

**Urgent**

**GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT**

No. 26061 \*\*\* /F, Date. 19.10.2022  
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 2022-23**

**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 2022-23.

2. Based on the performance of Banks as on 31.03.2022 for the F.Y. 2021-22 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, in Agriculture Allied Advance, in MSME Advance, in SHG Linkage (Financial) excluding JLG & Pool Financing, SHG Average loan size, CD Ratio, CRAR, Percentage of Rural Branches, Number of BC/ CSP per Branch, Number of WSHG members engaged as BC and No. of New Brick & Mortar Branches opened in Unbanked GPs during 2021-22 have been adopted for preparation of the score card.**

3. The banks based on their no. of branches in the State are divided into 3 categories.

**A. Category I - Minimum 100 Branches**

The minimum eligibility score is kept at 50 under Category-I for banks having 100 or more branches in the State.

**B. Category II – 50 to 99 branches**

The minimum eligibility score is kept at 60 under Category-II for banks having 50 to 99 branches in the State.

**C. Category III – 20 to 49 Branches – Conditional Empanelment**

In order to encourage the banks having less than 50 branches to expand their branches and credit flow, it has been decided to introduce a new category. Banks empaneled under this category will have to expand their number of branches to 50 during next 3 years.

The criteria for selection of banks under this category are as follows:

- i. Compounded Annual Growth Rate (CAGR) of achievement for these banks under Total Priority Sector lending during last consecutive 3 years in the State is minimum 60%.
  - ii. CD Ratio of the Bank must be above Average CD ratio of the State.
  - iii. Banks must open minimum **(50-B)/3** no. of branches in each consecutive year for three years so that, the total number of B&M branch of the Bank would be minimum 50 by the end of 3 years.
  - iv. Bank once empaneled but, fails to open prescribed B&M branches or achieve other parameters as stipulated will not be considered for empanelment under this category for next 3 years.
  - v. Banks empaneled under this category are eligible to handle business and deposits of State PSUs and State level autonomous societies maximum to the tune of Rs. 200 crores taking all SPSUs and SLASs together.
4. Total 24 banks are recommended for handling business and deposits of State Public Sector Undertakings (SPSUs) and State Level Autonomous Societies (SLASs) for the Year 2022-23 under the following three categories:

**A. Category-I:**

- i. The 9 PSU banks which have scored more than 50 marks as per the score card and have more than 100 branches in the State are Bank of Baroda, Bank of India, Canara Bank, Indian Bank, Indian Overseas Bank, Punjab National Bank, State Bank of India, UCO Bank and Union Bank of India.
- ii. The 4 Private Sector Banks which have scored more than 50 marks, empaneled under this category are Axis Bank, Bandhan Bank, HDFC Bank and ICICI Bank.
- iii. 2 RRBs i.e., Odisha Gramya Bank and Utkal Grameen Bank are empaneled under this category, as they have more than 100 bank branches and secured composite score above 50 marks as per the score card.
- iv. Similarly, the Odisha State Co-operative Bank being the State-owned bank substantially contributes to Agricultural advances. The Odisha State Cooperative Bank is empaneled for the financial year 2022-23. The Bank has also scored more than the required composite score of 50 marks for empanelment.

**B. Category-II:**

The 3 private sector banks are empaneled under this category for FY 2022-23 i.e. DCB Bank, IDBI Bank and IndusInd Bank. Also 1 Small Finance Bank i.e. Jana Small Finance Bank is empaneled under this category. These banks have met the required composite score of 60 marks for empanelment.

**C. Category-III:**

The 4 Banks i.e. Bank of Maharashtra, Federal Bank, IDFC First bank and Kotak Mahindra Bank Ltd are empaneled under this category for FY 2022-23. Bank of Maharashtra, Federal Bank, IDFC First bank and Kotak Mahindra Bank Ltd must open 8, 8, 10 and 10 no. of B&M branches in the State so as to reach branch no. of 35, 34, 31 and 30 respectively by 31.03.2023.



5. Based on the scorecard and criteria, following banks have been selected for handling Business & Deposits for FY 2022-23:

<b>CATEGORY-I: Banks with composite score 50 and above and Branches 100 and above</b>			
<b>Public Sector Banks</b>			
<b>Sl. No.</b>	<b>Name of the Banks</b>	<b>Sl. No.</b>	<b>Name of the Banks</b>
1	Bank of Baroda	6	Punjab National Bank
2	Bank of India	7	State Bank of India
3	Canara Bank	8	UCO Bank
4	Indian Bank	9	Union Bank of India
5	Indian Overseas Bank		
<b>Private Sector Banks</b>			
10	Axis Bank	12	HDFC Bank
11	Bandhan Bank	13	ICICI Bank
<b>RRBs and OSCB</b>			
14	Odisha Gramya Bank	16	Orissa State Co-Op. Bank
15	Utkal Grameen Bank		
<b>CATEGORY-II: Banks with composite score 60 and above and Branches 50-99</b>			
17	DCB Bank	19	IndusInd Bank
18	IDBI Bank	20	Jana Small Finance Bank
<b>CATEGORY-III: Category III Banks with Branches: 20 to 49 (Conditional Empanelment)</b>			
21	Bank of Maharashtra	23	IDFC First Bank
22	Federal Bank	24	Kotak Mahindra Bank Ltd

6. The minimum eligibility score under category-I and Category-II are kept at 50 and 60 respectively. However, the minimum eligibility score and minimum eligibility numbers of Branches will be reviewed after the end of 1st half year of the current financial year. In the next financial year, the minimum eligibility score may be raised to 60 and 70 under Category-I and Category-II respectively.

7. In addition to the banks empaneled as per the above eligibility criteria, although a bank whether Public / Private / Small Finance is not empaneled, 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.

8. 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 empaneled. The said GP will also provide rent free space for the ATM.

9. 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.

10. 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.

11. 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.

12. Empanelment of the above 24 banks in FY 2022-23 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 2022-23. The deposits held in any bank empaneled during 2021-22 but not empaneled during 2022-23 may not be withdrawn suddenly. The same may be utilized at the earliest.

13. On half yearly basis, this Committee may review the performance of Banks and decide for inclusion of any new bank on the basis of their good performance as per score card or exclusion of any empaneled banks due to poor performance.

14. Even though a bank is empaneled, it cannot handle the business and deposits of SPSUs and SLASs unless the same is integrated and is live with SBMS (Scheme wise Bank account Management System). The Banks which were not empanelled for the FY 2021-22 but are newly empaneled for the FY 2022-23, must be integrated with SBMS within 4 months of its empanelment. All State PSUs and SLASs need to on-board all the Business / Deposit Bank Accounts on SBMS Platform.

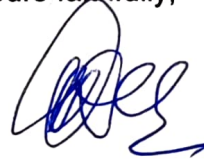
15. Empaneled Banks need to share the balance available in all the deposit accounts and business accounts (account no. wise) of all PSUs / SLASs / Government at the end of each quarter with Finance Department.

16. As State Government owns 15% of the share of the Regional Rural Banks (OGB & UGB), all State PSUs and SLASs may give priority to these Banks for placing of deposits and handling businesses.

17. 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.

18. 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 empaneled bank adopts unethical practices for withdrawal of deposits from another bank and deposit the same in its account.
  - e. In case the financial health of the bank is found to be poor / deteriorating.

Yours faithfully,



**Principal Secretary to Government**



**Memo No.** 26062 **Date.** 19.10.2022  
Copy forwarded to the Private Secretary to Additional Secretary to Hon'ble Chief Minister, Odisha/P.S to Hon'ble Minister, Finance and Parliamentary Affairs for kind information.

**Memo No.** 26063 **Director, Institutional Finance**  
**Date.** 19.10.2022  
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.** 26064 **Director, Institutional Finance**  
**Date.** 19.10.2022  
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.** 26065 **Director, Institutional Finance**  
**Date.** 19.10.2022  
Copy forwarded to the Principal Secretary to Government, Public Enterprises Department for favour of information and necessary action.

**Memo No.** 26066 **Director, Institutional Finance**  
**Date.** 19.10.2022  
Copy forwarded to the Regional Director, Reserve Bank of India, Bhubaneswar/CGM, NABARD, Bhubaneswar for kind information and necessary action.

**Memo No.** 26067 **Director, Institutional Finance**  
**Date.** 19.10.2022  
Copy forwarded to the G.M, UCO Bank-cum-Convener, State Level Bankers' Committee, Odisha for information and necessary action.

**Memo No.** 26068 **Director, Institutional Finance**  
**Date.** 19.10.2022  
Copy forwarded to all Officers of Finance Department/All Branches of Finance Department/ Sub-Nodal Officer (E-Gazette), Finance Information Division, Finance Department 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](mailto:fd.odisha@gmail.com)) for wider circulation.

**Memo No.** 26069 **Director, Institutional Finance**  
**Date.** 19.10.2022  
Copy forwarded to all Collectors & District Magistrates/PD, DRDAs for kind information & necessary action.

**Director, Institutional Finance**