

**COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(1982-83)**

(SEVENTH LOK SABHA)

THIRTY SEVENTH REPORT

**MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(BANKING DIVISION)**

**Reservations for, and employment of, Scheduled Castes and
Scheduled Tribes in the Syndicate Bank and Credit Facili-
ties provided by the bank for Scheduled Castes and
Scheduled Tribes.**



Presented to Lok Sabha on

Laid in Rajya Sabha on

**LOK SABHA SECRETARIAT
NEW DELHI**

April , 1983/Phalguna , 1905 (Saka)

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(1982-83) (SEVENTH LOK SABHA)

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COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES

(1982-83)

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INTRODUCTION

I, the Chairman of 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 Thirty-seventh Report on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of Scheduled Castes and Scheduled Tribes in Syndicate Bank and credit facilities provided by the bank for 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 Syndicate Bank on the 4th, 10th and 11th February, 1983. The Committee wish to express their thanks to the representatives of the Ministry and the bank for placing before the Committee material and information they wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 12th and 13th April, 1983.

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

NEW DELHI ;
April 15, 1983
Chaitra 25, 1905 (Saka).

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

CHAPTER I

INTRODUCTORY

A. Organisation

The Syndicate Bank is one of the fourteen banks which were nationalised in July, 1969. It is a body Corporate under Section 3(4) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Its organisational set up comprises of four tiers viz. branches, divisions, regions, zones and Head Office organised in a hierarchical relationship with each other. The Head Office and Zonal Offices assume the role of strategic planning and policy formulations based on the feedback from the operational units. Compatible functions in Head Office are categorised into 4 wings and each wing is headed by General Manager. The wings are :

1. Credit.
2. Personnel, Services and Inspection.
3. Planning, Accounts and Development.
4. International Banking and Investments.

There are six zones, 13 Regional Offices and 18 Divisional Offices. The jurisdiction of each office is given in Appendix I.

Each zone is headed by a Dy. General Manager (Officer in Top Executive Grade Scale VI). Each region is headed by an Asst. General Manager (Officer in SMGS V). Each Division is headed by a Divisional Manager (an officer in SMGS IV). Regions/Divisions are slowly developing as a focal point for implementation of corporate policies and objectives.

1.2 The functions regarding implementation of Government orders on reservations, concessions and employment of Scheduled Caste/Scheduled Tribe are being attended to at the Head Office by Personnel Department, headed by Asst. General Manager (Personnel).

1.3 The Asst. General Managers, incharge of Regional offices have been appointed as Liaison Officers for the regions. The Liaison Officers are responsible for monitoring the implementation of reservations in workmen and subordinate staff cadre in the regions. The

Personnel Cells in the regions assist the Liaison Officers in regions in this assignment.

1.4 As at the end of September, 1982, Syndicate Bank had 1216 branches, of which 573 branches were in rural areas; 264 branches were in semi-urban areas; 167 branches in urban areas and 212 branches in metropolitan and port town centres.

The State-wise distribution of branches is given in Appendix II.

B. Board of Directors

1.5 In a note furnished to the Committee, it has been stated that the appointment of the Directors on the Boards of nationalised banks is made in accordance with the provisions contained in Clause 3 of the Nationalised Banks (Management and Miscellaneous Provisions) Schemes, 1970, and 1980. The appointments are made by the Central Government after consultation with Reserve Bank.

Under the Scheme, many of the directors are chosen from certain specified interests so as to give the Board of the corporate body, a balanced expertise|experience to oversee its functioning effectively. The Central Government appoints not more than 15 Directors on the Board of Directors of each nationalised bank as follows:—

(i) Whole-time Directors (one will be the Managing Director) Not more than	2
(ii) Representative of workmen employees of the Bank.	1
(iii) Representative of the employees of the bank who are not workmen (i.e. of officers).	1
(iv) Representative of the depositors of the bank.	1
(v) Representative of the interests of farmers	1
(vi) Representative of the interests of workers.	1
(vii) Representative of the interests of artisans.	1
(viii) Persons having special knowledge and/or practical experience in respect of one or more matters which are likely to be useful for the working of the nationalised banks. Not more than.	5
(ix) official of Reserve Bank of India	1
(x) official of the Central Government.	1

1.6 The decisions taken by the Board of Directors are corporate decisions, and not those of any individual directors or a group of directors. The participation of the individual directors is only in relation to the working of the Board as a whole and not in his individual capacity.

1.7 Although there is no provision in the nationalisation Acts|Schemes for the appointment of a person belonging to Scheduled Caste|Scheduled Tribe as a Director on the Board of these banks, it has been Government's endeavour to appoint as far as possible at least one Scheduled Caste|Scheduled Tribe person on each of these Board.

1.8 In reply to a question, the representative of the Ministry of Finance has stated during evidence that the Government had taken a policy decision to have one Member belonging to Scheduled Caste|Tribe on each Board of Directors. At present all the Boards of nationalised banks except two (Central Bank of India and United Commercial Bank) had Scheduled Caste|Scheduled Tribe member.

1.9 The Board of Directors of Syndicate Bank was first constituted in 1972. S|Shri Biligri Rangiah and Bingi Machinder Rao belonging to Scheduled Caste served as Directors on that Board of the Bank. It was reconstituted in 1977. S|Shri Govind P Vadeyaraj and Bharat Singh belonging to Scheduled Caste served as Directors in that Board. The Board has been reconstituted in the year 1982. Sri I. G. Chavan belonging to Scheduled Caste is a Director on this Board of the Bank. All the nationalised banks are required to follow the prescribed reservation for Scheduled Caste|Scheduled Tribe in appointments to various posts and in promotions.

1.10 The directives of the Government on implementation of reservation policy in respect of Scheduled Caste|Scheduled Tribe are approved by the Board of Directors of the Syndicate Bank and the same is implemented. The Board is kept informed about implementation from time to time.

1.11 Asked in what way the member belonging to Scheduled caste|Scheduled Tribe was useful for implementation of orders on reservation, the representative of the Ministry of Finance has stated during evidence that non-official Directors did not have any functional authority. The Board of Directors as a whole is expected to see *inter-alia* that the policies laid down regarding reservation are carried out by the Bank.

1.12 The Board of Directors of the Bank have so far held 184 meetings since nationalisation.

1.13 The Board undertakes a review of the implementation of reservation orders on the basis of notes prepared by the Scheduled Caste|Scheduled Tribe Cell. Asked whether there is a fixed period when the Board makes a review of the implementation of reservation orders in favour of Scheduled Castes|Scheduled Tribes, the representative of the Ministry of Finance has stated that during the last three years the matter has been considered by the Board at its sittings held on 12-8-1980, 14-7-1982.

1.14 The Committee have been informed that Government has taken a policy decision to have at least one Director belonging to Scheduled Caste/Scheduled Tribe in each of the Board of Directors of the nationalised banks. The Committee note that in the present Board of Directors of the Syndicate Bank there is one Director belonging to Scheduled Caste. The Committee had, in an earlier Report (33rd Report, Sixth Lok Sabha, 1978-79, para 23) relating to Central Bank of India, pointed out that the nationalisation scheme laid down the categories from which the Directors should be appointed but there was no specific category about Scheduled Castes/Tribes. The Committee had recommended that "Scheduled Caste/Tribes" should be specified as a separate category by amending extent orders on the subject, if necessary. In reply, the Government had stated that whenever the Scheme would be taken up for revision, the recommendation of the Committee would be kept in view (Fourth Report, Seventh Lok Sabha, 1980-81, para 5).

1.15 The Committee are of the view that the appointment of a person belonging to Scheduled Caste/Scheduled Tribe on the Board of Directors of nationalised Banks should not be left uncertain. It is not enough to take merely a policy decision. They therefore recommend that the nationalisation scheme should be suitably amended soon so that person belonging to Scheduled Caste/Scheduled Tribe is invariably appointed on the Board of Directors of a nationalised Bank and interests of persons belonging to these communities are amply safeguarded.

1.16 The Committee have been informed that the Board of Directors held 3 meetings during the last 3 years, viz., on 12-8-1980, 14-7-1982 and 8-11-1982, in which the progress regarding the implementation of reservation orders in respect of Scheduled Castes/Scheduled Tribes was reviewed. The Committee recommend that such reviews should be conducted more frequently in order to keep a watch over the implementation of the reservation orders.

C. Liaison Officer and Cell

1.17 It has been stated that in the Syndicate Bank, the Assistant General Manager (Personnel), Personnel Department at the Head Office is the Liaison Officer. The Assistant General Managers in charge of Regional offices have been appointed as Liaison Officers for the regions.

1.18 In reply to a question, the Committee have been informed that the Bank were advised in 1972 of Government instructions regarding appointment of Liaison Officers. All public sector banks are required to intimate appointment of Liaison Officers to the Banking Division.

1.19 In terms of instructions issued by the Ministry of Home Affairs regarding their duties and functions, the Liaison Officers are *inter alia* responsible for :

- (i) ensuring due compliance with the Government orders relating to reservation of vacancies in favour of Scheduled Castes|Scheduled Tribes and other benefits admissible to them ;
- (ii) ensuring timely submission of various reports to Government regarding recruitment|promotion of Scheduled Castes| Scheduled Tribes against the reserved vacancies ;
- (iii) scrutiny and consolidation of various statements received from subordinate offices (Regional|Zonal|Divisional Offices) ;
- (iv) conducting annual inspection of rosters ;
- (v) ensuring the extension of necessary assistance to the Government and the Commissioner for Scheduled Castes| Scheduled Tribes in the investigation of complaints received by Government and the Commissioner in regard to service matters ;
- (vi) answering queries and clearing doubts raised by the Zonal| Regional|Divisional Officers of the Bank in regard to matters covered by reservation orders ;
- (vii) looking into the grievances of Scheduled Caste|Scheduled Tribe employees regarding their service matters.

1.20 Liaison Officers in the regional offices are responsible for monitoring the implementation of reservations in workman and subordinate staff cadre in the regions. The Personnel Cells in the regions assist the Liaison Officers in regions in this assignment.

1.21 In reply to a question whether the Assistant General Manager (Personnel) has been assigned functions other than those relating to reservations, it has been stated that the Assistant General Manager (Personnel) has been assigned the role of a Liaison Officer as he is incharge of personnel and industrial relation matters. The subject of reservation has a direct relevance to his other functions which involve personnel policy formulation, man-power planning, manpowers development measures, personnel administration and industrial relations.

1.22 A Recruitment and Promotion Cell has ben set up at the Headquarters of the bank which looks after the matters connected with reservations in recruitment to all categories of staff and in promotion.

The strength of the Cell which operates under the direct change of Assistant General Manager (Personnel) is as follows :

Liaison Officers	01
Officers	03
Clerks|Typists	02

1.23 A Scheduled Caste|Scheduled Tribes officer has been associated with the Cell. The Cell maintains Rosters prescribed by the Government of India for giving effect to reservations in direct recruitment and in promotions. The Cell collects information regarding appointments made by the Regional Offices. The Cell brings to the notice of the management the instructions issued by the Ministry of Finance and Bureau of Public Enterprises to the Nationalised Banks in the above matter and recommends steps to be taken for speedy implementation of the reservations and concessions. Periodical statements|Reports are submitted by the Cell through the Liaison Officer to the Ministry of Finance (Banking Division) about implementation of Government Directives on reservations and concessions to Scheduled Caste|Scheduled Tribe in recruitment|promotions.

1.24 It has further been stated that in the Banking Division of Ministry of Finance there is a Scheduled Caste and Scheduled Tribe Cell working under the over all charge of a Joint Secretary which is responsible for watching the implementation of Government orders regarding reservation for Scheduled Caste|Scheduled Tribe in the Nationalised Banks|Financial Institutions. At present the composition of the Cell is as follows :

Section Officer	One
Assistant	One
LDC	One

The Under Secretary (Accounts) is incharge of this cell, who has also been nominated as the Liaison Officer for this work. Steps are being taken to strengthen and upgrade this Cell.

1.25 The various statements received from the Bank regarding recruitment|promotion of Scheduled Caste|Scheduled Tribe against reserved vacancies are scrutinised in the Cell and the shortfalls, if any, are pointed out to the Bank. The queries|doubts posed by the Bank to the Banking Division are examined by this Cell and the necessary clarification is sent to the Bank. The representations received from the Scheduled Caste|Scheduled Tribe Associations in the Banking Division are taken up with the Bank and necessary guidelines are issued wherever considered necessary.

1.26 As regards the steps taken to strengthen the Cell, it has been stated that the Parliamentary Committee on the Welfare of Scheduled Caste|Scheduled Tribe in its 14th Report recommended that a Cell be set-up in the Banking Division for looking after the credit requirements of Scheduled Castes and Scheduled Tribes exclusively. This recommendation was accepted and it was decided to entrust this work to the existing Scheduled Caste|Scheduled Tribe Cell in the Banking Division which deals with matters relating to reservation for Scheduled Caste|Scheduled Tribe in services of public sector banks, by augmenting its strength.

1.27 The proposals for strengthening the Scheduled Caste|Scheduled Tribe Cell are as follows :—

<i>Existing Strength</i>		<i>Proposed Strength</i>	
Under Secretary	(Part time)	Deputy Secretary	1
Section Officer	1	Section Officer	1
Assistant	1	Assistant	3
LDC	1	LDC	2
Daftry|Peon	Nil	Daftry|Peon	1

1.28 At present there is no officer in the Cell belonging to Scheduled Caste or Scheduled Tribe. However, one member of the staff posted in the Cell belongs to Scheduled Caste.

1.29 Enlarging the flow of credit the Scheduled Caste|Scheduled Tribes is a part of the endeavour of the Government and Reserve Bank to reorient the credit flow of the public sector banks towards priority sectors and within them to the weaker sections of the society including Scheduled Castes and Scheduled Tribes. The progress of the banks in this direction is being monitored by the cell with the cooperation of the concerned sections in the Banking Division.

1.30 Asked since when the proposal to strengthen the Scheduled Caste|Scheduled Tribe Cell in the ministry was pending and what were the reasons for delay, the representative of the Ministry of Finance (Banking Division) has stated during evidence that Joint Secretary incharge of priority sector also looks after matters concerning welfare of Scheduled Castes|Scheduled Tribes. Another Joint Secretary deals with service matters. The Banking Division wants an exclusive cell for Scheduled Castes|Scheduled Tribes headed by a Deputy Secretary. For that purpose, a proposal had been sent to the Finance Department for creation of posts. The Finance Department has no objection in principle to the creation of posts but they want some other posts which may be redundant to be abolished. Staff Inspection Unit of the Ministry of Finance has found that some staff working in the banking Division can be spared. The Banking Division is now considering whether additional posts can be created after having matching savings.

If no savings are available, approval of Cabinet will be necessary for creation of additional posts. The matter is expected to be settled within the next one or two months.

1.31 On being pointed out that the Parliamentary Committee's recommendation was for the creation of a separate Cell, the representative of the Ministry of Finance has stated that but for that, normally they would not have agreed to the creation of extra posts.

1.32 In reply to a question, he has stated that they would consider the question of associating with the Cell an officer belonging to Scheduled Caste/Scheduled Tribe after the additional posts are created.

1.33 Asked why the Liaison Officer was from the Personnel Department in view of the fact that the grievances of the employees were also generally against that Department, the representative of the Ministry of Finance has stated that in matters of policy, the decision is taken at the Management level. Having the Liaison Officer from outside the Personnel Department will have both its merits and demerits.

1.34 When the Committee stressed that the Banking Division should consider the suggestion and issue necessary instructions, the representative of the Ministry of Finance stated as follows :—

“We will consider this. I concede that grievances are to be looked into separately so that an appropriate action is taken impartially and effectively.”

1.35 Asked whether there was no separate Cell in the Bank exclusively for looking after the reservation work, the Chairman of the Bank has stated during evidence that Assistant General Manager Personnel, who is the Liaison Officer is incharge of all personnel matters, is assisted by two officers, one clerk and one typist. They want all officers in Personnel Department to be trained in the reservation work it is an on-the-job training.

1.36 The Committee pointed out that the work of implementation of reservation orders had become somewhat technical and it requires training. For that purpose, there is a system of training the Liaison Officers. Some bank officials must be trained on the subject. Agreeing with the suggestion, the Chairman of the bank has said during evidence that they would start a system whereby more officers can be trained. Two bank officials who had been trained are already working in the Personnel Department under the Liaison Officer.

1.37 The Committee note that the Ministry of Finance (Banking Division) are considering a proposal to strengthen their Scheduled Caste/Scheduled Tribe cell. The Committee recommend that a decision in this regard should be taken without any loss of time so that

this cell can play a prominent role in dealing with matters relating to reservation in services of public sector banks and other welfare measures for the Scheduled Caste/Scheduled Tribe employees. The Committee feel that at present the Cell is simply performing data collecting function while its main purpose should be to monitor the implementation of reservation orders in an effective manner.

1.38 The Committee feel that a single cell cannot be effective in dealing both with the reservation work and matters relating to credit facilities to Scheduled Castes and Scheduled Tribes. They therefore, recommend that a separate Cell should be set up in the Banking Division for dealing exclusively with the credit requirements of Scheduled Castes and Scheduled Tribes, as recommended by the Committee in para 2.6 of their Fourteenth Report (Seventh Lok Sabha) on credit facilities for Scheduled Castes and Scheduled Tribes.

1.39 It has been observed during the course of the Committee that some Liaison Officers are not clear about the implementation and interpretation of Government orders on the subject of reservations, relaxations and concessions etc. for Scheduled Castes/Scheduled Tribes. The Committee feel that the reservation work has become somewhat technical and requires expertise and special training for handling such cases. The Committee, therefore, recommend that short duration refresher courses for Liaison Officers of Public Sector banks and for the staff dealing with reservation work in the banks, should be arranged by the Banking Division in order to acquaint them with the implementation of reservation orders. If necessary the Banking Division may consult the Department of Personnel and the Office of Commissioner for Scheduled Castes and Scheduled Tribes for drawing up a programme for the refresher courses.

1.40 The instructions issued by the Ministry of Finance (Bureau of Public Enterprises) which are applicable to public sector undertakings, stipulate that in each undertaking the officer-in-charge of administration (or any other officer designated for the purpose) will act as Liaison Officer in respect of matters relating to representation of Scheduled Castes/Scheduled Tribes. The duties of the Liaison Officer include (i) ensuring due compliance with the orders and instructions pertaining to reservation of vacancies and other benefits admissible to Scheduled Castes/Scheduled Tribes, (ii) collecting, consolidating and despatching the annual returns relating to representation of Scheduled Castes/Scheduled Tribes, (iii) acting as a Liaison Officer between the undertaking and the Ministry concerned for supply of other information, answering questions and queries and clearing doubts in regard to matters concerning reservation of posts for Scheduled Castes/Scheduled Tribes and (iv) conducting annual inspection of the rosters maintained in the enterprises with a view to ensuring proper implementation of the reservation orders. It is the experience

of the Committee that the Liaison Officers are mainly engaged in collecting|consolidating data relating to representation of Scheduled Castes and Scheduled Tribes whereas they should engage themselves more in ensuring due compliance with the orders and instructions pertaining to reservations of vacancies and other benefits admissible to Scheduled Castes and Scheduled Tribe.

1.41 In the Syndicate Bank, the Assistant General Manager (Personnel) has been nominated as the Liaison Officer. It appears to the Committee that an officer of the Personnel Department has been nominated as Liaison Officer for the sake of administrative convenience as his duties are related to reservations, appointments, promotions etc. of Scheduled Caste and Scheduled Tribe employees. The Committee, however, feel that the Liaison Officer should not be from the Personnel Department as the complaints of Scheduled Castes|Scheduled Tribe employees generally pertain to service matters which are dealt with in the Personnel Department. They, therefore, recommend that the Liaison Officer should be from outside the Personnel Department.

CHAPTER II

RESERVATIONS

A. Adoption|Implementation of Reservation Orders

2.1 It has been stated that there are three cadres of staff in the Syndicate Bank, namely, officers, clerks and subordinate staff. There are four grades and seven scales in officers cadre, namely Junior Management Grade Scale I, Middle Management Grade Scale II, Middle Management Grade Scale III, Senior Management Grade Scale IV, Senior Management Grade Scale V, Top Executive Grade Scale VI and Top Executive Grade Scale VII. The Scales of pay and the selection process in various categories of staff are given below :—

Grade	Pay Scale	Process of Selection
<i>Officers Cadre</i>		
— JAMGS I	700-40-900-50-1100-EB-1200-60-1800	25% by Direct Recruitment and rest by Promotion.
— MMGS II	1200-70-1550-75-2000	Promotion.
— MMGS III	1800-75-2250	Promotion.
— SMGS IV	2000-100-2400	Promotion.
— SMGS V	2500-100-2700	Promotion.
— TEGS VI	2750-125-3250	Promotion.
— TEGS VII	3000-125-3500	Promotion.
<i>Clerical Cadre</i>	325-20-405-25-455-30-545-35-580-40-660-45-750-50-800-60-1040.	Mostly by direct recruitment and a small proportion by promotion from subordinate staff.
Sub-Staff Cadre	245-7-280-10-330-12-390-15-435-455.	Director recruitment.

2.2 Reservation orders apply to :

- (i) Direct recruitment to all categories of staff, and
- (ii) Promotion from clerical to officer cadre.

Reservation orders do not apply to :

- (i) Promotions from one scale to another in the officers cadre.
- (ii) Promotions from sub-staff to clerical cadre; and
- (iii) Appointments for posts of attenders in subordinate staff cadre made from sweepers.

2.3 Reservation in direct recruitment was introduced in the bank from 19th July, 1969, the date of nationalisation of 14 commercial banks including the Syndicate Bank. The reservation in clerical cadre varies from State to state depending on the percentage of Scheduled Caste and Scheduled Tribe population in a particular State.

2.4 As direct recruitment to clerical cadre and subordinate cadre exceeds 66-2/3 per cent, there is no reservation in promotions from subordinate staff to clerical cadre and appointments to posts of attenders in subordinate staff cadre made from sweepers. As direct recruitment to officers cadre is less than 66-2/3 per cent, in promotion from clerical cadre to officers cadre, 15 per cent of the posts are reserved for Scheduled Castes and 7½% for Scheduled Tribes. Reservation in promotions became effective from 1st June, 1978 in Syndicate Bank. Before reservations in promotions were advised by Government in 1978, bank was granting 5% relaxation in qualifying marks in written test to Scheduled Caste/Scheduled Tribe employees from 1975 onwards.

Posts Filled by Deputation

2.5 No vacancies in any category are filled by deputation. However, the Bank has employed 3 officers on contract basis in specialised areas like currency chest, Government transactions and legal matters.

Posts Filled by Temporary Appointments

2.6 Temporary appointments are made to fill up leave vacancies in sub-staff and to limited extent in clerical cadre only. These temporary appointments are made through Employment Exchange. Reservations are made for temporary appointments exceeding 45 days.

2.7 In regard to adoption of reservation orders by banks, the Committee have been informed in a note as under :—

“The Government orders regarding reservation are examined by the Banking Division of the Ministry of Finance before they are extended for adoption by the Reserve Bank of India, financial institutions and the public sector banks. It is so because the situation prevailing in the Banks including Reserve Bank of India and the financial institutions is not exactly akin to the situation prevailing in the Government. For instance, the banks including Reserve Bank of India and the financial institutions are governed by Industrial Disputes Act. Service conditions of employees have for long been determined by awards and agreements which have a binding force and cannot be changed unless the change is agreed to by both the parties, i.e. Management and the Union. Even so the orders issued by the Ministry of Home Affairs regarding reserva-

tions for Scheduled Caste|Scheduled Tribe in direct recruitment as well as in promotion have been adopted by the Banks. In view of the protection given by the Industrial Disputes Act to the Agreements|Awards, it is not feasible to introduce reservations w.e.f. the same date as issued by the Government for its employees."

2.8 In reply to a question, the representative of the Ministry of Finance has stated during evidence that the orders regarding reservations etc. are examined in the Ministry from the angle that there should be no difficulty in their implementation. Nothing is dropped from these orders which are circulated to the banks for implementation. He has further stated during evidence that there is scope for further improvement in implementation of these orders.

2.9 In the Syndicate Bank, Asstt. General Manager (Personnel), Personnel Department Head Office who is the Liaison Officer coordinates the function relating to the interpretation of Government directives on reservations|concessions to be extended to Scheduled Caste|Scheduled Tribes candidates and implements the same. The implementation is reported to the Top Management Team and the Board of Directors. The Liaison Officer submits periodical returns on reservations, concessions and employment of Scheduled Caste|Scheduled Tribe candidates to Government of India.

2.10 It has been stated that with a view to ensuring that reservations are properly arrived at and appointments made, the liaison work with the Banking Service Recruitment Boards is centralised at Head Office. The allotments made by Banking Service Recruitment Board are verified and forwarded to Regional Offices for appointment. The feed back from Regional Offices is obtained to ascertain the number of candidates who have accepted the offer and joined. Substitutes for drop-outs are indenting keeping in view the reservations provision. Every appointment indent is examined from the point of view of reservations.

2.11 In the Banking Division of Ministry of Finance, the Scheduled Caste|Scheduled Tribe cell working under the overall charge of a Joint Secretary is responsible for watching the implementation of reservation orders for Scheduled Castes|Scheduled Tribes in nationalised banks.

2.12 In reply to a question, the representative of the Ministry of Finance has stated during evidence that the orders of the Ministry of Home Affairs regarding reservations for Scheduled Castes and Scheduled Tribes have been sent to all the banks. In the past there had been some delay in the issue of those instructions and more delay in

their implementation. This was because in banking industry there were agreements on various matters between the management and the labour unions. So long as these agreements subsisted, the instructions of the Government could not be implemented immediately and the management had to initiate process of amending or terminating the existing agreement and entering into a new agreement in order to be able to implement the Government's policy on reservation. The banks had been following different policies even in the matter of promotion. In some banks the promotions were merely on the basis of seniority and in others on selection. Due to these reasons, there had been some variation in the dates of implementation of the reservation orders. Now the banks are aware of the Government policies and have to implement them with all sincerity and earnestness.

2.13 Asked whether such agreements between the Management and the Unions were arrived at even after nationalisation of the Banks, the representative of the Ministry of Finance has stated during evidence that some agreements had been reached even after nationalisation. They were entered into before the issue of the guidelines by the Ministry of Finance.

2.14 In reply to a specific question whether there were agreements still subsisting which contravened the reservation policy of the Government, the representative of the Ministry of Finance has said : 'No.'

2.15 Asked when the orders of the Ministry of Home Affairs issued in 1972 regarding reservations in promotion on the basis of seniority subject to fitness and those issued in 1974 regarding reservation in promotion by selection were circulated to the banks by the Banking Division, the representative of the Ministry of Finance has stated during evidence that the orders issued in 1972 (Deptt. of Personnel O.M. No. 27|2|71-Estt. (SCT) dated 27-11-1972) regarding reservation in promotion on the basis of seniority subject to fitness were conveyed to the nationalised banks in September 1973 and they were requested to send their comments. The orders dated 20-7-1974 (Deptt. of Personnel O.M. No. 10|41|73-Estt., (SCT) dated 20-7-1974) regarding reservation in promotion were sent to the Reserve Bank of India in September 1974 for their views on the contents of the circular. The comments received from nationalised banks and the Reserve Bank of India were examined and the orders of the Home Ministry were sent in December, 1977 to all public of the Sector Banks for implementation. He admitted that there was no justification for the delay in sending.

2.16 Asked whether the orders issued by the Department of personnel were subject to the scrutiny of Reserve Bank of India, the representative of the Ministry of Finance has stated that the comments were required with regard to implications arising out of the implementation of these orders.

2.17 Asked to categorically state whether the orders regarding reservations for Scheduled Castes and Scheduled Tribes are to be implemented by the RBI and the Nationalised Banks or are subject to their comments, the representative of the Ministry has stated as under :—

“They are fully implementable and there is no question of any comments or any sort of reservations on his.”

2.18 Asked from which date the orders issued by the Ministry of Home Affairs in 1974 but circulated in the Banks in December, 1977 should take effect, the representative of the Ministry of Finance has stated during evidence that normally when the orders are issued, they indicate the date from which they should come into force. The order of 1974 was circulated in 1977 and before 1977 there might have been agreements between the management of the Bank and the Employees Union. Agreements, were however, not the reasons for delay in circulation.

2.19 In reply to a question whether employees would be entitled to benefits from the date of issue of the order of Department of Personnel, the representative of the Ministry of Finance has stated as under during evidence :

“I am prepared to issue orders provided there are no legal implications.”

In a note furnished to the Committee after the evidence, the Banking Division has informed that the Ministry of Law has been requested to examine and advise legal implications if Government asks the banks to implement reservation in promotion with retrospective effect.

2.20 Section 8 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1979 regarding power of Central Government to issue directions to the nationalised banks, provides as follows :—

“Every corresponding new bank shall, in the discharge of its functions, be guided by such directions in regard to matters of policy involving public interest as the Central Government may, after consultation with Reserve Bank, give.”

2.21 Ministry of Home Affairs O.M. No. 1|9|69-Estt. (SCT) dated 26th March, 1970 relating to concessions to Scheduled Castes and Scheduled Tribes in posts filled by promotion *inter-alia* provides that in promotions by selection to posts within Class I, which carry an ultimate salary of Rs. 2,000|- per month or less (Rs. 2,250|- per month or less in revised scale) the Scheduled Caste|Scheduled Tribe officers

who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which select list has to be drawn up, would be included in that list provided they are not considered unfit for promotion. On 24-12-1980, the Department of Personnel and Administrative Reforms issued OM No. 22011|3|76 Estt. (D) laying down *inter-alia* the zone of consideration for promotion to selection posts, which will be as under :—

No. of vacancies	No. of officers to be considered
(1)	(2)
1	5
2	8
3	10
4 or more	Three times the number of vacancies.

2.22 Where adequate number of Scheduled Caste|Scheduled Tribe candidates are not available within the normal field of choice as above, the field of choice may be extended to 5 times the number of vacancies and the Scheduled Caste|Scheduled Tribe candidates coming within the extended field of choice should also be considered against the vacancies reserved for them.

2.23 The Committee were informed by the Syndicate Bank Scheduled Caste and Scheduled Tribe Employees Welfare Association that in 1982 selection was made by the bank for promotion from lower scale to higher scale within the officer's cadre. During evidence the Committee referred to the order of the Ministry of Home Affairs dt. 26-3-70 regarding concessions to Scheduled Caste|Scheduled Tribe in promotion within Class I and pointed out that this order was circulated by the Banking Division to banks on 31-5-81 i.e. after a gap of 11 years.

2.24 The Committee enquired as to when the order issued by the Department of Personnel and Administrative Reforms dated 24-12-1980 (O.M. No. 22011|3|76-Estt. (D) providing for extension of normal zone of consideration to ensure adequate number of Scheduled Caste|Scheduled Tribe candidates being considered for promotion to selection posts was circulated to banks. The representative of the Ministry of Finance has stated that so far as he knew, that order had not yet been circulated. He has further said that there would be no delay in circulating the order.

2.25 Asked to state the zone of consideration in 1979 at the time of promotion from Scale I to Scale II, the Chairman of the Bank has stated during evidence that the zone of consideration was three times the number of posts according to the guidelines they were aware of at that time.

2.26 The Committee pointed out that the bank made a selection in 1982 and as such the orders of 1980 [Department of Personnel O.M. No. 22011|3|76-Estt. (D) dated 24-12-1980] should have been made applicable and enquired whether the Scheduled Castes/Scheduled Tribes would get their share now as they were not at fault. The representative of the Ministry has stated as follows :—

“The Scheduled Castes would have been eligible for promotion. We would rectify that lacuna.”

He has further said, “we admit that there has been lapse in this matter.”

2.27 The Committee feel unhappy that implementation of reservation orders by the banks is not satisfactory and leaves much scope for improvement. The Committee expect the Banking Division of the Ministry of Finance to take the lead in the matter of improving the representation of Scheduled Castes and Scheduled Tribes in the service of banks to the desired level. Banking Division should also make a study to find out the reasons for unsatisfactory implementation of reservation orders by various banks, other than the Syndicate Bank whose lapses have been commented upon in this report and take necessary corrective measures in this regard. The Committee should be apprised of the action taken in the matter.

2.28 The Committee are distressed to note that the orders of the Department of Personnel issued in 1972 [O.M. No. 27|2|71-Estt. (SCT) dated 27-11-1972 and No. 10|41|73-Estt. (SCT) dated 20-7-1974] regarding reservation in promotion were circulated by Banking Division to the nationalised banks in December, 1977 for implementation. The representation of the Ministry of Finance stated during evidence that the orders issued by the Department of Personnel on 27-11-1972 were conveyed to the banks in September, 1973 for comments. The orders issued on 20-7-1974 were sent to the Reserve Bank of India in September, 1974 for comments. The comments received from the banks and the Reserve Bank of India were examined in the Ministry of Finance and orders of the Department of Personnel were sent on 31st December, 1977 to all public sector banks for implementation. As there was inordinate delay in communicating the orders regarding reservation in promotion to the banks, Syndicate Bank could implement the orders only from June, 1978 with the result that Scheduled Castes/Scheduled Tribe employees were denied the benefits of reservation in promotion available under those orders. The Committee recommend that the Banking Division of Ministry of Finance should issue instructions to the banks for giving retrospective effect to these orders from the date of their issue by the Department of Personnel so that justice is done to the Scheduled Castes/Scheduled Tribe employees in the matter of filling promotional

vacancies in all the banks. The Committee need hardly stress that had these orders been communicated in time to the nationalised banks the representation of Scheduled Castes and Scheduled Tribes in the officers cadre and other cadres would have been far more satisfactory.

2.29 The Committee are distressed to note that the Ministry of Home Affairs O.M. No. 19/69-Estt.(SCT) dated 26th March, 1970 regarding concessions to Scheduled Castes/Scheduled Tribes in promotions within Class I was circulated to Banks for implementation on 31-5-1981 that is after a gap of 11 years and the order dated 24-12-80 O.M.No. 220113/76-Estt. (D) issued by the Deptt. of Personnel and Administrative Reforms containing revised instructions regarding principles for promotion to 'Selection' posts and extension of the zone of consideration for Scheduled Castes/Scheduled Tribe candidates under certain conditions has not so far been circulated to the banks. This shows that there is lethargy and something basically wrong in the Banking Division of the Ministry of Finance so far as the implementation of the reservation orders by the banks is concerned. The Committee regret to point out that due to delay in circulation, the Scheduled Caste/Scheduled Tribe employees have been deprived of the benefits under these orders without any fault on their part. The Committee desire that these benefits should be made available to them with retrospective effect from the date of issue of these orders. The Committee desire that these benefits should be made available to them carefully and fix up the loose-ends so that such delays do not recur in future. The Committee also desire that responsibility should be fixed for the inordinate delay in circulating the two orders of Ministry of Home Affairs/Deptt. of Personnel and Administrative Reforms to the banks for implementation.

2.30 Under section 8 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, "every corresponding new banks shall, in the discharge of its functions, be guided by such directions in regard to matters of policy involving public interest as the Central Government may, after consultation with the Reserve Bank of India, give." The Committee have been informed that the orders issued by the Department of Personnel on 20-7-1974 regarding reservation in promotion were sent to the Reserve Bank of India in September, 1974, for comments. They are of the view that consultation with the Reserve Bank of India is not required in so far as orders issued by the Government of India (Department of Personnel) regarding reservations for Scheduled Castes and Scheduled Tribes are concerned. The Committee, therefore, recommend that the orders issued by the Department of Personnel should be conveyed by the Ministry of Finance (Banking Division) to public sector banks simultaneously for implementation.

B. RESERVATION IN DIRECT RECRUITMENT

2.31 Following table gives the details of reservations for Scheduled Castes and Scheduled Tribes in direct recruitment in various categories of posts in the Syndicate Bank : —

Cadre	Percentage of reservation for		Date from which reservation is effective.
	S.C.	S.T.	
1	2	3	4
Officers Cadre			
— JMGS I	15%	7%	19-7-1969
— MMGS II			
— MMGS III			
— SMGS IV			
— SMGS V			
— TEGS VI			
— GEGS VII			
Clerical Cadre			
	Varied from State to State		19-7-1969
Andhra Pradesh	13%	5%	
Assam	6%	13%	
Bihar	14%	9%	
Gujarat	7%	14%	
Haryana	19%	5%	
Himachal Pradesh	22%	5%	
Jammu & Kashmir	8%	5%	
Karnataka	13%	5%	
Kerala	9%	5%	
Maharashtra	6%	6%	
Madhya Pradesh	13%	20%	
Manipur	2%	31%	
Meghalaya	1%	44%	
Nagaland	Nil	45%	
Orissa	15%	23%	
Punjab	25%	5%	
Rajasthan	16%	12%	
Tamil Nadu	18%	5%	
Tripura	13%	29%	
Uttar Pradesh	21%	5%	
West Bengal	20%	6%	
UNION TERRITORY			
A & N Islands	Nil	16%	
Arunachala Pradesh	Nil	45%	
Chandigarh	12%	5%	
Dadra & Nagar Haveli	2%	43%	
Delhi	15%	71%	(40 point roster)
Goa, Daman & Diu	2%	5%	
Lakshadweep	Nil	45%	
Pondicherry	16%	5%	
Sub-Staff Cadre	Varies from State to State as given for clerical cadre.		19-7-1969.

It has been stated that reservation for Scheduled Caste/Scheduled Tribe apply to all direct recruitments.

RECRUITMENT OF SPECIALIST OFFICERS

2.32 After the introduction of Pillai Committee recommendations regarding standardisation of pay scales allowances and perquisites in the Nationalised Banks, persons with specialised qualifications have been integrated with general cadre of officers for the purpose of seniority, promotion and placement. Reservation is therefore applied to officer cadre as a whole and no separate roster is maintained for specialist officers. The Bank has recruited persons with specialised qualifications like Chartered Accountants, Cost Accountants, Hindi Officers etc. in Junior Management Cadre Scale I. Only Law officers have been recruited directly in Scale III.

2.33 In reply to a question during evidence, the Chairman of the Bank has stated that 5 Law officers were recruited in Scale III in 1978. Subsequently they were recruited only in Scale I. No mention had been made about reservation for Scheduled Castes and Scheduled Tribes in the advertisements for the post of Law Officers.

2.34 When it was pointed out that it was gross violation of reservation orders and the bank should make it up by direct recruitment the representative of the bank has stated: 'We will try to make it up.'

2.35 Regarding the various categories of posts in the clerical cadre, it has been stated in a note furnished to the Committee that the pay scale of all posts in the clerical cadre is the same that is Rs. 325—20—405—25—455—30—545—35—580—40—660—45—750—50—800—60—1040 but some posts in the clerical cadre carry special allowances as under :—

Sl. No.	Posts	Amount of Special Allowance
1	2	3
		(Amt. in Rupees)
1.	Telephone Operator	31
2.	Relieving Telephone Operator	16
3.	Audit Clerk -Category 'A'	53
	Category 'B'	100
4.	Comptist	62
5.	Telex Operator	78
6.	Teller	102
7.	Punch Card Operator	87
8.	Accounting Machine Operator	134
9.	IBM/ICT Machiner Operator	152
10.	Stenographer	152
11.	Head Clerk	152

1	2	3
12. Assistant Head Cashier :		
— Units of 5 clerks & above		96
— Units of 4 clerks & below		68
13. Cashier-in-charge of cash in Pay Office or Branch		102
14. Head Cashier Category 'A' :		
— Units of 5 clerks & above		134
— Units of 4 clerks & below		102
15. Head Cashier Category 'B' :		
— Units of 5 clerks & above		152
— Units of 4 clerks & above		121
16. Head Cashier Category 'C'		171
17. Head Cashier Category 'D'		189
18. Head Cashier Category 'E'		264
19. Special Assistant		283
20. Agricultural Assistants		75

2.36 On being pointed out by the Committee that the posts of Head Clerk, Stenographer and Special Assistant have been included in the clerical cadre whereas they should be treated as different cadres, the Chairman of the bank has explained during the course of evidence that the existing classification has been stipulated in the bipartite agreement arrived at between the banking industry and the Employees Union.

2.37 The representative of the Ministry of Finance has stated that the pay scales of all these categories of posts are the same but they carry special allowance. In banking industry several things have inherited from the past.

2.38 On being pointed out that due to inclusion of all these posts in the clerical cadre, there is no reservation for Scheduled Castes and Scheduled Tribes in these posts, the representative of the Ministry of Finance has stated during evidence that these things can be changed when the bipartite agreement comes to an end and the new agreement is signed. In reply to a question he has stated that he cannot predict the outcome of the new agreement.

Appointments to the posts of Special Assistant

In a note furnished to the Committee it has been stated that the post of Special Assistant is in clerical cadre. Clerks are entrusted with the duties of Special Assistants on a permanent basis in accordance with their seniority only as and when vacancies of Special Assistants

arise provided they have completed at least 6 years of service. Posting of clerks as Special Assistants is not a promotion and therefore there is no reservation for Scheduled Caste/Scheduled Tribe in these posts. Post of Special Assistant carries Special allowances which is Rs. 283 p.m.

Duties of Special Assistants are given in Appendix III.

2.40 The Committee pointed out during evidence that the post of Special Assistant was a supervisory post as he could sign the voucher, check the pass books etc. If the post is treated as a separate cadre, the principle of reservation will apply and some Scheduled Caste/Scheduled Tribe clerks can be promoted as Special Assistants.

2.41 The Chairman of the bank has explained that no member of Scheduled Caste/Tribe is denied opportunity of being appointed as a Special Assistant. There are 1387 Special Assistants at present out of whom one belongs to Scheduled Caste. Majority of Scheduled Caste Tribe employees who joined the bank in 1973 have been promoted as officers.

2.42 There were 404 Scheduled Caste and 76 Scheduled Tribe officers out of 3532 junior officers as on 30-4-82. Special Assistants are appointed by seniority as they must acquire sufficient experience. There is no element of selection involved in these appointments.

Appointment of Stenographers

2.43 Posts of Stenographers have been included in clerical cadre. The Committee pointed out during evidence that nature of duties should also be kept in view while including various categories of posts in the same cadre. Stenographer and Clerk could not be in the same cadre. There were advertisements issued by the Banking Service Recruitment Board inviting applications for the post of Stenographer. In Central Government Offices also there was a separate seniority list for Stenographers. The Chairman of the Bank has explained as under:—

“We have a scale of pay and all the people bearing this scale of pay naturally will have a common seniority list. And if there is a common seniority list, then we cannot distort the seniority and create reservation for certain categories.”

He has further said that in the same scale of pay there may be different posts carrying different responsibilities.

2.44 Asked why there could not be a separate seniority list for Stenographers, the representative of the Ministry of Finance has stated as under during evidence:—

“We are recruiting him in the clerical cadre but he works as a Stenographer.”

2.45 The Syndicate Bank recruited 5 Law Officers in scale III in the year 1978. Subsequently they were recruited only in scale I. None of these officers belongs to Scheduled Caste/Scheduled Tribe. The Committee have been informed that no mention had been made about reservation for Scheduled Castes and Scheduled Tribes in the advertisements for the post of Law Officer.

2.46 The Committee are at a loss to understand why the principle of reservation was not made applicable by the Bank at the time of direct recruitment of Law Officers. They are constrained to observe that it was a gross violation of the reservation orders which had become effective in the Bank from July 1969 in direct recruitment. The Committee recommend that the Bank should now fill the backlog by recruiting Law Officers belonging to Scheduled Caste/Scheduled Tribe communities by special recruitment.

2.47 The Committee are surprised to note that in terms of the bilateral agreement between the Syndicate Bank and the Employees Union, various categories of posts including those of Head Clerk, Stenographers and Special Assistants have been included in the same cadre i.e. the clerical cadre with certain special allowances attached to each post. Thus various posts having different nature of duties have been clubbed together under the one head “clerical cadre” having the same scale of pay and consequently there is one seniority list for all these employees. The Committee feel that this scheme goes against the interests of Scheduled Castes and Scheduled Tribes in as much as they have been denied chance of recruitment and promotion on the basis of the scheme of reservation which is now Government of India’s accepted policy. The Committee need hardly stress that no bilateral agreement can override the policy of the Government in relation to reservation in services in favour of Scheduled Castes/Scheduled Tribes and such agreements, if any, should be cancelled immediately.

2.48 The Committee find that the post of Special Assistant which is a supervisory post has been included in the clerical cadre and a special allowance of Rs. 283 p.m. has been attached to that post. Clerks who have completed at least 6 years of service are entrusted with the duties of Special Assistants in accordance with their seniority but this post is not treated as a promotional post with the result that

Scheduled Caste/Scheduled Tribe employees cannot get the benefit of reservation in promotion as Special Assistant. Out of 1,387 Special Assistants at present, there is only one who belongs to Scheduled Caste community. The Committee, therefore, recommend that the post of Special Assistant should be treated as a promotional post and taken out of the clerical cadre.

2.49 It is further noticed that Stenographers are appointed in the clerical cadre and given a special allowance of Rs. 152 per month. As Stenographers possess technical skill in stenography and perform duties which are different from those performed by clerks in general, the Committee fail to understand the rationale of including Stenographers in the clerical cadre. The Committee are of the view that Stenographers should constitute a separate cadre and the orders regarding reservation in appointment and promotion should be made applicable to them.

2.50 The Committee feel that certain posts which are of a supervisory nature (e.g. Head Clerk, Head Cashier) should form separate cadre with a higher scale of pay in lieu of special allowance as allowed at present. They would therefore like the Ministry of Finance (Banking Division) to examine the present system of cludding together a large number of posts under clerical cadre, and devise a suitable pay structure for various groups of posts keeping in view the nature of duties and responsibilities involved.

2.51 The Committee expect that at the time of negotiating a fresh agreement with the Employees Union, Syndicate Bank would keep in mind the interests of Scheduled Castes and Scheduled Tribes employees and nothing should be agreed upon which goes against the reservation policy in favour of Scheduled Castes/Scheduled Tribes either directly or indirectly. The Committee also recommend that a representative of the employees belonging to Scheduled Caste/Scheduled Tribe organisation should be associated in all such negotiations with the Employees Unions.

C. RESERVATION IN PROMOTIONS

2.52 As per the guidelines by the Government of India, the reservations in promotions apply to promotions from clerical cadre to officer cadre only and do not apply for promotions from subordinate staff to clerical cadre since the element of direct recruitment in clerical cadre exceeds 66-2/3 per cent.

2.53 Percentage of reservation in promotions from clerical to officers cadre is 15 per cent for Scheduled Castes and 7-1/2 per cent for Scheduled Tribes and it is effective from 1-6-1978.

2.54 It has further been stated that promotion policy for clerical cadre is always arrived at bilaterally between the Management and the Union. Promotion policy in force during the year 1982 was arrived at after discussions with representatives of the Union on 20th and 21st October, 1981. The policy *inter-alia* provides as under:—

- (a) 25 per cent of the vacancies in the Junior Officers cadre will be filled up from direct recruitment. This will not include SSI Officer, AFD Officer and other specialists etc., which number will be in addition to the declared vacancies.
- (b) 75 per cent of the vacancies will be filled up from among the workmen staff from clerical cadre of the Bank through promotion and necessary reservations for Scheduled Caste/Scheduled Tribe candidates as declared by the Government from time to time, will be made.
- (c) 15 per cent of the vacancies marked to be filled through promotions from workmen staff, will be reserved for promotions from the permanent Special Assistants as on 31-12-1980 on the basis of marks obtained by them in the viva voce test.

2.25 The rest of vacancies in the officer cadre will be filled by promotion from employees in the clerical cadre who have completed three years of service in the bank in clerical cadre as on 31-10-81. These employees will be eligible to appear for a written test and viva voce to be conducted in 1982.

2.56 In reply to a question during evidence, the representative of the Bank has stated that they had not rejected any Scheduled Caste candidate in interview for promotion.

Promotion from sub-staff to clerical cadre

2.57 In a note furnished to the Committee, it has been stated that vacancies in clerical cadre are mostly filled up by direct recruitment. However, a few vacancies in clerical cadre are filled up promotions from sub-staff cadre. A fixed percentage for promotion has not been laid down.

2.58 As the element of direct recruitment to the clerical cadre exceeds 66-2/3 per cent, there is no reservation in promotions from sub-staff to clerical cadre. However, the bank has been extending a relaxation in the written test and viva voce test to the extent of 5 per cent to 10 per cent to Scheduled Caste and Scheduled Tribe candidates.

2.59 Policy for promotion of sub-staff to clerical cadre as laid down in consultation with the recognised union of Bank's workmen staff is given in Appendix IV.

2.60 The Committee enquired why a fixed percentage had not been laid down for promotion from subordinate staff cadre to the clerical cadre. The Chairman of the Bank stated that the Bank required additional qualification and experience in subordinate staff for promotion to the clerical cadre. The Management had an agreement with the Union in this regard as indicated below:—

“Such of those who have got qualifications prescribed for clerical recruitment and those who may not be able to complete with others on account of age, if they have the necessary qualification, and if as per recruitment policy they are age-barrred, such of those candidates passing SSLC examination, who complete one year service in the Bank.”

2.61 The following statement gives the number of persons promoted during each of the last 5 years in the various categories of posts and number and percentages of Scheduled Castes|Scheduled Tribes among them:—

Year	Total	S.C.	%age	S.T.	%age
<i>Clerical to Officer Cadre</i>					
1976	861	15	1.74%	1	0.12%
1977	—	—	—	—	—
1978	710	54	7.61%	7	0.99%
1979	56	51	91.07%	5	8.93%
Special test for SC/ST					
1980	483	60	12.42%	11	2.28%
1981	—	—	—	—	—
<i>Sub-Staff Cadre to Clerical Cadre</i>					
1976	80	18	22.5%	1	1.25%
1977	94	18	19.15%	4	4.26%
1978	117	32	27.35%	8	6.84%
1979	—	—	—	—	—
1980	107	15	14.02%	6	5.61%
1981	126	31	24.6%	8	6.35%

NOTE : Reservations in promotions have been advised by the Government from 1973 only. However, the Bank was granting a 5% relaxation in qualifying marks in written test to SC/ST employees from 1975 onwards.

Promotions within officers cadre

2.62 In a note furnished to the Committee it has been stated that there is no reservation for promotions by selection within the officers cadre. Promotion policy for officers effective from 1-7-1979 provides that promotions will be linked to vacancies in the next higher scale. The policy identifies the following four factors as relevant for ascertaining the suitability of officers for promotion to the next higher scale:—

- (a) Seniority.
- (b) Educational and Professional qualifications.
- (c) Performance in the Grade.
- (d) Potential as identified in the interview.

Promotion policy for movement from Junior Management Grade I to Middle Management Grade II is given in Appendix-V.

2.63 Asked to show the authority under which there is no reservation for Scheduled Castes and Scheduled Tribes in promotions by selection within the officer's cadre, the representative of the Ministry of Finance has stated during evidence that it is given in Chapter XII of the Brochure of the Ministry of Home Affairs in Para 12(2) (a) which provides under:—

“In promotions by selection to posts within Group A (Class-I) which carry an ultimate salary of Rs. 2000 per month, or less, (Rs. 2250 per month or less in the revised scale) there is no reservation, but the Scheduled Castes/Scheduled Tribes 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.”

2.64 There is reservation in promotions covered by Para 12(2) (b) which provides as under :—

“There is reservation at 15 per cent and 7-1/2 per cent of vacancies for Scheduled Castes and Scheduled Tribes respectively in promotions by selection from Group C to Group B, within Group B and from Group-B to the lowest rung or category in Group-A; (from class III to Class II, within Class II and from Class II to the lowest rung in Class I) in grades or services in which the element of direct recruitment, if any does not exceed 66-2/3 per cent.”

2.65 In Banks there is one clerical cadre and another officers' cadre. Reservation is provided for officers cadre as a whole. There is no reservation within officers cadre.

He has further stated as under during evidence:—

"The question of increasing the representation of Scheduled Castes and Scheduled Tribes employees in Class I posts of the Government of India has been under consideration. It has now to be decided about the facilities that should be provided to the Scheduled Caste/Tribe officers for promotion within Class I posts also."

2.66 On being pointed out that according to the Brochure there is a condition of ultimate salary of Rs. 2250, the representative of the Ministry has stated as under:—

"It is for the Government services. The pay scale is not that relevant in our case."

2.67 Asked whether the matter was ever considered by the Ministry of Home Affairs or the Finance Ministry the representative of the Ministry of Finance has stated that he could not confirm it off-hand but it must have been considered as it has been going on for a long time.

2.68 The Committee pointed out that it was because of different categorisation of posts in the Banking sector that there was no reservation within the officers cadre.

2.69 The posts in the banks had not been categorised as Group 'A' 'B' etc. as it had been done in Government departments. In fact there were no Group 'B' posts in the Banks. As a result of this the reservation policy of the Government had not been implemented in banks in promotion from Group 'B' to the lowest rung of Group 'A'. The representative of the Ministry of Finance stated that the Pillai Committee which had gone into the question had observed that strict comparison between the banking industry and the Central Government on point to point basis might not be possible.

2.70 In this connection, the Committee for Standardisation of Pay Scales, Allowances and perquisites of officers in the Nationalised Bank (Pillai Committee) in para 4.13 of its Report (1974) made the following observations:—

"The functions and organisational structure of the Government differ greatly from those of industrial and commercial undertakings even when they are under public ownership. In Government, jobs, whether unfunctional or multi-functional, are structures in recognizable and defined

hierarchies. Organisational structures within the system are fairly uniform and the impact of a monolithic ownership on the pattern of compensation is quite considerable. In the years in which the pay scales were evolved, the scope for bilateral negotiation was strictly limited so that Government was the final arbiter even when high-powered Commissions were appointed and opportunities were afforded to the unions or associations to represent their problems and points of view. Government service continues to be a career service with security of tenure, seniority promotions, pensionary benefits and the opportunities for the exercise of power and patronage. There is, in the system, a strong link between grades and jobs or posts. Though there has been considerable proliferation of functions of the Government the Salient features of the pay structure have remained more or less intact. On the other hand, the banking industry is essentially a profit making industry and its organisational structure has been evolved over the years with a view to maximising profits. Employment in the past was based on the principle of 'hire and fire' and remuneration was closely linked with performance and productivity. With the growth of Unionism, however, bilateral negotiations or collective bargaining came to be substituted for the unilateral dispensation|Managements in respect of remuneration for work. Moreover, banking is a service industry with contact points for transacting with its constituents. This is on the basis of a fiduciary relationship of banker and customer which is in some ways different from the transactions of the Government with the public. The banker's job involves direct dealings with the customer 'across the counter', and the responsibility for large monetary transactions. The performance called for on the part of bank officers is, therefore, different from that of regular government officers or managerial personnel in industrial undertakings. Considering the nature of the duties and responsibilities of these officers, their hours of work are not regulated by the clock, but by the time required to finish the day's job. The tempo of activity during working hours is also on the high side. All these factors have to be taken into account in establishing a broad similarity in the system of remuneration in the two sectors."

2.71 The Committee pointed out that out of 710 persons promoted in officers cadre in 1978, there were only 54 Scheduled Castes and wanted to know the reasons for the shortfall. The Chairman of the Bank said that they had given special training to the staff who could

not pass in 1978 as per instructions from the Board and out of those who got the training, 56 were promoted in 1979.

2.72 When asked why there was no promotion to the officers cadre in 1981 and to the clerical cadre in 1979 and 1982, the Chairman of the Bank said that the assessment of staff was made at the end of 1980 and they felt that there was no necessity for inducting more officers by promotion. In 1981, 155 officers were taken by direct recruitment out of whom 33 belonged to Scheduled Castes and 28 to Scheduled Tribes. In reply to a question he said that there was the quota for direct recruitment, which had not been filled up since 1978.

2.73 The Committee pointed out that in 1980, 483 persons had been promoted to officers cadre whereas initial announcement was for only 310 posts. If the additional persons who were promoted in 1980 had been taken in 1981, some more Scheduled Caste/Scheduled Tribe candidates would have become eligible. The Committee wanted to know the circumstances under which in the 1980 examination more people were selected than the number of posts initially announced. The representative of the Ministry of Finance stated as follows :—

“The promotion has to be regular from year to year basis and direct recruitment should be also on year to year basis and there should be a proper mix of direct recruitment candidates and proper mix of promotees. We should streamline this and we will issue guidelines to banks that direct recruitment and promotions must be done each year in a methodical manner so that this kind of situation does not arise.”

2.74 The Committee pointed out that about 180 persons were promoted from the 1980 examination in excess of the announced number of 310 posts and not single person out of these 180 persons belonged to Scheduled Caste or Scheduled Tribe. The Chairman of the Bank replied that the increase in the number of persons promoted was not with a view to deprive Scheduled Caste/Scheduled Tribe persons. He added that in an industry when certain programmes were announced, the requirement of officers increased and had to be met. He, however, agreed that it should have been done in a methodical manner.

Sub-Staff Cadre

2.75 It has been stated in a note furnished to the Committee that 25 per cent of vacancies in sub-staff cadre are filled in by transfer| appointment of full time sweepers, as per instructions contained in Department of Personnel and Administrative Reforms O .M. No. 42015|3|75-Listt. (C) dt. the 16th January, 1976 as amended by

O.M. No. 42015|1|76-Estt. (C) and dated 2-2-1977 (Appendices VI and VII).

Appointment of Sweepers

2.76 In a statement furnished to the Committee, it has been stated that during the year 1981, total number of vacancies of sweepers filled was 90, out of whom 8 belonged to Scheduled Castes and 2 to Scheduled Tribes.

2.77 In reply to a question during evidence whether persons recruited as sweepers were assigned some other jobs, the Chairman of the Bank has stated that those recruited as sweepers were employed as sweepers. Asked about the total emoluments of a sweeper, he has stated that sweeper was getting Rs. 600 and odd.

2.78 Asked whether Scheduled Castes were not available even for the post of sweepers, the representative of the Ministry of Finance has stated : —

“We will go into this question.”

2.79 Under an agreement entered into with the Employees Union of the Syndicate Bank, 25% of the vacancies in the Junior Officers cadre are to be filled up by direct recruitment. 75% of the vacancies are filled up from among the workmen staff from clerical cadre of the bank through promotion on the basis of written test and interview. Reservations for Scheduled Caste/Scheduled Tribe candidates are provided as per instructions issued by the Government.

2.80 The Committee find that 15% of the vacancies in the Junior Officers cadre earmarked to be filled through promotion from workmen staff are filled up from among the permanent Special Assistants, who are part and parcel of the clerical cadre, on the basis of viva voce test and no written test is held for them. There is no mention in the promotion policy whether there is a reservation for Scheduled Castes and Scheduled Tribes in promotions made from the category of Special Assistant. As the category of Special Assistant does not form a separate cadre, the Committee fail to understand why 15% of the vacancies have been reserved for them. The Committee are of the opinion that reservation of 15% of promotional vacancies in the officers cadre for Special Assistants goes against the interests of Scheduled Castes and Scheduled Tribes in as much as there is negligible representation (1 Scheduled Caste out of 1387) among Special Assistants. The Committee recommend that this provision should be scrapped and it should not be included in any future agreement.

2.81 In Central Government Services, posts have been classified into 4 groups i.e. Group A, Group B, Group C, and Group D (Class I,

II, III and IV) whereas the posts in the Syndicate Bank have been classified into three groups namely, (i) Officers Cadre, (ii) Clerical Cadre, and (iii) Subordinate Cadre. In the Officers cadre, juniormost post (Scale I) is in the pay scale of Rs. 700—1800. The next higher grades in Scales II, III, IV, V, VI & VII are in the pay scales of Rs. 1200-2000, Rs. 1800—2250, Rs. 2000—2400, Rs. 2500—2700, Rs. 2750—3250 and Rs. 3000—3500, respective Clerical Cadre the pay scale is Rs. 350—1050. The Committee have been informed that reservation is provided in Scale I only, i.e. Rs. 700—1800, on the analogy of the reservation provided to officers of the Central Government in promotion from Class II to the lowest rung or category in Class I (Group 'A'). The Committee find that there is no Group 'B' or any other category which could be treated as equivalent to Group 'B' in the services of the bank as a result of which there is no provision for reservation of posts for Scheduled Castes and Scheduled Tribes from Clerical Cadre (Group 'C') to Group 'B' and from Group 'B' to the lowest rung in Group 'A' as stipulated in the orders of the Ministry of Home Affairs. The Committee are surprised to know that the Banking Division of the Ministry, of Finance has not examined the question that there are no Group 'B' posts in banking industry and that the absence of Group 'B' posts in the banks is one of the reasons for low representation of Scheduled Castes and Scheduled Tribes in the officers cadre.

2.82 The Committee recommend that the posts in the public sector banks should be reclassified so as to ensure that the promotional opportunities of Scheduled Castes and Scheduled Tribes do not get curtailed by misclassification as mentioned above.

2.83 Under the promotion policy followed by the Bank, officers in Junior Management Grade Scale I (Rs. 700—1800) who have completed a minimum of 7 years service as on 31st December of the previous year, become eligible for consideration for promotion to the next higher grade, i.e. Middle Management Grade Scale II (Rs. 1200—2000). For promotion from scale II to scale III (Rs. 1800—2250), a minimum of 5 years in scale II or 10 years service as an officer has been prescribed as the eligibility criterion. For promotion from scale III to scale IV (Rs. 2000—2400), a minimum of 5 years in scale III or 15 years service as an officer has been prescribed. Reservation for Scheduled Castes and Scheduled Tribes has been provided for appointment or promotion to scale I only but there is no reservation for promotion beyond scale I.

2.84 Under the orders by the Government of India (O.M. No. 19/69-Estt. (SCT) dated 26-3-1970 and O.M. No. 1/10-74-Estt. (SCT) dated 23-12-1974), in promotions by selection to posts within Group A (Class I) which carry an ultimate salary of Rs. 2250/- per month, there is no reservation, but the Scheduled Castes/Scheduled Tribes

officers who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select list has to be drawn up, are included in that list provided they are not considered unfit for promotion.

2.85 As on 30-4-1982 out of 3532 officers in Junior Management Grade Scale I (Rs. 700—1800) in the Syndicate Bank, there were 404 Scheduled Caste officers (i.e. 11.4 per cent) and 76 Scheduled Tribe officers (i.e. 2.1 per cent). In the Middle Management Grade Scale II (Rs. 1200—2000), out of 2064 officers, the number of Scheduled Caste and Scheduled Tribe officers was 3 and 2 respectively. There are no Scheduled Caste/Scheduled Tribe officers in Scale III (Rs. 1800—2250) and above. As the representation of Scheduled Castes and Scheduled Tribes in Scale II is negligible and nil in scale III and above, the Committee feel that relaxation in the existing eligibility criterion for promotion to scale II and above is called for in respect of officers belonging to these communities. As stated above, in Class I posts in the Government of India which carry an ultimate salary of Rs. 2250/-, although there is no reservation, the zone of consideration has been widened for Scheduled Castes/Scheduled Tribes so as to give them more promotional opportunities. The Committee recommend that suitable concession including relaxation in the minimum length of service required for becoming eligible for promotion should be extended to Scheduled Caste and Scheduled Tribe officers in promotions from Scale I to II and above in the services of the banks.

2.86 The Committee have been informed that in the written test held in the year 1980, for promotion from clerical cadre to officers cadre, the bank had announced that 310 clerks were to be promoted. In this test, 71 Scheduled Caste/Scheduled Tribe candidates qualified. Later, the Management decided to promote more clerks and a panel of about 180 clerks was prepared. Not a single person out of these 180 persons belonged to Scheduled Caste or Scheduled Tribe. Finally, 483 persons which included 60 Scheduled Castes and 11 Scheduled Tribes were promoted. The Committee fail to understand how the management, after announcing before written test that 310 clerks were to be promoted, could increase the number by 180 and that too when it was known that none of these 180 persons belonged to Scheduled Caste or Scheduled Tribe. The Committee learn that even the 71 Scheduled Caste/Scheduled Tribe candidates who had qualified in the written test were placed at the bottom of the merit list of 483 persons. The Committee are not, therefore, satisfied with the explanation given by the Chairman of the bank that the increase in the number of persons promoted was not with a view to deprive Scheduled Caste/Scheduled Tribe employees. The Committee recommend that the result of the examination should be confined only to 310 candidates as originally announced and the selection list beyond 310 candidates should be scrapped. Appointment of Scheduled Caste/Scheduled

Tribe candidates who qualified in the examination should be made according to the roster points.

2.87 No promotion test was held in the year 1981. In the written test held in the year 1982 for promotion from clerical to officers cadre, 300 clerks were promoted out of which 20 belonged to Scheduled Castes and 3 to Scheduled Tribes. The percentage of Scheduled Caste/Scheduled Tribes promoted thus works out to 7.7% as against the normal reserved quota of 22½% (15% for Scheduled Castes and 7½% for Scheduled Tribes). The Committee do not feel happy that adequate number of Scheduled Castes and Scheduled Tribes candidates could not be appointed to fill up the reserved quota from the 1982 test.

2.88 The Committee regret to note that out of 90 sweepers recruited during the year 1981, only 8 belonged to Scheduled Caste and 2 to Scheduled Tribe. The Committee desire that the Bank should go into the question as to why sufficient number of candidates belonging to Scheduled Caste and Scheduled Tribe are not available even for the posts of sweepers. They should also streamline the procedure for recruitment of sweepers so as to increase the intake of Scheduled Castes and Scheduled Tribes among them.

The Committee need hardly stress that those who are appointed as sweepers must perform the duties of a sweeper.

CHAPTER III

STAFF STRENGTH AND SHORTFALLS

A. Staff Strength and Shortfalls

3.1 The staff strength in the Syndicate Bank (i) on the date when reservation orders in favour of Scheduled Castes and Scheduled Tribes came into force and (ii) on 30th April, 1982, categorywise, and the number of Scheduled Castes and Scheduled Tribe employees and their respective percentages to the total strength, as furnished by the bank is as follows :

Category	As on 30-6-1969				
	Total No. of Employees	No. of		Percentage	
		SCs	STs	SCs	STs
1	2	3	4	5	6
Officers	1246	2	—	0.16%	Nil
Clerks	2898	3	—	0.10%	Nil
Attenders	689	9	1	1.31%	0.14%
Sweepers	—	—	—	—	—
TOTAL :	4833				
As on 30-4-1982					
Officers	6362	407	78	6.40	1.23
Clerks	17555	2076	605	11.83	3.45
Attenders	3637	887	209	24.39	5.75
Sweepers	1484	403	57	27.16	3.84
TOTAL :	29038	3773	949	12.99	3.27

(Figures Provisional)

3.2 A statement showing yearwise recruitment made by various offices of the Syndicate Bank during the last five years, Number of vacancies reserved for Scheduled Castes and Scheduled Tribes and the number filled by candidates belonging to these communities is given in Appendix VIII.

3.3 Information regarding the total number of employees and the number of Scheduled Castes and Scheduled Tribes among them as

on 1st January, 1982 which was sent by the Bank to the Banking Division of Ministry of Finance is given as under :

Statement Showing the Total Number of Employees and the Number of Scheduled Castes and Scheduled Tribes amongst them as on 1st January 1982

Group	Permanent/ Temporary	Total No. of Emp- loyees	Sche- duled Castes	%age of Total Emp- loyees	Sche- duled Tribes	%age of Total Emp- loyees	Re- marks
1	2	3	4	5	6	7	8
Officers	Permanent Temporary :	6375	407	6.38	78	1.22	
	(i) On contract basis	3	—	—	—	—	
	(ii) On deputation from Ministry of Labour	1	—	—	—	—	
Clerks	Permanent Temporary	17268	2064	11.95	567	3.28	
Sub-Staff	Permanent Temporary	3557	873	24.54	209	5.88	
Sub-Staff (Sweepers) Part-Time	Permanent Temporary	1318	289	21.93	46	3.49	

(Figures Provisional)

3.4 In a note furnished to the Committee, it has been stated that the recruitment of officers and clerks for banks is made by the Banking Service Recruitment Boards. While placing indents with the Banking Service Recruitment Boards it is ensured that the reserved vacancies including the backlog are shown separately. The Banking Service Recruitment Boards conduct recruitment for the total number of vacancies including the backlog based on the requirements of various coordinating/participating banks.

3.5 In terms of the Government orders the Scheduled Castes/Scheduled Tribe candidates are given various concessions like relaxation in upper age limit and educational qualification etc. These candidates are adjudged on relaxed standards and separate merit lists are prepared for them. Almost on all the Banking Service Recruitment Boards there is a Member belonging to Scheduled Caste/Scheduled Tribe community. The Scheduled Caste/Scheduled Tribe candidates are interviewed in separate sittings.

3.6 The Bank conducted a special promotion test in 1979 to clear the backlog. The vacancies reserved for Scheduled Caste/Scheduled

Tribe candidates are made known much before the test Pre promotion training programmes are conducted for Scheduled Caste/Scheduled Tribe employees.

3.7 Backlog in the representation of Scheduled Castes and Scheduled Tribes in the bank as at the end of 1979, 1980 and 1981 is reported to be as under :—

Year	R E C R U I T M E N T					
	Officers		Clerks		Sub-Staff	
	SC	ST	SC	ST	SC	ST
	2	3	4	5	6	7
1979	87	117	324	306	1	25
1980	88	123	371	346	1	34
1981	56	28	286	314	1	45

3.8 As regards the reasons for shortfall in the employment of Scheduled Castes and Scheduled Tribes in the bank, the bank has in a note furnished to the Committee stated as under :—

“The shortfall in the employment of Scheduled Castes and Scheduled Tribes against the reserved quota is mainly due to insufficient number of Scheduled Castes and Scheduled Tribes candidates qualifying for selection to the officer and clerical cadre. Another reason is that considerable number of Scheduled Castes and Scheduled Tribes candidates selected have dropped out or have not accepted appointments at all. For instance, Banking Service Recruitment Board, Bangalore allotted 55 Scheduled Caste and 45 Scheduled Tribe candidates for appointment in officers cadre, in 1981. But only 33 Scheduled Caste and 28 Scheduled Tribe have accepted the appointment. 22 Scheduled Caste and 17 Scheduled Tribe candidates did not accept the appointment.

There are also a number of cases where candidates who had held out as Scheduled Castes and Scheduled Tribes at the time of recruitment were on investigation including reference to the Tahsildars/District Magistrates who had earlier issued the caste certificates were found to be not belonging to Scheduled Castes or Scheduled Tribes. They had obtained caste certificate from the District Magistrates/Tahsildars by misrepresentation. By the time their bonafides had been verified the recruitment process had already been completed and to the extent of such cases there was a shortfall in the Scheduled Castes and Scheduled Tribes candidates available for appointment in the particular years.”

3.9 The number of cases brought to the notice of the Bank in which caste certificates were obtained by misrepresentation is reported to be as under :—

	N U M B E R		
	Officers	Clerks	Sub-Staff
1	2	3	4
1980	1	7	Nil
1981	—	3	1
1982	2	3	
TOTAL :	3	13	1

3.10 It has been stated that basically it is the responsibility of the prescribed authorities to verify the factual position before issuing the caste certificates. However, in terms of the Government Orders the appointing authority may, if it considers necessary for any reason, verify the claim of the candidate through the District Magistrate of the place where the candidate and/or his family ordinarily resides.

3.11 Asked about action taken in the case of employees who had produced false certificates, the representative of the Bank has stated during the evidence that there were cases where candidates had joined as general clerks and thereafter claimed promotion as Scheduled Caste or Scheduled Tribe candidates which was not proved correct. They were reverted. One had accepted the reversion while 3 had filed writ petitions. In the case of others the Bank had initiated disciplinary action. Explaining the procedure the witness stated that they had sent the certificate to the authority who had issued it. After collecting the evidence, charge sheet was issued. The concerned person was asked to give explanation and thereafter inquiry was held. Generally it took about 1½ to 2 years. When asked whether inquiry had been completed in respect of cases of 1980, the representative of the Bank stated that the persons concerned had been charge-sheeted but formal inquiries were to be held. Asked whether any employee had been placed under suspension, the representative of the Bank replied in the negative.

3.12 Asked about the debarring of 30 employees from Karnataka who had declared themselves as Scheduled Caste from appearing in the special examination held in December, 1979, the Chairman of the Bank has stated that according to his information, no one had been debarred from appearing in the test. A dispute was pending in the High Court about a particular community and the Bank had allowed every to appear in the examination, subject to the ultimate decision of the High Court. Ultimately the High Court held that they were

not Scheduled Caste and so they were reverted. These employees had joined the Bank as general candidates but at the time of promotion they claimed that they were Scheduled Castes.

3.13 According to the information, supplied to the Committee, there were 6375 officers in Syndicate Bank as on 1-1-1982 out of whom 407 were Scheduled Castes (6.38%) and 78 were Scheduled Tribes (1.22%). In the case of clerks, the percentage of Scheduled Caste was 11.95 and of Scheduled Tribes, it was 3.28. In sub-staff cadre, the percentage of Scheduled Caste was 24.54 and Scheduled Tribe 5.8%. Asked to state the reasons for low percentage of Scheduled Caste/Scheduled Tribe employees and how the backlog would be cleared, the Chairman of the Bank explained during evidence that the recruitment of Scheduled Caste candidates in the Bank got accelerated only from 1973-74. The Clerks recruited in 1973-74 could get promotion only after they had completed 3 years of service. A special promotion test was held in 1979 for Scheduled Castes and Scheduled Tribes for promotion to officers cadre. Recruitment of Clerks was now being done by Recruitment Boards and the Bank had written to the Recruitment Boards in this regard.

3.14 When it was pointed out that this showed that there was some defect in the procedure followed by the Recruitment Board, the representative of the Ministry of Finance has stated as follows :

“It is a fact that the number of Clerks that should have been recruited have not been recruited. We will go into this question how this happened.”

He has further said that they would see that the backlog is cleared as soon as possible.

3.15 In reply to a question as to how they were going to fill up the backlog of vacancies in officers cadre unless they relaxed the service condition of seven years, the Chairman of the Bank has stated that if they reduce the length of service for the general candidates, it can be reduced in the case of Scheduled Caste and Scheduled Tribe employees also. For promotion in the Officers cadre from one scale to another, a minimum of seven years of service is required. Relaxation in marks is, however, given to Scheduled Castes and Scheduled Tribes. The Management cannot introduce new elements of concessions without distorting the instructions of the Home Ministry. The Bank is going to hold a special examination for promotion of Scheduled Caste/Scheduled Tribe candidates before 31st March, 1983.

Special Recruitment

3.16 In regard to holding of examination for making special recruitment of Scheduled Caste and Scheduled Tribe employees with a

view to wipe out the shortfalls in the officers and clerical cadres, it has been stated that some Recruitment Boards have conducted/initiated process for conducting special recruitment for filling up vacancies reserved for Scheduled Caste and Scheduled Tribe. The Syndicate Bank had requested Banking Service Recruitment Board, Bangalore in early 1979, to hold a special recruitment of Scheduled Caste/Scheduled Tribe to wipe out backlog in officer cadre. The Board informed that it would not be necessary to hold a special examination as they hoped to provide sufficient number of Scheduled Caste/Scheduled Tribe candidates, through normal examination.

3.17 In reply to a question as to who was the deciding authority for holding special examination for recruitment of Scheduled Castes and Scheduled Tribes, the representative of the Ministry of Finance has said during evidence that the judgement of the Bank has to be accepted and the Board should have conducted the examination. He has further said, "we will see that they conduct the examination and clear the backlog."

3.18 When the Committee pointed out that as on 30-6-1982 there was a backlog of nearly 700 posts and the Board had failed to supply the requisite number of Scheduled Caste/Scheduled Tribe candidates, the representative of the Ministry said : "The situation warrants a special examination."

3.19 In this connection, the Chairman of the Bank stated that "special recruitment examination is the only answer so that we can clear this backlog to the maximum possible extent.

3.20 The recruitment of staff in the officers and clerical cadre for the nationalised banks was entrusted to Banking Service Recruitment Boards w.e.f. 1st January, 1979. The Committee have been informed that the Syndicate Bank had requested the Banking Service Recruitment Board, Bangalore in early, 1979, to hold a special recruitment for Scheduled Castes and Scheduled Tribes but the Board did not hold special recruitment as it hoped to provide sufficient number of Scheduled Caste and Scheduled Tribe candidates through normal examination. The backlog in the representation of these communities in the services of the bank has continued all these years as the Recruitment Board could not provide sufficient number of Scheduled Caste and Scheduled Tribe candidates through normal examination. The Committee express their unhappiness at the attitude of the Banking Service Recruitment Board, Bangalore in not holding a special recruitment test for Scheduled Castes and Scheduled Tribes, as requested by the Syndicate Bank. The Committee desire that the Ministry of Finance (Banking Division) should take steps to change the personnel of the Board and also ensure that a special recruitment examination is held to clear the backlog.

3.21 The Committee note that as on 30th April, 1982, percentage of Scheduled Castes and Scheduled Tribes in the services of Syndicate Bank was 6.4 and 1.23 respectively in the officers cadre, 11.83 and 3.4 in clerical cadre and 24.39 and 5.75 in subordinate staff cadre. This shows that there is still a considerable leeway to be made before the representation of Scheduled Castes and Scheduled Tribes in services of the bank reaches the desired level. The Committee recommend that the bank should draw up a time bound programme to clean the backlog in vacancies reserved for Scheduled Castes and Scheduled Tribes through special recruitment examination.

3.22 The Committee have been informed that 17 cases (officers—3 cases, clerks—13 cases and subordinate staff—1 case) had been brought to the notice of the bank during the years 1980, 1981 and 1982 in which the employees had allegedly produced, false caste certificates. Under the existing procedure, when any complaint regarding production of a false caste certificate was received, the certificate was sent to the authority who had issued it. After collecting the evidence, charge sheet was issued and an inquiry was held. Generally, such inquiries took about 1 1/2 to 2 years. The inquiry in respect of cases which had come to notice in 1980 have not yet been completed.

3.23 The Committee consider that securing employment by production of a false caste certificate of being a Scheduled Caste or Scheduled Tribe is a serious offence and such cases should be dealt with promptly and severely. They are of the view that if a prima facie case is established regarding production of a false caste certificate by an employee, the appropriate course would be to place the employee under suspension pending completion of formal inquiry. Further, effort should be made in complete such inquiry expeditiously. In appropriate cases, criminal proceedings should also be initiated under the relevant provisions of the Indian Penal Code.

B. Pre-Recruitment Training

3.24 In the 27th Report of the Commissioner for Scheduled Castes and Scheduled Tribes (1979—81) (Vol. I, para 3.85), it has been stated that the Punjab National Bank is considering a proposal to start pre-recruitment training programme for Scheduled Caste/Tribe candidates aspiring for a career in banking sector. The Committee desired to know whether such a proposal is also under consideration of the Syndicate Bank. In a written note furnished to the Committee it has been stated that the pre-recruitment training programme is organised by Director of Social Welfare, Government of Karnataka, Dean of Students Welfare, University of Mysore and Syndicate Bank extends faculty, physical and material support to them as and when needed.

The Directorate of Social Welfare, Government of Karnataka and the Secretary, Institutional Finance, Government of Kerala coordinate this activity and the bank associates itself with it.

3.25 In reply to a question, the Chairman of the bank has stated during evidence that the Bank was providing faculty members of their Staff Training College to the Government Departments at Bangalore and Trivandrum. These faculty members gave lectures on banking law and other subjects. In reply to a question with regard to the Bank's responsibility, the representative of the Bank stated that the course was organised by the Syndicate Bank and Canara Bank in association with the Government.

3.26 In reply to a question, it has been stated that the Banking Division of the Ministry of Finance has not considered the desirability of starting training centres on an All India basis with a view to augment the intake of Scheduled Caste/Scheduled Tribe personnel in Nationalised Banks.

3.27 With a view to increasing the chances of success of the Scheduled Caste and Scheduled Tribe candidates aspiring for a career in the banking sector, it is necessary that pre-recruitment training is given to them in the techniques of objective type tests being conducted by the Banking Service Recruitment Boards. In the past United Commercial Bank had arranged training of Scheduled Caste/Scheduled Tribe candidates in banking transactions for a period of two months with a stipend of Rs. 250/- per month as an experimental measure. The Punjab National Bank is thinking of giving pre-recruitment training to Scheduled Caste/Scheduled Tribe candidates at their six regional training centres with a stipend and free boarding and lodging facilities. The Committee have been informed that the Syndicate Bank is at present associating itself in the pre-recruitment training organised by Government department at Bangalore and Trivandrum.

3.28 The Committee consider that such ad-hoc arrangements for pre-recruitment training are not adequate. At present All India Pre-Examination Training Centres have been set up at a number of places for providing training to Scheduled Caste/Scheduled Tribe candidates intending to appear for All India/Allied Services and Engineering Services Examinations. The Committee recommend that the Ministry of Finance (Banking Division) should prepare a scheme for opening pre-recruitment training centres to impart training for officer & clerical grade examination on the lines of the Pre-Examination Training Centres functioning under the control of the Ministry of Home Affairs, with a view to increase the representation of Scheduled Castes and Scheduled Tribes in the services of the public sector banks. Unless the Scheduled

Caste/Scheduled Tribe candidates are properly equipped through intensive training programmes, they may not be able to compete effectively in the competitive examinations conducted by the Recruitment Boards.

C. In-service Training

3.29 The Committee have been informed that Pre-Promotion Training Programmes are conducted exclusively for Scheduled Caste/Scheduled Tribe employees of Syndicate Bank on the eve of Promotion Tests. During 1982, 11 such Pre-promotion Training Programmes were organised and 540 Scheduled Caste/Scheduled Tribe clerical employees have been trained on the eve of Clerical Promotion Test held in March, 1982. In addition to this, these Scheduled Caste/Scheduled Tribe employees are also trained in other regular training programmes of the bank along with general category of employees.

3.30 In reply to a question, the representative of the Ministry of Finance has stated during evidence that the Bank had their training centres in different parts of the country where they gave 10 days' training to their employees.

3.31 It has been stated that in order to improve the chances of Scheduled Castes and Scheduled Tribes officers for selection to the higher categories of posts in officers' cadre, they are provided with more opportunities for Institutional training and for attending seminars/symposia/conference.

In a note furnished to the Committee after the evidence, it has been stated that the total number of Scheduled Caste/Scheduled Tribe officers nominated for seminars/symposia/conferences during 1981 and 1982 was 1 and 3 respectively as against 334 and 349 general category officers nominated during the period.

3.32 In reply to a question, the Chairman of the Bank has stated during evidence that the total number of Scheduled Caste/Scheduled Tribes officers trained during 1981 and 1982 was 138 and 181 respectively. They had conducted 14 courses for the purpose. When asked as to how many of the trained officers had been given higher grade, it has been stated that the eligibility criteria for promotion from one scale to another is that they should have completed 7 years service in their respective grade. Institutional training or attendance at seminars only equips them better. He has also stated in reply to a further query that the bank will not be in a position to reduce the eligibility criteria on account of getting training or attendance at seminars.

3.33 The Committee have been informed that Scheduled Caste/Scheduled Tribe officers are provided with more opportunities for Institutional training and for attending seminars/conferences to improve their chances for selection to higher grades. In their O.M. No. 1/9/69-Est. (SCT) dated 15-11-1971 the Department of Personnel have laid down instructions regarding the arrangements for training of class I officers belonging to Scheduled Castes and Scheduled Tribes. The Committee desire that the Syndicate Bank should act according to these instructions so that the Scheduled Caste/Scheduled Tribe officers acquire the requisite proficiency and give a good account of themselves.

3.34 The Committee regret to point out that during the years 1981 and 1982, as against 334 and 349 general category officers nominated for seminars/symposia/conferences, the number of Scheduled Caste/Scheduled Tribe officers was 1 and 3 only. It is obvious that the bank has not taken interest in nominating Scheduled Caste/Scheduled Tribe officers for such courses. The Committee recommend that more Scheduled Caste/Scheduled Tribe officers should be sponsored for such training courses.

CHAPTER IV

RECRUITMENT

A. Method of Recruitment

4.1 The procedure for recruitment to various cadres in the Syndicate Bank is stated to be as under :—

- (i) *Officers Cadre* : Specialist officers, and 25% of the vacancies in Junior Management Grade Scale I are recruited through Banking Service Recruitment Board, Southern Region, Bangalore. Rest of the vacancies are filled up by promotion.

The liaison with Banking Service Recruitment Board is carried out by Head Office.

The appointments are also made by Head Office/Regional Office/Divisional Offices/Zonal Offices have not been vested with powers to recruit personnel for officers cadre.

- (ii) *Clerical Cadre* : Recruitment to clerical cadre is attended to by Banking Service Recruitment Board.
The liaison with BSRB is carried out by Head Office.

The appointments are made by Regional Offices on receipt of allotment from BSRB through Head Office.

Divisional/Zonal Offices have not been vested with powers to recruit personnel to clerical cadre.

- (iii) *Sub-Staff Cadre* : The powers for recruitment to this cadre are vested with Regional Offices.

The recruitment is made through Employment Exchange and Zilla/Rajya Sainik Boards as per the procedure prescribed by Government of India.

Appointments are made by Regional Offices only.

Divisional/Zonal Offices are not vested with powers to recruit personnel to this cadre.

4.2 It has been stated that the 20 nationalised banks have set up, amongst themselves, 9 Banking Service Recruitment Boards (BSRBs). Besides, the State Bank of India and its Associate Banks have a separate set of recruitment boards with Central Recruitment Board at the apex and 12 Regional Recruitment Boards functioning under the Central Recruitment Board.

4.3 Each Banking Service Recruitment Board makes recruitment to the officers' cadre of its participating banks on all India basis.

Besides, each Board has been assigned a specific geographical jurisdiction and it makes recruitment to the clerical cadre of all the 20 nationalised banks within that area. A statement indicating the headquarters of the 9 BSRBs, their participating banks and their geographical area of jurisdiction is given in Appendix IX.

4.4 The State Bank of India and its Associate Banks have an apex recruitment body known as Central Recruitment Board located at Bombay. The Central Recruitment Board makes recruitments to the Officers cadre of State Bank of India and its Associate Banks on all India basis. There are also 12 Regional Recruitment Boards which are functioning under the overall supervision of the Central Recruitment Board and which make recruitment to the clerical cadre of State Bank of India and its Associate Banks within their area of jurisdiction. A statement indicating the headquarters of the Regional Recruitment Boards and their area of jurisdiction is at Appendix X.

4.5 Each Recruitment Board consists of a Chairman and 2 Members from outside the Banking system. The Chairman of the Board is an eminent person of good standing. Of these 2 members from outside the Banking system, one is usually an expert in selection and interviewing techniques and the other represents the interests of Scheduled Castes/Scheduled Tribes. Besides, one representative each of the participating banks is also Member of Board. The composition of the Banking Service Recruitment Board and the Central Recruitment Board is given in Appendix XI. The recruitment scheme in Public Sector banks became effective with effect from October, 1978.

4.6 In regard to composition of the interview boards constituted for recruitment of clerks and officers, it has been stated that the Boards may constitute as many panels as may be necessary to complete the interviews for recruitment of officers and clerks within a reasonably short period. Where necessary the panels include outsiders also. The quorum for each panel is 3. The interview panels for recruitment of officers consist of at least one member of the Board. The interview panel for recruitment of clerks should also, as far as possible have at least one member of the Board. However, if for some unavoidable reasons it is not possible to have a member of the Board of an interview panel, the Board may co-opt outsiders. Wherever there are Scheduled Caste/Scheduled Tribe candidates to be interviewed the interview panel includes Scheduled Caste/Scheduled Tribe member.

4.7 In reply to a question whether in view of the inability of the Recruitment Boards to meet the requirements of the banks it would

not be advisable to have separate Boards by each Bank for recruitment, the representative of the Ministry of Finance has stated during evidence that the matter was reviewed recently. Two possibilities were being considered. One was to have a Banking Services Recruitment Commission for recruitment of officers on All India basis for all the banks, and the other was to have more recruitment boards for clerical cadre, one for each State. The witness added that if there was a separate Board for each State, the Board would be recruiting staff from one State only. It could lead to certain difficulties because the nationalised banks were spread all over the country. No final decision had been taken. He further said that there was something wrong in the manner in which the existing Boards were functioning. There was delay in recruitment and they had not been able to recruit as many candidates as required. In case a change was required in the structure of the Boards, they would consider that.

4.8 Explaining the reasons for the Recruitment Boards not being able to provide the required number of candidates, the representative of the Ministry of Finance has stated that Reserve Bank of India determined the number of branches to be opened over a fixed period of time e.g. in the Sixth Plan, 8,000 new branches of the Banks were to be opened in rural and semi-urban areas and 800 branches in metropolitan areas and larger cities. The banks did not know how many branches they would have to man. The banks also undertook new schemes evolved by State Governments, Central Government and other organisations which necessitated additional staff. For opening new branches, various categories of staff were needed. The Recruitment Boards had to be told in advance about the requirement of staff so that they could plan the recruitment process. It took almost a year to recruit the candidates. The Recruitment Boards also maintained a waiting list but it lapsed when another examination was held.

4.9 When asked whether they could have a central agency for recruitment, the Chairman of the Bank has stated during evidence that there were practical difficulties in drawing people from one language area to another language area. A workman could not be recruited from one area and posted to another language area. Syndicate Bank placed its indents on all the Boards.

4.10 The Committee pointed out that under the instructions issued by the Ministry of Home Affairs on 24-9-1968, in non-technical and quasi-technical Class III and Class IV posts required to be filled by direct recruitment otherwise than by written examination, the best among the Scheduled Caste/Scheduled Tribe candidates who fulfilled the prescribed minimum educational qualification could be selected and given in-service training. When asked whether those

instructions had been implemented by the Syndicate Bank, the representative of the Bank stated :—

“This is done by the Recruitment Board. The failures among the Scheduled Caste|Scheduled Tribe will be known to them only.”

In this connection the representative of the Ministry of Finance observed :—

“We will verify. My impression is that they have not come it. I will have to check up from the Recruitment Board.”

4.11 When asked about the number of persons who were offered appointments in clerical cadre but did not join during the years 1980, 1981 and 1982, the Chairman of the Bank stated that it was 40 Scheduled Caste and 3 Scheduled Tribe in 1980, 57 Scheduled Caste and 7 Scheduled Tribe in 1981 while the figures for 1982 were awaited.

4.12 In reply to a question he said that the orders of appointment were being sent by registered post after it was suggested by the Study Group of the Committee during its tour to Madras in September, 1982. He agreed to the suggestion of the Committee that time gap between the date of examination and offer of appointment should be lessened.

4.13 When the Committee enquired whether candidates belonging to Scheduled Caste|Scheduled Tribe were posted as near to their place of residence as possible, the Chairman of the Bank stated that the vacancies were determined in advance which were indicated in the advertisements. According to the orders on the subject, a candidate must do at least two years service in a rural area before he could come to an urban area because the majority of the branches of the bank were being opened in rural areas. It was not only Scheduled Caste|Scheduled Tribe candidates but others also who did not like to be posted in rural areas. When the Committee pointed out that Scheduled Caste candidates faced problems of drinking water and accommodation, the Chairman of the Bank stated that while he sympathised with the employees, he could not issue any guidelines as that would be against the transfer policy. Individual cases were, however, being considered.

Recruitment of Subordinate Staff

4.14 In regard to recruitment of subordinate staff in Syndicate Bank, it has been stated that the Regional Offices estimate the number of vacancies likely to arise in sub staff cadre during the year. An indent is placed with Employment Exchange|Zilla|Rajya Sainik Boards to sponsor candidates satisfy the eligibility criteria. The reserved vacancies are also intimated to associations|organisations of Scheduled

Castes|Scheduled Tribes. The indents indicate the vacancies reserved for Scheduled Caste|Scheduled Tribe, ex-servicemen, physically handicapped, taking into account the backlog, if any. These candidates are interviewed by two officers and candidates suitable for appointment are empanelled. Separate panels for General and reserved categories are prepared. These panels are prepared districtwise. The appointments to permanent vacancies are made by Asstt. General Manager from these panels as per seniority.

4.15 In reply to a question whether advertisements are issued if sufficient number of Scheduled Caste|Scheduled Tribe candidates are not available from out of the names sponsored by the Employment Exchange and Zilla|Rajya Sainik Boards to fill up the reserved vacancies in the sub-staff cadre, it has been stated that sub-staff recruitment is required to be made primarily through Employment Exchanges. A representative of Scheduled Caste|Scheduled Tribe had not so far been included in the selection committees but the regional offices have been recently advised by the Bank to endeavour to associate a representative of Scheduled Caste|Scheduled Tribe with these Committees.

4.16 When asked whether reserved vacancies in sub-staff cadre were being intimated to Syndicate Bank Scheduled Caste|Scheduled Tribe Employees Welfare Association, the Chairman of the Bank stated during evidence that they were forwarding the information to all the Unions, list of which had been furnished from time to time by the Ministry of Home Affairs. Employees of Syndicate Bank—whether belonging to Scheduled Caste|Scheduled Tribe Union or others were already aware of it. He, however, said that he had no objection to send the information to the Syndicate Bank Scheduled Caste|Scheduled Tribe Employees' Union, if so desired by the Committee. The representative of the Ministry added that there was need for wider publicity so that the candidates were aware of the requirement of the Bank and they could apply for employment.

4.17 At present recruitment to officer cadre and the clerical cadre in banks is being done by Banking Service Recruitment Boards. Each Banking Service Recruitment Board makes recruitment to the officers cadre of its participating banks on all India basis while a specific geographical jurisdiction is assigned to each Board for making recruitment to the clerical cadre of all the nationalised banks within that area.

4.18 Originally, the intention was to have a Banking Service Commission for recruitment to various posts in the services of the banks. Accordingly, Banking Service Commission Act, 1975 was enacted by Parliament. This Act was repealed by the Banking Service Commission (Repeal) Act, 1977 as the Government decided to do away with the single centralised banking commission and establish regional recruitment boards for the purpose.

4.19 The Committee find that the functioning of the Banking Service Recruitment Boards has not been satisfactory and they have not been able to provide the required number of Scheduled Caste/Scheduled Tribe candidates to fill up the reserved vacancies in the banks. The Committee desire that the working of these Recruitment Boards should be critically reviewed by the Ministry of Finance (Banking Division).

4.20 The Committee find that in a large number of cases, Scheduled Caste/Scheduled Tribe candidates who were offered appointments, did not join the service. This could be partly due to non-receipt of offers of appointment by the candidates or the time lag between the date of examination and the offer of appointment. The Committee recommend that offers of appointment should invariably be sent to the candidates by registered post. The time lag between the date of examination and sending of offer of appointment should also be reduced to the minimum.

B. Concessions/Relaxations

4.21 The Committee have been informed that the following relaxations are provided by Banking Service Recruitment Board at the time of recruitment :—

Officers' Cadre :

General Candidates	S.C./S.T. Candidates
A degree from a recognised University	A degree from a recognised University.
Age : 21—26 years	Upper age limit is relaxed by 5 years.
Fee : Rs. 40/-	Fee : Rs. 10/-

Clerical Cadre :

General Candidates	S.C./S.T. Candidates
Degree of a recognised University in any discipline	Pass in Higher Secondary Examination of 10+2+3 pattern/intermediate/Pre-University or XI standard of 11+3 pattern of a statutory Body/Pre-professional course or equivalent.
or	or
Pass in 2nd Division/Class (with 50% in aggregate) in Higher Secondary Examination 10+2+3 pattern or intermediate pattern or Pre-Professional course or equivalent.	Pass in Second Division/Class (with 50% marks in aggregate) in Matriculation/S.S.L.C. or equivalent.
or	
Pass in 1st Division/Class (with 60% in aggregate) in Matriculation/SSLC or equivalent.	
Age: 18—26 years	Upper age limit relaxed by 5 years.
Fee : Rs. 20	Fee : Rs. 5.

4.22 In respect of Direct recruitment to officer and clerical cadre it is learnt that Banking Service Recruitment Boards (BSRBs) do give suitable relaxations in written test and *viva-voce test*.

In respect of promotions from clerical to officer cadre, relaxation to the extent of 5 per cent in qualifying marks is made for Scheduled Caste and Scheduled Tribe candidates from 1975 onwards.

4.23 If suitable number of clerical staff belonging to Scheduled Castes/Scheduled Tribes do not qualify for promotion on general standard, the qualifying standards are suitably relaxed in their cases, but not exceeding 10 per cent. This relaxation is being given to Scheduled Caste/Scheduled Tribe candidates with effect from 5th October, 1978. In respect of promotions from sub-staff to clerical staff cadre, relaxation to the extent of 5 per cent in qualifying marks and in *viva-voce test* is made for Scheduled Caste/Scheduled Tribe candidates.

C. Selection/Promotions Committees

4.24 In a note furnished to the Committee, it has been stated that there are no Departmental Recruitment Committees. The Committees are formed on the eve of promotions.

4.25 The composition of the Promotion Committee includes an outsider (a management consultant or an experienced banker) who is a nominee of Banking Service Recruitment Board, Bangalore, in respect of movement of officers from one scale to another. The officers generally associated belong to Senior Management Grade Scale IV and above, depending on the scale to which promotions are likely to be considered.

4.26 The Composition of the promotion committee includes officers in Senior Management Grade Scale IV and above, in respect of promotion from clerical to officer cadre and sub-staff cadre to clerical cadre. It is proposed to include in the interview Committee a member belonging to Scheduled Caste/Scheduled Tribe from the year 1983 in respect of promotions from clerical to officer cadre. As Syndicate Bank does not have an officer belonging to Scheduled Caste/Scheduled Tribe of appropriate scale, Banking Service Recruitment Board, Bangalore has been requested to suggest the names of suitable members.

4.27 As to the reasons for not including a representative of Scheduled Castes/Scheduled Tribes in the Promotion Committees so far, it has been stated that in the earlier years, the number of Scheduled Caste/Scheduled Tribe candidates qualifying in written tests with relaxed standard was less than the number of vacancies reserved for them, and hence all of them were promoted if they were otherwise eligible for promotion as per promotion policy. However, in future promotions,

a Scheduled Caste/Scheduled Tribe member will be included in the Promotion Committee as per Government guidelines.

4.28 In reply to a question whether representatives of Scheduled Castes/Scheduled Tribes will also be included in respect of promotion of officers from one scale to another and promotion of sub-staff to clerical cadre, the Committee have been informed that in terms of Government guidelines, there is no reservations for Scheduled Caste/Scheduled Tribe in promotions by selections within the officers' cadre.

4.29 Similarly as the element of direct recruitment to clerical cadre exceeds 66 $\frac{2}{3}$ per cent the scheme for reservations is not applicable for promotions from sub-staff to clerical cadre also.

4.30 The interview panel constituted by the Banking Service Recruitment Board includes Scheduled Caste/Scheduled Tribe Member wherever there are Scheduled Caste/Scheduled Tribe candidates to be interviewed.

4.31 The Selection Committee constituted by the Regional offices of Syndicate Bank for recruitment of Sub-staff consists of two officers. So far no representative of Scheduled Caste/Scheduled Tribe was being included in the selection Committee.

4.32 Asked why a representative of Scheduled Caste/Scheduled Tribe had not been associated so far with the Selection Committee for recruitment of sub-staff, the Chairman of the Bank has stated during evidence that instructions in this regard were issued to the Regional Offices only recently.

4.33 The Committee regret to note that no representative of Scheduled Caste/Scheduled Tribe had so far been included in the Promotion Committees constituted by the Syndicate Bank for promotion from clerical to officer cadre. They are not satisfied with the explanation given that in earlier years, the number of Scheduled Caste/Scheduled Tribe candidates qualifying in written test with relaxed standard was less than the number of vacancies reserved for them and hence all of them were promoted if they were otherwise eligible as per promotion policy. The Committee have now been informed that "in future promotions, a Scheduled Caste/Scheduled Tribe member will be included in the Promotion Committee as per Government guidelines." As the Syndicate Bank does not have an officer belonging to Scheduled Caste/Scheduled Tribe of appropriate scale, the Banking Service Recruitment Board, Bangalore has been requested to suggest the names of suitable members. The Committee expect that there will not be violation of the instructions in this regard and the association of a Scheduled Caste/Scheduled Tribe person in the Promotion Committee will invariably be ensured.

4.34 The Committee find that for posts in the sub-staff cadre (Class IV posts) for which recruitments are made by the Regional Offices of the Bank, no instructions had been issued by the Bank to include a Scheduled Caste/Scheduled Tribe Officer in the Selection Committees. The practice followed is that the candidates sponsored by the Employment Exchange/Zilla/Rajya Sainik Boards are interviewed by two officers and panels are prepared district-wise. The appointments are made by the Assistant General Manager. The Committee recommend that a representative of the Scheduled Castes/Scheduled Tribes should invariably be included in the Selection Committee and desire that instructions to that effect should be communicated to the Regional offices.

D. Dereservation

4.35 The Committee have been informed that recruitment in the banks is done once a year for vacancies estimated for the year and an indent is placed with Banking Service Recruitment Board indicating the needs category-wise (General, Scheduled Caste/Scheduled Tribe, Ex-servicemen, physically handicapped). In case the Recruitment Boards are unable to select the number of Scheduled Castes and Scheduled Tribes candidates required to fill up reserved vacancies, confirmation is sought from the Board whether shortfall is due to less number of reserved category candidates qualifying in the recruitment process and thereafter the Boards are asked to provide general candidates to that extent since the vacancies cannot be kept pending till next recruitment is completed by the Recruitment Boards. Each recruitment process takes more than 8-9 months to complete. The filling up of reserved vacancies by general candidates in the circumstances cited is however brought to the notice of the Board of Directors annually and their approval is obtained for carrying forward the unfilled reservations to the next year.

4.36 The number of vacancies dereserved in officers, clerical and sub-staff cadres during 1979, 1980 and 1981 is stated to be as under :—

TABLE

Year	Officers		Clerks		Sub-staff	
	SC	ST	SC	ST	SC	ST
1779	87	117	423	306	1	25
1780	88	123	371	346	1	34
1981	56	28	286	314	1	45
TOTAL	231	268	1080	966	3	104
GRAND TOTAL	2653					

4.37 On being pointed out by the Committee that 2652 vacancies had been dereserved during the years 1979 to 1981, which was detrimental to the interests of Scheduled Castes and Scheduled Tribes, the

representative of the Ministry of Finance has stated during evidence that they would issue instructions that when posts are to be de-reserved, the matter should be brought to the notice of the Board of Directors. In reply to a question, he has stated as under :—

“We will insist that the dereservation must require the Board’s approval.”

The Chairman of the Bank has further stated that dereservation did not result in lapsing of vacancies because the dereserved vacancies were carried forward as a backlog.

4.38 When asked whether the dereserved vacancies would now be filled up, the representative of the bank has stated that the dereserved vacancies had been carried forward and would be filled up by recruitment.

4.39 In reply to a question the representative of the Bank has stated that dereserved vacancies carried forward were 33 Scheduled Caste and 18 Scheduled Tribe in 1976, 37 Scheduled Caste and 18 Scheduled Tribe in 1977, and 17 Scheduled Caste and 9 Scheduled Tribe in 1978. Since 1969 number of vacancies lapsed was 23 Scheduled Caste and 78 Scheduled Tribe. The Bank had held promotion tests and recruitment to fill up the backlog.

4.40 The Committee regret to note that a large number of vacancies reserved for Scheduled Castes and Scheduled Tribes are being dereserved in the Bank every year. As many as 2652 vacancies were dereserved during the years 1979—81 which amounts to depriving Scheduled Caste/Scheduled Tribe persons of their due share in appointments and promotions.

4.41 The Committee are unable to believe that Scheduled Caste/Scheduled Tribe candidates are not available to fill the reserved seats in the banks in clerical cadre through direct recruitment examinations. They are firmly of the opinion that the Banking Service Recruitment Boards should be able to select sufficient number of Scheduled Caste/Scheduled Tribe candidates to fill the reserved seats in the services of the bank and there should be no occasion to dereserve reserved vacancies in the clerical cadre. Likewise, there should be no dereservation in the sub-staff cadre. Even in the officers cadre, the Recruitment Boards should endeavour to select adequate number of candidates so that the need for dereservation does not ordinarily arise.

E. Complaints and Grievances

4.42 It has been stated that the Scheduled Castes/Scheduled Tribes employees can bring their grievances and complaints to the notice of the Liaison Officer in Syndicate Bank. The Liaison Officer

has been asked to look into these grievances|complaints and to suggest remedial measures to the management.

4.43 A complaint register is maintained in the Head Office of the bank. All complaints received from employees, including Scheduled Caste/Scheduled Tribe employees are entered in the register.

4.44 The complaints|grievances are disposed of at Head Office or Zonal Office or Regional Office depending upon the nature of complaint|grievances. Though the complaints|grievances of Scheduled Caste/Scheduled Tribe employees are looked into no separate data regarding receipt and disposal of complaints was maintained. However, as advised by Government of India, Liaison Officers have been instructed to maintain separate registers for noting down complaints|grievances of Scheduled Caste/Scheduled Tribe employees. The complaints|grievances received by the bank from its Scheduled Caste|Scheduled Tribes employees relate primarily to service matters.

4.45 The representations received from Scheduled Caste|Scheduled Tribes employees and the office bearers of their associations in the Banking Division are forwarded to banks for appropriate action and report as necessary. Where it is found that Government guidelines have not been followed, bank managements are advised to take remedial measures.

4.46 When asked whether it was a fact that the Syndicate Bank Scheduled Caste|Schedule Tribe Employees Welfare Association's representatives had a discussion with the representatives of the Bank during which agreement was reached on certain issue but under the pressure of some recognised trade unions, the Bank authorities backed out and said that they had not agreed to anything. the Chairman of the Bank stated during evidence that the Assistant General Manager (Personnel) who was the Liaison Officer had invited the representatives of the Association for hearing their grievances. No minutes of the discussion were recorded. No decisions were taken or conveyed on the spot. As some of the issues involved policy decisions, they were told that the decisions would be conveyed to them.

4.47 The Chairman of the Bank further stated that one of the points agreed upon was about home town postings and transfer of Scheduled Caste and Scheduled Tribe employees. It was explained to the Employee's Union that while the policy was common to all employees, genuine requests from Scheduled Castes and Scheduled Tribes would be considered on merits and individual basis. Another point was about inclusion of an officer belonging to Scheduled Caste or Scheduled Tribe in the Interview Committees.

4.48 The Committee wanted to know how many complaints|representations had been received in the Scheduled Caste|Scheduled

Tribe Cel in the Banking Division of the Ministry. In reply, the representative of the Ministry of Finance stated during evidence that certain complaints had been received and action had been taken thereon.

4.49 On being pointed out that the Syndicate Bank Scheduled Caste/Scheduled Tribe Employees Welfare Association which is a registered body though unrecognised had complained that they had not been given time to place their grievances before officials of the Banking Division, the representative of the Ministry of Finance has said that the Association people have been meeting and discussing the matters with them. Their representations were referred to the banks for comments. It is their duty to look into their grievances.

4.50 When it was pointed out that no minutes of the discussion were recorded, the representative of the Ministry has stated as follows—

“I think informal arrangements are possible by which we register their grievances and problems which are brought to our notice and appropriate action initiated for redressal thereof expeditiously.”

4.51 The Committee note that a register is maintained in the Head Office of the Syndicate Bank wherein all complaints received from employees including Scheduled Caste/Scheduled Tribe employees are entered. However, instructions have now been issued for maintaining separate register for noting down complaints/grievances of Scheduled Caste/Scheduled Tribe employees. The Committee recommend that action taken on the complaints should also be indicated in the register.

4.52 The Committee note that the Liaison Officer of the Syndicate Bank held a discussion with the representatives of the Syndicate Bank Scheduled Castes and Scheduled Tribes Employees Welfare Association regarding certain grievances of the bank employees. No minutes of the discussion were recorded. The Committee suggest that to avoid any misunderstanding or controversy at a later stage a brief resume of the points discussed and the decision, if any, reached thereon should be maintained by the Liaison Officer.

4.53 The Committee regret to note that at present no record is kept in the Banking Division of the Ministry of Finance regarding complaints/grievances received from Scheduled Caste/Tribe employees working in the nationalised banks. They desire that a register for the purpose should be maintained and action taken on all complaints/grievances entered therein. The register should also be periodically checked by the Liaison Officer of the Banking Division.

4.54 The question of recognition of Scheduled Castes/Scheduled Tribes Welfare Associations had been considered by the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes on a number of occasions. The Ministry of Home Affairs had stated that certain Welfare Associations of Scheduled Castes and Scheduled Tribes had been recognised by the Ministry for the purpose of notifying the vacancies reserved for persons belonging to these communities. However, Associations of Scheduled Caste and Scheduled Tribe Government employees were not being recognised as the policy of Government was not to recognise associations of Government employees which were formed on the basis of caste, tribe or religion. The Committee did not agree with the above views of the Government and had recommended that the associations of Scheduled Caste and Scheduled Tribe employees should be recognised. The Committee are of the view that if recognition is given to associations of Scheduled Caste and Scheduled Tribe employees, many minor problems relating to their services matters would be resolved quickly at different levels. Attention of the Committee has also been drawn to the ruling of the Supreme Court in the case of State of Kerala vs. N.M. Thomas and others wherein the Court held that the members of Scheduled Caste and Scheduled Tribe Associations who had been drawn from various castes, races or tribes, had attained such status by virtue of the Presidential Notification. Therefore, the Scheduled Castes and Scheduled Tribes were not castes within the ordinary meaning of "caste".

The Committee therefore recommend that the government should give recognition to Association of Scheduled Caste and Scheduled Tribe employees of every Ministry/Department of the Government as also of Public Sector Undertakings, Public Sector Banks etc.".

CHAPTER V

ADMINISTRATION

A. Maintenance of Rosters

5.1 The Committee have been informed that the rosters are being maintained from 1-1-1975 at the Head Office of the Bank, in respect of direct recruitment to all cadres and from 1-6-1978 in respect of promotions from clerical to officer cadre. However, reservations in respect of direct recruitment to all cadres are made from 19-7-1969. It has been stated that a regular information system is established and the rosters are maintained regularly and properly. There is also a head count to ensure that entries tally with the total figures.

5.2 In reply to a question how the reserved points were determined during the period 1969 to 1974, it has been stated in a note furnished to the Committee that the bank had taken into account the number of appointments made during the period 19-7-1969 to 31-12-1974 and determined the number of vacancies to be reserved for Scheduled Castes/Scheduled Tribes. On a comparison of the number of Scheduled Caste/Scheduled Tribe candidates appointed the backlog as on 1-1-1975 was arrived at. The rosters have been maintained with effect from 1-1-75 taking into account the backlog as on 1-1-1975.

5.3 It has further been stated that the Liaison Officer inspects the rosters from time to time. This apart, an officer-in-charge of Scheduled Castes and Scheduled Tribes Cell verifies the entries from time to time.

Posters upto June 30, 1982 have been inspected. It has been stated that no case of negligence or lapse was noticed.

5.4 Regarding inspection of rosters by the Cell in the Banking Division, following information has been given in a note furnished to the Committee :—

“Implementation of Government guidelines regarding maintenance of rosters etc., is supervised by the Bank management itself under the overall control of the Board of Directors. For the purpose of supervision and implementation of provisions relating to reservations, Banks have in accordance with the guidelines of Ministry of Home Affairs, designated Liaison Officers, who have the responsibility of

periodically inspecting the rosters. Banking Division however watches the progress through periodical returns and Bank's response to its queries from time to time. No occasion has arisen for the Banking Division to inspect the rosters of the banks."

5.5 Asked why Rosters were not maintained by Regional Offices in respect of sub-staff categories, the Chairman of the bank has stated during evidence that till recently, Regional Offices made only temporary appointments but now they have been asked to make regular appointments of Class IV staff also. The Regional Offices have been advised to maintain the Rosters also.

5.6 In regard to inspection of rosters, the Chairman of the bank has stated that the rosters are being maintained at the Head Office and those had been inspected. The Liaison Officer had not examined the Rosters in the Regional Offices as certain Regional Offices have not yet started maintaining the rosters.

5.7 When asked during evidence whether the Scheduled Caste/Scheduled Tribe Cell in the Banking Division of the Ministry of Finance had been inspecting the rosters, the representative of the Ministry has stated as under :—

"The Secretariat staff is not armed with the power to inspect the banks or the bank offices because the banks function under the supervision and control of the Board of Directors. The Government does appoint the Board of Directors consisting of officials and non-officials. But the Board of Directors alone will be competent to supervise . . . We have been saying and this has been our consistent policy that in the day-to-day management or in the internal management of the banks, the Central Government should not interfere. . . . The Government is responsible for laying down the policy, giving guidelines to the banks and asking them to report to the Government whether those guidelines have been fulfilled or not. The question is whether the Government should also start inspecting the branch offices or local offices or head office and act almost as if they are managing the affairs of banks. There, my submission is that the Government have not authority in respect of inspection, though they are the owner of the banks."

5.8 In reply to a question, the Committee have been informed that the rosters are not shown to employees who make a request in this regard.

5.9 Asked during evidence whether the roster was an open document for inspection or was it a secret document, the Chairman of the bank stated : "There need not be any secrecy." He has further stated that the suggestion for keeping the rosters open had been noted.

5.10 When asked whether a circular could be issued to the banks stating that the roster should be kept open for the employees, the representative of the Ministry of Finance has stated during evidence : "I personally see no difficulty."

5.11 The Committee are unhappy to note that the rosters in Syndicate Bank are being maintained with effect from 1st January, 1975, although the orders relating to reservation in respect of direct recruitment to all cadres were adopted by the bank from 19th July, 1969. The Committee fail to understand how the bank gave effect to the prescribed reservations during 1969—74 without maintaining a model roster of 40 or 100 points as required under the Government orders for showing reserved and unreserved points. The representative of the Ministry of Finance has taken the plea that Government have no authority to check the rosters. The Committee are unable to accept this contention of Ministry of Finance. The Committee feel surprised that the Banking Division did not even know that Syndicate bank had not maintained the rosters during the period 1969 to 1974. The Committee suggest that besides the Liaison officer in the bank, a senior officer of the Banking Division should also inspect the rosters maintained at the banks offices periodically. The Committee need hardly stress that roster is the only mechanism to keep a watch on the implementation of the policy of reservation. The Committee recommend that the bank should maintain the rosters properly and these should be checked periodically and discrepancies, if any, should be rectified immediately so that there is no mistake in calculating the reserved vacancies.

5.12 The Committee are surprised to note that certain Regional offices have not yet started maintaining the Rosters for sub-staff although recruitment to this cadre takes place in Regional Offices. The Committee stress that the rosters should be maintained in all Regional Offices without any further delay.

5.13 The Committee have been informed that the rosters are not shown to the employees who make a request for it. The Committee feel that the rosters should be open documents and there should be no bar on the employees wishing to see them. The Committee further recommend that the employees should be informed through a circular about the decision to keep the rosters open.

B. Brochure on Reservation

5.14 Information was sought from Syndicate Bank whether they have brought out any brochure, publication etc. on the subject of re-

servations for, and employment of Scheduled Castes and Scheduled Tribes in the bank. In reply, they have stated as under :—

“We have not published any brochure on Scheduled Castes and Scheduled Tribes as the reservations are monitored centrally at Head Office. However, Government instructions are circulated to Regional offices and FEDCO.”

5.15 In reply to a question whether Government had considered the desirability of publishing such a brochure on the lines of the brochures brought out for posts and services under the Public Enterprises and under the Railways, it has been stated that the orders issued by the Ministry of Home Affairs regarding reservations for Scheduled Castes and Scheduled Tribes in services, wherever applicable, are extended to the public sector banks. The brochure issued by the Ministry of Home Affairs containing various instructions issued by them on this subject was also forwarded to the banks for guidance.

5.16 When the matter was taken up during evidence, the representative of the Ministry of Finance stated that they could have a separate brochure.

5.17 The Ministry of Home Affairs brings out a Brochure on Reservations for Scheduled Castes and Scheduled Tribes in Services under the Central Government. The Ministry of Railways (Railway Board) and the Ministry of Finance (Bureau of Public Enterprises) have also brought out separate Brochures regarding Reservation in Railway Services and posts/services under the Public Enterprises, respectively.

5.18 The Committee note that the orders issued by the Ministry of Home Affairs (Department of Personnel) are first examined by the Banking Division of the Ministry of Finance and thereafter these are made applicable to the public sector banks. No separate Brochure has been brought out giving information regarding reservations for Scheduled Castes and Scheduled Tribes in the services of the Banks. The Committee have been informed that copies of the Brochure brought out by the Ministry of Home Affairs are sent by the Ministry of Finance (Banking Division) to the banks for guidance. The Committee recommend that the Banking Division of the Ministry of Finance should bring out a separate Brochure compiling the orders regarding reservations for Scheduled Castes and Scheduled Tribes, as extended to the banks, on the lines of the Brochure brought out by the Bureau of Public Enterprises.

C. Annual Statements/Reports

5.19 In a written note furnished to the Committee, the Ministry of Finance (Deptt. of Economic Affairs Banking Div.) have stated that they are receiving half-yearly and yearly statements from the Syndicate Bank regarding recruitment/promotion of Scheduled Castes|

Tribes. Due dates for receipt of the statements in the Banking Division are as follows :—

Half yearly—31st July and 31st January.

Yearly—31st January.

The statements are prepared by the bank on the basis of rosters maintained by them. It is the duty of the Liaison Officer in the Bank to verify the correctness of these statements with reference to the rosters.

5.20 These statements are examined in the Banking Division in order to find out the progress made by the Bank in filling the quota reserved for Scheduled Castes/Scheduled Tribes in various cadres. From time to time, the Banks/Banking Services Recruitment Boards are advised to take special steps like holding of exclusive tests for Scheduled Castes/Scheduled Tribes for clearing the backlog of vacancies.

5.21 The consolidated information showing representation of Scheduled Caste/Scheduled Tribe in public sector banks/financial institutions is sent to the office of the Commissioner for Scheduled Castes and Scheduled Tribes. The recommendations made by the Commissioner for Scheduled Castes/Scheduled Tribes on the subject are examined in consultation with the banks and wherever necessary banks are advised to take remedial action.

5.22 In reply to a question whether the Annual Report of the bank contains data relating to recruitment and promotion of Scheduled Castes and Scheduled Tribes and details about the credit facilities provided by the bank to Scheduled Castes/Scheduled Tribes, the following information has been furnished to the Committee:—

“The annual report of the bank for the year 1980 contains data relating to recruitment of Scheduled Caste and Scheduled Tribe. But the annual report for the year 1981 does not contain data relating to recruitment or promotions of Scheduled Caste and Scheduled Tribe. The same will be included in future annual reports.

The credit facilities provided by the bank to Scheduled Caste/Scheduled Tribe are mentioned in the Annual Report of the bank.”

5.23 The Committee note that the Syndicate Bank has been sending half-yearly and yearly statements to the Banking Division regarding filling of vacancies reserved for Scheduled Castes and Scheduled Tribes through recruitment and promotion. The Committee desire that the Banking Division should make a thorough and analytical study of

these statements and point out the shortfalls and deficiency, if any, to the bank. The Syndicate Bank should take prompt and effective measures to remove the deficiencies.

5.24 The Committee find that the Syndicate Bank is not including regularly in its Annual Reports data regarding the number of Scheduled Castes and Scheduled Tribes in their services as against the total staff strength in various cadres and the number of Scheduled Caste/Scheduled Tribe persons appointed/promoted during the year. The Committee recommend that such data should be given in the Annual Reports of the Banks on the lines of the instructions already issued by the Ministry of Home Affairs (Department of Personnel) in this regard. . .

D. Housing Facilities

5.25 It has been stated that the Bank is not providing any housing facilities to its employees except in the cases of Managers, Sub-Managers, Heads of Departments and second level officers like Dy. Divisional Managers, Law Officers, etc., in Departments/Administrative Offices. Housing accommodation to the above mentioned categories of officers is provided in order to enable them to reside within a reasonable distance from the branch/office, having regard to the security and business exigencies. The bank does not undertake to provide housing to other categories of officers or staff. However, at Delhi, Bombay, Calcutta, Srinagar, Chandigarh, Lucknow, Patna, Jaipur, Bhubaneshwar, Gauhati, Ahmedabad, Bhopal, Punc, Simla, Cuttack and Port Blair, the Bank has been providing housing accommodation to non-local officers. No distinction is made between Scheduled Castes and Scheduled Tribe officers and other officers. Similar facilities extended to officers and workmen at branches in Andaman and Nicobar and Lakshadweep islands if they are posted from the Mainland.

5.26 The bank has a scheme for granting housing loans to its employees and the features of the same are given in Appendix XII.

5.27 In reply to a question it has been stated that the bank's policy is to provide residential accommodation to eligible officers including Scheduled Caste/Scheduled Tribe officers as per the norms. The total number of officers who have been extended the facility of Quarters is 2124 (approximately) out of whom 18 belong to Scheduled Caste/Tribe.

5.28 The representative of the Ministry of Finance has stated during evidence that a minimum of 5 years service in the bank enables an employee to obtain loan under the housing loan scheme. The rate of interest is 4 per cent for workmen. When asked whether any concession was given to Scheduled Caste/Tribe employees, he has stated that the whole loan scheme is itself a concession. He has further stated that for officers, the rate of interest is in 6 per cent and 8 per cent slabs.

5.29 Asked whether the rate of interest could be reduced for Scheduled Caste|Scheduled Tribe employees, the representative of the Ministry of Finance has stated during evidence that Government's view is that the Banks are charging a very low rate of interest from their own employees and it should be brought to the same level as applicable to Central Government employees. The banks had implemented the orders in the case of officers but in case of lower staff, the matter requires consultation with the Unions.

5.30 In reply to a question, the representative of the Ministry of Finance has stated that bank employees can get a maximum loan of rupees one lakh but in the case of Government employees the limit is Rs. 70,000. Even a class IV employee in the bank can get a loan of rupees one lakh but he may not be able to repay the same. In reply to another question, he has said that the Banks cannot charge different rates of interest from Scheduled Caste|Scheduled Tribe employees and other employees.

5.31 When asked whether Housing loans are given to Scheduled Caste|Scheduled Tribe employees co-operative societies, the Chairman of the Bank has stated during evidence that the bank had given loans to such societies in Bangalore, Madras and Bombay.

5.32 The Committee note that Syndicate Bank is providing housing facilities only to certain categories of officers in order to enable them to reside within a reasonable distance from the Branch|Office, having regard to the security and business exigencies. The bank is also providing housing facility to non-local officers in some cities. No distinction is made between Scheduled Caste|Scheduled Tribe officers and others in providing this facility.

5.33 The Committee recommend that housing loans should be provided to Scheduled Caste|Scheduled Tribes employees in larger number to enable them to build their own houses. This will go a long way in improving their social status.

CHAPTER VI

CREDIT FACILITIES

A. Salient features of various schemes :

6.1 Credit is key input in programmes of production and self-employment and creation of productive assets. Since the nationalisation of 14 large banks in 1969 several instructions have been issued to banks with a view to increase the flow of credit to Scheduled Castes and Scheduled Tribes. The banks have been advised to evolve special schemes tailored to meet the requirements of members of these communities, to give wide publicity to these schemes and ensure their participation in them.

6.2 The main thrust of the credit policy of the Government has been to channel increasing amount of credit to the priority sector borrowers.

As a first step, certain sectors were identified as priority sectors for the purpose of allocation of credit on priority basis and targets were fixed for allocation of credit to them.

Accordingly, agriculture and allied activities, small scale industries, small road and water transport operators, retail trade, small business, professional and self-employed persons, education, consumption loans and housing loans to Scheduled Castes/Scheduled Tribes and weaker sections upto specified amounts have been designated as priority sectors. As a further step, within the priority sectors, certain sections were identified as weaker sections; sub-targets for allocation of credit to such weaker sections were also fixed. Details of various targets fixed are as under :—

- (a) Banks should aim at raising the proportions of their advances to priority sectors to 40 per cent by 1985.
- (b) In view of the prominent position that agriculture occupies in the national economy, at least 40 per cent of the advances to the priority sector should be extended to agriculture and allied activities. This would mean that advances to the agricultural sector would be at least 16 per cent of the total advance by 1985.
- (c) Concept of weaker sections has been introduced within the two main priority sectors viz., agriculture and small scale industries and sub-targets have been fixed for them as under :—

Agriculture and Allied activities

The weaker sections in the sector will comprise :—

- (i) Small and marginal farmers with land holdings of 5 acres and less and landless labourers; and
- (ii) Persons engaged in allied activities whose borrowal limits for such activities do not exceed Rs. 10,000/-. Direct advances to such weaker sections should reach a level of at least 50 per cent of the total direct lending to agriculture (including allied activities) by 1983.

Small Scale Industries

All small scale industries with credit limits upto and inclusive of Rs. 25,000/- should be treated as weaker section in this category. Advances to such 'weaker sections' should constitute 12.5 per cent of total advances to small scale industries by 1985.

6.3 Various schemes have been formulated for the benefit of weaker sections of the society including Scheduled Castes and Scheduled Tribes. Brief outlines of these schemes together with the achievements made by the Syndicate Bank in their implementation are given below :—

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

The DRI Scheme formulated by Government of India in March 1972 is basically meant to cater to the credit requirements of the weaker among the weak and assist them in their efforts to better their economic condition by small productive endeavours. The eligible borrowers include 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. Advances under the Scheme are given at a concessional rate of 4 per cent per annum. Banks have to lend under DRI Scheme at least 1 per cent of their total advances as at the end of the previous year. With a view to ensuring that persons belonging to Scheduled Caste/Scheduled Tribe get their due share of benefit under the scheme, banks have to ensure that 40 per cent of their advances are given to them. The bank has granted 47 per cent of total D.R.I. credit to Scheduled Castes/Scheduled Tribes against the target of 40 per cent.

(2) Housing Loans upto Rs. 5000/- are granted at 4 per cent interest whereas 12.5 per cent interest is charged from others. Loans are repayable within a period of 10 years. Out of Rs. 2.76 crores of advance granted under weaker sector housing loan scheme to 17,398 borrowers, 15,898 borrowers are from Scheduled Castes/Scheduled Tribes with an outstanding balance of Rs. 2.19 crores.

(3) The bank has introduced schemes of extending credit to Scheduled Castes/Scheduled Tribes in collaboration with Scheduled Castes/Scheduled Tribe Development Corporations of various States. In Ahmedabad, the bank has sanctioned Rs. 1.5 crores to Tribal Development Corporation, Gujarat for extending credit to tribals at 4 per cent interest. They have also sanctioned Rs. 59 lakhs to Scheduled Caste Cooperative Development Corporation in Andhra Pradesh for granting loans to Scheduled Castes for minor irrigation purposes

The bank has also introduced a scheme of financing to Scheduled Castes in collaboration with Karnataka Scheduled Castes Development Corporation. They have taken steps to introduce similar scheme in other States also. As far as the Scheduled Caste borrowers are concerned, margin is not insisted and priority in granting credit is given as compared to borrowers coming from other categories. Branches have been asked to celebrate October as "Scheduled Caste/Scheduled Tribe Month" and identify the borrowers belonging to Scheduled Castes in villages adopted by the bank and help them to formulate viable schemes and extend credit on liberal terms. As at the end of March, 1982, the total credit granted by the Bank to Scheduled Caste/Scheduled Tribe borrowers was Rs. 27.79 crores under all schemes to 1,70,086 borrowers.

(4) Under priority sectors, the outstanding advances to Scheduled Castes/Scheduled Tribes were Rs. 24.42 crores to 1,42,459 borrowers. This works out to 5 per cent of total priority sector credit. The bank has granted 47 per cent of total D.R.I. credit to Scheduled Castes/Scheduled Tribes against the target of 40 per cent.

(5) INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP)

The main thrust of the programme is on provision of full employment and better standard of living to the rural people below the poverty line through productive schemes within a definite time span. Banks have been asked by the Reserve Bank of India to take certain steps for accelerating the flow of their lendings under IRDP. Under the programme, 600 families per block per year are to be identified for assistance. The beneficiaries will, *inter-alia*, comprise small and marginal farmers, share-croppers and members of Scheduled Castes/Scheduled Tribes/Government has stipulated that 30% of the beneficiaries should belong to Scheduled Castes/Scheduled Tribes.

The Bank has sanctioned over Rs. 27 crores to over one lakh borrowers since the inception of the IRDP, out of which, over 34,000 borrowers belong to Scheduled Caste/Scheduled Tribe with the total credit limit of Rs. 8.64 crores. Branches have been advised to give priority in extending credit to Scheduled Castes/Scheduled Tribes.

6.4 With regard to the organisational set up at the Ministry level and in the Syndicate Bank for providing credit facilities to Scheduled Castes and Scheduled Tribes it has been stated that pursuant to the recommendations made by the Parliamentary Committee in its Fourteenth Report (Seventh Lok Sabha) steps are being taken to create a cell in the Banking Division which will monitor the flow of credit to Scheduled Castes|Scheduled Tribes.

6.5 In the Syndicate Bank the progress in lending to Scheduled Castes and Scheduled Tribes is reviewed and monitored by Regional Offices and Zonal Offices. At Head Office the policy support and guidelines are provided besides taking necessary steps to improve the credit allotment to Scheduled Castes|Scheduled Tribes.

6.6 As regards the machinery to ensure that instructions|guidelines regarding credit facilities are followed by the nationalised banks, information as under has been furnished to the Committee :—

“The Banking Policy Section in Department of Banking Operations and Development, Reserve Bank of India, deals with banks’ priority sector advances. This section reviews at periodical intervals, on the basis of returns received from banks, their performance in providing credit to weaker sections of the society including borrowers belonging to Scheduled Caste|Scheduled Tribe. Besides, during the course of periodical inspection of banks, an appraisal is made of their performance in lending to the priority sectors as well as to the weaker sections of the society.

In the Regional office of the Department of Banking Operations and Development, Reserve Bank of India, Development Wings have been created to oversee the progress made by the banks in discharging their promotional role in achieving various targets laid down for priority sector lendings, DRI Scheme, etc. R.B.I. Officers designated as Lead District Officers are attached to the Development Wings. Besides participating in District Consultative Committee meetings and other forums, they maintain close liaison with credit institutions and Government agencies with a view to monitoring banks’ performance in their lead districts.”

6.7 In para 2.6 of their Fourteenth Report (Seventh Lok Sabha) (1980-81), the Committee had recommended that Special Cells should be constituted both in the Ministry of Finance (Department of Economic Affairs—Banking Division) and the Reserve Bank of India to deal with all matters relating to the credit requirements of Scheduled Castes|Scheduled Tribes. The recommendation has been accepted in principle so far as the Banking Division is concerned. The Committee

have been informed that steps are being taken to create a Cell in the Banking Division which will monitor the flow of credit to Scheduled Castes|Scheduled Tribes.

6.8 In para 1.10 of their Twenty-sixth Report (Seventh Lok Sabha) 1982-83, the Committee had reiterated their earlier recommendation that a separate Cell should be created in the Reserve Bank of India to monitor specifically the performance of the banks in providing credit to Scheduled Castes|Scheduled Tribes. So far however a separate Cell has not been created, although steps are stated to have been taken for the creation of the cell.

6.9 The Committee regret to point out that there has been considerable delay in the creation of the Cell. The Committee desire that the proposed cell in the Banking Division should be created at an early date and this cell should be separate from the existing cell which looks after matters regarding reservations for Scheduled Castes|Scheduled Tribes.

6.10 The Committee again reiterate their earlier recommendation for creation of a separate cell in the Reserve Bank of India for monitoring the flow of credit to Scheduled Castes and Scheduled Tribes by the banks.

B. Differential Rate of Interest Scheme

6.11 The Committee have been informed that the Differential Rate of Interest Scheme formulated by Government of India in March, 1972 and introduced in June, 1972 is basically meant to cater to the credit requirements of the weaker among the weak and against them in their efforts to better their economic conditions by small productive endeavours. The eligible borrowers include 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.

6.12 Salient features of the scheme are as under :—

- (i) The Scheme is applicable to the entire country. A minimum of 2/3rd of banks advances under the scheme should be routed through the bank's rural and semi-urban branches. At least 40 per cent of the advances have to go to eligible borrowers belonging to Scheduled Castes and Scheduled Tribes.
- (ii) Advances under the scheme are given at a concessional interest rate of 4% per annum.
- (iii) Banks have to lend under the scheme at least 1% of their total advances as at the end of the previous year.

- (iv) The scheme will be operated by all the public sector banks. To ensure that the persons served by Regional Rural Banks can also avail themselves of the benefits of the scheme, the sponsoring banks may lend through Regional Rural banks on an agency basis.
- (v) Banks may route credit under the scheme through State Corporations for the welfare of Scheduled Castes and Scheduled Tribes, Cooperative Societies and Large Size Multipurpose Societies organised specifically for the benefit of Tribal population in areas identified by Government of India.

6.13 For getting loan under the scheme, family income of the borrower from all sources should not exceed Rs. 3000/- per annum in urban and semi-urban areas or Rs. 2000/- per annum in rural areas. His land holding should not exceed one acre in case of irrigated land and 2.5 acres in the case of unirrigated land. Members of Scheduled Castes and Scheduled Tribes are eligible for the loan irrespective of their land holding provided they satisfy the other criteria.

6.14 Normally, the maximum amount of loan under the scheme may not exceed Rs. 1500/- for a working capital loan and Rs. 5000/- for a term loan. A Composite loan of Rs. 6500/- may be sanctioned to a small scale industrialist, village artisan etc. without making any distinction between working capital and term loan.

6.15 It has been stated that the total credit disbursed by the Syndicate bank to Scheduled Castes/Scheduled Tribes during the Fifth Plan period is not readily available. The outstanding advances to Scheduled Castes/Scheduled Tribes as at the end of March, 1980, 1981 and 1982 and the outstanding advances to Scheduled Castes/Scheduled Tribes under D.R.I. Scheme are as under :—

(Rs. in 000's)

Outstanding advances to SC/STs as on last Friday of						
	March 1980		March 1981		March 1982	
	No. of Brs.	Amt. Rs.	No. of Brs.	Amt. Rs.	No. of Brs.	Amt. Rs.
1	2	3	4	5	6	7
Total outstanding advances to SC/ST	70070	71850	92275	174592	170086	277876
Total outstanding advances to SC/ST under priority sectors	52825	58559	84496	117455	146459	244220

	1	2	3	4	5	6	7
% of SC/ST advances to total priority sector advances			1.8		2.5		5.0
DRI outstanding advances to SC/ST under DRI Scheme		28323	15563	34961	25643	53315	51678
% of SC/ST advances to total DRI advances			38		42		47

Advances disbursed to SC/ST under DRI Scheme during Sixth Plan :—

(a) 1980-81	19635	18016
(b) 1981-82	31535	391

As at the end of September, 1982, the bank is stated to have lent 50 per cent of its DRI credit to Scheduled Caste/Scheduled Tribe borrowers.

6.16 In reply to a question as to how a family is defined for the purpose of the D.R.I. Scheme, it has been stated that the term "family" though not separately defined for the purpose of eligibility criteria under the DRI Scheme, is understood as a unit consisting of husband and wife and their children and other members living under the same roof and sharing the same kitchen.

6.17 If there are more than one earning member in a family, the total income of all the earning members is added up while applying the eligibility criteria of Rs. 3000/- or Rs. 2000/- per annum.

6.18 It does not deprive eligible families from the benefits of the scheme, since eligibility is determined with reference to the family income itself. The scheme is weighted in favour of the poorest amongst the poor.

6.19 According to the eligibility criteria for DRI loans, family income should not exceed Rs. 2000/- per annum in rural areas and Rs. 3000/- in urban and semi-urban areas. The Committee desired to know the reasons for keeping the limit so low. The representative of the Ministry of Finance has stated during evidence that the criteria were determined at the time of introduction of the scheme. The idea was that only those who were very poor should benefit from this scheme. There was limited amount available for lending under the DRI Scheme. It was 1 per cent of the outstanding advances at the end of the previous year.

6.20 In reply to a question, the representative of the Ministry of Finance has stated that DRI Scheme was an old scheme. Under the new IRDP Scheme, one and a half crore families would be benefitted. 4 per cent was charged under D.R.I. When this rate was fixed, the bank rate was 6 per cent. Now the bank rate had increased but under DRI 4 per cent rate of interest was continuing.

6.21 In reply to a further question, he has stated that it was not possible to benefit 600 families from each block under D.R.I. Scheme.

6.22 When asked whether Government proposed to increase the income limit of Rs. 3000 in urban and semi-urban areas and Rs. 2000 in rural areas, the representative of the Ministry of Finance has stated that if the limits were increased people of better economic status would be entitled to take advantage of this scheme while the availability of money under D.R.I. Scheme would be very limited. The criteria decided by them was that this money should be given to those whose annual income did not exceed Rs. 2000 per annum in rural areas. 29 lakh people had so far benefitted under the scheme. As on 31st December, 1981 the outstanding advances under DRI to Scheduled Castes and Scheduled Tribes stood at Rs. 256 crores.

6.23 It was pointed out that the term 'family' under the Differential Rate of Interest Scheme had not been defined. The representative of the Ministry of Finance stated that if a family was living under one roof and had a common kitchen, it was treated as one family. When it was pointed out that a grown-up son and his wife could stay in the same house but cook separately, the representative of the Ministry of Finance admitted that they wanted the scope of "family" to remain loosely worded so that they could help really deserving cases. A precise definition of 'family' could go against the interest of the family. If the son was married but not earning, it could be taken as one family and if the son was married and earning, it would be taken as a separate family.

6.24 On being pointed out that one of the Assistant General Managers of the Bank had criticised the D.R.I. Scheme and a news item in that regard had appeared in Dainik Jagran of June 1982, the Chairman of the Bank has stated that the case had not come to their notice.

6.25 During evidence the Committee referred to the recommendation made in their Fourteenth Report (1980-81) that at least 10 per cent of the total loans advanced by the banks should be given to persons belonging to Scheduled Castes and Scheduled Tribes and asked what action had been taken. The representative of the Ministry of Finance has stated that in his view, instead of earmarking a portion of the total loans for a particular group, it would be more useful to make reservation in specific schemes for these people.

6.26 The Committee pointed out that while formulating Special Component Plans and Tribal sub-Plans, the Government had agreed to earmark funds to the extent of 15 per cent and 5 per cent and the Departments had been asked to find out schemes and areas where they could give benefit to Scheduled Caste/Scheduled Tribe people. When

earmarking of funds had been accepted in principle, the Committee enquired why banks could not earmark credit for Scheduled Castes and Scheduled Tribes. The Committee further pointed out that it was on record that Scheduled Castes and Scheduled Tribes were not bad debtors. The representative of the Ministry of Finance has stated during evidence that most of the schemes are subsidy schemes which are drawn up by the State Governments and various Departments of the Central Government. The Ministry of Finance have instructed the Banks to fully associate with these schemes. Stress should be laid on identifying the people and schemes and credit must follow for them.

6.27 Under D.R.I. Scheme family income of a borrower from all sources should not exceed Rs. 3000/- per annum in urban and semi-urban areas and Rs. 2000/- in rural areas. The Committee find that the word 'family' has not been defined. The representative of the Ministry of Finance has stated during evidence that the scope of 'family' has been kept loosely worded so that they can help really deserving cases. The Committee feel that this position can also be used against the beneficiaries. The Committee therefore recommend that the term 'family' should be defined for the purpose of the Scheme.

6.28 In para 3.21 of their Fourteenth Report (Seventh Lok Sabha), the Committee had recommended that at least 2 per cent of the aggregate advances of banks as at the end of the previous year, should be fixed for lending under D.R.I. Scheme and a minimum of 75% of the total advances under the DRI should go to the Scheduled Castes and Scheduled Tribes. The Committee had reiterated these recommendations in para 1.16 of their Twenty-sixth Report (Seventh Lok Sabha). The Committee desire that the Ministry of Finance should reconsider these recommendations and accept them in view of the social responsibility of banks towards weaker sections of the society.

6.29 In para 3.22 of their fourteenth report (Seventh Lok Sabha) the Committee had endorsed the suggestion of the Commissioner for Scheduled Castes and Scheduled Tribes that at least 10 per cent of the total loans advanced by the banks should be given to persons belonging to Scheduled Castes and Scheduled Tribes to meet their medium and long term requirements. The recommendation was reiterated in para 1.19 of their Twenty-sixth Report (Seventh Lok Sabha). The Committee do not share the view of the representative of the Ministry of Finance that instead of earmarking a portion of total loans for a particular group, it would be more useful to make reservations in specific schemes for these people. The Committee feel that for the economic development of Scheduled Castes and Scheduled Tribes a specific percentage of the loans to be disbursed by banks should be earmarked for them. The Committee need hardly stress that unless financial allocations are made, the credit will not flow to Scheduled Castes and Scheduled Tribes.

6.30 The Committee need hardly stress that there is no dearth of viable schemes for the uplift of Scheduled Castes|Scheduled Tribes provided there is no constraint of funds to implement those schemes. The Committee therefore urge the Ministry of Finance to implement the Committee's recommendation for earmarking 10% of total advances of banks for Scheduled Castes and Scheduled Tribes, as reiterated by them in their Twenty-sixth Report (Seventh Lok Sabha).

C. Scheduled Castes|Scheduled Tribes Development Corporations

6.31 In a note furnished to the Committee, it has been stated that the Working Group on the modalities of implementation of the priority sector lending and the 20-point Economic Programme has recognised that the economic problems of the weaker sections can be solved better if they organise their activities as a group, whereby they can improve their market strength as also arrange for common facilities and support on a joint basis. Further, the banking system by itself may not be in a position to cater to the needs of large number of such borrowers, unless they are organised into groups|societies to be financed by banks. The Group has, therefore, recommended that while continuing to provide direct assistance, the bank may also route credit to individual beneficiaries through State sponsored Corporations|agencies, besides functional co-operatives.

6.32 Banks may grant such assistance, subject to the under-noted conditions :

- (i) The Schemes formulated by the State sponsored Corporations|agencies for financing should cater exclusively to the weaker sections of the society in the various categories of the priority sector and|or the beneficiaries under the 20 Point Economic Programme.
- (ii) The Corporations|agencies should have necessary organisational set-up|expertise|staff for supervising field operations and recovery, since these would not be directly supervised by Banks.
- (iii) The Corporations|agencies should furnish to the banks full details of these schemes which may either be area specific or activity-specific. The schemes must contain details of the number of beneficiaries, purpose of advances, economic status of the beneficiaries, the cost|benefit analysis, etc . . . , to the satisfaction of the banks. The banks should provide assistance only on such schematic basis.
- (iv) The Corporations|agencies should furnish periodical statements indicating the details of the loans given, purpose, etc., as well as progress of recovery.

- (v) Corporations/agencies should have their own resources for meeting their administrative expenditure as well as for non-bankable supporting activities for the beneficiaries, or for covering operational losses.
- (vi) The terms and conditions including rates of interest stipulated by the Corporations/agencies to the beneficiaries should not be less favourable than those stipulated for direct lending by banks.
- (vii) The State Governments should institute a regular system of periodical auditing of the books and accounts of the Corporations/agencies.

6.33 The advances granted through such intermediaries, which may include Corporations, Co-operatives, Registered Societies, etc., will be considered as part of the banks' priority sector assistance and, depending upon the type of borrowers covered, will be classified as "Indirect Advances" to the concerned sectors. However, it may be clarified that such advances are not, at present, eligible for guarantee cover from the Deposit Insurance and Credit Guarantee Corporation.

6.34 It is necessary that banks organise periodical field inspections and visits to ensure that the schemes financed through the intermediary organisations are being executed on proper lines. As the banks, in such cases, will be saving in the cost of handling large number of individual accounts, it may be necessary for them to provide some measure of concessionality in the terms of which they lend to such organisations for the purpose of on lending.

6.35 For the successful implementation of the schemes, the banks may have to seek reasonable undertaking from the State Government for provision of necessary support, both financial and administrative to the intermediary organisations and/or the beneficiaries. These undertakings may be by way of agreements/guarantees, depending upon the circumstances.

6.36 In initiating necessary action on the basis of the above guidelines, it would be necessary for banks to innovate schemes suited to the requirements of specific borrowers and local situation. The details of schemes formulated by banks for lending through intermediary organisations may be communicated to the Reserve Bank of India on a quarterly basis along with the monitoring data.

6.37 It has further been stated that advances granted to Scheduled Caste/Scheduled Tribe Development Corporations are part of the lending under DRI Scheme provided they satisfy the following criteria :

- (i) Finance should be made available to the Corporation only against specific and commercially viable schemes formulated by them. Corporations should not add any service charges and credit should be made available to the beneficiaries at 4 per cent p.a. interest by the Corporation.
- (ii) The Corporation should be responsible to repay the loans irrespective of recovery from the beneficiaries.
- (iii) The Corporations should ensure utilisation of funds for productive purposes only.
- (iv) The cost of operations in implementing the scheme should be borne by the Corporation or State Governments.
- (v) The State Government must provide guarantee for the loans.
- (vi) The Corporations should follow all the terms and conditions of the scheme. If violated they will not be eligible for further finance.

6.38 Advances have been made by the Syndicate Bank to the following Scheduled Caste/Scheduled Tribe Development Corporations during the last 3 years :

- (i) ST Development Corporation, Gujarat :

Credit provided under DRI Scheme :—

Rs. 20 lakhs in 1980.

Rs. 55 lakhs in 1981.

Rs. 52 lakhs in 1982.

Rate of interest 4 per cent. Government guarantee obtained. Purpose—Dairy—Small part of advance for purchase of bullocks.

- (ii) SC Economic Development Corporation—Gujarat :

Sanctioned Rs. 5.00 lakhs for setting up of rural small SSI units under DRI Scheme against government guarantee.

- (iii) Tamil Nadu Cooperative Housing Society :

Purpose—Rural Housing Scheme for Scheduled Caste/Scheduled Tribes.

Per unit loan Rs. 1000.

Amount—Rs. 96 lakhs released in 1981.

Interest : 4 per cent.

Repayment : 10 years.

(iv) Karnataka Housing Board :

Purpose—Construction of houses to Scheduled Castes|Scheduled Tribes.

Per unit loan Rs. 1000.

Amount granted—Rs. 24.00 lakhs—released in 1981.

Interest—4 per cent.

Repayment—10 years.

Security—Government guarantee obtained.

(v) Andhra Pradesh State Housing Corporation :

Purpose—Construction of houses to Scheduled Castes|Scheduled Tribes.

Per unit advance—Rs. 4800 released in December, 1981.

Interest—4 per cent.

Repayment—in 10 years.

Security—Government guarantee not received so far.

(vi) SC Development Corporation, Andhra Pradesh :

Amount : Sanctioned in principal Rs. 59.69 lakhs.

Interest : 4 per cent under DRI Scheme.

Repayment : within 5 years.

Purpose : for sinking community wells.

Security : Government guarantee not received so far.

It has been stated that the Bank has arrangements with Scheduled Caste Development Corporation, Karnataka for the recovery of the margin money loans granted by the Corporation along with bank loan. It is also in touch with the Corporations of other States to implement similar schemes.

6.39 When the Committee enquired if the condition of providing guarantee by the State Government was a hindrance for getting bank advance by Scheduled Caste|Scheduled Tribe Development Corporations, the representative of the Bank has stated during evidence that it becomes easier to consider loan proposals if the Government guarantee is received. In one or two cases, the State Governments had not given the guarantee.

6.40 The representative of the Ministry of Finance has stated during evidence that financial assistance is given to the Corporation even if a State Government does not furnish a guarantee. 59 lakhs of rupees had already been sanctioned to Andhra Pradesh Scheduled Caste Development Corporation even though the Government guarantee had not been received so far. State Governments should give their guarantee without delay.

6.41 When asked what would be the attitude of the Bank if the State Government refused to give guarantee, the representative of the Ministry of Finance stated that the Bank in that case would have the right to refuse to give money to the Corporation. The Bank itself could give money to individuals but for the sake of convenience money was distributed through the agency of the Corporations. The State Governments would have to shoulder the responsibility of giving guarantee that the money would be repaid to the Bank in time.

6.42 In respect of housing loans where the Housing Corporation gave 25 per cent seed money and the remainder was bank loan the representative of the Bank has stated during evidence that in such cases where they had received the margin money from the Scheduled Caste Development Corporation they directly lent to the beneficiaries and no guarantee was insisted upon. They had such an arrangement with the Scheduled Caste Development Corporation in Karnataka and they were satisfied with the experience.

6.43 Asked why the Bank had not given any loan to Scheduled Caste Co-operative Development Corporations in Orissa, the Chairman of the Bank stated as under :

“We will look into it. There are Tribal Development Corporations and Scheduled Caste Development Corporation. Our instructions are that we should encourage these Corporations.”

6.44 In reply to a question whether Scheduled Caste|Scheduled Tribe Corporations should be given the status of a Bank, the representative of the Ministry of Finance stated that these Corporations were primarily developmental. They also played financial role but their resources were limited. The Corporations were conceived with a view to filling up certain gaps and providing resources where seed money was not there. So margin money scheme was introduced. He further said that Corporations could not be treated as Banks under the Banking Regulations Act. In order to have a banking status, they must be able to raise deposits and also lend money at the rate of interest prescribed by the Reserve Bank of India. If the intention was that the money advanced by the Corporations should be recoverable as loans granted by Banks, this could be done by special legislation.

6.45 The Syndicate Bank has given advances to Scheduled Caste|Scheduled Tribe Development Corporations and Co-operative Housing Societies|Boards for viable schemes formulated by them for Scheduled Castes|Scheduled Tribes and other weaker sections. The scheme of giving such indirect advances stipulates that the State Government concerned will provide necessary guarantee for the amounts advanced by the Bank. The Committee have been informed that the

Bank advanced Rs. 59.69 lakhs to the Andhra Pradesh Scheduled Castes Corporation under DRI Scheme for sinking community wells. However, the guarantee from the State Government had not been furnished to the Bank.

6.46 The Committee are of the view that as the Scheduled Caste| Scheduled Tribe Development Corporations are created, administered and controlled by the State Governments, it should not be necessary for the bank to insist on guarantee of the State Government before advancing loans to these Corporations.

D. Credit Camps and Village Adoption Schemes

6.47 It has been stated that under Village Adoption Scheme the whole village is surveyed and the requirement of each family is assessed in the light of the various Government schemes and assistance available to the people in the village. During the discussion with the family, they are advised to adopt improved productive techniques in improving their productive ability and marketing capacity. They are helped to obtain assistance from the various Government Agencies wherever possible. Bank loans are granted for undertaking various activities by a family. Initially, only those families which are willing to shoulder additional responsibilities are selected. The whole idea here is that when a scheme is made a success by financing and helping those borrowers who are willing to take up these activities, the other indifferent persons will get attracted in future and they will also come forward to adopt higher productive techniques either with their own fund or with borrowed funds. According to normal lending procedure, assessment is made only in respect of borrowers who approach the bank for credit but an overall survey of all the families in a village is not undertaken.

6.48 Asked to state the procedure for selection of village for adoption, the representative of the bank has stated ruring evidence that it is the bank which chooses the villages depending on the location of the branch and the practical possibility of serving the credit needs of the villages in a cluster. The consent of the Government is not necessary for the purpose. In reply to a question, he has stated that as far as possible, the bank itself makes the survey, prepares the schemes and implements them. Population of Scheduled Castes|Scheduled Tribes is taken into consideration while selecting villages for adoption. The representative of the Reserve Bank of India stated that they had issued instructions that in selecting villages for adoption, they should give preference to villages where a large population of Scheduled Castes|Scheduled Tribes was living.

6.49 The particulars of villages adopted by the Syndicate Bank for intensive lending are given below, Statewise :—

State/Union	December, 1981			June, 1982		
	No. of Villages	No. of borrowal accounts	Advances outstanding (Rs. in lakhs)	No. of Villages adopted	No. of Borrowal accounts	Advances outstanding (Rs. in lakhs)
Karnataka	1607	60890	2341.19	1620	61156	2362.20
Andhra Pradesh	1003	74029	2287.57	1006	74300	2292.50
Kerala	167	11677	274.03	775	12643	326.51
Tamil Nadu	157	5847	134.39	196	8045	207.26
Haryana	191	4732	197.39	195	4820	201.40
Maharashtra	72	1863	48.11	78	2238	59.20
U.T. of Goa	47	1992	82.18	50	2150	83.53
Gujarat	11	172	3.82	11	218	4.12
Orissa	122	3255	55.99	127	3568	58.15
U.T. of Delhi	28	1000	56.68	35	1471	86.02
Punjab	40	2241	100.15	42	2301	101.23
Madhya Pradesh	1	46	1.69	2	62	1.82
Uttar Pradesh	726	20549	779.15	934	37167	1331.06
TOTAL	4172	188293	6362.34	4471	210139	7115.00

6.50 Some of the schemes financed by the Bank for the benefit of Scheduled Castes/Scheduled Tribes and others in these villages are given below :—

1. Crop loan.
2. Minor Irrigation Schemes (Dugwells, Irrigation Pump sets, diesel sets, sprinkler irrigation etc.).
3. Land levelling and bunding.
4. Sericulture.
5. Loan for artisans and craftsmen.
6. Petty trade and small business.
7. Rural transport (bullock cart, camel cart, rickshaw).
8. Animal husbandry programmes : (Dairy animals, goats, sheep, poultry piggery).

Terms and conditions of advances by the banks in adopted villages are the same as under normal lendings.

6.51 It has been stated that the bank has arranged credit camps in the adopted villages for the purpose of identifying borrowers belonging to weaker sections and for giving them loans. Bank officials themselves prepare viable schemes in consultation with the beneficiaries.

6.52 During 1981, the bank arranged 622 credit camps and upto September, 1982, 143 credit camps have been arranged.

State-wise position of credit camps arranged by the bank is given below :—

State	1981			1982		
	No. of credit camps conducted	No. of beneficiaries	Amt. granted (Rs. in lakhs)	No. of credit camps conducted	No. of beneficiaries	Amount granted (Rs. in lakhs)
1	2	3	4	5	6	7
1. Karnataka	370	18731	492	67	3318	88
2. Kerala	36	1543	26	2	34	1
3. Goa	39	1609	33	35	1716	47
4. Andhra Pradesh	90	7812	263	15	758	28
5. Tamilnadu	21	1133	34	8	541	12
6. Maharashtra	9	405	11	4	168	7
7. Gujarat	10	436	11		..	..
8. West Bengal and Orissa	15	1715	32	10	803	19
9. Delhi, Haryana & Punjab	12	6183	283	2	297	10
10. Uttar Pradesh	20	8460	508	..	..	..
TOTAL	622	48027	1693	143	7635	212

6.53 With regard to the number of persons belonging to Scheduled Castes|Scheduled Tribes who were granted loans at these credit camps during the last three years and their percentage to the total number of beneficiaries, it has been stated that the data for Scheduled Caste|Scheduled Tribe beneficiaries are not separately maintained for loans sanctioned at credit camps.

6.54 In regard to the procedure followed at the camps for sanction of loans, it has been stated that before arranging the credit camps a survey of the village|area is made. An interview with each family is made to assess income, willingness to take additional responsibility and also credit requirement of the family to undertake productive activity besides its background to take up the activity successfully. While

assessing the credit requirement, the details of various assistance that is available from Government and Government agencies, are kept in mind. The size of the credit requirement of a family is decided upon complete investigation and detailed analysis of the borrower to undertake the activity successfully and repay his loan. The proposals are built up properly and loans are sanctioned. On an appointed day, Government officials, Bank officials, Officials of Government Sponsored Agencies, beneficiaries and others meet together and in that meeting the officials of the Government and State Sponsored Agencies, beneficiaries and others meet together and in that meeting the officials of the Government and State Sponsored Agencies provide all the assistance that is to be made available to the beneficiary to undertake the venture. The bank provides credit. Thus, the beneficiary is in a position to obtain all the assistance and make this scheme a success without being made to approach different authorities separately.

6.55 Under Lead Bank Scheme, the bank prepares specific viable schemes for Scheduled Caste/Scheduled Tribe beneficiaries. Necessary credit is earmarked in the credit plans for financing the Scheduled Caste/Scheduled Tribe beneficiaries.

6.56 The bank has been celebrating 'October' as Harijan month in order to draw special attention of the bank staff towards Scheduled Castes/Scheduled Tribes. During this month the branch staff is asked to go out and identify the Scheduled Caste/Scheduled Tribe beneficiaries, identify the areas in which they require assistance, formulate schemes for granting such assistance and finance them so that they will improve their activities and income. This has created a good awareness and the advances to Scheduled Castes/Scheduled Tribes have increased from Rs. 5 crores in 1979 to Rs. 23 crores in 1981 under priority sectors.

6.57 The banks have been given instructions that while "adopting" villages for intensive lending, villages with sizeable population of Scheduled Castes/Scheduled Tribes may be specially chosen or, in the alternative, banks may consider adopting specific localities (basties) in the concerned villages which have a concentration of these communities. The representative of the Syndicate Bank informed the Committee during evidence that while selecting villages for adoption, the population of Scheduled Castes/Scheduled Tribes is taken into consideration. However, data regarding the Scheduled Caste/Scheduled Tribe beneficiaries is not maintained separately. The Committee recommend that such data should be maintained by the banks so that the benefits provided to persons belonging to these communities is precisely known and periodical review of the credit made available to them may be undertaken.

E. Loan Applications

6.58 In a note furnished to the Committee, it has been stated that the Syndicate Bank has a system of having at each branch one register in respect of loan applications received from all persons including those belonging to Scheduled Castes/Tribes. However, the branches have been advised to ensure that the loan applications received from the SC/ST beneficiaries are invariably noted in the register.

6.59 The Bank does not have separate particulars in respect of loan applications received from Scheduled Castes and Scheduled Tribes beneficiaries. The total number of loan applications received for the bank as a whole during 1981 is given below :—

(i) Total number of loan applications received in 1981	365318
(ii) Number of applications sanctioned in 1981	361919
(iii) Number of loan applications rejected in 1981	2924 (0.8%)
(iv) Number of loan applications pending at the end of 1981	1399 (0.4%)

6.60 The break-up of applications rejected by the branches and the reasons for the same are given below :—

(1) Financially not viable	369
(2) Technically not feasible	355
(3) Unsatisfactory past dealings	409
(4) Beyond manageable distance	1
(5) Withdrawal by the parties or parties did not turn up	486
(6) For any other miscellaneous reasons	1304

6.61 It has been stated that loan sanctioning powers are vested in different authorities in accordance with their status and level of responsibilities but at the same time, keeping in view the need to ensure smooth and quick disposal of work.

6.62 At branch level, branch manager's powers have been decided in keeping with these objectives. Branches with deposit and advances up to Rs. 1.00 crore can sanction clean loans upto Rs. 10,000 and secured loans upto Rs. 25,000. Branches with deposit and advances of Rs. 1.00 crore to Rs. 5.00 crores can sanction clean credit upto Rs. 25,000 and secured credit upto Rs. 50,000 and branches with credit and deposit of above Rs. 5 crores can sanction clean loans upto Rs. 50,000 and secured loans upto Rs. 1.00 lakh.

Sanctioning powers for branch Managers for granting Priority Sector Advances (Inland Credit Limits only) are given in Appendix XIII.

6.63 The branches are empowered to sanction 95 per cent of the proposals emanating from Scheduled Castes and Scheduled Tribes. As

regards remaining proposals for large loans which do not account for more than 5 per cent of the total applications received from Scheduled Caste and Scheduled Tribe borrowers, Divisional and Regional Offices are empowered to sanction them at the earliest possible time.

6.64 It has been stated that the bank normally takes not more than a fortnight to sanction a loan coming under DRI Scheme. However, in no case the branches can keep the applications pending for more than one month. Branches have been advised to sanction the loans in time. They have been advised to dispose off all the loan applications received by them upto a credit limit of Rs. 10,000 within a period of one month and in respect of proposals above Rs. 10,000 within a period of 3 months from the date of receipt of the proposal. The bank is reviewing its lending policies in the light of the guidelines issued by the Reserve Bank of India from time to time.

6.65 The delay in disposal is usually due to bunching of applications, non-availability of complete information in the applications, the time taken by the applicants in producing requisite documents of the credit limit applied for being beyond the powers of branch managers etc.

6.66 When direct advances are made, the proceeds of loan are credited to the SB A/c of the borrower or at his direction payments are made directly to the supplier of goods and services. It has been stated that payments are not released to the representatives of the borrower or other middlemen under any circumstances.

In reply to a question, it has been stated that credit is granted on the basis of purpose of loan and validity of the proposal.

6.67 During evidence the Committee pointed out that there were cases where the loan had been sanctioned but it had not been disbursed for the last one year. One such case had happened in Amroha in U.P. in March, 1982. The representative of the Bank observed that the assets for which the loan had been sanctioned might not have been available in that case.

6.68 In reply to a question the representative of the Ministry of Finance has stated during evidence that out of 3.65 lakh applications received in the bank, 3.61 lakh applications had been sanctioned. The number of applications rejected was less than 1 per cent.

6.69 Asked since when the Branches were entering loan applications received from Scheduled Castes and Scheduled Tribes in a Register, the Chairman of the Bank stated that they were maintaining the registers since 1979. In October, 1982 the branches were asked to indicate the number of applications received from Scheduled Castes and Scheduled Tribes. The Bank had prescribed a new column in

the application form as to whether the applicant belonged to a Scheduled Caste|Scheduled Tribe.

6.70 In respect of applicants who did not turn up to take loan amounts, the Bank tried to contact them so that they know that they could get loans. Where the applicants lived at a distance, the Bank wrote to them.

6.71 On being pointed out that there were cases where loan was given for some purpose and it was spent for some other purpose, the representative of the Ministry of Finance has stated during evidence that complaints were received and they asked the Banks to take action against the persons concerned. The responsibility in this regard was that of the State Government and bank officials. Crores of rupees were being lent to people in rural areas through 38000 branches of the banks. Firstly the procedure would have to be set right and secondly action should be taken on complaints immediately and thirdly new policies should be adopted on the basis of experience gained.

6.72 In reply to another question, he has stated that they had received complaints that bank officers had asked for security even for loans upto Rs. 5000 while the instructions were that no security should be taken in such cases. The Banks should go by the viability of the project to be undertaken and not so much by security consideration. He said, "we will look into the complaints and repeat our instructions once again."

6.73 Registers for entering loan applications are being maintained by branches of the Syndicate Bank since 1979. In October, 1982, the branches have been asked to indicate the number of applications received from Scheduled Castes and Scheduled Tribes. For this purpose a new column has been prescribed in the application form as to whether the applicant belongs to Scheduled Caste or Tribe. The Committee desire that the bank should ensure that registers indicating loan applications received from Scheduled Castes|Tribes are maintained in all the branches. In cases where the loan applications are rejected, the grounds of the rejection should also be entered in the Register.

6.74 Complaints are often received that bank officers insist on security even in respect of loans upto Rs. 5000. According to instructions, Banks should not demand any security for loans upto Rs. 5000 and hypothecation of assets to be created by the loan should suffice. The very asking of the security has the effect of putting off the applicants and throwing them back at the mercy of money lenders. The Committee desire that the bank should ensure that the instructions issued by the Reserve Bank of India in this regard are followed in letter and spirit by all its branches.

6.75 In spite of clear instructions that loan applications should be disposed of within the stipulated time, in many cases enormous delays occur the processing of applications. Sometimes, the Branch Officer neither rejects the application nor sanctions it. Even when the application is sanctioned, delay occurs in making payment. This leads to frustration among the applicants particularly those belonging to Scheduled Castes/Tribes. The Committee recommend that the Syndicate Bank should issue fresh instructions to all its Branches indicating the procedure to be followed for sanctioning loans and fix a time-limit within which such loan applications should be disposed of and payment made to the beneficiaries. The Committee need hardly stress that inordinate delays in the sanctioning and giving of loans can defeat the purpose of assisting Scheduled Caste/Tribe families to cross the poverty line.

F. RECOVERY OF DUES

6.76 Outstanding advances, demand and overdues under Differential Rate of Interest Scheme as at the end of March, 1980, March, 1981, March 1982 and June 1982 have been stated to be as under :—

	(Rs. in lacs)							
	March 80		March 1981		March 1982		June 1982	
	No. of borrowers	Balance Rs.	No. of borrowers	Balance Rs.	No. of borrowers	Balance Rs.	No. of borrowers	Balance Rs.
1. (a) Outstanding advances under DRI Scheme	81323	414	94209	613	123744	1091	126709	1106
(b) Out of which to SC/ST	28323	156	34961	256	53315	517	55277	537
(c) % of (b) to (a)		30		42		47		49
2. (a) Total demand under D.R.I. Scheme	59665	225	58968	255	75950	418	84735	476
(b) Out of which to SC/ST	20781	68	22871	91	27942	171	35449	204
3. (a) Total overdues under DRI Scheme	50496	168	49317	188	63359	303	68279	328
(b) Out of which to SC/ST	18259	51	18547	65	24566	119	28619	137
4. (a) % of recovery under the scheme to demand		25		26		28		31
(b) % of recovery in case of SC/ST to demand		25		29		30		33

6.77 It has been stated that increase in outstanding advances is not on account of lower rate of recovery alone.

6.78 The rate of interest on DRI loans is 4 per cent. Therefore, for an overdue level of Rs. 100 lakhs, the outstanding advances may go up by Rs. 4.00 lakhs per year. However, in the case of Scheduled Caste/Scheduled Tribe, the outstanding advances increased during one year (1981-82) from Rs. 256 lakhs in March, 1981 to Rs. 517 lakhs in March 1982 showing an increase of Rs. 261.00 lakhs.

6.79 The branches have been advised to grant DRI advances only on viability of each proposal and not to become target oriented. During the branch inspection of the branches every year these aspects are verified on random basis.

6.80 It has been stated that extent of failure of schemes due to which beneficiaries could not repay the loan is not readily available. However, by way of illustration the bank has reported its experience in the following three schemes in Karnataka' :—

- (i) In South Kanara district, the Government has sponsored sericulture schemes and the bank has financed Rs. 300 lakhs under this scheme. While initiating the Scheme, the Government agreed to grant 50 per cent subsidy. Subsequently, it was not granted to all borrowers. While granting advances the Government assured proper marketing arrangements. Later the marketing arrangements were not made and the small farmers were asked to send the cocoons to Ramnagar near Bangalore.
 - (ii) Similarly, in Dharwar district, the bank has financed community irrigation and well projects. The Electricity Board did not give electric connection to these borrowers for 9-10 months. As a result of that the borrowers were not able to take crop after availing the loan and they have to skip one crop resulting in substantial loss to the bank.
 - (iii) Under IDA assistance, DPAP Scheme was introduced in Bijapur district in the year 1979. The bank has financed about 3500 milch animals. The DPAP agreed to establish milk co-operative societies. But these societies did not function and there was lot of problem to the borrowers to market the milk. At present, majority of these loans are irregular.
- 6.81 From a study conducted by the bank in respect of DRI loans, it had been observed that recovery of loans becomes difficult because sometimes loans granted are not utilised for the purpose for which these are granted or income generated out of productive activities is used entirely for consumption purposes without setting aside any part for repaying the loans. The study indicated that

out of 129 borrowers examined on random basis in the different States, 53 borrowers had either misutilised the credit or the incremental income derived was used for some other purposes resulting in non-recovery of dues.

6.82 Overdue position for Scheduled Castes|Scheduled Tribes and others under Differential Rate of Interest Scheme is given below:—

	Percentage of overdues to demand		
	Dec. 1980	Dec. 1981	June 1982
Under total DRI credit	75	74	69
Under D.R.I. Credit to SC/ST	73	74	67

6.83 Overdue position of advances sectorwise in respect of all priority sector advances is set out below:—

	Dec. 1979 Percentage of overdues to demand	Dec. 1980 Percentage of overdues to demand	Dec. 1981 Percentage of overdue to demand
1. Agriculture :			
Direct	45	48	47
Indirect	30	46	44
2. Small Scale Industries	50	45	53
3. Road Transport	53	48	53
4. Retail Trade and Small Business	35	39	44
5. Professionals and self-employment	41	47	50
6. Education	49	44	49
TOTAL	44	45	50
7. Others	35	31	29
GRAND TOTAL	39	36	36

6.84 It is seen that overdues are higher under Small Scale Industries and Transport advances followed by Professionals and self-employed.

For speeding up and monitoring the recovery of advances under SSI, the bank has constituted a cell in regional offices. This Cell is reviewing the position of overdues under SSI and whenever necessary nursing programmes are worked out and in other cases they are advising the branches regarding the steps that they have to take for recovering the dues.

6.85 In the case of agricultural advances, Rural Development Officers are helping the farmers in availing necessary credit and technical know-how. These officers are ensuring end utilisation of credit

besides recovery of advances by making regular visits. In order to help supervision and recovery easy, clusters are selected for making advances on large scale.

In all other cases the branches keep regular contacts with the borrowers for the recovery of dues. The R.O./D.O. guide the branches in the recovery of dues whenever necessary.

6.86 State Governments have passed Agricultural Recovery Acts and Public Moneys Recovery Acts to help the banks to recover agricultural and other small loans. State Governments are helping the banks to some extent in recovery of their dues. By and large the Scheduled Caste/Scheduled Tribe Corporations are not assisting the banks for recovery of dues at present.

6.87 For tackling the problem of overdues, the bank has suggested that credit should be granted for viable productive schemes. There should be proper machinery to ensure end-utilisation of credit. The State Governments and their agencies should provide proper infrastructure. They should provide inputs and also arrange marketing facilities. There should be continued contacts between the borrowers, the bank and the concerned Government agency to facilitate recovery of the dues.

6.88 It has been stated that every effort is made to recover the dues from the borrowers. When loans are finally classified as irrecoverable, they are ultimately written off. In respect of loans covered by the Deposit Insurance and Credit Guarantee Corporation, the bank invokes the guarantee subject to certain conditions and limits.

6.89 Overdues found irrecoverable can be written off only by the Head Office. The Branches/Divisional Offices/Regional Offices/Zonal Offices only make recommendation to the Head Office in this regard after exhausting all avenues of recovery of dues.

6.90 In reply to a question regarding the amount of loans given to Scheduled Castes/Scheduled Tribes written off as bad debts during the last 3 years, it has been stated that according to the forms of Balance Sheet and Profit and Loss account prescribed in the Third Schedule of the Banking Regulation Act, 1949, banks are given statutory protection from disclosing the particulars of bad and doubtful debts for which provision has been made to the satisfaction of their auditors. In view of these statutory provisions information relating to amounts of bad debts written off is not divulged in the public interest.

6.91 In their circular letter No. DBOD/BPBC 8/c-45-3(k) 79 dated Jan., 9, 1979 regarding Agricultural credit from commercial banks, with special reference to small and marginal farmers, the

Reserve Bank of India has stated as under about the problem of overdues.—

“While the banks have increased their agricultural advances quite substantially during the last decade, the overdues in respect of this sector have also assumed significant proportion; they constitute as much as 50 per cent of the total agricultural advances. This high percentage of overdues naturally blocks the effective recycling of funds which acts as a constraint to increased flow of funds for agriculture. Though banks have adopted the system of regular review of the overdues position, it has not led to any perceptible improvement in their recovery performance. In view of this, an in-depth study of the problems of overdues is considered necessary by the Working Group. We shall be glad if your bank arranges for a study in this regard on a selective basis, especially concentrating in areas where the incidence of overdues is comparatively high, and submit a report to us for our consideration.”

6.92 On being asked during evidence whether persons affected by natural calamity were given any concession in the recovery of loan, the representative of the Ministry of Finance has stated that they did help in such cases. In case of loss of crops, the loan is converted into a term loan. This results in reduction in the rate of interest also. Instalments due in the case of term loans are rescheduled. Normally loans are not written off. They are written off only when no way can be found for repayment.

6.93 When it was pointed out that in tribal areas, land of the loanee was auctioned for recovery of loans, the representative of the Ministry of Finance has stated that there are laws in tribal areas under which land of a person cannot be taken. When the Committee pointed out that what the private money lenders do is that they yet the land of the loanee mortgaged with a bank and in case of default in repayment, the land is auctioned by the Bank and those very creditors purchase the land, the representative of the Ministry of Finance has stated that whoever takes loan from the bank would have to re-pay it.

6.94 In reply to a question as to what extent State Government and Scheduled Caste|Scheduled Tribe Development Corporations were assisting the banks for recovery of overdue loans, the representative of the Ministry of Finance has stated during evidence that the State Government had passed Agricultural Recovery Acts to help the bank recover agricultural and other loans. State Government are helping the banks to some extent in the recovery of their dues. By and large, the Scheduled Caste|Scheduled Tribe Corporations are not

assisting the banks for recovery of dues at present. The State Governments have to permit recovery of money through coercive process like that of land revenue collection. All State Governments have not passed such Acts. The Central Government has been advising them to enact this type of legislation. The Act does help the banks in recovering their dues. The witness has stated further that the Finance Minister had written to Chief Ministers on different occasions that a proper climate had to be created for speedy recovery of dues of Government and cooperatives. Some of the State Governments wanted to write off all dues as a blanket measure. Government did consider cases of hardship e.g. drought, flood or other natural calamity and provided relief. But the basic principle is that moneys lent must be recovered by the institutions concerned. The money has to be re-cycled. The fact is that 50 per cent of the advances made are not recovered.

6.95. The Committee find that the overall percentage of overdue to demand under D.R.I. Scheme as in June, 1982 was 69 while this percentage in the case of Scheduled Castes/Scheduled Tribes was 67. The Committee note with satisfaction that the percentage of recovery in the case of Scheduled Castes/Tribes is somewhat better than the overall percentage of recovery under the DRI Scheme. The Committee have been informed that the State Governments are helping the banks to some extent in recovery of their dues, but by and large the Scheduled Caste/Scheduled Tribe Corporations are not assisting the banks in this regard. As timely recovery of loans is essential for recycling of funds, the Committee feel that the Government agencies particularly at the block and district levels (e.g. District Industries Centres, District Rural Development Agencies, SC/ST Development Corporations) should put in co-ordinated efforts for recovery of bank overdues.

CHAPTER VII

PRIORITY SECTOR LENDING

Share of Scheduled Caste/Scheduled Tribe in Priority Sector Lending

7.1 In a note furnished to the Committee, it has been stated that the particulars of priority sector advances by Syndicate Bank as at the end of December, 1980, December, 1981, and June 1982 and the share of Scheduled Castes and Scheduled Tribes in them are as under—

(Rs. in lakhs)

	Dec. 1980		Dec. 1981		June 1982	
	No. of borrowers	Balance outstanding Rs.	No. of borrowers	Balance outstanding Rs.	No. of borrowers	Balance outstanding Rs.
Priority sector advances	580444	36665	867612	45692	883677	47723
Out of which to SC/ST	64863	906	135360	2279	152693	2627
% Share of SC/ST	11.2	2.5	15.3	5.0	17.3	5.5

7.2 In reply to a question it has been stated that while no specific target has been fixed by the Reserve Bank of India/Government of India regarding overall credit assistance to Scheduled Caste/Scheduled Tribe borrowers, they have emphasised the need to ensure that these borrowers received increased credit support from the public sector banks. The Reserve Bank of India have also advised the banks to give priority to Scheduled Caste/Scheduled Tribe applicants in granting credit. A specific target of lending to Scheduled Caste/Scheduled Tribe is set before the public sector banks under the DRI Scheme. Under this scheme 40 per cent of the total DRI Credit should be lent to persons belonging to Scheduled Caste/Scheduled Tribes.

7.3 In view of the prominent position that agriculture occupies in the national economy, banks have been directed to ensure that at least 40 per cent of the advances to the priority sector are extended to agriculture and allied activities. Concept of weaker sections in the agriculture sector has been introduced. These weaker sections will comprise

- (1) Small and marginal farmers with land holdings of 5 acres less and landless labourers; and

(11) Persons engaged in allied activities whose borrowal limits for such activities do not exceed Rupees 10,000.

It has been stipulated that direct advances to such weaker sections should reach a level of at least 50 per cent of the total direct lending to Agriculture (including allied activities) by 1983.

7.4 The Committee have been informed that the percentage share of advances to small and marginal farmers, landless labourers and other weaker sections out of total agricultural advances including allied activities by Syndicate Bank during the last three years are as under:

	Dec. 1980		Dec. 1981		June 1982	
	No. of borrowers	Balance outstanding (Rs. in lakhs)	No. of borrowers	Balance outstanding (Rs. in lakhs)	No. of borrowers	Balance outstanding (Rs. in lakhs)
1. Total agricultural advances	326437	12281	388664	16979	395712	17403
2. Direct agricultural advances (including allied activities)	271063	9704	330122	13540	342078	13884
3. Out of direct agricultural advances, advances to small and marginal farmers, landless labourers and other weaker sections	145939	3365	146528	3781	178317	4776
4. Percentage share of advances to small and marginal farmers landless labourers and other weaker sections to total direct agricultural advances		34.7		28.0		34.4

7.5 At the end of September 1982, the percentage a share of weaker sections in direct agricultural advances amounted to 40 per cent. It has been stated that the bank is making every effort to reach the target fixed for these advances.

7.6 The representative of the Bank has stated during evidence that by December, 1982, advance to weaker sections was 44 per cent of the total direct agricultural advance.

7.7 In reply to a question the Chairman of the Bank has stated during evidence that percentages given were of outstandings and not disbursements. The instructions of the Reserve Bank of India also stipulated outstandings. The representative of the Reserve Bank of

India has also explained that calculations are always made with reference to balance outstanding. Disbursal figures were not available with them.

7.8 The Committee pointed out that in case the figures were of outstandings, the percentage would increase on account of default in repayment. The Committee was interested to know the actual amount of loan given to Scheduled Castes|Scheduled Tribes.

7.9 The representative of the Ministry of Finance has explained during evidence that Government of India and the Reserve Bank of India also wanted to collect disbursal figures. But this type of information was not available under the accounting system which had been followed for the last 100 years or more by the banks. Some of the figures had started flowing in under the new system prescribed in 1981. Net additional credit flowing in alone could help them in making policy decisions. In the absence of figures of disbursals, in areas where repayment was good, more money would have to be disbursed to retain the target and where repayment was poor, they would be able to attain a similar target with less disbursements. The difference would be mainly on account of interest that was added.

7.10 When the Committee pointed out that increase in percentage of outstandings showed that there were more defaulters, the representative of the Ministry of Finance stated that the number of borrowal accounts had also risen from 12 per cent to 17 per cent.

7.11 In reply to a question whether the Bank proposed to give incentive to its Branch Managers and other staff for successfully implementing schemes in rural areas, the Chairman of the Bank stated that they did not propose to give any incentive to Branch Managers for doing their regular work. Lending to priority sectors or Scheduled Castes|Scheduled Tribes was part of their regular work. However, to facilitate their work, they did give a two-wheeler to Branch Managers for transport purpose in rural areas. Accommodation was also provided to them.

7.12 The share of Scheduled Castes|Scheduled Tribes in the priority sector advances by the Syndicate Bank is 2.5% at the end of 1980. 5.0 per cent at the end of 1981 and 5.5 per cent at the end of 1982. The Committee note that the share of Scheduled Castes|Scheduled Tribes has been increasing during the last three years. No specific target has, however, been fixed by Reserve Bank of India|Government of India regarding overall credit assistance to Scheduled Caste|Scheduled Tribe borrowers in priority sector lending.

7.13 The Committee recommend that as in the case of DRI Scheme under which a minimum of 40% of the total DRI credit is required

to be lent to persons belonging to Scheduled Castes and Scheduled Tribes, certain percentage of the priority sector lending should be earmarked for the Scheduled Castes and Scheduled Tribes.

7.14 The Committee note that the banks are maintaining the figures of outstanding advances and no of actual disbursements during a certain period. Figures of outstandings do not indicate the actual amount advanced at the outstanding will increase on account of default in repayment. The Committee are of the view that in order to assess the flow of credit to Scheduled Castes and Scheduled Tribes, banks should keep the figures of disbursements made and necessary instructions in this regard should be issued to them.

B. COMPOSITE LOANS FOR SMALL SCALE INDUSTRY

7.15 According to guidelines issued by Reserve Bank of India all small scale industries with credit limits upto and inclusive of Rs. 25,000 should be treated as 'weaker sections' in the priority sector. Advances to such 'weaker sections' should constitute 12.5 per cent of total advances to small scale industries by 1985.

7.16 It has been stated that Composite loans upto Rs. 25,000 are granted to rural artisans and small units. These are, however, not under DRI Scheme. The rate of interest is 10.25 per cent in backward areas and 12.5% in other areas.

7.17 The performance of the Syndicate Bank in this regard during the last three years is set out in the table below :—

(Rs. in lakhs)

	1980		1981		1982	
	No. of borrowers	Balance Rs.	No. of borrowers	Balance Rs.	No. of borrowers	Balance Rs.
(a) Advance to weaker sections in SSI Sectors (limits upto Rs. 25,000)	N.A.	N.A.	10326	1161	11032	1169
(b) Out of Weaker Sections to SC/ST (limits up to Rs. 25,000)	N.A.	N.A.	1995	72	2078	71

7.18 In reply to a question the representative of the Ministry of Finance has stated during evidence that they were giving loans for small scale industries up to Rs. 20 lakhs for investment in plant and machinery. Rate of interest was the same for Scheduled Caste and others.

7.19 In reply to a question whether out of composite loan of Rs. 25,000, Rs. 5,000 could be given at 4 per cent under D.R.I. and the remaining amount at higher rate of interest, the representative of the Ministry of Finance has stated as under :—

“The entire concept of D.R.I. Scheme is to provide assistance to really weaker sections of the community as their requirement will not be much. Those who can afford to obtain large loans, they can pay rate of interest prescribed for priority sector and outside priority sector.”

7.20 He has further stated that the suggestion was difficult to implement even from practical point of view. The representative of the Reserve Bank of India has also said during evidence that loans could be given to all weaker sections at a uniform prescribed rate. The representative of the Ministry of Finance said that according to their instructions, applicants belonging to Scheduled Castes were given priority.

7.21 In reply to a question whether any percentage of funds could be earmarked for Scheduled Castes|Scheduled Tribes in small scale sector, the representative of the Ministry of Finance has stated that they cannot force Scheduled Castes|Scheduled Tribes to set up small scale industries. The Banks have schemes to take care of small entrepreneurs and in those schemes relaxation in margin money is provided to Scheduled Castes|Scheduled Tribes.

7.22 When asked whether loan could be given for purchase of land, the representative of the Ministry of Finance has stated that the general approach of the bank is to lend money to the borrowers for creation of productive assets. Capacity of the borrower who buys land does not improve to repay the loan.

7.23 When the Committee suggested that in addition to land, the applicant must be provided other inputs to make the land productive, the representative of the Ministry of Finance has stated that money for purchase of land must come from State Plan budgets because it cannot be financed through banks.

7.24 On being pointed out that when bank gave loan to industrialists for land, why it could not be given to others, the representative of the Ministry of Finance has stated that in the case of industries, the promoters' contribution is more than 20 per cent. The banks have to see which is the profitable method to use their resources.

7.25 According to the guidelines issued by the Reserve Bank, all small scale industries with credit limits upto all inclusive of Rs. 2,000/- should be treated to “Weaker Sections” in the priority sector. Advances to such weaker sections should constitute 12.5 per cent of the

total advances to Small Scale Industries by 1985. The Committee have been informed that the Syndicate Bank has advanced Rs. 11.69 crores in the year 1982 to "weaker sections" out of which the share of Scheduled Caste/Scheduled Tribe borrowers was Rs. 71 lakhs which constitutes only 6 per cent of the total advances to "weaker sections" is small scale industries sector.

7.26 The Committee need hardly stress that the Scheduled Castes and Scheduled Tribes who are the poorest among the poor sections of society deserve a much higher share in the total advances made to the "Weaker sections" in terms of the instructions of the Reserve Bank of India.

They therefore recommend that the Reserve Bank of India should fix the minimum percentage of advances to be made to Scheduled Casts and Scheduled Tribe borrowers out of 12.5 per cent share in the total advances earmarked for the "Weaker Sections" in Small Scale Industries sector.

C. Housing Loans

7.27 It has been stated that Syndicate Bank is granting advances for construction of houses to Scheduled Castes and Scheduled Tribes at the concessional rate of interest at 4 per cent upto Rs. 5000/- whereas interest charged from others is 12.5 per cent for housing loans above Rs. 5000/- but upto Rs. 50,000/-, interest charged is Rs. 12.5 per cent and for amounts above Rs. 50,000/-, it is 15 per cent.

These loans are repayable within a period of 10 years.

7.28 According to the guidelines of the Reserve Bank of India, Commercial Banks in the country have been asked to earmark for housing finance Rs. 100.00 crores in 1982 and raise this limit from Rs. 100 crores to Rs. 150 crores (i.e. about 0.5 per cent of total bank credit) for 1983. Banks have been asked to give special attention to the need of the low income housing. The quantum of funds to be provided for housing in respect of various categories is as under :—

<i>Amount earmarked</i>	<i>(Rs. crores)</i>
<i>Direct Finance :</i>	
Individuals, group of borrowers belonging to SC/ST and economically weaker sections	30.00
Individuals group of borrowers belonging to low income groups	20.00
Others	15.00
<i>II. Indirect Finance :</i>	
Investment in guaranteed debentures/bonds of HUDCO/Housing Boards etc.	75.00
Housing Development Finance Corporation Limited	10.00
	150.00

7.29 As per directive Syndicate Bank has to lend a minimum of about Rs. 5.67 crores both directly and indirectly under Housing Finance Scheme. The particulars of direct advances granted by the Bank or through the State Housing Boards or Cooperative Housing Societies to Scheduled Caste|Scheduled Tribe borrowers during the last three years are given below :—

SC/ST Borrowers	Direct Finance	
	No. of Borrowers	Balance (Rs. in lakhs)
December, 1980	N.A.	48
December, 1981	15116	237
June, 1982	16425	255
September, 1982	16212	227

7.30 Direct Housing Finance is granted by the Bank directly or through State Housing Boards or through State Housing Co-operative Societies to Scheduled Castes|Scheduled Tribes. So far, Bank have not granted housing finance through Scheduled Caste|Scheduled Tribe Corporation.

7.31 The Committee note that housing advances upto Rs. 5000|- are granted by the bank to Scheduled Castes|Scheduled Tribes at the concessional rate of interest of 4 per cent. The Committee do not consider the amount of Rs. 5000|- as sufficient for construction of a house keeping in view the escalation in the prices of the various building materials and higher labour charges involved. The Committee recommend that housing loans upto Rs. 7500|- with a provision of 25 per cent subsidy should be given to Scheduled Castes and Scheduled Tribe at 4 per cent rate of interest.

D. Educational Loans

7.32 Among the categories of persons eligible for getting loans under Differential Rate of Interest Scheme are indigent students of merit going in for higher education who do not get scholarships|main-tenance grants from Governmental or educational authorities.

7.33 In reply to a question, it has been stated that the particulars of educational loans granted by Syndicate Bank under D.R.I. Scheme are not separately available. However, the total outstanding educational loans granted by the bank were Rs. 1.92 crores of which advances granted to Scheduled Castes|Scheduled Tribes were Rs. 4.00 lakhs as at the end of September, 1982. The number of borrowers involved were 4362 and 301 respectively.

7.34 It has been stated that educational loans under DRI scheme are granted to indigent students of merit at 4% interest. Normally, the per student loan should not exceed Rs. 5000/-. However, in exceptional cases higher amount of loan can be granted. These loans are repayable within a period of 5 years. These terms excepting the eligibility criteria regarding land holdings, are applicable both to Scheduled Castes|Scheduled Tribes and others on same lines.

7.35 In reply to a question, the Chairman of the Bank has stated during evidence that there is no fixed percentage for Scheduled Castes and Scheduled Tribes under the Educational Loan Scheme. There are not sufficient number of borrowers. A number of Government scholarships are given to Scheduled Castes|Scheduled Tribes. Education loans are granted only to those people who are not granted any Government scholarship.

7.36 When the Committee enquired if the Bank could also give loan in addition to the scholarship amount to Scheduled Caste|Scheduled Tribe students for meeting their needs, the Chairman of the Bank has stated that they can give loan to these students at a regular rate of interest but not at 4% as the student is already getting a scholarship.

7.37 The Committee note that the total outstanding educational loans advanced by the bank as at the end of September, 1982 were Rs. 1.92 crores out of which Rs. 4.00 lakhs were advanced to 4.362 Scheduled Castes and 301 Scheduled Tribes respectively. The Committee feel unhappy that particulars of educational loans granted by the bank under D.R.I. Scheme have not been kept separately. They recommend that separate figures of educational loans advanced to Scheduled Castes|Scheduled Tribes and others under D.R.I. Scheme should be maintained by all the banks.

7.38 The Committee recommend that the Government should introduce a scheme for giving interest free educational loans to Scheduled Caste|Scheduled Tribe students. The interest on such loans may be subsidised by Government. The repayment of loan amount may commence in instalments after allowing a moratorium which may be limited to one year after the completion of the course for which the loan is granted.

A. C. DAS,

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

NEW DELHI
April 15, 1983

Chaitra 25, 1905(Saka)

APPENDIX I

(Vide para 1.1 of the Report)

Jurisdiction of Regional/Divisional offices of Syndicate Bank

Zones	Regions	Divisions	Jurisdiction
Bangalore	Bangalore	Mysore	Chickmagalur, Kodagu, Hassan, Mandya, Mysore and Shimoga Districts
			Bangalore, Chitradurga, Kolar and Tumkur Distts
	Belgaum	Bijapur	Bijapur, Bidar & Gulbarga Distts
		Hubli	Dharwar, Bellary & Raichur Districts
		Belgaum District	
Bombay	Bombay		Bombay City
	Maharashtra	Pune	Aurangabad, Ahmednagar, Jalna, Pune, Shangli, Sholapur Satara & Kolhapur Districts
			Akola, Amravathi, Bhandara, Chandrapur, Dhulia, Nagpur, Nanded, Nasik, Raigad, Ratnagiri, Sindhudurg, Thana, Wardha & Yeotmal Districts
		Ahmedabad	Bhopal	Madhya Pradesh
		Gujarat	
Calcutta	Calcutta	Bubaneswar	Orissa-State.
			Assam, Bihar, West Bergal, and Andaman & Nicobar Islands.

Zones	Regions	Divisions	Jurisdiction
Delhi	Delhi	Chandigarh	States of Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab & Union Territory of Chandigarh
			Rajasthan & Union Territory of Delhi.
	Lucknow	Meerut	Meerut, Dehradun, Bijnoor & Saharanpur Districts.
		Ghaziabad	Ghaziabad, Moradabad & Bulandshahar Districts.
		Agra	Agra Aligarh & Mathura Districts.
Hyderabad	Hyderabad	Nellore	Allahaba, Faizabad, Kanpur, Lucknow & Varanasi Districts Nellore, Prakasam & Chittoor Districts.
		Cuddapah	Cuddapah, Kurnool and Anantapur Districts.
		Vijayawada	East Godavari, West Godavari, Krishna, Guntur, Srikakulam, Visakhapatnam, Vizianagaram & Warangal Districts.
			Hyderabad, Karimnagar, Medak, Nalgonda, Nizamabad & Rangareddy Districts.
Madras	Madras	Coimbatore	Coimbatore, Madurai, Kanyakumari, Periyar, Nilgiris, Ramanathapuram, Salem, Thanjayar, Tiruchirapalli & Tirunelveli Districts.
			Chingleput, Dharmapuri, Madras, North Arcot, South Arcot and Districts.

Zones	Regions	Divisions	Jurisdiction
West Coast	Goa	Karwar	North Kanara Districts of Karnataka State
			Goa.
	Kanara	Mangalore	Mangalore, Bantval, Sullia, Puttur & Belthangad Taluks of South Kanara Districts
		Udupi	Udupi, Karkala & Goondapur Taluks of South Kanara Dist. Karnataka
Kerala		Cannanore	Cannanore, Wynad & Kozi-kode Districts, Lakshadweep & Pondicherry
			Alleppey, Ernakulam, Idikki, Kottayam, Malapuram, Palghat, Quilon, Tirchur & Trivandrum Districts.

APPENDIX II

(Vide para 1.4 of the Report)

State-wise distribution of Branches of Syndicate Bank

	Last Friday of March 1982					Last Friday of Sept. 1982				
	R	SU	U	M	T	R	SU	U	M	T
Andhra Pradesh	143	39	17	27	226	143	39	17	27	226
Assam	..	1	1	..	3	..	2	1	..	3
Bihar	..	2	6	..	8	..	2	6	..	8
Gujarat	12	8	7	12	39	12	8	7	12	39
Haryana	22	7	1	..	30	22	7	1	..	30
Himachal Pradesh	..	1	..	..	1	..	1	..	..	1
Jammu & Kashmir	..	..	2	..	2	..	..	2	..	2
Karnataka	197	85	29	51	362	201	85	29	51	366
Kerala	29	41	9	6	85	29	41	9	6	85
Madhya Pradesh	9	2	9	..	20	9	2	9	..	20
Maharashtra	25	21	22	36	104	25	21	23	36	105
Orissa	6	5	4	..	15	6	5	4	..	15
Punjab	1	5	4	..	10	1	5	4	..	10
Rajasthan	..	..	6	..	6	..	..	6	..	6
Tamil Nadu	10	21	19	16	66	10	21	19	16	66
Uttar Pradesh	95	20	24	1	140	95	20	24	1	140
West Bengal	..	1	4	15	20	..	1	4	15	20
Meghalaya	..	..	1	..	1	..	..	1	..	1
<i>Union Territories :</i>										
A & N Islands	2	..	..	1	3	2	..	..	1	3
Chandigarh	..	..	1	..	1	..	..	1	..	1
Delhi	..	..	..	45	45	..	..	..	46	46
Goa, Daman & Diu	12	4	..	1	17	12	4	..	1	17
Lakshadweep	5	..	..	..	5	5	..	..	..	5
Pondicherry	1	..	..	..	1	1	..	..	..	1
	569	264	166	211	1210	573	264	167	212	1216

APPENDIX III

(Vide para 2.39 of the Report)

Duties of special Assistants

The duties of Special Assistants involve :

- (i) Passing independently cash, Clearing and Transfer cheques, vouchers, etc. (whether credits or debits) upto and including Rs. 10,000/- (or any higher limit fixed by the bank in its own discretion). Passing will include verification of signatures and scrutiny as to the correctness of endorsements on and other particulars of such instruments :
- (ii) Signing vouchers, cheques, drafts, pay orders, advice, bill schedules, Statements, certificates, etc. :
- (iii) Checking all vouchers, advices, statements, bills returns, books of accounts etc.;
- (iv) Checking current, savings and other ledgers. PROVIDED that if any additional allowance is paid to any employee/s under any existing system in a bank for ledger/checking such payment and ledger checking system shall continue undisturbed and such continuance shall preclude any claims by a workman for a change in status.
- (v) Discharging, endorsing cheques, bills etc.
- (vi) Checking the coding and decoding of telegrams (excluding check symbols or cyphers) :
- (vii) Inspecting godowns (only in banks where such work is already being done by workmen).

APPENDIX IV

(Vide para 2.59 of the Report)

Policy for Promotion of Sub Staff to Clerical Cadre

For the purpose of promotion, the subordinate staff are divided into 2 groups, viz., those who have to appear for written test and viva voce test and those in respect of whom written test is waived. The following candidates have to appear for written test and viva voce test.

(a) The members of subordinate staff who have passed SSLC or equivalent examination and have completed one year of continuous service in the Bank as on 30-6-1981 after acquiring the SSLC qualification.

(b) The staff members on the subordinate cadre who have not passed SSLC or equivalent examination, but have completed 7 years of continuous service in the Bank on 30-6-1981.

(c) Such of the subordinate staff who have got minimum educational qualifications prescribed for direct recruitment to clerical cadre provided they are probationers as on 30-6-1981. These qualifications prescribed are :

(i) 60% marks in aggregate in SSLC or equivalent examination

OR

(ii) 40% marks in the aggregate in respect of graduation in Arts/Humanities/Commerce and/or Law or 50% marks in the aggregate for other graduates in final examination.

(iii) A pass class in SSLC for employees belonging to Schedule Castes/Tribes and for Ex-servicemen who should have served for not less than three years in the armed forces of the Union Government or in both the armed forces and a Civil Dept.

Further subordinate staff who have passed SSLC Examination before their joining permanent service in the subordinate cadre cannot claim eligibility under clause (A) and will be eligible as per Clause (B) of circular No. 216-81 dated 5-9-1981 I.E. After putting in 7 years of Service in the Sub-staff cadre.

The written test is waived in respect of the following :—

(i) Sub-staff members who have completed 15 years' of service or have attained the age of 40 as on 30-6-1981.

(ii) Sub-staff who are eligible for direct recruitment to clerical cadre as per the conditions given under (c) above but are confirmed in service as on 30-6-1981.

- (iii) All subordinate staff members who have attained the age of 40 years will be eligible for promotion only after they have put in the qualifying length of service of 7 years in the subordinate cadre. However in the case of Subordinate staff members who are appointed under Ex-servicemen category the requirement of minimum length of service is waived if they have attained the age of 40 years.

However, the subordinate staff in respect of whom written test is waived have to appear for viva voce test.

APPENDIX V

(Vide para 2.62 of the Report)

Promotion Policy from Junior Management Grade Scale I to Middle Management Grade Scale II

Eligibility:

Officers in Junior Management Grade Scale I should complete a minimum of 7 years as on 31st December of the previous year to become eligible for consideration for promotion to the next higher scale.

The eligibility criterion will be suitably relaxed if the number of eligible officers is less than three times the number of vacancies.

The maximum number of officers who will be considered for promotion from Junior Management Grade Scale I to Middle Management Grade Scale II will be 8 times the number of vacancies.

Illustrations: If the number of vacancies in Middle Management Grade Scale II is 25 and the number of eligible officers is 225, the first 200 officers will only be considered.

Factor Weightage:

(a) Seniority	50 points
(b) Educational & Professional Qualifications	10 points
(c) Performance in the Grade	25 points
(d) Potential as identified in the interview	15 points.

The competent authority for deciding time promotions from Junior Management Grade Scale I to Middle Management Grade Scale II will be Dy. General Manager (Personnel).

The appellate authority for hearing the appeals in respect of promotions from Junior Management Grade Scale I to Middle Management Grade Scale II will be General Manager

APPENDIX VI

(Vide para 2.75 of the Report)

Copy of Department of Personnel & A.R.O.M.No. 42015/3/75-Estt(C) dated the 16th January, 1976 to All Ministries etc.

Subject:— Appointment of persons holding the posts of Sweepers, farashes etc. as peons.

As the Ministry of Finance etc., are aware, to improve the work environment of sweepers, farashes, etc. who are at the lowest rung of the society and who are already in service, Ministries/Departments were requested vide this Department's O.M. of even number dated the 5th September, 1975 to amend the Recruitment Rules for the post of peons under them in consultation with this Department to provide for appointment on transfer of sweepers, farashes, etc. possessing the qualifications prescribed for direct recruitment to the post, to the extent such persons are available.

2. This question was further considered at the 6th meeting of the High Power Committee under the Chairmanship of Prime Minister and it was observed, that, the minimum educational qualifications may not be insisted upon in their case, because the existing sweepers and farashes may not be in a position to acquire these qualifications as are prescribed for the post of peons. Therefore, it was decided by the High Power Committee that in their cases, the question of relaxation of educational qualifications should be sympathetically considered if they possess elementary literacy and give proof of ability to read in Hindi. After carefully considering the question, it has been decided, that 25% of the vacancies accruing in the peons cadre should be reserved for being filled by transfer from sweepers, farashes, chowkidars, etc. who have put in a minimum of five years' service and who may not be possessing the qualifications prescribed for direct recruitment to the post but who may possess elementary literacy and give proof of ability to read in Hindi. For the purpose of determining whether such sweepers, farashes, chowkidars, etc. possess elementary literacy and have ability to read in Hindi it would be necessary to hold a simple written test. Ministries/Departments are accordingly requested to amend the Recruitment Rules for the post of peons under them in consultation with this Department to reserve 25% of the vacancies occurring in the cadre of peons for appointment on transfer of sweepers, farashes, chowkidars, etc. who do not possess the qualifications prescribed for direct recruitment to the post of peon but who possess elementary literacy and give proof of ability to read in Hindi and have put in five years' service in the parent cadre.

APPENDIX VII

(*Vide* para 2.75 of the Report)

Copy of Department of Personnel and Administrative Reforms O.M. No. 42015/1/76-Estt. (C), dated 2.2.1977 to all Ministries/Departments, etc.

Subject:— Appointment of persons holding the posts of Sweepers, Farashes etc. as Peons.

The undersigned is directed to refer to the Deptt. of Personnel O.M.No. 42015/3/75-Estt(C) dated 16th January, 1976 regarding reservations of 25% vacancies in the Peons cadre for being filled by transfer from Sweepers, Farashes, Chowkidars etc. who have put in minimum 5 years of service and who may not be possessing the qualifications prescribed for direct recruitment for the post but who may possess elementary literacy and give proof of ability to read in Hindi.

2. It was, however, felt that the condition regarding "ability to read in Hindi" might cause hardship to Sweepers, Farashes etc. working in offices under Central Government and Union Territory Administrations situated in non-Hindi speaking areas. The matter accordingly came up again for consideration at the meeting of the High Power Committee held under the Chairmanship of the Prime Minister on the 12th November, 1976 and it was decided that in view of the practical consideration involved, Sweepers, Farashes, etc. who possess elementary literacy and give proof of ability to read either English or Hindi or Regional Language could be considered for transfer to the Peons cadre in the 25% vacancies reserved for them and the instructions contained in the O.M. dated 16-1-1976 cited above stand amended to that extent.

3. The Ministry of Finance etc. are requested to amend their recruitment rules for the post of Peon accordingly in consultation with this Department.

APPENDIX VIII

(Vide para 3.2 of the Report)

Statement showing the Recruitment/Appointments given during the last 5 Years

Year	Category of post (class-wise)	Total No. of vacancies reserved for Scheduled-Castes		No. of vacancies reserved for Scheduled Tribes		No. of Scheduled Castes candidates appointed	No. of Scheduled Tribes candidates appointed	No. of Scheduled Castes vacancies carried forward	No. of Scheduled Tribes vacancies carried forward			
		Carried forward from previous year	Reserved during the year	Carried forward from previous year	Reserved during the year							
		3	4	5	6	7	8	9	10	11	12	13
1977	Officers	247	129	37	166	89	18	107	74	13	92	94
	Clerks	1691	535	232	767	313	109	422	428	81	369	334
	Sub. staff	351	1	48	49	21	23	44	91	46	1	15
1978	Officers	241	92	37	129	94	18	112	58	3	71	109
	Clerks	3064	369	409	778	334	197	531	358	166	432	366
	Sub. staff	442	1	57	58	15	27	42	70	30	3	22
1979	Officers	116	71	17	88	109	9	118	1	1	87	117
	Clerks	1769	432	235	667	366	112	478	244	116	423	306
	Sub. staff	324	3	42	45	22	23	45	79	24	1	25
1980	Officers	103	87	15	102	117	8	125	14	2	88	123
	Clerks	1198	423	174	597	306	74	380	243	26	371	346
	Sub. staff	372	1	51	52	25	23	48	101	15	1	34
1981	Officers	155	88	24	112	123	11	134	33	28	56	28
	Clerks	1630	371	220	591	346	110	456	337	38	286	314
	Sub. staff	317	1	41	42	34	19	53	84	13	1	45

APPENDIX IX

(Vide para 4.3 of the Report)

Geographical areas of Banking Service Recruitment Boards for Clerical recruitment and their participating and coordinating banks

Recruitment Board	Group of Banks for direct recruitment of officers.	Geographical areas for regional recruitment of Clerks.	Coordinating Banks
1. Eastern Group (Calcutta)	United Commercial Bank	States of West Bengal, Bihar, Orissa, Sikkim & Andaman & Nicobar Islands.	United Commercial Bank.
2. Southern Group (Madras)	Indian Bank, Indian Overseas Bank, Andhra Bank.	States of Tamil Nadu, Andhra Pradesh & U T. of Pondicherry.	Indian Bank.
3. Southern Group (Bangalore)	Canara Bank, Syndicate Bank, Vijaya Bank, Corporation Bank.	States of Karnataka and Kerala.	Canara Bank.
4. Northern Group (Delhi)	Punjab National Bank, Oriental Bank of Commerce, New Bank of India, Punjab & Sindh Bank.	State of Punjab, Haryana, J&K, Himachal Pradesh & U.Ts of Delhi & Chandigarh.	Punjab National Bank.
5. Western Group (Bombay)	Bank of India, Union Bank, Bank of Maharashtra	State of Maharashtra and U.T. of Goa.	Bank of India.
6. Western Group (Baroda)	Bank of Baroda, Dena Bank.	States of Gujarat & Rajasthan.	Bank of Baroda.
7. Central Group (Lucknow)	Allahabad Bank,	State of Uttar Pradesh.	Allahabad Bank.
8. Central Group (Bhopal)	Central Bank of India.	State of Madhya Pradesh	Central Bank of India
9. North Eastern Group (Gauhati)	United Bank of India.	States and U.Ts in North Eastern Region.	United Bank of India.

APPENDIX X

(Vide para 4.4 of the Report)

List of the Regional Recruitment Boards (R.R.Bs) for State Bank of India Group

Regional Recruitment Board	Geographical area covered
1. Ahmedabad	State of Gujarat, Union Territories of Daman & Diu.
2. Bhopal	State of Madhya Pradesh.
3. Bhubaneshwar	State of Orissa.
4. Bombay	State of Maharashtra, Union Territories of Dadra & Nagar Haveli and Goa.
5. Calcutta	States of West Bengal, Sikkim and Union Territory of Andaman & Nicobar Islands.
6. Chandigarh	States of Punjab, Haryana (Excluding Gurgaon and Sonapat Districts), Jammu & Kashmir, Himachal Pradesh and Union Territory of Chandigarh.
7. Gauhati	States of Assam, Meghalaya, Tripura Manipur, Nagaland, Union Territories of Arunachal Pradesh and Mizoram.
8. Hyderabad	State of Andhra Pradesh and Yanam.
9. Lucknow	State of Uttar Pradesh Excluding Western U.P.
10. Madras	States of Tamil Nadu, Karnataka, Kerala and Union Territories of Pondicherry (Excluding Yanam) and Lakshdweep.
11. New Delhi	State of Rajasthan, Union Territory of Delhi, Gurgaon and Sonapat Districts of Haryana and Western Uttar Pradesh.
12. Patna	State of Bihar.

APPENDIX XI

(Vide para 4.5 of the Report)

The composition of the Banking Service Recruitment Boards and the Central Recruitment Board

Name of the Board	Name of the Chairman/ Member	Designation
1. B.S.R.B. Delhi	Shri K.N. Channa Prof. A. Das Gupta Shri K.C. Shenmar	Chairman Member Member (SC/ST).
2. B.S.R.B. Baroda	Dr. C.B. Patel Shri L.K. Oad Shri D.P. Makwana	Chairman Member Member (SC/ST)
3. B.S.R.B. Calcutta	Shri P.K. Patnaik Shri S.K. Chatterjee Smt. Chaubala Ao	Chairman Member Member (SC/ST).
4. B.S.R.B. Madras	Shri C.G. Rangabhashyam Shri B.S. Krishna Rao Shri B.R. Sundaran	Chairman Member Member (SC/ST).
5. B.S.R.B. Bombay	Shri B.M. Prabhu Shri L.G. Rajwade Shri K.N. Kadam	Chairman Member Member (SC/ST).
6. B.S.R.B. Bangalore	Dr. T.G.K. Charlu Prof. Thandaveswara Shri V.K. Kunhan	Chairman Member Member (SC/ST).
7. B.S.R.B. Lucknow	Shri Ashok Sen Shri Sushil K. Liddle Shri Pratap Singh	Chairman Member Member (SC/ST).
8. B.S.R.B. Bhopal	Shri O.P. Gupta Shri G.N. Tandon Shri N.M. Wadiwa	Chairman Member Member (SC/ST).
9. B.S.R.B. Gauhati	Shri Sarbeswar Goswami Shri Lala N.K. De Dr. R.S. Lingdoh	Chairman Member Member (SC/ST).
10. Central Recruitment Board (S.B.I. Group) Bombay.	Shri S. Vasudevan Shri Ram Sahay Shri S.M. Dikhila	Chairman Member Member (SC/ST).

APPENDIX XII

(Vide para 5.26 of the Report)

EMPLOYEES HOUSING LOAN SCHEME

To be eligible for a loan under the Scheme an employee must have put in a minimum continuous confirmed service of at least five years and have atleast five more years of service before him/her to retire. Retirement age shall be taken as 58 years for purposes of this clause.

1. Loans will be granted for acquisition of residential house/construction of house etc. Provided that employee does not already own a house in his/her own name.

2. The eligibility amount of the loan will be as under :

FOR WORKMEN

- (a) 90% of the cost of the land and building, or
- (b) actual outstanding under loan raised from other sources provided however it does not exceed 90% of the original cost, or
- (c) 60 months' salary,
- (d) Rs. 75,000/- whichever is lowest.

"Salary" shall mean basic pay, dearness allowance, special allowance of a permanent nature, house rent allowance and city compensatory allowance, drawn during the month previous to the date of application for a loan under this scheme.

In the case of employees who are provided rent free quarters the house rent allowance that would have been payable to such employees taking into account the area where such employees are working may be taken into consideration for purpose of 'salary'. The loan will carry simple interest at 4% per annum.

FOR OFFICERS

1. Only an officer who has completed 5 years of continuous service in the Bank shall be eligible for the loan.

2. Maximum amount of the loan shall be 80% of the cost of land and building or actual outstanding under the loan raised from other sources provided however it does not exceed 80% of the original cost or 75 months' basic pay or Rs. 80,000/- whichever is lowest.

3. The loan shall carry simple interest at 6% per annum.

4. The loan together with interest thereon shall be repayable in not more than 240 months instalments.

CONDITIONS OF ELIGIBILITY

(i) The employee applying for a loan does not own any residential house or accommodation either in his/her name and/or in the name of his/her spouse and/or dependent children.

(ii) The land on which the house is to be constructed is free from any charge and stands in the name of the employee applying for the loan or is in the joint name of the employee applying for the loan and his/her father/mother/wife/husband or is in the name of the employee applying for the loan as the Karta of a family. The land on which the house is to be constructed can be leasehold land provided the lease is in favour of the employee applying for the loan or is in favour of the employee applying for the loan jointly with his/her father/mother/wife/husband or is in the name of the employee applying for the loan as the Karta of a family and provided further the unexpired term of such lease contract is not less than 50 years.

(iii) In the case of a loan for acquisition of a ready built house, the property is free from all charges and is being acquired in the name of the employee for the loan.

(iv) The employee is ready and willing and is in a position to create in favour of the bank a first charge over the property acquired and/or to be acquired with the aid of the loan.

(v) Acquisition and/or construction of the house is for the bonafide personal use of the employee and/or the members of his/her family if not immediately atleast after retirement.

(vi) The employee has sufficient funds or sources of income to meet the balance cost of acquisition and/or construction of the house or residential accommodation including the cost of site.

(vii) The monthly instalment of repayment in respect of the loan granted under this scheme as also other borrowings including provident fund loans and income-tax together do not exceed 40 % of the gross salary of the employee.

For the purpose of the above clause, only 50 % of the income-tax deduction shall be taken into consideration in the case of employees who are drawing a gross salary of more than Rs. 1500 per month.

For the purpose of above clause, deduction of EPF, Insurance Premia, Festival Advances and Union/Association subscription shall not be taken into account.

(viii) In case both the husband and wife are employed in the Bank only one of them shall be entitled for a loan under the scheme. However, the salary of the husband and wife together may be taken into account for the purpose of clause (vii) above.

(ix) The employee is prepared to bear all costs and expenses including legal charges in connection with the creation of the mortgage charge in favour of the bank.

PURPOSE OF THE LOAN :

Loans under this scheme may be granted for all or any of the following purposes :

- (i) Acquisition of ready built residential houses by an employee.
- (ii) Acquisition of land for the specific purpose of construction of residential house, thereon, provided however that loan shall not be granted only for acquisition of the site.
- (iii) Construction of residential house on land already owned/acquired by the employee.
- (iv) Additions/alterations to residential house already owned by the employee, provided the bank is satisfied that such addition/alterations are essential for the benefit of the employee.
- (v) For repayment of loan of the following nature;
 - (a) Those raised on the security of residential house;
 - (b) Those raised on clean basis from Syndicate Bank or any one or more purposes covered by clauses (i) to (iv) of the scheme, the purpose being evident from the application submitted for such clean loan; and
 - (c) Those raised on clean basis from LIC of India, provided that the overall average rate of interest applicable to the earlier loan is higher than the rate at which interest is chargeable for loans under the scheme.

Advances shall be granted to co-operative housing societies formed by the employees of the Bank on the terms and conditions above-mentioned except that the conditions regarding service to become eligible for a loan shall be three years only against five years stipulated above.

It is a condition precedent that Chairman of the Society, to be financed, shall be the nominee of the Management.

APPENDIX XIII

(Vide para 6.62 of the Report)

*Sanctioning powers for Branch Managers for granting
Priority Sector Advances (Irland Credit Limits only)*

(Rs. in lakhs)

Nature of Power		Branches (Volume of branch's Deposits + Advances)		
		Rs. 10 crores to Rs. 5 crores	Rs. 5 crores to Rs. 1 crore	Below Rs. 1 crore
1	2	3		
I. LOANS, OVERDRAFTS, CASH CREDITS/LC/BG :				
A. Secured :				
		—Full power—		
1.	Fixed Deposits of the Bank			
2.	Life Insurance Policies	0.50	0.25	0.10
3.	Unit Trusts, National Bonds & Govern- ment Securities	1.00	0.50	0.25
4.	Pledge of goods	1.00	0.50	0.25
5.	Hypothecation of goods	0.50	0.15	0.10
6.	Jewels	0.05	0.05	0.05
7.	Hypethcation of Vehicles	1.00	0.15	0.15
8.	Mortgage loans other than agricul- ture	—	—	—
9.	Other secured loans and advances	0.50	0.15	0.05
10.	Secured Bank/Guarantee/LC	1.00	0.50	0.25
B. Unsecured :				
1.	Bank Guarantees	0.50	0.15	0.10
2.	Letter of Credit	0.50	0.15	0.10
3.	Clean Loans/CD/CC	0.25	0.10	0.0
C. Agricultural Advances :				
1.	Hypethcation of Crop Loans—			
	(a) under tie-up arrangements	0.50	0.30	0.20
	(b) Other crop loans	0.25	0.15	0.10

1	2	3		
2. Allied activities		0.25	0.15	0.10
3. Hypethcation of Machinery (other than Tractor Loans)		1.00	0.50	0.25
4. Tractor financing under approved ARDC Scheme		1.00	1.00	1.00
5. Minor Irrigation and Development Loans (including mortgage loans) :				
(a) Secured		1.00	0.25	0.10
(b) Clean		0.10	0.05	0.05
<i>D. Loans under Special Schemes :</i>				
1. Educational Loan under Educational Loan Scheme		0.25	0.25	0.25
2. DRI Scheme		0.065	0.065	0.065
3. Composite loans to artisans & industries and also small industrial units having credit requirement of less than Rs. 25,000		0.25	0.25	0.25
<i>E. Bills purchased and Discounted :</i>				
1. CDD (Approved instruments only)			-----Full powers-----	
2. BATDD		1.00	—	—
3. DATBD/Supply Bills/ CBD		0.50	0.20	0.10
4. DBD		1.00	0.25	0.10
F. Issue of Solvency Certificates		5.00	5.00	5.00
II. OVERALL SANCTION PER PARTY :				
<i>(Except Solvency Certificates)</i>				
1. Secured (excluding against FD of the Bank and Govt. Securities)		1.00	0.50	0.25
2. Clean		0.50	0.25	0.10
3. Bills purchased and discounted		1.00	0.25	0.10

Note : For the purpose of granting loans under item (4) (Tractor Loans) and item C(1) (Crop loans), the per party limit should be the limit noted under respective items or under Item No. II whichever is higher. However, in the case of Educational Loans, all branches can grant only up to Rs. 25,000 per party.

APPENDIX XIV

(Vide para 4 of Introduction)

Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Reference to Para No. in Report	Summary of Conclusions/Recommendations
1	2	3
1.	1.14	The Committee have been informed that Government has taken a policy decision to have atleast one Director belonging to Scheduled Castes/Scheduled Tribe in each of the Board of Directors of the nationalised banks. The Committee note that in the present Board of Directors of the Syndicate Bank there is one Director belonging to Scheduled Caste. The Committee had, in an earlier Report (33rd Report, Sixth Lok Sabha, 1978-79, para 22) relating to Central Bank of India, pointed out that the nationalisation scheme laid down the categories from which the Directors should be appointed, but there was no specific category about Scheduled Castes/Tribes. The Committee had recommended that "Scheduled Castes/Tribes" should be specified as a separate category by amending extant orders on the subject, if necessary. In reply, the Government had stated that whenever the Scheme would be taken up for revision, the recommendation of the Committee would be kept in view. (Fourth Report, Seventh Lok Sabha, 1980-81, para 5).
2.	1.15	The Committee are of the view that the appointment of a person belonging to Scheduled Caste/Scheduled Tribe on the Board of Directors of nationalised Banks should not be left uncertain. It is not enough to take merely a policy decision. They, therefore, recommend that the nationalisation scheme should be suitably amended soon so that a person belonging to Scheduled Caste/Scheduled Tribe is invariably appointed on the Board of Directors of a nationalised Bank and interests of persons belonging to these communities are amply safeguarded.
3.	1.16	The Committee have been informed that the Board of Directors held 3 meetings during the last 3 years, viz., on 12-8-1980, 14-7-1982 and 8-11-1982, in which the progress

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regarding the implementation of reservation orders in respect of Scheduled Castes/Scheduled Tribes was reviewed. The Committee recommend that such reviews should be conducted more frequently in order to keep a watch over the implementation of the reservation orders.

4. 1.37 The Committee note that the Ministry of Finance (Banking Division) are considering a proposal to strengthen their Scheduled Caste/Scheduled Tribe Cell. The Committee recommend that a decision in this regard should be taken without any loss of time so that this cell can play a prominent role in dealing with matters relating to reservation in services of the public sector banks and other welfare measures for the Scheduled Caste/Scheduled Tribe employees. The Committee feel that at present the Cell is simply performing data collecting function while its main purpose should be to monitor the implementation of reservation orders in an effective manner.
5. 1.38 The Committee feel that a single Cell cannot be effective in dealing both with the reservation work and matters relating to credit facilities to Scheduled Castes and Scheduled Tribes. They therefore, recommend that a separate Cell should be set up in the Banking Division for dealing exclusively with the credit requirements of Scheduled Castes and Scheduled Tribes, as recommended by the Committee in para 2.6 of their Fourteenth Report (Seventh Lok Sabha) on credit facilities for Scheduled Castes and Scheduled Tribes.
6. 1.39 It has been observed during the tours of the Committee that some Liaison Officers are not clear about the implementation and interpretation of Government orders on the subject of reservations, relaxations and concessions etc. for Scheduled Castes/Scheduled Tribes. The Committee feel that the reservation work has become somewhat technical and requires expertise and special training for handling such cases. The Committee, therefore, recommend that short duration refresher courses for Liaison Officers of Public Sector banks and for the staff dealing with reservation work in the banks, should be arranged by the Banking Division in order to acquaint them with the implementation of reservation orders. If necessary, the Banking Division may consult the Department of Personnel and the Office of Commissioner for Scheduled Castes and Scheduled Tribes for drawing up a programme for the refresher courses.
7. 1.40 The instructions issued by the Ministry of Finance (Bureau of Public Enterprises) which are applicable to public sector undertakings, stipulate that in each undertakings the officer-in-charge of administration (or any other officer designated for the purpose) will act as Liaison Officer in respect of

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matters relating to representation of Scheduled Castes/Scheduled Tribes. The duties of the Liaison Officer include: (i) ensuring due compliance with the orders and instructions pertaining to reservation of vacancies and other benefits admissible to Scheduled Castes/Scheduled Tribes, (ii) collecting, consolidating and despatching the annual returns relating to representation of Scheduled Castes/Scheduled Tribes, (iii) acting as a Liaison Officer between the undertaking and the Ministry concerned for supply of other information, answering questions and queries and clearing doubts in regard to matters concerning reservation of posts for Scheduled Castes/Scheduled Tribes, and (iv) conducting annual inspection of the rosters maintained in the enterprises with a view to ensuring proper implementation of the reservation orders. It is the the experience of the Committee that the Liaison Officers are mainly engaged in collecting/consolidating the data relating to representation of Scheduled Castes and Scheduled Tribes whereas they should engage themselves more in ensuring due compliance with the orders and instructions pertaining to reservations of vacancies and other benefits admissible to Scheduled Castes and Scheduled Tribes.

8. 1.41 In the Syndicate Bank, the Assistant General Manager (Personnel) has been nominated as the Liaison Officer. It appears to the Committee that an officer of the Personnel Department has been nominated as a Liaison Officer for the sake of administrative convenience as his duties are related to reservations, appointments, promotions etc. of Scheduled Caste and Scheduled Tribe employees. The Committee, however, feel that the Liaison Officer should not be from the Personnel Department as the complaints of Scheduled Caste/Scheduled Tribe employees generally pertain to service matters which are dealt with in the Personnel Department. They, therefore, recommend that the Liaison Officer should be from outside the Personnel Department.
9. 2.27 The Committee feel unhappy that implementation of reservation orders by the banks is not satisfactory and leaves much scope for improvement. The Committee expect the Banking Division of the Ministry of Finance to take the lead in the matter of improving the representation of Scheduled Castes and Scheduled Tribes in the services of banks to the desired level. Banking Division should also make a study to find out the reasons for unsatisfactory implementation of reservation orders by various banks, other than the Syndicate Bank whose lapses have been commented upon in this report and take necessary corrective measures in this regard. The Committee should be apprised of the action taken in the matter.
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- | 1 | 2 | 3 |
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| 10. | 2.28 | <p>The Committee are distressed to note that the orders of the Department of Personnel issued in 1972 (O. M. No. 27/2/71—Estt. (SCT) dated 27-11-1972 and No. 10/41/73-Estt. (SCT) dated 20-7-1974) regarding reservation in promotion were circulated by Banking Division to the nationalised banks in December, 1977 for implementation. The representative of the Ministry of Finance stated during evidence that the orders issued by the Department of Personnel on 27-11-1972 were conveyed to the banks in September, 1973 for comments. The orders issued on 20-7-1974 were sent to the Reserve Bank of India in September, 1974 for comments. The comments received from the banks and the Reserve Bank of India were examined in the Ministry of Finance and orders of the Department of Personnel were sent on 31st December, 1977 to all public sector banks for implementation. As there was inordinate delay in communicating the orders regarding reservation in promotion to the banks, Syndicate Bank could implement the orders only from June, 1978 with the result that Scheduled Caste/Scheduled Tribe employees were denied the benefits of reservation in promotion available under those orders. The Committee recommend that the Banking Division of Ministry of Finance should issue instructions to the banks for giving retrospective effect to these orders from the date of their issue by the Department of Personnel so that justice is done to the Scheduled Caste/Scheduled Tribe employees in the matter of filling promotional vacancies in all the banks. The Committee need hardly stress that had these orders been communicated in time to the nationalised banks the representation of Scheduled Castes and Scheduled Tribes in the officers cadre and other cadres would have been far more satisfactory.</p> |
| 11. | 2.29 | <p>The Committee are distressed to note that the Ministry of Home Affairs O.M. No. 1/9/69.—Estt. (SCT) dated 26th March, 1970 regarding concessions to Scheduled Castes/Scheduled Tribes in promotions within Class I was circulated to Banks for implementation on 31-5-1981 that is after a gap of 11 years and the order dated 24-12-80 (O.M. No. 22011/3/76-Estt. (D) issued by the Deptt. of Personnel and Administrative Reforms containing revised instructions regarding principles for promotion to 'Selection' posts and extension of the zone of consideration for Scheduled Caste/Scheduled Tribe candidates under certain conditions has not so far been circulated to the banks. This shows that there is lethargy and something basically wrong in the working of the Banking Division of the Ministry of Finance so far as the implementation of the reservation orders by the banks is concerned.</p> |

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| | | <p>The Committee regret to point out that due to delay in circulation, the Scheduled Caste/Scheduled Tribe employees have been deprived of the benefits under these orders without any fault on their part. The Committee desire that these benefits should be made available to them with retrospective effect from the date of issue of these orders. The Committee recommend that Government should go into the matter carefully and fix up the loose-ends so that such delays do not recur in future. The Committee also desire that responsibility should be fixed for the inordinate delay in circulating the two orders of Ministry of Home Affairs/Deptt. of Personnel and Administrative Reforms to the banks for implementation.</p> |
| 12 | 2.30 | <p>Under Section 8 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, "every corresponding new bank shall, in the discharge of its functions, be guided by such directions in regard to matters of policy involving public interest as the Central Government may, after consultation with the Reserve Bank of India, give." The Committee have been informed that the orders issued by the Department of Personnel on 20-7-1974 regarding reservation in promotion were sent to the Reserve Bank of India in September, 1974, for comments. They are of the view that consultation with the Reserve Bank of India is not required in so far as orders issued by the Government of India (Department of Personnel) regarding reservations for Scheduled Castes and Scheduled Tribes are concerned. The Committee, therefore, recommend that the orders issued by the Department of Personnel should be conveyed by the Ministry of Finance (Banking Division) to public sector banks simultaneously for implementation.</p> |
| 13 | 2.45 | <p>The Syndicate Bank recruited 5 Law Officers in scale III in the year 1978. Subsequently they were recruited only in scale I. None of these officers belongs to Scheduled Caste/Scheduled Tribe. The Committee have been informed that no mention had been made about reservation for Scheduled Castes and Scheduled Tribes in the advertisements for the post of Law Officer.</p> |
| 14 | 2.46 | <p>The Committee are at a loss to understand why the principle of reservation was not made applicable by the Bank at the time of direct recruitment of Law Officers. They are constrained to observe that it was a gross violation of the reservation orders which had become effective in the Bank from July 1969 in direct recruitment. The Committee recommend that the Bank should now fill the backlog by recruiting Law Officers belonging to Scheduled Caste/Scheduled Tribe communities by special recruitment.</p> |

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- 15 2.47 The Committee are surprised to note that in terms of the bilateral agreement between the Syndicate Bank and the Employees Union, various categories of posts including those of Head Clerk, Stenographers and Special Assistants have been included in the same cadre *i.e.* the clerical cadre with certain special allowances attached to each post. Thus various posts having different nature of duties have been clubbed together under the one head "clerical cadre" having the same scale of pay and consequently there is one seniority list for all these employees. The Committee feel that this scheme goes against the interests of Scheduled Castes and Scheduled Tribes in as much as they have been denied chance of recruitment and promotion on the basis of the scheme of reservation which is now Government of India's accepted policy. The Committee need hardly stress that no bilateral agreement can override the policy of the Government in relation to reservation in services in favour of Scheduled Castes/ Scheduled Tribes and such agreements, if any, should be cancelled immediately.
- 16 2.48 The Committee find that the post of Special Assistant which is a supervisory post has been included in the clerical cadre and a special allowance of Rs. 283/- p.m. has been attached to that post. Clerks who have completed at least 6 years of service are entrusted with the duties of Special Assistants in accordance with their seniority but this post is not treated as a promotional post with the result that Scheduled Caste/Scheduled Tribe employees cannot get the benefit of reservation in promotion as Special Assistant. Out of 1,387 Special Assistants at present, there is only one who belongs to Scheduled Caste community. The Committee, therefore, recommend that the post of Special Assistant should be treated as a promotional post and taken out of the clerical cadre.
- 17 2.49 It is further noticed that Stenographers are appointed in the clerical cadre and given a special allowance of Rs. 152/- per month. As Stenographers possess technical skill in stenography and perform duties which are different from those performed by clerks in general, the Committee fail to understand the rationale of including Stenographers in the clerical cadre. The Committee are of the view that Stenographers should constitute a separate cadre and the orders regarding reservation in appointment and promotions should be made applicable to them.
- 18 2.50 The Committee feel that certain posts which are of a supervisory nature (e.g. Head Clerk, Head Cashier) should form separate cadre with a higher scale of pay in lieu of special allowance as allowed at present. They would therefore
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| | | like the Ministry of Finance (Banking Division) to examine the present system of clubbing together a large number of posts under clerical cadre, and devise a suitable pay structure for various groups of posts keeping in view the nature of duties and responsibilities involved. |
| 19 | 2.51 | The Committee expect that at the time of negotiating a fresh agreement with the Employees Union, Syndicate Bank would keep in mind the interests of Scheduled Castes and Scheduled Tribes employees and nothing should be agreed upon which goes against the reservation policy in favour of Scheduled Castes/Scheduled Tribes either directly or indirectly. The Committee also recommend that a representative of the employees belonging to Scheduled Caste/Scheduled Tribe organisation should be associated in all such negotiations with the Employees Unions. |
| 20 | 2.79 | Under an agreement entered into with the Employees Union of the Syndicate Bank, 25% of the vacancies in the Junior Officers cadre are to be filled up by direct recruitment. 75% of the vacancies are filled up from among the workmen staff from clerical cadre of the bank through promotion on the basis of written test and interview. Reservations for Scheduled Caste/Scheduled Tribe candidates are provided as per instructions issued by the Government. |
| 21 | 2.80 | The Committee find that 15% of the vacancies in the Junior officers cadre earmarked to be filled through promotion from workmen staff are filled up from among the permanent Special Assistants, who are part and parcel of the clerical cadre, on the basis of <i>viva voce</i> test and no written test is held for them. There is no mention in the promotion policy whether there is a reservation for Scheduled Castes and Scheduled Tribes in promotions made from the category of Special Assistant. As the category of Special Assistant does not form a separate cadre, the Committee fail to understand why 15% of the vacancies have been reserved for them. The Committee are of the opinion that reservation of 15% of promotional vacancies in the officers cadre for Special Assistants goes against the interests of Scheduled Castes and Scheduled Tribes in as much as there is negligible representation (1 Scheduled Caste out of 1387) among Special Assistants. The Committee recommend that this provision should be scrapped and it should not be included in any future agreement. |
| 22 | 2.81 | In Central Government Services, posts have been classified into 4 groups <i>i.e.</i> Group A, Group B, Group C, and Group (Class I, II, III and IV) whereas the posts in the Syndicate Bank have been classified into three groups namely, (i) Officers cadre, (ii) Clerical Cadre, and (iii) Subordinate |

Cadre. In the Officers cadre, junior most post (Scale I) is in the pay scale of Rs. 700—1800. The next higher grades in Scales II, III, IV, V, VI, & VII are in the pay scales of Rs. 1200—2000, Rs. 1800—2250, Rs. 2000—2400, Rs. 2400—2700, Rs. 2750—3250 and Rs. 3000—3500 respectively Clerical Cadre the pay scale is Rs. 350—1050. The Committee have been informed that reservation is provided in Scale I only, *i.e.* Rs. 700—1800, on the analogy of the reservation provided to officers of the Central Government in promotion from Class II to the lowest rung or category in Class I (Group 'A'). The Committee find that there is no Group 'B' or any other category which could be treated as equivalent to Group 'B' in the services of the bank as a result of which there is no provision for reservation of posts for Scheduled Castes and Scheduled Tribes from Clerical Cadre (Group 'C') to Group 'B' and from Group 'B' to the lowest rung in Group 'A' as stipulated in the orders of the Ministry of Home Affairs. The Committee are surprised to know that the Banking Division of the Ministry of Finance has not examined the question that there are no Group 'B' posts in banking industry and that the absence of Group 'B' posts in the banks is one of the reasons for low representation of Scheduled Castes and Scheduled Tribes in the officers cadre.

- 23 2.82 The Committee recommend that the posts in the public sector banks should be reclassified so as to ensure that the promotional opportunities of Scheduled Castes and Scheduled Tribes do not get curtailed by misclassification as mentioned above.
- 24 2.83 Under the promotion policy followed by the Bank, officers in Junior Management Cadre Scale I (Rs. 700—1800) who have completed minimum of 7 years service as on 31st December of the previous year, become eligible for consideration for promotion to the next higher grade, *i.e.* Middle Management Cadre Scale II (Rs. 1200—2000). For promotion from scale II to scale III (Rs. 1800—2250), a minimum of 5 years scale II or 10 years service as an officer has been prescribed as the eligibility criterion. For promotion from scale III to scale IV (Rs. 2000—2400), a minimum of 5 years in scale III or 15 years service as an officer has been prescribed. Reservation for Scheduled Castes and Scheduled Tribes has been provided for appointment or promotion to scale I only but there is no reservation for promotion beyond scale I.
- 25 2.84 Under the orders issued by the Government of India (O.M. No. 1/9/69-Estt. (SCT) dated 26-3-1970 and O.M. No. 1/10/74-Estt. (SCT) dated 23-12-1974), in promotions by

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| | | <p>selections to posts within Group A (Class I) which carry an ultimate salary of Rs. 2250/- per month, there is no reservation, but the Scheduled Castes/Scheduled Tribes officers who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select list has to be drawn up, are included in that list provided they are not considered unfit for promotion.</p> |
| 26 | 2.85 | <p>As on 30-4-1982 out of 3532 officers in Junior Management Grade Scale I (Rs. 700—1800) in the Syndicate Bank, there were 304 Scheduled Castes officer (<i>i.e.</i> 11.4 per cent) and 76 Scheduled Tribe officers (<i>i.e.</i> 2.1 per cent). In the Middle Management Grade Scale II (Rs. 1200—2000), out of 2064 officers, the number of Scheduled Caste and Scheduled Tribe officers was 3 and 2 respectively. There are no Scheduled Caste/Scheduled Tribe officers in Scale III (Rs. 1800—2250) and above. As the representation of Scheduled Castes and Scheduled Tribes in Scale II is negligible and nil in scale III and above, the Committee feel that relaxation in the existing eligibility criterion for promotion to scale II and above is called for in respect of officers belonging to these communities. As stated above, in Class I posts in the Government of India which carry an ultimate salary of Rs. 2250/-, although there is no reservation, the zone of consideration has been widened for Scheduled Castes/Scheduled Tribes so as to give them more promotional opportunities. The Committee recommend that suitable concession including relaxation in the minimum length of service required for becoming eligible for promotion should be extended to Scheduled Caste and Scheduled Tribe officers in promotions from Scale I to II and above in the services of the banks.</p> |
| 27 | 2.86 | <p>The Committee have been informed that in the written test held in the year 1980, for promotion from clerical cadre to officers cadre, the bank had announced that 310 clerks were to be promoted. In this test, 71 Scheduled Caste/Scheduled Tribe candidates qualified. Later, the Management decided to promote more clerks and a panel of about 180 clerks was prepared. Not a single person out of these 180 persons belonged to Scheduled Caste or Scheduled Tribe. Finally 483 persons which included 60 Scheduled Castes and 11 Scheduled Tribes were promoted. The Committee fail to understand how the management, after announcing before written test that 310 clerks were to be promoted, could increase the number by 180 and that too when it was known that none of these 180 persons belonged to Scheduled Caste or Scheduled Tribe. The Committee learn that even the 71 Scheduled Caste/Scheduled Tribe candidates who had qualified in the written test were placed at the bottom of the merit</p> |

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		list of 483 persons. The Committee are not, therefore, satisfied with the explanation given by the Chairman of the bank that the increase in the number of persons promoted was not with a view to deprive Scheduled Caste/Scheduled Tribe employees. The Committee recommend that the result of the examination should be confined only to 310 candidates as originally announced and the selection list beyond 310 candidates should be scrapped. Appointment of Scheduled Caste/Scheduled Tribe candidates who qualified in the examination should be made according to the roster points.
28	2.87	No promotion test was held in the year 1981. In the written test held in the year 1982 for promotion from clerical to officers cadre, 300 clerks were promoted out of which 20 belonged to Scheduled Castes and 3 to Scheduled Tribes. The percentage of Scheduled Caste/Scheduled Tribes promoted thus works out to 7.7% as against the normal reserved quota of 22½% (15% for Scheduled Castes and 7½% for Scheduled Tribes). The Committee do not feel happy that adequate number of Scheduled Castes and Scheduled Tribes candidates could not be appointed to fill up the reserved quota from the 1982 test.
29	2.88	The Committee regret to note that out of 90 sweepers recruited during the year 1981, only 8 belonged to Scheduled Caste and 2 to Scheduled Tribe. The Committee desire that the Bank should go into the question as to why sufficient number of candidates belonging to Scheduled Caste and Scheduled Tribe are not available even for the posts of sweepers. They should also streamline the procedure for recruitment of sweepers so as to increase the intake of Scheduled Castes and Scheduled Tribes among them. The Committee need hardly stress that those who are appointed as sweepers must perform the duties of a sweeper.
30	3.20	The recruitment of staff in the officers and clerical cadre for the nationalised banks was entrusted to Banking Service Recruitment Boards w.e.f. 1st January, 1979. The Committee have been informed that the Syndicate Bank had requested the Banking Service Recruitment Board, Bangalore in early, 1979, to hold a special recruitment for Scheduled Castes and Scheduled Tribes but the Board did not hold special recruitment as it hoped to provide sufficient number of Scheduled Caste and Scheduled Tribe candidates through normal examination. The backlog in the representation of these communities in the services of the bank has continued all these years as the Recruitment Board could not provide sufficient number of Scheduled Caste and Scheduled Tribe candidates through normal examination. The Committee

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		express their unhappiness at the attitude of the Banking Service Recruitment Board, Bangalore in not holding a special recruitment test for Scheduled Castes and Scheduled Tribes, as requested by the Syndicate Bank. The Committee desire that the Ministry of Finance (Banking Division) should take steps to change the personnel of the Board and also ensure that a special recruitment examination is held to clear the backlog.
31	3.21	The Committee note that as on 30th April, 1982, percentage of Scheduled Castes and Scheduled Tribes in the services of Syndicate Bank was 6.4 and 1.23 respectively in the officers cadre, 11.83 and 3.4 in clerical cadre and 24.39 and 5.75 in subordinate staff cadre. This shows that there is still a considerable leeway to be made before the representation of Scheduled Castes and Scheduled Tribes in services of the bank reaches the desired level. The Committee recommend that the bank should draw up a time bound programme to clear the backlog in vacancies reserved for Scheduled Castes and Scheduled Tribes through special recruitment examination.
32	3.22	The Committee have been informed that 17 cases (officers-3 cases, clerks-13 cases and subordinate staff 1 case) had been brought to the notice of the bank during the years 1980, 1981 and 1982 in which the employees had allegedly produced false caste certificates. Under the existing procedure, when any complaint regarding production of a false caste certificate was received, the certificate was sent to the authority who had issued it. After collecting the evidence, charge sheet was issued and an inquiry was held. Generally, such inquiries took about 1½ to 2 years. The inquiry in respect of cases which had come to notice in 1980 have not yet been completed.
33	3.23	The Committee consider that securing employment by production of a false caste certificate of being a Scheduled Caste or Scheduled Tribe is a serious offence and such cases should be dealt with promptly and severely. They are of the view that if a <i>prima facie</i> case is established regarding production of a false caste certificate by an employee, the appropriate course would be to place the employee under suspension pending completion of formal inquiry. Further, effort should be made to complete such inquiry expeditiously. In appropriate cases, criminal proceedings should also be initiated under the relevant provisions of the Indian Penal Code.
34	3.27	With a view to increasing the chances of success of the Scheduled Caste and Scheduled Tribe candidates aspiring for a career in the banking sector, it is necessary that pre-recruitment training is given to them in the techniques of objective type tests being conducted by the Banking Service

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		<p>Recruitment Boards. In the past United Commercial Bank had arranged training of Scheduled Caste/Scheduled Tribe candidates in banking transactions for a period of two months with a stipend of Rs. 250/ per month as an experimental measure. The Punjab National Bank is thinking of giving pre-recruitment training to Scheduled Caste/Scheduled Tribe candidates at their six regional training centres with a stipend and free boarding and lodging facilities. The Committee have been informed that the Syndicate Bank is at present associating itself in the pre-recruitment training organised by Government departments at Bangalore and Trivandrum.</p>
35	3.28	<p>The Committee consider that such ad-hoc arrangements for pre-recruitment training are not adequate. At present All India pre-Examination Training Centres have been set up at a number of places for providing training to Scheduled Caste/Scheduled Tribe candidates intending to appear for All India/Allied Services and Engineering Services Examinations. The Committee recommend that the Ministry of Finance (Banking Division) should prepare a scheme for opening pre-recruitment training centres to impart training for officers and clerical grade examination on the lines of the Pre-Examination Training Centres functioning under the control of the Ministry of Home Affairs, with a view to increase the representation of Scheduled Castes and Scheduled Tribes in the services of the public sector banks. Unless the Scheduled Caste/Scheduled Tribe candidates are properly equipped through intensive training programmes, they may not be able to complete effectively in the competitive examinations conducted by the Recruitment Boards.</p>
36	3.33	<p>The Committee have been informed that Scheduled Caste/Scheduled Tribe officers are provided with more opportunities for Institutional training and for attending seminars/conferences to improve their chances for selection to higher grades. In their O.M.No.1/9/69-Estt. (SCT) dt.15-11-1971 the Department of Personnel have laid down instructions regarding the arrangements for training of Class I officers belonging to Scheduled Castes and Scheduled Tribes. The Committee desire that the Syndicate Bank should act according to these instructions so that the Scheduled Caste/Scheduled Tribe officers acquire the requisite proficiency and give a good account of themselves.</p>
37	3.34	<p>The Committee regret to point out that during the years 1981 and 1982, as against 334 and 349 general category officers nominated for seminars/symposia/conferences, the number of Scheduled Caste/Tribe officers was 1 and 3 only. It is obvious that the bank has not taken interest in nominating Scheduled Caste/Scheduled Tribe officers for such courses.</p>

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		The Committee recommend that more Scheduled Caste/Scheduled Tribe officers should be sponsored for such training courses.
38	4.17	At present recruitment to officer cadre and the clerical cadre in banks is being done by Banking Service Recruitment Boards. Each Banking Service Recruitment Board makes recruitment to the officers cadre of its participating banks on all India basis while a specific geographical jurisdiction is assigned to each Board for making recruitment to the clerical cadre of all the nationalised banks within that area.
39	4.18	Originally, the intention was to have a Banking Service Commission for recruitment to various posts in the services of the banks. Accordingly, Banking Service Commission Act, 1975 was enacted by Parliament. This Act was repealed by the Banking Service Commission (Repeal) Act, 1977 as the Government decided to do away with the single centralised banking Commission and establish regional recruitment boards for the purpose.
40	4.19	The Committee find that the functioning of the Banking Service Recruitment Boards has not been satisfactory and they have not been able to provide the required number of Scheduled Caste/Scheduled Tribe candidates to fill up the reserved vacancies in the banks. The Committee desire that the working of these Recruitment Boards should be critically reviewed by the Ministry of Finance (Banking Division).
41	4.20	The Committee find that in a large number of cases, Scheduled Caste/Scheduled Tribe candidates who were offered appointments, did not join the service. This could be partly due to non-receipt of offers of appointment by the candidates or the time lag between the date of examination and the offer of appointment. The Committee recommend that offers of appointment should invariably be sent to the candidates by registered post. The time lag between the date of examination and sending of offer of appointment should also be reduced to the minimum.
42	4.33	The Committee regret to note that no representative of Scheduled Caste/Scheduled Tribe had so far been included in the Promotion Committees constituted by the Syndicate Bank for promotion from clerical to officer cadre. They are not satisfied with the explanation given that in earlier years, the number of Scheduled Caste/Scheduled Tribe candidates qualifying in written test with relaxed standard was less than the number of vacancies reserved for them and hence all of them were promoted if they were otherwise eligible as per promotion policy. The Committee have now

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been informed that "in future promotions, a Scheduled Caste/Scheduled Tribe member will be included in the Promotion Committee as per Government guidelines." As the Syndicate Bank does not have an officer belonging to Scheduled Caste/Scheduled Tribe of appropriate scale, the Banking Service Recruitment Board, Bangalore has been requested to suggest the names of suitable members. The Committee expect that there will not be violation of the instructions in this regard and the association of a Scheduled Caste/Scheduled Tribe person in the Promotion Committees will invariably be ensured.

- 43 4.34 The Committee find that for posts in the sub-staff cadre (Class IV posts) for which recruitments are made by the Regional Offices of the Bank, no instructions had been issued by the Bank to include a Scheduled Caste/Scheduled Tribe officer in the Selection Committees. The practice followed is that the candidates sponsored by the Employment Exchange/Zilla/Rajya Sainik Boards are interviewed by two officers and panels are prepared district-wise. The appointments are made by the Assistant General Manager. The Committee recommend that a representative of the Scheduled Castes/Scheduled Tribes should invariably be included in the Selection Committees and desire that instructions to that effect should be communicated to the Regional offices.
- 44 4.40 The Committee regret to note that a large number of vacancies reserved for Scheduled Castes and Scheduled Tribes are being dereserved in the Bank every year. As many as 2652 vacancies were dereserved during the years 1979-81 which amounts to depriving Scheduled Caste/Scheduled Tribe persons of their due share in appointments and promotions.
- 45 4.41 The Committee are unable to believe that Scheduled Caste/Scheduled Tribe candidates are not available to fill the reserved seats in the banks in clerical cadre through direct recruitment examinations. They are firmly of the opinion that the Banking Service Recruitment Boards should be able to select sufficient number of Scheduled Caste/Scheduled Tribe candidates to fill the reserved seats in the services of the bank and there should be no occasion to dereserve seats in the clerical cadre. Likewise, there should be no dereservation in the sub-staff cadre. Even in the officers cadre, the Recruitment Boards should endeavour to select adequate number of candidates so that the need for dereservation does not ordinarily arise.
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- 46 4.51 The Committee note that a register is maintained in the Head Office of the Syndicate Bank wherein all complaints received from employees including Scheduled Caste/Scheduled Tribe employees are entered. However, instructions have now been issued for maintaining separate register for noting down complaints/grievances of Scheduled Caste/Scheduled Tribe employees. The Committee recommend that action taken on the complaints should also be indicated in the register.
- 47 4.52 The Committee note that the Liaison Officer of the Syndicate Bank held a discussion with the representatives of the Syndicate Bank Scheduled Castes and Scheduled Tribes Employees Welfare Association regarding certain grievances of the bank employees. No minutes of the discussion were recorded. The Committee suggest that to avoid any misunderstanding or controversy at a later stage a brief resume of the points discussed and the decision, if any, reached thereon should be maintained by the Liaison Officer.
- 48 4.53 The Committee regret to note that at present no record is kept in the Banking Division of the Ministry of Finance regarding complaints/grievances received from Scheduled Caste/Tribe employees working in the nationalised banks. They desire that a register for the purpose should be maintained and action taken on all complaints/grievances entered therein. The register should also be periodically checked by the Liaison Officer of the Banking Division.
- 49 4.54 The question of recognition of Scheduled Castes/Scheduled Tribes Welfare Associations had been considered by the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes on a number of occasions. The Ministry of Home Affairs had stated that certain Welfare Associations of Scheduled Castes and Scheduled Tribes had been recognised by the Ministry for the purpose of notifying the vacancies reserved for persons belonging to these communities. However, Associations of Scheduled Caste and Schedule Tribe Government employees were not being recognised as the policy of Government was not to recognise associations of Government employees which were formed on the basis of caste, tribe or religion. The Committee did not agree with the above views of the Government and had recommended that the associations of Scheduled Caste and Scheduled Tribe employees should be recognised. The Committee are of the view that if recognition is given to associations of Scheduled Caste and Scheduled Tribe employ-
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yees, many minor problems relating to their service matters would be resolved quickly at different levels. Attention of the Committee has also been drawn to the ruling of the Supreme Court in the case of State of Kerala vs. N.M. Thomas and others wherein the Court held that the members of Scheduled Caste and Scheduled Tribe Associations who had been drawn from various castes, races or tribes, had attained such status by virtue of the Presidential Notification. Therefore, the Scheduled Castes and Scheduled Tribes were not castes within the ordinary meaning of "caste".

The Committee therefore recommend that the Government should give recognition to Association of Scheduled Castes and Scheduled Tribe employees of every Ministry/ Department of the Government as also of Public Sector Undertakings, Public Sector Banks etc.

- 50 5.11 The Committee are unhappy to note that the rosters in Syndicate Bank are being maintained with effect from 1st January, 1975, although the orders relating to reservation in respect of direct recruitment to all cadres were adopted by the bank from 19th July, 1969. The Committee fail to understand how the bank gave effect to the prescribed reservations during 1969-74 without maintaining a model roster of 40 or 100 points as required under the Government orders for showing reserved and unreserved points. The representative of the Ministry of Finance has taken the plea that Government have no authority to check the rosters. The Committee are unable to accept this contention of Ministry of Finance. The Committee feel surprised that the Banking Division did not even know that Syndicate Bank had not maintained the rosters during the period 1969 to 1974. The Committee suggest that besides the Liaison officer in the bank, a senior officer of the Banking Division should also inspect the rosters maintained at the banks offices periodically. The Committee need hardly stress that roster is the only mechanism to keep a watch on the implementation of the policy of reservation. The Committee recommend that the bank should maintain the rosters properly and these should be checked periodically and discrepancies, if any, should be rectified immediately so that there is no mistake in calculating the reserved vacancies.
- 51 5.12 The Committee are surprised to note that certain Regional offices have not yet started maintaining the Rosters for sub-staff although recruitment to this cadre takes place in Regional Offices. The Committee stress that the Rosters should be maintained in all Regional Offices without any further delay.

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| 52 | 5.13 | The Committee have been informed that the rosters are not shown to the employees who make a request for it. The Committee feel that the roster should be open documents and there should be no bar on the employees wishing to see them. The Committee further recommend that the employee should be informed through a circular about the decision to keep the rosters open. |
| 53 | 5.17 | The Ministry of Home Affairs brings out a Brochure on Reservations for Scheduled Castes and Scheduled Tribes in Services under the Central Government. The Ministry of Railways (Railway Board) and the Ministry of Finance (Bureau of Public Enterprises) have also brought out separate Brochures regarding Reservation in Railway Services and posts/services under the Public Enterprises, respectively. |
| 54 | 5.18 | The Committee note that the orders issued by the Ministry of Home Affairs (Department of Personnel) are first examined by the Banking Division of the Ministry of Finance and thereafter these are made applicable to the public sector banks. No separate Brochure has been brought out giving information regarding reservations for Scheduled Castes and Scheduled Tribes in the services of the Banks. The Committee have been informed that copies of the Brochure brought out by the Ministry of Home Affairs are sent by the Ministry of Finance (Banking Division) to the banks for guidance. The Committee recommend that the Banking Division of the Ministry of Finance should bring out a separate Brochure compiling the orders regarding reservations for Scheduled Castes and Scheduled Tribes, as extended to the banks, on the lines of the Brochure brought out by the Bureau of Public Enterprises. |
| 55 | 5.23 | The Committee note that the Syndicate Bank has been sending half-yearly and yearly statements to the Banking Division regarding filling of vacancies reserved for Scheduled Castes and Scheduled Tribes through recruitment and promotion. The Committee desire that the Banking Division should make a thorough and analytical study of these statements and point out the shortfalls and deficiency, if any, to the bank. The Syndicate Bank should take prompt and effective measures to remove the deficiencies. |
| 56 | 5.24 | The Committee find that the Syndicate Bank is not including regularly in its Annual Reports data regarding the number of Scheduled Castes and Scheduled Tribes in their services as against the total staff strength in various cadres and the |

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		number of Scheduled Caste/Scheduled Tribe persons appointed/promoted during the year. The Committee recommend that such data should be given in the Annual Reports of the Banks on the lines of the instructions already issued by the Ministry of Home Affairs (Department of Personnel) in this regard.
57	5.32	The Committee note that Syndicate Bank is providing housing facilities only to certain categories of officers in order to enable them to reside within a reasonable distance from the Branch/Office, having regard to the security and business exigencies. The bank is also providing housing facility to non-local officers in some cities. No distinction is made between Scheduled Caste/Scheduled Tribe officers and others in providing this facility.
58	5.33	The Committee recommend that housing loans should be provided to Scheduled Caste/Scheduled Tribe employees in larger number to enable them to build their own houses. This will go a long way in improving their social status.
59	6.7	In para 2.6 of their Fourteenth Report (Seventh Lok Sabha) (1980-81), the Committee had recommended that Special Cells should be constituted both in the Ministry of Finance (Department of Economic Affairs—Banking Division) and the Reserve Bank of India to deal with all matters relating to the credit requirements of Scheduled Castes/Scheduled Tribes. The recommendation has been accepted in principle so far as the Banking Division is concerned. The Committee have been informed that steps are being taken to create a Cell in the Banking Division which will monitor the flow of credit to Scheduled Castes/Scheduled Tribes.
60	6.8	In para 1.10 of their Twenty-sixth Report (Seventh Lok Sabha) 1982-83, the Committee had reiterated their earlier recommendation that a separate Cell should be created in the Reserve Bank of India to monitor specifically the performance of the banks in providing credit to Scheduled Castes/Scheduled Tribes. So far however a separate Cell has not been created, although steps are stated to have been taken for the creation of the cell.
61	6.9	The Committee regret to point out that there has been considerable delay in the creation of the Cell. The Committee desire that the proposed cell in the Banking Division should be created at an early date and this cell should be separate from the existing cell which looks after matters regarding reservations for Scheduled Castes/Scheduled Tribes.

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| 62 | 6.10 | The Committee again reiterate their earlier recommendation for creation of a separate cell in the Reserve Bank of India for monitoring the flow of credit to Scheduled Castes and Scheduled Tribes by the banks. |
| 63 | 6.27 | Under D.R.I. Scheme family income of a borrower from all sources should not exceed Rs. 3000/- per annum in urban and semi-urban areas and Rs. 2000/- in rural areas. The Committee find that the word 'family' has not been defined. The representative of the Ministry of Finance has stated during evidence that the scope of 'family' has been kept loosely worded so that they can help really deserving cases. The Committee feel that this position can also be used against the beneficiaries. The Committee therefore recommend that the term 'family' should be defined for the purpose of the Scheme. |
| 64 | 6.28 | In para 3.21 of their Fourteenth Report (Seventh Lok Sabha), the Committee had recommended that at least 2 per cent of the aggregate advances of banks as at the end of the previous year, should be fixed for lending under D.R.I. Scheme and a minimum of 75% of the total advances under the DRI should go to the Scheduled Castes and Scheduled Tribes. The Committee had reiterated these recommendations in para 1.16 of their Twenty-sixth Report (Seventh Lok Sabha). The Committee desire that the Ministry of Finance should reconsider these recommendations and accept them in view of the social responsibility of banks towards weaker sections of the society. |
| 65 | 6.29 | In para 3.22 of their fourteenth report (Seventh Lok Sabha), the Committee had endorsed the suggestion of the Commissioner for Scheduled Castes and Scheduled Tribes that at least 10 per cent of the total loans advanced by the banks should be given to persons belonging to Scheduled Castes and Scheduled Tribes to meet their medium and long term requirements. The recommendation was reiterated in para 1.19 of their Twenty-sixth Report (Seventh Lok Sabha). The Committee do not share the view of the representative of the Ministry of Finance that instead of earmarking a portion of total loans for a particular group, it would be more useful to make reservations in specific schemes for these people. The Committee feel that for the economic development of Scheduled Castes and Scheduled Tribes a specific percentage of the loans to be disbursed by banks should be earmarked for them. The Committee need hardly stress that unless financial allocations are made, the credit will not flow to Scheduled Castes and Scheduled Tribes. |

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66	6.30	The Committee need hardly stress that there is no dearth of viable schemes for the uplift of Scheduled Castes/Scheduled Tribes provided there is no constraint of funds to implement those schemes. The Committee therefore urge the Ministry of Finance to implement the Committee's recommendation for earmarking 10% of total advances of banks for Scheduled Castes and Scheduled Tribes, as reiterated by them in their Twenty-sixth Report (Seventh Lok Sabha).
67	6.45	The Syndicate Bank has given advances to Scheduled Caste/Scheduled Tribe Development Corporations and Co-operative Housing Societies/Boards for viable schemes formulated by them for Scheduled Castes/Scheduled Tribes and other weaker sections. The scheme of giving such indirect advances stipulates that the State Government concerned will provide necessary guarantee for the amounts advanced by the Bank. The Committee have been informed that the Bank advanced Rs. 59.69 lakhs to the Andhra Pradesh Scheduled Castes Corporation under DRI Scheme for sinking community wells. However, the guarantee form the State Government had not been furnished to the Bank.
68	6.46	The Committee are of the view that as the Scheduled Caste/Scheduled Tribe Development Corporations are created, administered and controlled by the State Governments, it should not be necessary for the bank to insist on guarantee of the State Government before advancing loans to these Corporations.
69	6.57	The banks have been given instructions that while "adopting" villages for intensive lending, villages with sizeable population of Scheduled Castes/Scheduled Tribes may be specially chosen or, in the alternative, banks may consider adopting specific localities (basties) in the concerned villages which have a concentration of these communities. The representative of the Syndicate Bank informed the Committee during evidence that while selecting villages for adoption, the population of Scheduled Castes/Scheduled Tribes is taken into consideration. However, data regarding the the Scheduled Castes/Scheduled Tribe beneficiaries is not maintained separately. The Committee recommend that such data should be maintained by the banks so that the benefits provided to persons belonging to these communities is precisely known and periodical review of the credit made available to them may be undertaken.
70	6.73	Registers for entering loan applications are being maintained by branches of the Syndicate Bank since 1979. In

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October, 1982, the branches have been asked to indicate the number of applications received from Scheduled Castes and Scheduled Tribes. For this purpose a new column has been prescribed in the application form as to whether the applicant belongs to Scheduled Caste or Tribe. The Committee desire that the bank should ensure that registers indicating loan applications received from Scheduled Castes/Tribes are maintained in all the branches. In cases where the loan applications are rejected, the grounds of their rejection should also be entered in the Register.

71 . 6.74 Complaints are often received that bank officers insist on security even in respect of loans upto Rs. 5000. According to instructions, Banks should not demand any security for loans upto Rs. 5000 and hypothecation of assets to be created by the loan should suffice. The very asking of the security has the effect of putting off the applicants and throwing them back at the mercy of money lenders. The Committee desire that the bank should ensure that the instructions issued by the Reserve Bank of India in this regard are followed in letter and spirit by all its branches.

72 6.75 In spite of clear instructions that loan applications should be disposed of within the stipulated time, in many cases enormous delays occur in the processing of applications. Sometimes, the Branch Officer neither rejects the application nor sanctions it. Even when the application is sanctioned, delay occurs in making payment. This leads to frustration among the applicants particularly those belonging to Scheduled Castes/Tribes. The Committee recommended that the Syndicate Bank should issue fresh instructions to all its Branches indicating the procedure to be followed for sanctioning loans and fix a time-limit within which such loan applications should be disposed of and payment made to the beneficiaries. The Committee need hardly stress that inordinate delays in the sanctioning and giving of loans can defeat the purpose of assisting Scheduled Caste/Tribe families to cross the poverty line.

73 6.95 The Committee find that the overall percentage of overdues to demand under D.R.I. Scheme as in June, 1982 was 69 while this percentage in the case of Scheduled Castes/Scheduled Tribes was 67. The Committee note with satisfaction that the percentage of recovery in the case of Scheduled Castes/Tribes is somewhat better than the overall percentage of recovery under the DRI Scheme. The Committee have been informed that the State Governments are helping the

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banks to some extent in recovery of their dues, but by and large the Scheduled Caste/Scheduled Tribe Corporations are not assisting the banks in this regard. As timely recovery of loans is essential for recycling of funds, the Committee feel that the Government agencies particularly at the block and district levels/ (e.g. District Industries Centres, District Rural Development Agencies, SC/ST Development Corporations) should put in co-ordinated efforts for recovery of bank overdues.

- 74 7.12 The share of Scheduled Castes/Scheduled Tribes in the priority sector advances by the Syndicate Bank is 2.5% as at the end of 1980, 5.0% at the end of 1981 and 5.5% at the end of 1982. The Committee note that the share of Scheduled Castes/Scheduled Tribes has been increasing during the last three years. No specific target has, however, been fixed by Reserve Bank of India/Government of India regarding overall credit assistance to Scheduled Caste/Scheduled Tribe borrowers in priority sector lending.
- 75 7.13 The Committee recommend that as in the case of DRI Scheme under which a minimum of 40% of the total DRI credit is required to be lent to persons belonging to Scheduled Castes and Scheduled Tribes, certain percentage of the priority sector lending should be earmarked for the Scheduled Castes and Scheduled Tribes.
- 76 7.14 The Committee note that the banks are maintaining the figures of outstanding advances and not of actual disburseals during a certain period. Figures of outstandings do not indicate the actual amount advanced as the outstandings will increase on account of default in repayment. The Committee are of the view that in order to assess the flow of credit to Scheduled Castes and Scheduled Tribes, banks should keep the figures of disburseals made and necessary instructions in this regard should be issued to them.
- 77 7.25 According to the guidelines issued by the Reserve Bank, all small scale industries with credit limits upto and inclusive of Rs. 25,000 should be treated as "Weaker Sections" in the priority sector. Advances to such weaker sections should constitute 12.5 per cent of the total advances to Small Scale Industries by 1985. The Committee have been informed that the Syndicate Bank has advanced Rs.11.69 crores in the year 1982 to "weaker sections" out of which the share of Scheduled Caste/Scheduled Tribe borrowers was Rs. 71 lakhs which constitutes only 6% of the total advances to "weaker sections" in small scale industries sector.

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| 78 | 7.26 | <p>The Committee need hardly stress that the Scheduled Castes and Scheduled Tribes who are the poorest among the poor sections of society deserve a much higher share in the total advances made to the "weaker sections" in terms of the instructions of the Reserve Bank of India.</p> <p>They therefore recommend that the Reserve Bank of India should fix the minimum percentage of advances to be made to Scheduled Caste and Scheduled Tribe borrowers out of 12.5 per cent share in the total advances earmarked for the "Weaker Sections" in Small Scale Industries sector.</p> |
| 79 | 7.31 | <p>The Committee note that housing advances upto Rs. 5000 are granted by the bank to Scheduled Castes/Scheduled Tribes at the concessional rate of interest of 4%. The Committee do not consider the amount of Rs. 5000 as sufficient for construction of a house keeping in view the escalation in the prices of the various building materials and higher labour charges involved. The Committee recommend that housing loans upto Rs.7500 with a provision of 25 per cent subsidy should be given to Scheduled Castes and Scheduled Tribes at 4% rate of interest.</p> |
| 80 | 7.37 | <p>The Committee note that the total outstanding educational loans advanced by the bank as at the end of September, 1982 were Rs. 1.92 crores out of which Rs. 4.00 lakhs were advanced to 4,362 Scheduled Castes and 301 Scheduled Tribes respectively. The Committee feel unhappy that particulars of educational loans granted by the bank under D.R.I. Scheme have not been kept separately. They recommend that separate figures of educational loans advanced to Scheduled Castes/Scheduled Tribes and others under D.R.I. Scheme should be maintained by all the banks.</p> |
| 81 | 7.38 | <p>"The Committee recommend that the Government should introduce a scheme for giving interest free educational loans to Scheduled Caste/Scheduled Tribe students. The interest on such loans may be subsidised by Government. The repayment of loan amount may commence after allowing a moratorium which may be limited to one year after the completion of the course for which the loan is granted."</p> |