

**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(2022-2023)**

**(SEVENTEENTH LOK SABHA)**

**EIGHTEENTH REPORT**

**ON**

**MINISTRY OF FINANCE  
(DEPARTMENT OF FINANCIAL SERVICES)**

**Action taken by the Government on the recommendations contained in the Eighth Report (Seventeenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the subject "Reservation of Scheduled Castes/Scheduled Tribes in Public Sector Banks/Financial Institutions/Reserve Bank of India and credit facilities and other benefits being provided by such Institutions/Banks to the Scheduled Castes/Scheduled Tribes with special reference to State Bank of India".**

Presented to Lok Sabha on **19.12.2022**

Laid in Rajya Sabha on **19.12.2022**



LOK SABHA SECRETARIAT  
NEW DELHI

**December, 2022/ Agrahayana, 1944 (Saka)**

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**COMPOSITION OF  
THE COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND SCHEDULED TRIBES  
(2022-23)**

**Dr. (Prof.) Kirit Premjibhai Solanki - Chairperson**

**MEMBERS - LOK SABHA**

2. Shri Girish Chandra
3. Shri Santokh Singh Chaudhary
4. Shri Guman Singh Damor
5. Shri Anil Firojiya
6. Shri Tapir Gao
7. Shri Rattan Lal Kataria
8. Smt. Goddeti Madhavi
9. Smt. Pratima Mondal
10. Shri Ashok Mahadeorao Nete
11. Shri Vincent H. Pala
12. Shri ChhediPaswan
13. Shri Prince Raj
14. Shri A. Raja
15. Shri Upendra Singh Rawat
16. Smt. Sandhya Ray
17. Shri Jagannath Sarkar
18. Shri Ajay Tamta
19. Shri Rebatl Tripura
20. Shri Krupal BalajiTumane

**MEMBERS - RAJYA SABHA**

21. Shri Abir RanjanBiswas
22. Shri Neeraj Dangi
23. Smt. Kanta Kardam
24. Shri Samir Oraon
25. Shri Anthiyur P. Selvarasu
26. Shri Ram Shakal
27. Dr. V. Sivadasan
28. Dr. Sumer Singh Solanki
29. Shri Kamakhya Prasad Tasa
30. Shri Nabam Rebia

**SECRETARIAT**

- |    |                    |   |                  |
|----|--------------------|---|------------------|
| 1. | Shri D. R. Shekhar | - | Joint Secretary  |
| 2. | Shri P. C. Choulda | - | Director         |
| 3. | Shri V.K. Shailon  | - | Deputy Secretary |

## **INTRODUCTION**

I, the Chairperson, 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 Eighteenth Report (Seventeenth Lok Sabha) on action taken by the Government on the recommendations contained in their Eighth Report (Seventeenth Lok Sabha) on "Reservation of Scheduled Castes/Scheduled Tribes in Public Sector Banks/Financial Institutions/Reserve Bank of India and credit facilities and other benefits being provided by such Institutions/Banks to the Scheduled Castes/Scheduled Tribes with special reference to State Bank of India" pertaining to the Ministry of Finance (Department of Financial Services).

2. The draft Report was considered and adopted by the Committee on 15.12.2022 (Appendix I).

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 replies of the Government.
- IV Recommendations /Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.
- 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 Eighth Report (Seventeenth Lok Sabha) of the Committee is given in Appendix II.

New Delhi  
December, 2022  
Agrahayana, 1944 (Saka)

**DR. KIRIT P. SOLANKI**  
Chairperson,  
Committee on the Welfare  
of Scheduled Castes and  
Scheduled Tribes.

## CHAPTER I

### Report

1.1 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 of the Committee contained in their Eighth Report (Seventeenth Lok Sabha) on the subject "Reservation of Scheduled Castes/Scheduled Tribes in Public Sector Banks/Financial Institutions/Reserve Bank of India and credit facilities and other benefits being provided by such Institutions/Banks to the Scheduled Castes/Scheduled Tribes with special reference to State Bank of India" pertaining to the Ministry of Finance (Department of Financial Services).

1.2 The Eighth Report was presented to Lok Sabha on 13 December, 2021. It contained 10 recommendations/observations. Replies of the Government in respect of all these recommendations/observations have been examined and may be categorized as under:-

- (i) Recommendations/observations which have been accepted by the Government (SI Nos. 1, 4, 7, 8, 9 & 10)
- (ii) Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from the Government (Nil)
- (iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration (SI. Nos. 2, 3, 5 & 6)
- (iv) Recommendations/observations in respect of which final replies have not been received (Nil)

1.3 The Committee will now deal with the Action Taken by the Government on some of the recommendations which need reiteration or comments:-

#### **Recommendation (SI.No.2)**

1.4 The Committee note from the reply that the Bank has categorically stated that reservation for SC and ST is provided up to lowest rank of Group A. i.e. upto Junior Management Grade Scale-I. Though the number of SC/ST employees in managerial levels

is steadily rising in SBI but still the percentage of SC/ST in higher group A levels as compared to the total number of employees is far below the requisite mark. The Committee unanimously agree with the view that legitimate right of reservation must be given to the deserving employees without any discriminatory practices. In certain cases, the representation received by the Committee, the Committee observe that even meritorious and clean recorded senior level officer were not promoted at higher position by charging them for small petty cases just before promotion or at the time of Promotion. The Committee therefore strongly recommends that SBI should modify the promotion criterion in its organization and allow senior SC/ST officer on merit to go to the higher position of CGM, DMD etc. so that they may not feel alienated/discriminated at the fag end of retirement. The Committee, therefore, strongly recommend that all such SCs and STs matter whose promotion were held up due to small pending inquiry initiated just before promotion may be reviewed and give them their legitimate promotion as per their due. In this regard. reservation to SC/ST employees may be given at least upto level of DGM. In this way the deserving SC/ST employees will get promotion at the right time.

### **Reply of the Government**

1.5 Promotion policies in the Bank, involving reservation / concession, are based on GOI / IBA guidelines. Bank prepares model policies for employees upto certain grade for implementation across Circles without discrimination. In the process, the Bank always protects and takes care of constitutional provisions in respect of reservation in recruitment / promotion and other welfare activities.

In terms of Compendium on Reservation for and Employment of Scheduled Castes and Scheduled Tribes issued by DFS vide OM No. 19/4/2014-Welfare dated 23<sup>rd</sup>December, 2014 and as per the guidelines of IBA also, reservation in promotion is applied uniformly upto Junior Management Grade Scale – I in which the element of direct recruitment, if any, does not exceed 75%. Further, as per the same Compendium, there is no reservation for SC and ST Officers in promotion within the officers' cadre where the promotion is by selection (All promotions in the Bank are made by selection). However, the Bank had made concessions upto Middle Management Grade III as per the DFS and IBA guidelines.

As regards, the recommendation of Hon'ble committee regarding promotions held up due to small pending inquiry, the Bank submits as under.

- i) The disciplinary actions are not treated as 'Contemplated' or 'Pending' till the Disciplinary Authority takes a view to initiate disciplinary action and promotion of such officer is taken forward as per normal process.
- ii) Even if the officer against whom the disciplinary action is 'Contemplated' or 'Pending', he is allowed to participate in the promotion process but his result is withheld till disciplinary action is completed.
- iii) As per Vigilance Manual, all disciplinary cases are required to be concluded in a strict time bound manner and every effort is made to ensure adherence to time norms apart from providing a robust platform to the charge sheeted employee for a fair hearing.

### **Comments of the Committee**

**1.6 The Committee are not satisfied with the action taken reply submitted by the Ministry as even now meritorious SC/ST Officers at the Chief Manager (CM), Assistant General Manager (AGM) and General Manager (GM) level are being deprived from promotion by leveling of fictitious charges against them at the time of due promotion inspite of the fact that their previous record have been excellent and they deserve promotion on merit without reservations at senior level. The Committee may be given details of the officers charge sheeted and after enquiry exonerated and promoted during the last 10 years.**

### **Recommendation (Sl. No. 3)**

1.7 The Committee express its displeasure over the fact that at present there is no SC/ST Director in the Board of Director of SBI. The Committee desperately feel that SC and ST representation in the Board of Directors must be provided in order to adequately safeguard the interests of SC/ST employees in SBI. The Committee, therefore, recommend that the matter may be taken up at higher level to frame proper guidelines for due representation of SC/ST eligible members on the Board of Directors. For the purpose, the Committee also recommend for concession/relaxation, if any required for the purpose

### **Reply of the Government**

1.8 The Directors on the Board of SBI are appointed by the Govt. of India in terms of provisions given in Section 19 of SBI Act, 1955. In terms of the SBI Act, 1955 as well as the State Bank of India (Appointment of Employee Directors) Rules, 1974, the Bank has to provide a panel of employees (as nominated by the representative Unions) to Central

Government for consideration. Accordingly, Bank has to provide 3 names from Officers and 3 from Workmen employees to the Government. In the lists of names submitted by the All-India State Bank Officers' Federation & All India State Bank of India Staff Federation, which are the 2 representative Unions in SBI, no member of SC/ST category figures. The list of names received from Unions is submitted to the Government of India. Apart from this, there is no provision in SBI Act to recommend names recommended by any other Union/ Association.

### **Comments of the Committee**

**1.9 The Committee note from the reply of the Ministry that the Directors on the Board of SBI are appointed by the Govt. of India and the State Bank of India (Appointment of Employee Directors) Rules, 1974. The Bank has to provide a panel of employees (as nominated by the representative Unions) to Central Government for consideration. Accordingly, Bank has to provide 3 names from Officers and 3 from Workmen employees to the Government. It is a matter of serious concern that in the lists of names submitted by the All-India State Bank Officers' Federation & All India State Bank of India Staff Federation, including 2 representative Unions in SBI, there is no proposal for member of SC/ST category in the Board. The Committee would like to be apprised names of how many eligible SCs and STs were considered by the Government of India and State Bank of India for nomination in the Board of Director and reasons for rejection. The Committee also desire to be apprised of the criteria being used by the said organizations for nomination of the members. The Committee also urge the Ministry/Bank to issue necessary instruction/guidelines for nomination in the Board of Director and also constitute a panel which can oversee and ensure that proper representation of SC/ST therein. The Committee would also like the Ministry of Finance to take up this matter on highest level to ensure SCs and STs representation in the Board of Directors of all banks including State Bank of India.**

### **Recommendation (Sl. No. 4)**

1.10 The Committee are dismayed to note that State Bank of India, being the biggest nationalized Bank in India has no separate schemes for SCs / STs for one third of the country's population. The Annexures provided by the Bank indicates percentage of share o SCs / STs in various schemes under Ministry of Micro, Small and Medium Enterprises



(MSMEs) is a very dismal. The share of SCs / STs is ranges from 2% to 5% and so on of the overall disbursement of loans under various schemes. The Committee are of the firm opinion that SBI being a nodal Bank among the Public Sector Banks must create a model for other banks by disbursing maximum funds for the socio-economic development of SCs and STs as their percentage of recovery / repaying rate is also a higher side. It is really a sorry state of affairs whereby the most vulnerable sections of the society get the smallest share of development as compared to their population and requirements. The Committee, therefore, strongly recommend that SBI should significantly improve the performance in lending to SCs and STs under all such public sector schemes so that large volumes of vulnerable part of the society can be empowered financially and can contribute for GDP in India.

### **Reply of the Government**

1.11 State Bank of India has a separate and exclusive product i.e., Stand-up India, to meet all kinds of credit requirement (Working Capital and Term Loan) for setting up Greenfield projects under manufacturing, services or the trading sector which are specifically designed to cater the credit needs of SC / ST and Women entrepreneurs. Under this product, a beneficiary may avail financial assistance up to Rs1.00 Cr, without any stipulation of collateral security.

The Bank has sanctioned credit facilities to 1.58 lakh SC/ST MSME beneficiaries aggregating to Rs4,982 Cr as on 31.01.2022, wherein current aggregate loan outstanding is Rs3,649 Cr.

Besides the Bank has tie-up with Dalit Indian Chamber of Commerce and Industry (DICCI) for extending credit facilities to SCs and STs under Stand-Up India (SUI) scheme since 2019, which is active as on date. Bank is committed to provide financial assistance to SCs/STs for feasible and viable business proposals for their socio-economic development.

### **Comments of the Committee**

**1.12 The Committee would like to know the outcome of Bank's exercise and efforts made as compared to last preceding year.**

### **Recommendation (Sl.No.5)**

1.13 During deliberations with SBI, the Committee was informed that the main reason for less credit flow/ loans to SC/ST beneficiaries was because of non-receipt of adequate loan applications from SC/ST beneficiaries. In **Annexure V** provided by the Bank during the FY 2018-19 the percentage of SC availing education loans was only 1.6% of the total education loan disbursed for the year. In case of ST the percentage was 0.27. During the year 2019-20 the percentage for SC was 1.75% while its 0.53% for ST. Similarly, in **Annexure VI** showing share of Scheduled Castes and Scheduled Tribes out of priority Sector advances under different sectors like housing, MSMEs the figures indicate a very pathetic picture of SCs and STs. The loans sanctioned to SCs and STs for self-employment, education, housing, agriculture credit, etc. are very less compared to their population. It is a known fact that SCs and STs are still the most poverty-stricken strata of population in our country. In order to encourage SC/ST borrowers to take advantage of credit facilities there is need to create greater awareness among them about various schemes formulates by the banks will have to be created. As a majority of SCs and STs borrowers are still poor, illiterate and unaware of Banks credit schemes, publicity through brochures and other literature would be of limited utility. In addition to create public awareness, the more desirable method would be for the field staff of bank to contact such borrowers and explain to them about the salient features of the schemes and also the advantages that will accrue. State Bank should advise their Branches to organize meetings more frequently more exclusively for SC/ST beneficiaries to understand their credit needs and to incorporate the same in the credit plan. The Committee, therefore, recommend that State Bank of India should take some concrete steps to overturn this pathetic picture and must extent at least 15% for SCs and 7.5% for STs out of its total lending disbursement of funds. The Committee also have firm view that SBI should sponsors at least 100 overseas scholarship for school and higher education including for research work for SC/ST meritorious students in the name of Dr. B.R. Ambedkar scholarship scheme. The Committee may be apprised about steps taken/to be taken by the Bank in this regard.

### **Reply of the Government**

1.14 Data pertaining to lending to SC/STs by the bank under Priority Sector Lending as on 31.03.2021 and 30.09.2021 (in Rs Cr) is attached herewith (Annexure I).

The data in respect of Education Loans sanctioned to the applicants belonging to SC/ST categories is based on disclosure of information by the Customers. Declaration of category is not mandatory in the applications. The Education Loan Scheme is based on IBA's Model Education Loan Scheme and is non-discretionary & non-discriminatory in nature. It is meticulously followed by the Bank.

Further, it is submitted that the lending to SC / ST may not exactly represent the full picture, as the proportion of lending to entities (e.g., partnerships, Pvt. / Public limited companies) in MSME and Corporate credit is very high, and there is no method to identify such entities with either SC /ST or general category.

It is also submitted that the Bank organizes camps from time to time to create awareness amongst the public about the Government schemes formulated for providing easy credit facilities and to encourage entrepreneurship. For implementing the recommendation of Honorable Committee, the Bank will strive to hold more such camps so that the students and borrowers belonging to SC/ST categories become aware of these schemes and are able to avail maximum advantage for their education, employment and developing entrepreneurship.

#### **Comments of the Committee**

**1.15 The Committee take a serious note of the fact that recommendations of the Committee for providing credit flow at least 15% for SCs and 7.5% for STs out of the total disbursement of funds has neither been implemented nor replied by the Ministry. The Committee further note with dismay that another very important recommendation to sponsor at least 100 overseas scholarships for schools and higher education including the research work for SC/ST meritorious students in the name of Dr. B.R. Ambedkar Scholarship Scheme has not been implemented by the Ministry in co-ordination with the State Bank of India.**

**The Committee, therefore, reiterate that sincere efforts be made by the Ministry of Finance to issue necessary instructions/guidelines to all the Banks including SBI to provide adequate finance and also sponsor meritorious SC/ST students to comply with the recommendations of the Committee. The Committee are of the view that the**

**proposed recommendations can also be implemented by the Bank through disbursement of funds under the welfare scheme meant for upliftment of the weaker sections of the society.**

#### **Recommendation (SI.No.6)**

1.16 The committee feel that it is the sole discretion of the Bank to charge different rate of interest from weaker sections of the society especially both socially and economically weaker section. The Scheduled castes and scheduled tribes are both socially, economically and educationally backward. The committee observes the State Bank of India being the largest nationalized bank of the country has the maximum accessibility among the people who live in remote and backward area. The Committee therefore recommend that SBI should formulate credit schemes especially for SC and ST and charge less rate of interest from these beneficiaries so that their economic condition can be improved. The largest bank in the country can undertake these schemes as part of its corporate social responsibility so that a more equitable society comes into being.

#### **Reply of the Government**

1.17 The bank is implementing various flagship programmes of Government of India and State Governments meant for the welfare of the lower strata in the community like Mudra Yojana, Stand Up India (Exclusively for SC / ST and Women entrepreneur), PMEGP, NULM and NRLM. These schemes have wide scope and practically any sort of business activity may be financed under these schemes.

Under these schemes, various incentives like Interest subvention, margin money assistance and subsidy are provided by respective Government departments and Welfare Corporations, bringing down the cost of funds substantially.

The rate of interest in all Government Sponsored schemes are very low in comparison to other business loans. Interest subvention and subsidy given by the Government further reduces the cost for the beneficiary. The bank extends collateral free loans in case of low-ticket loans/loans to weaker section of society. The guarantee fee is borne by the bank.

Actual cost of loan to the beneficiaries is placed as under:-

SCHEME	EFFECTIVE ROI	INTEREST SUBVENTION	SUBSIDY AVAILABLE	NET INTEREST COST
PMSVAnidhi	9.90%	7.00%	-	2.90%
E Mudra	9.50%	-	-	9.50%
PMMY (Shishu)	9.90%	2.00 % Extended during COVID period from September 2020 to August 2021.		7.90 % (During COVID period)  9.90%
DRI	4%	-	-	4%
DAY- NULM	9.90%	3.00%	-	6.90%
PMEGP	9.90%	-	15-35%	6.435% to 8.14%

#### Comments of the Committee

1.18 The Committee is pleased to note that the bank is implementing various flagship programmes of Government of India and State Governments meant for the welfare of the weaker sections of the society viz. Mudra Yojana, Stand Up India (Exclusively for SC / ST and Women entrepreneur), PMEGP, NULM and NRLM. Under these schemes, various incentives like Interest subvention, margin money assistance and subsidy are provided by respective Government Departments and Welfare Corporations, bringing down the cost of funds substantially. The rate of interest in all Government Sponsored schemes are very low in comparison to other business loans. The bank extends collateral free loans in case of low-ticket loans/loans to weaker section of society. The guarantee fee is also borne by the bank. The Committee note that though the bank has highlighted actual cost of loan to the beneficiaries of various Government Schemes, the Bank is silent on the actual cost of loan to the beneficiaries of Stand Up India and Government Schemes, which are exclusively for SCs/STs and Women entrepreneur. The Committee is also surprised to note that the Bank has not responded on the recommendation of the Committee that the bank should formulate credit schemes especially for SC and ST with less rate

of interest. The Committee desire to be apprised as to whether the bank is running any such specific credit scheme for SCs/STs as part of its Corporate Social Responsibility Programme? The Committee, therefore, reiterate its recommendation that the Bank should formulate special credit schemes especially for SCs/STs with less interest rates. The Committee would like to be apprised the program made by the Bank in this regard.

## CHAPTER II

### Recommendations/Observations which have been accepted by the Government

#### Recommendation (Sl.No.1)

2.1 The Committee observe that State Bank of India is the oldest commercial bank in the Indian Sub-Continent and out of total strength of employees of 243330, the percentage of SC is 18.27 and ST is 7.98. The Committee are happy to note that percentage of SC/ST employees in the bank is in conformity with DoPT guidelines for reservation. The Committee while analyzing the recruitment details given by SBI appreciates the fact that since year 2016-17 till 2020 the Bank has been able to fill all backlog vacancies which had been carried forward through the years, however at the same time the Committee are concerned to note that there are still 44 SC and 37 ST vacancies in different grades which remain to be filled. The Committee, therefore, recommend that these vacancies too should be filled at the earliest by the Bank since the clerical/PO grades act as feeder grades for promotion to the top managerial posts. The Committee may be apprised about the outcome of the same in this regard.

#### Reply of the Government

2.2 Backlog vacancies are kept as distinct & separate group, and meticulously filled up as a distinct & separate group and never mixed up with the current vacancies of that particular recruitment year. The backlog vacancies mentioned in the observations of the Hon'ble Committee have been filled in the subsequent recruitment year 2020-21.

Further, special drives are being conducted if there is any shortfall in SC / ST / OBC category in different cadres and the last such Special Recruitment Drive for Clerical cadre was conducted in 2019 wherein shortfall of SC / ST / OBC category was filled up.

#### Recommendation (Sl. No. 4)

2.3 The committee are dismayed to note that State Bank of India, being the biggest nationalized Bank in India has no separate schemes for SCs / STs for one third of the country's population. The Annexures provided by the Bank indicates percentage of share o

SCs / STs in various schemes under Ministry of Micro, Small and Medium Enterprises (MSMEs) is a very dismal. The share of SCs / STs is ranges from 2% to 5% and so on of the overall disbursal of loans under various schemes. The Committee are of the firm opinion that SBI being a nodal Bank among the Public Sector Banks must create a model for other banks by disbursing maximum funds for the socio-economic development of SCs and STs as their percentage of recovery / repaying rate is also a higher side. It is really a sorry state of affairs whereby the most vulnerable sections of the society get the smallest share of development as compared to their population and requirements. The Committee, therefore, strongly recommend that SBI should significantly improve the performance in lending to SCs and STs under all such public sector schemes so that large volumes of vulnerable part of the society can be empowered financially and can contribute for GDP in India.

### **Reply of the Government**

2.4 State Bank of India has a separate and exclusive product i.e., Stand-up India, to meet all kinds of credit requirement (Working Capital and Term Loan) for setting up Greenfield projects under manufacturing, services or the trading sector which are specifically designed to cater the credit needs of SC / ST and Women entrepreneurs. Under this product, a beneficiary may avail financial assistance up to Rs1.00 Cr, without any stipulation of collateral security.

The Bank has sanctioned credit facilities to 1.58 lakh SC/ST MSME beneficiaries aggregating to Rs4,982 Cr as on 31.01.2022, wherein current aggregate loan outstanding is Rs3,649 Cr.

Besides the Bank has tie-up with Dalit Indian Chamber of Commerce and Industry (DICCI) for extending credit facilities to SCs and STs under Stand-Up India (SUI) scheme since 2019, which is active as on date. Bank is committed to provide financial assistance to SCs/STs for feasible and viable business proposals for their socio-economic development.

**2.5 Please see Para No. 1.12 of Chapter I.**



### **Recommendation (Sl. No. 7)**

2.6 The Committee observe that a very high percentage of loan applications of Scheduled castes and Scheduled Tribes are rejected. The main reason being non availability of relevant documents, high illiteracy, hesitancy on part of rural folk to approach the bank. The committee, therefore, recommend that rural folk need to be apprised of various credit facilities given by the Bank and as far as possible their applications should not be rejected on small and flimsy grounds. The processing time should be minimized, and stress should not be laid in too many documents and paperwork. The Committee recommend that poverty-stricken SC/ST rural folk need the much-needed financial impetus by the Bank for growth and development and hence their loan applications should as far as possible be approved by calling the applicant and rectifying the deformities in the documents on the spot. A proper guideline to this effect may be formulated.

### **Reply of the Government**

2.7 The loan applications are processed by the Bank impartially, based on meeting eligibility criteria. All opportunities are provided to the prospective borrowers by disseminating the updated information / documents. Requisite assistance is provided by bank employees / officials to the loan applicants.

Operating guidelines are in force to ensure that applications are not rejected on flimsy grounds. For rejecting applications Bank has a laid down structure to ensure fairness.

The Bank has entered into MOU with Dalit Indian Chamber of Commerce and Industries (DICCI) for sourcing quality proposals and hand holding the applicants for obtaining bank finance to ensure that the process of obtention of documents is hassle free.

### **Recommendation (Sl. No. 8)**

2.8 It may be seen that large number of cases filed by the SC and ST employees are pending in Court of Law. The Committee, therefore, recommend that SBI should try to settle the cases out of Court by amicable settlement and also take liberal view towards SC/ST for small petty civil and administrative nature of cases. The Committee note that in spite of the fact that the Bank has established SC/ST Cells under HR Department at Corporate Centre and all Local Head Offices of the Bank however, a large number of cases are still pending in

Court of Law and with the HR departments of SBI. The Committee, therefore, recommend that SBI management should ensure that SC/ST cells are properly manned with sufficient staff and with due infrastructure. The Committee, therefore, recommend that management of SBI should hold quarterly meetings with SC/ST employee's association of the Bank to understand their grievances. It is mandatory on the part of the SC/ST liaison Officers to check rosters regularly and take up the grievances of SC/ST employees with the Management on a priority.

### **Reply of the Government**

2.9 Every effort is being made by the Bank to settle HR related issues/cases out of Court to the best possible extent, through amicable settlement wherein petty civil and administrative issues are involved. The cases include those filed by SC/ST employees. The Bank will continue to make efforts as per the recommendation of the Hon'ble Committee. On the recommendation of Hon'ble Committee regarding Liaison Mechanism and Grievance Redressal, it is submitted that:

- i) The Bank has strengthened the Reservation Cells at Corporate Centre and all 17 Circles for the proper implementation of Reservation Policy.
- ii) The Liaison Officers at all 17 Circles have been replaced who are due for transfer, promotion or retirement within the next one year, with suitable officers who can continue for a stretch of at least 3 years.
- iii) To improve the knowledge and skills of Liaison Officers, Bank has conducted Workshops specially designed for preparation and maintenance of error free rosters and meaningful redressal of grievances of SC/ST employees.
- iv) The rosters are being checked by Liaison Officers, invariably.
- v) The separate Grievance Redressal Committees for SCs and STs have been established at Corporate Centre for analysis of the root causes of the complaints and to redress the grievances at Central level.

### **Recommendation (Sl. No. 9)**

2.10 From the Annexure III of the reply of the Bank, it may be seen that 163 cases have been filed by the SCs and STs employees against the Bank in different service/promotion related matters which shows that SCs and STs are not satisfied with the existing mechanism set up for redressal of grievances of SCs and STs. Moreover 253 complaints filed by SCs and STs in regard to harassment, transfer, promotion policy etc which shows

unsatisfactory state of affairs/working of SBI. There are certain cases of false caste certificate being verified after retirement of the employees in SBI. While maintaining that the Committee hold a zero-tolerance attitude for false caste certificates unless and until there is prima facie clear evidence creating in verification of caste certificate. The Committee feel that no employees in the Bank should be penalized for false complaints after working all their life for the Bank. Verification of caste certificates should be done at the time of joining of service within two years and not at the fag end of their career or at the time of retirement. The Committee recommend that all such pension related cases should be expeditiously resolved while releasing provisional pension to all of them. The Bank should follow up with State Level Scrutiny Committees to take up these cases on priority and fix a time frame to resolve them.

### **Reply of the Government**

2.11 As on 31.12.2021, altogether 3,465 HR Court cases were pending in various Courts, out of which only 163 cases (i.e., less than 5%) relate to SC/ST employees. Bank has in place a Board approved policy for all service matters viz promotion, transfer, etc., and the laid down policy is being followed meticulously at all levels. No discrimination is made on the basis of caste, and all the employees are treated equally. Bank has also instituted a strong grievance redressal mechanism which takes due care that instances of reported harassment are dealt expeditiously and effectively. Bank has also issued suitable directions for meticulous verification of caste certificates at the time of recruitment and to complete the process within two years of joining. It is ensured that retiral benefits are not withheld in cases of complaints related to submission of fake caste certificate which are received towards the end of the service. The Bank is committed to continue its best efforts as per the recommendation of the Hon'ble Committee.

### **Recommendation (Sl. No. 10)**

2.12 The committee appreciates the SBI Gram Seva program which is one of the flagship CSR programs of the SBI Foundation. It is an integrated rural development program undertaken through adoption of villages. It was launched in 2017 and has partnered with 6 grassroots NGOs for implementation. The committee recommend that SBI should chalked out it clear policy to adopt villages with majority SC or ST population for formulation and

implementation of socio-economic and educational welfare oriented program meant for them. The committee observe that most SC/ST dominated villages are in very remote and backward areas, lacking basic water, sanitation, housing, and other facilities. SBI under its corporate social responsibility schemes can play a pivotal role in changing the face of these villages and uplift them from backwardness to development.

### **Reply of the Government**

2.13 SBI Gram Seva program has been designed for covering under-served villages and for holistic upliftment of the marginalised sections. SBI has also revised the policy guidelines for the adoption of villages under SBI Gram Seva program with a special focus to cover remote, backward, and underdeveloped villages from Aspirational Districts as notified by NITI Aayog.

The villages under Gram Seva program are from remote, backward areas and predominantly inhabited by SC/ST population. Keeping in view of the needs of these marginalised sections, various initiatives like skill training & livelihood generation, promoting quality education, women empowerment, providing healthcare and sanitation facilities have been undertaken. The program envisions to uplift these villages from social backwardness and moving a step closer towards realizing Mahatma Gandhiji's dream of Gram Swaraj and thereby making these villages self-reliant.

**CHAPTER-III**

**Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from the Government**

**- NIL -**

## **CHAPTER IV**

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

#### **Recommendation (SI.No.2)**

4.1 The Committee note from the reply that the Bank has categorically stated that reservation for SC and ST is provided up to lowest rank of Group A. i.e. upto Junior Management Grade Scale-I. Though the number of SC/ST employees in managerial levels is steadily rising in SBI but still the percentage of SC/ST in higher group A levels as compared to the total number of employees is far below the requisite mark. The Committee unanimously agree with the view that legitimate right of reservation must be given to the deserving employees without any discriminatory practices. In certain cases, the representation received by the Committee, the Committee observe that even meritorious and clean recorded senior level officer were not promoted at higher position by charging them for small petty cases just before promotion or at the time of Promotion. The Committee therefore strongly recommends that SBI should modify the promotion criterion in its organization and allow senior SC/ST officer on merit to go to the higher position of CGM, DMD etc. so that they may not feel alienated/discriminated at the fag end of retirement. The Committee, therefore, strongly recommend that all such SCs and STs matter whose promotion were held up due to small pending inquiry initiated just before promotion may be reviewed and give them their legitimate promotion as per their due. In this regard. reservation to SC/ST employees may be given at least upto level of DGM. In this way the deserving SC/ST employees will get promotion at the right time.

#### **Reply of the Government**

4.2 Promotion policies in the Bank, involving reservation / concession, are based on GOI / IBA guidelines. Bank prepares model policies for employees upto certain grade for implementation across Circles without discrimination. In the process, the Bank always protects and takes care of constitutional provisions in respect of reservation in recruitment / promotion and other welfare activities.

In terms of Compendium on Reservation for and Employment of Scheduled Castes and Scheduled Tribes issued by DFS vide OM No. 19/4/2014-Welfare dated 23<sup>rd</sup>December, 2014 and as per the guidelines of IBA also, reservation in promotion is applied uniformly upto Junior Management Grade Scale – I in which the element of direct recruitment, if any, does not exceed 75%. Further, as per the same Compendium, there is no reservation for SC and ST Officers in promotion within the officers' cadre where the promotion is by selection (All promotions in the Bank are made by selection). However, the Bank had made concessions upto Middle Management Grade III as per the DFS and IBA guidelines.

As regards, the recommendation of Hon'ble committee regarding promotions held up due to small pending inquiry, the Bank submits as under.

- iv) The disciplinary actions are not treated as 'Contemplated' or 'Pending' till the Disciplinary Authority takes a view to initiate disciplinary action and promotion of such officer is taken forward as per normal process.
- v) Even if the officer against whom the disciplinary action is 'Contemplated' or 'Pending', he is allowed to participate in the promotion process but his result is withheld till disciplinary action is completed.
- vi) As per Vigilance Manual, all disciplinary cases are required to be concluded in a strict time bound manner and every effort is made to ensure adherence to time norms apart from providing a robust platform to the charge sheeted employee for a fair hearing.

### **Comments of the Committee**

#### **4.3 Please see Para No. 1.6 of Chapter I.**

#### **Recommendation (Sl. No. 3)**

4.4 The Committee express its displeasure over the fact that at present there is no SC/ST Director in the Board of Director of SBI. The Committee desperately feel that SC and ST representation in the Board of Directors must be provided in order to adequately safeguard the interests of SC/ST employees in SBI. The Committee, therefore, recommend that the matter may be taken up at higher level to frame proper guidelines for due representation of SC/ST eligible members on the Board of Directors. For the purpose, the Committee also recommend for concession/relaxation, if any required for the purpose

### **Reply of the Government**

4.5 The Directors on the Board of SBI are appointed by the Govt. of India in terms of provisions given in Section 19 of SBI Act, 1955. In terms of the SBI Act, 1955 as well as the State Bank of India (Appointment of Employee Directors) Rules, 1974, the Bank has to provide a panel of employees (as nominated by the representative Unions) to Central Government for consideration. Accordingly, Bank has to provide 3 names from Officers and 3 from Workmen employees to the Government. In the lists of names submitted by the All-India State Bank Officers' Federation & All India State Bank of India Staff Federation, which are the 2 representative Unions in SBI, no member of SC/ST category figures. The list of names received from Unions is submitted to the Government of India. Apart from this, there is no provision in SBI Act to recommend names recommended by any other Union/ Association.

### **Comments of the Committee**

**4.6 Please see Par No. 1.9 of Chapter I.**

### **Recommendation (Sl. No. 4)**

4.7 The Committee are dismayed to note that State Bank of India, being the biggest nationalized Bank in India has no separate schemes for SCs / STs for one third of the country's population. The Annexures provided by the Bank indicates percentage of share of SCs / STs in various schemes under Ministry of Micro, Small and Medium Enterprises (MSMEs) is a very dismal. The share of SCs / STs is ranges from 2% to 5% and so on of the overall disbursement of loans under various schemes. The Committee are of the firm opinion that SBI being a nodal Bank among the Public Sector Banks must create a model for other banks by disbursing maximum funds for the socio-economic development of SCs and STs as their percentage of recovery / repaying rate is also a higher side. It is really a sorry state of affairs whereby the most vulnerable sections of the society get the smallest share of development as compared to their population and requirements. The Committee, therefore, strongly recommend that SBI should significantly improve the performance in lending to SCs and STs under all such public sector schemes so that large volumes of vulnerable part of the society can be empowered financially and can contribute for GDP in India.



### **Reply of the Government**

4.8 State Bank of India has a separate and exclusive product i.e., Stand-up India, to meet all kinds of credit requirement (Working Capital and Term Loan) for setting up Greenfield projects under manufacturing, services or the trading sector which are specifically designed to cater the credit needs of SC / ST and Women entrepreneurs. Under this product, a beneficiary may avail financial assistance up to Rs1.00 Cr, without any stipulation of collateral security.

The Bank has sanctioned credit facilities to 1.58 lakh SC/ST MSME beneficiaries aggregating to Rs4,982 Cr as on 31.01.2022, wherein current aggregate loan outstanding is Rs3,649 Cr.

Besides the Bank has tie-up with Dalit Indian Chamber of Commerce and Industry (DICCI) for extending credit facilities to SCs and STs under Stand-Up India (SUI) scheme since 2019, which is active as on date. Bank is committed to provide financial assistance to SCs/STs for feasible and viable business proposals for their socio-economic development.

### **Comments of the Committee**

**4.9 Please see Para No. 1.12 of Chapter I.**

### **Recommendation (SI.No.5)**

4.10 During deliberations with SBI, the Committee was informed that the main reason for less credit flow/ loans to SC/ST beneficiaries was because of non-receipt of adequate loan applications from SC/ST beneficiaries. In **Annexure V** provided by the Bank during the FY 2018-19 the percentage of SC availing education loans was only 1.6% of the total education loan disbursed for the year. In case of ST the percentage was 0.27. During the year 2019-20 the percentage for SC was 1.75% while its 0.53% for ST. Similarly, in **Annexure VI** showing share of Scheduled Castes and Scheduled Tribes out of priority Sector advances under different sectors like housing, MSMEs the figures indicate a very pathetic picture of SCs and STs. The loans sanctioned to SCs and STs for self-employment, education, housing, agriculture credit, etc. are very less compared to their population. It is a known fact that SCs and STs are still the most poverty-stricken strata of population in our country. In order to encourage SC/ST borrowers to take advantage of credit facilities there is need to

create greater awareness among them about various schemes formulated by the banks will have to be created. As a majority of SCs and STs borrowers are still poor, illiterate and unaware of Banks credit schemes, publicity through brochures and other literature would be of limited utility. In addition to create public awareness, the more desirable method would be for the field staff of bank to contact such borrowers and explain to them about the salient features of the schemes and also the advantages that will accrue. State Bank should advise their Branches to organize meetings more frequently more exclusively for SC/ST beneficiaries to understand their credit needs and to incorporate the same in the credit plan. The Committee, therefore, recommend that State Bank of India should take some concrete steps to overturn this pathetic picture and must extent at least 15% for SCs and 7.5% for STs out of its total lending disbursement of funds. The Committee also have firm view that SBI should sponsors at least 100 overseas scholarship for school and higher education including for research work for SC/ST meritorious students in the name of Dr. B.R. Ambedkar scholarship scheme. The Committee may be apprised about steps taken/to be taken by the Bank in this regard.

#### **Reply of the Government**

4.11 Data pertaining to lending to SC/STs by the bank under Priority Sector Lending as on 31.03.2021 and 30.09.2021 (in Rs Cr) is attached herewith (Annexure I).

The data in respect of Education Loans sanctioned to the applicants belonging to SC/ST categories is based on disclosure of information by the Customers. Declaration of category is not mandatory in the applications. The Education Loan Scheme is based on IBA's Model Education Loan Scheme and is non-discretionary & non-discriminatory in nature. It is meticulously followed by the Bank.

Further, it is submitted that the lending to SC / ST may not exactly represent the full picture, as the proportion of lending to entities (e.g., partnerships, Pvt. / Public limited companies) in MSME and Corporate credit is very high, and there is no method to identify such entities with either SC /ST or general category.

It is also submitted that the Bank organizes camps from time to time to create awareness amongst the public about the Government schemes formulated for providing easy credit facilities and to encourage entrepreneurship. For implementing the recommendation of

Honorable Committee, the Bank will strive to hold more such camps so that the students and borrowers belonging to SC/ST categories become aware of these schemes and are able to avail maximum advantage for their education, employment and developing entrepreneurship.

### **Comments of the Committee**

**4.12 Please see Para No. 1.15 of Chapter I.**

### **Recommendation (Sl.No.6)**

4.13 The committee feel that it is the sole discretion of the Bank to charge different rate of interest from weaker sections of the society especially both socially and economically weaker section. The Scheduled castes and scheduled tribes are both socially, economically and educationally backward. The committee observes the State Bank of India being the largest nationalized bank of the country has the maximum accessibility among the people who live in remote and backward area. The Committee therefore recommend that SBI should formulate credit schemes especially for SC and ST and charge less rate of interest from these beneficiaries so that their economic condition can be improved. The largest bank in the country can undertake these schemes as part of its corporate social responsibility so that a more equitable society comes into being.

### **Reply of the Government**

4.14 The bank is implementing various flagship programmes of Government of India and State Governments meant for the welfare of the lower strata in the community like Mudra Yojana, Stand Up India (Exclusively for SC / ST and Women entrepreneur), PMEGP, NULM and NRLM. These schemes have wide scope and practically any sort of business activity may be financed under these schemes.

Under these schemes, various incentives like Interest subvention, margin money assistance and subsidy are provided by respective Government departments and Welfare Corporations, bringing down the cost of funds substantially.

The rate of interest in all Government Sponsored schemes are very low in comparison to other business loans. Interest subvention and subsidy given by the Government further

reduces the cost for the beneficiary. The bank extends collateral free loans in case of low-ticket loans/loans to weaker section of society. The guarantee fee is borne by the bank.

Actual cost of loan to the beneficiaries is placed as under:-

<b>SCHEME</b>	<b>EFFECTIVE ROI</b>	<b>INTEREST SUBVENTION</b>	<b>SUBSIDY AVAILABLE</b>	<b>NET INTEREST COST</b>
PMSVAnidhi	9.90%	7.00%	-	2.90%
E Mudra	9.50%	-	-	9.50%
PMMY (Shishu)	9.90%	2.00 % Extended during COVID period from September 2020 to August 2021.		7.90 % (During COVID period)  9.90%
DRI	4%	-	-	4%
DAY- NULM	9.90%	3.00%	-	6.90%
PMEGP	9.90%	-	15-35%	6.435% to 8.14%

#### **Comments of the Committee**

**4.15 Please see Para No. 1.18 of Chapter I.**

**CHAPTER V**

**Recommendations/observations in respect of which final replies have not been received**

**- NIL -**

**New Delhi,  
December, 2022  
Agrahayana, 1944 (Saka)**

**DR. KIRIT P. SOLANKI  
Chairperson,  
Committee on the Welfare  
of Scheduled Castes and  
Scheduled Tribes.**

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

**(2022-2023)**

**(SEVENTEENTH LOK SABHA)**

**THIRTEENTH SITTING**

**(15.12.2022)**

**MINUTES**

The Committee sat from 1000 hrs. to 1100 hrs. in Chairperson Chamber, Room No. 137, Third floor, Parliament House, New Delhi-110001

**PRESENT**

Shri Kirit Premjibhai Solanki - Chairperson

**MEMBERS**

**LOK SABHA**

2. Shri Girish Chandra
3. Shri Guman Singh Damor
4. Shri Anil Firojiya
5. Smt. Goddeti Madhavi
6. Smt. Pratima Mondal
7. Shri Upendra Singh Rawat
8. Shri Jagannath Sarkar
9. Shri Rebati Tripura

**RAJYA SABHA**

10. Smt. Kanta Kardam
11. Dr. V.Sivadasan
12. Dr. Sumer Singh Solanki

**SECRETARIAT**

- |                       |   |                  |
|-----------------------|---|------------------|
| 1 Shri D.R. Shekhar   | - | Joint Secretary  |
| 2. Shri P.C. Choulda  | - | Director         |
| 3 Shri. V. K. Shailon | - | Deputy Secretary |

At the outset, the Chairperson welcomed the Members of the Committee. The Committee then considered the draft report(s) on the following subjects:-

1. Action taken by the Government on the recommendations contained in the Eighth Report (Seventeenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the subject "Reservation of Scheduled Castes/Scheduled Tribes in Public Sector Banks/Financial Institutions/Reserve Bank of India and credit facilities and other benefits being provided by such Institutions/Banks to the Scheduled Castes/Scheduled Tribes with special reference to State Bank of India".
2. Action taken by the Government on the recommendations contained in the Thirteenth Report (Seventeenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the subject
3. "Reservation for Scheduled Castes and Scheduled Tribes in Central Public Sector Undertaking with special reference to Power Grid Corporation of India Limited".
4. Action taken by the Government on the recommendations contained in the Ninth Report (Seventeenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the subject "Study of atrocity cases against Scheduled Castes and Scheduled Tribes with respect to implementation of the Prevention of Atrocities Act, 1989 with special reference to cases related to withholding of pensions and retirement benefits of SC/ST Employees"

2. After due consideration, the Committee adopted the aforementioned Report(s) without any modification. The Committee also authorized the Chairperson to present the Report to both the Houses of Parliament during the ongoing Session.

The sitting of the Committee then adjourned.

**APPENDIX-II**

**(Vide Para 4 of Introduction)**

**Analysis of the action taken by the Government on the recommendations contained in the Eighth Report (Seventeenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes.**

1. Total number of recommendations	10
2. Recommendations/observations which have been accepted by the Government (Sl. Nos. 1, 4, 7, 8, 9 & 10)	06
Number percentage of the total	60%
3. Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from the Government (Nil)	Nil
Number percentage of the total	Nil
4. Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration (Sl. Nos. 2, 3, 5 & 6)	04
Number percentage of the total	40%
5. Recommendations/observations in respect of which final replies have not been received (Nil)	Nil
Number percentage of the total	Nil



