



## **Draft Proceedings of the 173<sup>rd</sup>SLBC meeting of Odisha held on 12.12.2023**

The 173<sup>rd</sup>SLBC meeting of Odisha was held on 12.12.2023 under the Chairmanship of Shri Vijaykumar Nivrutti Kamble, Executive Director UCO Bank cum Chairman, SLBCatState Convention Centre, Lok Seva Bhawan, Bhubaneswar in presence of:

Development Commissioner cum Additional Chief Secretary, Govt. of Odisha, Smt Anu Garg,

Principal Secretary, Finance Department, Govt. of Odisha. Shri Vishal Kumar Dev,

Principal Secretary, Agriculture & Farmers' Empowerment Department, Govt. of Odisha  
Dr. Arabinda KumarPadhee,

Principal Secretary, MSME Department, Govt. of Odisha Shri Saswat Mishra.

Principal Secretary Panchayati Raj & Drinking Water Shri S K Lohani,

Regional Director, RBI, Bhubaneswar, Dr.Sarada Prasan Mohanty,

Commissioner Cum Secretary, Mission Shakti Department, Govt. of Odisha Smt Sujata R. Karthikeyan,

Chief General Manager NABARD, Dr. Sudhansu K K Mishra,

Managing Director Odisha State Co-operative Bank, Shri Uddhaba Chandra Majhi,

Director of Institutional Finance, Finance Department, Govt. of Odisha,Dr. Pragyasmita Sahoo,

Chief General Manager, SBI, Shri Chander Shekhar Sharma ,

Special Secretaries, Additional Secretaries, Joint Secretaries, the Directors of different Departments of Government of Odisha, General Manager of RBI, General Manager of NABARD, MD-Odisha SCST Development Finance Cooperation Ltd., Asst. General Manager-BSNL, Director DoT, Registrar DRT, Secretary OKVIBand Senior Officials of State Government, Controlling Heads of different Banks, SUDA, Dept. of Post, Lead District Managers & other participants. The list of participants is annexed.

### **Welcome address by General Manager, UCO Bank-cum-Convenor, SLBC, Odisha: Shri Goutam Patra**

The Convenor of SLBC Odisha, started the 173<sup>rd</sup> SLBC meeting with a warm welcome to all.

He expressed his honour and pleasure in welcoming everyone to the 172<sup>rd</sup> session of SLBC. He highlighted that the active participation of esteemed members is crucial for



turning discussions into effective pathways for achieving desired outcomes in the financial services sector.

The Convenor outlined the various Sub-Committees within SLBC, each dedicated to specific tasks related to sectors such as Agriculture, Fisheries & Animal Resources Development, MSME & Skill Development, Financial Inclusion & Financial Literacy, Digital Banking, credit flow to SHGs and Branch Expansion. He acknowledged the valuable insights and recommendations provided by these Sub-Committees for implementation by stakeholders.

He expressed gratitude to the State Government, the Reserve Bank of India (RBI), and the National Bank for Agriculture and Rural Development (NABARD) for their consistent and timely support to SLBC at both the state and district levels.

**Inaugural address by Executive Director UCO Bank cum Chairman SLBC Shri Vijaykumar Nivrutti Kamble.**

The Executive Director UCO Bank cum Chairman SLBC Odisha highlighted the state's commitment to inclusive growth and its proactive role in implementing development programs. He commended the collaboration between the state government and various stakeholders, including financial institutions, insurance companies, and development agencies, for setting an example of comprehensive development and socioeconomic transformation in Odisha.

The Chairman congratulated all banks for maintaining an impressive CD ratio of 81.75% as of September 30, 2023, surpassing many other states. He acknowledged that in the previous fiscal year, banks successfully achieved 100.78% of their ACP target, and this positive momentum has continued in the current year. As of September 30, 2023, banks in Odisha have already accomplished 56.07% of their ACP target, with around 62% in the agriculture sector, 61% in MSME. He urged all fellow bankers to sensitize their branches and make concerted efforts to exceed the ACP target for the current financial year 2023-24.

He praised the banking sector's commitment to financial inclusion, citing achievements of 45.18% under PMJDY, 46.54% under PMJJBY, 101.95% under PMSBY, and 43.93% under APY as of September 30, 2023 against the annual target. He also advised the Banks and LDMS to update the data of the different schemes viz. PMJJBY, PMSBY, APY, MUDRA, SUPI, KCC etc. in the portal immediately after the camp under the ongoing Viksit Bharat Sankalp Yatra (VBSY).

He also highlighted the 'Ama Bank' scheme launched by Hon'ble Chief Minister Shri Naveen Patnaik on November 28, 2023 with an aim to provide banking services to the unbanked rural masses, expanding the reach of financial inclusion

Furthermore, the Chairman commended Mission Shakti department, Government of Odisha, for introducing the Mission Shakti scooter Yojana, which empowers women in Odisha and provides a retail business opportunity for banks. He called on controlling



heads to ensure the successful implementation of these two schemes to create impact on the lives of common people in Odisha.

Lastly, the Chairman SLBC addressed the NPA status, which stood at 3.52% as of September 30, 2023. He reiterated the importance of sustained collaboration and coordination among all stakeholders to achieve inclusive growth and sustainable development for the state, calling for continued efforts to build a brighter future.

**Address by Regional Director, RBI, Bhubaneswar, Dr. Sarada Prasan Mohanty**

The Regional Director, RBI, Bhubaneswar highlighted that the Economic development of the State has shown a tremendous growth since the last SLBC Meeting with the support of the State Government and the bankers. There is good progress in their contribution towards credit growth. Taking a macro view on Indian Economy, he said that the growth momentum has picked up and corporate sectors are showing healthier balance sheet.

He informed that RBI has issued a press release where RBI has cautioned against the unauthorized campaigns on loan waiver and in the last State level Coordination Committee held on 4th December, 2023 it was discussed to strongly take action against such unauthorized campaigns so that the credit culture is not affected.

He further emphasized that updation of the repayment of loans by borrowers is not done regularly by the Credit Information Companies as a result the borrower's credit rating is not updated and the borrower is not getting bank credit because of the poor credit score. RBI has constituted a grievance redressal mechanism and guidelines have been issued in this matter.

He stated that RBI has issued guidelines for aggregators of loan products. He informed that data requirement and data processing requirement in Financial Sectors is very huge and using cloud facility, it becomes easier and cost effective, however higher risk is involved. He further informed that RBI is considering setting up cloud facility for all the Financial and Banking Institutions.

The Regional Director advised all Banks to take active steps and focus on Financial Literacy Camps by their rural branches every month. The banks should achieve the set target and may take necessary support from CFL, FLC and RSETI in the respective districts. He further stated that the FI Index for Malkangiri and Nabarangpur districts is very low and we have to take active steps for the same.

He advised the Private Banks to take active steps under PM Vishwakarma scheme as the performance of Pvt. Sector Banks is very low under the scheme across the country. Further, 100% digitization of bank accounts in the four districts of Odisha viz. Sambalpur, Cuttack, Ganjam and Bolangir has been achieved. However, in the remaining districts the progress is at 60% to 80%. He emphasized that the target set for digitalization of bank accounts in all the districts by March 31, 2024 cannot be missed.



Being a bank led economy, bankers have to actively support by being partners to the developmental cause of the State.

**Address by Principal Secretary, Finance, Govt. of Odisha, Shri Vishal Kumar Dev**

The Principal Secretary, Finance congratulated all Banks for maintaining the CD ratio of 81.75% which is one of the highest in the country. He further appreciated that NPA% as compared to September, 2022 has come down to 3.52%.

The Principal Secretary, Finance also highlighted that Banks have shown a growth in all sectors under ACP as compared to the corresponding period of the previous Financial Year.

He further highlighted that we are lagging behind in case of branches and ATMs per lac population as compared to other major states in the Country and we should focus on more and more branch opening. He highlighted the "AMA BANK" scheme launched by Hon'ble Chief Minister of Odisha on November 28, 2023 with an aim to provide banking services to the unbanked rural masses, expanding the reach of financial inclusion. He expressed his thanks to the 6 partnering banks viz. State Bank of India, Bank of India, Bank of Baroda, Punjab National Bank, UCO Bank and Union Bank of India who have come out for this purpose.

Lastly he He urged all Banks to put thrust on achieving target under ACP during the current Financial Year as was done in the previous Financial Year 2022-23.

**Address by Development Commissioner cum Additional Chief Secretary, Govt. of Odisha, Smt. Anu Garg**

The Development Commissioner cum Additional Chief Secretary of Government of Odisha, Smt. Anu Garg congratulated the 6 partnering Banks for very successfully grounding the flagship "AMA Bank" scheme which aims at banking the unbanked.

She also complemented for achieving the CD ratio of 81.75% as on 30.09.2023 and the impressive performance under NPA reduction. She also stated that achievement under ACP so far by the Banks is very good.

However she emphasized that there is a lot of disparity in the bank-wise, scheme-wise and geographic-wise achievement.

The second priority focused on mobility, citing developments in international and local flights and the Mission Shakti scooter Yojana,. She urged quick processing of the 57,000 applications received as this is a very critical scheme and need to be focused as far as women empowerment and mobility is concerned.

DC cum ACS also highlighted that progress under the BALARAM scheme is not picking up. Further Under MSME, PMEGP scheme is not picking up despite repeated follow up.

In the fourth point she emphasized "Mo Ghara" scheme to provide adequate financial support to the people in rural Odisha to construct pucca house.



Then The Convenor SLBC started the agenda wise discussion through power point presentation.

## **AGENDA NO.1**

### **Confirmation of Proceedings of 172<sup>nd</sup>SLBC Meeting held on 07.09.2023 at Bhubaneswar.**

The proceedings of 172<sup>nd</sup>SLBC Meeting held on 07.09.2023 was circulated among all the members of SLBC vide letter No. SLBC/ODI/2023-24/614 dated 18.10.2023. The action points of last meeting and their compliance status are also discussed. Since no comments have been received from any quarter, the same is confirmed.

## **AGENDA NO.2**

### **Annual Credit Plan / CD Ratio**

#### **2.1 Achievement under Annual Credit Plan (ACP) 2023-24 under Priority Sector**

The total disbursement of Priority Sector loans for FY 2023-24 (up to 30.09.2023) is Rs.89,873.44 Crore, which represents an achievement of 56.07% against the annual target of Rs.1,60,280.22 Crore.

The Convenor, SLBC informed that 9 Banks are above the state average under ACP achievement, 3 Banks are above 50% but below state average and others have achieved less than 50%of the annual target. This comprehensive assessment highlights the diverse performance levels among banks and underscores the importance of collaborative efforts to enhance overall ACP performance. The Controlling Heads of the low performing Banks assured to achieve the gap in ACP during the December'2023 quarter. The Convenor, SLBC also requested banks to put concerted effort on Export,Housing and Education sector for achieving the ACP target.

The Director, Institutional Finance, Govt. of Odisha suggested to include the number of accounts disbursed under ACP Priority sector.

The Principal Secretary, Finance advised banks whose ACP achievement is below 50% to take a note of the low performance and improve the performance in the current quarter. The Principal Secretary also advised LDMs of Balasore and Jajpur and other low performing districts to focus on improving the performance under ACP immediately.

#### **2.1. a. Education Loan**

During the period of 01.04.2023 to 30.09.2023, a total education loan of Rs. 425.72Crores has been disbursed by all banks in 10,205 accounts, including both Priority and Non-Priority sector accounts. The disbursement under Priority Sector is Rs.364.91 Croreswhich constitutes31.64% of the set target of Rs.1153.35 Crores for the FY 2023-24. As of



30.09.2023, the total outstanding balance (PS & NPS) is Rs. 2,232.50 Crores in 56,057 accounts.

The Convenor, SLBC urged all banks to focus on improving the performance under Education loan as current achievement of 31.64% of the target in the Priority Sector suggests a need for concerted efforts to bridge the gap.

### **2.1. b. Housing Loan**

During the period from 1<sup>st</sup> April 2023 to 30<sup>th</sup> September, 2023, a total of Rs.4,883.16 Crore has been disbursed by all banks in 64,438 accounts, including both priority and non-priority sector. The disbursement under Priority Sector is Rs.2,520.63 Crores against a target of Rs.6,614.50 Crores and the achievement is 38.11%. As of 30<sup>th</sup> September, 2023, the total (PS & NPS) balance outstanding is Rs.28,140.86 Crores in 2,59,246 accounts.

As per CLSS data provided by NHB, under EWS/ LIG category total loan accounts are 5062 with disbursement of Rs.486.70 crore and subsidy / processing fee release is Rs.106.50 Crore. Similarly under MIG, total loan accounts are 3607 with loan disbursement of Rs.646.70 Crore and Subsidy/ processing fee release of Rs.71.03 Crore.

### **2.1. c. Export Credit**

All Banks have disbursed a total amount of Rs. 2,837.01 Crore During the period 1<sup>st</sup> April, 2023, to 30<sup>th</sup> September 2023, against the target of Rs.7,435.96 Crores which is 38.15% of the target. The Convenor SLBC requested all banks to extend credit so that annual target can be achieved.

## **2.2 CD Ratio (All Banks)**

As of 30<sup>th</sup> September, 2023, the CD ratio of all banks, taking into account total utilization (which includes loans sanctioned outside the state but utilized in Odisha), is 81.75%, indicating an improvement from 80.44% as of 30<sup>th</sup> June, 2023.

The Principal Secretary, MSME suggested to explore the possibility of having the disaggregated data by taking out the big ticket size advance while calculating the CD ratio. The CGM, SBI stated that big ticket size projects/ advances are also equally important for the State and urged all banks to maintain a balance of the big ticket size advances and Priority sector advances. The Development Commissioner cum ACS also suggested to have an analysis of the disaggregated data.

The CGM NABARD stated that the rejected and pending proposals under different schemes are very high and the average ticket size under KCC is very low in the State. So he suggested to increase the average ticket size of the KCC to minimum Rs.1.00 Lakhs by all the Banks

## **2.3 CD Ratio (District wise)**

As of September 30, 2023, all districts have CD ratio above 40%. However, there are two districts with a CD ratio below 60%, namely Jagatsinghpur ( 57.26%) and Mayurbhanj (55.50%).



The Principal Secretary Finance advised the LDMs of those districts to increase the CD ratio by taking necessary corrective steps.

## **AGENDA NO. 3**

### **Financing to Agriculture Sector**

#### **Special SLBC Agenda: Ghar Ghar KCC Abhiyan:**

Ghar Ghar KCC Abhiyan was launched on 19.09.2023 jointly by Ministry of Finance and Corporate Affairs and Ministry of Agriculture Government of India to saturate all leftover PM-Kisan beneficiaries with short term agriculture loans through KCC, including crop, fisheries & animal husbandry. The campaign period is from 01.10.2023 to 31.12.2023. Under the campaign, all PM-Kisan beneficiaries as well as other willing and eligible farmers in the state are to be provided with KCC enabling farmers in getting benefit of concessional institutional credit, interest subvention and prompt repayment incentives. The ongoing KCC saturation drive for AHD & Fisheries also forms a part of the Ghar Ghar KCC Abhiyan campaign.

As of September 30, 2023, under the KCC Saturation Drive for Animal Husbandry, out of 59,637 applications accepted, 16,640 applications have been sanctioned, 41,026 applications have been rejected, and 1,971 applications are pending at various banks. Similarly, in the case of Fisheries, out of 10,729 applications accepted, 2,281 applications have been sanctioned, 8,095 applications have been rejected, and 353 applications are pending at various banks.

All the LDMs and Controlling Heads of Banks are requested to take up with the branches to immediately dispose all the pending applications and also to take a careful note that no application should be rejected on flimsy grounds.

Under Ghar Ghar KCC Abhiyan the details of PM Kisan beneficiaries are available at branch level. The bank branches have to map the existing KCCs issued with the PM Kisan beneficiaries and the left out PM Kisan beneficiaries have to be saturated by issuing fresh KCCs (Crop, Fishery & AH). Out of the total 27,96,678 PM Kisan beneficiaries, 9,89,418 beneficiaries are saturated. The Convenor SLBC requested all banks to issue instructions to all bank branches to complete the saturation process under Ghar Ghar KCC Abhiyan within 31.12.2023.

#### **3.1 SAFAL (Simplified Application for Agricultural Loans) Portal.**

In the SAFAL portal as of September 30, 2023, the total number of applications received across all banks is 1,825, with a total of 27 applications sanctioned, 537 applications pending, 409 applications reverted, and 852 applications rejected.

The Principal Secretary, Agriculture & FE advised banks to persuade the borrowers coming directly to banks to apply through SAFAL portal.



The Director, Agriculture, Govt. of Odisha, stated that pendency in the SAFAL portal is very high and applications are being rejected without valid reason. He also informed that negative feedback is being received from the field that applicants are discouraged to apply through SAFAL portal. He requested the banks to monitor the branch wise issues relating to SAFAL and resolve the same on priority.

The Principal Secretary, Finance stated that the purpose for launching the SAFAL portal is not justified and requested Principal Secretary Agriculture to take up with all the stakeholders in this regard.

The Chairman, SLBC cum Executive Director UCO Bank advised to take up the matter with the district co-coordinators of banks to find out the issues at the grass root level and to resolve the same.

### **3.2 ACP achievement under Agriculture Sector - Crop Loan & Agriculture Term Loan**

As of 30<sup>th</sup> September 2023, in the financial year 2023-2024, all banks have collectively disbursed Rs. 36,192.55 Crore to the agriculture sector, achieving 61.58% of the total annual target of Rs. 58,776.16 Crore. Achievement under crop loans is 56.31% of the annual target, achievement under term loans is 47.21%, achievement under allied advances is 58.11%, achievement under farm credit is 55.91%, achievement under agriculture infrastructure is 27.56%, and achievement under ancillary activities is 173.58% of their respective annual targets.

The Principal Secretary, Agriculture & FE stated that the Sub-Committee meetings of SLBC on Agriculture and F & ARD are held regularly to review the progress under the schemes. He also expressed his thanks to the bankers for achieving the target under Kharif 2023 & advised the banks to continue giving the crop loans in time to the farmers. The Principal Secretary Agri & FE also advised the banks that while extending crop loan under Kharif'2024 crop season, the 'B' component should be financed in kind. He also advised the banks to improve the performance during the ensuing quarter and to achieve the target assigned to each bank. He further stated that though the performance of banks during the 1<sup>st</sup> and 2<sup>nd</sup> quarter is satisfactory, in some of the banks it is quite discouraging and he advised the banks to improve the same immediately.

The Principal Secretary, Agriculture & FE further requested the Banks to take the advantage of the enhanced subsidy amount of Rs.1.00 Crore under MKUY scheme and come forward to extend their support for big ticket size projects under agriculture.

The Principal Secretary, Finance stated that the performance of Private Sector Banks those having the ACP target of more than Rs.1,000. Crore like HDFC Bank and ICICI Bank is very poor and advised them to improve their performance immediately. He further stated that while empanelling banks for handling Govt. Business, achievement under ACP is one of the major key parameter and any shortfall in the ACP achievement is not acceptable and will have consequences.





The Convenor SLBC requested banks to dispose all pending applications in the SAFAL portal, improve sanctions under MKUY and MIDH schemes, keep the momentum in achieving the ACP target in the current financial year and Bank-wise average ticket size under KCC to be increased. He also informed that in the review meeting taken by Hon'ble Agriculture Minister on 31.10.2023, the minister instructed the Director, Agriculture to analyse the ambiguity on document submission, collaterals, timelines etc. and formulate one SOP for the SAFAL portal for circulation among stakeholders after discussion with stakeholders. The said direction related to SAFAL portal was also discussed in the Sub-Committee meeting of SLBC on F & ARD held on 02.11.2023 and was also an action point. SLBC has taken up the matter with the Directorate of Agriculture.

### **3.3 Kissan Credit Card (KCC)**

Banks have disbursed **12,38,334** numbers of KCC accounts amounting to **Rs.16,062.53 Crore** from 01.04.2023 to 30.09.2023. Total outstanding balance as on 30.09.2023 is **Rs.31,069.43 Crore** in **49,50,309** KCC accounts. The average KCC loan size is Rs.1,29,710.81.

The Chief General Manager, NABARD, Bhubaneswar highlighted that while interest subvention for Kisan Credit Cards (KCC) is available up to Rs. 3.00 Lakhs, the average loan size provided by banks in the State is very low. This indicates that farmers are not receiving the full benefit of interest subvention. Emphasizing the importance of increasing the average loan size, especially for Regional Rural Banks (RRBs) and Co-operative Banks. The Principal Secretary, Agriculture & FE thanked the better performing banks and advised other banks to improve performance both in terms of amount and average ticket size. Further, he requested all Banks to saturate all the PM Kisan beneficiaries with the Kisan Credit Card.

### **3.4 Crop Insurance (Pradhan Mantri Fasal Bima Yojana – PMFBY)**

During the period from April 1, 2023, to September 30, 2023, a total of 1,36,06,471 enrollments are there covering 22,48,249 farmers under the Pradhan Mantri Fasal Bima Yojana (PMFBY), which provides crop insurance. The area insured during this period is 1,513.07 thousand hectares, and the sum insured amounts to Rs. 11,386.73 Crores. The gross premium is Rs. 1,443.25 Crores.

The Principal Secretary, Agriculture & FE informed that as per the decision taken by State Government, farmers' share of premium for land up to 2.00 hectares is borne by the State Government during the Kharif 2023-24 Crop season with a token money of Rs.1.00 per application collected from farmers for validating the enrollment. He further requested the Banks to extend the benefit of almost free crop insurance to the loanee & non-loanee farmers in all the notified blocks and notified crops.

### **3.5 BALARAM (Bhoomihina Agriculturist Loan & Resources Augmentation Model)**

In the current Financial Year upto 30.09.2023 all banks have sanctioned/ disbursed credit facility to 6,514 JLGs against the annual target of 1,00,000. The major banks



sanctioned credit facilities to JLGs are OSCB (5,723), UCO Bank (170), SBI (91), Canara Bank(82).

The Principal Secretary, Agriculture & FE informed that OSCB has extended credit support to about 40,000 JLGs which is not captured under the BALARAM scheme. He also informed that as per the decision by the State Government, credit facility extended to JLGs for tenant farmers and share croppers will also be included in BALARAM scheme.

### **3.6 Agriculture Infrastructure Fund:**

As of September 30, 2023, a total of 737 applications are sanctioned under the scheme, with a project cost amounting to Rs. 623.49 Crores out of 1,214 applications sponsored. 321 applications are rejected/denied. Additionally, there are 156 applications pending at the bank level for further processing. The Principal Secretary Agriculture & FE advised all banks to dispose all applications in a time bound manner.

### **3.7 Mission for Integrated Development of Horticulture (MIDH)**

The Horticulture Department, Government of Odisha has reported that as of September 30, 2023, there are 188 pending applications with various banks amounting to Rs. 8.89 Crore. On the other hand, banks have sanctioned 27 applications, amounting to Rs. 2.28 Crores.

### **3.8 Agriculture Allied Sectors (Fishery & Dairy)**

As of September 30, 2023, banks have disbursed Rs. 4,817.36 Crores in the agriculture allied sectors against annual target of Rs. 7,664.73 Crores achieving 62.85 % of the target. The performance of banks in Dairy is 42.24% of the target, in Fishery 43.38% of the target, in Poultry 56.04 % of the target, in AH Sheep/Goatery/Piggery 97.27 % of the target, and in Other Allied Sectors 227.72 % of the target is achieved.

The reporting in other allied sectors has significantly decreased to Rs.126.18 Crores as of 30.06.2023. However it again increased to Rs.487.54 Crore as on 30.09.2023 and the main contributors are Jana Small Finance Bank(Rs.219.38 Crore), RBL Bank (Rs.114.97 Crore) and DCB Bank (Rs.40.38 Crore). These banks are advised to take up the miscellaneous issue with their central office and classify the figures in appropriate subhead so that reporting in other allied sector can be minimized.

### **3.9 Mukhya Mantri Krushi Udyoga Yojana (MKUY)**

As of September 30, 2023, under the Mukhyamantri Krushi Udyoga Yojana (MKUY) Scheme, a total of 4,110 applications have been sponsored to different banks. Out of these, 1,358 applications are sanctioned, 1,067 applications are rejected, and 1,685 applications are pending under the scheme.



The Director, Agriculture & Food Production stated that the pendency under MKUY has been increased since the last SLBC meeting. Further, GO SUGAM is the single portal for MKUY proposals and though banks have sanctioned a lot of cases, the same is not updated in the GOSUGAM portal. He requested the banks to issue suitable instructions to the branch heads to update the GOSUGAM portal immediately. The MKUY scheme guidelines regarding Mirror Account was notified on 19/08/2023 and since then 720 cases have been given "Go Ahead" and are pending with different banks. He requested the Banks to immediately dispose these 720 cases which involves upfront release of the subsidy amount in the Mirror Accounts. The branch-wise and bank-wise pending has already been shared with the banks.

### **3.10 Financing to FPOs (Farmers Producer Organization)**

As informed by NABARD, in the current financial year upto 30.09.2023, 53 FPOs have been sanctioned credit limits of Rs.180.49 lacs. The CGM NABARD requested all banks to give focus on financing to FPOs as the participation from bank side is very less.

## **AGENDA NO.4**

### **Financing to MSME Sector**

#### **4.1 ACP achievement in Micro, Small and Medium Enterprises (MSMEs)**

Against total target of Rs.72,297.84 Crore, achievement as on 30.09.2023 is Rs.43,908.13 Crore which is 60.73% of annual ACP targets under MSME.

The sector-wise performance highlights that under Micro Enterprises achievement is 75.70% of the target, with Rs. 19,155.73 Crore disbursed against a target of Rs. 25,304.25 Crore. Under Small Enterprises achievement is 68.76 % of the target, with Rs. 15,410.74 Crore disbursed against the annual target of Rs. 22,412.36 Crore. Under Medium Enterprises achievement is 64.35 % of the target with disbursement of Rs. 8,375.16 Crore against a target of Rs. 13,013.60 Crore. However, the achievement in the Khadi & Village Industries category stood at 3.58%, with Rs. 129.44 Crore disbursed out of the target of Rs. 3,614.88 Crore. The Other MSME category achieved 10.53% of its target, with Rs. 837.06 Crore disbursed out of the target of Rs. 7,952.75 Crore. Overall, the MSME sector has shown promising progress in meeting its financing targets.

The Principal Secretary of the MSME Department stated that the State of Odisha is on the way of industrialization and MSMEs need a great credit support. He informed that last year banks have achieved 104% of the target and this year also upto 30.09.2023 achievement is 60.73% of the annual target which is a good sign that this year also annual target can be achieved. He congratulated and expressed this thanks to the bankers for their achievement under ACP. He also informed that some micro failures are hidden in the macro achievement which needs to be taken care of by the banks.

#### **4.2 Pradhan Mantri Employment Generation Programme(PMEGP)**



As of September 30, 2023, against a physical target of 6000 units banks have sanctioned 3,242 accounts till 30.09.2023 which is 54.03% of target. There are still 4,112 applications pending at the bank level.

The Principal Secretary, MSME expressed his deep concern over the poor achievement by the banks under this flagship scheme of Government. He further added that the private banks except IDBI Bank, the performance is miserable.

The Private sector banks Axis, ICICI & HDFC have committed that their performance will improve in the remaining period of the year.

The Principal Secretary also informed that the claim of margin money is also not satisfactory. As the utilization of margin money is also considered for achievement, he advised all banks to claim margin money in all eligible accounts without further delay.

As the PMEGP constitutes a very small portion of ACP but an important flagship programme of Govt., he urged all banks to achieve the target both in number and Margin Money component. He also informed that the project cost under PMEGP has been increased & hence banks should take up high value projects under the scheme.

The Principal Secretary Finance advised all banks to immediately improve the performance under PMEGP and other Govt. sponsored schemes and advised to review the performance of the banks in January 2024.

#### **4.3 PMFME (Pradhan Mantri Formalization of Micro food processing Enterprise)**

As of 30<sup>th</sup> September 2023, in the current year 2023-24, against the total target of 2,990 only 189 proposals sanctioned between 01.04.2023 to 30.09.2023 and the performance further increased to 292 as of 08.12.2023. The Convenor, SLBC informed that cumulatively as on 08.12.2023, out of 4,254 proposals sponsored to banks, 1,060 cases are sanctioned, 1,959 cases are rejected, and 1,235 applications are pending with banks.

Expressing dissatisfaction with the performance in the PMFME scheme, the Principal Secretary, MSME Department informed that many bank branches are not logging into the PMFME portal regularly causing delays and inefficiencies. The Principal Secretary, MSME advised all banks to log into the portal and dispose all the applications both individual and group adhering to time norms.

Furthermore, it was noted that the majority of sanctions in the scheme are from public sector banks, while private sector banks have a dismal performance except IDBI.

The Convenor, SLBC informed that Ministry of Food Processing Industries, Govt. of India has directed to organize fortnightly PMFME campaign from 16.12.2023 to 31.12.2023 by all the Banks and to ensure the following points during the campaign by each bank:



1. Each branch to source at least 10 PMFME applications.
2. Sanctioning at least 2 applications per branch and shortfall in numbers in the branches of a particular bank has to be compensated by other branches of the bank.
3. Clearing entire sanction/ disbursement pendency of more than 2 months and reporting nil pendency > 2 months by 31.12.2023.

The Convenor, SLBC requested the banks to advise their branches to encash the opportunity by actively participating in the PMFME campaign from 16.12.2023 to 31.12.2023 and achieve the target as set by Ministry of Food Processing Industries, Govt. of India.

#### **4.4 Disposal of Stressed MSME cases**

As reported by banks, 27no. of Stress Committee Meeting conducted during the September 2023 quarter from 01.07.2023 to 30.09.2023 and through the Stress Committees, 51 no. of accounts/cases rectified, and 1,538 no. of cases decided for recovery.

#### **4.5 Provision of banking facilities to MSME Clusters**

As per the discussion in the 53<sup>rd</sup> Meeting of Empowered Committee (EC) on MSME which was held on 10<sup>th</sup> August 2022 under the Chairmanship of Regional Director, RBI, Bhubaneswar, 20 identified MSME clusters have been allotted to banks for taking care of their financing needs. Further, infrastructural ecosystems in respect of the 56 numbers of identified potential MSME clusters of the State are under process.

#### **4.6 Progress under Pradhan Mantri MUDRA Yojana (PMMY) in Odisha**

All Banks and Financial Institutions have sanctioned 14,37,844 accounts with an amount of Rs. 8,397.33 Crore and disbursed Rs. 8,235.12 Crores as on 30.09.2023 in the financial year 2023-24. The Convenor, SLBC also informed that as on 01.12.2023 banks have sanctioned Rs.12,196.07 Crores in 20,66,407 accounts and disbursed Rs.12,036.54 Crores.

He also informed that the average loan size under Sishu category is RS.0.35 lacs, under Kishore category it is Rs.5.00 Lakhs & under Tarun category it is Rs.8.02 lacs. He requested all banks to increase the ticket size in Kishore category by extending loans upto Rs. 5.00 lacs.

Karrur Vysya Bank, The South Indian Bank and OSCB have not sanctioned any loans under PMMY scheme.

#### **4.7 Assistance to Startups through Bank Linkage**

For the financial year 2023-24, up to 30<sup>th</sup> September 2023 as reported by banks, only one account has been sanctioned with a total amount of Rs. 650 lakhs. The cumulative number of accounts sanctioned so far is 510, with a cumulative amount sanctioned of Rs. 198.77 Crores. All banks are requested to extend more credit facilities to the start ups.

#### **4.8 Stand Up India Scheme**



As of September 30, 2023, under the Stand-Up India scheme, banks have sanctioned loans to 6,276 applicants, out of which 1,034 are from the SC/ST category, with a disbursement amount of Rs. 97.19 Crores. 5,242 are from women category with a disbursement amount of Rs. 656.14 Crores. Though banks have achieved the target for financing women beneficiaries, the achievement under loan disbursement to SC/ST beneficiaries is not satisfactory.

The Convenor, SLBC requested all banks to improve their performance under the Stand-Up India scheme as it has now been extended up to 2025, with a particular focus on providing more credit to SC/ST beneficiaries.

#### **4.9 Silpi Unnati Yojana (SUY)**

As per the information provided by the Directorate of Handicrafts, the total number of applications sponsored (including backlog) under SUY upto 30.09.23 is 2,996 out of which 199 applications have been sanctioned, 2,724 applications are pending and 73 are rejected.

The Director of Handicrafts provided an update on the progress of sanctions and expressed concern over the large number of pending applications. The Director, Institutional Finance, stated that proper focus is not given to this State scheme. The CGM, SBI requested the Department to share the Bank-wise and branch-wise applications sponsored details with all the Banks. The Principal Secretary, Finance advised the department to share the details.

#### **4.10 PMSVANidhi (Street Vendors)**

As per PMSVANidhi portal as of 30.09.2023, out of 1,06,898 applications entered in the portal, 83,189 applications are sanctioned & disbursement made in 78,739 accounts. 7,989 applications are pending in different bank branches. The Convenor SLBC requested all banks to achieve the target by December'2023.

#### **4.11 Implementation of Electronic Bank Guarantees (e-BGs) through automated e-stamping in Odisha**

In pursuance to letter no. 1-34014/1/2021 dated 10.08.2021 from Ministry of Finance, Govt. of India for implementing electronic Bank Guarantees (e-BGs) through automated e-stamping in Odisha. 17 Banks in Odisha are issuing e-BGs as on date.

#### **4.12 Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme – Govt. of India**



As per SIDBI, during the period of 01.04.2023 to 30.09.2023, banks have covered 20,883 accounts under the CGTMSE scheme, with a total sanctioned amount of Rs. 2,254.26 Crores.

The DGM, CGTMSE informed that CGTMSE was established in the year 2000 and in the last Financial Year 2022-23, CGTMSE has crossed Rs.1,04,000 crores guarantee business and the same was appreciated by the Ministry of MSME and by Hon'ble Prime Minister of India. He also informed that a lot of modifications have been made in the scheme guidelines for ease of operation viz. the guarantee coverage for MSMEs has been increased to Rs.5.00 Crore from the existing limit of Rs.2.00 Crore, there is no need to initiate any legal action for MSMEs of claim outstanding upto Rs. 10.00 Lakhs. For the first time discount on the standard rate of fee has been introduced for Women, SC & ST and the units situated in the aspirational districts and the extent of guarantee coverage has been increased from 75% to 85% etc.

The Convenor SLBC informed that as advised by the Principal Secretary, MSME Department, Govt. of Odisha in the Sub-Committee Meeting of SLBC on MSME & Skill Development held on 09.08.2023 for the quarter ended June 2023, a virtual workshop for awareness among bankers on CGTMSE was arranged on 15.09.2023 by SLBC, Odisha. In the workshop, the scheme guidelines of CGTMSE, status of CGTMSE coverage & its importance was discussed and at the end a doubt clearing session was held where a lot of doubts were also clarified.

The Principal Secretary, MSME requested all banks to issue necessary instructions to the branches not to insist any pseudo collaterals for MSME applications upto Rs.10.00 Lakhs and to cover the cases under CGTMSE. Then he highlighted the salient features of the CM-SRIM scheme.

#### **4.13 Onboarding of MSME on Udyam Portal**

The process of onboarding MSMEs onto the Udyam Portal is currently underway. As of 30.09.2023, a total of 2,05,19,215 MSMEs have registered on the platform across the country. In the state of Odisha, there are 4,41,150 registered MSMEs. There are still a significant number of MSMEs that have not yet joined the Udyam net, indicating the need for further outreach and awareness regarding the registration process.

#### **4.14 On-boarding of corporate buyers on TReDS (Trade Receivables Discounting System)**

The Government of India has mandated that companies with a turnover exceeding ₹500 crore and Central Public Sector Enterprises must register on the TReDS platform. In response, RBI Bhubaneswar requested Deptt. Of Public Enterprises, Govt. of Odisha to consider advising the State PSUs to ensure onboarding in TReDss platform to facilitate the onboarding of Government departments, enterprises, and eligible companies. RBI Bhubaneswar has also conducted a workshop and a town hall meeting to educate officials and MSME entrepreneurs about RBI and government initiatives, including



priority sector lending, collateral-free loans, and the Trade Receivables Discounting System (TReDS) for invoice financing.

The Director, Institutional Finance informed that no state PSU is on boarded in the portal till date.

#### **4.15 CM's scheme for Reimbursement of interest to MSMEs (CM-SRIM)**

The Principal Secretary, MSME highlighted the following salient features of the CM-SRIM scheme:

##### **Slabs of Reimbursement of Interest on working capital loan:**

- 100% for loan amount up to Rs 10 lakh.
- 75% for loan amount above Rs 10 lakh up to Rs 50 lakh.
- 50% for loan amount above Rs 50 lakh up to Rs 1 crore.
- 25% for loan amount above Rs 1 crore to up to 3 crores.

##### **Eligibility:**

- Manufacturing MSME's (FY 2022-23)
- Commercial Production on or before 31.03.2020
- Possess a valid UDYAM Registration Number / UAM
- Minimum 75% of its annual turnover for FY 2022-23 from manufacturing activities.
- NPA Loan Account – Not Eligible
- SHGs, FPOs and Co-operative – Not Eligible

##### **Implementation**

- First half – year (i.e 01.04.2023 to 30.09.2023)
- Claim application by 31.12.2023
- Reimbursement by 28.02.2024
- Second half – year (i.e 01.10. 2023 to 31.03.2024)
- Claim application by 30.06.2024
- Reimbursement by 31.08.2024

##### **Process:**

- Portal based application & processing
- Reimbursement through DBT

##### **Role of Banks:**

Working Capital loan availed, and interest paid thereon claimed by the applicant needs to be verified by the bank concerned in the PORTAL.

The Principal Secretary, Finance advised all banks & LDMs to take note of it and sensitize the beneficiaries. Further, he requested the Controlling Heads of Banks to circulate the scheme guidelines of CM-SRIM to their branches and direct them to implement the scheme. He further informed that that the CM-SRIM application portal will open from 15.12.2023 and the banking module will be operational from 01.01.2024.

#### **4.16PM Vishwakarma Yojana 2023**

To support the hard work of all theVishwakarmas, on the occasion of 77th Independence Day, Prime Minister announced the launch of the 'PM Vishwakarma





Yojana. The new scheme will enable them to improve the quality, scale and reach of their products, integrating them with the MSME value chain. The components of the scheme will include not only financial support but also access to advanced skill training, knowledge of modern digital techniques and efficient green technologies, brand promotion, linkage with local and global markets, digital payments, and social security. This will greatly benefit the Scheduled Castes, Scheduled Tribes, OBCs, women and people belonging to weaker sections.

MoMSME will be the Nodal Ministry for the scheme and Additional Secretary & Development Commissioner (MSME) in Ministry of MSME will be the focal point for all aspects of implementation and coordination. The scheme will be initially implemented for five years upto 2027-28.

As on 09.12.2023 out of 98,245 applications, 42,936 nos. of applications are verified.

## **AGENDA NO. 5**

### **Financing to SHGs**

#### **5.1 WSHG Bank linkage in Odisha**

##### **(a) Credit Flow to WSHGs.**

In the current year 2023-24 the target has been fixed for 4,00,000 SHGs amounting to Rs.15,000.00 Crore with average loan size of Rs.4.00 lac. During the current financial year (as on 30th September 2023), 1,50,942 SHGs have been credit linked with an amount of Rs. 5,763.86 crore, and the average loan size of Rs.3.82 Lakh.

The Commissioner cum Secretary Mission Shakti Department, Government of Odisha applauded for the efforts shown by the banks towards financing to SHGs in the State. She also advised banks to issue suitable advisory to field functionaries to adhere the decision taken in 167<sup>th</sup> SLBC meeting and the Finance Department letter no.22306 dated 09.09.2022 regarding minimum loan size to SHGs i.e. Rs. 2 lac for fresh/ 1<sup>st</sup> linkage, Rs.4 lac for 2<sup>nd</sup> linkage &Rs.6 lac for 3<sup>rd</sup> linkage onwards irrespective of corpus fund of the SHG. She congratulated banks like Bank of India, Canara Bank, IDBI bank, Indian Bank, Indian Overseas Bank, Punjab & Sind Bank, Punjab National Bank, UCO Bank and Union Bank of India who have crossed the average loan size of Rs.4 lac as on 30.09.23 and advised other banks to increase the average loan size to at least Rs. 4.00 Lac. She informed that average loan size is low in Bank of Maharashtra and UGB which is below Rs.3 lac and advised them to improve.

The Commissioner cum Secretary informed that the loan ticket size in Axis Bank, HDFC Bank and ICICI Bank in Bhubaneswar city is very low as compared to State average and needs improvement.

##### **(b) Mission Shakti Loan – State Interest Subvention**



Considering the growth in demand of credit and women entrepreneurship at the SHG level, State Government has increased the interest subvention benefits from Rs. 3 lakhs to Rs. 5 lakh providing loans at 0% effective annual rate of interest to SHGs (both rural and urban) w.e.f 1st April 2022. This benefit is applicable to SHGs in case of prompt and regular repayment of loans. Accordingly, the annual target (FY 2023-24) for Mission Shakti Loan – State Interest Subvention has been fixed at Rs. 250 crores.

Interest subvention claims amounting to Rs. 150.83 Crore has been processed for settlement under 'Mission Shakti Loan' - State Interest Subvention Scheme during 2023-24 upto 30.09.2023, benefiting 2.59 lakh eligible SHGs.

She also advised banks to educate their field functionaries about the interest subvention scheme and facilitate SHGs to avail benefits of the scheme.

#### **(c) Bank Linkage & Interest Subvention (BLIS) MIS Application**

Interest subvention claims amounting to **Rs. 150.83 Crore** has been settled under 'Mission Shakti Loan' -State Interest Subvention Scheme during 2023-24 upto 30.09.2023 against the annual target **Rs. 250 crores**. The Commissioner cum Secretary, Mission Shakti Department advised Punjab & Sind bank to sign MoU for data sharing. She also advised all banks to ensure monthly data sharing for online reimbursement of interest subvention benefits to eligible SHGs.

#### **(d) Engaging Women SHG / Federation Members as Business Correspondent Agents (BCAs) under BC Model:**

To ensure last mile delivery of banking services in unbanked and under-banked Gram Panchayats, Department of Mission Shakti has tied up with different banks namely OGB, SBI, UGB, YES, ICICI, UCO, Union, PNB, Canara, Axis, Indian bank, Bank of India and HDFC Bank for engaging Women Self Help Groups and Federation Members as Business Correspondent Agents (BCAs).

A total of 2318 BCAs are currently operating across the state. Transactions amounting to Rs. 254.57 crore have been undertaken by these BCAs during the current FY (2023-24).

The Commissioner cum Secretary, Mission Shakti Department informed that the number of BC agents is not increasing and advised other banks to come up for engaging WSHG members as BC agents so that all unbanked GPs where CSP plus outlets are to be opened can be covered during the current financial year.

The Commissioner cum Secretary also informed that the Mission Shakti Department has received requisition from Bank of India only for on boarding SHG members as BC Agents and requested other partnering banks to put the requisition to the Department at the earliest.



### **(e) "Mission Shakti Scooter Yojana"**

Mobility is empowerment. State Government has approved Mission Shakti Scooter Yojana for providing Interest Free Loan for purchase of Scooter by around 2 lakh Mission Shakti Federation Leaders and Community Support Staff of their own choice.

The Commissioner cum Secretary, Mission Shakti Department informed that 28,000 Mission Shakti Scooter loans are disbursed out of 57,000 cases sponsored. However, it is observed that some of the loan applications are rejected without valid reason. She appreciated that OGB, SBI and UCO are doing very well under the scheme. She also informed that major banks like Central Bank of India, HDFC, ICICI and Axis Bank have not yet got the product code so far and advised all such banks to dispose all applications in a time bound manner.

The Executive Director, UCO Bank cum Chairman SLBC advised the concerned banks to take the matter with their Head Office/ Controlling Office to short out the issue immediately.

The Commissioner cum Secretary requested all Banks to introduce this new scheme in their CBS platform with waiver of certain charges as per features of the scheme at the earliest. The department has already placed Rs.20 Crore with banks towards interest reimbursement.

LDM Mayurbhanj informed that Odisha Gramya bank is not sanctioning with CIBIL score -1 and also charging processing fee.

The CGM, SBI requested to convene a meeting with all the Banks to sort out the issues relating to the Mission Shakti Scooter scheme.

### **(f) Cash Handling Charges - Federations Account**

With numerous Gram Panchayat Level Federations, Block Level Federations, and District Level Federations operating under the Department of Mission Shakti, these federations receive significant funds through the "Revolving Fund" for lending to their affiliated SHGs. However, during interactions with federation leaders, it has been noted that banks charge substantial amounts as "Cash handling charges" in SB A/cs for SHG repayments made into federation savings bank accounts. This situation leads to financial losses for the federations due to the charges imposed by banks for multiple deposits made within a financial year or periodically. The Commissioner cum Secretary requested all bank to consider waiving of cash handling charges in the SB accounts of federations.

### **5.2 National Urban Livelihood Mission (NULM)**

As reported by SUDA, in the FY2023-24, the target for individual loans is 3000, against which 346 loans are disbursed. The target for group loans is 540, against which 149 loans



are disbursed. The target for credit linkage of SHGs is 6000, out of which 898 SHGs are credit linked.

All banks are requested to improve the performance under all the three categories as the half year performance is not satisfactory.

### **5.3 Progress on implementation of Income Generating Schemes of OSFDC in Collaboration with Mission Shakti.**

#### **a) Target and Achievement Under Bankable IGS relating to the year 2022-23 to be implemented during 2023-24.**

Govt. has approved 79 no. of loan applications under Bankable IGS relating to the year 2022-23 to be completed in 2023-24 in 17 districts. Against the target of 79 applications 45 applications have been sponsored to banks and 39 applications are disbursed. All financing banks are requested to complete the disbursement of all 79 applications on priority basis.

#### **b) Sanction of loan to the Women Self Help Groups under Bankable IGS of OSFDC.**

The loan applications under Bankable IGS are sponsored to banks by OSFDC after duly selected by block level selection committee along with the required documents like project report, passbook details, loan application, caste certificate etc. as prescribed in the loan application form. During the time of sanction of loan, in some cases banks are asking for submission of more documents like income certificate, BPL Card etc. as a result of which SHGs are facing difficulties to arrange the documents. Since the groups are selected and sanctioned by Govt. departments banks may sanction loan to the groups/ SHGs only verifying the eligibility and loan outstanding position against the group.

## **AGENDA NO.6**

### **Financial Inclusion/Financial Literacy/Banking Infrastructure**

#### **6.1 Banking Network in Odisha**

The total banking network in Odisha is 55,867 as on 30.09.2023. The total number of B&M branches is 5,812 increased from 5,774 as on 31.03.2023.

The ATM network in Odisha increased to 7,756 as of September 30, 2023, from that of 7,627 as on 31<sup>st</sup>March 2023.

#### **6.2 Operations of Business Correspondents (BCs)**

Total number of BCs as on 30.09.2023 is 55,867 reduced from that of 62,324 as on 31.03.2023 & 56,420 as on 30.06.2023

The number of BCs decreased as of September 2023 over June, 2023 due to decrease in number of BCs of IndusInd Bank (From 18,862 to 17,947) and RBL Bank (From 3,949 to 3,013).



The Convenor SLBC informed the house about the discontinuation of individual BC services by OGB. The Chairman OGB informed that vide their Board approval dated 19.05.2021, OGB had decided to switch to Corporate BC in place of individual BC for which the bank floated an RFP on 01.11.2022. In this regard, the Odisha Gramya Bank Business Correspondents Association (OGBBCA) filed a court case. Though the final hearing was completed by Hon'ble High Court on 25.04.2023, the final judgment is still awaited and the Bank is not able to proceed with RFP.

### **6.3 Opening of Brick & Mortar Branches in 270 identified GPs**

Out of 270 identified GPs, as on 30.09.2023, 12 brick & mortar branches have already been opened by banks, UCO Bank(2), Canara Bank(2), Jana Small Finance Bank(2), Ujjivan Small Finance bank(1), IDFC First Bank(1) Axis Bank(1), Indian Bank(1), ICICI Bank(1) and Punjab National Bank(1).

The Principal Secretary, Finance informed that CSP+ is not a substitute to Brick & Mortar branches. He advised State bank of India to open 28 Brick & Mortar branches as committed.

As per the feedback received from LDM Balsoore that banks are not informing the LDMS after opening the branches, the Principal Secretary, Finance advised to inform the LDMS and Collectors of the respective districts after opening of branches by the banks.

### **Villages Identified by DFS for opening B & M Branches**

Department of Financial Services, Ministry of Finance, Govt. of India has identified 14 villages belonging to Odisha for opening of brick-and-mortar branches out of which 9 brick & mortar branches are already opened by banks and at other 5 villages the branch opening process is under progress. The Convenor, SLBC informed that SLBC has already communicated to the concerned Banks to open the branches latest by 31.12.2023.

The Director, Institutional Finance informed that the Finance Department has already communicated to the District Collectors to provide suitable premises at the identified locations.

### **6.4 Villages inadequately covered or uncovered by Financial Infrastructure on Jan Dhan Darshak GIS App.**

According to the Jan Dhan Darshak GIS web portal, there are 60 unbanked villages in the State of Odisha as of September 30, 2023. The State Level Bankers' Committee (SLBC), after consultation with the Lead District Managers (LDMs), has allocated these 60 unbanked villages to banks for providing banking facilities within 5 km radius of each village. As on 31.10.2023, the unbanked villages come down to 41. The Convenor, SLBC requested the Banks to whom the villages are allotted to open banking touch points within 5 Km radius of the villages allotted immediately namely SBI(23 villages), BOI(6), HDFC bank (6), UGB (4), PMB (1) & OGB(1).



## **6.5 Connectivity by BSNL in the GPs**

According to the report from Bharat Broadband Network Limited (BBNL), as of September 30, 2023, in the first phase of BharatNet, 3,990 Gram Panchayats (GPs) and Block Headquarters (BHQs) in 18 districts of Odisha have been connected through underground Optical Fiber Cable (OFC). This represents 99.98% of the total 3,991 GPs and BHQs in these districts. Out of these connected GPs and BHQs, 51.55% have active connectivity.

In the second phase of BharatNet, all 3,065 identified GPs and BHQs in Odisha have been connected through aerial optical fiber cable. This accounts for 100% coverage in these GPs and BHQs, with 82.45% of them having active connectivity.

## **6.6 Implementation of Pradhan Mantri Jan Dhan Yojana (PMJDY)**

As of September 30, 2023 during the FY 2023-24, 6,55,178 accounts have been opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY) in Odisha against the target set at 14,50,000 accounts, achieving 45.18% of the target.

## **6.7 Performance under Social Security Schemes**

Under PMJJBY, the enrollment achievement reached 46.54% with 7,44,638 enrollments against the target of 16,00,000. Similarly, under PMSBY enrollment achieved 101.95% with 30,58,423 enrollments compared to the target of 30,00,000. The APY scheme achieved an enrollment rate of 43.39%, enrolling 1,93,540 individuals against the target of 4,46,060. These achievements highlight the successful implementation of social security schemes, ensuring enhanced financial protection for the people of Odisha.

The Executive Director UCO Bank cum Chairman SLBC informed about the ongoing Viksit Bharat Sankalp Yatra campaign from 15.11.2023 to 26.01.2024 and advised all banks to actively participate in the Yatra and to saturate the beneficiary with the different schemes of Govt. including PMJJBY, PMSBY & APY. He also informed that VBSY will soon start in urban areas where the focus will be on PMSVANidhi.

## **6.8 Conducting Financial Literacy Camps**

As per the information submitted by LDMS and Banks during the quarter ended on 30<sup>th</sup> September 2023, a total number of 5,260 financial literacy camps are conducted through 3,060 rural branches and 4,360 camps are conducted through 30 Financial Literacy Centers operating in the State. In the Financial year 2023-24 upto 30.09.2023, total 9,620 FLC camps are conducted by Financial Literacy Centres and rural branches.

## **6.9 Financial Literacy Centers (FLC)**

Out of 30 FLCs, currently, there are 10 vacant positions for Financial Literacy Counsellors in various districts. State Bank of India (SBI) has 7 vacancies in districts such as Deogarh, Nabarangpur, Sambalpur, Rayagada, Malkangiri, Nuapada, Sundargarh. SBI has



informed that they have appointed FL Counsellors in all the 7 districts. UCO Bank has two vacancies in Angul and Bhadrak districts. Despite multiple advertisements, only one ineligible application was received in Angul which was ineligible. The Lead District Manager (LDM) in Angul has been assigned to carry out the counsellor's responsibilities. FLC Counsellor Bhadrak was absent for a long time and his termination was approved by UCO bank Head Office on 08.08.2023. Recruitment for new FLC Counsellor post in Bhadrak is under process. As informed by Bank of India, process has been initiated for recruitment of FL Counsellor at Mayurbhanj.

#### **6.10 Centers for Financial Literacy (CFL) Project**

The Centers for Financial Literacy (CFL) Project in Phase-I in Odisha involved the allocation of 52 CFLs to four banks done by RBI. In Phase-II of the project, the RBI Central Office in Mumbai decided to collaborate with Modern Organization for Truth, Harmony & Economic Reality (MOTHER) and VIDs as implementing partners. This resulted in the allotment of an additional 52 CFLs in 17 districts to DHAN Foundation (26 CFLs), MOTHER (19 CFLs), and VIDS (7 CFLs), bringing the total number of CFLs to 104, thereby covering all districts of Odisha. In FY 2023-24 as on 30th September, 2023, the combined efforts of DHAN Foundation, MOTHER, and VIDs resulted in conducting 28,654 camps with a total participation of 6,82,587 individuals and 14,578 camps have been conducted during quarter ended September 2023 with a total participation of 3,42,375 individuals. The operationalization of CFLs by various banks as of September 30, 2023, is by Bank of India (35 CFLs), State Bank of India (38 CFLs), UCO Bank (22 CFLs), and Union Bank of India (9 CFLs). These CFLs conducted FLAPs with varying numbers of participants, contributing to the overall financial literacy efforts in the state.

#### **6.11 Financial Inclusion Fund (FIF) of NABARD**

As reported by NABARD, during FY 2023-24 up to 30.09.2023 NABARD has sanctioned Rs. 71.48 Lac to 3 banks (SBI, UCO Bank and Canara Bank) and Rs. 14.96 Lac to other agencies under FIF.

NABARD has disbursed Rs. 199.24 Lac to 8 banks and Rs. 100.13 Lac to other agencies during FY 2023-24 up to 30.09.2023.

#### **6.12 Targeted Financial Inclusion Intervention Programme (TFIIP) within the overall Aspirational District Programme (ADP) of Niti Aayog.**

In Odisha, the Targeted Financial Inclusion Intervention Programme (TFIIP) is being implemented in 10 Aspirational Districts viz. Balangir, Dhenkanal, Gajapati, Kalahandi, Kandhamal, Koraput, Malkangiri, Nabarangpur, Nuapada, and Rayagada. The performance of these districts as of September 30, 2023, is compared to the benchmark/aspirational targets set by NITI Aayog. Only Bolangir and Dhenkanal districts have achieved 100% in the parameter of Operative CASA per lakh population. All districts have achieved 100% benchmark level under PMJJBY, Kalahandi, Koraput, Malkangiri and Nabarangpur have not achieved 100% in PMSBY. Kalahandi and Nabarangpur have not achieved 100% of the allocated target in APY. The Convenor,



SLBC requested the LDMs who have not achieved the benchmark should take up with the banks in a more coordinated manner to improve the performance.

### **Mission Utkarsh**

As of September 30, 2023, the progress of the Mission Utkarsh campaign in Kalahandi district shows mixed results. While the district has achieved 91% of the national benchmark for Current Accounts and Savings Accounts (CASA) per lakh population, it has exceeded the targets for Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY) with 172%, 158% and 103% achievement respectively. However, it has fallen short in meeting the target for MUDRA loans with 98% achievement. Additionally, three villages in Kalahandi district have been identified as unbanked, out of which Semikhal and Pidel villages are allotted to BC for opening of CSP by State Bank of India and Utkal Grameen Bank has informed that Electricity & Internet is not available at Durbalguda village.

### **6.13 Expanding and Deepening of Digital Payments Ecosystem**

In the effort to expand and deepen digital payment eco system, four districts in Odisha namely Cuttack, Bolangir, Sambalpur and Ganjam have achieved 100% digitization and have been declared as fully digitalized districts.

In view of successful and timely implementation of the project, RBI has proposed 11 new districts for making them 100% digitally enabled in a time bound manner. The cut-off date for crystallization of total eligible accounts (savings and current) by banks was fixed as of March 31, 2023, and the date of achieving 100% digitization was fixed as 30.06.2023 which was extended to 30.09.2023 and further extended to 31.03.2024 as decided in the Sub-Committee Meeting of SLBC on FI, FL and Digital payment held on 09.11.2023.

Further, RBI Central Office vide letter no. FIDD.CO.LBS.NO.S704/02.01.014/2023-24 dated 09.08.2023 has advised all SLBCs/ UTLBs to leverage the experience gained in the implementation of the programme and to prepare a schedule to cover all the districts in respective States/ UTs and to make them 100% digitally enabled. SLBC proposed the names of nodal banks in the 172<sup>nd</sup> SLBC meeting held on 07.09.2023 to undertake the responsibility as nodal bank for expanding and deepening of digital payment ecosystem in the remaining 15 districts and the same was accepted in the forum. The cutoff date for crystallization of total eligible accounts (SB & Current) by banks is fixed as 31.03.2023 and the date of achieving 100% digitization is fixed as 31.03.2024. Nodal bank will be responsible for successful implementation of the project. The guiding documents provided by RBI on expanding and deepening the digital payments ecosystem, along with the reporting formats which need to be collected from all local bank branches by the concerned nodal bank of the district on quarterly basis is also shared with banks.

As of 30.09.2023 the percentage of coverage with atleast one of the digital modes of payment is 92.15% in SB and 80.23% in Current Account.





Concerned LDMs of the districts, Nodal Banks and all the Banks operating in the respective districts are requested to ensure achievement of 100% digitization by 31.03.2024.

## **AGENDA NO. 7**

### **7.1 MO GHARA (Government Assistance for Rural Areas)**

The State Government has launched “Mo Ghara” scheme to provide adequate financial support to construct/ complete/ upgrade pukka houses and is implemented by Panchayati Raj and Drinking Water Department, Govt. of Odisha.

The Director, Panchayati Raj & DW informed that against a target of 2 lac houses as on 11.12.2023, 2,35,967 applications have been sponsored to different banks. Till now only 2,426 applications are sanctioned out of which 442 cases are disbursed. Document verification completed for 68,648 cases, field verification completed for 15,979 cases and legal opinion obtained for 3,367 cases. He further informed that rejection level is also very high. He advised all the Banks to flag off the issues faced by the banks to the Department so that the issues can be resolved at an early date to ensure successful implementation of the scheme.

The Principal Secretary Finance advised all banks to complete the document verification, field verification and legal consultation immediately so that the sanction level can be increased.

### **Other Issues**

#### **7.2 NPA position as on 30.09.2023**

Total NPA as on 30.09.2023 is Rs.12,618.64 Crore, decreased from Rs. 16,849.97Crore as on 30.06.2023. The NPA % of the State as on 30.09.2023 is 3.52%. (Priority Sector 5.67%, Non-Priority Sector 2.20%). NPA % under MSME is 6.35% particularly NPAs under PMEGP & Mudra are very high at 16.28% and 9.93% respectively. NPA% under SHG is 5.68%.

The Convenor, SLBC requested State Government to help in recovery of NPA accounts

The Principal Secretary, Finance informed that letters are written to Collectors to support the banks for recovery.

#### **7.2.1 State Recovery Act (OPDR)**



The Convenor, SLBC informed that the mechanism of State Recovery Act (OPDR) to be strengthened to ensure effective recovery of bank's overdues.

There are 6,645 OPDR cases pending with different banks amounting to Rs.87.78 Crores. It is observed that maximum number of cases are pending with SBI and OGB. The Principal Secretary Finance advised these banks to take up with appropriate authorities for disposal.

### **7.2.2 Applications for attachment of property under Section 14 of the SARFAESI Act pending with District Magistrates**

As per Section 14 of the SARFAESI Act banks require the support from District Magistrates for attachment of property and quick enforcement of the Act.

It is reported that as of 30.09.2023, 782 numbers of applications involving Rs.627.46 Crore of different banks for attachment of property under section 14 of SARFAESI Act are pending with District Magistrates.

All Lead District Managers are requested to incorporate in the agenda on pending SARFAESI applications, if not done, and critically review the position of pending cases in every DCC meetings and to pursue the matter with the District Authorities for immediate disposal of the same.

Banks have also informed that in some instances, although District Magistrate has issued permission order for attachment of property under section 14 of SARFAESI Act, the police authorities are giving less support to banks for attachment of property of the defaulter. The Principal Secretary, Finance informed that letters have been issued to the Collectors. Banks to come forward so that recovery drive can be done within December 2023.

### **7.3 RSETI**

As informed by State Director of RSETIs, the overall number of candidates trained as on 30.09.2023 is 2,44,118 out of which 1,82,655 (74.82%) numbers are settled and 99,926 trained candidates have been credit linked. The percentage of candidates settled with bank finance (credit linkage) is 60.38%

As on 30.09.2023 (FY 2023-24), 10,580 Rural Poor/NRLM target group youth have been trained against annual target of 15,243 (% of achievement is 69.41 %)

#### **Status of Infrastructure related issues in RSETI**

The Principal Secretary, Finance informed that Infrastructure related issues in the four districts viz. Ganjam, Gajapati, Puri and Cuttack is due to the reason that in the earlier Cabinet note, 8 districts were not mentioned and these four districts are among the 8 districts. To resolve the issue the matter is to be again put before the Cabinet.



#### **7.4 Implementation of Prime Minister's New- 15 Point Programme for Welfare of Minorities.**

During 01.04.2023 to 30.09.2023, Banks have extended credit of Rs. 1,325.40 crore to 1,75,318 beneficiaries of Minority Community. The outstanding balance as on 30.09.2023 is Rs. 8,668.58 Crore in 9,98,414 accounts.

#### **7.5 Digitization of land records**

The digitization of land records in Odisha State has revolutionized the land administration system by establishing a digital database linked to banks and financial institutions. The Bhulekh Odisha online portal serves as a comprehensive platform for managing land records in the state. This digitization initiative was initiated in 2008 as part of the National Land Records Modernization Programme (NLRMP) led by the Central Government. The Revenue Department of the Government of Odisha is urged to provide banks with access to the digital land records database, facilitating the creation of online charges on land for loan sanctioning purposes.

#### **7.6 Property Cards Under SVAMITVA scheme- validity as instrumental for property mortgage.**

SVAMITVA scheme was launched by Hon'ble Prime Minister on 24th April 2020 with the objective to enable demarcation of inhabited land in rural area by the latest drone survey methods. The SVAMITVA scheme would provide the 'Record of Rights' to village household owners possessing houses in inhabited rural areas in villages, which in turn would enable them to use their property as financial asset for taking loans and other financial benefits from Banks.

As per Directorate, Land Records & Surveys, Board of Revenue, Odisha, Cuttack, in Odisha State, five districts viz. Rayagada, Jharsuguda, Gajapati, Nabarangpur and Dhenkanal have been notified by the Revenue & D.M. Deptt, Govt. Of Odisha for conducting SVAMITVA scheme in these five districts. Currently SVAMITVA property cards are being issued in Rayagada district only and Property cards are issued to 1751 beneficiaries in the district.

Banks are requested to formulate internal guidelines for issuance of loan against the issued property cards.

#### **7.7 Miscellaneous**

##### **7.7.1 Registration Conveyance Deed**

Banks are facing difficulty in sanction & disbursement of housing loans as the execution of registered agreement to sale, registration of sale deeds for purchase of flats is not being allowed for the time being at the registering Offices. Under this scenario, inflow of



housing loan files from builder projects ,branches for sale transaction of flats are being badly hampered. State Government is requested to intervene in the matter for its early resolution.

### **7.7.2 Registration of MOTD**

Many banks in the state are not registering Memorandum of Title Deeds (MOTD), increasing the risk of security dilution. All banks are advised to issue necessary guidelines to their branches for the registration of MOTD with the registering authority. The state government is also requested to reduce the charges for MOTD and to enable online charge creation for banks.

### **7.7.3 NOC for transfer of land from financing banks**

It is requested that the state authorities to ensure that no transfer of land mortgaged to a bank should be allowed/registered without an NOC from the bank/charge release letter from the bank.

### **7.7.4 Functioning & Timely conduct of DCC/DLRC**

The RBI guidelines and Lead Bank Scheme require that the DCC and DLRC meetings should be conducted separately at quarterly intervals within stipulated time without being rescheduled a number of times. DCC meetings should be convened by the Lead District Managers at quarterly intervals. DCC should give adequate feedback to the SLBC on various issues that need to be discussed on a wider platform, so that adequate attention can be given at the State Level.

All LDMS to follow the guidelines as per the RBI circular while convening the DCC/DLRC meetings and it should always be conducted well before the scheduled SLBC Meeting. The unresolved issues may please be shared with SLBC for discussion in the forthcoming SLBC Meeting.

State Government is also requested to advise all Collectors and District Magistrates to extend timely support and co-operation to the Lead District Managers & ensure holding the DCC/DLRC meetings separately as per RBI guidelines.

### **7.7.5: Absenteeism in DCC/ DLRC Meetings**

DCC and DLRC are important fora facilitating coordination among commercial banks, Government agencies and other stakeholders at the district level to review and find solutions to the problems hindering development activities. Hence, it is necessary that all the members participate and deliberate in these meetings.



However, it is observed that many banks are not attending the DCC and DLRC meetings of various districts. Also, the absenteeism of banks from the said meetings has been recurring for one or more than one quarters for more than one districts. Further, officials attending the meetings are lacking any prior preparation/ background for the said meetings.

All banks are requested to issue suitable instructions to their nodal branches at district level to attend the DCC/DLRC meetings regularly with adequate preparation for the said meetings.

The Principal Secretary, Finance directed banks to take the matter seriously and ensure participation in DCC/ DLRC meetings without fail.

### **7.7.6 Fintech Adoption**

Fin tech as an industry uses technology to make financial systems and the delivery of financial services more efficient. Fin Techs are start-ups and other companies, that use technologies to conduct the fundamental functions provided by financial services, impacting how consumers store, save, borrow, invest, move, pay, and protect money. Fin Tech help enhancing financial inclusion as more people are using digital mode for their financial services. Considering the potential of Fin Techs, banks may widely adopt Fintech, particularly in the agriculture sector, which could help bring in more investment into the sector for long term asset creation and infrastructure development.

### **7.7.7 Timely submission of data by banks, adhering to the schedule of SLBC meeting as per Master Circular on Lead Bank Scheme**

As per the Master Circular on Lead Bank Scheme by Reserve Bank of India, to improve the effectiveness and streamline the functioning of SLBC/UTLBC meetings, SLBC Convenor Banks have been advised to prepare a yearly calendar of programmes (calendar year basis) at the beginning of the year itself, for conducting the meetings. One of the key aspects of SLBC meetings is the timely submission of data by banks which ensures smooth functioning, efficient decision-making and better financial inclusion.

However, despite several follow up for submission of SLBC statements for the quarter ended September 2023, some banks could not upload the SLBC statements within the timeline i.e., 15.10.2023.

In this regard, all banks should ensure submission of correct and timely data for timely conduct of the SLBC meetings.

**As there were no other agenda items for discussion the meeting ended with vote of thanks by In-charge, SLBC.**



During the discussion the following action points are emerged.

1. All banks to continue the momentum to achieve the ACP of the current year.
2. Banks to continue efforts for achieving the targets under social security schemes.
3. Banks to improve sanctions under 'Mo Ghara'.
4. All Banks to actively participate in 'Mission Shakti Scooter Yojana'.
5. All the partnering banks to put the requisition with Department of Mission Shakti to engage WSHG members as BC Agents.
6. All banks have to process the applications under various schemes in a time bound manner to reduce pendency.

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