

RBI/2006-07/28
RPCD.NO.SP.BC. 3 /09.03.01/2006-07

July 1, 2006

**The Chairman / Managing Director,
All Public Sector Banks**

Dear Sir,

**Master Circular - Priority Sector Lending- Special Programmes Scheme for
Liberation and Rehabilitation of Scavengers (SLRS)**

Reserve Bank of India has, periodically, issued instructions/directives to banks with regard to operationalisation of the Scheme for Liberation and Rehabilitation of Scavengers (SLRS). To enable banks to have current instructions at one place, a Master Circular incorporating all the existing guidelines /instructions / directives has been prepared and is appended. We advise that this Master Circular has been updated and consolidates all the previous instructions on the subject issued by Reserve Bank up till date as indicated in the Annexure - IV.

Please acknowledge receipt.

Yours faithfully,

(G. Srinivasan)

Chief General Manager

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SCHEME OF LIBERATION AND REHABILITATION OF SCAVENGERS (SLRS)

The Government of India have launched on March 22, 1992 a National Scheme for Rehabilitation of Scavengers and their dependents. Particulars of the Scheme as well as detailed guidelines to be followed by the banks in implementing the scheme are circulated to all public sector banks vide RBI Circular RPCD.SP.BC.84/C.665(SRS) 92/93 dated March 20, 1993.

1. The Scheme

1.1 The objective of the scheme is to liberate scavengers and their dependents from their existing hereditary and obnoxious occupation of manually removing night soil and filth and to provide for and engage them in alternative and dignified occupations within a period of five years.

1.2 While Ministry of Urban Development will implement the programme of conversion of dry latrines in to water borne flush latrines to liberate the scavengers from their obnoxious occupation, the Ministry of Welfare is entrusted with implementation of Scheme for their rehabilitation in an alternative occupation.

1.3 The Scavenger is one who is partially or wholly engaged in the obnoxious and inhuman occupation of manually removing night soil and filth .The dependent of a Scavenger is one who is a member of his/her family or is dependent on him/her irrespective of the fact whether he is partially or wholly engaged in the said occupation.

1.4 The Scheme would cover primarily all scavengers belonging to Scheduled Caste community and scavengers belonging to other communities engaged in servicing specifically dry latrines, to eliminate the practice of manual scavenging. Persons engaged in cleaning occupations other than dry latrines are not eligible for assistance under the scheme.

1.5 Women form a bulk of the work force engaged in manual scavenging and continue to be engaged so after men of the family have shifted to more dignified professions. First priority, therefore , should be given to rehabilitation of women.

1.6 The Scheme comprises of the following components:

(I) Time bound programme for identification of scavengers and their dependents and their aptitude for alternative trade through a survey.

(ii) Training in identified trades for scavengers and their dependents at Government training institutions .

(iii) Rehabilitation of scavengers in various trades and occupations by providing subsidy.

2. Salient Features

2.1 The National Scheme of Liberation and Rehabilitation of Scavengers is applicable to **Public Sector Banks**.

2.2 The Scheme would cover scavengers in urban areas, semi-urban areas, rural areas and any other town or area including Cantonment boards, colonies set up by public sector undertakings etc. where manual scavenging prevails.

2.3 The unit for assistance under the scheme is not the family but each scavenger and each dependent of the scavengers.

2.4 Implementing agencies should sponsor for assistance under the scheme candidates above 18 years of age as advancing loans to minors acts as disincentive from attending school.

2.5 For the purpose of training in various trades the age limit is 18-50 years.

2.6 No minimum qualification is prescribed for providing training to scavengers.

2.7 Rehabilitative training will be provided by the Training Institution set up by the Government of India, State Government,/ UT Administration to private scavengers and their dependents including the dependents of scavengers employed by local bodies in suitably identified trades keeping in view their aptitude and local requirements and environments.

2.8 The duration of the rehabilitative training imparted in training centers run by different departments of the state Governments and Central Government would range from one month to six months.

2.9 The entire cost of training will be borne by the Central Government.

2.10 A list of trades identified for the purpose of offering to the scavengers and their dependents keeping in view their aptitude is indicated at **Annexure I**.

2.11 Loans granted by banks to the scavengers under the scheme will be eligible for classification under priority sector and loans up to Rs. 6500/- as loans under Differential Rate of Interest Scheme.

2.12. Funding

2.12.1 The scheme provides for funding of projects costing up to Rs. 50,000/- per beneficiary and also for margin money to the extent of 15% of the project cost at 4 % rate of interest.

2.12.2 For projects costing Rs. 50,000/- the break up would be Rs. 10,000/- subsidy, Rs. 7,500/- margin money from State Scheduled Caste Development Corporations (SCDC)and Rs. 32,500/- loan from the banks.

2.12.3 Under the scheme subsidy would be 50 % of the project cost with a minimum ceiling of Rs. 10,000/--.

2.12.4 Thus for financial assistance the maximum project cost would be Rs. 50,000/-with 50 % subsidy with a maximum ceiling of Rs. 10,000/- and 15% as margin money.

2.12.5 Loans up to Rs. 6500/-are treated as loans under DRI Scheme and concessional rate of interest at 4 % is extended notwithstanding the fact that the project cost may exceed Rs. 6,500/-. Where the loan sanctioned / disbursed is more than Rs. 6,500/- such loans will attract rate of interest according to RBI directive on interest.

2.12.6 The bank should ensure that as far as possible the entire loan amount along with subsidy and margin money loan is disbursed at the time of acquisition of assets in one instalment to enable borrower to purchase assets of right specifications. However, if loan is disbursed in stages, the banks should ensure that the entire subsidy amount and margin money assistance is done as soon as 25 % of the sanctioned loan amount is disbursed

2.12.7 Eligibility

2.12.8 An applicant may be considered for assistance even if he/she had been assisted earlier under any subsidy linked scheme if the applicant is otherwise eligible. However, an existing defaulter applicant will not be eligible for assistance. A member of family being a defaulter need not be a bar for considering the application of another member of the family for assistance.

2.12.9 To enable the SCDC to formulate large economically viable projects and to inculcate a feeling of self-help among the scavengers " Group Projects" are allowed . The SCDC should formation of Group Projects and pool together permissible subsidy and margin money loan.

2.12.10 Security

The security for the loan will be only hypothecation of assets created out of the loan / subsidy in favour of the banks. The SCDC is allowed to have second / parri passu charge over thee assets to cover their margin money loan assistance.

2.12.11 Repayment

The repayment of loans will be in monthly / quarterly installments within 3 to 7 years inclusive of grace period not exceeding six months. The recovery will be first appropriated towards recovery of banks' dues. To step up recovery position banks should organize regular recovery drives and make follow up visits to borrowers to verify that the assets created out of assistance are maintained properly.

2.12.12 Loan Pass Book

A loan pass book will be issued by the financing bank to the borrower showing his /her name , address , date and amount of loan, purpose, rate of interest, period of repayment , number and amount of installments of repayment, payment and amount of interest payable if there is no default etc. The amount of subsidy granted to the borrower and date of disbursement will also be indicated.

3 The Role of banks

3.1 The approach towards the scheme should be employment / income oriented instead of target oriented. The successful implementation of the scheme depends on effective participation and monitoring by banks at all levels. Banks should therefore pay particular attention to this aspect and ensure that sufficient number of branches effectively participate in the implementation of the

scheme in close association with the State Local Scheduled Caste Development & Finance Corporations. Banks should allocate targets for financing of beneficiaries by proportionately distributing the total target under the scheme for the districts under ACP, among all bank branches covered for DCP as per the availability of eligible beneficiaries within the area of operation of the branches. Bank may issue suitable instructions to their branches / controlling offices for implementation of the scheme.

3.2 The banks should ensure that their branches extend all co-operation to the applicant beneficiaries and not ask for documents, guarantees etc. not envisaged in the scheme.

3.3 The banks should not insist for deposit amount in the fixed deposit from the beneficiary.

3.4 The banks should adopt simple and transparent procedure to eliminate middlemen operating between the beneficiaries and the banks and expedite disposal of applications timely.

3.5 All loan applications up to a credit limit of Rs. 25, 000/- should be disposed of within a fortnight and those for over Rs. 25,000/- within 8 to 9 weeks.

3.6 Proper record of receipt and disposal of applications as required should be maintained.

3.7 Branch Managers may reject applications (except in respect of SC / ST) provided the cases of rejections are verified subsequently by the Divisional / Regional Manager. Applications should not be rejected on flimsy grounds. In case of rejection of application reasons for rejection of application should invariably be recorded.

3.8 All loan applications pending beyond prescribed time limit should be disposed of on priority basis.

3.9 The performance of banks under the scheme may be periodically reviewed at different for a under the Lead Bank Scheme, at SLBC meetings etc.

3.10 To encourage lending to the beneficiaries efforts should be made to educate and reorient the attitude of the banks' staff for an attitudinal shift.

3.11 To meet the target banks should improve their pre-sanction scrutiny and tighten post disbursement follow up.

3.12 A Committee at District level under the Collector comprising of District Manager, Social Welfare Officer and representatives of Lead Banks may be set up to screen the applications. The Committee should meet periodically at least once in two months.

3.13 A joint committee of the Lead Bank and Scheduled Castes Development Corporation should be set up to oversee the implementation of the scheme and remove procedural bottlenecks and avoid rejection of applications on the grounds other than technical unavoidable .

4. Implementing Agencies

National Level

4.1 The Ministry of Welfare is the implementing as well as nodal agency at the national level. There is central Monitoring Committee under the Chairmanship of the Secretary, Ministry of Welfare, with representatives from the Ministries/ Departments of the Urban Development, Rural Development, Labour, Education, Banking, Small Scale Industries, Planning Commission and the State Governments which meets once in three months to evaluate the implementation of the scheme and to take collective action. The composition of the committee is given at **Annexure II.**

State Level

4.2 Secretary in-charge of Scheduled Castes Welfare in the State is responsible for the implementation of the scheme. He co-ordinates the implementation of the scheme with the Central Government as well as with Departments of the State Government. The State-level Scheduled Castes Development and Finance Corporation is the chief agency for the implementation of the scheme.

District Level

4.3 The District Collector/District Magistrate/Deputy Commissioner of the district is responsible for overall implementation of the scheme.

The District Managers/Assistant Managers of the State Scheduled Castes Finance and Development Corporations are responsible for the day-to-day implementation of the scheme.

Local Body Level

4.4 The State Government/District Office/District Collector constitute a small Committee for each town wherever the number of scavengers may be about 100 or more than 100. The District Officer may constitute suitable representative Mohalla Committees with appropriate persons/officers as Chairpersons and convenors. The local body level Committee and the Mohalla Committees help in the identification of scavengers and provide forum for discussions or initiating corrective action in the implementation of the programme.

5 Monitoring & Evaluation

The implementing agencies at the national, State, district and town levels monitor and evaluate the implementation of the scheme and take corrective action so that the programme is implemented according to targets fixed.

5.1 The implementing branch shall submit a monthly statement as per **Annexure III** to the Lead Bank Officer (in the case of branches of the lead bank) or to the District Co-ordinator (in the case of branches of other banks) as also to their respective controlling offices. The concerned Lead Bank Officer/District Co-ordinator should consolidate the data in the same format in respect of all the branches of his bank in the district so that the performance data of each bank in each district under the scheme is available. The District Co-ordinators should also send the consolidated data in respect of their branches in the district to the Lead Bank Officer so that bank-wise data can be placed before the District Consultative Committee, for review at its Meetings.

5.2 The controlling offices of banks should consolidate the data in respect of all the branches under their jurisdiction and furnish the same to the Regional/Zonal Offices at the State-level. The Regional/Zonal Offices of the banks at the State-level should review the progress in implementation of the scheme by their branches for the State as a whole. The State/Union Territory level data should be made available by the Regional/Zonal offices of each bank to the convenor of the State Level Bankers' Committee for review at the SLBC meetings. One copy of this statement will also be furnished to the concerned Regional Office of RPCD of Reserve Bank of India.

5.3 The Regional/Zonal Offices of banks should make available the State/Union Territory-wise data to the Head Offices of the banks for review. Head Offices of the banks should review the performance of the banks under the scheme on the basis of such statements. The Head Offices of banks shall send to Rural Planning and Credit Department, Reserve Bank of India, Central Office, Mumbai their performance data giving State/Union Territory-wise details by the end of the next month to which the data is related.

5.4 The format given in **Annexure III** will be used for reporting of data by the Controlling/Regional/Zonal/Head Offices of banks as well as the SLBC convenors.

Annexure I

List of Trades

Vide paragraph 1.6 (iii)

<u>Agriculture and Allied Sector</u>	Photo Studio
Bullocks and carts	Repair of refrigerators/coolers etc.
Supply of Diesel pumpsets and pipelines	Servicing of two/three wheelers
Mango plantation	Auto rickshaw
Piggery	Cycle repair shops
Sericulture	Pumpset repairs
Cashew processing	Carpentry
Manufacture of mats etc.	Plumbing and sanitary
<u>Small Industries Sector</u>	Retail dealership
Automobile Workshops	Blacksmithy
Printing press/book binding	Sheet metal work
Furniture making	Tailoring
Wooden cart making	Pan and cigarette shop
Textile products	Juice vendors
Table moulded bricks	Fruit and vegetable vending
Coir products	Ice cream vendors
Power looms	Newspaper and magazine shop
Handloom weaving	Repair of household domestic appliances like pressing iron, toaster, geysers etc.
Silk reeling	Packing
Stone works	Repair of diesel engines, electric motors etc.
Tobacco barn	Watch repair
Toys and doll making	Painting of walls, doors and windows
Screen printing	Masonry
<u>Service Sector</u>	Tile laying
Photo Studio	

Repair of radio/TV etc.	Glass pane fixing
Embroidery and Needle work	Food and vegetable preservation
Tyre vulcanising unit	Small transformers and coil winding
Loudspeakers, amplifier, mike etc.	Welding
Battery charging	Lens grinding and polishing
Transformer manufacturing/repair	Ceramic/pottery
Cable manufacturing	Decoration and glass-wares
<u>Business Sector</u>	Cane work and bamboo work
Electric store	Saree printing
Provision store	Utensil fabrication
Tiles and building material shop	Transport related activities
Tea shops	Weaving
Fish business	Garment making
Fruit/vegetable shop	Steel furniture
Machine shop (grinding etc.)	Washing powder making
Wood making	Cabinet making
Furniture making	Plastic mould maker

Annexure II

Composition of the Central Monitoring Committee

Vide paragraph 4.1

The composition of the Central Monitoring Committee would be as follows:

Secretary, Welfare	Chairperson
Secretary, Urban Development	Member
Secretary, Small Scale Industries	Member
Secretary, Rural Development	Member
Secretary, Department of Education	Member
Secretary, Department of Banking	Member
Adviser, Planning Commission (dealing with the subject)	Member
CMD, NSFDC	Member
FA of the Ministry	Member
Four Secretaries of the State Governments dealing with the SCs welfare by rotation to be nominated	Member (SCD)
	Member
	Secretary

Annexure III

Master Circular

PRIORITY SECTOR LENDINGS - SPECIAL PROGRAMMES

Monthly Progress Report under SLRS

(Applicable to Public Sector Banks only)

Proforma for Reporting Data by - (i) the implementing bank branches to their Controlling Offices/Lead Bank Officer of the District concerned/District Co-ordinator, (ii) Controlling Offices to their Regional/Zonal Offices at the State Level, (iii) by the Regional/Zonal Offices to their Head Offices/the Convenor of SLBC/Regional Office of RPCD (RBI), and (iv) by Head Offices of Banks to the RPCD, RBI, Central Office, Mumbai.

Name of the Bank _____ Report showing cumulative position for the month ended _____

N a m e o f t h e S t a t e / U n i o n T e r r i t o r y	T o t a l L o a n S a n c t i o n e d	N o. o f L o a n S a n c t i o n e d	A m o u n t o f L o a n S a n c t i o n e d	N o. o f L o a n D i s b u r s e d	A m o u n t o f L o a n D i s b u r s e d	% o f T o t a l L o a n S a n c t i o n e d	L o a n S a n c t i o n e d t o S C /S T o u t o f T o t a l L o a n S a n c t i o n e d	A m o u n t o f L o a n D i s b u r s e d t o S C /S T o u t o f T o t a l L o a n D i s b u r s e d	% o f T o t a l L o a n D i s b u r s e d	L o a n S a n c t i o n e d t o O B C s o u t o f T o t a l L o a n S a n c t i o n e d	A m o u n t o f L o a n S a n c t i o n e d t o O B C s o u t o f T o t a l L o a n S a n c t i o n e d	% o f T o t a l L o a n S a n c t i o n e d	L o a n S a n c t i o n e d t o W o m e n o u t o f T o t a l L o a n S a n c t i o n e d	A m o u n t o f L o a n S a n c t i o n e d t o W o m e n o u t o f T o t a l L o a n S a n c t i o n e d	% o f T o t a l L o a n S a n c t i o n e d													
																1	2	3	4	5	6	7	8	9	10	11	12	13

Notes:

The data in this proforma will be furnished district-wise by the Controlling Offices of Banks to their Regional/Zonal Offices at the State/UT level; the State-wise position will be reported by the Regional/Zonal Offices to their Head Offices while the District-wise position of each State/UT will be furnished by them to the SLBC Convenors and the Regional Offices of RPCD, RBI.

The statement should be compiled/consolidated promptly and furnished to the respective recipients within the limits specified below:

From To Maximum time allowed

- a) Branch Controlling Offices/LBC/District Co-ordinator 7 days from the close of the month
 - b) Controlling Office and District Co-ordinator Regional/Zonal Office/LBO 15 days from the close of the month
 - c) Regional/Zonal Office SLBC Convenor/Head Office/RPCD R.O. 20 days from the close of the quarter
 - d) Head Offices of Banks RPCD, Reserve Bank, Central Office by the end of the next month to which the data is related.
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Annexure IV**SCHEME FOR LIBERATION AND REHABILITATION OF SCAVENGERS (SLRS)****LIST OF CIRCULARS -- CONSOLIDATED**

Serial No.	Circular No.	Date	Subject
1	RPCD.No.SP/BC/84/C.665 (SRS)/ 92-93	20.03.93	Scheme for Liberation and Rehabilitation of Scavengers (SLRS)
2	RPCD.No.SP.BC.136/09.02.01/93-94	11.05.94	Scheme for Liberation and Rehabilitation of Scavengers (SLRS)
3	RPCD.No.SP.BC.161/09.03.01/93-94	09.06.94	Scheme for Liberation and Rehabilitation of Scavengers (SLRS)
4	RPCD.No.SP.BC.160/09.03.01/93-94	29.05.95	Scheme for Liberation and Rehabilitation of Scavengers (SLRS)
5	RPCD.No.SP.BC.20/ 09.03.01/96-97	05.08.96	Scheme for Liberation and Rehabilitation of Scavengers (SLRS)
6	RPCD.No.SP.BC.157/09.03.01/96-97	30.06.97	Scheme for Liberation and Rehabilitation of Scavengers (SLRS)
7	RPCD.No.SP.BC.16/ 09.03.01/97-98	01.08.97	Scheme for Liberation and Rehabilitation of Scavengers (SLRS)
8	RPCD.No.SP.BC.109/09.03.01/97-98	20.04.98	Quick Study on SLRS
9	RPCD.No.SP.BC.12/ 09.03.01/2003-04	25.07. 03	Recommendations of the National Commission for Safai Karmacharis (vth Report for the year 2001- 02)
10	RPCD.No.SP.BC.22/ 02.01.01/2003-04	12.09.2003	Effective participation of public sector banks
11.	RPCD.No.SP.BC.72/ 09.01.01/2003-04	25.03.2004	Submission of Progress Reports under Government Sponsored Schemes- Changes in the periodicity of return under SLRS