

## **About SLBC/UTLBC and its Objectives**

The SLBC/UTLBC is an inter-institutional forum for coordination and joint implementation of development programmes and policies by all the financial institutions operating in a State. Although SLBC/UTLBC is envisaged as a bankers' forum, Government Officials are also included.

- 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
- To do the necessary spade work for formulation of Annual Credit Plan by getting in time district-wise resource allocation by banks and dis-aggregation of the various Governmental programmes.
- To undertake critical analysis of the progress of the implementation of Annual Credit Plan & Govt. and other agencies sponsored credit-linked programmes / schemes in the various districts.
- To review the assistance required and provided by Govt. agencies.
- To consider problems referred by the district level forums and take necessary follow-up action.
- To oversee the implementation of branch expansion programme.
- To review the recovery performance.
- To take up for consideration such issues as have been raised by the member banks and/or the State Govt. authorities and questions or inter-bank difference of views and approach remaining unresolved at the District Level Consultative Committees.
- To solve operational problems in implementation of Service Area Approach, Credit Plans, Govt. and other agencies programmes etc.
- To consider ways and needs of extending coverage through organization of Farmers Service Societies or adoption of Coop. societies, etc.
- To serve as a focal point for the banking system in the State for securing better liaison with the State Govt. authorities.
- To examine the inter-institutional coordination in the formulation and implementation of the Annual Credit Plans.
- To review the trends in the flow of credit into rural areas and to the small borrowers in the neglected sectors.
- To purposefully review the picture revealed by the data compiled in accordance with the new system of returns and take follow-up measures to ensure speedy disposal of loan applications, to improve the pace of credit assistance under specific programmes/schemes such as PMEGP, NULM, NRLM, Employment Generation Programmes etc.
- To review Credit: Deposit Ratio, Priority Sector Advances, advances to weaker section, financing of minority communities etc.
- To undertake/ entrust study of any specific problems in implementation of Lead Bank Scheme, Services Area Approach, Development Programmes, etc. by appointing Study Groups comprising of representatives of  $\frac{3}{4}$  banks and Govt. departments more intimately concerned with the problems or having greater expertise at their command.
- To review progress in implementation of official language.

### **Allocation of Districts:**

All the districts of the country have been allocated to the banks (public sector and to a few private sector). The bank, which has been assigned the lead bank responsibility, is called Lead Bank of the district and such district for the Lead Bank shall be termed as Lead

District. The distribution of districts was mainly done on the basis of certain criteria like size and resources of a bank, geographical contiguity, and ability to undertake lead responsibilities.

The State Bank of India has been assigned lead responsibility in 2 districts of UT Ladakh namely Leh and Kargil.

### **Lead Bank Fora:**

For successful implementation of Lead Bank Scheme, there are various co-ordination forums created for realistic credit planning, to discuss and solve operational difficulties and monitor the performance of the participating Credit Institutions, agencies, etc. at Block, District, State and National Levels. These forums are: -

#### **Block Level: -**

1. Block Level Bankers' Committee (BLBC)

#### **District Level:**

1. District Consultative Committee (DCC)
2. District Level Review Committee (DLRC)
3. Standing Committee (SC)

#### **State Level: -**

1. State Level Bankers' Committee (SLBC)
2. State Level Review Committee (SLRC)

#### **National Level: -**

1. High Power Committee (HPC)
2. Regional Consultative Committee (RCC)

1. **District Consultative Committee DCC: (Total membership= 20-25 members).**  
Conducted by the Lead District Managers on quarterly basis and presided over by the District Development Commissioners.
2. **Standing Committee Meetings:**  
Conducted by Lead District Managers on monthly basis. (Usually, the meeting of Standing Committee is not held in the month in which the meeting of DLRC is held).
3. **DLRC Meetings:**  
These meetings are required to be held at quarterly basis to review performance of banks under District Credit Plan. The meetings are presided over by the District Development Commissioners.
4. **Block Level Bankers' Committee (BLBC) Meetings:**  
Lead District Managers functions as Chairman of BLBC and meetings are convened on quarterly basis in every block of the district. The district comprises of various blocks. Senior most Branch Manager of the Block located at Block Headquarter) of the Lead Bank happens to be the Convenor of BLBC forum.

Membership: All banks inclusive of RRBs, DCCBs, and the concerned Developmental agencies of the Block.

### **SERVICE AREA APPROACH:**

Service Area Approach introduced in the year 1989 by RBI is the concept to accelerate the pace of Rural Development. The main feature of this approach is the emphasis given to credit planning process with the involvement of grass root level functionaries from banks and Developmental agencies at block level. The Branch Managers/ village level workers of Developmental agencies have to conduct surveys in the entire village falling in their service area taking into consideration the infrastructure and market potential of the area. These grass root level functionaries interact through Block level Bankers' Committee meetings thus paving

way for compilation of realistic Service Area/ Non service area branch credit plan for each bank branch operating in a block. The Annual action plan/ District credit plan should be drawn up on the basis of updated village profile realistic projections. The unit of planning as envisaged under Service Area Approach is "Village" and therefore, the credit plan has to start from the village and aggregated at grass-root level, i.e. first at branch-level, thereafter at block level and finally at district level. Thereafter the District Credit Plans submitted by the Lead Banks in the Districts to the SLBC/UTLBC Convenor are aggregated by the SLBC/UTLBC Convenor into Annual Credit Plan / Annual Action Plan.

#### **Preparation of Annual Credit Plans:**

The Branch Managers/ village level workers of Developmental agencies have to conduct surveys in the entire village falling in their service area taking into consideration the infrastructure and market potential of the area. These grass root level functionaries interact through Block level Bankers' Committee meetings thus paving way for compilation of realistic service Area/ Non service area branch credit plan for each bank branch operating in a block. The Block credit plans compiled from the branch credit plan are put to deliberation/ approval in the District level consultative committee meetings. The credit plan has to start from the village and aggregated at grass-root level, i.e. first at branch-level, thereafter at block level and finally at district level.

#### **Preparation of District Credit Plans:**

District Credit Plans are simply aggregation of the Block Credit Plans of the blocks falling in a district. These aggregates are compiled, collated, reviewed and finalized in DCC meetings and given the final shape of annual District Credit Plans. The District Credit Plan represents the aggregation of block credit plans/ credit plans of all credit agencies operating in the district.

#### **Annual Action Plan/ Annual Credit Plan:**

These District Credit Plans, as per the Lead Bank Scheme, are approved at district level and forwarded by the Lead Banks of various districts in the State to the SLBC/UTLBC Convenor Bank of the State where these Plans are aggregated and compiled to form State Credit Plan/ Annual Action Plan. The Annual Action Plan is placed before the State Level Bankers' Committee for information of all members.

#### **Time Frame for preparation of Annual Credit Plans:**

There is time frame for finalization of the district `credit plans. As per this time frame bank branch falling in rural, semi-urban and urban areas have to initiate the process of preparation of Annual credit plan on 1st December and to complete it by 31st December every year. These credit plans in the format of Lead Bank Returns-I for rural, semi-urban/ urban branches having service allocations and LBR-UI for urban branches without any service Area - are to be submitted to the respective controlling offices by 31 Dec. The controlling offices have to convey their approval to the branches by 31st January of the next year so that the plans are placed in the respective Block Level Bankers' Committees for their approval by the end of February. The approved Block Credit Plans are placed in the DCC meeting for discussion/ approval so that District Credit Plans are launched by 1st April.

#### **The time frame for preparation of Annual credit plan/ District credit plan at glance:**

1. Supply of a Background papers by the Lead Banks to Branches. - **15th Dec.**
2. Preparations of Branch credit plan by branches. - **31st Dec.**
3. Approval of Branch credit plan by controlling office. - **31st Jan.**
4. Finalization of Branch Credit plan at BLBC. - **28th Feb.**
5. Aggregation at block level. - **15th Mar.**
6. Aggregation at district level. - **31st Mar.**
7. Launching of district credit plan. - **1st April.**