

**COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(1983-84)**

(SEVENTH LOK SABHA)

FIFTY-FIFTH REPORT

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(BANKING DIVISION)

**RESERVATIONS FOR, AND EMPLOYMENT OF,
SCHEDULED CASTES AND SCHEDULED TRIBES -
IN THE UNION BANK OF INDIA AND CREDIT
FACILITIES PROVIDED BY THE BANK FOR
SCHEDULED CASTES AND SCHEDULED TRIBES.**



*Presented to Lok Sabha on 30.4.1984
Laid in Rajya Sabha on 30.4.1984.*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1984/Vatsakha, 1906 (S)

Price : Rs. 6.20

01.73A

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
BIHAR		UTTAR PRADESH	
1.	M/s Crown Book Depot, Upper Bazar, Ranchi (Bihar).	11.	Law Publishers, Sardar Patel Marg, P. B. No. 77, Allahabad, U.P.
GUJARAT		WEST BENGAL	
2.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	12.	Mrs. Manimala, Buys and Sells, 128, Bow Bazar Street, Calcutta-12.
MADHYA PRADESH		DELHI	
3.	Modern Book House, Shiv Vilas Palace, Indore City.	13.	Jain Book Agency, Connaught Place, New Delhi.
MAHARASHTRA		14.	J.M. Jain & Brother, Mori Gate, Delhi.
4.	M/s Sunderdas Gian Chand, 601, Girgaum Road, Near Princess Street, Bombay-2.	15.	Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-1.
5.	The International Book Service, Decan Gymkhana, Poona-4	16.	Bookwell 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
6.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	17.	The Central News Agency, 23/90, Connaught Place, New Delhi.
7.	M/s Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-2.	18.	M/s Rajendra Book Agency, IV-D/59, IV-D/50, Lajpat Nagar, Old Double Storey, Delhi-110024.
8.	M & J Services, Publishers, Representative Accounts & Law Book Seller, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-14.	19.	M/s Ashoka Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
9.	Subscribers Subscription Services India, 21, Raghunath Dadaji St., 2nd Floor, Bombay-1.	20.	Venus Enterprises B-2/85, Phase-II, Ashok Vihar, Delhi.
TAMIL NADU			
10.	The Manager, M. M. Subscription Agencies, No. 2, 1st Lay Out Sivananda Colony, Coimbatore-641012.		

© 1984 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and
Conduct of Business in Lok Sabha (Sixth Edition) and Printed by
M/s. Samrat Press, 7117/18, Pahari Dhiraj, Delhi-110006.

CORRIGENDA TO FIFTY-FIFTH REPORT OF
COMMITTEE ON WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES (1983-84)

<u>Page</u> <u>No.</u>	<u>Para</u> <u>No.</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
27	2.34	1	haveing	having
32-33	2.97	4	the bank	in the bank
46	4.18	2	penel	panel
47	4.23	7	ecommand	recommend
48	4.24	8	concurrence	concurrence of
53	5.9	4	1973	1978
72	6.73	4	recommended	recommend
93	7.84	2	schemes	sections
93	7.84	2	shart	share
125	1.26	5	implementa- tion orders	implementa- tion of reservation orders
127	2.26	3	be little	. belittle
129	2.62	1	not	note
		9	appropriate	appropriate
		11	Panel Code	Penal Code
132	3.17	10	backlog	backlog in
136	4.23	15	otherwise	otherwise
		16	canditates	candidates
		18	officeres	officers
136	4.24	4	filled	filled
		13	serupulously	scrupulously
137	4.39	2	complainta	complaints
141	6.60	4	these	those
	6.62	4	vogue	vague
142-				
143	7.29	14	toral	total
146	7.83	4	1000	1983
	7.84	2	schemes	sections

CORRIGENDA TO FIFTY-FIFTH REPORT OF
COMMITTEE ON WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES (1983-84)

<u>Page</u> <u>No.</u>	<u>Para</u> <u>No.</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
27	2.34	1	haveing	having
32-33	2.97	4	the bank	in the bank
46	4.18	2	penel	panel
47	4.23	7	ecommend	recommend
48	4.24	8	concurrence	concurrence of
53	5.9	4	1973	1978
72	6.73	4	recommended	recommend
93	7.84	2	schemes	sections
93	7.84	2	shart	share
125	1.26	5	implementa- tion orders	implementa- tion of reservation orders
127	2.26	3	be little	.belittle
129	2.62	1	not	note
		9	appropriate	appropriate
		11	Panel Code	Penal Code
132	3.17	10	backlog	backlog in
136	4.23	15	otherwise	otherwise
		16	canditates	candidates
		18	officeres	officers
136	4.24	4	filled	filled
		13	serupulously	scrupulously
137	4.39	2	complainta	complaints
141	6.60	4	these	those
	6.62	4	vogue	vague
142-				
143	7.29	14	toral	total
146	7.83	4	1000	1983
	7.84	2	schemes	sections

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I—INTRODUCTORY	
A. Organisation	1
B. Board of Directors	1
C. Liaison Officer and Cell	3
CHAPTER II—RESERVATIONS	
A. Adoption/Implementation of Reservation Orders	8
B. Reservation in Direct Recruitment	16
C. Reservation in Promotion	24
CHAPTER III—STAFF STRENGTH AND SHORTFALLS	
A. Staff Strength and Shortfalls	35
B. Pre-recruitment Training	39
C. In-service Training	39
CHAPTER IV—RECRUITMENT	
A. Method of Recruitment	42
B. Concessions/Relaxations	43
C. Selection/Promotion Committees	45
D. Dereservation	47
E. Complaints/Grievances	48
CHAPTER V—ADMINISTRATION	
A. Maintenance of Rosters	52
B. Annual Statements/Report	54
CHAPTER VI—CREDIT FACILITIES	
A. Organisational set-up	56
B. D.R.I. Scheme	57
C. SC/ST Development Corporations	62
D. Loan applications	65
E. Recovery of Dues	69
CHAPTER VII—PRIORITY SECTOR LENDING	
A. Share of Scheduled Castes/Scheduled Tribes in Priority Sector Lending.	2
B. Educational Loans	

C. Credit under New 20-Point Programme	84
D. Consumption Loans.	87
E. Credit Camps & Village Adoption Scheme	88
F. Housing Loans	91

APPENDICES

I. List showing Regional & Zonal Offices of Union Bank of India	95
II. Statewise distribution of branches of the Bank	96
III. Extracts from counter affidavit filed by bank in Supreme Court of India.	98
IV. Counter affidavit to amend earlier affidavit.	100
V. Memorandum of understanding on new Promotion Policy.	101
VI. Statement showing recruitment made during last 3 years	103
VII. Statement showing special allowances to workmen in clerical grade	104
VIII. Statement showing recruitment against reserved vacancies during half-year ended 30th June, 1983	105
IX. Minutes of Board meetings	107
X. D.O. letter addressed by Banking Division to Chairman, Union Bank of India	110
XI. D O. letter addressed by Banking Division to Chairman, BSRB, Bombay.	111
XII. Statewise distribution of DRI advances during last three years.	113
XIII. Statewise statement of Priority Sector Advances during last 3 years.	115
XIV. Bank-wise Priority Sector Advances as on June, 1982.	117
XV. New Twenty-Point Programme	119
XVI. Advances under 20-Point Programme (as on Dec. 82)	121
XVII. Statement of adopted villages & advances made as on 30th December, 1982.	123
XVIII. Summary of conclusions and recommendations contained in the Report :	124

COMMITTEE ON THE WELFARE OF SCHEDULED
CASTES AND SCHEDULED TRIBES
(1983-84)

Shri A.C. Das—*Chairman*

MEMBERS

Lok Sabha

2. Shri K. Arjunan
3. Shri Dileep Singh Bhuria
4. Shrimati Vidya Chennupati
5. Shri N. Dennis
6. Shri Chhittubhai Gamit
7. Shri Jagpal Singh
8. Shri R.P. Mahala
9. Shrimati Geeta Mukherjee
10. Shri Bhola Raut
11. Shri Baju Ban Riyan
12. Shri Ashkaran Sankhwar
13. Prof. Nirmala Kumari Shaktawat
14. Shri Nathu Ram Shakyawar
15. Shri D.B. Shingda
16. Shri Sunder Singh
17. Shri Suraj Bhan
18. Shri Narsingh Suryawanshi
19. Shri Trilok Chand
20. Shri Nandi Yellaiah

Rajya Sabha

21. Shri V.C. Kesava Rao
22. Shri Leonard Solomon Saring
23. Shri H. Hanumanthappa
24. Shri Bijoy Krishna Handique
25. Shri Piare Lall Kureel *urf*
Piare Lall Talib Unnavi

(iv)

26. Shri Scato Swu
27. Shri Gulam Mohi-ud-din Shawl
- *28. Shri Dinesh Goswami
- **29. Shri Alexander Warjri
- ***30. Shri V. Gopalsamy

SECRETARIAT

1. Shri D.C. Pande—*Joint Secretary*
2. Shri P.C. Chaudhry—*Chief Legislative Committee Officer*
3. Shri Kuldip Sahai—*Senior Legislative Committee Officer.*

*Ceased to be Member of the Committee on his retirement from Rajya Sabha with effect from 9th April, 1984.

**Ceased to be Member of the Committee on his retirement from Rajya Sabha with effect from 12th April, 1984.

***Ceased to be Member of the Committee on his retirement from Rajya Sabha with effect from 2nd April, 1984.

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 Fifty-fifth Report (Seventh Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division) Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in Union Bank of India and credit facilities provided by the bank for Scheduled Castes and Scheduled Tribes.

2. The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs—Banking Division) and Union Bank of India on the 29th and 30th November, 1983. The Committee wish to express their thanks to the officers of the Ministry of Finance (Department of Economic Affairs—Banking Division) and the Union Bank for placing before the Committee material and information they wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on the 17th April, 1984.

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

NEW DELHI;

April 24, 1984
Vaisakha 4, 1906 (S)

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

CHAPTER I

INTRODUCTORY

A. Organisation

Union Bank of India is a body corporate under Section 3 (4) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

1.2 The Committee have been informed that the bank has a four-tier structure consisting of Branches at the lowest level, Regional Offices, Zonal Offices and the Bank's Head Office. As on 30.6.1983, the Bank had 1390 branches in India. These branches are controlled by 36 Regional Offices which are in turn overseen by 10 Zonal Offices as shown in Appendix I. 654 branches of the Bank are in rural areas, 325 in semi-urban areas, 232 branches in urban areas and 179 branches in Metropolitan areas. Statewise distribution of branches is given in Appendix II.

B. Board of Directors

1.3 In a note furnished to the Committee, it has been stated that appointment of Directors on the Bank's Board of Directors is made by the Government of India under Clause 3 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970. Under the scheme, many of the directors are chosen from certain specified interests so as to give the Board of the corporate body, a balanced expertise/experience to oversee its functioning effectively. The decisions taken by the Board of Directors are corporate decisions, and not those of any individual director or a group of directors. The participation of the individual director is only in relation to the working of the Board as a whole and not in his individual capacity.

1.4 All the nationalised banks are required to follow the prescribed reservation for Scheduled Castes/Scheduled Tribes in appointments to various posts and in promotions and the Board of Directors as a whole is expected to see *inter alia* that the policies thus laid down are carried out by the bank.

1.5 At present one of the Directors appointed in the Board belongs to Scheduled Caste/Scheduled Tribe category. The following are the Directors

of the Bank since nationalisation who belong to Scheduled Caste/Scheduled Tribe category :-

<i>NAME</i>	<i>Year of Appointment</i>
1. Shri Ram Babu Arya	12.12.1977—15.1.1982
2. Dr. K.D. Vassava	16.1.1982 till date

1.6 The Board of Directors are informed of Government instructions relating to Scheduled Caste/Scheduled Tribe and they endeavour to ensure implementation of these instructions. The periodical reports regarding implementation of reservation orders in favour of Scheduled Caste/Scheduled Tribe are placed before the Board and the Board is kept informed about the developments from time to time. The directives given by the government are placed before the Board and implemented.

1.7 Periodical review of the implementation of reservation orders in favour of Scheduled Caste and Scheduled Tribe in services of the Banks is done by the Board of Directors on a half-yearly basis as at end of June and December every year. The progress made in implementation of reservation orders during the last three years was reviewed by the Board of Directors of Union Bank of India in its meetings held on 15.11.80, 8.6.81, 18.12.81, 18.3.1982, 16.7.82, 18.12.82, and 14.5.1983.

1.8 Regarding representation of Scheduled Castes and Scheduled Tribes on the Board of Directors, the representative of the Ministry of Finance has stated as under during evidence :—

“Government have stated that they agreed that the Scheduled Castes should be represented on the Boards. This is a firm policy of the Government. Out of 20 Banks, in 18 banks Scheduled Caste/Scheduled Tribe representation is there. In the other two also steps are being taken to see that their representation is there on the Board of Directors. . . For the last many years this policy is in force. Government is not in favour of making specific provision. But Government is following a policy to put one member, who belongs to Scheduled Caste/Scheduled Tribe on each of these Boards.”

1.9 Asked whether Directors belonging to Scheduled Caste/Scheduled Tribe took interest in matters concerning Scheduled Castes and Scheduled Tribes, the representative of the Ministry of Finance has stated as follows :—

“Yes, undoubtedly so. Rather I will say that the whole Board is expected to take interest and they do take also. They are very vigilant. So, there is no dispute that the policy is being implemented.”

1.10 On being enquired by the Committee if any decision regarding reservation Policy taken at the instance of Scheduled Caste Director would be taken as a decision of the Board, the representative of the Ministry of Finance has stated in evidence as follows :—

“The question is whether the Scheduled Caste member of the Board of a Bank has been assigned special function relating to implementation of reservation orders. The Board functions as a whole and is responsible collectively for its functions.”

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

C. Liaison Officer and Cell

1.12 In a note furnished to the Committee, the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that all the public sector banks had been advised to nominate an officer as Liaison Officer for dealing with matters relating to representation of Scheduled Castes and Scheduled Tribes in the services of the bank. The instructions issued by the Ministry of Home Affairs regarding the duties and functions of these Liaison Officers have been conveyed to all the public sector banks. In terms of these instruction the Liaison Officers in banks are *Inter-alia* responsible for :

- (i) ensuring due compliance with the Government orders relating to reservation of vacancies in favour of Scheduled Caste/Scheduled Tribe and other benefits admissible to them ;
- (ii) ensuring timely submission of various reports to Government regarding recruitment/Promotion of Scheduled Caste/Scheduled Tribe against the reserved vacancies ;
- (iii) Scrutinising and consolidation of various statements received from subordinate offices (regional/zonal/divisional offices) ;
- (iv) conducting annual inspection of rosters ;
- (v) ensuring extension of necessary assistance to Government and the Commissioner for Scheduled Caste/Scheduled Tribe in the investigation of complaints received by Government and the Commissioner in regard to service matters ;
- (vi) answering queries and clearing doubts raised by the zonal/regional/divisional offices of the bank in regard to matters covered by reservation orders ;

(vii) looking into the grievances of Scheduled Caste/Scheduled Tribe employees regarding their service matters.

(vii) answering queries and clearing doubts raised by the zonal/regional/divisional offices of the bank in regard to matters covered by reservation orders ;

(ix) looking into the grievances of Scheduled Caste/Scheduled Tribe employees regarding their service matters.

1.13 It has been stated that the functions regarding implementation of Government guidelines on reservation, concession, and employment of Scheduled Caste/Scheduled Tribe are being attended to at the Central office of the bank by the Personnel Department headed by the Deputy General Manager (Personnel). A Special Cell has been set up at the Head Office for implementation of reservation orders and looking into the complaints of Scheduled Caste/Scheduled Tribe category candidates. The special cell is constituted as a part of the Recruitment and Manpower planning Section in the Department of Personnel headed by a Deputy General Manager. The Assistant General Managers of Bank's Zonal Offices are appointed as Liaison Officers for implementation of Government guidelines regarding reservation, etc. pertaining to Scheduled Caste/Scheduled Tribe. The Deputy General Manager (Personnel) who is in Top Executive Grade (Scale VI) is assisted by Manager (Personnel) who was till recently the Liaison Officer at the Head office for Scheduled Castes and Scheduled Tribes.

1.14 The Liaison Officer of the Bank at the Head Office has since been changed and Dr. V. Kardak, Manager (Planning and Development) belonging to Scheduled Caste category has been nominated as Liaison Officer.

1.15 The various statements submitted by the Bank regarding Recruitment and Promotion of Scheduled Castes/Scheduled Tribes against reserved vacancies are sent by the Department of Personnel. Manager (Personnel) co-ordinates the function relating to the interpretation of Government Directives on reservations/concessions to be extended to Scheduled Caste and Scheduled Tribe candidates and implements the same. The progress of implementation is reported to the Board of Directors on a periodical basis.

1.16 The Liaison Officers appointed at Zonal Offices in May, 1983 have been advised to keep the Head Office informed of the matters that are discussed with the representatives of the Scheduled Caste/Scheduled Tribe employees Associations and other related matters. Wherever necessary suitable guidelines are given to Zonal Offices by the Head Office. No meetings have been held so far of the Liaison Officers to discuss the matters of common interest.

1.17 As regards the functions of the Assistant General Manager of the Banks Zonal Office who is appointed as Liaison Officer, the representative of the Bank stated as under :-

"The Assistance General Manager is the Administrative Head of the Zone and the zone will be under his charge. He is overall coordinating authority of the work done. He can find sufficient time to look after the problems."

1.18 The Committee have been informed that in the Banking Division of Ministry of Finance there is a Scheduled Caste/Scheduled Tribe cell working under the overall charge of a Joint Secretary which is responsible for watching the implementation of Government orders regarding reservation for Scheduled Caste/Scheduled Tribe in Public Sector Banks/Financial Institutions. At present the composition of the Cell/Section is as follows :—

Section Officer	1
U.D.C.	1
L.D.C.	2

An Under Secretary is in-charge of this Cell/Section. The work of the Under Secretary is supervised by a Deputy Secretary. The over-all charge is with a Joint Secretary.

1.19 The Officer incharge of Scheduled Caste/Scheduled Tribe Cell in the Banking Division functions as the Liaison Officer. The various statements received from the Bank regarding recruitment/promotion of Scheduled Caste/Scheduled Tribe against reserved vacancies are scrutinised in the cell and the shortfalls, if any, pointed out to the bank. The queries/doubts posed by the bank to the Banking Division are examined by this cell and the necessary clarification is sent to the bank. The representations received from the Scheduled Caste/Scheduled Tribe Associations in the Banking Division are taken up with the bank (s) and necessary guidelines are issued wherever considered necessary.

1.20 Enumerating the functions of the Cell, the representative of the Ministry of Finance, has stated during evidence that a large number of representations received regarding service matters were examined and taken up with the concerned banks. Parliamentary questions were also taken up on a priority basis. Letters from MPs, MLAs were attended to. Various instructions issued by Government from time to time were examined and forwarded to banks for implementation. Collation and coordination of information on credit was being done by the Cell. The officers of the Cell occasionally met the bank staff and discussed with them the matters raised in their representations concerning the banks.

1.21 Asked whether reports relating to reservation for Scheduled Castes/ Scheduled Tribes in services received from the banks, were checked and necessary instructions issued to banks, the representative of the Ministry of Finance has stated during evidence :—

"We do try to undertake this work to the best of our capacity.

We do receive reports from the banks periodically as are prescribed and those reports are examined."

1.22 In reply to a question by the Committee regarding the reasons for delay in taking final decision on the proposal to strengthen Scheduled Caste/Scheduled Tribe Cell in the Banking Division, the representative of the Ministry of Finance has stated during evidence that the proposal had been under discussion with the Finance Department. Some posts were agreed to with the Home Ministry but they wanted that some saving should be effected. It had been decided that the matter might be taken up next year.

1.23 In reply to a further question, the representative of the Ministry of Finance has stated during evidence that an officer of the rank of Deputy Secretary was already looking after the work of Scheduled Caste/Scheduled Tribe Cell in addition to some other work. He has further stated as under :—

"We are able to coordinate with the other officers who are working particularly in respect of credit matters. Those officers primarily undertake the work of monitoring credit to Scheduled Caste/Scheduled Tribe. They give the information to this Cell and to that extent, we would say that this Cell is presently in a position to meet the requirements of work."

1.24 In reply to a question, the representative of the Ministry of Finance has stated in evidence that besides the work of reservation, the Joint Secretary in-charge of Banking division looked after the work relating to Personnel, Reforms and Vigilance.

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

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

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

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

CHAPTER II

RESERVATIONS

A. Adoption/Implementation of Reservation Orders

2.1 The Committee have been informed that in direct recruitment the Union bank of India is reserving vacancies for scheduled Castes and Scheduled Tribes since 19th July, 1969, the date of nationalisation of the bank, in all the three cadres i.e. Officers, Clerks and sub-staff in accordance with the Directives of Government of India. In the officers cadre, recruitment is done on an all India basis and hence 15% and 7½% vacancies are reserved for Scheduled Castes and Scheduled Tribes respectively, In the clerical and sub-staff cadres where recruitment is done on a state-wise basis, reservations are provided as per Government Directives which prescribe different percentages of reservation for different states as shown below :—

<i>State</i>	<i>Direct Recruitment</i>	
	S.C.	S.T.
1	2	3
A.P.	13%	5%
Assam	6%	11%
Bihar	14%	9%
Gujarat	7%	14%
Haryana	19%	5%
H.P.	22%	5%
J & K	8%	5%
Karnataka	13%	5%
Kerala	9%	5%
Maharashtra	6%	6%
M.P.	13%	20%
Manipur	2%	31%
Meghalaya	1%	44%
Nagaland	—	45%
Oriasa	15%	23%
Punjab	25%	5%
Rajasthan	16%	12%
T.N.	18%	5%

State	Direct Recruitment	
	S.C.	S.T.
Tripura	13%	29%
U.P.	21%	5%
W.R.	20%	6%
Andaman & Nicobar Is.	—	16%
Arunachal Pradesh	—	45%
Chandigarh	12%	5%
Dadra & Nagar Haveli	2%	43%
Delhi	15%	70%
Goa, Daman & Diu	2%	5%
Lakshadweep	—	45%
Pondicherry	16%	5%

2.2 It has been stated that reservations in promotion became effective from 16.9.1980. Asked why there was delay in implementing government orders which were issued in 1972 and then in 1974 it has been clarified in a note that promotions from sub-staff to clerical cadre and clerical to officer's cadre in the Bank are governed by Promotion Agreements entered into with the Employees Association. Promotion Agreement entered into in the year 1975 did not provide for any reservations in promotion from one cadre to the other cadre. However, after the receipt of Government Directives in December, 1977 the Employees Union was advised to come to the negotiating table for amendment of the Promotion Agreement to provide for the reservations in accordance with the Government Directives. After protracted correspondence and persuasions the promotion agreement was finally amended in September, 1980 for providing reservations to Scheduled Castes and Scheduled Tribes in accordance with Government Directives. While 15% and 7½% vacancies in promotion from clerical to officer's cadre are reserved for Scheduled Castes and Scheduled Tribes respectively, no reservations are made from sub-staff to clerical cadre since the element of direct recruitment in clerical cadre exceeds 66 and 2/3% of the total vacancies. Only a very small proportion of vacancies are filled through promotion from sub-staff.

2.3 As far as promotions within the officers cadre from one scale to the other scale are concerned, the Government of India guidelines do not provide for reservation to be given since all our promotions from one scale to the higher scale are by selection.

Reservation in temporary appointment for 45 days or more

2.4 In the officers cadre, no temporary appointments are made. As per the Directives from the Government of India, all temporary clerical appointments are to be made only from the panels received from the Banking Services

Recruitment Boards. No temporary appointments are made in the clerical cadre since relieving pool of clerks has been made to tide over problems of temporary vacancies. As regards temporary appointments in the sub-staff cadre, in accordance with the procedure followed by this bank, Employment Exchanges are notified of vacancies in each region and while doing so, the reservations for SC & ST are also indicated. Accordingly, candidates sponsored by the Employment Exchanges for both reserved and general categories are interviewed and the panel of selected candidates prepared and kept ready. These selected candidates are first utilised for temporary vacancies and thereafter as and when permanent vacancies arise, they are given permanent appointments. Hence reservations in sub-staff cadre even in temporary vacancies are automatically maintained.

Reservation in Confirmation

2.5 It was stated during evidence that there was no reservation in confirmation.

Asked how the employees in the bank were confirmed, the representative of the bank stated :—

“All our people are confirmed automatically on the basis of appraisal. Almost all the people are confirmed after six or eight months.”

2.6 A built-in system of checks to ensure that reservations for SCs/STs are actually fulfilled is in vogue. With a view to ensure that reservations are properly arrived at, the liaison work with the B.S.R.B. is centralised at Head Office of the Union Bank of India. Similarly, all recruitment work in the permanent cadre of the Bank is centralised at the Bank's H.O. The allotments made by the P.S.R.Bs are verified and forwarded to Regional Office/Zonal Offices for appointment. Feedback from Regional/Zonal Offices is obtained to ascertain the number of candidates who have accepted the offer and who have joined the services of the Bank. Similarly, even in the Sub-staff Cadre the panels for temporary/permanent appointments prepared by various Zonal/Regional Offices are received at the Bank's Central Office and permanent appointments are made only after verifying the vacancy position in each area. Substitutes for drop outs are indented to the B.S.R.P./Employment Exchanges keeping in view the reservations position. Every time an indent is placed to the Recruitment Board the number of reserved vacancies are informed.

2.7 In regard to the action taken by the Ministry of Finance on the orders issued in 1972 and 1974 relating to reservation in promotion, the Committee have been informed as under :—

“The orders issued by the Ministry of Home Affairs in November 1972 regarding reservation in promotion by “Seniority subject to fitness” and in July 1974 regarding reservations in promotion “by selection” were examined by the Ministry of Finance (Banking Division). The views of the Reserve Bank of India and the Banks were

also sought. It was observed that there had been no uniformity in making promotion in the Banks. Added to this was the fact that the promotion policy in the banks was based on agreements entered into between the managements and the Unions of their employees. In view of these factors, it was not considered feasible to issue any common guidelines to banks to introduce reservations in promotions. It was therefore, decided in 1975 that to start with, the banks may give 5% relaxations in qualifying marks both in written examination and in interview to SC/ST employees. The banks were also asked to ensure in future that the agreements entered into with employees Unions do not stand in the way of making reservations in promotions wherever required.

The question of introduction of reservation in promotion was further examined in the Banking Division. Meanwhile, the Reserve Bank of India prepared a scheme for introducing reservations in promotions to its staff. It was felt that because of the existence of agreements with employees' Unions, it would not be possible to introduce a uniform promotion policy for all the banks. The scheme evolved by the Reserve Bank of India was, therefore, sent to all the banks for adoption, with suitable modifications, in December, 1977. The banks were also advised that they should modify their existing schemes of promotions to provide for reservations for SC/ST. The banks started negotiations with the Unions and introduced reservations for SC/ST in posts filled in by promotions from Sub-cadre to clerical cadre and from clerical cadre to officers cadre (Junior Management Grade. Scale-I)."

2.8 In reply to a question as to when the directives of the Government regarding reservations in promotions issued in 1972, 1974 and 1977 were placed before the Board of Directors and what was the decision of the Board in regard to their implementation it has been stated that practice of placing copies of the Directives received from Government of India before the Board of Directors has been introduced only from August, 1983, when such instructions were received from Reserve Bank of India. Prior to August, 1983 only where decisions/approval of the Board of Directors was needed for implementation of any guidelines/suggestions received from the Government, such directives were only placed before the Board.

2.9 During the course of evidence, the Committee drew attention of the representative of the Union Bank of India to the counter-affidavit filed by the bank in the Supreme Court of India in the writ petition by Shri S K. Rajpriva and others against the bank in which work of the Committee had been mentioned as "routine work" Relevant extracts from the counter affidavit are given in *Appendix III*.

2.10 In reply the representative of the bank has stated during evidence as under :

"I would first apologise on behalf of my bank for using the words 'routine'. This affidavit has been signed by the Bank Manager, But I own the responsibility for that. I apologise for that."

2.11 When it was pointed out that the averments made in the affidavit were not based on facts, the representative of the bank stated during evidence that he would examine the affidavit as well as their reply and correct the position in the court.

A copy of the affidavit filed by the bank for amendment of the earlier affidavit is given at *Appendix IV*.

2.12 On being enquired whether it was not a fact that reservation in promotion was given in 1980 when the employees went to the High Court but after a few months the agreement was revised as a result of which reservation was withdrawn, the representative of the bank has stated during evidence as under :-

"This is not the case. In the High Court they went for retrospective promotion. That appeal was dismissed. Then they went in revision."

2.13 In reply to another question, the representative of the bank has stated during evidence that reservation continued even under the modified agreement. He explained that previously 25% of vacancies of officers were filled by direct recruitment 25% by test and 50% by seniority. After modification 25% were taken by direct recruitment and 75% by promotion through test and interview. He further said that it was stated in the modified agreement that reservations are to be provided for Scheduled Caste/Scheduled Tribe candidates as per the guidelines received from the Government, from time to time.

2.14 When it was pointed out that according to the footnote in the agreement of understanding, provision regarding reservation had been deleted, the representative of the bank has stated as under :-

"I would like to submit that the asterisk mark given there is a mistake, In the original it is not there. The original agreement does not contain the asterisk mark."

Copy of the relevant Memorandum of understanding as furnished to the Committee is given in *Appendix V*.

2.15 As regards circulation of Government orders regarding reservation in promotion, the representative of the Union Bank of India has stated during evidence as under :-

"The Bank received the order in 1978. There is a bilateral agreement between the employees and the employer which has legal force."

2.16 The representative of the Ministry of Finance clarifying the position has stated during evidence as under:—

“The position is that the reservation orders are applicable. Whatever agreements etc. are to be entered into have to be in conformity with the Government instructions regarding reservation. This is so in respect of prospective promotions. In respect of the agreement, it should have been in conformity with the reservation orders. However, the point is if there are any existing agreements they cannot be ignored because the Supreme Court and some other courts have declared that the agreements cannot be changed unless supplemented or changed by another agreement.”

2.17 The representative of the Union Bank of India has explained that they received the Government instruction in 1978. The earlier agreement was of 1975. They had to change the agreement and were trying to bring the employees to the negotiating table and they were avoiding it. After 1978 they did not make any agreement which was against the Government policy.

2.18 When asked whether by modifying the subsisting bilateral agreement it would be beneficial to the Scheduled Caste and Scheduled Tribes, the representative of the Union Bank of India stated during the evidence that previously he was eligible for promotion after 5 years of service in clerical grade. Now it was 3 years. Minimum percentage of marks now prescribed for promotion was 35% as against 45% previously. He also got weightage in seniority by giving marks for one year.

2.19 The representative of the bank replied in the affirmative when asked whether these concessions were addition to reservation policy.

2.20 In reply to a question whether matters regarding court cases were examined in the Department of Banking, the representative of the Ministry of Finance has stated as under evidence :-

“... there are a number of banks and these matters concerning the court cases normally do not come to us. But as and when anything comes to our notice we certainly help the bank in appreciating the position correctly... Normally what happens is that within a limited period of time they may have to file the case and things have to be taken up immediately. So, cases which may or may not be of minor nature, they may not route it through us. Whenever, banks ask for our assistance, we take this up. But in a large majority of cases, this will normally be settled at the bank level.”

2.21 Asked whether in matters of reservation policy, the Banking division will consider issuing a circular to the banks that they should file the cases only

after scrutiny by that Division, the representative of the Ministry of Finance stated as under :-

"Banks are aware of the guidelines issued in this direction."

2.22 The Committee pointed out that in cases where Scheduled Caste and Scheduled Tribe employees approached the courts complaining that the reservation policy in public sector institutions e. g. Union Bank of India was not being followed, the Cell in the Banking Division had a duty to find out whether the Complaint made in their petition was correct or not. In this connection, the representative of the Ministry of Finance has stated as under :-

"The Cell as it stands today is dealing with a number of complaints and also disseminates information etc. So, on a case-to-case basis, if a complaint comes, they take it up. But if we say that every case referred to the court should be vetted by the Ministry of Finance, there may be a number of constraints, including the time factor...We do go into cases coming to our notice. Firstly, the bank itself looks into those things. There is also a Board having Govt's nominees which overrules things. If things do not get settled at the bank level, they come to the Ministry."

2.23 Asked about the number of cases which go to the Supreme Court or High Court in Banking Division, the representative of the Ministry of Finance has stated as follows :-

"It is not always the policy issues which are involved ; there are a number of matters pertaining to the specific points arising in the implementation of policies in the banks which are also involved. These are points which are matter of detail with reference to the actual position prevailing in the banks of which the banks are in a position to know but we are not. There are a large number of cases and every case does not come to us that may have gone to the court. They may be taken at different stages. I do not think that the cases are large. In those cases, there are a large number of issues. There may be general policy issues where Government is also a party."

2.24 The Committee note the reservations in promotion have been made applicable in the Union Bank of India w.e.f. 16. 9. 1980. Asked about the delay in implementing Government orders relating to reservations in promotion which were issued in 1972 and 1974, and were received by the bank in December, 1977, the Committee have been informed that promotions from sub-staff to clerical cadre and clerical to officers cadre in the bank are governed by promotion agreements entered into with the Employees' Association. Promotion agreement entered into in the year 1975 did not provide for any reservation in promotions from one cadre to the other cadre. On receipt of Government directives in the Bank in December, 1977, the Employees' Union was advised to come to the negotiating table for amendment of the promotion Agreement to provide for the reservations in promotion in accordance with the Government Instructions. The promotion agreement was finally amended in September, 1980 and as such the reservations in promotions have been made applicable in the bank from that date. The committee regret to point out that there has been undue delay on the part of the Ministry of Finance in circulat-

ing the orders relating to reservation in promotion to the nationalised banks as a result of which SC/ST employees could not avail of the benefits of reservations in promotion for full eight years.

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

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

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

2.28 The Committee are pained to note that the directives of the Government regarding reservations in promotions issued in 1972 and 1974 were not placed before the Board Directors of the bank as the practice of placing copies of the directives from the Government of India before the Board of Directors has been introduced from August, 1983 on receipt of such instructions from Reserve Bank of India. This is contrary to the information given by the bank to the Committee that the Board of Directors are informed of Government instructions relating to Scheduled Caste/Scheduled Tribes and they endeavour to ensure implementation of these instructions. The Committee fail to understand how the Board can ensure implementation of instructions which are not placed before them. The Committee recommend that all instructions regarding reservations for Scheduled Caste/sche-

duled Tribes in services issued by the Department of Personnel and Administrative Reforms should be placed before the Board of the Directors of the bank at the earliest for prompt implementation.

B. Reservation in Direct Recruitment

2.29 The Committee have been informed that there are 3 cadres of staff in the Bank, viz. Officers, Clerical and Sub-Staff. Within the Officers, there are 7 scales as per the Union Bank of India Officers Regulations, viz. Junior Management Grade (Scale I), Middle Management Grade (Scale II), Middle Management Grade (Scale III), Senior Management Grade (Scale IV), Senior Management Grade (Scale V), Top Executive (Scale VI) and Top Executive (Scale VII.) Generally direct recruitment is made for posts in Junior Management Grade (Scale I) in the Officer's Cadre and for clerical and Sub-Staff cadres only. In other words, recruitment to Officer's Cadre is generally to fill up vacancies in Junior Management Grade (Scale I) only.

2.30 The scales of pay and the selection process of all categories of staff are given below :

Cadre	Pay Scale	Process of Selection
OFFICERS		
Jr. Mgt. Gr. (Scale I)	Rs. 700—40—900—50 1100—EB—1200—60— 1800	25% by direct recruitment and rest by promotion from within for Probationary Officers. Requirement of Specialised Officers is done by direct recruitment through B.S.R.B.
Middle Mgt. Cr. (Scale II)	Rs. 1200—70—1550— 75—2000	Promotion from within
Middle Mgt. Cr. (Scale III)	Rs. 1800-75-2250	do
Sr. Mgt. Gr. (Scale IV)	Rs. 2000—100—2400	do
Sr. Mgt. Gr. (Scale V)	Rs. 2506—100—2700	do
Top Executive (Scale VI)	Rs. 2750—125—3250	do
Top Executive Scale VII	Rs. 3000—125—3500	do

CLERICAL,	Rs. 325—20—405—25— 455—30—545—35— 580—40—660—45— 750—50—800—60— 1040	Mainly by direct recruitment and a small proportion by promotion from the Sub-Staff.
SUB-STAFF	Rs. 245—7—280—10— 330—12—390—15— 435—20—455	Mainly by direct recruitment.

2.31 Vacancies in the Jr. Management Grade (Scale I) in respect of Probationary Officers are filled in as stated earlier in accordance with the Promotion Agreement entered into with the Employees' Union. Accordingly, 25% of the vacancies are filled in by direct recruitment through B.S.R.B. and the remaining 75% are filled in by promotion from within from the clerical cadre.

2.32 Break-up of total number of Officers in various grades together with their pay scales and the number of Scheduled Caste/Scheduled Tribes Officers in each grade as on 31.12.1982 is given below :

Scale of Officers	Total No. of officers in various grds.	No. belonging to SC category	No. belonging to ST Category
JMG—Scale I	5,413	256	52
MMG—Scale II	1,058	4	—
MMG—Scale III	304	—	—
SMG—Scale IV	80	1	—
SMG—Scale V	16	—	—
Top Ex. Gr. Scale VI	7	—	—
Top Ex. Gr. Scale VII	3	—	—
	6,881	261	52

2.33. A statement showing yearwise recruitment made by Union Bank of India during the last 3 years is given in Appendix-VI. Asked about the reasons for low representation of Scheduled Castes and Scheduled Tribes in the Officers cadre, the representative of the Union Bank of India has stated during evidence as under :

“Generally the recruitment is for scale I. In Scale I we get a number of officers and here the position is improving day by day. At the time of nationalisation, there were three officers.”

He further stated that the percentage had now gone upto 4.42.

2.34 Various categories of posts in the Clerical Cadre haveing the same pay scale are as under :

Clerk-cum-Cashear, Clerk-cum Typists, Stenographers, Telephone) Operators, Typists.	} Rs. 325—20—405—25—455—30 545—35—580—40—660—45 750—50—800—60—1040
---	--

Vacancies in the clerical cadre are generally filled by direct recruitment. A very small proportion of vacancies are also filled through promotion from Sub-Staff.

2.35 While under-graduates are taken with a basic pay of Rs. 325/- per month, graduates are given Rs. 365/- per month at the beginning of their career as per the terms of the Bipartite Settlement.

2.36 Stenographers, Telephone Operators, are given special allowance as prescribed in the Bipartite Settlement. Special Assistant in banks is an employee in the clerical cadre and forms part of workmen staff. A workman appointed as Special Assistant is required to perform in addition to his routine duties, certain special duties enumerated in the bipartite settlement and for performance of these special duties he is entitled to certain special allowance. The details of special allowance admissible for different kinds of special duties is given in Appendix VII. Posting of a clerk as a Special Assistant is not considered as promotion. There is only one Special Assistant in the Bank at the moment belonging to Scheduled Caste/Scheduled Tribes.

2.37 When asked why special favour was being shown to Special Assistants by this method, the representative of the Ministry of Finance has stated during evidence as under :

“This special pay is for the special extra work that he is required to do such as checking etc. Now on the basis of seniority a persons becomes Special Assistant. That persons could be a Scheduled Caste or Scheduled Tribe or any other persons...Not many Scheduled Caste/Scheduled Tribe people are there as Special Assistant. It is true. But there is no bar for Scheduled Caste or Scheduled Tribe person to become a Special Assistant.”

2.38 When the Committee enquired why the employees were allowed to contribute a portion of their special allowance to the EPE, the representative of the Ministry stated :

“That is the part of the structural system.”

He could not say off hand whether it was in existence before nationalisation.

2.39 When the Committee pointed out that instead of treating Special Allowance as basic pay, another category could be created, the representative of the Ministry of Finance has stated as under :

“We have taken note of this fact that there is a discrepancy in the prescribed structure and the existing structure in the banking system.

There is some implication that has been brought out clearly by the hon. Member in his intervention. The totality of picture will be reviewed by Government and a view taken one way or the other... It is not only for me to decide, the Minister will have to decide it."

2.40 In regard to allowing the employees to contribute a part of the allowance to EPF and having an equal contribution from the bank, the representative of the Ministry of Finance stated that this related to a wage negotiation which took place in 1978-79.

2.41 When the Committee pointed out that at the time of bilateral agreement they should have thought of creating another category and as result of that some of the Scheduled Caste people should have been promoted, the representative of the Ministry of Finance has stated :

"We will take note of it."

Recruitment of Sweepers

2.42 Total number of part-time Sweepers in the Bank as on 30th September, 1983 aggregate to 1166 as under :

(i) On a stipend of Rs. 60/- p.m.	387
(ii) On scale basis	779
	1166
	1166

2.43 The salary is fixed in accordance with the Bipartite Settlement which is applicable to the entire Banking Industry depending upon the time taken to sweep and clean the branch premises. The Sweepers are given.

1/3 or 1/2 or 3/4 or full-time scale wages as per Bipartite Settlement as under :

<i>No. of hours of work per week</i>	<i>Salary payable</i>
upto 3 hours	at Bank's discretion.
3 to 6 hours	Min. Rs. 60/- p.m.
6 to 13 hours	1/3 scale wages.
13 to 19 hours	1/2 scale wages
19 to 29 hours	3/4 scale wages
Beyond 29 hours	Full scale wages.

2.44 There are 508 non-Scheduled Castes Sweepers in the Bank. Their duties include cleaning of the branch premises including W.C. block of the branch/office.

Full-time Sweepers and Peons are eligible for promotion to clerical cadre in accordance with the provisions of Promotion Agreement.

2.45 So far no case had come to the notice of the Bank where a non-Scheduled Caste sweeper got the cleaning jobs done by other Scheduled Caste persons and drew the salary himself.

2.46 The Committee pointed out that according to the statement showing the total number of employees in the bank as on 31.12.1982 and the number of Scheduled Castes and Scheduled Tribes amongst them, there were 1119 part-time sweepers out of which 574 belonged to Scheduled Castes and 44 to Scheduled Tribes, and enquired why they were appointed on part-time basis and what was the procedure followed for their regularisation in the service of the bank.

2.47 The representative of the Union Bank of India stated that sweepers formed a part of the subordinate staff and they were taken from the District Employment Exchanges. Where the work load was less, they were kept on part-time basis. When regular employment was to be given, first preference was given to part-time sweepers. In reply to a question, he stated that they were following reservation principle in the recruitment of sweepers and wrote to the Exchanges to send the requisite number of Scheduled Caste/Scheduled Tribe people. He further stated that part-time sweepers were permanent and appointed on salary basis. They had also got a panel of temporary candidates. When somebody went on leave, the temporary people who were available with them were appointed.

2.48 When the Committee expressed the apprehension that a non-Scheduled Caste man might get himself recruited as a sweeper and after that employ some body on his behalf to the job, the representative of the bank stated that it did not happen in their bank.

2.49 In reply to a question regarding three categories of posts in the Bank instead of four categories i.e. Groups A, B, C and D according to Government directions, the representative of the Ministry of Finance has stated during evidence as under :

“The recommendation made while examining Syndicate Bank was that there should be four groups...As you are aware, the Banking Institutions are following different pattern. Whatever decision is taken has to be applied to everyone. We are examining the implications of this recommendation.”

2.50 When it was pointed out that in between this classification, posts of Special Assistants, Head Clerks and Head Cashiers had been created as a result of which benefits had been denied to Scheduled Caste employees, the representative of the Ministry of Finance has stated as under :

“If you take each as a separate category, then there is a different perception one can have. If you take them as members of a group and the percentage is applied to the total, then in terms of the total, the

policy is being implemented...There are various pros and cons in favour of a running group and in favour of sub-groups."

2.51 The Committee pointed out that one group was totally eliminated in the existing classification in banks and asked how the interests of the people who otherwise would have been qualified for promotion under that group were protected. In reply, the representative of the Ministry of Finance has stated during evidence as under :

"Today, these categories must be in Group C. It is not that they do not exist. Instead of putting in Group B, they have been put in Group C which exists in the Banking system."

He has further explained :

"These three categories have been in existence almost since 1947. These categories have come into the banking Structure on the basis of the structure which was inherited even before and on the basis of various awards, agreements etc. which have been worked out...Govt. of India's instructions are that in spite of primarily the four categories which are prevailing in the Government, they also say that similar reservation orders will apply to all the public sector undertakings, but there is no mandate that every public sector undertaking must have the same organisational structure as is prevailing in the Government."

2.52 When the Committee pointed out that several institutions which had got their own pattern had joined the mainstream after nationalisation and had reclassified the posts into four categories, the representative of the Ministry of Finance stated that organisational need of each organisation varied. He denied that it was because almost all the office bearers of the Union had come from the Special Assistant Cadre. He stated that the Special Assistants posts had been in existence even prior to 1969 when reservation orders became applicable in banking industry. The structure of the banking industry had not been created in order to deprive some people of reservation in a particular category because this structure had been in existence even prior to 1969.

2.53 When the Committee enquired whether the existing structure came in the way of reservation orders, the representative of the Ministry of Finance stated that the reservation orders related to vacancies in the Government and they had to be made applicable to Public Sector organisations. An organisational structure which was suited to the Government need not be necessarily suited to a public sector organisation because the structure was related to the work the organisation was doing and the kind of requirements the organisation had to meet.

2.54 On a suggestion by the Committee during evidence that posts reserved for Scheduled Tribes should be filled up not only through employment

exchange but also by advertising on the All India Radio, the representative of the Ministry of Finance has stated as under :

"If the banks have branches in the States where Scheduled Tribe population is not there; then they have a little difficulty in getting Scheduled Tribe people.....The procedure is that the Banking Services Recruitment Board organises their examinations on regional and sub-regional basis which can be a district or a group of districts. Supposing it is in Delhi. There the Banking Service Recruitment Board will recruit people for all the nationalised banks within its area."

2.55 When it was suggested that recruitment of Scheduled Tribe candidates could take place in places like Ranchi or Adivasi pockets in M.P. the representative of the bank has stated :

"...In all these areas there would be centres for examination...therefore it is not as if that these people are not going into these interior areas. They are going into these areas and they are conducting the examinations."

2.56 Regarding the number of cases during the last 3 years in which candidates who has held out as Scheduled Caste/Scheduled Tribe at the time of recruitment were on investigation found to be not belonging to Scheduled Caste/Scheduled Tribe, the Committee have been informed that so far only one such case has come to Bank's notice and orders terminating the services of the concerned employee for furnishing wrong information have since been issued.

2.57 It has further been stated that the primary responsibility to verify the factual position before issuing a caste certificate to an individual claiming to be a member belonging to Scheduled Caste/Scheduled Tribe is that of the prescribed authorities authorised to issue such certificates. The Banking Service Recruitment Board and the banks verify the correctness of the claims with reference to the certificates issued by these authorities. In the event of a doubt, a verification is also done through the District Magistrate of the area where the candidate or his family ordinarily resides.

However, the Banking Service Recruitment Board and the banks have been advised that while making appointments, candidates may be specifically told that if after verification, their claims of belonging to Scheduled Caste or Scheduled Tribe are found to be false, their services are liable to be terminated without any further notice.

2.58 In Central Government Services, Posts have been Classified into 4 groups, namely, Group 'A', Group 'B', Group 'C' and Group 'D'. Accordingly, the Brochure on Reservations for Scheduled Castes and Scheduled Tribes in posts/services under the Public Enterprises issued by Bureau of Public Enterprises provides that posts may be treated as Group 'A' 'B' 'C' and 'D' for the purpose of implementing reservation orders. The Committee however find that in the Union

Bank of India, there are only three Groups of posts i.e. Officers Cadre, Clerical Cadre and Sub-staff Cadre which are analogous to group 'A', Group 'C' and Group 'D' in the Government of India. The Committee find that there is no Group 'B', or category of posts equivalent to group 'B' in the services of the Bank as a result of which Scheduled Caste/Scheduled Tribe employees have been deprived of the benefit of reservation in recruitment/promotion to that category if it had been in existence. The Committee have been informed that the implications of the recommendation made by the Committee in para 2.82 of their 37th Report (1982-83) on Syndicate Bank relating to reclassification of posts are still under examination. The Committee desire that a decision in this regard should be taken at an early date so that classification of posts in the Banking Industry is brought at par with that existing in Government of India and other Public Sector enterprises. The Committee are of the firm view that promotional avenues for Scheduled Caste and Scheduled Tribe will considerably improve if there are Group 'B' Posts in the banks.

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

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

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

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

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

C. Reservation in Promotion

2.64 The Committee have been informed that as per the guidelines received from the Government, reservations for promotions apply to promotions from Clerical Cadre to Officer's Cadre only and do not apply to promotion from sub-staff to Clerical Cadre since the element of direct recruitment in the clerical cadre exceeds 66.2%.

2.65 As far as promotion within the Officer's Cadre from one scale to the other scale is concerned, the Government of India, guidelines do not provide for any reservations to be given since promotions from one scale to the higher scale are done by selection.

2.66 Percentage of reservation in promotions from clerical to officers cadre (Junior Management Grade I) is 15% for Scheduled Castes and 7.1/2% for Scheduled Tribes and is effective from 16.9.1980. Prior to September, 1980, the then Promotion Agreement entered into with the Employee's Union which was in force did not provide for reservation for Scheduled Caste/Scheduled Tribe in promotions from one cadre to the other cadre. After the amendment of the Promotion Policy Agreement in September, 1980, no interviews have been conducted so far for promotion from Clerical to Officer's Cadre.

2.67 It has further been stated that the Bank's Promotion Policy regarding promotions from sub-staff to Clerical cadre and clerical to officer's cadre has been framed after arriving at an Agreement with the Employees' Union. The new promotion policy regarding promotions from clerical to officers cadre reached with the Employees' Union is effective from 1st January, 1983. As far as the Promotion Policy for officers from one scale to the other scale is concerned, they are governed by the Promotion Policy framed by the Board of Directors under the Union Bank of India Officers' Service Regulations, 1979.

2.68 Following statement shows the total number of persons promoted during each of the last 3 years in the various categories of posts and the percentage of Scheduled Caste/Scheduled Tribe employees among them :—

Promotion from Clerical to Officers Cadre

	Total Promoted	Scheduled Castes Promoted	Scheduled Tribes Promoted	% of Scheduled Castes	% of Scheduled Tribes
1980	No promotions were effected in 1980 after the amendment of Promotion Agreement in September 1980 to provide for reservation for Scheduled Caste/Scheduled Tribe in promotion to officer cadre.				
1981	328	47	17	14.33	5.79
1982	236	44	20	18.64	8.47

Promotion from Sub-Staff to Clerical Staff

- 1980 Since the element of direct recruitment in the clerical cadre is more than 66.2/3%, no reservations have been provided in promotion to the clerical cadre. However, eligible sub-staff belonging to Scheduled Caste/Scheduled Tribe category are given 10% relaxation in both test and interviews and all those who have qualified in the test and interview are promoted to the clerical cadre.
- 1981
- 1982

2.69 Salient features of the revised Promotion Agreement for Award Staff reached with the Workmen Unions effective from 1st January, 1983, are given in succeeding paragraphs.

2.70 Promotions are to be made through single channel of test. The present system of filling up the post of Officers by seniority is abolished. The present watertight compartment of Cashiers and General Clerks to be removed. Out of vacancies of officers to be filled in by the Bank, 25% will be by direct recruitment and 75% by the promotional process. Recruitment of Specialists will be outside the purview of this promotion Policy. Minimum 3 years of service in the clerical cadre will be essential for appearing in the Promotion test.

Promotional Process :

There will be a written test in the following subjects :

- | | |
|---|----------|
| 1. English | 50 marks |
| 2. Law & Practice of Banking | 50 marks |
| 3. Commercial Law/Economics/Accountancy | 50 marks |
| 4. Practical Banking...Objective Test | 50 marks |
| Minimum marks for passing in each paper | 35% |
| Aggregate | 45% |

Marks for experience and banking qualifications such as CAIIB Part I and II, will be added to the marks obtained in test for the purpose of ranking in merit test.

***Exception**

Notwithstanding the above, the employees who have joined as Clerks prior to 31st December, 1969 will be given marks for the length of service at the rate of 2 marks for each completed year of service, subject to maximum of 30 marks and they will not be required to obtain minimum marks in each paper. However, they should obtain minimum 35% marks in aggregate, which should include marks for length of service. Those employees who have joined the Bank on or after 1st January, 1970 and who have put in minimum 10 years of service will be given 2 marks for each year of service, subject to a maximum of 30 marks.

Area of Selection

All India basis.

Validity of the List

Till it is exhausted.

Reservation

Reservation to be provided for Scheduled Caste and Scheduled Tribe candidates as per the guidelines received from the Government from time to time.

Commencement

2.71 The new Promotion Policy will come into force from 1st January, 1983. However, as regards the list of candidates declared successful in accordance with the then Promotion Agreement and which has expired in November, 1981, will be revalidated and kept open until such time it is exhausted. Vacancies of officers indentified under 50% quota of seniority under the Promotion Agreement of 1975 and remaining to be filled in 1982 as on date, will be filled in accordance with the said promotion Agreement.

*At the time of factual verification, the Ministry of Finance (Department of Economic Affairs—Banking Division) have informed the Committee *vide* their O.M. No. 5/8/84—SCTC (B) dated 24th April, 1984 that this clause has been deleted from the revised Promotion Agreement and the following clause has been added :

“Employees who completed 10 years of service will be given marks for length of service at 2 marks for each completed year of service, subject to maximum of 30 marks. They will not be required to obtain minimum marks in each paper. They will, however, be required to obtain minimum 35% marks in aggregate which will include marks for length of service.”

and the remaining vacancies of 25% of the merit quota will be filled in from the list which is revalidated as stated herein above.

2.72 The candidates from the merit list, which has been revalidated and who may not be offered promotion in the year 1982 will be offered promotion under 75% quota in the year 1983. These candidates will have preference over those who will be empanelled henceforth. A test will be conducted in the year 1983 in accordance with this new Promotion Policy. However, all those candidates who have appeared for the test held in 1982 will not be required to appear for this test. However, option will be given to all those candidates to appear for test to be held in 1983. Those who opt for appearing in the test to be conducted in 1983 will, however, forfeit their claim for declaration of results of test already conducted in 1982. It is clarified that the declaration of results of the test already conducted in June, 1982 will be in accordance with the revised promotional process mentioned herein above. The result of the test held in 1982 and the test to be conducted in 1983 will be declared in accordance with the new Promotion Policy simultaneously and a common merit list will be published in accordance with the new promotion process.

2.73 Successful candidates in accordance with the revised promotional process will be empanelled to the extent of 133% of the contemplated vacancies in the relative year. However, this provision of 133% shall not apply for the merit list which is to be published for the test already held in 1982 and for the test to be held in accordance with the revised promotional process in 1983.

2.74 Regarding the delay in implementing Government directives regarding reservation in promotion, the representative of the Bank has stated during evidence as under :—

“The directive of the Government was issued in December, 1977. I believe it reached us in the beginning of 1978.....There was already an agreement (signed in 1975) between the Union and the bank and in that agreement there was no provision for reservation. So we had to amend the agreement and that took some time. The amended agreement came into force from 16.9.1980.”

2.75 When asked why the 1975 agreement was entered into in violation of the Government instructions issued in 1972, the representative of the Ministry of Finance has explained that Government had consulted the Reserve Bank and necessary instructions regarding application of reservation in promotion in banks were issued by the Reserve Bank on 31.12.1977. The earlier orders were basically with reference to 5% relaxation.

The representative of the Ministry of Finance has further stated that so far as he understood, there were no banks where promotion agreements had not been entered into.

2.76 In reply to a question, the representative of the Bank has stated that no interviews were held for promotion in 1980 after the amendment of the Promotion Policy agreement and also in 1981 and 1982.

2.77 When the Committee pointed out that promotions had been made during that period and asked if these promotions had been made without the Departmental Promotion Committee, the representative of the bank has stated :—

“What happens is that when they are interviewed they are kept in the waiting list. When the number comes they are promoted.”

2.78 Regarding the period of validity of the waiting list, the representative of the bank has stated as under :—

“Normally it is kept valid for one year but we are continuing it for three or four years.....with mutual consent it is extended by the competent authority..... the Chairman.”

2.79 On being pointed out that under the modified Promotion Policy, 75% of the vacancies were filled by test, there was no promotion by seniority and promotion prospects had been barred for Scheduled Castes and Scheduled Tribes under the new policy, the representative of the Union Bank of India has stated during evidence that the promotion examination was conducted by the National Institute of Bank Management. In the latest examination, out of 1040 Scheduled Caste and Scheduled Tribe candidates, 367 had passed. 2052 candidates from the general category had passed out of 4560 candidates. There were about 400 vacancies for 1983 and there were prescribed reservations for Scheduled Castes and Scheduled Tribes. There was a separate list for Scheduled Caste and Scheduled Tribe candidates.

2.80 When asked whether the examiner knew that a particular candidates was from Scheduled Caste category, the representative of the bank replied in the affirmative. When the Committee pointed out that the examines should not know whether a candidate is Scheduled Caste, because of the pre-valent caste prejudice in the society, the representative of the Bank stated that the system could be changed.

Promotion from Sub-Staff to Clerical Cadre

2.81 The vacancies in the clerical cadre are generally filled by direct recruitment. A small portion of vacancies are also filled through promotions from Sub-staff.

2.82 The number of posts in clerical cadre filled by direct recruitment and by promotion from the category of Sub-staff is as follows :—

Year	Total vacancies	Total No. of clerical cadre personnel recruited.	Total No. of promotions made from sub-staff cadre to clerical cadre.	Number of SC/ST out of Column 4.	
				SC	ST
1980	747	628	119	15	1
1981	1043	684	359	50	2
1982	1127	984	143	31	2

2.83 Sub-Staff cadre employees are promoted to the clerical cadre in terms of the promotion agreement entered into with the Employees' Union. Accordingly, all eligible employees are given a test/interview for promotion to the clerical cadre. General category employees are required to get 45% marks in aggregate in test/interview for being eligible for promotion to the clerical cadre. Eligible employees in the Sub-staff cadre belonging to the reserved category, however, will have to obtain 35% marks in aggregate in test/interview for being eligible for promotion to the Clerical cadre, i.e. 10% relaxation in qualifying standards is given to the reserved employees

2.84 In reply to a question during evidence, the representative of the bank has stated that reservation orders did not apply to promotion from sub-staff to clerical cadres. Percentage of promotion from sub-staff was about 15%.

2.85 As regards promotion of sweepers to higher post after putting in 5 years service, the representative of the bank stated :—

“ If there is a permanent vacancy, the persons who are already working with us get priority. So they get this job.”

Promotions Within Officers Cadre

2.86 The Committee have been informed that break up of total number officers in various grades and the number of Scheduled Castes/Scheduled Tribe officers in each grade as on 31.12.1982 is as under :—

Scale of Officers	Total No. of officers in various grds.	OF WHICH	
		No. belonging to SC category	No. belonging to ST category
1	2	3	4
JMG-Scale	5,413	256	52
MMG-Scale II	1,058	4	—
MMG-Scale III	304	—	—

1	3	3	4	5
SMG-Scale IV	80	1	—	—
SMG-Scale V	16	—	—	—
Top Ex. Gr. Scale VI	7	—	—	—
Top Ex. Gr. Scale VII.	3	—	—	—
	<u>6,881</u>	<u>261</u>	<u>52</u>	

2.87 It has been stated that in regard to promotions within the officers the cadre from one scale to another, the Government of India guidelines do not provide for any reservation to be given since all promotions from one scale to the higher scale are by selection. According to the Promotion Policy for officers from one scale to another framed by the Board of Directors under the Union Bank of India officers' Service Regulations, 1979, and effective from 1.4.1980, the objective of policy is to provide motivation in the promotion system and ensure career movement for officers in the Bank. While the minimum years of service will determine the eligibility for promotion from one Grade/Scale to another, merit, coupled with weightages for length of service, job responsibility and educational/professional qualifications will open promotional avenues. Merit in respect of promotion in higher scale is the sole criterion whereas in lower scale (i.e. upto scale IV) merit coupled with weightage for length of service, job responsibility and educational/professional qualifications, will be the determining factors for promotion.

2.88 To subserve this, weightages for length of service and job responsibility progressively decline, weightage for educational/professional qualifications remains constant; whereas weightage for merit progressively increase with movements in higher scales. Merit at present is to be assessed on the basis of annual appraisal reports received from officer's superiors and also his potentiality to shoulder higher responsibilities and functions as assessed through interview.

2.89 For giving adequate representation to Scheduled Caste/Scheduled Tribe officers in Middle Management Grade/Scale II and III, relaxations, keeping with the organisational needs for suitability and efficiency, have been provided in two promotional factors viz. performance and interview.

2.90 Eligibility in terms of years of service will be as under :—

- (i) 7 years of satisfactory service in Scale I for promotion to Scale II;
- (ii) 5 years of satisfactory service in Scale II for promotion to Scale III;
- (iii) 5 years of satisfactory service in Scale III for promotion to Scale IV;
- (iv) 3 years of satisfactory service in Scale IV for promotion to Scale V; and
- (v) 5 years of satisfactory service in Scales IV and V together and/or in the erstwhile Junior Executive, Senior Executive and Assistant General Manager's Grades. for promotion to Top Executive Grade.

The above eligibility criteria can be relaxed suitably in case the number of eligible officers is less than 3 times the number of posts in the next higher Grade/Scale.

Weightage For Length Of Service, Job Responsibility, Educational/Professional Qualifications

2.91 At present, length of service, job responsibility, educational qualifications, performance and interview are promotional factors. Percentage weightage for these promotional factors for considering promotion of officer from one Grade/Scale to another will be as follows :—

Promotion	Length of Service	Percentage		Weightage	
		Job responsibility	Educational Qualifications	Performance	Interview
Scale I to II	25	10	10	35	20
Scale II to III	20	10	10	40	20
Scale III to IV	20	5	10	45	20

Weightage for Length of Service

1 mark will be awarded for each completed year of service as an officer subject to the maximum given above.

Weightage for Job Responsibility

In respect of promotions to Scales II and III, 3 marks will be awarded for every completed year of service in the respective scale in certain prescribed capacities in rural areas and 2 marks for every completed year of service in areas other than rural. In respect of promotions to scale IV, these marks will be 1½ if service done in rural areas and 1 mark if service done in area other than rural.

Total marks will not exceed the marks given above.

Weightage for Educational Qualifications

Graduation in any discipline	2 marks
Post-graduation including LLB, C.A. MBA, ICWA.	2 marks
Ph.D. in subjects allied to Banking.	2 marks
CAIIB PART I	3 marks
CAIIB Part II	3 marks

Performance

2.92 Performance of an eligible officer will be assessed through appraisal reports annually received from his superiors. Marks will be awarded for

performance on the basis of overall ratings of performance for past 3 years. Performance will be assessed by a Committee of Executives not below the rank of officers in Scale V appointed by the Managing Director for this purpose from time to time. Officers securing less than 50% marks in performance will not be considered for promotion.

Interview

2.93 Interview panels for promotion from lower scale to higher scale will be constituted by the Managing Director from time to time. The Managing Director may associate an outsider, preferably a member of Banking Service Recruitment Board will Interview Panel. In respect of promotion from Scale I to II, II to III and III to IV; apart from an outsider, other member of the panel will be officers selected by the Managing Director from the Bank not below the rank of officers categorised in Scale VI. Officers who secure less than 40% marks in interview will not be considered for promotion.

2.94 Officers will be empanelled on the merit list in order of total marks obtained. Officers on the merit list will not exceed 133 1/3% of the vacancies identified or contemplated. Scheduled Caste/Scheduled Tribe officers who are eligible and fall within the number of vacancies identified in the next higher Grade/Scale, in accordance with the seniority list of such eligible officers, are considered for promotion from Junior Management Grade/Scale I to Middle Management Grade/Scale II and from Middle Management Grade/Scale II to Middle Management Grade/Scale III provided they obtain 45% marks in performance and 35% marks in interview. They will be empanelled on the merit list even if they are below the cut off point. Their position in the merit list would be the same as assigned to them on the basis of total marks in various promotional factors. There will be no reservation of vacancies for Scheduled Caste/Scheduled Tribe officers in respect of promotion from one officers Grade/Scale to another.

2.95 Other terms and conditions applicable to general category officers for the purposes of promotion from Scale I to II and from Scale II to III will also be applicable to Scheduled Caste/Scheduled Tribe officers while considering their promotions to the aforesaid scale (s).

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

2.97 The Committee are surprised to note that even after the amendment of the Promotion Agreement in September, 1980, no interviews have so far been

conducted for promotion from clerical to officers' cadre, as a result of which Scheduled Caste/Scheduled Tribe employees the bank have been deprived of the benefits of reservation in promotions.

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

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

2.100 The Committee are also not happy at the weightage given to length of service prior to 31st December, 1969 in the new policy as this works against the interests of Scheduled Caste/Scheduled Tribes of whom there were hardly any prior to the nationalisation of banks. The intake of Scheduled Caste/Scheduled Tribe candidates in the bank started only after the reservation policy in recruitment was applied. The Committee recommend that there should be no such weightage.

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

2.102 There is no reservation in promotion within the officers cadre from one scale to another. Except for the Junior Management Grade Scale I, there is hardly any representation of Scheduled Castes and Scheduled Tribes in higher scales. Even in Junior Management Grade Scale I the representation of Scheduled Castes is less than 5% and of Scheduled Tribes it is less than 1%. While the prescribed minimum years of satisfactory service determines the eligibility for promotion from one scale to another, it is done on the basis of merit coupled with

weightages for length of service, job responsibility and educational/professional qualification. There is relaxation of 5% marks each in performance and interview for officers belonging to Scheduled Castes and Scheduled Tribes. The Committee recommend that suitable relaxation in the minimum length of service required for becoming eligible for promotion from one scale to another should also be extended to Scheduled Castes/Scheduled Tribes to improve their chances of promotion in the officers cadre.

CHAPTER III

A. Staff strength and shortfalls

3.1 The Staff strength in the Union Bank of India (i) on the date when reservation orders in favour of Scheduled Castes & Scheduled Tribes come into force and (ii) on 31.3.1983 category-wise, and the number of Scheduled Castes and Scheduled Tribes and their respective percentages to the total strength, as furnished by the bank, is as follows :

Category (Class-wise) Officer :	Total No. of Employees	Number of		Percentage	
		Scheduled Castes	Scheduled Tribes	Scheduled Castes	Scheduled Tribes
30.6.1969	931	3		0.32	
31.3.1983	7049	232	55	4.14	0.78
<i>Clerks :</i>					
30.6.1969	3649	18		0.49	
31.3.1983	13106	2056	168	15.69	1.28
<i>Sub-Staff</i>					
30.6.1969	1718	107		6.23	
<i>(Incl. part-time Sweepers)</i>					
31.3.1983	4341	1083	136	24.95	3.13
<i>Part-time Sweepers</i>					
30.6.1969	N.A.	N.A.	N.A.	N.A.	N.A.
31.3.1984	1144	592	45	51.75	3.93

Note : N.A. : Not Available.

3.2 Statement showing details of recruitment made against vacancies reserved for Scheduled Castes and Scheduled Tribes during the half year ended 20th June, 1983 which was sent by the Union Bank of India to the Banking Division of the Ministry of Finance is given in *Appendix—VIII*

3.3 In a note furnished to the Committee, it has been stated that recruitment of officers & clerks for the bank is made by the Banking Service Recruitment Board. While placing an indent with the Banking Service Recruitment Board, the number of reserved vacancies including backlog is shown separately. All appointments in the sub-staff cadre are made by the bank through the medium of Employment Exchanges.

3.4 Backlog of vacancies reserved for SC/ST in direct recruitment in the Union Bank of India in different categories of posts, as at the end of 1980, 1981 and 1982 is reported to be as under :

	1980		1981		1982	
	S.C.	S.T.	S.C.	S.T.	S.C.	S.T.
Officers	92	50	76	42	67	33
Clerks	167	279	221	213	225	176
Sub-Staff	14	92	—	91	7	93

3.5 A statement showing the indent of SC/ST officers by the Union Bank of India, the number of officers allotted by the BSRB's to the Bank and the number of officers who actually joined the Bank during the year 1980, 1981 and 1982 is given below :

Year	Indent of SC/ST Officers in Various Post in Junior Management Grade Scale-I		Allotment Made there against		No. of Candidates Joined		No. of Candidates not Joined	
	S.C.	S.T.	S.C.	S.T.	S.C.	S.T.	S.C.	S.T.
1980	20	5	21	3	19	3	2	—
1981	37	19	40	10	37	10	3	—
1982	73	42	12	3	4	1	8	2

3.6 The Committee pointed out during evidence that according to the above statement indent for 1982 was 73 Scheduled Caste and 42 Scheduled Tribe. The allotment against this indent was 12 Scheduled Caste and 3 Scheduled Tribe. The Committee enquired reasons for the allotment being so low. The representative of the Union Bank of India stated that they had since received more allotments—60 Scheduled Caste and 29 Scheduled Tribe. This allotment was received in 1983 against the indent of 1982 as it took about one year to get the allotment.

3.7 When asked about the position of backlog, the representative of the Union Bank of India has stated during evidence as under :

“We will try to clear off the backlog from 1980.”

3.8 The representative of the Union Bank of India stated that as at the close of 1980, the backlog was 92 and in 1979 it was 126 in Scheduled Caste category.

3.9 The Committee pointed out that with those figures, the backlog at the end of 1982 was 121. The representative of the Union Bank of India stated that there was lapse of vacancies after every 3 years' period.

3.10 In a note furnished to the Committee, it has been explained that at the end of 1980, 55 vacancies which had been carried forward for 3 years were allowed to lapse in accordance with the Government guidelines and hence 92 vacancies were carried forward to the next year.

3.11 When the Committee remarked that there were 121 class I officers vacancies in the Bank and no efforts were made to fill them up and they were allowed to lapse, the representative of the Ministry of Finance stated :—

“I will check on this and find out the problem as to why when there is backlog, no efforts were made to fill these vacancies.”

3.12 The representative of the bank stated that 54 vacancies were still outstanding. He further stated that when they placed the indent, they included the backlog also in the current demand.

3.13 As regards the remedial measures taken to wipe out the shortfall, it has been stated that the shortfall in the recruitment of SC/ST candidates against reserved vacancies is discussed at the meetings of Chairmen, Banking Service Recruitment Boards. They have been advised by the Govt. to ensure that while placing indents with the BSRBs, total backlog is included in it. The BSRBs also have been advised to make concerted efforts for recruiting sufficient number of SC/ST candidates against the quota reserved for them. They have also been asked to hold special recruitment tests exclusively for SC/ST whenever necessary.

3.14 It has further been stated that the Bank had written in 1983 to the Banking Service Recruitment Boards to conduct special examination for recruitment of SC/ST candidates for clerical cadre. The Banking Service Recruitment Boards, Madras and Bombay have since completed the special recruitment test and allotted candidates to us. As there was no need for a special recruitment in the Officer's cadre, no such request was made to Banking Service Recruitment Board (Bombay).

3.15 The relaxations/concessions in educational qualification, age, application fee are provided by BSRBs SC/ST candidates at the time of recruit-

ment. The SC/ST candidates are adjudged on relaxed standards and are interviewed in separate sittings. A member belonging to SC/ST community is also associated in the interview boards. The bank conducts special Pre-promotion Training Programmes for the benefit of the eligible SC/ST employees prior to the holding of written tests for promotions.

3.16 The Committee note that as on 31.3.1983 there was huge backlog in the representation of Scheduled Castes and Scheduled Tribes in the Officers cadre. The percentage of Scheduled Tribes was quite nominal in all the three cadres of officers, Clerks and Sub-staff. The Committee regret to note that the Banking Service Recruitment Boards who are at present making recruitment of Officers and clerks for the nationalised Banks have failed to provide sufficient number of candidates belonging to these Communities to the Union Bank of India.

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

3.18 The Committee express their unhappiness at the backlog of 254 Scheduled Castes and 199 Scheduled Tribes in officers cadre as at the end of 30th June 1983, according to half yearly statement furnished by the bank to the Banking, Division of the Ministry of Finance. The Committee fail to understand why the bank has not requested the Recruitment Board so far to make special recruitment for the officers cadre in the light of such a huge backlog in this category. The Committee feel surprised how the bank authorities took the view that "there was no need for a special recruitment in the officer's cadre and no request was made to Banking Service Recruitment Board." The Committee would like to be informed of the steps not proposed to be taken by the bank to clear the backlog in the officer's cadre.

3.19 The Chairman of the Union Bank of India has stated during evidence, that while placing indent with the Recruitment Board, they included the backlog also in the current demand. This is however, not borne out by the figures of indent furnished by the Bank to the Committee. The backlog in the officers cadre was 126 at the end of 1979 and 92 at the end of 1980. The indent placed for Scheduled Caste/Scheduled Tribe officers in 1980 was 20 Scheduled Caste and 5 Scheduled Tribe. This obviously did not include the backlog of 126 posts at the end of 1979. The Committee recommend that the Union Bank of India should invariably include backlog in the current demand for Scheduled Caste/Scheduled Tribe candidates while placing indent with the Recruitment Boards and see that these vacancies including the backlog are filled within a stipulated time.

B. Pre-recruitment Training

3.20 In a written note furnished to the Committee it has been stated that Recruitment of Clerical/Officers staff to Union Bank of India is done by various Recruitment Bords set up by the Government of India. The co-ordinating Banks of some of the Banking Service Recruitment Boards have stated conducting pre-recruitment training for SC/ST candidates aspiring for career in Banking Sector. Accordingly Bank of India, co-ordinating Bank of B.S.R.B., Western Group, Bombay in coordination with Union Bank of India conducts such pre-recruitment training programme for the candidates belonging to SC/ST categories aspiring for a career in Banking Sector. Three training courses have been conducted during 1981-83 at Pune, Nagpur and Bombay.

3.21 During evidence, the representative of the Union Bank of India has stated that they are also preparing a scheme which will start next year.

3.22 It has also been stated that the recommendation of the Committee made in their 37th Report (1982-83) for starting training centres with a view to augment the intake of SC/ST personnel in nationalised banks is being considered.

3.23 In para 3.28 of their Thirty-seventh Report (1982-83), the Committee had recommended that the Ministry of Finance should prepare a scheme for opening pre-recruitment centres for imparting training for officers and clerical cadre examination on the lines of Pre-examination Training Centres functioning under the control of the Ministry of Home Affairs. The Committee desire that an early decision should be taken in the matter.

C. In-service Training

3.24 In a note furnished to the Committee it has been stated that the SC/ST employees are given in-service training for longer duration as compared to general employees. Training Programmes for preparing them for promotion from Subordinate to clerical cadre and from clerical to officer's cadre are also organised. Pre-promotion Training Programmes are conducted for the benefit of eligible SC/ST employees prior to the holding of written tests for promotion. Such Training Programmes were introduced in the year 1982, Four Training Programmes were introduced in the year 1982, prior to the holding of tests at various centres. The number of candidates trained at various centres in such training programmes during the last two years are given below : -

Year	For Promotion to	No. of candidates trained
1982	Officer Cadre	682
1982	Clerical Cadre	79
1983	Officer Cadre	763
1983	Clerical Cadre	178

The Training Programmes were conducted at 10 centres.

3.25 During evidence the representative of the Union Bank of India has stated as under :—

“We have got one Training College in Bangalore. There are six training centres in India. There we give training to the Scheduled Castes and Scheduled Tribes also. We give training to Scheduled Castes and Scheduled Tribes one week more than the normal training which is given to other candidates. The training centres are located in Lucknow, Bangalore, Ahmedabad, Bodi and one in Kerala.”

3.26 In reply to a question, he said that the employees were treated on duty during the period of training. Their Boarding and lodging expenses were borne by the bank.

3.27 When asked whether the employees have to apply for training or they are nominated, it was stated that the employees were nominated for the training. There was a separate provision for Scheduled Castes/Scheduled Tribes in the plan prepared on all India basis. An employee during the course of his service, goes for one course of training or other now and then and he is promoted as and when the chance comes.

3.28 In reply to a question, the representative of the bank stated that employees were sent on training regarding foreign exchange also which is a specialised subject.

Training of Officers

3.29 The Committee have been informed that with a view to improve chances of Scheduled Caste/Scheduled tribe officers for their promotion, special responsibility has been cast on their immediate superiors to advise and guide them to improve the quality of their work and efficiency. Moreover, for promotion upto Middle Management Grade/Scale III, Schedule Caste/Scheduled Tribe Officers who are eligible in terms of minimum years of service prescribed for such promotion and who fall within the number of vacancies identified in next higher grade/scale in accordance with the seniority list of the eligible officers, are considered with relaxed standards in promotion process. Their performance in interview and on job is evaluated with relaxed standards. The Bank also endeavours to provide them with more opportunities for institutional and/or job training and for attending seminars/symposia/conferences.

3.30 The Committee note that arrangements exist in Union Bank of India for giving inservice training to its employees. Employees belonging to Scheduled Castes and Scheduled Tribes are given training for longer duration as compared to general employees. The Committee would like to stress that the aim of the inservice training should be to bring SC/ST candidates upto the required standard.

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

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

- (i) SC/ST Officers in Group 'A' services/posts should be provided with more and more opportunities for institutional training and for attending seminars/symposia/conferences. Advantage could in this connection be taken of training facilities available at the Indian Institute of Public Administration New Delhi, the Administrative Staff College, Hyderabad etc.
- (ii) It should be the special responsibility of the immediate superior officer of the Scheduled Caste/Scheduled Tribe officers in Group 'A' to give advice and guidance to the latter to improve the quality of their work.
- (iii) The Public Enterprises should identify the training needs of SC/ST officers and then examine to which training programme these officers should be deputed.
- (iv) Percentage of the seats for training should be earmarked for SC/ST officers.

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

CHAPTER IV

RECRUITMENT

A. Method of Recruitment

4.1 The procedure for recruitment to various cadres in Union Bank of India is stated to be as under :—

(i) *Officers Cadre* : The requirement of Officers viz. Specialised Officers and Probationary Officers in Junior Management Grade (Scale I) are informed to the Banking Service Recruitment Board (Western Group), Bombay. While entire requirement of specialised Officers is met by direct recruitment though the B.S.R.B. (Western Group), Bombay, only 25% of the vacancies in the general officer Cadre is made by the direct recruitment through B.S.R.B. (Western Group), Bombay. The remaining 75% of the vacancies in the Junior Management Grade (Scale I) are filled in by promotions from within in accordance with the Promotion Agreement entered into with the Union Bank of India Employees' Federation/Union.

(ii) *Clerical Cadre* : Recruitment to the Clerical Cadre is attended to by the various Banking Service Recruitment Boards. The liaison with B.S.R.Bs is done by the Recruitment and Manpower Planning Section in the Department of Personnel. All allotments of clerical cadre personnel received from the various B.S.R.Bs after obtaining necessary approval from the competent authorities in the Central Office are sent to the various Zonal Offices/Regional Offices for appointment and deployment. Only a small portion of the vacancies in the Clerical Cadre are filled in by promotion from the Sub-Staff cadre by test and interview.

(iii) *Sub-Staff Cadre* : All appointments in the sub-staff cadre are made through the medium of Employment Exchanges. Recruitment of permanent personnel in the Sub-Staff Cadre is centralised in the Central Office. The Regional Office/Branches notify the vacancies to the Employment Exchanges and on receipt of names of candidates sponsored by the Exchange, eligible candidates are interviewed and a Panel of names prepared for recruitment in the sub-staff cadre. As and when temporary vacancies of sub-staff arise, such of the candidates empanelled for recruitment are given temporary appointment in leave vacancies and they are given permanent appointment at a later stage, as and when such vacancies arise. Similarly, recruitment of Sub-Staff cadre personnel belonging to Ex-Servicemen category is done through the Zilla/Rajya Sainik Boards as per the procedure prescribed by the Government of India. Appointment of physically handicapped persons in the Sub-Staff Cadre is done through the medium of Special Employment Exchanges for physically handicapped persons as per the Directives of the Government of India.

4.2 The representative of the Bank has stated during evidence that as and when they received the allotment of candidates from the Recruitment Board, the appointment orders were released from the Central Office. They sent them to the concerned regional or zonal offices and if some candidate did not join the duty, they get back the papers.

4.3 In reply to a question whether they had a Scheduled Caste/Scheduled Tribe member in the Recruitment Board, the representative of the Ministry of Finance stated :—

“In the Recruitment Boards, we generally have got a Scheduled Caste/Tribe member also. He looks after the interests of the Scheduled Caste and Scheduled Tribes generally.”

4.4 when the Committee pointed out that if a person did not receive appointment letter within 6 months, he joined some other office, representative of the Ministry of Finance stated that they issued the appointment letters within 3 months.

4.5 A statement showing year-wise recruitment made to various categories of posts in the Union Bank of India during the last three years, number of vacancies reserved for Scheduled Castes and Scheduled Tribes and the number filled by candidates belonging to these communities is given in Appendix — VI.

4.6 The Committee find that Banking Service Recruitment Boards have not been able to provide requisite number of candidates belonging to Scheduled Castes and Scheduled Tribes to fill up the reserved vacancies in the Union Bank of India. As at the end of 1982 there was backlog in all the three cadres of posts in the bank—67 Scheduled Castes and 33 Scheduled Tribes in officers cadre, 225 Scheduled Castes and 176 Scheduled Tribes in Clerical Cadre and 7 Scheduled Castes and 95 Scheduled Tribes in the sub-staff cadre. In para 4.19 of their 37th Report (Seventh Lok Sabha) on Syndicate Bank, the Committee had desired that working of the recruitment Boards should be critically reviewed by the Ministry of Finance (Banking Division). The Committee reiterate that recommendation.

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

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

B. Concessions/Relaxations

4.8 The Committee have been informed that the following relaxations/

concessions are provided by Banking Service Recruitment Boards to the Scheduled Caste/Scheduled Tribe candidates at the time of recruitment :—

OFFICERS CADRE :

<i>General Candidates</i>	<i>S.C./S.T. Candidates</i>
A degree from a recognised University. Age : 21-26 years Fee : Rs. 40/-	A degree from a recognised University. Upper age limit is relaxed by 5 years- Fee : Rs. 10/-
CLERICAL CADRE :	
Degree of a recognised University in any discipline. OR Pass in 2nd Division/Class (with 50% in aggregate) in Higher Secondary Examination 10+2+3 pattern or XI standard of 11+3 pattern or Pre-Professional course or equivalent or intermediate or pre-university or XI standard of 11+3 pattern. OR Pass in 1st Division/Class (with 60% in aggregate) in matriculation/SSLC or equivalent. Age : 18-26 years. Fee :—Rs. 20/-	Pass in Higher Secondary Examination of 10+2+3 patten/intermediate/Pre-University or XI standard of 11+3 pattern of a statutory Body/Pre-Professional course or equivalent. OR Pass in Second Division/Class (with 30% marks in aggregate) in Matriculation/S.S.L.C. or equivalent. Upper age limit relaxed by 5 years. Fee :—Rs. 5/-

The Scheduled Caste/Scheduled Tribe candidates are adjudged on relaxed standards and are interviewed in separate sittings. A member belonging to Scheduled Caste/Scheduled Tribe community is also associated in the interview boards.

As regards recruitment of Sub-Staff is, relaxations in eligibility standards provided by the Union Bank of India are as under :—

Norms for recruitment of Sub-Staff

<i>General Candidates</i>	<i>SC/ST Candidates</i>
Age : 18-23 years	Age : Upper age limit relaxable by 5 years
<i>Sweepers</i> Age : 18 to 23 years	Age : Upper age limit relaxable by 5 years.

4.9 In respect of promotions from Clerical to Officers' Cadre relaxation to the extent of 10% in qualifying marks is made for Scheduled Caste/Scheduled Tribe candidates. Similarly, in respect of promotions from sub-staff to clerical cadre relaxation to the extent of 10% in qualifying marks is made for Scheduled Caste/Scheduled Tribe category candidates.

C. Selection/Promotion Committee

4.10 In a note furnished to the Committee, it has been stated that in accordance with the Promotion Policy prescribed under the Union Bank of India Officers, Service Regulations, 1979, promotion from one scale to other within the Officer's Cadre is done on a selection basis. Eligible in-service candidates are interviewed by a Committee constituted of the following :—

- | | |
|--|---|
| — for promotion from Scale I to Scale II | Committee of officials not below the rank of Top Ex. Gr. Scale VI |
| — for promotion from Scale II to Scale III | An outsider preferably a member of the B.S.R.B may also be associated with the interviewing Committee. |
| — for promotion from Scale III to Scale IV | |
| — for promotion from Scale V to Scale VI | Chairman & Managing Director of the bank, 2 Directors of the Bank and Chairman of B.S.R.B. (Western Group) will |
| — for promotion from scale VI to Scale VII | on the basis of the records, make recommendations to the Board of Directors. |

Promotion Policy for officers has been made in accordance with the Government guidelines. The Government guidelines have not directed for making any specific provisions for representation of Scheduled Caste/ Scheduled Tribe member in the Interviewing Committee for promotion of Officers from one scale to another. Hence, no such specific provision has been made in the Promotion Policy for Officers of the Bank. However, for interviewing candidates belonging to Scheduled Caste/Scheduled Tribe categories, a member belonging to Scheduled Caste/Scheduled Tribe category was associated with the panel of interviewers.

From Clerical to Officer's Cadre :

4.11 The Interviewing Committee consists of officials of the ranks of not below the rank of officers in Scale III. For candidates belonging to Scheduled Caste/Scheduled Tribe category, a non-official member belonging to Scheduled Caste/Scheduled Tribe category is co-opted as a member of the Interviewing Committee.

4.12 It has been further stated that prior to September, 1980, the then promotion Agreement entered into with the Employees' Union which was in force did not provide for reservations for Scheduled Caste/Scheduled Tribe in promotions from one cadre to the other cadre. After the amendment of the Promotion Policy Agreement in September, 1980 no interviews have been conducted

so far for promotion from Clerical to Officer's Cadre. However, as and when such interviews are conducted, a member of the Scheduled Caste/Scheduled Tribe category who will be included in the interviewing Committee to be constituted for the purpose. A panel of officials belonging to Scheduled Caste/Scheduled Tribe category can be in the interviewing panels has since been prepared.

4.13 In reply to a question during evidence whether a non-official member belonging to Scheduled Caste/Scheduled Tribe category had so far been co-opted as a member of the Interviewing Committee, the representative of the Union Bank of India has stated that they had taken non-officials belonging to Scheduled Caste/Scheduled Tribe for selection of Scheduled Castes/Scheduled Tribes candidates. They had prepared State-wise list of non-officials belonging to Scheduled Castes/Scheduled Tribes who were mostly retired people and also retired Chairman of Public Undertakings.

4.14 According to the list of persons who have been empanelled for being co-opted as members of the Interview Committee at various regions by the Bank as furnished to the Committees besides some Chairman/Managing Directors of certain Corporations, there are also certain officials of the State Government and other Organisations also. These officials belong to Scheduled Caste/Scheduled Tribe category.

4.15 The Committee pointed out that according to Government instructions a senior officer belonging to Scheduled Caste/Scheduled Tribe should be included in the Departmental Promotion Committee at the time of selection.

4.16 The Committee enquired why the bank was following this procedure only for selection of Scheduled Caste/Scheduled Tribe candidates and why he was not included in all the Departmental Promotion Committees. The representative of the bank stated in reply as under: —

“We have noted down the point. We will change it”.

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

4.18 The Committee note that while a member belonging to Scheduled Caste/Scheduled Tribe category is associated with the panel of interviewers for promotion of officers from one scale to the other, no specific provision has been

made to that effect in the promotion policy. The Committee recommend that promotion policy should be amended suitably to incorporate such a provision therein.

D. Dereservation

4.19 The Committee have been informed that Recruitment for officers and clerical cadres in the Banks is made by the Banking Service Recruitment Boards. In the indents placed with the Boards the total number of vacancies (both current and the backlog) are to be indicated. In case the Recruitment Boards are unable to provide the requisite number of Scheduled Castes and Scheduled Tribe candidates required to fill up reserved vacancies, the Recruitment Boards are asked to provide general candidates to the extent of shortfall since the vacancies cannot be kept pending till next Recruitment is completed by the Recruitment Boards. Each recruitment process takes more than 8-9 months to complete. The filling up of reserved vacancies by general candidates in the circumstances cited above is however brought to the notice of the Board of Directors every six months and the unfilled vacancies are carried to the next year.

4.20 Number of posts dereserved during the last three year are given below :—

	Officers		Clerks		Sub—Staff	
	SC	ST	SC	ST	SC	ST
1980	49	25	43	193	2	58
1981	33	23	100	150	—	80
1982	17	23	119	125	2	55

Relevant Minutes of the Board Meetings as furnished by the bank are given in *Appendix-IX*.

4.21 In reply to a question whether dereservation of posts in the bank is done with the approval of the Board, it has been stated that the Bank has noted to dereserve the vacancies with the prior approval of competent authorities in accordance with Government guidelines.

4.22 The representative of the bank has stated during evidence that the competent authority to dereserve posts was Managing Director and Chairman for clerical posts and the Board of Directors for officers. If Scheduled Caste/ Scheduled Tribe candidates were not available in certain areas, they appointed general candidates. The reserved posts lapsed after 3 years only.

4.23 The Committee regret to note that a large number of vacancies reserved for Scheduled Castes and Scheduled Tribes are dereserved in the Bank every year. The total number of posts dereserved were 370 in 1980, 386 in 1981 and 341 in 1982 in officers, clerical and sub-staff cadres of the Bank. The Committee feel concerned that the reserved posts even in sub-staff category have been dereserved for which, normally, there should be no dearth of candidates. The Committee recommend that the bank which is responsible for recruitment to sub-staff cadre

should make all-out efforts to recruit Scheduled Caste/Scheduled Tribe candidates so that the contingency to dereserve the posts does not arise. It should also be possible for Banking Service Recruitment Boards to provide by special recruitment or otherwise sufficient number of candidates belonging to Scheduled Caste/Scheduled Tribe to fill up the reserved posts in the bank in officers and clerical cadres.

4.24 The Committee regret to point out that prior approval of the Competent authorities in the bank is not taken before resorting to dereservation. According to Govt. guidelines, before any reserved vacancy is dereserved and filled up by a general candidate, the prior approval of the Board of Directors for the posts of officers and that of the Chairman and Managing Director for clerical posts should be obtained. It should specifically be mentioned in the reference made to the Board of directors/Managing Director that the proposal for dereservation is being made with the full knowledge and concurrence the Liaison officer. The Committee recommend that the bank should follow this procedure regarding dereservation scrupulously.

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

E. Complaints/Grievances

4.26 It has been stated that a register has been kept in the bank for entering the complaints/grievances received from Scheduled Caste/Scheduled Tribe employees. The complaints/grievances received by zonal/Regional Offices are after examination sent to the Head Office together with comments of the Zonal/Regional Office.

4.27 Number of complaints/grievances received from Scheduled Caste/Scheduled Tribe Employees Association during the last 3 years are as under :

	No. of complaints received
1980	1
1981	5
1982	2

4.28 The nature of complaints was generally relating to declaration of promotion vacancies, showing staff position of Scheduled Caste/Scheduled Tribe employees in the Annual Report, duration of Orientation Training Programme, and harassment to SC/ST employees etc.

4.29 It has further been stated that the representations received in the Banking Division from bank employees associations are forwarded to the banks which are autonomous bodies, for appropriate action. Where it is found that Government guidelines have not been followed, bank managements are

advised to take remedial measures. There has, however, been no practice of entering into correspondence with employees associations.

430. The Banks have been advised that the Liaison Officers may meet informally the Scheduled Caste/Scheduled Tribe employees including their representatives to hear their grievances in respect of matters arising out of policy regarding reservations, and try to remove their misgivings their minds.

4.31 The Banks have also been advised that the grievances of the Scheduled Caste/Scheduled Tribe employees should be looked into and prompt remedial action taken wherever necessary.

4.32 During evidence the Committee drew attention to the complaint received from the Backward Classes Employees Welfare Association, Nagpur that the Regional Manager of the bank had refused to listen to the grievances of Scheduled Caste/Scheduled Tribes when their President led a deputation. The representative of the Bank has stated as under in this regard :

“We have received a complaint and made an inquiry. These people went there and started demonstrating and misbehaving. Suspension was not made. Only a show-cause notice was issued. They want action against the Regional Manager. Their contention is that the Regional Manager has misbehaved badly. Actually, they were not suspended orders given were withdrawn.”

4.33 Asked whether replies were sent to letters received from Scheduled Caste/Scheduled Tribe Association the representative of the Ministry of Finance stated :

“These are matters pertaining to individual banks. Normally it is the bank management which would communicate. But we do take action on any representation which is received from a Union or Association”.

4.34 The representative of the bank has stated that the banks gave a reply only to the recognised Union.

Asked to state the reasons for not sending a reply to registered Association, the representative of the bank has stated that the Liaison Officer communicated with them. The Committee wanted to know what was wrong if a reply was sent to them. The representative of the bank stated :

“We will give a reply”

4.35 In regard to frequent transfers of a bank employee in Delhi who was President of All India Scheduled Caste and Scheduled Tribe Employees' Federation, the representative of the bank has stated that he was a senior man entitled for officiating in the leave vacancy. He got officiating allowance and conveyance allowance. Transfer was done locally by the Regional Office

4.36 In a note furnished to the Committee on policy regarding transfer

of employees it has been stated that the practice generally followed is as under :

Officers : In accordance with service conditions, the officers in the Bank are transferable on all India basis. The transfers of officers in JMG scale I are decided at the Central Office in consultation with Zonal/Regional Offices.

Clerical Staff : As a matter of practice the clerks are not transferred outside the state or their language area. The transfers of Clerks within the State are made by The Regional Offices. The Scheduled Caste/Scheduled Tribe employees are not discriminated against in the matter of transfers/postings.

4.37 No case had come to the notice of the bank where transfer orders had been passed by officers who were not entitled to do so.

4.38 In regard to the complaint regarding frequent transfer of a clerk who was President of All India Harijan Association, it has been stated that the person concerned is a Clerk-cum-Cashier working in one of the branches in Delhi region and being the senior-most Clerk-cum Cashier, he was eligible for officiating as Head Cashier at branches in Delhi, wherever such temporary vacancies arose due to the permanent incumbent going, on leave. As per the agreement with the Workmen Union, the temporary vacancy of Head Cashier for duration of 7 days or more required to be filled in by offering such post to the senior-most eligible workman at the station. Accordingly, the concerned Clerk-cum-Cashier, who was seniormost at Delhi, was eligible for such officiation in temporary vacancies. Persons officiating in temporary vacancies were eligible for special allowance as per the bipartite settlement. Since he was eligible for such officiation, he was offered such officiation as and when such vacancies arose. However, it was open to him to refuse such offers of officiating arrangements. Such temporary vacancies arose on 51 occasions during the period of 3 years and accordingly, on every such occasion, he was offered such officiation. Naturally, when he is required to officiate at branches different from where he was working, he was required to be transferred to those branches in order to undertake such officiating duties. If he had refused to accept such officiation, the next eligible person would have been offered such officiation. He was free to refuse such officiation. However, having accepted such officiation, he was assigned with those duties and has been paid the special allowance payable under the Bipartite settlement.

4.39 The Committee note that a register has been kept in the bank for entering complaints/grievances received from Scheduled Caste/Scheduled Tribe employees. The Committee recommend that those registers should be kept at the Central as well as the Regional/Divisional offices of the Bank. Action taken on the complaints should be indicated in the Registers for the information of the persons concerned.

4.40 The Committee note that the Liaison officers of the Bank have been advised to meet informally the Scheduled Caste/Scheduled Tribe employees including

their representatives to hear their grievances in respect of matters arising out of policy regarding reservations. The Committee desire that a brief resume of the points discussed and the decisions if any, reached should be maintained by the Liaison Officer to avoid any misunderstanding at a later stage.

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

“We will give a reply.”

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

CHAPTER V

ADMINISTRATION

A. Maintenance of Rosters

5.1 The Committee have been informed that Union Bank of India had introduced reservation for Scheduled Caste/Scheduled Tribe in direct recruitment immediately after nationalisation and reserved vacancies were worked out at percentages prescribed by the Government. However, the Bank has started maintaining prescribed rosters also since 1978.

5.2 To ensure that proper reservations are provided recruitment of staff is centralised at the Bank's Head office and the rosters are maintained at the Central Office itself. All allotments of officer/clerical cadre personnel received from various Banking Services Recruitment Boards after obtaining necessary approval from competent authorities in the Central Office are sent to the various Zonal Offices/Regional Offices for appointment and deployment. Periodically, reports are prepared regarding progress of recruitment of Scheduled Caste/Scheduled Tribe and the report is placed before the Board of Directors for their information on a half-yearly basis in June and December every year. The Bank's Liaison Officer checks the rosters periodically. No cases of negligence or lapses in the maintenance of rosters have so far been noticed:

5.3 Giving reasons for the Bank maintaining rosters since 1978 only while Reservation orders became applicable in 1969, the representative of the Bank has stated during evidence that they were just taking 15% Scheduled Castes and 7½% Scheduled Tribes but were not maintaining proper roster. They were depending on other Records. They were making reservation without the Roster System, which was introduced only in 1978.

5.4 The representative of the bank has further stated during evidence that they were maintaining separate rosters state-wise for clerical staff and on all India basis for officers. They had separate rosters for recruitment and promotion

5.5 On being pointed out that rosters in the bank were not being maintained properly, the representative of the Ministry of Finance has stated during evidence :

“We have already taken preliminary steps in this direction. We are trying to organise a workshop of Liaison Officers of various banks so that the provisions of reservation etc. may be fully clarified and these things should be explained to them. We have already had some discussions with the training college of the Government and we will

request them and the Commissioner of Scheduled Castes/Scheduled Tribes to help us in organising this course. We will probably take up this some time in January, 1984."

5.6 The representative of the bank stated that he would get the rosters examined. He also stated that they will issue a circular regarding creation of Scheduled Caste/Scheduled Tribe Cell so that employees could send their complaints etc. to it.

5.7. In reply to a question whether the Liaison Officer had conducted annual inspection zone-wise, the representative of the bank stated that inspection had been done except in one or two Zones and they would issued instructions recently that the Liaisons Officer should meet representatives of Scheduled Castes/Scheduled Tribes quite often.

5.8 In reply to a question whether different rosters were maintained for the various categories of posts in the clerical cadre, the representative of the bank has stated as under :—

"As per present practice in all the banks, the rosters of clerical staff are kept in clerical cadre. If this practice has to be changed it has to be changed in all the banking industry."

5.9 The Committee are unhappy to note that while reservation for Scheduled Castes and Scheduled Tribes in Direct recruitment was introduced in Union Bank of India immediately after nationalisation of banks in 1969, the bank started maintaining the rosters only in 1973. The Committee fail to understand how the bank gave effect to the prescribed reservations during 1969-78 without maintaining the rosters as required under the Government orders for determining reserved and unreserved points. The Committee need hardly stress that roster is the only mechanism to keep a watch on the implementation of policy of reservation. The Committee recommend that the Banking Division of the Ministry of Finance should check up from all nationalised banks whether rosters are being maintained by them as envisaged in the Government directives.

5.10 Rosters in the Union Bank of India are at present being maintained at the Central office only. As the rosters in the clerical cadre are maintained State-wise the Committee recommend that the rosters pertaining to a State should also be maintained at the regional offices of the bank located in that State. Likewise, rosters regarding sub-staff posts should be maintained at the regional offices of the bank in addition to the Central Office, as recruitment to this cadre is done by the Regional office through the Employment Exchange.

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

5.12 The Committee recommend that Liaison Officer of the bank should

check the Rosters periodically and discrepancies, if any, should be rectified immediately so that there is no mistake in calculating the reserved vacancies.

B. Annual Statements/Report

5.13 In a written note furnished to the Committee, the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that periodical statements regarding recruitment/promotion of Scheduled Castes/Scheduled Tribes received in the Banking Division are prepared by the respective banks on the basis of the rosters maintained by them. It is the duty of the Liaison Officers to verify the correctness of these statements with reference to the rosters.

5.14 These statements give the following data :

- (i) Total number of employees and the number of Scheduled Castes/Scheduled Tribes amongst them;
- (ii) Number of reserved vacancies filled by members of Scheduled Castes/Scheduled Tribes; and
- (iii) Details of recruitment made against vacancies, reserved for Scheduled Castes/Scheduled Tribes in promotions.

5.15 These statements are examined in the Banking Division in order to find out the progress made by the Bank in filling the quota reserved for Scheduled Caste/Scheduled Tribe in various cadres. From time to time, the Banks/BSRBs are advised to take special steps like holding of exclusive tests for Scheduled Caste/Scheduled Tribe for clearing the backlog of vacancies. All statements are generally submitted within the stipulated time.

5.16 Half yearly statement showing details of recruitment made against vacancies reserved for SC/ST by the Union Bank of India during the half year ending June, 1983 was examined by the Banking Division and the Bank was asked to explain the position of backlog and the measures taken by it in this regard. The Banking Service Recruitment Board, Bombay was also asked to look into it and to hold a special test for SC/STs to clear the backlog, if necessary. Copies of the letters addressed to the Bank and the recruitment board are at *Appendices ...X and XI*.

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

The Annual Report of the Bank Contains data relating to recruitment of Scheduled Castes and Scheduled Tribes.

The details regarding credit facilities provided by the Bank to Scheduled Castes/Scheduled Tribes are also mentioned in the Annual Report of the Bank."

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

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

CHAPTER VI

CREDIT FACILITIES

A. Organisational Set Up

6.1 In the Banking Division of Ministry of Finance steps are being taken for creating a cell for looking after the credit requirements of Scheduled Castes and Scheduled Tribes.

6.2 In the Union Bank of India there is a 4 tier organisational set up for providing credit facilities. This set up comprises of :

Central Office

Zonal Office

Regional Office

Branches

6.3 Regional Offices are the primary management tier over the branches and all the progress of lendings of all categories of borrowers including weaker sections is guided and monitored by Regional Offices. The performance of Regional Offices is reviewed at Zonal Offices level. Central Office is responsible for policy formulations, direction of planning and credit deployment to all the sectors. At the commencement of every year, a Business Plan Conference is convened and targets under various parameters are set, with special emphasis on assistance to weaker sections.

6.4 Branch Managers have been delegate with sufficient sanctioning powers for disposing of loan applications from small borrowers. However if the proposal is for a higher amount the same is referred to Regional/Zonal office and Central Office as the case may be. Care is taken to see that credit is not denied to genuine borrowers. and proposals from weaker sections are disposed of as quickly as possible.

6.5 In the recent past, by conducting face to face meetings with those in the field and also by separate communication series, special efforts are directed to scout for and bring into the Bank's fold increasing number of people belonging to the category.

6.6 During evidence, the representative of the Ministry of Finance (Banking Division) has stated as under :

“At present credit is being monitored by the same section which monitors credit flow to other sectors of the economy like industry, agriculture. There is no separate cell to monitor credit to Scheduled Caste/Sche-

duled Tribes. The existing cell which deals with reservation of Scheduled Caste/Scheduled Tribe will be strengthened and it will deal with credit flow once the strengthening takes place."

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

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

B. D.R.I. Scheme

6.9 The Committee have been informed that the broad guidelines of Reserve Bank of India/Government of India with regard to provisions of loans under DRI Scheme to Scheduled Caste/Scheduled Tribe borrowers are as under :—

1. The Bank's lending under the DRI Scheme should be the extent of at least 1% of its aggregate advances. To ensure that the persons belonging to Scheduled Caste/Scheduled Tribe get their due share of benefits under the scheme, the stipulation of share of loans to Scheduled Caste/Scheduled Tribe is 40% of the total DRI lending;
2. Credit may be routed under the DRI Scheme through the Co-operative Societies/LAMPS organised specifically for the benefit of tribal population in areas identified by the Government.
3. Under the eligibility criteria for DRI loans, it has been stipulated that such of the persons who cultivate one acre of land in case of irrigated land and 2.5 acres in case of un-irrigated land and total income of the Household as one unit is Rs. 2000/- per annum in case of rural areas and Rs. 3000/- per annum in semi-urban, urban and metropolitan areas, would be eligible for loan under DRI Scheme. In case of members of Scheduled Caste and Scheduled Tribe, satisfying, inter-alia, other terms and conditions, they would be financed irrespective of their land holdings ;
4. At least 2/3rd of the total advances under the scheme are to be made through rural/semi-urban branches.
5. EXTENT OF LOANS :—Term loans upto Rs. 5000/- and working capital upto Rs. 1500/- may be granted under the scheme. In exceptional cases, particularly for Educational institution and indigent students of merit, higher amounts of loan may be considered. The rate of interest will be 4% per annum.

6. REPAYMENT SCHEDULE

The loan should be normally repaid within a period extending upto 5 years including the grace period, not exceeding 2 years. The repayment schedule should be worked out in each case having regard to nature of the activity of the borrower and economics of operation. Care should be taken to ensure that subsistence requirements of the borrower should be taken into consideration while fixing the instalments.

7. SECURITY :

There will be hypothecation of assets created out of loans. Group Guarantee may be asked wherever homogenous groups of borrowers are financed.

Loans under the Scheme are covered under small Loans Guarantee Scheme of Credit Guarantee Corporation of India Limited (now Deposit Insurance and Credit Guarantee Corporation).

6.10 According to circular No. 2080 dated 1.6.77, issued by Union Bank of India to all their branches/offices, broadly the persons of the following categories should be considered eligible under DRI Scheme.

- (i) Scheduled Tribes, Scheduled Castes and others engaged on a very modest scale, in agriculture and/or agricultural activities.
- (ii) People who themselves collect or do elementary processing of forest products and people who collect fodder in difficult areas and sell them to the farmers and traders.
- (iii) People physically engaged on a modest scale in the field of cottage and rural industries and vocations.
- (iv) Indigent students of merit going in for higher education who do not get scholarships/maintenance grants from governmental or educational authorities.
- (v) Physically handicapped persons pursuing a gainful occupation.
- (vi) The following institutions are also eligible for credit under the scheme :—
 - (a) *Orphanages and Womens' Homes* where saleable goods are made and for which no adequate and dependable source of finance e.g. endowments or regular charities exist.
 - (b) *Institutions for physically handicapped persons* pursuing a gainful occupation where some durable equipments and/or continuous supply of raw materials is useful.

Institutions for physically handicapped persons, orphanages and women's Homes will be exempted from income criteria. However, it should be ensured that these institutions utilise the funds for productive purposes only and not for meeting their normal administrative and establishment expenses. It is also necessary to verify from independent sources about the genuineness of these institutions.

Special Instructions

6.11 Branch may not insist upon the borrower to produce documentary evidence to establish his eligibility under the Scheme. The Branch Manager should make local enquiries as may be required to satisfy himself about the eligibility before sanctioning of loans.

The cost of insurance of the assets charged to the Bank, should be borne by the Branch.

Wherever the State Governments have passed Acts to exempt loans under DRI from the Stamp Duty, the same should be taken care of.

6.12 The Bank has also advised its branches as under :—

(a) Branches in those backward regions/districts where the percentage of DRI advances to total advances is below even 0.5% should gear up their efforts ;

(b) Branches should continue to entertain the genuine needs of the weaker sections in the rural areas keeping in mind the need to ensure proper end-use of credit;

(c) Branches should also gear up their machinery for follow-up of DRI advances and ensure that recoveries are made. Zonal/Regional/Development Manager's Offices should assist/guide the Branch Managers whenever necessary in this regard ;

(d) Branches/Offices were informed vide Circular No. MDO : CIR : 105 dated 19th July 1977, that the power to decline a proposal emanating from the priority sectors vests only at the Zonal Levels.

Branches should submit the quarterly returns to their concerned Regional Office within a fortnight from the close of the quarter to which they pertain. The Regional Offices in turn should submit the consolidated statements for their Regions, alongwith District-wise break-up within one month's time from the close of the quarter to which they pertain, to the Priority Sector Development Department.

6.13 In a note furnished to the Committee it has been stated that the Bank has not extended finance through co-operative societies/LAMPS under DRI Scheme, but only through Corporations established for the welfare of Scheduled Castes/Scheduled Tribes.

6.14 According to the guidelines of Reserve Bank of India, the bank may route credit under the scheme through State Corporations for the welfare of Scheduled Castes and Scheduled Tribes. The eligibility criteria and other terms and conditions are indicated in the scheme. The Corporations themselves will be exempted from the income criteria. Finance will be made available to the Corporations only against specific and Commercially viable schemes formulated by them. Further, the Corporations will not seek any charges and the loans will flow to the beneficiaries at 4% per annum rate of interest. The corporations will be responsible for repayment of the loan on due dates, irrespective of the state of recovery from the beneficiaries. It will be the responsibility of the Corporations to ensure that funds are utilised for productive purposes only for which they have been sanctioned and not for meeting their normal running expenses. The cost of implementation of the scheme shall be borne by State Corporations/Government.

6.15 In a note furnished to the Committee, it has been stated that the definition of Family for the purpose of assessing family income in DRI Scheme has not been clearly stipulated. However, generally the Branches consider Wife, Husband and other dependents as one family unit.

6.16 A Task Force has been constituted by the Government of India to examine the working of the DRI Scheme. The Task Force will also *inter alia* go into the definition of family for this purpose and examine the question whether income of all the earning members in a family should be added while applying the income eligibility criteria.

6.17 Total DRI advances by the Bank to Scheduled Castes/Scheduled Tribes as at the end of March, 1981, March 1982 and March, 1983 are as under :

(Rs. in lacs)					
<u>Advances to SC/ST under DRI Scheme :</u>					
<u>March 1981</u>		<u>March 1982</u>		<u>March 1983</u>	
A/cs.	Amt.	A/cs	Amt.	A/cs.	Amt.
	O/s.		O/s.		O/s.
40736	345.22	49199	463.40	61295	686.17
(% to total DRI advances)					
40.7	42.1	43.4	46.4	46.2	47.5

6.18 Total advances by the Bank in June, 1983 were 125416 lacs out of which 1389.91 lacs were under DRI Scheme. This constitutes about 1.11% of the total advances.

6.19 Statewise distribution of DRI advances to Scheduled Castes and Scheduled Tribes is given in Appendix—XII.

6.20 The percentage of recovery to demand as at the end of March 1981, March 1982 and March 1983, under DRI Scheme is as under :—

<i>March 1981</i>	<i>March 1982</i>	<i>March 1983</i>
% of recovery to demand	% of recovery to demand	% of recovery to demand
46.77	42.82	48.44

6.21 In reply to a question as to what extent the increase in outstanding advances is due to lower rate of recovery, it has been stated in a note furnished to the Committee that precise date in this regard is not available. However, it is to be pointed out that with increase in advances, there is simultaneous increase in recovery also under DRI.

6.22 Then asked during evidence whether increase in the percentage of outstanding amount to Scheduled Castes/Scheduled Tribes under DRI was due to more disbursements and not due to increase in overdues, the representative of the Union Bank of India stated as under :—

“It is not on account of the overdue accounts. Percentage share of Scheduled Castes/Scheduled Tribes in total priority sector advances as in June 1982 was 3.8. In December it was 3.9. In June 1983 it was 4.88 and in September, 1983 it was 5.33. I have given a fresh credit of Rs. five crores in the last six months to these sectors. My total outstanding amount now has gone to 21.65 crores in June. In September it has gone to 48.5 crores since the new loans were disbursed.”

6.23 In order to ensure that branches do not resort to indiscriminate lending for non-viable projects in order to achieve the prescribed targets for DRI advances to Scheduled Castes/Scheduled Tribes, Branches have been advised to strictly follow the guidelines/instructions issued by the Bank. A close monitoring of growth of advances is maintained by a reporting system and the internal auditors/ statutory auditors/RBI Inspectors as well as visiting officials from controlling office ensure that branches do not resort to indiscriminate lendings particularly to non-viable projects.

6.24 In reply to a question during evidence whether Government intended to increase the amount of term loan of Rs. 5000/- and working capital loan of Rs. 1500/- in view of the decrease in the value of money, representative of the Ministry of Finance has stated that a Task force had been constituted by the Government to examine the working of DRI Scheme. The Report of the Task Force was expected by the end of December after which a decision would be taken.

6.25 The Committee appreciates that advances by the Union Bank to Scheduled Castes and Scheduled Tribes under DRI Scheme as in March, 1983 constitute 47.5% of total DRI advances, as against the stipulation of 40% minimum under the guidelines of Reserve Bank of India. Total DRI advances constitute about

1.11% of total advances by the bank as in June, 1983. The Committee would, however, like the Union Bank of India to find out whether there are any states or regions where the percentage of DRI advance to total advances has been less than 1% and DRI advances to Scheduled Castes/Scheduled Tribes have been less than 40% of total DRI advances. The Committee desire that the Bank should make concerted efforts to reach the prescribed targets in all States/regions of its operation.

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

6.27 Under DRI Scheme banks advance maximum of Rs. 5000/- as Term loan and Rs. 1500/- as Working Capital. The Committee feel that in view of the decrease in the value of money this amount is insufficient for starting a viable project and in most of the cases is practically converted into a consumption loan thus defeating the purpose behind DRI Scheme. The Committee recommend that the limits of loan under DRI Scheme should be suitably increased to serve the purpose.

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

C. Scheduled Caste/Scheduled Tribe Development Corporations

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

6.30 Banks may grant such assistance, subject to the undernoted conditions :—

- (i) The Schemes formulated by the State sponsored Corporations/agencies for financing should cater exclusively to the weaker sections of the society in the various categories of the Priority Sectors and/or the beneficiaries under the 20-Point Economic Programme.
- (ii) The Corporations/agencies should have necessary organisational set-up-expertise/staff for supervising field operations and recovery, since these would not be directly supervised by banks.
- (iii) The Corporations/agencies should furnish to the banks full details of these schemes which may either be area-specific or activity-specific. The schemes must contain details of the number of beneficiaries, purpose of advances, economic status of the beneficiaries, the cost/benefit analysis, etc. to the satisfaction of the banks. The banks should provide assistance only on such schemaic basis.
- (iv) The Corporations/agencies should furnish periodical statements indicating the details of the loans given, purpose, etc., as well as progress of recovery.
- (v) Corporations/agencies should have their own resources for meeting their administrative expenditure as well as for non-bankable supporting activities for the beneficiaries, or for covering operational losses.
- (vi) The terms and conditions/including rates of interest stipulated by the Corporations/agencies to the beneficiaries should not be less favourable than those stipulated for direct lending by banks.
- (vii) The State Governments should institute a regular system of periodical auditing of the books and accounts of the Corporations/agencies.

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

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

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

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

6.35 With a view to expeditiously ameliorate difficulties of Scheduled Castes and Scheduled Tribes and to ensure their economic upliftment, certain State Governments, as one of the measures, have set-up scheduled Castes Scheduled Tribe Corporations. Some of these Corporations have formulated Schemes (also known as Special Component Plans), under which Bank financing is expected for economic upliftment of these communities.

6.36 Salient features of the schemes formulated by these Corporations are as follows :—

- (a) Beneficiaries are identified by Corporation, which is a State Body.
- (b) Margin Money Loan is provided by the Corporation.
- (c) Margin Money loan is charged interest of 4% p.a.
- (d) Recovery is to be shared between the Bank and the Corporation in the proportion of Bank's loan and Margin Money Loan.

6.37 It has been further stated that such of the advances as are covered under the DRI guidelines, and are routed through such Corporations for the benefit of Scheduled Caste/Scheduled Tribe are regarded as DRI lendings.

6.38 Union Bank of India is participating in financing the schemes formulated by Scheduled Caste/Scheduled Tribe Development Corporations in the States of Tamil Nadu, Uttar Pradesh, Himachal Pradesh, and Orissa in the case of Andhra Pradesh and Bihar, discussions regarding the tie-up arrangements are under-way. In the case of Gujarat, the bank has extended finance to the extent of Rs. 30 lacs to the Gujarat Tribal Development Corporation for financing tribals for purchase of Oil-engines, electric motors, bullock-carts, etc. The Government of Gujarat has agreed to guarantee the advance.

6.39 The bank has not received any application from Tribal Development Corporations of other States for grant of loans. However, the bank is routing finance through Scheduled Caste/Scheduled Tribe Corporations (established to serve both Scheduled Castes and Scheduled Tribes) in the States of Kerala and Karnataka.

6.40 Since in other cases, no direct advances have been made to the Corporations, the question of Government guarantee does not arise. Advances given to the borrowers through those Corporations are covered by the Guarantee of Deposit Insurance and Credit Guarantee Corporation.

6.41 Bank has got arrangement with Scheduled Caste/Scheduled Tribe Corporations of Tamil Nadu, Himachal Pradesh and Uttar Pradesh for recovering the margin money assistance given by these Corporations for the benefit of the borrowers. Since the arrangements with these Corporations are of recent origin, the bank has yet to study the implementation of the projects. Hence at present they have no comments to offer regarding their experience in dealing with these corporations.

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

6.43. The Committee are surprised to note that the Union Bank of India has made tie-arrangements with some of these corporations only recently. The Committee recommend that with a view to increase the flow of credit to Scheduled Castes/Scheduled Tribes, the Bank should establish contacts with all the existing Scheduled Caste/Scheduled Tribe corporations and participate in financing the viable schemes framed by these Corporations.

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

D. Loan Applications

6.45 In a note furnished to the Committee, it has been stated that Branches/Offices of the Union Bank of India have been given instructions from time to time regarding the need for speedy disposal of loan applications received from small borrowers and the weaker sections. Regarding the time factor for disposal of loan applications, standing instructions to the Branches/Offices are that the loan applications below Rs. 10,000/- should be disposed off within two weeks and those for Rs. 10,000/- and above, within a reasonable time but not exceeding two months after receipt of proposals. Branch Managers have been advised to consider each case with sympathy and understanding and try to dispose off applications received, within the maximum period stipulated.

With a view to ensure that the Branches/Offices do adhere to the time-limit stipulated for disposal of loan applications received from priority sector/weaker sections, the bank has advised its branches/offices to maintain a "Disposal of Loan Applications Register" and this Register contains all the details in regard to such applications from the date of receipt till their disposal. The Register *inter-alia* records information on :

- (i) Date of receipt of loan application.
- (ii) Whether the borrower belongs to Scheduled Caste/Scheduled Tribe category.
- (iii) Date when loan is sanctioned.
- (iv) If the loan is declined, reasons for declining etc.

6.46 Complaints are some times received regarding delay in sanctioning of loans which are looked into specifically. The Head Office had instructed its field executives (i.e. Regional Managers and Zonal Heads) to check whether the branches adhere to these instructions during their visits to branches. Further, even the senior executives from Head Office on their visits to field, make surprise checks on this aspect to ensure that loan applications are disposed of expeditiously at the branch level.

6.47 According to the existing Management Information System no separate Register regarding the details of the applications received exclusively from the Scheduled Castes/Scheduled Tribes is maintained.

6.48 As per the current Management Information System information regarding number of loan applications received from Scheduled Caste/Scheduled Tribe during 1982-83, number of applications sanctioned, number rejected and number pending is not available. On an average, the total number of applications rejected in priority sector is less than 5% to 10% and the number of applications pending at any point of time less than 20%.

6.49 While considering loan applications from weaker sections viability of the project is given the prime consideration. Where a project does not appear viable, every effort is made to make it viable by making arrangements for infrastructural facilities through other agencies. Credit worthiness of a borrower in terms of his dealing with other financial institutions is given secondary importance.

6.50 In order to ensure that loan applications from the priority sector borrowers are not rejected without valid reasons, the power to decline priority sector loans is entrusted with our Zonal Office only. However, in case of I.R. D.P. applications where loan requirements are small and the borrower is to be communicated at very short notice of time of the Bank's decision, this authority vests with the Regional Office. But Bank's Branches are not empowered to reject any loan application without prior reference to the Regional/Zonal Office. Recently R.B.I. have directed that in respect of I.R D.P., rejection be decentralised to the branch base itself.

6.51 Specific instructions have been issued to Branches not to insist for security like mortgagage or charge on land or deposit of title deed/third party guarantee, etc. for loan upto Rs. 5000/- which leads to creation of an asset. At every instance branches are being repeatedly advised, not to contravene the above instructions. During meetings of Branch Managers also, this is being emphasised. The terms and conditions of lending are also printed on the application from itself so as to enable the borrowers to know the norms of lending.

6.52 Regarding printing of loan application forms, it has been stated that the printing of loan application forms has been decentralised. Loan applications for all categories of loans are printed in English, Hindi and other Regional Languages. The branches are supplied with sufficient number of loan applications.

6.53 Although no separate study has been conducted on the grounds of rejection of loan applications, on the basis of the current management information system, the following are the main reasons for rejection of loan applications :—

- (i) The borrower is basically ineligible.
- (ii) The borrower is already a wilful defaulter of our Bank or other Banks.
- (iii) The borrowers are not interested in the activity.
- (iv) The borrowers past experience does not match with the activities proposed to be undertaken, etc.
- (v) Technically and economically non-viable.

6.54 Regarding the reasons for rejection of a large number of loan applications, the representative of the Bank has stated during evidence as under :—

“...our main reason for rejection is that some borrowers are ineligible for that. The other reason is that they are not interested in other activity which is sponsored. Everybody almost comes for cows and Buffaloes and that sort of activity.”

It was pointed out that the first reason for rejection, namely, the ineligibility of the applicant was absolutely vague. It should be specified. The representative of the bank stated that he would look into it.

6.55 The bank has given clear cut directives to its branches to dispose of loan applications, within the time limits specified. Progress of the Branches in adhering to these instructions is being monitored on monthly basis by the Bank's Regional Offices, and corrective steps are initiated as and when warranted. Our Internal Audit teams too examine these Registers.

6.56 With regard to the applications received by the Branches directly or canvassed by the Branches, the question of pendency usually does not arise. In such cases, the Branch Officials themselves help the borrower in filling up the application form and collecting necessary supporting documents from different agencies and help the borrower in preparation of a viable scheme/project. Thus, these applications are disposed of expeditiously. In the case of applications sponsored by other agencies like D.R.O.A. and Corporations, pendency arise mainly due to the following reasons :

- (i) Invariably applications are forwarded in bunches, particularly at the end of the financial year;
- (ii) Applications are incomplete;
- (iii) Borrowers do not respond to Bank's communication/not available at their places of residence; and
- (iv) Borrowers are not interested.

6.57 In reply to a question by the Committee whether they had received any complaints regarding delay in sanctioning of loans, the representative of the bank has stated during evidence that there were a few complaints. Their experience was that generally the loans were sanctioned within 3 weeks. Sometimes they might not have been sanctioned. When the application was received, it was entered and the reason for rejection was also given. From April to September, 1983, they had received 64,000 applications out of which 45,000 applications had been sanctioned, 10,000 rejected, and 9,000 were pending.

6.58 When asked how many times the applicant had to come to the bank for getting loan, the representative of the bank has stated :—

"I can say by experience, generally, I will not be able to give the exact time. May be two or three times he has to come."

6.59 In order to ensure the end-use of the loans, disbursements are made to the suppliers of materials, machinery or the goods as the case may be. However, on the Bank being completely satisfied about the need for each disbursement the same is done to the borrower himself. Bank does not disburse loans to the middlemen or representatives of the borrowers.

6.60 The Committee note that the Union Bank has issued standing instructions to all its branches/offices that loan applications below Rs. 10000/—should be disposed of within two weeks and those for Rs.10000/-and above within reasonable time but not exceeding two months after receipt of proposal. The Committee regret to note that in spite of these instructions complaints are some-times received regarding delay in sanctioning of loans. The Committee recommend that whenever cases of delay in sanctioning of loans by branches come to the notice of bank authorities, immediate action should be taken against persons responsible for the delay.

6.61 The Committee have been informed that the Register of loan applications maintained by the branches shows whether the applicant belong to Scheduled Caste/Scheduled Tribe category. The Committee desire that information should be compiled every six months indicating the total number of loan applications received from Scheduled Caste/Scheduled Tribes and the number of applications rejected in each zone. The Committee feel that the Head Office can monitor the flow of credit to weaker sections more effectively if such basic data is available to them.

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

E. Recovery of Dues

6.63 According to information furnished to the Committee, the percentage of recovery to demand under DRI Scheme for year ended June, 1982 for Scheduled Caste/Scheduled Tribe borrowers works out to 41.62% as against 42.82% under total DRI credit as in March, 1982. However, under the present management information system in the case of priority sector advances, the percentage of recovery is not available separately for advances granted to Scheduled Caste/Scheduled Tribe. However, percentage of recovery to demand for total priority sector as at June, 1982 works out to 50.28%. Some of the difficulties faced by the bank in recovery of dues are as under :

- (i) Funds are not utilised for the purposes for which they are given
- (ii) Activity not becoming viable for reasons beyond the borrowers control ;
- (iii) Income generated out of productive activities is used for other purposes rather than repaying the loan.
- (iv) In some cases wilful default by the borrowers.
- (v) Sometimes borrowers take it for granted that the loans are a form of subsidy from the Government and the same need not be repaid.
- (vi) Lack of support from Government Machinery/Development Corporations.
- (vii) Lack of infrastructural facilities in rural areas (Mainly improper roads)
- (viii) The amount of overdues in some of the accounts is meagre and coercive/legal action for recovery proves costly.

6.64 Data regarding overdues under total priority sectors advances for last 3 years are as under :

	(Rs. in lacs)		
	June'80	June'81	June'82
Total Priority Sectors Advances	24726.53	31420.33	36222.31
% of overdues	23.52	22.59	20.81

In S.S.I sector overdue loans are proportionately higher followed by Education and Housing Schemes.

6.65 It has been stated that the bank takes the following steps for recovery of overdue loans :

- (i) Bank believes in the concept that "Pro-disbursement Study leads half way to success." Hence, the field officials are closely following up end use of loans which ensures increase in income ;
- (ii) Frequent personal follow up with the borrowers and conducting periodical recovery drives ;
- (iii) making tie-up arrangements wherever possible with the marketing agencies to ensure better price for the product as well as remittance of loans instalment directly to the Bank ;
- (iv) granting extension of repayment period/rescheduling of repayment period/grant of additional loan in cases where the activity fails to generate adequate income due to the natural calamities like drought, flood, cyclone etc.
- (v) Identifying the critical branches with high overdues and concentrating on them ;
- (vi) launching other nursing programmes to make the programme viable ;
- (vii) restricting the legal action to very serious cases where the borrower is found to be wilful defaulter or the borrowers misguides other not to repay Bank's loan including his own loan ;
- (viii) No penal interest is charged on overdue loans under DRI Scheme. It is pertinent to note here that in case the borrower suffers loss for the reasons beyond his control, the Bank has taken action in filing claims with DICGS and then the Balance amount is written off.

6.66 It has further been stated that there is considerable scope for improving the recovery performance, if State Governments/SC/ST Development Corporations extend more co-operation.

Some of the methods suggested to tackle the problems of overdues are :

- (i) Assured marketing facilities should be organised by the agencies and marketing should be linked with repayment ;
- (ii) Beneficiaries should be given proper training in the activities to be undertaken by them ;

- (iii) Constant Joint follow-up action by agencies involved should be carried out ;
- (iv) Close co-ordination should be maintained among the different agencies in order to closely monitor the schemes and sort out field problems.

6.67 The Committee have further been informed that any expenditure incurred with regard to recovery of overdue loans is charged to the borrower.

6.68 The following are the circumstances under which loans are treated as irrecoverable :—

- (i) where the borrower is dead ;
- (ii) where the borrower is not traceable and no repayment is forthcoming;
- (iii) accounts in which documents have become time-barred by limitation and unenforceable ;
- (iv) In cases where suits have been filed and where there is no tangible security to execute the decrees ;
- (v) In other special circumstances like disability of the borrower due to illness etc., Loans are considered as bad and doubtful of recovery.

6.69 It may be observed from the above that all-out efforts are made to recover the loans. It is only when all avenues of recovery have been exhausted, claims are filed with the DICGS,

In reply to a question regarding the amount of loans written off as bad debts in each of the last three years so far as SC/ST borrowers are concerned, it has been stated that according to the forms of Balance sheet and Profit and Loss Account prescribed under the Banking Regulation Act 1949, Banks are given statutory protection from disclosing the quantum or particulars of bad and doubtful debts for which provision has been made to the satisfaction of their auditors. In view of this, information regarding loans written off cannot be divulged. In any case separate data regarding loans written off in respect of Scheduled Caste/ Scheduled Tribe borrowers is not available with the bank.

6.70 In reply to a question whether in certain cases beneficiaries are unable to repay bank loans because the projects for which loans are sanctioned fail due to lack of infrastructural facilities, it has been stated in a note furnished to the committee that according to our current Management Information System the required particulars in this regard are not available. In general, schemes under agricultural and allied activities, self-employed professionals rural and cottage industries are the ones which have failed resulting in non-recovery of loans. The schemes have failed due to non-availability of infrastructural facilities, like marketing facilities, raw material, lack of power, etc. Some of the schemes are sponsored by State agencies and others by Development Agencies. The Schemes sponsored by SC/ST Development Corporations are under implementation and recovery is yet to be studied. Infrastructural facilities for these schemes are to be provided by the State Governments and agencies like Development Corporations.

6.71 Waiver of the part of the loan amount, mostly interest portion, is being done in many cases where failures have been due to reasons beyond the control of beneficiaries/borrowers. The Bank also adopts nursing programmes tailored to meet the situation. In this programme, re-scheduling of repayment, interest concessions, etc. are considered. As the Bank follows schematic approach, even then faced with situation of "failure". attempt is made to convert such "failure" into "Success" by pragmatic and sympathetic approach.

6.72 The Committee find that the percentage of recovery to demand under total DRI credit is 42.62% as in March, 1982 whereas it is 41.62% for Scheduled Castes/Scheduled Tribes as in June, 1982. The Committee note with satisfaction that the percentage of recovery from Scheduled Caste/Scheduled Tribe borrowers is almost the same as the overall recovery in respect of total DRI Credit.

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

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

CHAPTER VII

PRIORITY SECTOR LENDING

A. *Share of Scheduled Castes/Scheduled Tribes in Priority Sector Advances*

7.1 The Committee have been informed that Reserve Bank of India, arising out of recommendations of the Working Group (Ghosh Committee) has made certain modifications with regard to the following under the Priority Sector Advances :—

- (i) Credit levels to be achieved.
- (ii) Definition of various categories in Priority Sectors.
- (iii) Definition of weaker sections under Priority Sectors.

7.2 With a view to ensuring that the thrust of the priority sector is towards financing the smaller borrowers, certain modifications have been made in the definitions of some of the components of the priority sector *viz.*, retail trade, small business and professional and self-employed persons.

7.3 In recognition of the need for increasing by financing agricultural operations, as against the existing sub-target of 16% for both direct and indirect finance for agricultural and allied activities, banks should ensure that direct finance extended to agriculture (including allied activities) should reach a level of atleast 15% of the total credit by March 1985 and at least 16% of the total credit by March 1987.

7.4 Regarding weaker sections under Priority Sector the representative of the Ministry of Finance stated during evidence that previously credit for agriculture and allied activities upto Rs. 10000/—, for small and landless labourers and for SSI Sector Unit upto Rs. 25,000/—came within weaker sections. Ghosh Committee was appointed in 1982. According to its recommendations, definition of weaker section was changed.

7.5 Under the revised definition of weaker sections, they now comprise of the following 5 categories :—

- (i) Small and Marginal farmers with land holdings of 5 acres and less, landless Labourers, tenant farmers and share croppers.
- (ii) Artisans, Village and Cottage Industries.
- (iii) Beneficiaries under Integrated Rural Development Programme (IRDP).
- (iv) Beneficiaries belonging to Scheduled Castes/Scheduled Tribes.
- (v) Beneficiaries covered under Differential Rate of Interest (DRI) Scheme.

7.6 The advances to the weaker sections should reach a level of 25% of priority sector advances or 10% of total bank credit by the end of March 1985. Consequently, the existing sub-targets for weaker sections in agriculture and SSI will no longer be applicable. No separate norms have been prescribed by Government/ Reserve Bank of India regarding share to Scheduled Caste/ Scheduled Tribe in the total priority sector advances. However in case of DRI lendings, the share of Scheduled Caste/Scheduled Tribe should be 40%.

7.7 Under the above norms, as at the end of December, 1982 bank has extended finance to the extent of 18.55% of weaker sections under Priority Sector Advances.

7.8 During evidence the representative of the Union Bank of India has stated that the share of Scheduled Castes and Scheduled Tribes for June 1983 is 4.87%.

7.9 The progress of Priority Sector Advances by Union Bank of India *vis-a-vis* share of advances to Scheduled Caste/Scheduled Tribe is furnished below :—

		(Rs. in lacs)					
Sl. No.	Particulars	December 1980		December 1981		December 1982	
		No. of A/cs.	Amount	No. of A/cs.	Amount	No. of A/cs.	Amount
(i)	Total priority Sector Advances	434885	27912.19	484421	38313.39	537887	42096.30
(ii)	Advances to SC/ST	62242	779.80	79817	1060.46	100120	1663.19
(iii)	Share of SC/ST to total priority sector (%)	14.51	2.79	16.48	3.00	18.61	3.95

7.10 As regards the targets fixed by Union Bank of India for advances to weaker section upto March, 1985, the Committee have been informed that in its recently concluded Top Management Conference for finalising the framework of the Bank's Corporate Plan for 1984-85 the Bank has fixed a target of Rs. 160 crores for December, 1984 and Rs. 165 crores for March, 1985 under the Weakers Sections Credit portfolio. This will ensure that the Bank will not only achieve, but in fact exceed the stipulation set in this regard, *i.e.* achieving a share of Weaker Sections Credit in priority sectors at 25% and in total advances at 10% by March, 1985.

In order to ensure the achievement of weaker sections credit regard, the Bank in its Corporate Plan has also set separate targets for advances under I.R.D.P., credit to Scheduled Caste/ Scheduled Tribe, credit under 20-Point Programme, whose beneficiaries mainly come under weaker sections.

For the year 1984, we have planned for a share of 13% in the total credit expansion for the beneficiaries belonging to Scheduled Castes/Scheduled Tribes, which will enable the Bank to improve its share of credit to Scheduled Caste/Scheduled Tribe in total advances from 2.0% as end-December 1983 to 3.3% as of end December 1984.

7.11 As regards distribution of credit, the representative of the bank has stated during evidence as under :—

“First we see the district in which we have coverage and in which we have zonal and regional offices. At the grass root we have Branch Managers to have dialogue. They make grass root planning-what is the area covered and how much new credit we will give. Then we discuss at the zonal office. Total Plan is prepared. We break it up quarterly-March-June-September and December. Review is taking place. This is monitored by the Committee of Directors which is responsible for monitoring 20 Point-Programme-Priority Sector and weaker section of society. Distribution is according to the availability of resources absorption.”

7.12 It has been stated that data on total credit disbursed by the Bank to Scheduled Caste/Scheduled Tribe during the first three years of the Sixth Plan, year-wise and state-wise is not available as per the current management information system. However, the outstanding advances as at the end of March 1981, 1982 and 1983 under Priority Sector are furnished as in Appendix-XIII.

7.13 A statement showing Public Sector Banks Advances to Priority Sectors and the share of Scheduled Castes/Scheduled Tribe-Bank-wise as on last Friday of June, 1982 is given in *Appendix XIV*.

7.14 The Committee pointed out during evidence that according to the statement of priority sector advances to Scheduled Castes and Scheduled Tribes, in Meghalaya which is principally a tribal State, credit amounting to Rs. 93000 had been given to only 17 borrowers which was a very small number.

The representative of the Union Bank of India has replied as under :—

“In Meghalaya we have only two branches and our advances upto December 1982 in the priority sectors were Rs. 16.24 lakhs.

Agriculture	0.3 lakhs
Small Scale Industry	1.16 lakhs
Other priority sectors	14.78 lakhs
Total.	16.24 lakhs.

7.15 In reply to a further question, the representative of the Union Bank of India has stated that total credit outstanding was Rs. 29.10 lakhs out of which Rs. 0.37 lakhs were under DRI Scheme. He further said that they will try to improve their performance.

7.16 The Committee pointed out that it had been seen that the amount of loans given under IRDP Scheme or Antodaya Scheme being limited, they did not meet the requirement because of escalation in prices and as a result they got converted as consumption loans. The representative of the bank replied as under :—

“I am unable to furnish consumption loan figures. But I can say that the amounts for IRDP are adequate and these are constantly reviewed by us. Our performance in IRDP in various districts has been excellent.....”

7.17 In reply to a question, the representative of the Reserve Bank of India stated that they had asked the Department of Statistics to conduct a survey and they were taking up the survey in January, 1984 on all India basis to find out how far the IRDP has helped in the creation of assets and to what extent the assets were generating income to the advantage of the beneficiaries as also for repayment of the loans.

7.18 The representative of the Union Bank of India stated as under in this regard :

“We made study of the proper utilisation of loans in various lead districts and found more than 90% utilisation—Ernakulam, Azamgarh, Ghazipur and Jonepur etc. We have interviewed 300-600 borrowers in different lead districts before arriving at the above conclusion.”

7.19 In reply to a question that no information had been given about the disbursements made to Scheduled Castes/Scheduled Tribes, the representative of the Reserve Bank of India has stated as follows :—

“Hitherto, upto June, 1983, we have not asked the banks to give us figures about disbursement ; because it is a tremendous task. But from December, 1983 onwards the banks will be able to give us the disbursement figures.”

7.20 The representative of the Ministry of Finance stated as follows in this regard :—

“ The point to understand is that the present system of collecting information at headquarters and reporting to Reserve Bank and the Banking Division is as follows :—

We collect the number of borrowers and we collect the outstanding. That is the practice being followed now. Based on that system, it appears to me that disbursal data collection methods could also be adopted. The system of collecting the information has now been modified.”

7.21 In regard to identification of beneficiaries by the bank, the representative of the Union Bank of India has stated that they identified certain people. Sometimes they had joint selection. Then they processed the applications and

held a meeting where district authorities also participated. They had started the system of recovery with the Government authorities. That way there was coordination between the bank and the Government authority in each district and it was working well.

7.22 It has been further been stated that major portion of the loans to Scheduled Caste/Scheduled Tribe falls under the DRI Scheme. Under DRI Scheme loans is granted upto Rs.6500/—at a concessional rate of 4%, i.e. term loan of Rs. 5000/— for acquiring fixed assets, such as tools and implements etc. and Rs. 1500/— for working capital. The term loan is repayable over a period of 5 years including a moratorium period not exceeding 2 years. Under Education Loans, in exceptional cases particularly for indigent students of merit, higher amount is also considered. When composite loan is sanctioned to the small scale industry and village artisans etc. in the decentralised sector under DRI Scheme, a total loan of Rs. 6500/— is sanctioned without distinguishing working capital and term loan.

Housing Loan :

7.23 In case of housing advance, loans upto Rs. 5000/— (maximum) are granted at concessional rate of interest at 4%, per annum, repayable within a maximum period of 10 years. The housing loan is either granted directly or through Government agencies.

7.24 Excepting the above two categories of loans (DRI & Housing,) in other cases loans are sanctioned to Scheduled Caste/Scheduled Tribe on actual requirements and repaying capacity of the borrowers.

7.25 When asked during evidence whether they gave loans for purchase of land the representative of the Bank stated there was no such scheme. The representative of the bank further stated that they would examine the proposal if such a recommendation was made by the Committee.

7.26 Number of Scheduled Caste/ Scheduled Tribe beneficiaries as at December, 1982 is as under :—

Total No. of SC/ST beneficiaries in :	
Priority Sector Advances	100120
Of which	
SC/ST beneficiaries under DRI Scheme	55800

7.27 The Bank's activity for financing Scheduled Caste/Scheduled Tribe borrowers is not confined to only those borrowers who come to the Bank. The Bank itself takes the initiative in bringing the Scheduled Caste/Scheduled Tribe customers into banking fold. In this connection, the Bank has adopted a strategy styled as "Meeting People Concept" in which village meetings are arranged by the Bank staff on a pre-determined date and place, convenient to the local people. In these meetings plethora of questions are put by the borrowers in connection with their farm problems. The technical staff of Agricultural Universities/State

Government answer all the questions on the spot. This has given the bank a very encouraging result in increasing their assistance to this vital sector and in winning their confidence. This has been the basic approach of the bank in getting this category of borrowers into the banking fold.

7.28 The following basic parameters have been identified by the bank for formulating schemes or for extending assistance for the benefits of Scheduled Castes/Scheduled Tribes :

- (i) There are variations in the social, economic and cultural milieu among the different Scheduled Castes/Scheduled Tribes.
- (ii) Scheduled Tribe population is concentrated a parts of certain States and dispersed in others.
- (iii) Primitive tribal communities live in secluded regions.
- (iv) The greatest asset of this segment of population is family' labour which is available abundantly.
- (v) Consumption Loan should form a part of a loan for economic activity.
- (vi) Level of perception for new activity case compared favourably with that of borrowers.
- (vii) Credit has to be tailor-made and integrated one.

7.29 The Committee note that weaker sections under the priority sector now comprise of 5 categories, namely, (i) Small and Marginal Farmers with land holdings of 5 acres and less, landless labourers, tenant farmers and share croppers ; (ii) Artisans, Village and Cottage Industries ; (iii) beneficiaries under IRDP (iv) beneficiaries under DRI Scheme ; and (v) beneficiaries belonging to Scheduled Castes and Scheduled Tribes. The target fixed for advances to weaker sections is 25% of total priority sector advances or 10% of total bank credit by the end of March, 1985. The Committee regret to note that no separate norms have been prescribed by Government/Reserve Bank of India regarding share of Scheduled Castes/Scheduled Tribes in the total priority sector advances. The Committee recommend that as in the case of DRI Scheme under which a minimum of 40% of the total DRI credit is to be lent to persons belonging to Scheduled Caste/Scheduled Tribe, certain minimum percentage of the priority sector lending should be earmarked for Scheduled Castes/Scheduled Tribes.

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

The Committee are distressed to point out that Scheduled Caste/Scheduled Tribes who constitute more than 22½% of the country's population account for a meagre 3.95% of the total priority sector lending by Union Bank of India. The Committee recommend that the Bank should take immediate necessary measures to enhance its lendings to persons belonging to Scheduled Caste/Scheduled Tri be

so that they get a substantial portion of the credit earmarked for weaker sections under priority sector.

B. Educational Loans

7.31 The Committee have been informed that under the revised educational loans scheme, the Bank considers financing to deserving students in pursuit of higher studies in India or abroad for diploma graduate/post-graduate and doctoral courses.

7.32 Salient features of the Scheme are as under :

A. For Students for Higher Studies in India :

I. Eligibility :

Students over the age of 16 who have secured not less than 60% marks and whose parents do not have the necessary means to finance the education of their children/ward.

II. Purpose :

To cover the costs of fees (tuition fees, examination fees and hostel fees, If any) equipments, books, etc. for any type of diploma, graduate/post-graduate and doctoral courses.

III. Extent :

Upto Rs. 12,000/- to cover the entire period of course leading to degree/post-graduate degree/diploma.

IV. Conditions :

- (i) The student should have secured atleast 60% marks in the examination immediately preceding and qualifying him/her for any of the courses for which financial assistance is sought for.
- (ii) The monthly gross income of the parent/guardian from all the sources should not exceed Rs. 2,000/- (students coming from a family whose total annual family income does not exceed Rs. 6,000/- are termed as indigent students).
- (iii) Application should be made on the prescribed form, accompanied by a certificate from the college, Institute or University, as the case may be confirming—
 - (a) the studentship of the student to be financed by the Bank ;
 - (b) the course to be studied and its duration ;
 - (c) the total approximate annual amount required for fees, books and equipments.

(iv) The total quantum of finance sanctioned for the entire course will be disbursed in instalments equal to the number of terms in the course and depending on the amount required for each term. Satisfactory performance will be a pre-requisite for availability of finance for the subsequent years. Documentary proof for satisfactory performance should be produced by the student from the head of the Institution.

(v) *Rate of Interest :*

- | | |
|--|---|
| —For indigent students (family income upto & inclusive of Rs. 6,000/- per annum. | Bank Rate or 10% p. a. whichever is higher. |
| —Others (family income over Rs. 6,000/- per annum but below Rs. 24,000/- p.a. | 15% p.a. |

(vi) The loan should be repaid in 36 equal monthly instalments commencing from one year after the completion of the course or on the student securing employment or from 6 months after starting a profession/business, *whichever is earlier*.

(vii) An insurance policy for the full amount of loan on the life of the student must be assigned in favour of the Bank. In order to lessen the cost of premium, a Convertible whole Life Assurance Policy (with conversion into an Endowment Assurance Policy after 5 years) would be acceptable. (The rate of premium on such policies for the first 5 years is low and is graduated thereafter). However, in cases, where the guardians cannot bear premium burden, enhanced loan may be given to cover the amount of premium during the period of education.

V. Security :

- (i) Demand Promissory Note for the amount of the loan to be executed by the parents/guardian of the student. On the student attaining age of majority, the student will also join the parent/guardian as Joint borrower. The demand Promissory Note has to be obtained every time the instalment of the advance is made and for the actual amount of advance.
- (ii) Assignment of a life policy for the full amount of the total loan on the life of the student. (The amount of policy and not the surrender value to cover the loan amount).
- (iii) A guarantee of a respectable person considered good for similar Commitments.
- (iv) In addition, wherever possible, parent of the borrower should be persuaded to open a Cumulative Deposit Account.

VI. *Special Instructions :*

- (i) The branch should obtain an application form duly filled from the parent/guardian of the student on the form for EDUCATIONAL LOANS (in the existing form-only).
- (ii) The application should be accompanied by a certificate from the college/institute/university authorities as specified in Condition IV (iii).
- (iii) The tuition fees as far as possible should be paid directly to the College/Institution authorities.
- (iv) The Branch Managers should keep a close liaison with the authorities of educational institutions, parent/guardian of the student to ensure proper utilisation of the facilities under the scheme.

B. For Students for Higher Studies Abroad

I. *Eligibility :*

Students over the age of 18, with a high academic record, whose parents/guardians do not have the necessary means to finance higher education of their children/ward.

II. *Purpose :*

- (i) To cover cost of one-way air passage to the country where education is proposed to be taken.
- (ii) To cover cost of remitting foreign exchange to be released by the Reserve Bank of India for tuition fees, books and maintenance of the student studying an approved post-graduate course in engineering, medicine and technology and full-time management course in MBA/MMS at recognised university abroad. The course should lead to a master's degree or a post-graduate diploma.

III. *Extent :*

- (i) In case of II (i) above, to cover one-way air fare upto 75% of cost, by 'economy' or any other lower class, by any airline.
- (ii) In case of II (ii) above, upto a maximum limit of Rs. 30,000/- to cover the entire period of course, leading to a Master's degree or a post-graduate diploma.

IV. *Conditions :*

- (i) The student should have secured a minimum of 60% marks in the relevant degree examination in India.
- (ii) He/She should have obtained admission to an approved course as enumerated in II (ii) above.
- (iii) Reserve Bank of India's permission for release of foreign exchange for study abroad should be obtained.

- (iv) The gross monthly income of parent/guardian from all the sources should not exceed Rs. 3,000/- (Students coming from a family whose total annual family income does not exceed Rs. 6,000/- are termed as indigent students).
- (v) Application should be made in the prescribed form alongwith a certified copy of the letter of admission from the foreign University, Documentary proof of having obtained 60% of marks in Bachelor's/ Master's degree of the Indian University & Exchange Control permit for release of foreign exchange should be obtained.
- (vi) The amount for air passage will be paid directly to the airlines the student proposes to travel by. The total quantum of finance sanctioned for the entire course will be disbursed in instalments corresponding with the release of foreign exchange under the Reserve Bank's permit. The remittance of exchange will be directly made by the Bank through its correspondent abroad.
- (vii) Where the course extends over a year, satisfactory performance will be pre-requisite for availability of finance for the subsequent year. For this purpose, the student should send from abroad documentary proof of his satisfactory performance and a certificate from the college/institute/university authorities confirming his studentship.
- (viii) **Rate of Interest :**
- | | |
|---|----------|
| — For indigent student
(family income upto & inclusive
of Rs. 6,000/- p.a.) | 15% p.a. |
| Others (family income over
Rs. 6,000/- but below Rs. 36,000--
per annum). | 17.50% |

V. Special Instructions :

- (i) The Branch Manager should obtain an application form in duplicate from the parent/guardian of the student on the prescribed form for educational loans.
- (ii) The branches should send one copy of the application form duly completed alongwith the required documents set-out in IV (v) above to the Regional Office for sanction : the Educational loans for student ship abroad will not come under the loan sanctioning powers granted to Branch Managers and will have to be sanctioned at the Regional Office only.

7.33 The terms and condition regarding security are the same as in the case of loans for higher studies in India.

7.34. It has been stated that the amounts advanced under Educational

Loan Scheme to Scheduled Caste/Scheduled Tribe and the number of borrowers during each of the last 3 years are as under :

	(Rs. in lacs)					
	March 1981		March 1982		March 1983	
	A/c.	Amt.	A/cs.	Amount	A/cs.	Amount
Total lendings under Education	482	19.47	620	23.97	569	27.19
Of which lent to SC/ST Borrowers	41	0.76	94	1.38	29	0.74

7.35 About a year ago, it was observed that the scheme has not been picking up to the desired level. On noticing such trends the bank has effected certain refinements in the scheme, in consultation with the field level executives. Certain modifications suggested therein require the approval of the RBI and the matter is under their consideration.

7.36 In reply to a question whether high rate of interest (10% for students/family income upto Rs. 6000/- and 15% for income over Rs. 6000/- but below Rs. 24000/- is an inhibiting factor in making the scheme popular, it has been stated in a note furnished to the Committee that interest rates are as prescribed by the Reserve Bank of India. However, in terms of guidelines received from the Ministry, the Bank has advised its field functionaries to consider loans under BRI Scheme to indigent students to the extent of Rs.6, 500/-at an interest rate of 4% p.m.

7.37 The Committee suggested during evidence that educational loan scheme should be prepared exclusively for Scheduled Castes and Scheduled Tribes as the present scheme did not benefit them. The representative of the bank stated that they would try to improve the existing scheme. The representative of the Ministry of Finance has stated as under in this regard :

“We will take it up with the Ministry of Home Affairs and also invite Ministry of Education...”

7.38 The Committee enquired whether they had any scheme under which they could help their own employees belonging to Scheduled Castes and Scheduled Tribes to improve their educational qualification by giving them scholarship or loan. The representative of the bank stated that they had no such scheme. What they did was that if an employee wanted to go on study leave, the leave was granted. If he was short of funds and wanted loans, he could get it at the usual rate of interest.

7.39 The Committee note that total educational loans advanced by Union Bank of India were Rs. 27.19 lakhs in March, 1983 out of which advances to Scheduled Castes and Scheduled Tribes were a meagre 0.74 lakh to 29 borrowers.

The Committee regret to point out the poor performance of Union Bank of India in granting educational loans in general and to Scheduled Castes/Scheduled Tribes in particular and recommend that the bank should make suitable changes in the educational loans scheme to make it more attractive. The Committee feel that the scheme is loaded with too many formalities and it is really an uphill task to get a loan under the existing conditions.

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

C. Credit under New 20-Point Programme

7.41 In a note furnished to the Committee, it has been stated that utmost importance has been attached by the Government of India/Reserve Bank of India on implementation of New 20-Point Programme and Banks have been called upon to be the pace-setters of the development. 12 points out of 20 points (viz. Point Nos. 1,2,3,4,6,7,9,10,11,12,17 & 18 have direct relevance, to Bank finance, List of Points given in *Appendix—XV*). Considering the importance of the programme and the magnitude of the task involved, branches of Union Bank of India implement the programme in right earnest invoking active participation from other Agencies. The core objective of the programme is to give a greater thrust in improving the standards of living of rural poor and other weaker sections of the society and to create the necessary infrastructure and other facilities vital for the purpose. Keeping the core objective in mind, Branch Managers have "refined" their role not only by providing timely and adequate, credit but also by integrated assistance for successful implementation of the ventures/enterprises of such weaker sections. The Bank has provided key-indicators for the guidance of the branches. All the beneficiaries under the new 20-Point programme are intended to belong to "weaker sections" in priority sectors. While financing, the branches are giving over-riding priority to the really needy beneficiaries whose annual income is less than Rs. 1,500/-. Some of the important operational guidelines for implementation at the field level are as under :—

- (a) Basic unit for all round development should be an "individual household" as against the hitherto followed practice of 'area development'.
- (2) Implementation of any measure should result in improvement in the "quality of life" of intended beneficiaries.
- (3) To bring about overall development of the rural household by developing cluster of villages on project basis so as to improve the quality of life of the villagers.

7.42 In order to achieve the aforesaid, following action oriented steps are taken by the branches/offices :

- (i) Keeping abreast of developmental outlays by Government etc.
- (ii) Conducting indepth household survey especially to take stock of human resources/skills etc.
- (iii) Estimation of the extent and types of various natural resources and needs of the area.
- (iv) Development of suitable schemes considering the availability of natural resources.
- (v) Schemes developed to take into account the sub-targets identified by the Government.
- (vi) Full involvement of local people.
- (vii) Co-ordination/liaison with the developmental agencies.
- (viii) To carry out impact studies on the quality of life of the beneficiaries from time to time.

7.43 It has been stated that in view of the renewed thrust towards implementation of New 20-Point Programme during performance budgeting exercises done annually, zone-wise targets under 20-Point Programme are fixed for each zone and these are thereafter allocated to Regional/Branches. Regional/Zonal Offices of the Bank constantly monitor performance of the branches under the New 20-Point Programme.

7.44 Monitoring covers the following areas :

- (i) Compliance with targets/sub-targets.
- (ii) No. of additional beneficiarias covered.
- (iii) Extent of lending under each point, especially with reference to minor irrigation and land development purposes.
- (iv) Disbursals.
- (v) Performance under recovery and overdues.
- (vi) Monitoring progress of schemes on the above parameters.

7.45 At Central Office level an Advisory Committee of Directors as well as the Board review the performance under the New 20-Point Programme.

7.46 The Bank's progress in implementation of 20-Point Programme (old) as of December, 1982 is given in *Appendix XVI*. Under this programme 30,29,955 borrowers have been benefited with the Bank finance of Rs. 111.02 crores.

7.47 Point No. 7 of the New 20-Point Programme is "Accelerated programmes for the development of Scheduled Castes and Scheduled Tribes." under the programme, specific emphasis has been given for the economic development of relatively less privileged classes of society and in particular, the

Scheduled Caste/Scheduled Tribes whose economic and educational interests have to be promoted with special care”

7.48 Reserve Bank of India has exhorted the banks. to implement the following measures to maintain continuous and improved flow of monetary assistance to the Scheduled Caste/Tribe borrowers :—

- (i) Bank should give greater attention to the attainment of sub-targets for the weaker sections of the society as identified in the revised 20-Point Programme,
- (ii) Credit needs of small and marginal farmers and beneficiaries belonging to Scheduled Castes/Scheduled Tribes must be met on a priority basis.
- (iii) Bank should ensure that the banking infrastructure necessary for the successful implementation of the Integrated Rural Development programme (IRDP) is given overriding priority.
- (iv) While increasing the flow of resources to the weaker sections, banks should fully meet the credit requirements of Corporations connected with Scheduled Castes/Tribes.
- (v) Women entrepreneurs within the ambit of the priority sector should be given special attention.

7.49 It has been stated that majority of the eligible borrowers belonging to Scheduled Caste/Scheduled Tribe are illiterate persons. As such, publicity through brochures, other literatures etc. will not be of much use. The more desirable method would be for the field staff of the bank to contact such borrowers personally and explain to them the salient features of various schemes as also the advantages that will accrue. Whenever schemes are formulated, the details should be brought to the knowledge of eligible borrowers by contacting them personally or through the Block Development Officers/Associations/Corporations established for Scheduled Castes/Tribes in each State.

7.50 As per instructions issued by Union Bank of India, Bank staff should help Scheduled Caste/Scheduled Tribe borrowers in filling up the various forms required by the Bank and completing other formalities so that they are able to get credit facility within a stipulated period.

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

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

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

D. Consumption Loans

7.54 It has been stated that consumption loans are granted by the bank for meeting marginal and immediate requirements of borrowers.

7.55 Consumption credit limit for each purpose per borrower is indicated below :

Purpose	Maximum amount
(i) General consumption	Rs. 75/-
(ii) Medical Expenses	Rs. 250/-
(iii) Educational needs	Rs. 100/-
(iv) Marriage ceremonies	Rs. 250/-
(v) Births, funerals, etc.	Rs. 75/-
(vi) Short term religious ceremonies	Rs. 75/-

The aggregate finance for two or more purposes should not exceed Rs. 500/- per family per year. The repayment period for these loans is fixed according to the repaying capacity, but not exceeding a period of three years. Generally, the repayments are linked with the harvesting season in case of small/marginal farmers and in other cases, depending upon the source of income.

7.56 In reply to a question, the Committee have been informed that the bank grants consumption loans upto Rs. 100/- for educational purposes as recommended by Shivaraman Committee. The purpose of these loans is to meet emergent consumption needs to take care of sudden demands such as buying text books, paying school fees etc. As information in respect of consumption loans is not maintained purposewise, it is not possible for the bank to indicate separately how much of consumption loans has gone for educational purposes during the last three years.

7.57 The representative of UBI has stated during evidence that consumption loan is not a part of the DRI loan. It is given for purposes like education, marriage but the total amount should not exceed Rs. 500/-. The representative of the RBI has stated as under :—

“..... Consumption finance is generally permissible in addition to other loans that are given by the banks. For giving educational loans, we have got a separate scheme. These educational loans have very generous terms. That has nothing to do with the consumption finance which is given upto Rs. 500/-. We should not mix up the two. The educational loans are tailored to the needs of the students.”

7.58 In reply to a question the representative of the Union Bank of India has said that there is a separate scheme for giving loans for educational purposes in all the banks and it is also in the Union Bank of India.

7.59. When asked whether a certain percentage of amount had to be given as consumption loans to Scheduled Castes and Scheduled Tribes, the representative of the Reserve Bank of India has stated as under :—

“The bank are not precluded from sanctioning consumption loans to Scheduled Caste/Scheduled Tribe people. A consumption loan of Rs.500/- is for meeting a contingency expenditure. It is a ways & means advance given to weaker sections, Scheduled Caste/Scheduled Tribe people for meeting their immediate needs.”

7.60 The Committee note that consumption credit to the extent of 500/- is granted by the bank for meeting marginal and immediate requirements of borrowers. The Committee need hardly stress the importance of consumption credit in rural areas where small and marginal farmers and agricultural labourers have still to turn to landowners for monetary help in times of need. If the weaker sections are to be saved from the clutches of landlords, money-lenders etc. credit has to be provided by the banks to meet their short term requirements. The Committee therefore recommend that Union Bank of India should issue necessary instructions to its branches, particularly those in rural areas, to provide consumption credit liberally to meet the immediate needs of the weaker sections.

E. Credit Camps & Village Adoption Scheme

7.61 It has been stated that Credit camps are generally organised by the Lead Banks of the concerned district and all other banks operating in the area also participate in the camp. The Union Bank of India has been entrusted with 'lead' responsibility in 8 districts i.e. Azamgarh, Ghazipur, Jaunpur, Varanasi districts in Uttar Pradesh, Ernakulam, Idukki districts in Kerala and Rewa, Sidhi in Madhya Pradesh. The Bank is organising credit camps in all these lead districts. In all the adopted villages also credit camps have been organised by the bank for the purpose of identifying borrowers belonging to weaker sections and for giving loans.

7.62 The number of villages adopted by the Bank as of December 1981 and 1982 is furnished below :

December 1981	993 villages
December 1982	1346 villages

7.63 Statewise number of villages adopted by the Bank's branches as on 30th Dec., 1982 given in Appendix XVII

7.64 No. of credit camps held in adopted villages during the period November, 1982 to June, 1983 is as under :

Sl. No.	Name of the State	No. of Camps
1	Gujarat	31
2.	Maharashtra	81
3.	Orissa	1
4.	Punjab	1
5.	Kerala	11
6.	Karnataka	2
7.	Andhra Pradesh	14
8.	Uttar Pradesh	70
9.	Madhya Pradesh	7
TOTAL		218

7.65 With regard to the procedure followed at credit camps for sanction of loans, it has been stated that representatives of the Revenue Department who can issue certificate regarding land holding of the borrower, a representative of the Co-operative Society, borrower and the village level worker assemble at this credit camp alongwith the Branch Manager/Field Officer. After obtaining necessary application from the borrower and checking the Revenue Records and after making an on the spot study on the feasibility of the project, loan is sanctioned at the camp but disbursement is not done. Usually this procedure helps in entertaining a large number of proposals in a short time. Discussion is held with the borrower regarding his/her experience/knowledge about the line of activity proposed to be undertaken. Based on this, the availability of necessary infrastructural facilities for the particular activity/enterprise is studied. A quick economics of operation of the project is done and based on all these, viability of the project is ensured before sanction of the loan. Subsequent to the sanction of loan, by constant contact with the borrower/beneficiary by frequent field inspections necessary technical guidance is provided by the technical officers of the bank and if necessary, Development Deptt. of the State Govt. is contacted and needed facilities are arranged. Thus at every stage viability of the project is ensured.

7.66 Under the current management information system, the bank does not maintain information about the extent of financial assistance extended at these camps to those belonging to SC/ST.

7.67 The concept of village adoption scheme envisages development of the village into a self supporting unit and to provide sufficient gainful employment and other facilities to the villages thereby discouraging them to leave the village in search of employment/new avocations. Though the scheme aims at total development of the village by and large, implementation has been confined to traditional financing activities. In view of this, the bank had again advised the branches not to restrict the activities only to traditional financing but also give due share to social welfare activities, like laying of demonstration plots, opening

of adult literacy centres, conduct of cleanliness drives, shramdams etc. As per Reserve Bank of India guidelines though a village is adopted by one branch of a bank it does not preclude branches of other banks operating in that area to extend finance in this village. Consequently it so happens that in some villages 2 or 3 branches of different banks extend their financing activity which may result in duplicate financing and parallel problems.

7.68 Branches have been instructed to increase their share of financing to SC/ST and weaker sections substantially in all the schemes in adopted villages. Normally when a village is adopted a detailed survey is conducted to study the availability of infrastructural facilities, activities that can be taken up in the village and to identify the prospective borrowers. Based on this, economically viable schemes are formulated. Thus as against under normal lending programmes where viability of individual schemes takes precedence, under village adoption scheme, ultimate object of overall development of village/community takes precedence

7.69 It has been stated that under the current management information system, data on schemes exclusively meant for SC/ST being implemented in the adopted villages is not available. Normally finance is extended for meeting cultivation expenses of crops or meeting working capital requirements of other avocations, like village artisans retail trade, services etc. This loan is normally repaid within a period of one year.

7.70 Medium term loans repayable in a period of 2 to 5 years for acquisition of assets like dairy, animals, poultry, digging of wells, installation of pumps and for other productive activities like basket making, carpentry, match making etc. are provided. Loans upto Rs. 5,000/- for creation of assets or for production purpose are granted against hypothecation of such assets and standing crops. The rate of interest charged is based on the guidelines of the RBI, Wherever the borrowers are eligible under DRI criteria, interest is charged 4% p.a.

7.71 In reply to a question whether any study has been made about the impact of village adoption scheme in the creation of additional income to the beneficiaries, it has been stated that the Bank has conducted an Impact Study of its loaning in an adopted village viz. 'Khaziabad', financed through Bilariaganj branch in Azamgarh district, It will be difficult to generalise the findings of the study, as the bank has not conducted any such study in other areas.

7.72 In reply to a question, it has been stated that the bank has no information regarding the percentage of credit given to SCs/STs in adopted villages & the extent of additional income created as a result of that credit. The bank has, however decided that this aspect will be specifically covered in its future studies about the impact of credit in specified villages/schemes.

7.73 The Committee note that as on 30th December, 1982, Union Bank of India adopted 2301 villages in different States and gave agricultural loans amounting to Rs. 2076.18 lacs. It has been stated that though the village adoption scheme

aims at total development of the village by and large, implementation has been confined to traditional financing activities. The Committee recommend that the branch adopting a village should pay attention to all round development of the village like laying of roads, cleanliness drive, providing clean drinking water and medical facilities etc. in coordination with Development Departments.

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

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

F. Housing Loans

7.76 It has been stated that according to guidelines of the Reserve Bank of India, Housing Finance falling under the following categories is to be treated as Priority Sector lending.

(a) *Direct Finance :*

Loans upto Rs. 5000/- each for construction of Houses granted to Scheduled Castes/Scheduled Tribe and other weaker sections of the society irrespective of DICGC cover.

(b) *Indirect Finance :*

Assistance given to any Government agencies for the purpose of constructing houses exclusively for the benefit of Scheduled Castes/Scheduled Tribe and low income group and where the loan component does not exceed Rs. 5000/- per unit. This includes assistance to any Governmental agencies for slum clearance and rehabilitation of slum dwellers subject to other conditions specified above.

RATE OF INTEREST :

Loans to Scheduled Caste/Scheduled Tribe upto and inclusive of Rs. 5000/- @ 4% per annum.

PERIOD OF REPAYMENT

Maximum 10 years.

MARGIN :

For loans upto Rs. 5000/- to Scheduled Caste/Scheduled Tribe and other economically weaker sections—finance upto 80% of total cost—Margin 20%.

SECURITY :

Either mortgage of properties or Government guarantee.

GENERAL :

Housing finance to Scheduled Caste/Scheduled Tribe at 4% per annum should not be covered under DRI Scheme as it does not satisfy the eligibility criteria under that scheme.

7.77 It has been stated that the Reserve Bank of India allocated Rs. 100 crores for the Banking system under the Housing Finance Scheme in the year 1981 which worked out to 0.43% of the Banking Industry's total advances as of end December 1980. Accordingly, the Bank was required to disburse Rs. 3.89 crores under the Scheme during 1981. The Banking system could not achieve this target in one year and there was substantial shortfall. In view of this, the Reserve Bank of India has given a modified target under the Housing Finance Scheme for the Banking system of Rs. 150 crores for 3 years to be achieved by the end of 1983 i.e. Rs. 150 crores should be disbursed during the 3 years' period 1981-83. Correspondingly, Union Bank's share for this period 1981-83 works out to Rs. 5.58 crores. The amount actually disbursed by the Bank under Housing Finance Scheme of the R.B.I. during the years 1981-82 and also during the first half of 1983 are given here under :—

Disbursement during	1981	57.26	lacs
	1982	82.22	lacs
Jan. to June	1983	10.72	lacs
	TOTAL	150.20	lacs

7.78 Zonewise Housing Finance by Union Bank of India for Scheduled Caste/Scheduled Tribe and weaker Sections (Direct Finance) as at end December, 1982 is as under :—

	No. of Borrowers	(000's omitted) Balance outstanding
North Zone	86	1,36
East Zone	1	2
Central Zone	58	1,03
West Zone	223	3,50
South Zone	62	29
	<u>430</u>	<u>6.20</u>
Indirect Finance :		
South Zone	1	7,27
	<u>1</u>	<u>7,27</u>

Data prior to December, 1982 in this regard is not available.

7.79 As per the existing reporting system in vogue, the Bank collects and maintains information regarding Housing Finance extended to Scheduled Castes/Scheduled Tribes. However, the disbursements are available only in respects of direct finance to SC & ST for the above period and are given below :

<i>Direct Finance to SC and ST</i>	<i>Rs. in lacs</i>
1981	0.41
1982	0.97
Jan. to June'83	0.34

7.80 The bank is not channelising housing finance through RRB's or the Village Co-operative. However, in Gujarat and Karnataka the bank has channelised Housing Finance through SC/ST Development Corporations. Outstandings under the schemes as on 31st March, 1983 are as under :

Gujarat Rural Housing Board	Rs. 10.08 lacs (loan sanctioned Rs. 1 crore)
Karnataka Housing Board	Rs 7.27 lacs (loan sanctioned Rs. 8 lacs.)

7.81 As of June 1983, for which latest information is available in this regard, housing finance has not been channelised through SC/ST Development Corporations in States other than Gujarat and Karnataka, in respect of the Union Bank of India.

7.82 As regards Housing Loans, the representative of the Ministry of Finance has stated during evidence that banks are still advancing loans upto Rs. 5000/- to Scheduled Castes/Scheduled Tribes at concessional rate of interest of 4% per annum. But there had been a decision this year by a group of Ministers that the money with the banks for giving loans to the low income category and the weaker section of the people would be given by the banks to HUDCO and they would be doing construction for this section but that decision had not yet been implemented.

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

7.84 The Committee regret to note that under Direct Housing Finance to SCs and STs and Weaker schemes, the share of SCs and STs is a meagre amount of Rs. 41,000/- in 1981, Rs. 97000/- in 1982 and Rs. 34000/- during January to June, 1983. The Committee have been informed that the Bank is not channelising housing finance through SC/ST Development Corporation in states other than Gujarat and Karnataka. The Committee recommend that the bank should explore possibilities of extending housing finance through SC/ST Development Corporations

In all the States wherever they exist. They should also channelise housing finance through Regional Rural Banks and village Housing Cooperatives.

7.85 Loans upto Rs. 5000/- each for construction of houses are granted by the bank to SCs and STs at 4% rate of interest. The Committee do not consider the amount of Rs. 5000/- as sufficient for construction of houses keeping in view the escalation in prices of various building material and higher labour charges involved. In para 7.31 of their 37th Report (1982-83), the Committee had recommended that housing loans upto Rs. 7500/- with a provision of 25 percent subsidy should be given to SCs and STs at 4% rate of interest. The Committee reiterate that recommendation.

NEW DELHI;

April 24, 1984

Vaisakha 4, 1906 (S).

A.C. DAS,

Chairman,

*Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes.*

APPENDIX I

(Vide para 1.2 of the Report)

UNION BANK OF INDIA

Names of Regional officers

- | | |
|-----------------|--------------|
| 1. GAUHATI | 19. BARODA |
| 2. CALCUTTA | 20. RAJKOT |
| 3. PATNA | 21. SURAT |
| 4. BHUBANESHWAR | 22. PUNE |
| 5. DELHI | 23. NASIK |
| 6. JULLUNDER | 24. KOLHAPUR |
| 7. CHANDIGARH | 25. NAGPUR |
| 8. ERNAKULAM | 26. MEERUT |
| 9. TRIVANDRUM | 27. KANPUR |
| 10. MADURAI | 28. AZAMGARH |
| 11. MADRAS | 29. JAUNPUR |
| 12. HYDERABAD | 30. GHAZIPUR |
| 13. VIJAYAWADA | 31. VARANASI |
| 14. BANGALORE | 32. JABALPUR |
| 15. BELGAUM | 33. INDORE |
| 16. B. S. MARG | 34. RAIPUR |
| 17. KHAR | 35. JAIPUR |
| 18. AHMEDABAD | 36. REWA |

Names of Zonal Offices

- | | |
|------------------------------|--------------------------------|
| 1. EAST ZONE, CALCUTTA | 6. M. B. ZONE II, C. O. BOMBAY |
| 2. NORTH ZONE, NEW DELHI | 7. WEST ZONE I, AHMEDABAD |
| 3. SOUTH ZONE I MADRAS | 8. WEST ZONE II, PUNE |
| 4. SOUTH ZONE II BANGALORE | 9. CENTRAL ZONE I, LUCKNOW |
| 5. M. B. ZONE I C. O. BOMBAY | 10. CENTRAL ZONE II, BHOPAL |

APPENDIX II

(Vide Para 1.2 of the Report)

UNION BANK OF INDIA

Statewise Distribution of Branches as on Date (i.e. 30.6.83)

ZONE/STATE	RURAL	SEMI URBAN	URBAN	METRO.	TOTAL
EAST ZONE	@46	42	@22	18	128
Assam	@7	11	@3	—	21
Bihar	27	8	10	—	45
Meghalaya	—	2	—	—	2
Orissa	1	11	5	—	17
Tripura	—	1	—	—	1
West Bengal	11	9	4	18	42
NORTH ZONE	41	30	16	34	121
Chandigarh	—	—	2	—	2
Delhi	3	—	—	34	37
Haryana	6	12	3	—	21
Himachal Pradesh	6	3	—	—	9
Jammu & Kashmir	2	—	3	—	5
Punjab	24	15	8	—	47
CENTRAL ZONE I	176	40	50	7	273
Western & Central					
Uttar Pradesh	34	19	30	7	90
Eastern U.P.	142	21	20	—	183
(Lead Districts)	(134)	(18)	(13)		(165)
CENTRAL ZONE II	93	30	32	—	155
Madhya Pradesh	75	26	20	—	121
(Lead Districts)	(21)	(2)	(—)	(—)	(23)
Rajasthan	18	4	12	—	34
SOUTH ZONE I	80	66	32	11	(189)
Kerala	41	44	17	—	102
(Lead Districts)	(31)	(24)	(10)	(—)	(65)
Tamil Nadu	39	22	14	11	86
Pundicherry	—	—	1	—	1
SOUTH ZONE II	+71	+35	27	18	151
Andhra Pradesh	51	15	12	8	86
Karnataka	+20	+20	15	10	65

1	2	3	4	5	6
WEST ZONE I	62	42	22	23	149
Gujarat	62	42	22	23	149
WEST ZONE II	85	40	31	—	156
Goa	5	4	—	—	9
Maharashtra	80	36	31	—	147
BOMBAY METROPOLITAN ZONE	—	—	—	68	68
TOTAL	654	325	232	179	1390

@ Maidamgaon Branch in Assam renamed as Gauhati—Maid & reclassified from Rural to Urban from 21.4.1983.

+ Maroli Branch in Karnataka renamed as Padavu—Maroli & reclassified from Rural to Semi-Urban from 21.4.1983.

APPENDIX III

(Vide para 2.9 of the Report)

**IN THE SUPREME COURT OF INDIA
(CIVIL ORIGINAL JURISDICTION)**

**WRIT PETITIONS (CIVIL) NO. 99708—11 OF 1983 IN THE
MATTER OF :**

Shri S. K. Rajpriya and others Petitioners.
versus

Union Bank of India and another Respondents.
Counter Affidavit on behalf of Union Bank of India, Respondent No. 1
.....

**I, M. S. A. Rao s/o Shri M. R. S. Rao, aged about 44 years residing at
No. 7, Mala Apartments, 77, Saraswati Road. Santacruz (West), Bombay-54,
now at New Delhi, do hereby solemnly affirm and declare as under :**

**1. That I am the Superintendent, in the Central Office of the Union Bank
of India, Respondent No. 1 hereinabove. In my said capacity, I have full access
to all the records and files maintained by the said Bank in respect of the subject
matter of this petition and on the basis of those files and records I am making
this Affidavit on behalf of Respondent No. 1 in opposition to the above mentioned
writ petitions. I am conversant with the facts of the case and competent to
swear this Affidavit.**

PRELIMINARY OBJECTIONS

×× ×× ×× ×× ×× ××

**7. The petitioners are also liable to be dismissed as the many dates/facts
mentioned in the list of dates and events are false. It is submitted that the
Respondent Bank did not enter into any settlement with the Petitioners regarding
reservation of SC/ST employees on 22.10.1975. Regarding item No. 2 mentioned
in the list, it is submitted that 22 1/2% reservation of SC/ST employees is
provided both in the 50% category as well as in 25% category pertaining to
departmental promotions to the officers cadre. Regarding item No. 4 mentioned ;
in the said list, it is submitted that the Respondent Bank does not recognize any
Association based on caste. Even the allegation made against the entry of
28.6.83, that the Parliamentary Committee for SC/ST welfare visited the
office of the Respondent No. 1 to enquire into irregularities prevalent against
the SC/ST employees is also false because the said Committee paid a routine visit
for multi-farious purposes as it visited other public undertakings also.**

ON MERITS :

×× ×× ×× ×× ×× ××

**5. The averments as made in para 5 of the writ petitions are wrong and
are denied. In reply, it is submitted that the Parliamentary Committee for SC/ST**

welfare paid a routine visit to the Respondent Bank as they had visited other public undertakings from time to time. It is further submitted that the said Committee visited not only in connection with the grievances of the SC/ST employees but also in connection with implementation of government programme in general including credit facilities to the weaker section of the society including persons belonging to SC/ST.

6-8. The averments made in paras 6 to 8 are denied for want of knowledge.

9. The averments and allegations made in para 5 of the writ petitions are vague, false and are denied. The Respondent No. 1 also craves leave of the submissions made in para 11 hereinbelow.

10. The allegations made in para 10 that the Parliamentary Committee visited the respondent bank to enquire into irregularities prevalent against the SC/ST employees is totally false and is denied. In fact, as stated hereinabove, the said Committee paid a routine visit to the Respondent Bank in connection with the implementation of the Government with the Programmes regarding credit facilities to the weaker sections of the society including persons belonging to SC/STs and also for removing the grievances of Scheduled Caste/Scheduled Tribe employees. It would be relevant to point out here that the Parliamentary Committee is only an Advisory Committee to make recommendations to the Government. Regarding the contents of Annexure F-1, the answering respondent craves leave of this Hon'ble Court to refer to the said contents for their true and correct interpretation.

× × × × × × × × × × × ×

It is, therefore, prayed that the present petitions be dismissed with costs.

DEPONENT

APPENDIX IV

(Vide para 2.11 of the Report)

**IN THE SUPREME COURT OF INDIA
(CIVIL ORIGINAL JURISDICTION)**

WRIT PETITION (C) No. 9908-11 OF 1983

IN THE MATTER OF :

Shri S. K. Rajpriya and others ...Petitioners.

versus

Union Bank of India and Another ...Respondents.

Counter Affidavit on behalf of Union Bank of India, Respondent No. 1

I, M. S. A. Rao s/o Shri M. R. S. Rao, aged about 44 years, residing at No. 7, Mala Apartments, 77 Saraswati Road, Santacruz (West) Bombay-54. do hereby solemnly affirm and declare as under :

1. That I am the Superintendent, in the Central Office of the Union Bank of India, Respondent No. 1 herein above. In my said capacity, I have full access to all the records and files maintained by the said Bank in respect of the subject I am making this Affidavit on behalf of Respondent No. 1 in opposition to the above mentioned writ petitions. I am conversant with the facts of the case and competent to answer to swear this Affidavit.

I submit that last sentence of preliminary objection No. 7 and the paragraphs 5 to 10 of the affidavit filed by me on 1.11.1983 in respect of the writ petition (C) No. 9908-11 of 1983 may please be taken as deleted and the following paragraph in reply may be submitted therein.

It is submitted that a Study Group of the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes had visited the Respondent Bank on 28.6.83 to examine matters relating to employment of and reservations for Scheduled Castes and Scheduled Tribes and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The accompanying application for amendment of the Counter affidavit dt. 1.11.83 has been drafted on my instructions.

sd/-

Verification

DEPONENT

Verified at Delhi on 17th day of 1984. That the contents of the above Counter Affidavit are true to my knowledge, no part of it is wrong.

sd/-

DEPONENT

APPENDIX V

(Vide Para 2.14 of the Report)

MEMORANDUM OF UNDERSTANDING

Present

On behalf of the Management

Shri R. R. Kothare
Shri S. A. Paradkar
Shri N. S. Limbuvala
Shri M. K. Umamaheswaran

On behalf of A. I. U. B. E. F.

Shri R. S. Wadke
Shri N. P. Dálal

On behalf of A. I. U. B. E. A.

Shri M. K. Mundul
Shri J. S. Kamdar
Shri R. K. Agarwal

It is agreed that the existing Promotion Agreement is required to be rewritten and the new Promotion Policy should be framed. The salient features of the new Promotion Policy shall be as under :

Promotions to be made through single channel of test. The present system of filling up the post of Officers by seniority to be abolished. The present water-tight compartment of Cashiers and General Clerks to be removed. Out of vacancies of officers to be filled in by the Bank 25% will be by direct recruitment and 75% by the promotional process mentioned herein below.

Recruitment of specialists will be outside the purview of this Promotion Policy (Specialists will be as per P.C.R.)

Promotional Process

There will be a written test.

The above test will be administered in the following subjects :

- | | |
|---|----------|
| 1. English | 50 marks |
| 2. Law and Practice of Banking | 50 marks |
| 3. Commercial Law/
Economics/Accountancy | 50 marks |

4. Practical Banking	
...Objective Test	50 marks
Minimum marks for passing in each paper	35%
+ Aggregate	35%

Marks for experience and banking qualifications such as CAIIB Part I and II, will be added to the marks obtained in test for the purpose of ranking in merit list.

Exception

Notwithstanding the above, the employees who have joined as Clerks prior to 31st December, 1969 will be given marks for the length of service at the rate of 2 marks for each completed year of service, subject to maximum of 30 marks and they will not be required to obtain minimum marks in each paper. However, they should obtain minimum 35% marks in aggregate, which should include marks for length of service.

Area of Selection

All India basis.

Validity of the List

Till it is exhausted.

Reservation :

- @Reservations to be provided for Scheduled Caste and Scheduled Tribe candidates as per the guidelines received from the Government from time to time.

Other modalities regarding eligibility, operation of all India merit list, etc. will be discussed at a later date.

The above understanding arrived at is subject to clearance by I.B.A.

+ Aggregate marks in written test...45% in terms of Annexure IV.

@ Since deleted,

APPENDIX VI

(Vide para 2.33 and 4.5 of the Report)

STATEMENT SHOWING YEAR-WISE RECRUITMENT MADE BY VARIOUS OFFICES OF THE UNION BANK OF INDIA DURING THE LAST THREE YEARS

Year	Category of posts	Total No. of vacancies.	Total No. of vacancies actually filled.	No. of vacancies reserved for Scheduled Castes		No. of vacancies reserved for Scheduled Tribes		No. of vacancies reserved for Scheduled Tribes		No. of vacancies reserved for Scheduled Tribes		No. of vacancies reserved for Scheduled Tribes		No. of vacancies reserved for Scheduled Tribes		No. of vacancies reserved for Scheduled Tribes	
				Carried forward from previous year	Reserved during the year	Carried forward from previous year	Reserved during the year	Carried forward from previous year	Reserved during the year	Carried forward from previous year	Reserved during the year	Carried forward from previous year	Reserved during the year	Carried forward from previous year	Reserved during the year	Carried forward from previous year	Reserved during the year
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1980	Officers	154	154	126	23	149	66	12	78	2	1	92	50				
	Clerks	628	628	105	76	181	367	47	414	78	9	167	279				
	Sub-Staff	302	302	13	40	53	107	23	130	131	19	14	92				
1981	Officers	145	145	92	22	114	50	11	61	14	2	76	42				
	Clerks	684	684	167	89	256	279	57	336	74	10	221	213				
	Sub-Staff	640	640	14	87	101	92	52	144	289	28	—	91				
1982	Officers	143	143	76	22	98	42	10	52	29	2	67	33				
	Clerks	984	984	221	118	339	213	77	290	141	31	225	176				
	Sub-Staff	518	518	—	68	68	91	50	141	207	35	7	95				

APPENDIX VII

(Vide para 2.36 of the Report,

SPECIAL ALLOWANCE PAYABLE TO WORKMEN IN THE CLERICAL CADRE AS PER BIPARTITE SETTLEMENT

<i>Category of Workmen</i>	<i>Amount of Spl. Allowance</i>
	Rs
1. Telephone Operator	31
2. Relieving Telephone Operator	16
3. Audit Clerk—Category 'A'	53
—Category 'B'	100
4. Comptist	62
5. Telex Operator	78
6. Teller	102
7. Punch Card Operator	87
8. Accounting Machine Operator	134
9. I.B.M./ICT Machine Operator	152
10. Stenographer	152
11. Head Clerk	152
12. Assistant Head Cashier	
—Units of 5 clerks & above	96
—Units of 4 clerks & below	62
13. Cashier-in-charge of cash in pay office or Branch	102
14. Head Cashier Category 'A'	
—Units of 5 clerks & above	134
—Units of 4 clerks & below	102
15. Head Cashier category 'B'	
—Units of 5 clerks & above	152
—Units of 4 clerks & below	121
16. Head Cashier Category 'C'	171
17. Head Cashier Category 'D'	189
18. Head Cashier Category 'E'	264
19. Special Assistant	283
20. Agricultural Assistants	75

APPENDIX VIII

(Vide para 3.2 of the Report)

**STATEMENT SHOWING THE DETAILS OF RECRUITMENT MADE AGAINST VACANCIES RESERVED
FOR SCHEDULED CASTES AND SCHEDULED TRIBES DURING THE HALF-YEAR ENDED
30TH JUNE, 1983**

Name of the Bank : UNION BANK OF INDIA.

Cadre :	Officers/Clerks/Subordinate Staff		No. of posts actually filled during the half year under report		No. of reserved posts occurred (as per roster points)during the half year w.r.t.Col. S)		No. of backlog inter-changed between SC & STs(w.r.t. Col. 182)		
	SC	ST	Total	SC	ST	SC	ST	SC Posts filled by	ST Posts filled by
	1	2	3	4	5	6	7	8	9
OFFICERS	273	197	105	34	6	15	8	—	—
CLERKS	15	425	390	76	13	45	31	—	—
Sub-staff (Excluding part-time sweepers) +	594	49	241	70	13	33	16	—	—
Sub-staff (part-time sweepers)	77	14	77	52	2	10	8	—	—

	No. among Cols 1 & 2 allowed to lapse		Backlog being carried forward to next half-year as on 30.6.83 (w.r.t. Col. 1, 2, 8, 9, 10 & 11)			Total No. of Employees as at the end of half year under Report		
	SC	ST	SC	ST	Total	SC	ST	
	10	11	12	13	14	15	16	
OFFICERS	—	—	254	199	7076	308	62	
CLERKS	—	—	+16	443	13201	2089	175	
SUB-STAFF (Excluding part-time sweepers)	—	—	+631	52	4413	1120	139	
SUB-STAFF (part-time sweepers)	—	—	+119	20	1150	598	44	

SD/- Yuvraj Kumar
Dy. General Manager

APPENDIX IX

(Vide para 4.20 of the Report)

MINUTES ON THE NOTE ON RECRUITMENT/PROMOTION OF SCHEDULED CASTE/SCHEDULED TRIBE EMPLOYEES PLACED BEFORE THE BOARD OF DIRECTORS DURING THE LAST 3 YEARS ENDING 31.12.1982.

Date of Board Meeting	Review of the Period	Minutes of the Board Meeting
1	2	3
15.11.1980.	For the half year ended June, 1980.	—A note giving details of recruitment of Scheduled Caste/Scheduled Tribe employees made during the half year indicating the number of vacancies reserved, the number of SC/ST candidates appointed there against, the number of general category candidates appointed and the backlog of vacancies carried forward to the subsequent years in each category, viz. Officer, Clerical and Sub-Staff as also the number of vacancies reserved and filled in promotions from one cadre to other cadre and the backlog carried forward to the subsequent year was placed before the Board of Directors. The details placed before the Board were noted.
08-06-1981	For the year ended, 1980.	—A note giving details of recruitment of SC/ST employees made during the year indicating the number of vacancies reserved, the number of SC/ST candidates appointed there against, the number of general category candidates appointed and the backlog of vacancies carried forward to subsequent years in each category, viz. Officer, Clerical and Sub-Staff category as also the number of vacancies reserved and filled in promotions from one cadre to the other cadre and the backlog carried forward to the subsequent year was placed before the Board of Directors. The details placed before the board were noted and the Board desired that before holding test/interview for promotions, orientation Training Programme be conducted for eligible employees belonging to SC/ST.

1	2	3
18.12.1981	Half Year ended June, 1981.	—A note giving details of recruitment of SC/ST employees made during the half year indicating the number of vacancies reserved, the number of SC/ST candidates appointed thereagainst, the no. of general category candidates appointed and the backlog of vacancies carried forward to the subsequent years in each category, viz. Officer, Clerical and Sub-Staff as also the number of vacancies reserved and filled in promotion from one cadre to the other cadre and the backlog carried forward to the subsequent year was placed before the Board of Directors. The details placed before the Board were noted.
18.3.1982	Year ended December, 1981.	A note giving details of recruitment of Scheduled Caste/Scheduled Tribe employees made during the year indicating the number of vacancies reserved, the number of SC/ST candidates appointed thereagainst the number of general category candidates appointed and backlog of vacancies carried forward to subsequent years in each category. viz. Officer, Clerical and Sub-Staff category as also the number of vacancies reserved and filled in promotions from one cadre to the other cadre and the backlog carried forward to the subsequent year was placed before the Board of Directors. The details placed before the Board were noted and the Board desired the Managing Director to review the position regarding the backlog in Recruitment and Promotion of SC/ST candidates/employees and report back to the Board within the next 3 months the steps taken/proposed to be taken for improving the position.
18.12.1982	Half year ended June, 1982.	A note giving details of recruitment of Scheduled Caste/Scheduled Tribe employees made during the half year indicating the number of vacancies reserved, the number of SC/ST candidates appointed thereagainst The number of general category candidates appointed and the backlog of vacancies carried forward to the subsequent years in each

1	2	3
14.05.1983	Year ended December, 1982.	<p>category, viz. Officer, Clerical and Sub-Staff as also the number of vacancies reserved and filled in promotions from one cadre to other cadre and the backlog carried forward to the subsequent year was placed before the Board of Directors. The details placed before the Board were noted.</p> <p>A note giving details of recruitment of Scheduled Caste/Tribe employees made during the year indicating the number of vacancies reserved, the number SC/ST candidates appointed thereagainst, the number of general category candidates appointed and the backlog of vacancies carried forward to the subsequent years in each category, viz. Officer, Clerical and Sub-Staff as also the number of vacancies reserved and filled in promotions from one cadre to the other cadre and the backlog carried forward to the subsequent year was placed before the Board of Directors. The details placed before the Board were noted.</p>

APPENDIX X

(Vide para 5.16]of the Report)

*Copy of Do Letter DT. 5.7. 1983 Addressed to
Chairman, Union Bank of India*

Dear Shri Kumar,

I am writing to you about the backlog of vacancies reserved for Scheduled Caste/Scheduled Tribe as shown in the reports of the bank. The figures regarding direct recruitment are reproduced below for ready reference :

		SC	ST
Officers	—	254	199
Clerks	—	—	443
Subordinates	—	—	52

2. As can be seen from these figures the backlog for Scheduled Caste/Scheduled Tribe in the Officer cadres is alarmingly high. The Banking Service Recruitment Boards have been generally of the opinion that there is no difficulty in getting Scheduled Castes candidates whereas they were finding it difficult to get candidates belonging to Scheduled Tribes. We do not know as to what has been the reason for such a huge backlog of 254 vacancies reserved for Scheduled Castes in the Officer's cadre. It is presumed that the bank has been indenting the total backlog with the Recruitment Boards and also has been following up with the Boards for supplying the requisite number of candidates belonging to these communities. We would like to have the details of the steps taken by the bank in this regard. The copies of communications sent to BSRBs may also be sent for our information. The necessary data may be furnished in the enclosed proforma.

3. I am also writing to the Chairman, BSRB, Bombay about it and a copy of my letter is enclosed. We shall be grateful if a report on the subject is sent to us by 12.9.1983 positively.

Yours sincerely,
Sd/-
(Ahmad Farzed)

Shri R.R. Kumar,
Chairman & Managing Director
Union Bank of India,
Bombay.

APPENDIX XI

(Vide para 5.16 of the Report)

*Copy of Letter DT. 5.9.1983 To Chairman, Banking
Service Recruitment Board, Bombay*

Dear Shri Prabhu,

The Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes is examining the reservation for Scheduled Castes and Scheduled Tribes in Union Bank of India. For this purpose the Committee will also be taking oral evidence of the representatives of Banking Division and of Union Bank of India.

2. During the discussions one important issue that is likely to be raised is about the backlog of reserve vacancies. The report submitted by Union Bank of India says that there is backlog of 254 vacancies for Scheduled Castes and 199 for Scheduled Tribes in the Officers cadre which is alarmingly high. We have been asking the bank and the BSRBs to take special steps for clearing the backlog. The banks were asked to ensure that the total backlog together with the reservation against current vacancies is indented with the BSRBs and the Boards were advised to hold special recruitment test exclusively for SC/ST in order to clear the backlog. You are requested to kindly look into this problem and let us have a detailed report which will be placed before the Parliamentary Committee. The relevant information may be furnished in the enclosed proforma.

3. We shall be grateful if the report is sent to us by 12.9.83 positively.

Yours sincerely,

Sd/-

(Ahmad Fareed)

Shri B.M. Prabhu,

Chairman,

Banking Service Recruitment Board,

C/o Bank of India,

Regent Chambers, 11th Floor,

Nariman Point,

Bombay—400021

**Statement showing the number of vacancies indented by
the Union Bank of India and the number of
candidates provided by the B.S.R.Bs.**

Year	Number of reserved vacancies indented by the Union Bank of India (B.S.R.B. wise)		Number of SC/ST candidates recommended by the B.S.R.Bs.		Short-fall if any	Reasons for not being able to provide required number of SC/ST candidates.
	SC	ST	SC	ST		
1	2	3	4	5	6	7
1979						
1980						
1981						
1982						

APPENDIX XII

UNION BANK OF INDIA
PRIORITY SECTOR DEV. DEPTT.

(Vide para 6.19 of the Report)

DRI ADVANCES TO SC/ST (Amt. in lacs)

1	2		3		4		5		6		7	
	Account	Amount	Account	Amount	Account	Amount	Account	Amount	Account	Amount	Account	Amount
HARYANA	1563	22.18	1737	29.35	1856	33.06						
HIMACHAL PRADESH	287	2.95	495	7.17	548	6.76						
JAMMU & KASHMIR	39	0.38	9	0.08	4	0.04						
PUNJAB	1615	18.11	1720	20.80	1625	18.85						
RAJASTHAN	418	4.64	551	6.25	667	8.84						
CHANDIGARH	—	—	1	0.01	—	—						
DELHI	10	0.21	23	0.48	17	0.33						
ASSAM	445	3.02	282	2.52	511	5.02						
MEGHALAYA	8	0.10	8	0.09	113	0.16						
TRIPURA	190	0.90	172	1.14	172	1.09						
BIHAR	2686	15.74	3356	26.22	4104	37.87						
ORISSA	739	3.52	811	5.12	1176	6.68						
WEST BENGAL	534	3.21	845	5.87	1693	8.61						

1	2	3	4	5	6	7
MADHYA PRADESH	1580	17.13	3134	31.41	4641	53.29
UTTAR PRADESH	7240	83.87	9641	111.25	11937	159.71
GUJARAT	4942	51.38	6328	64.80	7208	102.22
MAHARASHTRA	4148	28.85	4142	29.32	4767	37.55
GOA	7	0.04	14	0.17	14	0.13
ANDHRA PRADESH	7425	43.42	8094	61.66	11177	81.14
KARNATAKA	2386	18.09	2346	19.37	2406	20.69
KERALA	2170	12.99	2385	14.86	2891	21.57
TAMIL NADU	2290	14.45	3047	25.04	3788	32.97
PONDICHERY	14	0.04	58	0.42	80	0.59
Total	40786	345.22	49159	463.40	61295	636.17
Total Advances under DRI	—	820.88	113304	998.34	132562	1339.59
% of SC/ST to Total DRI Advances	—	40.70	43.42	46.42	46.23	47.48

APPENDIX XIII

(Vide para 7.12 of the Report)

STATEMENT OF ADVANCES TO SC/ST UNDER PRIORITY SECTORS

STATES/UNION TERRITORIES	AS ON MARCH 1981		AS ON MARCH 1982		AS ON MARCH 1983		
	No. of Borrowers	Amount Rs.	No. of Borrowers	Amount Rs.	No. of Borrowers	Amount Rs.	
1	2	3	4	5	6	7	8
1. HARYANA	1675	2886	1931	8918	3065	5991	
2. HIMACHAL PRADESH	236	350	399	686	793	1441	
3. JAMMU & KASHMIR	3	4	286	398	321	513	
4. PUNJAB	1797	2949	3833	8576	5519	12964	
5. RAJASTHAN	674	1139	1448	4684	1515	3071	
6. CHANDIGARH	7	12	1	1	84	238	
7. DELHI	32	77	179	319	171	427	
8. ASSAM	552	834	765	1568	675	1358	
9. MEGHALAYA	11	39	13	39	17	93	
10. TRIPURA	501	483	1242	659	393	478	
11. BIHAR	3228	3917	3778	5033	4747	5910	

1	2	3	4	5	6	7	8
12.	ORISSA	777	541	1227	1090	1745	1762
13.	WEST BENGAL	1216	1205	1340	1334	1532	1946
14.	MADHYA PRADESH	4131	6530	3901	7101	6080	9527
15.	UTTAR PRADESH	10563	13912	14906	20224	20043	36370
16.	GUJARAT	6513	6450	9105	12019	1186	18727
17.	MAHARASHTRA	6406	11660	9125	18752	11072	23086
18.	GOA	8	9	15	16	13	15
19.	ANDHRA PRADESH	11991	13706	18343	21170	19598	29015
20.	KARNATAKA	3060	3485	3781	5752	3766	6105
21.	KERALA	3471	3506	4532	4428	6983	8669
22.	TAMIL NADU	3930	4119	6834	9033	8649	13163
23.	PONDICHERY	4	2	33	29	46	46
TOTAL :		60786	77815	87017	132829	108063	180916

APPENDIX XIV

(Vide para 7.13 of the Report)

**PUBLIC SECTOR BANKS ADVANCES TO PRIORITY SECTORS AND THE SHARE OF
SCHEDULED CASTES/SCHEDULED TRIBES BANKWISE**

(As on the last Friday of June, 1982)

Name of the Bank	No. of Borrower A/cs.		4	(Amount in Rs. lakhs)		
	Total P.S.	Share of SC/ST		Total P.S.	Amount Outstanding SC/ST	% Share
	2	3	4	5	6	7
A. State Bank of India	4552985	968083	21.3	292453	20947	7.2
B. Associates of S.B.I.	1227179	221900	18.1	77075	3952	5.1
C. NATIONALISED BANKS-20						
1. Central Bank of India	1076750	216350	20.1	72240	4020	5.6
2. Bank of India	655354	174171	26.2	58113	2232	3.8
3. Punjab National Bank	683170	167661	24.5	71595	3481	4.9
4. Bank of Baroda	771670	192546	24.7	63497	2934	4.6
5. United Commercial Bank@	470420	5624	12.0	33705	900	2.7
6. Canara Bank	1012033	119750	11.8	52134	1409	2.7

1	2	3	4	5	6	7
7. United Bank of India	622385	185919	29.9	28105	1847	6.6
8. Dena Bank	219242	60213	27.5	20576	840	4.1
9. Syndicate Bank	883659	152693	17.3	47468	2627	5.5
10. Union Bank of India	481530	91729	19.0	36121	1388	3.8
11. Allahabad Bank	220231	39779	18.1	10074	794	3.9
12. Indian Bank	351857	54781	15.6	23213	910	3.9
13. Bank of Maharashtra	166274	36515	22.0	20934	783	3.7
14. Indian Overseas Bank	612400	57657	9.4	28439	875	3.1
15. Andhra Bank	337947	54343	16.1	17599	818	4.6
16. Punjab & Sindh Bank	97754	19076	19.5	19200	553	2.9
17. New Bank of India	44893	9495	21.1	11074	323	2.9
18. Vijaya Bank	132365	7435	5.6	9080	175	1.9
19. Corporation Bank	76587	6691	8.7	6378	86	1.3
20. Oriental Bank of Commerce	34261	6671	19.5	7252	193	2.7
Total (All Public Sector Banks)	14740946	2899704	19.7	1016322	52116	5.1

@ Data relates to December 1981 and also for State Bank of Patiala.

Data Provisional

APPENDIX XV

(Vide para 7.41 of the Report)

NEW TWENTY POINT PROGRAMME

- + 1. Increase irrigation potential, develop and disseminate technologies and inputs for dry land agriculture.
- + 2. Make special efforts to increase production of pulses and vegetable oilseeds.
- + 3. Strengthen and expand coverage of Integrated Rural Development and National Rural Development Programmes.
- + 4. Implement agricultural land ceilings, distribute surplus land and complete compilation of land records by removing all administrative and legal obstacles.
 5. Review and effectively enforce minimum wages for agricultural labour.
- + 6. Rehabilitate bonded labour.
- + 7. Accelerate programmes for the development of Scheduled Castes and Tribes.
 8. Supply drinking water to all problem villages.
- + 9. Allot house sites to rural families who are without them and expand programmes for construction assistance to them.
- +10. Improve the environment of slums, implement programmes of housing/building for economically weaker sections, and take measures to arrest unwarranted increase in land prices.
- +11. Maximise power/generation, improve the functioning of electricity authorities and electrify all villages.
- +12. Pursue vigorously programmes of afforestation, social and farm forestry and the development of bio-gas and other alternative energy sources.
 13. Promote family planning on a voluntary basis as a people's movement.
 14. Substantially augment universal primary health care facilities, and control of leprosy, TB and blindness.

15. Accelerate programmes of welfare for women and children and nutrition programmes for pregnant women, nursingmothers, and children, specially in tribal, hill and backward areas.
16. Spread universal elementary education for the age-group 6-14 with special emphasis on girls, and simultaneously involve students and voluntary agencies in programmes for the removal of adult illiteracy.
- + 17. Expand the public distribution system through more far-flung fair price, shops, including mobile shops in far-flung areas and shop to cater to industrial workers, students' hostels and make available to students text books and exercise books on a priority basis and to promote a strong consumer protection movement
- + 18. Liberalise investment procedures and stream-line industrial policies to ensure timely completion of projects. Give handicrafts, hand-looms, small and village industries all facilities to grow to update their technology.
19. Continue strict action against smugglers, hoarders and tax evaders and check black money.
20. Improve the working of the public enterprises by increasing efficiency, capacity utilisation and the generation of internal resources.

+ Points having relevance to Bank financing.

APPENDIX XVI

(Vide para 7.46 of the Report)

20-POINT PROGRAMME (OLD)

(Period : December 1982)

(Rs. in'000)

NAME OF THE STATE/ UNION TERRITORY		TOTAL	
		A/cs.	Amt.(Rs.)
1	2	3	4
I.	Northern Region	26565	71791
	Haryana	8206	23631
	Himachal Pradesh	1377	2817
	Jammu & Kashmir	1740	3533
	Punjab	9389	27136
	Rajasthan	4463	10650
	Chandigarh	130	614
	Delhi	1260	3410
II.	North-Eastern Region	2770	7055
	Assam	2108	5509
	Manipur	—	—
	Meghalaya	10	116
	Nagaland	—	—
	Tripura	652	1430
	Arunachal Pradesh	—	—
	Mizoram	—	—
	Sikkim	—	—
III.	Eastern Region	29605	70867
	Bihar	15910	44729
	Orissa	6208	12336
	West Bengal	7487	13802
	Andaman & Nicobar Islands	—	—
IV.	Central Region	88093	384675
	Madhya Pradesh	19204	77012
	Uttar Pradesh	68889	307663

1	2	3	4
V.	Western Region	51226	195260
	Gujarat	18074	59541
	Maharashtra (M.B. Zone)	32518	134546
	Dadra & Nagar Haveli	—	—
	Goa, Daman & Diu	634	1173
VI.	Southern Region	131696	380587
	Andhra Pradesh	59578	181395
	Karnataka	13066	40822
	Kerala	31855	83832
	Lakshadweep	—	—
	Pondicherry	176	337
	Tamil Nadu	27021	74801
TOTAL		329955	1110235

APPENDIX XVII

(Vide para 7.63 of the Report)

Union Bank of India

**VILLAGE ADOPTION SCHEME
POSITION AS ON 30TH DEC. 1982**

Sl. No.	Name of the State/ Union Territory	No. of villages adopted	No. of agril. loan a/cs. serviced in these villages	Amt. O/s. (Rs. in lacs)
1	2	3	4	5
1.	Andhra Pradesh	110	12330	373.50
2.	Assam	8	323	4.33
3.	Bihar	48	2316	46.09
4.	Chandigarh	1	52	3.21
5.	Delhi	Nil	Nil	Nil
6.	Goa	4	60	1.83
7.	Gujarat	998	2552	104.55
8.	Haryana	59	2572	110.23
9.	Himachal Pradesh	13	635	9.28
10.	Jammu & Kashmir	5	321	4.74
11.	Karnataka	50	2693	88.36
12.	Kerala	93	17167	481.30
13.	Madhya Pradesh	34	1269	56.61
14.	Maharashtra	83	3496	151.57
15.	Meghalaya	Nil	Nil	Nil
16.	Orissa	18	756	9.86
17.	Punjab	48	1602	75.60
18.	Rajasthan	55	163	7.18
19.	Tamil Nadu	118	11203	227.84
20.	Tripura	3	147	2.01
21.	Uttar Pradesh	538	12330	305.95
22.	West Bengal	15	743	12.07
TOTAL		2301	72730	2076.18

APPENDIX XVIII

(Vide para 4 of Introduction)

Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Para Number in Report	Summary of Conclusions/Recommendations
1.	2	3
1.	1.11	<p>The Committee note that it is a firm policy of the Government that there should be at least one Director belonging to Scheduled Caste/Scheduled Tribe on the Boards of Directors of nationalised banks. The Committee further note that in 18 out of 20 nationalised banks, the Boards of Directors have persons belonging to Scheduled Castes and Scheduled Tribes and steps are being taken to have them in the remaining two Banks. The Committee, however, feel that it is not enough merely to take a policy decision in this regard and are of the view that uncertainty in the matter of appointment of a person belonging to Scheduled Caste/Scheduled Tribe in the Board of Directors of nationalised banks should be removed once for all by making necessary amendments in the nationalisation scheme. The Committee, therefore, recommend that early steps should be taken by Government for making statutory provision for appointment of at least one representative of Scheduled Castes/Scheduled Tribes on the Board of Directors of nationalised banks.</p>
2.	1.25	<p>The Committee note that functions regarding implementation of Government guidelines on reservations, concessions and employment of Scheduled Castes/Scheduled Tribes are being attended to by the Personnel Department at the Head Office of the Union Bank where Manager (Planning and Development) acts as the Liaison Officer. At the zonal offices, the Assistant General Managers have been appointed to act as Liaison Officers. A Special Cell has been set up at the Head Office of the</p>

1

2

3

Bank for implementation of reservation orders and looking into the complaints of Scheduled Caste/Scheduled Tribe employees. This Cell is a part of Recruitment and Man-power Planning section in the Department of Personnel. There is however, no separate Cell in the Zonal Offices of the banks for looking after the reservation work.

3. 1.26

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

4. 1.27

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

5. 1.28

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

1

2

3

6. 2.24

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

7. 2.25

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

1

2

3

reservation in promotion. The Committee desire that responsibility should be fixed on persons responsible for not circulating Government orders relating to reservation in promotion to the bank in time.

8. 2.26

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

9. 2.27

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

10. 2.28

The Committee are pained to note that the directives of the Government regarding reservations in promotions issued in 1972 and 1974 were not placed before the Board of Directors of the bank as the practice of placing copies of the directives from the Government of India before the Board of Directors has been introduced from August, 1983 on receipt of such instruction from Reserve Bank of India. This is contrary to the information given by the bank to the Committee that the Board of Directors are informed of Government instructions relating to Scheduled Castes and Scheduled Tribes and they endeavour to ensure implementation of these instructions. The Committee fail to understand how the Board can ensure implementation of instructions which are not placed before them. The Committee recommend that all instructions regarding reservations for Scheduled Castes/Scheduled Tribes in services issued by the Department of Personnel and Administrative Reforms should be placed

1

2

3

before the Board of Directors of the bank at the earliest, for prompt implementation.

11. 2.58 In Central Government services, posts have been classified into 4 groups, namely, Group 'A', Group 'B', Group 'C' and Group 'D'. Accordingly the Brochure on Reservations for Scheduled Castes and Scheduled Tribes in posts/services under the Public Enterprises issued by Bureau of Public Enterprises provides that posts may be treated as Group 'A', 'B', 'C' and 'D' for the purpose of implementing reservation orders. The Committee however find that in the Union Bank of India, there are only three Groups of posts i.e. Officers Cadre, Clerical Cadre and Sub-staff Cadre which are analogous to Group 'A', Group 'C' and Group 'D' in the Government of India. The Committee find that there is no Group 'B' or category of posts equivalent to Group 'B' in the services of the Bank as a result of which Scheduled Castes/Scheduled Tribe employees have been deprived of the benefit of reservation in recruitment/promotion to that category if it had been in existence. The Committee have been informed that the implications of the recommendation made by the Committee in para 2.82 of their 37th Report (1982-83) on Syndicate Bank relating to reclassification of posts are still under examination. The Committee desire that a decision in this regard should be taken at an early date so that classification of posts in the Banking Industry is brought at par with that existing in Government of India and other public Sector enterprises. The Committee are of the firm view that promotional avenues for Scheduled Caste and Scheduled Tribe will considerably improve if there are Group 'B' posts in the banks.
12. 2.59 According to Bipartite settlement, as many as 20 posts have been included in the Clerical Cadre which carry special allowance ranging from Rs. 16/- to Rs. 283/-. A part of the special allowance is contributed to the Employees Provident Fund and an equal amount is contributed to the Fund by the Bank. These posts include those of Stenographer, Head Clerk, Head Cashier and Special Assistants. The Committee are surprised to note that posts having different nature of duties have been clubbed together in the same scale of pay by the mechanism of Special allowances. But for the special allowance, the

1

2

3

posts would have carried different pay scales. The Committee feel that this scheme is against the interests of Scheduled Castes and Scheduled Tribes in as much as they have been denied the chances of recruitment and promotion on the basis of the scheme of reservation. The Committee recommend that there should either be reservation for Scheduled Castes and Scheduled Tribes in all allowance-carrying posts in the the Union Bank of India or the scheme of special allowance should be scrapped, particularly in respect of posts carrying duties of supervisory nature e.g. Head Clerks, Head Cashier and Special Assistants.

13. 2.60

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

14. 2.61

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

15. 2.62

The Committee not with satisfaction that only one case has come to notice of the Union Bank of India during the last 3 years in which false caste certificate was used to get employment and services of concerned employee have been terminated by the bank. The Committee are of the view that securing employment on the strength of a false caste certificate is a serious offence and such cases should be dealt with promptly and severely. Besides Departmental

1	2	3
		action in appropriate cases, criminal proceedings should also be initiated against the culprit under the relevant provisions of the Indian Panel Code.
16.	2.63	The Committee also recommend that such cases should also be intimated to the authorities concerned for taking appropriate action against the person who has issued the false caste certificate.
17.	2.96	The Committee note that Government of India's Directive regarding reservations in promotion was received by the Union Bank in 1978. But reservation in promotion from clerical to officers cadre for Scheduled Castes/ Scheduled Tribes in the Bank became effective from 16.9.1980 as prior to that date, the then existing Promotion Agreement with the Employees' Union which was in force did not provide for reservations in promotions.
18.	2.97	The Committee are surprised to note that even after the amendment of the Promotion Agreement in September 1980, no interviews have so far been conducted for promotion from clerical to officers' cadre, as a result of which Scheduled Caste/Scheduled Tribe employees of the bank have been deprived of the benefits of reservation in promotions.
19.	2.98	Merit list prepared on the result of a test and interview is normally kept valid for one year. The Committee are shocked to find that in Union Bank of India, the merit list is continued even for three or four years. Its validity is extended by the Chairman with mutual consent with the Employees' Union. The Committee are of the opinion that this is against the interests of Scheduled Caste/Scheduled Tribe employees of the bank as they lose the chance of appearing in the test till such time, that the last merit list is exhausted. The Committee recommend that validity of merit list should be limited to the year for which it is prepared and the number of successful candidates included in the list should be in relation to the contemplated vacancies in that year.
20.	2.99	A new Promotion Policy has come into force in the bank from 1st January, 1983. Under this policy, promotions

1

2

3

upto 75 per cent of the vacancies are to be made through single channel of test and interview whereas under the old policy, 50% of the vacancies in officers cadre were filled up by seniority and 25% by test. The Committee are of the opinion that by abolishing the system of promotion by seniority under the new agreement, promotion prospects of Scheduled Caste/Scheduled Tribe employees have been considerably reduced. The Committee, therefore, recommend that provision for promotion by seniority should be restored.

21. 2.100

The Committee are also not happy at the weightage given to length of service prior to 31st December, 1969 in the new policy as this works against the interests of Scheduled Caste/Scheduled Tribes of whom there were hardly any prior to the nationalisation of banks. The intake of Scheduled Caste/Scheduled Tribe candidates in the bank started only after the reservation policy in recruitment was applied. The Committee recommend that there should be no such weightage.

22. 2.101

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

23. 2.102

There is no reservation in promotion with in the officers cadre from one scale to another. Except for the Junior Management Grade Scale I, there is hardly any representation of Scheduled Castes and Scheduled Tribes in higher scales. Even in Junior Management Grade Scale I the representation of Scheduled Castes is less than 5% and of Scheduled Tribes it is less than 1%. While the prescribed minimum years of satisfactory service determine

1

2

3

the eligibility for promotion from one scale to another, it is done on the basis of merit coupled with weightages for length of service, job responsibility and educational/professional qualification. There is relaxation of 5% marks each in performance and interview for officers belonging to Scheduled Castes and Scheduled Tribes. The Committee recommend that suitable relaxation in the minimum length of service required for becoming eligible for promotion from one scale to another should also be extended to Scheduled Castes/Scheduled Tribes to improve their chances of promotion in the officers cadre.

24. 3.16

The Committee note that as on 31.3. 1983 there was huge backlog in the representation of Scheduled Castes and Scheduled Tribes in the Officers cadre. The percentage of Scheduled Tribes was quite nominal in all the three cadres of officers, Clerks and Sub-staff. The Committee regret to note that the Banking Service Recruitment Boards who are at present making recruitment of Officers and clerks for the nationalised Banks have failed to provide sufficient number of candidates belonging to these communities to the Union Bank of India.

25. 3.17

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

26. 3.18a

The Committee express their unhappiness at the backlog of 254 Scheduled Castes and 199 Scheduled Tribes in officers cadre as at the end of 30th June, 1983, according to the half yearly statement furnished by the bank to the Banking Division of the Ministry of Finance. The

1

2

3

Committee fail to understand why the bank has not requested the Recruitment Board so far to make special recruitment for the officers cadre in the light of such a huge backlog in this category. The Committee feel surprised how the bank authorities took the view that "there was no need for a special recruitment in the officer's cadre and no request was made to Banking Service Recruitment Board." The Committee would like to be informed of the steps now proposed to be taken by the bank to clear the backlog in the officer's cadre.

27. 3.19

The Chairman of the Union Bank of India has stated during evidence, that while placing indent with the Recruitment Board, they included the backlog also in the current demand. This is however, not borne out by the figures of indent furnished by the Bank to the Committee. The backlog in the officers cadre was 126 at the end of 1979 and 92 at the end of 1980. The indent placed for Scheduled Caste/Scheduled Tribe officers in 1980 was 20 Scheduled Caste and 5 Scheduled Tribe. This obviously did not include the backlog of 126 posts at the end of 1979. The Committee recommend that the Union Bank of India should invariably include backlog in the current demand for Scheduled Caste/Scheduled Tribe candidates while placing indent with the Recruitment Boards and see that these vacancies including the backlog are filled within a stipulated time.

28. 3.23

In para 3.28 of their Thirty-seventh Report (1982-83), the Committee had recommended that the Ministry of Finance should prepare a scheme for opening pre-recruitment training centres for imparting training to officers and clerical cadre examination on the lines of Pre-examination Training Centres functioning under the control of the Ministry of Home Affairs. The Committee desire that an early decision should be taken in the matter.

29. 3.30

The Committee note that arrangements exist in Union Bank of India for giving inservice training to its employees. Employees belonging to Scheduled Castes and Scheduled Tribes are given training for longer duration as compared to general employees. The Committee would

1	2	3
		like to stress that the aim of the in-service rating should be to bring SC/ST candidates upto the required standard.
30.	3.31	Pre-promotion training programmes are also conducted by Union Bank of India for the benefit of eligible SC/ST employees prior to the holding of written tests. To improve the chances of promotion of SC/ST employees, the Committee recommend that such training programmes should be of longer duration.
31.	3.32	<p>The Committee would like to draw attention to the instructions contained in the Brochure on Reservation for Scheduled Castes and Scheduled Tribes in services/posts under the Public Enterprises. These instructions <i>inter-alia</i> provide that :</p> <p>(i) SC/ST Officers in Group 'A' services/posts should be provided with more and more opportunities for institutional training and for attending seminars/symposia/conferences. Advantage could in this connection be taken of training facilities available at the Indian Institute of Public Administration New Delhi, the Administrative Staff College, Hyderabad etc.</p> <p>(ii) It should be the special responsibility of the immediate superior officer of the Scheduled Caste/Scheduled Tribe officers in Group 'A' to give advice and guidance to the latter to improve the quality of their work.</p> <p>(iii) The Public Enterprises should identify the training needs of SC/ST officers and then examine to which training programme these officers should be deputed.</p> <p>(iv) 25 percent of the seats for training should be earmarked for SC/ST officers.</p>
32.	3.33	The Committee desire that the above instructions should be followed by the Union Bank of India both in letter and spirit. The Committee also recommend that an annual Report regarding the progress made in this regard should be placed before the Board of Directors of the bank.
33.	4.6	The Committee find that Banking Service Recruitment Boards have not been able to provide requisite number of

1

2

3

candidates belonging to Scheduled Castes and Scheduled Tribes to fill up the reserved vacancies in the Union Bank of India. As at the end of 1982 there was backlog in all the three cadres of posts in the bank—67 Scheduled Castes and 33 Scheduled Tribes in officers cadre, 225 Scheduled Castes and 176 Scheduled Tribes in Clerical Cadre and 7 Scheduled Castes and 95 Scheduled Tribes in the sub-staff cadre. In para 4.19 of their 37th Report (Seventh Lok Sabha) on Syndicate Bank, the Committee had desired that working of the recruitment Boards should be critically reviewed by the Ministry of Finance (Banking Division). The Committee reiterate that recommendation.

34. 4.7 The Committee note that after receipt of allotment of candidates from the Recruitment Boards, the appointment orders are issued by the Central Office of the Bank. The Committee recommend that appointment letters should invariably be sent by registered post within three months of the date of holding the interview.
35. 4.17 The Committee have been informed that for interviewing Scheduled Caste/Scheduled Tribe candidates, a non-official member belonging to Scheduled Caste/Scheduled Tribe in co-opted as a member of the Interviewing Committee. According to the Government directive, the Public Enterprises should include invariably a Scheduled Caste/Scheduled Tribe officer while constituting the Department Promotion Committees/Selection Boards etc. for recruitment/promotion to posts/Services under them. The Committee therefore recommend that a member belonging to Scheduled Caste/Scheduled Tribe should be associated with all Departmental Recruitment/Promotion Committees even where there is no Scheduled Caste/Scheduled Tribe to be interviewed.
36. 4.18 The Committee note that while a member belonging to Scheduled Caste/Scheduled Tribe category is associated with the panel of interviewers for promotion of officers from one scale to the other, no specific provision has been made to that effect in the promotion policy. The Committee recommend that promotion policy should be amended suitably to incorporate such a provision therein.
-

-
37. 4.23 The Committee regret to note that a large number of vacancies reserved for Scheduled Castes and Scheduled Tribes are dereserved in the Bank every year. The total number of posts dereserved were 370 in 1980, 386 in 1981 and 341 in 1982 in officers, clerical and sub-staff cadres of the Bank. The Committee feel concerned that the reserved posts even in sub-staff category have been dereserved for which, normally, there should be no dearth of candidates. The Committee recommend that the bank which is responsible for recruitment to sub-staff cadre should make all-out efforts to recruit Scheduled Caste/Scheduled Tribe candidates so that the contingency to dereserve the posts does not arise. It should also be possible for Banking Service Recruitment Boards to provide by special recruitment or otherwise sufficient number of candidates belonging to Scheduled Caste/Scheduled Tribe to fill up the reserved posts in the bank in officers and clerical cadres.
38. 4.24 The Committee regret to point out that prior approval of the competent authorities in the bank is not taken before resorting to dereservation. According to Govt. guidelines, before any reserved vacancy is dereserved and filled up by a general candidate, the prior approval of the Board of Directors for the posts of officers and that of the Chairman and Managing Director for clerical posts should be obtained. It should specifically be mentioned in the reference made to the Board of Directors/Managing Director that the proposal for dereservation is being made with the full knowledge and concurrence of the Liaison Officer. The Committee recommend that the bank should follow this procedure regarding dereservation scrupulously.
39. 4.25 The Committee have been informed that the cases of dereservation are brought to the notice of the Board of Directors every six months. This is however, not reflected in the Minutes of the Board's meetings held during the last three years. The Committee regret to point out that the Board of Directors has all along been kept in dark about this important aspect of reservation policy for Scheduled Castes and Scheduled Tribes.
-

- | 1 | 2 | 3 |
|-----|------|---|
| 40. | 4.39 | The Committee note that a register has been kept in the bank for entering complaints/grievances received from Scheduled Caste/Scheduled Tribe employees. The Committee recommend that these registers should be kept at the Central as well as the Regional/Divisional offices of the Bank. Action taken on the complaints should also be indicated in the Registers for the information of the persons concerned. |
| 41. | 4.40 | The Committee note that the Liaison Officers of the Banks have been advised to meet informally the Scheduled Caste/Scheduled Tribe employees including their representatives to hear their grievances in respect of matters arising out of policy regarding reservations. The Committee desire that a brief resume of the points discussed and the decisions, if any, reached should be maintained by the Liaison officer to avoid any misunderstanding at a later stage. |
| 42. | 4.41 | The representative of the Union Bank of India has stated during evidence that at present they are sending replies to letters received from recognised employees' Union only. The Liaison Officer communicates with Scheduled Caste/Scheduled Tribe associations which though unrecognised were registered. When the Committee suggested that replies should be sent to letters received from registered associations also, the representative of the bank has stated during evidence :—

"We will give a reply." |
| | | The Committee hope that Union Bank of India will implement their assurance. |
| 43. | 5.9 | The Committee are unhappy to note that while reservation for Scheduled Castes and Scheduled Tribes in direct recruitment was introduced in Union Bank of India immediately after nationalisation of banks in 1969, the bank started maintaining the rosters only in 1978. The Committee fail to understand how the bank gave effect to the prescribed reservations during 1969-78 without maintaining the rosters as required under the Government orders for determining reserved and unreserved points. The Committee need hardly stress that roster is the only mechanism to keep a watch on the implementation of |

1	2	3
/		<p>policy of reservation. The Committee recommend that the Banking Division of the Ministry of Finance should check up from all nationalised banks whether rosters are being maintained by them as envisaged in the Government directives.</p>
44.	5.10	<p>Rosters in the Union Bank of India are at present being maintained at the Central office only. As the rosters in the clerical cadre are maintained Statewise, the Committee recommend that the rosters pertaining to a State should also be maintained at the regional offices of the bank located in that State. Likewise rosters regarding sub-staff posts should be maintained at the regional offices of the bank in addition to the Central Office, as recruitment to this cadre is done by the Regional office through the Employment Exchange.</p>
45.	5.11	<p>The Committee also desire that rosters should be open documents and there should be no bar on the employees of the bank wishing to see them.</p>
46.	5.12	<p>The Committee recommend that Liaison Officer of the bank should check the Rosters periodically and discrepancies, if any, should be rectified immediately so that there is no mistake in calculating the reserved vacancies.</p>
47.	5.18	<p>The Committee note that Union Bank of India has been sending periodical statements to the Banking Division regarding recruitment and promotion of Scheduled Castes and Scheduled Tribes in services of the Bank. The data included in these statements pertain to the total number of employees in the bank and the number of Scheduled Castes/Scheduled Tribes among them and the number of reserved vacancies filled up by members of Scheduled Castes/Scheduled Tribes In direct recruitment and promotion. The Committee recommend that the bank should take immediate action to rectify deficiencies, if any, pointed out by the Banking Division. The Committee are distressed to note that even the Banking Division slept over the matter all these years.</p>

1	2	3
48.	5.19	The Committee find that the Annual Reports of the Union Bank of India are at present showing only the percentage increase in the representation of Scheduled Castes/ Scheduled Tribes in the Bank as compared to the previous year. The Committee recommend that the Annual Reports should show separately the percentage of Scheduled Castes/Scheduled Tribes in the various cadres in the bank and the steps taken by the bank to reduce the backlog as existing at the end of the previous year.
49.	6.7	The Committee note that steps are being taken for creating a cell in the Banking Division of the Ministry of Finance for looking after the credit requirements of Scheduled Castes and Scheduled Tribes. The Committee recommend that this Cell should be separate from the existing cell in the Banking Division dealing with matters relating to reservation for Scheduled Castes and Scheduled Tribes. The new Cell should be created in the Banking Division without any further delay.
50.	6.8	The Committee also recommend that a separate Cell should be created in the Central Office of the Union Bank of India for monitoring the flow of credit to Scheduled Castes and Scheduled Tribes.
51.	6.25	The Committee appreciate that advances by the Union Bank to Scheduled Castes and Scheduled Tribes under DRI Scheme as in March, 1983 constitute 47.5% of total DRI advances, as against the stipulation of 40% minimum under the guidelines of Reserve Bank of India. Total DRI advances constitute about 1.11% of total advances by the bank as in June, 1983. The Committee would, however, like the Union Bank of India to find out whether there are any states or regions where the percentage of DRI advances to total advances has been less than 1% and DRI advances to Scheduled Castes/Scheduled Tribes have been less than 40% of total DRI advances. The Committee desire that the Bank should make concerted efforts to reach the prescribed targets in all States/regions of its operation.
52.	6.26	Under the guidelines regarding DRI scheme credit may be routed through the Cooperative Societies/LAMPS organised

1	2	3
		specifically for the benefit of tribal population in areas identified by the Government. The Committee regret to note that the Union Bank of India has not extended any finance through cooperative societies/LAMPS under DRI Scheme. The Committee recommend that in order to give benefit of DRI Scheme to an increasing number of persons belonging to Scheduled Tribes, the Union Bank of India should start routing credit under DRI Scheme through cooperative societies/LAMPS.
53.	6.27	Under DRI Scheme banks advance maximum of Rs. 5000/- as Term loan and Rs. 1500/- as Working Capital. The Committee feel that in view of the decrease in the value of money this amount is insufficient for starting a viable project and in most of the cases is practically converted into a consumption loan thus defeating the purpose behind DRI Scheme. The Committee recommend that the limits of loan under DRI Scheme should be suitably increased to serve the purpose.
54.	6.28	The Committee have been informed that a Task Force has been constituted by the Government to review the working of the DRI Scheme. The Report of the Task Force was expected by the end of December, 1983 but it has not been received so far. The Committee recommend that the Report of the Task Force should be expedited. The Committee hope that Government would take early decision on various aspects of DRI Scheme so as to make it more purposeful and beneficial to the weaker sections.
55.	6.42	The Scheduled Caste/Scheduled Tribe Development Corporations have been set up in most of the States with a view to expeditiously ameliorate difficulties of Scheduled Castes and Scheduled Tribes and to ensure their economic upliftment. The main function of these Corporations is to provide margin money assistance to Scheduled Caste/Scheduled Tribe families whereas the institutional finance is provided by banks. Recovery is shared between the Bank and the Corporation in the proportion of Bank's loan and Margin Money Loan.
56.	6.43	The Committee are surprised to note that the Union Bank of India has made up tie-arrangements with some of these

1	2	3
		<p>corporations only recently. The Committee recommend that with a view to increase the flow of credit to Scheduled Castes/Scheduled Tribes, the Bank should establish contacts with all the existing Scheduled Caste/Scheduled Tribe corporations and participate in financing the viable schemes framed by these Corporations.</p>
57.	6.44	<p>The Committee note that the Union Bank of India has given loan of Rs. 30 lacs to the Gujarat Tribal Development Corporation and Government of Gujarat has agreed to guarantee the advance. The Committee are of the view that as the Scheduled Caste/Scheduled Tribe Development Corporations are created, administered and controlled by the State Governments, the bank should not insist on guarantee of the State Government before advancing loans to these Corporations.</p>
58.	6.60	<p>The Committee note that the Union Bank has issued standing instructions to all its branches/offices that loan applications below Rs. 10000/- should be disposed of within two weeks and these for Rs. 10000/- and above within a reasonable time but not exceeding two months after receipt of proposal. The Committee regret to note that inspite of these instructions complaints are some-times received regarding delay in sanctioning of loans. The Committee recommend that whenever cases of delay in sanctioning of loans by branches come to the notice of bank authorities, immediate action should be taken against persons responsible for the delay.</p>
59.	6.61	<p>The Committee have been informed that the Register of loan applications maintained by the branches shows whether the applicant belongs to Scheduled Caste/Scheduled Tribe category. The Committee desire that information should be compiled every six months indicating the total number of loan applications received from Scheduled Castes/Scheduled Tribes and the number of applications rejected in each zone. The Committee feel that the Head Office can monitor the flow of credit to weaker sections more effectively if such basic data is available to them.</p>
60.	6.62	<p>One of the main reasons for rejection of loan applications is stated to be that the borrower is basically ineligible. The</p>

1

2

3

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

61. 6.72 The Committee find that the percentage of recovery to demand under total DRI credit is 42.82% as in March, 1982 whereas it is 41.62% for Scheduled Castes/Scheduled Tribes as in June, 1982. The Committee note with satisfaction that the percentage of recovery from Scheduled Caste/Scheduled Tribe borrowers is almost the same as the overall recovery in respect of total DRI Credit.
62. 6.73 The Committee have been informed that there is considerable scope for improving the recovery performance if State Governments/Scheduled Caste/Scheduled Tribe Development Corporations extend more co operation to the bank in recovery. To achieve this, the Committee recommend that the Bank personnel should have close liaison with Scheduled Caste/Scheduled Tribe Development Corporations and various departments of State Governments in identification of beneficiaries, selection of schemes for them and recovery of overdues.
63. 6.74 The Committee need hardly stress that greater attention should be paid by the bank and other developmental agencies concerned in the selection of viable schemes for which loans are given. This will automatically reduce the chances of loans being converted into bad debts.
64. 7.29 The Committee note that weaker sections under the priority sector now comprise of 5 categories, namely (i) Small and Marginal Farmers with land holdings of acres and less, landless labourers, tenant farmers and sharecroppers ; (ii) Artisans, Village and Cottage Industries (iii) beneficiaries under IRDP (iv) beneficiaries under DF Scheme ; and (v) beneficiaries belonging to Scheduled Castes and Scheduled Tribes. The target fixed for advance to weaker sections is 25% of total priority sector advance.

1

2

3

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

65. 7.30 As at the end of December, 1982 the bank has extended credit to the extent of 18.55% to weaker sections under priority sector advances. The share of Scheduled Castes/Scheduled Tribes in this credit is only 3.95%.

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

66. 7.39 The Committee note that total educational loans advanced by Union Bank of India were Rs. 27.19 lakhs in March, 1983 out of which advances to Scheduled Castes and Scheduled Tribes were a meagre 0.74 lakh to 29 borrowers. The Committee regret to point out the poor performance of Union Bank of India in granting educational loans in general and to Scheduled Castes/Scheduled Tribes in particular and recommend that the bank should make suitable changes in the educational loans scheme to make it more attractive. The Committee feel that the scheme is loaded with too many formalities and it is really an uphill task to get a loan under the existing conditions.

67. 7.40 In para 7.38 of their 37th Report (1982-83) on Syndicate Bank the Committee had recommended that Government should introduce a scheme for giving interest free educa-

tional loans to Scheduled Castes and Scheduled Tribes students. The interest on such loans may be subsidised by Government and the repayment of loan amount may commence in instalments after allowing a moratorium of one year after the completion of the course for which the loan is granted. The Committee recommend that Ministry of Finance (Department of Economic Affairs-Banking Division) should take a final decision in the matter and ensure that this Scheme is made applicable to all nationalised banks for the benefit of Scheduled Castes and Scheduled Tribes.

68. 7.51 The Committee note that Point No. 7 of the new 20-Point Programme aims at accelerating the programmes for the development of Scheduled Castes and Scheduled Tribes and banks as a developmental agency have been called upon to play a significant role by rendering necessary financial assistance.
69. 7.52 The Committee note that as of December, 1982, the Union Bank of India financed 329955 borrowers with Rs. 111.02 crores under the programme. The Committee recommend that the Bank should also keep information regarding the percentage of Scheduled Castes/Scheduled Tribes among the beneficiaries and the advances made to them.
70. 7.53 With a view to accelerate flow of credit to Scheduled Caste/Scheduled Tribe borrowers, the Committee recommend that the bank should fix targets for the branches in each zone in this regard and all-out-efforts should be made to attain the targets. As an incentive to the Bank staff, due weightage should be given to their performance in providing credit to Scheduled Castes and Scheduled Tribes at the time of evaluation of their work.
71. 7.60 The Committee note that consumption credit to the extent of Rs. 500/- is granted by the bank for meeting marginal and immediate requirements of borrowers. The Committee need hardly stress the importance of consumption credit in rural areas where small and marginal farmers and agricultural labourers have still to turn to landowners for monetary help in times of need. If the weaker
-

1

2

3

sections are to be saved from the clutches of landlords, money-lenders etc., credit has to be provided by the banks to meet their short term requirements. The Committee therefore recommend that Union Bank of India should issue necessary instructions to its branches, particularly those in rural areas, to provide consumption credit liberally to meet the immediate needs of the weaker sections.

72. 7.73

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

73. 7.74

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

74. 7.75

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

1	2	3
75.	7.83	<p>The Committee note the Reserve Bank of India had fixed a target of Rs. 150 crores under the Housing Finance Scheme for the Banking sector to be achieved by the end of 1000 out of which Union Bank of India's share works out to be Rs. 5.58 crores. The Committee regret to point out that as at the end of 1981, the bank had disbursed a sum of Rs. 57.26 lacs, Rs. 82.22 lacs during 1912 and Rs. 10.72 lakhs during January-June, 1983. In all, the total disbursement during 1981, 1982 and upto June, 1983 has been Rs. 150.20 lacs against the target of Rs. 558 lacs by the end of 1983. The Committee express their unhappiness at the unsatisfactory performance of the bank in the matter of providing housing credit.</p>
76.	7.84	<p>The Committee regret to note that under Direct Housing Finance to SCs and STs and Weaker schemes, the share of SCs and STs is a meagre amount of Rs. 41,000/- in 1981, Rs. 97000/- in 1982 and Rs. 34000/- during January to June, 1983. The Committee have been informed that the Bank is not channelising housing finance through SC/ST Development Corporation in states other than Gujarat and Karnataka. The Committee recommend that the bank should explore possibilities of extending housing finance through SC/ST Development Corporations in all the State wherever they exist. They should also channelise housing finance through Regional Rural Banks and Village Housing Cooperatives.</p>
77.	7.85	<p>Loans upto Rs. 5000/- each for construction of houses are granted by the Bank to SCs and STs at 4% rate of interest. The Committee do not consider the amount of Rs. 5000/- as sufficient for construction of houses keeping in view the escalation in prices of various building material and higher labour charges involved. In para 7.31 of their 37th Report (1982-83), the Committee had recommended that housing loans upto Rs. 7500/- with a provision of 25 percent subsidy should be given to SCs and STs at 4% rate of interest. The Committee reiterate that recommendation.</p>