

**COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(2000-2001)**

(THIRTEENTH LOK SABHA)

SEVENTH REPORT

MINISTRY OF FINANCE

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

(Action taken by the Government on the recommendation contained in the Fourth Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Twelfth Lok Sabha—Reservation for and employment of Scheduled Castes and Scheduled Tribes in Canara Bank and credit facilities provided by the bank to them)).



Presented in Lok Sabha on 23 Nov. 2000

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**LOK SABHA SECRETARIAT
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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations which have been accepted by the Government	9
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	27
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which required reiteration	33
CHAPTER V Recommendations/Observations in respect of which replies of the Government have not been received. . .	38
APPENDIX Analysis of the Action Taken by the Government on the Recommendation contained in Fourth Report of the Committee	39

**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND SCHEDULED TRIBES (2000-2001)**

Shri Kariya Munda — *Chairman*

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SECRETARIAT

1. Shri Joginder Singh — *Joint Secretary*
2. Shri B.R. Kanathia — *Director*
3. Shri Shiv Singh — *Assistant Director*

\$Ceased to be a member of the Committee on his demise from Rajya Sabha with effect from 3rd December, 2000.

*Ceased to be a member of the Committee on his demise from Rajya Sabha with effect from 12th August, 2000.

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the Report on their behalf, present this Seventh Report (Thirteenth Lok Sabha) on Action Taken by Government on the recommendations of the Committee contained in their Fourth Report (12th Lok Sabha) on the Ministry of Finance (Banking Division) regarding Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Canara Bank and credit facilities provided by the Bank to them.

2. The Draft Report was considered and adopted by the Committee on 6.9.2000.

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

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

4. An analysis of the Action Taken by the Government on the recommendations contained in the 4th Report of the Committee is given in the Appendix. It would be observed therefrom that out of 45 recommendations made in the Report 25 recommendations i.e. 55% have been accepted by the Government. The Committee do not desire to pursue 12 recommendations i.e. 27% of the total recommendations in view of the Government's replies. There are 7 recommendations i.e. 16% in respect of which replies of Government have not been accepted by the Committee and required further comment. In case of 1 recommendation i.e. 2% Final reply of the Government have not been received.

NEW DELHI;
November, 2000

Agrahayana, 1922 (Saka)

KARIYA MUNDA,
Chairman,
Committee on the Welfare
of Scheduled Castes And
Scheduled Tribes.

CHAPTER I

REPORT

The Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the action taken by the Government on the recommendations contained in the Fourth Report (Twelfth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the Ministry of Finance, Department of Economic Affairs (Banking Division) regarding Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Canara Bank and credit facilities provided by the bank to them.

1.2 The Fourth Report was presented to Lok Sabha on 4.12.1998, it contained 45 recommendations/observations. Replies of the Government in respect of these recommendations/observations have been examined and may be categorised as under:—

- (i) Recommendations/Observations which have been accepted by the Government (Sl. Nos. 3, 7, 9, 11, 14, 17, 19, 20, 21, 22, 24, 25, 26, 28, 29, 30, 31, 33, 34, 36, 39, 40, 41, 42, 44).
- (ii) Recommendations/Observations which the Committee do not desire to pursue taking into consideration the replies of the Government (Sl. Nos. 2, 5, 8, 10, 12, 13, 16, 23, 32, 35, 38, 43).
- (iii) Recommendations/Observations replies to which have not been accepted by the Committee and which need reiteration (Sl.Nos. 1, 4, 6, 15, 18, 27, 45).
- (iv) Recommendations/Observations in respect of which final replies have not been received (Sl.No. 37)

1.3 The Committee will now deal with the action taken replies of the Government which need reiteration or further comments.

Board of Directors

Recommendation (Sl.No. 1, Para 1.7)

1.4 In para 1.7 of the Fourth Report (Twelfth Lok Sabha) the Committee had observed with regret that despite their recommendations in their earlier reports on various Banks for appointment of an SC/ST member as director on all nationalised Banks, there was no member belonging to SC/ST on the Board of Directors of Canara Bank. This is because the Ministry has not made serious efforts in this regard. The Committee, therefore, had recommended that the Government should make earnest efforts to appoint at least one person each belonging to SC and ST community as Director on the Board of Directors of Canara Bank.

Reply of the Government

1.5 The Ministry of Finance, Department of Economic Affairs (Banking Division) in their Action taken Reply have stated that the nomination of part time non-official Directors on the Boards of Nationalised Banks, including Canara Bank, are made in accordance with the provisions contained in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 and the Nationalised Banks' (Management and Miscellaneous Provisions) Scheme 1970/1980. The Central Government is required to nominate one non-official part time Director who has been a Chartered Accountant for not less than fifteen years on each of these Banks' Boards under Section 9(3)(g) of the said Act. In terms of Section 9(3)(h) of the said Act, the Central Government is required to nominate not more than six part time non-official Directors amongst persons having special knowledge of practical experience in agriculture and rural economy, banking, cooperation, economics, finance, law, small scale industry, etc. and also to represent the interests of depositors, farmers, workers and artisans. In terms of the provisions of Section 9(3)(I) of the said Act, these directors are required to be replaced in a phased manner by such number of share holders directors depending upon the percentage of total paid up capital of the banks/subscribed by the public.

Although there is no specific provisions in the Act or the Scheme to appoint SC/ST member as directors on the boards of the nationalised banks, it is the endeavour of the Central Government to nominate the SC/ST candidates, women and minorities to the extent feasible subject of the availability of persons from these categories who are otherwise found qualified to be appointed as Directors.

Comments of the Committee

1.6 The Committee are not satisfied with the reply of the Ministry that the Act or Scheme does not provide for appointment of SC/ST members as Directors of Board of the Nationalised Banks. The State Bank of Patiala have one SC member on their Board of directors. The example of State Bank of Patiala can be followed by the Canara Bank. The Committee, therefore, reiterate its earlier recommendation that Government should make earnest efforts to appoint a person belonging to SCs/STs on the Board of Directors of Nationalised Banks including Canara Bank. The Committee desire that for this purpose the Act must be amended.

Staff Strength and Shortfall

Recommendation (Sl.No. 4, Para 2.11)

1.7 The Committee regret to note from figures furnished to them that the representation of Scheduled Castes and Scheduled Tribes in officers and clerks categories is very low. Out of 14971 employees in officers category, the number of Scheduled Caste employees is 1855 and that of the

Scheduled Tribe employees is 737 only. The percentage of SC/ST employees in this category of posts comes to 12.39% and 4.92% respectively. Similarly, in clerks category out of 27864 employees the number of Scheduled Caste employees is 4132 and that of Scheduled Tribe employees is 1161. Thus the percentage of SC and ST employees in this category is only 14.82 and 4.16 respectively. There is also huge shortfall of STs in sub-staff and sweepers categories. While giving reasons for such meagre representation of Scheduled Castes and Scheduled Tribes and also the efforts to clear backlog of SCST employees in the Bank, the Committee has been informed that the shortage of Scheduled Castes/Scheduled Tribes in all the categories of posts except in sweepers post is due to non-availability of SCST candidates. To overcome this difficulty, the Bank is conducting a special drive for clearing backlog against the identified vacancies and backlog in respect of the sub-staff category will be cleared shortly as they have asked their Zonal Offices to recruit the staff. Backlog in the clerical and officers category will be cleared by December, 1997.

Reply of the Government

1.8 The percentage of representation of SCs/STs in the cadre of Officers, Clerical, Sub staff and Part Time Employees in the Bank, as on 31.12.1998 are furnished here below:

Grade/Scale	SC		ST	
	No.	%age	No.	%age
Officers (Scale-I to VII)	2140	13.66%	915	5.84%
JMG Scale-I (Officers)	1681	17.27%	683	7.01%
Sub-staff	2226	22.68%	386	3.93%
Part Time Employees	779	30.66%	134	5.27%

The reasons for shortfall in the prescribed percentage of SCs and STs in officers grade *i.e.*, from MMGS-II to TEGS-VIII are due to the reasons that these posts are filled up (mostly by promotion from respective lower cadres). In promotions, from JMGS-I to MMGS-II and subsequent higher grades, there is no reservation as these are filled up by selection method where certain concessions are available upto the promotions to Middle Management Grade Scale III.

In promotion by selection to posts within officers' cadre upto Scale III, the SC/ST Officers who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select

list has to be drawn up, would be included in that list provided they are not considered unfit for promotion. Bank is strictly complying with the directives/guidelines of the Government of India in this regard. Other reason for lesser representation of SC or ST candidates are, leaving the service of the Banks by such candidates after joining the Bank due to various reasons and their selection in better posts in civil services etc. During the period from 01.01.1996 to 31.12.1998, 22 officers belonging to SC category and 12 Officers belonging to ST category have resigned from the services of the Bank for better prospect.

The representation of clerks under SC category has increased from 14.02% in 1995 to 15.53% in 1998. The marginal reduction in the ST representation is due to promotion of 57 ST clerks to JMG Scale-I in 1996.

The representation of SCs under the sub-staff and Part Time Employee categories is much above the stipulated percentage of 15. The Bank could not achieve the stipulated percentage under ST category because the concerned BSRBs and Employment Exchange have not been able to clear the indents placed by the Bank for recruitment of clerical and sub-staff respectively under the reserved category.

Comments of the Committee

1.9 The Committee are not convinced with the percentage of representation of SC/ST in the cadre of officers (Scale I to VII) clerical, sub-staff, part time employees in the Bank as on 31.12.1999. The Committee recommend that urgent steps should be taken to ensure that the shortfall in representation of SCs/STs in all the categories is cleared within the specified period.

Recommendation (Sl. No. 6, Para 2.13)

1.10 In para 2.13 the Committee had strongly recommended that the Canara Bank should clear the backlog in all the categories expeditiously and they may be apprised of the latest position.

Reply of the Government

1.11 In their reply the Government have stated that the shortfall is expected to be fully cleared on allotment of candidates by concerned BSRBs and employment exchanges in clerical and sub-staff cadre respectively and on their reporting in the services of the Bank.

Comments of the Committee

1.12 The Committee are not happy with the casual approach of the Canara Bank in clearing the backlog. The Committee desire that the Canara Bank Authorities should pursue the matter with the BSRBs and Employment Exchanges vigorously and impress upon them the urgency of their requirement so that requisite number of SC/ST candidates are made available to them. In view of the latest instructions issued by DOPT the

special recruitment drives should be taken immediately to wipe out the backlog. The Committee would also like to be apprised of the latest position of the backlog.

Recommendation (Sl. No. 15, Para 3.21)

1.13 In para 3.21 Committee had observed that the initiation of stringent action against those who secured employment in the Canara Bank by production of false caste certificate had been delayed in 37 cases out of a total of 78 cases owing to the non-receipt of cancellation of caste certificate. The Committee had desired that the Canara Bank authorities should pursue the matter vigorously with the District Authorities so that criminal case could be lodged by the Canara Bank against the persons found guilty for furnishing false caste certificates. The Committee had also recommended that penal action should be taken against the culprits so that genuine SCs/STs were not deprived of their constitutional rights.

Reply of the Government

1.14 In their reply the Government have stated the Bank has been following up the matter regarding cancellation of caste certificate with District Authorities vigorously. However, adequate response is not forthcoming from the District Authorities. Many a time, the replies are received very late delaying the process of initiation of action against the employees.

It is reported that our of 64 cases referred to District Authorities during 1996, 1997 and 1998, the authorities have responded only in respect of 5 cases and replies are awaited in respect of the remaining 59 cases. Efforts will be made to follow up remaining cases as well.

Comments of the Committee

1.15 The Committee are unhappy to note that action against those who secured employment in the Canara Bank by production of false caste certificate has been tardy. The Committee has taken a serious view that such persons still continue to be in the employment of the Bank thus denying the employment to genuine SC/ST persons. Such persons should be suspended immediately and criminal proceeding should be initiated against them. The Committee desire that Managing Director of Canara Bank should be held responsible for continuance of such persons in Canara Bank. The Committee recommend that the verification process of such cases should be completed within six months. The Committee reiterate that Canara Bank authorities should pursue the matter sincerely and vigorously with the Distt. Authorities to finalise all the remaining false caste certificate cases. The Committee would like to be apprised of the outcome of the remaining 59 false caste certificate cases after the finalisation of the process.

Liaison Officer and SC/ST Cell in Canara Bank

Recommendation (Sl. No. 18, Para 4.11)

1.16 In para 4.11 the Committee had recommended that Liaison Officers should be appointed from amongst the Scheduled Caste/Tribe Officers working in the Bank and the Committee might be apprised of the progress made.

Reply of the Government

1.17 In their reply the Government has stated that it has been their endeavour to post SC/ST Officers in various other areas of Banking and not to restrict their area of operation only to the areas of SC/ST matters as it might affect their career.

As per the instructions issued by the Government, the Liaison Officers should be preferably of the rank of General Manager/Deputy General Manager in the Bank. Wherever an Officer in the rank of GM/DGM is available belonging to SC/ST category they are preferably nominated as Liaison Officers. Although at present Bank could not nominate an SC and ST Officer as Chief Liaison Officer, there is one Liaison Officer belonging to SC category at Mumbai Circle.

Comments of the Committee

1.18 The Committee are not satisfied with the views advanced by the government that the Liaison Officers should be preferably of the rank of General Manager/Deputy General Manager in the Bank. The Committee are of the view that the Canara Bank should evolve a system to ensure that a Senior most SC/ST officer should be appointed as Liaison Officer.

The Committee would also like to be apprised of the action taken in the matter.

DRI Scheme

Recommendation (Sl. No. 27, Para 5.34)

1.19 The Committee had observed that the maximum assistance to a beneficiary under DRI Scheme had been fixed at Rs. 6500/- for productive purposes in 1972. The Committee had felt that in view of the decrease in the value of money this amount was insufficient for starting a productive and gainful project. The Committee, therefore, had recommended that the limits of loan under DRI scheme should be increased upto 5 lakhs so that the real purpose of the schemes could be served.

Reply of the Government

1.20 In their reply the Government has stated that the DRI scheme was introduced in the year 1972. Under this scheme loans are granted at concessional rate of interest of 4% per annum. Banks, however, do not find it viable to lend at this rate in view of their cost of funds as well as cost involved in servicing the loan. However, Government has introduced

several subsidy linked schemes. By this mechanism, while the Banks are not forced to lend at unviable rates, yet relief is provided to the beneficiary by Government subsidy. There is also reservation for SC/ST beneficiaries in these schemes. Thus, increasingly beneficiaries are showing preference for subsidy linked credit schemes such as PMRY and Swarn Jayanti Svarozgar Yojana, etc. in comparison to DRI. Further, since interest rates of Banks have since been deregulated, it would not be appropriate to force the Banks to lend at 4%.

Comments of the Committee

1.21 The Committee are not satisfied with the reply given by Government. The Committee reiterate their earlier recommendation that the amount of Rs. 6500/- should enhance suitable as per latest price index to make it more productive and gainful.

Sanction of Loans

Recommendation (Sl. No. 45, Para 6.23)

1.22 As the sufficient number of SC/ST applications were not being received under certain Government sponsored schemes like IRDP/PMRY the Committee had recommended, the RBI to review the performance of credit facilities provided to SCs/STs and issue the guidelines to the Canara Bank to improve the credit facilities and Committee should be apprised of the action taken.

Reply of the Government

1.23 The guidelines under PMRY schemes provided for a reservation of 22.5 per cent for SC/ST and 27 per cent for other backward classes (OBC). Details of loans sanctioned and disbursed under the scheme to persons belonging to these categories during the last three years as furnished below:—

Performance under the scheme							(Rs. in Lakhs)		
Pro-gramme Year	Target	Total sanctioned		of which sanctioned SC/ST		%Col. 5 to Col. 3	Total loans disbursed to SC/ST		% Col. 8 to Col. 5
		No.	Amount	No.	Amount		No.	Amount	
1	2	3	4	5	6	7	8	9	10
1995-96	321360	288645	168058.11	43770	24548.58	15	30722	14814.28	70
1996-97	307163	269412	163972.07	34669	19820.92	13	24408	13524.82	70
1997-98	345000	266352	15911.86	37490	21447.49	14	25061	13266.15	67

It is observed that the number of cases sanctioned to these categories as percentage of total sanction was well below the reservations provided under the scheme. However, the performance of Banks in leading to

Scheduled Castes and Scheduled Tribes under different government sponsored schemes is reviewed by Reserve Bank of India as well as Government of India periodically. Recently such meeting was held by Government of India on October 14, 1999 to review among other things, the performance of public sector banks in lending to weaker sections including Scheduled Castes and Scheduled Tribes.

Comments of the Committee

1.24 The Committee are not convinced with the reply. The performance of the Canara Bank under these Schemes has also been far below the targets fixed. The Committee take a serious note of it. They would like to know the reasons for decrease in SC/ST beneficiaries in IRDP & PMRY. The Committee would also like to be apprised of the main findings of the meeting of RBI to review the performance of Public sector bank in lending to weaker sections including Scheduled Castes and Scheduled Tribes within a specific period.

CHAPTER II

RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No.3, Para No. 2.10)

The Committee is constrained to note that the representation of SCST candidates against the posts reserved for them is not satisfactory. Considering the heavy shortfall in all the categories of posts in the Bank, the Committee are led to believe that the Bank authorities are not sincere in implementing the reservation of orders/instructions properly and adequate attention is not given to improve the intake of SCST candidates in the Bank. The Committee desire that responsibility for non implementation of reservation orders should be fixed on the officers concerned.

Reply of the Government

Only 5 unfilled ST vacancies, (3 in Delhi and 1 each in Tripura & Uttar Pradesh pertaining to the year 1995 are to be filled in the clerical category. Similarly only 5 unfilled reserved vacancies in sub-staff category of the year 1995 have not been filled. It is because the concerned BSRBs and Employment Exchanges have not been able to clear the indents placed by the Bank for recruitment of clerical and sub-staff respectively under the reserved category. It is for this reason that the Bank has not been able to clear a few reserved vacancies. Indents have already been placed with BSRBs for the years 1998-99 and 1999-2000 for recruitment of clerks belonging to the reserved categories. Steps have also been taken for filling the reserved vacancies in the substaff category through employment exchanges.

In view of this, it does not appear to be necessary to fix accountability of the officials.

Recommendation (Sl. No. 7, Para No. 2.23)

The Committee note that 6 posts in the year 1994, 4 posts in 1995 and 4 posts in 1996 reserved for Scheduled Tribes, to be filled through promotion from sub-staff to clerical cadre could not be filled as the requisite number of employees belonging to this community were not available in the feeder cadre. Similarly, 71 posts in 1993, 69 posts in 1994 and 71 posts 1995 reserved for SC employees could not be filled through promotion from clerical to officer cadre.

Reply of the Government

The backlog relating to promotion from sub-staff to clerical cadre and from clerical to officers for the years 1993, 1994 and 1995 have since been cleared by the Bank.

Recommendation (Sl. No. 9, Para No. 2.25)

In view of heavy shortfalls in the representation of SCSTs in promotional posts, the Committee recommend that SCST employees should be given promotion by giving them concession/relaxation in the criteria determined for promotion so that SCST shortfall could be wiped out at the earliest.

Reply of the Government

The bank extend all concessions/relaxations as per Govt. guidelines and also conduct pre-promotion training to enable the SCST category employees in feeder cadre to perform well in promotion test. In 1996, an exclusive promotion process for STs from clerical to JMG Scale-I cadre was conducted. 57 ST employees were promoted through the process.

Recommendation (Sl. No. 11, Para No. 2.27)

The Committee are surprised to note that out of 34 employees posts abroad by the Bank, only 2 belonged to SCSTs. The Committee recommend that the claims of Scheduled Caste and Scheduled Tribes should be considered favourably at the time of making posting in foreign countries to give them a fair share in such postings and also to enable them to familiarise with the work culture of other countries. The Committee feel that a stay in a foreign country will be a useful experience for the Scheduled Caste/Scheduled Tribe employees to enhance their efficiency.

Reply of the Government

Selection of the personnel for posting abroad is made on merit-cum-suitability of the candidates. SCST employees are also considered along with other general candidates and posted abroad if they are found suitable.

The Bank has posted two more officers abroad since 1996 belonging to reserved category. Two additional officers have been identified for deputation abroad.

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

The Committee also recommend that in view of the directives of the Reserve Bank of India, the SCs and STs should be imparted pre-promotion training to make them fit for promotion. The result of such training should be reflected in the number of persons promoted.

Reply of the Government

The Bank is imparting pre-promotion training to the employees eligible for promotion from Sub-staff to Clerical cadre and Clerical to JMG Scale-I. In addition to the above, the Bank is arranging pre-promotion training to SCST employees in JMG Scale-I for promotion to MMG Scale-II.

The Bank takes all efforts to provide training of high standard by experienced faculty members for imparting pre-promotion training with an objective of making the employees belonging to SCST category fit for promotion.

Recommendation (Sl. No. 17, Para No. 4.10)

The Committee note that the Chief Liaison Officer for SCs/STs at Head Office and Liaison Officers for SCs/STs at its Circle, Divisional and Regional Offices to look after the interest of SCs and STs have been appointed. The Committee also note that the visits to Circle Offices/Divisional Offices are conducted by the Chief Liaison Officers to keep a watch over the implementation of Reservation orders in favour of SCs/STs. The Committee need hardly to stress that the Liaison Officer has to ensure due compliance by the subordinate appointing authorities of the orders and instructions pertaining to reservation in favour of SCs and STs and other benefits admissible to them. The Committee suggest that the inspections by the Liaison Officers should be done more frequently so that inadequacies detected in the functioning of the Cell are corrected timely.

Reply of the Government

The Chief Liaison Officer of the Bank is conducting visits to Circles/Regional Offices/Divisional Offices for ensuring that the instructions with regard to reservation are properly implemented. Such visits also facilitate the Chief Liaison Officer to advise corrective steps wherever inadequacies in implementation of reservation norms and other related matters are observed for timely rectification.

Recommendation (Sl. No. 19, Para No. 4.18)

The Committee are of the view that rosters are the only mechanism to watch the proper placements of Scheduled Castes and Scheduled Tribes in services as per the points reserved for them in the rosters and that these would cease to have any significance if they are not maintained properly. The Committee would, therefore, like to emphasise that the rosters should be maintained by the authorities concerned in accordance with the existing orders on the subject and checked regularly by the competent authorities. Discrepancies noticed during the inspection of rosters should be rectified immediately and also brought to the notice of the concerned Head of the Department.

Reply of the Government

The rosters are inspected by the Chief Liaison Officer of the Bank and such reports are being sent regularly to the Management. Any discrepancies noticed, are being brought to the notice of the Management.

Recommendation (Sl. No. 20, Para No. 4.23)

The Committee note that the Bank has been maintaining the complaint register and all complaints received from the Scheduled Castes/Scheduled Tribes employees are registered therein. The Committee recommend that

the register should be checked at regular intervals by a Senior Competent Officer/Chief Liaison Officer to ensure that the complaints received from the Scheduled Castes/Scheduled Tribes are disposed off promptly and judiciously.

Reply of the Government

The Chief Liaison Officer at Head Office, Bangalore and the Liaison Officer at Circle/Regional Office level are verifying the complaint registers periodically. The Liaison Officer ensures that the complaints are disposed off promptly and judiciously.

The Chief Liaison Officer during his visits to circle Offices, verifies the complaint registers maintained at the Circles to ensure that the register is maintained properly and the complaints are disposed off judiciously and promptly.

Recommendation (Sl. No. 21, Para No. 4.24)

The Committee also note that grievances of SCST employees are looked into at various levels and necessary redressal measures are taken wherever warranted. It has been stated that during the last three years 78 in 1994, 100 in 1995 and 7 in 1996 complaints were received from Scheduled Caste/Scheduled Tribe employees. The complaints are mostly pertaining to transfer and harassment. The Committee recommend that the Bank should make prompt corrective measures so that the complaints of SCST candidates are reduced to the minimum especially in respect of transfers and harassment cases.

Reply of the Government

The Bank does not make any discrimination in posting. The postings are made keeping in view the exigencies of the administration. Care is also taken to ensure that there is no scope for any harassment.

Recommendation (Sl. No. 22, Para No. 5.14)

The Committee takes note of the reply by the Ministry of Finance, Department of Economic Affairs (Banking Division) that Bank credit is only one of the inputs for upliftment of weaker sections including SCs/STs. However, availability of bank credit alone in the absence of adequate infrastructure, marketing and extension facilities will not yield results to the desired extent. The Committee would, therefore, urge the Government to set up a body consisting of representatives of the Ministry of Finance, Reserve Bank of India and State Government concerned to identify the schemes which could be taken up in a particular area depending upon the resources and skills of the people inhabiting that area to lay down the financial targets for providing credit facilities and for proper coordinating among the Centre, State, Banking Institutions helping in the operation of lending schemes for the SCs/STs.

Reply of the Government

There is a State Level Bankers Committee (SLBCs) consisting of representatives of commercial banks, RBI, NABARD, State Government officials, etc. in each State. The National Commission for Scheduled Castes/Tribes is also represented in the above Committee. The Committee monitors and reviews the progress of credit flow to the priority sectors in the State including the credit facilities granted to SCs/STs under different schemes. The targets are set by different administrative Ministries of the Government of India for various schemes. Targets are also set under Annual Credit Plans (ACPs) with special emphasis on the disbursement of credit to SCST beneficiaries. As per the credit planning exercise, each Bank branch undertakes a survey to identify credit needs and infrastructure available at the village level and on the basis of village profiles the Branch credit plans are drawn up. These are aggregated at block level, district level and targets under ACP are set. The arrangement is considered adequate for ensuring enhanced flow of bank credit to weaker sections including Scheduled Castes and Scheduled Tribes.

Recommendation (Sl. No. 24, Para No. 5.16)

The Committee is also concerned to find that the officials of the RBI do not carry out inspection of any Bank and have thus failed to monitor properly the progress of expansion of credit facilities to SCs/STs as envisaged. The Committee, therefore, recommend the RBI to issue suitable instruction to the section meant for monitoring/reviewing to inspect maximum number of branches of all the Banks including Canara Bank to ensure compliance of RBI guidelines on flow of credit and other facilities to SCs/STs.

Reply of the Government

Reserve Bank of India (RBI) have reported that officials of RBI carry out inspections of Banks through the Department of Banking Supervision which conducts inspection of Head Office, controlling branches and offices of banks on an annual basis, covering 30 per cent of advances and 1/3 controlling offices of public sector banks. After revising the on-site inspection strategy on internationally accepted model focus is now on the statutory mandate and inspection is concentrated on core assessment of the Bank. As regards compliance with priority sector lending target and sub-target, etc. Inspecting Officers are expected to indicate in the inspection reports the extent of compliance, achievement of targets and sub-targets under Priority Sector Credits. Canara Bank was inspected with reference to its financial position as on 31st March, 1996 and 1997.

The flow of credit to SCs/STs, implementation of poverty alleviation schemes/self-employment programmes by the Banks are monitored through reviews at different fora such as BLBC, DCC, SLBC etc. where officials of RBI also participate. The position is also reviewed by the Ministry of

Finance, Banking Division through convening meetings of Banks at periodic intervals. These meetings are also attended by officials of RBI. Further, Lead District Officers (LDOs) of RBI undertake branch visits to the rural and semi-urban branches of the commercial banks and look into various aspects like performance of the branch under ACP, priority sector lending. Government sponsored self-employment programmes/schemes and credit facilities provided to SCs/STs, etc. and ensure that guidelines/instructions issued by Government and RBI in this behalf are complied with by the branches. RBI have instructed all their regional offices that the LDOs should undertake maximum number of branch visits and that during the course of their branch visit they should also visit and personally contact a few borrowers especially the SC/ST borrowers so that difficulties faced by them in obtention of loans from Banks are identified and Banks are advised to take necessary remedial measures. During the visit to the borrowers, the lead district officer is also required to verify the assets acquired with the Bank credit by them and see whether the activity is generating adequate income.

Recommendation (Sl. No. 25, Para Nos. 5.21 & 5.22)

The Committee note that the Canara Bank has not achieved the target of 10 per cent of the total Bank credit to be given to weaker section under priority sector. Secondly, no separate norms have been prescribed by Government/Reserve Bank of India regarding share of Scheduled Castes/Scheduled Tribes in the total priority advances. The Committee recommend that certain minimum percentage of the priority sector lending should be earmarked for Scheduled Castes/Scheduled Tribes. As at the end of June, 1996, the Bank has extended credit to the extent of 10.38 per cent to weaker sections under priority sector advances. The share of Scheduled Castes/Scheduled Tribes at the end of September, 1996 in this credit is only 5.5 per cent which is very disappointing.

The Committee, therefore, recommend that the Banks should take immediate necessary measures to enhance its lending to persons belonging to Scheduled Castes/Scheduled Tribes so that they get a substantial portion of the credit earmarked for weaker sections under priority sector.

Reply of the Government

At present public sector banks are required to lend 10 per cent of net bank credit to the 'weaker sections' within the priority sector which, *inter-alia*, includes SC/ST borrowers (irrespective of any credit limit). The only targets, set besides targets for weaker sections, are in respect of 'total priority sector lending' (40 per cent) and 'credit to agriculture' (18 per cent). As at the close of March, 1998, lending to weaker sections by public sector banks stood at Rs.18134 crore which constituted 8.31 per cent of net bank credit.

As at the end of March, 1999, lending by public sector banks to SC/ST borrowers formed 6.9 per cent of the total priority sector lending and

stood at Rs. 7410 crore. It is observed that there has been steady increase in the quantum of outstanding credit to SC/STs—which has increased from Rs. 5809 crore in March 1996 to Rs. 7410 crore in March, 1999.

Canara Bank has achieved the stipulated norm of assisting the weaker sections of the society. Against the target of 10% of net credit, the bank has achieved 11.09 per cent as at 31.3.1998 and has been maintaining the same above 10% consistently over the years as can be seen from the following figures:—

Year	Advance to Weaker Section	(Rs. in crores) % of weaker section advances to net credit
March 1997	1316.25	11.42%
March 1998	1507.39	11.09%
March 1999	1570.11	10.38%

The outstanding assistance to the SC/ST has been showing improvement over the years as follows:—

Year	Amount outstanding (Rs. in crores)
March 1996	256.74
March 1997	313.96
March 1998	362.32
March 1999	382.92

The Bank has, however, taken note of the Committee's suggestion and will continue its endeavour to further improve the assistance to the SCs/STs.

Recommendation (Sl. No. 26, Para No. 5.33)

Under the guidelines regarding DRI Scheme, credit may be routed through the State Corporations for the welfare of Scheduled Castes and Scheduled Tribes. The Committee regret to note that the Canara Bank has not extended any finance through State Corporations under DRI Scheme during the years 1994-95 and 1995-96. Hence, there is a wide variation to the disbursement level of loans under DRI scheme during 1993-94 as compared to 1994-95 and 1995-96. The Committee, therefore, recommend that in order to give benefits of DRI Scheme to a large number of SC/ST persons the Canara Bank should grant sanction to State Corporation.

Reply of the Government

Canara Bank have reported that their Circle Offices have been keeping good liaison with the State SC/ST Development Corporation to sponsor applications from SC/ST category for taking up economic enterprises. The Bank is also taking steps for improving flow of credit to SC/ST under DRI Scheme by financing through State Corporations. The outstanding advances of Canara Bank to SC/ST under DRI Scheme stood at Rs.18.00 crore in March, 1999 constituting 52.63 per cent of total DRI advances of the Bank as against the target of 40 per cent.

Recommendation (Sl. No. 28, Para No. 5.35)

The Committee need hardly to point out that the conditions in hilly areas are totally different from plain areas and various development programmes for Scheduled Castes/Scheduled Tribes cannot be implemented properly in hilly areas. The Committee feel that there is a need for relaxation in the norms fixed for hilly areas. The Committee, therefore, urge upon the Government to be more practical and formulate different liberalised norms in respect of people living in difficult and inaccessible hilly areas for their prompt and proper development.

Reply of the Government

Banks would route the credit under the various priority schemes through State Corporations for SCs and STs, besides some cooperatives. The representatives from the Integrated Tribal Development agencies, being the members of BLCC/DCC/SLBC fora do focus the problems being faced by the SCs/STs beneficiaries in implementing the programmes in the specified areas. Norms prescribed are discussed in these meetings and appropriate action taken depending upon the local needs which vary from place to place at the time of implementing the programmes.

Recommendation (Sl. No. 29, Para No. 5.41)

The Committee note that the performance of Canara Bank under IRDP has not been satisfactory during 1993 to 1995. The percentage of credit for SCs and STs was 29% in 1993, 33% in 1994 and 31% in 1995 against the norm of 50%, which is very disappointing. The Committee, therefore, recommend the Canara Bank to make all out efforts to accomplish stipulated targets for SCs and STs under IRDP and also fix responsibility for not achieving the stipulated targets.

Reply of the Government

The Bank has noted to improve the credit assistance to SCs/STs under the IRDP (The present SWARN JAYANTI GRAM SWAROZGAR YOJANA) Scheme. However, as already stated, one of the major reasons for low credit flow to the SCs/STs has been that sufficient number of SC/ST applications are not being sponsored under the scheme. Bank branches have been instructed to request the BDOs to sponsor more number of SC/

ST applications to ensure higher credit flow to the SCs/STs. Further, Branch Managers have also been advised to select the beneficiaries from SC/ST categories directly and sponsor it to the BDO/Zilla Parishad, so that adequate number of applications are mobilised from the local people. The matters regarding inadequate flow of credit and inadequate number of applications is taken up in the block level, district level (DCC) and State level (SLBC) meetings, to impress upon the sponsoring agencies on the need for additional applications.

Recommendation (Sl. No. 30, Para No. 5.42)

The Committee also feel that ceiling of Rs. 6000/- for SC/ST as loan under the IRDP is too low keeping in view the continuous increase in prices. The Committee recommend that the ceiling of loan under IRDP should be suitably enhanced.

Reply of the Government

The ceiling of Rs. 6000/- for SC/ST is the ceiling for subsidy entitlement and not loan ceiling. 50 per cent of the project cost of Rs. 6000/- is the ceiling fixed on subsidy entitlement under IRDP (The present SWARN JAYANTI GRAM SWAROZGAR YOJANA) for SC/ST category which is the highest as against the ceiling of 25 per cent, 33 1/3 per cent for other categories. Under the IRDP, lending is for family and project oriented and there is no ceiling on the project cost. However, since the families are from BPL (Below Poverty Line), their capacity to repay is limited. Banks have been advised to ensure as far as possible to maintain subsidy credit ratio at 1:2.33.

Recommendation (Sl. No. 31, Para No. 5.47)

The Committee are surprised to note that Canara Bank has made tie-arrangements with some of these Corporations only recently. The Committee recommend that with a view to increase the flow of credit to SCs/STs, the Bank should establish contacts with all the existing SC/ST Corporations and participate in financing the viable schemes framed by these Corporations.

Reply of the Government

Bank's local offices have established liaison with State level SC/ST Corporations and branches are assisting the beneficiaries sponsored by them since long. The Karnataka SC/ST Development Corporation is one such Corporation wherein Bank has actively involved in financing the entrepreneurs sponsored by the Corporation. Such a liaison is maintained in all other States also.

Bank's controlling/Regional Offices are in regular touch with the SC/ST Corporations. However, bank has taken note of the Committee's suggestions and efforts will be intensified to finance more through such Corporations.

Recommendation (Sl. No. 33. Para No. 5.53)

The Committee has been informed that no credit camps meetings are held under IRDP for identification of beneficiaries. In the opinion of the Committee, Credit Camps (Grama Sabha) meeting should be held for identification of SC/ST beneficiaries and Bank Managers should be made responsible to select and provide credit to more persons from SC/ST community under this scheme.

Reply of the Government

Provision for credit camps at Village level exists. For successful implementation of IRDP, effective coordination between banks and Government officials at the field level is maintained. For this purpose, credit camps at village level or cluster of 3 to 4 villages where the beneficiaries can come without any difficulty have been found to be useful in completing formalities. IRDP beneficiaries are identified on the basis of BPL census. Canara Bank has reported that credit camps/meetings (Gram Sabha) are being held at all the villages in the beginning of the year to identify the prospective beneficiaries under the Scheme. The Branch Managers of the Service Area village do participate in the Gram Sabhas in association with the block level officials and the revenue officials.

Recommendation (Sl. No. 34, Para 5.54)

The Committee regret to note that the data on assistance to SC/ST in the Service Area Credit Plan is not readily available separately. The Committee feel in the absence of separate data it is difficult to say whether Scheduled Castes/Scheduled Tribes are getting their due share in total service area credit plan given to SCs/STs. The Committee, therefore, recommend that separate data should be maintained by Canara Bank in respect of SCs/STs Service Area Credit Plan. The Committee further recommend that the Banking Division of the Ministry of Finance should issue necessary instructions to all the nationalised banks in this regard to make it mandatory on their part.

Reply of the Government

The Canara Bank has noted the instructions of the Committee and separate data is now maintained by the Bank in respect of SCs/STs. The

details of disbursement to SCs/STs for the last three years is given below:—

Year	(Rs. in crores) Amount disbursed to SC/ST
June 1996	117.88
June 1997	149.78
June 1998	157.68

As per the revised format introduced by RBI, Banks are required to furnish information regarding total advances to SCs/STs to the concerned Lead bank on a quarterly basis under Service Area Management Information System (SAMIS).

Recommendation (Sl. No. 36, Para No. 5.58)

The Committee regret to note that data for the years 1993-94 and 1994-95 regarding the number of SC/ST students granted loan for higher studies have not been furnished to the Committee. The reason stated to be that the same is not available. The Committee take a serious note and recommend that in future data regarding Scheduled Castes/Scheduled Tribes beneficiaries should be maintained by the Bank separately and it must also be ensured that SCs/STs are not deprived of this benefit in future.

Reply of the Government

The instructions have been noted by the Bank. The Bank has noted to channelise educational loans to more number of SCs/STs. RBI also collects data in respect of loans granted to SCs/STs for educational purposes. As on last Friday of June, 1997, all Scheduled Commercial Banks have disbursed loan for educational purposes to SCs/STs to the tune of Rs. 5.93 crores in 3695 accounts during the year ended June, 1997.

Recommendation (Sl. No. 39 Para No. 5.67)

The Committee further recommend that before disbursing loans to rural artisans and small scale industries, the Bank should arrange some sort of training for the prospective borrowers so as to make them proficient in handling the job.

Reply of the Government

The Bank has been a pioneer in arranging training programmes for entrepreneurs through the training institutes set up by the Bank and in collaboration with other like-minded organisations. The bank have a specialised training institute exclusively for artisans, an institute exclusively

for women and one exclusively for SC/ST, minority community. Every year about 14000 youths are trained from these institutes. The details of the people trained in these institutes are given in the annexure. Canara Bank has co-sponsored RUDSET institutes wherein about 77,842 rural youths have been trained since inception, of which 15,199 belong to SC/ST. In addition, during the years 1997-98 and 1998-99, 3541 SC/ST entrepreneurs have been trained.

A brief report on Bank's various training institutes are given below:

1. *Rural Women Self-Employment Training Institute, Harohalli:*

The Institute was established in 1990 at Harohalli of Kakapura Taluk in Bangalore Rural District. It is an exclusive centre for promoting self-employment among women. This Institute has initiated multi-faceted activities like training, production, working of self-help groups, etc. The Institute has so far trained 2,391 women under self-employment and 4,565 women in orientation training programmes.

2. *Dr. Ambedkar Self-Employment Training Institute, Pudupudur:*

The Institute located in Coimbatore district of Tamil Nadu has created a very good impact in the lives of SC/STs, 4330 youths have been trained by the Institute to take-up productive ventures so far. The Institute has also promoted a 'Night School' at the campus to promote education among SC/ST youths.

3. *K P J Prabhu Artisans Training, Production & Marketing Centre, Jagaradooddi, Bidadi, Ramanagaram Taluk, Bangalore Rural District:*

To rejuvenate and promote the traditional art, the Institute was established by the Trust in 1991. The Institute imparts training in stone and woodcarving, metal sheet engraving and terracotta. While the first three trainings take 18 months, the terracotta art is taught in six months.

The training is provided free of cost in a campus exclusively set-up for the purpose.

'CAN ARTS COLLECTION CENTRE' — A sale cum Exhibition outlet has been set-up in Bangalore to promote sale of art crafts manufactured by the trained artisans. The trainees of the Institute have won several State and National awards and the quality of training has been maintained at a high level. The Centre provides under one roof all the facilities of training, production and marketing to the rural artisans. So far, 167 artisans have been trained under various art crafts.

4. *Subbarao Pal Self-Employment Training Institute, Wandoor:*

The Institute named after the founder of Canara Bank is situated at Wandoor of Malappuram District of Kerala and actively involved in promoting self-employment among minority youth.

The Institute has so far trained 3,496 youths under skill and 1,685 under orientation programmes.

5. A.D. Pai Institute for Rural Development, Vajarahalli:

The project is an attempt by the Bank towards bringing about peoples participation in development process, besides imparting training to rural youth. Situated in Vajarahalli of Bangalore Rural District, so far 1642 candidates have been trained in skill and 1,202 candidates in leadership.

6. Rural Industries Self-Employment Training Institute, Honnenahalli, Kolar:

This is an exclusive training centre for promoting industriousness among youth in rural places. The Centre has so far trained 1269 candidates in different skill oriented cottage and rural industrial training and 2,258 candidates in orientation programmes.

7. Adarsha Grama Project, Sonnahallipura, Hoskote Taluk, Bangalore Rural:

The project is located at a small village called Sonnahallipura in Hoskote Taluk of Bangalore Rural District in Karnataka State. The project besides imparting training to rural youth has also promoted a safe drinking water supply scheme and engaged in human resource development in its command area.

The Centre has provided training in self-employment to 1,599 candidates and 1,477 candidates in orientation programmes.

8. C. E. Kamath Institute for Rural Artisans, Kariakallu, Karkala:

Encouraged by the success of K P J Prabhu Artisans Training, Production and Marketing Centre at Jogaradoddi, the Bank (Trust) Promoted one more Institute at Karkala in 1996 to revive and promote the traditional art like carving. The Institute has already commenced its training programmes. Foundation stone has already been laid for the infrastructure development of the project. The Bank's role in self-employment creation in the rural areas have been appreciated by the public as well as Government alike and the responses of the unemployed youth to the training programmes have been encouraging.

Rural Development Self-Employment Training Institute (RUDSETI's):

In the year 1982, Canara Bank in collaboration with Syndicate Bank and Sri Dharmasthala Manjunatheswara Educational Trust started the RUDSET Institutes to impart training and motivate rural youth to take up self-employment ventures. Today there are 17 such Institutes, which are situated in Agra, Pune, Anathapur, Vetapalem, T Andipatti, Ghaziabad, Gurgaon, Bijapur, Mysore, Nelamangala, Dharwad, Ujire, Shivalli, Kannur and Chitradurga in seven states all over the country. The Institutes have so far trained 77,842 candidates and 50,535 have taken up productive ventures.

Bank's innovative rural development programmes:

In addition to establishing training Institute, Canara Bank initiated several innovative developmental activities since early 1970s.

Village adoption, establishment of resource development centres, promotion of adult education, providing rural circulating libraries, conducting rural health camps were the schemes launched during the period.

During 1982, the Bank set-up an exclusive section at Head Office to systematically initiate rural development activities in rural areas.

The major schemes implemented by the Bank are briefly highlighted below:

1. Rural Clinic Service (RCS):

The Bank launched this novel scheme with twin objectives of providing medical care to rural people and also to motivate qualified unemployed doctors to stay and work in villages. The schemes is encouraging more and more unemployed doctors to set-up clinics in rural areas, which lack medical facilities. So far, the Bank has assisted about 330 Doctors under the scheme.

2. Hari Kalayana Yojana (HKY):

In order to mitigate the problems of Scheduled Castes, the Bank launched the programme during 1998. Under the Scheme, a youth selected from the same village is given a grant assistance of Rs. 5,000/- to acquire productive assest. He acts as an Animator in the village and brings about transformation in the village with prople's participation. An additional grant of Rs. 15,000/- is provided to the village for developmental activities like sanitation and drainage, promotion of literacy and health etc. The Animator also brings in assistance from Government and Non-Government agencies to his colony for an all-round development.

The Hari Kalayana Yojana Scheme has been implemented in 390 villages benefiting the SC/ST communities of the area.

3. Rural Service Volunteer Scheme (RSV):

In the year 1982, the Bank pioneered a scheme called Rural Service Volunteers. The scheme offers an opportunity to the clerical cadre of the bank to work as full time rural development workers, the selected RSVs are delinked from the routine Bank job and permitted to stay in villages and work for its development. So far 96 workmen staff have put in service as RSV's covering more than 400 villages.

Their work has attracted the attention of eminent people and the press and is considered as an important volunteer effort in the field of socio-economic development of rural people.

4. *Cangrama Shikshana Kendra (CGSK):*

The CGSKs were devised in the year 1988, to provide a common platform for a cluster of villages where the people meet on a common forum and conduct activities for the benefit of the rural people. The scheme facilitates promotion of education, dissemination of information, health and stress to achieve brotherhood and unity.

Bank provides Rs. 25,000/- as grant for building infrastructure and contribution from locals come in the form of land and labour. The bank has so far constructed 19 CGSKs in different village in the country.

5. *Rural Resource Development Centre (RRDC):*

RRDCs are the physio-social structure promoted by the Bank during 1988 to facilitate progressive use of locally available resources for the well being of mankind and environment. RRDCs act as a nucleus for the benefit of a cluster of villages. The bank provides a grant assistance of Rs. 50,000/- for building each centre and contributions from villages in the form of land and labour. There are 19 RRDC Centres in various parts of the country.

6. *Jalayoga — Drinking Water Supply Scheme:*

The objective of the scheme is to provide safe drinking water to villagers. The scheme is being implemented in 19 lead districts of the Bank. The scheme provides for digging a bore well at a convenient place, the storing arrangement in 25,000 litre water tanks and supply through pipelines to the people. The total cost of the project is Rs. 41.80 lakhs.

7. *Grameen Mahila is Jagruthi Kendra (GMJK):*

This is an innovative scheme launched by the Bank during its 90th year of celebration exclusively for the welfare of rural women. An amount of Rs. 10 lakhs has been provided by the Bank to the Canara Bank Platinum Jubilee Rural Development Trust (CBP JRD TRUST) for constructing 20 centres at Rs. 50,000/- per centre. At present the scheme has been implemented by four branches.

8. *Rural Self-Employment Promotion and Research Guidance Centre (RUPREG), Holalur, Shimoga District:*

Canara Bank Platinum Jubilee Rural Development Trust (CBPJRD TRUST) has launched the above Institute on 30th March, 1999. The first batch of training programmes have already been commenced from 1st April, 1999

9. *Computer Training Centre for Urban Poor (CTCUP):*

The above training centre has been commenced under the aegis of KPJ Prabhu Foundation for promotion of Self-Employment. The training centre provides free computer training exclusively for the urban poor. The first batch of training comprising 20 trainees have commenced from 30th March, 1999.

In addition to all the above schemes, the Bank has launched schemes like Grama Vikas Yojana (GVY) and Planning for Development of Villages (PDV) for all-round development of villages aiming at inculcation of saving habits, resource development, making available various credit and non-credit programmes to the rural mass.

Recommendation (Sl.No. 40, Para No. 6.8)

The Committee note that in respect of loans upto Rs. 25,000/- and average time of 15 days is taken by the banks for disposal of the same and in respect of loans above Rs. 25,000/- maximum time of eight to nine weeks is taken. The Committee regret to note that inspite of these instructions, complaints are sometimes received regarding delay in sanctioning of loans. The Committee recommend that whenever cases of delay in sanctioning of loans by branches come to the notice of bank authorities, immediate action should be taken against persons responsible for the delay.

Reply of the Government

The Bank has been taking immediate action for redressal of complaints and the controlling office has been giving clear instructions for disposal of the cases. The Bank has noted the instructions of the Committee for compliance.

Recommendation (Sl.No. 41, Para No. 6.9)

The Committee have been informed that one main reason of rejection of loan application for SCs/STs is non-feasibility and non-viability of projects. The Committee are of the view that to help the SC/ST beneficiaries under the credit schemes, there should be subjective assessment to determine the viability of a particular scheme for which loan is sought. The Committee recommend that the SC/ST beneficiaries should be helped to prepare the viable project.

Reply of the Government

Bank has noted the instructions of the Committee. As it is, Bank is assisting SC/ST applicants in filling up the applications and drawing up project reports.

Recommendation (Sl. No. 42, Para No. 6.13)

The Committee regret to note that instead of giving Bank loans for various purposes to borrowers themselves, the loan proceeds are directly issued in the name of vendors towards purchase of assets on the plea that such payments prevent exploitation by middlemen/others. The Committee are of the view that such a practice is fraught with 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. The Committee are not in favour of present procedure. They, therefore, 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

Reserve Bank of India has reported that in respect of agricultural loans, Banks have been advised to disburse such loans in cash. As regards IRDP, it was decided under IRDP to permit disbursement of Bank loan in cash upto Rs. 10,000—under the cash disbursement scheme. Initially the cash disbursement was implemented in 50 per cent of the blocks. With effect from the year 1996-97, it has been extended to all the blocks in the country.

The guidelines of the PMRY scheme provide for sanction of composite loan upto Rs. 1.00 lakh (term loan+working capital). The cost of capital goods purchased is paid directly to the suppliers and working capital limit is released according to the requirements of the unit/activity. The present system is reported to be working satisfactorily.

Recommendation (Sl. No. 44, Para Nos. 6.20, 6.21 & 6.22)

The Committee have observed that the area-wise break up of the number of branches shows that there is a good sprinkling of the branches of the Canara Bank, particularly in respect of rural areas, yet in Assam, Himachal Pradesh, Madhya Pradesh and Rajasthan, the number of branches located in other state is quite less. The Committee recommend that the Canara Bank should gear up its machinery so that it does not fall into arrears in opening of new branches in unbankable areas of Assam, Himachal Pradesh, Madhya Pradesh and Rajasthan. The Committee hope that the new branches will be opened in rural areas of above mentioned States by the Canara Bank at the earliest. The Committee suggest that in view of the fact that in remote areas SCs/STs are not generally aware of the details of welfare programmes/schemes launched by the government due to their general ignorance and leading a life in isolation in remote areas of the country, adequate steps should be taken to popularise the various credit schemes among them. The Committee also recommend, the Bank should formulate a plan for opening mobile branches in remote areas, so that the poor SCs/STs do not face any difficulty to avail of the credit facilities from the Bank.

Reply of the Government

The details of the category-wise number of branches of the Bank, as on 31st December, 1998 and the details of branches opened and proposals in

the pipeline pertaining to the States of Madhya Pradesh, Rajasthan, Himachal Pradesh and Assam are furnished below:—

Total number of branches as on 31.12.1998:

Rural	760
Semi-Urban	635
Urban	505
Metropolitan	460
Total	2360

Number of branches (category-wise) in the following States:—

State	Rural	Semi-Urban	Urban	Metro	Total	Administrative Offices
Assam	4	5	5	—	14	1
Himachal Pradesh	5	6	—	—	11	1
Madhya Pradesh	6	10	17	13	46	1
Rajasthan	2	3	14	3	22	1

Number of branches opened and in the pipeline:

State	Branches opened during 1998	Branches opened during 1998-99	Branches in the pipeline
Assam	Nil	Nil	5
Himachal Pradesh	1 (Rural)	Nil	1
Madhya Pradesh	4 (Rural) 2 (Urban)	4 (Rural) 3 (Urban)	6
Rajasthan	1 (Rural)	1 (Rural)	8

CHAPTER III

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

Recommendation (Sl. No. 2, Para No. 2.9)

The Committee find that the statement showing the year-wise recruitment made by the Bank during 1993, 1994 and 1995 indicates considerable shortfall in the representation of Scheduled Castes and Scheduled Tribes in officers, Clerical & Substaff categories. While in 1993, 11 posts for SCs and 5 posts for STs were reserved in officer category only 1 SC and no ST was appointed against these posts and thus 15 posts reserved for them remained unfilled. Similarly, 8 posts in 1994 and 11 posts in 1995 in the officer category remained unfilled. In clerical category during the year 1993, 22 posts and in 1995, 36 posts reserved for SCs/STs remained unfilled. And in sub-staff category 18 posts reserved for STs remained unfilled in 1995.

Reply of the Government

All unfilled reserved vacancies in recruitment in officers's cadre JMG Scale—I for the years 1993, 1994 and 1995 have since been filled up.

In respect of clerical cadre, while unfilled reserved vacancies of years 1993, 1994 and 1995 have since been filled up, only 5 ST vacancies of the year 1995 remain unfilled. In the substaff category, again only 5 vacancies for the year 1995 remain unfilled.

Recommendation (Sl. No. 5 Para No. 2.12)

The Committee have a feeling that the above measure in itself may not result in wiping out completely the backlog in filling up the posts reserved for Scheduled Castes/Scheduled Tribes unless and until frequent inter-zonal recruitment are resorted to. The Committee, therefore, recommend that the Canara Bank should explore the possibility of introducing inter-zonal recruitment of SC/ST candidates in Clerical and sub-staff cadre.

Reply of the Government

As per the Govt. guidelines the recruitment in clerical and sub-staff cadre can be made on zonal/regional basis only, although there is no bar for candidates of other zones to apply for the post, particularly in clerical cadre. As stated in reply to para 2.9, the backlog has come down considerably. Hence, no need is also felt for introducing the inter-zonal recruitment.

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

The Committee are of the view that unless the liberal and sympathetic attitude is adopted towards Scheduled Caste/Tribe employees, the situation is not likely to improve. The Committee hardly need to point out that mere provision of reservation in promotions in favour of Scheduled Castes and Scheduled Tribes will have no meaning unless the vacancies reserved for them are actually filled by them if necessary, by giving them special concessions/relaxations in experience, etc.

Reply of the Government

The Bank is following all the instructions issued by the Government with regard to concessions/relaxations to be extended to SCs/STs at the time of recruitment as well as promotions.

Bank is conducting pre-recruitment training in SC/ST candidates who are appearing in Banking Service Recruitment Board written test.

After recruitment into the service of the Bank, training is imparted to the new recruits so as to equip themselves to the new Office environment.

Further, efforts are taken to impart pre-promotion training to the Officers belonging to SC/ST category who are eligible to take up the promotion test so as to bring them at par with their other colleagues and also to enable them to compete in the Departmental Examinations.

Bank is imparting pre-promotion training to all eligible SC/ST Officers in Junior Management Grade Scale—I who are eligible to take up test for promotion to Middle Management Grade Scale II.

Bank is also arranging pre-promotion training programmes for those SC/ST employees who are undergoing promotion process from Sub-staff to Clerk, from Clerical to Officers cadre. They are also providing study material to SC/ST employees free of cost.

The details of SC/ST employees who have undergone the pre-promotion training for the last 6 years are furnished here below:—

Year	Sub-Staff to Clerks		Total	Clerks to Officers		Total
	SC	ST		SC	ST	
1994	370	36	406	1416	305	1721
1995	279	32	311	1414	198	1612
1996	285	92	377	1222	820	2042
1997	1167	188	1355	1312	87	1399
1998	699	63	762	1129	126	1255

Further, Bank is extending the stipulated percentage of reservation in

promotions and recruitment of the candidates belonging to SC/ST category strictly as per the directives of Government of India.

Recommendation (Sl. No. 10, Para No. 2.26)

The Committee also recommend that to overcome the problem of non-availability of eligible ST candidates, in the feeder cadre the promotional posts should temporarily be diverted to direct recruitment of SC/ST candidates.

Reply of the Government

The Bank has been placing indents with BSRBs keeping in mind the instructions of the Government that the number of posts to the earmarked for reserved categories does not exceed 50% of the total vacancies filled during a year. In direct recruitment percentage of reservation for SC, ST and OBC categories are upto 49 $\frac{1}{2}$ %. There is hardly any scope for diverting unfilled reserved vacancies from promotion to direct recruitment quota.

Recommendation (Sl. No 12, Para No. 3.14)

The Committee note that the Bank provides pre-recruitment training to prepare the candidates to acquaint themselves with the written examination. In the view of the Committee, this is not a special Recruitment Training for SC and ST people exclusively. This is a training given to everybody. The Committee would like the Bank to make sincere and serious efforts to make provision for imparting pre-recruitment training exclusively for SC and ST candidates on regular basis to help the candidates to come up to the required standard.

Reply of the Government

The Bank is conducting pre-recruitment training for the candidates belonging to SCSTs and other religious minorities only. No pre-recruitment training is arranged for the candidates belonging to the General category.

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

The Committee also note that extensive pre-promotion training is being imparted to SCST employees so as to bring them at par with the general candidates. The Committee have no doubt that the pre-promotion training will improve the promotional prospects of SCST candidates to a great extent and benefit them immensely.

Reply of the Government

The point has already been explained under 3.14.

Recommendation (Sl. No. 16, Para No. 3.25)

The Committee note that according to the present policy of the Canara Bank, bank quarters are not provided to clerical and sub-staff cadre. However, they are paid House Rent Allowance. Keeping in view the social status of SCs/STs, it is very difficult for SC/ST employees to discharge their

duties properly in the absence of house accommodation especially when they are transferred from one place to another, as they do not get the house on rent easily the Committee recommend that instead of paying the House Rent Allowance, the Bank should hire suitable accommodation for SCST employees in all categories and allot the same quarters to them on usual terms and conditions.

Reply of the Government

As per the Bipartite Settlement entered into at Industry level covering the wage revision and other service conditions of employees of the Banks, the employees in the workmen cadre are eligible for HRA only. The Scheme for providing Banks accommodation for the Clerical and Sub-staff Cadre is not in vogue in the Bank except in Project Areas.

Recommendation (Sl. No 23, Para No. 5.15)

The Committee would urge that conscious efforts should be made by the Bank staff to periodically contact illiterate borrower and explain the salient feature of the existing schemes available for the SCST category. The Committee consider the Bank branches also can play a vital role by educating the prospective beneficiaries about various aspects of Bank finance an assessing potential in their area of operations and ensuring the end-use funds by close post-credit supervision and monitoring. This will help both the beneficiaries in increasing the production and enhancement in their income and the banks in the recovery of finance provided by them. The Committee recommends that the Canara Bank should take prompt and effective measures to remove the deficiencies.

Reply of the Government

The Bank has issued necessary instructions to the branches/offices.

Recommendation (Sl. No 32, Para No. 5.48)

The Committee regret to note that the performance of the Banks including Canara Bank in implementation of Poverty Alleviation Programme has not been reviewed by the Government/RBI during last three years. The Committee feel that such review was very essential for improving the performance of the Banks. The Committee, therefore, recommend that review of the performance of the Banks in poverty alleviation programme should be made every year and all possible steps should be taken to achieve the prescribed targets under SCST lending.

Reply of the Government

RBI/Government of India closely monitor and review the progress in the implementation of Poverty Alleviation Programme. RBI is also conducting special studies through its Regional Offices. Government of India conduct concurrent evaluation of IRDP. Five concurrent evaluation studies have been conducted on the performance of IRDP, a major poverty alleviation programme being implemented by banks. Modification in the guidelines of

the scheme are out on the basis of the concurrent evaluation. A Cell has been set up in RBI with Deputy Governor as the Chairman, to review the performance of Banks. Under PMRY, a self-employment scheme of the Government as well as IRDP, meetings of the Cell are held periodically. The representative of Banks and officials of various ministries as also officers-in-charge of regional RPCD of RBI are invited to participate in the meeting to discuss the problems faced in the implementation of these schemes and to suggest remedial measures to overcome the same.

Recommendation (Sl. No 35, Para No. 5.57)

The Committee note with regret that the number of SCST students who have been given loan for studies abroad by the Canara Bank is almost negligible. During the year 1995-96, out of 1166 students granted loan for pursuing higher studies in foreign countries number of SCST students was 49 only. The Committee recommend that Canara Bank should give wide and intensive publicity to the educational loan scheme so as to ensure that it reaches to the SCST masses and they get their due share in facility available.

Reply of the Government

Canara Bank is the leading Bank financing the students and the Bank's outstanding loan towards Education is Rs. 175.31 crores as on 31.3.1999 involving 28356 students. An amount of Rs. 4.20 crores has been disbursed to SCST comprising 1987 students. Under study abroad, a loan of Rs. 1.05 crores has been disbursed to 21 SCST students during the year 1997-98. This figure is progressively increasing. The bank has been giving a lot of publicity on the education loans and pamphlets have been brought out for the benefit of the students, highlighting the details of the various loan facilities available to them. Posters in the local languages have been displayed in the branches as well as in important public places to give wide publicity for the educational loan scheme. The Bank has noted the instructions of the Committee.

Recommendation (Sl. No 38, Para No. 5.66)

The Committee are constrained to note that the performance of Canara Bank has not been satisfactory in respect of share of SCsSTs borrowal accounts. Against the number of borrowal accounts held by SCST people, number of borrowal accounts in favour of them are declining and indicative of treatment being met out to the SCST people approaching to Canara Bank for loans. The Committee recommend that Canara Bank should be more conscious in future about its social obligations towards SCsSTs in the matter of disbursement of loans to them and efforts should be well directed so that these downtrodden sections may get a chance to come up to certain level.

Reply of the Government

The Bank has been initiating steps to improve the assistance to SCs/STs. Apart from helping the SCs/STs through regular credit programmes, the Bank has also been conducting non-credit and community developmental programme for the welfare of SCs/STs. The Bank has established a training institute exclusively for the benefit of SCs/STs at Pudupudur in Coimbatore. In other institutes also, due share is given to SCs/STs. So far, 7268 SC/ST youths have been trained and about 3149 youths have been settled in business. Bank trains about 10000 youths every year from the training institutes and follows up for another two years to ensure their settlement.

The Bank's Hari Kalyana Yojana is designed for integrated development of SCST colonies. The programme is aimed at integrated development of colony through a trained animator selected among the local residents. The Hari Kalyana Yojana scheme has been implemented in 390 villages benefiting the SCST community of the area. Vidyarthi Vikas Scheme: The Bank has launched a new scheme during the 50th year of independence. The scheme aims at adopting SCST hostel at different centres. The SCST students are given training to develop on aspects like personality development confidence, getting prepared for higher education, attitude to grow in their career path, etc. Each hostel is given a financial assistance of Rs. 5000/- to purchase books, necessary equipments, etc. Initially, Bank has selected one SCST hostel in each district of Karnataka State for implementing the programme. For the year 1998-99, 25 hostels are selected for adoption of which 50% of the hostels are exclusive girls hostels.

Recommendation (Sl. No 43, Para No. 6.14)

It is within the knowledge of the Committee that sometimes because of collusion between the bank officials and the middlemen a big chunk of the loan 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 and defaulting bank employees.

Reply of the Government

Reserve Bank of India have reported that Banks already have disciplinary Cells and an adequate vigilance machinery to detect instances of collusion between the bank officials and middlemen, fraudulent practices indulged in by the Bank's staff while dealing with loan applications received under poverty alleviation schemes/self-employment programmes, etc. Banks have been advised to submit a yearly statement regarding lapses committed by its Bank staff while implementing Poverty Alleviation Programmes and the disciplinary action initiated against staff found to have committed lapses.

CHAPTER IV

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

Recommendation (Sl. No 1, Para No. 1.7)

The Committee regret to note that despite their recommendations in their earlier reports on various Banks for appointment of an SCST member as director on all Nationalised Banks, there is no member belonging to Scheduled Caste/Scheduled Tribe on the Board of Directors of Canara Bank. The Committee are of the view that the Ministry has not made serious efforts in this regard. The Committee, therefore, recommend that the Government should make earnest efforts to appoint at least one person each belonging to SC and ST community as Director on the Board of Directors of Canara Bank

Reply of the Government

The nomination of part time non-official Directors on the Boards of Nationalised Banks, including Canara Bank, are made in accordance with the provisions contained in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme 1970/1980. The Central Government is required to nominate one non-official part time Director who has been a Chartered Accountant for not less than fifteen years on each of these Banks Boards under Section 9(3)(g) of the said Act. In terms of Section 9(3)(h) of the said Act, the Central Government is required to nominate not more than six part time non-official Directors amongst persons having special knowledge of practical experiences, in agriculture and rural economy, banking, cooperation, economics, finance, law, small scale industry, etc. and also to represent the interests of the depositors, farmers, workers and artisans. In terms of the provisions of Section 9(3)(i) of the said Act, these directors are required to be replaced in a phased manner by such number of share holders directors depending upon the percentage of total paid up capital of the banks subscribed by the public.

Although there is no specific provisions in the Act or the Scheme to appoint SCST member as directors on the boards of the nationalised banks, it is the endeavour of the Central Government to nominate the SC/ST candidates, women and minorities to the extent feasible subject to the availability of person from these categories who are otherwise found qualified to be appointed as Directors.

Recommendation (Sl. No. 4, Para No. 2.11)

The Committee regret to note from figures furnished to them that the representation of Scheduled Castes and Scheduled Tribes in officers and clerks categories is very low. Out of 14971 employees in officers category, the number of Scheduled Caste employees is 1855 and that of the Scheduled Tribe employees in 737 only. The percentage of SCST employees in this category of posts comes to 12.39% and 4.92% respectively. Similarly, in clerks category out of 27864 employees the number of Scheduled Caste employees is 4132 and that of Scheduled Tribe employees is 1161. Thus the percentage of SC and ST employees in this category is only 14.82 and 4.16 respectively. There is also huge shortfall of STs in sub-staff and sweepers categories. While giving reasons for such meagre representation of Scheduled Castes and Scheduled Tribes and also the efforts to clear backlog of SC/ST employees in the Bank, the Committee has been informed that the shortage of Scheduled Castes/Scheduled Tribes in all the categories of posts except in sweepers post is due to non-availability of SC/ST candidates. To overcome this difficulty, the Bank is conducting a special drive for clearing the backlog against the identified vacancies and backlog in respect of the sub-staff category will be cleared shortly as they have asked their Zonal Officers to recruit the staff. Backlog in the clerical and officers category will be cleared by December, 1997.

Reply of the Government

The percentage of representation of SCST in the cadre of Officers, Clerical, Sub-Staff and Part Time Employees in the Bank, as at 31.12.1998 are furnished here below:

GRADE/SCALE	SC		ST	
	No.	%age	No.	%age
OFFICERS (Scale-I to VII)	2140	13.66	915	5.84
JMG Scale-I (Officers)	1681	17.27	683	7.01
Sub-Staff	2226	22.68	386	3.93
Part Time Employees	779	30.66	134	5.27

The reasons for shortfall in the prescribed percentage of SCs and STs in Officers grade *i.e.*, from MMGS-II to TEGS-VIII are due to the reasons that these posts are filled up mostly by promotion from respective lower cadres. In promotions, from JMGS-I to MMGS-II and subsequent higher grades, there is no reservation as these are

filled up by selection method where certain concessions are available upto the promotions to Middle Management Grade Scale-III.

In promotion by selection to posts within Officers' cadre upto Scale III, the SC/ST Officers who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies for which the select list has to be drawn up, would be included in that list provided they are not considered unfit for promotion. Bank is strictly complying with the directives/guidelines of the Government of India in this regard. Other reasons for lesser representation of SC or ST candidates are, leaving the service of the Bank by such candidates after joining the Bank due to various reasons and their selection in better posts in civil services etc. During the period from 01.01.1996 to 31.12.1998, 22 Officers belonging to SC category and 12 Officers belonging to ST category have resigned from the services of the Bank for better prospects.

The representation of Clerks under SC category has increased from 14.02% in 1995 to 15.53% in 1998. The marginal reduction in the ST representation is due to promotion of 57 ST clerks to JMG Scale-I in 1996.

The representation of SCs under the sub-staff and Part time Employee categories is much above the stipulated percentage of 15. The Bank could not achieve the stipulated percentage under ST category due to reasons stated in reply to para 2.10.

Recommendation (Sl. No. 6, Para No. 2.13)

The Committee strongly recommend that the Canara Bank should clear the backlog in all the category expeditiously and they may be apprised of the latest position.

Reply of the Government

The position with regard to clearance of backlog has been stated in reply to para No. 2.9. The reasons for non-clearance of some backlog are stated in reply to para No. 2.10. The shortfall is expected to be fully cleared on allotment of candidates by concerned BSRBs and employment exchanges in clerical and sub-staff cadre respectively and on their reporting in the services of the Bank.

Recommendation (Sl. No 15, Para No. 3.21)

The Committee observe that the initiation of stringent action against those who secured employment in the Canara Bank by production of false caste certificate has been delayed in 37 cases out of a total of 78 cases owing to the non-receipt of cancellation of caste certificate. The Committee desire that the Canara Bank authorities should pursue the matter vigorously with the District Authorities so that criminal case could be lodged by the Canara Bank against the persons found guilty for furnishing false caste certificates. They also recommend that penal action should be taken against the culprits so that genuine SCs/STs are not deprived of their constitutional Rights.

Reply of the Government

The Bank has been following up the matter regarding cancellation of caste certificate with District Authorities vigorously. However, adequate response is not forthcoming from the District Authorities. Many a time, the replies are received very late delaying the process of initiation of action against the employees.

It is reported that out of 64 cases referred to District Authorities during 1996, 1997 and 1998, the authorities have responded only in respect of 5 cases and replies are awaited in respect of the remaining 59 cases. Efforts will be made to follow up remaining cases as well.

Recommendation (Sl. No. 18, Para No. 4.11)

The Committee also recommend that Liaison Officers should be appointed from amongst the Scheduled Caste/Tribe Officers working in the Bank and the Committee may be apprised of the progress made.

Reply of the Government

It has been the endeavour to post SC/ST Officers in various other areas of Banking and not to restrict their area of operation only to the areas of SC/ST matters as it might affect their career.

As per the instructions issued by the Government, the Liaison Officers should be preferably of the rank of General Manager/Deputy General Manager in the Bank. Wherever an Officer in the rank of GM/DGM is available belonging to SC/ST category they are preferably nominated as Liaison Officers. Although at present Bank could not nominate an SC or ST Officer as Chief Liaison Officer, there is one Liaison Officer belonging to SC category at Mumbai Circle.

Recommendation (Sl. No. 27, Para No. 5.34)

The Committee note that the maximum assistance to a beneficiary under DRI Scheme had been fixed at Rs. 6500/- for productive purposes in 1972. The Committee feel that in view of the decrease in the value of money this amount is insufficient for starting a productive and gainful project and in most of the cases it is practically converted into a consumption loan thus defeating the very purpose of DRI Scheme. The Committee, therefore, recommend that the limits of loan under DRI scheme should be increased upto 5 lakhs so that the real purpose of the scheme could be served.

Reply of the Government

The DRI Scheme was introduced in the year 1972. Under this scheme loans are granted at concessional rate of interest of 4% per annum. Banks, however, do not find it viable to lend at this rate in view of their cost of funds as well as cost involved in servicing the loan. However, Government has introduced several subsidy linked schemes. By this mechanism, while the Banks are not forced to lend at unviable rates, yet relief is provided to the beneficiary by Government subsidy. There is also reservation for SC/ ST

beneficiaries in these schemes. Thus, increasingly beneficiaries are showing preference for subsidy linked credit schemes such as PMRY and Sawaran Jayanti Savarozgar Yojana, etc. in comparison to DRI. Further, since interest rates of Banks have since been deregulated, it would not be appropriate to force the Banks to lend at 4%.

Recommendation (Sl. No. 45, Para No. 6.23)

The Committee have been informed that under certain Government sponsored schemes like IRDP/PMRY sufficient number of SC/ST applications are not received. The Committee are of the view that there are some lacunae in the lending procedure followed by the Canara Bank. The Committee recommend, the RBI to review the performance of credit facilities provided to SCs/STs and issue the guidelines to the Canara Bank to improve the credit facilities and Committee should be apprised of the action taken.

Reply of the Government

The guidelines under PMRY schemes provided for a reservation of 22.5 per cent for SC/ST and 27 per cent for other backward classes (OBCs). Details of loans sanctioned and disbursed under the Scheme to persons belonging to these categories during the last three years are furnished below:

Performance under the scheme (Rs. lakhs)

Programme Target year	Total sanctioned		Of which sanctioned SC/ST		% Col. 5 to Col. 3	Total loans disbursed to SC/ST		% Col. 8 to Col. 5	
	No.	Amount	No.	Amount		No.	Amount		
1	2	3	4	5	6	7	8	9	10
1995-96	321360	288645	168058.11	43770	24548.58	15	30722	14814.28	70
1996-97	307163	269412	163972.07	34669	19820.92	13	24408	13524.82	70
1997-98	345000	266352	159111.86	37490	21447.49	14	25061	13266.15	67

It is observed that the number of cases sanctioned to these categories as a percentage to total sanction was well below the reservations provided under the scheme. However, the performance of Banks in lending to Scheduled Castes and Scheduled Tribes under different Government sponsored schemes is reviewed by Reserve Bank of India as well as Government of India periodically. Recently such meeting was held by Government of India on October 14, 1999 to review among other things, the performance of public sector banks in lending to weaker sections including Scheduled Castes and Scheduled Tribes.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES HAVE NOT BEEN RECEIVED

Recommendation (Sl. No. 37, Para No. 5.61)

The Committee note that housing advances upto Rs. 5000/- are granted by the Bank to Scheduled Castes/Scheduled Tribes at the concessional rate of interest of 4 per cent. The Committee do not consider the amount of Rs. 5000/- as sufficient for construction of a house keeping in view the escalation in the prices of the various building materials and higher labour charges involved. The Committee, therefore, recommend that the Ministry should take up with the RBI the matter of upward revision of housing loans under DRI scheme.

Reply of the Government

Reserve Bank of India have stated that in the present scenario marked by deregulation of interest rates and taking into account the strain under which the banks are functioning at present, it is not feasible to increase the quantum of housing loan under DRI scheme at the present rate of interest of 4 per cent per annum. However, Housing Loan (both direct and indirect) upto Rs. 5 lakhs has been included in lending under priority sector. Financial assistance is available to those below poverty line under Indira Awas Yojana. Government is also separately examining a scheme prepared by National Housing Bank which envisages reduction of interest rate for small borrowers for housing.

NEW DELHI;
November, 2000

Agrahayana, 1922 (Saka)

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