

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

**(1985-86)**

**(EIGHTH LOK SABHA)**

**FOURTEENTH REPORT**

**MINISTRY OF FINANCE**

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

**RESERVATIONS FOR, AND EMPLOYMENT OF,  
SCHEDULED CASTES AND SCHEDULED TRIBES  
IN CANARA BANK AND CREDIT FACILITIES  
PROVIDED BY THE BANK TO SCHEDULED  
CASTES AND SCHEDULED TRIBES**



*Presented to Lok Sabha on 30 April, 1986*

*Laid in Rajya Sabha on 30 April, 1986*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1986/Vaisakha, 1908 (Saka)*

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# **CORRIGENDA**

to  
the Fourteenth Report of the Committee on the  
Welfare of SC/ST (8th Lok Sabha) .

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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69	6.69	5	complaint	complaints
71	6.80	1	colection	collection

# CONTENTS

	PAGE
Composition of the Committee . . . . .	(iii)
Introduction . . . . .	(v)
CHAPTER I—INTRODUCTORY	
A. Organisation . . . . .	1
B. SC/ST Cell/Liaison Officer . . . . .	1
C. Board of Directors . . . . .	5
CHAPTER II—RESERVATION	
A. Reservation in Direct Recruitment . . . . .	8
B. Reservation in Promotions . . . . .	12
CHAPTER III—STAFF STRENGTH & SHORTFALL	
A. Staff strength & Shortfall . . . . .	21
B. Pre-recruitment Training . . . . .	25
C. In-service Training . . . . .	28
CHAPTER IV—RECRUITMENT	
A. Method of Recruitment . . . . .	30
B. Concessions/Relations . . . . .	38
C. Selection/Promotion Committees . . . . .	39
D. Dereservation . . . . .	41
E. Complaints/Grievances . . . . .	44
CHAPTER V—ADMINISTRATION	
A. Rosters . . . . .	49
B. Annual statements/Reports . . . . .	50
CHAPTER VI—CREDIT FACILITIES	
A. Organisational set up . . . . .	52
B. Salient features of Credit schemes . . . . .	53
C. Priority sector Advances . . . . .	61
D. Loan Applications . . . . .	66
E. Recovery of dues . . . . .	69

	<b>PAGE</b>
<b>APPENDICES</b>	
I. Information regarding recruitment of Scheduled Castes/Scheduled Tribes during 1984 . . . . .	73
II. Information regarding promotion of Scheduled Castes/Scheduled Tribes during 1984 . . . . .	74
III. Statement showing yearwise recruitment/appointments . . . . .	75
IV. Summary of Conclusions/Recommendations contained in the Report .	76

COMMITTEE ON THE WELFARE OF SCHEDULED CASTES  
AND SCHEDULED TRIBES

(1985-86)

Shri Krishan Datt Sultanpuri—*Chairman*

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\* Ceased to be members of the Committee on their retirement from Rajya Sabha w.e.f. 2nd April, 1986.

## 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 Fourteenth Report (Eighth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs—Banking Division)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in Canara Bank and credit facilities provided by the bank to Scheduled Castes and Scheduled Tribes.

2. The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs—Banking Division) and Canara Bank on the 22nd and 23rd January, 1986. The Committee wish to express their thanks to the officers of the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) and Canara Bank for placing before the Committee material and information the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on April 23, 1986.

4. A summary of conclusions/recommendations contained in the Report is appended.

NEW DELHI;  
April 23, 1986

Vaisakha 3, 1908 (Saka)

KRISHAN DATT SULTANPURI,

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

# CHAPTER I

## INTRODUCTORY

### A. Organisation

The Canara Bank is one of the fourteen banks which were nationalised in July, 1969. It is a body corporate under Section 3(4) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Its organisational set up comprises of four tiers viz. Branches, Divisions, Circles and Head Office in a heirarchical relationship with each other. Functions at the Head Office are categorized into 4 wings and each wing is headed by a General Manager. The wings are:

1. Personnel
2. Credit
3. Planning & Development
4. Finance & General Administration.

1.2 All directives received in regard to reservation for Scheduled Castes and Schedule Tribes are scrutinised by the Head Office and guidelines issued to respective Circle Offices.

1.3. As in June, 1985, there were 49 Divisional Offices and 1582 branches of the bank as under:—

Rural	Semi-urban	Urban	Metropolitan
615	420	253	294

### B. SC/ST Cell/Liaison Officer

1.4 The Ministry of Finance has informed that its Banking Division is concerned with Government policies which have a bearing with the working of commercial banks and term lending institutions excluding Life Insurance Corporation of India, General Insurance Corporation of India and the Unit Trust of India. In this Division there is a Scheduled Caste/Scheduled Tribe Cell working under the overall charge of a Joint Secretary which is responsible for watching the implementation of Government orders regarding reservation for Scheduled Caste/Scheduled Tribe in public sector banks/financial institutions. At present, the composition of the Cell is as follows:—

Section Officer	1.. 1
Assistants	.. 2
L.D.C.	.. 1
Daftary/Peon	.. 1



1.5 The Under Secretary is in charge of this Cell. The work of the Under Secretary is supervised by a Deputy Secretary. The overall charge is with a Joint Secretary.

1.6 The representatives of the Ministry of Finance informed the Committee during evidence that the strength of the entire Banking Division had been assessed by the Work Study Unit and there was no proposal to increase staff further. There was one Assistant in Scheduled Caste/Scheduled Tribe Cell who belonged to Scheduled Caste. As far as policy decisions were concerned, the Deputy Secretary, Joint Secretary and Additional Secretary were actively involved.

1.7 The Ministry has informed that all the public sector banks have already been advised to nominate an officer as Liaison Officer for dealing with matters relating to representation of Scheduled Castes and Scheduled Tribes in the services of the bank, both at their Head Office and Regional/Zonal offices.

1.8 At the Head Office of Canara Bank an Assistant-General Manager of a Wing not connected with personnel functions (as required by the Ministry) is nominated as the Chief Liaison Officer and Assistant General Managers at Circle Offices act as co-ordinating Liaison Officers.

1.9 It has been stated that in Canara Bank, a Cell is working under the overall charge of Chief Liaison Officer at Head Office, Bangalore which is responsible for overseeing the implementation of Government orders regarding reservations for Scheduled Caste/Scheduled Tribes. The composition of the Cell is as under:—

- (a) Chief Liaison Officer;
- (b) 2 officers belonging to Scheduled Caste/Scheduled Tribe;
- (c) 2 officers looking after personnel matters; and
- (d) One officer monitoring the credit facilities extended to minority and weaker sections.

1.10 Placing of indents and allotment of candidates for officers and clerical cadres are done at Head Office while recruitment of clerical and sub-staff cadre are done by Circle Offices headed by Deputy General Managers, on regional basis. A Cell at each of the Circle Offices headed by the Liaison Officer and comprising of an officer belonging to SC/ST category and another officer working at staff sections is being set up.

1.11 All Directives received in regard to reservation for Scheduled Castes/Scheduled Tribes are scrutinised and guidelines issued by the Head Office to respective Circle offices, which are also overseen by the Cell functioning at Circle Offices headed by the respective Liaison Officers. The Liaison Officers appointed at Circle Offices have been advised to keep the Head Office informed of the matters that are discussed with the representatives of the Scheduled Caste/Scheduled Tribe employees' Association and other related matters. Wherever necessary, suitable guidelines are given to Circle Offices by the Head Office. Meetings are held among Liaison Officers to discuss matters of common interest.

1.12 The representative of the bank stated during evidence that the Chief Liaison Officer at the Head Office came from a fairly senior level of Assistant General Manager. So far there had been nobody from the Scheduled Caste or Scheduled Tribe in the executive cadre to be appointed for this post. There were two officers from Scheduled Caste and Scheduled Tribe community who assisted the Chief Liaison Officer. In terms of the instructions issued by the Ministry of Home Affairs regarding duties and functions of Liaison Officers, the Liaison Officers in Banks are, *inter-alia*, responsible for:—

- (i) Ensuring due compliance with the Government Orders relating to reservation of vacancies in favour of Scheduled Castes/Scheduled Tribes and other benefits admissible to them;
- (ii) Ensuring timely submission of various reports to Government regarding recruitment/promotion of Scheduled Castes/Scheduled Tribes against the reserved vacancies;
- (iii) Scrutinising and consolidation of various statements received from subordinate offices (Regional/Zonal/Divisional offices);
- (iv) Conducting annual inspection of rosters;
- (v) Ensuring extension of necessary assistance to Government and the Commissioner for Scheduled Castes/Scheduled Tribes in the investigation of complaints received by Government and the Commissioner in regard to service matters;
- (vi) Answering queries and clearing doubts raised by the Zonal; Regional/Divisional Offices of the Bank in regard to matters covered by reservation orders;

- (vii) Looking into the grievances of Scheduled Caste/Scheduled Tribe employees regarding their service matters;
- (iii) Answering queries and clearing doubts raised by the Zonal/Regional/Divisional offices of the bank in regard to matters covered by reservation orders;
- (ix) In Canara Bank periodical statements on reservations for recruitment/promotion of Scheduled Castes/Scheduled Tribes are submitted in the prescribed proforma to the Ministry.

The progress of implementation is reported to the Board of Directors on a periodical basis.

Liaison Officers of the Bank attend meetings conducted in the Ministry and represents the bank in other concerned seminars, etc.

1.13 The Officer-in-charge of Scheduled Caste/Scheduled Tribe Cell in the Banking Division functions as the Liaison Officer. The various statements received from the bank regarding recruitment/promotion of Scheduled Castes/Scheduled Tribes against reserved vacancies are scrutinised in the Cell and the shortfalls, if any, pointed out to the bank. The queries/doubts posed by the bank to the Banking Division are examined by this Cell and the necessary clarification is sent to the bank. The representations received from the Scheduled Castes/Scheduled Tribes Associations in the Banking Division are taken up with the Bank(s) and necessary guidelines are issued wherever considered necessary. Besides this, the Cell also examines various instructions issued by Government from time to time and forwards are same to the banks for implementation. Special importance is given to the Parliament Questions and letters from Members of Parliament and other VIPs and the same are examined on priority basis. The Officer-in-charge of the Cell also meets the bank staff occasionally and discusses with them various matters referred to in the representations received from SC/ST Associations.

1.14 The Committee note that the revised strength of Scheduled Caste/Scheduled Tribe Cell in Banking Division of the Ministry of Finance after assessment by the Work Study Unit is one section officer, two Assistants and one L.D.C. as against the previous strength of one Section Officer, one U.D.C. and one L.D.C. The Under Secretary is in charge of the Cell. Deputy Secretary, Joint Secretary and Additional Secretary are actively involved in policy decisions. In this

connection, the Committee would like to draw attention to instructions contained in Ministry of Home Affairs OM. No. 27/22/68-Estt. (SCT) dated 9th April, 1969 according to which an officer at least of the rank of Deputy Secretary should be appointed as Liaison Officer in respect of matters relating to representation of Scheduled Castes and Scheduled Tribes. The Committee recommend that instead of Under Secretary, an officer of the rank of Deputy Secretary should be made Liaison Officer in the Banking Division and SC|ST Cell should be directly under him. The Liaison Officer should as far as possible belong to SC|ST category.

1.15 The Committee note that an Assistant General Manager not connected with the personnel functions has been nominated as Chief Liaison Officer at the Head Office of Canara Bank. A Cell is working under the overall charge of Chief Liaison Officer who is responsible for overseeing the implementation of Government orders regarding reservations for Scheduled Castes and Scheduled Tribes. Assistant General Managers at Circle offices of the bank have been designated as Liaison Officers. Scheduled Caste|Scheduled Tribe Cells are being set up at Circle Offices under the charge of a Liaison Officer. The Committee recommend that these Cells with adequate staff should be set up at all Circle offices without further delay so that matters relating to reservation in services and other welfare measures for Scheduled Castes|Scheduled Tribe employees are dealt with effectively. The Committee also recommend that as soon as officers of the level of Assistant General Managers belonging to Scheduled Caste|Scheduled Tribe categories become available, they should be appointed as Chief Liaison Officer/Liaison Officer.

### *C. Board of Directors*

1.16 In a note furnished to the Committee, it has been stated that appointment of Directors on the Bank's Board of Directors is made by the Government of India under Clause-3 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970. Many of the Directors are chosen from certain specified interests so as to give the Board of the corporate body, a balanced expertise|experience to oversee its functioning effectively.

1.17 Non-official Directors of the Board of Canara Bank are yet to be nominated by the Government. Presently no Director belonging to Scheduled Caste|Scheduled Tribe category is on the Board. Earlier Mr. N. D. Kamble was the Director (belonging to reserved category) from 14.1.82 to 13.1.85.

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

1.19 The decisions taken by the Board of Directors are corporate decisions and not those of any individual Directors or a group of Directors. The participation of the individual directors is only in relation to the working of the Board as a whole and not in his individual capacity.

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

1.21 The representative of the Ministry of Finance stated during evidence that the present Board of Directors of Canara Bank consisted of the Chairman and Managing Director, the Executive Director, a representative of the employees of the bank, one R.B.I. nominee and one officer of the Banking Division. Total membership of the Board was 15 out of which five had been filled and there were 10 vacancies.

1.22 In regard to one Member of the Board being from Scheduled Caste|Scheduled Tribe, the representative of the Ministry stated as under:—

“This has been accepted by Government. Government invariably nominates a member from Scheduled Castes or Scheduled Tribes on the Board. In the earlier Board of Canara Bank there was a member belonging to Scheduled Caste. Today in Reserve Bank of India local offices etc. there are Directors belonging to Scheduled Caste but the Board of nationalised banks have not yet been finalised by Government. Whenever this decision is taken, this general view of the Government viz. that on every Board there will be one member belonging to Scheduled Caste or Scheduled Tribe will be followed.”

1.23 Regarding delay in appointment of new members on the Board of Directors, the representative of the Government stated that membership of the Board automatically lapsed at the end of 3 years. The members were on the Board till January, 1984. Thereafter Government had not appointed new members.

In fact no non-official member had been appointed by Government on any of the nationalised banks. The matter was under consideration of the Government. Asked if five Directors were enough for the efficient working of the bank, the representative of the Banking Division stated that five members on the Board was not a small number but if the number was increased, then certainly the work could be done in an efficient manner.

1.24 When it was pointed out that information regarding reservation in promotions was given to the Board only in 1984, the representative of the bank stated that it was a slip on their part upto 1983. He, however, stated that implementation of promotion quota was done from 1.7.79 as per Government's guidelines. He further stated that they had updated the Board about the information on reservation in promotion.

1.25 The Committee are concerned to note that while it is the policy of the Government that one member belonging to Scheduled Caste/Scheduled Tribe should be on the Board of Directors of all nationalised banks, presently no Director belonging to Scheduled Caste/Scheduled Tribe is on the Board of Canara Bank for the last more than one year. While the total membership of the Board is 15, the present Board of the Bank consists of Chairman and Managing Director, the Executive Director, a representative of the employees of the bank, one R.B.I. nominee and one officer of the Banking Division. There are ten vacancies in the Board. The Committee desire that the vacancies in the Board should be filled up immediately and at least one member belonging to Scheduled Castes/Scheduled Tribes should be nominated on the Board.

## CHAPTER II

### RESERVATIONS

#### A. Reservation in Direct Recruitment

2.1 It has been stated in a note furnished by the Ministry that in Canra Bank reservation orders apply to direct recruitment in officers, clerical and subordinate cadres.

2.2 In accordance with Government directives the percentages of reservations made by the Canara Bank in favour of Scheduled Castes/Scheduled Tribes and the date from which applicable in respect of various categories of staff in recruitment and promotion are given below:

Cadre	Direct recruitment			
	Percentage of reservations		Percentage of reservations	
	SC	ST	SC	ST
1	2	3	4	5

#### OFFICERS

JMG-I . . . . .	15%	7½%	15%	7½%
	from 19-7-69 to 31-5-1985		from 1-6-85 onwards	

#### CLERICAL & SUB-STAFF : VARIES FROM STATE TO STATE

	per cent	per cent	per cent	per cent
Andhra Pradesh*	13	5	15	6
Assam . . . . .	6	11	6	11
Bihar . . . . .	14	9	15	9
Gujarat . . . . .	7	14	7	14
Haryana . . . . .	19	5	19	Nil
H.P. . . . .	22	5	25	5
J & K . . . . .	8	5	9	Nil
Karnataka . . . . .	13	5	15	5
Kerala . . . . .	9	5	10	5
Maharashtra . . . . .	6	6	7	11

1	2	3	4	5
	per cent	per cent	per cent	per cent
M.P.	13	20	14	23
Manipur	2	31	1	27
Meghalaya	1	44	1	44
Nagaland	Nil	45	Nil	45
Orissa	15	23	15	23
Punjab	25	5	27	Nil
Rajasthan	16	12	17	12
Tamilnadu	18	5	19	1
Tripura	13	29	15	29
U.P.	21	5	21	Nil
W.B.	20	6	22	6
Andaman & Nicobar	Nil	16	Nil	12
Arunachal Pradesh	Nil	45	1	44
Chandigarh	12	5	14	Nil
Dadra & Nagar Haveli	2	43	2	43
Delhi	15	7½		
Goa, Daman & Diu	2	5	2	1
Lakshadweep	Nil	45	Nil	45
Pondicherry	16	5	16	Nil
Mizoram			Nil	45

2.3 Vacancies in the Junior Management Grade Scale-I in respect of Probationary Officers are filled in accordance with the promotion settlement entered into with the recognised employees Union. Accordingly, 20 per cent of the vacancies are filled in by direct recruitment through B.S.R.B. and the remaining 80 per cent are filled in by promotion from within from the clerical cadre. Vacancies in clerical cadre are generally filled by direct recruitment. A very small proportion of vacancies are filled through promotion from sub-staff.

2.4 The number of vacancies reserved for Scheduled Castes/Scheduled Tribes in accordance with the roster points are informed to the B.S.R.Bs. as also backlog of unfilled vacancies, if any, in



each state while indenting for the requirement of clerical cadre personnel. In the sub-staff cadre all vacancies are filled in by direct recruitment through the medium of Employment Exchanges/Rajya Zilla Sainik Boards/Special Employment Exchanges and Vocational Rehabilitation Centres in accordance with the Government of India directives. The vacancies are notified to the Employment Exchanges/Sainik Boards/Special Employment Exchanges as the case may be and on receipt of the panel of names sponsored by them, eligible candidates are interviewed and a panel of selected candidates is prepared. Selected candidates are drawn from the panel as and when permanent vacancies in sub-staff cadre arise. Reservations are made as per the roster for appointment of sub-staff cadre and the number of reserved vacancies are notified to the Employment Exchanges/Sainik Boards/Special Employment Exchanges for physically handicapped persons, as the case may be.

2.5 In reply to a question about the nature of machinery/checks devised to ensure that reservations made in favour of Scheduled Castes/Scheduled Tribes are actually fulfilled, it has been stated that a built-in system of checks to ensure that reservation of Scheduled Castes/Scheduled Tribes are actually fulfilled is in vogue. With a view to ensure that reservations are properly arrived at, the liaison work with the B.S.R.Bs is centralised at the Head Office of Canara Bank. Similarly all recruitment work in the permanent cadre of the Bank is centralised at the Bank's H.O. The allotments made by the B.S.R.Bs are verified and forwarded to Circle Offices for appointment. Feedback from Circle Office is obtained to ascertain the number of candidates who have accepted the offer and who have joined the services of the Bank. Similarly, even in the sub-staff cadre the panels for appointments prepared by various Circle Offices are received at the Bank's Head Office and permanent appointments are made only after verifying the vacancy position in each area. Substitute for drop outs are indented to the B.S.R.Bs/Employment Exchanges keeping in view the reservations position. Every time an indent is placed to the Recruitment Board the number of reserved vacancies are informed.

2.6 It has further been stated that periodical statements are sent by the bank to Banking Division of the Ministry of Finance regarding recruitment/promotion of Scheduled Castes and Scheduled Tribes. Statement sent to Banking Division regarding the recruitment of Scheduled Castes and Scheduled Tribes during 1984 is given in Appendix I.

2.7 On being asked during evidence whether Banking Division officers were visiting the banks periodically to see the implementation of instructions regarding reservations for Scheduled Caste and Scheduled Tribes, the representative of the Ministry of Finance stated as under:

"It would be very difficult to get the information on all aspects from the Banks. There are so many aspects which are being monitored. This is being done by the representative appointed by the Government on the Board of the bank. Therefore when these quarterly reports come up before the Board where bank officers are also present, wherever there is any lacuna, that can be corrected through the medium of the Board of Directors."

2.8 When it was specifically asked if the Committee could take it that the officers from the Banking Division were not visiting the banks, the representative of the Ministry stated as under:—

"The Banking Division officers visit the banks for the Board meetings every month. In the meetings of the Board themselves held in different months they have a pattern of reviewing different banks. The officer in the Banking Division monitors work relating to Scheduled Castes| Scheduled Tribes once every quarter. It is true no one goes from the Banking Division to the banks, but we think since the Director of the Banking Division goes, the purpose is served. Since the banks are 28 in number, it will be difficult for officers from Banking Division to visit each of them."

2.9 In reply to a question whether the system of paying visits to these banks by officers from the Banking Division was not necessary, the representative of the Ministry stated as under:

"I would not say that it is not necessary. But it is not really physically possible, because the number of staff is limited. Our Directors going there will be more practical."

2.10 The Committee note that reservations for Scheduled Castes and Scheduled Tribes in direct recruitment have been in force in Canara Bank since 19-7-1969, the date of nationalisation of the bank. The reservations are applicable for recruitment to the posts in officers, clerical and sub-staff cadres.

2.11 The Committee feel unhappy that implementation of reservation orders by Canara Bank is not satisfactory and leaves much scope for improvement. According to information sent by the bank to the Banking Division of Ministry of Finance regarding recruitment of Scheduled Castes/Scheduled Tribes during 1984, there was backlog of 64 Scheduled Castes and 76 Scheduled Tribe in officers category 291 Scheduled Castes and 565 Scheduled Tribe in clerical cadre and 33 Scheduled Castes and 300 Scheduled Tribe in sub-staff cadre as on 1-1-1985. The Committee recommend that special recruitment should be held through B.S.R.Bs. to clear the backlog of reserved vacancies. The Committee find that there is huge backlog in Scheduled Tribe category in clerical cadres. The Committee suggest that the question of making special recruitment for Scheduled Tribes in clerical cadres in areas of tribal concentration to clear the backlog may also be considered. While reporting to special recruitment sufficient publicity of vacancies should be given so that Scheduled Castes/Scheduled Tribe candidates are attracted in large number.

2.12 During evidence the representative of the Ministry of Finance stated that no one from the Banking Division visited the banks periodically to see the implementation of instructions regarding reservations for Scheduled Castes and Scheduled Tribes. He further said that since the banks were 28 in number, it would be difficult for officers from Banking Division to visit each bank. The Committee recommend that in view of the limited staff available in Banking Division, they should select a few of the nationalised banks every year and officers of the Division should pay a visit to these selected banks to see the implementation of reservation orders. The Committee hope that this will have a salutary effect in improving the representation of Scheduled Castes and Scheduled Tribes in the banks.

#### *B. Reservations in Promotions*

2.13 Reservation orders apply to promotions from clerical to officers cadre but do not apply to:

- (a) Promotion from one scale to another scale in the Officers cadre; and
- (b) Promotion from sub-staff to clerical cadre.

However in Canara Bank as a good gesture reservations for SC/ST candidates are being given at 15 per cent and 7½ per cent respectively in promotions from sub-staff to clerical cadre, (where the direct recruitment is almost 100 per cent.)

2.14 The order regarding reservation in promotion is effective from 1-7-1979 for officers cadre and from 1-1-1980 for clerical cadre. Per-

centage of reservation is 15 per cent for Scheduled Castes and 7½ per cent for Scheduled Tribes in respect of both the cadres.

2.15 It has further been stated that the promotions to clerical cadre and to Junior Management Grade Scale I are governed by the settlement entered into with the recognised employees' Union under Section 2(P) of the Industrial Disputes Act. The settlement in force was signed on 3rd December, 1983.

2.16 Process of selection to clerical cadre is mainly by direct recruitment and a small proportion by promotion from sub-staff. Sub-staff are selected mainly by direct recruitment. Procedure followed in regard to promotions is as under:—

(A) Promotion to Clerical Cadre:

The promotions of sub-staff to clerical cadre are made under the following categories:—

(i) *Promotion of Graduate Sub-Staff:*

Sub-staff who complete their graduation and who have put in a minimum of 2 years of service in the rank are interviewed and promoted to clerical cadre.

(ii) *Promotion of Matriculate Sub-Staff*

Sub-staff who have passed SSLC or equivalent examination and who have put in 4 actual years of service in the bank (2 years in the case of SC/ST) are administered a written test on Arithmetic and English. All those sub-staff who secure pass marks in the test shall be promoted to clerical cadre. Pass marks are 35 per cent. For general candidates and 30 per cent. of SC/ST candidates.

(iii) *Promotion of non-matriculate sub-staff:*

Sub-staff who have passed VI standard examination and who have put in 8 actual years of service (6 actual years for SC/ST) in the bank shall be administered a written test on Arithmetic and English. Employees who come out successful in test by securing the pass marks (35 per cent. in case of General candidates and 30 per cent. in case of SC/ST) stipulated shall be interviewed and ranked on the basis of marks awarded for their service and in interview and promoted subject to a maximum of 7 per cent of the previous year's clerical recruitment.

(iv) *Promotion of sub-staff with 20 years of service:*

Sub-staff who have put in 20 or more years of service in the bank shall be interviewed and ranked on the basis of the total marks for service and in interview. Employees shall be promoted in the order of their ranking subject to a maximum of 30 vacancies in a year.

(v) *Promotion of sportsman sub-staff:*

Sportsman sub-staff who fulfil the stipulations regarding performance in sports in the settlement shall be interviewed for promotion to clerical cadre provided they have put in 1 year of service in the bank and shall be promoted subject to a maximum of 10 in a year.

2.17 The part time employees who conform to the norms prescribed for recruitment of sub-staff as on the date of their joining are included in the daily wages panel and are given preference for absorption into sub-staff cadre. In case of SC/ST employees the upper age limit is relaxed by 5 years.

(B) *Promotion to Junior Management Grade Scale I:*

2.18 80 per cent of vacancies in Junior Management Grade Scale I are filled by promotion.

(i) Employees in Clerical cadre who conform to the eligibility norms as regards the qualifying service and qualification are administered a written test on the following subjects:

- (1) Banking Law & Practice
- (2) Manual of Instructions
- (3) General English.

Eligibility norms for promotion are as under:—

General	SC/ST employees
Should have put in 6 years of service	Should have put in 4 years of service.
Should have put in 5 years of service with CAIB Part I	Should have put in 3 years of service with CAIB Part I.
Should have put in 4 years with CAIB Part II.	Should have put in 2 years of service with CAIB Part II.

Employees who come out successful in the test by securing the prescribed pass marks (40 per cent for general candidates and 35 per cent for SC/ST candidates) shall be interviewed. Thereafter they are ranked on the basis of total marks awarded to them for their service, qualification, performance record, leave record, confidential reports, involvement in Bank's progress and in the interview. The vacancies assessed are then filled by promoting candidates in the order of their ranking. Separate ranking is done for SC/ST candidates. In respect of promotion to Junior Management Grade Scale-I the SC/ST employees are being imparted pre-promotion training as to how to prepare for the promotion test, to enable them to perform well in the test. This is a part from giving relaxation and ranking them separately for the purpose of promotion so that the post reserved for them can be filled to the maximum extent possible.

*Promotion of employees with 20 years of service to Scale—I*

2.19 Employees who have put in 20 or more years of service in clerical cadre shall be interviewed for promotion. They shall be awarded marks for the various factors such as service, qualification, performance record, leave record, confidential reports, involvement in Bank's progress. To this, the marks secured in the Interview shall be added and the employees are ranked on the basis of total marks. The vacancies earmarked (30 per year) are filled by promoting candidates in the order of their ranking.

*Promotion of Sportsmen/women and highly qualified employees to Scale-I.*

2.20 Employees who conform to the eligibility norms for the above promotions shall be interviewed for promotion. They shall be awarded marks for service, qualification, leave record, performance record etc. The marks secured in the interview are added to the above marks and are ranked. The specified vacancies (Max. 10 each) are filled by promoting employees in the order of their ranking. In respect of promotion to Scale-II and III the instructions from the Government for extending certain concessions to SC/ST employees in the absence of Reservation has been implemented. Accordingly, the bank is promoting officers belonging to Scheduled Caste/Scheduled Tribe if they are within the zone of consideration and if they come within the number of vacancies assessed on the basis of their seniority if they are found not unfit for promotion.

2.21 Their position in the select list would, however, be the same as assigned to them by the Departmental Promotion Committee on

the basis of their record of service. They would not be given, for this purpose, one grading higher than the grading otherwise assignable to them on the basis of their record of service. The promotions to Scale-V, VI and VII in officers cadre are made by evaluating the performance of eligible officers by a promotion Committee constituted in accordance with the Government directives. The promotions to Scale-II, III and Scale-IV are made by self appraisal system wherein due weightage is given for performance and service of eligible officers.

2.22 Break up of total number of officers in various scales and the number of Scheduled Caste/Scheduled Tribe Officers in each grade as on 10.6.85 is given below:—

Scale of Officers	Total No. of Officers in various grades	No. belonging to SC category	No. belonging to ST category
Scale-I	6160	664	147
MMG Scale-II	2033	34	5
MMG Scale-III	1541	3	..
SMG Scale-IV	235	..	..
SMG Scale-V	37	..	..
Top-Executive Gr. Scale-VI	15	..	..
Top. Executive Gr. Scale VII	4	..	..
	10025	701	152

Statement giving information regarding promotion of Scheduled Caste and Scheduled Tribe employees during 1984 is given in Appendix-II.

2.23 Regarding the efforts being made by the bank for increasing the representation of Scheduled Castes and Scheduled Tribes in the officers cadre, the representative of the bank stated during evidence as under:—

"We have introduced management development programme for all, it is a mixed programme. We did not have it earlier. This programme has been going on very well. We have also introduced a lot of interaction sessions where 20—30 people together have this sort of inter-action. It is a general programme for all."

2.24 He further stated that 80 per cent of the officers were taken by promotion from Clerical cadre and 20 per cent by direct recruitment. There was no backlog in promotional quota.

2.25 In regard to promotion from one scale to another in the officers cadre, he said that the normal zone of consideration was 3-4 times. There was reservation upto lowest rung in the officers cadre but if Scheduled Caste/Scheduled Tribe came within the selection zone and they came within the number of vacancies, they were automatically promoted.

2.26 In reply to a question, the representative of the Bank stated that reservation was applicable to 30 vacancies which were earmarked for promotion of employees with 20 years of service in Clerical cadre. The figure of Scheduled Castes/Scheduled Tribes in this category was nil for 1983, 1 for 1984 and nil for 1985. The backlog was carried forward. He also said that appointment of Special Assistant was not a promotion but was more or less based on seniority. There was no reservation in 10 vacancies earmarked for promotion of sportsmen/women and highly qualified employees as it was based on talent.

2.27 In reply to a question regarding delay in application of orders regarding reservation in promotion, the representative of the Ministry stated as under:—

“The orders of the Home Ministry were issued in November, 1972. They were received through the Bureau of Public Enterprises in April, 1978. But the orders providing for reservation at the promotion stage were issued to all the nationalised banks on 31st December, 1977. The main reason for the delay in issuing the orders was that after the Home Ministry's Circular came, discussions started with the R.B.I. and the nationalised banks for giving effect to this provision. Promotions in the banking sectors were part of agreements entered into by the management with the unions. Under the Labour Laws certain notices, etc. are to be issued before any change can be made. The matter had to be discussed in great detail and that is why till 1975 it was not settled. A view was then taken that certain modifications in the orders were necessary to some extent and the final decision was taken only in December, 1977.”

2.28 When it was pointed out that they had taken four years in taking a decision which was too long a period, he stated that because of sensitive nature of things, it required a lot of time to come to a final decision.



2.29 The order regarding reservation in promotion was received in the bank in December, 1977 while it became effective from 1.7.79 for officers cadre and from 1.1.80 for clerical cadre. Explaining the reasons for delay in enforcing the order, the representative of the bank stated as under:—

“It is like this. We received it in December 1977. That is approximately 1-1-78. After receipt of that, as I said, since the agreements with the Unions had to be changed, by that time earlier promotions had already taken place because promotions take place only once a year. When we finalised it in 1980, it was done from 1.1.79 and whatever backlog was there, that also was filled up later.”

2.30 When the Committee enquired how Government proposed to compensate the Scheduled Caste/Scheduled Tribe employees, who could not be promoted due to delay in applying reservation orders issued by Department of Personnel in 1973, the representative of the Ministry stated as under:—

“We have examined this question whether our directions dated 31st December, 1977 could be given retrospective effect and the advice to us was that this cannot be made applicable retrospectively. Therefore, the Government advised the banks to give effect to it prospectively.”

2.32 In a note furnished subsequent to the evidence, the Committee has been informed that 617 employees were promoted in the year 1978 from clerical cadre to Junior Management Grade Scale-I in officer's cadre. The promotions under this category are done only once in a year. The orders regarding reservation in promotions were received by the Bank in January, 1978. Since the promotions to clerical and officers cadre were governed by Settlements with the Recognised Union under Section 2(P) of Industrial Disputes Act, the matter was discussed with the Union for necessary changes in the settlement to provide for reservation. After much discussion the matter could be cleared in the Joint Conference with the Union in February, 1980.

It has further been stated that as the scheme of reservation in promotions to Junior Management Grade Scale I was extended with effect from 1.7-1979, the reservation scheme was not made applicable for the promotions as at 1-7-1978 and hence no backlog was arrived at and carried forward.

2.33 The Committee have been informed that promotions to clerical cadre and to Junior Management Grade Scale I are govern-

ed by settlement entered into with the recognised employees' Union under section 2(p) of the Industrial Disputes Act. Under this settlement, 20 per cent of vacancies in Junior Officers Grade scale I are filled up by direct recruitment and 80 per cent by promotion from the clerical cadre. Reservations in promotions are provided as per instructions issued by Government i.e. 15 per cent for Scheduled Castes and 7½ per cent for Scheduled Tribes.

2.34 In terms of settlement reached with the Unions on 3rd December, 1983, 30 posts in clerical cadre in each calendar year are filled up by promotion exclusively from sub-staff completing 20 years or more of service in the bank. Similarly 30 posts in Junior Management Grade Scale I in each calendar year are filled up by promotion of employees in clerical cadre who have completed 20 or more years of service in that cadre. There is however, no mention in the settlement about reservations for Scheduled Castes and Scheduled Tribes in promotions under this category. The Committee recommend that suitable provision should be made for reservation of Scheduled Caste/Scheduled Tribe employees for promotions on the basis of 20 years total service.

2.35 The Committee note that reservations in promotions have been made applicable in Canara Bank w.e.f. 1.7.79 for the officers cadre and from 1.1.80 for clerical cadre. Asked about the reasons for delay in implementing the orders regarding reservations in promotion, the Committee have been informed that the orders of the Home Ministry were issued in November, 1972. They were received in the Ministry of Finance through the Bureau of Public Enterprises in April, 1973 and were issued to nationalised banks on 31 December, 1977. The main reason for the delay was that after receipt of the orders of the Ministry of Home Affairs, discussions started with the Reserve Bank of India and the nationalised banks for giving effect to the orders as promotions in Banking Industry were part of agreements entered into by the Management with the Unions. Final decision was taken only in December, 1977. The Committee are not convinced of the reasons advanced by the Ministry for the delay of 5 years in coming in final decision. The Committee express their unhappiness at the undue delay on the part of the Ministry of Finance in circulating orders regarding reservations in promotion to nationalised banks as a result of which SC/ST employees were deprived of the benefits of reservation.

2.36 Regarding delay in enforcing orders by the bank, the Committee were informed during evidence that the orders regarding reservations in promotions were received in January, 1978. Since

the promotion to clerical and officers cadre were governed by settlements with the recognised Union, the matter was discussed with the Union for necessary changes in the settlement to provide for reservation. The matter was finalised in February, 1980. The representative of the bank also stated during evidence that whatever backlog was there from 1.1.1979 onwards was filled up later. The Committee were subsequently informed that since the scheme of reservations in promotions to Junior Management Grade Scale I was enforced w.e.f. 1.7.79, the reservation scheme was not made applicable for the promotions as on 1.7.1978 and hence no backlog was arrived at and carried forward. The Committee feel that there is hardly any justification for not giving reservations in promotions to Scheduled Caste/Scheduled Tribe employees at least from 1.1.1978 onwards when the orders were received in the Bank. The Committee recommend that Banking Division of the Ministry of Finance should issue instructions to Canara Bank to apply orders regarding reservation in promotions from 1.1.1978 onwards, calculate the backlog in promotion from that date and carry forward the unfilled reserved vacancies. The Committee need hardly stress that had there been timely implementation of these orders, the promotion of eligible Scheduled Castes and Scheduled Tribe employees could have been effected much earlier and the employees would have gained monetarily to that extent.

## CHAPTER III

### STAFF STRENGTH & SHORTFALL

#### A. Staff strength and Shortfall

3.1 Staff Strength in Canara Bank in all categories of posts at the time when reservation orders were made applicable and as on 31-3-85 is as under:—

#### NUMBER OF SC/ST EMPLOYEES & ITS PERCENTAGE TO TOTAL NUMBER OF EMPLOYEES

Category of posts	Total No. of employees as on		No. of SCs/STs as on				% of SCs/STs as on			
	19-7-69	31-3-85	19-7-69		31-3-85@		19-7-69		31-3-85@	
			SC	ST	SC	ST	SC	ST	SC	ST
Officers . .	1218	9992	N.A.*		763	272	N.A.*		7.64	2.72
Clerks . .	4729	25643	"		3459	1018	"		13.49	3.97
Sub-staff . .	1251	7393	"		1399	159	"		18.92	2.15

\* Not available      @Provisional

3.2 A statement showing yearwise recruitment made by the Canara Bank during the last 3 years, number of vacancies reserved for Scheduled Castes and Scheduled Tribes, number of SC/ST candidates actually appointed and the number of reserved vacancies carried forward is given in Appendix—III.

3.3 The details of backlog for the years 1982, 1983 and 1984 are as under:—

#### BACKLOG IN RECRUITMENT

Year	Category of posts						No. of vacancies carried forward	
							SC	ST
1982	Officers . . . . .						19	42
	Clerks . . . . .						245	665
	Sub-Staff . . . . .						68	216
1983	Officers . . . . .						26	50
	Clerks . . . . .						479	460
	Sub-Staff . . . . .						102	149
1984	Officers . . . . .						64	76
	Clerks . . . . .						433	282
	Sub-Staff . . . . .						60	168

3.4 Excess recruitment of Scheduled Caste|Scheduled Tribe candidates which cannot be adjusted in future is as under:—

Year	Clerical		Sub-staff		Total	
	SC	ST	SC	ST	SC	ST
1982	14	1	49		63	1
1983	1		48	1	49	1
1984		11	76	..	76	11
Till 30-6-85		1	4	..	4	1
TOTAL					192	14

3.5 The following are the particulars of vacancies exchanged and vacancies allowed to lapse.

Year	No. of ST vacancies filled by recruiting SC candidates		No. of vacancies allowed to lapse as on 31st December			
	Clerical	Sub-staff	Clerical		Sub-staff	
			SC	ST	SC	ST
1983	143	73	5	109		32
1984	16	27	1	15		

3.6 In reply to a question whether any time bound programme has been drawn by Canara Bank to liquidate the backlog, the Committee have been informed that backlog as regards Scheduled Tribe category is more as sufficient number of candidates from Scheduled Tribe category are not available even for recruitment Boards. The shortfall in recruitment of Scheduled Caste|Scheduled Tribe candidates against reserved vacancies is discussed at the meeting of Chairman of BSRBs. The Banks have been advised by the Government to ensure that while placing indents with the BSRBs total backlog is included in it. BSRBs have been advised to make concerted efforts for recruiting sufficient number of SC|STs against the quota of reservation for them. They have also been asked to hold special recruitment tests exclusively for SC|STs wherever necessary. The

Bank has instructed the Circle Offices to absorb the sub-staff vacancies among general and reserved category candidates in the ratio of 1:1 till the backlog is cleared under sub-staff category.

3.7 According to information supplied to the Committee a gist of the recommendations of 3 Chairmen of BSRBs—Delhi, Madras and Bhopal—to go into the matter in detail about shortfall in recruitment is as under:—

- (1) BSRBs should effectively liaise with the State Governments in their jurisdiction to solicit their co-operation in imparting pre-recruitment training to ST candidates.
- (2) BSRBs should take the help of the State Governments to give wide publicity to the vacancies reserved for ST candidates.
- (3) BSRBs should resort from time to time, to special recruitment of ST candidates to help clear the backlog.

The report of the Committee of Chairman was placed before the Sixteenth Meeting of Chairmen of BSRBs held on 10th and 11th September, 1982 at Madras. The same was accepted unanimously.

3.8 During the year 1984, some of the BSRBs have conducted Special Recruitment Programmes exclusively for SCs|STs. Banking Service Recruitment Boards (Southern Region), Bangalore and Madras completed Special Recruitment Programmes for SC|ST candidates and met the Bank's indents almost fully. By absorbing those candidates backlog in the clerical cadre in Tamil Nadu, Andhra Pradesh and Karnataka have been cleared considerably. BSRB (western Group), Bombay, conducted a Special Recruitment Programme for Scheduled Tribe candidates and made their allotment. The candidates have been absorbed. BSRB (Central Group), Lucknow, allotted Scheduled Tribe candidates in response to the banks indent, to clear the backlog and they have been absorbed.

3.9 In the Officer's cadre, BSRB (Southern Region) Bangalore had conducted a Special Recruitment Programme and made the allotments and candidates were absorbed. Pre-recruitment training programmes are regularly conducted.

3.10 When the Committee enquired what steps had been taken by the bank to fill up the backlog of Scheduled Tribes, the representative of Bank stated during evidence as under:—

'We have also issued instructions to the BSRBs. The point is very well taken. First we must have examination

centres in all tribal areas. And we must also give the local people advertisements in papers where they should be able to reach. These are the instructions we have given to the BSRBs."

3.11 Asked by what time the backlog was expected to be wiped out, the representative of the bank stated they hoped to do it in two years. They would have to make special recruitment for the purpose. He gave the following figures regarding recruitment during the last three years:—

	1982		1983		1984	
	No. recruited	%	No. recruited	%	No. recruited	%
Scheduled Caste	598	14.8	555	12.7	675	18.2
<hr/>						
	1980	1981	1982	1983	1984	
Scheduled Tribe	2.1%	3.7%	3.1%	3.5%	8.6%	

3.12 The representative of the bank further stated that, one of the suggestions considered at meeting of Chairmen BSRBs was to relax the standard, say from 35 per cent marks to 25 per cent marks but it had not been implemented so far.

3.13 The Committee note that as on 31st March, 1985, the percentage of Scheduled Castes and Scheduled Tribes in the services of Canara Bank was 7.64 per cent and 2.72 per cent in officers cadre 13.49 per cent and 3.97 per cent in Clerical cadre and 18.92 per cent and 2.15 per cent in sub-staff. This shows that except for representation of Scheduled Castes in sub-staff category, there is shortfall of Scheduled Castes/Scheduled Tribes in all the three cadres in the Bank. The Committee regret to note that the Banking Services Recruitment Boards who are at present making recruitment of officers and clerks for the nationalised banks have failed to provide sufficient number of candidates belonging to these communities to the Canara Bank.

3.14 The Committee have been informed that some of the Banking Service Recruitment Boards held special recruitment exclusively for Scheduled Castes/Scheduled Tribes and were thereby able to meet the Bank's indents almost fully in certain States. The Committee recommend that BSRBs in other regions should also conduct special recruitment for Scheduled Castes/Scheduled Tribes so that backlog in reserved vacancies in those areas is also cleared.

3.15. The representative of the bank informed the Committee during evidence that one of the suggestions considered at the meeting of Chairman of BSRBs was to relax the present standard of performance for Scheduled Castes/Scheduled Tribes with a view to wipe out the shortfall but it has not been implemented so far. The Committee recommend that decision taken in the matter should be implemented at an early date.

3.16 The Committee have been informed that backlog in the bank is more in the case of Scheduled Tribe category as candidates belonging to Scheduled Tribe are not available for recruitment. The Committee recommend that to meet the shortfall of Scheduled Tribe candidates, it is necessary to give wide publicity about the vacancies reserved for Scheduled Tribe in tribal majority areas. Copies of advertisements should also be sent to Welfare Associations in Tribal areas for the information of tribal candidates. Advertisements should also be broadcast over AIR in programmes specially meant for tribal people. They should also be printed in local newspapers. The Committee further recommend that BSRBs should open examination centres in all tribal areas.

#### *B. Pre-Recruitment Training*

3.17 According to 27th Report of the Commissioner for Scheduled Castes and Scheduled Tribes, Punjab National Bank is considering a proposal to start pre-recruitment training programme for Scheduled Caste/Scheduled Tribe candidates aspiring for a career in Banking sector. The Committee has been informed that as in the case of Punjab National Bank, Canara Bank is also conducting pre-recruitment training programmes. Banks in coordination with some of the BSRBs have started conducting pre-recruitment training for Scheduled Caste/Scheduled Tribe candidates to enable them to equip themselves to take up the written test conducted by BSRBs. The particulars of pre-recruitment training conducted by the bank are as under:—

Year	No. of SC/ST candidates trained
1983 . . . . .	941
1984 . . . . .	904
1985 . . . . .	334
(Upto June)	

3.18 In reply to a question during evidence whether the Ministry of Finance would issue a circular to those banks where there



was a big backlog to have crash programme, the representative of the Ministry stated that the key point was training before recruitment. According to the arrangement worked out by them the BSRB has to inform the banks about the applicants who should be given training before the examination. They had issued a circular in this regard. According to information received subsequently from the Ministry of Finance (Banking Division), the Circular D.O. No. 22/32/71-RU dt. 27.11.1971 was issued by the Department of Social Welfare regarding training of SC/ST candidates by Pre-examination Training Centres in States before appearing in examinations to be held by nationalised banks. Subsequent to this, letter No. 8/22/85-SCT(B) dt. 25-2-1986 has been issued by the Banking Division to all Banking Service Recruitment Boards, Nationalised Banks etc. in which Banking Service Recruitment Boards have been asked to organise pre-recruitment training in consultation with the banks in the area so that sufficient number of candidates belonging to Scheduled Caste/Scheduled Tribe could be recruited.

3.19 The representative of the Canara Bank stated during evidence that they had given training to more than 2200 persons during the last couple of years. They were also paying a stipend of Rs. 50 to the trainees. This training had helped in recruitment of Scheduled Castes/Scheduled Tribes. The training was given for a period of one week. This period could be increased if it was felt necessary.

3.20 According to information furnished subsequently, during the last 3 years Canara Bank has imparted pre-recruitment training to 2179 candidates belonging to Scheduled Caste/Scheduled Tribe/Ex-Servicemen candidates. Further the training has been conducted all over India for recruitment of officers and in Karnataka and Kerala States for clerical category. The selection of these candidates is by Banking Service Recruitment Boards.

3.21 The BSRB (South) has maintained the data in respect of clerical recruitment for Karnataka and Kerala for the year 1985. Details for earlier year are not available with them. The details of

the pre-recruitment training conducted for the year 1985 are as under:—

*Pre-Test Training Conducted By Canara Bank  
Written Test Held on 24-2-1985  
Clerical Cadre*

	Bangalore				Trivandrum			
	SC	ST	EXSM	Total	SC	ST	EXSM	Total
Number sponsored	86	127	158	371	247	47	158	452
Number attended the Training	30	53	44	127	115	1	91	207
No. qualified in the written test and called for Skill Test/interview	2	5		6	6		2	8
Number selected and allotted to Banks	1	5	..	6	1		1	2

3.22 The Committee note that Canara Bank is conducting pre-recruitment training for Scheduled Caste/Scheduled Tribe candidates to prepare them for the written tests conducted by BSRBs. The training is given for a period of one week and the trainees are paid a stipend of Rs. 50. The Committee feel that training for a period of one week in the techniques of objective type tests conducted by Recruitment Boards is not at all sufficient. This is evident from the fact that out of 30 Scheduled Caste and 53 Scheduled Tribe trainees at Bangalore, only one Scheduled Caste and 5 Scheduled Tribe trainees qualified and were finally selected for Bank service. Similarly, at Trivandrum, one Scheduled Caste out of 115 trainees was selected. It is clear from this that training imparted was not sufficient. The Committee recommend that training period for Scheduled Castes/Scheduled Tribes should be increased at least to one month. Stipend of Rs. 50 which is being paid to the trainees now should also be increased to Rs. 100.

3.23 The Committee note that in 1971 the then Deptt. of Social Welfare had issued a circular regarding training of SC/ST candidates by Pre-examination Training Centres in States. This was followed after a gap of 15 years by another Circular issued by the Banking Division to BSRBs and Nationalised banks regarding organisation of pre-recruitment training by BSRBs in consultation with the Banks in the area. The Committee feel that Banking Division had made

715 LS—3

no sincere efforts to organise pre-recruitment training for Scheduled Caste/Scheduled Tribe candidates who aspire for a career in Banking Industry. This is evident from the fact that most of the banks were nationalised in 1969 but the circular was issued by the Banking Division in 1980. The Committee recommend that the Banking Division in consultation with BSRBs and nationalised Banks should initiate steps for organising pre-recruitment training programmes by all nationalised banks on a uniform pattern and make this a regular programme in future till the backlog of reserved vacancies is completely wiped off in all nationalised banks.

### C. In-service Training

3.24 The Committee have been informed that pre-promotion training programmes for employees belonging to Scheduled Caste/Scheduled Tribe categories are conducted by Canara Bank regularly in order to equip them well for taking up the promotion examination. The study materials for promotion test to eligible Scheduled Caste/Scheduled Tribe employees are being provided. After implementing the scheme of pre-promotion training programme, the percentage of passes of Scheduled Caste/Scheduled Tribe candidates has considerably improved.

3.25 The representative of the Bank stated during evidence that they had 57 pre-promotion training programmes in 1984 and about 11 in 1985. About 1500 persons were given pre-promotion training in 1984 and about 500 in 1985. Originally, the training period was 7 days but they had now increased it to 12 days at the instance of Scheduled Caste/Scheduled Tribe Association. Personality development was also a part of their training programme so that they developed confidence. In reply to a question, he said that in villages they imparted training in local language.

3.26 According to subsequent information supplied to the Committee SC/ST employees and EXSM employees were given pre-promotion training separately. The details for the last 3 years are furnished below:—

---

Year	No. of SC/ST/EXSM employees who attended the Training.
1983	953
1984	2013
1985	518

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3.27 Details of pre-promotion training imparted to Scheduled Caste|Scheduled Tribe employees for the past 3 years and the number of Scheduled Castes|Scheduled Tribes who have come out successful are as under:—

Year	No. of candidates @ who attended the training	No. of SC/ST who passed the written test	
		SC	ST
1983	953	91	9
1984	1526	337	52
1985	518	179	27

@ Figures of SCs/STs trained not maintained separately.

3.28 The Committee note that pre-promotion training programme for employees belonging to Scheduled Caste|Scheduled Tribe categories are being conducted by Canara Bank. The Committee would like to stress that the aim of the training should be to bring Scheduled Caste|Scheduled Tribe candidates who might have been selected by relaxed standards to the level of the general candidates. The Committee are happy to note that the number of Scheduled Caste/Scheduled Tribe pass candidates has considerably improved as a result these training courses. The Committee recommend that pre-promotion training programmes should be introduced in all nationalised banks on a uniform basis. Banking Division of the Ministry of Finance should issue necessary instructions in this regard and bring to the notice of all banks the details of training programmes devised and successfully implemented by Canara Bank.

## CHAPTER IV

### RECRUITMENT

#### *A. Method of Recruitment*

4.1 It has been stated that there are 3 cadres of staff in the Bank, viz. Officers, Clerical and Sub-staff. Within the Officers' cadre there are 7 scales as per the Canara Bank Officers Service Regulations, viz. Junior Management Grade Scale-I, Middle Management Grade Scale-II, Middle Management Grade Scale III, Senior Management Grade Scale-IV, Senior Management Grade Scale-V, Top Executive Grade Scale VI and Top Executive Grade Scale-VII Generally direct recruitment is made for posts in Junior Management Grade Scale-I in the officers' cadre. In other words, recruitment to Officers' cadre is generally to fill up vacancies in Junior Management Grade Scale-I only.

4.2 The procedure for recruitment to various cadres is given below:

#### *(i) Officers' Cadre:*

The requirement of Officers viz., Specialised Officers and general Officers in Junior Management Grade Scale-I is intimated to the Banking Service Recruitment Board, (Southern Region), Bangalore. The entire requirement of Specialised officers is made by Direct Recruitment through the Banking Service Recruitment Board, Southern Region, Bangalore. Only 20 per cent of the vacancies in the general Officers' Cadre is made by direct recruitment through Banking Service Recruitment Board, Southern Region, Bangalore. The remaining 80 per cent of the vacancies in the Junior Management Grade Scale-I are filled in by promotions from within as per the Promotion Agreement entered into with recognised Employees' Union of Canara Bank.

In reply to a question regarding the particulars of identifications made by Canara Bank on BSRB, allotments made by the Board and the number of candidates who joined the Bank, the Committee have been furnished the following information:—

YEAR	INDENT			ALLOTMENT			THOSE WHO REPORTED AMONG THOSE ALLOTTED			THOSE NOT REPORTED AMONG THE ALLOTTEES						
	Total			Total			Total			Total						
	G	SC	ST	G	SC	ST	G	SC	ST	G	SC	ST				
1982	311	71	41	423	539	48	3	390	279	42	3	324	60	6	..	66
1983	301	90	102	493	461	26	1	488	405	23	..	428	56	3	1	60
1984	102	73	90	265	118	61	16	195	84	48	9	141	*34	13	7	@54

\*10 AEOs are yet to be offered appointment.

@ 15 candidates (11 Gen. 3 SCs and 1 ST) have been given extension of joining time.

4.3 As to the reason for 13 Scheduled Caste and 7 Scheduled Tribe candidates in 1984 not joining the Bank, the representative of the bank explained during evidence that as it was a long drawn process, the persons who appeared for one examination appeared in other examinations also. The Banks indented for the whole year but sent them appointment letters as and when they needed them. It was possible that in the meantime they got employment elsewhere. In reply to a question he said that interview was done by BSRB and after one or two months they sent the list to the bank. They sent appointment letter by registered post as well as by ordinary post.

(ii) *Clerical Cadre*

4.4 Recruitment to the Clerical cadre is attended to by the various Banking Service Recruitment Boards. The liaison with B.S.R.Bs is done by the Personnel Management Section, Personnel Wing, Head Office. The absorption of candidates allotted by the Banking Service Recruitment Boards is done by the Circle Offices after obtaining approval from competent authority at Head Office. Only a small portion of the vacancies in the clerical cadre are filled in by promotion from the sub-staff cadre by test and/or interview. Various categories of posts in the Clerical Cadre are as under: Clerk, Typist-cum-Filling Clerk, Filling Clerk, Telephone Operator, Key Punch Operator, Stenographer and combination of 2 or more of the above, as permitted by the Bipartite Settlement.

Scale of Pay—Common for all the posts in clerical cadre is Rs. 520-30-580-35-685-45-820-55-930-60-990-65-1055-70-1195-85-1280-95-1660.

Besides, various special allowances for stenos, Telephone Operators etc., at the rates prescribed as per the Bipartite Settlement for posts attracting the allowance are paid. Non graduates are fitted at the bottom of the basic pay and graduates are given two increments.

4.5 On an enquiry by the Committee regarding the rationale of including posts like Stenographer, Head Clerk, Head Cashier which were of different nature in the same cadre and attaching special allowances to them, the representative of the Ministry stated during evidence that in 1958 there was a Shastri panel which went into various problems of bank employees. One of the demands of the employees was that there should not be too many scales in the clerical cadre and if need be, special allowance might be paid. Since this system had existed for such a long time, it was not possible now to make changes and introduce different grades.

4.7 On being pointed out that very few Scheduled Caste/Scheduled Tribe employees were given these special allowances posts and as such this needs to be considered whether there could be reservation in these posts, the representative of the bank observed that these posts were more or less filled up according to seniority.

#### QUALIFICATION AND UPPER AGE LIMIT FOR DIRECT RECRUITMENT:

4.8 *Officers Cadre*: For Officers' cadre the candidates should be graduates and within the age limit of 28 years. A relaxation of 5 years in the upper age limit is given for Scheduled Caste/Scheduled Tribe candidates.

*Clerical cadre*: In respect of clerical cadre, the candidates should have passed atleast SSLC in I Class or PUC in II class or Pass Class in Graduation. Age between 18 and 26 and the upper age limit is relaxed by 5 years in case of candidates belonging to SC/ST.

#### PLACING OF INDENTS

Before placing indents on BSRBs, the Bank call for particulars of requirements from the recruiting circles. Basing on the indents received from the Circles and taking into account factors like manpower budget, development, etc. Bank places final indents on BSRBs from the Head Office of the Bank. The backlog of vacancies reserved for Scheduled Caste/Scheduled Tribes will be taken into account while so placing the indents.

4.9 In an Action Taken Reply furnished by the Ministry of Finance (Department of Economic Affairs—Banking Division) *vide* their O. M. No. 5/10/84-SCT(B) dated 29th November, 1985 on the recommendation regarding working of Banking Service Recruitment Board contained in para 4.6 of their 55th Report on Union Bank of India, the Committee have been informed as under:—

“Government have thoroughly reviewed the working of the Banking Service Recruitment Boards which recruit officers and clerical cadre staff for the 30 nationalised banks; the Central Recruitment Board and the Regional Recruitment Boards which recruit the officers and clerical cadre staff respectively for the State Bank Group and have decided to set up a separate Banking Service Commission to recruit officer employees for the 28 Nationalised Banks. The Government have also decided to re-organise the Banking Service Recruitment Boards and Regional Recruitment



Boards in such a way that hereafter there will be 15 Banking Service Recruitment Boards with headquarters at major state capitals for the recruitment of clerical cadre staff for all the public sector banks within their areas of jurisdiction. With this re-organisation, the Banking Service Recruitment Board are expected to improve their efficiency and to provide adequate number of candidates, including Scheduled Caste/Scheduled Tribe candidates, in time as and when requests are received from the banks."

(iii) *Sub-staff cadre:*

4.10 All appointments in sub-staff cadre are done through the medium of Employment Exchanges. The recruitment is done on a need based manner by the Circle Offices through respective district employment exchanges, Zila/Rajya Sainik Boards and Vocational Rehabilitation centres. Divisional Offices/Branches notify vacancies to the employment exchanges and on receipt of names of candidates sponsored by the employment exchanges, the eligible candidates are interviewed and a panel of names for recruitment is prepared and as and when the vacancy in sub-staff cadre arises, the candidates are drawn from the panel. Candidates who have passed 6th standard and who are within the age limit of 25 years are included in the panel. The upper age limit is relaxed by 5 years in respect of Scheduled Caste/Scheduled Tribe candidates.

4.11 In reply to a question regarding the number of cases during the last 3 years in which candidates who had held out as Scheduled Caste/Scheduled Tribe at the time of recruitment were on investigation found to be not belonging to Scheduled Caste/Scheduled Tribe and the action taken in such cases, it has been stated that so far the Bank has found out 5 employees for furnishing false caste certificates. Yet a few are under investigation by the appropriate authorities. The service of these 5 employees were terminated as required for in the scheme of reservation. However, in 3 cases the employees had moved the various High Courts and out of these cases, in one case as ordered by Honorable High Court, the employee has been reinstated.

4.12 As regards measures to be taken to ensure that such instances do not recur, it has been stated that the primary responsibility to verify the factual position before issuing a caste certificate to an individual claiming to be a member belonging to Scheduled Caste/Scheduled Tribe is that of the prescribed authorities authorised to issue such certificates. The BSRBs and the Banks verify the correctness of the claims with reference to the certificates issued

by these authorities. In the event of a doubt, a verification is also done through the District Magistrate of the area where the candidate or his family ordinarily resides. However, the BSRBs and the Banks have been advised that while making appointment, candidates may be specifically told that if after verification, their claims of belonging to Scheduled Caste or Scheduled Tribes are found to be false, their services are liable to be terminated without any further notice. Further, the appointing authority may at any time, if it considers necessary for any reason verify the claim of a candidate through the District Magistrate of the place where the candidate or his family ordinarily resides, notwithstanding that the claim has been verified earlier or the person has been confirmed in the services of the Bank after such verification. If after appointment in any particular case such a verification reveals that the candidate's claim was false, his services may be terminated treating the contract of employment as void *ab initio* notwithstanding any rule, regulation, order contrary thereto contained in the Service Regulations or disciplinary rules. Any such termination would not constitute retrenchment within the meaning of Section 2(00) of the Industrial Disputes Act.

4.13 In Central Government services, posts have been classified in 4 Groups, namely, Group 'A', Group 'B', Group 'C' and Group 'D'. Accordingly, the Brochure on Reservations for Scheduled Castes and Scheduled Tribes in posts/services under the Public Enterprises issued by Bureau of Public Enterprises provides that posts may be treated as Group 'A', 'B', 'C' and 'D' for the purposes of implementing reservation orders. The Committee, however, find that in Canara Bank there are only 3 cadres of posts viz. Officers, clerical and sub-staff which are analogous to Group 'A', 'C' and 'D' in the Government of India. There is no Group 'B' or category of posts equivalent to Group 'B' in the services of the bank as a result of which Scheduled caste/Scheduled Tribe employees have been deprived of the benefit of reservation in recruitment/promotion to that category if it had been in existence in the bank. In the action taken reply on recommendation made by the Committee in para No. 258 of their 55th Report on Union Bank of India, the Ministry of Finance have stated that since a category in between clerical cadre and officers cadre is not in existence in the public sector banks, the chances of the Scheduled Caste/Scheduled Tribe candidates for promotion from clerical to the officers cadre are quick. The Committee do not agree with the view of the Government and recommended that posts in banking industry including Canara Bank should be reclassified on the lines of the clarification of posts in Central Government services consistent

with the job requirements so as to provide more opportunities of promotions to Scheduled Caste|Scheduled Tribe candidates.

4.14 The Committee are concerned to note that in 1984 as many as 13 SC and 7 ST candidates who were offered appointment in 1984 did not join the bank. The representative of the bank informed the Committee during evidence that they indented their requirement of candidates for the whole year and sent the appointment letters to the selected candidates as and when they needed them. The Committee would like to point out that under this procedure the candidates though selected by BSRB remain in the dark about the selection till the time they receive appointment letter from the bank and so try to find out employment elsewhere. The purpose of pre-recruitment training if imparted to such candidates is also forfeited. The Committee recommend that soon after receiving the list of selected candidates from the BSRB, those candidates who are not offered immediate appointment should be suitably informed about their having qualified for appointment and efforts to issue appointment orders soon thereafter should be made.

The Committee hope this will reduce the number of candidates who do not join the bank after receipt of appointment letters and improve the representation of Scheduled Castes|Scheduled Tribes in the services of the bank.

4.15 The Committee are surprised to note that various categories of posts including those of Stenographers, Head Clerks, Head Cashier etc. having different nature of duties have been included in the same cadre i.e. the clerical cadre with special allowance attached to each post. The representative of the Ministry of Finance explained during evidence that in 1953 Shastri Panel had gone into various problems of bank employees and one of the demands of the employees was that there should not be too many scales in the clerical cadre and if need be, special allowances might be paid. He further said that since this system had existed for such a long time, it was not possible now to make changes and introduce different grades. The Committee feel that this scheme is against the interests of Scheduled Castes and Scheduled Tribes in as much as their chances of recruitment and promotion have been restricted by the introduction of the same scale for various categories of posts. The Committee recommend that there should either be reservation for Scheduled Castes|Scheduled Tribes in appointments to allowance carrying posts or the scheme of special allowances should be scrapped, particularly in respect of posts carrying duties of supervisory nature e.g. Head Clerk.

Head Cashier and Special Assistants and separate suitable scales of pay should be introduced for such categories of posts.

4.16 The Committee note that after review of the working of the Banking Service Recruitment Boards, Central Recruitment Board and Regional Recruitment Boards, Government have decided to set up a separate Banking Service Commission to recruit officers for the 28 nationalised banks and to reorganise the Recruitment Boards so as to have 15 Banking Service Recruitment Boards for recruitment of clerical staff for all the public sector banks in major State Capitals. The Committee recommend that necessary action to implement these decisions should be taken without any loss of time with a view to expedite the process of selection of candidates and to improve the representation of Scheduled Castes/Scheduled Tribes in the services of banks.

4.17 The Committee have been informed that 5 cases had so far come to the notice of the bank in which the employees had furnished false caste certificates for getting employment against reserved vacancies. The Committee note that the services of the five employees concerned have been terminated. The Committee consider that securing employment by production of a false caste certificate of being a Scheduled Caste or Scheduled Tribe is a serious offence and such cases should be dealt with promptly and severely. The Committee recommend that besides termination of services, in appropriate cases criminal proceedings should also be initiated under the appropriate provisions of Indian Penal Code. The Committee also recommend that the District authorities who issue Caste Certificates should be more careful in future and make proper enquiries before issuing such certificates.

4.18 The Committee note that as a measure to ensure that cases of use of false caste certificates do not recur, the Banking Service Recruitment Boards and the banks have been advised that while making appointments, the candidates should be specifically told that if after verification, their claims of belonging to Scheduled Caste or Scheduled Tribe are found to be false, their services are liable to be terminated without any further notice. The Committee recommend that the candidates should also be told that besides termination of service, action can also be taken against them under the provisions of Indian Penal Code. This, the Committee hope, will have a deterrent effect on those using false caste certificates.

### B. Concessions/Relaxations

4.19 The Committee have been informed that the relaxations|concessions provided by BSRBs to the Scheduled Caste|Scheduled Tribe candidates at the time of recruitment are as under:—

#### Officers' Cadre

General Candidates	SC/ST Candidates
A degree from a recognised University.	A degree from a recognised University.
Age : 21-28 years.	Upper age limit is relaxed by 5 years
Fee : Rs. 40/-	Fee : Fully exempted.

#### CLERICAL CADRE

##### General candidates

Degree of a recognised University in any discipline.

OR

Pass in 2nd Division/Class (with 50% in aggregate) in Higher Secondary Examination 10+2+3 pattern or; intermediate or pre-university or XI standard of 11+3 pattern or pre-professional course or equivalent.

OR

Pass in 1st Division/Class (with 60% in aggregate) in matriculations/SSLC or equivalent.

Age : 19-26 years.

Fee : Rs. 20/-

##### SC/ST candidates

Pass in Higher Secondary Examination of 10+2+3 pattern/intermediate/pre-university of XI standard of 11+3 pattern of a statutory body/pre-professional course or equivalent.

OR

Pass in Second Division/Class (with 50% marks in aggregate) in matriculation/ SSLC or equivalent.

Age : Upper age limit relaxed by 5 years.

Fee : Fully exempted.

The SC/ST candidates are adjudged on relaxed standards and are interviewed in separate sittings. A member belonging to Scheduled Castes/Scheduled Tribe community is also associated in the interview boards. As regards recruitment of sub-staff is concerned, relaxations in eligibility standards provided by the Canara Bank are as under:—

##### General candidates

##### SC/ST Candidates

Age 18-25 years

Age : Upper age limit relaxable by 5 years.

4.20 In promotion from sub-staff to clerical cadre, relaxation of 2 years in service and 5 per cent marks for passing the written test are

given to sub-staff belonging to Scheduled Caste/ Scheduled Tribe categories. Similar concessions are given to Scheduled Caste/ Scheduled Tribe employees in clerical cadre for promotion to officer cadre.

4.21 The Committee are gratified to note that the various concessions/relaxations prescribed by the Government for recruitment and promotion of Scheduled Caste/Scheduled Tribe employees are being made available by the Bank.

### C. SELECTION/PROMOTION COMMITTEES

4.22 In a note furnished to the Committee, it has been stated that the Committees for various promotions within officers cadre have been formed as per the Government guidelines. The composition of the Committees is as under:—

For promotion from	Committee Comprising
1. Junior Management Grade Scale I to Middle Management Grade Scale II	One Deputy General Manager and two Asstt. General Managers.
2. Middle Management Grade Scale II to Middle Management Grade Scale III	One General Manager and two Deputy General Managers.
3. Middle Management Grade Scale III to Senior Management Grade Scale IV	The Chairman & Managing Director or the Executive Director, two General Managers or in the absence of the second General Manager, a Deputy General Manager.
4. Senior Management Grade Scale IV to Senior Management Grade Scale V	The Chairman & Managing Director, the Government Director and the Reserve Bank of India Director.
5. Senior Management Grade Scale V to Top Executive Grade Scale VI	The Chairman & Managing Director, the Government Director and the Reserve Bank of India Director.
6. Top Executive Grade Scale VI to Top Executive Grade Scale VII	The Chairman & Managing Director, the Government Director and the Reserve Bank of India Director.

For promotions to clerical cadre and to Junior Management Grade Scale I, Interview Committees have been constituted which include an officer belonging to Scheduled Caste/Scheduled Tribe for interviewing all eligible candidates for promotion from clerical cadre to Junior Management Grade Scale I.

4.23 On being enquired during evidence whether there was any Departmental Promotion Committee in which a representative of Scheduled Caste/Scheduled Tribe was not included, the representative of the bank replied as under:—

“The Departmental Promotion Committee, as suggested by the Government, is constituted by designation, i.e. at higher levels for the Executives. Suppose in the categories of Deputy General Manager and Assistant General Manager, there is nobody from Scheduled Castes/Scheduled Tribes, we have not included them...for example if a Divisional Manager has to be considered for promotion as Assistant General Manager, they will see that the Committee consists of two DGMs. Unless I have a Scheduled Caste or Scheduled Tribe as DGM, I cannot put him. Nobody lower than that status can be put there.”

4.24 In reply to a question he said that Scheduled Caste/Scheduled Tribe employees were interviewed alongwith others. When it was pointed out that under the rules they should be interviewed separately the representative of the bank stated as under:—

“Actually, Scheduled Caste/Scheduled Tribe candidates are ranked separately. It has nothing to do with the general candidates. Even if other persons are more intelligent, it means nothing. They are to compete with other people among Scheduled Caste and Scheduled Tribe candidates for the vacancies reserved for them. There is a separate pool for them. We can do it.”

4.25 The Committee have been informed that an officer belonging to Scheduled Caste/Scheduled Tribe category is being included in the interview panel for interviewing all eligible candidates for promotion to Junior Management Grade Scale I. During evidence the representative of the bank has stated that for selection of executive at higher levels, the Interview Committee is constituted by designation and if nobody of that designation is available from Scheduled Castes/Scheduled Tribes, he is not included in the Interview Committee. The Committee regret to point out that this is acting against specific instructions of Government in this regard. The Committee recommend that if Scheduled Caste/Scheduled Tribe Officer of appropriate rank is not available in Canara Bank, for inclusion in the Selection Committee they may borrow Scheduled Caste/Scheduled Tribe officer of requisite level from other public undertakings or seek the help of Banking Service Recruitment Boards in this re-

gard. The Committee recommend that a panel of such officers of appropriate status should be maintained in the bank.

4.26 The Committee find that for posts in sub-staff cadre for which recruitments are made by Circle Offices, no instructions have been issued regarding inclusion of a Scheduled Caste/Scheduled Tribe officer in the Selection Committee. The Committee recommend that a representative of the Scheduled Castes/Scheduled Tribes should invariably be included in the Selection Committee for recruitment of sub-staff and suitable instructions in this regard should be issued to all concerned.

4.27 The Committee have been informed that Scheduled Caste/Scheduled Tribe candidates are interviewed alongwith others. The Committee regret to point out that it is against the existing instructions on the subject. The Committee recommend that interview of Scheduled Caste/Scheduled Tribe candidates should be held at a sitting separate from that fixed for interview of general candidates so that Scheduled Caste/Scheduled Tribe candidates may be adjudged according to relaxed standards. The reply of the representative of the Bank on this point is not acceptable to the Committee.

#### *D. Dereservation*

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



4.29 Number of posts dereserved during the last 3 years is as under:—

Details of dereservation in recruitment

Category	1982		1983		1984	
	SC	ST	SC	ST	SC	ST
Officers	8	21	7	8	38	26
Clerical		69	95	47		
Sub-Staff		38		38		45
Total :	8	128	102	93	38	71

Details of dereservation in promotions

Clerical to Officers	10	27	7	78		
Sub-staff to Clerical	10	10		11		1
Total :	20	37	7	89		1

4.30 In reply to a question, the representative of the bank stated that total number of dereserved posts in 1983, 1984 and 1985 was 594. The fact of dereservation had not been intimated to the Government and the Commissioner for Scheduled Castes and Scheduled Tribes which was an omission on their part.

4.31 Giving the procedure for dereservation in the bank, the representative of the bank stated as under:—

“When the Scheduled Caste/Scheduled Tribe candidates are not available and if it is very essential to fill up the vacancies, in the case of clerical cadre, a note is put up before the Managing Director and in the case of office cadre, the note is put up to the Board and then this information has to be intimated to the Government as also to the Commissioner of Scheduled Castes and Scheduled Tribes. We erred in not following this procedure of intimating it to the Government and the Commissioner.”

When it was enquired how 594 posts were dereserved, the representative of the bank stated as under:—

"This is done at the Personnel Wing level. I am sorry for that."

4.32 When it was pointed out that no confirmation or approval was taken either from the Board or from higher authority and whether it was needed or not, the representative of the bank observed. "It was needed."

4.33 The Committee regret to note that a large number of vacancies reserved for Scheduled Castes and Scheduled Tribes are being dereserved in Canara Bank every year both in recruitment and promotions in officers, clerical and sub-staff cadres. Dereservation of a total number of 594 vacancies during the years 1982, 1983 and 1984 amounts to depriving Scheduled Castes and Scheduled Tribes of their due share in appointments and promotions. The Committee recommend that all-out efforts including special recruitment should be made to fill the reserved vacancies with SC/ST candidates before resorting to dereservation. The Committee would again stress that proper facilities should be provided for in-service training to Scheduled Caste/Scheduled Tribe employees at various levels so that they come upto the desired standard for purpose of promotion to higher grade and de-reservation in promotions is avoided.

4.34 The Committee have been informed that filling up of reserved vacancies by general candidates is brought to the notice of the Board of Directors every quarter. The representative of the bank also stated during evidence that the fact of dereservation had not been intimated to Government and the Commissioner for Scheduled Castes and Scheduled Tribes. The Committee would like to point out that according to Government guidelines, prior approval of the Board of Directors for the posts of officers and that of the Chairman and Managing Director for clerical posts has to be obtained, before filling any reserved vacancy by a general candidate. It should also be specifically mentioned in the note sent to the Board/Chairman that the proposal for dereservation is being made with the full knowledge and concurrence of Liaison Officer. The Committee recommend that the bank should follow this procedure scrupulously. The Committee also recommend that timely intimation about the dereservation should be sent to the Government and the Commissioner for Scheduled Castes and Scheduled Tribes in future.

### E. Complaints/Grievances

4.35 It has been stated that Canara Bank is maintaining a register for recording particulars of complaints/representations received from the Scheduled Caste/Scheduled Tribe employees either directly or through their Associations and action thereon is taken by the bank.

All complaints/grievances are first examined at the Circle Office level and then reported to the Head Office with comments. The Chief Liaison Officer goes through the report and then only the matter is disposed of, where the complaints/grievances are of serious nature, the same are placed before the Board for their consideration and orders.

4.36 The number of complaints/grievances received from Scheduled Castes/Scheduled Tribes during the last 3 years are as under:—

Year	No. of complaints
1982 . . . . .	31
1983 . . . . .	36
1984 . . . . .	35

Normally the complaints are of the following nature:—

- (i) Alleging harassment of SC/ST employees
- (ii) Transfers/placement of SC/ST employees
- (iii) False certificates produced by the employees
- (iv) Job rotation/allotment of work.

4.37 The representations from employees' associations received in the Banking Division are forwarded to the Banks, which are autonomous bodies, for appropriate action. Where it is found that Government guidelines have not been followed, bank managements are advised to take remedial measures. There has, however, been no practice in the Banking Division for entering into correspondence with employees' association.

4.38 The banks have been advised that the Liaison Officers may meet informally the Scheduled Caste/Scheduled Tribe employees including their representatives, hear their grievances in respect of matters arising out of policy regarding reservations, and explain them the factual position including policy decisions in order to eliminate any misgivings in their minds. The banks have also been

advised that the grievances of the Scheduled Caste/Scheduled Tribe employees should be looked into and prompt remedial action taken wherever necessary.

4.39 The representative of the Ministry of Finance stated during evidence that a large number of petitions or representations were received in Banking Division. These were divided into two categories.

In the first category were included letters or representations received from VIPs like the Ministers, Members of Parliament or Chairmen or different associations relating to important matters. On these cases, reports were obtained from the banks concerned for examination in Banking Division. Large number of remaining cases under the second category were sent to the banks concerned for disposal according to directions given by Government from time to time. They had received 15 representations in 1984 and 16 in 1985 which were sent to Canara Bank for necessary action.

4.40 In reply to a question whether the Government had issued any instructions to banks as to how they should deal with Scheduled Caste/Scheduled Tribe Associations, the representative of the Ministry stated that besides the representative union which represented the entire staff, there was Scheduled Caste/Scheduled Tribe Association that took up specifically the grievances of the Scheduled Caste/Scheduled Tribe employees. They discussed these grievances with the Associations and sorted them out but general terms and conditions etc. were discussed with the representative union. In regard to Scheduled Caste/Scheduled Tribe employees Associations and the Liaison Officer appointed to deal with Scheduled Caste aspects, the Ministry had issued specific instructions to all the banks on 18-1-1983. They would follow it up by again writing to the banks that this must be implemented properly.

4.41 The representative of the Ministry further stated that one member of the Board of Directors in every bank is a representative of the Government. The Board discussed Scheduled Caste/Scheduled Tribe matters every quarter.

4.42 In reply to a question whether the percentage of vacancies in the general officers cadre to be filled up was always decided in consultation with the employees' union, the representative of the bank stated that there was a system of having a dialogue with the representative Union. Any change in the service conditions includ-

ing those for Scheduled Castes and Scheduled Tribes was discussed with the representative of the Union. Only recognised Unions were normally consulted and it was the majority unions that were recognised.

4.43 On being enquired as to how the recognised unions mentioned about the grievances of Scheduled Caste/Scheduled Tribe employees, the representative of the bank stated as under:—

“We hold discussion with them in one meeting and in the next meeting with the union we take it up and see that those grievances are redressed.”

4.44 When the Committee pointed out that agreements with the Union should be on conformity with the safeguards provided in the Constitution for Scheduled Castes and Scheduled Tribes, the representative of the bank stated that bipartite settlements left little for dialogue. Everything was settled at the highest level and at the bank level only 10 to 15 percent was decided.

4.45 The Committee pointed out that the recognised unions did not place the grievances of Scheduled Caste/Scheduled Tribe employees before the bank authorities with the result that there was discrimination against them in many matters. They were transferred to small places where they faced difficulty in finding housing accommodation. As such, Scheduled Caste/Scheduled Tribe Associations should also be recognised so that they could take care of the interests of Scheduled Caste/Scheduled Tribe employees.

The representative of the bank replied as under:—

“In respect of general terms and conditions, these recognised unions are there. Scheduled Caste/Scheduled Tribe Association is recognised for discussing matters on grievances, transfers and so on. We don't discuss it with Unions during our bipartite meetings about individual transfer. These are taken up by Scheduled Caste/Scheduled Tribe Associations. More than 400 such cases were dealt with when this Association brought up certain matters before the Liaison Officer.”

4.46 When asked to state the method for recognising Union, the representative of the Ministry stated as under:—

“There are two types of recognitions. One is recognition under labour practices, industrial disputes Act where you have got the recognised Union with collective bargaining

and so on. The second is an Association of the Scheduled Castes and Scheduled Tribes which has been formed essentially to ventilate if there is any grievance. That Association is recognised in the sense that the Chairman and the Union continue to have a dialogue. They are recognised body. But as far as the Industrial Disputes Act under labour practice is concerned, they are governed by different provisions, altogether. These are quite separate. So long as the interest of Scheduled Castes is concerned, they will be having a continuous dialogue separately with the management."

4.47 The Committee note that a register is being maintained in Canara Bank for recording complaints/representations received from Scheduled Caste/Scheduled Tribe employees or their Associations. The Committee recommend that complaint registers should be kept both at the Head Office as well as the Circle Offices of the bank. Action taken on the complaints should be indicated in the register for the information of the complainants. The Committee also recommend that a record of complaints received in the Banking Division from SC/ST employees or their Associations should be maintained irrespective of the fact that the complaints are forwarded to bank concerned for disposal or action on them is taken in the Banking Division itself.

4.48 The Committee note that Liaison Officers of the bank have been advised to meet informally the Scheduled Caste/Scheduled Tribe employees including their representatives to hear their grievances in respect of matters arising out of the policy of reservation. The Committee desire that a brief record of the points discussed and decisions reached, if any, should be maintained by the bank to avoid any misunderstanding at a later stage.

4.49 In regard to recognition of SC/ST Associations, the representative of the Ministry of Finance stated during evidence that there were two types of recognition. One was recognition of a Union under Labour practices, Industrial Disputes Act etc. The second was in regard to Associations of Scheduled Castes and Scheduled Tribes which were formed essentially to ventilate grievances. That Association was recognised in the sense that the Chairman and the Association continued to have dialogue. The Committee recommend that apart from a dialogue with the Scheduled Caste/Scheduled Tribe employees' Association, replies should also be sent to letters received from the Association in regard to grievances relating to service matters or arising out of the policy of reservation.

**4.50 The Committee recommend that an Association of Scheduled Castes|Scheduled Tribes should also be formally recognised by the bank so that they are able to represent the grievances and suggestions of the Scheduled Caste|Scheduled Tribe employees in an effective manner.**

## CHAPTER V

### ADMINISTRATION

#### A. Rosters

5.1 The Committee has been informed that reservation for Scheduled Castes/Scheduled Tribes in direct recruitment was implemented with retrospective effect from the date of nationalisation, i.e. 19-7-1969 in 1973. Rosters are maintained from the date of nationalisation i.e., 19-7-1969. To ensure that proper reservations are provided, recruitment of staff is centralised at the bank's Office. All allotments of officers/clerical cadre personnel received from various B.S.R.Bs. after obtaining necessary approval from the competent authorities at Head Office are sent to Circle Offices for appointment and deployment. Periodically reports are prepared regarding progress of recruitment of Scheduled Caste/Scheduled Tribe and the report is placed before the Board of Directors for their information on a quarterly basis. Rosters of different states are being maintained at the Circle Offices and copies of the same are sent to Head Office for verification. Rosters at Circle Offices are checked and verified by the respective Liaison Officers of the Circle Offices concerned and checked by the Chief Liaison Officer at Head Office when received at Head Office. Rosters for recruitment to officers' cadre and all promotions are maintained at Head Office.

5.2 In reply to a question regarding rosters, the representative of the bank stated during evidence that they were maintaining the rosters for promotion separately from 1-7-1979 for one category and from 1-1-1980 for other category. They had not issued any circular in this regard. The Association was, however, seeing the roster. In future, they will keep the rosters at Circle Offices also.

5.3 Minor mistakes were detected in rosters by Chief Liaison Officer. These were corrected there and then.

5.4 The Committee note that rosters for posts filled up by direct recruitment are being maintained in Canara Bank w.e.f. 19.7.1969. Rosters for reservations in promotions are being maintained w.e.f. 1.7.79 for officers cadre and from 1.1.1980 for clerical cadre. Rosters kept at Circle Offices are checked & verified by the respective Liaison Officers. When received at Head Office, the rosters are checked by



**Chief Liaison Officer.** The representative of the bank informed the Committee during evidence that minor mistakes were detected in rosters by Chief Liaison Officer. These were corrected there and then.

5.5 The Committee need hardly stress that roster is the only mechanism to keep a watch on the implementation of the policy of reservation. The Committee therefore recommend that rosters should be maintained properly in the prescribed form and inspected by the Liaison Officer of the bank at regular intervals. The Committee also recommend that an officer of the Banking Division should also do random checking of the rosters.

5.6 The Committee desire that rosters should be open for inspection by the employees of the bank and recommend that a circular to this effect should be issued for the information of the employees. A copy of the circular should also be sent to the Committee for their information.

#### *B. Annual statements/Reports*

5.7 In a note furnished to the Committee, the Ministry of Finance (Department of Economic Affairs—Banking Division) have stated that statements regarding recruitment/promotion of Scheduled Caste/Scheduled Tribe are prepared by the respective banks on the basis of the rosters maintained by them and sent to the Banking Division. It is the duty of the Liaison Officers in Banks to verify the correctness of these statements with reference to the rosters. These statements are examined in the Banking Division in order to find out the progress made by the Bank in filling the quota reserved for Scheduled Caste/Scheduled Tribe in various cadres. From time to time, the Banks/BSRBs are advised to take special steps like holding of exclusive tests for Scheduled Caste/Scheduled Tribe for clearing the backlog of vacancies.

5.8 Annual statements sent by Canara Bank to Banking Division during the years 1982, 1983 & 1984 pertain to the following information:—

- (i) Information regarding recruitment of Scheduled Castes and Scheduled Tribes during an year;
- (ii) Information regarding promotion of Scheduled Castes and Scheduled Tribes during the year;
- (iii) Number of reserved vacancies filled by Scheduled Castes and Scheduled Tribes during the year; and

(iv) Total number of employees and number of Scheduled Castes and Scheduled Tribes among them as at the end of the year.

It has further been stated that all statements are generally submitted within the stipulated time by Canara Bank.

5.9 The Banking Division has not given any specific reply to a question by the Committee whether any shortfalls were noticed in the statements submitted by Canara Bank.

5.10 In reply to a question whether the Annual Report of the Canara Bank contains data relating to recruitment and promotion of Scheduled Castes|Scheduled Tribes and credit facilities provided by the bank to Scheduled Castes and Scheduled Tribes, it has been stated that the Annual Report of the Bank contains data relating to recruitment of Scheduled Caste|Scheduled Tribe candidates. The details regarding credit facilities provided by the Bank to Scheduled Castes|Scheduled Tribes are also mentioned in the Annual Reports of the Bank.

5.11 The Committee note that Canara Bank has been sending yearly statements to the Banking Division regarding filling up of vacancies reserved for Scheduled Castes and Scheduled Tribes through recruitment and promotion. The Committee desire that the Banking Division should make a thorough and analytical study of these statements and point out the shortfalls and deficiency, if any, to the bank. The bank should take prompt and effective measures to remove those deficiencies.

5.12 The Committee regret to point out that information given in Annual Report of Canara Bank for 1984 regarding representation of Scheduled Castes and Scheduled Tribes in the services of the bank and credit facilities provided by the bank to Scheduled Castes|Scheduled Tribes is scanty. The Committee recommend that Annual Reports of the Bank should show separately the percentage of Scheduled Caste|Scheduled Tribes in various cadres and the steps taken to reduce the backlog as existing at the end of the previous year. As regards credit facilities, the Report should give the targets fixed for Scheduled Castes|Scheduled Tribes under various schemes and the achievement of the bank under different schemes in terms of the amount disbursed and the number of Scheduled Caste|Scheduled Tribe beneficiaries.

5.13 The Committee further recommend that the loans given at 4 per cent interest to Scheduled Caste|Scheduled Tribe applicants under DRI Scheme during the year should also be highlighted in the Annual Report of the bank.

## CHAPTER VI

### CREDIT FACILITIES

#### *A. Organisational set up*

6.1 It has been stated that in the Ministry of Finance, Banking Division, a special Cell has been set up to monitor the flow of Bank credit to persons belonging to Scheduled Castes/Scheduled Tribes and watch implementation of Government orders issued from time to time. Based on this monitoring/periodic reviews, banks which are lagging behind in the implementation of such lending programmes are advised to gear up their activities and to overcome any deficiencies. According to Banking Division Office Order No. 11012/1/84-Adm. I dated 17th November, 1984, to start with, the posts of one assistant and one lower division clerk alongwith work relating to credit for Scheduled Caste/Scheduled Tribe will be transferred to ESA Section from the existing SC/ST Cell to constitute the special cell for looking after the credit requirements of Scheduled Castes and Scheduled Tribes.

6.2 In Canara Bank, a Cell headed by an officer of Priority Credit-Planning and Development Section is exclusively looking after the matters relating to monitoring the flow of credit to SC/ST beneficiaries. All branches, particularly the rural/semi-urban branches have been advised to go out and identify the needy Scheduled Caste/Scheduled Tribe Section and provide them the required assistance.

6.3 The monitoring of the progress of priority sector lending including assistance under 20-point programme to weaker sections is being made through budgeting, quarterly review and submission of returns to RBI/Finance Ministry and to the Board of Directors.

6.4 Senior Executives of the Bank ensure that the instructions given by the Finance Ministry/RBI are complied with whenever they visit branches and offices. In addition to this, the branch Managers and Divisional Managers are educated in Seminars and Conferences regarding the instructions/guidelines issued by Reserve Bank of India.

6.5 The Committee note that a Special Cell has been created in Banking Division of the Ministry of Finance to monitor the flow of credit to persons belonging to Scheduled Castes/Scheduled Tribes. The Committee have been informed that presently one Assistant and one Lower Division Clerk have been transferred from the existing SC/ST Cell to the new Cell. The Committee feel that the staff

strength of one Assistant and one LDC is not at all sufficient to look after the work relating to credit facilities provided by 28 nationalised banks to Scheduled Castes|Scheduled Tribes. The Committee recommend that strength of the Cell should be suitably augmented keeping in view the volume of work expected to be done in the Cell. The Committee also recommend that the Cell should be headed by an officer belonging to Scheduled Caste/Scheduled Tribe.

### *B. Salient Features of Credit Schemes*

6.6 In a note furnished to the Committee, it has been stated that Canara Bank have been making concerted efforts to make available Organised Institutional Finance to Scheduled Castes and Scheduled Tribes on an ever increasing scale. Over the years, the bank has designed and implemented number of schemes based on the felt needs of these sections and has been able to step up substantially the number of such beneficiaries and volume of credit assistance to them.

6.7 Persons belonging to SC|ST can avail of credit facilities from the Bank under various schemes drawn up under the Priority Sector portfolio. Agriculture, allied activities like dairy, poultry, sheep rearing, piggery, beekeeping and sericulture, setting up small business and small scale units, professional and self-employed ventures, retail trade and Road Transport business are the broad areas under which credit facilities are being extended to these beneficiaries.

6.8 Apart from meeting the requirements of productive credit, schemes have also been drawn up to cover consumption, housing and educational needs of these categories.

6.8 Considering that both the New 20 Point Programme and the IRDP are so designed as to lay special emphasis on assisting the SC|ST groups, the bank has laid due stress on ensuring its active involvement in the implementation of these programmes. In addition to the numerous schemes designed under the priority sector at concessional rate of interest and beneficial terms and conditions, Scheduled Castes|Scheduled Tribes can also avail Bank's assistance under the non-priority sector schemes. All branches have been advised to sympathetically assess the credit requirements of persons belonging to SC|ST in their command areas and duly provide for them financial and physical allocation in their credit|Action Plans.

### *Differential Rate of Interest Scheme Scope and Coverage:*

6.9 Differential Rate of Interest Scheme, popularly known as DRI, was introduced during June 1972 to improve the economic

status of the weaker sections the downtrodden and other less fortunate people. It is operative in the entire country. In order to channelise the Bank's finance to the beneficiaries under this Scheme, Government of India have prescribed the following targets. Within the total limit prescribed sub-limits have been fixed to ensure that the weaker sections in the rural areas and persons belonging to Scheduled Castes and Scheduled Tribes derive maximum benefits.

- (1) 1 per cent of banks aggregate advances as at the end of previous year should be lent under the scheme;
- (2) Not less than 2/3 of DRI advances are to be routed through rural and semi-urban branches. Correspondingly not more than 1/3 of DRI advances are to be routed through Urban and Metropolitan branches.
- (3) Not less than 40 per cent of the total DRI advances of the Bank should flow to the eligible borrowers belonging to SC/ST.

#### *Eligibility Criteria:*

6.10 Following criteria should be satisfied before becoming eligible to the benefits of the scheme:—

- (i) Family income of the borrower from all sources does not exceed Rs. 3000/- per annum in urban and semi-urban areas or Rs. 2000/- per annum in rural areas.
- (ii) The borrowers does not own any land or the size of land holdings does not exceed one acre in the case of irrigated land and 2.5 acres in the case of un-irrigated land.
- (iii) Members of Scheduled Castes and Scheduled Tribes are eligible for the loan irrespective of their land holdings provided they satisfy the other criteria.

The family for the purpose of DRI has been defined as those persons living under a common roof with a common kitchen, particularly clustering around husband, wife and children.

6.11 During evidence on the Working of ITDPs in Andhra Pradesh, the representative of the Planning Commission informed the Committee that the present income limit of Rs. 3500/- per annum of a family consisting of 5 members for the purpose of determining people living above poverty line was under revision.

### *Quantum of Loan:*

6.12 The maximum amount of loan permissible under the scheme should not exceed Rs. 1500/- for working capital and Rs. 5000/- for term loan. Both working capital and term loan will be admissible in accordance with the specific requirement of the borrower. Rate of interest is to be charged at 4 per cent simple interest per annum.

In reply to a question, it has been stated that at present there is no proposal to increase the limit of D.R.I. advances.

### *Operational Agencies:*

6.13 The Scheme of DRI will be operated by all the public sector banks. To ensure that the persons served by the Regional Rural Banks can also avail themselves of the benefits of the scheme, the sponsoring banks may lend through RRBs on an agency basis. Thus, eligible borrowers will be able to obtain loans at the rate of 4 per cent per annum in the areas served by RRBs.

### *Eligible State owned Corporations and Cooperative Societies:*

6.14 Banks may route credit under the scheme through State Corporations for the Welfare of the Scheduled Castes and Scheduled Tribes subject to the beneficiaries of the Corporations meeting the eligibility criteria and other terms and conditions indicated in the scheme. Banks may also route credit through Co-operative Societies/LAMPS organized specially for the benefit of the tribal population, in areas identified by the Government of India, on the same terms and conditions as are applicable to state owned corporations for the Welfare of Scheduled Castes and Scheduled Tribes.

### *Margin and Security:*

6.15 (i) No margin is to be insisted upon;

(ii) No co-obligation/guarantee is to be obtained;

(iii) The assets purchased out of the bank loan are to be hypothecated to the Bank. The cost of insurance of the assets charged is to be borne by the bank.

### *DRI Advances:*

6.16 Total DRI advances made by Canara Bank during the last

3 years and share of SC/STs in these advances are as under:—

(Rs. in crores)

	1982	1983	1984
1. Total amount under DRI; . . . . .	10.57	14.11	23.73
2. Percentage of DRI advances to net credit as at the end of previous year . . . . .	0.76%	0.82%	1.14%
3. Amount advanced to SC/STs; . . . . .	4.46	6.02	10.64
4. Share of SC/ST in total DRI advances . . . . .	42.20%	42.70%	44.80%

6.17 Loans advanced under DRI Scheme in the last 3 years separately through rural and semi-urban and urban and metropolitan branches are given below:—

	1982	1983	1984
(i) Through rural and semi-urban branches (Target 67%) . . . . .	77%	75%	75%
(ii) Through urban and metro-politan branches . . . . .	23%	25%	25%

6.18 In reply to a question whether the branches ever refused to give loan under DRI Scheme to an eligible borrower on the ground that they had no more money to lend under the scheme, the Committee have been informed that completing the target or credit squeeze are not applicable for disbursement of loans to Scheduled Caste/Scheduled Tribe and for loans to weaker sections. Therefore, branches do not refuse to grant loans under DRI under any circumstances. In 1983 the bank could achieve only 0.82 per cent under DRI finance as against 1 per cent. However, 42.70 per cent of DRI advances in 1983 has gone for Scheduled Caste/Scheduled Tribes. Special efforts were made by the branches for disbursing DRI loans by arranging disbursement fortnightly, preparing specific scheme and hence they could achieve 1.14 per cent in 1984 and deploy 44.80 per cent of DRI Advances to Scheduled Castes/Scheduled Tribes.

6.19 In reply to a question, the Committee have been informed that the bank had not come across cases of violation by the branches of instructions regarding margin and guarantee.

6.20 The Committee have been informed by the Ministry of Finance (Banking Division) vide their O.M. No. 5/10/84-SCT(B) dated 29th November, 1985 that the Task Force which was constituted by the Government to review the working of DRI scheme has submitted its Report in March, 1985. The Report is presently under examination by the Government.

### *Housing Loans:*

6.21 The Committee have been informed that Reserve Bank of India has stipulated that loans upto and inclusive of Rs. 5000/- carry interest rate of 4 per cent p.a. to Scheduled Caste/Scheduled Tribe beneficiaries irrespective of their income and land holdings. Loans above Rs 5000/-carry interest at 13½ per cent p.a. A rebate of 0.5 per cent is allowed for regular repayment of instalments.

6.22 The details of housing finance assistance to SC/ST beneficiaries for the last 3 years is furnished below:—

(Amount in 000's)

	Dec. 82	Dec. 83	Dec. 84
Amount outstanding . . . . .	10880	11534	11031
No. of beneficiarics . . . . .	6388	6460	6476

6.23 At present the Bank is not channelising housing finance through Regional Rural Banks, Village Co-operatives and Scheduled Caste/Scheduled Tribe Development Corporations. As to the reasons, it has been stated that the Regional Rural Banks extend credit facilities for productive activities and hence housing loan is not routed through RRBs. Similarly, none of the Cooperatives financed by the bank is having housing loan scheme as they provide only Scheduled Tribe loans. The bank will explore the possibility of extending housing loans through Scheduled Caste/Scheduled Tribe Development Corporations in future.



6.24 Targets fixed by Reserve Bank of India for housing finance by Canara Bank and their achievements are as under:—

*Direct Finance:*

(Rs. in lacs)						
Category	Targets	Disbursements			Outstand- ing	
		1983	1984	1985 June		
1. SC/ST	138.30	3.94	7.81	6.23	22.98	
2. Weaker Section . }		6.82	11.87	5.43	38.66	
3. Low Income Group . .	92.20	0.93	7.50	2.29	19.00	
4. MIG . . . .	69.20	0.60	3.94	4.93	9.21	
Total Direct : . . . .		299.70	12.29	30.71	18.88	84.25

*Indirect Finance :*

1. SC/ST Housing Dev. Fin. Corp.	46.10				7.50
2. Investment in Deb., Bonds of HUDCO	345.90		1113.10	421.20	5263.44
Total housing loan		631.70	1143.81	440.08	5355.19

*Educational Loans*

6.25 It has been stated that educational loans are granted to beneficiaries conforming to DRI norms depending upon the need at concessional rate of 4 per cent. Publicity is given for educational loans at Schools and Colleges and organising Exhibitions at rural places. The information is not readily available about the amount advanced under this scheme to Scheduled Castes/Scheduled Tribes. In the existing information system, there is no provision for exclusively reporting educational assistance rendered to SC/ST beneficiaries under DRI Scheme. Indigent students of merit going in for higher education who do not get scholarship/maintenance grants from the Government or educational authorities are considered for grant of educational loans at 4 per cent rate of interest.

6.26 Total educational loan given by the Bank in 1984 and 1985 as well as share of SC/ST in educational loan is given below:—

(Accounts actual: Amounts in Crores of Rupees)

Particulars	Dec. 1984		June, 1985	
	Accounts	Amount	Accounts	Amount
1. Total educational loans . . .	24062	6.39	23520	6.80
2. Educational Loan to SC/ST . .	1357	0.15	1426	0.17
3. Share of SC/ST out of educational loan (%) . . . . .	5.64%	2.34%	6.06%	2.5%

6.27 It has been stated that wherever the scholarship given to SC/ST students is inadequate to meet their requirement for education purpose, the bank may consider supplementing through their educational loan scheme.

6.28 The Committee note that Canara Bank is providing credit facilities to Scheduled Castes and Scheduled Tribes under various schemes drawn up under Priority Sector, agriculture and allied activities like dairy, poultry etc., small scale business and industry etc., DRI Scheme, IRDP and the new 20 Point Programme.

Under DRI Scheme, family income of a borrower from all sources should not exceed Rs. 3000/- per annum in urban and semi-urban areas and Rs. 2000/- in rural areas. Under these eligibility conditions, families living below the poverty line i.e. income of Rs. 3500/- in rural areas will not be entitled to get loans under DRI Scheme. The Committee, therefore, recommend that income limits under DRI Scheme should be raised so that it corresponds to the income limit of poverty line in rural areas.

6.29 The Committee appreciate that in 1984 share of DRI advances by Canara Bank to SC/STs was 44.80 per cent of total DRI advances as against the stipulation of 40 per cent minimum under the guidelines of RBI. This constituted 1.14 per cent of total advances by the bank during the last year. The Committee would however like the Canara Bank to find out whether there are any states or regions where the percentage of DRI advances to total advances has been less than 1 per cent and DRI advances to SCs/STs have been less than 40 per cent of total DRI advances. The Committee desire that the bank should make concerted efforts to see that the prescribed targets are reached in each States region of its operation.

6.30 Under the guidelines regarding DRI scheme, banks may route credit through Cooperative Societies/LAMPS organised specially for the benefit of tribal population in areas identified by Government. The Committee recommend that in order to give benefit of DRI Scheme to an increasing number of persons belonging to Scheduled Tribes, Canara Bank should route DRI advances through Cooperative Societies/LAMPS, in addition to RRBs.

6.31 The Committee have been informed that the Task Force which was constituted by Government to review the working of DRI Schemes has submitted its Report in March, 1985 and the Report is at present under examination by Government. The Committee regret to point out that Government have already taken one year in examining the Report and desire that an early decision should be taken in the matter so that changes, if any, to be made in the DRI Scheme should be carried out expeditiously.

6.32 The Committee note that loans upto Rs. 5000 each for construction of houses are granted by the bank to Scheduled Caste and Scheduled Tribes at 4 per cent rate of interest. Loans above Rs. 5000 carry interest at 13.5 per cent per annum. The Committee consider that an amount of Rs. 5000 is not at all sufficient for construction of houses particularly in view of the escalation in prices of building material. The Committee recommend that the amount of loan at 4 per cent should be increased at least to Rs. 7500.

6.33 The Committee regret to note that under Direct Housing Finance to Scheduled Castes/Scheduled Tribes and weaker sections, the share of SC/STs is a meagre amount of Rs. 3.94 lacs in 1983, 7.81 lacs in 1984 and 6.23 lacs in 1985 upto June out of a target of Rs. 138.30 lacs. The Committee express their unhappiness at the unsatisfactory performance of the bank in the matter of providing housing credit to SCs/STs.

6.34 The Committee have been informed that at present Canara Bank is not channelising housing finance through Regional Rural Banks, Village Cooperative or SC/ST Development Corporations. The Committee recommend that with a view to increase the share of Scheduled Castes/Scheduled Tribes in housing loans Canara Bank should start extending housing loans through SC/ST Development Corporations.

6.35 The Committee note that educational loans are granted under DRI Scheme at concessional rate of 4 per cent to those students who are not getting any scholarship/maintenance grants from Government or educational authorities. The Committee are unable to

understand the rationale behind the condition that the student should not be in receipt of scholarship before getting educational loan at concessional rate. The Committee feel that in case the scholarship amount is insufficient the student should be able to obtain loan at 4 per cent interest to meet his requirement. The Committee recommend that the scheme may be amended accordingly.

The Committee note that the share of Scheduled Castes/Scheduled Tribes in educational loans as in June 1985 was 6.06 per cent as regards the number of accounts and 2.5 per cent in terms of amount. The Committee desire that Canara Bank should make efforts to increase the share of Scheduled Castes/Scheduled Tribes in educational loans and issue necessary instructions in this regard to all its branches.

### *C. Priority Sector Advances*

6.36 The Committee have been informed that no norms have been prescribed by the Government/Reserve Bank of India regarding share of Scheduled Castes/Scheduled Tribes in the total priority sector advances. However, under certain special schemes norms have been prescribed and the bank has achieved the expected level of assistance to Scheduled Caste/Scheduled Tribe beneficiaries.

6.37 Under priority sector advances, it has been stipulated that 25 per cent of the priority sector advances or 10 per cent of the total advances are to be given to borrowers belonging to 'weaker sections' category which as mentioned in the new Reserve Bank of India guidelines includes Scheduled Caste/Scheduled Tribe borrowers also (together with landless labourers, small and marginal farmers, tenant farmers/share croppers, artisans, village and cottage industries and IRDP beneficiaries).

6.38 Banks have been urged to extend credit under IRDP to identified beneficiaries and within this 30 per cent of the beneficiaries have to be persons belonging to Scheduled Caste/Scheduled Tribe. In addition to the minimum coverage of 30 per cent of the beneficiaries from Scheduled Castes/Scheduled Tribes, at least 30 per cent of resources invested in terms of subsidies provided and credit disbursed also should go to assist the Scheduled Castes/Scheduled Tribes beneficiaries. All efforts should be made to cover as many families of Scheduled Castes/Scheduled Tribes as possible, under IRDP over and above the minimum targetted level of 30 per cent envisaged earlier.

6.39 As at June 1983, Canara Bank had been able to provide 25 per cent of the credit disbursed under IRDP to Scheduled Caste|Scheduled Tribe beneficiaries and out of total number of beneficiaries assisted, only 26 per cent belonged to Scheduled Castes/Scheduled Tribes.

6.40 The representative of the bank stated during evidence that under IRDP, the bank had achieved 30.4 per cent as against the target of 30 per cent beneficiaries belonging to Scheduled Caste|Scheduled Tribe.

6.41 Total priority sector advances by Canara Bank as at the end of December, 1982, December, 1983 & December, 1984 and share of Scheduled Castes|Scheduled Tribes in these advances are as under:

(Rs. in crores)

	December 1982	December 1983	December 1984
<b>Total Priority Sector Advances . . . . .</b>	615.69	799.72	1092.89
<b>Share of Scheduled Caste/Scheduled Tribe</b>	18.89 (3.07%)	27.97 (3.50%)	43.59 (3.99%)
<b>Total number of borrowers</b>	1091297	1306093	1582995
<b>Number of Scheduled Caste/Scheduled Tribe borrowers</b>	144315	178582	248379

6.42 As at the end of March, 1985, advances to Scheduled Castes|Scheduled Tribes in Priority Sector by Canara Bank were Rs. 46.4 crores involving 2.54 lakh beneficiaries. The share in the Priority Sector Advances to Scheduled Caste|Scheduled Tribe beneficiaries was 3.8 per cent in respect of the amount and 15.5 per cent with regard to beneficiaries, whereas in comparison, Public Sector Banks as a whole, attained the level of 6.1 per cent in amount and 23.1 per cent in accounts of Priority Sector advances to Scheduled Caste|Scheduled Tribe beneficiaries. However, in selected pockets, Canara Bank had been in the forefront in financing Scheduled Caste|Scheduled Tribe beneficiaries and formulating special schemes.

6.43 Out of the total lendings by the bank to agriculture and allied

activities, 48.10 per cent has been extended to small farmers and landless labourers. Details for the last three years are as follows:

	Dec. 82		Dec. 83		(Amount in Crores)	
	A/cs.	Amt.	A/cs.	Amt.	A/cs.	Amt.
1. Total Credit to Agricultural and Allied activities	758223	235.78	923233	292.88	1066841	389.50
2. Credit to small/marginal farmers, agricultural labourers	596708	116.12	614719	134.70	766971	189.34
3. Of which to SC/ST	80159	10.64	117112	18.08	166436	29.10
4. % of 3 to 2	9.9	6.2	13.4	9.2	21.7	15.53

6.44 During evidence, the Committee draw attention to the letter dated 12th November, 1984 from Ministry of Finance to Chairmen of nationalised banks in which mention had been made about less than average performance of Canara Bank among others in the matter of assisting viable ventures of Scheduled Caste/Scheduled Tribe people. The representative of the bank explained as under :—

“This is in relation to the priority sector growth. In DRI and the IRDP etc. we have reached the target. In the case of the priority sector, there is no target as such which has been given. But the advice is that we should increase it as much as possible. Now, there was a shortfall in this. For example in 1982, when I took over it was 2.7 per cent of the total to Scheduled Castes. It has come upto 4.02 by September 1985. There is an increasing trend and we hope that we will maintain this trend. The percentage number of beneficiaries has also gone upto 16.09 per cent as against 14 per cent. But I can say another thing. In agriculture, we are financing about 21.7 per cent of the beneficiaries in the case of Scheduled Castes and Scheduled Tribes with 15.53 per cent of the amount. There we are much above the average whereas in totality of priority sector, it is having an increasing trend which is almost double that of 1982.”

.. 6.45 He also said that the letter from the Ministry of Finance had been placed before the Board which had said that the Bank should improve the efforts to show better results.

6.46 Giving reasons for not fixing any target for Scheduled Castes/Scheduled Tribes under Priority Sector lending, the representative of the M/o Finance stated as under:—

"In the case of priority sector, you have things like small industry, large agricultural loans and so on whereas our efforts in terms of eradication of rural poverty are towards helping small men in getting self employment and so on. It is essentially directed towards small men so the targets we have prescribed for various schemes. For example under DRI 40 per cent of DRI funds should go to Scheduled Castes and Scheduled Tribes. Atleast 30 per cent of the IRDP beneficiaries should be from Scheduled Castes and Scheduled Tribes. So the effort is to fix targets for small lending, for large lending because there it is really not possible to fix targets; whatever is a viable scheme has to be supported in terms of employment, industrial development and so on. Since it denotes a large number of activities which are important, not necessarily small man alone but other activities also, it is difficult to prescribe a target for the whole priority sector."

When it was pointed out that in case of large advances they were not advancing any money to Scheduled Caste industrialists, the representative of the Ministry stated:

"They are not denied".

He further said:

"In the case of large units or large proposals, the initiative has to come from the entrepreneur himself. The bank cannot come forward and say that this particular 2 crore project should come up. Somebody has to come up with his own money which is called equity and that will be supported by bank in terms of loans."

6.47 The Committee pointed out that the percentage share of Scheduled Caste/Scheduled Tribe in the priority sector was low in terms of money but in terms of beneficiaries the position was better. The obvious conclusion was that Scheduled Caste/Scheduled Tribe beneficiaries were getting smaller amounts.

6.48 In reply, the representative of the Ministry of Finance stated as under during the evidence:—

"We very much appreciate the anxiety of the Committee that

even in cases of large loans & large projects there should be a large number of Scheduled Caste|Scheduled Tribe entrepreneurs. But let us also appreciate the fact that every one does not want a large loan because the loan has to be repaid. Unless there is a scheme which will generate enough profits to pay back the loan, nobody will take; therefore making more and more Money available to small borrowers is a very legitimate thing because they can take a small loan, make a success of their venture, have self employment."

6.49 Asked to state the proposals, if any, to bring Scheduled Castes|Scheduled Tribes into the fold of bigger loans, the representative of the Ministry stated:—

"Even in case of small industry, 80 per cent of the cases are for investment from 1 to 2 lakhs. And as we go up in investment the number of cases drop very steeply. It is not only with regard to Scheduled Castes|Scheduled Tribes, very few people come for larger loans. I think a different approach is necessary. For example one instruction has been that in the case of proposals from Scheduled Castes & Scheduled Tribes, the rejection should be at a higher level than the Branch Manager. I think such things you can prescribe to ensure that no injustice is done even in one case."

6.50 On a suggestion made during evidence that statistics regarding assistance to Scheduled Castes and Scheduled Tribes should be kept separately and quota should be fixed for assistance to Scheduled Castes and Scheduled Tribes separately according to their population in the command area of the bank, the representative of the Ministry of Finance stated as under:—

"Today, it is not done like this. It will mean changing of all the circulars.

If the Committee desires, we can examine it."

6.51 The Committee note that the share of Scheduled Castes/Scheduled Tribes in priority sector lendings by Canara Bank was 3.50 percent at the end of 1983, 3.99 per cent at the end of 1984 and 4.02 per cent at the end of September, 1985. While the Committee appreciate that the share of Scheduled Castes/Scheduled Tribes has been increasing during the last 3 years, they are constrained to point out that it is much less than the average of 6.1 per cent for the Public Sector Banks taken as a whole, although Scheduled Castes/Tribes



constitute roughly about 23 per cent of the country's population. The Committee recommend that special efforts should be made to increase the share of Scheduled Castes/Scheduled Tribes in the Priority Sector advances.

6.52 At present data on priority sector lendings of banks are not available separately for Scheduled Castes and Scheduled Tribes. In the absence of separate data it is difficult to say whether Scheduled Tribes are getting their due share in total bank credit given to Scheduled Castes/Scheduled Tribes. The Committee therefore recommend that separate data should be maintained by Canara Bank regarding their priority sector advances to Scheduled Castes and Scheduled Tribes. The Committee further recommend that Banking Division should issue necessary instructions to all the nationalised banks in this regard.

6.53 The Committee note that under guidelines of Reserve Bank of India, 25 per cent of the priority sector advances or 10 per cent of the total advances are to be given to weaker sections category which includes Scheduled Caste/Scheduled Tribe borrowers, landless labourers, small and marginal farmers, tenant farmers/share croppers, artisans, village and cottage industries and I.R.D.P. beneficiaries. The Committee regret to note that no separate norms have been prescribed regarding share of Scheduled Castes/Scheduled Tribes in the total priority sector advances. The Committee recommend that as in the case of DRI Scheme and IRDP under which targets have been fixed for lending to Scheduled Castes/Scheduled Tribes, certain minimum percentage of the priority sector lending should be earmarked for Scheduled Castes/Scheduled Tribes.

6.54 The Committee also note that under IRDP, 30 per cent of the beneficiaries have to be persons belonging to Scheduled Caste/Scheduled Tribe and at least 30 per cent of the resources invested should go to Scheduled Castes/Scheduled Tribes. While the Committee appreciate that Canara Bank has achieved 30.4 per cent as against the target of 30 per cent Scheduled Caste/Scheduled Tribe beneficiaries, the Committee desire that the bank should not feel contented with the achievement of the target but make all out efforts to increase their lending to Scheduled Castes/Scheduled Tribes.

#### *D. Loan Applications*

6.55 In reply to a question whether any register is maintained by Canara Bank for loan applications from Scheduled Castes/Scheduled

Tribes, the Committee have been informed that the bank has introduced a 'Credit Report-cum-Inward application Register'. However, consolidation at the bank level regarding applications received, rejected, sanctioned in respect of Scheduled Caste|Scheduled Tribe beneficiaries is yet to be taken up.

6.56 It has been stated that no instructions have been given to maintain separate register for loan applications received from SC|ST. But, there are instructions that all applications of Scheduled Caste|Scheduled Tribes should be marked in red ink for receiving special attention like quick disposal and approval by higher authorities.

Register of loan applications indicates the date of receipt and date of sanction|rejection. The Divisional Managers(O) are required to ensure this during the inspection of the branches. Branches are required to keep sufficient stock of loan application forms printed in English and Hindi and regional languages.

6.57 The main reasons for rejection of loan applications are stated to be as under:—

1. Applicants enjoying sufficient credit facility with other Banks.
2. Past dealings with the banks not satisfactory.
3. Falling beyond the area of operation.
4. Heavy outside borrowings.
5. Project considered not feasible|not viable.

6.58 The bank has advised its branches to expeditiously sanction the applications received under DRI as far as possible within 3 days. The average time taken is about 3 to 4 days. The bank has also instructed its branches to disburse the loan component directly to the manufacturer/supplier or directly to the beneficiaries as the case may be. Under no circumstances, the payments will be directly effected to borrowers' representatives or other middlemen.

6.59 The Senior Executives and controlling officers ensure that the branches comply with the directions given by Reserve Bank of India regarding margin and guarantee etc. during their branch visits. All the branches are strictly to follow the instructions given and violations are properly dealt with.

6.60 Recognising the fact that persons belonging to SCs/STs have to be viewed on a different footing from that of others, earnest efforts are made to identify the potential SC/ST beneficiaries, assess their requirements and ensure that the problems and difficulties faced by them are effectively dealt with and emphasis laid on both the credit worthiness and viability of the projects. Branch officials treat the loan applications of SCs/STs with sympathy and also guide them to make the loan projects feasible by suggesting suitable changes. The bank undertakes review of lending procedure and policies from time to time to see that loans are sanctioned in time, are adequate and production-oriented. Corrective measures are applied on the basis of findings.

6.61 The representative of the bank stated during evidence that on term loans upto Rs. 25000/- repayable in 36 months, they charged 10 per cent from Scheduled Castes/Scheduled Tribes and on loan above that, rate of interest was different. They charged 13 per cent from professionals and self-employed. On loans above Rs. 25000 they charged 12.5 per cent.

6.62 When it was suggested that rate of interest should be reduced as it was very high for small farmers etc. the representative of the Ministry replied as under:—

“For the DRI, it is 4 per cent and for IRDP lending it is 10 per cent. So wherever we are dealing with small men, including the SCs and STs, rates are low. When we are dealing with large business, the rates are higher. All these are looked at keeping in view the interests of the depositors and we would like to have a rate of interest for the depositors also. The concession to the weaker sections of the society is made by linking up the different rates of interests”.

6.63 About the procedure for grant of loans, the representative of the bank stated that powers had been given to the Branch Manager. Details of applications are written in a register. Applications from SCs/STs are marked in red ink. Date of disposal is also indicated in the register. There is a Divisional Manager for 20 branches.

6.64 Asked about the action taken on complaints regarding grant of loans to people in other names and deduction of certain amount from the sanctioned loan in the name of office expenditure, the representative of the bank stated as under:—

“We can even give instances where stiff action has been taken. But it may still be difficult since we deal with people. There are so many problems that are involved and they may not be open to investigation. But I can only assure that we will take proper action. If it is proved that the

money has not been given, the person who is involved in it will be taken to task."

6.65 In reply to a question the Committee have been furnished details of 12 cases of fraud in the matter of grant of loans that have come to the notice of the bank and action taken by them in those cases.

6.66 The Committee note that a Register is maintained by the branches of Canara Bank in which all loan applications are entered. Applications received from Scheduled Castes/Scheduled Tribes are marked in red ink. Date of disposal is also indicated in this register. The Committee desire that information regarding loan applications received from Scheduled Castes/Scheduled Tribes, number of them rejected and sanctioned and amount sanctioned should be maintained at the Head Office of the bank. The Committee feel that the Head Office can monitor the flow of credit to weaker sections more effectively if such basic data is available to them.

6.67 The Committee have been informed that among the main reasons for rejection of loan applications are (i) falling beyond the area of operation and (ii) Project considered not feasible/not viable. The Committee desire that in such cases the bank officials should give necessary guidance to the applicants as to which branch they should apply or the changes that should be made in the project to make it feasible/viable.

6.68 The Committee would like to stress that a sympathetic and a positive approach on the part of bank officials while dealing with loan applications of SCs/STs is of paramount importance as it can go a long way in increasing their share in the total lending of the bank.

6.69 The Committee have been informed that Senior Executives and Controlling officers ensure that the branches comply with the directions given by Reserve Bank of India regarding margin and guarantee etc. The Committee, however, regret to point out that during tours by Study Groups of the Committee, complaints continue to be received regarding surety being insisted upon by banks for securing DRI loans by Scheduled Caste/Scheduled Tribe people. The Committee desire that bank Managers should be instructed not to insist on surety etc. for small loans upto Rs. 5000 and follow the guidelines of the Reserve Bank of India meticulously.

#### *E. Recovery of dues*

6.70 The Committee have been informed that recovery performance of Canara Bank for the years 1982, 1983 and 1984 for priority

and other sectors is as under:—

Sector	Recovery %		
	1982	1983	1984
Agriculture . . . . .	60.15	60.72	61.60
SSI . . . . .	53.24	52.18	54.53
Services . . . . .	57.59	58.36	59.07
Priority Sector Total . . . . .	58.38	58.55	59.79
Priority + Non Priority . . . . .	59.87	59.30	63.63

6.71 Under the present date collection system in respect of recovery percentage, no separate data indicating recovery percentage from Scheduled Caste/Scheduled Tribe beneficiaries is available. The details of recovery performance in respect of DRI landing for the last three years are as follows:

	% of recovery		
	1982	1983	1984
All borrowers under DRI . . . . .	58.28	59.08	55.47
SC/ST borrowers under DRI . . . . .	57.51	56.62	52.22

6.72 The representative of the bank stated during evidence that they were trying to improve the recovery position and instructions were being issued to managers in this regard. They were also posting agriculture extension officers to the branches and also giving two-wheeler vehicles to improve recovery position.

6.73 In reply to a question regarding the extent of failure of schemes which resulted in non-payment of bank loans it has been stated that no separate study had been undertaken to find out this fact. Recovery of loan is poor in schemes under Shoe Industry or Carpet Industry whenever the supply of raw material is not arranged or organised marketing arrangements are lacking.

6.74 It has further been stated that majority of schemes which failed were sponsored with the involvement of Scheduled Caste/Scheduled Tribe Development Corporations. Recovery of loans is not waived when the schemes for which loan was granted fail.

6.75 As regards steps for speedy recovery of over-due loans, the Committee have been informed that recovery efforts are more in the nature of personal contracts and persuasion rather than coercive methods and legal remedies. All branches of the Bank have been advised to approach the problem of overdues through intensive follow up, frequent visit by branch Managers and field staff, rephasing and nursing where require inculcating of repayment ethic through recovery campaigns and the like. Branches have also been

advised to maintain close rapport with Governmental and other field level agencies, seek their assistance in recovery and make use of various forums available to them to raise these issues effectively.

6.76 Presently, the assistance forthcoming from Governmental agencies. Scheduled Caste/Scheduled Tribe development Corporations for recovery of overdue loans is quite limited. The situation varies from area to area. The Bank's experience is that wherever there is a high degree of coordination between the Banks and Governmental agencies and where the departments concerned have been adequately staffed, as fair measure of assistance has been forthcoming.

6.77 In order to tackle the problem of overdues it has been suggested that Bank loan should be linked to marketing of the products. When the repayment is not forthcoming inspite of the bank exhausting all possible means of recovery and the bank is satisfied that only course left is to write off, the loans are treated as irrecoverable and the amount is written off. Separate data in respect of the amount of loans written off as bad debts so far as the Scheduled Castes/Scheduled Tribes are concerned is not available.

6.78 On being pointed out during evidence that sometimes security was sold for non-payment of loans resulting in loss to the beneficiary, the representative of the bank stated as under:—

“If there are problems we see whether concessions are possible while recovering it. Only after considering all these things the security is sold. We take enough precaution to see that there is no distress sale. We don't mind giving any amount of time if it is needed.”

6.79 In respect of recovery of loans in drought-affected areas, he said as under:—

“Instructions have been issued. Recently we have issued this in a couple of states. One is re-phasing and also giving additional loans for any activity whereby he can generate income.”

6.80 The Committee note that under the present data collection system in respect of recovery of loans no separate data of recovery from Scheduled Caste/Scheduled Tribe beneficiaries is kept. However, in respect of DRI lendings the percentage of recovery for all borrowers is 55.47 per cent in 1984 whereas it is 52.22 per cent for Scheduled Caste/Scheduled Tribe borrowers. The Committee note that recovery percentage for Scheduled Castes/Scheduled Tribes is less than the overall recovery percentage and desire that the bank should make efforts to improve recovery position by all possible efforts.

## APPENDIX II

(Vide para 2.22 of the Report)

(Information regarding promotion of Scheduled Castes/ Scheduled Tribe employees during the year 1984)

### NAME OF THE BANK : CANARA BANK

Particulars of promotion (Cadre-From/to)	Total pro- motions made dur- ing the year	Vacancies reserved for Scheduled Castes			S.C. out of col2 1-1-84	Backlog for SC as on 1-1-85	Vacancies reserved for Scheduled Tribes			S.T. out as on of col. 2 1-1-84	Backlog for ST as on 1-1-85
		Backlog as on 1-1-84	Current vacancies	Total			Backlog as on 1-1-84	Current vacancies	Total		
1. Bank as a whole from clerical to officers cadre.	654	48	97	145	159*	2	161	48	209	53	140
2. From sub-staff to clerical cadre	335	13	51	64	106	(1+42)	28	25	53	24	29

Note:—\*16 SC candidates have been promoted to fill the ST vacancies which had remained vacant beyond a period of 3 years.

# APPENDIX III

(Vide Para 3.2 of Report)

Statement showing year-wise recruitment / appointments

Category of posts	Total No of vacancies occurred & filled	No of Vacancies reserved for SCs			No of vacancies reserved for STs			No of candidates appointed		No. of Vacancies carried forward	
		Carried forward from previous Year	Reserved during the year	Total	Carried forward from previous Year	Reserved during the year	Total	SC	ST	SC	ST
83 Officers	324	11	48	59	21	24	45	40	3	19	42
Clerks	2785	247	377	624	595	174	769	303	105	345	665
Sub-Staff	927	50	134	184	178	54	232	165	16	68	216
84 Officers	112	19	17	36	42	8	50	10	..	26	50
Clerks	3035	245	411	656	665	175	840	316	128	470	460
Sub-Staff	1016	68	141	209	216	62	278	229	24	102	149
84 Officers	341+6**	26	51	77	50	26	76	13	..	64	76
Clerks	2401	479	318	797	460	148	608	379	907	433	282
Sub-Staff	969	102	137	239	149	57	206	283	12	60	168
85 Officers	112	64	17	81	76	8	84	28	4	53	80
Clerks	517	493	72	505	282	34	316	70	28	485	209
Sub-staff	115	60	15	75	168	9	177	17	1	62	176

\*6 Security officers were recruited in Middle Management Grade Scale II, where Banks does not reserve.



## APPENDIX IV

(Vide para 4 of Introduction)

### *Summary of Conclusions/Recommendations contained in the Report*

Sl. No.	Para No. in Report	Summary of Conclusions/Recommendations
1	2	3
1	1.14	The Committee note that the revised strength of Scheduled Caste/Scheduled Tribe Cell in Banking Division of the Ministry of Finance after assessment by the Work Study Unit is one section officer, two Assistants and one L. D. C. as against the previous strength of one section officer, one U.D.C. and one L.D.C. The Under Secretary is in charge of the Cell. Deputy Secretary, Joint Secretary and Additional Secretary are actively involved in policy decisions. In this connection, the Committee would like to draw attention to instructions contained in Ministry of Home Affairs O.M. No. 27/22/68-Estt. (SCT) dated 19th April, 1969 according to which an officer at least of the rank of Deputy Secretary should be appointed as Liaison Officer in respect of matters relating to representation of Scheduled Castes and Scheduled Tribes. The Committee recommend that instead of Under Secretary, an officer of the rank of Deputy Secretary should be made Liaison Officer in the Banking Division and SC/ST Cell should be directly under him. The Liaison Officer should as far as possible belong to SC/ST category.
2	1.15	The Committee note that an Assistant General Manager not connected with the personnel functions has been nominated as Chief Liaison Officer.

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at the Head Office of Canara Bank. A Cell is working under the overall charge of Chief Liaison Officer who is responsible for overseeing the implementation of Government orders regarding reservations for Scheduled Castes and Scheduled Tribes. Assistant General Managers at Circle offices of the bank have been designated as Liaison Officers. Scheduled Caste/Scheduled Tribe Cells are being set up at Circle Offices under the charge of a Liaison Officer. The Committee recommend that these Cells with adequate staff should be set up at all Circle offices without further delay so that matters relating to reservation in services and other welfare measures for Scheduled Caste/Scheduled Tribe employees are dealt with effectively. The Committee also recommend that as soon as officers of the level of Assistant General Managers belonging to Scheduled Caste/Scheduled Tribe categories become available, they should be appointed as Chief Liaison Officer/Liaison Officer.

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1.25

The Committee are concerned to note that while it is the policy of the Government that one member belonging to Scheduled Caste/Scheduled Tribe should be on the Board of Directors of all nationalised banks, presently no Director belonging to Scheduled Caste/Scheduled Tribe is on the Board of Canara Bank for the last more than one year. While the total membership of the Board is 15, the present Board of the Bank consists of Chairman and Managing Director, the Executive Director, a representative of the employees of the bank, one R.B.I. nominee and one officer of the Banking Division. There are ten vacancies in the Board. The Committee desire that the vacancies in the Board should be filled up immediately and at least one member belonging to Scheduled Castes/Scheduled Tribes should be nominated on the Board.

1	2	3
4	2.10	<p>The Committee note that reservations for Scheduled Castes and Scheduled Tribes in direct recruitment have been in force in Canara Bank since 19-7-1969, the date of nationalisation of the bank. The reservations are applicable for recruitment to the posts in officers, clerical and sub-staff cadres.</p>
5	2.11	<p>The Committee feel unhappy that implementation of reservation orders by Canara Bank is not satisfactory and leaves much scope for improvement. According to information sent by the bank to the Banking Division of Ministry of Finance regarding recruitment of Scheduled Castes/Scheduled Tribes during 1984, there was backlog of 64 Scheduled Castes and 76 Scheduled Tribe in officers category, 291 Scheduled Caste and 565 Scheduled Tribes in clerical cadre and 33 Scheduled Caste and 300 Scheduled Tribe in sub-staff cadre as on 1-1-1985. The Committee recommend that special recruitment should be held through B.S. R.Bs. to clear the backlog of reserved vacancies. The Committee find that there is huge backlog in Scheduled Tribe category in clerical cadre. The Committee suggest that the question of making special recruitment for Scheduled Tribes in clerical cadre in areas of tribal concentration to clear the backlog may also be considered. While resorting to special recruitment sufficient publicity of vacancies should be given so that Scheduled Caste/Scheduled Tribe candidates are attracted in large number.</p>
6	2.12	<p>During evidence the representative of the Ministry of Finance stated that no one from the Banking Division visited the banks periodically to see the implementation of instructions regarding reservations for Scheduled Castes and Scheduled Tribes. He further said that since the banks were 28 in number, it would be difficult</p>

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for officers from Banking Division to visit each bank. The Committee recommend that in view of the limited staff available in Banking Division, they should select a few of the nationalised banks every year and officers of the Division should pay a visit to these selected banks to see the implementation of reservation orders. The Committee hope that this will have a salutary effect in improving the representation of Scheduled Castes and Scheduled Tribes in the banks.

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2.33

The Committee have been informed that promotions to clerical cadre and to Junior Management Grade Scale I are governed by settlement entered into with the recognised employees' Union under section 2(p) of the Industrial Disputes Act. Under this settlement, 20 per cent of vacancies in Junior Officers Grade scale I are filled up by direct recruitment and 80 per cent by promotion from the clerical cadre. Reservations in promotions are provided as per instructions issued by Government i.e. 15 per cent for Scheduled Castes and 7½ per cent for Scheduled Tribes.

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2.34

In terms of settlement reached with the Unions on 3rd December, 1963 80 posts in clerical cadre in each calendar year are filled up by promotion exclusively from sub-staff completing 20 years or more of service in the bank. Similarly 30 posts in Junior Management Grade Scale I in each calendar year are filled up by promotion of employees in clerical cadre who have completed 20 or more years of service in that cadre. There is however, no mention in the settlement about reservations for Scheduled Castes and Scheduled Tribes in promotions under this category. The Committee recommend that suitable provision should be made for reservation of Scheduled Caste/Scheduled Tribe employees for promotions on the basis of 20 years total service.

1	2	3
9	2.35	<p>The Committee note that reservations in promotions have been made applicable in Canara Bank w.e.f. 1-7-1979 for the officers cadre and from 1-1-1980 for clerical cadre. Asked about the reasons for delay in implementing the orders regarding reservations in promotion, the Committee have been informed that the orders of the Home Ministry were issued in November, 1972. They were received in the Ministry of Finance through the Bureau of Public Enterprises in April, 1973 and were issued to nationalised banks on 31 December, 1977. The main reason for the delay was that after receipt of the orders of the Ministry of Home Affairs, discussions started with the Reserve Bank of India and the nationalised banks for giving effect to the orders as promotions in Banking Industry were part of agreements entered into by the Management with the Unions. Final decision was taken only in December, 1977. The Committee are not convinced of the reasons advanced by the Ministry for the delay of 5 years in coming to final decision. The Committee express their unhappiness at the undue delay on the part of the Ministry of Finance in circulating orders regarding reservations in promotion to nationalised banks as a result of which SC/ST employees were deprived of the benefits of reservation.</p>
10	2.36	<p>Regarding delay in enforcing orders by the bank, the Committee were informed during evidence that the orders regarding reservations in promotions were received in January, 1978. Since the promotion to clerical and officers cadre were governed by settlements with the recognised Union, the matter was discussed with the Union for necessary changes in the settlement to provide for reservation. The matter was finalised in February, 1980. The representative of the bank also stated during evidence that whatever backlog was there from 1-1-1979 on-</p>

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wards was filled up later. The Committee were subsequently informed that since the scheme of reservations in promotions to Junior Management Grade Scale I was enforced w.e.f. 1-7-1979, the reservation scheme was not made applicable for the promotions as on 1-7-1978 and hence no backlog was arrived at and carried forward. The Committee feel that there is hardly any justification for not giving reservations in promotions to Scheduled Caste/Scheduled Tribe employees at least from 1-1-1978 onwards when the orders were received in the Bank. The Committee recommend that Banking Division of the Ministry of Finance should issue instructions to Canara Bank to apply orders regarding reservation in promotions from 1-1-1978 onwards, calculate the backlog in promotion from that date and carry forward the unfilled reserved vacancies. The Committee need hardly stress that had there been timely implementation of these orders, the promotion of eligible Scheduled Castes and Scheduled Tribe employees could have been effected much earlier and the employees would have gained monetarily to that extent.

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3.13

The Committee note that as on 31st March, 1985, the percentage of Scheduled Castes and Scheduled Tribes in the services of Canara Bank was 7.64 per cent and 2.72 per cent in officers cadre, 13.49 per cent and 3.97 per cent in Clerical cadre and 18.92 per cent and 2.15 per cent in sub-staff. This shows that except for representation of Scheduled Castes in sub-staff category, there is shortfall of Scheduled Castes/Scheduled Tribes in all the three cadres in the Bank. The Committee regret to note that the Banking Services Recruitment Boards who are at present making recruitment of officers and clerks for the nationalised banks have failed to provide sufficient number of candidates belonging to these communities to the Canara Bank.

1.	2	3
12	3.14	The Committee have been informed that some of the Banking Service Recruitment Boards held special recruitment exclusively for Scheduled Caste/Scheduled Tribes and were thereby able to meet the Banks' indents almost fully in certain States. The Committee recommend that B.S.R.Bs in other regions should also conduct special recruitment for Scheduled Castes/Scheduled Tribes so that backlog in reserved vacancies in those areas is also cleared.
13	3.15	The representative of the bank informed the Committee during evidence that one of the suggestions considered at the meeting of Chairmen of BSRBs was to relax the present standard of performance for Scheduled Caste/Scheduled Tribes with a view to wipe out the shortfall but it has not been implemented so far. The Committee recommend that decision taken in the matter should be implemented at an early date.
14	3.16	The Committee have been informed that backlog in the bank is more in the case of Scheduled Tribe category as candidates belonging to Scheduled Tribe are not available for recruitment. The Committee recommend that to meet the shortfall of Scheduled Tribe candidates, it is necessary to give wide publicity about the vacancies reserved for Scheduled Tribe in tribal majority areas. Copies of advertisements should also be sent to Welfare Associations in Tribal areas for the information of tribal candidates. Advertisements should also be broadcast over AIR in programmes specially meant for tribal people. They should also be printed in local newspapers. The Committee further recommend that BSRBs should open examination centres in all tribal areas.
15	3.22	The Committee note that Canara Bank is conducting pre-recruitment training for Scheduled

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Caste|Scheduled Tribe candidates prepare them for the written tests conducted by BSRBs. The training is given for a period of one week and the trainees are paid a stipend of Rs. 50. The Committee feel that training for a period of one week in the techniques of objective type tests conducted by Recruitment Boards is not at all sufficient. This is evident from the fact that out of 30 Scheduled Caste and 53 Scheduled Tribe trainees at Bangalore, only one Scheduled Caste and 5 Scheduled Tribe trainees qualified and were finally selected for Bank service. Similarly, at Trivandrum, one Scheduled Caste out of 115 trainees was selected. It is clear from this that training imparted was not sufficient. The Committee recommend that training period for Scheduled Castes|Scheduled Tribes should be increased at least to one month. Stipend of Rs. 50 which is being paid to the trainees now should also be increased to Rs. 100.

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3.23

The Committee note that in 1971 the then Deptt. of Social Welfare had issued a circular regarding training of SC|ST candidates by Pre-examination Training Centres in States. This was followed after a gap of 15 years by another Circular issued by the Banking Division to BSRBs and Nationalised banks regarding organisation of pre-recruitment training by BSRBs in consultation with the Banks in the area. The Committee feel that Banking Division had made no sincere efforts to organise pre-recruitment training for Scheduled Caste|Scheduled Tribe candidates who aspire for a career in Banking Industry. This is evident from the fact that most of the banks were nationalised in 1969 but the circular was issued by the Banking Division in 1985. The Committee recommend that the Banking Division in consultation with BSRBs and nationalised Banks should initiate steps for organising pre-recruitment training programmes by all nationa-



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lised banks on a uniform pattern and make this a regular programme in future till the backlog of reserved vacancies is completely wiped off in all nationalised banks.

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3.28

The Committee note that pre-promotion training programme for employees belonging to Scheduled Caste/Scheduled Tribe categories are being conducted by Canara Bank. The Committee would like to stress that the aim of the training should be to bring Scheduled Caste/Scheduled Tribe candidates who might have been selected by relaxed standards to the level of the general candidates. The Committee are happy to note that the number of Scheduled Caste/Scheduled Tribe pass candidates has considerably improved as a result of these training courses. The Committee recommend that pre-promotion training programmes should be introduced in all nationalised banks on a uniform basis. Banking Division of the Ministry of Finance should issue necessary instructions in this regard and bring to the notice of all banks the details of training programmes devised and successfully implemented by Canara Bank.

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4.13

In Central Government services, posts have been classified in 4 Groups, namely, Group 'A', Group 'B', Group 'C' and Group 'D'. Accordingly, the Brochure on Reservations for Scheduled Castes and Scheduled Tribes in posts/services under the Public Enterprises issued by Bureau of Public Enterprises provides that posts may be treated as Group 'A', 'B', 'C' and 'D' for the purpose of implementing reservation orders. The Committee, however, find that in Canara Bank there are only 3 cadres of posts viz. Officers, clerical and sub-staff which are analogous to Group 'A', 'C' and 'D' in the Government of India. There is no Group 'B' or category of posts equivalent to Group 'B' in the services of the bank as

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a result of which Scheduled Caste/Scheduled Tribe employees have been deprived of the benefit of reservation in recruitment/promotion to that category if it had been in existence in the bank. In the action taken reply on recommendation made by the Committee in para No. 2.58 of their 55th Report on Union Bank of India, the Ministry of Finance have stated that since a category in between clerical cadre and officers cadre is not in existence in the public sector banks, the chances of the Scheduled Caste/Scheduled Tribe candidates for promotion from clerical to the officers cadre are quick. The Committee do not agree with this view of the Government and recommend that posts in banking industry, including Canara Bank should be re-classified on the lines of the classification of posts in Central Government services consistent with the job requirements so as to provide more opportunities of promotions to Scheduled Caste/Scheduled Tribe candidates.

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4.14

The Committee are concerned to note that in 1984 as many as 13 SC and 7 ST candidates who were offered appointment in 1984 did not join the bank. The representative of the bank informed the Committee during evidence that they indented their requirement of candidates for the whole year and sent the appointment letters to the selected candidates as and when they needed them. The Committee would like to point out that under this procedure the candidates though selected by BSRB remain in the dark about the selection till the time they receive appointment letter from the bank and so try to find out employment elsewhere. The purpose of pre-recruitment training if imparted to such candidates is also forfeited. The Committee recommend that soon after receiving the list of selected candidates from the BSRB, those candidates who are not offered immediate appointment should be

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suitably informed about their having qualified for appointment and efforts to issue appointment orders soon thereafter should be made. The Committee hope this will reduce the number of candidates who do not join the bank after receipt of appointment letters and improve the representation of Scheduled Castes/Scheduled Tribes in the services of the bank.

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5.15

The Committee are surprised to note that various categories of posts including those of Stenographers, Head Clerks, Head Cashier etc. having different nature of duties have been included in the same cadre i.e. the clerical cadre with special allowances attached to each post. The representative of the Ministry of Finance explained during evidence that in 1953 Shastri Panel had gone into various problems of bank employees and one of the demands of the employees was that there should not be too many scales in the clerical cadre and if need be, special allowances might be paid. He further said that since this system had existed for such a long time, it was not possible now to make changes and introduce different grades. The Committee feel that this scheme is against the interests of Scheduled Castes and Scheduled Tribes in as much as their chances of recruitment and promotion have been restricted by the introduction of the same scale for various categories of posts. The Committee recommend that there should either be reservation for Scheduled Castes/Scheduled Tribes in appointments to allowance carrying posts or the scheme of special allowances should be scrapped, particularly in respect of posts carrying duties of supervisory nature e.g. Head Clerk, Head Cashier and Special Assistants and separate suitable scales of pay should be introduced for such categories of posts.

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4.16

The Committee note that after review of the working of the Banking Service Recruitment

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Boards, Central Recruitment Board and Regional Recruitment Boards, Government have decided to set up a separate Banking Service Commission to recruit officers for the 28 nationalised banks and to reorganise the Recruitment Boards so as to have 15 Banking Service Recruitment Boards for recruitment of clerical staff for all the public sector banks in major State Capitals. The Committee recommend that necessary action to implement these decisions should be taken without any loss of time with a view to expedite the process of selection of candidates and to improve the representation of Scheduled Castes|Scheduled Tribes in the services of banks.

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4.17

The Committee have been informed that 5 cases had so far come to the notice of the bank in which the employees had furnished false caste certificates for getting employment against reserved vacancies. The Committee note that the services of the five employees concerned have been terminated. The Committee consider that securing employment by production of a false caste certificate of being a Scheduled Caste or Scheduled Tribe is a serious offence and such cases should be dealt with promptly and severely. The Committee recommend that besides termination of services, in appropriate cases criminal proceedings should also be initiated under the appropriate provisions of Indian Penal Code. The Committee also recommend that the District authorities who issue Caste Certificates should be more careful in future and make proper enquiries before issuing such certificates.

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4.18

The Committee note that as a measure to ensure that cases of use of false caste certificates do not recur, the Banking Service Recruitment Boards and the banks have been advised that while making appointments, the candidates be specifically told that if after verification, their

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claims of belonging to Scheduled Caste or Scheduled Tribe are found to be false, their services are liable to be terminated without any further notice. The Committee recommend that the candidates should also be told that besides termination of service, action can also be taken against them under the provisions of Indian Penal Code. This, the Committee hope, will have a deterrent effect on those using false caste certificates.

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4.21

The Committee are gratified to note that the various concessions|relaxations prescribed by the Government for recruitment and promotion of Scheduled Caste|Scheduled Tribe employees are being made available by the Bank.

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4.25

The Committee have been informed that an officer belonging to Scheduled Caste|Scheduled Tribe category is being included in the interview panel for interviewing all eligible candidates for promotion to Junior Management Grade Scale I. During evidence the representative of the bank has stated that for selection of executive at higher levels, the Interview Committee is constituted by designation and if nobody of that designation is available from Scheduled Castes|Scheduled Tribes he is not included in the Interview Committee. The Committee regret to point out that this is acting against specific instructions of Government in this regard. The Committee recommend that if Scheduled Caste|Scheduled Tribe Officer of appropriate rank is not available in Canara Bank, for inclusion in the Selection Committee they may borrow Scheduled Caste|Scheduled Tribe officer of requisite level from other public undertakings or seek the help of Banking Service Recruitment Boards in this regard. The Committee recommend that a panel of such officers of appropriate status should be maintained in the bank.

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26	4.26	<p>The Committee find that for posts in sub-staff cadre for which recruitments are made by Circle Offices, no instructions have been issued regarding inclusion of a Scheduled Caste  Scheduled Tribe officer in the Selection Committee. The Committee recommend that a representative of the Scheduled Castes Scheduled Tribes should invariably be included in the Selection Committee for recruitment of sub-staff and suitable instructions in this regard should be issued to all concerned.</p>
27	4.27	<p>The Committee have been informed that Scheduled Caste Scheduled Tribe candidates are interviewed alongwith others. The Committee regret to point out that it is against the existing instructions on the subject. The Committee recommend that interview of Scheduled Caste  Scheduled Tribe candidates should be held at a sitting separate from that fixed for interview of general candidates so that Scheduled Caste Scheduled Tribe candidates may be adjudged according to relaxed standards. The reply of the representative of the Bank on this point is not acceptable to the Committee.</p>
28	4.33	<p>The Committee regret to note that a large number of vacancies reserved for Scheduled Castes and Scheduled Tribes are being dereserved in Canara Bank every year both in recruitment and promotions in officers, clerical and sub-staff cadres. Dereservation of a total number of 594 vacancies during the years 1982, 1983 and 1984 amounts to depriving Scheduled Castes and Scheduled Tribes of their due share in appointments and promotions. The Committee recommend that all-out efforts including special recruitment should be made to fill the reserved vacancies with SC ST candidates before resorting to dereservation. The Committee would again stress that proper facilities should be provided</p>

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for in-service training to Scheduled Caste|Scheduled Tribe employees at various levels so that they come upto the desired standard for purpose of promotion to higher grade and de-reservation in promotions is avoided.

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4.34

The Committee have been informed that filling up of reserved vacancies by general candidates is brought to the notice of the Board of Directors every quarter. The representative of the bank also stated during evidence that the fact of dereservation had not been intimated to Government and the Commissioner for Scheduled Castes and Scheduled Tribes. The Committee would like to point out that according to Government guidelines, prior approval of the Board of Directors for the posts of officers and that of the Chairman and Managing Director for clerical posts has to be obtained, before filling any reserved vacancy by a general candidate. It should also be specifically mentioned in the note sent to the Board/Chairman that the proposal for dereservation is being made with the full knowledge and concurrence of Liaison Officer. The Committee recommend that the bank should follow this procedure scrupulously. The Committee also recommend that timely intimation about the dereservation should be sent to the Government and the Commissioner for Scheduled Castes and Scheduled Tribes in future.

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4.47

The Committee note that a register is being maintained in Canara Bank for recording complaints/representations received from Scheduled Caste|Scheduled Tribe employees or their Associations. The Committee recommend that complaint registers should be kept both at the Head Office as well as the Circle Offices of the bank. Action taken on the complaints should be indicated in the register for the information of the

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complainants. The Committee also recommend that a record of complaints received in the Banking Division from SC/ST employees or their Associations should be maintained irrespective of the fact that the complaints are forwarded to bank concerned for disposal or action on them is taken in the Banking Division itself.

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4.48

The Committee note that Liaison Officers of the bank have been advised to meet informally the Scheduled Caste/Scheduled Tribe employees including their representatives to hear their grievances in respect of matters arising out of the policy of reservation. The Committee desire that a brief record of the points discussed and decisions reached, if any, should be maintained by the bank to avoid any misunderstanding at a later stage.

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4.49

In regard to recognition of SC/ST Associations, the representative of the Ministry of Finance stated during evidence that there were two types of recognition. One was recognition of a Union under Labour practices, Industrial Disputes Act etc. The second was in regard to Associations of Scheduled Castes and Scheduled Tribes which were formed essentially to ventilate grievances. That Association was recognised in the sense that the Chairman and the Association continued to have dialogue. The Committee recommend that apart from a dialogue with the Scheduled Caste/Scheduled Tribe employees' Association, replies should also be sent to letters received from the Association in regard to grievances relating to service matters or arising out of the policy of reservation.

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4.50

The Committee recommend that an Association of Scheduled Castes/Scheduled Tribes should also be formally recognised by the bank



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so that they are able to represent the grievances and suggestions of the Scheduled Castes/ Scheduled Tribe employees in an effective manner.

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5.4

The Committee note that rosters for posts filled up by direct recruitment are being maintained in Canara Bank w.e.f. 19-7-1969. Rosters for reservations in promotions are being maintained w.e.f. 1-7-79 for officers cadre and from 1-1-1980 for clerical cadre. Rosters kept at Circle Officers are checked & verified by the respective Liaison Officers. When received at Head Office, the rosters are checked by Chief Liaison Officer. The representative of the bank informed the Committee during evidence that minor mistakes were detected in rosters by Chief Liaison Officer. Those were corrected there and then.

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5.5

The Committee need hardly stress that roster is the only mechanism to keep a watch on the implementation of the policy of reservation. The Committee therefore recommend that rosters should be maintained properly in the prescribed form and inspected by the Liaison Officer of the bank at regular intervals. The Committee also recommend that an officer of the Banking Division should also do random checking of the rosters.

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5.6

The Committee desire that rosters should be open for inspection by the employees of the bank and recommend that a circular to this effect should be issued for the information of the employees. A copy of the circular should also be sent to the Committee for their information.

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5.11

The Committee note that Canara Bank has been sending yearly statements to the Banking

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		<p>Division regarding filling up of vacancies reserved for Scheduled Castes and Scheduled Tribes through recruitment and promotion. The Committee desire that the Banking Division should make a thorough and analytical study of these statements and point out the shortfalls and deficiency, if any, to the bank. The bank should take prompt and effective measures to remove those deficiencies.</p>
38	5.12	<p>The Committee regret to point out that information given in Annual Report of Canara Bank for 1984 regarding representation of Scheduled Castes and Scheduled Tribes in the services of the bank and credit facilities provided by the bank to Scheduled Castes/Scheduled Tribes is scanty. The Committee recommend that Annual Reports of the Bank should show separately the percentage of Scheduled Castes/Scheduled Tribes in various cadres and the steps taken to reduce the backlog as existing at the end of the previous year. As regards credit facilities, the Report should give the targets fixed for Scheduled Castes/Scheduled Tribes under various schemes and the achievement of the bank under different schemes in terms of the amount disbursed and the number of Scheduled Caste/Scheduled Tribe beneficiaries.</p>
39	5.13	<p>The Committee further recommend that the loans given at 4 per cent interest to Scheduled Caste/Scheduled Tribe applicants under DRI Scheme during the year should also be highlighted in the Annual Report of the bank.</p>
40	6.5	<p>The Committee note that a Special Cell has been created in Banking Division of the Ministry of Finance to monitor the flow of credit to person belonging to Scheduled Castes/Scheduled Tribes. The Committee have been</p>

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informed that presently one Assistant and one Lower Division Clerk have been transferred from the existing SC/ST Cell to the new Cell. The Committee feel that the staff strength of one Assistant and one LDC is not at all sufficient to look after the work relating to credit facilities provided by 28 nationalised banks to Scheduled Castes/Scheduled Tribes. The Committee recommend that strength of the Cell should be suitably augmented keeping in view the volume of work expected to be done in the Cell. The Committee also recommend that the Cell should be headed by an officer belonging to Scheduled Caste/Scheduled Tribe.

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6.28

The Committee note that Canara Bank is providing credit facilities to Scheduled Castes and Scheduled Tribes under various schemes drawn up under Priority Sector, agriculture and allied activities like dairy, poultry etc., small scale business and industry etc., DRI Scheme, IRDP and the new 20 Point Programme.

Under DRI Scheme, family income of a borrower from all sources should not exceed Rs. 3000/- per annum in urban and semi-urban areas and Rs. 2000/- in rural areas. Under these eligibility conditions, families living below the poverty line i.e. income of Rs 3500/- in rural areas will not be entitled to get loans under DRI Scheme. The Committee, therefore, recommend that income limits under DRI Scheme should be raised so that it corresponds to the income limit of poverty line in rural areas.

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6.29

The Committee appreciate that in 1984 share of DRI advances by Canara Bank to SC/STs was 44.80 per cent of total DRI advances as against the stipulation of 40 per cent minimum under the guidelines of RBI. This constituted 1.14 per cent of total advances by the bank

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during the last year. The Committee would however like the Canara Bank to find out whether there are any states or regions where the percentage of DRI advances to total advance has been less than 1 per cent and DRI advances to SCs/STs have been less than 40 per cent of total DRI advances. The Committee desire that the bank should make concerted efforts to see that the prescribed targets are reached in each States/regions of its operation.

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6.30

Under the guidelines regarding DRI scheme, banks may route credit through Cooperative Societies/LAMPS organised specially for the benefit of tribal population in areas identified by Government. The Committee recommend that in order to give benefit of DRI Scheme to an increasing number of persons belonging to Scheduled Tribes, Canara Bank should route DRI advances through Cooperative Societies/LAMPS, in addition to RRBs.

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6.31

The Committee have been informed that the Task Force which was constituted by Government to review the working of DRI Schemes has submitted its Report in March, 1985 and the Report is at present under examination by Government. The Committee regret to point out that Government have already taken one year in examining the Report and desire that an early decision should be taken in the matter so that changes, if any, to be made in the DRI Scheme should be carried out expeditiously.

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6.32

The Committee note that loans upto Rs. 5000/- each for construction of houses are granted by the bank to Scheduled Castes and Scheduled Tribes at 4 per cent rate of interest. Loans above Rs. 5000/- carry interest at 13.5 per cent per annum. The Committee consider that an amount of Rs. 5000/- is not at all sufficient for

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		<p>construction of houses particularly in view of the escalation in prices of building material. The Committee recommend that the amount of loan at 4 per cent should be increased at least to Rs 7500/-.</p>
46	6.33	<p>The Committee regret to note that under Direct Housing Finance to Scheduled Castes/ Scheduled Tribes and weaker sections, the share of SC/STs is a meagre amount of Rs. 3.94 lacs in 1983, 7.81 lacs in 1984 and 6.23 lacs in 1985 upto June out of a target of Rs. 138.30 lacs. The Committee express their unhappiness at the unsatisfactory performance of the bank in the matter of providing housing credit to SCs/ STs.</p>
47	6.34	<p>The Committee have been informed that at present Canara Bank is not channelising housing finance through Regional Rural Banks, Village Cooperatives or SC/ST Development Corporations. The Committee recommend that with a view to increase the share of Scheduled Castes/Scheduled Tribes in housing loans Canara Bank should start extending housing loans through SC/ST Development Corporations.</p>
48	6.35	<p>The Committee note that educational loans are granted under DRI Scheme at concessional rate of 4 per cent to those students who are not getting any scholarship/maintenance grants from Government or educational authorities. The Committee are unable to understand the rationale behind the condition that the student should not be in receipt of scholarship before getting educational loan at concessional rate. The Committee feel that in case the scholarship</p>

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amount is insufficient the student should be able to obtain loan at 4 per cent interest to meet his requirement. The Committee recommend that the scheme may be amended accordingly.

The Committee note that the share of Scheduled Castes/Scheduled Tribes in educational loans as in June 1985 was 6.06 per cent as regards the number of accounts and 2.5 per cent in terms of amount. The Committee desire that Canara Bank should make efforts to increase the share of Scheduled Castes/Scheduled Tribes in educational loans and issue necessary instructions in this regard to all its branches.

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6.51

The Committee note that the share of Scheduled Castes/Scheduled Tribes in priority sector lendings by Canara Bank was 3.50 per cent at the end of 1983, 3.99 per cent at the end of 1984 and 4.02 per cent at the end of September, 1985. While the Committee appreciate that the share of Scheduled Castes/Scheduled Tribes has been increasing during the last 3 years, they are constrained to point out that it is much less than the average of 6.1 per cent for the Public sector Banks taken as a whole, although Scheduled Castes/Scheduled Tribes constitute roughly about 23 per cent of the country's population. The Committee recommend that special efforts should be made to increase the share of Scheduled Castes/Scheduled Tribes in the Priority Sector advances.

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6.52

At present data on priority sector lendings of banks are not available separately for Scheduled Castes and Scheduled Tribes. In the absence of separate data it is difficult to say whether Scheduled Tribes are getting their due share in total bank credit given to Scheduled Castes/Scheduled

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Tribes. The Committee therefore recommend that separate data should be maintained by Canara Bank regarding their priority sector advances to Scheduled Castes and Scheduled Tribes. The Committee further recommend that Banking Division should issue necessary instructions to all the nationalised banks in this regard.

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6.53

The Committee note that under guidelines of Reserve Bank of India, 25 per cent of the priority sector advances or 10 per cent of the total advances are to be given to weaker sections category which includes Scheduled Caste/Scheduled Tribe borrowers, landless labourers, small and marginal farmers, tenant farmers/share croppers, artisans, village and cottage industries and I.R.D.P. beneficiaries. The Committee regret to note that no separate norms have been prescribed regarding share of Scheduled Castes/Scheduled Tribes in the total priority sector advances. The Committee recommend that as in the case of DRI Scheme and IRDP under which targets have been fixed for lending to Scheduled Castes/Scheduled Tribes, certain minimum percentage of the priority sector lending should be earmarked for Scheduled Castes/Scheduled Tribes.

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6.54

The Committee also note that under IRDP, 30 per cent of the beneficiaries have to be persons belonging to Scheduled Caste/Scheduled Tribe and at least 30 per cent of the resources invested should go to Scheduled Castes/Scheduled Tribes. While the Committee appreciate that Canara Bank has achieved 30.4 per cent as against the target of 30 per cent Scheduled Caste/Scheduled Tribe beneficiaries, the Committee desire that the bank should not feel contented with the achievement of the target but make all out efforts to

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		increase their lending to Scheduled Castes/ Scheduled Tribes.
53	6.66	The Committee note that a Register is maintained by the branches of Canara Bank in which all loan applications are entered. Applications received from Scheduled Castes/Scheduled Tribes are marked in red ink. Date of disposal is also indicated in this register. The Committee desire that information regarding loan applications received from Scheduled Castes/Scheduled Tribes, number of them rejected and sanctioned and amount sanctioned should be maintained at the Head Office of the bank. The Committee feel that the Head Office can monitor the flow of credit to weaker sections more effectively if such basic data is available to them.
54	6.67	The Committee have been informed that among the main reasons for rejection of loan applications are (i) falling beyond the area of operation and (ii) Project considered not feasible/not viable. The Committee desire that in such cases the bank officials should give necessary guidance to the applicants as to which branch they should apply or the changes that should be made in the project to make it feasible/viable.
55	6.68	The Committee would like to stress that a sympathetic and a positive approach on the part of bank officials while dealing with loan applications of SCs/STs is of paramount importance as it can go a long way in increasing their share in the total lending of the bank.
56	6.69	The Committee have been informed that Senior Executives and Controlling officers ensure that the branches comply with the directions given by Reserve Bank of India regarding margin and guarantee etc. The Committee, however, regret to point out that during tours by Study Groups of the Committee, complaints continue to be received regarding surety being insisted upon by



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		banks for securing DRI loans by Scheduled Caste/Scheduled Tribe people. The Committee desire that bank Managers should be instructed not to insist on surety etc. for small loans upto Rs. 5000/- and follow the guidelines of the Reserve Bank of India meticulously.
57	6.80	The Committee note that under the present data collection system in respect of recovery of loans no separate data of recovery from Scheduled Caste/Scheduled Tribe beneficiaries is kept. However, in respect of DRI lendings the percentage of recovery for all borrowers is 55.47 per cent in 1984 whereas it is 52.22 per cent for Scheduled Caste/Scheduled Tribe borrowers. The Committee note that recovery percentage for Scheduled Castes/Scheduled Tribes is less than the overall recovery percentage and desire that the bank should make efforts to improve recovery position by all possible efforts.
58	6.81	The Committee regret to point out that the assistance forthcoming from Governmental agencies and Scheduled Caste/Scheduled Tribe Development Corporations for recovery of overdues is not satisfactory. The Committee desire that the bank should take up the matter with the authorities concerned at block and district levels and sort out the problems they are facing in recovery of loans. As timely recovery of loans is essential for recycling of funds, the Committee recommend that the bank personnel should have a close liaison with Scheduled Caste/Scheduled Tribe Development Corporations and various Departments of State Governments in identification of beneficiaries, selection of scheme for them and recovery of overdues. The bank should also extend all possible guidance and advice to Scheduled Caste/Scheduled Tribe beneficiaries so as to avoid failure of schemes and rather to improve upon their performance with a view to generate profits. This will make recovery of loans easier.