

**COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES
(1987-88)**

(EIGHTH LOK SABHA)

THIRTY SECOND REPORT

MINISTRY OF FINANCE

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

Action Taken by Government on the recommendations contained in the Twenty-fourth Report (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic affairs—Banking Division)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in UCO Bank and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.



सत्यमेव जयते

Presented to Lok Sabha on _____

2 Dec. 1987

Laid in Rajya Sabha _____

2 Dec. 1987

**LOK SABHA SECRETARIAT
NEW DELHI**

October, 1987/Asvin, 1909 (Saka)

Price : Rs. 3.00

CARRIAGE
TO

the Thirty-second Report of the Committee on the Welfare of SCs/STs (8th L.S.) on action taken by Govt. on the recommendations contained in 24th Report. - UCO Bank.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
6	1.24	8	RJP	IRJP
18	Last	2 from Bottom	way	way
21	First	3	Institution	Institutions

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations which have been accepted by the Government	13
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	31
CHAPTER IV Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration	33
CHAPTER V Recommendations/observations in respect of which final replies of Government have not been received.	
APPENDIX Analysis of the action taken by Government of the recommendations contained in the Twenty fourth Report of the Committee	70

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

(1987-88)

Shri Ram Ratan Ram—Chairman

MEMBERS

Lok Sabha

2. Shri Manoranjan Bhakta
3. Shri Bir Bal
4. Shri Somjibhai Damor
5. Shri Ganga Ram
6. Shri Manikrao Hodlya Gavit
7. Shri Maurice Kujur
8. Shri Kunwar Ram
9. Shri Lakshman Mallick
10. Shri Satyagopal Misra
11. Shri Arvind Netam
12. Shri Ram Pyare Panika
13. Dr. P. Vallal Peruman
14. Shri K. N. Pradhan
15. Dr. G. Vijaya Rama Rao
16. Shri Ajit Kumar Saha
17. Shri D. B. Shingda
18. Shri Ram Singh
19. Shri Ram Bahadur Singh
20. Shri R. P. Suman

Rajya Sabha

21. Shrimati Omem Moyong Deeri
22. Dr. Faguni Ram
23. Shri Ramnarayan Goswami
24. Shri H. Hanumanthappa

(iii)

25. Shri Radhakishan Malaviya
26. Shri Murasoli Maran
27. Shri Dharam Chander Prashant
28. Shri Thindivanam K. Ramamurthy
29. Shri Sukhdev Prasad
30. Shri Suraj Prasad

SECRETARIAT

1. Shri N. N. Mehra—*Joint Secretary*
2. Shri D. M. Chanan—*Chief Legislative Committee Officer.*

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to submit the Report on their behalf, present this Thirty-second Report (Eighth Lok Sabha) on Action Taken by Government on the recommendations contained in the Twenty-fourth Report (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in UCO Bank and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

2. The Draft Report was considered and adopted by the Committee on the 15th September, 1987.

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

I. Report.

II. Recommendations|Observations which have been accepted by the Government.

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

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

V. Recommendations|Observations in respect of which final replies of Government have not been received.

4. An analysis of the action taken by the Government on the recommendations contained in the 24th Report of the Committee is given in Annexure VI. It would be observed therefrom that out of

(vi)

49 recommendations made in the Report, 26 recommendations i.e. 53.06 percent have been accepted by the Government; the Committee do not desire to pursue 2 recommendations i.e. 4.08 per cent of their recommendations in view of the Government's reply; 12 recommendations i.e. 24.49 per cent, in respect of which replies of Government have not been accepted by the Committee, require reiteration and for 9 recommendations i.e. 18.37 per cent, final replies of Government have not been received.

NEW DELHI;
October 5, 1987

13 Asvin, 1909 (S)

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

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by Government on the recommendations contained in the Twenty-Fourth Report (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs-Banking Division)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in UCO Bank and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

1.2 In para 1.16 of their Twenty-Fourth Report, the Committee had recommended that:—

“As assured by the Secretary, Ministry of Finance (Department of Economic Affairs-Banking Division) during evidence, the Committee trust that when a new Board of UCO Bank is constituted a member belonging to Scheduled Caste/Scheduled Tribe will be appointed as Director on the Board of Directors to look after the interests of Scheduled Castes and Scheduled Tribes, and the Committee informed accordingly.”

1.3 In their reply dated 3rd August, 1987 the Ministry of Finance (Department of Economic Affairs-Banking Division) have stated that “the recommendation of the Committee has been noted.”

1.4 The Committee will like to reiterate their earlier recommendation that when the new Board of UCO Bank is constituted a member belonging to Scheduled Caste/Scheduled Tribe should be appointed as Director on the Board of Directors to look after the interests of Scheduled Castes and Scheduled Tribes. The Committee desire to be informed of the name of the SC/ST Director appointed on the Board of the Directors of the UCO Bank when it is reconstituted.

1.5 In para 1.16 of the Report, the Committee had recommended that:—

“The Committee consider it to be a grave lapse and accordingly recommend that responsibility should be fixed for the lapse and action taken against the erring officer. The Committee further recommend that necessary steps should

be taken to make the system fool-proof so that in future the progress reports are placed before the Board of Directors regularly and there may not be any lapse in this regard for any reason, whatsoever."

1.6 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs -Banking Division) have stated that:—

"UCO Bank has reported that it has revised its calendar of items to be submitted to its Board of Directors in such a way that the review of appointments/promotions of SC/ST candidates in the Bank is submitted to the Board in the months of March and September every year giving position as at the end of 31st December and 30th June, respectively.

All public sector Banks and financial institutions have also been once again instructed for placing the half yearly reports before their respective Boards of Directors for review of the same vide letter No. 55/87-SCT(B) (ii) dated 12-6-87 (Annexure-I)."

1.7 The Committee are not satisfied with the reply of the Government. The Committee consider not placing of the progress report before the Board of Directors to be a grave lapse and responsibility should have been fixed for the lapse and action taken against the erring officer. The Committee will like to be apprised of the action taken in this regard.

1.8 In para 2.47 of their Report, the Committee had recommended that:—

"The Posts in the public Sector Banks including UCO Bank, should be reclassified so that the chances of Scheduled Caste and Scheduled Tribe employees for further promotions in Officers' Cadre are brought at par with those working in Central Government Offices."

1.9 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs-Banking Division) have stated that:—

"Government have considered the recommendation made by the Committee. The public sector banks including UCO Bank have three categories of staff Viz. Officers, Clerks and Subordinate Staff. It is submitted that in the classification

of posts in banks, which are commercial organisations, there is no necessity of having another tier of posts either between the Clerical and Officers Cadre or within the Officers cadre."

1.10 The Committee reiterate their earlier recommendations that the posts in the Public Sector Banks, including UCO Bank, should be reclassified so that the chances of Scheduled Caste and Scheduled Tribe employees for further promotions in Officers cadre are brought at par with those working in Central Government Offices.

1.11 In para 3.38 of their Report, the Committee had suggested that:—

"The Ministry of Finance may, issue necessary instructions to the authorities concerned to pay rail fare to SC/ST candidates called for written test for Group 'C' and 'D' posts if the distance involved is more than 80 Km."

1.12 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs-Banking Division) have stated that:—

"The recommendation of the Committee has been examined in the context of the provisions contained in para 7.11 of the Brochure on Reservation for SC and ST in services. The provisions of this para have been reiterated to all public sector banks/financial institutions vide letter No. 5/5/87/SCT(B) (XI) dated 12-6-87 (Annexure-II). Accordingly, while in view of the fact that it may not be possible to hold the written test and the interview on the same or consecutive days for recruitment to the clerical cadre posts by the Banking service Recruitment Boards and therefore, the provisions of para 7.11 may not be of avail to the SC/ST candidates the public sector banks and financial institutions have been advised to so schedule the written examination and the interview in respect of sub-staff that, to the extent possible it is either held on the same day or on the consecutive days and pay them the TA for Journey under-taken by them from the place of their residence to the place of written test and or interview, subject to certain conditions."

1.13 The Committee do not agree that it would be feasible to hold the written test and interview with an interval of one day only. The Committee therefore, reiterate their earlier recommendation that 'the

Ministry of Finance may issue necessary instructions to the authorities concerned to pay rail fare to SC/ST candidates called for written test for Group 'C' and 'D' posts if the distance involved is more than 80 Km.

1.14 In para 3.39 of their Report, the Committee had recommended that:—

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

1.15 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that:—

“In the light of the recommendations of the Committee all the public sector banks/financial institutions have been suitably advised *vide* letter No. 5/5/87-SCT (B) (VI) dated 12-6-87 (Annexure—III).”

1.16 The Committee will like to reiterate their earlier recommendation that ‘the claims of Scheduled Caste and Scheduled Tribe employees should be considered favourably at the time of making postings in foreign countries to enable them to acquire the experience of working in the branches abroad. The Committee will keenly watch further developments in this regard.

1.17 In para 3.74 of the Report, the Committee had recommended that:—

“The Committee are constrained to note that UCO Bank has not been obtaining the approval of competent authority (Chairman & Managing Director) before resorting to dereservation of reserved vacancies. The Committee would like to point out that according to Government guidelines, prior approval of the Board of Directors for the posts of officers and that of Managing Director for clerical and sub staff posts has to be obtained before filling any reserved vacancy by general candidate. It

should also be specifically mentioned in the note sent to the Board/Managing Director that the proposal for dereservation is being made with the full knowledge and concurrence of the Liaison Officer. The Committee recommend that hence forth the UCO Bank should follow this procedure scrupulously and in the event of any default, responsibility should be fixed and suitable action taken against the officer found responsible."

1.18 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that:—

"UCO Bank has reported that it has noted the recommendation of the Committee for compliance.

Instructions in the matter have once again been reiterated to all public sector banks/financial institutions *vide* letter No. 5/5/87-SCT (B) (IX) dated 12-6-87 (Annexure—IV)."

1.19 The Committee will like to reiterate their earlier recommendation that henceforth the UCO Bank should follow this procedure scrupulously and in the event of any default, responsibility should be fixed and suitable action taken against the officer found responsible.

1.20 In para 4.30 of the Report the Committee had suggested that:—

"If S.T. candidates are not available in a particular regional or local employment exchanges to fill the reserved vacancies, the Zonal/Divisional Offices of UCO Bank should contact the employment exchanges in the adjoining regions/areas to fill the vacancies reserved for Scheduled Tribes."

1.21 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that:—

"All public Sector Banks/Financial Institutions, including UCO Bank, have been suitably advised for implementation of the recommendation of the Committee *vide* letter No. 5/5 SCT-87 (B) (III) dated 12-6-87 (Annexure—IV)."

1.22 The Committee will like to reiterate their earlier recommendation that if ST candidates are not available in a particular regional or local employment exchanges to fill the reserved vacancies, the

Zonal/Divisional Offices of UCO Bank should contact the employment exchanges in the adjoining regions/areas to fill the vacancies reserved for Scheduled Tribes.

The Committee will like to be kept apprised of the outcome of the instructions issued by the Ministry vide their letter No. 5/5/87/SCT (B)-XIII dated 12-6-1987.

1.23 In para 5.54 of the Report, the Committee had recommended that:—

“The nationalised banks including UCO Bank should be more sympathetic and Liberal in granting to SC/ST beneficiaries under ITDP/SRI to enable them to come above the poverty line without resorting to a second dose of advance.”

1.24 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that:—

“With a view to ensuring that persons belonging to SC/ST get their due share of benefits under DRI Scheme, banks have to ensure that 40 per cent of DRI advances are given to members of SC/ST. The public sector banks, as a whole, have already achieved this target.

Likewise, under RDP, 30 per cent of the families assisted should belong to SC/ST and not less than 30 per cent of the assistance under the programme should go to these categories. Available data under IRDP reveals that the physical achievement regarding assistance to SC/ST families under the programme has been achieved.

Under SEEUY, a minimum of 30 per cent of the number of sanctions will be reserved for SC/ST beneficiaries at the State/Union Territory level from the year 1986-87.

Members of SC/ST population belong to the poorest section of the society and most of them already possess or have the potential to imbibe the required skill and expertise to take up self-employment activity in different small productive ventures such as vending vegetables, fruits, carpentry, blacksmithy, cobbling, carpet making, pottery, tailoring and other small artisans, crafts including handloom. In such cases, it will become necessary for banks to finance them to take up such small productive venture

in which the beneficiary has the potential to generate income. Moreover, these activities would be normally based on local availability of inputs and marketability of product. It is also relevant to note that the average figure does not preclude of some of the beneficiaries having received the assistance higher than that. It may also be pointed out that it is observed even in the case of non-SC/ST beneficiaries under anti-poverty schemes such as IRDP, SEPUP, DRI etc. the average loan amounts applied for are for such small productive ventures and therefore on the same average scale as for SC/ST beneficiaries since again their aptitude and experience are for such specific small self-employment ventures."

1.25 The Committee find the reply of the Government as evasive and will like to reiterate their earlier recommendation that the nationalised banks including UCO Bank should be more sympathetic and liberal in granting loans to SC/ST beneficiaries under IRDP/DRI to enable them to come above the poverty line without resorting to a second dose of advance.

1.26 In para 5.58 of the Report, the Committee had recommended that:—

"The Committee note that a housing loan advance upto Rs. 5000 can be granted to a SC/ST beneficiary at concessional rate of interest of 4 per cent per annum. The Committee consider that an amount of Rs. 5,000 is not sufficient for construction of a house when the cost of construction as well as building material is soaring high. The Committee recommend that in order to improve the living conditions of SCs/STs, the maximum amount of loan at 4 per cent interest should be increased at least to Rs. 7500."

1.27 In their reply dated 3-8-87 the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) have stated that:—

"The Government of India have since considered the recommendations of the Task Force on DRI Scheme and decided that the DRI Scheme will continue at the rate of interest of 4 per cent per annum and there will also be no change in the maximum quantum of assistance per beneficiary under the Scheme, viz. Rs. 6,500/-. Housing is not a productive purpose and hence the quantum of housing loans

should have reasonable relation to the repaying capacity of the borrowers. It will not, therefore, be appropriate to increase the present ceiling of Rs. 5000|- for housing loans to SCs|STs at the rate of interest at 4 per cent per annum as it is necessary to keep a proper co-relation between the credit available for productive purposes and for housing finance at the same subsidy rates."

1.28 The Committee reiterate their earlier recommendation that in order to improve the living conditions of SC|ST the maximum amount of loan for housing at 4 per cent interest should be increased at least to Rs. 7500.

1.29 In para 5.59 of the Report, the Committee had recommended that:—

"The educational loan is given to meritorious but poor and needy students whose family income from all sources is not more than Rs. 6400|- and Rs. 7200|- in rural areas and urban areas respectively. The Committee feel that in cases where the scholarship amount is insufficient the students should be given the aforesaid education loan so that such SC|ST students may not be compelled to leave their studies for want of money. The Committee recommend that the Scheme may be reviewed in all its respectives and the amount of loan revised taking into account the depreciated value of the rupee and continuously rising prices."

1.30 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that:—

"The Task Force on DRI Scheme constituted by the Government reviewed the Scheme in all its report in March 1985. The Government have considered the recommendations in consultation with different Ministries, NABARD, Reserve Bank of India and have decided as follows:—

- (i) Differential Rate of Interest Scheme as in the present form, will continue at the rate of interest of 4 per cent per annum. There will also not be any modification in the target of quantum which will continue to be 11 per cent of the outstandings as at the end of previous year.
- (ii) The DRI, IRDP and the new schemes for financing urban poor will mutually exclusive. In other words, if a person

avails of the benefit under IRDP or SEPUP he will not be eligible for loan under DRI Scheme.

- (iii) According to the Planning Commission's definition of poverty line, a family having an annual income of Rs. 6400 or less is considered to be a family below poverty line; it is, therefore, felt that the ceiling of family income of the borrowers under the DRI Scheme may be revised from Rs. 2000|- per annum in areas to Rs. 6400|- at 84-85 prices as finalised by the Planning Commission. For the urban poor Scheme, a ceiling of Rs. 600|- P.M. (i.e. Rs. 7200|- per annum) has been fixed. It is felt that the limit of Rs. 7200|- p.a. as against the limit of Rs. 3000|- per annum may also be treated as income ceiling for urban areas in so far as the DRI Scheme is concerned.

The Task Force had recommended that the indigent students of merit will also continue to be covered under the scheme for educational loans as hithertofore. Since the scheme has been reviewed only recently further revision may not be necessary.

1.31 The Committee reiterate their earlier recommendation that the Scheme may be reviewed in all its perspectives (including the need to give loans to students under DRI Scheme who are getting scholarships where the amount of scholarship is insufficient for recipient to continue studies and the amount of loan revised taking into account the depreciated value of the rupee and continuously rising prices.

1.32 In para 5.68 of the Report, the Committee had recommended that:—

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

1.33 In their reply dated 3.8.87 the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that:—

“Finance is only one of the inputs and it will have to be supported by other essential inputs, such as raw materials, assured power, communication, marketing, technical support etc. Though the banks are making sincere efforts to

step their advances to SC|ST beneficiaries, the main difficulty being faced by them in enlargement of the size of the credit flow to SC|ST beneficiaries is the absence of area-specific schemes with proper tie-up arrangements. For supply of inputs, expertise, training and marketing of outputs, etc. the responsibility of which will have to be borne jointly by the State Government machinery and its agencies at the district and block levels as also the State Level Corporations set up for the development of SCs|STs.

An awareness has, however, been created among the beneficiaries belonging to SC|ST regarding various credit facilities available to them, further the wide range of measures taken by the banks in implementing the various anti-poverty programmes will take some more time to produce tangible results."

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

1.35 In para 5.75 of their Report, the Committee had recommended that:—

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

1.36 In their reply dated 3-8-87 the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that:—

"Though no specific target for lending to SCs|STs under priority sector has been fixed, it is stipulated that 25 per cent of the priority sector advances or 10 per cent of total advances should go to the "weaker sections" which include, among others, SC|ST beneficiaries. Attainment of this target itself would result in substantial increase in

advances to SC|ST beneficiaries among the "weaker sections". The other categories included in "weaker sections" are based on economic consideration, though these are not mutually exclusive, the SC|ST category is a category based on economic status alone. The inclusion of SC|ST beneficiaries as a separate category is to ensure that if, per chance, certain SC|ST beneficiaries do not fit into the other categories, they would still be eligible for concessional finance as a part of the "weaker sections" under priority sector.

It may be stated that data in respect of advances granted by the public sector banks to SC|ST beneficiaries reveals that there has been substantial progress both in terms of number of accounts and amount of credit granted to SC|ST beneficiaries under priority sector as indicated below.

Year ended	Total priority sector Advances		of which to SC/ST		% age of Co. (5) to Col. (3)
	No. of Accounts	Amount O/S	No. of Accounts	Amount O/S	
					Amount in Rupee Crores
DECEMBER 1979	109.78	6011.48	15.90	250.03	4.2
DECEMBER 1981	155.30	10268.42	27.44	486.12	4.7
DECEMBER 1985	241.94	20647.81	56.81	1350.29	6.5
DECEMBER 1986 (provisional)	261.57	23810.91	65.43	1596.11	6.7

The percentage of amount of advances to SC|ST to total priority sector advances has increased from 4.2 per cent to 6.7 per cent during the period from December 1979 to December 1986.

As regards earmarking a certain minimum percentage of the priority sector lending to SC|ST beneficiaries, it may be mentioned that the larger the number of targets, the more difficult it is to monitor their implementation. Adding further targets for the banking system may prove counter-productive. Further, if separate targets are fixed for bank assistance to SC and ST beneficiaries, there would be a demand for similar treatment from other sections of the society, like minority communities. The effectiveness of

the various measures taken would no doubt depend upon better appreciation and awareness on the part of bank officials but banks cannot themselves increase the flow of credit to SCs|STs in the absence of supporting parallel action in providing infrastructure, marketing and extension facilities by the State Governments and their agencies. Earmarkings and reservations of credit will not really help improve the position in any significant way.

In view of the position explained above, we are of the considered view that it is not desirable to fix a target for bank lending to SC|ST or any other community|caste group in the total priority sector advances."

1.37 The reply of the Government is not convincing. The Committee reiterate their earlier recommendation that certain minimum percentage of priority sector lending should be earmarked for Scheduled Castes and Scheduled Tribes in order to accelerate the flow of credit to them.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 3 (Para No. 1.17)

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

Reply of Government

The recommendation of the Committee has been noted. All public sector banks|financial institutions have been advised to send copies of the half yearly progress reports placed by them before their respective Boards of Directors to the Govt., *vide* ANNEXURE-I.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5|5|87-SCT(B) dated 3-8-87.]

Recommendation No. 4 (Para No. 1.18)

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

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

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

The Committee are constrained to observe that the minutes of meeting do not reflect any such decision. The Committee need hardly point out that the minutes of Board Meetings are important material and an effective instrument for bringing about improvement in the working of the banks. The Committee, therefore, recommend that the Minutes of the Board Meeting should record the business transacted and observations made in clear and unambiguous terms so that the observations made and the decisions taken by the Board at its meetings are properly and effectively implemented.

Reply of Government

The recommendation of the Committee has been noted and all Public Sector Banks|Financial Institutions have been advised accordingly vide letter No. 5/5/87-SCT(B) (II) dt. 12-6-87 (Annexure-I).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT(B) dated 3.8.87]

Recommendation No. 6 (Para No. 1.30)

The Committee regret to note that annual statements regarding representation of Scheduled Castes and Scheduled Tribes in the services of the UCO Bank for the years 1984 and 1985 were submitted by the Bank to the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) in May, 1985 and May, 1986 respectively, although these statements should have been sent to them latest by the 1st March every year as laid down in the Department of Personnel and Administrative Reforms O.M. No. 36022|8|76-Estt. (SCT) dated the 10th May, 1976. The Committee need hardly stress that the very purpose of submitting these annual statements gets defeated if these statements are not submitted in time. The Committee, therefore, recommend that the Ministry of Finance should impress upon the UCO Bank to submit these statements in time. Failure to submit these statements in time should be regarded as a serious lapse on the part of the concerned officers.

Reply of Government

The recommendation of the Committee has been noted and all the public sector banks|financial institutions, including UCO Bank, have been advised to furnish the returns within stipulated time schedule vide letter No. 5|5|87-SCT(B) (III) dated 12-8-87 (Annexure-II).

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5|5|87-SCT(B) dated 3-8-87]

Recommendation No. 7 (Para No. 1.31)

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

Reply of Government

The Government have noted the recommendation of the Committee and will endeavour to subject the same to critical examination and analysis and advise the banks about the deficiencies if any, in these.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5|5|87-SCT(B) Dt. 3.8.87]

Recommendation No. 8 (Para No. 2.46)

The Committee note that reservation of vacancies in favour of Scheduled Castes and Scheduled Tribes to be filled by direct recruitment has been enforced in UCO BANK with effect from 1-1-1971 and for those to be filled by promotion with effect from 1-1-1979. Explaining the reasons for delay in implementation of reservations in promotion, the Secretary, Banking Division has informed the Committee during evidence that so far as public sector banks are concerned, it was a general government decision in 1971 that (reservation) rules should also be applicable for promotions. After that, when the matter was referred to the Ministry of Finance. Department of Banking, then they started reopening this issue as to whether this particular order should also apply to the banks. The Committee express their displeasure at the casual

approach of the Ministry of Finance (Deptt. of Economic Affairs-Banking Division) on arriving at a decision on an important issue like this, after seven years. The Committee feel that the decision should have been taken within a reasonable period because seven years to take a decision on an important issue like enforcement of reservation orders is indefensible. It is all the more regrettable that the Banking Department have delayed the implementation of reservation for Scheduled Castes and Scheduled Tribes in promotions for as long as seven years seeking clarifications on trivial matters. Obviously, this has deprived many a Scheduled Caste| Scheduled Tribe employees of their promotion against reserved vacancies during those years.

The Committee have been informed that the Ministry of Finance (Banking Division) made a reference to the Ministry of Law when the matter was raised earlier by the Committee in 1983 and 1986 to know the legal implication involved if the orders on reservation for Scheduled Castes/Scheduled Tribes in promotion were given retrospective effect from the date of their issue. The Committee have been informed that the Ministry of Law opined that it would not be legally and constitutionally permissible to give retrospective effect to the reservation orders of 1972 and 1974 in the case of nationalised banks. In the light of the opinion expressed by the Ministry of Law, the Committee need hardly impress upon the Ministry of Finance (Banking Division) to take a lesson from the past and realise the necessity for taking prompt decision in future in the matter of application of reservation orders for Scheduled Castes and Scheduled Tribes as soon as they are issued and communicate the same to the public sector banks immediately to ensure their implementation in letter and spirit from the date of issue.

Reply of Government

The observations of the Committee has been noted.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87].

Recommendation No. 19 (Para No. 246)

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

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

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

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

Reply of Government

Instructions have been issued vide letter No. 102/13/2/87-SCT(B) dated 14-4-87 to all public sector banks and financial institutions etc. that no posts in JMG Scale-I the officers cadre should be reserved for promotion from amongst special Assistants only (Annexure-III).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87].

Comments of the Committee

The Committee would like to be apprised of the follow up action taken by the Bank in pursuance of the recommendation of the Committee.

Recommendation No. 11 (Para No. 2.49)

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

Officers' cadre to the extent of 50 per cent by Scheduled Caste and Scheduled Tribe candidates to clear the backlog, as promised during the course of evidence.

Reply of Government

UCO Bank has reported that it has noted the recommendation of the Committee to clear the backlog in future. All public sector banks/ Financial Institutions, including UCO Bank, have been advised not to reserve any promotional posts for the Special Assistants separately but to consider their cases for promotion alongwith other eligible persons in the clerical cadre vide letter No. 102/13/2/87-SCT(B) dated 14-4-1987 (Annexure-III).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87].

Recommendation No. 12 (Para No. 2.54)

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

Reply of Government

The recommendation of the Committee has been noted. The Principal, Banker's Training College, Bombay has also been advised to conduct a seminar for all the Liaison Officers in the public sector banks|financial institutions every year vide letter No. 5|5|87-SCT(B) (VII) dt. 12-6-87 (Annexure-IV).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT(B) dated 3-8-87].

Recommendation No. 13 (Para No. 3.24)

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

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

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

Reply of Government

The recommendation of the Committee has been noted by UCO Bank. All Public Sector Banks|Financial Institutions have since been suitably advised vide letter No. 5/13/86-SCT(B) dt. 4-2-87 (Annexure V).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT(B) dated 3-8-87].

Recommendation No. 14 (Para No. 3.25)

The Committee have been informed during evidence that the Personnel Department of UCO Bank generally grants the extension

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

Reply of Government

The Recommendation of the Committee has been noted. The Public Sector Banks/Financial Institutions have since been advised *vide* letter No. 5/13/86-SCT(B) dt. 4-2-87 (Annexure-V)

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87].

Recommendation No. 16 (Para No. 3.37)

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

Reply of Government

The recommendation of the Committee has been noted and all the Banking Service Recruitment Boards/Public Sector Banks/Financial Institutions have been suitably advised for observance of the same *vide* letter No. 5/5/87-SCT(B) (VIII) dt. 12-6-87 (Annexure-VI).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87].

Recommendation No. 22 (Para No. 3.66)

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

Reply of Government

UCO Bank has reported that it has noted the recommendation of the committee. Necessary instructions to all Public Sector Banks|Financial Institution in the matter have since been issued vide letter No. 5|5|87-SCT(B)/IX dt. 12-6-87 (Annexure-IX).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT(B) dt. 3-8-87]

Recommendation No. 24 (Para No. 3.75)

The Committee regret to note that as many as 429 vacancies in 1983, 395 vacancies in 1984 and 133 vacancies in 1985 reserved for Scheduled Castes/Tribes have been dereserved by UCO Bank in officers, clerical and sub-staff cadres. Out of the carried forward reserved vacanceis, in clerical cadre 102 SC/ST vacancies in 1983, 29 SC/ST vacancies in 1984 and 147 SC|ST vacancies in 1985 and in Sub-staff cadre 12 ST vacancies in 1983, 4 ST vacancies in 1984 and 9 ST vacancies in 1985 have been allowed to lapse. This has obviously deprived many scheduled caste and scheduled tribe candidates of their chances of employment in UCO Bank. The Committee feel that now there is no dearth of educated SC/ST candidates. What is lacking is sincere and concerted efforts on the part of recruiting authorities to find out suitable SC/ST candidates before the expiry of three recruitment years. The Committee, therefore recommend that dereservation of reserved vacancies should be reserved to only when it becomes inescapable after all possible efforts have been made, including special recruitments, to locate and recruit adequate number of SC/ST candidates have failed, so that such a large number of reserved vacancies are not lapsed thereby depriving the SC/ST candidates of their legitimate chances of recruitment|promotion.

Reply of Government

The recommendation of the Committee has been noted. All the public sector banks/financial institutions have been advised to follow the prescribed procedure before the posts reserved for SC|ST, are dereserved, vide letter No. 5/5/87-SCT(B) (XII) dated 12-6-87 (Annexure-X).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT(B) dt. 3-8-87]

Recommendation No. 25 (Para No. 3.84)

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

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

Reply of Government

UCO Bank has reported that it has noted the recommendation of the Committee for compliance.

All public sector banks/financial institutions, including UCO Bank, have been suitably advised in the mater *vide* letter No. 5|5|87-SCT(B) (V) dated 12-6-87 (Annexure—XI).

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5|5|87-SCT(B) dated 3-8-87.]

Recommendation No. 27 (Para No. 4.27)

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

munities to UCO Bank.

The Committee are surprised to find that while the backlog in the representation of SCs/STs in the services of the bank has continued all these years, the BSRB, Calcutta held no special test exclusively for SC/STs to wipe out the backlog in officers' and Clerical cadres. The Ministry of Finance (Banking Division) have also been lethargic as they requested the BSRBs only on 26/5/86 and 7/8/86 to clear the backlog in officers and clerical cadres respectively. The Committee need hardly emphasise that special recruitment exclusively for Scheduled Castes and Scheduled Tribes is the only way to clear the backlog in reserved vacancies and recommend that the Banking Service Recruitment Boards should resort to special recruitment at the earliest exclusively for Scheduled Castes and Scheduled Tribes to wipe out the backlog in the cadres of officers and clerks so that the backlog does not increase from year to year as has been the case in the past.

Reply of Government

The recommendation of the Committee has been noted. All Banking Service Recruitment Boards/Banks/Financial Institutions have been suitably advised vide letter No. 5/5/87-SCT (B) (X) dated 12-6-87 (Annexure—XII).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87.]

Recommendation No. 28 (Para No 4.28)

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

Reply of Government

UCO Bank has reported that it has noted the recommendation of the Committee for compliance. All Banking Service Recruitment

Boards/Financial Institutions have also been advised in the matter vide letter No. 5/5/87—SCT(B) (I) dated 12-6-87 (Annexure—XIII).

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 29 (Para No. 4.29)

The Committee are surprised to find from the statement furnished by UCO Bank that in 1983 out of 481 ST candidates sponsored by employment exchange, the Bank selected only 99 candidates for sub-staff posts. In 1984, out of 118 ST candidates sponsored by employment exchange, the Bank selected only 39 candidates and in 1985, out of 135 ST candidates sponsored by employment exchange, the Bank selected only 34 candidates. From the number of ST candidates sponsored by employment exchange, it is clear that there is no dearth of ST candidates for sub-staff posts. The Committee fail to understand as to how when there was a shortfall of 111 STs in sub-staff cadre, more ST candidates were not selected during the above period. The Committee, however, note that in order to clear the backlog of STs in sub-staff cadre, UCO BANK has advised its Zonal/Divisional Offices in July 86 to conduct a special drive to clear the backlog of posts in the subordinate cadres reserved for STs. The Committee recommend that UCO BANK should draw a time bound programme and clear the backlog of vacancies reserved for STs in sub-staff cadre through special recruitment exclusively for Scheduled Tribes. The Committee also desire to be apprised of the results achieved in wiping out the aforesaid backlog, within next six months.

Reply of Government

All public sector banks/financial institutions, including UCO Bank, have been suitably advised to implement the recommendation of the Committee vide letter No. 5/5/87-SCT(B) (XIII) dated 12-6-87 (Annexure—XIV).

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Comments of the Committee

The Committee hope that as observed by them earlier, the Committee would be apprised of the results achieved in wiping out the backlog.

Recommendation No. 31 (Para No. 4.31)

The Committee further recommend that the Zonal/Divisional Offices of UCO BANK should also contact the Directors of Scheduled Tribe Welfare or Social Welfare of the concerned State/Union Territory to sponsor suitable candidates belonging to Scheduled Tribes to fill the reserved vacancies in Subordinate Cadre as provided in Department of Personnel and Administrative Reforms O.M. No. 36034/3/77-Est(SCT) dated 24-2-1979.

Reply of Government

All Public Sector Banks/Financial Institutions, including UCO Bank, have been suitably advised for implementation of the recommendation of the Committee *vide* letter No. 5/5/87-SCT(B) (XIII) dated 12-6-87 (Annexure—XIV).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 33 (Para No. 4.44)

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

Reply of Government

The recommendation of the Committee has been noted. The IBA has been advised to monitor the information *vide* letter No. 5/5/87-SCT(B)(XIV) dated 12-6-87 (Annexure—XV).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 34 (Para No. 4.48)

The Committee are happy to note that UCO Bank provides pre-promotional training to Scheduled Caste/Scheduled Tribe employees of the Bank. The Committee have been informed that in 1984 and 1985 the bank imparted pre-promotional training to 623 Scheduled Caste and 83 Scheduled Tribes employees for appearing the test for promotion from Clerical cadre to Officers Cadre JMG Scale I. The reserved vacancies were 121 for Scheduled Castes and 156 for Scheduled Tribes including the backlog. The Committee have been informed that 124 Scheduled Caste and all the 20 Scheduled Tribe em-

ployees, who passed the written test are being promoted. Out of this 114 Scheduled Caste and 19 Scheduled Tribe employees had undergone the aforesaid training.

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

Reply of Government

The recommendation of the Committee has been noted. All public sector banks|Financial Institutions, including UCO Bank, have been suitably advised in the matter *vide* letter No. 5|5|87-SCT(B) (IV) dated 12-6-87 (Annexure—XVI).

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5|5|87-SCT(B) dated 3-8-87.]

Recommendation No. 36 (Para No. 5.16)

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

The Committee are of the view that it is a sheer wastage of public money to give subsidy to SC/ST beneficiaries without linking institutional credit to subsidy as it may not be possible for the beneficiary to take up any viable scheme/project for raising his economic status only with the meagre amount of subsidy of Rs. 2,000/-. The Committee feel that if subsidy linked loan is also given to beneficiaries, it would help them to take up suitable viable projects/business for raising their economic and social status. The Committee, however, note with satisfaction that it has now been decided to link institutional credit to IRDP subsidy from 1985-86 onwards.

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

Reply of Government

In order to increase the flow of funds under the IRDP Scheme, it has been decided that banks would provide credit to the District Rural Development Agencies for lending to IRDP beneficiaries in the unbanked blocks of the North-East Region. This arrangement would ensure adequate credit linkages in the areas in the North Eastern Region where banking infrastructure has not yet developed.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5/5|87-SCT (B) dated 3-8-87.]

Recommendation No. 36 (Para No. 5.18)

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

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

Reply of Government

Government had already recognised the recommendation to have liberal norms in respect of hilly areas in the matter of expansion or branch network of the banks. At the instance of the Govt.

ernment, Reserve Bank of India has since relaxed the population coverage norms from 1 bank office for 17,000 population in the normal rural and semi-urban areas to 1 bank office for 10,000 to 12,000 population in the rural and semi-urban areas in the hilly areas.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 41 (Para No. 5.55)

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

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

Reply of Government

UCO Bank has reported that instructions have issued to their Zonal/Regional offices to keep close liaison with SC and ST Corporations on this point.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 42 (Para No. 5.57)

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

Reply of Government

Evaluation studies regarding financial assistance to IRDP beneficiaries and its actual impact in making the beneficiaries cross the poverty line have been undertaken by Deptt. of Rural Development, Ministry of Agriculture. As regards DRI, an evaluation study was undertaken by Govt. of India in association with NIBM. The study, suggested that DRI Scheme did make significant impact in alleviation of the beneficiaries from poverty line.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) O.M. No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 47 (Para No. 5.82)

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

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

Reply of Government

As per the existing guidelines, branches are required to maintain a separate loan application register for all priority sector advances inclusive of applications from SC/ST beneficiaries. As such no separate register is maintained for SC/ST beneficiaries exclusively.

However, UCO bank have issued necessary instructions to mark the names of SC/ST applicants belonging to the weaker section beneficiaries in red ink in the Loan Application Received Register to make them conspicuous and to ensure that the applications received are disposed of/sanctioned within the stipulated period of 15 days. Further in pursuance of the directives of Govt. of India, Divisional Managers/Zonal Managers and Senior Officials of Head Office are visiting rural branches once in every quarter to ensure that the applications received are disposed of/sanctioned within 15 days. They have also advised to check that the applications received from SC/ST beneficiaries are marked in red ink in the loan application received register. In terms of the directives from Reserve Bank of India, Branch Managers are not empowered to

reject any applications received from the beneficiaries belonging to SC/ST categories and such power of rejection was vested with the Divisional Managers.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) O.M. No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 48 (Para No. 5.89)

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

Reply of Government

In terms of the directive given by the Board of Directors, the Bank reviews the recovery position of the advances made to SC/ST beneficiaries every half year and closely monitors the performance of various zones and guides them for the improvement of the recovery position adopting different strategies. Bank have also advised all their zonal and divisional offices to discuss the recovery of Bank's dues at a regular interval in the meeting organised at the State/District/Block level. Bank has decided to include an agenda on recovery of Bank's dues in state-level meeting of Himachal Pradesh and Orissa, where they are the convenor Bank and in all their Lead Districts. Requests will be made from them part to the Convenor Banks of other States to include such agenda.

CHAPTER III

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

Recommendation No. 15 (Para No. 3.36)

The Committee are surprised to learn that the UCO Bank have given relaxation in educational qualification in respect of Officers and Clerical cadres but in the case of Subordinate cadre, they have not given any relaxation as per Government guidelines. This might have deprived many a Scheduled Caste and Scheduled Tribe candidate from being considered eligible for the posts applied for. The Committee would like to draw the attention of Ministry of Finance (Banking Division) to the Ministry of Personnel, Public Grievances and Pension (Deptt. of Personnel and Training) O.M. No. 26011/8/84Estt(SCT) dated 17th October, 1986 wherein it has been provided that 'if adequate number of Scheduled Caste and Scheduled Tribe candidates who satisfy the minimum standard are not available to fill the reserved vacancies, then Scheduled Caste and Scheduled Tribe candidates may be selected to the extent of shortfall in vacancies by relaxing the minimum standard, provided that they are not considered unfit to hold the post'. The Committee, therefore, impress upon the Ministry of Finance (Banking Division) to issue necessary instructions to all concerned authorities accordingly so that the shortfall in reserved vacancies of the Subordinate cadre becomes a thing of the past.

Reply of Government

The recommendation of the Committee was discussed with the Department of Personnel & Training which is of the view that the term minimum standard referred to in their letter dated 17-10-86, referred only to the qualifying standard and not the eligibility norms. In view of this, no fresh instructions on the subject are called for.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) O.M. No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 28 (Para No. 3.59)

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

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

Reply of Government

UCO Bank has reported that it has been associating an officer/member of SC/ST community in the interview board for promotion/selection from sub-staff cadre to clerical cadre and from the clerical cadre to officers' cadre. The bank has regretted the technical delay in implementation of the recommendation of the Committee to associate an SC/ST Officer with Interview Committee for promotion by Selection as the promotions by selection were held for the first time only in 1983 after the introduction of reservations in promotions in 1979.

[Ministry of Finance (Department of Economic Affairs—
Banking Division) O.M. No. 5/5/87-SC (B) dated 3-8-87.]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation No. 1 (Para No. 1.15)

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

Reply of Government

The recommendation of the Committee has been noted.

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/5/87-SCT (B) dated 3-8-87.]

Comments of the Committee

“The Committee will like to reiterate their earlier recommendation that when the new Board of UCO Bank is constituted a member belonging to Scheduled Caste/Scheduled Tribe should be appointed as Director on the Board of Directors to look after the interests of Scheduled Castes and Scheduled Tribes. The Committee desire to be informed of the name of the SC/ST Director appointed on the Board of the Directors of the UCO Bank when it is reconstituted.”

Recommendation No. 2 (Para No. 1.16)

The Committee are concerned to note that the progress report relating to implementation of Government directives regarding reservation for Scheduled Castes and Scheduled Tribes in UCO Bank was once placed in the Board Meeting held on 26 Aug. '80 and it was again placed before the Board of Directors only on 20 Aug. '86, after a lapse of six years and that too apparently when the Committee took up this subject for detailed examination. The Ministry of Finance (Deptt. of Economic Affairs-Banking Division) also failed to monitor this information. Had they done this, surely they would have reminded the management of UCO Bank in this regard in time. The Ministry also woke up when they received the questionnaire of the Committee for oral evidence and sent a communication to the Bank only on 28 Nov., 1986. This all shows that proper care and interest is not being taken by either by the UCO Bank or the Ministry of Finance (Banking Division) towards the welfare of Scheduled Castes/Scheduled Tribes and it makes it all the more essential that there should be a SC/ST member on the Board of Directors to look after the interests of SCs/STs and ensure that such lapses do not recur.

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

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

Reply of Government

UCO Bank has reported that it has revised its calendar of items to be submitted to its Board of Directors in such a way that the review of appointments/promotions of SC/ST candidates in the Bank is submitted to the Board in the months of March and September every year giving position as at the end of 31st December and 30th June, respectively.

All public sector banks and financial institutions have also been once again, instructed for placing the half yearly reports before

their respective Boards of Directors for review of the same vide letter No. 5/5/87-SCT(B) (II) dated 12-8-87 (Annexure-I).

[Ministry of Finance (Department of Economic Affairs—Banking Division) O.M. No. 5/5/87-SCT (B) Dated 3-8-87]

Comments of the Committee:

“The Committee are not satisfied with the reply of the Government. The Committee consider not placing of the progress report before the Board of Directors to be a grave lapse and responsibility should have been fixed for the lapse and action taken against the erring officer. The Committee will like to be apprised of the action taken in this regard.”

Recommendation No. 9 (Para No. 2.47)

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

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

The Committee feel that the interests of Scheduled Castes and Scheduled Tribes are jeopardised with the existing classification of

posts in UCO BANK. The Banks have only three categories of posts, unlike four categories of posts in the Government. In the Central Government, in promotion by Selection a Scheduled Caste/Scheduled Tribe employee gets at least two chances of promotion to Officers' category viz. first from Class II (non-gazetted) to Class II (Gazetted) and then from Class II (Gazetted) to lowest rung to Class I, whereas in Banks a Scheduled Caste/Scheduled Tribe employee gets only one chance i.e. from Clerical Cadre to Officers' Cadre (JMG Scale I). The Committee, therefore, recommend that the posts in the Public Sector Banks, including UCO BANK, should be reclassified so that the chances of Scheduled Caste and Scheduled Tribe employees for further promotions in Officers Cadre are brought at par with those working in Central Government Offices.

Reply of Government

Government have considered the recommendation made by the Committee. The public sector banks including UCO Bank have three categories of staff viz. Officers, Clerks and Subordinate Staff. It is submitted that in the classification of posts in banks, which are commercial organisations, there is no necessity of having another tier of posts either between the Clerical and Officers Cadre or within the Officers Cadre.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87—SCT (B) dated 3-8-87]

Comments of the Committee

“The Committee reiterate their earlier recommendation that ‘the posts in the Public Sector Banks, including UCO Bank, should be reclassified so that the chances of Scheduled Caste and Scheduled Tribe employees for further promotions in Officers' Cadre are brought at par with those working in Central Government Offices.’”

Recommendation No. 17 (Para No. 3.38)

The Committee note that Scheduled Caste/Tribe candidates are paid II class rail fare as travelling allowance when they are called for interview but they are not paid this travelling allowance when they come to appear in written test. The Committee would like to draw the attention of the Ministry of Finance (Banking division) to para 3 of Chapter V of the Brochure on reservation for Scheduled Castes and Scheduled Tribes in posts/services under the Public

Enterprises issued by the Bureau of Public Enterprises wherein it has been stated *inter alia* that SC/ST candidates called for written test for Group 'C' and 'D' posts should be allowed the lowest class rail fare if the distance exceeds 80 Km. The Committee, therefore, suggest that the Ministry of Finance may, issue necessary instructions to the authorities concerned to pay rail fare to SC/ST candidates called for written test for Group 'C' and 'D' posts if the distance involved is more than 80 Km.

Reply of Government

The recommendation of the Committee has been examined in the context of the provisions contained in para 7.11 of the Brochure on Reservation for SC and ST in services. The provisions of this para have been reiterated to all public sector banks/financial institutions *vide* letter No. 5/5/87-SCT(B) (XI) dated 12-6-87 (Annexure VII). Accordingly, while, in view of the fact that may not be possible to hold the written test and the interview on the same or consecutive days for recruitment to the clerical cadre posts by the Banking Service Recruitment Boards and therefore, the provisions of para 7.11 may not be of avail to the SC/ST candidates, the public sector banks and financial institutions have been advised to so schedule the written examination and the interview in respect of sub-staff, that, to the extent possible it is either held on the same day or on the consecutive days and pay them the TA for journey undertaken by them from the place of their residence to the place of written test and/or interview, subject to certain conditions.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87].

Comments of the Committee

"The Committee do not agree that it would be feasible to hold the written test and interview with an interval of one day only. The Committee therefore, reiterate their earlier recommendation that 'the Ministry of Finance may, issue necessary instructions to the authorities concerned to pay rail fare to SC/ST candidates called for written test for Group 'C' and 'D' posts if the distance involved is more than 80 Km."

Recommendation No. 18 (Para No. 3.39)

The Committee regret to note that none of the 22 officers of UCO BANK posted from India to foreign branches belongs to Scheduled

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

Reply of Government

In the light of the recommendations of the Committee all the public sector banks/financial institutions have been suitably advised vide letter No. 5/5/87-SCT(B) (VI) dated 12-6-87 (Annexure VIII).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87].

Comments of the Committee

“The Committee will like to reiterate their earlier recommendation that ‘the claims of Schedule Caste and Scheduled Tribe employees should be considered favourably at the time of making postings in foreign countries to enable them to acquire the experience of working in the branches abroad’. The Committee will keenly watch further developments in this regard”

Recommendation No. 23 (Para No. 3.74)

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

Reply of the Government

UCO Bank has reported that it has noted the recommendation of the Committee for compliance.

Instructions in the matter have once again been reiterated to all Public Sector Banks/Financial Institutions *vide* letter No. 5/5/87-SCT(B) IX dt. 12.6.87 (Annexure-IX).

[Ministry of Finance (Department of Economic Affairs-Banking Division) OM No. 5/5/87-SCT(B) dt. 3.8.87.]

Comments of the Committee

"The Committee will like to reiterate their earlier recommendation that henceforth the UCO Bank should follow this procedure scrupulously and in the event of any default, responsibility should be fixed and suitable action taken against the officer found responsible."

Recommendation No. 30 (Para No. 4.30)

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

Reply of the Government

All Public Sector Banks/Financial institutions, including UCO Bank, have been suitably advised for implementation of the recommendation of the Committee *vide* letter No. 5/5/87-SCT(B) (XIII) dated 12.6.87 (Annexure-IV).

[Ministry of Finance (Department of Economic Affairs-Banking Division) OM No. 5/5/87-SCT(B) dated 3.8.87.]

Comments of the Committee

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

The Committee will like to be kept apprised of the outcome of the instructions issued by the Ministry vide their letter No. 5/5/87/SCT(B)-XIII dated 12.6.1987."

Recommendation No. 40 (Para No. 5.54)

The Committee have been informed that under DRI Scheme maximum composite loan of Rs. 6500/- can be granted to a SC|ST beneficiary. The Committee are unhappy to note that in 1984, only 5657 out of 39883 and in 1985 only 6355 out of 24934 SC|ST beneficiaries were granted a loan of Rs. 5,000/- or more under this scheme. As admitted by the representative of Ministry of Finance (Banking Division) during evidence, the average loan given to a SC|ST beneficiary comes to Rs. 1,000/- only. Similarly, under IRDP also, the average loan given to such a person comes to Rs. 2,000/-. This inevitably makes it necessary to give a second dose of advance in many cases.

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

Reply of the Government

With a view to ensuring that persons belonging to SC|ST get their due share of benefits under DRI Scheme, banks have to ensure that 40 percent of DRI advances are given to members of SC|ST. The public sector banks, as a whole, have already achieved this target.

Likewise, under IRDP, 30 per cent of the families assisted should belong to SC|ST and not less than 30 per cent of the assistance under the programme should go to those categories. Available data under IRDP reveals that the physical achievement regarding assistance to SC|ST families under the programme has been achieved.

Under SEEUY, a minimum of 30 per cent of the number of sanctions will be reserved for SC|ST beneficiaries at the State|Union Territory level from the year 1986-87.

Members of SC|ST population belong to the poorest section of the society and most of them already possess or have the potential to imbibe the required skill and expertise to take up self-employ-

ment activity in different small productive ventures such as vend- ing vegetables, fruits, carpentry, blacksmithy, cobbling, carpet making, pottery, tailoring and other small artisans, crafts including handloom. In such cases, it will become necessary for banks to finance them to take up such small productive venture in which the beneficiary has the potential to generate income. Moreover, these activities would be normally based on local availability of inputs and marketability of product. It is also relevant to note that the average figure does not preclude of some of the beneficiaries having received the assistance higher than that. It may also be pointed out that it is observed even in the case of non-SC/ST beneficiaries under anti-poverty schemes such as IRDP, SEPUP, DRI etc.—the average loan amounts applied for—are for such small productive ventures and therefore on the same average scale as for SC/ST beneficiaries since again their aptitude and experience are for such specific small self-employment ventures.

[Ministry of Finance (Department of Economic Affairs- Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87.]

Comments of the Committee

"The Committee find the reply of the Government as evasive and will like to reiterate their earlier recommendation that the nationalised banks including UCO Bank should be more sympathetic and liberal in granting loans to SC/ST beneficiaries under IRDP/DRI to enable them to come above the poverty line without resorting to a second dose of advance."

Recommendation No. 43 (Para No. 5.58)

The Committee note that a housing loan advance upto Rs. 5,000 can be granted to a SC/ST beneficiary at concessional rate of interest of 4 per cent per annum. The Committee consider that an amount of Rs. 5,000 is not sufficient for construction of a house when the cost of construction as well as building material is soaring high. The Committee recommend that in order to improve the living conditions of SC/ST, the maximum amount of loan at 4 per cent interest should be increased at least to Rs. 7500.

Reply of the Government

The Govt. of India have since considered the recommendations of the Task Force on DRI Scheme and decided that the DRI Scheme will continue at the rate of interest of 4 per cent per annum and there will also be no change in the maximum quantum of assistance

per beneficiary under the Scheme, viz. Rs. 6,500|-. Housing is not a productive purpose and hence the quantum of housing loans should have reasonable relation to the repaying capacity of the borrowers. It will not, therefore, be appropriate to increase the present ceiling of Rs. 5,000|- for housing loans to SCs|STs at the rate of interest at 4 per cent per annum as it is necessary to keep a proper correlation between the credit available for productive purposes and for housing finance at the same subsidy rates.

[Ministry of Finance (Department of Economic Affairs-Banking Division) OM No. 5|5|87-SCT(B) dated 3-8-87.]

Comments of the Committee

"The Committee reiterate their earlier recommendation that in order to improve the living conditions of SC|ST the maximum amount of loan for housing at 4 per cent interest should be increased at least to Rs. 7500."

Recommendation No. 44 (Para No. 5.39)

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

Reply of the Government

The Task Force on DRI Scheme constituted by the Government reviewed the Scheme in all its perspectives and submitted its report in March 1985. The Government have considered the recommendations in consultation with different Ministries, NABARD, Reserve Bank of India and have decided as follows:—

- (i) Differential Rate of Interest Scheme as in the present form, will continue at the rate of interest of 4 per cent per

annum. There will also not be any modification in the target of quantum which will continue to be 11 per cent of the outstandings as at the end of previous year.

- (ii) The DRI, IRDP and the new schemes for financing urban poor will mutually be exclusive. In other words, if a person avails of the benefit under IRDP or SEPUP he will not be eligible for loan under DRI Scheme.
- (iii) According to the Planning Commission's definition of poverty line, a family having an annual income of Rs. 6400 or less is considered to be a family below poverty line; it is, therefore, felt that the ceiling of family income of the borrowers under the DRI Scheme may be revised from Rs. 2,000 per annum in areas to Rs. 6400 at 84-85 prices as finalised by the Planning Commission. For the urban poor Scheme, a ceiling of Rs. 600 p.m. (i.e., Rs. 7200 per annum) has been fixed. It is felt that the limit of Rs. 7200 p.a. as against the limit of Rs. 7200 as against the limit of Rs. 3000 per annum may also be treated as income ceiling for urban areas in so far as the DRI Scheme is concerned.

The Task Force had recommended that the indigent students of merit will also continue to be covered under the scheme for educational loans as hithertofore. Since the scheme has been reviewed only recently further revision may not be necessary.

[Ministry of Finance (Department of Economic Affairs—Banking Banking Division) OM No. 5/5/87-SCT(B) dated 3-8-87.]

Comments of the Committee

"The Committee reiterate their earlier recommendation that the scheme may be reviewed in all its perspectives including the need to give loans to students under DRI Scheme who are getting scholarships where the amount of Scholarship is insufficient for recipient to continue studies at the amount of loan reviewed taking into account the depreciated value of the rupee and continuously rising prices."

Recommendation No. 46 (Para No. 5.60)

The Committee note that under DRI Scheme composite loan aggregating to Rs. 6500 at the rate of 4 per cent interest per annum can be granted to SCIST beneficiaries for setting up their own small scale industrial units/small business. The Committee regret to point out

that the share of SC/ST beneficiaries in the total advances to SSI/Small business was only 0.78 per cent, 1.45 per cent and 1.88 per cent in 1983, 1984 and 1985 respectively. The Committee are all the more unhappy to note that composite loans each aggregating to Rs. 6500 were sanctioned to only 1050 SC/ST beneficiaries in 1983, 1212 in 1984 and 1364 in 1985.

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

Reply of Government

Finance is only one of the inputs and it will have to be supported by other essential inputs, such as raw materials, assured power, communication, marketing, technical support etc. Though the banks are making sincere efforts to stop their advances to SC/ST beneficiaries, the main difficulty being faced by them in enlargement of the size of the credit flow to SC/ST beneficiaries is the absence of area-specific schemes with proper tie-up arrangements. For supply of inputs, expertise, training and marketing of outputs, etc. the responsibility of which will have to be borne jointly by the State Government machinery and its agencies at the district and block levels as also the State Level Corporations set up for the development of SCs/STs.

An awareness has, however, been created among the beneficiaries belonging to SC/ST regarding various credit facilities available to them. Further the wide range of measures taken by the banks in implementing the various anti-poverty programmes will take some more time to produce tangible results.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Comments of the Committee.

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

Recommendation No. 46 (Para No. 5.75)

The Committee note that under the guidelines of Reserve Bank of India 25 per cent of the priority sector advances or 10 per cent of the total bank credit should go to the weaker sections of society which includes Scheduled Caste|Scheduled Tribe beneficiaries. No separate share of SC|ST has been fixed in the 10 per cent of total advances to be deployed to weaker sections. As per the information furnished to the Committee, percentage of weaker sections in the aggregate advances of public sector banks as a whole was 10.6 in June, 1986 and the percentage share of SC|ST in the aggregate advances by the public sector banks was 2.83. Scheduled Caste|Scheduled Tribe people form a major part of the weaker sections of society but their share in aggregate advances is only 2.83 per cent as compared to percentage share of weaker sections as a whole.

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

Reply of Government

Though no specific target for lending to SCs|STs under priority sector has been fixed, it is stipulated that 25 per cent of the priority sector advances or 10 per cent of total advances should go to the "weaker sections", which include, among others, SC/ST beneficiaries. Attainment of this target itself would result in substantial increase in advances of this target itself would result in substantial increase in advances to SC|ST beneficiaries among the "weaker sections". The other categories included in "weaker sections" are based on economic consideration, though these are not mutually exclusive, the SC|ST category is a category based on economic status alone. The inclusion of SC|ST beneficiaries as a separate category is to ensure that if, per chance, certain SC|ST beneficiaries do not fit into the other categories, they would still be eligible for concessional finance as a part of the "weaker sections" under priority sector.

It may be stated that data in respect of advances granted by the public sector banks to SC|ST beneficiaries reveals that there has been

substantial progress both in terms of number of accounts and amount of credit granted to SC|ST beneficiaries under priority sector as indicated below:—

(No. of accounts in lakhs)
(Amount in Rs. crores)

Year ended	Total priority sector Advances		of which to SC/ST		%age of Co. (5) to Col. (3)
	No. of Accounts	Amount O/S	No. of Accounts	Amount O/S	
1	2	3	4	5	6
DECEMBER 1979	109.78	6011.48	15.90	250.03	4.2
DECEMBER 1981	155.30	10263.42	27.44	485.12	4.7
DECEMBER 1985	241.94	20647.81	56.81	1350.29	6.5
DECEMBER 1986 (Provisional)	261.57	23810.91	65.43	1596.11	6.7

The percentage of amount of advances to SC|ST to total priority sector advances has increased from 4.2 per cent to 6.7 per cent during the period of December 1979 to December 1986.

As regards earmarking a certain minimum percentage of the priority sector lending to SC|ST beneficiaries, it may be mentioned that the larger the number of targets, the more difficult it is to monitor their implementation. Adding further targets for the banking system may prove counterproductive. Further, if separate targets are fixed for bank assistance to SC and ST beneficiaries, there would be a demand for similar treatment from other sections of the society, like minority communities. The effectiveness of the various measures taken would no doubt depend upon better appreciation and awareness on the part of bank officials but banks cannot themselves increase the flow of credit to SCs|STs in the absence of supporting parallel action in providing infrastructure, marketing and extension facilities by the State Governments and their agencies. Earmarkings and reservations of credit will not really help improve the position in any significant way.

In view of the position explained above, we are of the considered view that it is not desirable to fix a target for bank lending to SC|ST or any other community|caste group in the total priority sector advances.

[Ministry of Finance (Department of Economic Affairs-Banking Division) OM No. 5/5/87-SCT (B) Dated 3-8-87.]

Comments of the Committee

"The reply of the Government is not convincing. The Committee reiterate their earlier recommendation "that certain minimum percentage of priority sector lending should be earmarked for SCs|STs in order to asselerate the flow of credit to them."

CHAPTER V

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

Recommendation No. 5 (Para No. 1.29)

The Committee note that a Deputy Secretary has been appointed Liaison Officer in the Banking Division to ensure due compliance of orders on reservations in favour of Scheduled Castes and Scheduled Tribes by the appointing authorities. An Under Secretary works under him and both of them report to the Jt. Secretary. The Committee also note that there is a SC|ST Cell consisting of one Section Officer, two Assistants, one Lower Division Clerk and one Messenger, under the overall charge of the Joint Secretary which is responsible for watching the implementation of Government orders regarding reservations for, and employment of, Scheduled Castes and Scheduled Tribes in the Public Sector Banks|Financial Institutions including UCO BANK. The Committee have been informed that there are 28 Public Sector Banks, and four all India major financial institutions under the control of Banking Division and their total strength is more than 7.8 lakhs persons and out of them about one lakh are SC|ST employees. There is no doubt that the main function of the Cell is to ensure due compliance by the subordinate appointing authorities with the orders and instructions pertaining to the reservations of vacancies in favour of Scheduled Castes and Scheduled Tribes and other benefits admissible to them. However, the Secretary, Banking Division admitted during the course of evidence that it is not possible for the Banking Division to actually do the job of monitoring for these large number of people with the present strength of staff. The Committee, therefore, urge the Banking Division to suitably strengthen the Cell and streamline its working so that it could perform the duties assigned to it efficiently and effectively. The Committee also recommend that the staff working in the Cell should not be given any other work not connected with the Cell.

Reply of Government

The recommendation of the Committee is being examined.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT (B) dated 2-8-87.]

Recommendation No. 19 (Para No. 3.55)

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

The Committee have been informed that in promotion to officers' cadre, relaxation of one year in minimum service and a concession in marks to the extent of 5 per cent of total marks allotted for test as well as interview is provided to Scheduled Caste|Tribe employees. The Committee do not consider relaxation of one year in minimum service as a special concession meant for Scheduled Castes|Tribes only as such concession has also been given to a large number of general candidates also. The Concession of 1 mark in interview and 4 marks in written test is also not significant in the opinion of the Committee. The Committee need hardly stress that unless liberal concessions|relaxations are given to Scheduled Caste|Tribe employees in promotion, their position in promotional posts is not going to improve. The Committee, therefore, recommend that in the case of SC|ST employees, the relaxation in minimum service should be fixed keeping in view the number of persons coming within that Zone and relaxed by one year more where no SC|ST candidate becomes eligible by the present relaxation of one year. Similarly where any relaxation is made for general candidates, a corresponding relaxation in addition to normal relaxation should be made in the case of SC|ST candidates. Similarly marks in written test and interview should be increased from 5 per cent to 8 per cent so that their representation in various grades is augmented to the required level of percent-

age. A constant review of the promotion given to SC|ST should be made and relaxation should be determined in the light of facts emerging in the review.

Reply of Government

The recommendation of the Committee is being examined in consultation with Department of Personnel and Training.

[Ministry of Finance (Department of Economic Affairs-Banking Division) OM No. 5|5|87-SCT(B) dated 3.8.87.]

Comments of the Committee

"The Committee may be apprised of the outcome of the consultations between the Ministry of Finance and the Department of Personnel and Training."

Recommendation No. 21 (Para No. 3.65)

The Committee have been informed that Rosters are being maintained at Head Office of UCO BANK for direct recruitment of Officers and for promotion from Clerical Cadre to Bank Officers Grade JMS-I. Rosters are being maintained at Zonal Office in regard to recruitment of Clerical Cadre to the Zone and at Divisional Offices in regard to recruitment of sub-staff cadre. These Rosters are inspected by the Liaison Officer regularly. The Committee, are, however, distressed to note that during the inspection of rosters conducted by Liaison Officer, UCO BANK (H.O.) on 14-8-86, he found that prior approval of Department of Personnel and essential steps before de-reservation of reserved vacancies had not been taken by the appointing authority. The same remarks have been repeated in his next inspection report dated 20-1-1987. This is regrettable and shows that proper attention has not been paid by the appointing authority to the findings of the Liaison Officer nor has the Liaison Officer cared to ensure that the discrepancies pointed out by him in his earlier inspection report have been rectified.

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

Officer in the UCO Bank to see that Govt. orders on the maintenance of rosters are meticulously followed so that no injustice is done to Scheduled Caste/Tribe candidates in the matter of recruitment and promotion.

Reply of Government

UCO Bank has reported that it has noted the recommendation of the Committee for compliance. All public sector banks/financial institutions, including UCO Bank, have once again been advised suitably in the matter vide letter No. 5-5-87-SCT(B) (IX) dt. 12-6-87 (Annexure-IX).

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Recommendation No. 26 (Para No. 3.85)

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

Reply of Government

UCO Bank has expressed its inability to accede to the recommendation of the Committee for administrative reasons because the SC/ST Association is not a recognised Trade Union and if the request is acceded to, it will result in similar demands from other similar organisations.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Comments of the Committee

"The Committee will like to watch future developments in this regard."

Recommendation No. 32 (Para No. 4.43)

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

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

Reply of Government

The recommendation is being examined in consultation with the IBA, the public sector banks and the Banking Service Recruitment Boards.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT(B) dt. 3-8-87].

Comments of the Committee

“The Committee may be apprised of the final decision taken in the matter.”

Recommendation No. 35 (Para No. 5.15)

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

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

Reply of Government

The staff strength of Credit Cell in the Banking Division (Deptt. of Economic Affairs) comprises of one Assistant and one L.D.C. The Cell functions directly under Research Officer who is incharge of Economic and Statistical Analysis Section. The suggestion to augment the staff strength of the Credit Cell is being examined.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT (B) dated 3-8-87.]

Comments of the Committee

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

Recommendation No. 37 (Para No. 5.17)

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

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

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

Reply of Government

In consultation with Ministry of Home Affairs, the areas where special measures are required for bank security, have been identified and requisite steps have been taken for strengthening the security arrangements.

Regarding costs for deployment of armed Police personnel, the general instructions have been that the banks would pay for the services of the personnel deployed. In the case of Manipur alone a problem regarding such deployment has arisen, since the number of personnel deployed by the State Govt. to each branch is nearly a Platoon in strength, with the result that the expenses to be incurred by the Bank for deployment of such Police Personnel are exorbitantly high compared to the profits of the branch. This issue has been taken up by the banks concerned at the State level Banking Committee meeting. Reserve Bank of India has issued instructions to its Manager, Guwahati Regional Office to convene a meeting of the bankers and the State Govt. officials concerned to discuss the issue regarding the cost of deployment of Guards with a view to evolving an acceptable solution.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT(B) dt. 3-8-87].

Comments of the Committee

"The Committee may be apprised of the outcome of the discussions at the meeting of bankers and the State Government officials in the matter".

Recommendation No. 39 (Para No. 5.53)

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

The Committee appreciate that the UCO Bank has exceeded the target of 40 per cent share of DRI advances in favour of SCs/STs but regret to point out that the number of beneficiaries has registered a decline. Similarly the amount disbursed in 1985 has also declined compared to the amount disbursed in 1984. The number of beneficiaries which rose from 34309 in 1983 to 39883 in 1984 has come down to 24934 in 1985. In the case of amount of advances also, the figures which rose from 411.03 lacs in 1983 to 538.38 lacs in 1984, declined to Rs. 339.44 lacs in 1985.

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

Reply of the Government

UCO Bank has taken up the matter with their Zonal Managers of those States in which declining trend in disbursement of fresh loan under DRI Scheme has been observed to identify the reasons for such decline.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5/5/87-SCT(B) dt. 3-8-87].

Comments of the Committee

The Committee may be apprised of the reasons identified for declining trend in disbursement of fresh loans under the D. R. I. scheme as also the steps taken to remedy the situation.

Recommendation No. 49 (Para No. 5.90)

The Committee regret to note that State Government agencies/Scheduled Caste and Scheduled Tribe Corporations do not extend full cooperation to UCO Bank in the recovery of overdues. The committee would like the UCO Bank to take up the matter with concerned authorities at Block and District levels and sort out the problem they

are facing in recovery of loans. The Committee also recommend that the Bank personnel should have a close liaison with SC/ST Development Corporations and various concerned Departments of State Governments in identification of beneficiaries, selection of schemes for them and recovery of overdues.

Reply of Government

Bank already has taken steps to ensure better co-ordination with State Government agencies and SC & ST Corporations by taking up problems needing sorting out with Block, District level Committees as also at the apex State level Bankers' Committee (where senior officials of State Government are also participate). Recovery of overdues from SC|ST and others have caused concern in concerned quarters. It may be mentioned in this context that whole question of recovery by public sector banks is under active consideration of Government in view of forthcoming legislation on recovery of overdues. The above legislation seeks to make overall recovery position more effective including recovery of overdues from SC|ST borrowers.

[Ministry of Finance (Department of Economic Affairs—Banking Division) OM No. 5|5|87-SCT (B) dated 3-8-87.]

RAM RATAN RAM.

NEW DELHI:
October 5, 1987

13 Asvin, 1909 (S)

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

ANNEXURE I
No. 5/5/87-SCT(B) (I)
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
BANKING DIVISION

New Delhi, dated the 12th June, 1987

To

The Chairman, SBI.

CMDs of 20 Public Sector Banks,

MDs of associate banks of SBI.

IDBI|IFCI|IRBI|IDBI|NABARD|EXIM BANK

R.B.I.

SUB: *Placing of the progress reports in respect of reservations for SC|ST before the Boards of Directors.*

Sir,

I am directed to refer to the Ministry of Finance, Department of Economic Affairs, Banking Division letter Nos. 10/30/77-SCT (B) dated 7-1-78 and 101/12/86--SCT (B) dated 23-11-86 advising the banks that the progress reports in respect of reservations for SC|ST should be placed before the Board of Directors twice a year for their review. Copies of their progress reports are also required to be endorsed to the Government. The Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes have made recommendation to the following effect in their 24th Report (8th Lok Sabha):—

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

“The committee consider it to be a grave lapse and accordingly recommend that responsibility should be fixed for the lapse and action taken against the erring officer. The Committee further recommend

that necessary steps should be taken to make the system fool-proof so that in future the progress reports are placed before the Board of Directors regularly and there may not be any lapse in this regard for any reason whatsoever."

You are, therefore, advised to take note of this recommendation and draw up a foolproof system to ensure that the progress reports in respect of reservations for SC/ST are placed before the Board of Directors regularly twice a year in respect of the half years ending on 30th June and 31st December each year. This should preferably be placed before the Board in the months of July and January following the half years to which they pertain.

The Committee has further recommended that "... the Minutes of the Board Meeting should record the business transacted and observations made in clear and unambiguous terms so that the observations made and the decisions taken by the Board at its meetings are properly and effectively implemented."

This recommendation of the Committee may also be kept in view in drawing up the Minutes of the Board meetings.

Yours faithfully,

Sd/-

(Y. P. SETHI)

Deputy Secretary to Government of India.

Tele: 312422

ANNEXURE II
No. 5/5/87-SCT(B)/XI
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
BANKING DIVISION

New Delhi, dated the 12th June, 1987.

To

The Chairman, State Bank of India, Bombay.

CMDs of 20 Nationalised Banks,

MDs of associate banks of SBI.

Chief Executives IDBI|IFCI|IRBI|NABARD|EXIM BANK

R.B.I.

SUB: *Action taken on the recommendations contained in the Twenty Fourth Report of the Committee on the Welfare of SCs and STs (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of SCs and STs, in UCO Bank and credit facilities provided by the Bank to SCs and STs—Payment of Travelling Allowance.*

Sir,

The Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes vide recommendation No. 17 (para No. 3.38), contained in its 24th Report has, *inter alia*, recommended that the SC|ST candidates called for written test for Group C & D posts may be paid 2nd Class rail fare by ordinary train, if the distances involved is more than 80 Kms. The recommendation has been examined in the light of the provisions contained in para 7.11 of the Brochure on Reservations of SC and ST in Services issued by the then Department of Personnel & Administrative Reforms. Since recruitment to the clerical cadre posts in public sector banks is done by the BSRBs, who in turn entrust the evaluation on the basis of the written test, to the IBPS and this process necessarily involves a considerable time lag between the written examination and the interview, the Government

does not consider it advisable to accept the recommendation in so far as the recruitment of SC|ST candidates to the clerical cadre posts is concerned.

In respect of recruitment to the subordinate cadre posts, however, the banks are advised to schedule the written examination and the interview of the candidates in such a manner that this is either done on the same day or on consecutive days especially in respect of SC|ST candidates. Such candidates may also be paid 2nd Class rail fares chargeable by the passenger train by the shortest route from the Railway Station nearest to their normal place of residence or from which they actually perform the journey whichever is nearer to the place of interview and back to the same station provided the distance travelled by rail each way exceeds 80 Kms. No extra charges incurred for reserving seat|sleeper berth in the train will be reimbursed to them. For road journeys between stations not connected by rail, they may be allowed actual bus fare provided the distance covered by road is more than 32 Kms. each way.

The receipt of this letter may be acknowledged.

Yours faithfully,

(Y. P. SETHI)

Deputy Secretary to the Government of India.

Copy to:—

- (1) Indian Banks' Association, Bombay.
- (2) Director (P).

ANNEXURE—III

**F. No. 5/5/87-SCT(B)/VI
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
BANKING DIVISION**

New Delhi, dated the 12th June, 1987.

To

The Chairman & Managing Director,

20 Nationalised Banks,

The Chairman: SBI & M.Ds. of Associate Banks of SBI.

The Chief Manager (DAP) RBI, Bombay.

The Chief Executives of IFCI|IRBI|IDBI|NABARD|EXIM Bank.

SUBJECT:—Action taken on the recommendations contained in the Twenty Fourth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of SCs and STs, in UCO Bank and credit facilities provided by the bank to SCs and STs.—Posting of SC|ST officers in branches abroad.

Sir,

Recommendation No. 18 (Para 3.39), contained in the 24th Report of the Committee on the Welfare of Scheduled Caste & Scheduled Tribes is reproduced below:

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

for the Scheduled Caste|Scheduled Tribe employees and would help them a lot in broadening their outlook and bringing them up socially and economically."

Public Sector Banks|Financial Institutions etc. are advised to keep the above recommendation in view while selecting candidates for posting abroad. While making such selections the provisions contained in Para 17.17 of the Brochure on Reservation for Scheduled Caste and Scheduled Tribe in Services (6th Edition may also be kept in view.

The receipt of this letter may be acknowledged.

Yours faithfully,
(Y. P. SETHI)

Deputy Secretary to the Government of India

Copy to:—

- (i) I.B.A., Bombay.
- (ii) Director (P).

ANNEXURE IV
No. 5/5/87-SCT (B)/IX
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(BANKING DIVISION)
New Delhi, the 12th June, 1987

To

The Chairman, State Bank of India, Bombay.

CMDs of 20 Nationalised Banks.

MDs of associate banks of SBI.

Chief Executives of IDBI|IFCI |IRBI|NABARD|

EXIMBANK

R.B.I.

SUB: *Action taken on the recommendations contained in the Twenty Fourth Report of the Committee on the Welfare of SCs and STs (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for and employment of SCs and STs, in UCO Bank and credit facilities provided by the bank to SCs and STs—Inspection of rosters by Liaison Officers.*

Sir,

Recommendation Nos. 21 (Para 3.65), 22 (Para 3.66) and 23 (Para 3.74) contained in the 24th Report of the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes, are reproduced below:—

“Recommendation No. 21

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

The Committee, are however, distressed to note that during the inspection of rosters conducted by Liaison Officer, UCO Bank (H.O.) on 14-8-86, he found that prior approval of Department of Personnel

and essential steps before dereservation of reserved vacancies had not been taken by the appointing authority. The same remarks have been repeated in his next inspection report dated 20-1-87. This is regrettable and shows that proper attention has not been paid by the appointing authority to the findings of the Liaison Officer nor has the Liaison Officer cared to ensure that the discrepancies pointed out by him in his earlier inspection report have been rectified.

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

"Recommendation No. 22.

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

"Recommendation No. 23.

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

The Government has accepted these recommendations. UCO Bank and all other Public Sector Banks and Financial Institutions etc. are advised to meticulously follow these recommendations.

The receipt of this letter may be acknowledged.

Yours faithfully,

Sd/-

(Y. P. SETHI)

Deputy Secretary to the Government of India.

Copy for information to:

- (1) Indian Banks' Association, Bombay.
- (2) Director (P).

(Y. P. SETHI)

Deputy Secretary to the Government of India.

ANNEXURE IV

No. 5/5/87-SCT (B)/VII

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

(BANKING DIVISION)

New Delhi, 12th June, 1987

To

Principal
Bankers' Training College,
Bombay.

SUB: *Seminar for Liaison Officers for SC/ST in public sector banks.*

Sir,

The Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes vide its recommendation No. 12 (2.54) contained in its 24th Report has, inter alia, recommended as under:—

“2.54. The Committee recommend that a Seminar should be organised each year in which Liaison Officer of nationalised banks in-charge of the work relating to reservations for Scheduled Castes and Scheduled Tribes where points of common interest, fresh instructions issued during the last year and clarifications given about interpretation of various orders should be discussed and notes exchanged. This will go a long way in implementing the orders in the right spirit and with promptitude.”

The Government feels that the B.T.C., which has earlier organised a few training programmes/workshops for the Liaison Officers etc. on this subject, could organise such Seminars on yearly basis. You are, therefore, requested to include in your yearly calendar such Seminars for the Liaison Officers of public sector banks etc. to be organised at least once a year and if possible, twice a year to which all the Liaison Officers (Scheduled Castes/Scheduled Tribes) in the public sector banks could be invited. To this Seminar a representative of this Division may also be invited.

The action taken by you in this matter may please be intimated to the Government.

Yours faithfully,

(Y. P. SETHI)

Deputy Secretary to the Government of India.

Copy for information and necessary action to:—

- (1) Chairman, State Bank of India, Bombay.
- (2) CMDs of 20 Nationalised Banks.
- (3) MDs of associate banks of SBI.
- (4) Chief Executives of IDBI|IFCI| |IRBI|NABARD|
EXIM BANK.
- (5) Reserve Bank of India.

(Y. P. SETHI)

Deputy Secretary to the Government of India.

ANNEXURE V

F. No. 5/5/87-SCT(B)/XIII
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(BANKING DIVISION)

New Delhi, dated the 12th June, 1987

To,

The Chairmen & Managing Director 20 Nationalised Banks.

The Chairman SBI Bombay.

The M. Ds. of Associate Banks of SBI.

The Chief Executives of IFCI/IRBI/IDBI/NABARD/EXIM Bank.

The Chief Manager (DAP) RBI, Bombay.

SUB: *Action taken on the recommendations contained in the Twenty Fourth Report of the Committee on the Welfare of Scheduled Caste and Scheduled Tribes (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—(Banking Division)—Reservations for and employment of Scheduled Castes and Scheduled Tribes in UCO Bank and credit facilities provided by the bank to SCs and STs—suggestions to clear backlog in the filling up of the posts in subordinate sub-staff cadre by Scheduled Tribes.*

Sir,

In the context of the huge backlog in the filling up of the posts reserved for Scheduled Castes in the sub-staff cadre of UCO Bank, the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes have made the following recommendations in its 24th Report (8th Lok Sabha):—

Recommendation No. 28

4.20 Para. . . . The Committee recommend that UCO Bank should draw a time bound programme and clear the backlog of vacancies reserved for Scheduled Castes in Sub-staff cadre through special recruitment exclusively for Scheduled Tribes. The Committee also desired to be apprised of the results achieved in wiping out the aforesaid backlog, within six months."

Recommendation No. 30

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

Since the position in most of the banks is no different, it is requested that all banks/financial institutions should draw up a time bound programme to clear the backlog of vacancies reserved for Scheduled Tribes in their sub-staff cadre and clear the same through special recruitments exclusively for Scheduled Tribes, wherever necessary.

The recruiting authorities in the banks may also contact the employment exchanges in the adjoining regions|areas to fill the vacancies reserved for the Scheduled Tribes in case sufficient Scheduled Tribe candidates are not available in a particular regional or local employment exchanges to fill the reserved vacancies. They should also contact the Directors of Scheduled Tribe Welfare or Social Welfare of the concerned State|Union Territory to sponsor suitable candidates belonging to Scheduled Tribes to fill the reserved vacancies in subordinate cadre as provided in Department of Personnel & Administrative Reforms O.M. No. 36034|3|77-Estt(SCT) dated 24th February, 1979. The results of the drive may be intimated to the Government by 31st July, 1987.

The receipt of this letter may be acknowledged.

Yours faithfully,

(Y. P. SETHI)

Deputy Secretary to the Government of India.

Copy to:—

- (i) Personnel Adviser IBA Bombay.
- (ii) Director (P).

APPENDIX

(Vide Para 4 of the Report)

Analysis of the Action Taken by Government on the recommendations contained in 24th Report of the Committee

I.	Total number of Recommendations	49
II.	Recommendations which have been accepted by Government (<i>Vide</i> Recommendations at Sl. Nos. 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 16, 22, 24, 25, 27, 28, 29, 31, 33, 34, 36, 38, 41, 42, 47, and 48)	
	Number	26
	Percentage to total	53.05
III.	Recommendations which the Committee do not desire to pursue in view of Government's replies (<i>Vide</i> Recommendations at Sl. Nos. 15 and 20)	
	Number	2
	Percentage to total	4.08
IV.	Recommendations in respect of which replies of Government have not been accepted and which require reiteration. (<i>Vide</i> Recommendations at Sl. Nos. 1, 2, 9, 17, 18, 23, 30, 40, 43, 45 and 46)	
	Number	12
	Percentage to total	24.50
V.	Recommendations in respect of which final replies of Government have not been received (<i>Vide</i> Recommendations at Sl. Nos. 5, 19, 21, 26, 32, 35, 37, 39, and 49).	
	Number	9
	Percentage to total	18.37