No.RBI/2004-05/48

RPCD.CO.LBS.BC. 5 /02.01.01/2004-05

July 16, 2004

The Chairman-cum-Managing Director of All Lead Banks

Dear Sir,

Lead Bank Scheme-participation of Members of Parliament and Public Representatives in District Level Review Committee (DLRC) Meetings

We invite a reference to our circular RPCD. CO. LBS.BC. 59/02.01.01/2002-03 dated January 06, 2003 on the captioned subject advising, inter alia, that the Lead Banks to ensure the involvement of the MPs in the District Level Review Committee (DLRC) Meetings.

 2. As you are aware, an announcement has already been made by the Government of India to double the Ground Level Credit Flow to agriculture in three years. As a first step in this direction, Government has also announced a plan of action envisaging 30% growth rate in flow of credit during current financial year. Banks and other concerned have already been informed about the plan of action. Besides Government and RBI, NABARD and IBA also will be closely monitoring the implementation of the programme. Government has also separately written to the State Governments seeking their full support and involvement in the programme.

3. A suggestion was made in the Parliament on July 6, 2004 that in the DLRC meetings, Members of Parliament (MPs) in that district should be invited. Since DLRC meetings have been attached great importance for the purpose of rural development and the MPs/MLAs have intimate knowledge of the area and closely involved in the developmental process, we reiterate that all the Lead Banks shall strictly follow the instructions/guidelines issued by us from time to time in this regard and invite, among others, public representatives like MPs, MLAs etc with a view to ensure association of cross section of non-officials and also with a view to get a feed back on the effectiveness of developmental plans under the Lead Bank Scheme and other related matters in the context of the current efforts to double the flow of credit to agriculture in three years by the Government.

2. Please acknowledge receipt.

Yours faithfully,

(G. Srinivasan)
Chief General Manager