



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2026-27/150

FIDD.CO.LBS.BC.No.03/02.01.001/2026-27

June 19, 2026

The Chairman/Managing Director / Chief Executive Officer

All Commercial Banks excluding Foreign Banks (other than Wholly Owned Subsidiaries of Foreign Banks)

All State Co-operative Banks

All District Central Co-operative Banks

Madam / Dear Sir,

Lead Bank Scheme

Please refer to our Master Circular on the Lead Bank Scheme (LBS) FIDD.CO.LBS.BC.No.03/ 02.01.001/ 2025-26 dated April 01, 2025, consolidating the relevant guidelines / instructions issued by Reserve Bank of India on LBS from time to time.

2. A comprehensive review of the LBS has been undertaken and the revised guidelines on the subject are enclosed. These supersede all earlier instructions issued by the Reserve Bank on the subject.

Yours faithfully,

(Nisha Nambiar)
Chief General Manager-in-Charge

Encl.: As above

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Background

The Lead Bank Scheme (LBS) was introduced by the Reserve Bank of India (RBI) in December 1969 to provide a structured mechanism for facilitating co-ordination among various stakeholders towards enabling flow of bank finance to the priority sector and other sectors and for promoting banks' role in the overall development of the rural sector.

2. Objective of Lead Bank Scheme

LBS aims at coordinating the activities of banks, government and other developmental agencies through fora established under the Scheme to achieve the following:

- a) enhancing flow of credit to priority sectors for achieving inclusive growth.
- b) deepening financial inclusion through improved access and usage of financial services.

3. Framework of the Scheme

3.1 Lead Bank:

- i) RBI shall designate a commercial bank as Lead Bank in each district, to coordinate the efforts of the banks, Government, National Bank for Agriculture and Rural Development (NABARD) and other stakeholders at the district level to improve credit flow to the priority sectors and promote financial inclusion in the district.
- ii) The list of district-wise Lead Banks is given in [Annex-1](#).

3.2 Lead District Manager (LDM):

Every Lead Bank shall appoint a Lead District Manager (LDM) in each district where it has lead bank responsibility, to exclusively oversee and coordinate the implementation of LBS in the district.

3.3 District Development Manager (DDM):

NABARD shall appoint a District Development Manager (DDM) for each district to act as a liaison between NABARD and the district-level banking and financial institutions in promoting rural credit, implementing financial inclusion initiatives, and supporting agricultural and rural development activities in the district.

3.4 Lead District Officer (LDO):

RBI shall designate one of its officers as Lead District Officer (LDO) for each district. The LDO shall represent the Bank at the district level under the LBS.

3.5 SLBC Convenor Bank:

- i) RBI shall designate one commercial bank with significant presence in the State / Union Territory (UT) as the State Level Bankers' Committee (SLBC) Convenor Bank / UT Level Bankers' Committee (UTLBC) Convenor Bank.
- ii) List of State and UT-wise SLBC / UTLBC Convenor Banks is given in [Annex-1](#).

3.6 SLBC Convenor:

SLBC Convenor bank in each State / UT shall designate a General Manager of the bank as the SLBC Convenor. In case no General Manager level official is available, the Zonal Head of the Convenor bank (not below rank of DGM) may be designated as Convenor.

4. Fora under the Lead Bank Scheme

The scheme shall function through a three-tier structure in each State / UT, with Block Level Bankers' Committee (BLBC) at the base level, District Consultative Committee (DCC) and District Level Review Committee (DLRC) at the intermediate level, and SLBC / UTLBC at the apex level. Each of these fora shall broadly comprise of banks, government agencies and other stakeholders.

5 Block Level Bankers' Committee (BLBC)

5.1 Purpose

BLBC shall be constituted in each block of a district for achieving coordination at the block level among banks, government and field level development agencies. BLBC shall prepare and review the implementation of the Block Credit Plan and resolve operational issues in the implementation of credit programmes at the block level.

5.2 Composition of BLBC

- i) The Lead District Manager (LDM) of the district shall convene and chair the BLBC. The membership of the BLBC shall comprise of (a) branch managers of all banks operating in the block including Small Finance Banks (SFBs), Payments Banks (PBs), Wholly Owned Subsidiaries (WOS) of Foreign Banks, Regional Rural Banks (RRBs) and District Central Co-operative Banks (DCCBs); (b) Block Development Officer (BDO), and, (c) technical officers in the block, such as, extension officers for

agriculture, industries and co-operatives. Controlling Offices should intimate details of branches opened/ closed/ merged in the district to the LDM to enable appropriate coverage in the BLBC meetings.

ii) Representatives of Panchayat Samitis shall be invited to attend the meetings at half yearly intervals to provide inputs for the credit planning exercise.

iii) The LDO and Controlling Heads of banks may attend BLBC meetings selectively.

iv) DDMs shall be invited to BLBC meetings. While they may attend the meetings selectively, they shall participate in meetings in which the Block Credit Plan is finalised.

v) Representatives of block level SHG federation, Financial Literacy Counsellors attached to Financial Literacy Centres (FLC) and Directors of RSETIs may also be invited to BLBC meetings.

5.3 Conduct of BLBC meetings

i) BLBC meetings shall be held on quarterly basis, as far as possible. In the North-Eastern region, considering geographical and other constraints, the meetings may be held at least twice per year, one for the half year ended September for finalising the Block Credit Plan, and the other for the half year ended March where the performance may be reviewed.

ii) The illustrative agenda for BLBC meetings is provided in [Annex-2](#).

iii) BLBC meetings shall be conducted within 60 days of the end of the quarter. In cases where physical participation is rendered difficult by factors such as distance constraints, natural calamities, operational constraints faced by single person branches, etc. the meetings may be conducted virtually, or virtual participation may be permitted. In exceptional cases where a meeting is not held within the timeframe prescribed, it should invariably be held before the end of the next quarter.

iv) The minutes of the meeting (as per format in [Annex-10](#)) should be circulated within 10 days of holding the meeting. LDM shall establish a robust monitoring system to ensure that discussions during meetings result in actionable outcomes, decisions taken in the meeting have definite time frame for implementation and the progress of such action items is tracked.

v) The conduct of BLBC meetings will be monitored by the DCC. BLBC may refer the issues that remain unresolved at the block level to the DCC for discussion on a wider platform.

6 District Consultative Committee (DCC)

6.1 Purpose

DCC shall be a forum for co-ordination at the district level to facilitate developmental activities under LBS. DCC shall prepare and review the implementation of the District Credit Plan (DCP) and resolve operational issues in its implementation.

6.2 Composition of DCC

- i) The District Collector (DC) / District Magistrate (DM) shall be the Chairperson of the DCC.
- ii) Apart from the Lead Bank, membership of the DCC shall comprise of all commercial banks including SFBs, WOS of Foreign Banks, RRBs, PBs, State / District Central Co-operative Banks operating in the district, LDO, DDM, and representatives of various State Government departments and allied agencies.
- iii) Every bank in the district shall nominate a District Co-Ordinator (DCO), i.e., a senior level nodal officer from the Zonal / Regional / Administrative Office, for participating in the DCC meetings. DCO shall co-ordinate with all branches of the bank on matters relating to the LBS. Controlling Offices of banks should ensure that the names and contact details of DCOs are communicated to the LDM and changes are updated on timely basis.
- iv) The Director of Micro, Small and Medium Enterprises Development and Facilitation Office (MSME-DFO) in the district shall be an invitee in districts where MSME clusters are located.

6.3 Conduct of DCC Meetings

- i) DCC meetings shall be convened by the LDM at quarterly intervals.
- ii) The agenda for discussion in DCC meetings is provided in [Annex-3](#).
- iii) The LDM shall prepare a yearly calendar of DCC meetings (calendar year basis) and circulate it to all members as an advance intimation of dates, in accordance with the timeline given below:

Activity	Tentative timelines
Preparation of Annual Calendar of DCC meetings	15 th January every year
Reminder regarding the exact date of meeting and submission of data by banks to Lead Bank	15 days before end of the quarter
Distribution of agenda cum background papers	20 days from the end of the quarter

Activity	Tentative timelines
Holding of the meeting	Within 60 days from the end of the quarter
Forwarding the minutes of the meeting to all stakeholders	Within 10 days from holding the meeting

iv) In cases where physical participation in DCC meetings is rendered difficult by factors such as distance constraints, natural calamities, etc. the meetings may be conducted virtually, or virtual participation may be permitted. Repeated instances of absence of DCOs at meetings, if any, should be escalated to the Regional Office of RBI.

v) The format for recording the minutes of DCC meetings is in [Annex-10](#). The LDM shall establish a robust monitoring system to ensure that discussions during meetings result in actionable outcomes, decisions taken in the meeting have definite time frame for implementation, and the progress of such action items is tracked.

vi) At the DCC level, sub-committees as appropriate, may be set up to work intensively on specific issues and submit reports to the DCC for its consideration.

vii) DCC should give feedback to the SLBC on issues that need to be discussed on a wider platform, so that they receive adequate attention at the state level.

7 District Level Review Committee (DLRC)

7.1 Purpose

The DLRC shall be a forum to devise workable solutions for enhancing flow of credit to deserving sectors, besides serving as a platform for public representatives to share their feedback. While the DCC shall serve as a coordination and implementation forum, the DLRC will be expected to serve as a review forum.

7.2 Composition of DLRC

i) DLRC meetings shall be chaired by the DC / DM and attended by members of the DCC. Public representatives, i.e., Local MPs / MLAs / Zilla Panchayat / Parishad Chiefs shall be invited to these meetings.

ii) The forum shall have representatives of State Minority Commission, Scheduled Castes / Scheduled Tribes (SC / ST) Corporation, and representatives of the group of beneficiaries of rural lending. The forum may also consider inviting people with expertise in select fields, such as progressive farmers and local industrialists, as special invitees.

7.3 Conduct of DLRC Meetings

- i) LDM shall be responsible for convening the DLRC meetings on quarterly basis, after ascertaining the convenience of the public representatives. Agenda papers should be circulated to public representatives well in advance. In cases where physical participation is rendered difficult by factors such as distance constraints, natural calamities, etc. the meetings may be conducted virtually, or virtual participation may be permitted.
- ii) The agenda for discussion at DLRC meetings is provided in [Annex-4](#).
- iii) DLRC meetings should not be clubbed with DCC meetings. DLRC for June quarter may, as far as possible, be held prior to the pre-PLP meeting, so as to gain insights on credit needs of the districts from public representatives.
- iv) Responses to queries from public representatives need to be accorded highest priority and attended to promptly.
- v) The format for recording the minutes of DLRC meetings is in [Annex-10](#). The follow up of the DLRC's decisions is required to be discussed in the DCC meetings.

8. Role of LDMs and Infrastructure Support

8.1 Role of LDMs

In addition to convening meetings of the DCC and DLRC, other functions envisaged for LDMs include the following:

- i. Monitor the implementation of the District Credit Plan (DCP).
- ii. Coordinate the resolution of outstanding issues through meetings of DDM / LDO / Government officials, as and when required.
- iii. Provide necessary support for setting up of Financial Literacy Centres (FLCs) and Rural Self Employment Training Institutes (RSETIs) by banks.
- iv. Provide necessary support in organizing financial literacy camps to FLCs, rural branches of banks, and Centres for Financial Literacy (CFL).
- v. Hold annual workshops for banks and Government officials with participation by NGOs / Panchayati Raj Institutions (PRIs) to sensitize them about LBS related aspects.
- vi. Arrange at least one public meeting every quarter at various locations in the district, especially rural areas, in coordination with banks and other stakeholders for creating awareness, obtaining feedback, and providing guidance on grievance redressal.

8.2 Infrastructure and resources for LDMs

- i) As the role of the LDM is crucial to the effectiveness of the LBS, officers of appropriate level / sufficient seniority, possessing requisite aptitude and leadership skills should be posted as LDMs. Lead Banks shall preferably assign only one district to one LDM to ensure adequate focus to credit and financial inclusion related aspects. Assigning more than one district to an LDM shall be considered only in exceptional cases and for valid reasons.
- ii) Lead Banks should equip LDM offices with dedicated staff, including appropriate technical staff. They should be permitted to hire the services of skilled computer operator/s to overcome shortage of staff, if any. LDMs shall be provided with necessary infrastructure such as separate office, equipment, IT infrastructure, data connectivity and vehicle to enable them to discharge their responsibilities effectively. Additionally, there should be a separate budget for LDM offices to facilitate various field level activities. The adequacy of the strength of LDM offices, infrastructure, resources and budget should be reviewed periodically.

9. State Level Bankers' Committee (SLBC)

9.1 Purpose

The SLBC shall be the apex inter-institutional forum to facilitate coordination in the efforts of the State Government, banks, financial institutions and other relevant stakeholders, for the development of the State. In Union Territories, the apex forum shall be called UTLBC.

9.2 Composition of SLBC

- i) Membership of the SLBC forum shall comprise of heads of relevant departments of the State Government, Regional Director of RBI, state heads of commercial banks having major presence in the State, state head of NABARD, SLBC Convenor and heads of the RRB, State Co-operative Bank and State Cooperative Agriculture and Rural Development Bank (SCARDB), i.e., erstwhile Land Development Bank (LDB).
- ii) State heads of SFBs, WOS of Foreign Banks, and PBs shall be invited on rotation basis. However, there shall be full-house presence when Annual Credit Plan (ACP) is launched.
- iii) The Chief Minister / Minister of Finance / Industries / Agriculture shall be invited to address the SLBC meetings. Further, the state Chief Minister (CM) shall be requested to attend at least one SLBC meeting in a year. If the CM or Ministers are not able to attend for any reason, the meeting should preferably be held as planned.

- iv) Senior functionaries from National Commission for SC / ST, National Horticulture Board, Khadi and Village Industries Commission (KVIC), industry bodies, retail traders, exporters, farmers' unions, etc. shall be invited on rotation basis.
- v) Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) may be invited whenever there is a need for policy level intervention. If they are not represented in the forum, policy related issues, if any, emanating from the discussions, shall be forwarded to them.
- vi) The state head of Small Industries Development Bank of India (SIDBI), State Director of RSETIs and the head of the MSME-DFO may be invited to SLBC meetings, whenever considered necessary.
- vii) SLBC may invite DCs / DMs to its meetings, whenever considered necessary.
- viii) SLBC may occasionally invite to its meetings, academicians / researchers engaged in studies related to sustainable development of agriculture and MSME sector, as 'special invitees', for adding value to the discussions and to associate them with studies appropriate to the State. Success stories, such as those involving channelling credit to low-income households, may be presented in SLBC meetings.
- ix) SLBC may, at its discretion, invite to its meetings, any other person / organisation of relevance depending on the agenda items / issues to be discussed.

9.3 Conduct of SLBC Meetings

- i) SLBC Convenor shall convene SLBC meetings on quarterly basis.
- ii) The agenda of SLBC meetings shall be as per [Annex 5](#).
- iii) Meetings of the SLBC shall be co-chaired by Chairman / Managing Director / Executive Director of the Convenor Bank and Chief Secretary / Additional Chief Secretary / Principal Secretary of Finance (Head of Finance Department in State Government) / Development Commissioner of the State.
- iv) If Managing Director / Chief Executive Officer / Executive Director of the SLBC Convenor Bank is unable to attend SLBC Meetings, Regional Director / state head of the RBI shall co-chair the meetings.
- v) SLBC shall primarily focus on policy and strategic issues relating to flow of priority sector credit and overall financial inclusion in the state. Gaps in performance of financial institutions shall also be monitored at the apex forum.
- vi) SLBC Convenor Banks shall prepare a yearly calendar of meetings (calendar year basis) at the beginning of the year itself and circulate it to all members as an advance intimation of dates. The meetings should be conducted as per the calendar, to the extent possible, and the data for review should be received as per deadlines indicated.

Broad guidelines for preparation of the calendar of SLBC / UTLBC meetings are as follows:

Activity	To be completed by (Date)
Preparation of calendar of SLBC / UTLBC meetings and intimation to all concerned	15 th January every year
Reminder regarding the exact date of meeting and submission of data by banks to SLBC	15 days before end of the quarter
Deadline for receipt of information / data by SLBC Convenor Bank	15 days from the end of the quarter
Distribution of agenda cum background papers	20 days from the end of the quarter
Holding of the meeting	Within 45 days from the end of the quarter
Forwarding the minutes of the meeting to all stakeholders	Within 10 days from holding the meeting
Follow-up of the action points of the meeting	Within 30 days of forwarding the minutes

vii) The agenda should be circulated in advance once the meeting date is firmed up. If some banks do not update their data in time or the concerned heads do not attend the meeting, the SLBC Convenor Bank should write to the controlling office of the defaulting banks under advice to the Regional Office of RBI, and this may be discussed in the meetings of SLBC to bring in better discipline.

viii) The format for recording the minutes of the SLBC meeting is in [Annex-10](#). SLBC Convenor shall establish a robust monitoring system to ensure that discussions during meetings result in actionable outcomes, decisions taken in the meeting have definite time frame for implementation and the progress of such action items are tracked.

ix) In cases where physical participation by members is rendered difficult by factors such as distance constraints, natural calamities etc., virtual participation may be permitted.

9.4 Sub-Committees of SLBC

9.4.1 Steering Sub-Committee

A Steering Sub-Committee shall be constituted in the SLBC to deliberate on agenda proposals from different stakeholders and finalise a compact agenda for the SLBC meetings.

9.4.2 Other Sub-Committees

i) Other issue-specific Sub-Committees shall be constituted, as follows:

- a. Sub-Committee on Agriculture and Allied Activities (SC-AA)

- b. Sub-Committee on Micro Small and Medium Enterprises and Other Priority Sectors (SC-MSME & OPS)
 - c. Sub-Committee on Financial Inclusion and Financial Literacy (SC-FIFL)
 - d. Sub-Committee on Digital Payments (SC-DP)
- ii) Other sub-committees, over and above the five mentioned above, may be constituted as required, depending on the specific issues to be addressed by the respective States.

9.4.3 Composition of Sub-Committees

i. Steering Sub-Committee

The Steering Sub-Committee shall be chaired by the SLBC Convenor and comprise of senior State Government representatives from major departments covering priority sectors, e.g., Finance / Institutional Finance, Agriculture, Industries, senior representatives from RBI, NABARD, and two to three banks having major presence.

ii. Sub-Committee on Agriculture and Allied Activities (SC-AA)

- a) This forum shall be chaired by a SLBC / UTLBC core member bank (with highest share in agriculture lending) / Agriculture Commissioner / senior representative of Agriculture Department of the State.
- b) Other members shall include representatives of Finance Department and other departments concerned of the State Government, RBI and NABARD as well as Zonal heads / deputy heads of the convenor bank and major banks.
- c) Zonal heads / deputy heads of other banks shall be invited to participate in the meeting/s on rotation basis.
- d) Agencies related to food processing and agri-export promotion may be special invitees to the meetings, whenever considered necessary.

iii. Sub-Committee on MSME and Other Priority Sector (SC- MSME & OPS)

- a) This forum shall be chaired by a SLBC / UTLBC core member / Commissioner, Department of Industries / Dept. of MSME / Head of Finance or other relevant Department of the concerned State Government.
- b) Other members shall include officers from RBI, NABARD, SIDBI, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Finance Department of the State Government, Zonal heads / deputy heads of the SLBC convenor bank and major banks.
- c) Zonal heads / deputy heads of other banks shall be invited to participate in the meeting/s on rotation basis.

d) Representatives of Department of Financial Services (DFS), Directorate General of Foreign Trade (DGFT), state head of National Rural Livelihoods Mission (NRLM), representatives from KVIC / Khadi and Village Industries Board (KVIB), Export-Import Bank of India (EXIM Bank), District Industries Centre (DIC), Ministry of Food Processing Industries (MOFPI), Coir Board, National Credit Guarantee Trustee Company Limited (NCGTC), NABSanrakshan (subsidiary of NABARD) and leading Microfinance Institutions (MFIs) may be invited on need basis.

iv. Sub-Committee on Financial Inclusion and Financial Literacy (SC-FIFL)

a) This forum shall be chaired by SLBC Convenor / UTLBC Convenor / Development Commissioner / Head of Department of Institutional Finance of the State concerned.

b) Other members shall include officers from RBI, NABARD, Finance Department and other departments concerned of the State Government, and Zonal heads / deputy heads of the convenor bank and major banks.

c) Zonal heads / deputy heads of other banks shall be invited to participate in the meeting/s on rotation basis.

d) The State Director - RSETI and Non-governmental Organisations (NGOs) sponsoring CFLs may be invited on need basis.

v. Sub-Committee on Digital Payments (SC-DP)

a) This forum shall be chaired by SLBC Convenor or Zonal head of a major bank in the State.

b) Other members shall include officers from RBI, NABARD, Finance Department and other departments concerned of the State Government, state – level Law enforcement entity, and Zonal heads / deputy heads of the convenor bank and major banks.

c) Zonal heads / deputy heads of other banks shall be invited to participate in the meeting/s on rotation basis.

d) Representatives from the telecom sector may be invited to address the specific issues related to connectivity / bandwidth as per state / UT specific needs.

9.4.4 Conduct of Sub-Committee meetings

i) Meetings of Sub-Committees shall be convened by the SLBC Convenor at quarterly intervals, prior to the SLBC / UTLBC meetings.

ii) The agenda of each of the Sub-Committees' meetings is given in [Annex 6](#). In addition to the stipulated agenda, the Sub-Committees may deliberate on specific issues referred by the SLBC and submit their recommendation to the apex forum for a final decision.

iii) The format for recording the minutes of the Sub-Committees' meetings is in [Annex-10](#). The minutes and Action Taken Report (ATR) of the Sub-Committees' meetings shall be placed before the SLBC / UTLBC, for being taken on record.

9.5 Liaison with State Government

SLBC Convenor Banks shall co-ordinate the activities of all banks in the State, and regularly discuss with State Government officials the operational problems in lending, while extending necessary support for banking development and to achieve the objective of greater financial inclusion. SLBC Convenor Banks should take up with the State Governments / other Government departments concerned, impediments, if any, such as issues of road / digital connectivity, conducive law and order situation, uninterrupted power supply, adequate security, etc., to ensure adequate banking coverage and achieve greater financial inclusion.

9.6 SLBC Office - Infrastructure and Resources

The secretariat / office of the SLBC should be sufficiently equipped to enable the SLBC Convenor to function effectively. The Convenor Bank shall provide adequate staff and resources exclusively for attending to SLBC related work.

10. Credit Planning

10.1 Preparation of credit plans

i) Under LBS, a bottom-up approach is envisaged for credit planning. Block wise / activity wise potential shall be estimated for various sectors, so as to prepare credit plans accordingly.

ii) DDM shall draw up the Potential Linked Credit Plan (PLP) of a district, mapping the existing potential for development through bank credit considering the long-term physical potential, availability of infrastructure support, marketing facilities and policies / programmes of Government, etc. NABARD shall ensure that PLPs are pragmatic and implementable so that banks can utilize them gainfully while preparing the Branch Credit Plan (BCP). PLPs should emphasise promotion of sustainable agricultural practices, innovative farming systems, Farmer Producer Organisations (FPOs) and Farmers' Markets.

iii) A pre-PLP meeting shall be convened by the LDM in June every year, to be attended by banks, Government agencies, and other stakeholders to deliberate on credit potential (sector / activity-wise), major financial and socio-economic developments in the district in the last one year, and priorities to be set out for inclusion in the PLP. The DDM should outline the information needed from stakeholders for

preparing the PLP for the following year. PLP preparation for the next year is to be completed by September every year.

iv) Controlling Offices of banks including SFBs, WOS of Foreign Banks and Head Office of RRBs, DCCBs and SCARDBs shall circulate the accepted block-wise / activity-wise potential to all their branches for preparing the BCP by their respective branch managers. Banks shall ensure that the exercise of preparation of branch / block plans is completed in time by all branches.

v) A BLBC meeting shall be convened for each block where the BCPs are discussed and aggregated to form the Block Credit Plan. The LDM and DDM should guide the BLBC in finalizing the plan, ensuring that the Block Credit Plan is in tune with the potential identified activity-wise, including in respect of Government Sponsored Schemes.

vi) All the Block Credit Plans of the district shall be aggregated by the LDM to form the District Credit Plan (DCP), covering an analytical assessment of the credit needs of the district, to be deployed by all financial institutions operating in the district in the next financial year. While finalizing credit plans for the block / district level, LDMs shall factor in the record of achievement of these credit plans for previous years, in addition to the PLP. In case complete data of previous year's achievement of the plan is not available, data pertaining to the corresponding period of the past years may be considered. The objective should be to ensure that the credit plans are aspirational as well as realistic.

vii) The Zonal / Controlling Offices of banks, while finalizing their business plans for the year, should account for the estimates made in the DCP as they are typically compiled well in time before the performance budgets of banks are finalized.

viii) The DCP shall then be placed before the DCC by the LDM for final acceptance / approval. All the DCPs should be eventually aggregated into a State Level Annual Credit Plan (ACP) to be prepared by the SLBC Convenor Bank and launched by the 1st of April every year.

ix) The Controlling Offices of banks in each state should synchronize their internal business plans with the ACP.

10.2 Reviewing the Performance against Credit Plans

i) Performance in respect of the credit plans shall be reviewed in the LBS fora as below:

At Block Level	Block Level Bankers' Committee (BLBC)
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At District Level	District Consultative Committee (DCC) & District Level Review Committee (DLRC)
At State Level	State Level Bankers' Committee (SLBC)

ii) All member banks are required to furnish data on (a) ACP targets (b) ACP achievements / disbursements and (c) ACP sector / sub-sector wise loan amount outstanding, in an all-inclusive single format, LBS – MIS ([Annex 7](#)). The procedure of data reporting and a Standard Operating Procedure (SOP) to be followed by SLBC / UTLBC Convenor Banks, member banks and LDMs for management of data flow are given in [Annex-8](#).

iii) Based on the data reported, bank group wise statements should be prepared on quarterly basis and placed in all DCC and SLBC meetings for review.

iv) Discussions in SLBC, DCC and BLBC should focus on the performance of banks in disbursement of loans vis-a-vis the targets allocated under the ACP.

11. Credit Deposit Ratio (CD Ratio)

11.1 Monitoring CD Ratio

i) As the CD Ratio is an important parameter of credit disbursed in relation to deposits mobilised in the area, it should be monitored at different levels, based on the following parameters:

Institution / Level	Indicator
Individual Banks at Head Office	Cu + RIDF
State Level (SLBC)	Cu + RIDF
District Level	Cu#

Where:

Cu = Credit as per place of Utilization

RIDF = Total Resource support provided to States under Rural Infrastructure Development Fund (RIDF)

In case credit proposals are received at district level but processed and sanctioned at the bank's head office / controlling offices / central processing units, and the loan is utilised / disbursed in districts, these are treated as loans sanctioned and utilised at district level. Hence, they may be reckoned at district level for computing the CD ratio.

ii) CD ratio is to be calculated on the basis of credit amount outstanding.

11.2 Bank level monitoring

Banks are required to achieve a CD Ratio of 60 percent in respect of their rural and semi-urban branches, taken together on an all-India basis. While it is not necessary

that this ratio should be achieved separately, branch-wise, district-wise or region-wise, banks should, nevertheless, ensure that wide disparity in the ratios between different states / regions is avoided to minimise regional imbalance in credit deployment. Credit dispensation in certain districts is very low due to factors, such as lack of necessary infrastructure, varying ability of different regions to absorb credit, etc. Banks may review the performance of their branches in such areas and take necessary steps to augment credit flow. The factors affecting credit flow in the district may be discussed thoroughly in the DCC forum.

11.3 District and State level monitoring

- i) Districts having CD Ratio between 40 and 60 percent shall be monitored by the DCC for improving the performance.
- ii) In districts having CD Ratio less than 40 percent as well as ACP achievement less than 100% for the preceding financial year, Special Sub-Committees (SSCs) of the DCC, with LDM as Convenor shall be set up to monitor the CD Ratio.
- iii) The SSC shall comprise of the DCOs of banks functioning in the area, LDO, DDM, District Planning Officer, or a representative of the DC / DM duly empowered to take decisions on behalf of the district administration.
- iv) The SSC shall draw up a Monitorable Action Plan (MAP) for improving the CD Ratio, with the approval of the DCC. The progress in the implementation of the MAP should be monitored in the DCC meetings.
- v) Districts with CD Ratio less than 20 percent shall be placed in a special category. For these districts, in addition to constitution of SSC and MAP, the State Government would be required to make targeted efforts to create necessary infrastructure and conditions conducive to lending by the banks, while banks shall be responsible for improving credit disbursement.
- vi) The progress in the special category districts shall be monitored by DCC and reported to corporate offices of banks present in the district, to enable Head Offices of banks to accord special attention to improving the CD ratio in such districts.
- vii) A consolidated status report from all SSCs of the State shall be tabled at SLBC meetings for discussion / information.

12. Other guidelines on lending

The Service Area Approach (SAA) was introduced in April 1989 for planned and orderly development of rural and semi-urban areas by increasing productive lending and forging effective linkages between bank credit, productivity, and enhanced income levels.

- i) Under Service Area Approach SAA, each bank branch in a rural or semi-urban area is designated to serve an area of 15 to 25 villages and the branch is responsible for meeting the needs of bank credit of its service area. To ensure adequate coverage of rural and semi-urban areas under Government Sponsored Schemes, bank branches in these areas shall follow the SAA for lending under such schemes. While it is obligatory for bank branches to serve the eligible customers falling in their service area, they are free to lend under such schemes outside their service area also.
- ii) Banks shall dispense with the practice of obtaining a 'No Due Certificate' from individual borrowers (including SHGs and JLGs) for all types of loans, including loans under Government Sponsored Schemes, irrespective of the amount involved, unless the scheme itself provides for obtention of a 'No Due Certificate'.
- iii) For ease of access to credit in rural and semi-urban areas, banks may use an alternative framework of due diligence which could, among others, consist of one or more of the following:
- a) Credit history check through Credit Information Companies (CICs)
 - b) Self-declaration or an affidavit from the borrower
 - c) Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) registration
 - d) Peer monitoring
 - e) Information sharing among lenders
 - f) Information search (including writing to other lenders with an auto deadline)

13. Banking Penetration

- i) SLBC Convenor Banks are required to identify all unbanked rural centres (URCs) in the State¹ and maintain an updated list of all such centres. The updated list should be displayed on the website of each SLBC to facilitate banks to choose / indicate the place / centre where they wish to open a 'banking outlet'.
- ii) In order to comply with the criteria of opening at least 25 percent of total banking outlets in URCs in Tier 5 and 6 centres², banks should give priority to villages without a banking outlet having population more than 5000 (i.e., Tier 5 centres) and ensure that all such villages under their jurisdiction are covered with a CBS-enabled Banking Outlet on priority basis.
- iii) As regards Tier-6 centres, SLBC / UTLBC Convenor banks shall monitor coverage of these URCs and advise lead banks to review the progress in the coverage of such

¹ 'Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions 2025']

² As above

centres in DCC meetings. Convenor banks should also advise member banks to update the information on RBI's Central Information System for Banking Infrastructure (CISBI) portal as and when banking outlets are opened in URCs.

iv) The updated list of URCs should be tabled in all SLBC meetings during discussions on the progress in providing banking services in URCs.

v) SLBCs / UTLBCs shall put in place an action plan to achieve the goals identified under the National Strategy for Financial Inclusion (NSFI): 2025-30³ during the period of the strategy, with suitable mid-term goals, and monitor progress on an on-going basis.

14. Expanding and Deepening of Digital Payments Ecosystem (EDDPE)

The objective of the programme is to enable every individual in the identified districts to make / receive payments digitally in a safe, secure, quick, affordable, and convenient manner. SLBCs / UTLBCs shall cover all districts of the state fully under the programme, decide the timeline by which this will be done and ensure that the milestones are achieved as planned through close monitoring of progress.

15. Capacity Building and Sensitization Programmes

i) Regional Offices of RBI, in co-ordination with SLBC Convenor Bank, shall endeavour to sensitize the DCs / DMs and CEOs of Zilla Parishads on banking matters and on the specific scope and role of the LBS. Such exposure may also be provided to staff at the operational level of government departments associated with implementation of the LBS, such as BDOs, etc. through State Administrative Academies or similar institutions.

ii) Bank officials should be exposed to similar training programmes by the respective Lead Banks.

iii) Regional Offices of RBI shall conduct capacity building programmes for LDOs, LDMS and DDMs on an annual basis.

16. SLBC Website - Standardisation of Information

SLBC Convenor Banks are required to maintain the SLBC website where all instructions on LBS and Government Sponsored Schemes, profile of the State / UT, State-wise data / bank-wise performance, information on the conduct of meetings etc. are made available to the public. The indicative list of such information / data is given

³ National Strategy for Financial Inclusion (NSFI): 2025-30 released by RBI on December 01, 2025, available at <https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1307#F15>

in [Annex 9](#). SLBCs may put out any additional information considered relevant for the State. The SLBC website should be updated regularly, at least on quarterly basis.
