

COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(1993-94)

THIRTY-SEVENTH REPORT

TENTH LOK SABHA

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS - BANKING DIVISION)

ACTION TAKEN ON THE RECOMMENDATIONS CONTAINED IN
THE SIXTEENTH REPORT (TENTH LOK SABHA) ON RESERVATIONS
FOR AND EMPLOYMENT OF SCHEDULED CASTES AND SCHEDULED
TRIBES IN STATE BANK OF INDIA AND CREDIT FACILITIES
EXTENDED TO THEM.

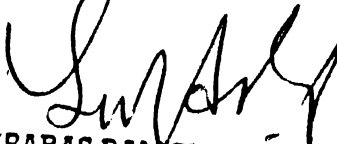
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Presented to Lok Sabha on 29-4-94

Laid in Rajya Sabha on 29-4-94

LOK SABHA SECRETARIAT
NEW DELHI

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(PARAS RAM BHARDWAJ)
Chairman

Parliamentary Committee on the Welfare
of Scheduled Castes & Scheduled Tribes

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COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(1993-94)

...

Shri Parasram Bhardwaj - Chairman

MEMBERS

LOK SABHA

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3. Shrimati Dil Kumari Bhandari
4. Shri Anadi Charan Das
5. Dr. Ram Chandra Dome
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SECRETARIAT

1. Shri G.L. Batra, Additional Secretary
2. Shri S.C. Gupta, Joint Secretary
3. Shri Babu Ram, Under Secretary
4. Shri S.K. Sharma, Assistant Director

* vice, Shri Ram Prakash Chaudhary died on 19.4.1994.

@ Ceased to be Member of the Committee on his retirement from Rajya Sabha w.e.f. 2 April, 1994.

INTRODUCTION

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

2. The Report was considered and adopted by the Committee on 26 April, 1994.

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

I. Report.

II. Recommendations/observations which have been accepted by the Government.

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

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

V. Recommendations/observations in respect of which final replies of Government have not been received.

4. An analysis of the Action Taken by the Government on the recommendations contained in the Sixteenth Report of the Committee is given in Appendix. It would be observed therefrom that out of 56 recommendations made in the Report, 25 recommendations i.e. 44.65% per cent have been accepted by Government. The Committee do not desire to pursue 20 recommendations i.e. 35.71 per cent of their recommendations in view of Government reply; 9 recommendations i.e. 16.07 per cent in respect of which reply of Government have not been accepted by the Committee require reiteration and 2 recommendations i.e. 3.57 per cent in respect of which final replies of the Government have not been received.

NEW DELHI ;

April 27, 1994

7 Vaisakha, 1916(S)

PARAS RAM BHARDWAJ
Chairman,
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes


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(PARAS RAM BHARDWAJ)
Chairman
Parliamentary Committee on the Welfare
of Scheduled Castes & Scheduled Tribes

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the recommendations contained in the Sixteenth Report (Tenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the Ministry of Finance (Deptt. of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

1.2 The Sixteenth Report was presented to Lok Sabha on April 27, 1993. It contained 56 recommendations. Replies of Government in respect of these recommendations have been examined and are categorised as under:

- i) Recommendations and observations which have been accepted by the Government
Sl Nos. 1 to 4, 14 to 20, 22 to 25, 28, 29, 34, 37 to 40, 43, 46 and 47.
- ii) Recommendations and observations which the Committee do not desire to pursue taking into consideration the replies of the Government
Sl Nos. 7 to 13, 26 to 27, 35 to 36, 41 to 42, 48 to 50 and 53 to 56
- iii) Recommendations and observations, reply to which have not been accepted by the Committee and which require reiteration
Sl Nos. 5 to 6, 21, 30 to 33 and 44 to 45
- iv) Recommendations and observations in respect of which final replies have not been received
Sl Nos. 51 to 52

1.3 The Committee will now deal with those action taken replies of the Govt. which need reiteration or merit comments.

A. PROMOTIONS MADE DURING THE LAST THREE YEARS
(SI Nos.5 and 6, Paras 2.33 and 2.34)

1.4 In para 2.33 of the Sixteenth Report (Tenth Lok Sabha), the Committee had observed that there existed huge shortfall in promotions of SCs and STs from clerks to JMGS-I in the State Bank of India during all the 3 years from 1989 to 1991. One of the reasons for shortfall was stated to be that in some Circles viz. Delhi, Hyderabad, Chandigarh and Patna, promotion exercise could not be carried out during 1990 and 1991 owing to non-availability of vacancies. The Committee, had therefore, recommended that promotion process should be started immediately in Madhya Pradesh where the Bank had mentioned that they were starting the promotion process and in other Circles to identify the vacancies for effecting promotions. The Committee, had also desired that the existing huge shortfall in the promotions of SC/ST candidates from clerks to JMGS-I be removed within a stipulated framework of time.

1.5 In their Action Taken Note, the Ministry of Finance (Deptt. of Economic Affairs - Banking Division) has stated that promotion process was initiated in various Circles. In Bhopal Circle, promotions test for 533 JMGS vacancies was being held to clear the

backlog as on 31.12.1991 of 41 SC and 94 ST vacancies. In Delhi and Patna Circles, Promotion tests had been cleared in 1993. In Hyderabad Circle, a Special Test to clear the backlog of ST vacancies was held in April, 1993 and in Chandigarh Circle, new vacancies have been sanctioned.

1.6 The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs - Banking Division) and State Bank of India on 22.4.1994 in respect of some of the points arising of the Action Taken replies furnished by the Ministry. In regard to backlog of the vacancies reserved for Scheduled Castes and Scheduled Tribes, the Chairman, State Bank of India stated in evidence that there was a backlog of 182 SC and 361 ST on 1.1.1993. On 31 December, 1993, it was reduced to 142 SC and 247 ST. The main reason for backlog was stated to be that the Bank could not hold a promotion test in Bhopal in 1988 due to court injunction. That has been cleared now and the Bank is giving promotions. There alone the Bank had a backlog of 41 SC and 94 ST. He further added that once it is cleared, the backlog will be very small.

1.7 The Committee regret to note that shortfall in promotion of SCs and STs reported during the 3 years 1989 to 1991 in State Bank of India in promotion from clerical to JMS-I has not been wiped out so far. There was still a backlog of 142 SC and 247 ST as on 31.12.1993. The Committee reiterate that urgent steps be taken to ensure the shortfall in promotion of SCs/STs is cleared within a specified period.

B. POSTING ABROAD

(Sl. No. 11, Para 1.11)

1.8 In para 3.11 of the Sixteenth Report (Tenth Lok Sabha), the Committee had observed that out of a total number of 176 officers posted abroad in the foreign branches of SBI during the years 1989, 1990 and 1991, only 3 officers belonged to SCs and STs categories. The Committee had, therefore, recommended that the Bank should ensure that a fair proportion of officers belonging to SC/ST categories are given opportunities for posting abroad in foreign branches of the Bank.

1.9 In their Action Taken Note, the Ministry of Finance (Deptt. of Economic Affairs - Banking Division) have stated that the Commissioner for Scheduled Castes and Scheduled Tribes had in his report for the years 1971-72 inter alia reported that the claims of the SCs and STs Govt. Employees should be considered sympathetically in case of appointment abroad to enable them to acquire experience of working in the Govt. of India offices in foreign countries. He, therefore, advised the Department of Personnel and Administrative Reforms to take up the matter with other Ministries/Departments concerned for giving relaxation in standard in case of SC and ST

employees while selecting for posting abroad. The matter was also considered in public sector banks and it was decided by the Deptt. of Revenue and Banking in May, 1976 that while it would not be possible to provide for any specific norms of relaxation in the matter, it was impressed upon the authorities that while posting officers in their units located in foreign countries the eligible employees belonging to Scheduled Castes and Scheduled Tribes should also be considered along with others for such posting.

1.10 The Committee desired to know the specific recommendation made by the Department of Personnel in this regard and the action taken by the Department of Economic Affairs-Banking Division thereon. In reply, the Special Secretary, Banking stated in evidence:-

"It is a recommendation not direction to implement it. They have not specifically responded to it. If there is further policy to be issued, it is open to the Deptt. of Personnel to issue them".

1.11 He further informed the Committee that no relaxation is given to SC/ST officers in selection for posting outside. Relaxations are being given to SC/ST employees to bring them up to the Officer's grade. At officers level, they are treated at par with general category officers.

1.12 Asked about the criteria laid down by the bank for posting of the officers abroad, the Chairman, State Bank of India stated in evidence that service record of the concerned officers for the last 5 years was reviewed and an interview was held. On that basis merit list is drawn.

1.13 In reply to another query, the Chairman State

Bank of India informed the Committee in evidence "in 1992, 5 SC/ST officers were selected for posting abroad and with the increase in their number in feeder cadres, position is improving".

1.14 The Committee enquired if it will be possible to held reorientation course for SC/ST officers before holding interview so that a fair number of SC/ST officers qualify for posting abroad. In reply the Special Secretary Banking stated:-

"We will consider it".

1.15 The Committee note that the Commissioner for SCs and STs had as early as 1971-73 recommended that the claims of SC/ST Government employees for posting abroad should be considered sympathetically to enable them to acquire experience of working of Government of India offices in foreign countries. He had advised the erstwhile Department of Personnel and Administrative Reforms to take up the matter with the Ministries/Departments concerned for giving relaxation in standard in case of SC and ST employees while selecting for posting abroad. The Committee regret to note that Department of Personnel and Administrative Reforms did not make^{k.} any positive recommendation in this regard and simply referred the Commissioner's recommendation to other Ministries/Departments. The Department of Revenue and Banking decided in 1976 that it would not be possible to provide any Specific norms of relaxation in this matter. The Committee suggest that such important policy matters should be examined in depth by the Department of Personnel and suitable instructions issued to the Ministries/Departments concerned.

1.16 It is distressing to note that number of SC/ST officers posted abroad by State Bank of India continues to be very low even though their number has increased from 3 in 1989-91 to 5 in 1992. The Committee suggest^{that} with a

view to increasing the representation of SC/ST in the number of officers posted abroad, the reasons for their non-selection in adequate number should be analysed and a reorientation programme be held for SC/ST officers to increase their representations.

f.

PRE-RECRUITMENT AND PRE-PROMOTIONAL TRAININGS

(Sl. No. 21, Para 5.9)

1.17 In para 5.9 of the Sixteenth Report (Tenth Lok Sabha), the Committee had commented that the present duration of six days for pre-recruitment/pre-promotion training was insufficient. The reply of the Ministry of Finance that candidates are only made aware of the nature of the questions asked and how to face the Interview Board through these trainings and that upgrading of their basic knowledge was not possible had not satisfied the Committee. They were of the view that the criterion for increasing the duration of these training should be the social backwardness of the SC/ST candidates rather than covering the curricula within 6 days. The Committee had also opined that non-availability of adequate number of SC/ST candidates was due to inadequacy of pre-recruitment training period resulting in backlog vacancies. The Committee had, therefore, recommended that the present duration of pre-recruitment training should be increased from six days to one month to equip the SC/ST candidates in a better way for qualifying in the recruitment examination conducted by the Banking Service Recruitment Boards. They further recommended that the present duration of pre-promotion training programme should also be suitably increased.

1.18 In their Action Taken Note the Ministry of Finance (Department of Economic Affairs - Banking Division) have stated that the recommendation of the Committee was considered when a similar recommendation was made by the Committee in their Sixth Report (Tenth Lok Sabha). It has also been stated that due to limited infrastructural facilities available it was decided to restrict pre-recruitment/pre-promotion training to only 6 days. As there was no further augmentation of the infrastructural facilities for training they are not in a position to increase the duration of the pre-recruitment training.

1.19 During evidence when the Committee pointed out that the duration of 6 days training was not adequate, the representatives of the Department of Banking Division stated that the question whether the duration of training should be increased could be considered.

1.20 The Committee enquired, if the State Bank of India Management will consider extension of duration of pre-promotion training, the witness replied:

"We feel that six-day package training programme is all right. We are constantly reviewing it. All I am submitting is in pre-promotion training capacity is not the problem. We have the capacity throughout the year."

1.21 The Committee are not convinced of the reasoning that due to limited infrastructural/facilities available it was decided to restrict pre-recruitment/pre-promotion training to only 6 days. As agreed to during evidence the duration of pre-promotion and pre-recruitment training should be suitably increased so that it really serve the intended purpose.

**9. PERFORMANCE OF SBI AND PUBLIC SECTOR BANKS
IN LENDING TO SCHEDULED CASTES AND SCHEDULED
TRIBES UNDER D.R.I. SCHEME**

(Sl. Nos. 30 and 31, Paras 7.10 and 7.11)

1.22 In para 7.10 of the Sixteenth Report (Tenth Lok Sabha), the Committee had noted that in SBI the amount of DRI advances to SCs and STs came down from Rs.37.44 crores in 1988-89 to Rs.33.40 crores in 1989-90 and then to Rs.16.14 crores in 1990-91. The Bank also could not maintain the minimum percentage of DRI Advances to net Bank credit i.e. 1% of the bank aggregate credit advances as at the end of the previous year as fixed by the Government of India in December, 1978 during all those years. Reasons attributed for failure to maintain the minimum percentage as stated by the Ministry were difficulty in identifying enough number of eligible borrowers, ceiling on loan amount at Rs.6,500/- for beneficiary, lack of physical targets etc. The Committee had, therefore, recommended to the Ministry of Finance to take all the necessary steps to ensure that the performance of SBI and public sector banks is improved. They had further recommended to increase the ceiling on loan amount at Rs.6,500/- per beneficiary.

1.23 In their Action Taken Note, the Ministry of Finance (Department of Economic Affairs - Banking Division) have stated that the issue of making suitable changes in the income ceiling prescribed for eligibility under DRI Scheme

was receiving Government's attention. It has also been stated that the RBI had recently undertaken a survey to study the impact of DRI Scheme on the target group and the findings of the survey are awaited. In regard to SBI it has been stated that their Local Head Offices were advised to identify local specific viable activities for financing the target group under the Scheme as also to put in extra efforts for exploring the possibility of identifying Special branches for intensive DRI loaning.

1.24 Subsequently, Special Secretary, Banking informed the Committee in evidence that one of the basic reasons for failure to achieve targets of one percent under DRI scheme has been that people do not consider it attractive as subsidy element is not there.

1.25 The performance of the State Bank of India in granting DRI loans as percentage of DRI advances to net bank credit during the last four years was stated to be as under :

| | 1989-90 | 1990-91 | 1991-92 | 1992-93 |
|---|---------|---------|---------|---------|
| DRI Advances as percentage to net Bank credit | 0.75% | 0.44% | 0.34% | 0.29% |

1.26 The other reasons for declining share of DRI advances in net bank credit was stated to be :

- i) The implementation of ARDR Act 1990, whereby a large number of small borrowers have been given relief up to Rs.10,000/- each, has significantly contributed towards sharp decline in DRI Advances;
- ii) A number of beneficiaries under this scheme have turned hardcore defaulters. In the process of writing off these debts, outstandings are coming down.

1.27 The Committee enquired whether the cumbersome procedure, lot of paper work and requirements of various certificates are not some of the reasons which discourage people from availing loan facilities under DRI Scheme. . In reply, the Special Secretary, Banking has stated in evidence :

"You are right. As far as procedures are concerned, we should certainly go into simplifying the application forms and the requirements which are there so that these are understood by the people in the villages."

1.28 The Committee enquired if the findings of the survey undertaken by the Reserve Bank of India on DRI Scheme have been received, and, if so, what are the findings. In reply, the witness stated:

"It will take a month's time. This was taken up in 1991. There were certain clarifications to be obtained and they had to do some rechecking on it. We will ask them to expedite it".

1.29 The Committee regret to note that in spite of their recommendation that necessary steps should be taken to ensure that the performance of the State Bank of India and other public sector banks in lending under DRI scheme is improved, the position continues to be unsatisfactory. The total DRI advances in 1990-91, 1991-92 and 1992-93 constituted only 0.59 percent, 0.63 percent and 0.53 percent of the net bank credit as against the stipulation of a minimum of one percent of the aggregate advances at the end of the previous year. The position of State Bank of India is still worse. Against the stipulation of one percent of net bank credit, the D.R.I. advances to SC/STs has been continuously going down and it has fallen from 0.75 percent in 1989-90 to 0.29 percent in 1992-93. It is a matter of grave concern. The leading national bank with widespread network of branches all over the country has performed so poorly that its position in this regard is far below the combined percentage ratio of all public sector banks. The Committee, therefore, strongly urge the Ministry of Finance to ensure that the banking sector including SBI provide required credit facilities under the DRI scheme.

1.30 The Committee trust that rectificatory steps to streamline the functioning of DRI scheme in the light of Survey Report of RBI which is expected shortly will be taken up expeditiously and the Committee will be apprised of the same.

1.31 The Committee regret to note that a survey of D.R.I. Scheme which was undertaken by RBI as far back on 1991 to study the impact of DRI Scheme on the target group has not yet been completed. They would urge that the Study be completed expeditiously and the remedial measures taken in the light of the ~~findings~~ findings of the Study to improve the performance of DRI Scheme.

E PERFORMANCE OF SBI AND OTHER PUBLIC SECTOR
BANKS IN LENDING TO SCs AND STs UNDER IRDP,
SEEUY AND SEPUP SCHEMES

(Sl. Nos. 32 and 33, Paras 7.23 and 7.24)

1.32 In para 7.23 of the Sixteenth Report (Tenth Lok Sabha), the Committee had observed that the total amount of advances made by Banks including SBI under IRDP, SEEUY and SEPUP had gone down during the periods from 1988-89 to 1990-91 and that targets laid down for SCs and STs under these schemes were not achieved. The Committee had recommended that SBI should improve upon its performance in lending to SCs and STs under all these schemes as these related to Self-Employment ventures.

1.33 In their Action Taken Note, the Ministry of Finance (Department of Economic Affairs - Banking Division) have stated that the percentage share of SC/ST beneficiaries under IRDP has gone up from 46.39 per cent in 1988-89 to 49.91 per cent in 1990-91. They have, however stated that under SEEUY and SEPUP programmes though targets were not achieved, yet the percentage has actually gone up during the periods from 1988-89 to 1992-93 from 11.13 per cent to 20.73 per cent under SEEUY.

1.34 The performance of State Bank of India in grant of loans under IRDP, SEPUP and SEEUY schemes has been stated to be as under :

| <u>YEAR</u> | <u>IRDP</u> | <u>SEPUP</u> | <u>SEEUY</u> |
|-------------|-------------|--------------|--------------|
| 1990-91 | 30.93 | 21.07 | 23.62 |
| 1991-92 | 37.57 | 23.12 | 23.35 |
| 1992-93 | 39.67 | - | 24.51 |

1.35 The Chairman, State Bank of India admitted in evidence that performance under SEEUY was below the target of 30 per cent. He further assured the Committee as under :

"We are doing our best to augment the percentage. We are sending circulars to our officers and we have also asked our Branches to interact with the sponsoring agencies and to impress upon them to supply adequate number of applications and so on."

1.36 He agreed that "there is room for improvement and are making efforts in this direction".

1.37 Asked about the steps being contemplated to achieve the targets under these schemes, the Special Secretary, Banking stated in evidence :

"There are certain schemes which have done better than others. SUME has done very badly. One of the reasons which the banks find is that the recovery under this schemes is hardly 22 per cent. This scheme has been quite extensively recast. That is why in the PM's Rojgar Yojana which is the new improved version, there is a much greater element of training involved and identification of projects is also done. Larger size projects are going to be taken up and this scheme has a much better chance of success. The target of the banks for 1993-94 is 40,000 in the whole country. Upto 23 March, 28,000 have been sanctioned. We are confident that during the year 1993-94, the target of 40,000 will be achieved. The amount is Rs.50,000 per beneficiary and the total amount involved is Rs.200 crores."

1.38 The Committee are not impressed by the reasoning that percentage share of SC/ST beneficiaries under IRDP, SEEUY and SEPUP programmes has increased in 1992-93 from what it was in 1988-89. They regret to note that the number of SC/ST beneficiaries under the IRDP have come down from 17.50 lakhs in 1988-89 to 10.12 lakhs in 1992-93. Similarly under the SEEUY schemes though the share of SC/ST in physical achievement has increased from 11.13 per cent in 1989-90 to 20.73 per cent in 1992-93, yet it was nowhere near the target of 30 per cent laid down for them in the total number of beneficiaries. Similarly, under SEPUP scheme, achievement had been 18-19 per cent against the target of 30% for SC/ST. The performance of SBI under these schemes has also been far below the targets fixed. The Committee take a serious note of it. They will like to know the reasons for decrease in the SC/ST beneficiaries in IRDP and the failure to achieve targets fixed for them under SEEUY and SEPUP schemes. The Committee are not convinced of the reasoning that target under these schemes could not be achieved due to non-receipt of adequate loan applications from the SC/ST beneficiaries. They feel that enough publicity was not given to popularise these schemes particularly in the areas predominantly inhabited by the SC/ST people. The Committee, therefore, like the banks to popularise these schemes through various media and have an inter-action with representatives of the people so that more and more SC/ST people come forward to avail themselves of the credit facilities under these schemes. The procedure for grant of loans under these schemes also need to be streamlined.

g. LEAD BANK SCHEME

(Sl. No. 36 Para 7.33)

1.39 Referring to the evidence tendered by the officials of the State Government of Bihar in connection with the examination of Working of Integrated Tribal Development Projects in Bihar, the Committee in para 7.33 of their earlier Report had observed that Banks including State Bank of India were not very keen on advancing loans in that State. 75% of the total loans were reported to have been advanced by the private parties and only four per cent by Government institutions. The credit deposit ratio was also according to State Bank Officials very low in Bihar. In their Action Taken Note, the Ministry of Finance has stated the reasons for low credit-deposit ratio in terms of the non-establishment of major industries in the State. It has also been stated that major industries of Bihar are having their Headquarters out of the State. The Committee, have been further informed that with a view to improve credit-deposit ratio in Bihar, a Task Force which was constituted for this purpose has recommended a wide spectrum of issues relating to agriculture, business and service.

1.40 The Committee will like to draw attention in this context to their observations contained in para 3.32 of their 22nd Report (Tenth Lok Sabha) in which it has been pointed out that in the absence of institutional finance, tribals often fall in the hands of unscrupulous money lenders. Even for genuine agricultural needs they have been denied finance. Of the 1.32 lakh loan applications filed through respective Block Development Officers only 32 thousand applications were disposed of by the Banks. In terms of amount, only ten crores were disbursed against the total requirement of 49 crores despite the fact that matter was taken up at a very high level by the State Government with the managements of banks. The Committee, therefore, urge the banks in general and State Bank of India in particular to take into account peculiarities of the area and grim poverty of the people in backward areas and extend liberal financing under poverty alleviation schemes by streamlining the procedure in this regard. The Committee would also like to be informed of the action taken on the recommendations of the Task Force constituted by Government for improving credit-deposit ratio in Bihar.

6. PHYSICAL VERIFICATION OF ASSETS AND POST DISBURSAL MONITORING OF LOANS UNDER IRDP

(Sl. No. 44, 45 and 46, Paras 8.22, 8.23 and 8.24)

1.41 In para 8.22 of the Sixteenth Report (Tenth Lok Sabha) the Committee had commented that there was lack of vigilance on the part of bank officers in physically verifying the assets under the programme especially so in post-monitoring of the assets. The Committee, had therefore, not agreed with the view of the Ministry of Finance that for want of sufficient field staff it was very difficult to supervise all the accounts. The Committee, had therefore, recommended that all the necessary arrangements to ensure that under IRDP loans, particularly loans for live stock in the backward areas, physical verification of the assets as well as post-disbursal monitoring of loans should be made compulsory and binding.

1.42 In their Action Taken Note, the Ministry of Finance have stated that the evaluation study on the system of cash disbursement conducted by RBI in 1990 revealed that the assets acquired by 56.44% beneficiaries were verified by bank branches within one month as prescribed. Reasons for non-verification of assets in remaining cases are reported to be due to shortage of staff at the bank branches besides remoteness of the villages and poor transport facilities. RBI, however,

through its circular dated 16 December, 1986 had advised the management of public sector banks that assets procured by IRDP beneficiaries should be verified by the banks field staff within a period of one month from the date of disbursement of loan and subsidy. Again in 1991, RBI through its circular dated 13 July, 1991 had advised banks that the identified blocks for extension of the cash disbursement system, should have all the infrastructural facilities, backward and forward linkages, pre-disbursement counselling and post-disbursement, follow-up and supervision including visits for verification of the assets. The Ministry of Finance have also stated that to avoid middlemen and misuse of the loan amount, Cash Disbursement Scheme under IRDP has been introduced. Under the Scheme, when the asset is of a standard type, make or brand name marketed by reputed suppliers, the beneficiary should have the freedom to select the product which he wishes to buy and make payment to the supplier against cash receipt. The acquisition of the asset should then be verified by the field staff of the bank within a month of purchase period. It has also been stated that RBI has recently undertaken a study to evaluate the System of Cash Disbursement and final report is under preparation.

1.43 The Committee regret that despite the clear-cut instructions of RBI issued in December, 1986 for verifying the assets procured by IRDP beneficiaries by the Banks field staff within a period of one month from the date of disbursement of loan and subsidy, banks have not been following these instructions. According to the guidelines of RBI issued vide RBI Circular dated 13 July, 1991 banks are required to select those blocks only which have all the infrastructural facilities, backward and forward linkages, pre-disbursement counselling and post-disbursement follow up and supervision including visits for verification of the assets. The Committee are at a loss to understand how such an important instructions have not been acted upon by the Banks. The Committee, therefore, like the banks to be impressed upon to follow the instructions of RBI fully. They would also like to be apprised of the main findings of the study undertaken by RBI to evaluate Cash Disbursement System.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation Sl. No. 1, Para No 1.10

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Sl. Para No. ~~Summary of Conclusions/Recommendations and~~
~~Government reply.~~

to *250* The Committee appreciate that the State Bank of India is having two Members belonging to Scheduled Castes and Scheduled Tribes on its Board. The Committee expect that the State Bank of India authorities will follow the same practice in future appointments also in view of the fact that it is administratively possible for them to do so.

~~Govt's~~ Reply of the Government

Govt have noted the appreciation of SBI by the Committee for having appointed two members belonging to the SC/ST on its Board.

Recommendation Sl. No. 2, Para No. 2.20

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

2. 2120 The Committee note with deep concern the existing backlog of 235 Scheduled Castes and 238 Scheduled Tribes in the clerical cadres which is also a feeder cadre for promotions to the officers' cadre as on 30.6.1992 in SBI despite the three special recruitment drives conducted by the Bank during 1989, 1990 and 1991. The backlog also exists in the Officers cadre as well as subordinate cadre. As regards the Backlogs in respect of ST in the feeder cadre the Committee concur with the views of Bank expressed during evidence that 'One thing required was to give STs intensive Training.'

Reply of the Government

The Bank has reported that during the year 1992, the Bank has recruited 359 SC and 213 ST candidates in the Clerical cadre against the backlog of 301 SC and 257 ST existing as on 1.1.1992. It may be observed that the recruitment exceeded the backlog in case of SC candidates and the backlog was almost wiped out in respect of ST candidates. Out of 1664 clerks recruited during 1992, SC/ST together constituted 34.4 per cent. This was below 50 per cent for the Bank as a whole because in some states the backlog plus current reservation was below 50 per cent. Bank has reported that it is making concerted efforts to reduce the backlog to the extent possible within the overall ceiling of 50 per cent restriction on reservation. Bank has further reported that the BSRB/CRB are able to supply requisite number of candidates for both the clerical and the officer's cadre. Pre recruitment training is imparted to desiring candidates. The Bank has imparted pre recruitment training to 13161 SC and 7122 ST candidates through 130 training programmes conducted in 1992. The Bank has already issued instruction to its LHOs in April 1992 and Oct. 1991 regarding pre-promotion, inservice and post promotion training.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.8.1993)

Recommendation Sl. No. 3 & 4, Para^{Nos} 2.21 and 2.22

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

2421 The Committee have been further informed that during the Special Recruitment Drive in 1989, the SBI brought the backlogs almost to the nil point because the Government instructions at that time were that irrespective of the vacancies, the Bank could recruit the people to clear the backlog in SC/ST categories of posts and that the Bank went beyond the 50% rule. These vacancies were to be adjusted against the vacancies arising in the future.

2.22 The Committee recommend to SBI that the backlogs existing in all the categories of posts should be liquidated within one year on top priority basis as has been assured by the representative of the Ministry of Finance during the course of evidence and for the purpose, various ways and means should be devised by the SBI so that the Bank can start with reservations on a fresh slate. The Committee while very seriously viewing the backlog of Scheduled Tribes in the clerical cadre recommend that the State Bank of India should make proper and comprehensive arrangements for the intensive training of Scheduled Tribe categories i.e. for the pre-recruitment, pre-promotion, in-service as well as the post-promotion training, as has been admitted to by the representative of the State Bank of India during the course of evidence. For this purpose the Committee stressed that if necessary, Special Recruitment Drive exclusively for Scheduled Tribes should also be undertaken by the State Bank of India.

Reply of the Government

The action taken by the State Bank of India to clear the backlog has been stated in reply to recommendation No 2. On the advice of the Department of Personnel and Training, a Special drive for recruitment of SC/STs in Banks, including State Bank of India, has been launched during the current year (1993).

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In order to wipe out the backlog, due emphasis is given to training aspect. As explained earlier the Bank has imparted pre recruitment training to 13161 SC and 7122 ST candidates through 130 training programmes conducted in 1992. The existing instructions of the Bank relating to pre promotion, in service and post promotion training are again being reiterated by the Bank to their operating offices.

(Ministry of Finance, Department of Economic
Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Recommendation Sl. No 14, Para No. 4.3

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

7.3A

The Committee note with satisfaction that in SBI Scheduled Caste/Scheduled Tribe Cells have since been created at 13 Regional Offices which are located at stations other than their respective zonal offices when the Committee took up the matter with the State Bank of India. The Committee recommend the SBI to ensure that these Scheduled Caste/Scheduled Tribe Cells are suitably manned to ensure their smooth functioning and the Central Office Cell should also have SC/ST representation.

Reply of the Government

Bank has reported that the SC/ST cells are suitably manned. The Cell in Central Office also has SC/ST representation now.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Recommendation Sl. No. 15, Para No 4.6

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee note that so far in-depth examination on the implementation of the Reservation Policy in the Public Sector Banks/Financial Institutions has been conducted by the Ministry of Finance, Department of Economic Affairs-Banking Division in respect of 16 banks/financial institutions as recommended by this Committee in 1986. The Committee are surprised to note that so far such study in respect of SBI which is a foremost and leading bank has not been conducted by Banking Division. They feel that the 'in-depth examination' should have been rather started with the SBI. The Committee, therefore, recommend that the Ministry of Finance (Department of Economic Affairs-Banking Division) should conduct in-depth examination of SBI in the near future on top priority basis.

Reply of the Government

Govt have noted the recommendation of the Committee and within the constraints of time will endeavour to conduct indepth examination of the implementation of reservation policy in State Bank of India. However, the recruitments and promotions are decentralised at 13 LHOs in addition to the Central Office of the Bank. Therefore, the study team shall have to visit atleast 14 offices of the Bank for this purpose, and at the rate of one office per quarter, it may take a long time. If the attention is concentrated on SBI alone, other banks will get neglected. The Govt. will therefore endeavour to ensure that some of the offices of SBI are also examined along with offices of other Banks in the quarterly examination of the Study Team.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Recommendation Sl.No 16, Para No 4.10

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee regret to observe that the Board of Directors made no comments about the backlog position in State Bank of India in respect of Scheduled Castes and Scheduled Tribes at the time of Annual Review of the implementation of the Reservation Policy by the State Bank of India wherein certain memoranda on Scheduled Caste/Scheduled Tribe matters were considered.

Reply of the Government

The Bank will bring the observations of the Committee to the notice of the Board.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Recommendation Sl. No 17, Para No 4.11

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee feel that the 'Backlog' by itself constitutes an extremely important item when the agenda on Scheduled Caste/Scheduled Tribe matters is to be considered. The Committee therefore expect the Board of Directors to pay its utmost attention on this item and also to make specific comments/observations so far as backlog position is concerned.

Reply of the Government

The observations of the Parliamentary Committee will be brought to the notice of the Board members.

(Ministry of Finance, Department of Economic
Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Recommendation Sl No 18, Para No. 4.17

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee find that although the Liaison Officers in SBI annually conduct inspection of rosters maintained in the respective offices under their charge yet very serious discrepancies occur in the maintenance of the rosters for SCs and STs at various level. For an instance; one such discrepancy had been noted by the Ministry of Finance following the visit of the Parliamentary Committee to Bhubaneswar local head office of SBI.

~~Reply of the Government~~

The Bank has reported that the Central Office of the Bank has started inspection of rosters maintained at its LHOs in a phased manner. So far, rosters of New Delhi, Chandigarh, Bhopal, Patna and Bhubaneswar LHOs have been verified.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Recommendation Sl. No 19, Para No 4. 18

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee have been further informed that Bankers' Training College of Reserve Bank of India, the Banking Division and also the SBI itself conducts training programmes for officials of the banks on reservation matters at various levels. The Committee regret to note that in spite of such comprehensive arrangements available with various bodies, the serious lapses in the maintenance of rosters are featuring frequently which is detrimental to the interests of SCs and STs. The Committee recommend the SBI to take serious note of such lapses and arrange for intensive training of their Liaison Officers/Officers on reservation matters at various levels so as to equip them properly on reservation matters and also to avoid recurrence of such serious lapses in the maintenance of rosters for SCs and STs.

Reply of the Government

The bank has reported that a three-day training programme for SC/ST cell officials of LHOs was arranged at the Bank's Staff Training Centre at Madras in February 1993. The officials thus trained have been asked to train, in turn, the officials at Zonal Offices and Regional Offices. Bank's Local Head Offices have been suitably advised in this regard.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Recommendation Sl. No. 20, Para No 5.8

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee conclude that the information regarding the success ratio amongst the persons imparted pre-recruitment training, particularly in respect of SC/ST candidates is not being monitored in the information system in vogue at present, for want of which, it is difficult to ascertain the positive impact of such training on SC and ST candidates. In their opinion the whole exercise is meaningless if the end result is not known. The Committee, therefore, recommended to the Ministry of Finance that such an information in respect of pre-recruitment training should be duly maintained so that the success ratio, reasons for poor performance and remedial measures are co-related and follow up measures are formulated. They also recommend that SBI should make it a regular feature to analyse the data relating to the SC/ST persons imparted pre-promotion training to SCs and STs as well so as to ascertain the efficiency of training programme.

Reply of the Government

The success ratio of SC/ST candidates in clerical recruitment can only be given by the respective BSRBs as the recruitment process is done by them and candidates allotted to respective Banks. As regards direct recruitment of officers and promotion to JMGs I, arrangements will be made by the SBI to compile the data regarding success ratio in co-ordination with Central Recruitment Board and HRD Department.

The recommendations of the Committee has been noted. The BSRB/CRB and PSB s are being advised to maintain such data to evaluate the success ration of SC/ST candidates who have been imparted pre recruitment training.

(Ministry of Finance, Department of Economic Affairs, Banking Division) U.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

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The Committee would like to place on record their appreciation for the post-promotion training being provided to SCs and STs in the SBI and hope that the good work in this direction will continue to be maintained.

Reply of the Government

Bank has noted with satisfaction the observations of the Committee and has assured continuation of their efforts in this direction.

(Ministry of Finance, Department of Economic
Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee regret to note that the number of SC and ST officers and clerks imparted in-service training had been very low during the last two years in SBI despite the advice by the Central Office of SBI to all its local Head Offices on 7th October, 1991 and 3rd April, 1992 to provide adequate opportunities to the SC/ST employees for attending institutional training programmes conducted at Staff Training Centres and Apex Colleges/Institutions. The Committee expect the SBI authorities to make all out efforts to ensure that there is sufficient proportion of SC and ST employees amongst the officers as well as clerks to be imparted in-service training so that this training equips them in large numbers to deal with the in-service matters in a better way.

Reply of the Government

The Bank has noted the observation of the parliamentary committee for making all out efforts to ensure that sufficient number of SC/ST employees are imparted in-service training.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Recommendation Sl. Nos. 24 and 25, Para Nos. 5.16 and 5

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

The Committee have been informed that the SBI have initiated the process of preparing a perspective plan for the recruitment of SCs and STs in various cadres during the next five years as per the extant Government guidelines dated 6.8.1992 on the subject.

The Committee while appreciating the Government guidelines on the subject recommend that, based on the same analogy, the Ministry of Finance should issue guidelines to the other Financial Institutions, as well under their administrative control, so that they also prepare a perspective plan for the recruitment of SCs and STs in various cadres for the next five years in order to ensure that the number of vacancies falling due are recorded in time and also to avoid recurrence of shortfalls and backlog in the recruitment of SCs and STs in various cadres.

Reply of the Government
~~Govt. a reply~~

Govt. guidelines on the subject were issued on 06.08.1992 to all the Public Sector banks, and are being reiterated.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Recommendation Sl. No. 28, Para No. 6.5

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

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The Committee find that the BSRBs are finding it difficult to meet the indents for SC/ST candidates for appointment against the skilled posts viz., Stenographers, Typists etc. in Clerical cadre posts and Specialist Posts in Officers' cadre, viz. Security Officers, Chartered Accountants, Computer Programmers etc. in case of which, even after grouping these posts with the posts of Probationary Officers serious difficulties are arising when these specialists posts are in the higher grades and thus cannot be grouped with the posts of Probationary Officers. The Committee recommend the BSRBs to have a constant liaison with the apex institutions in the country which are providing necessary trainings for the Chartered Accountancy, Computer Programming etc. so as to make sure that the BSRBs are ready with the sufficient number of SC/ST candidates in hand to cope up with the demand for vacancies of such posts by the Banks including State Bank of India.

Reply of the Government

Recommendations of the committee have been noted. The apex institutions are being requested to help, if they can provide the necessary technical manpower belonging to SC/ST for recruitment in the Public Sector Banks.

(Ministry of Finance, Department of Economic
Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Recommendation Sl. No 29, Para No. 6.11

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

29. ~~Q11~~ The Committee observe that the initiation of stringent action against those who secured employment in the State Bank of India by the production of false caste certificate has been delayed in 72 cases out of a total of 109 cases owing to the non-receipt of verification reports from the district authorities. However, the matters are being pursued by the Bank with the District Authorities with a view to expedite their reports. The Committee desire that State Bank of India authorities to pursue vigorously the matter with District Authorities so that exemplary punishment to all those who secured employment in the Bank by production of false caste certificates can be awarded by the Bank.

Reply of the Government

The Bank has noted the recommendation of the Committee. Suitable instructions have already been issued to Bank's operating offices and will be reiterated.

(Ministry of Finance, Department of Economic
Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs- Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl. No. 34 Para No. 7.25

The Committee also recommend that enough publicity in regard to these Schemes should be given by the Public Sector Banks/Government agencies at the grass root level to improve upon and consolidate their performance in lending to SCs and STs under these Schemes. The Committee further recommend the Ministry of Finance to suitably take up the matter of rejection of applications with all the concerned Government agencies so that these agencies ensure that the applications are not sent to the Banks at the end of the year without proper scrutiny and further it should be specifically seen that the eligibility of applicant/viability of the project has been taken care of as has been reported to the Committee by the Reserve Bank of India.

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REPLY OF GOVERNMENT

IRDP

Regarding implementation of the Programme RBI have reiterated to all the public sector banks vide circulars dated 22nd June 1993 that achievement of quarterly targets are adhered to and pendency of loan applications is avoided. RBI have also instructed that the matter may be periodically reviewed in fora like ELBC/ELCC/DCC/SLBC etc to ensure that bunching of loan applications is avoided to help improve the quality of loans under the programme.

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SEEUY - SEPUP

Recent study conducted by Reserve Bank of India on SEEUY disclosed that the scheme has not actually reached rural areas. SC/ST population in general lacks awareness due to low level of their literacy. The SEEUY scheme will be subsumed with Prime Minister's Rozgar Yojana from the programme year 1993-94. SEPUP scheme has already been merged with scheme of Micro Enterprises from 1st April, 1992. The banks have already been advised by RBI and dispose of the applications promptly and returns connected with the sanctioned/rejected loans are to be submitted periodically to the nodal agencies/lead banks.

Publicity :

As for publicity of various schemes it may be stated that the banks have been advised by RBI to instruct their field staff to contact the borrowers belonging to SC/ST and explain to them the salient features of the schemes as also the advantages that will accrue. This method of creating awareness has been suggested to the banks since majority of the eligible borrowers belonging to SC/ST would be illiterate persons, publicity through brochures, other literature etc, would be of a limited utility.

Rejection :

In order to ensure that loan applications of SC/ST are scrutinised carefully, banks have been advised by RBI that if applications in respect of SC/ST are to be rejected (under IRDP as also other programme) it should be done at the next higher level instead of at the branch level.

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Statement showing the action taken on the recommendations, conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl.No. 37 Para No. 7.34

The Committee recommend the SBI to devise ways and means to consolidate upon its performance in lending under the Lead Bank Scheme under various sectors in its Lead Districts which also include Tribal areas in Andhra Pradesh, Bihar, Madhya Pradesh and Orissa and flow of credit in these Districts. The Committee further recommend the SBI to increase the flow of credit in the State of Bihar which includes Lead Districts of SBI also so as to contribute its share in the socio-economic development of the State and also to safeguard the interests of the poor masses.

^{the}
REPLY OF GOVERNMENT

The Local Head Offices concerned are being instructed by SBI to formulate area specific schemes in their lead districts including new and innovative schemes in backward districts to increase the Bank's lendings in general and to SC/ST categories in particular with a view to bringing about rapid development in these districts. As regards flow of credit in the State of Bihar including lead districts, the Bank's total advances stood at Rs.1559 crores as at end March, 1993 out of which advances to priority sector stood at Rs.844 crores representing a 53.42% share against the prescribed benchmark of 40%; advances to agriculture sector stood at Rs.408 crores, advances to weaker sections were at Rs.229 crores representing 14.52% of the total advances as against the benchmark of 10% and advances to SC/ST stood at Rs.85.16 crores which represented 36.44% of the weaker section advances. Thus SBI is seriously involved in SOCIO-economic development of the State of Bihar.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-ESA, dated 31st December, 1993

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Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (S.No. 38 Para Nos 7.42 and 7.43

The Committee while welcoming the revision made in the Educational Loan Scheme wherein now SC/ST students with pass marks in qualifying examination are eligible to take loan for non-technical/professional school/college education in India, note that the performance of SBI in lending to SCs and STs under the Educational Loans is not at all satisfactory. During the course of evidence the Committee have been informed that as on June 1990, the total number of applications for Educational Loans was 3501 of which, SC and ST applicants were 256 i.e. to the tune of 8% only. The Committee further note that no SC/ST student has been given loan for studies abroad.

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REPLY OF GOVERNMENT

Please refer to reply under para 7.43

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Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl.No. 39 Para No. 7.43)

The Committee recommend the SBI to improve upon its performance in lending under the Educational Loan Scheme. They note with regret that no SC/ST student has been given loan for studies abroad by the SBI, a leading Bank. They recommend the SBI to give wide and intensive publicity to its Educational Loan Scheme so as to ensure that it reaches the SC/ST masses.

REPLY OF GOVERNMENT

State Bank of India has reported that it is liberal in sanctioning Educational Loans to eligible SC/ST candidates. As number of students belonging to SC/ST approaching the Bank for Educational Loan is less, it could not improve its performance. No SC/ST student who got admission abroad for pursuing higher education has approached the Bank for finance. The Circle Head Offices of the Bank are being advised to intensify publicity to popularise the Bank's Educational Loan Scheme, especially among the SC/ST masses.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-ESA, dated 31st December, 1993

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl.No. 40 Para No. 7.48)

The Committee are constrained to observe that under the Housing Finance Scheme the performance of SBI in lending to the SCs and STs had not been satisfactory as the number of accounts of SCs and STs had shown a declining trend during all the years from 1987 to 1990. The Committee feel that this Scheme needs to be popularised amongst SCs and STs and urge the SBI to take immediate steps to ensure that its performance improves under the Scheme.

REPLY OF GOVERNMENT

The State Bank of India has reported that despite the fact that a number of branches are identified as intensive branches for extending finance for housing, the response from SC/ST borrowers is very poor. However, the Bank has instructed its branches to popularise the 'Housing Finance Scheme' so as to improve the Bank's performance.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-FSA, dated 31st December, 1993

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

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Recommendation ~~Sl. No. 43~~ / Para No. 8.21 and 8.24)

The Committee observe that under the IRDP (Integrated Rural Development Programme) the banks were providing loans in cash for live stock assets like Cow, Buffaloes, etc. where in, the Bank Officers made payment to the supplier of the animal in the presence of Tribal Welfare Extension Officer and the Veterinary Doctor. It has been a common experience of the Committee that such loans were being given fictitiously with the connivance of the middleman and the authorities concerned, whereas no assets were being created and the money was being taken away by the middleman and other concerned by paying only a small portion of amount to the socially backward beneficiaries which include SCs and STs also and the entire burden of loan falls over them. The State Bank of India has also reported to the Committee during the course of evidence that sample study made by the Government also revealed that this abuse was prevalent and the bank has also noticed it and they have been telling the Ministry of Finance about the same during the course of meeting with them.

REPLY OF GOVERNMENT

Please refer to reply under Para 8.24.

Ministry of Finance (Dept. of Economic Affairs - Banking Division) Q.M. No. 714/93-USA, dated 31st December, 1993

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl. No. 46 Para 8/24)

The Committee very strongly recommend to the Ministry of Finance to make all the necessary arrangements to ensure that under IRDP loans, particularly the loans for live stock in the backward areas, physical verification of the assets as well as post disbursement monitoring of loans are made compulsory and binding. They further recommend that under such loans the presence of the middleman/supplier should be eliminated and the entire loan amount should be given direct to the beneficiary. On the condition to purchase the animal or any other asset for which the loan has been sanctioned within one month. The Committee also suggest that deterrent action should be taken against such bank officers who are found guilty of collusion with the middleman or for that matter any other party.

REPLY OF ^{the} GOVERNMENT

The avoid middlemen and misuse of the loan amount, Cash Disbursement Scheme under IRDP has been introduced. It is to be implemented atleast in 50% of the blocks in each district as decided in the DCC meeting. Under the Scheme, when the asset is of a standard type, make or brand-name marketed by reputed suppliers, the beneficiary should have the freedom to select the product which he wishes to buy.

In case of IRDP beneficiary under ISB Sector, when a number of sundry items are to be bought, disbursement upto Rs.5,000/- may be made in cash.

Regarding purchase of animals, the Purchase Committees should be dispensed with and the beneficiaries are allowed on their own to select an animal of their choice and make payment to the supplier against cash receipt. The acquisition of the

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animal by the beneficiary should be verified by the field staff of the bank within a month of purchase period. Evaluation of system of cash disbursement has been undertaken by Reserve Bank of India recently and final report is under preparation.

In this connection State Bank of India has reported that instructions have been issued to the operating staff for prompt post disbursement verification of assets compulsorily and follow-up of loans as well . In all cases of misutilisation of loans or disposal of the assets, branches have been instructed to report the matter to RDO/DPDA for necessary action. The Bank, as a rule, discourages middlemen in any financial deal. Wherever departures occur, wrong and recalcitrant borrowers/officials guilty of collusions are proceeded against.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-ESA, dated 31st December, 1993

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. No. 47 Para No. 8.27 *h*

The Committee note with appreciation that State Bank of India have advised their Branches to give due weightage to SCs/STs in various credit programmes and also to formulate special bankable schemes suited to members of these communities and that in fact the Bhubaneshwar local Head Office of the State Bank of India have evolved certain schemes for the benefit of SCs/STs. The Committee recommend that such schemes based on the local needs of SCs/STs, for their benefit should be formulated by other offices of the State Bank of India also.

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REPLY OF GOVERNMENT

State Bank of India have reported that instructions have been issued to the Local Head Offices of the Bank to go ahead with formulating locally viable and bankable schemes for the benefit of SCs/STs in areas where their population is large.

Ministry of Finance, Deptt of Economic Affairs
Banking Division O.M.NO. 7/14/93-ESA, dated 31st December, 1993

CHAPTER III

RECOMMENDATIONS AND OBSERVATIONS WHICH THE COMMITTEE DO NOT
TO PURSUE ~~THESE~~ ^{IN VIEW OF} ~~INTO CONSIDERATION~~ THE REPLIES OF THE GOVERNMENT.

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. No 7, Para No. 3-4

Dr. Jagan

The Committee feel that the reply given by the Ministry of Finance (Banking Division) in respect of the necessity of half-yearly review of implementation of Reservation Policy by the State Bank of India is self-contradictory and unacceptable.

Reply of the Government

As already submitted earlier, rosters in public sector banks including SBI are closed at the end of the calendar year and only then the full picture regarding the implementation of the reservation policy for the year becomes available. A meaningful review can therefore be made only on an yearly basis. It would thus be meaningful to continue with the policy of yearly review.

(Ministry of Finance, Department of Economic
Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. No: 8, Para No 3.5

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The Committee are strongly of the view that if the review of implementation of Reservation Policy in Dena Bank could be made on half-yearly basis, then there is no reason why a similar half-yearly review in the State Bank of India or for that matter the Banking Industry as a whole could not be made. The Committee accordingly recommend that the Ministry of Finance should make a uniform policy in respect of review of implementation of Reservation Policy for the Banking Industry as a whole including State Bank of India and in their opinion such a review should be made on half-yearly basis as it would enable the Bank to take corrective action during the course of the year, if required.

Reply of the Government

There are practical difficulties in collecting information especially in case of larger banks. The information for making a review has to necessarily come from the rosters. In SBI, rosters are maintained at 53 Zonal Offices, 13 Regional Offices and at 13 Local Head Offices in addition to the rosters at the Bank's Central office in Bombay. Collecting the information from all these 80 offices and collating it to prepare a review for the whole Bank is a time consuming process. Such problems may not exist in case of smaller banks. It is, therefore, reiterated that the present system of review at yearly intervals may continue. In fact, even in Dena Bank, where the bank is endeavouring to implement the directions of the Hon'ble Committee, the half yearly review does not serve any purpose.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. Nos 9 and 10, Para Nos. 3.

J.A.
The Committee observe that the transfer and postings in State Bank of India are made keeping in view the administrative requirements and exigencies of the Bank and any specific complaint from SC/ST officials of harassment on account of untouchability being in practice at a particular centre is attended to sympathetically.

10. J.A.
The Committee feel that sympathetic consideration of the complaints of harassment from Scheduled Caste/Scheduled Tribe Officials on account of untouchability being in practice at a particular centre is not enough and it is essential that the State Bank of India should strive to ensure that SC/ST officers are not posted or transferred to such centres.

Reply of the Government

The Bank has reported that they have not received a large number of complaints on this score from SC/ST officers. It is also not possible administratively to declare some centres as untouchability-prone where SC/ST officers should not be posted. It is, however, possible to investigate specific complaints and if found true, to take corrective action including retransferring the affected SC/ST officers elsewhere.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes. *Recommendation Sl.No 11, Para No. 3.11*

See IIIA

The Committee note with utter dismay that out of a total number of 176 officers posted abroad in the foreign branches of SBI during the years 1989, 1990 and 1991, only 3 officers belonged to Scheduled Caste and Scheduled Tribe categories. The Committee strongly recommend that while making postings abroad, State Bank of India should ensure that a fair proportion should be given to the Officers belonging to SC/ST categories so that they too have fair opportunities of exposure to the functioning of the foreign branches of the Bank.

Reply of the Government

The Commissioner for Scheduled Castes and Scheduled Tribes had recommended in his report for the years 1971-73, inter alia, that the claims of the Scheduled Caste and Scheduled Tribe Government employees should be considered sympathetically in case of appointment abroad to enable them to acquire experience of working in the Govt. of India Offices in foreign countries. He therefore, advised the Deptt. of Personnel and Administrative Reforms to take up the matter with other ministries/Departments concerned for giving the relaxation in standards in cases of SC and ST employees while selecting for posting abroad. The then Deptt. of Personnel and Administrative Reforms wrote to the Deptt. of Revenue and Banking (Banking Wing) among others in this regard. In so far as Public Sector Banks are concerned, the recommendations of Commissioner for SCs and STs was considered and it was decided that while it will not be possible to provide for any specific norms of relaxation in this matter, it is impressed upon the authorities that while posting officers in their units located in foreign countries, the eligible employees belonging to Scheduled Castes and Scheduled Tribes should also be considered along with others for such posting. Banks are advised to by the Deptt. of Revenue and Banking on 11.05.1976 of this decision.

Accordingly eligible SC/ST officers are considered along with others for such posting by the Bank.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

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Comments of the Committee

and 1.16
Please see para Nos 1.15 of Chapter I

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. No. 2nd Para Nos 3.20 and 3.21

Dr. 3/20

The Committee have been informed by SBI during evidence that parameters for promotions are discussed with the recognised union of all the employees and for that matter no separate discussions are held with the SC/ST Employees' Associations and these Associations are not a party to the discussions. It has been clarified further that a representative of SC/ST or Liaison Officer for SC/ST is associated in discussions/negotiations regarding administrative details of parameters of promotions with the recognised Unions/Federations of the employees.

Dr. 3/21

The Committee feel that the existing arrangement in the SBI regarding holding discussions/negotiations with the recognised Unions/Federations of the employees' regarding parameters of promotions is insufficient. The Committee recommend that before discussing/negotiating the administrative details regarding parameters of promotions with the recognised Unions/Federations, the management should have a dialogue with the SC/ST Employees' Associations on structural points which have been agreed to by the representative of the SBI too during the course of evidence.

Reply of the Government

As per the Government guidelines vide letter No.MOF.5/9/83-SCT(B) dated 6.7.84, the Bank has decided to nominate an employee belonging to SC/ST communities, from management side, and to associate him in the negotiating team constituted by the bank, to ensure that agreements entered into by other employees unions do not stand in the way of making reservation for SC/ST. Further, quarterly meetings are held at Central office of the Bank by the Deputy Managing Director(Personnel) with the representatives of welfare associations of Bank's SC/ST employees where these matters also come up for discussions on an ongoing basis.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. No. 26 Para No 5.2

The Committee note that 40 posts of Scheduled Caste and 69 posts of Scheduled Tribe vacancies in promotions from clerical to officers' cadre have been dereserved in SBI during 1991 which in their opinion is an extremely large number. One of the reasons stated for resorting to the dereservation of the ST vacancies has been stated to be the low availability of ST candidates in the feeder cadre viz. clerical cadre.

The Committee feel that such a large number of vacancies of Scheduled Castes and Scheduled Tribes are allowed to lapse over the years due to lack of adequate measures in career planning of SC/ST employees. The Committee therefore, recommend that timely and suitable measures should be taken before hand of ST candidates with the required qualifications are available with the Bank in the clerical cadre i.e feeder cadre for promotions to JMGI so that the need to take recourse to exchange ST vacancies may not arise in future.

Reply of the Government

The Bank has reported that vacancies have only been dereserved, but they have not been allowed to lapse. Only those vacancies reserved for SC/ST have been filled by general candidates which could not be filled by SC/ST employees despite giving relaxation in qualifying service and in the standards of the written examination. The entitlement of SC/ST has not, however lapsed, but has been carried forward as backlog.

As a matter of required number of ST candidates are not available in the feeder cadre. This will be evident from the following data in respect of promotion to Trainee Officers.

| | <u>No. of candidates who</u> | | | <u>No. of candidates</u> | | |
|------|------------------------------|-----------|-----------|--------------------------|-----------|-----------|
| | <u>took the written test</u> | | | <u>finally selected</u> | | |
| | <u>Gen</u> | <u>SC</u> | <u>SI</u> | <u>Gen</u> | <u>SC</u> | <u>SI</u> |
| 1991 | 6264 | 274 | 33 | 283 | 80 | 4 |
| 1992 | 5555 | 276 | 39 | 331 | 73 | 2 |

Availability of ST employees in the clerical cadre can improve only over a period of time as has happened now with SC employees whose availability can be considered adequate.

Further, the promotion from the clerical to the JMGS-I level in the officers' cadre is done LHO wise. Since in some circles there is very little or virtually non-existent population of SC or ST candidates, their recruitment in required number in the feeder cadre (clerical cadre) is not there. This will result in a large number of SC or St vacancies not getting filled or getting exchanged.

(Ministry of Finance, Department of Economic
Affairs, Banking Division O.M. NO. 5/3/93-SCT
(B) dated 30.08.1993)

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. No. 35 Para No. 7.32 ✓

The Committee note that the performance of SBI in lending in its Lead Districts does not appear satisfactory when compared to lending by the SBI under various sectors in its Non-Lead Districts. Reasons advanced by SBI to the effect that Lead Districts are mostly in backward regions such Himalayan Regions, North-Eastern Region and tribal areas in Andhra Pradesh, Bihar Madhya Pradesh and Orissa where the credit facilities absorption capacity was limited are not convincing. The Committee feel that somewhere the SBI has failed to deliver goods completely in its Lead Districts majority of which happen to fall in the under developed Himalayan and North-Eastern regions.

REPLY OF THE GOVERNMENT

The performance of SBI under Annual Credit Plan (ACP)- 1990-91 in its lead districts was 93% as compared to an achievement of 79% by All Financial Institutions (inclusive of SBI) in these districts. The sector-wise data both for SBI and AFI are given below:

(Rs. in crores)

| 1990-91 | Agriculture | | | Industries | | | Services | | | Total | | |
|---------|-------------|-----|----|------------|-----|----|----------|-----|----|-------|------|----|
| | C | A | % | C | A | % | C | A | % | C | A | % |
| SBI | 144 | 137 | 95 | 59 | 49 | 83 | 67 | 65 | 97 | 270 | 251 | 93 |
| AFA | 901 | 668 | 74 | 232 | 178 | 77 | 251 | 238 | 95 | 1384 | 1004 | 70 |

C : Commitments A : Achivements % : Achievement %

The Bank's achievement of 93% of the ACP targets is considered satisfactory, keeping in view the lack of basic infracture, absence of backward and forward linkages and non-availability of quality assets in many regions of the lead districts allotted to us. These issues are being brought to the notice of the State Administration at various district and State level fora.

The performance in the lead districts is being monitored at regular intervals and the local Head Offices of the Banks have been instructed to make special drives for achieving the ACP targets.

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. No. 36 Para No. 7.33)

Further during the course of evidence of the official of the State Government of Bihar on the subject of Integrated Tribal Development Projects in Bihar, the Committee have learnt that the Bank including the SBI were not very keen on advancing of loans in the State, were advanced by the private parties and only 4% by the Government Institutions. The witness also accepted during the course of evidence that the credit/deposit ratio in the State of Bihar are low.

REPLY OF THE GOVERNMENT

The deposits, advances and C:D ratio of the State Bank of India in the State of Bihar are listed belows

(Rs. in lacs)

| | <u>Deposits</u> | <u>Advances</u> | <u>C : D Total</u> |
|-------------|-----------------|-----------------|--------------------|
| March, 1989 | 253822 | 97217 | 38.30% |
| March, 1990 | 290695 | 119094 | 40.96% |
| March, 1991 | 332549 | 141484 | 42.54% |
| March, 1992 | 343765 | 141993 | 41.31% |
| March, 1993 | 381787 | 155945 | 40.85% |

The foremost reason for the Credit Deposit Ratio in the State is the non-establishment of any major industry in Bihar in the last one decade. Whatever large industries are in existence in this State, their Head Offices are mostly situated in other States. For example, TISCO & TELCO are having their plants in Bihar but enjoying credit limits to

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the tune of Rs.298 crores and Rs.246 crores respectively from offices of State Bank of India situated outside the State. The limits allocated to these units through the bank's branches in the State are only Rs.6.5 crores and Rs.7.00 crores respectively. Likewise, SAIL, CIL, IOC are having their units located in Bihar but enjoy credit limits aggregating Rs.453 crores from the various offices of the Bank situated in other States. Only a sum of Rs.21.00 crores gets reflected in the books of accounts in the State. Many more industries like A.C.C., Bata India Ltd., Indian Explosives Ltd., ITC etc. are also operating in Bihar but enjoy credits limits elsewhere. If the proportionate share of the credit limits sanctioned outside the State to the units located in Bihar are included, C : D Ratio of the Bank in Bihar would reach 60.28% as at the end of March, 1992, which would reflect a higher percentage than the ASCB average of 54.08%. Incidentally, overdues as % age of outstandings of SBI and AGL in Bihar is 33.10% and 12.29% respectively as compared to all India average of 18.04% and 19.39% respectively.

Disbursals by SBI under the Annual Credit Plan 1990-91 in the State of Bihar aggregated Rs.13408 lacs which amounted to 93% of the commitments. However, for 1992 and 1993 the disbursals amounted to Rs.6039 lacs and Rs.6745 lacs representing 40 and 48 percent of the commitments respectively.

With a view to improving the credit deposit (CD) ratio in Bihar, a Task Force was constituted by RBI in June, 1992. The Task Force has since submitted its report. The major recommendations made by the Task Force cover a wide spectrum of issues relating to agriculture, business and service sectors. The recommendations when implemented by the concerned agencies viz. State Government, Central Government, banks etc. would greatly contribute towards improvement of CD ratio in Bihar.

Comments of the Committee

Please see para No. 1.40 of Chapter I

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl.No. 41 and 42 Para No. 7.52 and 7.53

The Committee note that under the Scheme of 'Small Road and Water Transport Operations', the performance of SBI in lending to SCs and STs have shown a continuous declining trend both account-wise and amount-wise, whereas the total disbursement under this head to the borrowers of the general category as well as the accounts have been found rising from 1987 to 1990. The reason for this has been stated that 'overdues under this scheme have amounted to a non-acceptable level causing a deceleration in the disbursal amount.'

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REPLY OF GOVERNMENT -

Please refer to reply under Para 7.53

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-ESA, dated 31st December, 1993

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Statement showing the action taken on the recommendations, conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (SI.No. 42) Para No. 7.53

The Committee feel that the plea advanced by the SBI for low disbursement of loans under this head does not hold good so far as the SCs and STs are concerned since they form an insignificant part of the total credit under this scheme. The Committee, therefore, recommend the SBI to improve upon its performance in lending to SCs and STs under the Scheme for 'Small Road and Water Transport Operators'.

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REPLY OF GOVERNMENT

State Bank of India has reiterated that because of the mounting overdues which stood at 39.31% as at 31.3.92 under the scheme 'Small Road & Water Transport Operators', the Bank is not inclined to further increase its exposure to this class of borrowers. However, no loan applications from transport operators falling under SC/ST category are being declined by branches if the activities are found to be viable.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M. No.7/14/93-ESA, dated 31st December, 1993

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Schedules Castes and Scheduled Tribes.

Recommendation Sl. No. 48 Para No. 8.36

The Committee observe that under the present eligibility criteria fixed for lending under IRDP poor people in the backward areas are being left out of the purview of the scheme for lending. They are also denied the benefit of subsidy owing to the regional difference in earnings from the land holdings etc. across the country. The Committee recommend that the present criteria for making advances under the IRDP should be reviewed pragmatically keeping in view the earning from land in different areas of the country so as to ensure that the poor people in the backward areas are not denied the benefit of the loan as well as subsidy under programme.

REPLY OF ^{the} GOVERNMENT

The target group under IRDP consists of small and marginal farmers, agricultural labourers, non-agricultural labourers and rural artisans whose family income per annum is below the cut off line of Rs.4800 (when the poverty line was of Rs.6400/-). The poverty line has now been raised to Rs.11,000/- and the families to be assisted first will be those with income between Rs. 0 - Rs.4000, Rs.4000 - Rs.6000, and Rs.6000 - Rs.8500 constituting the destitute, very very poor and very poor persons. Hence irrespective of the returns from land, all the people falling "below poverty line" are covered under IRDP. Amongst them also, the coverage as per instructions has to be strictly in order of the destitute, very very poor, very poor and the poor people.

Ministry of Finance, Deptt. of Economic Affairs,
Banking Division, O.M.No. 7/14/93-ESA, dated 31st December, 1993

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl. No. 49 Para No. 8.50 and 8.51)

The Committee noted with great concern that the poverty line limit to judge the eligibility for credit facilities under IRDP (Integrated Rural Development Programme) has been raised from Rs. 6400/- to Rs. 11000/- by the Planning Commission without making any corresponding changes in the project cost limit to be covered under the scheme. The Committee have been informed that the Ministry of Rural Development are of the view that norms fixed for farm and non-farm loans under IRDP are required to be revised in view of the escalation of the cost and situation in the field and the matter is being considered in consultation with the Reserve Bank of India.

REPLY OF GOVERNMENT

Please refer to reply under Para 8.51.

Ministry of Finance, Deptt. of Economic Affairs,
Banking Division C.M. No. 7/14/93-ESA, dated 31st December, 1993

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Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Deptt. of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl.No. 50 Para No. 8.51)

The Committee recommend to the Ministry of Finance to pursue the matter vigorously with all the concerned Departments so as to ensure that the norms are revised in a definite frame work of time and also to ensure increased credit amount to SC and ST communities under IRDP as they form a major target group for lending under the scheme.

REPLY of the GOVERNMENT

Regarding changes in the project cost limit to be covered under the IRDP Scheme, standing arrangements have been made to constitute unit cost committees in the Regional Offices of NABARD. The unit cost of investment under various activities are reviewed every half-year by the State Level Committee on Unit Cost set up for this purpose and updated wherever found necessary. The Regional Offices of NABARD have been delegated powers to revise unit cost where the cost of escalation is within 20% of the unit cost approved earlier. The District Consultative Committees may also discuss this subject in advance and give their suggestion to the NABARD Regional Office as well as State Government for placing the same before the Committees on unit cost.

Regarding loans for various purpose falling under ISB Sector of IRDP the responsibility of fixing the unit cost has been left to the financing bank/DRDA/District Level Consultative Committee.

Ministry of Finance, Deptt. of Economic Affairs,
Banking Division O.M.NO.7/14/93-ESA, dated 31st December, 1993

STATEMENT SHOWING THE ACTION TAKEN ON THE RECOMMENDATIONS/
CONCLUSIONS CONTAINED IN THE SIXTEENTH REPORT OF THE COMMITTEE
ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES
(TENTH LOK SABHA) OF THE MINISTRY OF FINANCE (DEPARTMENT OF
ECONOMIC AFFAIRS - BANKING DIVISION) - RESERVATIONS FOR AND
EMPLOYMENT OF SCHEDULED CASTES AND SCHEDULED TRIBES IN STATE
BANK OF INDIA AND CREDIT FACILITIES PROVIDED BY THE BANK TO
SCHEDULED CASTES AND SCHEDULED TRIBES

at 5/4/53
Recommendation Q.S1.No.53, Para No. 8.67, 8.68 and 8.69

The Committee note that under the present system of maintaining data regarding recoveries of loans from the borrowers under different schemes, the separate information regarding recovery position from SCs and STs was not being monitored under all the schemes except under the DRI scheme. The Committee feel that with the technology available at the disposal of the banks, there should not be any difficulty in maintaining such an information.

REPLY OF GOVERNMENT

Please refer to the reply under paras 8.68 and 8.69.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) C.M.No. 7/14/93-MSA, dated 31st December, 1953

STATEMENT SHOWING THE ACTION TAKEN ON THE RECOMMENDATIONS/
CONCLUSIONS CONTAINED IN THE SIXTEENTH REPORT OF THE COMMITTEE
ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES
(TENTH LOK SABHA) OF THE MINISTRY OF FINANCE (DEPARTMENT OF
ECONOMIC AFFAIRS - BANKING DIVISION) - RESERVATIONS FOR AND
EMPLOYMENT OF SCHEDULED CASTES AND SCHEDULED TRIBES IN STATE
BANK OF INDIA AND CREDIT FACILITIES PROVIDED BY THE BANK TO
SCHEDULED CASTES AND SCHEDULED TRIBES

Recommendation (Sl.No.54 Para No.8, 68 and 8.29)

The Committee recommend the Ministry of Finance that such information regarding the recovery position from the SC and ST borrowers should be maintained by all the public sector banks including SBI so as to bring out a clear picture regarding the recovery position from SCs and STs under different schemes.

The Committee further note from the data furnished to them that the recovery position from SCs and STs borrowers was as good as the borrowers from the general category under DRI. It is a general experience of the Committee as well that the recoveries from SCs and STs borrowers are nearly the same as that of the borrower from the general category. The Committee further recommend that the banks should invariably include a column in their Annual Reports highlighting the recovery position from the SCs and STs borrowers, which, the Committee feel would in turn help in mobilising more public support for these programmes and more encouragement for assisting financially the SC/ST people.

REPLY OF GOVERNMENT

The issue of compiling data on recovery of advances was taken up with the RBI. It has been reported by RBI that after considering the issue it is felt that asking banks to compile data on recovery of advances in respect of SC/ST beneficiaries separately would prove burdensome particularly at branch level where technological aids (computers, etc.) are still absent. The work of culling out information in the branches is still done manually. Considering the overall low recoveries of the advances under the Government's various programmes, availability of information in regard to

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recoveries effected from SC/ST beneficiaries may not yield any indicators different from the overall position. In any case, it is felt, that benefits, if any, of having separate data on recoveries in respect of SC/ST beneficiaries may not be commensurate with the additional work-load it would entail on the banks. RBI is, therefore, not in favour of the Committee's recommendations for compiling information regarding the recovery position in respect of SC/ST borrowers separately.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-ESA, dated 31st December, 1993

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STATEMENT SHOWING THE ACTION TAKEN ON THE RECOMMENDATIONS,
CONCLUSIONS CONTAINED IN THE SIXTEENTH REPORT OF THE COMMITTEE
ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES
(TENTH LOK SABHA) OF THE MINISTRY OF FINANCE (DEPARTMENT OF
ECONOMIC AFFAIRS - BANKING DIVISION) - RESERVATIONS FOR AND
EMPLOYMENT OF SCHEDULED CASTES AND SCHEDULED TRIBES IN STATE
BANK OF INDIA AND CREDIT FACILITIES PROVIDED BY THE BANK TO
SCHEDULED CASTES AND SCHEDULED TRIBES

and 56

Recommendation Sl.No. 55/ Para No. 8.74 and 8.75

The Committee appreciated that SBI Institute of Rural Development, Hyderabad designed a programme for SBI officers on financing of tribals with a view to implement specially suitable banking schemes for tribal areas for the development of the tribals and SBI has conducted in the last two years. It is also being ensured by the SBI that the programme is conducted as on on-going basis.

REPLY OF GOVERNMENT

Please refer to the reply under Para 8.75.

Ministry of Finance (Deptt. of Economic Affairs - Banking
Division) S.M.No. 71/93-ESA dated 31st December, 1993

STATEMENT SHOWING THE ACTION TAKEN ON THE RECOMMENDATIONS/
CONCLUSIONS CONTAINED IN THE SIXTEENTH REPORT OF THE
COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED
TRIBES (TENTH LOK SABHA) OF THE MINISTRY OF FINANCE (DEPART-
MENT OF ECONOMIC AFFAIRS - BANKING DIVISION) - RESERVATIONS
FOR AND EMPLOYMENT OF SCHEDULED CASTES AND SCHEDULED TRIBES
IN STATE BANK OF INDIA AND CREDIT FACILITIES PROVIDED BY THE
BANK TO SCHEDULED CASTES AND SCHEDULED TRIBES

Recommendation (S). No. 56 Para No. 8.75)

The Committee desire the SBI to maintain this tempo
in future also and they recommend that such training
programme for SBI officers on financing of tribals should
be designed by other circles of SBI also.

REPLY OF ^{the} GOVERNMENT

State Bank of India has reported that the programmes
conducted by the State Bank Institute of Rural Development
at Hyderabad cover the officers from all the circles of SBI.
The Bank has advised the Institute to conduct more programmes
on financing to ST beneficiaries. In the circumstances, the
Bank do not propose to conduct separate programme of this
sort on regional/zonal basis.

Ministry of Finance (Deptt. of Economic Affairs - Banking
Division) C.M.No.7/14/93-ESA, dated 31st December, 1993

CHAPTER IV

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

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl. Nos 5 and 6, Para Nos. 2.33 and 2.34

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The Committee note with great concern that there had been huge shortfall in promotions of SCs and STs during all the 3 years from 1989 to 1991 in State Bank of India for promotions from clerks to JMGS, the reasons for which have been explained in detail to the Committee. The Committee have been told that in Madhya Pradesh, the promotion process will be starting shortly and in a few circles viz. Delhi, Hyderabad, Chandigarh and Patna, no promotion exercise could be carried out during 1990 and 1991 owing to non-availability of vacancies.

The committee find that certain relaxation such as fixing separate eligibility criteria, period of service, relaxation in pass percentages, etc. being given to SC/ST candidates. The Committee while appreciating these steps being taken to remove shortfall in promotions recommend that in Madhya Pradesh, the promotion process should be started without any further loss of time and in Delhi, Hyderabad, Chandigarh and Patna circles, as soon as possible, the vacancies should be identified to effect promotions. They further desire that State Bank of India should ensure that the huge shortfalls existing in the promotions of SC/ST candidates from clerks to JMGS are removed within a stipulated framework of time.

Reply of the Government

The Bank has reported that promotion process has been initiated with a view to give effect to promotions for SC/STs in various Circles, including Bhopal Circle covering the State of Madhya Pradesh. Bank has reported that in their Bhopal Circle, promotion test for 533 JMGS vacancies is being held which is expected to clear the backlog as on 31.12.1991 of 41 SC and 94 ST vacancies. In Delhi and Patna Circle promotion tests have since been cleared in 1993. In Hyderabad Circle, a special Test to clear the backlog of ST vacancies was held in April 1993. For Chandigarh Circle also new vacancies have been sanctioned.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Comments of the Committee

Please see para No 1.7 of Chapter I

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl.No. 21, Para No. 5.9

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The Committee further consider the present duration of six days for pre-recruitment/pre-promotion training as insufficient. The Committee are unable to agree with the argument advanced by the Ministry of Finance in their reply that in exercise of this type, candidates can be only made aware of the nature of the questions asked and how to face the Interview Board and that it is not possible to upgrade their basic knowledge. The Committee feel that the criterion for increasing the duration of these training should be social backwardness of the SC/ST candidates rather than covering the curricula within 6 days. The Committee find that the backlog of vacancies in reservation for SC/ST has not been wiped off due to non-availability of adequate number of SC/ST candidates who are unable to qualify in the recruitment examination. This is apparently on account of short duration of pre-recruitment training which is imparted to the SC/ST candidates only for the duration of six days. The Committee, therefore, strongly recommend that the present duration of pre-recruitment training should be increased from six days to one month so as to equip the SC/ST candidates in a better way for qualifying in the recruitment examination conducted by the Banking Service Recruitment Boards. The further recommend that the present duration of the pre-promotion training programme should also be suitably increased.

Reply of the Government

The recommendation of the Committee was considered when a similar recommendation was made by the Committee in its sixth report (10th Lok Sabha) in view of limited infrastructural facilities available it was decided to restrict pre recruitment/prepromotion training to only six days. There is no further augmentation of the infrastructural facilities for training and therefore, the Banks have regretted that they may not be in a position to increase the duration of the pre recruitment training.

(Ministry of Finance, Department of Economic Affairs, Banking Division O.M. NO. 5/3/93-SCT (B) dated 30.08.1993)

Comments of the Committee

Please see para No. 1.21 of Chapter I

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

and 31

Recommendation ~~Sl.No. 30~~ Para Nos 7.10 and 7.11

The Committee note that in SBI the amount of DRI advances to SCs and STs came down from 37.44 crores and 33.40 crores during the years 1988-89 and 1989-90, respectively to only 16.14 crores in the year 1990-91. The minimum percentage of DRI advances to net Bank credit which had been fixed at 1% of the bank aggregate credit advances as at the end of the previous year, as per revised guidelines from the Govt. of India in December, 1978; also could not be achieved by SBI during all these years. This percentage of 1% had not been achieved collectively by the Public Sector banks as well as during the last three years i.e. 1990, 1991 and 1992 for which many reasons such as difficulty in identifying enough number of eligible borrowers, ceiling on loan amount at Rs.6,500 for beneficiary, lack of physical targets etc., have been attributed.

REPLY OF GOVERNMENT

Please refer to reply under Para 7.11

Ministry of Finance (Dept. of Economic Affairs - Banking Division) O.M.No. 7/14/93-ES, dated 31st December, 1993

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Statement showing the action taken on the recommendations, conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl.No. 31 Para No. 7.11.)

The Committee recommend that the Ministry of Finance should take all the necessary steps to ensure that the performance of SBI and Public Sector Banks is improved under the Scheme. They further recommend that the ceiling of loan amount at Rs.6,500/ per bobeficiary under DRI should also be revised.

REPLY OF GOVERNMENT

The public sector banks' performance under DRI Scheme during the period from 1990 to 1993 has been as under:

| <u>Year ended</u> <u>December/March</u> | <u>Amount</u> <u>outstanding</u> <u>(Rs. in crores)</u> | <u>% of DRI advances to total</u> <u>advances as at the end of the</u> <u>previous year</u> |
|--|---|---|
| i) December, 1990 | 620 | 0.8 |
| ii) December 1991 | 703 | 0.8 |
| iii) March 1992 | 727 | 0.7 |
| iv) March 1993 | 704 | 0.6 |

The banks' inability to attain the target of 1% of their total advances stipulated under the Scheme has been mainly attributable to (i) preference of the target group to subsidy linked government programmes rather than DRI Scheme which offers only a concessionary rate of interest, (ii) implementation of ARDR Scheme, 1990 resulting in recovery of overdue loans and (iii) difficulty in identifying eligible borrowers, etc.

Recently, income ceiling for eligibility for assistance under IRDP and SUE was raised to Rs.11,000/- and Rs.11,250/- respectively. The issue of making suitable changes in the income ceiling prescribed for eligibility under DRI Scheme as well is receiving Government's attention. The Reserve Bank of India had recently undertaken a survey to study the impact of DRI Scheme on the target group. The findings of the survey are awaited.

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So far as State Bank of India is concerned, Local Head Offices(LHOs) have been advised by SBI to identify local-specific viable activities for financing the target group under the Scheme. It has also been suggested to them to put in extra efforts for exploring the possibility of identifying special branches for intensive "DIR" loaning this will facilitate both identifying capabilities of target groups and drawing up of specific schemes finely-tuned to their capabilities. It is also planned that branches are given targets, achievement of which should be monitored by the controllers. Circles have also been requested to endeavour, where-ever possible, to channelise funds under the scheme through Co-operative Societies/Large Sized Advasi Multi Purpose Societies (LAMPS) in the same manner as is done in the case of State owned Scheduled Caste and Scheduled Tribe Corporations.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-ESA, dated 31st December, 1993

Comments of the Committee

Please see para No 1.29, 1.30 and 1.31
of Chapter I

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation Sl.No. 32 Para No. 7.23

The Committee observe with dismay that the total amount of advances made by the banks under the schemes such as IRDP, SEPUP and SEEUY have gone down from 1988-89 to 1990-91 and the targets laid down for SCs/STs under these schemes had never been achieved in any of the years from 1988-89 to 1991 and particularly in the case of SEPUP and SEE UY Scheme achievement had been far below the targets. This position holds good for State Bank of India as well. The Committee have been informed that non-receipt of adequate loan applications from SC/ST beneficiaries was the main reason for not meeting the targets.

REPLY OF ^{the} GOVERNMENT

(i) IRDP

The IRDP Scheme is monitored by Government of India, Ministry of Rural Development. The physical target and the achievement and also the achievement under SC/ST (number) for the 3 years, 1988-89 to 1990-91 are as under:

| Year | Total target | Achievement No. | % of achievement | SC/ST beneficiaries (Number) | % of SC/ST Achieved |
|---------|--------------|-----------------|------------------|------------------------------|---------------------|
| 1988-89 | 3193546 | 3772212 | 118.12 | 1750007 | 46.39 |
| 1989-90 | 2908897 | 3351373 | 115.21 | 1545355 | 46.10 |
| 1990-91 | 2370575 | 2897775 | 122.24 | 1446036 | 49.91 |

It can be seen from above that the percentage share of SC/ST beneficiaries assisted under IRDP has gone up from 46.39 during the year 1988-89 to 49.91 during the year 1990-91. During the year 1990-91, the target of 50% was more or less achieved.

(ii) SEEUY and SEPUP

Although the targets laid down for SC/ST under SEEUY and SEPUP were not achieved in the previous years, the percentage of

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advances to SC/ST under SEEUY has shown increasing trend from 11.13% in 1989-90 to 20.73% in 1992-93. SEPUP has already been merged with the scheme of Urban Micro Enterprises with effect from 1 April, 1992.

The non-receipt of adequate loan applications from the SC/ST beneficiaries was the main reason for not meeting the targets under the above schemes. There is lack of adequate response from SC/ST beneficiaries as educated SC/ST have shown preference for jobs rather than going in for self-employment. They find it easy to get jobs in Government departments because of reservations for them in employment. Minimum qualification stipulated in SEEUY reduces the number of SC/ST applicants as literacy among SC/ST is comparatively very low. It may also be added that distribution of SC/ST population in the country varies from district to district and State to State. Since uniform reservation of 30% for SC/ST in all States has been prescribed, banks failed to achieve the targets for SC/ST in some districts/States.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) C.M.No.7/14/93-BSA, dated 31st December, 1993

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Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendations Sl. No. 33 ~~para~~ No. 7.24)

The Committee recommend to SBI to improve upon its performance in lending to SCs and STs under all these schemes which are very important as these are related to self-employment ventures.

REPLY OF ^{the} GOVERNMENT

Subsequent to furnishing the data to the Committee, the performance of SBI in IRDP, SEPUP, SEEUY, has been as follows:

| | Finance to SC/ST as % of total finance under the scheme | | |
|-----------------------------|---|--------------|--------------|
| | <u>IRDP</u> | <u>SEPUP</u> | <u>SEEUY</u> |
| 1990-91 (already furnished) | 30.93 | 21.07 | 23.62 |
| 1991-92 | 37.57 | 23.12 | 23.35 |
| 1992-93 | 39.67 | * | 24.51 |

(* The scheme has been since been discontinued)

It may be seen from the above that the coverage of SC/ST beneficiaries under above schemes relating to self employment ventures has increased over the years. The Bank has already taken steps to further improve its performances in lending to SC/STs as enumerated in reply to recommendation Nps. 31 relating to paragraph Nos. 7.11. Also the Circles have been asked to interact with sponsoring agencies and impress upon them that adequate no. of applications should be sponsored so as to enable the Bank to increase the Banks coverage of the SC, ST category of beneficiaries. This aspect of the matter is also being raised by the bank at SLBC and DCC meetings. Instructions have also been issued to the effect that applications from SC/ST borrowers should not be rejected/returned without the specific/approval of the controlling authority.

Comments of the Committee

Please see Para No. 138 of Chapter I

Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

and 45
Recommendation (Sl. No. 44/ Para No. 8.22 and 8.23

The Committee feel that there was apparently lack of vigilance on the part of bank officers in physically verifying the assets under the programme and especially the post monitoring of the assets was not being carried out properly. This concern of the Committee had been shared by the representative of the Ministry of Finance repeatedly during the course of evidence.

REPLY OF GOVERNMENT

Please refer to reply under Para 8.21.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M. No. 7/14/93-ESA, dated 31st December, 1993

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (57) No. 49 Para No 8.23

The Committee do not subscribe to the view advanced by the Ministry of Finance that for want of sufficient field staff it was very difficult to supervise all the accounts.

REPLY OF GOVERNMENT

The evaluation study on the system of cash disbursement conducted by Reserve Bank of India in 1990 has revealed that the assets acquired by 56.44% beneficiaries were verified by bank branches within one month as prescribed. As regards reasons for non-verification of assets in remaining cases, the branch managers had reported that this was mainly due to shortage of staff at the bank branches. Remoteness of the villages and poor transport facilities also contributed towards inadequate follow-up of loans.

2. In Reserve Bank of India circular dated 16th December, 1986 addressed to the Chairman of All-Indian Scheduled Commercial Banks, it was indicated that assets procured by IRDP beneficiaries should be verified by the Banks' field staff within a period of one month from the date of disbursement of loan and subsidy. Again while advising banks vide RBI circular dated 13th July, 1991 the modalities to be followed for selection of blocks consequent on the extension of the cash disbursement system to atleast half the number of blocks in the country by Government of India, it was reiterated that the identified blocks should have all the infrastructural facilities, backward and forward linkages, pre-disbursement counselling and post-disbursement, follow-up and supervision including visits for verification of the assets.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) D.M. No. 7/14/93-ESA, dated 31st December, 1993

Comments of the Committee

Please see para No 1.43 of Chapter I

CHAPTER V

RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF A
FINAL REPLIES HAVE NOT BEEN RECEIVED

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Statement showing the action taken on the recommendations/ conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl. No. 51 and 52 Para Nos. 8, 62 and 8.63

The Committee observe that neither the SBI nor the Ministry of Finance (Banking Division) or the Reserve Bank of India has conducted any survey analysing aspects of loan applications from the Scheduled Castes and Scheduled Tribes. In a post evidence reply, the Committee have been informed that SBI proposes to undertake a survey the 3rd Quarter (October - December) of 1992-93. The Committee recommend that the proposed survey by the SBI in regard to the loan applications should reflect a broad spectrum of the picture of loan applications from SCs and STs as has been suggested by the Committee during the course of evidence.

REPLY OF GOVERNMENT

Please refer to the reply under Para 8.63.

Ministry of Finance (Dept. of Economic Affairs Banking Division) O.M.No. 7/14/95-PSA, dated 31st December, 1995

Statement showing the action taken on the recommendations/conclusions contained in the Sixteenth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) of the Ministry of Finance (Department of Economic Affairs - Banking Division) - Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

Recommendation (Sl. No. 52) Para No. 8.63

The Committee further recommend, that the Ministry of Finance (Banking Division)/Reserve Bank of India should take up the type of survey suggested by them during the course of evidence of SBI in regard to the loan applications. The Committee would further like to be apprised of the outcome of the proposed survey to be conducted by the SBI in regard to the loan applications.

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REPLY OF GOVERNMENT

The RBI had conducted an evaluation study on credit flow to SC/ST beneficiaries in December 1990. A gist of the findings/conclusions of the study was conveyed to all the public sector banks vide our letter RPCD. No.SP.1005/6.594-90/91 dated 4 December 1990 addressed to their Chairmen/Managing Directors (copy attached). The banks were advised to pay special attention to those features which needed remedial measures on the part of the banks. (Incidentally, the evaluation study was undertaken as was suggested during the oral evidence of the officials of the Union Ministry of Finance in January 1989 before the Parliamentary Committee on the Welfare of SCs/STs).

With regard to survey to be conducted by SBI, it has been stated by the bank that since the survey covers a large territory, it is likely to take considerable time before the findings are compiled. The findings will be submitted for information to the Committee on completion of the survey.

Ministry of Finance (Deptt. of Economic Affairs - Banking Division) O.M.No.7/14/93-ESA, dated 31st December, 1993

TELEGRAMS: " RUPLACARD "
TELEPHONE: 2861602-04
T E L E X: 011-2455
 : 011-2318

- 09
RESERVE BANK OF INDIA
RURAL PLANNING AND CREDIT DEPARTMENT
CENTRAL OFFICE
CENTRAL OFFICE BUILDING
POST BOX NO. 10014
BOMBAY-40001

Ref. RPCD. No. SP. 1005/C-594/90-91

December 4, 1990

Agrahayana 13, 1912 (S)

The Chairmen/Managing Director
All Public Sector Banks.

Dear Sir

Credit facilities to Scheduled Castes and
Scheduled Tribes-Evaluation Study.

The Parliamentary Committee on welfare of Scheduled Castes and Scheduled Tribes during the course of their discussions with the officials of the Ministry of Finance on availability of credit facilities to these communities had pointed out the need for conducting occasional field studies for proper feed back of banks' performance in this area. We have recently conducted such a study to evaluate public sector banks' performance in lending to SC/ST beneficiaries with special reference to the implementation of different Government sponsored programmes and its impact on income and employment generations among SC/ST beneficiaries. The study has been made on an all India basis covering 285 bank branches in 57 districts in 19 states of the country. A gist of the findings/ conclusions of the study is given in the Annexure. We shall be glade if you will please pay special attention on those features which need remedial measures on the part of banks.

Please acknowledge receipt.

Yours faithfully,

Sd./-

(B.A. Prabhu)
Joint Chief Officer

ANNEXURE

Flow of Credit to SC/ST Beneficiaries
Evaluation Study

Gist of observations/conclusions

a) Implementation of guidelines/
instructions issued by Reserve Bank of India

Normally district level allocations in Annual Action Plans provide for the credit requirements of special programmes like the Special Component Plan, Tribal Sub-Plan and SC/ST Corporation's programmes which are exclusively meant for SC/ST beneficiaries. The planning exercises made by the banks, inter-alia, take into the directives and norms laid down by the Reserve Bank of India and the Government of India with regard to allocation of funds earmarked for SC/ST under programmes like IRDP, SLEUY, SEPUP and DRI. It is however, observed that around half of the bank branches studied have drawn up credit plans by not taking into account the credit needs of SC/ST categories.

Loan applications of SC/ST categories are generally considered sympathetically and expeditiously by the bank branches.

Out of 285 bank branches in 57 districts selected for the study, very few branches have made some efforts to specially choose the villages with sizeable population of SC/ST.

No special efforts were made by the bank branches or their controlling offices to evolve suitable bankable schemes for SC/ST categories.

Most of the bank branches have, however, participated in specific programmes drawn up by state agencies like SC/ST Development Corporation etc. for upliftment of SC/STs.

Staff members of almost all the bank branches render help to SC/ST borrowers in filling up the forms and completing other formalities to avoid delay in disbursing the loans.

No special or conscious efforts have been made by the bank staff to periodically contact illiterate borrowers and explain the salient features of the existing schemes available for the SC/ST category and the advantage that can be derived from them. However, the salient features of the schemes are explained to the borrowers by those banks who have organised credit camps.

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Out of 285 bank branches visited it was observed that around 85 branches of various banks have rejected loan applications at branch level itself which indicate that either the branches were not aware that rejection should be made at higher level or they have not adhered to the instructions issued in this regard.

The guidelines/instructions issued by the RBI with regard to security norms etc. are generally adhered to by the bank branches.

Although the Regional/Area/Zonal Managers have made visits to their branches, in some of the branches no records of the visits made by Senior Officers have been kept.

Bank branches have a regular reporting system through various returns submitted by them to their controlling offices. However, there is no uniformity in periodicity of the returns among the banks.

The branch managers of all the banks have indicated staff shortage as a major constraint. In addition, some of the branches have indicated the following constraints which are of operational nature:

- (i) Receipt of cases in bunches from sponsoring agencies.
- (ii) Shortage of essential items of stationery.
- (iii) Non-availability of certain assets locally.
- (iv) Lack of knowledge of local language by the bank staff.
- (v) Recovery climate was vitiated due to an impression created among borrowers that the loans would be written off.
- (vi) There is no provision of vehicles to bank staff to visit villages for follow-up action etc.

b) Other observations

Bank branches have generally maintained the Loan Applications Register. Some branches have made a provision for recording loan applications of SC/STs in the same register.

Loan applications of SC/ST category are not rejected on flimsy grounds at any of the bank branches. However, incomplete applications are returned to the sponsoring authority.

There is no arrangement at banks' level to impart any training to prospective borrowers including those assisted under IRDP/SRECY at any of the branches selected for the study.

No nexus between middlemen/suppliers of assets with branch officials was reported.

over

The average time taken by the bank branches for:

(a) Sanction of loan applications:

7 days to 3 months

(b) Disbursing the loans :

15 days to 6 months

The reason for delay are attributed to :

- (i) Late release of subsidy by Government agencies.
- (ii) Delay in completion of documentation/formalities.
- (iii) The borrowers did not visit the bank for completing the formalities.
- (iv) Lack of synchronisation of seasonal activities with sanctions.
- (v) Delay in fixation of dates for purchase of assets.
- (vi) Borrowers wanted a change of activity.
- (vii) A low cash limit (e.g. Rs. 10,000/-) has been fixed for many branches.
- (viii) Bunching of applications.
- (ix) Borrowers not available due to change in address.
- (x) Staff shortage at branches.

c) Conclusion

Taking into account the various aspects brought to the fore by the findings of the study, performance of banks in financing SC/ST beneficiaries may be considered to be satisfactory. It has been observed that the overall flow of credit to these group of beneficiaries have increased both number-wise as also amount-wise despite some procedural deficiencies observed during the study. Bank branches covered under the study achieved the targets set for them under DRI and IRDP. The branches could not achieve the target prescribed under SEEU and SEPUP. However, their performance under both the programme has shown an improving trend. Increase in the volume of finance has also been observed under the 20 Point Programme and under housing finance scheme for SC/ST beneficiaries at concessional rate of interest, where no target has been prescribed.

Extent of incremental income generated is not satisfactory as the increase in income in respect of 53 per cent of the beneficiaries is only upto 25 per cent of their pre-investment income which is very low. The poor income generation is mainly because of poor maintenance or mis-utilisation of the assets created out of assistance provided. As a result of this, beneficiaries are left with

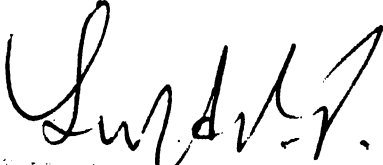
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little surplus for repayment of loan though instances of wilful defaults were also found.

The study has also revealed poor repayment/recovery performance in respect of credit advanced to SC/ST beneficiaries. The position showed improvement from 28 per cent in 1986 and 1987 to 34 per cent at the end of 1988. This cannot be considered to be satisfactory.

A major portion of the finance provided to SC/ST beneficiaries is under DRI, IRDP and other Government sponsored programmes. Government agencies should, therefore, play an important role by providing timely extension services and other infrastructural support and also help banks in recovery of loans. Bank branches also can play a vital role by educating the prospective beneficiaries about various aspects of bank finance and assessing potential in their area of operation and ensuring the end-use of funds by closer post-credit supervision and monitoring. This will help both the beneficiaries in increasing production and enhancement of their income and the banks in the recovery of finance provided by them.

New Delhi.
27 April 1994
27 Vaishakha, 1916(S)


AUTHENTICATED COPY
PARAS RAM BHARDWAJ
Chairman
Committee on the Welfare of
Scheduled Castes and Scheduled
Tribes

(PARAS RAM BHARDWAJ)
Chairman
Parliamentary Committee on the Welfare
of Scheduled Castes & Scheduled Tribes

APPENDIX

(vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE SIXTEENTH REPORT
OF THE COMMITTEE

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| | | |
|------|---|--------|
| I. | Total No. of Recommendations | 56 |
| II. | Recommendations which have been accepted by the Government (vide recommendations at Sl. Nos. 1,2,3, 4,14,15,16,17,18,19,20,22,23,24,25, 28,29,34,37,38,39,40,43,46 and 47) | |
| | Number - | 25 |
| | Percentage to total - | 44.65% |
| III. | Recommendations which the Committee do not desire to pursue in view of Government's replies (vide recommendations at Sl. Nos. 7,8,9,10,11,12,13,26,27,35,36,41,42,48,49, 50,53,54,55 and 56). | |
| | Number - | 20 |
| | Percentage to total - | 35.71% |
| IV. | Recommendations in respect of which reply of Government has not been accepted by the Committee and which require reiteration (vide recommendations at Sl; Nos. 5,6,21,30,31,32,33,44 and 45). | |
| | Number - | 9 |
| | Percentage to total - | 16.07% |
| V. | Recommendations in respect of which final reply have not been received (vide recommendations at Sl. Nos. 51 and 52). | |
| | Number - | 2 |
| | Percentage to total - | 3.57% |