

Urgent

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 22857 *** /F, Dt. 19.08.2021
FIN-PUIF-FININC-0001-2019

From

**Vishal Kumar Dev, IAS,
Principal Secretary to Government**

To

**The Additional Chief Secretaries/
Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries to Government,
All Departments**

Sub: Selection of Banks for handling business and deposits of State Public Sector Undertakings (SPSUs) and State Level Autonomous Societies (SLASs) for the Year 2021-22

Madam/Sir,

I am directed to say that the parameters as suggested by the Committee notified for fixation of modalities & parameters for empanelment of Banks to handle business and deposits of State Public Sector Undertakings (SPSUs) and State Level Autonomous Societies (SLASs) have been adopted for the year 2021-22.

2. Based on the performance of Banks as on 31.03.2021 for the F.Y 2020-21 and as per information received from SLBC, Odisha, the score card of the banks have been prepared. **Percentage of achievement against ACP Target in Agriculture Advance, Agriculture Allied Advance, MSME Advance, SHG Linkage (Financial) excluding JLG & Pool Financing, SHG Average loan size, CD Ratio, CRAR, Number of Rural Branches, Number of BC/CSP and No. of New Brick & Mortar Branches opened in Unbanked GPs during 2020-21 have been adopted for preparation of the score card.**

3. The minimum eligibility score is kept at 50% under **Category-I** for banks having minimum 100 branches in the State and 60% under **Category-II** for banks having 50 to 99 branches in the State.

4. The Committee recommended 17 banks (10 Public Sector Banks, 4 Private Sector Banks, 2 RRBs and Odisha State Cooperative Bank) under Category-I which have scored more than 50% composite score and 2 banks (1 Private Sector Bank and 1 Small Finance Bank) under Category-II which have scored more than 60% composite score.

5. The Odisha State Cooperative Bank, Odisha Gramya Bank and Utkal Grameen Bank are made eligible for handling Business and Deposits of State Public Sector Undertakings (SPSUs) and State Level Autonomous Societies (SLASs) as these banks substantially contribute to agricultural advances and the State Government have a share in the holdings of these banks. Besides, these three Banks have scored more than the minimum eligible score of 50% under Category-I.

6. Based on the scorecard, following banks have been selected for handling Business & Deposits:

Category-I (Banks with composite score 50 and above with Branches 100 and above)			
Public Sector Banks			
1	State Bank of India	6	Canara Bank
2	Punjab National Bank	7	Indian Bank
3	UCO Bank	8	Bank of India
4	Union Bank of India	9	Bank of Baroda
5	Indian Overseas Bank	10	Central Bank of India
RRBs & OSCB			
11	Odisha Gramya Bank	13	Odisha State Co-operative Bank
12	Utkal Grameen Bank		
Private Sector Banks			
14	Axis Bank Ltd	16	Bandhan Bank
15	ICICI Bank	17	HDFC Bank
Category-II (Banks with composite score 60 and above with Branches 50-99)			
Private Sector Bank		Small Finance Bank	
18	IndusInd Bank	19	Suryodaya SFB

7. In the context of Covid pandemic, minimum eligibility score under category-I and Category-II are kept at 50 and 60 respectively. However, the minimum eligibility score and minimum eligibility number of Branches will be reviewed after the end of first half year of the current financial year and in the next financial year, the minimum eligibility score may be raised to 60 and 70 under Category-I and Category-II respectively.

8. In addition to the banks empanelled as per the above eligibility criteria, although a bank whether public/private/small finance is not empanelled, if it opens a Brick & Mortar Bank branch in an unbanked GP, it may be eligible to handle the GP funds of that particular GP and the said GP will provide rent free accommodation for opening of the bank branch for 5 years as per Government Guidelines.

9. Similarly, if any bank whether public/private/small finance opens an ATM in any unbanked GP then the nearest bank branch of that bank may be eligible to handle the funds of that particular GP even if the bank is not empanelled. The said GP will also provide rent free space for the ATM.

10. In order to curb unhealthy competition among banks in frequent shifting of deposits from one bank to another, approval of Collector of the District may be taken up to Rs.10 Crore and for more than Rs.10 Crore, approval of concerned Administrative Department will be mandatory for such shifting with proper justification.

11. Similarly, in State Level Autonomous Societies/State PSUs, approval of Governing body/Board of Directors may be taken up to Rs. 10 Crore and for more than Rs. 10 Crore, concurrence of the concerned Administrative Department may be required for moving of deposits from one bank to another with proper justification.

12. Instruction issued vide Finance Department letter No.23583/F, Dt. 10.07.2019 and letter No.32215/ F, Dt. 21.11.2014 wherein it has been stipulated that money should not be drawn from treasury by DDOs unless it is required for immediate disbursement. Unauthorized parking of money in any bank account is a contravention of financial rules and instructions issued by Finance Department, and should be strictly avoided.

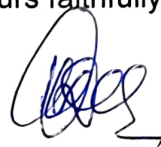
13. Empanelment of the above 19 banks in FY 2021-22 shall be meant for handling business and deposit of State PSUs and State Level Autonomous Societies only. This empanelment of banks will not be applicable to deposits of State Schemes and Central Schemes as well as Grant-in-aid received by Government Departments. This will be applicable for fresh deposits by the State PSUs and State Level Autonomous Societies during 2021-22. The deposits held in any bank empanelled during 2020-21 but not empanelled during 2021-22 may not be withdrawn suddenly. The same may be utilized at the earliest.

14. On half yearly basis, this Committee will review the performance of Banks in providing credit to Agriculture and Allied sectors, MSMEs and SHG Sector, opening of bank branches, CD ratio and financial stability of empanelled banks. The Committee may decide for inclusion of any new banks on the basis of enhanced criteria or exclusion of any empanelled banks due to poor performance or poor financial health of any banks on subsequent period.

15. Administrative Departments are requested to advise the PSUs/ULBs/Development Authorities/Autonomous Societies and other Statutory Bodies under their administrative control to select their bankers from the above list of eligible banks.

- 16.** The State Government reserves the right to remove any bank from the panel at any time in the following circumstances –
- a. In case the statistics submitted by the bank is found to be incorrect.
 - b. If the bank fails to submit any report, statement or satisfactory reply to any query within such time period as set by the State Government, RBI, NABARD and SLBC, Odisha.
 - c. In case of proven evidence of poor customer service.
 - d. In case any empanelled bank adopts unethical practices for withdrawal of deposits from another bank and deposit of the same in its account.

Yours faithfully,



Principal Secretary to Government

Memo No. 22858 dt 19.08.2021

Copy forwarded to the Private Secretary to Additional Secretary to Hon'ble Chief Minister, Odisha/P.S to Hon'ble Minister, Finance and Excise for kind information.

Memo No. 22859 dt 19.08.2021 **Director, Institutional Finance**

Copy forwarded to OSD to the Chief Secretary/Principal P.S to DC-cum-ACS for kind information of the Chief Secretary and DC-cum-ACS.

Memo No. 22860 dt 19.08.2021 **Director, Institutional Finance**

Copy forwarded to the P.S to Secretary to Government of India, Department of Financial Services, Ministry of Finance, New Delhi for kind information of Secretary to Government of India, Department of Financial Services.

Memo No. 22861 dt 19.08.2021 **Director, Institutional Finance**

Copy forwarded to the Principal Secretary to Government, Public Enterprises Department for favour of information and necessary action.

Memo No. 22862 dt 19.08.2021 **Director, Institutional Finance**

Copy forwarded to the Regional Director, Reserve Bank of India, Bhubaneswar/CGM, NABARD, Bhubaneswar for kind information and necessary action.

Memo No. 22863 dt 19.08.2021 **Director, Institutional Finance**

Copy forwarded to the G.M, UCO Bank-cum-Convener, State Level Bankers' Committee, Odisha for information and necessary action.

Memo No. 22864 dt 19.08.2021 **Director, Institutional Finance**

Copy forwarded to all Officers of Finance Department/All Branches of Finance Department/Head, Portal Group, IT Centre, Secretariat for hosting in the Finance Department website (<https://finance.odisha.gov.in>). These instructions may be uploaded in the website of Finance Department and posted in the Social Media by the Social Media Cell (fd.odisha@gmail.com) for wider circulation.

Memo No. 22865 dt 19.08.2021 **Director, Institutional Finance**

Copy forwarded to all Collectors & District Magistrates/PD, DRDAs for kind information & necessary action.

Director, Institutional Finance