



भारत सरकार

Government of India

राष्ट्रीय अनुसूचित जन जाति आयोग

National Commission for Scheduled Tribes

(A Constitutional Body set up under Art. 338A of the Constitution of India)

File No. Review/MFIN/Bank (CANARA)/2018/RU-IV

Dated: 16.09.2019

To,

The Managing Director & CEO,
Canara Bank,
 Head Office,
 112, J.C. Road,
 Bengaluru – 560 002.
 (Karnataka).

Sub: Report and Recommendation under Article 338A of the Constitution of India on the performance of the Canara Bank for the upliftment, financial inclusion and socio-economic development of Scheduled Tribes.

Sir,

I am directed to refer to the subject mentioned above and to forward herewith a copy of the report in the matter of review and monitoring of financial inclusion schemes for STs being implemented by Canara Bank Circle Office, Indore undertaken by the Joint Secretary, NCST at Canara Bank Circle Office, Indore on 02.08.2019 for necessary action at your end. It is therefore, requested to intimate an action taken report on the suggestions/recommendations to the Commission within 30 days for placing the same before the Hon'ble Commission.

Yours faithfully,

(Y.K. Bansal)
 Research Officer
 Ph. No. 24601346

(Encl: as above)

Copy along with copy of the Minutes of the meeting held on 02.08.2019 forwarded for necessary action to:

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| <p>1. The Chief General Manager,
 Canara Bank,
 Circle Office – Omega Tower,
 32, Mechanic Nagar,
 Bhamori,
 Indore – 452 010
 (Madhya Pradesh).</p> | <p>2. The Secretary,
 Department of Financial Services,
 (Banking & Insurance Division),
 M/o Finance,
 Jeevan Deep Building,
 Sansad Marg,
 New Delhi – 110 001</p> |
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*For information & upload at Commission's website to
 NIC, NCST
 07/10/19*

National Commission for Scheduled Tribes

Canara Bank Review

ST Profile in Canara bank under various govt.
schemes

2/8/2019
8/2/2019

Govt. of India

National Commission for Scheduled Tribes

REPORT AND RECOMMENDATION UNDER ARTICLE 338A OF THE CONSTITUTION OF INDIA ON THE PERFORMANCE OF THE CANARA BANK FOR THE UPLIFTMENT, FINANCIAL INCLUSION AND SOCIO-ECONOMIC DEVELOPMENT OF SCHEDULED TRIBES.

DATE OF REVIEW - 02-08-2019

The National Commission for Scheduled Tribes (NCST) is a Constitutional body set up under article 338A of the Constitution of India to investigate and monitor all matters relating to protection, welfare and socio-economic of Scheduled Tribes in the Country. As per constitution provisions the Union and every State Govt. shall consult the Commission on all major policy matters affecting Scheduled Tribes. The NCST is required to present to the Hon'ble President of India Report(s) on working of those safeguards and all such reports are to be laid before each House of Parliament along with memorandum explaining the action taken or proposed to be taken on recommendations relating to the Union and reasons for non-acceptance, if any, of any such recommendations.



2- In pursuance of provision of 338A, a review meeting was held by Shri Sisir Kumar Ratho, Joint Secretary, NCST on 02-08-2019 at Indore on evaluation and monitoring of bank performance towards Financial Inclusion of Scheduled Tribes in Madhya Pradesh state.

3- The meeting was presided by Shri Sisir Kumar Ratho, Joint Secretary of National Commission for Scheduled Tribes along with regional officer Ms. Deepika Khanna and Mr. Mohammad Osama from Quality council of India in presence of-

1- Mr. Rahul Bhawe General Manager Canara Bank, Circle Office, Bhopal,

Madhya Pradesh Circle

2- Mrs. A K Bhooma, Divisional Manager, Canara Bank, Regional Office Bhopal,

3- Shri Arvind Mudwel, Divisional Manager, Canara bank, Regional Office, Bhopal,

4- Shri J C Sharma, Divisional Manager, Canara Bank, Regional Office, Indore,

5- Shri Anshul Bhargava, Senior Manager, Canara Bank, Circle office, Bhopal,

6- Shri Vasudev Patider, Senior Manager, Canara Bank, Regional Office, Bhopal,

7- Shri Ashok C Vyas, Senior Manager, Circle Office, Bhopal.

The review was centered around major government schemes introduced after 2014 which included mainly Pradhan Mantri Jan Dhan Yojana (PMJDY), MUDRA Scheme, Stand-up India Scheme, Atal Pension Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Aadhaar Seeding, Business Correspondents (BCs), Priority Sector Lending, General Lending and few more discussion took place to come up with a way forward in inclusive growth of Scheduled Tribes.

Madhya Pradesh is having ST population of 1,53,16,784 out of total population of 7,26,26,809 which is 21.1% of total population of the state. Out of these, CANARA bank has opened 1824 accounts of STs under PMJDY which is 0.75% of total PMJDY accounts opened by the bank. In case of Aadhaar seeding, only 0.82% of STs Holding saving bank accounts is getting benefits of the same.

1- Pradhan Mantri Jan Dhan Yojana (PMJDY)

In Madhya Pradesh more than 2,43,825 accounts were opened by CANARA Bank till 20.07.2019 out of which only 1824 are of STs which comes out to be as 0.75% of total number of PMJDY accounts and of all these accounts only 1431 are operative. Whereas in Indore Profile of Scheduled Tribes in the bank is almost negligible where in many cases they are not even touching 1% of total population. In terms of operative accounts the percentage of active accounts of STs under PMJDY stands 93.44% which shows the consistency of usage of the accounts by STs. The graph of STs in terms of availing and repaying the overdraft is not well enough as there are only 344 such accounts that has availed the facility of overdraft and only three have repaid the same. RuPay card issued to STs are very less as compared to total population availing the facility, in terms of percentage it stands only 0.62%.

*** Out of total PMJDY accounts in Madhya Pradesh, STs Share is only 0.75%**

2- AADHAR Seeding

There are more than 1.5 million accounts in Madhya Pradesh out of which there are only 12366 are of STs Account which is only 0.82% of total number of saving accounts. In terms of accounts using AADHAR for transaction almost 68% of total STs Accounts are availing the facility of AADHAR seeding.

Major challenge faced by the banks were, beneficiaries having multiple accounts hence they are not able to use AADHAR card for transaction as it can be used for transaction by one bank only. The other major problem was of direct benefit transfer that requires linkage of AADHAR card with Bank Account so that it can be used while Direct Benefit Transfers (DBTs) hence due to multiple linkages with multiple bank accounts for a single person, it becomes like a chain while tracking the DBTs.

*** Only 0.82% of 1.5 million savings accounts are of STs.**

*** 68% of total ST account holders are availing the benefits of AADHAR Seeding.**

3- Pradhan Mantri Suraksha Bima Yojana (PMSBY)

There are 211015 accounts in Madhya Pradesh availing the facility of PMSBY out of which only 1722 are of STs which is again less than one percentage and is only 0.82%. Out of these, almost 93% are actively availing the facility by depositing the premium of Rs.12/- per year.

Major challenge observed by the bank was that the accounts were not having sufficient balance of Rs.12/- to provide them with the benefits of PMSBY.

*** Out of total 2, 11,015 accounts in Madhya Pradesh, only 0.82% is of STs that are availing the benefits of PMSBY.**

4- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

Total number of accounts opened to avail the facility of PMJJBY is 86466 out of which only 789 are of STs which is 0.91% of total accounts. Out of these 92% are actively availing the facility of PMJJBY.

Major challenge observed by banks was same as in case of PMJJBY, the bank accounts were not having enough balance in their account and hence they are not able to avail this facility.

*** 0.91% of 86466 accounts under PMJJBY in Madhya Pradesh are of STs who are availing the benefits of PMJJBY.**

5- Pradhan Mantri MUDRA Yojana

Total number of accounts sanctioned under MUDRA Yojana is 12489, out of which only 238 are of STs which is 2.64% of total; sanctioned accounts. Total amount sanctioned under MUDRA Yojana stood 410.15Cr out of which 3.54Cr were given to STs which is 1.79% of total sanctioned amount. In terms of repayment only 0.59 Cr were repaid by the STs.

The major problem faced by the banks while providing the MUDRA Yojana was the lack of awareness and lack of banking touch points in far flung areas and the behavior of the local population which depends more on the traditional way of borrowing money from individuals/unorganized money lenders.

*** Out of 12489 accounts under MUDRA Yojana in Madhya Pradesh, only 238 (2.64%) are of STs Account who are availing the benefits of Pradhan Mantri MUDRA Yojana.**

6- General Lending

The number of accounts sanctioned the general lending in Madhya Pradesh are 46151 out of which only 1145 are of STs and almost 92% of these accounts are operative. The amount sanctioned under general lending category is 6681.19crore while only 6005crore were disbursed under the category.42.92crore of whole disbursed amount has been given to STs which is 0.71% of total disbursal. In terms of repayment of loan, more than 25% of STs have repaid there loan as compared to overall repayment which is not even touching the 10% figure.

*** Only 2.48% of total accounts sanctioned the general lending are of STs.**

7- Priority Sector Lending (PSL)

Under PSL category there are 29134 accounts sanctioned out of which there are 770 accounts of STs and all are operational. The amount sanctioned under PSL category is 701.43crore and the disbursal is 1356.36crore which is almost double the total sanctioned amount. The amount provided to the ST beneficiaries is only 28.84crore which is 2% of total sanctioned amount. In repayment of PSL again the STs are well of as compared to the overall PSL repayment, out of 28.84crore disbursed amount to STs, 17.31crore (60%) has been recovered as compared to 661.23crore total recovered amount which is around 50% of total recovered amount.

The major challenge faced by the banks was the lack of financial awareness among the Scheduled Tribes as they are not aware of the benefits and various schemes that they can avail and hence the banks find it very difficult to provide them with such schemes/benefits.

*** The amount provided to ST beneficiaries under PSL is only 2% of total sanctioned amount kin Madhya Pradesh.**

8- Business Correspondents (BCs)

Total number of BCs in the state is 77 out of which only 4 are STs and all of them are active. Transaction done by the BCs is only 42.15crore as compared to 4.24crore which is 10% of total transaction. Bank does not have data of number of accounts opened by the BCs and credit/deposit done by the BCs.

Major challenge faced by the BCs is of network connectivity which is operated by VSAT and it requires a huge set-up of channel to connect with the satellite. VSAT is costlier and heavy to carry; hence BCs are not able to work efficiently.

*** Total number of BCs in the state is 77 out of which only 4 are working in Tribal dominated area.**

9- Stand-Up India Scheme

The bank has opened 20 account under Stand-Up India scheme where in there are 5 ST account holders and have availed the benefit of 0.91crore out of 5.04crore sanctioned amount. The repaid amount in the bracket of STs was almost negligible as compared to 1.64crore of total repayment.

*** Under Stand-Up India Scheme, there are 5 ST account holders out of total 20 accounts under the same bracket in Madhya Pradesh.**

10- CSR activities of the Bank

The bank has started CANARA VIDYA JYOTHI SCHOLARSHIP SCHEME is providing scholarship to SC/ST meritorious girl students from government/government aided schools all over India in the following manner-

- For class 5th, 6th & 7th an amount of Rs.2500/- each.
- For class 8th, 9th & 10th an amount of Rs.5000/- each.

In the year 201-18 bank has given the scholarship of Rs.3.99crore and in 2018-19 Rs.3.48crore. Besides, Canara Bank currently owns 23 Rural Self Employment Training Institutes (RSETI) and 27 Rural Development & Self Employment Training Institute (RUDSETI) out of these one RUDSETI is functioning in Bhopal Madhya Pradesh. 2617 STs have been trained in these institutes whereas the figure touches 45672 in terms of total candidates trained in these institutes. Total candidates trained in RUDSETI, Bhopal, Madhya Pradesh are 11538 since its inception out

of which 756 ST candidates were trained. Canara Bank has also distributed blankets, provided E-Rickshaw for transporting patients, providing water cooler with purifier and many more as part of their CSR activities.

*** The General Manager of CANARA BANK has also suggested start a fourteen days Programme, wherein every bank branch of CANARA BANK will be dedicated to facilitate STs with at least one government scheme.**

11- Following are the recommendations given by the bank:

- a- Under the government sponsored socially oriented insurance schemes, PMSBY & PMJJBY are implemented through bank accounts with an annual premia of Rs. 12 & 330 4comparatively less, govt. may think of extending concession/waving the premia through insurance companies for insuring 100% coverage, to enable them to reap the benefit of the schemes.
- b- For Atal Pension Yojana (APY), PFRDA may come out with relaxed guidelines exclusive for ST categories that are not covered by any statutory social security schemes and not income tax payer, by considering 25% of the yearly contribution as an incentive.
- c- It is suggested that, government may examine introduction of a compensatory scheme for BCs deployed at tribal areas in providing fixed remuneration component from the FIF scheme of NABARD, as reimbursement to banks.
- d- Govt. to set-up Exclusive Marketing Arrangements to ST categories for realizing the products manufactured.

12- Conclusion

Participation of STs under financial oriented schemes is almost negligible, which requires more efforts from the banks' side to bring them in to the fold for inclusive growth. In most of the schemes the percentage of STs is not even reaching 1% of total account holders as against 21.1% of ST population in Madhya Pradesh which shows that they are financially excluded. Training and awareness campaign organized by the bank is not enough to make the population aware of the government schemes.

13-Following are the observations of the Commission:

- (i). It is seen that the participation of STs under various financial schemes of Govt. of India is almost negligible.
- (ii). STs are well off in repayment of the loan as seen in case of Priority Sector Lending 60% of the amount sanctioned to STs has been recovered while the overall recovered amount is only 48.74%.
- (iii). Similarly in case of general lending, the percentage of amount of loan repaid by the STs is 24.77% of the amount disbursed to them, while overall percentage of repayment of general lending stand below 10% of the total disbursed amount.
- (iv). Under Pradhan Mantri Jan Dhan Yojana, it is observed that STs are withdrawing only 7.74% of total deposit done by them as compared to 43.47% of withdrawal from total deposits.
- (v). Banks are not flagging the account to categories them into SC, ST, OBC or any other category.

14- Following are the recommendations by the Commission:

- (i). Bank should ensure the inclusive growth of the STs by facilitating more and more ST account holders and linking to Aadhar should be preferred mode of KYC for STs.
- (ii). Bank should ensure the awareness of these products and schemes to the remote areas where the concentration of STs are comparatively higher.
- (iii). Bank must ensure that there should be at least 20% of the ST candidates trained in the RUDSETI, Bhopal, Madhya Pradesh as against 21.1% of total ST population only 6.7% of the trained candidates are STs.
- (iv). Bank should also develop a dashboard for monitoring and evaluation of BCs, especially in tribal sub-plan area.
- (v). Bank should deploy atleast 20 more BCs in Tribal dominated area as the current figure suggest that only 4 BCs are working Tribal dominated areas.
- (vi). The current compensation rate of BCs should be increased for transactions in Tribal sub-plan areas or for ST beneficiaries.


04.09.19
शिशिर कुमार राथो/Sisir Kumar Ratho
संयुक्त सचिव/Joint Secretary
राष्ट्रीय अनुसूचित जनजाति आयोग
National Commission for Scheduled Tribes
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