

LEAD BANK SCHEME

INTRODUCTION

The Banking industry in India has made considerable progress especially during the last 3 decades, to emerge as one of the accredited agencies of rural development. The orientation towards rural economy gained momentum only after nationalization of major commercial Banks. For various reasons, they took roots mainly in the urban and metropolitan centers and bulk of loans and advances was directed to large and medium scale industries. No serious attempt was made by banks to finance agricultural sector.

The Co-operative Banking structure was assigned the main task of meeting credit requirements in the rural areas. Yet, the credit gap remained unfilled even after supplementing the efforts of co-operatives. In fact, it started widening further especially after green revolution in mid 60's in view of the larger and increasing credit needs of Indian Agriculture. The above process necessitated commercial banks to join the force. This envisaged increasing lending to sectors like Agriculture, SSI and Services with emphasis on borrowers of small means.

The National Credit Council was set up in Dec.'67 to determine the priorities of bank credit among various sectors of the economy. The NCC appointed a study group on the organizational framework for the implementation of social objectives in Oct.'68 under the Chairmanship of Prof. D R Gadgil. The study group found that the Commercial Banks had penetrated only 5000 villages as of June'67 and out of the institutional credit to agriculture, at 39%, the share was negligible at 1%, the balance being met by the co-operatives. The Banking needs of the rural areas in general and backward in particular were not taken care of by the Commercial Banks. Besides, the credit needs of Agriculture, SSI and allied activities remained neglected. Therefore, the group recommended the adoption of an area approach for bridging the spatial and structural credit gaps. Later, All India Rural Credit Review Committee 1969 endorsed the view that CBs should increasingly come forward to finance activities in rural areas.

GENESIS OF THE LEAD BANK SCHEME

The study group which was presided over by Prof. DR Gadgil recommended in Oct.'69 the adoption of an "Area approach" for the development of credit and banking in the country on the basis of local conditions. The group suggested earmarking of the districts to Commercial Banks so that they could act as space setters in the districts allotted in providing integrated banking facilities. The Committee of Bankers appointed by RBI under the Chairmanship of Sr. F.K.F. Nariman also endorsed this area approach. RBI accepted the recommendation and formulated the Lead Bank Scheme (LBS) in Dec.'69. Under the Scheme, each district had been assigned to different banks (public and private) to act as a consortium leader to co-ordinate the efforts of banks in the district particularly in matters like branch expansion and credit planning. The LBS did not envisage a monopoly of banking business to Lead Bank in the District. The Lead Bank was to act as a consortium leader for co-ordinating the efforts of all credit institutions in each of the allotted districts for expansion of branch banking facilities and for meeting the credit needs of the rural economy. In the meanwhile, nationalization of 14 major Commercial Banks in July 1969 (and another 6 banks in 1980), paved the way for bringing about dramatic changes in their operations. One of the important changes ushered in immediately, was the expansion of the branch network in the unbanked areas with a view to bridge spatial gaps. Banks were directed to open a large number of branches in unbanked rural and semi-urban areas.

1. Allotment of districts among the lead banks

All the districts in the country excepting the metropolitan cities of Mumbai, Kolkata, Chennai and Union Territories of Chandigarh, Delhi and Goa were allotted among public sector banks and a few private sector banks. Later on, the Union Territories of Goa, Daman and Diu as also the rural areas of the Union Territories of Delhi and Chandigarh have been brought within the purview of LBS.

2. Impressionistic surveys and branch expansion

The Lead Banks conducted impressionistic surveys during 1969 – 70 in their districts to identify the potential for branch expansion and invoke the co-operation of other banks operating in the district for branch expansion and financing the various union industries. This has resulted in massive branch expansion in the unbanked and underbanked areas.

3. Formation of district consultative committees (DCCs)

The next important development in the history of LBS was the constitution of DCCs in all the districts, in the early seventies to facilitate co-ordination of activities of all the Banks and the financial institutions on the one hand and Government departments on the other. The DCCs were constituted in the lead districts during 1971 – 73.

4. Study groups on lead bank scheme in Gujarat and Maharashtra

RBI constituted two study groups to study the working of the LBS in Gujarat and Maharashtra as per the decision taken in the Regional Consultative Committee (Western Region) held in August 1975. A common report was submitted by the group in December 1975 in view of the similarity of the problems. The group made several important recommendations regarding composition and functioning of DCCs, training needs of the staff of banks and state govts., constitution of a standing committee in RBI for reviewing the overall progress of LBS etc. The “High Power Committee on the working of LBS” was constituted by RBI in 1976 as per the recommendation of the Committee. As rapid branch expansion had taken place by then, the group recommended implementation of the next phase of the LBS – viz., formulation and implementation of area development programme covering activities in priority sectors to fill the sectoral credit gap. This marked the beginning of a crucial phase in LBS.

5. District credit plan (DCP)

The second and most important phase of the LBS was formulation of DCPs and their implementation. Although certain structural credit gaps were identified earlier, positive measures were introduced only after nationalization of the banks. Certain sectors which were hitherto neglected were given a priority status and banks were asked to provide credit to these sectors in a more concerted way. Priority sector included agriculture, small scale industries (SSI), small road and water transport operators, retail trade and small business, education, self-employed persons, etc. It was made mandatory for the CBs to deploy a stipulated percentage of credit for priority sector. It was fixed at 33.30% of outstanding credit by March 1979 and 40% by March 1985 onwards. Within the priority sector, sub-targets were prescribed for agriculture and allied activities and weaker sections. The credit planning exercise under the LBS primarily aimed at overall development of a district through the coordinated efforts of banks acting in unison with the developmental organs of the State Government at the district level. The first set of DCPs were prepared and launched in 1978. In the second round of DCPs (1980 – 82) further refinements were

brought out. The credit outlays under DCPs were now required to be prepared not merely sectorwise but also bank-wise and block-wise. Besides, within the plan period, outlays were required to be worked out annually to be Annual Action Plans (AAP) for each block, bank and sector/sub-sector. The third (1983-85) and fourth round (1988-90) of DCPs and AAPs further contributed to the familiarity of banks in the mechanism of credit planning. The cooperatives were also involved in the preparation of DCPs. They too were allotted their share of targets under priority sector/Government sponsored programmes.

6. Standing committee of dcc

A task force comprising representatives of DCCBs, CBs having wide network of branches in the district and District Planning Officials was set up to assist the lead bank in the preparation of operationally meaningful DCP and AAP. This task force was converted into a Standing Committee of DCC for associating it in implementation of the plans. Its membership was enlarged to include the LDO of RBI, representative of ARDC (now District Development Managers DDM, NABARD), the Chief Executive of DRDA/ (Zilla Parishads also) and an official from the Co-operative Department, etc.

7. Lead bank officers and lead district officers

The organizational base of the Lead Banks was strengthened for preparation of DCPs and for its monitoring and implementation. RBI advised them in 1979 to appoint Lead Bank Officer (normally called Lead District Manager (LDM) in each district for the purpose. Our Lead Banks are being headed by Lead District Managers. Simultaneously, RBI appointed LDOs who were allotted 4 or 5 districts each and were entrusted with the responsibilities of overseeing the preparation and implementation of DCPs in the allotted districts.

8. Village adoption scheme (vas)

Concomitant to LBS, the other form of area approach in operation was VAS, under which bank adopted some villages in their command area for intensive lending. The area approach was not so much aimed at development of a chosen area as for avoiding the pitfalls of scattered and unsupervised lending. In the initial stages of VAS, RBI has encouraged banks to adopt villages as well as to avoid scattered lending. A study carried out by the RBI in 1980 revealed that the VAS as practiced mainly served to exclude other banks from going to the adopted villages of one bank for financing, without ensuring that the branch adopting the villages paid adequate

attention for meeting their credit needs. The RBI, therefore, issued guidelines in December 1980 spelling out that adoption of villages by a bank essentially should amount to a declaration of its intention to intensify its efforts therein and should not mean that other banks are precluded from financing in the area.

9. Emergence of regional rural banks.

Nationalisation of banks was not able to bridge the entire credit gap in the rural areas. A vast majority of the small and marginal farmers and rural artisans remained untouched by the banking system. Therefore, the range of institutional alternatives was widened in 1975 by adding Regional Rural Banks (RRBs) to the banking scene which would exclusively cater to the credit demands of the hitherto neglected segment of the rural economy. Thus, with Co-operatives, Commercial Banks and RRBs, a multi-agency approach was adopted in the rural credit system.

10. Emergence of service area approach

There was a need to have a close look at the quality of lending. It has been observed that during the five years ended 1985-86, the gross value added in agricultural sector registered a growth rate of 2.70% per annum. The share of agriculture in the total net domestic product at factor cost (at 1970-71 prices) declined from 39.80% to 35.40%. The production of foodgrains increased marginally from 133.30 million tones to 150.50 million tones, an increase by 18% with considerable regional disparities. The rate of growth in the consumption of fertilizers was also similar. In contrast, there was 41% increase in the outstanding level of credit for agriculture from all the three rural lending agencies viz., Co-operatives, RRBs and CBs between June 1981 and June 1986.

State-wise comparison of production of foodgrains vis-à-vis outstanding bank credit showed wide disparities. The share of Haryana, Punjab and U.P. in total foodgrains production was around 38%. These States accounted for as much as 75% increase in the foodgrains output. However, their share in the total institutional credit was 22% only. While some of the states in the Eastern Region and also Madhya Pradesh have done well in recent years, stagnation or decline in foodgrain production was noticed in Himachal Pradesh, Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Karnataka and Kerala which account for 41% of the area under foodgrain crops and comparatively a high proportion of institutional credit for agriculture.

In the context of these variations, the massive increase in rural lending, as also the further increase in such credit deployment in the years to come, it was considered

opportune to assess the impact which credit from banks has had on the overall economic development of the rural sector in general and agricultural production and in productivity in particular, through a study.

With this objective in view, the Governor of RBI suggested to the Chief executives of Public Sector Banks at a meeting held on 17.10.87 that a field study should be carried out in different districts all over the country. Accordingly, studies were conducted in 88 districts spread over 21 states in November / December 1987 and reports were submitted to RBI. The findings of the field studies were discussed in a seminar convened by RBI on 9th and 10th January 1988. It was attended by the Chairman of Public Sector Banks, top executives from the Government of India and the national level institutions. Hon'ble Finance Minister and Minister of State for Finance addressed the Seminar.

The findings of these studies threw up a major deficiency in the rural credit system viz., weak link between bank credit and production, productivity and income levels. Scattered lending over wide area diluted the quality of lending. Post disbursement supervision was paid little or no attention. Several suggestions were made at the seminar for strengthening the existing rural credit delivery system with a view to improving the quality of lending in rural areas. The most important suggestion by all the participants was the endorsement of the new approach to rural lending viz., SERVICE AREA APPROACH, whereby each rural and semi-urban branch of a Commercial Bank (including RRB) would be assigned a designated area in which it could make planned efforts towards area development in co-ordination with all the extension and development agencies of the State Government. Large scale expansion of branches in rural and semi-urban areas facilitated the shift.

The suggestion was formalized when the Union Finance Minister announced in his budget speech on 29th Feb.'88 about the new scheme. The operational aspects of implementing this approach were examined in depth by a Committee appointed for the purpose under the Chairmanship of Dr. P.D Ojha, Deputy Governor of RBI. The members of the Committee, among others were the Chairmen of some public sector banks. In the absence of sufficient knowledge about the potential within command area, these targets tended to be unrealistic.

11. Important recommendations of Dr. Ojha committee

The Committee opined that the Lead Bank Scheme has helped in bringing a great deal of co-ordination between Banks and Government departments through

forums established at the district and state levels. But, as the district development plans and branch performance budgets could not be dovetailed with the DCPs and AAPs prepared under the scheme, they could not acquire the full status of operationally relevant plans for implementation. The lack of involvement of Branch Managers in the preparation of plans was also responsible for the plans not becoming meaningful to them. Under these circumstances, an alternative system as suggested in the Seminar appears to be more conducive to develop productive lending.

The issue of demarcation of area as advocated by the working group on multi-agency approach on Agricultural Finance was formalized with the advent of SAA. The committee also expressed that such an approach would have distinct advantages in the dispensation of credit. Firstly, it enables the branches to pay concentrated attention on the development of the area. Secondly, as the multi-agency approach has to some extent, resulted in duplication of efforts, a new approach may help in avoiding the same. Thirdly, the scattered lending over wide areas would give way to organized lending. Fourthly, it would make it easier for the Branch Managers to effectively monitor the end-use of credit and assess the impact on increase in the levels of production, productivity and incomes of the beneficiaries. Fifthly, as the plans would be drawn up by the branch manager, he would develop a sense of pride, motivation and involvement in the success of this plans.

Forums under lead bank scheme for co-ordination and monitoring

Lead Bank Scheme (LBS) was evolved as a framework to be more responsive to the needs of the rural economy. The objectives of the scheme cannot be achieved unless rural lending is properly tied to well designed programmers of development. This calls for effective co-operation and co-ordination not only between credit institutions but also between the credit institutions but also between the credit institutions on the one hand and the concerned Government and other development agencies on the other. Appropriate forums had to be created where these two agencies can meet periodically to discuss operational issues arising from the implementation of scheme evolved by both Government and the Banks. Initially forums were set up at the District and State Level.

Chapter 2

State level banker's committee (SLBC)

Status of the committee

The State Level Bankers' Committee (SLBC) is an inter-institutional forum for co-ordination and joint implementation of development programmes and policies by all the financial institutions operating in a State. Although SLBC is envisaged as a Bankers' forum, Government officials are also included. The Committee is expected to discuss issues, consider alternative solutions to the various problems in the field of balanced development and evolve a consensus for coordinated action by the member institutions. All the member institutions are therefore expected to approach the Committee's task in a spirit of co-ordination and intimate involvement without which the Committee is likely to lose its utility.

These committees are to consider all problems requiring inter-bank co-ordination at the policy and implementation level. SLBCs are also expected to recommend to State Government, measures which would facilitate intensive involvement of banks and effective co-ordination with extension agencies for all round banking development.

Based on the guidelines issued by Government of India, RBI designated in 1976-77 one of the Lead Banks to act as State Level Convenors of the SLBC. At present, our Bank is the convener for the State of Kerala. Like-wise other Banks have been assigned with convenorship in different states details of which are furnished in

Annexure – VIII.

Functions of the Convenor bank

- Maintain co-ordination in the functioning of different financial institutions operating in the State in implementation of various developmental programmes (both Central and State).
- Consider problems requiring inter-bank co-ordination, matters relating to banking development, etc., requiring State Level attention.
- To conduct SLBC meetings, Steering Committee meetings and annual SLRM depending upon the requirement.

- To take up for consideration the issues raised by member banks and the State authorities which remain unresolved in the District Consultative Committees (DCCs)/ District Level Review Committee meetings (DLRCs).
- To serve as a focal point for the banking system as a whole in the State in order to secure better liaison with the State Government authorities and apex institutions like RBI / NABARD / SIDBI, etc.
- To disseminate guidelines and policy matters to all the member banks and others concerned regularly.
- To allocate targets in co-ordination with State Government under different Government sponsored schemes.
- To collect and consolidate feed back reports from Banks/State Government departments and Lead Dist. Managers for preparing agenda notes for SLBC / Steering Committee / SLRM.
- To attend State Level Meetings convened by various depts../ organization on behalf of Banks as Convenor of SLBC and to initiate necessary follow up thereof.

Constitution of SLBC

Various guidelines as to the constitution, membership, role and responsibilities of the Convenor etc have been advised by Dept. of Revenue and Banking vide their communication dt. 27.04.1977.

Chairman

The chairman of the Convenor Bank. If he is not available due to unavoidable circumstances, Executive Director of the Bank.

Convenor

The Lead Bank designated as “Convenor Bank”

Members

- Representative of RBI
- Representative of NABARD
- Representative of IDBI
- Representative of SIDBI
- Representative of IFCI
- Representative of all Lead Banks in the State
- Representative of other banks having a fair network of branches in the rural, semi-urban and urban areas of the state.

- Representative of State co-op. Bank
- Representative of State Land Development Bank
- Representative of State Financial Corporation
- Representative of RRBs
- The concerned Secretary/Director of Institutional Finance of State Government
- The representative of departments of State Government connected with Rural development
- The Planning Secretary of State Government
- Representative of other banks may be invited to specific meetings of SLBC, wherever considered necessary.

Invitees

- Representative of National Commission for SC/STs
- Chairman / Managing Director of State Minority Communities / Boards or the State Minorities Financial Corporation or the representative

The Regional Rural Bank would be represented by the Chairman. Banks having less than 5 branches in a state could, however, be represented by the manager of the branch of the bank located at State Headquarters. RBI vide RPCD LBS 97 / 02.01.01 / 2003-04 dt. 23.03.2003 has reiterated that Banks having sizeable scale of operations in the State are expected to be represented in the SLBC meetings at the level of Zonal / Regional Managers so that expeditious decision making becomes possible. Convenor Bank may ensure this by taking up the matter with RBI where the level of participation is below the stipulated level. In the case of State Governments, senior functionaries are expected to attend SLBC meetings.

Functions

1. To discuss issues, consider alternative solutions to the various problems in the field of banking development and evolve consensus for coordinated action by the member institutions.
2. To do the necessary spadework for formulation of Annual Credit Plans for getting in the district-wise resource allocation by banks and disaggregation of the various Governmental programmes.

3. To examine the inter-institutional co-ordination in the formulation and implementation of the Annual Credit Plans.
4. To undertake critical analysis of the progress of the implementation of Annual Credit Plans and Government/ Other agencies' sponsored credit linked programmes/schemes in the various districts.
5. To review the assistance required and provided by Government agencies.
6. To consider problems referred by the district level forums and take necessary follow-up action.
7. To oversee the implementation of branch expansion programme.
8. To review the recovery performance.
9. To ensure arrangements for training of both Bank and Government staff as well as evaluation of the programmes implemented.
10. To take up for consideration such issues as have been raised by the member banks and / or the State Government authorities and questions or inter-bank differences remaining unresolved at the District Level Consultative Committees.
11. To solve operational problems in implementation of Service Area Approach, Credit Plans, Government and other agencies' programmes, etc. To discuss about the availability of adequate infrastructural facilities, forward and backward linkages necessary for successful implementation of the schemes.
12. To serve as a focal point for the banking system in the state for securing better liaison with the State Government authorities.
13. To review the trends in the flow of credit into rural areas and to the small borrowers in the neglected sectors.
14. To purposefully review the picture revealed by the data compiled in accordance with the system of returns and take follow up measures to speedy disposal of loan application, to improve the pace of credit assistance under specific programmes / schemes of the Central Government such as PMRY, SGSY, SJSRY, SLRS, SC/ST action plan and all State sponsored Schemes.
15. To review Credit Deposit Ration, priority sector advances, advances to weaker section, financing of minority communities, etc.
16. To review performance under Self Help Groups, Kisan Credit Cards, Crop Insurance Scheme, Laghu Udyami Credit Cards, Swarozgar Credit Cards, Artisan Credit Cards, etc.

17. To undertake / entrust study of any specific problems in implementation of Lead Bank Scheme, Service Area Approach, Development Programmes, etc., by appointing "Study Groups" and by involving Government departments more intimately concerned with the problem of having greater expertise at their command.
18. To review the progress made in achieving the targets set under the various schemes.
19. To liaise with representative of State Level Association of SSI for promoting SSI.
20. Confirming / ratifying the action initiated by the Steering Committee of SLBC.

Role of the convenor

1. Obtaining necessary background notes and data from financial institutions, Government departments, Lead Bank Officers at district and other agencies to prepare comprehensive agenda notes for SLBC meeting.
2. Convening the meeting by issuing notice and sending agenda and agenda notes to the members sufficiently in advance, say, 15 days minimum.
3. Suggest matters for discussion.
4. Convene Steering Committee meetings.
5. Recording the proceedings of the meeting.
6. Circulating the minutes to the members of SLBC, all Banks, financial institutions and Government departments, etc., within a fortnight.
7. Following up action points arising out of discussions and decisions.
8. Referring the unresolved problems at SLBC meeting to the RBI/Gol/State Government for taking up at appropriate level. Holding periodical discussions at Govt. / RBI level to resolve pending issues.
9. Reviewing the list of members invitees on a continuous basis.
10. To ensure that steps are taken to facilitate the flow of credit to the Minority Communities, SC/STs and Weaker sections and the progress made in this regard are reviewed regularly at the meetings.
11. Taking up the matter with RBI concerned and Heads of the Banks/ Agencies for non-participation/junior level participation.
12. To liaise with the SLBC Convenors of other States for exchange of ideas best practices.

Periodicity of meetings

Each State Level Bankers' Committee may meet as often as necessary keeping in view the business on hand. It is however expected that the frequency of such meetings will in no case be less than once every quarter.

It is expected that the nominated representatives of the banks will attend all the meetings of the main committee, the Steering Committee or any Study Group. If for any unavoidable reason a nominated representative of bank cannot be present at any particular meeting, he should nominate his next in command to attend the meeting on his behalf, after duly briefing him about the bank's views on the various items of the Agenda for that meeting. The objective should be that issues for considerations do not get postponed for want of attendance of the representatives of the banks.

Proceedings of the meetings and follow up action

The proceedings of the meetings of the Committee or its Sub-Committee may be drawn up by the Convenor Bank and circulated to all the members within a fortnight of the date of the meeting. Each Bank is expected to initiate follow up action on the consensus arrived at the meetings of the Committee. Endeavour should be to implement all the recommendations of the Committee.

The Convenor Bank may present to the Committee an assessment report of the follow up action taken by the banks on the decisions of the Committee. Non-acceptance of / non-compliance with the recommendations of the Committee may be specifically listed in such reports.

Scope activities

The State Level Bankers' Committee is expected to take up for consideration such issues as have been raised by the member banks or by the State Government authorities and questions or inter-bank difference on views and approach remaining unresolved at the District-Level Consultative Committees. While all the State Level Banker's Committees are, thus, expected to address themselves to the problems particular to the concerned state, some of the problem areas which are expected to be common to all the States and which many of the State Level Bankers' Committees have already taken up or decided to take up for consideration are briefly enumerated below.

Regional imbalances in availability of banking facilities

Notwithstanding the growth of the banking system there are large geographical areas which continue to be devoid of banking branches. Government has already advised the SLBCs to draw up an agreed programme of branch expansion so as to provide each unbanked community development block with atleast one commercial bank branch. Besides evolving co-ordinated programme to secure this objective and overseeing its implementation, the SLBCs are expected to review the spread of branch network so as to ensure that branches are equitably dispersed throughout the state, important development centers such as block head quarters, etc. do not remain unserved and in under banked states/districts, bank services do not remain limited to district headquarters alone but spread into rural areas.

Regional imbalances in deployment of credit

In the sphere of deployment of credit also, there are severe imbalances. SLBCs are to concentrate in stepping up of credit deployment in those districts where the credit deposit ration is less than the State / National average. SLBCs are expected to review the credit deployment position in their respective states and consciously evolve programmes for improving it, where it is unsatisfactory.

Area demarcation for effective coverage

While in relation to the credit requirements of the neglected sectors, the quantum of institutional credit constitutes only a small percentage. Multiplicity of credit agencies in specific pockets seem to have created problems of overlapping in areas. This leads to dual financing by different institutions and a certain dilution of institutional responsibility. The SLBCs are expected to address themselves to this task. The pattern of existing coverage could be ascertained from the member institutions and areas of overlapping as also of total neglect be identified. In relation to the former, the concerned institutions could sit together and arrive at an agreed area of operation for each of them. In relation to the latter, the Committee will have to consider ways and means of extending coverage. Such areas would also indicate the manner in which further branch expansion need to be reoriented.

Banks are also participating in a number of schemes sponsored by the State Governments. They are also participating in programmers which form part of the d=District Credit Plans formulated by the Lead Banks. Area allocation among different participating institutions would have an important bearing on the overall progress of the schemes. State-level Bankers' Committee is expected to ensure that

specific schemes / programmes are properly allocated amongst participating institutions so that the implementation does not suffer because of dilution of responsibility implicit in overlapping operational areas.

Liaison with State Governments

The SLBC is expected to serve as a focal point for the Banking system in every state for securing better liaison with State Government authorities. The State Govts. Have been advised of the constitution of these committees and it is desired that the convenor Banks approach State Government authorities and apprise them of the activities of these Committees.

Review of the functioning of District consultative committees

The State Level Bankers' Committees. Such problems should be brought before the committee by the Lead Banks concerned. Agreed decisions could then be communicated by all the participating institutions to their respective field for action in the concerned districts.

District Credit Plans (DCP)

Inter-institutional co-ordination is of critical importance in the formulation and implementation of the District Credit Plans. This aspect may, therefore, be regularly examined by the SLBCs. Allocation of shares in the District Credit Plans should invariably be ratified by the Regional / Zonal Managers of the Banks participating in the district plans concerned. This would ensure the necessary support to the branches in the implementation of plans. Progress reports on the implementation of the plans are expected to be prepared every six months. The State Level Bankers Committee may review these reports and ensure appropriate follow-up action to see that plan implementation is in accordance with the envisaged time schedule.

Uniformity in terms and conditions of lending

While the terms and conditions governing the advances are determined by each bank keeping in view various factors such as cost of mobilizing resources, operational costs, security requirements, etc. wide variations in these conditions from bank to bank creates avoidable confusion and resentment in the minds of the borrowers. This is particularly so where several institutions are participating, if at least in respect of advances to be granted under specific schemes the banks strive to achieve certain uniformity in terms and conditions governing their advances. Two specific elements wherein variations have a direct impact on the borrowers are the scale of finance and the rate of interest. Therefore, at least in respect of specific

schemes, the State Level Bankers committees could endeavor to evolve scales of finance and rates of interest which all the banks participating in the specific schemes could adopt.

Review of credit flows

The State Level Bankers' Committees could become a very useful forum for reviewing the trends in the flow of credit into rural areas and to the small borrowers in the neglected sectors. An important prerequisite for such reviews is the availability of data. Recently, a system of statistical reporting for the use of the District Level Consultative and the state Level Co-ordination Committees, evolved by a Study Group, has been introduced. The State Level Bankers' Committees could also purposefully review the picture revealed by the data compiled in accordance with the new system of returns and take follow up measure to secure speedy disposal of loan applications, to improve the pace of credit assistance under specific programmes.

Government has advised the Banks to consciously endeavor to step up the flow of credit in rural areas. To start with, they have been advised to secure a credit : deposit ration of at least 60% in respect of their rural and semi-urban branches separately. Progress in this direction in each State could be kept under constant observation by the State Level Bankers' Committees.

Chapter 3

Steering committee of slbc

The Steering Committee is a sub-committee of SLBC. The membership of SLBC, often, may be too large to permit effective deliberations, maintenance of liaison and decision-making. Therefore, this sub-committee is constituted at State level to go into each issue in depth.

Constitution

The Steering Sub-Committee may be constituted as under :

Chairman

Zonal Head of Convenor Bank / Any other Leading Bank

Convenor

The Lead Bank designated as "Convenor Bank"

Members

- Representative of RBI

- Representative of NABARD
- Representative of IDBI
- Representative of SIDBI
- Representative of IFCI
- Representative of all Lead Banks in the State
- Representative of other banks having a fair network of branches in the rural, semi-urban and urban areas of the state, as decided by the SLBC.
- Representative of State co-op. Bank
- Representative of State Land Development Bank
- Representative of State Financial Corporation
- Chairman of RRBs
- The concerned Secretary/Director of Institutional Finance of State Government
- The Planning Secretary of State Government (The representatives of the commercial banks on the Steering Sub-Committee may not be below the rank of Region/Zonal Managers).

Periodicity of meetings

The 'Steering Committee' should meet more often than the main Committee. It would, however, be helpful if the State Level bankers' Committees do meet and discuss issues before every meeting of the State Level Co-ordination Committees, so as to facilitate the banks to take an innovative and coordinated view of the problems proposed to be discussed by the State Level Co-ordination Committees.

Functions

1. To review / follow up / sort out various issues / action points emergin from the meeting of SLBC.
2. Discuss in detail fresh issues referred to SLBC and record the views and refer appropriate items to SLBC with recommendations / views.
3. To follow up periodically the implementation of various Government sponsored schemes / programmes.
4. To monitor the progress in the field of formulation of new schemes.
5. To ascertain the problems in implementing the schemes and suggest solutions.

6. To do the necessary spade work for SLBC meeting including screening of the agenda items.

Role of the convenor

1. Collect items / issues for discussion by sending a communication to all members of SLBC.
2. Brief the Standing Committee on follow up action taken and recommendations of SLBC.
3. Suggest items suo-moto for discussion, if necessary.
4. Preparing agenda notes for the meeting in a systematic way.
5. Convening the meeting by issuing notice and agenda notes well in advance, say, 15 days.
6. Recording the proceedings of the meeting
7. Circulating the minutes to the members of the Committee, all Banks, financial institutions and Government departments, etc., within a fortnight.
8. Following up action points arising out of discussions and decisions.

Chapter 4

State level review meeting (slrm)

Objectives

1. To review the performance of the Banking industry in lending to Priority Sectors and Weaker Section vis-avis National goals i.e. the norms stipulated by Government of India / RBI.
2. To review the achievements under ACP / DCP and to suggest strategies for enhancing flow of credit to priority sector.
3. To review the progress in implementation of programmes like SGSY, PMRY, SJSRY, SHG and other State Government Sponsored Schemes.
4. To discuss on operational problems / issues faced by Banks in the implementation of various schemes and to improve flow of information through returns from Banks under Lead Bank Scheme.

Keeping the above issues in the background, the relevant issues / topics selected are discussed in the preliminary meeting of subject-wise groups constituted for this purpose and the recommendations of the Group are presented/placed before SLRM/SLBC for adoption. The SLRM provide an opportunity to find out / identify the reasons coming in the way of implementation of various programmes / schemes

and also to suggest solutions / strategies through collective discussion for successful implementation.

Constitution

Chairman

The Chairman/Executive Director of the designated bank.

Convenor

The Lead Bank designated as “Convenor Bank”

Members/Invitees

As of SLBC

Periodicity of Meeting

Once in a year (two days)

Functions

To make in-depth review of the performance of the participating banks and other financial agencies in implementation of Annual Credit Plans and Government sponsored programmes, etc.

Role of the convenor

1. Obtaining necessary background note and data from financial institutions, Government departments, Lead Bank Officers at district and other agencies to prepare comprehensive agenda notes for SLRM.
2. Convening the meeting by issuing notice and sending agenda notes to the members sufficiently in advance, say, 15 days minimum.
3. Suggest matters for discussion.
4. Convene Steering Committee meetings.
5. Recording the proceedings of the meetings.
6. Circulating the minutes to the members of SLRM, all Banks, financial institutions and Government departments, etc., within a fortnight.
7. Following up action points arising out of discussions and decisions.
8. Referring the unresolved problems at SLRM meeting to the RBI/Gol/State Government for taking up at appropriate level.
9. Reviewing the list of members / invitees on a continuous basis.

10. To ensure that steps are taken to facilitate the flow of credit to the Minority Communities, SC/STs and Weaker sections and the progress made in this regard are reviewed regularly at the meetings.
11. Taking up the matter with RBI concerned and Heads of the Banks / Agencies for non – participation / Junior level participation.
12. To liaise with the SLBC Convenors of other States for exchange of ideas / best practices.

Chapter 5

Guidelines on level of participation in the meetings of slbc

SLBC is a very important forum for interaction between the bankers and the various agencies of the State Govt. to review the progress in flow of credit to various sectors and the implementation of the Govt. sponsored schemes. Ministry of Finance, Govt. of India is very critical about non-participation of the banks / participation by junior officers in SLBC meetings. These meetings are connected with the economic development of the state warranting senior level participation.

The level of participation in the SLBC Meetings shall be as under. However, the same is only indicative and as per the requirements of the agenda/in case of politically or economically sensitive states, Circle Head may participate in the SLBC meeting:

Circle Offices located in State Capitals

Head of Circle

Circle not located in State Capital & overseeing more than one State

Head of the Regional Office located in the State Capital or Head of the Region overseeing the Branches in that State.

States where we have less than five branches

Head of the main branch located in the State capital

The bank should be represented by the next authority in the absence of the Circle / Regional Head. In case of Regions with only one Executive, Circle to depute an Executive in the absence of the designated Executive.

To streamline the process and to have a close monitoring, Cos to report the feed back as per Annexure IV. Similarly, where RO heads are attending SLBC meetings a report as per Annexure V. is to be sent to the Circle on the deliberations in

the meeting (simultaneously a copy to be set to HO). Circles to review the reports received from RO and forward the same to HO with the suggestions.

The Branch Head who is designated to attend the SLBC meeting, in the case of States where we have less than 5 branches should take prior permission from the RO in case he is not able to attend the meeting and arrange for a suitable substitute. The feed back on such SLBC meeting is to be submitted by the respective Head of the Main branch as per Annexure VI to the concerned RO with a copy to CO and HO.

Chapter 6

State level consultative committee (slcc)

Constitution

A committee constituted by the State Government to review the performance of banks in assisting credit based development programmes taken up by the State Government Meetings are convened by the State Government.

Chairman

The Chief Minister/Finance Minister of the State

Convenor

The Secretary/Director of Institutional Finance (providing necessary secretarial assistance)

Members

- The Chief Secretary
- Director of Institutional Finance of State Government
- Senior State Government officials viz., Departmental Secretaries, registrar of Co-operative Societies, etc.
- Representative of RBI
- Representative of NABARD, SIDBI and IDBI
- Representative of SBI & other Lead Banks
- Representative of State Co-op. Banks
- Representative of Convenor Bank of State Level Committee of RRBs. (The representative of banks may not be below the level of General Managers).

Periodicity of meeting

Once a year

Chapter 7

Standing committee of slcc

Constitution

The Standing Committee of SLCC is a sub-committee of SLCC constituted to provide a compact form of co-ordination between financial agencies and Government departments. Meetings are convened by the State Government

Chairman

The Chief Secretary/Finance Secretary/Development Commissioner

Convenor

The Secretary/Director of Institutional Finance (providing necessary secretarial assistance)

Members

- Representative of all Lead Banks in the State.
- Representative of Conveor Bank of State Level Committee of RRBs.
- Representative of RBI
- Representative of NABARD
- Representative of SIDBI/IDBI
- Representative of State Co-op. Bank
- Representative of State Land Development Bank
- Representative of concerned development departments of the Government. (Total strength should be around 20 and at very senior level).

Periodicity of meeting

Once a quarter

Functions

1. Spadework for ACP formulation by furnishing well in time, estimates of district-wise disaggregations of governmental development programmes needing credit support, with financial outlays regarding subsidies etc.,
2. Proper phasing of such schemes taking into account availability of necessary linkages and optimal levels of implementation.

3. Infrastructural and extension facilities and other supporting measures required from governmental agencies.
4. Qualitative aspects of Bank lending under the various schemes.
5. Trend in the growth of deposits, advances, sectoral flow of credit.
6. Functioning of various levels of co-ordination machinery.
7. Training arrangements for bank and government staff.
8. Review of recovery performance including legislative and administrative support required from government.
9. Arrangements for evaluation area wise, activity wise institutions wise etc.

Chapter 10

District consultative committee (dcc)

Constitution

The DCC has been constituted at the instance of Banking Commission (1972) and is a common forum for bankers as well as Government officials to find solution to problems in implementing schemes under LBS. The DCC came into existence more or less voluntarily because of the felt need for consultation in the matter of District development schemes. Over the years, it has evolved as an integral part of the LBS.

Chairman

District Collector/Deputy Commissioner

Convenor

Lead District Manger

Members

- Chief Executive Officer, ZP
- District Planning Officer
- Project Director, DRDA
- General Manager, DIC
- Executive Officer, State SC & BC Corporations, District Level functionaries of Agriculture, Veterinary, Animal Husbandary, Sericulture, Fisheries and Irrigation dept., etc.
- Lead District Officer, RBI
- Representative of NABARD

- Regional Managers/District Coordinators of 5/6 commercial banks having a large commitment under credit plan, priority sector lending and branch network
- Representative of RRB
- District representatives of State Financial Corporation KVIC & KVIB
- Representatives of Dist. Central Co-operative Bank and other Co-operative Banks having large commitment under credit plans

Other Government departments, Corporations, Boards, Universities and Banks, which are not permanent members, may be invited to specific meetings, whenever considered necessary, on the basis of agenda items. Each member should be represented only by one official of an appropriate level at DCC meeting.

The overall strength of DCC should be maintained at a compact level of 20 to 25 members so that the discussion at this forum are meaningful and result oriented.

Periodicity of meeting

Once a quarter

Functions

1. Identification of potential and formulation of bankable schemes.
2. Finalisation of Annual District Credit Plan based on the block plans approved by BLBCs.
3. Allocation of physical and financial targets of various Government and other agencies credit linked programmes / schemes to the financial institution in the district.
4. Monitoring overall progress/performance in physical and financial terms of the implementation of ACP, Govt. Sponsored Schemes and all other programmes / schemes.
5. To solve operational problems in implementation of Service Area Approach, Credit Plans, Government and other agencies programmes / schemes, etc.
6. Reviewing/Monitoring of the support forthcoming from Government Departments.
7. Identifying problem / bottlenecks in provision of credit as also of infrastructure, inputs, etc. and taking steps to overcome these.

8. Reviewing bank-wise and sector/activity-wise position of credit disbursement under ACP and Government and other agencies programmes / schemes, etc., and initiating necessary action.
9. Reviewing the progress in disposal of loan applications and ensuring that applications are sent in a phased manner and not bunched in the last quarter of the financial year.
10. Overseeing and ensuring smooth release of subsidies.
11. Monitoring the recovery position of financial agencies and rendering necessary help for recovery of overdues.
12. Taking up with State Government/SLBC/SLCC items/issues which cannot be tackled at the district level and ensuring proper follow up thereof.
13. Consideration of security arrangements and other infrastructural facilities for rural branches.
14. Evaluation of the ground level implementation of various schemes and benefits accruing there under to the identified beneficiaries.
15. Monitoring the position in regard to Credit Deposit ratio (CD Ratio) in the light of RBI stipulations in this regard.
16. Discussing the follow up of DLRC's decisions.
17. Identifying activities/programmes/schemes suited to local circumstances.
18. Recommending to SLBC to request State Government to devise suitable policies for inputs, services and marketing and in building suitable supporting organizations for all the three items.
19. To deliberate on broad planning and operational aspects and not to deal with individual cases.
20. To review Credit Deposit ratio, priority sector advances, advances to weaker section, etc.
21. Confirming/ratifying the action initiated by the Standing Committee.

Functions of the convenor

1. Obtaining necessary background notes and data from financial institutions, Government departments and other agencies to prepare comprehensive agenda notes for DCC meeting.
2. Convening the meeting by issuing notice and agenda notes to the members sufficiently in advance, say, 15 days.

3. Recording the proceedings of the meeting. The proceedings should bring out clearly the discussions and decisions arrived at. The agencies responsible for taking further action on the decisions together with the time schedule for such action should be indicated in the proceedings. The concerned agencies should provide necessary feedback to DCC regarding the action taken on the decisions. The items not advised before hand but raised in the meeting should be listed separately in the proceedings.
4. Circulating minutes to the member of DCC, all banks, financial institutions, Government departments, etc., within a fortnight.
5. Following up issues requiring action by banks, other financial agencies and Government departments.
6. To act as resource person for the entire banking sector in the lead district so far as the implementation of credit plan is concerned.
7. While ensuring that DCC becomes a compact forum for meaningful discussions, it is necessary to secure an arrangements for adequate rapport between DCC and those institutions which are not represented on it on a permanent basis. The LDM should function as the focal point of such co-ordination by convening regularly, meetings with the District co-ordinators of all non-lead banks and other financial institutions. These meetings could be held well in advance of DCC meetings so that the problems thrown up could be takes up at the DCC forum. LDOs of RBI and representative of NABARD may also be invited for such meetings.

Chapter 11

Standing committee of dcc (sc)

Constitution

The guidelines issued b the RBI for the formulation of DCPs for 1980-82 on an uniform basis, envisaged the constitutions of Task Force of bankers and planning officials at the district level. The task force became a permanent body and evolved into standing committee (SC). The standing Committee of DCC is a small sub committee of the DCC constituted to attend to all-important matters relating to implementation of the District Credit Plan on an ongoing basis.

Chairman

District Collector/Deputy Commissioner

Convenor

Lead District Manager

Members

- Chief Executive Officer, Zilla Parishad (ZP)
- District Planning Officer
- Project Director, DRDA
- General Manager, DIC
- Executive Officers, State SC/BC Corporations
- District Development Manager (DDM/NABARD)
- Lead District Officer, RBI
- District Coordinators of 2 or 3 major commercial (non lead) banks, who have a large net work of branches and large lending's under Government sponsored schemes / programmes.

Periodicity of meeting

Once in a month excepting a month in which DCC/DLRC is held.

Functions

The functions of the Standing Committee inter alia, cover the following:

1. To make indepth studies of the development potential in the blocks/district.
2. To evolve economically viable and technically feasible schemes.
3. To collect relevant data for formulating credit plans and finalise scale of finance of various crops cultivated in the district.
4. To prepare bankable schemes.
5. To review implementation of credit plans and other agencies, sponsored credit linked programmes / schemes sponsored by Government.
6. To sort out grass root level operational problems and take them to DCC where consensus for solution could be arrived at.
7. To prepare background note for DCC meeting.

Functions of the convenor

1. Preparing the agenda notes for the meeting.
2. Convening the monthly meeting by issuing notice and agenda notes well in advance.

3. Recording the processing's of the meeting and circulating the minutes to the members, all banks, financial institutions and Government departments, etc within a fortnight.
4. Following up the action points with concerned banks/Government agencies.

Chapter 12

District level review committee (dlrc)

Constitution

The DLRC is a larger body of DCC constituted for discussing in detail the different aspects of the LBS/Implementation of District Credit Plan under each sector viz., Agriculture, Industries and Services, identify problems and involve remedial steps.

Chairman

District Collector/Deputy Commissioner

Convenor

Lead District Manager

Members

- Chief Executive Officer, Zilla Parisad (ZP)
- District Planning Officer
- Project Director, DRDA
- General Manager, DIC
- Executive Officers, State SC/BC Corporations
- Representative of NABARD/District Development Manager
- Lead District Officer, RBI
- Regional Managers/District Coordinators of all commercial banks, who implement credit plan under Lead Bank Scheme.
- Representative of RBI.
- District representative of State Financial Corporation, KVIC, KVIB.
- Representatives of District Central Cooperative Bank and other Co-operative Banks who implement credit plan under LBS.

Association of non-officials

Two non-officials who are in close or intimate association with critical sectors of development like agriculture, small scale industry, tribal development and Harijan Welfare Development.

Peoples' representatives

All local MPs and MLAs.

Periodicity of meeting

Quarterly.

Functions

1. Evaluating the progress made in implementation of schemes/activities under each sector viz., Agriculture, Industries and Services included in Annual District Credit Plan, identifying problems and devising suitable remedial steps by forming separate sectoral groups.
2. Reviewing the progress made in the field of special programmes like PMRY, SGSY, SJSRY etc.
3. Discussing the suggestions made by sectoral groups in the plenary session of DLRC meeting and arriving at conclusions for follow up and their implementation and fixing responsibilities for resolving the problems.
4. Reviewing the progress in coordination, problems relating to overdues/recoveries and Government support, infrastructure facilities available / to be provided, functioning of DIC, etc.

Functions of the convenor

1. Identifying the activities/Schemes, included in Annual Credit Plan, the progress / performance of which is not encouraging and putting up the same to sectoral groups for discussion and devising suitable remedial steps.
2. Obtaining necessary background notes and data from financial institutions, Government departments and other agencies to prepare comprehensive agenda notes for DLRC meeting.
3. Convening the meeting by sending notice and agenda notes to the members sufficiently in advance, say, 15 days.
4. Recording the proceedings of the meeting.
5. Circulating minutes to the member of DLRC within a fortnight.

6. Following up issues / decision requiring action by banks, other financial agencies and Government departments.

Chapter 13

Block level bankers' committee (blbc)

Block Level Bankers' Committee is a body comprising of development departments headed by Block Development Officer and Branch Managers of all the branches of the Block. The BLBC is constituted for discussing in detail the different aspects of the Lead Bank Scheme/implementation of the Credit Plan and to review progress in implementation of the various Govt. Sponsored Schemes.

Chairman

Lead District Manager.

Convenor

Branch Manager of the Branch of the Lead Bank in the Block Head quarters

In case the Lead bank has no Branch in the Block Head Quarter then the Branch Manager of the Bank having major share in the branch network with branch in Block Head quarters and designated for the same

Members

- Block Development Officer
- Technical Officers (Agriculture)
- Technical Officer (Industries)
- Technical Officer (Animal Husbandry)
- Branch Manager of all Commercial Banks, Regional Rural Banks, District Central Co-operative Banks and Land Development Banks
- Lead District Officer of RBI, wherever possible
- DDM of NABARD, wherever possible.

Periodicity of meeting

Quarterly.

The joint forum for consultation and monitoring of DCPs under LBS had been created only upto district level and not block level. But some of the states Governments had set up block level committees or Task Forces for monitoring implementation of special programme like SGSY, SJSRY, PMRY, SLRS, 20 Point

Programme etc. Commercial Banks extended necessary co-operation and participate in the discussion but do not convene the meetings/act as convenors; this being done by BDO in some states. State Governments have advised that meeting may be held at Block and Branch premises alternatively to invoke better co-operation. Matters of policy issues, case of individual borrowers are not discussed/decided in such meetings but are referred to higher ups/DCC.

However, with the adoption of service area approach RBI has advised formation of a Block-Level Bankers' Committee (BLBC) to co-ordinate the activities of the banks and the Government officials. All the banks operating in the block, including DCCB, LDB and RRB would be members of this committee. In addition, the Block Development Officer and the Technical officers in block looking after agriculture, industries, animal husbandry, etc., would also be the members. The Lead Bank Officer of the concerned district would be the Chairman of the Committee and in his absence, the senior most branch manger of the lead bank would preside over the meeting and he would also work as its convenor. If the Lead Bank has no branch in the block, as stated earlier, another bank which has maximum presence in the block and designated by the Lead Bank shall act as the convenor. The Lead District Officer of the Reserve Bank of India and the concerned officer from NABARD should draw up definite programmes for attending the block level meeting as possible are attended by atleast on of them.

Functions

1. To discuss the credit plans of different branches and their aggregation into Block Credit Plan.
2. To review the progress in implementation of Block Credit Plan and the performance of each branch in relation to its branch credit plan.
3. To consider operational problems in implementation of credit plans with special reference to enlisting the co-operation of State Governments, etc., in provision of inputs, infrastructure and linkages.]
4. To review the progress in implementation of government sponsored programmes i.e., SGSY, SJSRY, PMRY, SLRS, etc., including their impact on the beneficiaries.
5. To allocate service areas to new branches opened in the block and

6. To monitor the recovery programmes and the adequacy of the steps taken in this regard, including the support available from the State Government machinery.

Chapter 14

Guidelines relating to scheduled castes (SCs) & Scheduled tribes (Sts)

1. At the block level, a certain weightage is to be given to scheduled castes/scheduled tribes in the planning process. Accordingly, the credit planning should be weighted in favour of scheduled castes/schedule tribes and special bankable schemes suited to members of these communities should be drawn up to ensure their participation in such schemes and larger flow of credit to them for self-employment. It will be necessary for the banks to consider loan proposals of these communities with utmost sympathy and understanding.
2. The District Level Consultative Committee formed under the Lead Bank Scheme should continue to be the principal mechanism of co-ordination between banks and development agencies.
3. The district credit plans formulated by the lead banks should be elaborated to indicate clearly the linkage of credit with employment and development schemes.
4. Convenor banks (of SLBC should invite the representative of National Commission for SCs/STs to attend SLBC meetings.

Chapter 15

Guidelines relating to minority communities

1. The Lead Bank in each of the minority concentration districts should have an officer who shall exclusively look after the problems regarding the credit flow to minority communities. It shall be his responsibility to publicise among the minority communities various programmes of bank credit and also to prepare suitable schemes for their benefit in collaboration with branch managers.
2. The designated officer should exclusively look after aspects relating to credit assistance to minority communities in the concerned districts. The designated officer may be attached to the Lead Bank set up at the district level. He would thus, be able to receive necessary guidance from Lead Bank Officer, who will be senior enough and have adequate experience for liasing effectively with the other credit institutions and Government agencies and will also be working in close collaboration with the branch mangers of other banks in the district. The

designated officer will also arrange ground meetings for their guidance for formulation of schemes suitable for the members of the minority communities. It will be necessary for the banks concerned to ensure that the role assigned to the designated officer/s is effectively fulfilled.

3. The Convenor Banks of the District Consultative Committee (DCCs) and the State Level Bankers' Committees (SLBCs) should ensure that steps taken to facilitate the flow of credit to the minority communities and the progress made in this regard are reviewed regularly at their meetings.
4. The Convenor Banks of DLRC/SLRM/SLBCs may invite Chairman/Managing directors of State Minority Commissions/Boards or the State Minorities Financial Corporations or their representative to attend the meetings of District Level Review Committee (DLRC), State Level Review Meeting (SLRM) and State Level Bankers Committee (SLBC).
5. The Lead Banks in the identified districts having concentration of minority communities may involve the State Minority Commission/Finance Corporation in the extension work including creating awareness, identification of beneficiaries, preparation of viable projects, provision of backward and forward linkages such as supply of inputs/ marketing, recovery, etc.
6. The Lead Banks in the identified districts may collaborate with DDMs of NABARD/NGOs Voluntary Organisations in reaching the poor through Self-help Groups (SHGs).
7. The progress made in regard to the flow of credit to the minority communities should be reviewed regularly at the meetings of the District Consultative Committees (DCCs) and the State Level Bankers Committees (SLBCs)
8. The Lead Banks in the identified districts should furnish the relevant extracts of the agenda notes and the minutes of the meetings of the DCCs and of the respective SLBCs to the Union Ministry of Finance and to the Ministry of Finance and to the Ministry of Welfare on a quarterly basis for their use.
9. The Lead Banks functioning in the identified districts should organize entrepreneur development programmes so that the members of the minority communities in these areas are able to derive the benefit of various programmes being financed by the banks. Depending upon the major vocational and type of activity undertaken by large sections of the people in the districts, suitable programme may be organized in co-operation with State Govts., Industries Dept.,

District Industries Centre, SIDBI, State Technical Consultancy Organisation, Khadi and Village Industries Commission and other voluntary organizations which are fully equipped to impart such training and orientation. The duration of the programme, the course content, the faculty support to be selected etc. should be decided by each lead bank taking into account the prevailing conditions, need and existing skills as well as aptitude of the people in the district.

10. The Lead Banks in the identified districts may sensitise and motivate the staff posted to identified districts through proper training to assist the minority communities under various credit schemes.
11. The Lead Banks may organize sensitization workshops for bank officials regarding micro credit lending to SHGs with the help of DDMs of NABARD.
12. The Lead banks in the identified districts may create awareness among minority communities regarding credit facilities available from banks through appropriate measures which may include publicity through (i) print media i.e., distribution of pamphlets in local languages, advertisements/articles in newspapers, etc. (ii) TV channels – DD/local channels, (iii) participation/setting up of stalls in the Melas/fairs organized during the religious/festive occasions by these communities.