

**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1990-91)**

**(NINTH LOK SABHA)**

**FIFTH REPORT**

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

**Action taken by Government on the recommendations contained in the  
Forty-Ninth 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 Dena Bank and  
Credit facilities provided by the Bank to Scheduled Castes and Scheduled  
Tribes**



*Presented to Lok Sabha on 11.3.91  
Laid in Rajya Sabha on 11.3.91*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 1991/Phalguna, 1912 (Saka)*

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# CORRIGENDA

to  
the Fifth Report (Ninth Lok Sabha) of the Committee  
on the Welfare of Scheduled Castes/Scheduled Tribes  
on Dena Bank.

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**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1990-91)**

Shri Anadi Charan Das—*Chairman*

**MEMBERS**

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2. Shri M. Arunachalam
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5. Shri Mohanbhai Sanjibhai Delkar
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30. Shri Ranjan Prasad Yadav

**SECRETARIAT**

1. Shri S.C. Gupta—*Joint Secretary*
2. Shri R.K. Chatterjee—*Under Secretary*

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\*Elected in place of Dr. C. Silveira who resigned from the Committee w.e.f. 13.9.1990.

\*\*Elected in place of Shri Nukul Nayak who ceased to be member of the Committee w.e.f. 26.11.1990 on his appointment as Parliamentary Secretary.

## INTRODUCTION

1. 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 Fifth Report (Ninth Lok Sabha) on action taken by the Government on the Recommendations contained in the Forty-Ninth 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 Dena Bank and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

2. The Report was considered and adopted by the Committee on 8 March, 1991.

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

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

4. An analysis of the Action Taken by the Government on the Recommendations contained in the Forty-Ninth Report of the Committee shows that out of 62 recommendations made in this Report, 47 Recommendations, i.e. 75.81 per cent have been accepted by the Government. the Committee do not desire to pursue 7 Recommendations; i.e. 11.29 per cent of their Recommendations in view of Government's replies; 8 Recommendations, i.e. 12.90 per cent in respect of which replies of Government have not been accepted by the Committee require reiteration.

NEW DELHI;  
February 8, 1991  

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Phalguna 17, 1912(S)

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

## **CHAPTER I**

### **REPORT**

This Report of the Committee deals with the action taken by Government on the recommendations contained in Forty-ninth 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 Dena Bank and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

#### *A. Board of Directors* **(Recommendation Sl. No. 1)**

1.02. In Para 1.11 of their Forty-Ninth Report, the Committee had recommended that the process of selection of non-official Directors for appointment on the Boards of all the Nationalised Banks including the Dena Bank might be completed without any further loss of time. While finalising the selection of the non-official Directors of the Boards of all the Nationalised Banks, Government should ensure that on each Board including that of Dena Bank at least one Director belonged to the Scheduled Castes/Scheduled Tribes which according to the representative of the Ministry of Finance had been the endeavour of the Union Government.

1.03. In reply to the Recommendation, dated, 25.8.1989, the Ministry of Finance (Deptt. of Economic Affairs—Banking Division) had stated that the Recommendation of the Committee had been noted for compliance. The process of constituting full Boards for all Nationalised Banks was in progress.

1.04 In their further reply, dated 12.10.1990, the Ministry have stated that some of the non-official Directors on the Boards of the Nationalised Banks had been appointed, but there still remained several vacancies. At present SC/ST members were there on the Boards of 12 Banks and SC/ST members would be appointed as and when the Boards of other Banks were fully constituted. The full Board of Directors of Dena Bank had not yet been constituted by the Government. There were five vacancies of Directors on the Bank's Board. At present none of the Directors belonged to Scheduled Caste/Scheduled Tribes communities.

1.05. The Committee note that Government have agreed to their recommendation to have at least one Director belonging to SC/ST on the Board of Nationalised Banks and SC/ST members have been appointed on the Boards of 12 Nationalised Banks. They would, however, like to point out that as early as December, 1988 the Committee were assured that the

process of identification of suitable persons for nomination as non-official Directors on the Boards of 20 Nationalised Banks was expected to be completed soon. However, even after the lapse of two years since then, the process is still incomplete. In the case of Dena Bank, five vacancies of Directors on the Boards still remain to be filled up and at present none of the Directors belong to SC/ST. The Committee regret to note that the progress made in filling up the vacancies on the Boards of all Nationalised Banks and to nominate SC/ST members on them has been very slow. They desire that the process should be completed without any further loss of time and it should be ensured that all the Banks have on their Board at least one Director belonging to SCs/STs.

*B. Training to SC/ST Candidates*  
(Recommendation, Sl. No. 8)

1.06. In para 2.24 of the Report, the Committee had recommended that pre-recruitment training should be arranged by BSRBs to prepare the SC/ST candidates for the interviews also.

1.07 In reply, dated 25.8.1989, the Ministry had stated that they were examining the recommendation of the Committee.

1.08 In their further reply, dated 12.10.1990, the Ministry have stated that in the interview, the qualities of the candidates regarding his comprehension of the subject, ability to converse and convey his view point effectively etc. were judged. By their very nature, the interviews generally concentrated on the over-all knowledge a person that had been imbibed over a period. Such knowledge, was considered difficult to be imparted over a period of a day or so for which, at best, the candidates could be put to training if at all. In view of this, it had been decided that no particular useful purpose would be served in imparting such a training.

1.09 The Committee are unable to agree with the views of Government that no particular purpose would be served by imparting training to SC/ST candidates to prepare them for the interviews. They recommend that pre-recruitment training arranged by BSRBs for the SC/ST candidates should be so structured that it prepares them not only for written tests but for interviews also.

*C. Shortfall in Filling up Vacancies Reserved for SCs STs*  
(Recommendation, Sl. No. 19)

1.10 In Para 4.7 of the Report, the Committee had noted with regret that in spite of huge shortfalls in the prescribed percentage of the representation of SCs/STs in the services of Dena Bank, no serious efforts had been made by the authorities of the Bank since December, 1978, i.e. from the date from which reservation in promotions were also implemented to improve the representation of those communities in services except a solitary instance in the year 1984 when one Special Recruitment was held for SCs and STs exclusively for the officers cadre.



The Committee had recommended that all-out efforts should be made to make good the shortfalls in posts reserved for SCs/STs. Further they desired to be apprised of the extent to which the representation of SCs/STs had improved in the services of Bank as a result of the Special Recruitment Drive that was intended to be held by the Banking Service Recruitment Board during the year 1988.

1.11 In their reply, dated 25.8.1989, the Ministry have stated that a Special Recruitment Drive had been launched with effect from 1.6.1989 and was expecting that by the end of Drive, most of the backlog in the vacancies would be cleared.

1.12 In their further reply, dated 12.10.90, the Ministry have furnished a statement, showing the details of backlog as on 1.1.1989, the recruitment made by the bank during 1989 and the present position of the backlog as on 30.6.1990.

S.No.	Cadre	Backlog		No. of Appointments made	
		SC	ST	SC	ST
1.	Officer	32	16	17	10
2.	Clerk	16	20	33	38
3.	Sub-Staff	23	28	64	53
4.	P.T.E.			43	17
				} 107 - 70	

The present position of the backlog as on 30.6.1990 is as under:—

S.No.	Cadre	Backlog	
		SC	ST
1.	Officers	16	9
2.	Clerks	2	1
3.	Sub-Staff	1	1
4.	Part-time Sweeper	Nil	2

1.13 The Committee are unhappy to note that in spite of Special Recruitment Drive, a large number of vacancies reserved for SC/ST, especially in officers grade, remain unfilled. They reiterate that all out efforts should be made to clear expeditiously, the backlog of vacancies reserved for SC/ST.

*D. Promotion for SC/ST Employees*  
(Recommendation, Sl. No. 25)

1.14 In para 4.39 of the Report, the Committee had noted with regret that the earlier settlement with the Unions in regard to promotions from sub-staff to clerical cadre which expired in 1984 was still under negotiation with the result that no promotions were made from the sub-staff cadre to

the clerical cadre during the years 1985 and 1986 which in the opinion of the Committee was a gross injustice to the employees, more so in the case of SC/ST employees. The Committee had further expressed their anguish over the fact during all these four years, i.e. from 1984 to 1988 some promotions had been given on *ad-hoc* basis only. The Committee had recommended that the Bank authorities might pursue the matter vigorously and come to a settlement with the Unions without any further delay.

1.15 In their reply, dated 25.8.1989, the Ministry had stated that Dena Bank had reported that the negotiations with the Majority Recognised Unions would be expedited for finalising policy for promotion from sub-staff cadre to clerical cadre.

1.16 In a further reply, dated 12.10.1990, the Ministry have stated that the Bank had reported that the promotion policy from sub-staff to clerical cadre had not yet been finalised with the Majority Recognised Union. The negotiations were at an advanced stage. It might, however, be mentioned that all agreements with the Union on staff matters were subject to the implementation of the policy of reservation for the SC/ST as contained in the Brochure issued by the Department of Personnel and Training.

1.17 The Committee are distressed to find that the Dena Bank has not yet been able to arrive at a settlement with the recognised Union in regard to promotion policy from sub-staff cadre to the clerical cadre. The delay of six years in this regard, after the expiry of earlier settlement in 1984 can by no means be justified. They reiterate that the matter should be settled without any further loss of time.

#### **E. Sub-Staff Recruitment** (Recommendation, Sl. No. 22)

1.18 In para 4.25 of the Report, the Committee had recommended that the Dena Bank should make it a regular feature to send their recruitment teams to the areas predominantly inhabited by the Scheduled Castes and Scheduled Tribes in the respective regions so that no backlog accrues in the posts reserved for Scheduled Castes and Scheduled Tribes.

1.19 In reply, dated 25.8.1989, the Bank had reported that it had wiped out the entire backlog in sub-staff cadre as at the end of 31.7.1989 by recruiting suitable number of SC / ST candidates.

1.20 In their further reply, dated 12.10.90, the Bank has repeated its earlier reply and added that the Bank was placing its indents with the local Employment Exchange to fill up vacancies and the SC / ST candidates were interviewed and selected for appointment at the place(s) where vacancies occurred. They have also stated that they had been getting sufficient number of SC / ST candidates for recruitment to sub-staff cadre and, therefore, they did not feel the need to send any Special Recruitment teams to the areas predominantly inhabited by the persons belonging to the SC / ST communities.

**1.21 The Committee desire that to meet their future requirements of SC / ST, the Dena Bank should make it a regular feature to send their recruitment teams to the areas predominantly inhabited by SCs / STs wherever it was not found possible to fill up such posts in the normal course to avoid the recurrence of backlog.**

*F. Steps taken to Improve intake of SC / ST candidates*

**(Recommendation, Sl. No. 31)**

1.22 The Committee, in Para 4.66 of the Report, had recommended that BSRBs should be asked to evaluate the efficacy of the pre-recruitment training in order to remove the shortcomings in the implementation of the pre-recruiting training schemes and to make it an effective instrument to promote the chances of SC / ST candidates in getting into the Services of Dena Bank. The Committee, further recommend that Dena Bank should have a proper tie-up with the State Institutions while arranging the pre-recruitment training in regard to accommodation and other facilities to the SC / ST candidates in the absence of their own facilities.

1.23 The Ministry, in their reply, dated 25.8.1989, had stated that the Indian Bank's Association had been asked to make the evaluation of the results of the pre-recruitment training programmes conducted by the Banks etc. Its report was awaited.

1.24 In their further, reply, dated 12.10.1990, the Ministry have stated that the findings of the Indian Banks' Association are still awaited. IBA had been reminded.

**1.25 The Committee regret to note the inordinate delay in evaluation of the efficacy of the pre-recruitment training for SC / ST candidates. They would urge that the study should be completed soon and the Committee apprised of the findings.**

**1.26 The Committee are also constrained to observe that they have not been apprised of the action taken by Government on their recommendation that the Banks should have a proper tie-up with the State institutions while arranging pre-recruitment training in regard to accommodation and other facilities to SC / ST candidates in the absence of their own facilities. Apparently, the recommendation of the Committee has not been given the attention it deserved. They would like to be apprised soon of the action taken in the matter.**

*G. Organisational Set-up in the Ministry of Finance to review credit facilities to Scheduled Castes/Scheduled Tribes.*  
**(Recommendation, Sl. Nos. 34-36)**

1.27 The Committee, in Paras 5.5, 5.6 and 5.7 of the Report had recommended that the staff-strength of the SC / ST Credit Cell must be augmented suitably. The Committee had not found any reason why the Cell should not take up the micro-level examination and follow up action

in which case the representative of the Ministry of Finance had deposed that the Cell would require more staff. The Committee, therefore, had recommended that staff requirement of the Cell might be reviewed afresh on a scientific and rational basis keeping in view the multifarious duties of the Cell to enable it to discharge its duties in an efficient and meaningful manner.

1.28 In reply, dated 25.8.1989, to the above recommendations, the Ministry had stated that the SC / ST Credit Cell since its creation had been performing multifarious duties involving both micro and macro level examination of issues relating to credit to SC / ST and follow-up action. However, it was only from January, 1989 that separate records regarding working of the Cell were being maintained. The Study of the Cell would most likely be taken up in the year 1990 by I.W.S.U. / S.I.U. Only after that study, the issue of augmentation of staff-strength of the Cell could be taken up to strengthen the Cell further.

1.29 In their further reply, dated 12.10.1990, the Ministry have stated that work study of the SCT Cell dealing with credit to SCs / STs (ESA Section) of the Banking Division had been undertaken by S.I.U. The S.I.U. had started work study of the Banking Division on 9.2.1990 and submitted their Report on assessment of study of the Division on 22.7.1990. S.I.U.'s recommendations in respect of staff of the Cell were as under:—

Category of Staff	Sanctioned Strength	Agreed/ Assessed Strength
Assistant	2	2
Economic Investigator	2	1
L.D.C.	2	1

They have further stated that the final discussions are yet to take place at the appropriate level.

1.30 From the reply of the Government, the Committee are not in a position to ascertain whether STU's staff assessment of the SC / ST Credit Cell is based on Cell's requirement to deal with micro-level examination of credit policy and its follow-up action which the Committee desired the Cell to take up. The Committee reiterate their earlier recommendation that staff requirement of the Cell might be reviewed afresh on a scientific and rational basis keeping in view the multifarious duties it is required to discharge and augment the staff strength of the Cell to enable it to discharge its duties in an efficient and meaningful manner.

**H. Housing Loan  
Recommendations, (Sl. Nos. 54-55)**

1.31 In Paras 5.93 and 5.94 of the Report, the Committee had noted that the maximum amount of housing loan permissible under DRI at an interest rate of 4 per cent was Rs. 5,000/- The Committee had been consistently recommending since the year 1982-83 that the ceiling on the limit of the housing loan under DRI should be reviewed by the RBI for upward revision. They further recommended that keeping in view the corrosion in the value of rupee since 1979, when the scheme of giving housing loans under DRI Scheme was introduced, the ceiling of Rs. 5,000/- for housing loan under DRI should be enhanced to Rs. 10,000/-.

1.32 In reply, dated 25.8.1989, the Ministry had stated that the whole issue of DRI Scheme was examined by the task force on DRI set up by Government of India which had not favoured any enhancement of loan amount. The guidelines to Banks on rate of interest, margins security etc, on housing finance had only recently (November, 1988) been revised taking into account the cost of funds to the banks and alignment with the general interest rate structure. For the same reason, it would not be possible to raise the upper limit for housing loan for SC / ST persons at an unremunerative interest rate of 4% per annum. The Ministry have added that housing loan granted to SC / ST at 4% interest did not come under the purview of DRI Scheme as housing was not treated as productive endeavour under the scheme.

1.33 The Committee are not convinced by the arguments put-forward by the Government and reiterate their earlier recommendation that keeping in view the fall in the value of rupee since 1979, when the scheme of giving housing loans was introduced, the ceiling of Rs. 5,000/- should be suitably enhanced to ensure that the loan advanced to SC / ST actually serves the purpose for which it is granted.

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS, WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation (Sl. No. 2, Para No. 1.16)**

The Committee regret to note that despite their repeated assertions that the staff strength of the SC/ST Cell in the Banking Division was under review by the Internal Work Study Unit yet the matter was referred to the Unit by the Ministry of Finance as late as in December, 1988 which in their opinion is nothing short of misleading the Committee. Now that the matter has been referred to the Internal Work Study Unit which is an integral part of the Ministry of Finance, the Committee expect the Ministry to keep their promise in making the unit to submit its **Report by April, 1989** and thereafter suitably augment the staff strength of the SC/ST Cell as assured by the representative of the Ministry during **evidence**.

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

The staff strength of S.C. & S.T. Cell has been already provisionally augmented by posting of one Legal Assistant and one U.D.C. The I.W.S.U. is yet to conduct the work study of the Cell. However, the S.I.U. has since decided to conduct the work study of the Banking Division as a whole and the preparation in regard to such inspection is in progress.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/5/89-SCT (8) dated 25-08-1989.]

#### **Further Information called for from the Government**

In reply to Committee's recommendation, the Ministry of Finance have stated, "The I.W.S.U. is yet to conduct the work study of the Cell. However, the S.I.U. has since decided to conduct the work study of the Banking Division as a whole and the preparation in regard to such inspection is in progress".

(1) In this connection, please state whether the I.W.S.U. has conducted any work study of the SC/ST Cell. If so, what are its findings and recommendations. Please furnish a copy of the Report to this Secretariat.

(2) When the work study of the Banking Division Taken up by the S.I.U. and when it was completed?

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

The work study of the SCT Cell of the Banking Division has since been undertaken by the Staff Inspection Unit (SIU). SIU had started work-study

of the Banking Division on 19.2.90 and submitted their report on assessment of staff of the Division on 2.7.90, SIU's recommendations in respect of staff of SC/ST Cell are as under:

Category of Post	Sanctioned Strength	Agreed/Assessed Strength
Assistant	2	3
LDC	1	2

The final discussions are yet to take place at the appropriate level.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division O.M. No. 5/4/90-SCT (B) dt. 12-10-90.]

#### **Recommendation (Sl.No. 3, Para No. 1.21)**

The Committee learn that all policy circulars regarding implementation of reservation policy received from the Department of Personnel and Training are vetted by the Banking Division of the Ministry of Finance and if necessary, modified to make them suitable for implementation by the Banks and Financial Institutions under the control of the Division. They will, however, like to impress upon the Ministry of Finance that whenever the policy circulars regarding implementation of reservation policy are modified to make them suitable for implementation, it should always be ensured that such modifications are not to the detriment of the general reservation Policy and impinge upon the safeguards provided for SCs/STs as assured by the representative of the Ministry during evidence.

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

The recommendation of the Committee has been noted for compliance. It may however be submitted that there has been no instance when the instructions of the Deptt. of Per. & Trg. have been modified to the detriment of the general reservation policy for the SC/ST.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (8) dated 25th August, 1989.]

#### **Recommendation (Sl. No. 4, Para No. -2.4)**

The Committee note that earlier the Board of Directors of the Dena Bank used to review the implementation of the reservation orders in the Bank on half yearly basis. However, this practice has since been discontinued and the Board is now conducting such a review on annual basis the reason for which has been stated to be that the Rosters are finalised at the end of each year and "there is not much they can

contribute on half yearly basis". The Committee recommend that the implementation of the reservation policy may be reviewed by the Board of Directors of the Dena Bank on half yearly basis as certain aspects relating to implementation of policy, like training, redressal of grievances of SC/ST employees, performance of the Liaison Officer etc. can easily be reviewed on half yearly basis and can be extremely beneficial for the SC/ST employees of the Bank as conceded by the representative of the Ministry of Finance during evidence.

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

Dena Bank has reported that it has noted the recommendations of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Divn.,  
O.M. No. 5/5/89-SCT (8) dated 25-08-1989.]

#### **Further Information called for from the Government**

While accepting the recommendation of the Committee, the Dena Bank in their reply, dated 25.8.1989 have stated, "noted the recommendations of the Committee for compliance".

Please state when was the Reservation Policy last reviewed by the Board of Directors of Dena Bank and with what results and when it is proposed to review it again.

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

Dena Bank has reported that the reservation policy was last reviewed by the Board of Dena Bank at its meeting held on 13.3.90 for the year ending 31.12.89 and observed that there was backlog in officers and clerical cadre recruitment on account of non-allotment of candidates by BSRBs and non-joining of the candidates allotted. The Board circulated that the backlog in recruitment in subordinate cadre should be cleared immediately.

The Board is expected to review the position again in Oct. 1990.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division  
O.M. No. 5/4/90-SCT (B) dt. 12-10-90.]

#### **Recommendation (Sl. No. 5, Para No. 2.13)**

The Committee note that at present the Liaison Officer at the Head Office of Dena Bank does not visit the Zonal/Regional Offices of the Bank to inspect the proper maintenance of the rosters and to ensure the proper implementation of the reservation policy which in their opinion is quite contradictory to the instructions issued by the Department of Personnel and Training in this regard. The Committee recommend that the Liaison Officer at the Head Office of the Dena Bank should make it a regular feature to inspect the Zonal/Regional Offices to ensure the implementation of the reservation policy in letter and spirit.



### **Reply of the Government**

Dena Bank has reported that it has noted the recommendations of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Divn.,  
O.M. No. 5/5/89 SCT (8) dated 25-08-1989.]

### **Further Information called for from the Government**

In reply to the Committee's recommendation regarding making it a regular feature by the Liaison Officer at the Head Office of the Dena Bank to visit the Zonal/Regional Offices to ensure the implementation of the Reservation Policy in letter and spirit, it has been stated that the recommendation of the Committee had been noted for compliance.

2) Please state the number of times the Liaison Officer at the Head Office of the Bank have visited the Zonal/Regional Offices to check the maintenance of rosters and implementation of the other orders regarding Reservation Policy of the Government during the last one year and his findings in this regard.

3) Does the Liaison Officer at the Head Office of the Bank exclusively look after the implementation of the Reservation Policy for the welfare of Scheduled Castes and Scheduled Tribes or is he concerned with other matters also? Please give details.

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

Dena Bank has reported that its Chief Liaison Officer of the Bank has visited 18 Zonal Offices/Regional Offices during the last one year, to look into the grievances and reservation matters of SCs/STs in these Offices. His findings were as under:

1. Non-acknowledgement of grievances/complaints made by SCs/STs.
2. Non-maintenance of Grievances Register.
3. Non-intimation to the local Employment Exchanges of the candidates of SC/ST category not selected.
4. Non-convening of quarterly meetings etc.

The Head Office of the Bank has since issued directions for taking corrective steps in respect of the above findings of the Liaison Officer. The Liaison Officer is of the rank of Dy. General Manager and he looks after the Dept. of Social Banking & Development and General Administration, in addition to the functions of Chief Liaison Officer.

[Ministry of Finance, Deptt. of Economic Affairs, Banking Division, O.M.  
No.F-5/4/90-SCT/(B) dated 12.10.1990.]

**Recommendation (Sl. No. 6, Para No. 2.14)**

The Committee are surprised to note that the need to augment the staff strength of the SC/ST Cell at the Head Office has not been felt over the years, even though there has been manifold increase in the staff strength in the Bank. The Committee, therefore, recommend that keeping in view the increasing work load in the Cell arising out of the substantial increase in the total staff strength in the Bank, the staff strength in the SC/ST Cell at the Head Office be augmented suitably as early as possible to equip it to discharge the duties, assigned to it in a more effective and meaningful manner.

**Reply of the Government**

Dena Bank has reported that it would provide the services of one more officers to the S. C. and S T. Cell at its Head Office (as and when required.)

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. -5/5/89-SCT(8) dated 25-08-1989].

**Recommendation (Sl. No. 7, Para No. 23)**

The Committee note that in the examinations conducted by the BSRBs for the recruitments to officers and clericals cadres in the Dena Bank, a written test carrying 200 marks is held which is followed by an interview carrying 100 marks. Keeping in view the social background of the candidates belonging to SCs/STs, the Committee have a feeling that these candidates find it really difficult to secure good marks in the interviews because of their lack of proficiency in the languages in which the interviews are held. The Committee recommend that in the case of SC/ST candidates some suitable relaxation should be given in the interview also.

**Reply of the Government**

The recommendations of the Committee is being examined.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(8) dated 25-08-1989].

**Further Information called for from the Government**

In reply to the recommendation of the Committee, the Ministry of Finance have stated, "The recommendations of the Committee is being examined".

- 1) Please state whether the question of giving relaxation to Scheduled Caste/Scheduled Tribe candidates in interview has since been examined.
- 2) If so, with what results.

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

The Selection Committees constituted by the BSRBs for the recruitment of candidates for the posts in the clerical and Officers cadre of the Banks, conduct such interview for the SC/ST candidates in separate sittings/days and also include a SC/ST member on each of the Committees. The final list prepared by the BSRBs are prepared separately for the General, the SC and the ST candidates. The cut off points for the SC/ST are generally lower than those of the general candidates. This procedure has an inbuilt system of relaxation for the SC/ST in the interviews as also the written tests.

[Ministry of Finance, Deptt. of Economic Affairs, Banking Division,  
O.M. No.F-5/4/90-SCT(B) dated 12.10.1990].

### **Recommendation (Sl. No. 9 Para No. 3.6)**

The Committee recommend that in case of rejection of SC/ST candidates sponsored by the local employment exchanges, the recruiting authorities of the Dena Bank should always communicate the reasons of the rejection of such candidates to the sponsoring exchanges.

### **Reply of the Government**

The recommendation of the Committee has been noted for compliance by the Dena Bank.

[Ministry of Finance, Department of Economic Affairs—Banking  
Division, O.M. No. 5/5/89-SCT(8) Dated 25-08-1989].

### **Recommendation (Sl. No. 10, Para No. 3.7)**

The Committee also recommend that in case the local employment exchanges are not in a position to sponsor the requisite number of SC/ST candidates, the Bank authorities should make it a practice to approach the contiguous and regional employment exchanges to sponsor SC/ST candidates so that no reserved vacancy remains unfilled in the sub-staff cadre.

### **Reply of the Government**

Instructions have already been issued to all PSBs/Fis. for resorting to inter-state recruitment to Sub-staff cadre, in case the concerned District Employment Exchanges and the other nearby District Employment Exchanges within the State failed to supply/sponsor enough number of suitable S.C./S.T. candidates for appointment against the vacancies reserved for them.

[Ministry of Finance, Department of Economic Affairs—Banking  
Division; O.M. No. 5/5/89-SCT(8) dated 25-08-1989].

**Recommendation (Sl. No. 11, Para No. 3.8)**

The Committee have been informed that at present the Dena Bank authorities do not circulate the requirements of Scheduled Castes and Scheduled Tribes candidates for recruitment to sub-staff cadre to the recognised SC/ST Associations as required under the Government instructions. The Committee recommend that the practice of circulating the reserved vacancies to the recognised SC/ST Associations should invariably be followed in recruitments to Sub-staff cadre as assured by the representative of the Dena Bank during the evidence.

**Reply of the Government**

The recommendation of the Committee has been noted for compliance by Dena Bank.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(8) dated 25-08-1989].

**Recommendation (Sl. No. 12, Para No. 3.9)**

During the evidence, the representative of the Dena Bank has informed the Committee that in spite of all efforts there is still some gap between the recruiting authorities of the Bank and the SC/ST candidates living in hilly, backward and remote areas resulting in their failure to send their applications for recruitments in time. It has also been submitted that the Recruitment Boards have been asked to make arrangements to visit such areas to reduce the communication gap as much as possible. However, in the opinion of the Committee some more steps like giving of wide publicity in the remote areas to reserved vacancies will have been initiated by the Bank in addition to the visits of Recruitment Boards. The Committee will await the steps initiated by the Bank to cut short this communication gap between the recruiting authorities of the Bank and the SC/ST candidates residing in remote, backward and hilly areas to send their applications in time.

**Reply of the Government**

Dena Bank has reported that it has proposed to depute its officials to the areas having concentration of tribal people in Maharashtra, Gujarat and Madhya Pradesh to make eligible candidates belonging to these communities aware of the employment opportunities available to them in the Bank.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89—SCT (8) dated 25-08-1989].

### **Further Information called for from the Government**

In reply to Committee's recommendation, the Dena Bank had stated that it has proposed to depute its officials to the areas having concentration of tribal people in Maharashtra, Gujarat and Madhya Pradesh to make eligible candidates belonging to these communities aware of the employment opportunities available to them in the Bank.

- (1) Has any recruitment been made since 25.8.1989?
- (2) If so, whether any recruitment team was sent to tribal areas to complete recruitment percentage of Scheduled Tribes?
- (3) Please state whether steps like giving of wide publicity in the remote areas, visits of Recruitment Boards etc. were taken to reduce the communication gap. Please give details?

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

The various recruitments made by the banks between 25.8.89 and 31.8.1990 in various cadres in the States of Maharashtra, Gujarat and Madhya Pradesh are indicated in the Statement at Annexure 'A'-I.

The Bank did not send any recruitment team to and the tribal areas as it could find enough number of candidates belonging to SC/ST communities to fill the vacancies reserved for them in the Sub-Staff cadres.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division  
O.M. No. 5/4/90—SCT(B) dt. 12.10.90].

### **Recommendation (Sl. No. 13, Para No. 3.15)**

The Committee regret that the Dena Bank has not been following the Government directives regarding interviewing of the SC/ST candidates on a date other than the date on which general category candidates are interviewed and in separate blocks. It is highly regrettable that instructions to this effect were issued by the Bank to the concerned authorities on 15th July, 1988 i.e. after the selection of the subject by the Committee.

The Committee recommend that the Government instructions in the matter should be followed by the Bank in letter and spirit as assured by the representative of the Bank during evidence.

### **Reply of the Government**

Dena Bank has noted the recommendation of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/5/89—SCT(B) dt. 25.08.1989].

### **Recommendation (Sl. No. 14, Para No. 3.16)**

The Committee have been informed that an officer belonging to an SC/ST is invariably appointed on the Selection Board while making recruitment to sub-staff cadre in the Dena Bank. The Committee recommend

that while appointing an SC/ST Officer on the Selection Board the authorities of the Dena Bank should ensure that his status is as far as possible equivalent to that of the other members of the Selection Board. In case an officer of the comparable status is not available in the Bank, such an officer from another Bank/Public Undertaking may be co-opted for appointment on the Selection Board as provided in Government instructions.

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

Dena Bank has reported that it has noted the recommendation of the Committee for compliance. However, keeping in view the judgement of S.C. on the subject, instructions have been issued by the Government that in case no SC/ST Officer of comparable status is available in the Bank, at least a SC/ST Officer of one grade higher than the one for which the selection is made may be included in the D.P.C./Interview panels.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/5/89—SCT(8) dated 25.08.1989].

#### **Recommendation (Sl. No. 15, Para No. 3.20)**

Keeping in view the fact that the Dena Bank authorities have started sending of the interview/appointment letters through registered post followed by a copy through ordinary post, the Committee expect that this practice will be followed in future by the Bank invariably.

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

Dena Bank has reported that it has noted the recommendations of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/5/89—SCT(8) dt. 25.08.1989].

#### **Recommendation (Sl. No. 16, Para No. 3.21)**

The Committee have been informed that two-weeks time is allowed to the candidates including those belonging to SCs/STs to appear for interview. In the Committee's opinion this time is too short for the SC/ST candidates to prepare themselves for the interview. The committee, therefore, recommend that the time given for interview may be suitably enhanced.

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

The recommendation of the Committee is being examined.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/5/89—SCT(8) dated 25.08.1989].

### **Further Information called for from the Government**

In reply to recommendation regarding the enhancement of two weeks time given to Scheduled Caste and Scheduled Tribe candidates for interview, the Ministry of Finance had stated that the same was being examined.

Please state whether this matter has since been examined and if so, with what results.

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

Dena Bank is reported to have since prescribed 3 weeks' time for the candidates to appear for the Interviews.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division, Office Memorandum No. F/5/4/90—SCTCB dt. 12.10.80].

### **Recommendation (Sl. No. 17, Para No. 3.24)**

The Committee regret to note that the procedure laid down in the Government directive for dereservation of reserved posts was not followed in the Dena Bank till the examination of the Bank was taken up by the Committee. The Committee take a very serious view of this lapse. Had the position regarding dereservation of reserved posts been placed before the Board of Directors or the Chairman of the Bank as required under the Government Directives, some ways and means like holding of special recruitments exclusively for persons belonging to SCs/STs— re-advertising of posts etc. could have been resorted to check the accumulation of backlog in reserved vacancies. The Committee recommend that Government Directives regarding de-reservation of reserved posts may be followed strictly as assured by the representative of the Bank during evidence.

### **Reply of the Government**

Dena Bank has noted the recommendation of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(8) dated 25-08-1989].

### **Recommendation (Sl. No. 18, Para No. 3.31)**

The Committee note that at present there is no practice in the Dena Bank for the Zonal/Regional Liaison Officers holding meetings with the SC/ST employees or their associations regularly at fixed intervals with the result that a large number of complaints are received by the Bank authorities on some of which otherwise instant decisions could have been taken during such meetings. The Committee recommend that the Zonal/Regional Liaison Officers should meet the SC/ST employees or their Welfare Associations at least once in three months and if the circumstances so warrant or the SC/ST employees so desire, such a meeting may be held

in between at the earliest possible opportunity. The Committee also expect the Dena Bank authorities to be considerate towards redressal of the complaints/grievances received from the SC/ST employees especially in matters of transfer lest these employees are put to hardships because of social bias against them in getting accommodation etc. at the places of their transfers.

### **Reply of the Government**

Dena Bank has reported that it has noted the recommendations of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89—SCT(8) dated 25-08-1989].

### **Further Information called for from the Government**

The Committee has recommended, "Zonal/Regional Liaison Officers should meet the SC/ST employees or their Welfare Associations at least once in three months and if the circumstances so warrant or the SC/ST employees so desire, such a meeting may be held in between at the earliest possible opportunity".

- (1) How many times since 25-08-1989. The Zonal/Regional Liaison Officers had met the SC/ST employees or SC/ST employees' Welfare Association?
- (2) Please also indicate the dates of the meetings held and the subjects discussed therein.

The Committee has also expected, "the Dena Bank authorities to be considerate towards redressal of the complaints/grievances received from the SC/ST employees especially in matters of transfer lest these employees are put to hardships because of social bias against them in getting accommodation etc. at the places of their transfers".

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

The details are at Annexure 'A'.

Dena Bank has reported that it has suitably advised its Zonal/Regional Managers to be considerate towards the complaints/grievances received from SCs/STs in the matter of transfers.

[Ministry of Finance, Deptt. Of Economic Affairs, Banking Division, Office Memorandum No. F/5/4/90—SCTCB dt. 12.10.80]

### **Recommendation (Sl. No. 19, Para No. 4.7)**

The Committee regret to note that inspite of huge shortfalls in the prescribed percentages of the representation of Scheduled Castes and Scheduled Tribes in the services of the Dena Bank, no serious efforts have been made by the authorities of the Bank since December, 1978 i.e. from the date from which reservation in promotions were also implemented to improve the representation of those communities in services except a



solitary instance in the year 1984 when special recruitment was held for SCs and STs exclusively for the officers cadre. The Committee agree with the representative of the Ministry of Finance that to eliminate the shortfalls in the filling up of the reserved vacancies there exists a "need for additional recruitment" compared to what is prescribed as 15 per cent and 7.5 per cent "in future recruitments." In the opinion of the Committee had the bank been more responsive to the wiping out of the shortfall in the filling of the reserved vacancies it would not have taken it more than four years to hold another special recruitment exclusively for the SCs and STs. The Committee recommend that all out efforts should be made by the Dena Bank to make good the shortfalls in posts reserved for SCs/STs. Meanwhile, they will like to be apprised of the extent to which the representation of SCs/STs has improved in the services of the Bank as a result of the special recruitment that was intended to be held by the Banking Service Recruitment Board during the year, 1988.

### Reply of the Government

A special Recruitment Drive to clear the backlog of vacancies in all cadres in direct recruitment has been launched with effect from 01-06-1989 and it is expected that by the end of Drive, most of the backlog in the vacancies reserved for S.C./S.T. would be cleared.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division,  
O.M. No. 5/5/89-SCT(8) dated 25-8-1989].

### Further Information Called for from the Government

Please furnish details of the final outcome of the special recruitment drives launched by the Dena Bank with effect from 1.6.1989 to clear the backlog in the vacancies for Scheduled Castes and Scheduled Tribes in officers, clerical as well as sub-staff cadres.

What is the present position of backlog in the vacancies?

### Further Reply of the Government

The details of Backlog as on 1.1.89 and the recruitment made by the Bank during 1989 are as under:—

Sl. No.	Cadre	Back-Log		No. of Appointment made	
		SC	ST	SC	ST
1.	Officer	32	16	17	10
2.	Clerk	16	20	33	38
3.	Substaff	23	28	64	53
4.	P.T.E.			42	39
				152	70

The present position of the backlog as on 30.6.1990 is as under:—

Sl. No.	Cadre	Back-Log	
		SC	ST
1.	Officers	16	9
2.	Clerks	2	1
3.	Sub-staff	1	1
4.	Part-time Sweepers	Nil	2

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division.  
Office Memorandum No. F/5/4/90 SCT CB dt. 12.10.80].

#### Comments of the Committee

Please see chapter I Para 1.13.

#### Recommendation (Sl. No. 21, Para No. 4.20)

The Committee are surprised that Government instructions regarding dereservation and lapsing of posts had not been followed by the Bank till recently. Had this procedure been followed and efforts made to fill the vacancies reserved for Scheduled Caste candidates by the candidates belonging to Scheduled Tribes at the end of the third year of the carried forward of each post and *vice-versa*, the backlog would not have accumulated to the existing level. The Committee expect the Bank authorities to follow scrupulously the Government instructions regarding implementation of reservation policy in future.

#### Reply of the Government

Dena Bank has noted the recommendation of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

#### Further Information called for from the Government

The Committee expected the Bank Authorities to follow scrupulously the Government instructions regarding implementation of Reservation Policy in future.

Please state the steps taken to ensure strict following of Government instructions in the matter of de-reservation and lapsing of posts.

#### Further Reply of the Government

Dena Bank has reported that it has been following the instructions of the Government scrupulously. Since 1.4.1989 the dereservations in direct recruitment to all cadres excepting Officers' cadre has been banned. The question of de-reservation and lapsing after 1.4.1989, therefore, does not arise.

Dena Bank has reported that the Board of Directors is reviewing the

implementation on the reservation policy twice a year. Besides, the Government also reviews the position through the review report received from the Bank, once a year.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division,  
Office Memorandum No. F/5/4/90 SCTCB dt. 12.10.80].

**Recommendation (Sl. No. 22, Para No. 4.25)**

The Committee regret that in the Dena Bank even in the substaff cadre there is a backlog in filling of the posts reserved for Scheduled Castes and Scheduled Tribes despite the fact that 75 per cent of the Branches of the Bank are located in Maharashtra and Gujarat where the population of persons belonging to Scheduled Castes and Scheduled Tribes is quite substantial. The Committee recommend that the Dena Bank should make it a regular feature to send their recruitment teams to the areas predominantly inhabited by the Scheduled Castes and Scheduled Tribes in the respective regions so that no backlog accrues in the posts reserved for Scheduled Castes and Scheduled Tribes.

**Reply of the Government**

Dena Bank has reported that it has wiped out the entire backlog in Sub-Staff Cadre as at end of 31-07-1989 by recruiting suitable of S.C. & S.T. persons.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division,  
O.M. No. 5 / 5 / 89-SCT(B) dated 25-8-1989].

**Further Information called for from the Government**

In reply to Committee's recommendation, the Ministry of Finance have stated, "Dena Bank has reported that it has wiped out the entire backlog in sub-staff cadre as at end of 31.7.1989 by recruiting suitable SC & ST persons".

- (1) Please furnish a statement showing total number of sub-staff personnel of the Bank and how many of them are Scheduled Castes and Scheduled Tribe (Separately).
- (2) What procedure has been laid down to recruit sub-staff from Scheduled Tribes?
- (3) Please supply a copy of the instructions issued for sending the recruitment teams to areas predominantly inhabited by the SCs/STs as a regular feature.

**Further Reply of the Government**

1. The details are at Annexure 'B'.
2. Dena Bank has reported that is placing its indents with the local Employment Exchange to fill-up vacancies are interviewed and selected for appointment at the place (s) where vacancies occur.
3. The Bank has also reported that it has been getting sufficient number

of SC/ST candidates for recruitment to sub-staff cadre and, therefore, it did not feel the need to send any special recruitment teams to the areas predominantly inhabited by the persons belonging to the SC/ST communities.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division,  
Office Memorandum No. F/5/4/90 SCTCB dt. 12.10.80].

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

Please see Chapter I Para 1.21

#### **Recommendation (Sl. No. 23, Para No. 4.33)**

The Committee regret to note that in some of the earlier years, the indents placed with the BSRB by the Dena Bank did not include the figures of the entire backlog in the filling of the reserved vacancies. However, during the evidence, they have been assured that with the devising of the new proforma, the figures of the entire backlog are indicated in the indents. The Committee recommend that Dena Bank authorities should ensure that such lapses do not creep into indents in future.

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

Dena Bank has noted the recommendation of the Committee for compliance.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5 / 5 / 89-SCT(B) dated 25-08-1989].

#### **Recommendation (Sl. No. 24, Para No. 4.34)**

The Committee recommend that while filling the reserved vacancies, preference should invariably be given to the filling of the vacancies from the backlog as assured by the representative of the Dena Bank during evidence.

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

The Bank has reported that it has noted the recommendation of the Committee for compliance.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division, O.M. No. 5 / 5 / 89-SCT(B) dated 25-8-1989].

#### **Further Information called for from the Government**

In reply to Committee's recommendation, the Ministry of Finance have stated, "The Bank has reported that it has noted the recommendation of the Committee for compliance"

Has any instructions been issued in this regard and if so, please furnish a copy thereof.

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

The system of reservation has an inbuilt mechanism to ensure that the oldest vacancies are filled first to the exclusion of the new vacancies if it is not possible to fill all of them. This is ensured through the maintenance of rosters as also by the special indent format devised for the banks. No further instructions are, therefore, required to be issued.

[Ministry of Finance, Deptt. of Economic Affairs, Banking Division, Office Memorandum No. F/5/4/90 SCTCB dt. 12.10.80].

### **Recommendations (Sl. No. 26, Para No. 4.40)**

The Committee regret to note that during the years 1985 to 1987 no promotions were given to SC/ST employees from the clerical cadre to the officers cadre. During the evidence, the Committee have been informed that action was initiated in the year 1987 to give promotions in this cadre which could only be affected in 1988. The Committee regret the lackadaisical approach of the Bank administration which lead to such a long time to effect promotions. They recommend that the Dena Bank authorities should review and overhaul their procedures so that the time lag between the initiation of the process of giving promotions and the final orders is reduced to the minimum so as to spare the SC/ST employees of the ordeal of remaining in suspense.

### **Reply of the Government**

Dena Bank has noted the recommendation of the committee for compliance.

[Ministry of Finance, Department of Economic Affairs-Banking Division, O.M. No. 5/5/89-SCT(B) dated 25-08-1989]

### **Further Informations called for from the Government**

The Committee had recommended that the Dena Bank authorities should review and overhaul their procedure so that the time lag between the initiation of the process of giving promotions and the final orders is reduced to the minimum so as to spare the SC/ST employees of the ordeal of remaining in suspense. Please give details of action taken so that the time lag between the initiation of the process of giving promotions and the final orders is reduced to the minimum.

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

The Bank has reported that it has not conducted any promotion process from clerical cadre to Officer cadre after the receipt of the recommendation of the Committee. It has, however, reported that it would endeavour that the time lag between the initiation of the process of giving promotion and the final orders is reduced to the extent possible.

[Ministry of Finance, Deptt. of Economic Affairs, Banking Division O.M. No. F-5/4/90-SCT/(B) dated 12.10.1990]

**Recommendation (Sl. No. 28, Para No. 4.51)**

It has been represented to the Committee during various tours that persons belonging to general categories appointed as sweepers are put on duties other than those of sweepers. When brought to his notice during the evidence the representative of the Dena Bank assured the Committee that such instances would be looked into and action would be taken against the person who were not doing the job for which they were appointed. The Committee recommend that the efforts of the bank should be to ensure that persons appointed as sweepers are deployed as sweepers only.

**Reply of the Government**

The recommendation of the Committee has been noted by Dena Bank for compliance.

[Ministry of Finance, Department of Economic Affairs-Banking Division,  
O.M. No. 5/5/89-SCT(B) dated 25-08-1989]

**Further Informations called for from the Government**

- a. Please state the steps taken to ensure that the persons appointed as sweepers are deployed as sweepers.
- b. Please also state whether at present there are sweepers who are put on duties other than sweepers. Please give details.

**Further Reply of the Government**

The Bank has reported that it has since issued a Circular on 13.2.1989 advising all Zonal Managers/Regional Managers to ensure that persons appointed as Sweepers are deployed for sweeping work only. It has further reported that no case has so far been reported where a Sweeper had been put on duty other than that of a Sweeper.

[Ministry of Finance, Deptt. of Economic Affairs, Banking Division O.M.  
No. F-5/4/90-SCT(B) dated 12.10.1990]

**Recommendation (Sl. No. 29, Para No. 4.52)**

The Committee have been informed that 25 per cent of the posts in the sub-staff cadre are filled from amongst the sweepers if they have some knowledge of language, in the Bank. When asked during the evidence whether this percentage has always been adhered to while appointing sub-staff the representative of the Dena Bank replied that the point needed to be looked into more closely. The Committee will await the outcome of the review made by the Dena Bank authorities in this regard.

### **Reply of the Government**

The recommendation of the Committee is being examined.

- 4 [Ministry of Finance, Department of Economic Affairs-Banking Division,  
O.M. No. 5/5/89-SCT(B) dated 25-08-1989]

### **Further Information called for from the Government**

Please state the outcome of the review undertaken by the Dena Bank authorities to ensure filling up of the 25 per cent of the posts in the sub-staff cadre from amongst the sweepers having some knowledge of language.

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

The Bank has reported that it converted 36 part-time cleaners/sweepers as full time peons/messengers during the year 1988-89.

[Ministry of Finance, Deptt. of Economic Affairs, Banking Division O.M.  
No. F-5/4/90-SCT/(B) dated 12.10.1990]

### **Recommendation (Sl. No. 31, Para No. 4.66)**

- The Committee have been informed that the Dena Bank is conducting pre-recruitment coaching schemes to improve the intake of SC/ST candidates and that during the years 1985, 1986 and 1987, 1,221 candidates were given such training by the Bank at various staff training centres. However, on evaluation of the efficacy of the pre-recruitment training has so far been made to assess the extent to which it improved the chances of the SC/ST candidates in getting into the services of the Bank. The Committee have been informed during the evidence that BSRBs have been asked to conduct such an evaluation on the basis of some sample study by contacting the candidates and ascertaining from them whether they had taken the benefit of such training. The content and duration of the training will be reviewed in the light of the evaluation made by the BSRBs. The Committee recommend that the BSRBs should be asked to make the evaluation at the earliest so that the shortcomings in the implementation of the pre-recruitment training schemes are removed to make it really an effective instrument to promote the chances of SC/ST candidates in getting into the services of Dena Bank. The Committee further recommend that Dena Bank should have a proper tie up with the State institutions while arranging the pre-recruitment training in regard to the providing of accommodation and other facilities to the SC/ST candidates in the absence of their own facilities.

### **Reply of the Government**

The Indian Bank's Association has been asked to make the evaluation of

the results of the Pre-recruitment Training Programmes conducted by the Bank's etc. Its report is awaited.

[Ministry of Finance, Department of Economic Affairs-Banking Division,  
O.M. No. 5/5/89-SCT(B) dated 25-08-1989].

#### **Further Information called for from the Government**

As regards Ministry's reply to Committee's recommendation, has the Indian Banks' Association completed its evaluation study regarding effectiveness of the pre-recruitment training programme conducted by various Banks? Please furnish a copy of the findings of the Indian Banks' Association in this regard and also state the action taken by the Bank authorities in the matter.

#### **Further reply of the Government**

The findings of the Indian Banks' Association are still awaited. I.B.A. has been reminded.

[Ministry of Finance, Deptt. of Economic Affairs-Banking Division,  
O.M. No. F. 5/4/90-SCT(B) dated 12-10-1990].

#### **Comment of the Committee**

Please See Chapter-I, Para 1.25 and 1.26.

#### **Recommendation (Sl. No. 32, Para No. 4.67)**

In the opinion of the Committee a stipend of Rs. 12/- per day is too meagre to attract sufficient number of SC/ST candidates to this scheme. Keeping in view the rising cost of living, the Committee recommend that the stipend should be suitably enhanced to attract more SC/ST candidates to get benefit of the training.

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

The recommendation of the Committee is being examined.

[Ministry of Finance, Department of Economic Affairs-Banking Division,  
O.M. No. 5/5/89-SCT(B) dated 25-08-1989].

#### **Further Informations called for from the Government**

- a. In regard to recommendation of the Committee, has the stipend amount to SCs/STs candidates been enhanced keeping in view the rising cost of living?
- b. If so, the details thereof.
- c. If not, the reasons therefor.



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

Dena Bank proposes to increase the stipend amount by 25%.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/4/90-SCT (B) dated 25-08-1989].

### **Recommendation (Sl. No. 33, Para No. 4.70)**

The Committee find that the number of SC/ST employees imparted training during the years 1985 to 1987 is too meagre as compared to the number of employees belonging to general categories imparted training during these years. Keeping in view the backwardness of the SC/ST employees, the Committee recommend that it should be the endeavour of the Dena Bank authorities to select more and more employees belonging to these communities for training in the future.

### **Reply of the Government**

The recommendation of the Committee has been noted by Dena Bank for compliance.

[Ministry of Finance, Department of Economic Affairs-Banking Division,  
O.M. No. 5/5/89-SCT(B) dated 25-08-1989].

### **Recommendation (Sl. No. 37, Para No. 5.12)**

The Committee have been apprised that there have been instances when complaints had been received by the Ministry of Finance about the putting of the pressure on the loanees to purchase the goods for which loans had been sanctioned from a particular source and that it has since been made clear by the Ministry to all that severe action will be taken against the guilty officials in such cases. The Committee feel that mere clarifications will not mend the matter. They recommend that strict punishments be awarded to officials found guilty of such malpractices which will act as a deterrent to spread thereof.

### **Reply of the Government**

Severe action has been stipulated to be taken against the officials found guilty of pressurising loanees to purchase assets from a particular source. All the Public Sector Banks were asked to take action against officials who indulge in corrupt practices in lending under various anti-poverty and employment generating schemes. The banks have reported that they have been taking various steps to ensure that no irregularities are committed in distribution of loans to weaker sections of the society under the various schemes of the Government. Some of the important steps taken by banks are setting up vigilance wings to undertake surprise checks, inspections, contact with borrowers to detect malpractices, circulation of major penalties/suspension, cases to all branches for salutary effect, preparation of list of officials with doubtful integrity for close watch, coordination with

Central Bureau of Investigation, rotation of staff and introduction of special sessions on vigilance in training courses.

[Ministry of Finance, Department of Economic Affairs-Banking Division, O.M. No. 5/5/89-SCT(B) dated 25-08-1989].

**Recommendation (Sl. No. 38, Para No. 5.26)**

The Committee regret to note that out of a large number of applications recommended by the District rural Development Agencies loans are sanctioned to a small number of applications under the Integrated Rural Development Programme. The Committee are not convinced by the argument adduced by the representative of the Ministry of Finance that it was due to the fact that before the sanction of the loans it was the duty of the Bank authorities to assess properly the repaying capacity of the beneficiary. The Committee have a feeling that this can be attributed to some extent to the prevalent of mal-practices in the sanction of such loans. This assessment of the Committee has been further strengthened by the Report of the Gokhale Institute who is conducting the concurrent evaluation of the programme and has pointed out that there are leakages and deficiencies in the implementation of the programme. The Committee recommend that the Ministry of Finance should devise suitable ways to check the mal-practices in the sanction of the loans under the programme. One of the steps that the Committee would like to recommend is that applications for SC/ST Persons should invariably be rejected at a level higher than the loan sanctioning authority.

**Reply of the Government**

It has already been stipulated that applications for S.C./S.T. beneficiaries should be rejected at a level higher than the loan sanctioning authority. However, it may be observed from the available data given below on implementation of I.R.D. Programme that participating banks assisted more number of families than the target set in this regard.

PERIOD	TARGET	ACHIEVEMENT
	NO. OF FAMILIES	NO. OF FAMILIES
VI Five Year Plan	1510075	16562727
VII Five Year Plan (1985-86)	2470679	3060678
1986-87	3500000	3747269
1987-88	3963510	4247296
1988-89	3193546	3656583

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) Dated 25-08-1989].

**Recommendation (S. No. 39, Para No. 5.27)**

The Committee have been informed that some Banks are giving consumption loans to weaker sections of the society to a limited extent. However, this scheme has not been given due publicity with the result that weaker section of the society usually, fall prey to the clutches of the moneylenders who charge exorbitant rates of interest. The Committee recommend that such schemes should be undertaken by all the Banks and wide publicity should be given thereto so that the weaker section of the society especially persons belonging to SCs/STs are able to get consumption loans in times of emergent needs.

**Reply of the Government**

The scheme of consumption loans to weaker sections is being implemented by Dena Bank since 1977-78.

In order to create awareness of among weaker sections, especially S.Cs./S.Ts. about the consumption credit schemes, Dena Bank has brought out a 'Leaflet' covering various schemes of the Bank including consumption loan scheme and Government sponsored programmes. However, Commercial Banks have been advised to give pure consumption loans in areas where D.C.C.Bs. are weak. Further, where the borrower takes a crop loan in which an element of consumption is included, this has to be taken into consideration particularly in the case of borrowers with land holdings exceeding 0.6 Acre. D.I.C.G.C. guarantee scheme, so far, covers only those pure consumption loans which are an integral part of the credit extended to the borrowers for their main business or activities. The Risk Fund Scheme set up by the Government for consumption credit has not been functioning satisfactorily, as many State Governments did not contribute to it. In view of such factors, the scheme of pure consumption loans has been affected. Government agrees with the suggestion of the Committee to give wider publicity to the scheme.

[Ministry of Finance, Department of Economic Affairs-Banking Division,  
O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

**Recommendation (Sl. No. 40, Para No. 5.30)**

The Committee recommend that the Reserve Bank of India undertakes a field level evaluation study regarding implementation of guidelines issued to the Public Sector Banks including Dena Bank at the earliest as assured by the representative of the Ministry of Finance during evidence.

**Reply of the Government**

R.B.I. had decided to undertake a field level study to assess the credit flow to S.C./S.T. beneficiaries in general as well as under various Government sponsored programmes/schemes. According all the Regional Offices of Rural Planning and Credit Department of R.B.I. were advised to undertake field level study in this area. On receipt of reports from the

Regional Offices of R.P.C.D., a consolidated report will be prepared by R.B.I. and necessary follow-up action would be taken.

[Ministry of Finance, Department of Economic Affairs-Banking Division,  
O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

#### **Further Information called for from the Government**

In reply to their recommendation, the Ministry of Finance reply have stated, "R.B.I. had decided to undertake a field level study to assess the credit flow to S.C./S.T. beneficiaries in general as well as under various Govt. sponsored programmes/schemes. Accordingly, all the Regional Offices of Rural Planning and Credit Department of R.B.I. were advised to undertake field level study in this area. On receipt of reports from the Regional Offices of R.P.C.D., a consolidated report will be prepared by R.B.I. and necessary follow-up action would be taken."

Please state whether any consolidated Report has since been prepared by the R.B.I. and if so, what are its findings and what follow-up action is being taken in the matter.

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

R.B.I. has since prepared the report. The major conclusions are as under:—

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

2. Extent of incremental income generated is not satisfactory as the increase in income in respect of 53% of the beneficiaries is only upto 25% of their pre-investment income which is very low. The poor income generation is mainly because of poor maintenance or misutilisation of the assets created out of assistance provided. As a result of this, beneficiaries are left with little surplus for repayment of loan though instances of wilful defaults were also found.

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

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

Commercial Banks are being advised by RBI to take note of the conclusions arrived at in the RBI's evaluation study.

**Recommendation (Sl. No. 41, Para No. 5.38)**

The Committee note that during the years 1986-87 out of 1272 branches inspected by the lead District Officers attached to the Regional Offices of the Reserve Bank of India the number of Dena Bank Branches visited was only 15. They have further been informed that each lead district officer supervises 3 to 4 districts and visits one or two Branches in a quarter. The Committee recommend that to have an effective check on the implementation of the guidelines issued by the Reserve Bank of the flow of the credit to the weaker sections including the Scheduled Castes and Scheduled Tribes the District Lead Officers of the Reserve Bank should visit more Branches each year, which automatically will take care of the visits to the branches of Dena Bank also.

**Reply of the Government**

Instructions have been issued to all the Regional Offices of Rural, Planning & Credit Department of R.B.I. to ensure that each Lead District Officer covers at least two to three Branch in a month.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) Dated 25-08-1989].

**Recommendation (Sl. No. 42, Para No. 5.39)**

The Committee have been informed that Lead District Officers attached to the Reserve Bank go only into the totality of the bank lendings and look into various other activities of the Banks. This is done only through random sampling just to get the feel of what is happening in the branches. Further more, these officers during their visits have no contact with the general public. This in the opinion of the Committee is not conducive, to check whether Reserve Bank's guidelines are properly implemented by the Bank. Unless and until the District lead Officers of the Reserve Bank liaise with the loanees especially the SC/ST loanees they can never be in a position to assess the difficulties faced by them in getting loans. The Committee recommend that instructions may be issued by the Reserve Bank to the District Lead Officers to have mass contact with the public

especially the SCs/STs loanees during their visits, so that the difficulties faced by them in getting loans are detected and remedial measures suggested to the Bank.

### **Reply of the Government**

The Regional Offices of R.P.C.D. of R.B.I. are being instructed to advise the Lead District Officers to have contact with the public especially the SC/ST loanees during their visits to the Branches of Banks.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5789-SCT(B) Dated 25-08-1989]

### **Recommendation (Sl. No. 45, Para No. 5.60)**

The Committee are astonished to learn that instead of giving bank loans for various purposes to borrowers themselves, payments are made directly to the suppliers on the plea that such payments ensure the utilization of loan money for the purpose, for which sanctioned. Such a practice is fought with the danger of forcing the poor SC/ST borrower to take delivery of goods from a particular supplier without exploring the possibility of getting goods cheaper from another source. They recommend that such practice should be discontinued forthwith and loans should be disbursed to the poor SC/ST borrowers on cash basis.

### **Reply of the Government**

In order to ensure proper utilisation of bank credit, payments in general are made to the dealers/suppliers of the assets of the borrower's choice. The bank does not insist the borrowers to take the goods from a particular source. However, on an experimental basis, cash disbursements are being made by banks in 22 districts under I.R.D.P. After studying the results, R.B.I. would consider extending facility to all the districts or otherwise.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) Dated 25-08-1989].

### **Further information called for from the Government**

In reply to the recommendation, the Ministry of Finance have stated, "on an experimental basis, cash disbursement was being made by the Banks in 22 Districts under I.R.D.P. After studying the results the R.B.I. would consider extension of this facility to all the districts or otherwise"

- a. What has been the result of cash disbursement by the Banks in 22 Districts on experimental basis under I.R.D.P.?
- b. What follow up action has been taken in the matter?

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

On the basis of a decision of the high level Committee on credit (H.L.C.C.) for IBDP, the scheme of disbursement of loan and subsidy in cash has been extended to cover 50 blocks (including originally 22 blocks) HLCC has decided to undertake a thorough evaluation of the scheme in 50 blocks to decide on its extension to other blocks.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. F-5/4/90-SCT(B) Dated 12-10-1990].

### **Recommendation (Sl. No. 46, Para No. 5.61)**

The Committee note that the Bank Officials do not make any subjective assessment to determine the viability of a particular scheme for which loan is sought. On the contrary Bank's emphasis has been merely towards the implementation of 20 Point Programme. While admitting this phenomenon during the evidence, the representative of the Ministry of Finance assured the Committee stating that "we will have to look into this point". The Committee recommend that Government should take a serious note of this aspect of the problem and ensure that loan applications are not allowed to be sponsored for schemes which are not viable.

### **Reply of the Government**

It has always been the endeavour of the banks to extend finance to viable proposals, so as to ensure that credit deployed is properly utilised and recovery of outstanding overdues is not hampered. Thus in these circumstances, it is in the interest of all concerned that only viable proposals are submitted/entertained for financing by the banks under various schemes.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/4/90-SCT (B) Dated 25-08-1989].

### **Recommendation (Sl. No. 48, Para No. 5.72)**

The Committee note that at present recovery of loans given under IRDP in general and from SC/ST Borrowers in particular is tardy because of "inexperience and lack of aptitude in handling the assets" and due to in-sufficient growth of surpluses in income, as revealed by the special survey conducted in Danta and Silvassa block. The Committee agree that the Banks cannot take up the functions of arranging some sort of training to the borrowers to make them proficient in handling the assets and in generation of surpluses. However, in their opinion the Banks can have a tie up with the State authorities like State Departments of Welfare or the Small Scale Industries for arranging some training to the prospective borrowers, especially those belong

ing to Scheduled Castes/Scheduled Tribes to make them proficient in handling the assets and generating surpluses. In the opinion of the Committee the Banks can also solicit the help of the voluntary organisation in this regard. The Committee will await the outcome of the efforts made by the Dena Bank in this direction.

### **Reply of the Government**

With the help of social welfare department in Kutch District, Dena Bank organised an entrepreneurial Development Programme for borrowers belonging to weaker sections.

Dena Bank with the help of Annapurna Mahila Mandal, a voluntary organisation working for the Welfare of downtrodden women in Bombay have arranged a symposium for the welfare of women belonging to weaker sections. The bank will further explore all the possibilities to have tie-up with State authorities for arranging training to prospective borrowers.

A scheme called Training of Rural Youth for Self-Employment (TRYSEM), a facilitating component of I.R.D.P. has been sponsored by Government of India with the objective to provide technical skills to rural youths from families below poverty line to enable them to take up self-employment in broad fields of agriculture and allied activities, industries, services and business activities. Under the scheme, it is also envisaged that a minimum of 30 of the trained youth should belong to the Scheduled Castes / Scheduled Tribes. The identified youths are put through a period of training with a training institution or a master craftsmen to provide necessary technical and entrepreneurial skills to enable him to run profitably the activity given to him under the programme. The banks, among other implementing agencies, also participate in the selection of trainees as also their vocations.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) Dated 25-08-1989].

### **Recommendation (Sl. No. 49, Para No. 5.75)**

The Committee regret to note that the percentage of recovery of agricultural loans including those from SC / ST borrowers has been continuously declining during the years 1985 to 1987. This has been attributed to the fact that recovery machinery has not been set up by the State Governments. The Committee recommend that the Dena Bank authorities pursue vigorously with the State Government concerned to set up machinery for recovery of agricultural loans in general and from SC / ST borrowers in particular. In addition, to making it clear to the borrowers that in the absence of regular repayment of loan instalments they would not be given loans any more, the Committee feel that help of the Panchayats should also be taken by the Bank authorities to effect recovery of agricultural loans.



### **Reply of the Government**

A recovery Cell in Social Banking Department, Head Office of Dena Bank has been established with a view to scaling down the overdue. Suggestion of the committee to involve Panchayats in the recovery of Agriculture loans is being implemented for effective recovery by the Bank.

As regards recovery of agricultural dues of commercial banks, the Expert Group (Talwar Committee) had recommended that the State Governments should empower an official with authority to issue an order, having the force of a decree of a Civil Court, for payment of any sum due to a bank by sale of the property charged / mortgaged in favour of the bank to facilitate prompt recovery of dues of commercial banks without having to resort to protracted and time consuming litigation in Civil Courts. For implementing this recommendation the Expert Group recommended for enactment of legislation by various State Governments and Union Territories on the basis of a "Model Bill" evolved by them. So far 16 States have already enacted the legislation.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) Dated 25-08-1989].

### **Recommendation (Sl. No. 50, Para No. 5.76)**

The Committee also recommend that like loan melas, Dena Bank should hold recovery melas also because exposure in public about the default in repayment of loan instalments is in itself a deterrent for the non-repayment of loans.

### **Reply of the Government**

Like Credit Camps, Bank has been arranging recovery Camps / Campaigns. However, the Bank will organise such camps on a regular basis during recovery season.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) Dated 25-08-1989].

### **Recommendation (Sl. No. 51, Para No. 5.83)**

The Committee have been informed that at the credit camps the applications forwarded by the sponsorers are also considered for disbursement of loans. The Committee do realise that the bank authorities follows prescribed procedure in sanctioning of the loans. However, they would like to recommend that while sanctioning loans, no political consideration should weigh with the bank authorities.

### **Reply of the Government**

While sanctioning loans, a prescribed procedure is followed wherein project feasibility is the deciding factor. Political consideration do not apply. Public Sector Banks organise Credit Camps as part of their overall measures to extend credit to weaker sections including SC/ST. Clear •

instructions have been given by R.B.I. regarding lending whether through credit camps or otherwise.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) Dated 25-08-1989].

**Recommendation (Sl. No. 52, Para No. 5.84)**

It is within the knowledge of the Committee that sometimes because of collusion between the bank authorities and the middlemen a big chunk of the loans sanctioned to illiterate persons including those belonging to SCs / STs is taken away by such persons. The Committee recommend that whenever instances of this sort come to the notice of the bank authorities, deterrent action should be taken against the culprits.

**Reply of the Government**

Wherever instances of collusion between the bank officials and the middlemen come to the notice of bank authorities stringent action is being taken against the culprits.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) Dated 25-08-1989].

**Recommendation (Sl. No. 53, Para No. 5.87)**

The Committee expect that the guidelines to amend the Deposit Insurance Credit Guarantee Corporation Scheme must have been so amended by now as to cover advances to SC/ST Corporations as assured by the representative of the Ministry of Finance during the evidence. They will like to have a copy of the revised guidelines.

**Reply of the Government**

D.I.C.G.C. has submitted that Credit Facilities granted by eligible credit Institutions to state sponsored organisations for SC/ST are covered under small Loans Guarantee Scheme, 1971 from 1st April, 1989. R.B.I. has been asked to send us a copy of the circulars in this regard.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT/(B) Dated 25-08-1989].

**Further Information called for from the Government**

In reply to Committee's recommendation, it has been stated, "credit facilities granted by eligible credit institutions to State sponsored organisations for SC/ST are covered under Small Loan Guarantee Scheme, 1971 from 1st April, 1989".

Please furnish a copy of Small Loans Guarantee Scheme, 1971 and a copy of guidelines/circulars issued by R.B.I. on the subject.

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

A copy of Small Loan Guarantee Scheme 1971 is at Annexure C.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/4/90-SCT/(B) Dated 12-10-1990].

### **Recommendation (Sl. No. 56, Para No. 5.100)**

The Committee recommend that some concession should be given in the educational standards to the SC/ST students to make them eligible for getting loans under the Educational Loan Scheme as assured by the representatives of the Dena Bank during the evidence.

### **Reply of the Government**

The committee's recommendations that concessions should be given in the educational standards to the SC/ST. Students for making them eligible for getting loans under Educational loan scheme has been complied.

The modifications made in respect of SC/ST Students by Dena Bank are as follows:—

#### **(1) FOR HIGHER STUDIES ABROAD:**

The stipulation regarding First Class/Higher Second Class in Bachelors/Masters' Degree has been removed.

#### **(2) FOR HIGHER STUDIES IN INDIA:**

The stipulation regarding obtaining First Class in S.S.C./H.S.C. and Degree Examination is removed.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT/(B) Dated 25-08-1989].

### **Recommendation (Sl. No. 58, Para No. 5.105)**

The Committee regret to note that the share of SC/ST in the advances made to S.S.I. sector by Dena Bank is almost negligible. In the opinion of the committee it may be due to the fact that the various schemes under the SSI sector for which loans are available have not been given wide publicity to help the persons belonging to Scheduled Castes and Scheduled Tribes to draw benefit under those schemes. The Committee recommend that wide publicity to the schemes under which loan is available should be given so that people belonging to SCs/STs are aware of the facilities of getting loans under such schemes.

### **Reply of the Government**

In order to give wide publicity to schemes coming under S.S.I. Sector among the SC/ST Communities, Dena Bank have brought out Publicity material covering various aspects of lending under S.S.I. Sector.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT/(B) Dated 25-08-1989].

**Recommendation (Sl. No. 59, Para No. 5.106)**

The Committee will like to have the details of the survey undertaken by the Dena Bank to get the feedback to monitor as to how far the loans given by the Bank to SSI sector have enabled the SC/ST beneficiaries to stand on their own feet.

**Reply of the Government**

A survey to ascertain the impact of bank loan channelled to SC/ST under S.S.I. Sector has been undertaken by Dena Bank and details of feed back thereof will be submitted, when completed.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT/(B) dated 25-08-1989].

**Further information called for from the Government**

In reply to Committee's recommendation, the Ministry of Finance have stated, "A survey to ascertain the impact of Bank loan channelled to SC/ST under S.S.I. Sector has been undertaken by Dena Bank and details of feed back thereof will be submitted, when completed".

A copy of the Survey Report, if completed, together with action thereon may be furnished to this Secretariat.

**Further reply of the Government**

Reply of Recommendation No. 59 has been given with the reply of Recommendation No. 61.

**Recommendation (Sl. No. 60, Para No. 5.112)**

The Committee are constrained to note that the performance of Dena Bank has not been satisfactory in respect of grant of loans under Annual Action Plan in 1987 to SCs/STs in the areas which were under its jurisdiction under Lead Bank Scheme. Against the percentages of accounts held by SCs/STs' percentages of amount disbursed in favour of them are too dismally low and indicative of treatment being met out to the SC/ST people approaching to Dena Bank for loans. They recommend that in future Dena Bank should be more conscious about its social obligation towards SC/STs in the matter of disbursement of loans to them and efforts should be well directed and machinery geared up so that these downtrodden sections, which form a considerable part of society and had been suppressed over the years may get a chance to come upto certain level.

**Reply of the Government**

For increasing the share of SCs/STs under A.A.Ps. in Bank's lead districts, Dena Bank have advised its Regional Offices to identify pockets of SCs/STs concentration and prepare schemes for them based on the trades practiced by them.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT/(B) Dated 25-08-1989].

**Recommendation (Sl. No. 61, Para No. 5.113)**

They further recommend that a survey should be undertaken by Dena Bank in co-ordination with State level agencies with a view to making in assessment of the impact of the Annual Action Plans implemented by it in its lead districts on the improvement brought about in the economic conditions of SC/ST beneficiaries assured by the representative of the Bank during the evidence.

**Reply of the Government**

A survey to ascertain the impact of A.A.Ps. in Dena Bank's lead districts will be undertaken shortly by the Bank.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

**Further Information called for from the Government**

In reply to Committee's recommendation, the Ministry have stated, "A survey to ascertain the impact of A.A.Ps in Dena Bank's lead districts will be undertaken shortly by the Bank".

What are the findings of the survey undertaken by the Bank and what follow up action has been taken in the matter?

**Further Reply to Recommendations (Sl. Nos. 59 & 61)**

Dena Bank has conducted two separate studies one each in Ahmedabad and Sabarkanth Districts of Gujarat State, where the Bank shoulders lead responsibility to ascertain the impact of annual action plans on the economic betterment of SC/STs. It may be mentioned that these surveys also contain the impact of bank loan channeled to SC/ST borrowers for all the activities including S.S.I. Sector.

The findings of the surveys together with the suggestions for development/improvement were brought out in the form of a booklet entitled "Impact of Annual Action Plans on the Economic Betterment of SC/STs", 60 copies of which are enclosed herewith. Dena Bank have advised their General Manager (Gujarat) who is the convenor of SLBC, Gujarat State, to put up the findings and suggestions of the report in the ensuing SLBC Meeting with a view to take an appropriate action on the relevant points for improving the flow of credit to these communities.

**Recommendation (Sl. No. 62, Para No. 5.118)**

The Committee regret to observe that under SEPUP loan the Dena Bank is in no way near the achievement of targets fixed in favour of SC/ST beneficiaries i.e. 30 per cent effective from the year 1987-88, both numberwise as well as amountwise. In the opinion of the Committee, the scheme should be given wide publicity so as to popularise it and Bank Managers should be made responsible to select and provide credit to more

Persons from SC/ST community under this scheme so that the target fixed is achieved and if the circumstances so warranted the income criterion should be suitably diluted.

**Reply of the Government**

In order to popularise Self Employment Programme for Urban Poor (SEPUP), Dena Bank have started conducting information-cum-guidance camps in areas inhabited by Weaker Sections especially SC/ST Population. In additions to this, Dena Bank have brought out 'leaflet' on Self Employment Programme for Urban Poor covering carious aspects of lending under the programme.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No. 5/5/89-SCT (B) Dated 25-08-1989].

**CHAPTER III**  
**RECOMMENDATIONS/OBSERVATIONS WHICH THE**  
**COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE**  
**GOVERNMENT REPLIES**

**Recommendation (Sl. No. 20, Para No. 4.19)**

The Committee note that in the recruitments made during the years 1985 to 1987, a large number of posts reserved for SC/ST candidates remained unfilled in the officers and clerical cadres. One of the reasons for non-filling of all the reserved posts during these years is stated to be the inadequate supply of SC/ST candidates by the respective Banking Service Recruitment Board. It appears to the Committee that the Dena Bank authorities never tried to impress upon the BSRB to make available to it the requisite number of SC/ST candidates. The Committee recommend that the matter may be taken up suitably by the Dena Bank with the BSRB to ensure that all posts reserved for SC/ST candidates are actually filled in each recruitment and the backlog in filling up the reserved vacancies in the officers and clerical cadres is liquidated in a year or so as assured by the representative of the Ministry of Finance during evidence. Another reason for the reserved posts remain unfilled during each recruitment is the non-joining of a large number of selected SC/ST candidates the reasons for which is the inordinate delay of nearly 15 to 16 months between the initiation of the process of recruitment and the issue of appointment letters. The Committee recommend that the whole process of making recruitments should be overhauled and the time between the initiation of the process of recruitment and issue of final selection letters be curtailed to the maximum possible limit to attract more SC/ST candidates to the services of the Bank.

**Reply of the Government**

The recommendations of the Committee is being examined. However, as a result of the Special recruitment drive launched with effect from 01-06-1989, the backlog in recruitment of S.C./S.T. is likely to be cleared substantially.

[Ministry of Finance, Department of Economic Affairs—Banking Division,  
O.M. No 5/5/89-SCT (B) dated 25-08-1989]

**Further Information called for from the Government**

The Committee had recommended, "whole process of making recruitments should be overhauled and the time between the initiation of the process of recruitment and issue of final selection letters be curtailed to the maximum possible limit to attract more SC/ST candidates to the services of the Bank".

Whether the recommendation of the Committee has since been examined and if so with what results?

**Further Reply of the Government**

The question of overhauling the process of recruitment by the BSRBs is kept under constant examination and is generally discussed at the quarterly meetings of the Chairman and Secretaries of the BSRBs. It is however, felt that owing to various constraints, there is not much scope to reduce the time gap between the announcement of the recruitment and the issue of the appointment letters to the finally selected candidates.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No /5/4/90-SCT B dated 12.10.80].

**Recommendation (Sl. No. 27, Para No. 4.50)**

The Committee note that at present the SC/ST matriculate sweepers have to take a test alongwith the other sub-staff employees for seeking promotion to the clerical cadre because promotions to clerical cadres are from the sub staff cadre and not from amongst the sweepers as such. In the written test for such promotions, a relaxation of five per cent is given to SC/ST employees. According to the representative of the Dena Bank only three cleaners and sweepers took such a promotion test during the year 1987 and since they could not qualify even with the relaxed standard they were not promoted as clerks. The Committee recommend that the Bank authorities should review the whole position and if the circumstances so necessitate further relaxation in written test may be given to SC/ST sub-staff employees in the written test for promotion as clerks.

**Reply of the Government**

Dena Bank has reported that it has considered the recommendation of the Committee and is of the opinion that the existing relaxation of 5 marks in the written test is sufficient to enable the S.C./S.T. sub-staff employees to compete with the general category candidates in promotions from Sub-Staff to Clerical Cadre.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

**Recommendation (Sl. No. 30, Para No. 4.59)**

The Committee note that according to the present policy of the Dena Bank Officers in Scale-III and above are provided with Bank quarters, if available otherwise rent upto a certain limit is reimbursed. Keeping in view the general bias against the persons belonging to SCs/STs, the Committee recommend that instead of paying the house rent allowance the Bank should hire suitable accommodation for the SC/ST employees in all categories in the metropolitan cities like Bombay etc. and allot these quarters to them on usual terms and conditions. Such a practice, in the opinion of the Committee, will be in consonance with the general policy of



Government not to allow the banks to invest their funds in their own property as stated by the representative of the Ministry of Finance during evidence.

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

Dena Bank has reported that as regards Clerical & Sub-Staff Employees, the service conditions are governed by the Bipartite Settlements at Industry Level and, therefore, any benefit to be extended over and above those provided in the settlement will have to be decided at Industry Level, and in respect of Officers, the bank is providing quarters to those who are eligible or in lieu thereof rent reimbursement is given which is higher than the H.R.A. These arrangements are considered enough.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

#### **Recommendation (Sl. No. 43, Para No. 5.51)**

The Committee have been informed that no concession in margin money is given to SC/ST borrower in loans above Rs. 25,000/-. Keeping in view the backwardness and financial weakness of the SC/ST borrowers, the Committee recommend that as a matter of course the Banking Industry should give some suitable concession to the persons belonging to these communities in the contribution of margin money in loans above Rs. 25,000 /-.

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

Margin varies between 10% to 25% of the Project Cost. In cases where the borrowers having requisite talent and skill to manage the Project but does not have necessary financial support, margin money concessions are given within the range of 10% to 25% of the Project cost.

Margin norms in respect of borrowers in priority sector have already been relaxed. In the case of agricultural loans upto Rs. 10,000/- and in case of other priority sector loans upto Rs. 25,000 /-, no margin money is required. The benefit of this relaxation is available to the small borrowers including those belonging to S.C./S.T. Margin is stipulated to ensure that the borrower has stake in the business and to provide a reasonable level of protection to the banker against fluctuations in the prices of assets/goods financed.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

#### **Recommendation (Sl. No. 44, Para No. 5.59)**

The Committee note that average time taken by the Bank in sanctioning loan from the date of receipt of applications under various schemes is 15 to 30 days. According to a survey conducted by the Dena Bank of some of its branches, in the case of SEPUP loans, 17 per cent of the loan applications were disposed of within 15 days, 53 per cent within 15 to 30 days.

However, 30 per cent of the applications took more than 30 days which in the opinion of the Committee is too long a period. They recommended that all the applications especially these received from SC/ST people under various schemes should be disposed of within a time of 15 to 30 days.

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

Clear instructions have been issued to banks to clear credit proposals of weaker section promptly. However, time limit for disposal has been linked to amount of loan and not to category of borrowers. All loan applications upto a credit limit of Rs. 25,000/- should be disposed of within a fortnight and those for over Rs. 25,000/- within eight weeks to nine weeks.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

#### **Recommendation (Sl. No. 47, Para No. 5.71)**

The Committee note that classified information regarding recovery from SCs/STs is not envisaged in the information system in vogue except in case of DRI and hence the Banks are not furnished the figures of recovery from Scheduled Caste/Scheduled Tribe borrowers. The Committee recommend that the Ministry of Finance take up with the Reserve Bank of India suitably, to impress upon the Bank the need to give the figures of recovery from SC/ST borrowers given loans under schemes other than DRI separately.

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

Presentation of data on recovery of loans from S.C./S.T. borrowers separately will add to the work of compilation of data and submission of returns by banks. Banks find it difficult to comply with the existing data reporting requirements. Further, not much useful purpose may be served by compiling recovery data separately for S.C./S.T. borrowers.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT (B) dated 25-08-1989].

#### **Recommendation (Sl. No. 57, Para No. 5.101)**

To a suggestion of the Committee during the evidence that in the rate of interest charged on loans under the Educational Loan Scheme a rebate of 5 per cent should be given to the SC/ST students, the representative of the Bank reacted that "the rate of interest we can reduce." The Committee will await the action taken on the assurance given by the witness during the evidence and the exact rebate given to SC/ST students in the rate of interest charged on loans given under the Scheme.

### **Reply of the Government**

The matter relating to interest rebate in Educational Loans to S.C./S.T. students is being reviewed by Government in consultation with Reserve Bank of India and Dena Bank.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) dated 25-8-1989 ].

### **Further Information called for from the Government**

In reply to Committee's recommendation, the Ministry have stated, "The matter relating to interest rebate in Educational Loans to SC/ST students is being reviewed by Govt. in consultation with the Reserve Bank of India and Dena Bank".

What is the outcome of the review undertaken by Govt. and how it will benefit SC/ST students?

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

A reduction in rate of interest for SC/ST alone will not be proper since the scheme is applicable to poorer sections on the basis of income criteria and no such discrimination in interest rates is made even in IRDP/SEPUP etc. in favour of SC/ST.

[ Ministry of Finance, Deptt. of Economic Affairs—Banking Division, O.M. No. F-5/4/90-SCT(B) dated 12-10-1990 ].

## **CHAPTER IV**

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

#### **Recommendation (Sl. No. 1 Para No. 1.11)**

The Committee regret that at present there are no non-official Directors on the Boards of any of the Nationalised Banks with the result that the Committee's often repeated recommendation that one of the Directors on the Board of Directors of each Nationalised Bank should be from amongst the Scheduled Castes and Scheduled Tribes has gone abegging implementation and the endeavour of the Government to give due representation to the Scheduled Castes and Scheduled Tribes in the matter of appointment of Directors on the Boards of the Banks has remained on paper only. The Committee have also been informed that the process of identification of suitable persons for nomination as non-officials Directors on the Boards of 20 Nationalised Banks is expected to be completed soon. The Committee recommend that the process of selection of non-official Directors for appointment on the Boards of all the Nationalised Banks including the Dena Bank may be completed without any further loss of time. While finalising the selection of the non-officials Directors on the Boards of the Banks, Government should ensure that on each Board including that of Dena Bank atleast one Director belongs as the SCs/STs which according to the representative of the Ministry of Finance has been endeavour of the Union Government.

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

The recommendations of the Committee has been noted for compliance. The process of constituting full boards for all nationalised banks is in progress.

[ Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) dated 25-8-1989 ]

#### **Further Information called for from the Government**

While accepting the recommendation of the Committee, the Ministry of Finance (Department of Economic Affairs—Banking Division) in their reply dated 25.8.1989 have stated, "the process of constituting full boards for all nationalised banks is in progress".

Please state whether the full Boards for all the Nationalised Banks have been constituted by now and if so, whether at least one Schedule Caste/ Schedule Tribe member has been included on the Board of each Bank including that of Dena Bank.

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

Some of the non-official Directors on the Boards of the Nationalised Banks have been appointed, but there still remain several vacancies. At present SC/ST members are there on Boards of 12 Banks and SC/ST member would be appointed as and when the boards are fully constituted. The full Board of Directors of Dena Bank has not yet been constituted by the Government. There are Five vacancies of Directors on the Bank's Board. At present none of the Director belongs to Scheduled Caste/ Scheduled Tribe communities.

(List of Board of Directors enclosed). Annexure 'A'

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division,  
O.M. No. F/5/4/90 -SCT(B) dated 12.10.1990].

### **Comments of the Committee**

Please See Chapter-I, Para 1.05

### **Recommendation (Sl. No. 8, Para No. 2.24)**

The Committee note that pre-recruitment training is arranged by BSRBs for the SC/ST candidates to improve their chances of success in written test for recruitments to the officers and clerical cadres in the Dena Bank. The Committee recommend that such training should be arranged by BSRBs to prepare the SC/ST candidates for the interviews also.

### **Reply of the Government**

The recommendation of the Committee is being examined.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division  
O.M. No. 5/5/89-SCT(B) dated 25-8-1989].

### **Further Information called for from the Government**

In reply to recommendation, the Ministry of Finance had stated that the recommendation of the Committee regarding giving training to Scheduled Caste and Scheduled Tribe candidates for the interview also as so as to improve their chances of success in the officers and clerical cadres was being examined.

Please state the decision taken in the matter and how it is being implemented to improve the chances of Scheduled Caste and Scheduled Tribe candidates in interview.

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

In the interview, the qualities of the candidates regarding his comprehension of the subject, ability to converse and convey his view point effectively etc. are judged. By its very nature, the interviews generally concentrate on the over-all knowledge a person has imbibed over a period. Such knowledge, is considered difficult to be imparted over a period of a day or so for which, at best, the candidates could be put to training if at

all. In view of this, it has been decided that no particular useful purpose will be served in imparting such a training.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5 / 4 / 90-SCT(B) dated 12-10-1990].

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

Please see Chapter I, Para 1.09

#### **Recommendation (Sl. No. 25, Para No. 4.39)**

The Committee note with regret that the earlier settlement with the Unions in regard to promotions from sub-staff to clerical cadre which expired in 1984 is still under negotiation with the result that no promotions were made from the sub-staff cadre to the clerical cadre during the years 1985 and 1986 which in the opinion of the Committee is a gross injustice to the employees more so in the case of SC/ST employees. They cannot but express their anguish that during all these four years *i.e.* from 1984 to 1988 some promotions had been given on *ad-hoc* basis only. The Committee recommend that the Bank authorities may pursue the matter vigorously and come to a settlement with the Unions without any further delay.

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

Dena Bank has reported that the negotiations with the majority recognised Union would be expedited for finalising policy for promotion from sub-staff cadre to Clerical Cadre.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division, O.M. No. 5 / 5 / 89-SCT(B) dated 25-08-1989].

#### **Further Information Called for from the Government**

Please state whether any agreement with the Majority Recognised Unions for finalisation of the promotion policy from sub-staff to clerical cadre has since been reached at.

b. If so, please furnish details thereof.

c. If not, the hurdles in the matter, the progress so far made in this regard and the likely time for its finalisation.

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

The Bank has reported that the promotion policy from sub-staff to clerical cadre has not yet been finalised with the Majority Recognised Union. The negotiations are at an advance stage. It may, however, be mentioned that all agreements with the Union on staff matters are subject to the implementation of the policy of reservation for the SC/ST as contained in the Brochure issued by the Department of Personnel & Training.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division, O.M. No. F/5/4/90-SCT(B) dated 12.10.1990].

### Comments of the Committee

Please see Chapter-I, Para 1.17

#### Recommendation (Sl. No. 34 Para No. 5.5)

The Committee note that the credit cell in the Banking Division has to deal with, *inter-alia*, Parliamentary Questions, V.I.P. references, general complaints, complaints from M.Ps., collection of data for various expert bodies like Planning Commission, interaction with the Ministry of Rural Development, references to NABARD in addition to the flow of credit to SCs. and STs.

#### Reply of the Government

The observation of the Committee has been noted, the reply is same as has been furnished in response to recommendation No. 5.7. ✓

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) dated 25-8-1989].

Recommendation Nos. 34, 35 and 36 have been clubbed together in view of the consolidated reply in the Ministry.

#### Recommendation (Sl. No. 35 Para No. 5.6)

The Committee fail to understand how the Cell which has to deal with such voluminous and variety of work can discharge its functions efficiently with a paltry staff strength of one Assistant and two LDCs and a Section Officer at the lower level. It is really distressing to note that a follow up measure to the Committees' recommendation contained in Para 5.15 of their Twenty-fourth Report, 1986-87, staff strength of the Cell has been augmented by the addition of an LDC only. During the evidence, the representative of the Ministry of Finance has deposed that if the Cell has to go into the micro-level examination and to take up follow-up action then it would require more staff.

#### Reply of the Government

The observation of the Committee has been noted, the reply is same as has been furnished in response to recommendation No. 5.7.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5 / 5 / 89-SCT(B) dated 25-08-1989].

#### Recommendation (Sl. No. 36 Para No. 5.7)

The Committee find no reason why the Cell should not take up the micro-level examination and follow up action. The Committee, therefore, recommend that staff requirement of the Cell may be reviewed afresh on a scientific and rational basis keeping in view the multifarious duties it is required to discharge and augment it suitably to enable it to discharge its duties in an efficient and meaningful manner.

### Reply of the Government

The SC/ST Credit Cell since its creation has been performing multifarious duties involving both micro and macro-level examination of issues relating to credit to SC/ST and follow-up actions. However, it was only from January, 1989 that separate records regarding working of the Cell are being maintained. The study of the Cell would most likely to be taken up in the year 1990 by I.W.S.U./S.I.U. Only after this study, the issue of augmentation of staff strength of the Cell could be done to strengthen the Cell further.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) dated 25-08-1989].

### Further Information called for from the Government

- a. Has I.W.S.U./S.I.U. taken up work evaluation study with a view to augment staff strength of Scheduled Caste/Scheduled Tribe Cell?
- b. If so, with what results?
- c. If not, when the evaluation is proposed to be undertaken?

### Further Reply of the Government

The work-study of the SCT Cell dealing with credit to SCs/STs (ESA Section) of the Banking Division had been undertaken by SIU. SIU has started work study of the Banking Division on 9.2.1990 and submitted their report on assessment of study of the Division on 22.7.1990. SIU's recommendations in respect of staff of the Cell are as under:—

Category of Staff	Sanctioned Strength	Agreed/Assessed Strength
Assistant	2 ———	2
Economic Investigator	2 ———	1
LDC	2 ———	1

The final discussions are yet to take place at the appropriate level.

[Ministry of Finance, Deptt. of Economic Affairs—Banking Division, O.M. No. F/5/4/90-SCT(B) dated 12.10.1990].

### Comments of the Committee

Please see Chapter-I, Para 1.30

### Recommendation (Sl. No. 54, Para No. 5.93)

The Committee note that the maximum amount of housing loan permissible under DRI at an interest rate of 4 per cent is Rs. 5000/-. The Committee have been consistently recommending since the year



1982-83 that the ceiling on the limit of the housing loan under DRI should be reviewed by the RBI for onward revision. However, it has not been accepted so far.

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

The observation of the Committee has been noted, the reply is same as has been furnished in response to recommendation No. 5.94.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) dated 25-8-1989.]

Recommendation Nos. 54 and 55 have been clubbed together in view of the Consolidated reply by the Ministry.

#### **Recommendation (Sl. No. 55, Para No. 5.94)**

The Committee are not convinced with the plea of the representative of the Reserve Bank that "if the amount is to be increased, the number of beneficiaries will go down." As also the stand taken by him that since there was a limited budget only for lending at 4 per cent interest, the limit of Rs. 5000/- could not be enhanced. However, keeping in view the corrosion in the value of rupee since 1979, when the Scheme of giving housing loans under DRI Scheme was introduced, the Committee recommend that the ceiling of Rs. 5000/- for housing loan under DRI should be enhanced to Rs. 10,000/-.

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

The whole issue of D.R.I. Scheme was examined by the task force on D.R.I. set up by Government of India which has not favoured any enhancement of loan amount. The guidelines to banks on rates of interest, margins security etc. on housing finance have only recently (November, 1988) been revised taking into account the cost of funds to the banks and alignment with the general interest rate structure. For the same reason, it would not be possible to raise the upper limit for housing loan for S.C./S.T. Persons at an unremunerative interest rate of 4% per annum. Incidentally, it may be stated that housing loan granted to S.C./S.T. at 4% interest does not come under the purview of D.R.I. Scheme as housing is not treated as productive endeavour under the scheme.

[Ministry of Finance, Department of Economic Affairs—Banking Division, O.M. No. 5/5/89-SCT(B) Dated 25-8-1989.]

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

Please see Chapter—I, Para 1.33

## Appendix 1

### *Conclusions and Recommendations*

Sl. No.	Para No.	Ministry/ Department/ Organisation Concerned	Conclusions/ Recommendations
1	2	3	4
1.	1.05	Finance (Deptt. of Economic Affairs-Banking Division)	The Committee note that Government have agreed to their recommendation to have at least one Director belonging to SC/ST on the Board of Nationalised Banks and SC/ST members have been appointed on the Boards of 12 Nationalised Banks. They would however like to point out that as early as December, 1988 the Committee were assured that the process of identification of suitable persons for nomination as non-official Directors on the Boards of 20 Nationalised Banks was expected to be completed soon. However, even after the lapse of two years since then, the process is still incomplete. In the case of Dena Bank, five vacancies of Directors on the Board still remain to be filled up and at present none of the Directors belong to SC/ST. The Committee regret to note that the progress made in filling up the vacancies on the Boards of all Nationalised Banks and to nominate SC/ST members on them has been very slow. They desire that the process should be completed without any further loss of time and it should be ensured that all the Banks have on their Board at least one Director belonging to SCs/STs.

1	2	3	4
2.	1.09	Finance (Deptt. of Economic Affairs-Banking Division)	The Committee are unable to agree with the views of Government that no particular purpose would be served by imparting training to SC/ST candidates to prepare them for the interviews. They recommend that pre-recruitment training arranged by BSRBs for the SC/ST candidates should be so structured that it prepares them not only for written tests but for interviews also.
3.	1.13	Dena Bank	The Committee are unhappy to note that inspite of Special Recruitment Drive, a large number of vacancies reserved for SC/ST, especially in officers grade, remain unfilled. They reiterate that all out efforts should be made to clear expeditiously the backlog of vacancies reserved for SC/ST.
4.	1.17	Dena Bank	The Committee are distressed to find that the Dena Bank has not yet been able to arrive at a settlement with the recognised Union in regard to promotion policy from sub-staff cadre to the clerical cadre. The delay of six years in this regard after the expiry of earlier settlement in 1984 can by no means be justified. They reiterate that the matter should be settled without any further loss of time.
5.	1.21	Dena Bank	The Committee desire that to meet their future requirements of SC/ST, the Dena Bank should make it a regular feature to send their recruitment teams to the areas predominantly inhabited by SCs/STs wherever it was not found possible to fill up such posts

1	2	3	4
			in the normal course to avoid the recurrence of backlog.
6.	1.25	Finance (Deptt. of Economic Affairs-Banking Division)	The Committee regret to note the inordinate delay in evaluation of the efficacy of the pre-recruitment training for SC/ST candidates. They would urge that the study should be completed soon and the Committee apprised of the findings.
7.	1.26	Finance (Deptt. of Economic Affairs-Banking Division)	The Committee are also constrained to observe that they have not been apprised of the action taken by Government on their recommendation that the Banks should have a proper tie-up with the State institutions while arranging pre-recruitment training in regard to accommodation and other facilities to SC/ST candidates in the absence of their own facilities. Apparently the recommendation of the Committee has not been given the attention it deserved. They would like to be apprised soon of the action taken in the matter.
8.	1.30	Finance (Deptt. of Economic Affairs-Banking Division)	From the reply of the Government, the Committee are not in a position to ascertain whether STU's staff assessment of the SC/ST Credit Cell is based on Cell's requirement to deal with micro-level examination of credit policy and its follow-up action which the Committee desired the Cell to take up. The Committee reiterate their earlier recommendation that staff requirement of the Cell might be reviewed afresh on a scientific rational basis keeping in view the multifarious duties it is required to discharge and augment the staff strength of the Cell to enable it to discharge its duties in an efficient and meaningful manner.

1	2	3	4
9.	1.33	Finance (Deptt. of Economic Affairs-Banking Division)	<p>The Committee are not convinced by the arguments put-forward by the Government and reiterate their earlier recommendation that keeping in view the fall in the value of rupee since 1979, when the scheme of giving housing loans was introduced, the ceiling of Rs. 5,000/- should be suitably enhanced to ensure that the loan advanced to SC/ST actually serves the purpose for which it is granted.</p>

## APPENDIX 2

### ANNEXURE-A

#### QUARTERLY MEETING HELD WITH SC/ST EMPLOYEES FEDERATION BY OUR CHAIRMAN & MANAGING DIRECTOR/EXECUTIVE DIRECTOR FROM 25.08.1989.

Meeting held on	Subjects Discussed
1. 26.09.1989	<ol style="list-style-type: none"><li>1. Recognition to the SC/ST Organisation.</li><li>2. Training/workshop of office bearers of the Federation.</li><li>3. Office premises</li><li>4. Defence by office bearers of Federation.</li><li>5. Posting of SC/ST officers.</li><li>6. Check off facility .</li><li>7. 5% relaxation in promotion.</li><li>8. Representaion of the Federation on Negotiations/ Settlements with Trade Union/Office Organisation.</li><li>9. Reservation in promotion within officers cadre upto—Scale I.</li><li>10. Absorption of approval panels/part-time subordinates.</li><li>11. Maintenance of Rosters and backlog.</li><li>12. Protection of office bearers of the Federation and its units.</li><li>13. Joint meeting with the Federation at Head Office.</li><li>14. Harassment/Discrimination of SC/ST employees.</li><li>15. Individual cases regarding transfers, posting and training etc.</li></ol>
2. 28.03.1990	<ol style="list-style-type: none"><li>1. Check Off facilities.</li><li>2. Associates of Federation represented on the Negotiation team.</li><li>3. Posting of SC/ST Officers.</li><li>4. Training/workshop of Federations office bearers.</li></ol>

Meeting held on	Subjects Discussed
	5. Absorption of a proved panels/part time to regular services. 6. Areawise Wages fixation. 7. Reservation in special assistant posts. 8. Joint meetings of the Federation with H.O. 9. Office premises to the Federation. 10. Protection of office bearers of the Federation. 11. Individual grievances regarding transfer/posting, training etc.

**QUARTERLY MEETING HELD BY ZONAL MANAGERS WITH SC/ST WELFARE ASSOCIATION FROM 25.08.1989.**

Name of the Zones	Meetings held on	Subjects Discussed
1. Saurashtra & Kutch Zone Rajkot	20.12.1989	1. Posting of PTCS. 2. Mutual request transfers etc.
2. Saurashtra & Kutch Zone Rajkot	Meeting not held during quarter ended March, 1990.	Agenda not received from SC/ST Welfare Association.
3. South India Zone Bangalore	06.07.1990	— To pay cash allowance. — Transfer and postings of SC/ST Officers. — Conversion of part-timers as full time substaff.

**QUARTERLY MEETINGS HELD BY REGIONAL MANAGERS WITH SC/ST WELFARE ASSOCIATION FROM 25.08.1989.**

Name of the Regions	Meetings held on	Subjects Discussed
1. The Regional Manager Surat	28.02.1989	1. Transfer of SC/ST Officers. 2. Imparting trainings to SC/ST Officers. 3. Suspensions to be withdrawn of SC/ST Officers. 4. Postings and Absorptions of part-time etc.

Name of the Regions	Meetings held on	Subjects Discussed
2. The Regional Manager Bhavnagar	20.03.1990	
3. The Regional Manager New Delhi	26.03.1990	—
4. The Regional Manager Raipur	27.03.1990	— Discrimination against SC/ ST employees regarding transfers, training etc. — Relieving of SC/ST clerks. — to release cash allowance. — postings and training of SC/ST.
5. The Regional Manager Pune	11.04.1990	—
6. The Regional Manager Surat	26.04.1990	— Meetings with office bearers. — Protection of office bearers regarding transfer and harassment. — Absorption of approved panels of SC/ST part-timer. — functioning of SC/ST Cell. — Posting of SC/ST Officer. — Training to SC/ST Officer.
7. The Regional Manager Bhuj		No Agenda received from SC/ST Welfare Association. No Meetings were held.



# APPENDIX 3

ANNEXURE—A-I

H.R.D. DEPTT.  
DENA BANK

TOTAL RECRUITMENT MADE DURING THE PERIOD FROM 25.08.89 TO  
31.8.90 UNDER VARIOUS CADRE

SL. NO.	STATE	OFFICERS				CLERKS				SUB-STAFF				P.T.C.			
		SC	ST	GEN	TO- TAL	SC	ST	GEN	TO- TAL	SC	ST	GEN	TO- TAL	SC	ST	GEN	TO- TAL
1.	Maharashtra	01	—	10	11	—	—	11	11	05	04	13	22	02	02	15	19
2.	Gujarat	08	01	06	15	06	10	22	38	05	04	12	21	16	19	29	64
3.	Madhya Pradesh	06	02	04	12	04	16	10	30	—	—	—	—	01	—	—	01

**APPENDIX 4.****H.R.D. DEPTT.  
DENA BANK****ANNEXURE-B****TOTAL SUB-STAFF AS ON 31.03.1990**

	<b>Gen.</b>	<b>S.C.</b>	<b>S.T.</b>	<b>TOTAL</b>
<b>Full Time</b>	2533	842 (22%)	389 (10%)	3764
<b>Part Time</b>	200	177 (43%)	40 (10%)	417
<b>TOTAL</b>	2733	1019 (25%)	429 (10%)	4181

## **ANNEXURE-I**

**List of items included in different segments of priority sector vide RBI Circular RPCD No. BC. 29/PS. 22-84 dated 16 March 1984**

### **1. AGRICULTURE**

#### **I. Direct finance to farmers for agricultural purposes**

- (i) Short-term loans for raising crops i.e. for crop loans. In addition, advances upto Rs. 5,000/- to farmers against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 3 months, where the farmers were given crop loans for raising the produce.
- (ii) Medium and long-term loans:  
(Provided directly to farmers for financing production and development needs).

#### **(A) Purchase of agricultural implements and machinery**

- (a) Purchase of agricultural implements: iron ploughs, harrows, hoes, land-levellers, bundformers, sprayers, dusters, haypress, sugarcane crushers, thresher machines, etc.
- (b) Purchase of farm machinery: tractors, trailers, power tillers, tractor accessories viz., disc ploughs, etc.
- (c) Purchase of trucks, bullock carts and other transport equipments etc., to assist the transport of agricultural inputs and farm products.
- (d) Purchase of plough animals.

#### **(B) Development of irrigation potential through**

- (a) Construction of shallow and deep tube wells, tanks, etc. and purchase of drilling units.
- (b) Constructing, deepening, clearing of surface wells, boring of wells, electrification of wells, purchase of oil engines and installation of electric motor and pumps.
- (c) Purchase and installation of turbine pumps, construction of field channels (open as well as underground), etc.
- (d) Construction of lift irrigation project.
- (e) Installation of sprinkler irrigation system.

**(C) Reclamation and Land Development Schemes**

Bunding of farm lands, levelling of land, terracing, conversion of dry paddy lands into wet irrigable paddy lands, development of farm drainage, reclamation of soil lands and prevention of salinisation, reclamation of ravine lands, purchase of bulldozers, etc.

**(D) Construction of farm buildings and structures, etc.**

Bullock, sheds, implement sheds, tractor and truck sheds, farm stores etc.

**(E) Construction and running of storage facilities**

Construction and running of warehouses, godowns, silos and cold storages.

**(F) Production and processing of hybrid seeds of Crops**

**(G) Payment of irrigation charges, etc.**

Charges for hired water from wells and tubewells, canal water charges, maintenance and upkeep of oil engines and electric motors, payment of labour charges, electricity charges, marketing charges, service charges to Custom Service Units, payment of development cess, etc.

**(H) Other types of direct finance to farmers**

**(i) Short-term loans**

- (a) To non-traditional plantations and horticulture.
- (b) For allied activities such as dairying, fishery, piggery, poultry, bee-keeping etc.

**(ii) Medium and long term loans**

- (a) Development loans to all plantations, horticulture, forestry, etc.
- (b) Development loans for allied activities
  - (1) Development of dairying and animal husbandry in all its aspects.
  - (2) Development of fisheries in all its aspects: from fish catching to stage of export, financing of equipment necessary for deep sea fishing, rehabilitation of tanks (fresh water fishing), fish breeding, etc. thereafter at the enhanced rate of 1.5 per cent per annum for the 12 month period from 1 April 1989 to 31 March 1990 on the

entire priority sector advances as reported in the Annual Report of your bank, as indicated below:

	Guarantee fee for the period		Guaranteed advances as on	Rate of guarantee fee	Due date of payment
	From	To			
(a)	1-1-89	31-3-89	Last Friday of December 1988 (existing basis)	At existing rates i.e. 0.50% and 0.75% p.a. for credit facilities upto Rs. 25,000 per borrower and above Rs. 25,000 per borrower respectively.	31-1-1989
(b)	1-4-89	31-3-90	Last day of March 1989 on 'priority sector' advances other than to SSI sector.	1.5% p.a. uniformly	(i) payment on ad-hoc or final basis by 30-4-1989 or 30th April thereafter every year. (ii) in case of ad-hoc payment by 30th April 1989, final payment by 31-7-1989 or 31st July thereafter of every year (i.e. within 4 months of the close of (at accounts) together with interest at all Bank Rate on then

Guarantee for the period	fee	Guaranteed advances as on	Rate of guarantee fee	Due date of payment
From	To			
				amount of shortfall or at 2% above Bank Rate (if re- mitted after 31 July)

While remitting the final payment you may forward to us the statements in revised formats NI-01 and NI-02 vide Annexures IV and V together with a copy of bank's annual report.

#### **Regional Rural Banks**

5. It has been decided to allow Regional Rural Banks the existing concession in paying guarantee fee at half of the normal rate for the first five years of their joining the Scheme. Accordingly, such of the Regional Rural Banks as have not dated on 31 March 1989 the five year period of their joining the above Scheme will continue to pay guarantee fee at the concessional rate of 0.75 per cent per annum till they complete five years of their joining the above Scheme after which they will pay the guarantee fee at the full rate of 1.5 per cent per annum. Other Regional Rural Banks who have completed the five year period will pay guarantee fee @ 1.50 per cent per annum from 1 April 1989.

#### **Lock-in period**

6. It has been decided to introduce with effect from 1 April, 1989 a lock-in period of 3 years from the date of advance for invocation of guarantee and lodgement of claims.

7. Necessary amendments to the scheme and claim form NI-11 will be advised in due course. You are advised to give suitable instructions to your

Zonal / Regional / Local / Controlling / Branch officer *immediately* for necessary action.

Please acknowledge receipt.

Yours faithfully

(B.A. Rao)  
Deputy General Manager

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Encls: Annexures I to V

**DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION  
NON-INDUSTRIAL CREDIT GUARANTEE DEPARTMENT**

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Bombay 400007.

Ref. No. CGD/GS/2K/7331/88-89

12th January 1989

To

All Commercial Bank and  
Regional Rural Banks participating  
in Small Loans Guarantee Scheme, 1971

Dear Sir,

**CIRCULAR No. 16/88-89****Small Loans Guarantee Scheme, 1971**

Please refer to Executive Director (Shri U.K. Sarma)'s D.O. letter dated 9 December 1988 addressed to your Chairman/Managing Director advising, inter alia, liberalisations effected in the credit guarantee schemes and enhancement of guarantee fee rate to 1.5 per cent per annum uniformly, with effect from 1 January 1989. As you are aware, the Government of India have since issued a notification dated 30 December 1988 changing the accounting year of the Corporation and of commercial banks including Regional Rural Banks to financial year ending 31 March every year. It has, therefore, been decided that the above amendments should be brought into force from 1 April 1989.

**Monetary ceilings on Corporation's claim liability**

2. It has been decided to adopt the 'priority sector' definition of Reserve Bank for the purpose of extending cover in respect of credit facilities extended from 1 April 1989 and levying fee. Accordingly, eligibility criteria for Small Road and Water Transport Operators (paragraph 10), Retail Traders (paragraph 11), Professional and Self Employed Persons (paragraph 13), Small Business (paragraph 14) and Farmers and Agriculturists



(paragraph 15) etc. have been revised as per Reserve Bank's definition of 'priority sector' advances vide *Annexure I*. The existing monetary ceilings on the Corporation's claim liability in respect of the activities prescribed in various paragraphs of the Scheme will be enhanced/revised suitably with effect from 1 April 1989 as indicated in *Annexure II*. Also, credit extended to certain segments of 'priority sector' (e.g. indirect finance to agriculture, etc.) has been made eligible for guarantee cover with monetary ceilings on Corporation's claim liability as indicated in *Annexure III*. The enhancement in the ceilings as shown in *Annexure II* and the new coverage (with ceilings) as shown in *Annexure III* will be applicable to any of the eligible credit facilities sanctioned and disbursed on or after 1 April 1989 in respect of eligible borrowers under the Scheme.

#### **Guarantee cover**

3. There is no change for the present in the existing percentage of guarantee cover i.e. @ 60 per cent of the amount in default subject to monetary ceilings prescribed.

#### **Guarantee fee**

4. As stated above, guarantee fee will now be payable on the amount of the bank's 'priority sector' advances (less advances to SSI sector\*) outstanding as at the end of March every year. It has also been decided that the rate of guarantee fee will be 1.5 per cent per annum uniformly and paid in advance on an annual basis instead of half-yearly basis as hitherto. Consequently, you may please arrange to remit the fee at the existing fee rate/s for the 3 month period from January to March 1989 and

- (3) Development of poultry, piggery, etc. in all its aspects including erection of poultry houses, pig houses, bee-keeping, etc.
- (4) Development and maintenance of stud farms, sericulture, etc. However, breeding of race horses cannot be classified here.
- (5) Bio-gas plants.

## **II. INDIRECT FINANCE TO AGRICULTURE**

- (1) Credit for financing the distribution of fertilizers, pesticides, seeds, etc.
- (2) Loans to Electricity Boards for reimbursing the expenditure already incurred by them for providing low tension connections from step-down point to individual farmers for energising their wells.

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\* NOTE: Advances to the SSI units and Industrial Estates would be covered by Small Loans (Small Scale Industries) Guarantee Scheme, 1981.

- (3) Loans to farmers through PACS, FSS and LAMPS.
- (4) Other types of indirect finance such as,
  - (i) Finance for hire-purchase schemes for distribution of agricultural machinery and implements.
  - (ii) Loans for construction and running of storage facilities (warehouse, market yards, godowns, silos and cold storages\*) in the producing areas. (\*If the loans to the cold storages are covered by the guarantee of the Deposit Insurance and Credit Guarantee Corporation (DICGC), they should be classified under SSI advances.)
  - (iii) Advances to Custom Service Units managed by individuals, institutions or organisations who maintain a fleet of tractors, bulldozers, well-boring equipment, threshers, combined, etc. and undertake work from farmers on contract basis. If these advances are covered by the guarantee of DICGC, they should be classified under SSI advances.
  - (iv) Loans to individuals, institutions or organisations who undertake spraying operations.
  - (v) Loans to co-operative marketing societies, co-operative banks for relending co-operative marketing societies (provided a certificate from the State Co-operative Bank in favour of such loans is produced) for disposing of the produce of members.
  - (vi) Loans to co-operative banks of producers (e.g. Aarey Milk Colony Co-operative Bank, consisting of licenced cattle owners).
  - (vii) Financing the farmers indirectly through the co-operative system (otherwise than by subscription to bonds and debenture issues) provided a certificate from the State Co-operative Bank in favour of such loans is produced.
  - (viii) Advances to State-sponsored Corporations for onward lending to weaker sections.

## 2. SMALL SCALE INDUSTRIES

Small scale industrial units are those engaged in the manufacture, processing or preservation of goods and whose investment in plant and machinery (original cost) does not exceed Rs. 20 lakhs. These would, inter alia, include units engaged in mining or quarrying, servicing and repairing of machinery. In the case of ancillary units, the investment in plant and machinery (Original cost) should not exceed Rs. 25 lakhs to be classified under small-scale industry.

Service oriented enterprises having investment in plant and machinery in each case not exceeding Rs. 2 lakhs and which are located in rural areas and towns with a population of 5 lakhs or less are also to be treated as

small scale industrial units. Such small scale establishments would typically cover personal or household services required in urban, semi-urban/rural contexts such as laundry, zexing, repair and maintenance of consumer durables, etc.

Indirect finance in the small-scale industrial sector will include credit to:

- (i) agencies involved in assisting the centralised sector in the supply of inputs and marketing of outputs of artisans, village and cottage industries, and
- (ii) Government-sponsored Corporations/organisations providing funds to the weaker sections in priority sector.

### **INDUSTRIAL ESTATES**

Loans for setting up industrial estates.

### **3. SMALL ROAD AND WATER TRANSPORT OPERATORS**

Advances to small road and water transport operators owning a fleet of vehicles not exceeding six vehicles, including the one proposed to be financed.

### **4. RETAIL TRADE**

Advances granted to (i) private retail traders dealing in essential commodities (fair price shops) and consumer co-operative stores and (ii) other private retail traders with credit limits not exceeding Rs. 25,000/-. (Retail traders in fertilisers will form part of indirect finance for agriculture and retail traders of mineral oils under small business).

### **5. SMALL BUSINESS**

Small business would include individuals and firms managing a business enterprise established mainly for the purpose of providing any service other than professional services whose original cost price of the equipment used for the purpose of business does not exceed Rs. 2 lakhs with working capital limits of Rs. 1 lakh or less and who are eligible for DICGC cover. Advances for acquisition, construction, renovation of house-boats and other tourist accommodation will be included here. Distribution of mineral oils which was earlier classified under 'retail trade' shall now be included under 'small business.'

### **6. PROFESSIONAL AND SELF-EMPLOYED PERSONS**

Loans to professional and self-employed persons include loans for the purpose of purchasing equipment, repairing or renovating existing equipment and/or acquiring and repairing business premises or for purchasing tools and/or for working capital requirements to medical practitioners including Dentists, Chartered Accountants, Cost Accountants, Lawyers or Solicitors, Engineers, Architects, Surveyors, Construction Contractors or Management Consultants or to a person trained in any other art or craft who holds either a degree or diploma from any institution established, aided or recognised by Government or to a person who is considered by

the bank as technically qualified or skilled in the field in which he is employed. Preference may be given by banks to financing professional like doctors, etc., who are carrying on their profession in rural or semi-urban areas. The term also includes firms and joint ventures of such professional and self-employed persons. This category will include all advances granted by the bank under special schemes, if any, introduced for the purpose. Only such professionals and self-employed persons whose borrowings (limits) do not exceed Rs. 2 lakhs of which not more than Rs. 1 lakh should be for working capital requirements and who are eligible for DICGC cover should be covered here.

#### **7. STATE SPONSORED ORGANISATIONS FOR SCHEDULED CASTES/ SCHEDULED TRIBES**

Advances sanctioned to state sponsored organisations for Scheduled Castes/Scheduled Tribes for the specific purpose of purchase and supply of inputs to and/or the marketing of the outputs of the beneficiaries of these organisations.

#### **8. EDUCATION**

Educational loans should include only loans and advances granted to individuals for educational purposes and not those granted to institutions and will include all advances granted by banks under special schemes, if any, introduced for the purpose.

#### **9. HOUSING**

##### **(a) Director Finance**

Loans upto Rs. 5,000/- for construction of houses granted to Scheduled Castes/Scheduled Tribes and the weaker sections of the society irrespective of DICGC coverage.

##### **(b) Indirect Finance**

(i) Assistance given to any governmental agency for the purpose of constructing houses exclusively for the benefit of Scheduled Castes/Scheduled Tribes and low-income groups and where loans component does not exceed Rs. 5,000/- per unit.

(ii) Assistance to any governmental agency for slum clearance and rehabilitation of slum dwellers subject to other conditions specified above.

#### **10. CONSUMPTION**

Pure consumption loans granted under the consumption Credit Scheme should be included in this item.

## **ANNEXURE-II**

### **Small Loans Guarantee Scheme, 1971**

**Guarantee cover with revised monetary ceilings  
on Corporation's Claim liability effective from  
1st April 1989—Existing activities**

<b>Category of Borrowers</b>	<b>Existing Cover and ceiling per borrower</b>	<b>Revised Cover and ceiling per borrower w.e.f. 1.4.1989</b>
<b>1. Farmers &amp; Agriculturists (Para 15)</b>	<b>60% of the amount in default with a maximum of</b>	<b>60% of the amount in default with a maximum of</b>
(a) Crop Loans	Rs. 2,500	Rs. 10,000
(b) Developmental Activities	Rs. 10,000	Rs. 20,000
(c) Conversion Loans	Rs. 7,500	Rs. 30,000
<b>2. Overall ceiling for farmers and agriculturists in respect of main as well as subsidiary activities (Para 15)</b>	<b>Rs. 37,500</b>	<b>Rs. 60,000</b>
<b>3. Transport Operators (Para 10)</b>	<b>Rs. 75,000</b>	<b>Rs. 1,50,000</b>
<b>4. Retail Traders (Para 11)</b>	<b>Rs. 50,000</b>	<b>Rs. 25,000 (Limit for advances under priority sector)</b>

**Note: Coverage (percentage) and monetary ceilings in respect of eligible  
borrowers other than those indicated above remain unchanged.**

### ANNEXURE-III

#### Small Loans Guarantee Scheme, 1971

List of additional activities which will now be eligible for guarantee cover under Small Loans Guarantee Scheme 1971 with effect from 1 April, 1989. The extent of guarantee cover available with effect from 1 April, 1989 and monetary ceilings on the Corporation's claim liability in respect of above activities will be as under:—

Sr. No.	Activity	Monetary ceiling on claim liability
1	2	3
<b>Indirect finance to Agriculture</b>		
1.	Credit for financing the distribution of fertilisers, pesticides, seeds etc.	60% of the amount in default or Rs. 60,000/-, whichever is lower.
2.	Loans to Electricity Boards for reimbursing the expenditure already incurred by them for providing low tension connections from step-down point to individual farmers for energising their wells.	—do—
3.	Loans to farmers through PACS, FSS and LAMPS	—do—
4.	Finance for hire purchase Schemes for distribution of agricultural machinery and implements.	—do—
5.	Loans for construction and running of storage facilities (warehouses, market yards, godowns, silos) (Loans to the cold storage if covered by the guarantee of the DICGC should be classified under SSI advances)	—do—
	(a) For Warehouses, Market yards, godowns and silos.	—do—
6.	Loans to individuals, institutions or organisations who undertake spraying operations	—do—

1	2	3
7.	Loans to Co-operative Marketing Societies, Co-operative banks for relending to Co-operative Marketing Societies (provided a certificate from the State Co-operative Bank in favour of such loans is produced) for disposing of the produce of members.	60% of the amount in default or Rs. 60,000/-, whichever is lower
8.	Loans to Co-operative banks of producers (e.g. Aarey Milk Colony Co-operative Bank, consisting of licenced cattle owners).	—do—

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