

**October 18, 2005**

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

**Dear Sir,**

**A Review of Swarnjayanti Gram Swarozgar Yojana (SGSY)- Central Level  
Coordination Committee (CLCC) meeting held on Feb 7, 2005 at NABARD  
Mumbai**

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Please refer to our circular RBI/2004-05/307;Ref.RPCD.SP.BC 66 dated December 21, 2004 wherein we have advised the banks to take appropriate action to ensure successful implementation of Swarnjayanti Gram Swarozgar Yojana (SGSY). However, the Central Level Coordination Committee (CLCC) under SGSY while reviewing the performance under the scheme in the captioned meeting, again identified the same critical areas and expressed concern over the unsatisfactory performance in terms of credit mobilisation and pendency of applications etc.

2. The Committee made the following recommendations during the course of its deliberations.

- i) Banks may review the delegation of powers granted to branch managers and ensure that they are able to sanction all SGSY applications with out making any reference to higher authorities.
- ii) Banks may ensure that all the pending applications at the end of the year should be brought forward and disposed of in the first quarter of the succeeding year.
- iii) Banks may explore the possibility of utilising micro-finance institutions for bridging the credit gap.
- iv) Banks may take appropriate action to achieve the desired credit to subsidy ratio of 1:3.

- v) Banks may furnish a status report to Ministry of Rural Development on the under-performance of their branches in lending under the scheme during the last two years.
- vi) Banks should maintain separate record for recovery data in respect of SGSY distinct from IRDP.

3. You are therefore, requested to take necessary action on the recommendations made at para 2.

4. Banks are further advised to utilize the Non-Public Business Working Day to attend to the problems of Swarozgaris under SGSY also.

5. Since SGSY is the major poverty alleviation and employment generation programme being implemented in rural areas of the country banks are requested to show keen interest in achieving the targets fixed under the scheme and make earnest efforts to increase the credit flow under the scheme.

6. Please acknowledge the receipt and advise us the action taken in this regard.

Yours faithfully,

(G.Srinivasan)  
Chief General Manager