Committee are perturbed to note that from 1979 when reservations in promotion were introduced in UCO Bank till date, very few Scheduled Caste/Tribe employees have been promoted in officers' cadre. In 1983, out of 1780 employees promoted from Officer Scale I to Scale II and from Officer Scale II to Scale III, only 23 belonged to Scheduled Castes and 5 to Scheduled Tribes. In 1984 and 1985, no Scheduled Caste/Tribe person got promotion in Officers' cadre. Similarly in promotions of Scheduled Castes/Tribes in Sub-Staff and Clerical Cadre, there is a large shortfall of Scheduled Tribe employees.

The Committee have been informed that in promotion to Officers' cadre, relaxation of one year in minimum service and a concession in marks to the extent of 5 per cent of total marks allotted for test as well as interview is provided to Scheduled Castes/Tribe employees. The Committee do not consider relaxation of one year in minimum service as a special concession meant for Scheduled Castes/Tribes only as such concession has also been given to a large number of general candidates also. The concession of 1 mark in interview and 4 marks in written test is also not significant in the opinion of the Committee. The Committee need hardly

stress that unless liberal concessions/relaxations are given to Scheduled Caste/Tribe employees in promotion, their position in promotional posts is not going to improve. The Committee, therefore, recommend that in the case of SC/ST employees, the relaxation in minimum service should be fixed keeping in view the number of persons coming within that zone and relaxed by one year more where no SC/ST candidate becomes eligible by the present relaxation of one year. Similarly where any relaxation is made for general candidates, a corresponding relaxation in addition to normal relaxation should be made in the case of SC/ST candidates. Similarly marks in written test and interview should be increased from 5 per cent to 8 per cent so that their representation in various grades is augmented to the required level of percentage. A constant review of the promotion given to SC/ST employees should be made and relaxations should be determined in the light of facts emerging in the review.

D. Recruitment Board/D.P.C.

3.56 In a note furnished to the Committee the Composition of Recruitment Board/Departmental Promotion Committees constituted by UCO Bank have been stated as follows :—

*“Composition of Interview Committees Subordinate Cadre—
for Promotion/Recruitment:*

The Committee consisting of three officers is formed. The Presiding Officer will not be below the rank of Scale IV. The other two officers will be from Scale I to Scale III. At least one of the above three will be belonging to SC/ST community.

Clerical Cadre—For promotion to JMG Scale I: The Committee consisting of any three among the following officer is formed :—

- (i) General Manager,
- (ii) Dy. General Manager; and
- (iii) Assistant General Manager.

The senior most among them will preside. In case none of the above three belong to SC/ST community, a fourth member of eminence in consultation with BSRB belonging to SC/ST community is inducted in the Committee.”

3.57 In reply to a question whether a Scheduled Caste/Scheduled Tribe officer of appropriate status was invariably associated with the Recruitment Boards/Departmental Promotion Committee constituted for recruitment/promotions made in the Bank, it has been stated that a person of appropriate status belonging to the SC/ST Communities has always been associated with the interview Committees for posts to which reservation are applicable. However, from 1983 onwards in respect of the promotions based on selection within officers cadre, to which only concessions but no reservations are applicable, one SC/ST member is being associated with the interview Committees.

3.58 In reply to a question whether such SC/ST officer also remains present on Recruitment Board/DPC when the general candidates are interviewed, the Committee were informed in the affirmative.

3.59 The Committee note that an officer of appropriate status belonging to Scheduled Caste/Tribe is always associated with the Interview Committee of UCO Bank for posts to which reservations are applicable. The Scheduled Caste/Tribe Officer also remains present on Recruitment Board/Departmental Promotion Committee when general candidates are interviewed.

The Committee have been informed that from 1983 an Officer from Scheduled Caste/Tribe community is also associated with Interview Committee for promotion by selection within Officers' cadre. The Committee would like to know the reason why the decision has been taken only in 1983 to associate a Scheduled Caste/Tribe Officer with Interview Committee for promotion by selection, when the Government had accepted a recommendation made by this Committee in their 4th Report (1970) of Fourth Lok Sabha and issued instructions accordingly vide Department of Personnel and Administrative Reforms O.M. No. 27(4) (III)/70-Estt. (SCT) dated 2-9-1970 and 16-4-74-Estt. (SCT) dated 23-5-1975.

E. Rosters

3.60 The Committee have been informed that Rosters are being maintained at Head Office on all-India basis in regard to direct recruitment of officers and for promotion from clerical cadre to Bank Officers Grade JMS-I, Rosters are being maintained at Zonal Office in regard to recruitment of clerical cadre in the Zone and at Divisional Offices in regard to recruitment of sub-staff cadre.

There rosters are periodically checked and inspected by the respective Liaison Officers. It may be stated that all Zonal/Divisional Managers have been designated by the Bank as Liaison Officers. The Bank has also appointed a senior officer of the rank of Asst. General Manager as Liaison Officer at Head Office.

During the visit of the Parliamentary Committee on the Welfare of SC/ST the members inspect roster/complaint register and they point out the defects, if any, for correction. The Commission on SC/ST periodically call for copy of the roster for inspection from Head Office.

It has been further stated that the Bank is maintaining 40 point roster in case of direct recruitment on all India basis and 100 point roster for regional recruitment i.e. in clerical and subordinate cadre. Separate rosters are maintained for recruitment and promotion. 40 point rosters are maintained in all the cases of promotion. The rosters are periodically inspected by the relative Liaison Officers.

3.61 In reply to a question, it has been stated that the rosters for recruitment are maintained from 1-1-1973 and for promotion from 1-1-1979.

3.62 The Committee desired to know as to when the officers of the Commission for Scheduled Castes and Scheduled Tribes inspected the roster last time and what were their observation. It has been stated in a note furnished to the Committee that the Commission has not carried out inspections of the rosters maintained by the Bank except with the Committee at the time of the visit of the Parliamentary Committee to the Bank. The office of the Commissioner for SC/ST had called for the extracts of the rosters for promotions from clerical to JMG-I vide their letter of 30th June, 1986 and the same were sent by the Bank on 23rd July, 1986. However, this was for a limited purpose of ascertaining information regarding interchange of carried forward vacancies in JMG-I

3.63 In this connection the Chairman, UCO Bank, apologising for the mistake, stated during evidence that their reply to question is not factually correct. What they meant was that the Commissioner for Scheduled Castes and Scheduled Tribes inspecting the rosters whenever the Study Group of the Parliamentary Committee is visiting the offices of the Bank. He has however, added that the rosters are annually inspected by their Liaison Officer.

3.64 As desired by the Committee, a copy each of the two latest Reports of inspections conducted by the Bank Liaison Officer on 14-8-86 and 20-1-87 have been furnished which may be seen at Annexure I & II.

3.65 The Committee have been informed that Rosters are being maintained at Head Office of UCO Bank for direct recruitment of Officers and for promotion from Clerical Cadre to Bank Officers Grade JMS-1. Rosters are being maintained at Zonal Office in regard to recruitment of Clerical Cadre in the Zone and at Divisional Offices in regard to recruitment of Sub-staff Cadre. These Rosters are inspected by the Liaison Officer regularly.

The Committee, are, however, distressed to note that during the inspection of rosters conducted by Liaison Officer, UCO Bank (H.O.) on 14-8-1986, he found that prior approval of Department of Personnel and essential steps before dereservation of reserved vacancies had not been taken by the appointing authority. The same remarks had been repeated in his next inspection report dated 20-1-1987. This is regrettable and shows that proper attention has not been paid by the appointing authority to the findings of the Liaison Officer nor has the Liaison Officer cared to ensure that the discrepancies pointed out by him in his earlier inspection report have been rectified.

The Committee need hardly point out that the roster is a sacred mechanism to keep a legitimate watch on the proper and adequate intake of Scheduled Castes and Scheduled Tribes in services and that it would cease to have any significance whatsoever if it is not maintained properly in the light of existing rules, regulations and instructions. The Committee, therefore, emphasise that earnest efforts should be made both by the appointing authorities and the Liaison Officer in the UCO Bank to see that Government orders on the maintenance of rosters are meticulously followed so that no injustice is done to Scheduled Caste/Tribe candidates in the matter of recruitment and promotion.

3.66 The Committee also recommend that the Liaison Officer should invariably submit his inspection report to the Chairman-cum-Managing Director of UCO Bank for his information and necessary follow up action so that any deficiencies are brought to notice at the highest level and prompt action taken to remedy the situation.

F. Dereservation

3.67 The Committee have been informed that whenever there is non-availability of sufficient number of SC/ST candidates from

BSRB for the reserved vacancies even after instituting appropriate steps, such vacancies are being treated as dereserved and filled up by general category candidates subject to prior approval of the competent authority Chairman and Managing Director and such vacancies are carried forward as backlog.

The Bank is following the procedure for dereservation in terms of Government of India, Ministry of Finance, Department of Banking letter No 5(2)—72/IR of 6th March, 1972. Generally the Bank is following the procedure of obtaining approval of Competent authority (C&MD) before resorting to dereservation of posts whenever inevitable. Instances have however, come to notice where this requirement has not been complied with in few cases. The Bank has taken steps to ensure that such instances do not reoccur.

Certain other requirements of procedure are also called for in terms of Chapter 10 of Brochure on Reservation for Scheduled Castes and Scheduled Tribes (Sixth Edition). These requirements have also not been observed strictly in the past. Steps have now been taken to strictly comply with all these requirements.

3.68 The number of vacancies dereserved in different categories of posts during each of the last three years has been stated to be as follows:—

Year	Officers Cadre		Clerical Cadre		Subordinate Cadre	
	S/C	S/T	S/C	S/T	S/C	S/T
1983	33	28	201	100	—	67
1984	6	4	218	109	—	58
1985	Nil	Nil	79	39	—	15

3.69 In reply to a question it has been stated that the details of vacancies which lapsed during each of the last three years was as

	1983		1984		1985	
	SC	ST	SC	ST	SC	ST
Officers	—	—	—	—	—	—
Clerks	37	65	10	19	63	84
Sub-Staff	—	12	—	04	—	09

3.70 As regards the authority competent to dereserve that reserved vacancies it has been stated that Chairman and Managing Director is the competent authority for allowing dereservation of reserved vacancies in all categories of posts. However, the matter is being reviewed.

3.71 When asked to give details about the reserved vacancies in case of which prior permission of the competent authority to dereserve the reserved vacancies was not taken, it has been stated in a written note furnished by the Ministry of Finance as follows:

"The Bank has reported that prior permission of the Competent Authority was not obtained except in three cases. necessary steps have been initiated by the Bank to ensure that prior permission of the competent authority is obtained before the reserved posts are dereserved and filled up by general candidates."

3.72 As regards the efforts made to fill up the carried forward reserved vacancies, it has been stated that in July 1988 the Bank advised the Zonal/Divisional Offices to conduct special drive to clear the backlog in the subordinate cadre. The effect of this circular will be noticed only after the next recruitment takes place.

3.73 When asked whether any efforts were made by the Bank to fill up the reserved vacancies by applying the principle of exchange of reserved vacancies between Scheduled Castes and Scheduled Tribes during the third year of carried forward. It has been stated that efforts were made to exchange reserved vacancies between Scheduled Caste and Scheduled Tribe in the third year of carry forward in cases where appropriate SC/ST candidates were not available. The number of vacancies so exchanged during the last 3 years are given below:—

	<i>Officer-Staff</i>		<i>Clerical-Staff</i>		<i>Sub-Staff</i>	
	SG	ST	SG	ST	SC	ST
1983	—	—	—	16	—	3
1984	—	—	—	3	3	—
1985	—	—	1	12	3	3

3.74 The Committee are constrained to note that UCO Bank has not been obtaining the approval of competent authority (Chairman & Managing Director) before resorting to dereservation of reserved vacancies. The Committee would like to point out that according to Government guidelines, prior approval of the Board of Directors for the posts of Officers and that of Managing Director for

Clerical and Sub-Staff posts has to be obtained before filling any reserved vacancy by a general candidate. It should also be specifically mentioned in the note sent to the Board/Managing Director that the proposal for dereservation is being made with the full knowledge and concurrence of the Liaison Officer. The Committee recommend that henceforth the UCO Bank should follow this procedure scrupulously and in the event of any default, responsibility should be fixed and suitable action taken against the officer found responsible.

3.75 The Committee regret to note that as many as 429 vacancies in 1983, 395 vacancies in 1984 and 13 vacancies in 1985 reserved for Scheduled Castes/Tribes have been dereserved by UCO Bank in Officers, Clerical and Sub-Staff cadres. Out of the carried forward reserved vacancies, in Clerical cadre 102 SC/ST vacancies in 1983, 29 SC/ST vacancies in 1984 and 147 SC/ST vacancies in 1985 and in Sub-Staff cadre 12 ST vacancies in 1983, 4 ST vacancies in 1984 and 9 ST vacancies in 1985 have been allowed to lapse. This has obviously deprived many Scheduled Caste and Scheduled Tribe candidates of their chances of employment in UCO Bank. The Committee feel that now there is no dearth of educated SC/ST candidates. What is lacking is sincere and concerted efforts on the part of recruiting authorities to find out suitable SC/ST candidates before the expiry of three recruitment years. The Committee, therefore, recommend that dereservation of reserved vacancies should be resorted to only when it becomes inescapable after all possible efforts have been made, including special recruitments, to locate and recruit adequate number of SC/ST candidates have failed so that such a large number of reserved vacancies are not lapsed thereby depriving the SC/ST candidates of their legitimate chances of recruitment/Promotion.

G. Complaints/grievances

3.76 The Committee have been informed that the Bank has evolved the following machinery for redressal of grievances of SC/ST employees at various levels in the Bank:

- (i) A separate Cell has been opened at Head Office;
- (ii) Separate Cells have been opened at Zonal Offices; and
- (iii) Separate Cells have been set up at Divisional Offices.

The Cells are manned by SC/ST Officers.

(2) The Bank has appointed Liaison Officers as under:—

At Head Office of the rank of Asst. General Manager;

At Zonal Office: Zonal Manager; and

At Divisional Office: Divisional Manager.

(3) The Bank of maintaining grievances/complaint register at Head Office, Zonal Offices and Divisional Offices.

(4) Regular meeting with the SC/ST staff/Council are held as under:—

At Branch Level:

The SC/ST employees meet the Branch Manager either themselves or through their representatives to discuss their problems.

At Divisional Level/Zonal Levels

The Liaison Officer meets the SC/ST employees or their representatives and hear their grievances and take prompt action, wherever necessary.

At Head Office Level:

The employees SC/ST Council representatives meet the Liaison Officer and also other senior officers including Executives for redressal of the grievances.

3.77 When asked about the representations received from SC/ST employees of the UCO Bank during 1985 and 1986, the Secretary, Banking Division stated during evidence that in 1985, 41 complaints were received. The break-up of complaints received during the year 1986 was as follows:—

Promotions—7

Request for Job—1

Victimisation and harassment—1

Accommodation facility for SCs—2

False Certificate—1

Posting & Transfer—7

Miscellaneous—18

3.78 In a subsequent note the following details about the representations received from SC/ST employees of UCO Bank during the last two years has been furnished to the Committee:—

Year	complaints received from			
	SC/ST employees	Associations	VIPs	Total
1985	04	34	03	41
1986	04	27	06	37

Nature of complaints	Number		
	1985	1986	
(i) Regarding Promotions		06	07
(ii) Requests for jobs		02	01
(iii) Victimisation/harassment		02	02
(iv) Facilities for SC/ST Association		01	02
(v) False Caste Certificates		—	01
(vi) Postings/Transfers		02	07
(vii) Others/Miscellaneous		28	18
TOTAL :		41	37

3.79 When specifically asked about the action taken on the representation received from SC/ST employees of UCO Bank for office accommodation, the Secretary, Banking Division stated that the demand made by the Association was conceded according to their Report. However, another representative of the Banking Division explained that in fact there was no provision as such for giving accommodation even to the recognised majority union, but they had been giving accommodation to the recognised majority unions in certain areas. There had been demands from SC/ST Associations to give accommodation, but that had not been conceded to because the Department which regulated the reservation policy said that there should be no separate recognition accorded to SC/ST Associations. That being the situation providing accommodation by bank at Ministry's instance would be difficult. If banks accommodated them for any other reasons, normally the Ministry did not say anything.

3.80 In a note furnished to the Committee subsequently, it has been stated that the SCT Association namely "UCO Bank SC/ST Employees Council" has been functioning in UCO Bank. This Association has been provided with a room and the following furniture:—

1. Wooden Chairs—Ten
2. Steel Cabinet—One
3. Steel Table—Three
4. Steel Rack—One
5. Typewriter—One

However, demand of the Association for provision of a cyclo-styling machine and a telephone etc. has not been accepted by the Bank.

3.81 In reply to a question, the representative of the Banking Division has stated that the majority union has been given accommodation. Under the Industrial Disputes Act, the Bank Management is supposed to have discussions and consultations with the majority union and in course of time has entered into certain agreements with majority unions in which they have agreed to provide accommodations to some of the recognised Unions. Some banks started giving some accommodation for them. In that context it was said that this was not obligatory on their part, but under the terms of their own agreement, if they had entered into such an agreement, they could be provided accommodation. Since SC/ST Association has not been recognised as union, the question of giving accommodation to them did not arise.

3.82 When asked why the Banking Division did not provide accommodation to the Associations of SC/ST employees of Banks on humanitarian grounds, the Secretary, Banking Division stated as follows:—

"We will do everything for it, within the Government policy to promote the interests of Scheduled Castes and Scheduled Tribes. We will certainly have this point examined again in consultation with the Department of Personnel and Training....."

He further stated that there were four SC/ST Employees Associations. Now, whatever Parliament would decide or the Government would think fit, would have to be implemented by the Banking Division.

3.83 He added that with the kind of Union activities which goes on today the problem is, unions are recognised and new unions are coming in. It is because the old unions are splitting. Some of them have split from a large number of bank staff. There are clerks' unions; there are officers unions; there are multiple unions of other types also. Whatever the policy is framed by the Department of Personnel and Training that has to be implemented by the Banking Division. Whatever is the Ministry's difficulty has been placed before the Committee. This problem has to be studied from different angles as it has wide repercussions. For example, if today request of one Association is considered for accommodation tomorrow another four unions like Handicapped Union, Ex-service-men Union etc. will come forward with such requests.

3.84 The Committee have been informed that separate Cells, manned by SC/ST officers, have been opened at Head Office, Zonal and Divisional Offices of UCO Bank for prompt redressal of grievances of Scheduled Caste/Tribe employees of the Bank. Complaint Registers are also maintained at Head Office, Zonal and Divisional Offices of the Bank to keep record of disposal of their representations. Further the Scheduled Caste/Tribe employees or their representatives meet the Branch Manager at the Branch level, Liaison Officers at Divisional/Zonal levels, and Liaison Officer and other senior officers including Executives at Head Office level for redressal of their grievances.

The Committee stress that adequate publicity among the SC/ST employees of UCO Bank may be given about the aforesaid arrangements for redressal of their grievances so that they have no difficulty in approaching the right person in right time for redressal of their grievance, if any.

3.85 The Committee are happy to note that the Management of UCO Bank has provided a room with furniture and a typewriter to the UCO Bank SC/ST Employees' Council to function. However, the request of the Association for provision of a cyclostyling machine and telephone etc. has not been accepted by the Bank. The Committee would urge upon the Management of UCO Bank to consider the request of the Association sympathetically and accept their genuine demands so that they can function properly and help the Management in the effective implementation of orders on reservation for Scheduled Castes/Tribes and other concessions/relaxations admissible to them.

CHAPTER IV .

STAFF POSITION AND SHORTFALL

A. Staff Strength and Shortfall

4.1 The staff strength in the UCO Bank (I) on the date when reservation orders in favour of Scheduled Castes and Scheduled Tribes came into force and (II) as on 30-6-1986 and the number of Scheduled Castes and Scheduled Tribes among them, as furnished to the Committee is as under:—

STAFF STRENGTH AS ON 1-1-1971 (Date of implementation)

Category of posts K	Total No. of employ- ees	No. of		% of		Shortfalls (In Nos.) SCs STs	Remarks
		SC	ST	SC	STs		
Officers	1858	1	—	0 05	Nil	Does not arise	
Clerks	4904	8	3	0 16	0 06	-do-	
Substaff	2379	129	15	5 4	0 63	-do-	

STAFF STRENGTH AS ON 30-6-1986

Category of posts	Total No. of Employ- ees	No. of		% of		31-12-85 shortfalls		Remarks
		SC	ST	SC	ST	(In Nos.)		
						SC	ST	
Officers	8039	438	78	5 45	0 97	35	27*	
Clerks	17647	2071	538	11 73	3 04	83	136**	
Sub-Staff (including full-time Sweepers indicated within bracket)	7461 (153)	1680 (98)	411 (-)	22 52	5 30	4	66**	
Sweepers Part Time	1367	796	40	58	3	—	111*	

4.2. As regards the reasons for shortfalls in the intake of SCs and STs against their reserved quota and the steps being taken by the Bank to wipe out the shortfalls, it has been stated in a note furnished to Committee that the task of recruitment of officers and clerical cadre has been entrusted to the different Banking Service Recruitment Boards. The Bank always places indents with BSRBs for recruitment of officers and clerks taking into account the current reservations as well as the backlogs in respect of Scheduled Caste and Scheduled Tribe communities with a request to provide maximum number of candidates belonging to such reserved categories. But it is found that at times BSRBs are not in a position to supply the requisite

number of Scheduled Caste and Scheduled Tribe candidates as per the indents placed with them. Hence, there is shortfall/backlog in the Scheduled Caste and Scheduled Tribe categories. The reason for shortfall/backlog in respect of such categories is due to non-availability of the sufficient number of eligible candidates from BSRBs.

4.3. As regards recruitment of sub-ordinate cadre the Bank itself is recruiting only subordinate staff and as far as Scheduled caste candidates are concerned in subordinate cadre, the problem of non-availability of such candidates is not there. But Scheduled Tribe candidates are very much scarce which results the de-reservation of posts reserved for Scheduled Tribe candidates. In the light of the above, it may be stated here that the shortfall in respect of Scheduled Caste community is 'Nil' but there is a backlog for Scheduled Tribe community which has been carried forward for the next three recruitment years with provision for exchange of vacancies with SC and ST in the 3rd year of carry forward. The Bank found that candidates from Scheduled Tribe community are not coming forward in sufficient number in spite of giving wide publicity, informing various Councils/Associations.

4.4. It has been further stated that in order to wipe out the backlog of Scheduled Castes and Scheduled Tribes in the recruitment of officers and clerical cadre, the Bank already suggested to BSRB, Calcutta to hold a separate test exclusively for SC/ST communities so that a large number of candidates from such communities may come up.

4.5. The Bank is conducting pre-recruitment training to make the candidates of such communities sufficiently equipped for appearing at the written test conducted by the BSRBs in collaboration with BSRB at Madras since 1982 and at the instance of sub-Regional Office at Jaipur from 1985. So far the UCO Bank has trained 234 candidates during the years 1983, 1984 and 1985.

4.6. In regard to wiping out backlog in the recruitment of sub-ordinate cadre, employment exchanges are requested to sponsor as many as Scheduled Caste/Scheduled Tribe candidates for appearing at the written test.

4.7. The Bank has also advised the Divisional Managers to conduct exclusive recruitment test for candidates belonging to SC/ST communities wherever necessary to fulfil the reservation quota both for recruitment and promotion. Besides that, it is also giving adequate publicity whenever any recruitment is undertaken. This includes giving copies of notification to recognised Associations of SC/ST communities and even by making announcement through All India Radio Stations where there is a concentration of SC/ST communities.

4.8 Recruitment made in different categories of posts by UCO Bank during the year 1983, 1984 and 1985 is under:—

Year	Category of posts	Total No. of vacancies actually filled.	No. of vacancies reserved for Sch. Casts				No. of vacancies reserved for Sch. Tribes				No. of candidates appointed		Lapsed		Int'r. changed			
			3	4	5	6	7	8	9	10	11	12	13	14		15	16	17	18
1983	Officer	402	402	30	61	91	15	30	45	59	18	32	27	..	..	..	..	..
	Clerks	1346	1346	307	201	508	365	100	465	205	96	282	288	37	65	-16	-16	-16
	Sub-Staff.	893	893	32	135	167	133	67	200	182	62	Nil	123	..	-12	-15	-15	-15
1984	Officer	47	47	32	6	38	27	4	31	3	4	35	27	..	..	..	..	..
	Clerks	1451	1451	282	218	500	288	109	397	273	178	220	197	10	19	-3	-3	-3
	Sub-Staff.	785	785	Nil	117	117	123	58	181	176	54	Nil	123	..	4	-59	-59	-59
1985	Officer	Nil	Nil	35	..	35	27	..	27	..	..	35	27	..	..	..	..	..
	Clerks	528	528	220	79	299	197	39	236	80	29	167	111	63	64	-11	-11	-11
	Sub-Staff.	208	208	Nil	31	31	123	15	138	35	15	Nil	111	..	9	-4	-4	-4

Note:—Col. 7=Col. 11+13+15—17
Col. 10=Col. 12+14+16+18
..=Excess appointed

4.9 When the Committee enquired about the present position of staff strength in various categories of posts, the Chairman, UCO Bank stated during evidence that in 1983 an indent for 2074 candidates was placed with the BSRB. Somehow, the business was not developed on the expected lines. Therefore, there was a stay on the recruitment and appointment. All the SC/ST candidates allotted to UCO Bank, have been appointed by the Management. No fresh recruitment had been made by the Bank except in a few cases in other States where it was necessary because of opening of more new branches.

4.10 The witness further stated that in 1983, out of a total number of 2074 candidates, 375 SC/ST candidates were indented. 304 were allotted to UCO Bank by BSRB and 256 actually joined.

4.11 When the Committee pointed out that as per recruitment statement, the recruitment of the Bank was for 508 in 1983 the witness stated that this recruitment was from various States. He further clarified as follows:—

“All of them are not joining in 1986. Some of them are joining. Some will join in 1987. When I give year-wise statement, my pending list is 500. 450 were appointed. But the actual joining may be 300 in 1986; some of them may join in 1987 and some of them may drop out. Not all of them are appointed in one day, on the same day. Therefore for various people orders are issued. In December 1986 we took decision to exhaust the pending list. We asked all the States that you can appoint now. Jaipur may have done it on December 15, Lucknow on December, 31.”

4.12 In this connection, the Addl. Secretary, Banking Division further clarified during evidence that the UCO Bank had certain

problem. They indentured for a very large number in 1983. There was no growth of the Bank. Therefore, it started coming down in 1984 and 1985. From 1985 onwards this recruitment was properly monitored by Bank. Names came from BSRB and UCO Bank had difficulty in appointment. Therefore, it had to spread and they could not finish in 1986. Because of the peculiar position, it has happened. The Government have to ensure that every Scheduled Caste and Scheduled Tribe candidates selected in 1983 to 1985, should be assured of appointment either in UCO Bank or in any other Bank, and whether the indent is properly made.

4.13 When the Committee pointed out that the backlog of STs was much more than the backlog of SCs, the witness stated as follows:—

“We have really impressed on the BSRB that they must go in for special recruitment and the BSRB in Delhi have already taken action. Similarly, we have asked the BSRB, Calcutta to hold special selection for Scheduled Castes and Scheduled Tribes. I think that is the only way to find people in these communities.”

4.14 When the Committee pointed out during evidence that 98 per cent of the population of Lakshadweep were Scheduled Tribes and there were many unemployed youth there, the Chairman, UCO Bank expressed willingness to go there and take action accordingly.

4.15 When asked about the requirements of officers/clerical staff sent to BSRB and the number of persons actually appointed against

these requirements during the last three years, the following figures were furnished by UGO Bank:—

	1983			1984			1985		
	TOTAL	of which		TOTAL	of which		TOTAL	of which	
		SC	ST		SC	ST		SC	ST
1 Officers :									
(a) Indent placed	—	—	—	—	—	—	—	—	—
(b) Candidates allotted	—	—	—	—	—	—	—	—	—
(c) Persons joined	402 ^a	59	18	47 ^a	3	4	—	—	—
2 Clerical Staff :									
(a) Indent placed | . . . . .	2074	375	334	1568	281	202	171	24	15
(b) Candidates allotted	1927	304	166	1491	266	159	164	24	14
(c) Persons joined	1567	256	130	1135	215	98	73	13	8

^aThis was against indent placed in 1981.

4.16 The Committee desired to know whether the UCO Bank had taken up with the BSRBs as to why they did not select sufficient number of SC/ST candidates against the indents placed by them and what were the main reasons put forward by the BSRBs for short supply of SC/ST candidates.

4.17 The Banking Division stated in a note furnished to the Committee as follows:—

The position of backlog in the recruitment and in the promotion of SC/ST in the banks is not quite satisfactory. The position in respect of UCO Bank is not much different.

The banks have been advised on a number of occasions to clear the backlogs. The BSRBs have also been advised to supply adequate number of SC/ST candidates to fill up the reserved posts in the banks to enable them (the banks) to clear the backlog.

The main reasons for the short fall in the recruitment of SC/ST candidates are that inspite of relaxation in minimum education qualifications, relaxations in the qualifying standards, etc. sufficient number of SC/ST candidates are not able to come up to the minimum standards of efficiency expected of a bank employee. The position, however, is particularly acute in the case of ST candidates.

Apart from the above, there are regional imbalances also because in certain areas although the reservations for the SC/ST exists, candidates of these communities are not available.

In the case of subordinate cadre posts, for which the recruitment is made by the banks themselves, since the recruitment is at the local level, sufficient candidates belonging to the reserved category are not available everywhere and hence the shortfall.

Some of the remedial measures taken are as follows:—

1. The banks have been advised that while indenting their requirements of staff on the BSRBs they should work out the figures realistically taking into account reservations arising during the period as also the backlog,
- (2) The BSRBs were requested on 26th May, 1986 and 7th August, 1986 to clear the backlog immediately.
- (3) The banks were advised to relax the educational qualifications in favour of SC/ST and this relaxation is being continued to ensure greater intake of candidates belonging to reserved categories.
- (4) The banks are conducting pre-recruitment and pre-promotion training programme for the SC/ST candidates.
- (5) With the change in the percentage of reservations on regional basis w.e.f. 1st June, 1985, which has become more realistic, the position may improve.

These measures are considered adequate to increase intake of SC/ST candidates in banks' employment. However, any further increase in the intake of SC/ST employees to the bank will depend upon the general educational standards of the candidates for which the Ministry of Education and the State Governments have to play their part."

4.18 As regards exclusive tests conducted by BSRBs for recruit-

ment of SC/ST candidates in officer's and Clerical cadre, the following data (Provisional) has been furnished the Committee:—

Sl. No.	Name of BSRB	OFFICERS	CLERKS	OFFICERS	CLERKS
1	Bengalore	3	2	176	278
2	Chandigarh	—	—	—	—
3	Hydrabad	—	—	—	—
4	Delhi	NI	2 (16-8-81 to 30-11-80)	—	65 (1st test) Result of 2nd awaited
5	S.B.I. Group (Erstwhile)	NI	11 (Between 1982-83)	—	1592
6	Calcutta (E. Group)	—	—	—	—
7	Southern Region Madras	—	1 (1983)	—	424
8	Trivandram	—	—	—	—
9	Gowalhati	—	—	—	—
10	Bhopal	—	—	—	—
11	Central Group (Lucknow)	—	2 (or ST)	—	137
12	Jaispur	—	3	—	521
TOTAL :		1	21	176	5017

4.19 In this connection, it has also been stated that no special test exclusively for SCs/STs to wipe out the backlog in Officers' Cadre has been conducted by the BSRB, Calcutta, as reported by it.

4.20 As regards the steps taken to wipe out the backlog in the intake of STs in subordinate staff, it has been stated in a note that in July 1986, the Bank advised its zonal/divisional officers to conduct a special drive to clear the backlog in filling up of the posts in the subordinate cadre reserved for STs. However, because of the economy instructions, no fresh recruitments are taking place, the results of this circular will be available only after the next recruitment takes place.

4.21 In reply to a question, it has been stated that the Management of UCO Bank do not approach the Director of Social Welfare of the concerned State for getting suitable Scheduled Tribe candidates.

4.22 When asked about the response of Employment Exchanges to the indents placed with them for sponsoring suitable SC/ST candidates to fill up reserved vacancies in subordinate cadres, it has been stated that the response from Employment Exchanges, is in most cases, satisfactory.

4.23 As per information furnished to the Committee the number of candidates sponsored by the Employment Exchange during the last three years and the number of candidates selected was as under:—

Sponsored in	Candidates Sponsored of which			Candidates selected of which		
	Total	SC	ST	Total	SC	ST
1983	5,126	937	481	1,332	277	99
1984	2,296	433	118	606	119	39
1985	1,777	208	135	395	49	34

The reasons for rejection generally are that the candidates do not come up to the standards of efficiency expected of them.

4.24 When asked whether the best among the available candidates who fulfilled the minimum prescribed qualifications were taken to fill up the reserved vacancies, it has been stated that SC/ST candidates are allowed 10 per cent concession in the qualifying marks in the written test.

4.25 The number of Sweepers working in UCO Bank as on 30-6-1986 has been stated to be as under:—

	Total	of which	
		SC	ST
Full Time	153	98	—
Part-Time	1,367	796	40

4.26 The Committee have further been informed that the number of Sweepers selected as Peons during the last 3 years is as under:—

	Total	of which	
		SC	ST
1983	33	19	—
1984	15	7	—
1985	7	3	—
	55	29	—

4.27 The Committee note with concern that the representation of SCs in Officers and Clerical cadres and of STs in all cadres of posts in UCO Bank is much below the quota prescribed for them. As per the statement regarding staff strength of the Bank as on 31-12-1985, there is a shortfall of 118 SCs and 163 STs in Officers cadre, 171 SC, and 177 STs in Clerical cadre and 111 STs in Sub-staff cadre. The Committee regret to note that the BSRBs who are at present making recruitment of officers and clerks for nationalised banks have failed to provide sufficient number of candidates belonging to these communities to UCO Bank.

The Committee are surprised to find that while the backlog in the representation of SCs/STs in the services of the bank has continued all these years, the BSRB, Calcutta held no special test exclusively for SC/ST to wipe out the backlog in officers' and clerical cadres. The Ministry of Finance (Banking Division) have also been lethargic as they requested the BSRBs only on 26-5-1986 and 7-8-1986 to clear the backlog in officers and clerical cadres respectively.

The Committee need hardly emphasise that special recruitment exclusively for Scheduled Castes and Scheduled Tribes is the only way to clear the backlog in reserved vacancies and recommend that the Banking Service Recruitment Boards should resort

to special recruitment at the earliest exclusively for Scheduled Castes and Scheduled Tribes to wipe out the backlog in the cadres of officers and clerks so that the backlog does not increase from year to year as has been the case in the past.

4.28. The Committee are constrained to note that UCO Bank indented a very large number of clerks in 1983 and as there was no growth of the bank, all the clerks allotted to UCO Bank could not be absorbed in time and the process of their appointments continued till 1987. Thus, the UCO Bank kept a large number of SC/ST persons, who were duly selected for appointment, unemployed for a number of years. The Committee, therefore, urge that in future the UCO Bank should make a realistic assessment of its requirements of Officers/Clerks before placing indents with the BSRB's and absorb within a fixed time schedule all officers/clerks allotted by BSRB to it. The Committee consider it advisable that recruitments are made at regular short intervals so that persons selected are absorbed within a fixed time schedule and induction of fresh blood is a continuous process.

4.29. The Committee are surprised to find from the statement furnished by UCO Bank that in 1983 out of 481 ST candidates sponsored by employment exchange, the Bank selected only 99 candidates for sub-staff posts. In 1984, out of 118 ST candidates sponsored by employment exchange, the Bank selected only 39 candidates and in 1985, out of 135 ST candidates sponsored by employment exchange, the Bank selected only 34 candidates. From the number of ST candidates sponsored by Employment exchange, it is clear that there is no dearth of ST candidates for Sub-staff posts. The Committee fail to understand as to how when there was a shortfall of 111 STs in Sub-Staff cadre, more ST candidates were not selected during the above period. The Committee, however, note that in order to clear the backlog of STs in Sub-staff cadre, UCO Bank has advised its Zonal/Divisional Offices in July, 1986 to conduct a special drive to clear the backlog of posts in the Subordinate Cadres reserved for STs. The Committee recommend that UCO Bank should draw a time bound programme and clear the backlog of vacancies reserved for STs in Sub-Staff cadre through special recruitment exclusively for Scheduled Tribes. The Committee also desire to be apprised of the results achieved in wiping out the aforesaid backlog, within next six months.

4.30 The Committee also suggest that if ST candidates are not available in a particular regional or local employment exchanges to fill the reserved vacancies, the Zonal/Divisional Offices of UCO

Bank should contact the employment exchanges in the adjoining regions/areas to fill the vacancies reserved for Scheduled Tribes.

4.31. The Committee further recommend that the Zonal/Divisional Offices of UCO Bank should also contact the Directors of Scheduled Tribe Welfare or Social Welfare of the concerned State/ Union Territory to sponsor suitable candidates belonging to Scheduled Tribes to fill the reserved vacancies in Subordinate Cadre as provided in Department of Personnel and Administrative Reforms O.M. 36034/3/77-Est(SCT) dated 24-2-1979.

B. Pre-Recruitment Training

4.32 The Committee have been informed that UCO Bank is conducting pre-recruitment training to make the candidates of Scheduled Caste/Tribe communities sufficiently equipped for appearing at the written test conducted by the BSRBs in collaboration with BSRB at Madras since 1982 and at the instance of Sub-Regional Office at Jaipur from 1985. So far the Bank has trained 234 candidates during the years 1983, 1984 and 1985.

4.33. When asked why only 234 SC/ST candidates had been given pre-recruitment training although their demand was quite large, the Chairman, UCO Bank stated during evidence that the Government had advised all the banks that they should conduct pre-recruitment training. UCO Bank was also allotted a certain number of persons for training in its college. But the allotment was not made to UCO Bank alone. Almost all the banks have conducting this type of training. It is not that for recruiting people to UCO Bank alone, the Bank gives training in its college. The training is given to all the candidates. The Management of the Bank informs the BSRB about how much capacity is available in its college, and then train the people.

4.34. When asked whether the people who had been given training, had been appointed, the witness had explained that the Recruitment Board recruits for all the Banks. UCO Bank does not train its own candidates, i.e., candidates who are likely to be allotted to the Bank. Even if, all the 234 candidates pass BSRB, on the basis of their rank, may allot them to State Bank or other Banks.

4.35 When asked about the purpose of the training, the witness has stated that BSRB is there for each State. It arranges recruitment for Clerks, for all the banks in the area. It allots the training work in an area to a particular bank, e. g. in this case to UCO

Bank. So UCO Bank will train some of the candidates, who may or may not be given to UCO Bank. Similarly, Canara Bank may train people in Bangalore, and some of them may be allotted to UCO Bank. If the Committee make a general point that considering the backlog, the number of candidates trained is inadequate, it will be correct.

4.36. In reply to a further question, the witness stated as follows:—

“If you say that training is inadequate, it is correct. Each BSRB allots candidates to one Bank’s college, because each bank is strong in one area. There are two points which arise here: first, the pre-recruitment training should be strengthened further. More people should be trained. Second, there must be special recruitment for SCs/STs. These are the two practical ways by which the position can be improved.”

4.37. When asked about the duration of pre-recruitment training, the Chairman, UCO Bank stated during evidence that the duration of the pre-recruitment training—three days to one week.

4.38. When pointed out that 3 days’ duration for pre-recruitment training was quite inadequate to make the candidates upto the standard, the Additional Secretary, Banking Division states as follows:—

“The intention is to make the candidates familiar with the question paper. It is not possible to really teach the persons within this period. If the question papers are on arithmetic or general knowledge, in this preparatory training course, it is not possible to teach the candidates arithmetic or general knowledge. What is taught is how to get familiar with the question paper. The candidates should know the techniques of solving the paper. I do not think this training is sufficient for improving the basic input of a person. It is the last minute help.”

4.39. In this connection, the witness further clarified that Twelfth pass is the minimum qualifying standard. What a child learnt within ten years of schooling was something very substantial. That can not be replaced with pre-recruitment training. If there was any disadvantage in terms of technique, that could be

explained within the short time. The Ministry could, of course, examine whether instead of seven days, it could be one month. But, as has been already said, this training is only to familiarise the candidates with the techniques etc.

4.40. When asked whether the Government was convinced that seven days' training was adequate, the witness stated as follows:--

"I agree that seven days training is not adequate. We will examine it in consultation with the various banks."

4.41. The witness further stated that the objective is to give training to the SC/ST candidates who apply to the Banks. The training is organised by the lead Bank through all the banks in that area. So long as all the candidates are trained, the purpose is served. Who trains the candidates is not important. Everyone must be covered by the training, that is the main point. The Ministry can, however, review this to see that all the candidates who apply do get this pre-recruitment training.

4.42. As regards the object of the training and training so far imparted, the Ministry of Finance, Banking Division have stated in a note furnished to the Committee that with a view to clear the backlog in the recruitment of Scheduled Castes and Scheduled Tribes in the public sector banks, they and the BSRBs have been advised on 25th February, 1986 and 28th November, 1986 to, *inter alia*, organise pre-recruitment training for such candidates so that sufficient number of candidates belonging to these communities could be recruited. According to the information received from 20 out of 28 public sector banks, they had conducted 1291 courses and had trained 53201 candidates. Bank-wise details are at Annexure.

4.43. The Committee note that UCO Bank has been conducting pre-recruitment training since 1982 for SC/ST candidates to make them sufficiently equipped for appearing at the written test conducted by the BSRBs. Such training is also being organised by other nationalised banks. As per the data furnished to the Committee 20 out of 28 public sector banks have conducted 120 courses and have trained 53201 candidates.

From their discussions with the officers of several nationalised banks held during on the spot study tours, the Committee have noticed that the banks generally give pre-recruitment training to SC/ST candidates for a period ranging from three days to a week

only. The Committee need hardly point out that such a short period of training falls short of requirement to equip the SC/ST candidates adequately for clearing the written test/interview etc. The Committee, therefore, recommended that the period of pre-recruitment training for SCs/STs should be increased to at least one month so that the purpose of imparting the training is achieved and the public money spent thereon does not go waste.

4.44. The Committee also recommend that the data about SC/ST candidates who have been successful in clearing the written test as well as interview after getting training may be maintained to assess the usefulness of the training and to make necessary modifications/improvements in the method of training in the light of experience gained and results achieved.

C. In-Service Training

4.45. The Committee have been informed by UCO Bank in a note as follows:—

“In-Service training is given to SC/ST employees. The Bank has conducted the following training courses exclusively for SC/ST employees during the years 1983, 1984 and 1985:

Name of the Course	1983		1984		1985	
	No. of courses	No. of candidates trained	No. of courses	No. of candidates trained	No. of courses	No. of candidates trained
Pre-promotional training for SC/ST employees	No promotion test held in 1983		24	648	3	38

Besides the above training programmes exclusively conducted for SC/ST employees, the Bank also conducted other training programmes for its officers and clerical staff in various disciplines of banking during the years 1983, 1984 and 1985 as per details given below:

	CLERICAL		OFFICERS	
	No. of courses	No. of candidates	No. of courses	No. of candidates
1983	61	1558	68	1937
1984	71	1080	100	2689
1985	87	2009	109	2872

It may be stated that SC/ST employees are also called for training along with other employees in the various training programmes conducted by the Bank."

4.46. The Committee desired to know the categories of posts to which the SC/ST candidates belonged who were given in-service training. It has been stated in a note furnished to the Committee that **all the candidates were in the clerical cadre and were eligible for promotion to the officers cadre.** Out of 686 SC/ST employees trained, 133 have been finally selected. In addition 11 SC/ST employees who had not taken the training were selected. This will clear the backlog and current reservation for SCs. The position of ST candidates is, however, not satisfactory; though 20 ST candidates have been finally selected.

4.47. In a subsequent note, the Committee were informed that **during the years 1983, 1984 and 1985 there was on promotion test from clerical cadre to the officers cadre in Junior Management Grade Scale-I.** In 1984 and 1985, 623 SC employees and 63 ST employees were given pre-promotional training for the above post. The reserved vacancies were 121 for SC and 156 for ST including the backlog. 124 SC and all the 20 ST employees, who passed the written test are being promoted. Out of this 114 SC and 19 ST had undergone the training. There was no other pre-promotional training during the three years.

4.48. The Committee are happy to note that UCO Bank provides **pre-promotional training to Schedule Caste/Scheduled Tribe employees of the Bank.** The Committee have been informed that in 1984 and 1985 the Bank imparted pre-promotional training to 623 Scheduled Caste and 63 Scheduled Tribe employees for appearing in the test for promotion from Clerical cadre to Officers cadre JMG Scale-I. The reserved vacancies were 121 for Scheduled Castes and 156 for Scheduled Tribes including the backlog. The Committee have been informed that 124 Scheduled Caste and all the 20 Scheduled Tribe employees, who passed the written test are being promoted. Out of this 114 Scheduled Caste and 19 Scheduled Tribe employees had undergone the aforesaid training.

The Committee feel that the pre-promotional training has proved quite useful to better the prospects of Scheduled Caste/Tribe employees for further promotions and it would go a long way in clearing the backlog in promotional posts if more attention, specially towards Scheduled Tribe employees, is paid in this regard. The Committee recommend that wide publicity should be given among Scheduled Caste/Tribe employees about the pre-promotional training scheme so that they could take full advantage of the scheme and are enabled to pass the written test without any difficulty as and when the need therefor arise.

CHAPTER V

CREDIT FACILITIES

A. Organisational Set-up

5.1 The Committee have been informed that a separate credit cell for SC/ST has been set-up in the Banking Division of the Ministry of Finance. This Cell periodically reviews the flow of credit to scheduled castes and scheduled tribes by Public Sector Banks with a view to monitoring the smooth flow of credit accruing to them within the framework of guidelines issued by the RBI from time to time for achieving targets laid down for lending to priority Sector and the Weaker Sections which includes SC/ST category, as well as for the sub-target stipulated for SC/ST beneficiaries under DRI.

5.2 In reply to a question, it has been stated that the staff strength of Credit Cell in the Banking Division (Deptt. of Economic Affairs) comprises of one Assistant and one L.D.C. The cell functions directly under a Research Officer who is incharge of Economic and Statistical Analysis section.

5.3 As regards the arrangements in UCO Bank, the Committee have been informed that at Head Office of the Bank, there are two departments, namely, SSI & Small Business and Agricultural & Allied Sector, which co-ordinate Bank's Programmes for extension of finance to SC/ST beneficiaries under various schemes. Each of these departments is headed by an Asstt. General Manager who reports directly to General Manager (Planning & Development). These departments are provided with senior and experienced officers. Besides communicating guidelines received from Ministry and RBI in regard to advances to SC/ST beneficiaries under various priority sector schemes to the Zonal/Divisional/Branch Offices, these departments are also doing overall monitoring of Bank's performance in this area. If the proposal from a SC/ST beneficiaries falls under the category of Medium or large scale Industry or Trade the same is handled by Operations (Credit) Deptt. at Head Office under G.M. (Operations).

There is an officer in each of the Department looking after the interest of Scheduled Castes/Scheduled Tribes and weaker sections of the community.

In each of the Divisions headed by Divisional Manager, there is a Manager (Credit) to look after Bank's advances in the Division in general and advances to SC/ST in particular. The Zonal Offices headed by Zonal Manager are entrusted with overall monitoring of Bank's performance in this area in the Zone. Recently there has been a reorganisation in the administrative structure of the Bank as per which each Divisional Office of the Bank are to look after 30 to 40 branches in a compact area. Newly reconstituted Divisional Offices have been advised to formulate suitable bankable schemes in collaboration with the State SC/ST Development Corporation and monitor the flow of credit to SC/ST beneficiaries.

5.4 When asked during evidence whether the Ministry of Finance was satisfied with this staff strength of the Cell, the Addl. Secretary, Min. of Finance stated as follows:—

"We have to do it with whatever staff we can spare. It is adequate. We are trying to monitor the information through this Cell. The reason is that the statistics are actually compiled by the RBI. They have much larger set up for collection of information and we get the returns and reports. We study them to find out whether the banks have been fulfilling whatever targets have been given to them and then they write to the bank whenever the need arises."

5.5 The Committee desired to know the arrangements in the Ministry of Finance for monitoring and evaluation of various schemes being operated by nationalised banks for providing credit facilities to Scheduled Castes and Scheduled Tribes. It has been stated in a note furnished to the Committee that lending by various nationalised banks to SC/ST under various schemes of credit assistance is reviewed periodically while reviewing the performance of public sector Bank's lending under the 'Priority Sector', 'Weaker Sections' and DRI.

Thus as against RBI's stipulated target for public sector banks to deploy 40 per cent of their total advances to the priority sectors—by the end of March 1986 Public Sector banks as a whole had channelled as much as 42 per cent of the total advances to the Priority Sector.

5.6 In order to focus effectively on monitoring the flow of credit assistance towards the poor as per RBI's stipulated target public sector banks have to deploy 10 per cent of their total advances to the 'Weaker Sections' as defined by the RBI which is inclusive of SC/ST category also. It may be noted that as against this 10 per cent target, by the end of March 1986 public sector banks as a whole had extended 10.3 per cent of their total advances towards the weaker sections.

5.7 Under the Differential Rate of Interest Scheme which was formulated with a view to making available concessional credit at the rate of 4 per cent per annum to enable the most vulnerable sections of society to take up small productive and self-employment ventures—Public sector banks set the target of deploying 1 per cent of their previous year's total advances towards DRI. Out of this it was also stipulated that 40 per cent of each bank's credit deployed towards DRI scheme should be extended for SC/ST beneficiaries exclusively. These targets have also been reached by end of March 1986 (and in the case of SC/ST beneficiaries far-extended); with public sector banks as a whole having extended 1.1 per cent of their total advances of the previous year towards DRI scheme—out of this 50.9 per cent of credit under DRI having been channelled towards SC/ST beneficiaries exclusively.

Thus it may be observed that constant watch and review has yielded by now positive results of increased flow of credit to SC/ST beneficiaries by public sector banks.

5.8 The representative of the Banking Division informed the Committee during evidence that the Banking Division received the data from the Reserve Bank of India every quarter and these were reviewed on half-yearly basis. In the case of those banks which fell short of the requirement, the Ministry wrote to them for improving their lending target to Scheduled Caste and scheduled Tribe. He further stated that in the case of specific schemes there was target for SC/ST. For example, regarding DRI advances, the target is 40 per cent and the achievement is 50 per cent. Similarly, in the case of IRDP, the target is 30 per cent but the achievement is 36 per cent. However, monitoring is a very big lacuna in the lending aspect of the banks. This has been noticed.

5.9 When asked whether the credit had flown sufficiently in accordance with the number of SC/ST people, the Additional Secretary, Banking Division stated that the target fixed were scheme-

wise, that is, IRDP, DRI and so on. These targets were to be fulfilled by the bank and that was the main issue which was taken up in this Cell.

5.10 When asked about the performance of UCO Bank in providing credit facilities to SC/ST people, it has been stated in a note furnished to the Committee that latest data show that UCO Bank has performed well in extending credit to priority categories including scheduled castes and scheduled tribes by end of March, 86. By the end of March 1986 UCO Bank had achieved all the stipulated RDI targets set for public sector banks relating to advances under priority sectors, weaker sections and DRI.

Thus, as against the stipulated target of deploying 40 per cent of total advances towards the priority sector as a whole by end of March 1986 UCO Bank had extended 42 per cent of its total credit to priority sector as a whole. Out of this 27.12 per cent of this total priority sector advances were channelled towards the Weaker Sections' (which includes SC/ST category) RBI's stipulated target being 25 per cent.

5.11 It may be noted that as against stipulated target for public sector banks to deploy at least 1 per cent of their previous year's total advances under DRI, UCO Bank had by end March 1986 deployed as much as 1.45 per cent of their previous year's credit as at the end of the previous year for the DRI scheme. UCO Bank had actually exceeded the stipulated sub-target of deploying 40 per cent of total DRI advances towards SC/STs, and extended as much as 44.97 per cent of their total DRI advances towards SCs/STs beneficiaries by end March 1986.

5.12 It may also be noted that UCO Bank has shown an increasing trend towards lending to SC/ST borrowers in the priority sector as a whole; thus the percentage share of the banks lending to SC/STs in the priority sector increased from 4.46 per cent in end March, 1983 to 6.41 per cent and 7.3 per cent at the end of March, 1985 and March, 1986 respectively.

When the Committee enquired whether the Banking Division/RBI were aware that in some States subsidy was being given to beneficiaries under IRDP without giving them bank loan, the Committee have been informed in a note as follows:—

"As per information available from Department of Rural Development, in the North-Eastern Region, during Sixth Plan, in view of

the inadequate development of banking infrastructure, credit linkage to IRDP was not insisted upon. In view of the loan portion, the beneficiaries could contribute in shape of family labour or materials. Even then there was satisfactory credit linkage in Assam, Tripura and Sikkim and a little in Manipur and Nagaland and Arunachal Pradesh.

It was decided to link institutional credit to IRDP subsidy from 1985-86 onwards. To operationalise this decision and to ensure effective implementation of the Programme, it was decided that the banks and the DRDA staff should undertake joint tours as far as possible. Wherever necessary, DRDAs should provide transport facilities to the staff, to enable them to undertake field visits. It was also decided that the State/UTs should create posts of APO (Credit) in the DRDAs, which do not have such posts at present. States/UTs in the North-Eastern Region have been asked to pursue the cases of opening new bank branches in the States/UTs with the RBI and to prepare applications for the areas for which no application for licences of bank branches had yet been made.

In these areas, where bank branches have not yet been opened, the State Govts./UTs have been requested to consider the suggestion that the DRDAs obtain loans from the banks under State guarantee and advance them to the beneficiaries. In such cases, the DRDAs would be responsible for advancing loans to the beneficiaries as well as for recoveries.

The progress under IRDP during Sixth Plan, 1985-86 and 1986-87 in the North Eastern Region indicates that there is step up in credit linkage in these States from 1985-86 onwards, barring Meghalaya and Mizoram."

5.14 When asked about the problem of security being faced by some banks and how the Govt. proposed to solve this, it has been stated in a note furnished to the Committee that according to information available, in the State of Manipur, where there have been some activity by underground elements in certain pockets, 3 bank branches out of 81 are reportedly not functioning because the security arrangement to be provided by the State Police for these branches are yet to be finalised. The State Government have recently proposed to increase the security cover for bank branches from one section to two sections of armed guards. Even though a concessional rate of Rs. 300/- per month is being charged by the State Government for each guard, in view of the low profitability of the branches,

the banks have found the cost involved for the armed guards provided by the State Police as prohibitive. The banks have, therefore, requested the State Government not to charge them for Police guards deployed in excess of 6 per branch. The decision of the State Government in this regard is reportedly still awaited.

Committee note that a separate credit Cell for SC/ST has been set up in the Banking Division of the Ministry of Finance to periodically review the flow of credit to SCs and STs by Public Sector Banks with a view to monitoring the smooth flow of credit to them and achieving targets laid down for lending to Priority Sector and the Weaker Sections including SCs/STs as well as for the sub-targets stipulated for SC/ST beneficiaries under DRI. The Committee have been informed that the Credit Cell comprises of one Assistant and one Lower Division Clerk and it functions directly under a Research Officer who is incharge of Economic and Statistical Analysis Section.

The Committee do not consider the staff strength of the Cell viz. one Assistant and one LDC adequate to look after the work relating to credit facilities provided by 28 nationalised banks to SCs/STs. The Committee, therefore, recommend that the strength of the Cell should be immediately reviewed keeping in view the volume of work and it should be placed under an independent senior officer posted exclusively for the work of this Cell.

5.16. The Committee are unhappy to note that under IRDP, in Manipur an average subsidy of Rs. 2000/- per beneficiary was given by the State Government to a large number of beneficiaries but no loan linked with subsidy was given to them as there were no sufficient banks in Manipur. The Ministry of Finance (Banking Division) have informed that in the North-Eastern Region, during Sixth Plan, in view of the inadequate development of banking infrastructure, credit linkage to IRDP was not insisted upon.

The Committee are of the view that it is a sheer wastage of public money to give subsidy to SC/ST beneficiaries without linking institutional credit to subsidy as it may not be possible for the beneficiary to take up any viable scheme/project for raising his economic status only with the meagre amount of subsidy of Rs. 2000/-. The Committee feel that if subsidy linked loan is also given to beneficiaries, it would help them to take up suitable viable projects/business for raising their economic and social status. The Committee, however, note with satisfaction that it has now been decided to link institutional credit to IRDP subsidy from 1985-86 onwards.

The Committee hope that this decision will be meticulously implemented by all concerned in future for effective implementation of IRDP and other poverty alleviation programmes.

5.17. The Committee have been informed that due to activities of some under-ground elements in certain parts of Manipur three Bank Branches out of 81 Branches of United Bank of India are not functioning as security arrangements have not been provided by the State Government. For the same reasons the United Bank of India which wanted to open more Branches in the State could not do so. There is some dispute regarding the share of cost of the security cover provided to the Bank Branches between the State Government and the Bank concerned. Due to non-settlement of aforesaid dispute neither the additional Branches of the Bank are being opened nor all the existing Branches of the Bank are functioning. Similar situation might possibly be prevailing in other hilly States as well.

The Committee need hardly point out that in such a situation various development programme including the schemes regarding various credit facilities for Scheduled Castes/Scheduled Tribes cannot be implemented properly in such areas.

The Committee, therefore, recommend that the Ministry of Finance (Banking Division) should make an in-depth study in the matter and find out specific pockets in different States/Union Territories where such malady exists. The Committee also recommend that the matter regarding providing security to the banks should be sorted out with the State Governments/Union Territories Administrations concerned without further delay so that various programmes/schemes for socio-economic development of SCs/Sts are not hampered for want of banking facilities. The Committee would also like to be apprised of the results of study made by the Banking Department and the follow-up remedial steps taken in regard thereto.

5.18. It has been brought to the notice of the Committee during its Study Tours to backward and hilly areas of North-East States that credit policy of the Government did not suit the North-East States as the conditions in hilly areas are totally different from plain areas. There was no cluster of houses in hilly areas and the people there are required to climb up and down the difficult terrains. Therefore, All India norms prescribed for allocation of funds for development of schemes of the programmes for SCs/STs like Rural

Electrification, supply of potable drinking water etc. were not suitable and workable in such States. For example, for identification of a problem village for the purpose of supplying potable water there, criterion of 1.6 kilometre distance from the source of potable water is applied both in plain areas as well as hilly areas. The Committee feel that there was need for relaxation in the norms fixed for hilly areas as 1.6 kilometre in such terrains was equal to much more distance in plain areas.

The Committee, therefore, urge upon the Government to be more practical and formulate different norms in respect of people living in difficult and inaccessible hilly areas for their prompt and proper development. The Government should make an in-depth study in the matter with a view to providing far more liberalised norms in such areas than fixed for people in plain areas. The Committee may be apprised of the results of the study made and the norms fixed for such areas.

B. Salient Features of Credit Schemes

5.19. The Committee have been informed that in tune with the National objective and for the economic upliftment of SC/ST as per the instructions/guidelines issued by the Reserve Bank of India from time to time under various schemes pertaining to priority sector UCO Bank has been putting concerted efforts to provide institutional finance to these economically weaker sections and SC/ST beneficiaries. Scheduled Castes/Scheduled Tribes beneficiaries are extended credit by the Bank under the following various schemes:—

- (i) *Differential Rate of Interest Scheme* : Under the DRI Scheme SC and ST beneficiaries engaged in small productive and self-employment ventures are extended finance subject to terms and conditions laid down by the Ministry of Finance, Department of Economic Affairs (Banking Division) as also Reserve Bank of India. The quantum of finance that may be granted to eligible beneficiary under this scheme by way of loan for purchase of fixed assets, equipments etc. and working capital not to exceed Rs. 6,500/-. Under DRI scheme one per cent of Bank's total advances of the previous year are to be extended to SC/ST and economically weaker sections at a very concessional rate of interest of 4 per cent per annum. 40 per cent of the credit under the scheme is to be extended exclusively to SC/ST beneficiaries.

- (ii) *Integrated Rural Development Programme*: Considering that both the 20-Point Programme and the IRDP are so designed to give special emphasis on assisting Scheduled Castes/Scheduled Tribes group, the Bank has laid due stress on ensuring its active involvement in the implementation of the Programmes. IRDP is the National Programme for poverty elimination in the rural areas by providing finance from the banking sector and subsidy from the Government to the economically weaker section of the society in the rural areas so as to engage them in productive/business activities and generate self-employment. In accordance with the instructions issued in this regard the preference is to be given to the SC/ST people in the selection of the beneficiaries and those selected are provided finance by branches of the bank as per the Policy. It has been stipulated in the guidelines that 30 per cent of the beneficiaries and amount should belong to SC/ST and thus they are being provided maximum assistance under this Programme. SC/ST beneficiaries are given higher rate (upto 50 per cent) of subsidy by Govt. as against subsidy of 25 to 33 per cent to other beneficiaries.
- (iii) *Scheme for Housing Finance* : As per the guidelines of Reserve Bank of India finance for construction of Houses are extended to SC/ST beneficiaries both by way of direct finance to the concerned beneficiaries as also by way of indirect finance to any governmental Agencies for the purpose of constructing houses exclusively for the benefit of SC/ST. In both the above cases the quantum of loan sanctioned per beneficiary is upto Rs. 5,000/- at a concessional rate of interest of 4 per cent per annum (as against 12.5 per cent per annum being charged to other beneficiaries).
- (iv) *Scheme for financing State Corporations for SC/ST for implementing Schemes for various productive activities to be undertaken by its members*: Under the scheme, Bank route credit through State Corporations for the welfare of SC/ST people subject to beneficiaries of the Corporations meeting the eligibility criteria prescribed for DRI Scheme. The finance is made available to the Corporations against specific and commercially viable schemes formulated by them for their beneficiary members. The quantum of finance that is provided is not to

exceed Rs. 6,500/- per beneficiary to be financed under a particular scheme.

Individual schemes tailored to the specific needs of SC/ST community located in specific regions taken up by various agencies for the benefit of SC/ST exclusively, are also being financed by the bank on merit. For example, special components plan scheme in West Bengal for financing share croppers and patta holders Fishermen Cooperative Societies in coastal areas, Tamil Nadu Fisheries Development Corporation Scheme for purchase of mechanised boats by fishermen, Anthiya Vasi Corporation sponsored by the Govt. of M.P., Tribal Development Corporation set up by Gujarat State. SC/ST beneficiaries are also being financed under various lending schemes for Agriculture, Industry and Trade where the quantum of finance required exceeds the maximum amount of Rs. 6,500/-. The quantum of finance for each such project taken up by the beneficiaries is decided taking into account the need-based requirements without any ceiling on the quantum of credit facilities.

5.20 The identification of SC/ST and formulation of suitable need based Schemes with reference to activity to which they are normally accustomed are generally done by the respective State Scheduled Castes and Scheduled Tribes Development Corporation in association with commercial banks. Depending upon the local potentialities, infra structure and market demand etc., different schemes are formulated for extending credit facilities to SC/ST. For instance, UCO Bank has finance a number of fishermen Cooperatives in Coastal area of Orissa, piggery and dairy units in North-eastern region, Auto-rickshaw scheme in Gujarat, Inland Fishery and Special Component Plan in West Bengal etc. -

5.21 In a note furnished to the Committee, it has been stated that there are specific instructions/guidelines issued by Reserve Bank of India from time to time under various schemes of the priority sector including for weaker sections and for SC/ST beneficiaries. There are specific guidelines for schemes such as IRDU and DRI schemes under which sub-targets have been fixed ensuring adequate flow of credit to SC/ST beneficiaries. It may be noted that RBI has also issued guidelines for liberalised terms and conditions while extending credit to beneficiaries belonging to weaker sections and SC/ST encompassing concessional rates of interest margin and collateral securities.

Professional and self-employed persons belonging to SC/ST categories as well as women entrepreneurs are being provided working capital financed at concessional rate of 14 per cent per annum

as against 15.5 per cent effective from 1st April, 1987 per annum charged from other entrepreneurs. It may also be noted that for finances to agriculture and allied sector upto a limit of Rs. 5,000/- no margin, collateral security or personal guarantee is to be insisted upon. Further for all priority sector loans excluding agricultural loans upto a limit of Rs. 25,000/- no margin, collateral security or personal guarantee is insisted upon.

5.22 The Committee desired to know the procedure being followed for selection of SC/ST beneficiaries under IRDP Schemes. It has been stated in a note furnished to the Committee that in the selection of IRDP beneficiaries various State Govts. follow different procedures. In some States, selection of beneficiaries are primarily done by Village Panchayat bodies after being identified by DRDAs in association with State Scheduled Castes and Scheduled Tribes Development Corporation. In other States, it is being jointly done by DRDAs and Block officials. In districts where there is a large sector of tribal population, Tribal Development Authority (TDA) has been established. In such districts DRDAs in association with TDAs sponsor the names to the Bank for financial assistance.

DRI Scheme :

5.23 Differential Rate of Interest Scheme popularly known as DRI Scheme was introduced during June, 1972 to improve the economic status of the weaker sections of downtrodden and other less fortunate people. The eligible borrower includes small and marginal farmers, landless agricultural labourers, members of Scheduled Castes and Scheduled Tribes, physically handicapped persons, indigent students of merit going in for higher studies, borrowers engaged on a modest scale in cottage and rural industries etc.

- (1) **Eligibility:** (a) Family income of the borrower from all sources does not exceed Rs. 72,00 per annum in urban and semi-urban areas or Rs. 6400 in rural areas.
- (b) The borrower does not own any land or the size of the land holding does not exceed 1 acre of irrigated land or 2.5 acres of dry land.
- (c) Members of SC/ST are eligible irrespective of their land holdings provided they satisfy other criteria.
- (d) The borrower does not incur liability to two sources of finance at the same time.

- (e) The borrower does not employ paid employees on regular basis.
- (f) The loans should be for productive purposes only.
- (2) *Quantum of loan* : (a) Maximum loan under the Scheme should not exceed Rs. 1,500/- for working capital and Rs. 5000/- for term loan.
- (b) Composite loans can be granted upto Rs. 6500/- without making distinction between term loan and working capital loan.
- (3) *Rate of Interest* : Simple rate of interest at the rate of 4 per cent at half-yearly intervals.
- (4) *Margin & Security* : (a) No margin
- (b) No co-obligation/guarantee
- (c) The assets purchased out of the bank finance to be hypothecated.

The Committee have been informed that under the DRI scheme the target set for Public Sector Banks envisages that:—

- (i) DRI advances should be 1 per cent of total advances of the previous year;
- (ii) Share of DRI advances to SC/ST should be 40 per cent;
- (iii) Share of DRI advances through rural and semi-urban branches should be 66.7 per cent.

5.24 In reply to a question, it has been stated that as at the end of December, 1985 Bank's advances to weaker sections reached to 10.12 per cent of the total advances as against the target of 10 per cent. DRI advances constitute 1.54 per cent of total advances in December and 1985 as against the target of 1 per cent. The share of advances to SC/ST in the end of December, 1985 was as much as 44.86 per cent of total DRI advances as against the target of 40 per cent. Further the advances through rural and semi-urban branches was as much as 77 per cent in the end of December 1985 as against the target of 66.7 per cent. Thus UCO Bank has not only achieved but exceeded all the targets set up by the Central Govt./Reserve Bank of India in connection with advances to weaker sections and advances under DRI Scheme.

5.25 In a note furnished to the Committee it has been stated that the amount of total loan disbursed under DRI Scheme by UCO Bank during the last three years and the share of SC/ST was as under:—

	(Amount in lacs)		
	1983	1984	1985
Total beneficiaries	80093	77406	53986
Amount disbursed	952 21	1098.55	695 70
SC/ST beneficiaries	34309 (42.84%)	39883 (51.52%)	24934 (46.19%)
Amount disbursed	411.03 (43.17%)	538 38 (49.01%)	339 44 (48.79%)

5.26. In reply to a question, it has been stated that the maximum amount of composite loan that can be given under DRI to any beneficiary including SC/ST beneficiaries is Rs. 6500/-. The total number of SC/ST beneficiaries to whom loans of Rs. 5000/- and above have been sanctioned by UCO Bank under DRI as at the end of the year 1984 & 1985 aggregates to 5657 and 6355 respectively.

5.27 In reply to a question, it has been stated that the terms and conditions for lending to the SC/ST Corporation under DRI Scheme are as under:—

- (1) Banks may route credit under the scheme through State Corporations for the welfare of Scheduled Castes and Scheduled Tribes subject to the beneficiaries of the Corporations meeting the eligibility criteria and other terms & conditions indicated in the D.R.I. scheme.
- (2) The Corporations themselves will be exempt from the income criteria.
- (3) Financing will be made available to the Corporation against specific and economically viable schemes formulated by them. Further the Corporations will not add any service charges and the loans will flow to the beneficiaries at 4 per cent per annum rate of interest.
- (4) The Corporations will be responsible for repayment of the loans on the dates irrespective of recovery from the beneficiaries

- (5) It will be the responsibility of the Corporation to ensure that funds are utilised for the production purpose only for which they have been sanctioned and not for meeting their normal running expenses.
- (6) Since the advances to State Corporations will not be eligible for guarantee cover from the Credit Guarantee Corporations of India Ltd., State Govts. may have to provide guarantees to the lending banks.
- (7) If a Corporation fails to pay the instalments of the loan, or violates any terms & conditions stipulated in the scheme it may be liable to forfeit its right for further finance.

5.28 Under DRI guidelines, Banks may also route credit under DRI Scheme through Cooperative Societies/Large and Multi-Purpose Societies (LAMPS) organised specifically for the benefit of the tribal population, in areas identified by the Government of India on the same terms and conditions as are applicable to State owned corporations for the welfare of Scheduled Castes and Scheduled Tribes.

5.29 When asked to state the SC/ST Development Corporations to whom UCO Bank has given loan under DRI Scheme, it has been stated that the SC/ST Development Corporations of most of the State Governments are sponsoring individual loan cases to Banks and providing subsidies and are not availing finance directly.

5.30 When asked how the bank ensured that advances sanctioned for SC/ST, were paid to them in full and they were not exploited by unscrupulous persons, it has been stated in a note submitted to the Committee. That as per their Bank's instructions, Branches are avoiding middlemen for introducing/recommending beneficiaries for sanction of bank credit. It has also been stressed that the important terms and conditions of DRI Scheme should be explained to them as the beneficiaries are mostly from illiterate category. As a precaution to such exploitation by middlemen, Zonal and Divisional Offices have been advised to take steps for printing guidelines in regional languages so that they can be made available to the beneficiaries. The Branch Manager interviews the prospective borrowers and informs him of the amount sanctioned. Wherever feasible, assets are provided in kind and the amount paid to the suppliers by the bank itself. Repayment of loan instalments are always to be made in the bank counter and a receipt be obtained. All beneficiaries covered under IRDP are issued with loan Pass Books and the entries therein are occasionally verified.

5.31 The Committee desired to know the number of SC/ST beneficiaries assisted to cross the poverty line under IRDP and DRI schemes during the last two years. It has been stated in a note furnished to the Committee that under IRDP 80112 beneficiaries belonging to Schedule Caste/Schedule Tribe categories enjoying credit facility to the extent of Rs. 10.01 crores upto December, 1984 and 95714 beneficiaries enjoying credit facilities to the extent of Rs. 15.20 crores as on 31-12-1985. Under DRI 79681 Schedule Caste/Schedule Tribe beneficiaries were assisted to the extent of Rs. 9.31 crores as on December 1984 and 89504 beneficiaries belonging to Schedule Caste/Schedule Tribe categories were assisted to the extent of Rs. 9.81 crores as on December, 1985. However, UCO Bank has not conducted any survey as such to evaluate, how many scheduled castes/Scheduled tribes persons assisted have actually crossed the poverty line.

5.32 When asked about the break-up of Scheduled Castes/Scheduled Tribes out of 40 per cent target under DRI, the representative of the Banking Division, stated during evidence that the practice was that the Reserve Bank did not compile the figures separately. They combined both SC and ST.

5.33 The representative of the Reserve Bank of India however, furnished the following information in regard to DRI advances to Scheduled Castes and Scheduled Tribes in terms of accounts and advances:—

“I am giving the details in respect of all the public sector banks. DRI advances as at the end of December, 1985, for Scheduled Castes is 16,57,364 accounts and the amount is Rs. 190,88,55,000; in respect of Scheduled Tribes, it is 5,51,477 accounts and the amount is Rs. 56,11,70,000/-. The total figure in respect of SC and ST is 22,08,841 and the amount is Rs. 247 crores.”

5.34 In reply to a question, the representative of Reserve Bank of India stated that the total advance under DRI in terms of account was 45,51,000 and the amount was Rs. 486 crores of which the share of SC and ST was 22.1 lakh accounts and the corresponding amount was Rs. 247.00 crores outstanding, the percentage of advances given to SC and ST community under DRI Scheme was 51 per cent.

5.35 When asked about the per capita advance given for both Scheduled Castes and Scheduled Tribes, the witness stated that the average came to Rs. 1000/-.

5.36 The Committee pointed out that the DRI advance programme was one of the poverty alleviation programmes of Government of

India and its limit was Rs. 6500/-. But nowwhere this amount of Rs. 6500/- had been given. The Committee desired to know whether the Ministry of Finance had taken note of this point. The representative of the Ministry of Finance (Banking Division) stated as follows:—

“In very few cases the amount given is substantial. We have had informal discussions with the Banks. They say that the credit given for any particular activity will not be above the limits. The DRI advance bears an interest of 4 per cent. Other schemes like the IRDP is much more beneficial than the DRI. In the IRDP scheme also, we have seen that the average loan given to a person is Rs. 2000/-. We have discussed with the Rural Development Department and others. The type of activity which can be assisted in the rural areas normally is not of that size. Your points is well taken. We will ask, especially the banks, to be more liberal towards the Scheduled Castes and Scheduled Tribes.”

5.37 In this connection the witness further explained that loan amount varied depending upon the size of the activity Rs. 6,500/- was the maximum limit. Actual loan would be on the size of the project.

5.38 Additional Secretary, Ministry of Finance (Banking Division), stated in this connection as follows:—

“When the DRI Scheme was evolved in early 70s there were no other schemes. But over the years more attractive schemes like IRDP where nearly 50 per cent is the subsidy for Scheduled Castes and Scheduled Tribes have come up. There is also a scheme for self-employment for educated unemployed. These Schemes have become more attractive than the DRI which has a 4 per cent interest. Whereas in other schemes with an element of subsidy, the interest goes below zero. Therefore, as you have rightly observed, in some cases there is a need for second dose. A massive programme has been undertaken under the IRDP to give a second dose so that people come out of the poverty line. Since IRDP is more attractive, more often people are opting that.”

5.39 The Committee pointed out that the IRDP and DRI scheme were poverty-alleviation programmes but under these programmes the average lending to a SC/ST beneficiary was not more than Rs.

2,000/-. The Committee, therefore, suggested that the Ministry of Finance/Reserve Bank of India should monitor whether the SC/ST beneficiaries under these programmes had actually crossed the poverty line. The Additional Secretary, Ministry of Finance (Banking Division) promised to examine this point.

Housing Loans

5.40 The Committee have been informed that as per RBI guidelines for Housing finance, finance for construction of houses may be extended to SC/ST beneficiaries both by way of direct finance to the concerned beneficiaries as also by way of indirect financing to any Government agency for the purpose of constructing houses exclusively for the benefit of SC/STs. In both the above cases the quantum of loans sanctioned per beneficiary is upto Rs. 5000 and bank finance can be extended upto 80 per cent of the total cost. The advance to SC/ST for construction of houses upto Rs. 5000 will bear concessional interest of 4 per cent per annum (as against 12.5 per cent per annum charged from others). It may be noted that such concessional housing finance to SC/STs are not included as part of advances under DRI scheme.

5.41 The amount of housing loans granted to SC/STs during the last three years has been described is as under:—

Year	Number of borrowers	Outstanding as at the end of year
1983	830	18.89
1984	1554	30.76
1985	1483	24.23

5.42 When asked whether there was any proposal to increase the amount of housing loan under DRI Scheme, it has been stated that at present no revision of housing loan is proposed.

Educational Loans

5.43 It has been stated that Indigent students of merit going in for higher education who do not get scholarship maintenance grants from Government or educational authorities are eligible for educational loans under DRI scheme provided they comply with other eligibility criteria laid down under the scheme. For SC/ST students the only eligibility criteria is that the family income of the borrower from all sources should not exceed Rs. 7200 per annum in urban and semi-urban areas or Rs. 6400 per annum in rural areas. The

maximum amount of loan that may be granted to a student borrower is Rs. 6500 and the rate of interest applicable is 4 per cent per annum.

5.44 The eligibility criteria as also other terms and conditions for sanction of educational loans under DRI Scheme to SC/ST and other categories of borrowers.

	General	SC/ST
<i>Eligibility</i>	: 18 to 25 years in case of vocational training, job oriented diplomas and 21 to 28 years in case of P.G. courses.	Same, but relaxable at the discretion of sanctioning authority.
<i>Academic background</i>	: Minimum 1st class marks in all previous examinations.	A good 11nd class or atleast 45% marks in all previous examinations.
<i>Rate of Interest.</i>	: 11% per annum.	4% per annum.
	Guarantee from father/mother besides another surety of reasonable worth. LIC Policy equivalent to the amount of loan.	Personal guarantee of father/mother. Requirement of another surety and L/C Policy may be waived.
	To start one month after the student gets employment or one year after completion of study whichever is earlier. Loan to be repaid in not more than sixty monthly instalments.	

5.45 The Committee have been informed that the total amount of educational loan advanced to SC/ST students during the last three years is as under:—

(Amt. in lakhs)

	Dec.'83	Dec.'84	Dec.'85
No. of A/cs	315	130*	226
Amount Outstanding	Rs. 9.66	Rs. 6.75*	Rs. 10.52

*Due to repayment it has come down in 1984 over 1983.

5.46 In reply to a question, it has been stated that the students who are getting scholarships or maintenance grant are also entitled to get education loan at 4 per cent interest provided their loan amount do not exceed the maximum limit of Rs. 6,500/- under DRI. For the students whose loan limit exceeds the prescribed DRI ceiling of Rs. 6,500/-, they are also eligible for education loans but at normal rate of interest.

Rural Artisans and Small Scale Industries

5.47 It has been stated in a note furnished to the Committee that as per the official guidelines by the Govt. for the schemes SC/ST rural

artisans as also small units set up by SC/ST may be granted composite loans aggregating to Rs. 6500 at a rate of interest of 4 per cent per annum subject to the beneficiary fulfilling the eligibility criteria laid down under the Scheme. The eligibility criteria is that the family income of the borrower from all sources should not exceed Rs. 7200 per annum in urban and semi urban areas or Rs. 6400 per annum in rural areas.

5.48 Total advances to small scale industries and the share of scheduled caste/scheduled tribe entrepreneurs and the total number of borrowers under Small Scale Industries and the number of scheduled castes/scheduled tribes among them during the last three years were stated to be as under:—

	(amt. in crores)		
	Dec. 1983	Dec. 1984	Dec. 1985
Total advances to SSI	141.65	154.86	175.64
Share of SC/ST	0.87%	1.45%	1.88%
Total No. of SSI borrowers	21449	24473	32230
No. of SC/ST borrowers	2202	3296	5004

5.49 The Committee desired to know the total number of rural artisans and the small Units set up by SC/STs who were granted loan under DRI Scheme during each of the last three years and how many of them were granted composite loan aggregating to Rs. 6500. It has been stated in a note furnished to the Committee that the requisite number of composite loans aggregating to Rs. 6500/- estimated on the basis of available information are as follows:—

Total No. of SC/ST beneficiaries	1983	1984	1985
	Sanctioned loans for Setting up SSI Units/ Small Business	8545	10423	12969
Those who were sanctioned composite loan of Rs. 6500/-	1,050	1,212	1,364

5.50 When asked whether any survey had been conducted by the Bank to know as to how far the Bank loans for SSI have enabled the beneficiaries to stand on their own feet; it has been stated that SSI Units financed by the Bank are periodically inspected by the Branch Manager and higher authorities to ascertain the progress of the unit. Besides this as per RBI guidelines branch and Divisional Office are undertaking review of each account for classifying them under different health codes.

20 Point Programme.

5.51 As regards 20 Point Programme, the Committee have been informed that from the beginning, the bank has taken very active part and made all out efforts in the implementation of 20 point Programme. As per the report of RBI working Group, out of total 20 points bank's assistance could be extended on 12 points. For the purpose of its quick implementation and for extending bank credit under different points, number of workshops have been organised by the bank for the benefit of rural Branch Managers.

Under the 20-Point Programme substantial assistance was made available to increasing irrigation potential, improving dry land agriculture, IRDP, Bio-gas Plant and Programme for development of Scheduled Castes/Scheduled Tribes.

5.52 Total financial assistance provided by the Bank under 20-Point Programme during each of the last three years is stated to be under:—

	(Amt. in Rs. crores.)		
	1983	1984	1985
(i) Total Assistance*	125.82	142.30	154.54
(ii) of (i) advances to SC/ST beneficiaries	10.28	14.37	21.45
(iii) Percentage share of SC/ST to item (i)	08.17	10.10	14.06

*(excluding subscription to SEB Bonds)

5.53 The Committee note that the UCO Bank is providing credit facilities to SC/ST under various schemes drawn up under Priority Sector, DRI Scheme, IRDP and 20-Point Programme.

The Committee appreciate that the UCO Bank has exceeded the target of 40 per cent share of DRI advance in favour of SCs/STs but regret to point out that the number of beneficiaries has registered a decline. Similarly the amount disbursed in 1985 has also

declined compared to the amount disbursed in 1984. The number of beneficiaries which rose from 34309 in 1983 to 39883 in 1984 has come down to 24934 in 1985. In the case of amount of advances also, the figures which rose from 411.03 lacs in 1983 to 538.38 lacs in 1984, declined to Rs. 339.44 lacs in 1985.

The Committee would like the Ministry of Finance (Banking Divisions)/UCO Bank to critically examine the matter, identify the reasons for decline and take steps to ensure that more and more SC/ST beneficiaries are brought in the fold of DRI scheme to better their economic condition. The Committee would also like to be apprised of the remedial measures taken in this direction and results achieved.

5.54 The Committee have been informed that under DRI Scheme maximum composite loan of Rs. 6500 can be granted to a SC/ST beneficiary. The Committee are unhappy to note that in 1984, only 5657 out of 39883 and in 1985, only 6355 out of 24934 SC/ST beneficiaries were granted a loan of Rs. 5000 or more under this scheme. As admitted by the representative of Ministry of Finance (Banking Division) during evidence, the average loan given to a SC/ST beneficiary comes to Rs. 1000 only. Similarly, under IRDP also, the average loan given to such a person comes to Rs. 2000. This inevitably makes it necessary to give a second dose of advance in many cases.

The Committee need hardly point out that IRDP and DRI are poverty alleviation programmes. The Committee, therefore, stress that the nationalised banks including UCO Bank should be more sympathetic and liberal in granting loans to SC/ST beneficiaries under IRDP/DRI to enable them to come above the poverty line without resorting to a second dose of advance.

5.55 The Committee have been informed that under the guidelines regarding DRI Schemes, banks may route credit under this scheme through State Corporations set up in various States for the Welfare of Scheduled Castes and Scheduled Tribes.

The Committee recommend that with a view to increase the flow of credit to SC/STs, UCO Bank should establish contacts with the various SC/ST Corporations and participate in financing the viable schemes framed by these Corporations.

5.56 The Committee also recommend that in order to give benefit of DRI Scheme to an increasing number of persons belonging to Scheduled Tribes, UCO Bank should route DRI advances through

cooperative societies/LAMPS specifically organised for the benefit of tribal population.

5.57 The Committee further recommend that the Ministry of Finance (Banking Division) should monitor to find out whether the Scheduled Caste and Scheduled Tribe beneficiaries have actually come above the poverty line with the financial assistance provided to them under IRDP/DRI programmes.

5.58 The Committee note that a housing loan advance upto Rs. 5000 can be granted to a SC/ST beneficiary at concessional rate of interest of 4 per cent per annum. The Committee consider that an amount of Rs. 5000 is not sufficient for construction of a house when the cost of construction as well as building material is soaring high. The Committee recommend that in order to improve the living conditions of SC/ST, the maximum amount of loan at 4 per cent interest should be increased at least to Rs. 7500.

5.59 The Committee note that educational loans are granted under DRI Scheme at concessional rate of interest of 4 per cent to those students only who are not getting any scholarship/maintenance grants from Government or educational authorities. The Committee are unable to understand the rationale behind this condition. The education loan is given to meritorious but poor and needy students whose family income from all sources is not more than Rs. 6400 and Rs. 7200 in rural areas and urban areas respectively. The Committee feel that in cases where the scholarship amount is insufficient the students should be given the aforesaid education loan so that such SC/ST students may not be compelled to leave their studies for want of money. The Committee recommend that the scheme may be reviewed in all its perspectives and the amount of loan revised taking into account the depreciated value of the rupee and continuously rising prices.

5.60 The Committee note that under DRI Scheme composite loan aggregating to Rs. 6500 at the rate of 4 per cent interest per annum can be granted to SC/ST beneficiaries for setting up their own small scale industrial units/small business. The Committee regret to point out that the share of SC/ST beneficiaries in the total advances to SSI/small business was only 0.78 per cent, 1.45 per cent and 1.88 per cent in 1983, 1984 and 1985, respectively. The Committee are all the more unhappy to note that composite loans each aggregating to Rs. 6500 were sanctioned to only 1050 SC/ST beneficiaries in 1983, 1212 in 1984 and 1364 in 1985.

The Committee recommend that SC/ST beneficiaries should be encouraged to start their own SSI Units small business and to take up non-caste based and gainful avenues of employment by providing necessary assistance to them in formulating viable schemes and granting loans liberally to the maximum limit admissible so that they are able to stand on their own feet.

C. Priority Sector Advances

5.61 The Committee have been informed that no target has been set by the Central Govt./Reserve Bank of India regarding share of SC/ST in total priority sector advances. Nevertheless in tune with the Reserve Bank of India directives to Banks from time to time to especially monitor and help formulate and finance a greater flow of bankable schemes for SC/ST beneficiaries, the Bank has shown the trend of increasing the share of finance to SC/ST in total priority sector from 4.6 per cent in 1983 to 7.3 per cent in 1985. Number of borrowal accounts have gone up from 1,21,389 to 2,14,303 during the same period.

Advances to weaker sections defined under Reserve Bank of India guidelines which is inclusive of Scheduled Castes and Scheduled Tribes beneficiaries stipulates that 25 per cent of the priority sector advances or 10 per cent of the total commercial bank credit should go to the weaker sections.

5.62 The Committee desired to know the share of SCs/STs in the 10 per cent of total advances to be deployed to weaker sections by the bank. It has been stated in a note furnished to the Committee that no share has been fixed for SCs/STs separately in regard to advances to be deployed by the banks to the weaker sections, which of course include SC/ST beneficiaries (apart from being constituted of small and marginal farmers, landless labourers, share croppers, artisans, village and cottage industries, IRDP beneficiaries and beneficiaries under DRI).

5.63 The percentage share of weaker sections and SC/ST beneficiaries in aggregate advances of all public sector banks as a whole

is given below:—

Year	Percentage share of weaker section in the aggregate advances	Percentage share of SC/ST in the Aggregate advances
	Public Sector Banks	Public Sector Banks
Dec. 1983	7.8	2.18
June 1984	8.3	2.14
Dec. 1984	8.7	2.31
June 1985	9.2	2.77
Dec. 1985	10.2	2.73
June 1986	10.6	2.83

Data are provisional

5.64 When asked about the difficulty in setting up separate targets for financing SC/ST beneficiaries under priority sector, it has been stated that there is no such stipulation regarding percentage of total priority sector advances that should go to SC/STs. Nevertheless specific targets have been fixed for them under various schemes like DRI, IRDP and SEEUY. Under the DRI Scheme, the target laid down for all public sector banks is to deploy 1 per cent of the bank's total advances in the preceding year towards DRI and out of this 40 per cent should be channelled to SC/ST beneficiaries. Under IRDP at least 30 per cent of the assisted families should be drawn from SC/STs. This minimum percentage of 30 is to operate in micro terms at the district and state level and at least 30 per cent of the resources investment in terms of subsidies given and credit disbursed should also go to SC/ST beneficiaries. In case of self-employment for educated unemployed youth (SEEUY) as from April, 1986 onwards 30 per cent of the sanctions have to be reserved for SC/ST beneficiaries. As regards deployment of credit towards the weaker section (of which SC/STs are a component) the target laid down is for all public sector banks to deploy share of 10 per cent of their total advances.

5.65 The reasons for not earmarking the share of certain percentage amount of borrowal accounts for SC/STs in priority sector advances is that although credit is a key input in the programme of self-employment and creation of productive assets but credit alone is not sufficient. There is need for considerable assistance from State/District/Block level agencies in formulating viable schemes for providing timely technical assistance to the beneficiaries to ensure optimum utilisation of the funds advanced to them. The State

Governments have been advised to disaggregate the schemes for SC/STs districtwise and incorporate these in the District Credit Plans so as to facilitate the flow of Banks' assistance to those sectors.

State Governments have also been advised to ensure to discharge their responsibilities which consists of systematic identification of schemes and beneficiaries, provision of extension services, adequate linkages in infrastructural facilities, assistance in marketing the end product, monitoring of the implementation of schemes and arrangements for imparting training to the beneficiaries.

It is felt that the main constraint in accelerating the flow of credit to SC/ST borrowers has not been any absence of willingness on the part of the banks to undertake such lending but absence of infrastructural support for supply of inputs and marketing produce, limited skills and ability of willingness to try non-traditional avenues of occupation. If these areas of development receive concerted attention from development authorities, the flow of credit to SC/STs can be stepped up substantially. Stipulation of financial target without preparing the ground for proper utilisation of finance is likely to jeopardise the well being of the borrowers themselves.

As a result of various measures there has been a substantial increase in the flow of credit to SC/ST borrowers. Banks have been paying greater attention to enlarge the flow of credit to SC/STs.

5.66 In this connection, the Reserve Bank of India have stated in their note furnished to the Committee that the thrust of credit policy is to channel increasing amount of credit to weaker sections of the society. The members of SC/ST form part of the "weaker Sections" under priority sector. Banks are required to ensure that 10 per cent of their credit is for "Weaker Sections."

All India position of priority sector credit to SC/ST beneficiaries and weaker sections extended by the public sector bank over the last

5 years is as under:—

Year	Priority Sector advances to SC/ST		% to Total Priority Sector advances	Priority advances to "Weaker sections"		% to total priority sector advances (target 25%)	% of 6 to total advances (target 10%)
	No. of A/cs (in lacs)	Amount outstanding (Rs. in crores)		No. of A/cs (in lacs)	Amount outstanding (Rs. in crores)		
1	2	3	4	5	6	7	8
Dec. 1981	27 44	486 12	4.7	..	..	..	..
Dec. 1982	32 39	605 38	5.2	..	..	..	..
Dec. 1983	40 86	790 93	5.6	114.36	2824.30	20.1	7.9
Dec. 1984	47 30	984 61	5.7	151.41	3721.02	21.6	8.7
Dec. 1985	61 08	1307 22	6.4	178.75	4894.24	23.8	10.2

5.68 The percentage of priority sector advances granted by public sector banks to SC/ST beneficiaries to total priority sector advances has gone up from 4.7 as at the end of December, 1981 to 6.4 as at the end of December, 1985. There are no separate targets for financing SC/ST beneficiaries under priority sector. Banks are, however, making sincere efforts to push up lending to SC/ST beneficiaries.

5.69 Total priority sector advances made by the UCO Bank during the last 3 years and share of SC/ST in total priority sector advances, has been stated to be as under:—

	(Amt. Rs. in Cr.)		
	Dec. 1983	Dec. 1984	Dec. 1985
(a) Total Priority Sector Advances	562.51	595.95	627.45
	1983	1984	1985
(b) Share of SC/ST	25.88 (4.6%)	37.70 (6.3%)	45.80 (7.3%)
	1983	1984	1985
(c) Total No. of Borrowers	652694	764968	863162
	1983	1984	1985
(d) No. of SC/ST out of them.	121389	177927	214803

(Figure in brackets indicate p.c. share).

5.70 When pointed out that the average loan in the case of SC/ST worked out to only Rs. 2000/- whereas it was Rs. 8600/- in the case of general candidates, the representative of the Banking Division stated that the figures of Rs. 8600/- was for the total priority sector. The percentage of weaker sections in priority sector was 26 per cent.

5.71 The Additional Secretary, Banking Division, further explained that the Schemes made for weaker sections had a large subsidy. For example, a bus operator could not get as much subsidy as the man from the weaker section. So the two could not be compared.

5.72 The Joint Secretary, Banking Division, added that in the weaker sections, which included SC/ST, average loaning was much less than the average loaning in the priority sector. The reason was that the farmer owning half acre of land would naturally need less credit. The Ministry had, therefore, calculated the number of borrowal accounts and the total number of accounts of borrowed amounts of SC/ST etc. and it was found that they were comparable. The average loan given to a marginal farmer, whether he belonged to a weaker section or SC/ST, was almost the same.

5.73 When pointed out that under priority sector a person who got a tractor and a person who got a plough and a person who got a bus, all had been clubbed under one category, the representative of the Banking Division stated that in the priority sector, there was a target of 10 per cent for the weaker sections, marginal farmers etc. which included Scheduled Castes also.

5.74 In reply to a question, it was stated that under priority sector, average lending for: weaker sections was Rs. 2800/- and for SC/ST it was about Rs: 2400/-.

5.75 The Committee note that under the guidelines of Reserve Bank of India 25 per cent of the priority sector advances or 10 per cent of the total bank credit should go to the weaker sections of society which includes Scheduled Caste/Tribe beneficiaries. No separate share of SC/ST has been fixed in the 10 per cent of total advances to be deployed to weaker sections. As per the information furnished to the Committee, percentage of weaker sections in the aggregate advances of public sector banks as a whole was 10.6 in June, 1966 and the percentage share of SC/ST in the aggregate advances by the public sector banks was 2.83. Scheduled Caste/Scheduled Tribe people form a major part of the weaker sections of society but their share in aggregate advances is only 2.83 per cent as compared to percentage share of weaker sections as a whole.

The Committee recommend that as in the case of DRI Scheme and IRDP under which targets have been fixed for lending to Scheduled Castes/Tribes, certain minimum percentage of priority sector lending should be earmarked for SCs and STs in order to accelerate the flow of credit to them.

D. Loan Applications

5.76 In the norms stipulated by Reserve Bank of India for providing Bank assistance to weaker sections, it has been stated as follows:—

Inward Register: A Register is to be maintained for recording the date of receipt of Application and the date of disposal/sanction.

Disposal of applications: All applications falling under weaker sections shall be disposed/sanctioned within 15 days from the date of receipt.

Reasons for rejection: The reasons for rejection of applications shall be clearly mentioned in the Register referred in (a) above.

In case of applications received from SC/ST beneficiaries, the rejection of application shall be done only by the next higher authority.

Margin: A. In the case of Agriculture, for loans upto Rs. 5000/- 'NIL' Margin is stipulated, for small and marginal farmers, agricultural labourers and other specified categories of borrowers where subsidy is available under special agricultural development programmes like IRDP, DPAP, CAD etc.

B. In case of credits facilities upto and inclusive of Rs. 25,000/- (other than Agriculture)—Nil margin is stipulated. For Housing Loans upto Rs. 5000/- to SC/ST and Weaker Section 20 per cent of the cost of construction stipulated as margin and there will be no margin where the labour is contributed by the borrower.

Guarantee: For investment loan upto Rs. 5000/- under agricultural where moveable assets are created the security to be furnished is by way of hypothecation of the assets created on to the said loan. Even above Rs. 5000/- security

will be hypothecation of assets when in States there is legislation on the lines of Talwar Committee is enacted, a simple declaration of creating charge on land is adequate. Similarly in respect of credit limit upto and inclusive upto Rs. 25,000/- to other than agriculture i.e., to village artisans and cottage industries, smaller or small scale units etc. by way of composite loan for equipment finance or working capital or both are to be without collateral security or third party guarantee. Only in Housing loan upto Rs. 25,000/- mortgage of properties or Government guarantee and in case of consumption loan upto Rs. 5000/- guarantee of one or more individuals or group of person's is taken.

Repayment: Repayment of instalment should be fixed taking into account sustenance required, surplus generating capacity, break even point, the life of the asset, etc.

In case of default on account of natural calamities, the overdues in the account shall be rephased.

Penal Interest: No penal interest shall be charged in respect of loans upto Rs. 25,000/-.

Cost of Photograph: In respect of borrowers belonging to weaker sections, the cost of photographs shall be borne by the bank.

Service Charges, etc: Incidental charges/Service Charges shall not be levied except by way of reimbursement of reasonable out-of-pocket expenses.

Inspection Charges: No inspection charges shall be levied for advance upto Rs. 5000/- for advances above Rs. 5000/- but upto Rs. 25,000/- inspection charges may be levied at the flat rate of Rs. 2.50 per inspection per borrower. These charges should not exceed Rs. 10/- per year per borrower.

DICGC Guarantee Fee: In respect of loans to the weaker sections, the DICGC guarantee fee shall be borne by the bank.

Weaker Section comprises:

- (i) IRDP beneficiaries
- (ii) DRI beneficiaries
- (iii) SC/ST beneficiaries under Priority Sector

(iv) Artisans, Village and Cottage Industries with credit requirements upto Rs. 25000/-.

(v) Small farmers, Marginal farmers, Landless labourers, Tenant farmers, Share croppers."

5.77 When asked whether any register is maintained by UCO Bank to record loan applications received from SC/ST, it has been stated in a note that as per existing RBI guidelines, branches are required to maintain a separate Loan Application Register for all Priority Sector advances in which all advance applications from SC/ST beneficiaries are also entered. As such no separate register is maintained for SC/ST beneficiaries exclusively. Checking of registers of loan applications is one of the items of check list for inspection of branches by Divisional Managers as also by senior executives of the Bank during visit of rural branches. So, they are required to check these registers and to make their comments on the same.

5.78 It has been further stated that the Loan Application Register is also checked by the Bank's Inspector and if any branch is found wanting in maintaining such a register, it is opened immediately. However, it is found by the inspection department that the system is satisfactorily working.

5.79 When asked whether any complaints regarding delay in sanctioning loans to SC/ST beneficiaries have been received, it has been stated that all branches and Divisional Officers have been instructed to ensure that applications received under the DRI Scheme are disposed of expeditiously. As such, complaints regarding delay in sanctioning loans to SC/ST beneficiaries under DRI Scheme are rare. However, any such complaints as and when received are attended to and the concerned branch is instructed to dispose of the applications and also to explain for the delay. At least on 3 occasions when such report of delay come to the knowledge of the Bank, the branch was immediately asked to dispose of the applications and explanation was called for from the concerned branch manager.

5.80 In reply to a question, it has been stated that during inspection of the branches it has been observed that the number of applications rejected is very meagre. However, some of the major reasons for which the applications are not considered are non-availability of the beneficiary at the given address, not having a permanent home-stead, beneficiaries not interested in the scheme given, applications are incomplete, beneficiaries not turning up for filling up the documents, beneficiaries not having any experience, training or aptitude for the scheme for which loan applications have been forward etc.

5.81 When asked whether any assistance is rendered by the Bank to SC/ST beneficiaries in formulating viable schemes, it has been stated that Branches are extending assistance/guidance to SC/ST beneficiaries by suggesting viable activities that may be financed under DRI Scheme and also explaining to them guidelines of the Scheme and details of agencies/corporations which are assisting such beneficiaries.

5.82. The Committee note that no separate register is maintained in UCO Bank for keeping record of loan applications received from SC/ST beneficiaries. It is also not clear from the information furnished to the Committee whether the bank branches are maintaining any register for showing receipt/disposal of loan applications received from beneficiaries of weaker sections including Scheduled Castes/Tribes.

The Committee, therefore, recommend that as per the guidelines issued by the Reserve Bank of India every concerned branch of UCO Bank should maintain loan application register for weaker sections including Scheduled Castes/Tribes, and ensure that their applications are disposed of/sanctioned within a stipulated period of 15 days. The name of SC/ST beneficiaries should be marked in red ink in the register to make them conspicuous. It should also be ensured that no loan application from SC/STs is delayed or rejected on flimsy grounds. The Committee also desire that the bank officials, while receiving the loan applications from SCs/STs, should scrutinise them and get them corrected then and there, if any discrepancy is found therein, so that the chances of rejection or delayed sanction of loan are obviated.

Recovery of Dues

5.83. It has been stated in a note submitted to the Committee that the percentage of recovery from SC/ST beneficiaries for all advances is not readily available. Regarding recovery of advances Bank faced following difficulties which are applicable in case of all small borrowers including those belonging to SC/ST:—

- (1) Full or major portion of the loan is diverted by the beneficiaries for meeting the consumption needs. As a result the expected generation of income from the activity is not there.
- (2) Loans sanctioned under Government sponsored Schemes which are coupled with non-refundable Government subsidy creates an impression amongst the beneficiaries that

such loans are not repayable.

- (3) Since small amounts of loans are granted to a large number of scattered beneficiaries, follow up of individual loans as also initiation of recovery proceedings against individual beneficiaries becomes difficult. Little help is received in this regard from Government agencies.

5.84 As regards recovery of overdue loans from SC/ST borrowers and from others under DRI Scheme, the following information has been provided:—

	1983	1984	1985
SC/ST	23.11%	30.73%	35 % (Prov.)
Others	34.18%	28.70%	30% (Dor.)

5.85 It has been added that the major reasons that may be attributed for delay in recovery of overdue loans as also for non-recovery of loans granted to SC/ST beneficiaries belonging to poorer sections of the community, is diversion of a portion of the advances for meeting consumption needs. Besides this, non-availability of requisite infrastructures like work shed raw materials and market as also natural calamities affect the productive activity of the unit thereby reducing the generation of funds expected from the activity. Steps taken by Banks normally for recovery of overdue loans are also initiated in case of recovery of loans from SC/ST borrowers. However, in cases where it is found that non-payment was not wilful and by deferring repayment and/or by extension of fresh finance the activity can be revived, the cases are considered sympathetically. In respect of loans sponsored by Government agencies and/of SC/ST Corporations little help is received in respect of recovery of the loans if the same falls overdue.

5.86 When asked about the steps taken to remove the impression from the minds of borrowers that 'the loans are not repayable', it has been stated that all loans are to be repaid to the banks. However, it has been reported that in some cases, in order to undermine the programme for weaker sections, certain vested interests have sought to create an erroneous impression that the bank loans combined with subsidy did not carry an obligation to repay. The borrowers are, however, explained the terms and conditions of the loan at the time of the sanction/disbursement. They are

also reminded whenever instalments fallen due for repayment are not paid. The banks also organise joint drives with State Government for the recovery of the loans, whenever necessary. The Late Prime Minister Indira Gandhi made an appeal in April, 1984 for repayment of loans and to ensure recycling of funds. Similar appeals were also made by various Chief Ministers which made the repayment environment also being organised by banks at various places with cooperation of State Government agencies and local bodies.

5.87 The Committee desired to know the efforts made by the Bank to get cooperation of Government agencies for recovery of overdue loans. It has been stated in a note furnished to the Committee that as and when loans sponsored by Government agencies and/or SC/ST Corporations fall overdue, branch solicits assistance of such agencies/Corporations for recovery of the loan. This has resulted in joint recovery camps organised by the bank with Government agencies/Corporations like DRDA, DIC, BDO etc. For illustration we note few samples: in Jorhat of Assam in one such recovery camps, bank could recover loans aggregating to Rs. 5.27 lacs from 3421 borrowers. Again in Sankarhat of Howrah district (WB), through a recovery camp, an amount of Rs. 2.33 lacs was recovered from 501 beneficiaries. Similarly, a recovery camp organised by Keshpur branch in Midnapore (WB) resulted in recovery of Rs. 3.82 lacs from 800 beneficiaries.

5.88 It has been further stated that UCO Bank is the convener of State Level Bankers Committee (SLBC) in two States namely, Himachal Pradesh and Orissa. In Orissa, there is a State Level Coordination Committee (SLCC) body while in Himachal Pradesh, there is no similar committee. In the SLBC meetings of both Himachal Pradesh and Orissa which are convened by UCO Bank, the matter regarding recovery of advances is taken up at each of the quarterly meetings, which also includes assistance from Government agencies and SC/ST Corporations in this regard. In the case of Himachal Pradesh SLBC, after considerable discussions with Government officials, the State Government have posted recovery Tehsildars in seven districts (where there is heavy overdues of banks' advances) to look after recovery of bank's dues exclusively. In Orissa also, the position of recovery of bank's dues is reviewed bank-wise in the SLBC meetings. There also, the Government is considering the suggestions to post recovery Tehsildars exclusively for recovery of bank's dues.

5.89 The Committee note with concern that recovery of overdue loans under DRI Scheme from SC/ST as well as other beneficiaries is very poor. The Committee recommend that all out efforts should be made by UCO Bank to improve the recovery position for recycling of funds. The Bank should also extend all possible guidance and advice to SC/ST beneficiaries not only to avoid failure of schemes but also to improve upon their performance with a view to generating profit from the unit/project and thereby enabling them to repay the loans.

5.90 The Committee regret to note that State Government agencies/Scheduled Caste and Scheduled Tribe Corporations do not extend full cooperation to UCO Bank in the recovery of overdues. The Committee would like the UCO Bank to take up the matter with concerned authorities at Block and District levels and sort out the problem they are facing in recovery of loans. The Committee also recommend that the Bank personnel should have a close liaison with SC/ST Development Corporations and various concerned Departments of State Governments in identification of beneficiaries, selection of schemes for them and recovery of overdues.

NEW DELHI:

April 24, 1987

Vaisakha 4, 1909 (S).

KRISHAN DATT SULTANPURI,

Chairman,

Committee on the Welfare of Scheduled
Castes and Scheduled Tribes.

ANNEXURE I

Copy of Inspection Report of Liaison Officer, UCO Bank (H.O.)

Name of Office UCO Bank (H.O.)

Date of last inspection 20-12-85

Name of post/group of posts Officers, Clerical & Subordinate

Date of current inspection 14-8-86

1. Whether separate rosters are being maintained for each grade or group of posts and within such grade/group, separately for (i) direct recruitment and (ii) for posts filled by promotion (where reservation is applicable in such posts filled by promotion) and whether all the appointments made during the period covered by the inspection are shown in the roster.

YES.

2. Whether the appropriate model roster viz., the one prescribed for (1) direct recruitment on an all India basis by open competition (2) direct recruitment on an all India basis otherwise than by open competition (3) direct recruitment on a local or regional basis or (4) promotion as the case may be is being followed.

YES.

3. Whether rosters are being maintained separately for (1) permanent appointment and temporary appointments likely to become permanent or to continue indefinitely and (2) purely temporary appointments of 45 days or more duration.

Yes. No appointment is made on temporary basis.

4. Whether the rosters are being maintained in the form prescribed viz., appendix 4 to the Brochure.

YES.

5. Whether the points have been earmarked in the roster for Scheduled Castes and Scheduled Tribes correctly according to the prescribed model roster for the particular type of recruitment.

YES.

6. Whether immediately after an appointment has been made the particulars of the person appointed are entered in the register in appropriate columns and the entry signed by the appointing authority or by the officer authorised to do so.

YES.

7. Whether any gap is left in the roster.

NO.

8. Whether the roster is being maintained in the form of a running account from year to year.

YES.

9. Whether before appointing a general candidates against reserved vacancy, (i) prior approval of the Department of Personnel for dereservation was obtained in the case of vacancies included in the rosters for permanent appointments and temporary appointment likely to become permanent or to continue indefinitely, and (ii) whether the steps prescribed in para 26 of the Brochure to secure Scheduled Castes/Scheduled Tribes candidates were taken in the case of vacancies included in the roster for purely temporary appointments.

NO.

10. Whether reservation in confirmation in posts filled by direct recruitment has been correctly determined in accordance with the orders in M.H.A. O.M. No. 31/10/63 SCT(1), dated 27-3-1963 and 2-5-1963.

YES.

11. Whether an abstract is given after the last entry in a recruitment year, showing the number of reservations carried forward to the following year separately for Scheduled Castes and Scheduled Tribes. Whether these reservations have been shown as brought forward at the beginning of the roster for the following year.

YES.

12. Whether reservations, have been carried forward to three subsequent recruitment years and exchange of reservations made between Scheduled Castes and Scheduled Tribes as provided in MHA O.M. No. 27/25/ Estt.(SCT), dated 25th March 1970 before treating them lapsed.

YES.

13. Any other remarks.

14. Brief recapitulation of defects and shortcomings noticed in the maintenance of the rosters and any other suggestions which the Inspecting Officer has to make, with particular reference to the remarks given during the last inspection.

Sd/-

Signature of Inspecting Officer:

Designation: Asstt. General Manager

Date: 14-8-86.

ANNEXURE II

Copy of Inspection Report of Liaison Officer, UCO Bank (H.O.)

Name of Office : UCO Bank
Date of last inspection : 14-8-86
Name of post/group of posts : Officers, Clerical & Subordinate.
Date of current inspection : 20-1-87

1. Whether separate rosters are being maintained for each grade or group of posts and within such grade/group, separately for (i) direct recruitment and (ii) for posts filled by promotion (where reservation is applicable in such posts filled by promotion) and whether all the appointments made during the period covered by the inspection are shown in the roster.

YES.

2. Whether the appropriate model roster viz., the one prescribed for (1) direct recruitment on an all India basis by open competition (2) direct recruitment on an all India basis otherwise than by open competition (3) direct recruitment on a local or regional basis or (4) promotion as the case may, be is being followed.

YES.

3. Whether rosters are being maintained separately for (1) permanent appointment and temporary appointments likely to become permanent or to continue indefinitely and (2) purely temporary appointments of 45 days or more duration.

Yes, no appointment is made on temporary basis.

4. Whether the rosters are being maintained in the form prescribed viz., appendix 4 to the Brochure.

YES.

5. Whether the points have been earmarked in the rosters for Scheduled Castes and Scheduled Tribes correctly according to the prescribed model roster for the particular type or recruitment.

YES.

6. Whether immediately after an appointment has been made the particulars of the person appointed are entered in the register in appropriate columns and the entry signed by the appointing authority or by the officer authorised to do so.

YES.

7. Whether any gap is left in the roster.

NO.

8. Whether the roster is being maintained in the form of a running account from year to year.

YES.

9. Whether before appointing a general candidate against reserved vacancy, (i) prior approval of the Department of Personnel for dereservation was obtained in the case of vacancies included in the rosters for permanent appointments and temporary appointments likely to become permanent or to continue indefinitely, and (ii) whether the steps prescribed in para 26 of the brochure to secure Scheduled Castes/Tribes candidates were taken in the case of vacancies included in the roster for purely temporary appointments.

No. Sometimes ex-post-facto approval has been obtained.

10. Whether reservation in confirmation in posts filled by direct recruitment has been correctly determined in accordance with the orders in M.H.A.O.M. No. 31/10/63 SCT(1) dated 27-3-1963 and 2-5-1963.

YES.

11. Whether an abstract is given after the last entry in a recruitment year, showing the number of reservations carried forward to the following year separately for Scheduled Castes and Scheduled Tribes. Whether these reservations have been shown as brought forward at the beginning of the roster for the following year.

YES.

12. Whether reservations have been carried forward to three subsequent recruitment years and exchange of reservations between Scheduled Castes and Scheduled Tribes as provided in MHA O.M. No. 27/25/68-Estt. (SCT), dated 25 March 1970 before treating them lapsed.

YES.

13. Any other remarks.

14. Brief recapitulation of defects and shortcomings noticed in the maintenance of the rosters and any other suggestions which the inspecting officer has to make, with particular reference to the remarks given during the last inspection.

Sd/-

Signature of the Inspecting Officer:

Sd/-

Designation : G. C. Talapatra
Asstt. Gen. Mgr. & Liaison Officer, Head Office.

Date : 20-1-37

ANNEXURE III

Brief details of the Schemes of Re-Recruitment Training (Data Provisional)

Sl.No.	Name of the Bank	No. of Centres	Number of Pre-recruitment courses conducted	Duration of the course	Number of Candidates imparted pre-recruitment training
1	2	3	4	5	6
1.	Allahabad Bank	4	25	—	1606
2.	Syndicate Bank	10	27	3 days	837
3.	New Bank of India	2	1		
4.	State Bank of India	48	350	3 to 6 days	43412
5.	Oriental Bank of Commerce	1	2		13
6.	Bank of Baroda	14	173		1335
7.	State Bank of Saurashtra	2	4		94
8.	UCO Bank	4	29	3 to 7 days	230
9.	Vijaya Bank	2	19		437
10.	Punjab National Bank	13	19	1 to 2 days	573
11.	State Bank of Hyderabad	2	11		211
12.	Dena Bank	7		2 to 3 days	156
13.	Central Bank of India	11	40		482
14.	State Bank of Mysore	3	6		305
15.	Corporation Bank	2	23	3 days	247
16.	Union Bank of India	9	6	3 days	844
17.	Indian Overseas Bank	11	19	1 week	350
18.	Bank of Maharashtra	7	5	3 days	650
19.	Bank of India	15	27	3 to 9 days	1801
20.	State Bank of Travancore	2	1	3 days	203

ANNEXURE IV

(Vide para 4 of Introduction)

Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/Recommendations
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1	2	3
1.	1.15	The Committee are constrained to note that while a firm policy had been laid down by the Government some time back that one member belonging to Scheduled Caste/Scheduled Tribe should be on the Boards of Directors of all nationalised banks, there is no member belonging to Scheduled Caste/Scheduled Tribe on the Board of Directors of UCO Bank so far. As assured by the Secretary, Ministry of Finance (Department of Economic Affairs—Banking Division) during evidence, the Committee trust that when a new Board of UCO Bank is constituted a member belonging to Scheduled Caste/Scheduled Tribe will be appointed as Director on the Board of Directors to look after the interests of Scheduled Castes and Scheduled Tribes, and the Committee informed accordingly
2	1.16	The Committee are concerned to note that the progress report relating to implementation of Government directives regarding reservation for Scheduled Castes and Scheduled Tribes in UCO Bank was once placed in the Board meeting held on 26 August 1980 and it was again placed before the Board of Directors only on 20 August, 1986, after a lapse of six years and that too apparently when the Committee took up this subject for detailed examination. The Ministry of Finance (Department of Economic Affairs—Banking Division) also failed to monitor this information.

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Had they done this, surely they would have reminded the management of UCO Bank in this regard in time. The Ministry also woke up when they received the questionnaire of the Committee for oral evidence and sent a communication to the Bank only on 28 November, 1986. This all shows that proper care and interest is not being taken either by the UCO Bank or the Ministry of Finance (Banking Division) towards the welfare of Scheduled Castes/Scheduled Tribes and it makes it all the more essential that there should be a SC/ST member on the Board of Directors to look after the interests of SCs/STs and ensure that such lapses do not recur.

The Committee are not satisfied with the reason advanced for not placing the progress reports before the Board of Directors regularly viz. that 'it was not entered in the calendar by the Bank inadvertently.'

The Committee consider it to be a grave lapse and accordingly recommend that responsibility should be fixed for the lapse and action taken against the erring officer. The Committee further recommend that necessary steps should be taken to make the system fool-proof so that in future the progress reports are placed before the Board of Directors regularly and there may not be any lapse in this regard for any reason whatsoever.

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The Committee feel that sending of a simple communication by the Banking Department to banks reminding them to place their progress reports before the Board of Directors regularly is not enough. The Committee, therefore, recommend that the Banks should be asked by the Ministry of Finance to send a copy of minutes of half-yearly meetings of their Board of Directors to the Ministry to ensure that progress re-

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ports relating to implementation of Government directives on reservations for Scheduled Castes and Scheduled Tribes are being placed before the Board regularly. The Ministry of Finance, should critically examine the Minutes and bring to the notice of the concerned Banks any deficiency or shortcomings found in the implementation of Government directives on reservations for Scheduled Castes and Scheduled Tribes, suggesting remedial measures to rectify the deficiencies/ shortcomings.

4.

1.18

The Committee note that the Minutes of Board Meeting dated 10 October 1980 record as follows:—

“The Board noted the information contained in the following Memorandum dated 15 September 1980 regarding progress report on the implementation of Government directives in regard to reservation for SC/ST communities.”

When pointed out during evidence that the aforesaid Minutes were vague and did not give clear picture of the business transacted at the Board meeting, the Secretary, Banking Division, stated that one of the points made by the Board's note was that they should have an exclusive test for SC/ST candidates at the time of next recruitment wherever backlog was considerable.

The Committee are constrained to observe that the Minutes of meeting do not reflect any such decision. The Committee need hardly point out that the Minutes of Board Meetings are important material and an effective instrument for bringing about improvement in the working of the Banks. The Committee, therefore, recommend that the Minutes of the Board Meeting should record the business transacted

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and observations made in clear and unambiguous terms so that the observations made and the decisions taken by the Board at its meetings are properly and effectively implemented.

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1.29

The Committee note that a Deputy Secretary has been appointed Liaison Officer in the Banking Division to ensure due compliance of orders on reservations in favour of Scheduled Castes and Scheduled Tribes by the appointing authorities. An Under Secretary works under him and both of them report to the Joint Secretary. The Committee also note that there is a SC/ST Cell consisting of one Section Officer, two Assistants, one Lower Division Clerk and one Messenger, under the overall charge of the Joint Secretary which is responsible for watching the implementation of Government orders regarding reservations for, and employment of, Scheduled Castes and Scheduled Tribes in the Public Bank/Financial Institutions including UCO Bank. The Committee have been informed that there are 23 Public Sector Banks, and four all India major financial institutions under the control of Banking Division and their total strength is more than 7.8 lakh persons and out of them about one lakh are SC/ST employees. There is no doubt that the main function of the Cell is to ensure due compliance by the subordinate appointing authorities with the orders and instructions pertaining to the reservations of vacancies in favour of Scheduled Castes and Scheduled Tribes and other benefits admissible to them. However, the Secretary, Banking Division admitted during the course of evidence that it is not possible for the Banking Division to actually do the job of monitoring for these large number of people with the present strength of staff. The Committee, therefore, urge the Banking Division to suitably strengthen the Cell and streamline its working so that it

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could perform the duties assigned to it efficiently and effectively. The Committee also recommend that the staff working in the Cell should not be given any other work not connected with the Cell.

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1.30

The Committee regret to note that annual statements regarding representation of Scheduled Castes and Scheduled Tribes in the services of the UCO Bank for the year 1984 and 1985 were submitted by the Bank to the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) in May, 1985 and May, 1986 respectively, although these statements should have been sent to them latest by the 1st March every year as laid down in the Department of Personnel and Administrative Reforms O.M. No. 36022/6/76-Estt (SCT) dated the 10th May, 1976. The Committee need hardly stress that the very purpose of submitting these annual statements gets defeated if these statements are not submitted in time. The Committee, therefore, recommend that the Ministry of Finance should impress upon the UCO Bank to submit these statements in time. Failure to submit these statements in time should be regarded as a serious lapse on the part of the concerned officers.

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The Committee also suggest that these annual statements, on receipt by the Banking Division should be critically examined and analysed and any deficiencies noticed should be pointed out to the Bank expeditiously, so that the Bank could take the necessary corrective measures without any delay.

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2.46

The Committee note that reservation of vacancies in favour of Scheduled Castes and Scheduled Tribes to be filled by direct recruitment has been enforced in UCO Bank with effect from

1.1.1971 and for those to be filled by promotion with effect from 1-1-1979. Explaining the reasons for delay in implementation of reservations in promotion, the Secretary, Banking Division has informed the Committee during evidence that so far as public sector banks are concerned, it was a general government decision in 1971 that (reservation) rules should also be applicable for promotions. After that, when the matter was referred to the Ministry of Finance, Department of Banking, then they started reopening this issue as to whether this particular order should also apply to the banks. The Committee express their displeasure at the casual approach of the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) on arriving at a decision on an important issue like this, after seven years. The Committee feel that the decision should have been taken within a reasonable period because seven years to take a decision on an important issue like enforcement of reservation orders is indefensible. It is all the more regrettable that the Banking Department have delayed the implementation of reservation for Scheduled Castes and Scheduled Tribes in promotions for as long as seven years seeking clarifications on trivial matters. Obviously, this has deprived many a Scheduled Caste/Scheduled Tribe employees of their promotion against reserved vacancies during those years.

The Committee have been informed that the Ministry of Finance (Banking Division) made a reference to the Ministry of Law when the matter was raised earlier by the Committee in 1983 and 1986 to know the legal implication involved if the orders on reservation for Scheduled Castes/Scheduled Tribes in promotion were given retrospective effect from the date of their issue. The Committee have been informed that the

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Ministry of Law opined that it would not be legally and constitutionally permissible to give retrospective effect to the reservation orders of 1972 and 1974 in the case of nationalised banks.

In the light of the opinion expressed by the Ministry of Law, the Committee need hardly impress upon the Ministry of Finance (Banking Division) to take a lesson from the past and realise the necessity for taking prompt decision in future in the matter of application of reservation orders for Scheduled Castes and Scheduled Tribes as soon as they are issued and communicate the same to the public sector banks immediately to ensure their implementation in letter and spirit from the date of issue.

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2.47

The Committee are sorry to observe that in the preliminary material furnished by Government, it had been stated that reservation orders in promotion were applicable to officers' cadre upto Middle Management Grade Scale III in UCO Bank. However, regretting for their wrong interpretation of reservation rules, the representative of Banking Division stated during evidence that there was no reservation for Scheduled Castes and Scheduled Tribes in promotion within the officers' cadre but those candidates who fell within the zone of consideration so as to be within the number of vacancies, were promoted, if they were not found unfit for promotion. Hence, there is no reservation for Scheduled Caste/Tribe employees beyond Junior Management Grade Scale I in UCO Bank. The Management was only providing concession to Scheduled Castes/Tribes as per instructions contained in para 12.2(a) of Brochure on Reservations for Scheduled Castes and Scheduled Tribes in services, 6th Edition (1982), which reads as follows:—

“In promotions by selection to posts within

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Group A (Class I) which carry an ultimate salary of Rs. 2,250 per month or less, there is no reservation but the Scheduled Caste/Tribe officers, who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select list has to be drawn up, would be included in that list provided they are not considered unfit for promotion."

The Committee feel that the interests of Scheduled Castes and Scheduled Tribes are jeopardised with the existing classification of posts in UCO Bank. The Banks have only three categories of posts, unlike four categories of posts in the Government. In the Central Government, in promotion by Selection a Scheduled Caste/Scheduled Tribe employee gets at least two chances of promotion to officers' category viz. first from Class II (non-gazetted) to Class II (Gazetted) and then from Class II gazetted to lowest rung to Class I, whereas in Banks a Scheduled Caste/Scheduled Tribe employee gets only one chance i.e. from Clerical Cadre to Officers' cadre (JMG Scale I).

The Committee, therefore, recommend that the posts in the public sector banks, including UCO Bank, should be reclassified so that the chances of Scheduled Caste and Scheduled Tribe employees for further promotions in officers' cadre are brought at par with those working in Central Government offices.

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The Committee note that in officers cadre 25 per cent vacancies are filled by direct recruitment, 50 per cent vacancies are filled by written test and interview from clerical cadre and 25 per cent vacancies are filled from amongst the Special Assistants. The Committee are of the opinion that since there is no reservation for

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Scheduled Castes and Scheduled Tribes in promotion to the post of Special Assistant, the above promotion policy goes against the interests of Scheduled Caste/Tribe employees in so far as 25 per cent promotions from Special Assistant to Officers cadre are concerned.

The Committee have been informed that the Government have recently given a clarification that Special Assistants must not be considered for promotion exclusively and the Bank Management have already started negotiations with the Bank Unions in the matter. The Bank Management is going to draft a new policy by which seniority in the clerical cadre would be considered and the separate stream for Special Assistants would be given up.

The Committee recommend that the Ministry of Finance (Banking Division) should study the whole matter in depth and evolve a suitable policy for promotion from clerical cadre to officers' cadre (both in Accounts and Cash Departments) for all the public sector banks which should fully protect the interests of Scheduled Castes and Scheduled Tribes and provide full justice to them in the matter of promotion to officers' cadre in the nationalised banks.

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2.49

The Committee feel that in the absence of reservation for Scheduled Castes and Scheduled Tribes in promotion to Special Assistant, these employees have suffered a great loss in promotion to officers cadre as there was no Scheduled Caste/Scheduled Tribe candidate available in the Special Assistant cadre which was the feeder cadre. The Committee recommend that UCO Bank should calculate the backlog, thus caused, retrospectively and fill the future vacancies in Officers' cadre to the extent of 50 per cent by

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Scheduled Caste and Scheduled Tribe candidates to clear the backlog, as promised during the course of evidence.

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2.54

The Committee note that Liaison Officers have been designated in the Head Office and at Zonal/Divisional Offices of UCO Bank and Cells under their direct control have been set up to look after the work relating to reservations for Scheduled Castes and Scheduled Tribes and other concessions/relaxations admissible to them. Besides their normal duties, the Liaison Officers have been asked to meet the SC/ST Employees informally to hear their grievances for redressal. The Committee are of the view that mere appointing a Liaison Officer is not enough. What is needed is concerned action on the part of the Liaison Officer to ensure due compliance by the appointing authorities with the orders and instructions pertaining to the reservations in favour of Scheduled Castes and Scheduled Tribes and other concessions/relaxations admissible to them. It should also be ensured that the staff posted in the Cell is adequate and well conversant with the orders/instructions relating to reservations for Scheduled Castes and Scheduled Tribes. The Committee recommend that a seminar should be organised each year in which Liaison Officer of nationalised banks in charge of the work relating to reservations for Scheduled Castes and Scheduled Tribes where points of common interest, fresh instructions issued during the last year and clarifications given about interpretation of various orders should be discussed and notes exchanged. This will go a long way in implementing the orders in the right spirit and with promptitude.

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3.24

The Committee are unhappy to observe that till now the Management of UCO Bank has not

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been sending appointment letters by Registered A.D. Post to Scheduled Caste/Tribe candidates, in view of the cost involved. However, the Ministry of Finance (Banking Division) have now taken a decision that henceforth the letter of appointment in the first instance will be sent to all the candidates by ordinary post. If Scheduled Caste/Tribe candidates do not report for duty within the stipulated period, a second letter by Registered A.D. post will be sent to such candidates.

The Committee have further been assured that in case of Scheduled Caste/Tribe candidates when a call letter is issued by Registered A.D. post and subsequently in spite of having been given time, the candidate does not attend/join, the appointment would not be rejected without referring the matter to the General Manager.

The Committee hope that this new procedure will be strictly adhered to and followed by all the appointing authorities in UCO Bank and the BSRBs in letter and spirit.

The Committee have been informed during evidence that the Personnel Department of UCO Bank generally grants the extension of time asked for by Scheduled Caste/Tribe candidates to join service in the Bank. The Committee recommend that if a Scheduled Caste/Tribe candidate expresses his inability to join the Bank within the time stipulated in the letter of appointment sent to him and requests for extension of time to join the Bank, his request for extension should not be turned down. If the Personnel Department does not think it a fit case for grant of extension of time, a decision in this regard should be taken at a sufficiently higher

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level say by General Manager in the case of Sub-Staff/Clerical cadre and Managing Director in the case of Officers' cadre.

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3.36

The Committee are surprised to learn that the UCO Bank have given relaxation in educational qualification to SC/ST candidates in respect of Officers and Clerical cadres but in the case of Subordinate cadre, they have not given any relaxation as per Government guidelines. This might have deprived many a Scheduled Caste and Scheduled Tribe candidate from being considered eligible for the posts applied for. The Committee would like to draw the attention of Ministry of Finance (Banking Division) to the Ministry of Personnel, Public Grievances and Pension (Deptt. of Personnel and Training) O.M. No. 36011/8/84-Estt (SCT), dated 17th October, 1986 wherein it has been provided that 'if adequate number of Scheduled Caste and Scheduled Tribe candidates who satisfy the minimum standard are not available to fill the reserved vacancies, then Scheduled Caste and Scheduled Tribe candidates may be selected to the extent of shortfall in vacancies by relaxing the minimum standard, provided that they are not considered unfit to hold the post'. The Committee, therefore, impress upon the Ministry of Finance (Banking Division) to issue necessary instructions to all concerned authorities accordingly so that the short fall in reserved vacancies of the Subordinate cadre becomes a thing of the past.

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3.37

The Committee further recommend that relaxations in educational qualification etc., available to Scheduled Caste/Tribe candidates should invariably be mentioned while advertising the vacancies in newspapers as it will help in attracting a larger number of SC/ST candidates

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against the reserved vacancies and to wipe out backlog in their representation in services of the Bank.

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3.38

The Committee note that Scheduled Caste/Tribe candidates are paid II Class rail fare as travelling allowance when they are called for interview but they are not paid this travelling allowance when they come to appear in written test. The Committee would like to draw the attention of the Ministry of Finance (Banking Division) to Para 3 of Chapter V of the Brochure on reservation for Scheduled Castes and Scheduled Tribes in posts/services under the Public Enterprises issued by the Bureau of Public Enterprises wherein it has been stated *inter alia* that SC/ST candidates called for written test for Group 'C' and 'D' posts should be allowed the lowest class rail fare if the distance exceeds 80 Km. The Committee, therefore, suggest that the Ministry of Finance may, issue necessary instructions to the authorities concerned to pay rail fare to SC/ST candidates called for written test for Group 'C' and 'D' posts if the distance involved is more than 80 Km.

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3.33

The Committee regret to note that none of the 22 officers of UCO Bank posted from India to foreign branches belongs to Scheduled Castes/Tribe community. The Committee would urge that the claims of Scheduled Caste and Scheduled Tribe employees should be considered favourably at the time of making postings in foreign countries to enable them to acquire the experience of working in the branches abroad. The Committee feel that their stay in a foreign country for a couple of years would, by itself, be a very useful experience for the Scheduled Caste/Scheduled Tribe employees and would help them a lot in broadening their

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outlook and bringing them up socially and economically.

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3.55

The Committee are perturbed to note that from 1979 when reservations in promotion were introduced in UCO Bank till date, very few Scheduled Caste/Tribe employees have been promoted in officers' cadre. In 1983, out of 1780 employees promoted from Officer Scale I to Scale II and from Officer Scale II to Scale III, only 23 belonged to Scheduled Castes and 5 to Scheduled Tribes. In 1984 and 1985, no Scheduled Caste/Tribe person got promotion in Officers' cadre. Similarly in promotions of Scheduled Castes/Tribes in Sub-Staff and Clerical Cadres, there is a large shortfall of Scheduled Tribe employees.

The Committee have been informed that in promotion to Officers' cadre, relaxation of one year in minimum service and a concession in marks to the extent of 5 per cent of total marks allotted for test as well as interview is provided to Scheduled Caste/Tribe employees. The Committee do not consider relaxation of one year in minimum service as a special concession meant for Scheduled Castes/Tribes only as such concession has also been given to a large number of general candidates also. The concession of 1 mark in interview and 4 marks in written test is also not significant in the opinion of the Committee. The Committee need hardly stress that unless liberal concessions/relaxations are given to Scheduled Caste/Tribe employees in promotion, their position in promotional posts is not going to improve. The Committee, therefore, recommend that in the case of SC/ST employees, the relaxation in minimum service should be fixed keeping in view the number of persons coming within that zone and relaxed by one year more where no SC/ST

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candidate becomes eligible by the present relaxation of one year. Similarly where any relaxation is made for general candidates, a corresponding relaxation in addition to normal relaxation should be made in the case of SC/ST candidates. Similarly marks in written test and interview should be increased from 5 per cent to 8 per cent so that their representation in various grades is augmented to the required level of percentage. A constant review of the promotion given to SC/ST employees should be made and relaxations should be determined in the light of facts emerging in the review.

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3.59.

The Committee note that an officer of appropriate status belonging to Scheduled Caste/Tribe is always associated with the Interview Committee of UCO Bank for posts to which reservations are applicable. The Scheduled Caste/Tribe Officer also remains present on Recruitment Board/Departmental Promotion Committee when general candidates are interviewed.

The Committee have been informed that from 1983 an Officer from Scheduled Caste/Tribe community is also associated with Interview Committee for promotion by selection within Officers' cadre. The Committee would like to know the reason why the decision has been taken only in 1983 to associate a Scheduled Caste/Tribe Officer with Interview Committee for promotion by selection, when the Government had accepted a recommendation made by this Committee in their 4th Report (1970) of Fourth Lok Sabha and issued instructions accordingly *vide* Department of Personnel and Administrative Reforms O.M. No. 27(4)(iii)/70-Estt. (SCT) dated 2-9-1970 and 16/4/74-Estt. (SCT) dated 23-5-1975.

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21 3.65

The Committee have been informed that Rosters are being maintained at Head Office of UCO Bank for direct recruitment of Officers and for promotion from Clerical Cadre to Bank Officers Grade JMS-I. Rosters are being maintained at Zonal Office in regard to recruitment of Clerical Cadre in the Zone and at Divisional Officers in regard to recruitment of Sub-staff Cadre. These Rosters are inspected by the Liaison Officer regularly.

The Committee, are, however, distressed to note that during the inspection of rosters conducted by Liaison Officer, UCO Bank (H.O.) on 14-8-1986, he found that prior approval of Department of Personnel and essential steps before dereservation of reserved vacancies had not been taken by the appointing authority. The same remarks have been repeated in his next inspection report dated 20-1-1987. This is regrettable and shows that proper attention has not been paid by the appointing authority to the findings of the Liaison Officer nor has the Liaison Officer cared to ensure that the discrepancies pointed out by him in his earlier inspection report have been rectified.

The Committee need hardly point out that the roster is a sacred mechanism to keep a legitimate watch on the proper and adequate intake of Scheduled Castes and Scheduled Tribes in services and that it would cease to have any significance whatsoever if it is not maintained properly in the light of existing rules regulations and instructions. The Committee therefore, emphasise that earnest efforts should be made both by the appointing authorities and the Liaison Officer in the UCO Bank to see that Government orders on

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the maintenance of rosters are meticulously followed so that no injustice is done to Scheduled Castes/Tribe candidates in the matter of recruitment and promotion.

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3.66

The Committee also recommend that the Liaison Officer should invariably submit his inspection report to the Chairman-cum-Managing Director of UCO Bank for his information and necessary follow up action so that any deficiencies are brought to notice at the highest level and prompt action taken to remedy the situation.

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3.74

The Committee are constrained to note that UCO Bank has not been obtaining the approval of competent authority (Chairman & Managing Director) before resorting to dereservation of reserved vacancies. The Committee would like to point out that according to Government guidelines, prior approval of the Board of Director for the posts of Officers and that of Managing Director or Clerical and Sub-Staff posts has to be obtained before filling any reserved vacancy by a general candidate. It should also be specifically mentioned in the note sent to the Board/Managing Director that the proposal for dereservation is being made with the full knowledge and concurrence of the Liaison Officer. The Committee recommend that henceforth the UCO Bank should follow this procedure scrupulously and in the event of any default, responsibility should be fixed and suitable action taken against the officer found responsible.

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3.75

The Committee regret to note that as many as 429 vacancies in 1983, 395 vacancies in 1984 and 133 vacancies in 1985 reserved for Scheduled Castes/Tribes have been dereserved by UCO Bank in Officers, Clerical and Sub-Staff cadres. Out of the carried forward reserved vacancies, in Clerical cadre 102 SC/ST vacancies in 1983, 29 SC/ST

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vacancies in 1984 and 147 SC|ST vacancies in 1985 and in Sub-Staff cadre 12 ST vacancies in 1983, 4 ST vacancies in 1984 and 9 ST vacancies in 1985 have been allowed to lapse. This has obviously deprived many Scheduled Caste and Scheduled Tribe candidates of their chances of employment in UCO Bank. The Committee feel that now there is no dearth of educated SC|ST candidates. What is lacking is sincere and concerted efforts on the part of recruiting authorities to find out suitable SC|ST candidates before the expiry of three recruitment years. The Committee, therefore, recommend that dereservation of reserved vacancies should be resorted to only when it becomes inescapable after all possible efforts have been made, including special recruitments, to locate and recruit adequate number of SC|ST candidates have failed, so that such a large number of reserved vacancies are not lapsed thereby depriving the SC|ST candidates of their legitimate chances of recruitment/promotion.

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3.84

The Committee have been informed that separate Cells, manned by SC/ST officers, have been opened at Head Office, Zonal and Divisional Offices of UCO Bank for prompt redressal of grievances of Scheduled Castes/Tribe employees of the Bank. Complaint Registers are also maintained at Head Office, Zonal and Divisional Offices of the Bank to keep record of disposal of their representations. Further the Scheduled Caste/Tribe employees or their representatives meet the Branch Manager at the Branch level, Liaison Officers at Divisional/Zonal levels and Liaison Officers and other senior officers, including Executives at Head Office level for redressal of their grievances.

The Committee stress that adequate publicity among the SC/ST employees of UCO Bank may be given about the aforesaid arrangements for

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redressal of their grievances so that they have no difficulty in approaching the right person in right time for redressal of their grievance, if any.

26 3.85

The Committee are happy to note that the Management of UCO Bank has provided a room with furniture and a typewriter to the UCO Bank SC/ST Employees' Council to function. However, the request of the Association for provision of a cyclostyling machine and telephone etc. has not been accepted by the Bank. The Committee would urge upon the Management of UCO Bank to consider the request of the Association sympathetically and accept their genuine demands so that they can function properly and help the Management in the effective implementation of orders on reservation for Scheduled Castes/Tribes and other concession/relaxations admissible to them.

27 4.27

The Committee note with concern that the representation of SCs in Officers and Clerical cadres and of STs in all cadres of posts in UCO Bank is much below the quota prescribed for them. As per the statement regarding staff strength of the Bank as on 31-12-1985, there is a shortfall of 118 SCs and 163 STs in Officers' cadre, 171 SC, and 177 STs in Clerical cadre and 111 STs in Sub-staff cadre. The Committee regret to note that the BSRBs who are at present making recruitment of officers and clerks for nationalised banks have failed to provide sufficient number of candidates belonging to these communities to UCO Bank.

The Committee are surprised to find that while the backlog in the representation of SCs/STs in the services of the bank has continued all these years, the BSRB, Calcutta held no special test exclusively for SC/ST to wipe out the backlog in officers' and clerical cadres. The

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Ministry of Finance (Banking Division) have also been lethargic as they requested the BSRBs only on 26-5-1986 and 7-8-1986 to clear the backlog in officers and clerical cadres respectively.

The Committee need hardly emphasise that special recruitment exclusively for Scheduled Castes and Scheduled Tribes is the only way to clear the backlog in reserved vacancies and recommend that the Banking Service Recruitment Boards should resort to special recruitment at the earliest exclusively for Scheduled Castes and Scheduled Tribes to wipe out the backlog in the cadres of officers and clerks so that the backlog does not increase from year to year as has been the case in the past.

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4.28

The Committee are constrained to note that UCO Bank indented a very large number of clerks in 1983 and as there was no growth of the bank, all the clerks allotted to UCO Bank could not be absorbed in time and the process of their appointments continued till 1987. Thus, the UCO Bank kept a large number of SC/ST persons, who were duly selected for appointment, unemployed for a number of years. The Committee, therefore, urge that in future the UCO Bank should make a realistic assessment of its requirements of Officers/Clerks before placing indents with the BSRBs and absorb within a fixed time schedule all officers/clerks allotted by BSRB to it. The Committee consider it advisable that recruitments are made at regular short intervals so that persons selected are absorbed within a fixed time schedule and induction of fresh blood is a continuous process.

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4.29

The Committee are surprised to find from the statement furnished by UCO Bank that in

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1983 out of 481 ST candidates sponsored by employment exchange, the Bank selected only 99 candidates for sub-staff posts. In 1984, out of 118 ST candidates sponsored by employment exchange, the Bank selected only 39 candidates and in 1985, out of 135 ST candidates sponsored by employment exchange, the Bank selected only 3 candidates. From the number of ST candidates sponsored by Employment Exchange, it is clear that there is no dearth of ST candidates for Sub-staff posts. The Committee fail to understand as to how when there was a shortfall of 111 STs in Sub-Staff, cadre, more ST candidates were not selected during the above period. The Committee, however, note that in order to clear the backlog of STs in Sub-Staff cadre, UCO Bank has advised its Zonal/Divisional Offices in July, 1986 to conduct a special drive to clear the backlog of posts in the Subordinate Cadres reserved for STs. The Committee recommend that UCO Bank should draw a time bound programme and clear the backlog of vacancies reserved for STs in Sub-Staff cadre through special recruitment exclusively for Scheduled Tribes. The Committee also desire to be apprised of the results achieved in wiping out the aforesaid backlog, within next six months.

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The Committee also suggest that if ST candidates are not available in a particular regional or local employment exchanges to fill the reserved vacancies, the Zonal/Divisional Offices of UCO Bank should contact the employment exchanges in the adjoining regions/areas to fill the vacancies reserved for Scheduled Tribes.

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4.31

The Committee further recommend that the Zonal/Divisional Offices of UCO Bank should also contact the Directors of Scheduled Tribe Welfare or Social Welfare of the concerned

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State/Union Territory to sponsor suitable candidates belonging to Scheduled Tribes to fill the reserved vacancies in Subordinate Cadre as provided in Department of Personnel and Administrative Reforms O.M. No. 36034/3/77-Est(SCT) dated 24-2-1979.

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4.43

The Committee note that UCO Bank has been conducting pre-recruitment training since 1982 for SC/ST candidates to make them sufficiently equipped for appearing at the written test conducted by the BSRBs. Such training is also being organised by other nationalised banks. As per the data furnished to the Committee, 20 out of 28 public sector banks have conducted 1291 courses and have trained 53201 candidates.

From their discussions with the officers of several nationalised banks held during on-the-spot-study tours, the Committee have noticed that the banks generally give pre-recruitment training to SC/ST candidates for a period ranging from three days to a week only. The Committee need hardly point out that such a short period of training falls short of requirement to equip the SC/ST candidates adequately for clearing the written test/interview etc. The Committee, therefore, recommend that the period of pre-recruitment training for SCs/STs should be increased to at least one month, so that the purpose of imparting the training is achieved and the public money spent thereon does not go waste.

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4.44

The Committee also recommend that the data about SC/ST candidates who have been successful in clearing the written test as well as interview after getting training may be maintained to assess the usefulness of the training

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and to make necessary modifications/improvements in the method of training in the light of experience gained and results achieved.

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4.48

The Committee are happy to note that UCO Bank provides pre-promotional training to Scheduled Caste/Scheduled Tribe employees of the Bank. The Committee have been informed that in 1984 and 1985 the Bank imparted pre-promotional training to 623 Scheduled Caste and 63 Scheduled Tribe employees for appearing in the test for promotion from Clerical cadre to Officers Cadre JMG Scale-I. The reserved vacancies were 127 for Scheduled Castes and 156 for Scheduled Tribes including the backlog. The Committee have been informed that 124 Scheduled Caste and all the 20 Scheduled Tribe employees, who passed the written test are being promoted. Out of this 114 Scheduled Caste and 19 Scheduled Tribe employees had undergone the aforesaid training.

The Committee feel that the pre-promotional training has proved quite useful to better the prospects of Scheduled Caste/Tribe employees for further promotions and it would go a long way in clearing the backlog in promotional posts if more attention, specially towards Scheduled Tribe employees, is paid in this regard. The Committee recommend that wide publicity should be given among Scheduled Caste/Tribe employees about the pre-promotional training scheme, so that they could take full advantage of the scheme and are enabled to pass the written test without any difficulty as and when the need therefor arise.

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5.15

The Committee note that a separate credit Cell for SC/ST has been set up in the Banking

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Division of the Ministry of Finance to periodically review the flow of credit to SCs and STs by Public Sector Banks with a view to monitoring the smooth flow of credit to them and achieving targets laid down for lending to Priority Sector and the Weaker Sections including SCs/STs as well as for the sub-targets stipulated for SC/ST beneficiaries under DRI. The Committee have been informed that the Credit Cell comprises of one Assistant and one Lower Division Clerk and it functions directly under a Research Officer who is in charge of Economic and Statistical Analysis Section.

The Committee do not consider the staff strength of the Cell viz. one Assistant and one L.D.C. adequate to look after the work relating to credit facilities provided by 28 nationalised Banks to SCs/STs. The Committee, therefore, recommend that the strength of the Cell should be immediately reviewed keeping in view the volume of work and it should be placed under an independent senior officer posted exclusively for the work of this Cell.

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5.16

The Committee are unhappy to note that under IRDP, in Manipur an average subsidy of Rs. 2000/- per beneficiary was given by the State Government to a large number of beneficiaries but no loan linked with subsidy was given to them as there were no sufficient banks in Manipur. The Ministry of Finance (Banking Division) have informed that in the North-Eastern Region, during Sixth Plan, in view of the inadequate development of banking infrastructure, credit linkage to IRDP was not insisted upon.

The Committee are of the view that it is a sheer wastage of public money to give subsidy to SC/ST beneficiaries without linking institutional credit to subsidy as it may not be possible for the

beneficiary to take up any viable scheme/project for raising his economic status only with the meagre amount of subsidy of Rs. 2000/-. The Committee feel that if subsidy linked loan is also given to beneficiaries, it would help them to take up suitable viable projects/business for raising their economic and social status. The Committee, however, note with satisfaction that it has now been decided to link institutional credit to IRDP subsidy from 1985-86 onwards.

The Committee hope that this decision will be meticulously implemented by all concerned in future for effective implementation of IRDP and other poverty alleviation programmes.

37 5.17

The Committee have been informed that due to activities of some underground elements in certain parts of Manipur three Bank Branches out of 81 Branches of United Bank of India are not functioning as security arrangements have not been provided by the State Government. For the same reasons the United Bank of India which wanted to open more Branches in the State could not do so. There is some dispute regarding the share of cost of the security cover provided to the Bank Branches between the State Government and the Bank concerned. Due to non-settlement of aforesaid dispute neither the additional Branches of the Bank are being opened nor all the existing Branches of the Bank are functioning. Similar situation might possibly be prevailing in other hilly States as well.

The Committee need hardly point out that in such a situation various development programme including the schemes regarding various credit facilities for Scheduled Castes/Scheduled Tribes cannot be implemented properly in such areas.

The Committee, therefore, recommend that the Ministry of Finance (Banking Division) should

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make an in-depth study in the matter and find out specific pockets in different States/Union Territories where such malady exists. The Committee also recommend that the matter regarding providing security to the banks should be sorted out with the State Governments/Union Territory Administrations concerned without further delay so that various programmes/schemes for socio-economic development of SCs/STs are not hampered for want of banking facilities. The Committee would also like to be apprised of the results of study made by the Banking Department and the follow up remedial steps taken in regard thereto.

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5.18

It has been brought to the notice of the Committee during its Study Tours to backward and hilly areas of North-East States that credit policy of the Government did not suit the North-East States as the conditions in hilly areas are totally different from plain areas. There was no cluster of houses in hilly areas and the people there are required to climb up and down the difficult terrains. Therefore, All India norms prescribed for allocation of funds for development of schemes of the programmes for SCs/STs like Rural Electrification, supply of potable drinking water etc. were not suitable and workable in such States. For example, for identification of a problem village for the purposes of supplying potable water there, criterion of 1.6 kilometre distance from the source of potable water is applied both in plain areas as well as hilly area. The Committee feel that there was need for relaxation in the norms fixed for hilly areas as 1.6 kilometre in such terrains was equal to much more distance in plain areas.

The Committee, therefore, urge upon the Government to be more practical and formulate different norms in respect of people living in difficult and inaccessible hilly areas for their

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prompt and proper development. The Government should make an in-depth study in the matter with a view to providing for more liberalised norms in such areas than fixed for people in plain areas. The Committee may be apprised of the results of the study made and the norms fixed for such areas.

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5.53

The Committee note that the UCO Bank is providing credit facilities to SC/ST under various schemes drawn up under Priority Sector, DRI Scheme, IRDP and 20-Point Programme.

The Committee appreciate that the UCO Bank has exceeded the target of 40 per cent share of DRI advances in favour of SCs/STs but regret to point out that the number of beneficiaries has registered a decline. Similarly the amount disbursed in 1985 has also declined compared to the amount disbursed in 1984. The number of beneficiaries which rose from 34309 in 1983 to 39883 in 1984 has come down to 24934 in 1985. In the case of amount of advances also, the figures which rose from 411.03 lacs in 1983 to 568.38 lacs in 1984, declined to Rs. 339.44 lacs in 1985.

The Committee would like the Ministry of Finance (Banking Division)/UCO Bank to critically examine the matter, identify the reasons for decline and take steps to ensure that more and more SC/ST beneficiaries are brought in the fold of DRI scheme to better their economic condition. The Committee would also like to be apprised of the remedial measures taken in this direction and results achieved.

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5.54

The Committee have been informed that under DRI Scheme maximum composite loan of Rs. 6500/- can be granted to a SC/ST beneficiary. The Committee are unhappy to note that in 1984, only 5657 out of 39883 and

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in 1985, only 6355 out of 24934 SC/ST beneficiaries were granted a loan of Rs. 5000/- or more under this scheme. As admitted by the representative of Ministry of Finance. (Banking Division) during evidence, the average loan given to a SC/ST beneficiary comes to Rs. 1000/- only. Similarly, under IRDP also, the average loan given to such a person comes to Rs. 2000/-. This inevitably makes it necessary to give a second dose of advance in many cases.

The Committee need hardly point out that IRDP and DRI are poverty alleviation programmes. The Committee, therefore, stress that the nationalised banks including UCO Bank should be more sympathetic and liberal in granting loans to SC/ST beneficiaries under IRDP/DRI to enable them to come above the poverty line without resorting to a second dose of advance.

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The Committee have been informed that under the guidelines regarding DRI Schemes, banks may route credit under this scheme through State Corporations set up in various States for the Welfare of Scheduled Castes and Scheduled Tribes.

The Committee recommend that with a view to increase the flow of credit to SC/STs, UCO Bank should established contacts with the various SC/ST Corporations and participate in financing the viable schemes framed by these Corporations.

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5.56

The Committee also recommend that in order to given benefit of DRI Scheme to an increasing number of persons belonging to Scheduled Tribes, UCO Bank should route DRI advances through cooperative societies/ LAMPS specifically organised for the benefit of tribal population.

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| 43 | 5.57 | The Committee further recommend that the Ministry of Finance (Banking Division) should monitor to find out whether the Scheduled Caste and Scheduled Tribe beneficiaries have actually come above the poverty line with the financial assistance provided to them under IRDP/DRI programmes. |
| 44 | 5.58 | The Committee note that a housing loan advance upto Rs. 5000 can be granted to a SC/ST beneficiary at concessional rate of interest of 4 per cent per annum. The Committee consider that an amount of Rs. 5000 is not sufficient for construction of a house when the cost of construction as well as building material is soaring high. The Committee recommend that in order to improve the living-conditions of SC/ST, the maximum amount of loan at 4 per cent interest should be increased at least to Rs. 7500. |
| 45 | 5.59 | The Committee note that educational loans are granted under DRI Scheme at concessional rate of interest of 4 per cent to those students only who are not getting any scholarship/maintenance grants from Government or educational authorities. The Committee are unable to understand the rationale behind this condition. The education loan is given to meritorious but poor and needy students whose family income from all sources is not more than Rs. 6400/- and Rs. 7200/- in rural areas and urban areas respectively. The Committee feel that in cases where the scholarship amount is insufficient the students should be given the aforesaid education loan so that such SC/ST students may not be compelled to leave their studies for want of money. The Committee recommend that the scheme may be reviewed in all its perspectives and the amount of loan revised taking into account the depreciated |

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		value of the rupee and continuously rising prices.
46	5.60	<p>The Committee note that under DRI Scheme composite loan aggregating to Rs. 6500/- at the rate of 4 per cent interest per annum can be granted to SC/ST beneficiaries for setting up their own small scale industrial units/small business. The Committee regret to point out that the share of SC/ST beneficiaries in the total advances to SSI/small business was only 0.78 per cent, 1.45 per cent and 1.88 per cent in 1983, 1984 and 1985, respectively. The Committee are all the more unhappy to note that composite loans each aggregating to Rs. 6500 were sanctioned to only 1050 SC/ST beneficiaries in 1983, 1212 in 1984 and 1364 in 1985.</p> <p>The Committee recommend that SC/ST beneficiaries should be encouraged to start their own SSI units small business and to take up non-caste based and gainful avenues of employment by providing necessary assistance to them in formulating viable schemes and granting loans liberally to the maximum limit admissible so that they are able to stand on their own feet.</p>
47	5.75	<p>The Committee note that under the guidelines of Reserve Bank of India 25 per cent of the priority sector advances or 10 per cent of the total bank credit should go to the weaker sections of society which includes Scheduled Caste/Tribe beneficiaries. No separate share of SC/ST has been fixed in the 10 per cent of total advances to be deployed to weaker sections. As per the information furnished to the Committee, percentage of weaker sections in the aggregate advances of public sector banks as a whole was 10.6 in June, 1986 and the percentage share of SC/ST in the aggregate advances by the public sector banks was 2.83. Scheduled Caste/</p>

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Scheduled Tribe people form a major part of the weaker sections of society but their share in aggregate advances is only 2.83 per cent as compared to percentage share of weaker sections as a whole.

The Committee recommend that as in the case of DRI Scheme and IRDP under which targets have been fixed for lending to Scheduled Castes/Tribes, certain minimum percentage of priority sector lending should be earmarked for SCs and STs in order to accelerate the flow of credit to them.

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5.82

The Committee note that no separate register is maintained in UCO Bank for keeping record of loan applications received from SC/ST beneficiaries. It is also not clear from the information furnished to the Committee whether the bank branches are maintaining any register for showing receipt/disposal of loan applications received from beneficiaries of weaker sections including Scheduled Castes/Tribes.

The Committee, therefore, recommend that as per the guidelines issued by the Reserve Bank of India every concerned branch of UCO Bank should maintain loan application register for weaker sections including Scheduled Castes/Tribes, and ensure that their applications are disposed of/sanctioned within a stipulated period of 15 days. The name of SC/ST beneficiaries should be marked in red ink in the register to make them conspicuous. It should also be ensured that no loan application from SCs/STs is delayed or rejected on flimsy grounds. The Committee also desire that the bank officials, while receiving the loan applications from SCs/STs, should scrutinise them and get them corrected then and there, if any discrepancy is found therein, so that the chances of rejection or delayed sanction of loan are obviated.

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The Committee note with concern that recovery of overdue loans under DRI Scheme from SC/ST as well as other beneficiaries is very poor. The Committee recommend that all out efforts should be made by UCO Bank to improve the recovery position for recycling of funds. The Bank should also extend all possible guidance and advice to SC/ST beneficiaries not only to avoid failure of schemes but also to improve upon their performance with a view to generating profit from the unit/project and thereby enabling them to repay the loans.

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The Committee regret to note that State Government agencies/Scheduled Caste and Scheduled Tribe Corporations do not extend full cooperation to UCO Bank in the recovery of overdues. The Committee would like the UCO Bank to take up the matter with concerned authorities at Block and District levels and sort out the problem they are facing in recovery of loans. The Committee also recommend that the Bank personnel should have a close liaison with SC/ST Development Corporations and various concerned Departments of State Governments in identification of beneficiaries, selection of schemes for them and recovery of overdues.