

## **Swarnjayanti Gram Swarozgar Yojana- Amendments in the Guidelines**

**RPCD.SP.BC. 95 /09.01.01/2002-03**

**May 12, 2003**

**The Chairman / Managing Director  
All Scheduled Commercial Banks  
(Excluding RRBs)**

**Dear Sir,**

### **Swarnjayanti Gram Swarozgar Yojana- Amendments in the Guidelines**

Please refer to our Circular RPCD.SP.BC.03/09.01.01/2002-03 dated August 13, 2002 containing amendments in the guidelines on Swarnjayanti Gram Swarozgar Yojana (SGSY) scheme. Government of India, Ministry of Rural Development, on the basis of the recommendation made by the Central Level Coordination Committee (CLCC) during its meeting held on 24<sup>th</sup> December 2002 at New Delhi, have further amended the guidelines on SGSY which are enclosed. The salient features of the amendments are as under:

#### **Para 3.8** **Facilitators**

DRDAs may support such sensitive support mechanisms in the shape of NGOs or community based organisations (CBOs) or net work of community coordinators/ animators or a commercial bank/ Regional Rural Banks/ Cooperative banks functioning in rural areas or a team of dedicated functionaries of the Government who are fully engaged in the task of initiating and sustaining the group development process.

With regard to involvement of commercial bank/ Regional Rural Bank/ Cooperative bank branches functioning in rural areas as facilitators/ Self Help Promoting Institutions (SHPI), effort should be to involve only such bank branches who are committed and have shown keen interest in social mobilisation of poor people and could take up the responsibility of social mobilisation, group formation and development of Self Help Groups. Accordingly, such rural bank branches could be involved as facilitators/SHPIs for social mobilisation, formation, training and capacity building of SHGs formed under the scheme. Further, involving banks as SHPIs/ facilitators would help in credit linkage of groups which is one of the major objectives of organising SHGs and crucial for economic empowerment and sustenance of groups.

#### **Para 3.17** **Revolving Fund**

SHGs that are in existence for about six months and have demonstrated the potential of a viable group enters the third stage, wherein it receives the Revolving Fund from DRDA and banks as a cash credit facility. The DRDAs may release subsidy, which is equal to the group corpus with a minimum of Rs. 5000/- and a maximum of Rs. 10000/- linked with bank credit. The banks would sanction credit which would be in multiples of the group corpus and could go up to four times of the group corpus as cash credit facility based on the absorption capacity and credit worthiness of the group.

Subsequently, if it is found that the group has not been able to reach the micro enterprise stage and requires further financial support to continue in the micro finance stage for some more time, performance of such groups may be got evaluated. In the evaluation if it is observed that the group has been successfully utilising the revolving fund , they could be considered for sanction of further doses of subsidy fund up to a maximum of Rs. 20000/- inclusive of previous doses linked with bank credit.

The group corpus would be defined as the total amount available with the group inclusive of cash with the group, amount in Savings Bank account of the group, loans outstanding against members of the group and interest earned on the loans as well as deposits.

The subsidy of Rs. 20000/- released by DRDA will be adjusted against the loan at the end of the cash credit period on the request of the group.

**Para 3.21**

**Payment to facilitators/Self Help Promoting Institutions (SHPIs)**

Where banks are involved as facilitators/ SHPIs, the amount towards the cost of social mobilisation, training and capacity building of groups may be decided in the State Level SGSY Committee keeping in view of the local need and requirements. Further, payment of the cost of social mobilisation should be based on the stage of development of the group.

**Para 5.8**

**Training expenditure**

The DRDA will be entitled to meet the expenses, incurred by the training institutions for both Basic Orientation and Skill Development Training from out of the SGSY Fund. However, the total expenditure on Basic Orientation and Skill Development Training will not exceed Rs. 5000/- per trainee. This would include expenditure incurred on providing boarding and lodging facilities to the trainees, to and fro travelling cost from their place of residence to the training Institute, honorarium to master craftsmen/professionals/ resource persons, cost of raw material required for the training, reading material/ manual for trainees, institutional charges (if any) etc. The expenditure to be incurred on above mentioned items may be decided in the meeting of the district level SGSY committee based on the local prevailing rates.

We shall be glad if you will bring the enclosed amendments to the notice of your controlling offices/ branches and issue suitable instructions in this regard to them for necessary action.

Yours faithfully

Sd/-

**(Deepali Pant Joshi)**  
**General Manager**