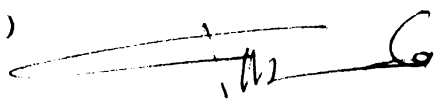


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COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(1998-99)

(TWELFTH LOK SABHA)



AUTHENTICATED COPY

FIRST REPORT

ON

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
BANKING DIVISION

Action taken by the Government on the recommendations contained in the Third Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on Ministry of Finance, Department of Economic Affairs (Banking Division) Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Allahabad Bank and Credit facilities provided by the Bank to them.

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Present to Lok Sabha on 4. 12. 1998

Laid in Rajya Sabha on 4. 12. 1998

LOK SABHA SECRETARIAT
NEW DELHI

December 1998/ Agrahayana 1920(s)

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COMPOSITION OF THE COMMITTEE ON
THE WELFARE OF SCHEDULED CASTES AND
SCHEDULED TRIBES (1998-99)

Shri Kariya Munda - Chairman

MEMBERS - LOK SABHA

2. Shri Padma Nava Behera
3. Shri S.K. Bwiswmuthiary
4. Shri Kishanlal Diler
5. Shri Thawar Chand Gehlot
6. Shri Paban Singh Ghatowar
7. Shri Prabhudayal Katheria
8. Shri Jogendra Kawade
9. Shri Bheru Lal Meena
10. Shri Muni Lall
11. Shri Rup Chand Murmu
12. Shri Salkhan Murmu
13. Shri Jang Bahadur Singh Patel
14. Shri P. Rajarethinam
15. Shri N.J.Rathwa
16. Shri Bajju Ban Riyan
17. Shri Larang Sai
18. Shri Harpal Singh Sathi
19. Shri Sandipan Bhagwan Thorat
20. Shri Ratilal Kalidas Varma

MEMBERS - RAJYA SABHA

21. Shri Gandhi Azad
22. Shri Ram Nath Kovind
23. Shri Sanatan Bisi
24. Shri Mohd. Azam Khan
25. Shri Govindram Miri
26. Shri Rajubhai A. Parmar
27. Smt. Jayaprada Nahata
28. Shri C.P. Thirunavukkarasu
29. Shri Sukhdev Singh Libra
30. Shri Jhumuk Lal Bhendia

SECRETARIAT

1. Shri J.P. Ratnesh - Additional Secretary
2. Shri B.R. Kanathia - Director

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the Report on their behalf, present this First Report (Twelfth Lok Sabha) on Action Taken by the Government on the recommendations contained in the 7th Report (11th Lok Sabha) on the Ministry of Finance, Deptt. of Economic Affairs (Banking Division) regarding Reservation for and employment of Scheduled Castes and Scheduled Tribes in Allahabad Bank and Credit facilities provided by the Bank to them.

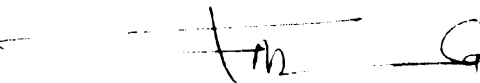
2. The Draft Report was considered and adopted by the Committee on 26, August, 1998.

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

- | | |
|---------------|---|
| CHAPTER - I | Report |
| CHAPTER - II | Recommendations/Observations which have been accepted by the Government. |
| CHAPTER - III | Recommendations/Observations which the Committee do not desire to pursue in view of replies of the Government. |
| CHAPTER - IV | Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration. |
| CHAPTER - V | Recommendations/Observations in respect of which final replies of the Government have not been received. |

4. An analysis of the Action Taken by the Government on the recommendations contained in the 3rd Report of the Committee is given in the Appendix. It would be observed therefrom that out of 22 recommendations in the Report 10 recommendations, i.e. 45.45% have been accepted by the Government. The Committee do not desire to pursue 8 recommendations i.e. 36.37% of the total recommendations in view of Government replies. There are 4 recommendations i.e. 18.19% in respect of which replies of Government have not been accepted by the Committee and require further comment.

New Delhi
, 1998
, 1920 (Saka)


KARIA MUNDA
CHAIRMAN
COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES

CHAPTER - I

REPORT

This Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the action taken by the Government on the recommendations contained in the Third Report (Eleventh 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) regarding - Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Allahabad Bank and credit facilities provided by the Bank to them.

1.2 The Third Report was presented to Lok Sabha on 17.12.1996. It contained 21 recommendations/observations. Replies of the Government in respect of these recommendations/observations have been examined and may be categorised as under :-

- (i) Recommendations/observations which have been accepted by the Government (Sl.No.4,5,8,10,12,13,17,18,19,20)
- (ii) Recommendations/observations which the Committee do not desire to pursue taking into consideration the replies of the Government (Sl.No.2,3,6,7,9,14,15,21)
- (iii) Recommendations/observations replies to which have not been accepted by the Committee and which need reiteration (Sl.No. 1,11,15-A,16)
- (iv) Recommendations/observations in respect of which final replies have not been received (Sl.No. Nil).

1.3 The Committee will now deal with those Action Taken Replies of the Government which need reiteration and comments.

BOARD OF DIRECTORS

(Recommendation Sl. No.1.7)

1.4 In para 1.7 the Committee in its Third Report (Eleventh Lok Sabha) had observed that there was no SC/ST member in the Board of Directors of the Allahabad Bank despite the fact that two posts for Directors were vacant. The Committee were of the view that the appointment of a person belonging to Scheduled Castes/Scheduled Tribes on the Board of Directors of Nationalised Banks including Allahabad Bank should always be considered in future and they may also be informed of the same.

1.5 The Ministry of Finance, Department of Economic Affairs (Banking Division) in their Action Taken notes have stated that the Board of Directors of the bank presently has 13 Directors, including the Chairman & Managing Director and Executive Director. Among the Directors there is one member belonging to Other Backward Classes and one member belonging to Minorities. Earlier, one member belonging to Scheduled Castes was appointed as a Director in the Board from 28.9.1989 to 4.10.1991. It has also been stated that the Government always makes an endeavour to appoint members belonging to SC/ST, OBC etc. on the Board of Directors of banks.

Comments of the Committee

1.6 The Committee are not satisfied with the reply of the Ministry and desire that Government should make earnest efforts to appoint a person belonging to SCs/STs on the Board of Directors of Nationalised Banks including Allahabad Bank.

RESERVATION IN SERVICES

Recommendation (Sl. No.2.7)

1.7 In para 2.7 of the Third Report (Eleventh Lok Sabha) the Committee had recommended that the Government should make concerted efforts to wipe out the shortfall of SCs/STs in all the categories of posts by conducting repeated special recruitment drives. The Committee also recommended that the bank should formulate a perspective plan for the future recruitments (including special recruitments) for selection of candidates to various categories of posts by allowing more concessions/relaxations to SC/ST candidates.

1.8 The Ministry of Finance, Deptt. of Economic Affairs (Banking Division) in their Action Taken Reply have stated that in terms of Government guidelines, the bank initiated Special Recruitment Drive for clearance of SC/ST backlogs in 1996-97 in respect of the identified vacancies. The bank has already sent indents to BSRBs in respect of officers and clerks for clearing the backlogs after getting permission from the Reserve Bank of India in December 1995. It has also been stated that the backlogs of the identified vacancies will be cleared after completion of the recruitment process held by the BSRBs.

Comments of the Committee

1.9 The Committee appreciate the efforts made by the bank for clearance of SC/ST backlogs in 1996-97 in respect of the identified vacancies. However, the Committee desire that the bank should formulate a perspective plan for the future recruitments (including special recruitments) for selection of candidates to various categories of posts and by allowing more concessions/relaxations to SC/ST candidates.

PROMOTION

Recommendation (Sl. No.2.14)

1.10 In para 2.14 of the Third Report (Eleventh Lok Sabha) the Committee had desired that Allahabad Bank should clear the shortfall in promotions in respect of SCs and STs at the earliest by giving further relaxation so that the shortfall could be wiped out. The Committee also recommended that to overcome the shortfalls, the promotional posts should be filled up by diverting the posts to direct recruitment for SCs and STs only.

1.11 The Ministry of Finance, Department of Economic Affairs (Banking Division) in their Action Taken reply have stated that in order to clear the backlogs the bank have already initiated promotion process and examination has been held on 2-3-1997. Out of a total of 1194 candidates the number of SC is 286 and ST 27.

After the finalisation of results it is anticipated that short-falls in SCs/STs will be wiped out.

Comments of the Committee

1.12 The Committee would like to be apprised of the outcome of the promotion process after the finalisation of the results).

GRIEVANCES OF SC/ST EMPLOYEES

Recommendation (Sl. No.3.16 & 3.17)

1.13 In para 3.16 & 3.17 of the Third Report (Eleventh Lok Sabha) the Committee had desired that the time taken in disposing of the complaints should be mentioned in the complaint register. The Committee also desired that the action taken on the complaints/grievances should also be indicated in the register and checked and countersigned by the Liaison Officer of the Banking Division periodically.

1.14 In their reply the Ministry of Finance, Department of Economic Affairs (Banking Division) has stated that on receipt of a complaint it is duly diarised in the Complaint Register together with the relative data and text of the complaint or grievance. These are followed-up regularly and the action taken and progress made are summarised in the Complaint Register.

1.15 It has also been stated that the final action taken in respect of disposal of the grievances together with time taken therefor is recorded with the date in the last column of the Register. This Register is regularly checked by the Chief Liaison Officer at Head Office.

Comments of the Committee

1.16 The Committee desire that the complaint/grievances register should also be countersigned by the Liaison Officer of the Banking Division of the Ministry of Finance.

Organisational set-up in the Ministry of Finance to review credit facilities to SCs/STs

Recommendation (Sl. No.5.5)

1.17 In para 5.5 of the Third Report (Eleventh Lok Sabha) the Committee had recommended that one SC/ST officer should be made in-charge of this cell who can better take care of the interests of SCs/STs.

1.18 The Ministry of Finance, Department of Economic Affairs (Banking Division) in their Action taken notes have stated that a separate cell for monitoring the flow of credit to persons belonging to SCs/STs categories is in existence in the Banking Division (Department of Economic Affairs). The Cell is a part of Development Section in the Banking Division. The Section is headed by a Section Officer who is assisted by adequate supporting staff. At present the Section Officer belongs to Scheduled Tribe Community.

Comments of the Committee

1.19 The Ministry of Finance, Deptt. of Economic Affairs (Banking Division) should ensure that all the Officers-in-charge of the cell should always be SC/ST, who can better take care of the interests of SCs/STs.

PRIORITY SECTOR ADVANCES

Recommendation (Sl. No.5.13)

1.20 In para 5.13 the Committee in its Third Report (Eleventh Lok Sabha) had observed that the Allahabad Bank had not achieved the target of 10% of the total Bank credit to be given to weaker sections under Priority Sector. The Committee, therefore, had recommended that the Government should review the procedure for sanctioning loan and allout efforts should be made to improve the performance of the Bank in lending to SCs/STs under these schemes as they are related to self-employment ventures.

1.21 The Ministry of Finance, Deptt. of Economic Affairs (Banking Division) in their Action Taken notes have stated that the coverage of SC/ST beneficiaries under various schemes inter-alia depends on sponsoring of applications for such categories of beneficiaries. Therefore, to achieve the target, adequate number of applications under SC/ST category should be sponsored to the branches. The Bank has issued instructions to the branches/offices to mobilise/assist SC/ST beneficiaries for direct lending under Priority Sector within the service area Plan/Annual Action Plan.

Comments of the Committee

1.22 The Committee are not satisfied with the views advanced by the Government that the coverage of SC/ST beneficiaries under various schemes inter-alia depends on sponsoring of applications for such categories of beneficiaries. The Committee feel that the real achievement of the Bank would be to cover as many SCs and STs as

possible for the purpose of advancing loans. The Committee, therefore, reiterate their earlier recommendation that the Government should review the procedure for sanctioning loan to SC/ST beneficiaries and all out efforts should be made to improve, the performance of the Bank in lending to SCs and STs under these schemes as they are related to self-employment ventures.

Performance of Allahabad Bank in regard of various schemes being operated for providing credit facilities to SCs/STs

Recommendation (Sl. No. 5.28)

1.23 In para 5.28 the Committee in its Third Report (Eleventh Lok Sabha) had observed that the performance of various schemes implemented by the Allahabad Bank for the benefit and upliftment of SCs/STs and the share of SCs/STs under IRDP was 50% but the latest performance works out to be 34.19%. The performance under P.M.R.Y. was 10.63% while the target 22.5%. The Committee also observed that the total amount of disbursement of loans made by the Allahabad Bank under the total priority sector had come down from 1992 to 1994 and the targets laid down for SCs/STs under these schemes had not been achieved. The Committee had therefore, recommended the Allahabad Bank to improve upon its performance in lending to SCs/STs with all credit schemes and all out efforts should be made to achieve the targets under total priority sector loans.

1.24 In their reply Ministry of Finance, Deptt. of Economic Affairs (Banking Division) has stated that in order to bring about desired improvement in credit dispensation to SC/ST beneficiaries

under priority sector, the following action points are being implemented:-

- The Regional Managers have been advised to raise the issue in DCC meeting for sponsoring of more number of applications of SC/ST beneficiaries to the Bank Branches under different Government Sponsored schemes.
- The Branch Managers are to take up with Sponsoring Agencies at Block Level Bankers Committee meetings to ensure sponsoring of maximum of applications of SC/ST proponents.
- Arrangements are to be made for proper publicity in association with the Panchayats/Govt. Authorities for creating awareness among the people belonging to SC/ST communities
- No loan applications of SC/ST beneficiaries are to be rejected at Branch Level.
- Assistance of voluntary organisations/State SC/ST Corporations are to be taken for promotion of economic development programme for people belonging to SC/ST communities.

Comments of the Committee

1.25 The Committee appreciate the efforts being made by the Allahabad Bank to improve its performance in lending to SCs/STs. The Committee would like that Allahabad Bank should continue their efforts and try to achieve the targets under total priority sector loans. The Committee also desire that the Bank should be more sympathetic and liberal in granting loans to SC/ST beneficiaries to enable them to come above the poverty line.

Housing loans for SCs/STs

Recommendation (Sl. No.5.33)

1.26 In para 5.33 of the Third Report (Eleventh Lok Sabha) the Committee had observed that there was no separate target for SCs/STs under Direct Housing Scheme. The Committee regretted to note that the limit of Rs.5000/- for Housing Loan which was fixed several years back had not been increased inspite of substantial increase in prices. The Committee, therefore, had recommended that the limit of the amount of Rs.5000/- should be increased suitably to make it more attractive.

1.27 The Ministry of Finance, Department of Economic Affairs (Banking Division) in their Action Taken Reply have stated that Reserve Bank of India reported that Housing Loan of Rs.5000/- granted to eligible SC/ST borrowers under DRI scheme is to supplement the efforts of the State Governments in providing housing loan to these

categories of the society. Besides this DRI component, the SC/ST borrowers are eligible for housing loan from banks, housing agencies of the Government etc. There is no proposal at present to enhance the limit of Rs.5000/- granted to SCs/STs as housing loan under DRI Scheme.

Comments of the Committee

1.28 The Committee are not satisfied with the reply given by the Government. They will like to reiterate their earlier recommendations that the Housing Loan limit of the amount of Rs.5000/- should be increased suitably to make it more attractive.

EDUCATIONAL LOAN SCHEME

Recommendation (Sl. No.5.38)

1.29 In para 5.38 of the Third Report (Eleventh Lok Sabha) the Committee had recommended that wide and intensive publicity of the Educational Loan Scheme should be given by the bank to ensure that it reaches to the SC/ST masses and the performance of bank in this regard is increased. The Committee had also recommended that the bank should consider giving further concessions/relaxation in favour of students belonging to SCs and STs so as to make Educational Loan Scheme more popular to them.

1.30 The Ministry of Finance, Department of Economic Affairs in their Action Taken notes has stated that the Bank has already finalised an Educational Loan Scheme for the meritorious students in terms of guidelines issued by RBI. The outline of the scheme is

available with the branches. The scheme has undergone certain changes from time to time. It is now proposed to prepare comprehensive guidelines incorporating details of Educational Loan Scheme for circulation among the branches and our clients. Efforts also will be made to popularise Educational Loan Scheme through our Rural/Semi-Urban Branches.

Comments of the Committee

1.31 The Committee are not satisfied with the reply of the Government that they are silent about giving further concessions/relaxations in favour of students belonging to SCs and STs so as to make educational loan scheme more popular to them. The Committee, therefore, reiterate their earlier recommendation that wide and intensive publicity of the educational loan scheme through National/Regional news papers and also through AIR and Doordarshan should be given by the bank to ensure that it reaches the SC/ST masses and the performance of the bank in this regard is improved. The Committee also recommend that the bank should consider giving further concessions/relaxations to SC/ST students so as to make Educational Loan Scheme more popular amongst them.

ORIENTATION AND TRAINING PROGRAMME

Recommendation (Sl. No.6.19)

1.32 In para 6.19 of the Third Report (Eleventh Lok Sabha) the Committee appreciated the proposal of Allahabad Bank given to Reserve Bank of India regarding giving incentive to branch Managers for

working in rural and semi-urban areas, which, the Committee feel, would help in mobilising more officers to work in rural and semi-urban areas where they had greater scope to serve the weaker sections. The Committee had also desired that Allahabad Bank should keep up this tempo in future also.

1.33 The Ministry of Finance, department of Economic Affairs (Banking Division) in their Action Taken reply have stated that to cover the SC/ST beneficiaries of each village under credit plan, branches have been advised to organise meeting exclusively for SC/ST beneficiaries to understand that credit needs for incorporating in the credit plan. Such steps would ensure adequate coverage of SC/ST beneficiaries under Priority Sector.

Comments of the Committee

1.34 The Committee opine that the bank should ensure that the meeting exclusively of SC/ST beneficiaries to understand their credit needs should be held time to time for adequate coverage under Priority sector.


Kariya Munda

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

NEW DELHI;
December, 1998
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