



OSFC

55th

Annual Report
2011 - 12



ORISSA STATE FINANCIAL CORPORATION

OMP SQUARE, CUTTACK - 753003

www.osfcindia.com



55th

**Annual Report
2011 - 12**



ORISSA STATE FINANCIAL CORPORATION

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Board of Directors

(as on 31.03.2012)



T. Ramachandru, IAS
Chairman



B. K. Bose
Managing Director



K. N. Khatai, IAS
Commissioner cum
Director of Industries



Ramnath
CGM, SIDBI



S. C. Acharya
DGM, SIDBI



S. C. Nayak
Addl. Secy to Govt.
Ind. Dept.



P. C. Pathy
Jt. Secy. to Govt.
Finance Dept.



Praveen Gupta
CGM, SBI



Ajaya Kumar
Sr. Divn. Mgr. LIC of India



Prof. Dr. S. Moharana
P.G. Dept. of Commerce
Utkal University

Senior Executives

(as on 31.3.2012)



B. K. SAHOO
JGM



L. D. BHOI
DGM



A. K. NAYAK
DGM



A. K. DAS
DGM



P. K. SAMANTRAY
DGM



P. NAYAK
DGM



S. K. KAR
DGM



B. K. SAHOO
DGM



M. SARANGI
MANAGER



G. B. PANI
MANAGER



U. C. KHANDAYATRAY
MANAGER



Md. AKMAL
MANAGER



N.C. MOHANTY
MANAGER



B. K. SWAIN
MANAGER



N. C. RAY
MANAGER



A. DASH
MANAGER



D. P. MISHRA
MANAGER



S. K. NAYAK
MANAGER



D.G. MOHARANA
MANAGER



P. C. MOHANTY
MANAGER



P. K. MOHAPATRA
MANAGER



K.K. GIRI
MANAGER



N. K. SENAPATI
MANAGER



K. C. PANIGRAHI
SECY. TO BOARD



PERFORMANCE AT A GLANCE

(₹ crore)

PARTICULARS	2010-11	2011-12	AS ON 31.03.12
OPERATIONS			
1. Sanction	3.94	4.11	1314.31
2. Disbursement	0.71	0.84	1306.68
3. Recovery	42.03	36.55	1923.94
4. Outstanding	326.15	302.20	302.20
SHARE CAPITAL			
5. Paid Up	31.70	1.87	415.35
6. Loan in Lieu of Share Capital	6.22	-	-
BONDS			
7. Issued	-	-	424.44
8. Repaid	0.80	-	424.34
9. Outstanding (Principal)	-	-	-
10. Outstanding Prin. Transferred to Un-claimed liabilities	0.10	-	0.10
REFINANCE			
11. Availed	-	-	691.03
12. Repaid	15.00	7.50	583.88
13. Outstanding(prin.)	114.65	107.15	107.15
14. New LoC under TRA	0.53	-	0.53
15. Repaid	-	0.02	0.02
16. Outstanding (Principal)	0.53	0.51	0.51
FINANCIAL SUMMARY			
17. Gross Income	25.48	26.04	
18. Total Expenditure	24.34	24.55	
19. Operating Profit	1.14	1.49	
20. Appropriation of Expenditure Income (Provn. Written back)	0.53	0.96	
21. Provision for Tax	-	-	
22. Net Profit/Loss	0.61	0.53	
23. Reserve	0.12	0.11	



BANKERS
AS ON 31.03.2012

Central Bank of India

Union Bank of India

State Bank of India

Andhra Bank

Indian Overseas Bank

IDBI Bank Limited

AUDITORS
M/s G.P.Mishra & Co.
Chartered Accountants
Mohanty lane, Kesharpur, Cuttack



THE MANAGEMENT

(AS ON 31.03.2012)

BOARD OF DIRECTORS

Shri T.Ramachandru, IAS
Chairman.

Shri Bijay Kumar Bose,
Managing Director.

Shri K.N.Khatai, IAS
Commissioner-cum-Director of Industries,
Odisha, Cuttack.

Shri Sarat Chandra Naik,
Addl. Secretary to Government,
Government of Odisha,
Industries Department, Bhubaneswar.

Shri Ram Nath,
CGM, SIDBI, Eastern Zonal Office,
11, Dr. U.N.Bramhachari Street,
8th floor, Opp. La Martiniere Girls School,
Kolkatta.

Shri Subhranshu Acharya,
Deputy General Manager, SIDBI,
4th floor, OCHC Building, Bhubaneswar.

Shri Ajay Kumar,
Sr. Divisional Manager,
LIC of India, Cuttack Division, Cuttack.

Shri Praveen Gupta,
Chief General Manager,
State Bank of India,
Local Head office, Bhubaneswar.

Dr. Samson Moharana,
Professor, Post Graduate
Department of Commerce,
Utkal University, Vani Vihar, BBSR.

Shri P.C.Pathi,
Joint Secretary to Government,
Finance Department,
Government of Odisha, Bhubaneswar.

Shri A.K.Parida,
Joint Secretary to Government,
Public Enterprise Department,
Govt. of Odisha, Bhubaneswar. (Special Invitee)

EXECUTIVE COMMITTEE

Shri Bijay Kumar Bose,
Chairman

Shri Subhransu Acharya,
Member

Shri P.C.Pathy,
Member

Shri Ajay Kumar,
Member

Dr. Samson Moharana,
Member

AUDIT COMMITTEE OF BOARD

Shri K.N.Khatai, IAS
Chairman

Shri Bijay Kumar Bose,
Member

Shri Subhransu Acharya,
Member

Shri P. C. Pathy,
Member

Shri Sarat Chandra Naik,
Member



**ORISSA STATE FINANCIAL CORPORATION
O.M.P. SQUARE, CUTTACK-753003.**

NOTICE

Notice is hereby given in pursuance of Regulation 45 of the Orissa State Financial Corporation General Regulation 2003 that the 55th Annual General Meeting of the share holders of the corporation for the year 2011-12 will be held on 13.07.2012 at 11.00 A.M at the Registered Office of the Corporation located at O.M.P Square, Cuttack-3 to transact the following business:-

1. To read the audited balance sheet as on 31.03.2012 and Profit & Loss account of the Corporation for the year ending 31.03.2012 together with the Report of the Board of Directors on the working of the Corporation during the FY 2011-12.
2. Appointment of statutory auditors for the FY 2012-2013.
3. Any other item with the permission of the chair.

The share register of the corporation will remain closed and the registration of the transfer of share(s) shall be suspended from 29.06.2012 to 13.07.2012 (both days inclusive).

Dt.19.06.2012,
Cuttack

Sd/-
(B.K.Bose)
Managing Director

Notes:-

1. Copies of the Resolution appointing representatives of the shareholders (which are companies/Bodies Corporate) duly certified to be true copy by the Chairman of the meeting at which it was passed should reach the Head Office of the corporation on or before 06.07.2012.
2. Any proxy shall be executed in terms of Orissa State Financial Corporation (Voting rights) Rules, 2003 and shall be deposited at the Head office of the Corporation on or before 06.07.2012 along with the documents in compliance with Rule 7 of the said rules.



DIRECTORS' REPORT

The Board of Directors has the pleasure in presenting the 55th Annual Report on the functioning of the Corporation together with Audited statement of Accounts for the year ended 31st March 2012.

NATIONAL ECONOMIC SCENARIO

The price stability and steady growth were major challenges of National Economy during FY 2011-12. As per the advance estimate released by Central Statistical Office (CSO), the Indian economy is expected to register growth rate of 6.9 percent during 2011-12. The inflation as measured by the Wholesale Price Index (WPI) was high during most part of the year. Monetary policy was tightened by RBI, so as to control inflation during the year.

The growth is estimated to be 2.5 percent in agriculture, 9.4 percent in service sector. Dip in growth of industries to 3.9 percent during 2011-12, led to slowdown in growth of Gross Domestic Product (GDP). The growth in consumption expenditure, gross fixed capital formation, export and import works out to 6 percent, 5.6 percent, 14.3 percent and 17.5 percent respectively for the year 2011-12. The year also witnessed sharp increase in interest rate which has resulted in high cost of borrowing thereby affecting credit off take and profitability.

As per the estimate of CSO, the Growth in Domestic Savings (GDS) as a ratio of GDP in the current market price declined from 33.8 percent in 2009-10 to 32.3 percent in 2010-11. Reduction in corporate investment is attributed to slow down in global economy as well as increase in cost of borrowing followed by rising of interest rates in order to control inflation in domestic front. Fixed investment as a ratio of GDP declined from 31.6 percent in 2009-10 to 30.4 percent in 2010-11. The savings – investment gap narrowed both in public as well as in private Sectors in 2010-11. The sectoral composition of GDP as assessed by CSO during F Y 2011-12 stood at 13.9 percent, 27 percent and 59 percent for agriculture, Industries and Service Sector respectively.

The share of service sector in India's GDP in current prices increased from 55.1 percent attributing to inflation during the year which includes higher prices of vegetables, egg, meat and fish, increase in global commodity prices and persistent hike in International crude & petroleum products.

Despite difficult condition in global economy, export continued to be robust in the year registering a growth rate of 40.3 percent as against 22.7 percent in the previous year. During 2011-12, the merchandise export was \$150.9 billion in first half of the year, which is 40 percent increase over the corresponding period of 2010-11. Similarly import stood at \$236.7 billion during April – Sept 2011 which recorded an increase of 34.3 percent over the corresponding period of 2010. The foreign exchange reserve increased from \$ 279.1 billion by end of March 2010 to \$ 364.8 billion by end of March 2011.



STATE ECONOMY

As per the quick estimate, the real growth rate of Odisha's economy during FY 2010-11 stood at 8.6 percent at 2004-05 prices. The real growth rate of the state exceeded the national growth rate for five years except FY 2009-10. The state economy continues to grow at a rate higher than the national average over a long period of time which is desirable to improve Odisha's standard of living compared to the national average. The state's real per capita NSDP for the year 2010-11 was ₹25,708 and it is expected to be ₹26,900 in 2011-12 at 2004-05 prices. As per the advance estimate of GSDP for the year 2011-12, the Industry Sector represents 26.20 per cent of the state GSDP followed by Service Sector which is 57.34 per cent and Agriculture accounts for 16.46 percent.

By the end of 2010-11, the State Government had signed 89 MoUs with various industrial houses with a total estimated investment of ₹4,61,182 crore. Out of these, 33 projects have gone into partial production and have generated employment for 80,561 persons and other projects are under various stages of implementation. Out of 89 MoUs signed by the State Government, 50 projects are from various steel promoters. Out of 50 steel projects, 30 projects have started partial production with an investment of ₹50,325.77 crore and provided direct and indirect employment of 21617 and 52446 respectively. The large and mega projects have created immense opportunity for growth of ancillary and downstream enterprises in the MSME sector.

During 2011-12, 4648 enterprises in MSME sector have gone into production with an investment of ₹410.89 crore generating employment opportunity for 25413 persons till Feb'2012. The Director of Industries is the nodal agency for promotion of Micro, Small & Medium Enterprises (MSMEs) in the State both in identifying and assisting the prospective entrepreneurs. Several policy initiatives have been undertaken by the Government of Odisha for promotion of industry in the state which inter-alia includes, Odisha Industrial Policy Resolutions, 2007, MSME Development Policy, 2009, Single Window concept, Public Private Partnership, MoU of State PSUs with their administrative departments, categorization of PSUs, Social Safety net project and Audit of PSUs. Advance to MSME sector by the Banks under Annual Credit Plan 2011-12 in the state stood at ₹13795.38 crore which constitute 19.88 percent of the total advance.

Government of Odisha has created a new MSME Department with a view to promote, develop and enhance competitiveness among MSMEs. It has also created favourable environment and innovative means to support MSMEs. New Food Processing Policy and State Export Policy have been prepared. The department is implementing national mission for food processing industries. In terms of notification dt.19.12.2011 of G.A Department of Government of Odisha, the Corporation has been placed under the administrative control of MSME Department.



VISION AND MISSION OF OSFC

Vision

- Emerge as a single-window for meeting the financial and developmental needs of MSME sectors in the State to make it strong, vibrant and competitive both nationally and internationally.
- OSFC brand as a Customer friendly institution.
- Provide efficient cost effective services to the customer through application of modern technology and good governance.

Mission

Empower MSME sector with a view to contribute to the process of economic growth, employment generation, creation of successful entrepreneur and balanced regional development.

OSFC : ITS RELEVANCE & PROSPECTS

OSFC, established in the year 1956, has played a pivotal role in extending credit support and financial services to first generation entrepreneurs to set up MSMEs in the State and thereby ushered in an era of industrialization in the State. It has completed more than five decades of dedicated service in financing MSMEs and has contributed to the process of economic development of the State in terms of value addition, employment generation, dispersal of industries, mobilization of capital, entrepreneurship, skill development and export earnings. Due to structural changes in the economy, many of the MSMEs in the State could not cope up with increasing competition and gradually became sick. This adversely affected the financial health of OSFC. The financial health of the Corporation steadily deteriorated further due to poor recovery, rising NPAs and stringent provisioning as per RBI norms.

In the past, OSFC raised high cost fund to repay low cost borrowings on maturity due to low recovery and fell in to a debt trap. The lending activities of OSFC declined and ultimately stopped since 2005-06. Now OSFC is on revival path, restructured and rejuvenated mainly with active support from the State Government besides support of other stakeholders like SIDBI, IDBI & Banks. OSFC has resumed its lending activities from March 2010 and is striving for an early turn-around.

OSFC has also played a key role in revival of potentially viable sick units by providing fund and non-fund based assistance along with reliefs and concessions. This is one area where banks are particularly reluctant to step in, because of their NPA status. OSFC would continue to play its role in the rehabilitation of sick units of the State and looks forward to the support of the State Government in this regard.

After resumption of lending, OSFC is facing keen competition from the banks, FIs and private players in terms of cost of funds, availability of resources and credit pricing. Most of its good and proven customers have migrated to banks and other FIs, as OSFC was



out of business of lending for almost six years. However, the strength of OSFC lies in its network of Branches, experienced manpower and commitment to the cause of MSMEs.

During the year, the Corporation has taken several measures in continuation of previous year, to remove bottom-line deficiencies covering Policy, Procedure, Practice, Computerisation, Manpower motivation, Orientation & Staff Accountability with a view to position itself as a professional financial institution in the competitive environment. OSFC has revisited, modified and firmed up its policies and practices and streamlined its procedures as per best banking norms and practices. Apart from meeting the term loan requirements of an industrial unit, OSFC has made tie up arrangement with Union Bank of India to facilitate sanction of working capital. The Corporation has adopted interest rate structure ranging from 13.50% to 15.50% which is competitive in the prevailing market scenario with provision of rebate of 0.50% for prompt payment to encourage borrowers.

While adapting itself to the fast changing business environment, the Corporation has focused on strengthening customer satisfaction through prompt & quality service. The Corporation would continue to identify areas of business opportunity; scale-up and broad base its business for sustained earnings. The Corporation is fully geared to enhance lending activities and has set a loan sanction target of ₹35.00 crore for the first half of FY 2012-13 despite the following constraints:

- Non availability of refinance support from SIDBI.
- Recovery of loan dues mostly from NPA portfolio remains the only source of fund for the Corporation to meet its establishment expenses and to continue with the lending activity.
- CGTMSE coverage for extension of collateral free credit facility to eligible MSMEs is not available to the Corporation.
- The corporation provides credit facility by way of term loan only.

Improved financial position of OSFC in terms of sustained profit, growth in net worth to ₹18.91 crore and capital adequacy to 9.50 % would propel the Corporation for better performance in coming years.

The wave of industrialization sweeping the State due to destination of several mega projects opens up large opportunities for setting up ancillary/ downstream industries. OSFC is looking forward to finance such industries to fulfill the aspirations of young entrepreneurs of the State.

OPERATIONAL HIGHLIGHTS

SANCTION

The Corporation remained away from the business of lending for almost six years. Consequently, most of the good customers of the Corporation migrated to other banks &



FIs. Loan Policy for FY 2010-11 which laid emphasis on finance to standard units only did not yield satisfactory response. Loan Policy for FY 2011-12 also failed to attract the old customers as the corporation is providing only Term Loan assistance whereas Commercial Banks are providing both Term Loan and Working Capital. The Corporation could sanction ₹4.11 crore only to 8 units during the year 2011-12. Market penetration within a very short period after a gap of 6 years has been extremely tough and challenging. As on 31.03.2012, the cumulative sanction after resumption of lending in March 2010 stood at ₹8.98 crore to 16 units.

CONSORTIUM / JOINT FINANCE

OSFC has initiated the process of joint financing with SIDBI/Commercial Banks for diversification of risk. All joint finance cases shall be governed by the terms and conditions, credit norms and modalities contained in respect of joint finance agreement. The participating lenders shall have pari-passu charge over the assets of the borrowers unit. The Corporation has entered into a tie-up arrangement with Union Bank of India for consortium financing / financing of Working Capital to OSFC assisted units.

RISK MANAGEMENT AND CREDIT RATING

The Corporation has adopted two risk rating models for new projects and existing projects which evaluate all conceivable risks as per risk rating models. The models are drawn up in a structured manner incorporating financial analysis, projections and sensitivity, financial risk, industrial risk, management risk, business risk etc. It has also prescribed certain level of standard or initial parameters beyond which no proposal shall be entertained. It also lays down minimum rating below which no credit exposure would be undertaken.

However, in order to expedite and standardize the process of appraisal and risk rating of credit proposals in a more rational and objective manner, the Corporation has adopted Credit Appraisal & Rating Tool (CART) software of SIDBI for credit exposure up to ₹100.00 lakh. On successful operationalisation, the same software would be used for other cases. In-house risk rating models is being used to risk rate credit proposals involving credit in excess of ₹100.00 lakh and green field projects.

PRIVILEGED CUSTOMER SCHEME (PCS)

The Corporation intends to incentivize well performing units of OSFC having good repayment track records for last 3 years with the Corporation/Banks/FIs. The Scheme provides credit on softer term to such borrowers to meet their non-project specific business requirements, under permissible annual limit. The loan under this Scheme shall be guided by the following:

- Interest rate applicable as per risk rating,
- Interest rebate of 0.5% for prompt payment,
- Minimum 150% overall asset coverage,
- Positive net worth and no accumulated loss,
- Loan limit - ₹50.00 lakh maximum.



FAIR PRACTICES CODE

The Corporation is following Fair Practice Code for lenders as per RBI guidelines. The guidelines for processing loan application; appraisal, disbursement, post-disbursement supervision, and credit monitoring have been laid down. All the information relating to charges/fees for processing has been disclosed in the application form. The facility for prepayment of loans is also available.

KNOW YOUR CUSTOMER (KYC) & ANTI MONEY LAUNDERING (AML) STANDARDS

As advised by SIDBI, the Corporation has put in place a proper policy frame work on “KNOW YOUR CUSTOMER” and “ANTI MONEY LAUNDERING STANDARDS”. Detailed Customer Acceptance Policy, Customer Identification Procedures, Monitoring of Transactions and Risk Management Procedures have been laid down under KYC norms. The guidelines are issued with an aim to develop and evolve a robust system to prevent abuse of financial institutions for combating financing terrorism. The objective of this policy is to prevent OSFC from being used intentionally or unintentionally by criminal elements for money laundering activities. The KYC procedure enables to understand the customer and their financial dealings which in turn help the Corporation to manage the risk prudently. A policy for identification of high value cash transactions and suspicious transactions and monitoring thereof have been laid down under AML policy. One senior officer has been designated as Principal Officer, who in turn is responsible for monitoring and implementation of KYC norms and AML standards.

FEE BASED ACTIVITIES

The following fee based activities were undertaken during the year:-

- General Insurance Business
- Preparation of Project Profiles
- Training Support for Entrepreneurship Development

GENERAL INSURANCE BUSINESS

The Corporation continued to market General Insurance products of The New India Assurance Company Ltd. and posted modest growth in this area during the year. The Corporation has also lined up with Life Insurance Corporation of India (LIC) to market life insurance products.

PREPARATION OF PROJECT PROFILES

The Corporation continues to prepare project profiles for MSMEs at affordable rates. During FY 2011-12, the Corporation has prepared 107 nos. of project profiles for different clients.



DISBURSEMENT

The Corporation disbursed a modest amount of ₹0.84 crore during the year to 6 units.

BUSINESS INITIATIVES

The Corporation has taken following new initiatives to increase loan portfolios:

- Effective steps to reduce the response time for a systematic and quick credit delivery process so as to continue with its business programme in this highly competitive environment.
- Formulated the Technology Up-gradation Scheme as per MSME Development Policy-2009 which is under consideration of the State Government.
- Customer meets are being organised at Branches to have a direct interaction with both existing and prospective borrowers with an aim not only to understand and redress their problems to the extent possible but also guiding the enterprises in availing opportunity for expansion/modernization/up-gradation/diversification of their projects and establishment of new projects.
- Seminars are also being organised for disseminating information with regard to scope for establishment of new projects in various emerging sectors and the details of Loan Policy and OTS Policy.
- Put in place a comprehensive Loan Recovery Policy wherein Post Disbursement Monitoring and NPA Monitoring & Management have been emphasized particularly prevention of slippage of standard accounts and up-gradation of NPA accounts.
- Took active participation in the celebration of 8th Entrepreneurship Week (5-11 March 2012) organized by the State Government throughout the State.

STEPS TAKEN FOR OVERALL IMPROVEMENT OF WORKING ENVIRONMENT

- Initiated measures to improve the overall image of the Corporation through timely service to the borrowers through issue of demand notices, balance confirmation certificates, acknowledgement of debts, responding to the difficulties of the borrowers.
- Policy and procedures are being revisited and modification are being taken-up, wherever felt necessary, including adoption of new policies for timely follow-up and monitoring as well as for overall improvement in the working of the corporation with an aim to continue with the business activities in a more organized and systematic manner keeping with prudential norms and competitive environment.
- Reconstitution of Executive Committee, Audit Committee and Disposal and Default Advisory Committee (DDAC) and internal Committees like Finance, Recovery and HR for assisting the CEO for day to day functioning of the Corporation.
- Modifications of present Internal Audit policies and practices of OSFC.
- Review of compliance to Audit observations by the Audit Committee in a regular manner and more particularly in the context of recovery of dues from assisted units.



- Adoption of SARFAESI Act, 2002 to supplement the recovery avenues of the Corporation.
- Instituting review and monitoring mechanism at regular intervals at different levels, major thrust on constant follow-up and monitoring including adoption of a comprehensive “Loan Recovery Policy”.
- Launching of One Time Settlement Policy i.e, OTS-2011 Policy for a hassle free recovery of dues from hard core NPA accounts.
- Adoption of a comprehensive “Document Management Policy”.
- Modification in the Rephasement Policy.
- Introduction of “Staff Accountability Policy”.
- Felicitated 13 numbers of our valuable customers during Independence Day in recognizing their entrepreneurship and loyalty to OSFC.

BUSINESS REVIEW MEETINGS

Business Review Meetings were held at regular intervals with Branch Managers and Heads of Departments to review performance of the Branches and identify weak areas for improvement. The review of operations of the Branch was done in the presence of the Chairman and Managing Director of the Corporation. one of such meetings were attended by the Principal Secretary/Commissioner-cum-Secretary to Government, Industries Department, Government of Odisha. Weekly meeting of HoDs & Adopting Officers were held with MD to review the policy/procedures & business related matters.

RECOVERY

Recovery continues to be the prime activity of the Corporation to achieve twin objectives of reduction of NPAs and mobilization of resources. Further, NPA management has assumed greater significance for real turnaround of the Corporation. This includes credit monitoring and timely follow up of application of various recovery tools including initiation of legal proceedings and settlement through OTS etc. However, recovery is adversely affected due to several factors which are mostly beyond the control of the Corporation. In spite of relentless efforts like thorough scrutinization of the available security and prescribing the most appropriate exit route such as Close monitoring & follow up, Restructuring, Rehabilitation, Mutual Transfer, OTS, Seizure & sale, Legal action u/s 31/DRT/SARFAESI Act and Write off, the Corporation could be able to achieve recovery to the tune of ₹36.55 Cr against a MoU target of ₹40 crore during FY 11-12. The main reasons for decline in recovery are as follows:

- Highly contaminated loan portfolios.
- Existing portfolio not backed by adequate security.
- Prolonged delay in vacation of stay/restrain order from Courts.



- Slow disposal of seized assets due to obsolescence of technology, locational disadvantages, levy of taxes/arrear statutory dues.
- Delay in payment of settlement amount under OTS schemes by most of the borrowers.

During the year, the overall recovery of ₹36.55 crore has become possible due to dedicated efforts of the employees of the Corporation and continuous monitoring by the management in spite of adverse conditions. After expiry of the MFD-OTS-07 scheme since 20.11.09, the Corporation was not able to offer an exit route to eligible borrowers to avail the benefit of OTS scheme. During the year an ongoing OTS scheme titled OTS-11 policy was launched by the Corporation and there has been moderate response. Corporation has approved 300 cases (out of 402 applications) under OTS-2011 scheme for a settlement amount of ₹11.94 Cr. against outstanding of ₹71.41 crore. In addition, borrowers were allowed to avail the benefit of earlier OTS schemes by paying the OTS & other dues by 31.03.12 as a last opportunity.

The Recovery particulars of the year are shown in **Table- 1**.

TABLE-1				₹ crore
Particulars	Principal	Interest	Others	Total
Term Loan & Other Loans	21.33	14.38	0.14	35.85
Agency Loans	0.58	0.12	-	0.70
Recovery for the Year-Total	21.91	14.50	0.14	36.55

The percentage of net demand to loan outstanding (Principal) is 14.32% and the percentage of amount collected to recoverable is 2.38%. The Corporation has therefore, decided to streamline its procedures further and also to adopt new strategies for the purpose of making improvement on the recovery front.

The position of Recovery for the year is given in **Table - 2**

TABLE – 2			₹ crore
Particulars	Principal	Interest	Total
Overdues at the beginning of the year	297.00	2347.09	2644.09
Add: Adjustment arising out of reconciliation	0.53	-	0.53
Less: Adjustment arising out of reconciliation	0.48	57.23	57.71
Sub Total	297.05	2289.86	2586.91
Add : Current Demand during the Year	4.52	234.69	239.21
Total Demand	301.57	2524.55	2826.12
Less Prin./ Interest on account of loss assets & doubtful assets (iii)	151.60	1169.71	1321.31



Net Demand	149.97	1354.84	1504.81
Less i) Waiver through OTS	-	94.44	94.44
ii) Recovery	25.61	14.38	39.99*
Overdues at the end of the Year	276.10	2415.73	2691.83
Outstanding at the end of Year(31.03.12)	301.70	2415.73	2717.43
Percentage of recovery against net demand (Pri.)			14.32%
Percentage of recovery against net demand (Int.)			1.06%
Percentage of Recovery from recoverables			2.38%
Percentage of net demand to loan O/s (Pri.)			49.70%

* **NOTE :1)** Principal recovery include ₹414.40 lakh adjusted out of recovery of interest in earlier years under OTS . 2) Recovery on Agency loans amounting ₹0.70 crore have not been included.

During FY 2011-12, 70 cases were seized U/s-29 involving loan outstanding of ₹82.86 Cr. (Prin ₹10.39 Cr.). 8 nos of DDAC meeting were held for sale of 75 cases including the cases seized in earlier years. 44 units were decided for sale at a total sale amount of ₹5.70 Cr.(Prin O/s ₹6.39 Cr.) out of which in 2 cases the sale was cancelled (sale amount ₹.0.08 cr.). During the year physical possession was given in respect of 42 cases having principal outstanding of ₹7.21 crore.

During the year under review, Corporation has disposed 94 cases of seized assets involving an outstanding of ₹62.32 Cr. (Prin ₹10.51 Cr.) through full materialization of sale and release to borrowers. Out of the 509 unsold assets 242 are industrial assets, 243 are collateral assets and 24 nos are transport/other cases.

SEIZURE & SALE

The Position of Seizure of units U/s-29 of SFCs Act and their disposal during FY 2011-12 is given in **Table-3**.

TABLE – 3		₹ Crore			
Particulars (U/s 29) 2011-12	No.	O/s Amt.			
		Pri.	Int.	Total	
Cases pending for disposal at the beginning of the year	533	45.80	322.34	368.14	
Cases taken over u/s 29 during the year	70	10.39	72.47	82.86	
Total	603	56.19	394.81	451.00	
Cases disposed through DDAC	42	7.21	37.13	44.34	
Cases released to original loanees including OTS cases	52	3.30	14.68	17.98	
Total	94	10.51	51.81	62.32	
Cases pending for disposal at the end of the year including partly sold & sales pending for materialization.	509	45.68	343.00	388.68	



COURT CASES

The position regarding section 29 cases is given in **Table - 4**.

TABLE – 4		(Outstanding) ₹ crore
Particulars	No.	Principal
Pending at the beginning of the year	121	41.57
Filed during the year	38	81.03
Disposed of during the year	51	55.76
Pending for disposal at the end of the year	108	66.84

The Corporation usually takes recourse to section 31 when application of section 29 still leaves an unrealized amount against a unit's total outstanding or when for some reason or the other it is not possible for the Corporation to take action under section 29. Besides, the Corporation for recovery of its dues has filed cases under section 31 of SFCs Act and before DRT. Details in respect of cases filed by the Corporation under section 31 of the SFCs Act are given in **Table –5**.

TABLE –5		₹ crore
Particulars (u/s 31)	No.	Amt.
Pending at the beginning of the year	833	198.38
Filed during the year	14	18.09
Disposed of during the year	31	10.74
Pending for disposal at the end of the year	816	205.73

Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

For recovery of its dues from the defaulters, the Corporation is taking action U/s 29 and 31 of SFC's Act, 1951 in addition to taking recourse to the provision of Recovery of Debts to Bank and Financial Institution Act 1993 (DRT Act). In the mean time, another Central Act namely Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act 2002 (SARFAESI Act) has come in to force with effect from 21.6.2002. The Corporation during FY 2011-12 has initiated action under the provisions of SARFAESI Act 2002 for recovery of the dues of the Corporation from defaulting units.

FOLLOW-UP

The follow-up visit is one of the effective tools for close monitoring of the units with a view to ensure proper end use of the funds, assess progress of projects to avoid time and



cost overrun, mitigate constraints faced by the units. The follow-up inspection is being conducted during implementation of the project as well as during operation of the unit to ascertain health of the enterprise and ensure timely payment of dues. The case of incipient sickness is detected while conducting follow-up inspection and the Corporation is taking prompt remedial measures in close co-ordination with bankers for smooth running of enterprises.

REVIVAL OF SICK UNITS

The detailed position regarding identification and rehabilitation of sick industries is given in **Table – 6**.

TABLE- 6

Particulars	As on 31.03.2011	As on 31.03.2012
Identified as sick	1690	1690
Viability study completed	1687	1690
Prima-facie not viable including cases approved under OTS	1020	1023
Rehabilitation package approved		
- with additional loan	322	322
- without additional loan	345	345
Cases under study/BIFR Cases	3	Nil

SUBSIDY

The Corporation acts as an agent of the State Government for disbursement of Capital Investment Subsidy and Interest Subsidy. During the year under report, ₹80.14 lakh and ₹5.96 lakh was disbursed as Capital Investment Subsidy and Interest Subsidy to 21 and 14 units respectively. Joint inspection with DICs is carried out for release of Subsidy to eligible units as per procedural requirement.

PROFITABILITY

Net profit

The Corporation's net profit during the year 2011-12 stood at ₹0.52 crore as against net profit of ₹0.61 crore during 2010-11 reflecting a decline of 14.75%. The decrease in net profit during the year is on account of decrease in interest income and increase in personnel expenses.

Net worth

The net worth of the Corporation stood at ₹18.91 crore as on 31.03.12 compared to ₹16.57 crore as on 31.03.11 recording a growth of 14.12%.



Capital Adequacy Ratio

The Capital Adequacy Ratio stood at 9.50% as on 31.03.12 compared to 10.89% as on 31.03.11 against the benchmark of 9% set by SIDBI.

FINANCIAL PERFORMANCE

Income & Expenditure

The Gross income earned by the Corporation during 2011-12 amounted to ₹26.03 crore comprising of interest on loan and advance of ₹14.38 crore which includes interest accrued on standard loan amounting to ₹0.42 crore and other income of ₹2.10 crore as against ₹25.47 crore in 2010-11 registering increase of 2.20%. The personnel and administrative expenses, which were ₹14.25 crore in 2010-11, has gone up to ₹15.39 crore during 2011-12, registering increase by 8%. Total expenses has also increased to ₹24.55 crore in 2011-12 from ₹24.34 crore in 2010-11. After prior year adjustments net profit for the year 2011-12 is ₹0.52 crore in comparison to ₹0.61 crore of previous year.

Profit & Loss position

The Corporation has earned net profit consecutively for the 7th year and the net profit for the year under report is ₹0.53 crore. The interest income decreased by ₹1.57 crore (₹15.95 crore during the previous year to ₹14.38 crore this year). Non-interest income increased by 10.91 % i.e. by ₹0.20 crore (from ₹1.90 crore during previous fiscal to ₹2.10 crore this year). Personnel expenses have been increased from ₹13.36 crore in 2010-11 to ₹14.53 crore in 2011-12 i.e. raised by ₹1.17 crore due to payment of regular increments in salary and allowances & payment of ₹3.96 crore towards initial contribution to Group Gratuity Fund and on enhancement of Gratuity Payable Limit. Administrative expenses decreased by 3.38% i.e. by ₹0.89 crore during 2010-11 to ₹0.86 crore in 2011-12.

Authorised and Paid-up Share Capital

The authorized share capital of the Corporation stood at ₹500 crore. SIDBI has agreed for conversion of Loan in Lieu of Share Capital of ₹6.225 crore together with interest accrued thereon from dt.1.4.2008 till the date of actual conversion. Similarly both SIDBI & IDBI Bank have agreed to convert 50% each of minimum unpaid guaranteed dividend of ₹25.48 crore to Share Capital. Pending approval of State Government U/S/4 (3) of SFCs (Amendment) Act, 2000 the said amount of ₹31.72 crore is treated as Share Deposits on account of SIDBI and IDBI Bank.

The position of share capital and loan in lieu of share capital is indicated in **Table-7**



TABLE -7		₹ Crore
Particulars – Share capital	As at 31.03.2011	As at 31.03.2012
Issued		
- Ordinary	421.00	421.00
- Special	4.00	4.00
Total	425.00	425.00
Subscribed and paid-up		
- Fully allotted (Ordinary)	378.76	378.76
- Fully allotted (Special)	3.00	3.00
- Share deposit pending for allotment	31.72	33.58
Grand Total:	413.48	415.34

RESOURCE MANAGEMENT

The details of resource mobilization during the year is indicated in **Table –8.**

TABLE -8		₹ crore.
Particulars	2010-11	2011-12
Increase in paid-up capital pending allotment		
- State Govt.	-	-
- SIDBI/IDBI Bank	31.70	1.87
Sub-total	31.70	1.87
Refinance		
- SIDBI	0.53	-
Sub-total	0.53	-
Bonds	-	-
Recovery (Net)	42.03	36.55
Others	6.51	-
Total	80.79	38.42

The overall sources and uses of funds during the year are given in **Table-9.**

TABLE -9		₹ Crore	
Sources	2011-12	Uses	2011-12
Opening Cash/Bank	23.64	Disbursement	0.84
SIDBI refinance	-	SIDBI repayment (Prin.)	7.50
C.I.S.	0.97	C.I.S.	0.86
Recovery	36.55	Int. & Other charges paid	5.67
		Admn.& Personnel Exp.	15.39
Other Income	2.10	Redemption of Deposit & Bonds	
Other Receipts	0.80	Funded Interest loan to SIDBI	3.72
		Others (NEF& service charges paid to SIDBI)	0.48
		Other cash out go	4.14
		Closing balance	25.46
Total	64.06	Total	64.06



CLASSIFICATION OF ASSETS & PROVISIONING THERE OF

The assets classification and provisioning thereof is made as follows: (₹ Crore)

Asset Category	Outstanding Loans		Rate of Provisions		Provision (Loan)		Net Assets (Loan) Outstanding	
	Ason 31.03.12	Ason 31.03.11	Current Year	Previous year	Ason 31.03.12	Ason 31.03.11	Ason 31.03.12	Ason 31.03.11
Standard								
Direct Loan	2.28	2.24	0.25%	0.25%	0.006	0.006	-	-
Personal Loan	0.40	0.54	0.40%	2%	0.002	0.011	-	-
Vehicle & Housing Loan	0.49	0.62	0.40%	0.40%	0.002	0.002	-	-
Total :	3.17	3.40	-	-	0.010	0.019	3.17	3.40
NPA								
Sub Standard	0.40	0.35	15%	10%	0.06	0.04	0.34	0.31
Doubtful – I	0.98	1.79	25%	20%	0.25	0.36	0.73	1.43
Doubtful – II	146.05	139.51	40%	30%	58.42	41.85	87.63	97.66
Doubtful – III	30.88	43.50	100%	100%	30.88	43.50	-	-
Loss	120.72	138.22	100%	100%	120.72	138.22	-	-
Total (NPA)	299.03	323.37	-	-	210.33	223.97	88.70	99.40
Grand Total	302.20	326.77	-	-	210.34	223.99	91.87	102.80

- Standard Assets as on 31.03.12 includes ₹0.40 cr. personal loan and ₹0.49 crore vehicle & housing loan to employees.
- Loan outstanding and Net Assets as on 31.03.12 includes Principal + Other Charges.
- As per RBI/SIDBI norms, no netting is required for provision for standard assets.

Provisioning has been made in conformity with prudential requirement. There is 12.66% decrease in loss assets (decreased from ₹138.22 crore as on 31.03.11 to ₹120.72 crore as on 31.03.12) and 3.73% decrease in doubtful assets (decreased from ₹184.80 crore as on 31.03.11 to ₹177.91 crore as on 31.03.12). Due to recovery of loans, the standard assets have decreased by 7.65%. On the other hand substandard assets increased to the extent of 14.29% due to re-classification of assets as on 31.03.12 basing on Recovery & Accounts position. Total requirement for provisioning as on 31.03.2012 has been assessed & estimated at ₹210.34 crore.

PENDING ISSUES OF RESTRUCTURING

The financial and organizational restructuring of the Corporation which was approved by the State Cabinet during December 2006 & February 2009 is nearing completion. However, the following pending issues are yet to be addressed.



State Government

Approval of State Government Under Section-4(2) and 4(3) of SFCs Amendment Act, 2000 for allotment of ordinary shares in favour of SIDBI and IDBI Bank on account of:

- (a) Conversion of loan in-lieu of Share Capital (LISC) of ₹6.225 crore + Interest from 01.04.2008 till the date of actual conversion to ordinary Share Capital.
- (b) Conversion of unpaid dividend of ₹25.48 crore to ordinary Share Capital (50% each in favour of IDBI and SIDBI).

SIDBI

- Waiver of interest by SIDBI on LISC amounting to ₹7.42 crore (from inception to 31.01.08) and waiver of funded interest. However as per advice of SIDBI, IDBI has been moved and the response is awaited.
- Support from SIDBI to assist capacity building project of OSFC as per need.

FINANCIAL POSITION ON RESTRUCTURING

- In the process, on implementation of the relief and concessions from all the Stakeholders including financial support from the State Government in particular and consistent effort of the employees for recovery of dues, the Net-worth of the Corporation has improved from (-)₹282.41 crore to ₹18.91 crore and Capital Adequacy Ratio (CRAR) from (-)94.23% to 9.50% within FY 2004-05 & FY 2011-12.

EMERGING ISSUES, PRESENT LIQUIDITY PROBLEM AND STEPS INITIATED TO OVERCOME IT

Issues with Small Industries Development Bank of India (SIDBI)

- OSFC has paid interest dues to SIDBI till December 2011 and paying its dues regularly on account of newly availed line of credit.
- The Corporation after continuous repayment of installments towards repaid dues and funded interest to SIDBI since May 2005 failed to pay the same from November 2011.
- Consequently, following discussion with ED, SIDBI on 20.01.2012 and as per decision taken in a review meeting held on 20.01.12 under the Chairmanship of Hon'ble Minister, Finance & P.E Department and as decided by Board of OSFC, a proposal for OTS of Refinance Outstanding (RFS) & NEF Soft Loan at ₹45.00 crore was submitted to SIDBI on 21.03.2012.
- Also, SIDBI has been requested to release the refinance (New LoC) against already disbursed new cases under TRA mechanism for ₹99.09 lakh and continue to provide refinance support in future.
- The revised OTS proposal of OSFC as submitted vide letter dt. 24.05.2012 is under active consideration of SIDBI.



Issue with the State Government

Refund of ₹23.16 crore to be utilized as working fund by OSFC, which was paid by the Corporation in advance towards loans for settlement of SLR Bonds but subsequently such loans were entirely converted to ordinary Share Capital. The State Government has been moved to reconsider the proposal of refunding ₹23.16 crore which is badly needed by the Corporation in order to continue with its lending activity in the absence of refinance support from SIDBI.

Appointment of Consultant

In the 365th meeting of the Board of Directors held on 29.12.2011, it was decided to move the State Government, P.E Department for appointment of a suitable consultant on high priority for making a viability study as per the present mandate and future role of Orissa State Financial Corporation. In response to the request, Government has appointed M/s. Delloite Touche Tohmatsu as Consultant. A preliminary discussion with the consultant was held on 30.03.2012.

AUDIT COMMITTEE OF BOARD

The Board of Directors of the Corporation has reconstituted the Audit Committee of Board in their 364th meeting held on 26.11.2011. The said Committee as on 31.03.2012 comprises of the following Directors as its members.

1	Sri K.N. Khatai, IAS Commissioner-cum-D.I, Odisha ,	Chairman
2	Sri B. K. Bose, Managing Director, OSFC.	Member
3	Sri Sarat Chandra Naik, Addl. Secretary to Govt., Govt. of Odisha , Industries Department.	Member
4	Sri P.C.Pathy, Jt. Secretary to Govt., Govt. of Odisha , Finance Department.	Member
5	Sri Subhranshu Acharya, Dy.General Manager, SIDBI, Bhubaneswar.	Member

During the year, the Audit Committee met 4 (four) times on 02.07.2011, 24.09.2011, 14.02.2012 and 29.03.2012 and reviewed the Internal Audit observations, Action Taken Report on Internal Audit observations, Annual Accounts including Profit & Loss Accounts and Balance Sheet for FY 2010-11 with notes thereon and compliance thereof.

INTERNAL AUDIT

Books of accounts, financial and operational transactions of the Branches as well as Head Office of the Corporation have been audited by the Internal Audit Department (IAD)



of the Corporation during the year. Procedural lapses, Operational lapses, Documentation lapses, Monitoring & Follow up lapses are critically examined and brought to the attention of management for necessary corrective measures. Internal control lapses in key functional areas resulting in revenue leakage are pointed out. The Department has mainly focused its attention on review and evaluation of NPA accounts of Branch loan portfolio and has suggested remedial measures for realization of Corporation dues, thereby resulting in reduction of NPAs. The Department has conducted verification of loan accounts settled under various OTS Schemes on random basis. Payments like Provident Fund, Terminal dues, Arrears etc. relating to staff are also verified and authenticated by this Department. On some critical and major issues as reported in the Audit Report, Managing Director has also sent D.O. letters to the Branch Managers to follow-up the matter personally so as to bring logical end to those issues.

Audit observations remaining uncomplied by the Branches and Head Office for more than 6 months from the end of the quarter during which the reports were issued are placed to the Audit Committee of Board for their comments after necessary review. IAD ensures compliance of the comments/observations of the Audit Committee by the respective branches as well as different departments of H.O. and constantly monitors the development till the matter comes to its logical end.

The position of internal audit conducted and reports submitted during the year is given below.

1	No. of reports pending for submission at the beginning of the year	Nil
2	No. of audits completed during the year	15
3	No. of audit reports submitted during the year	14
4	No. of audit reports pending for submission at the end of the year	01

STATUTORY AUDIT

The Corporation appointed M/s. G.P. Mishra & Company, Chartered Accountants, Malasahi, Mangalabag, Cuttack as Statutory Auditors in the Annual General Meeting held on 29.07.2011 to conduct the Audit of the Books of Accounts of the Corporation for FY 2011-12 basing on the recommendation of the Reserve Bank of India under section 37(1) of SFC Act. The auditors have completed the Statutory Audit for the FY 2011-12.

ANNUAL GENERAL MEETING

The 54th Annual General Meeting of shareholders was held in time on 29.07.2011 to adopt the audited Balance Sheet and Profit & Loss accounts of the Corporation for FY 2010-11 and 28 nos. of share holders attended the meeting.



A.G. AUDIT

Each year C & A.G. of India has been conducting audit of the Corporation under section 37(6) of SFCs Act, 1951. Audit report of the C & AG of India on the accounts of the Corporation needs to be placed before the Legislative Assembly of the State along with the Annual Accounts and Auditor's Report U/s 37(7) of SFCs Act. Basing on the observations of Audit Report of C & AG, Industries Department of Govt. of Odisha has advised the Corporation to include the available report of C & AG in the Annual Report of the Corporation separately. Accordingly, the audit report of C & AG in respect of FY 2010-11 was placed to the Audit Committee of Board held on 14.02.2012. The proceedings of the Audit Committee is being placed to the ensuing Board Meeting.

INSPECTION BY SIDBI

SIDBI in terms of the provisions of Subsection (1) of Section 37A of SFCs Act, 1951 had conducted inspection of the Corporation for the FY 2010-11 during November-December 2011. The summary observations / suggestions / recommendations made by SIDBI and compliance thereof is being placed to the ensuing Board Meeting.

COMMITTEES

The Committee approach for decision making is continuing for ensuring efficiency and transparency in the working system. Committees set up for various purposes functioned well during the year. For better governance, the Corporation de-centralized the process of decision making with an appropriate delegation of power to Committees namely Executive Committee (EC), Default-Cum-Disposal Advisory Committee (DDAC), MD Committee & One Time Settlement Advisory Committee (OTSAC).

Three internal committees namely Finance Committee, Recovery Committee & HR Committees are functioning to examine various issues of significant importance including policy matters and recommend course of action prior to obtaining approval from the competent authority.

INFORMATION TECHNOLOGY

With focus on future, the Corporation rescued its Information Technology System from the brink of obsolescence by deploying state-of-the-art computer equipments in all of its offices. By this way the Corporation has built up a platform of appropriate IT infrastructure commensurate with its business resisting the temptation of acquiring inappropriate technology in a mad rush for advanced technology.

The Corporation has realized that the Information Technology is a means to an end and not an end in itself and it provides enormous possibilities to serve the customer better. But, unless the employees are acquainted to handle the equipments, the potential of the Information Technology can never be realized. Therefore, the Computer Services Department organized several workshops in missionary zeal to refresh the knowledge and skill of employees to handle the newly acquired technology. Further, to keep pace with the rapid



development in Information Technology requiring constant update of knowledge and skill of employees, the Computer Services Department is providing 'On Demand Training' in every working day after office hours to any employee who is interested to acquire any knowledge and skill in IT to wipe out computer illiteracy from the Corporation.

Another priority of the Corporation was to make the Information Technology customer centric. Accordingly, the e-despatch system has been strengthened by more emphasis on e-mail then snail-mail. Now, the Corporation is utilizing the amazing power of Information Technology to bridge the physical distance of the Branch Offices by digital distance. Thus, the Corporation has joined the race of financial services organizations for serving customer better by bringing synergy out of employees skipping time and space utilizing Information Technology.

HUMAN RESOURCE MANAGEMENT

The most valuable resource of any organization is the human resource. The HR Department deals with formulating strategy to upgrade the skills of the existing manpower and to utilize the human resource with their optimum potentiality. It not only gives emphasis on skill development, the department is equally concern for the welfare of its employees vis-a-vis initiatives and motivation. The initiative of the employees coupled with dedication and commitment in discharging their duties have smoothened the functioning of the organization and improve its image.

The area of expertise in Human Resource covers all spheres of activities like business administration, engineering, finance management, risk management, NPA management etc. The Corporation has staff strength of 253 with a composition of 82 Officers under A Class, 137 ministerial and supervisory staff under B Class and 34 subordinate staffs under C Class as on 31.03.2012. Out of 82 Officers, 8 Officers consisting of P.S & P.A are from non-functional area. Other Officers are having professional qualification which includes C.A, ICWA, MBA, PGDMA, PGDBM, PGDTL, Engineering Graduates, Legal Professionals, Post Graduation qualification. Two officers are under deputation to other organization. The average age of employees is 53 years.

During the year, 39 employees have retired from Corporation service through VRS/VSS/Resignation/Superannuation. The 28 vacant posts arising out of VRS/VSS have been abolished.

TRAINING

During FY 2011-12, HR Department has given more focus on knowledge management practice by identifying different areas for training. A motivational training programme was arranged for 45 employees at its corporate office to improve the morale of the employees. Besides this, 91 officers have been imparted with training in different phases on risk management, project appraisal, NPA management, computer and credit appraisal and rating tools (CART).



CORPORATE SOCIAL RESPONSIBILITY(CSR)

During the year, the Corporation has contributed ₹1.00 lakh to the Chief Minister's Relief Fund for the Flood victims of the State. To promote and preserve odia literature and culture, the Corporation has provided financial assistance to the odia magazines, souvenirs through advertisements. Besides this, the Corporation has imparted summer internship training programme to MBA, MFC students of reputed institutions to motivate young entrepreneurship in the State.

STAFF ACCOUNTABILITY POLICY (SAP)

In order to develop accountability in the Corporation and to increase the sense of responsibility among the employees while discharging their various official assignments, the Corporation has already adopted Staff Accountability Policy (SAP). This was done with a view to acquaint the employees with various operational circulars, guidelines and delegation of power from time to time. The policy on Staff Accountability covered both credit and non-credit functions of the Corporation. The Credit functions include assistance by way of loans and advances, line of credit, refinance, grant/subsidy, non-conformity to credit manuals or violation of guidelines and procedures and equity finance etc. The Staff of the Corporation are accountable for action / inaction leading to loss to the Corporation in credit functions as well as non-adherence to the guideline and procedure in non-credit functions such as purchase and procurement of stores and stationery, Computer Soft-ware/ hard-ware peripheral, premises matter. The Internal Control and monitoring mechanism has been strengthened by the introduction of Staff Accountability Policy.

REORGANISATION OF BRANCHES & DEPARTMENTS

Reorganisation of different departments of the Corporation was made during the FY 2011-12 with a view to give more focus on lending operation and monitoring and management of NPAs. A separate department namely Administration & Premises Department (APD) has been created to look after the internal administration/office management/ campus management and logistic support to different departments for smooth operation.

Number of Branch Offices was reduced from 17 to 15 after merger of Rayagada & Baragarh Branch with Sambalpur & Jeypore Branch respectively. The number of Branch Offices as on 31.03.2012, stood at 15 and Facilitation-cum-Recovery Centres (FRCs) at 6. However, the Corporation will continue its renewed effort and endeavor for the growth of MSME in the State through its existing Branch network.

GRIEVANCE REDRESSAL CELL

In order to expedite quick redressal of the grievance petitions/representations received from the customers/entrepreneurs, a Grievance Cell at the Corporate Office is functioning. Since most of the grievances relates to recovery measures of the Corporation, the same were handled by the concerned Department with approval of MD/Board. During the year, the cell has disposed all the cases including the cases of previous year. Besides, the Cell is



taking prompt action with regard to redressal of grievances published in various Newspapers relating to activities of the Corporation.

INTERNAL VIGILANCE CELL

Internal Vigilance Department headed by Deputy General Manager as Chief Vigilance Officer (CVO) is in operation at Head Office to function as the coordinator/ facilitator in between State Vigilance Department and the Corporation. The department deals with the grievances and complaints of the entrepreneurs and public at large for ensuring observance of rules and guidelines as prescribed by the Corporation from time to time. The department has been able to convey a positive message in the public by attending genuine complaints promptly and focused much on preventive vigilance. The department has identified corruption prone areas in the organisation to keep proper vigil on the functioning of various activities. During the year, no fresh vigilance case has been registered by the State Vigilance and no such serious complaints/irregularities against any officials have been noticed. The activities of this department will pave the way for functioning of the Corporation as transparent as possible.

RIGHT TO INFORMATION ACT CELL

The Corporation, following the operational guidelines of Orissa Right to Information Rules, 2005, has implemented Right to Information Act 2005. In accordance to the said Act & Rules, the Corporation has appointed Public Information Officer, Asst. Public Information Officer and Appellate Authority at its Head Office. In addition, one Public Information Officer and one Appellate Authority for each Branch Offices has also been appointed to enable the Citizens to secure access to information available with the Organization. With a view to promote transparency and accountability, necessary and relevant information for public has been placed in the website of the Corporation, which is being up-dated at regular intervals. Names of the Appellate Authority, Public Information Officer and Asst. Public Information Officer stationed at Head Office, Public Information Officers and Appellate Authority stationed at 15 Branch offices have been notified. The position of receipt and disposal of the RTI applications during the year is given below:

1	No. of pending applications at the beginning of the year	07
2	No. of applications received during the year	124
3	No. of applications disposed during the year	120
4	No. of applications pending for disposal at the end of the year	11

All the appeals received during the year have been disposed off within the stipulated period.

CORPORATE GOVERNANCE

The Corporation is committed to uphold high level of ethical standard of Corporate Governance in all of its functional areas. The effective implementation of Corporate



Governance depends on adoption of cardinal principles which inter-alia includes independence, credibility, accountability, responsibility, transparency, fair and timely decision making etc. The Board of the Corporation is constituted as per the provisions of SFCs (Amendment Act 2000). The Directors in the Board are professionally qualified having vast experience in the areas of Banking and Industry. The Board of Directors meets regularly to provide effective leadership and monitors performance and review management policies. During the year, the Board adopted a calendar of review which enables thorough critical information to the Board periodically. Various aspects like Loan Policy, OTS policy, Recovery Policy, Annual Business Plan, Cash-Flow Statement, overall assessment of Financial position, actual performance vis-à-vis target in key areas, status of NPAs etc. were periodically reviewed and appropriate policy directives were given by the Board during the year under report.

The Corporation has initiated the following steps to ensure good corporate governance practices :

- Reconstitution of the Board with induction of Independent Director,
- Appointment of a Senior Executive of SIDBI as the Managing Director,
- Reorganisation of HO Departments,
- Internal Audit has been strengthened/ streamlined,
- Audit Committee has been constituted and meetings of the Audit Committee have been more regular/ streamlined,
- As a part of Corporate Governance Manual, Corporation has signed MoU with State Government for the FY 2011-12. The draft MoU for FY 2012-13 as approved by the Board of OSFC in its meeting held on 27.03.2012 has been submitted to MSME Department of the State Government.

Apart from the above, Appraisal mechanism, project monitoring, risk management, internal controls and procedures have been streamlined and clear policy guidelines on Lending, Recovery, Valuation, IT etc. introduced.

BOARD OF DIRECTORS

The Corporation is managed by the Board of Directors constituted under Section-10 of the SFC's (Amendment) Act. 2000. During FY 2011-12, the Board met 7 times.

CHAIRMAN

Shri T.Ramachandru, IAS, Principal Secretary to Government, Industries Department was nominated as a Director and Chairman of the Board of Directors, OSFC in place of Shri P.R.Das, Ex-Executive Director, SIDBI vide Industries Department Notification No.9133 dt.07.07.2011 and Shri T. Ramachandru, IAS has assumed the charge of the Office of the Chairman, OSFC on 11.07.2011.



MANAGING DIRECTOR

Shri Bijay Kumar Bose was appointed by the State Government as Managing Director of the Corporation. Shri Bose assumed the charge w.e.f 08.10.2010 and is continuing as such.

DIRECTORS

During the year, following changes took place in the Board of Directors:

Shri Subhranshu Acharya, DGM, SIDBI has been nominated as a Director in the Board of Directors, OSFC, in place of Shri Kirpal Singh, General Manager, SIDBI, Bhubaneswar transferred vide SIDBI's letter No.9706 dt.20.06.2011 under section 10-(c) of SFCs Act.

Shri Sarat Chandra Naik, Addl. Secretary to Government, Industries Department, Govt. of Odisha has been nominated as a Director to the Board of Directors, OSFC in place of Shri D. P. Mohanty, Special Secretary retired on attaining the age of superannuation vide notification No.9901 dt.25.07.2011.

Shri Praveen Gupta, Chief General Manager, State Bank of India, Local Head Office, Bhubaneswar has been nominated to represent the SBI in place of Shri C.H.Narasimha Rao, CGM, transferred vide Letter No.SME-I/348 dt.19.11.2011 and Board resolution dt.26.11.11.

Shri A.K.Parida, Jt. Secretary to Government, Public Enterprise Department, Government of Odisha has been nominated as a special invitee to the Board of Directors of OSFC in place of Sri P. R. Giri, Special Secretary to represent the P.E Department in Govt. of Odisha vide letter No.3576 dt.29.08.11 of P.E Deptt. & Board resolution dt.26.09.2011.

ACKNOWLEDGEMENT

The Board of Directors expresses its deep sense of gratitude to the Government of Odisha and SIDBI for the valuable guidance and support received from them.

The Board also places on record its appreciation for the co-operation and support received from the Directorate of Industries, Industrial Promotion and Investment Corporation of Odisha Ltd., Odisha Industrial Infrastructure Development Corporation, Odisha Small Industries Corporation, District Industries Centers, Life Insurance Corporation of India, Scheduled Commercial Banks and all other stakeholders.

The Board also expresses its gratitude to the Shareholders of the Corporation for their confidence reposed in the Corporation.

The Board of Directors would like to thank the valued customers/ entrepreneurs for their continued contribution to the industrial growth of Odisha as well as for the confidence reposed in the corporation.

The Board would like to place on record its appreciation of the dedicated services and contribution made by the staff members for the overall performance of the Corporation.



Contribution to Chief Minister Relief Fund for flood victims.



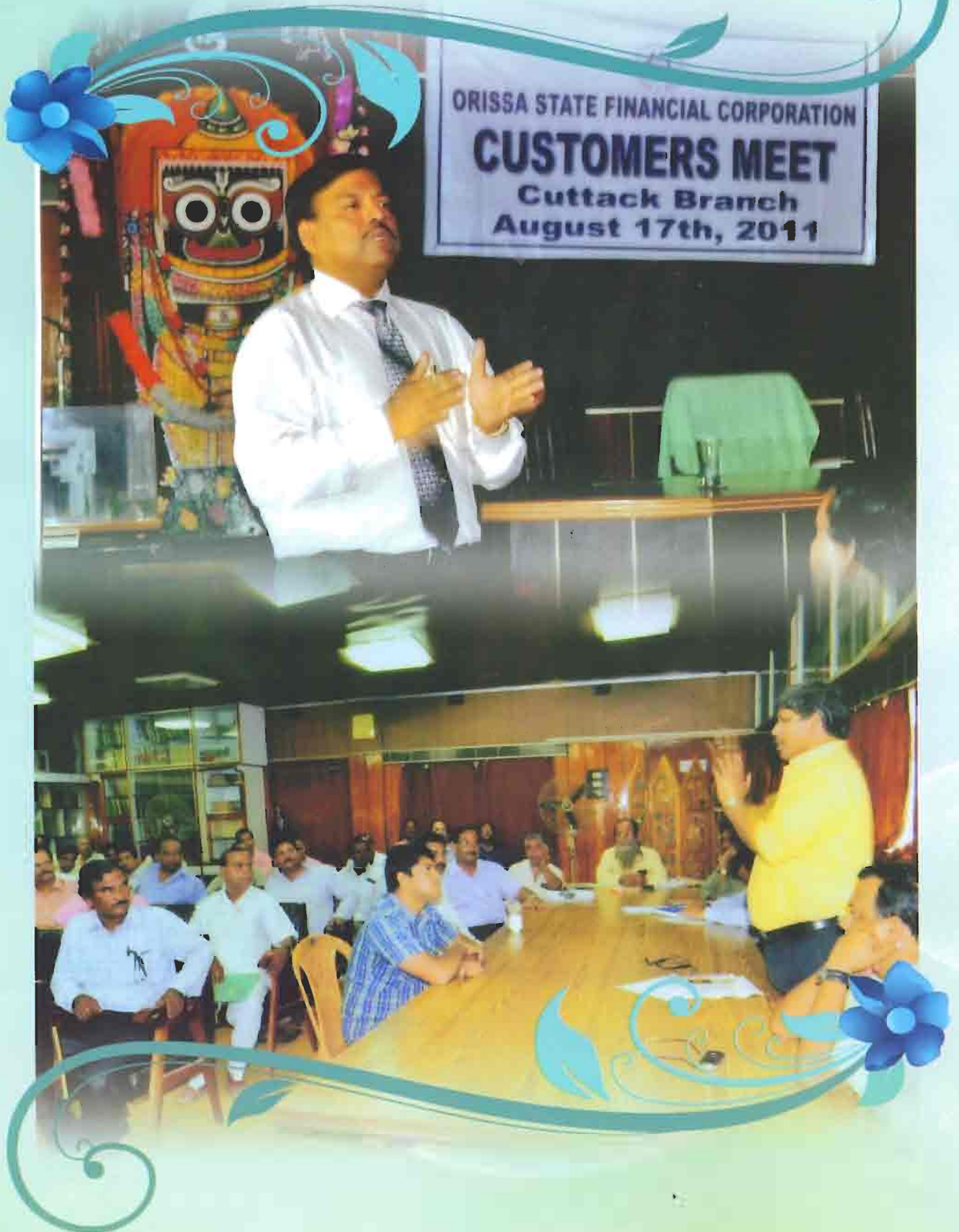
**Felicitation to successful entrepreneurs
on the Independence day 2011**



54th Annual General Meeting on 29.07.2011



Customers Meet, Cuttack Branch on 17.08.2011

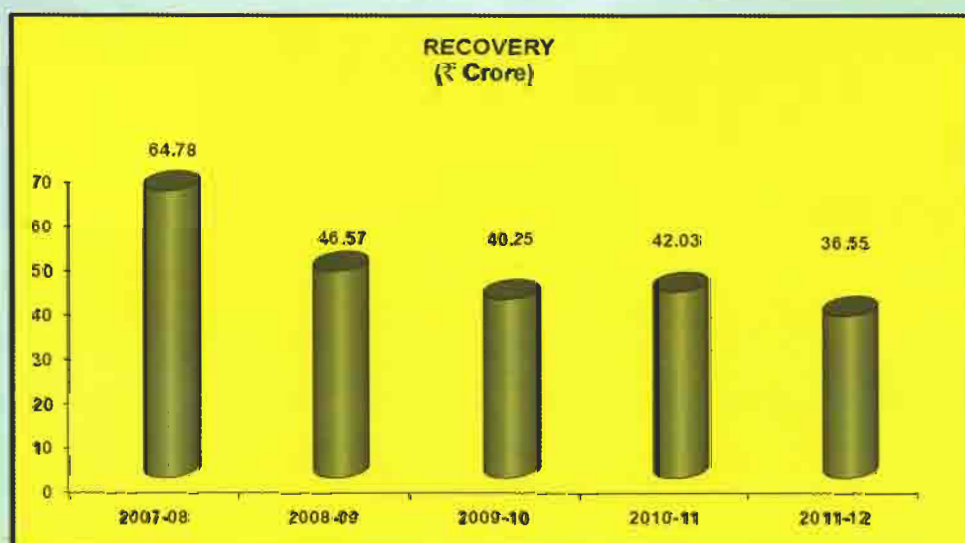
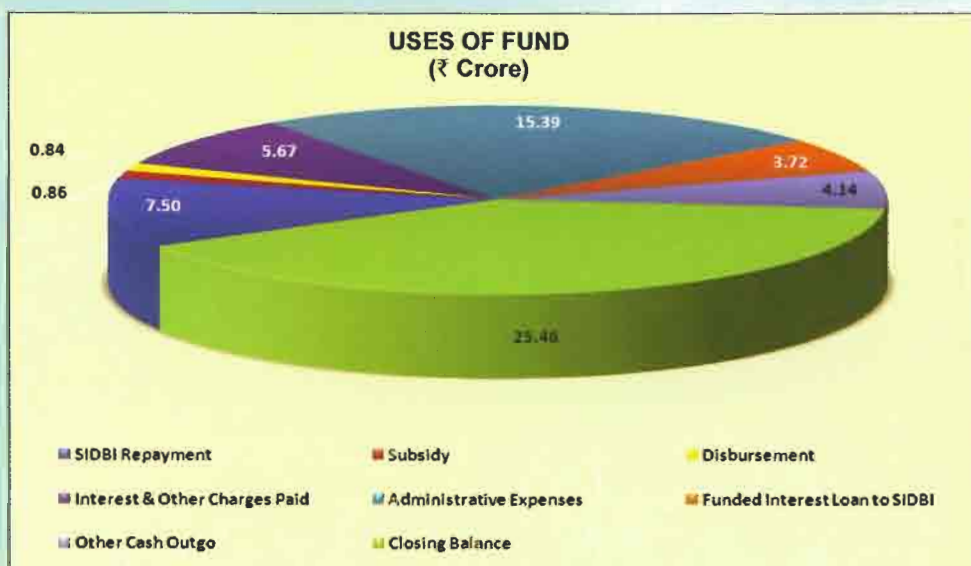
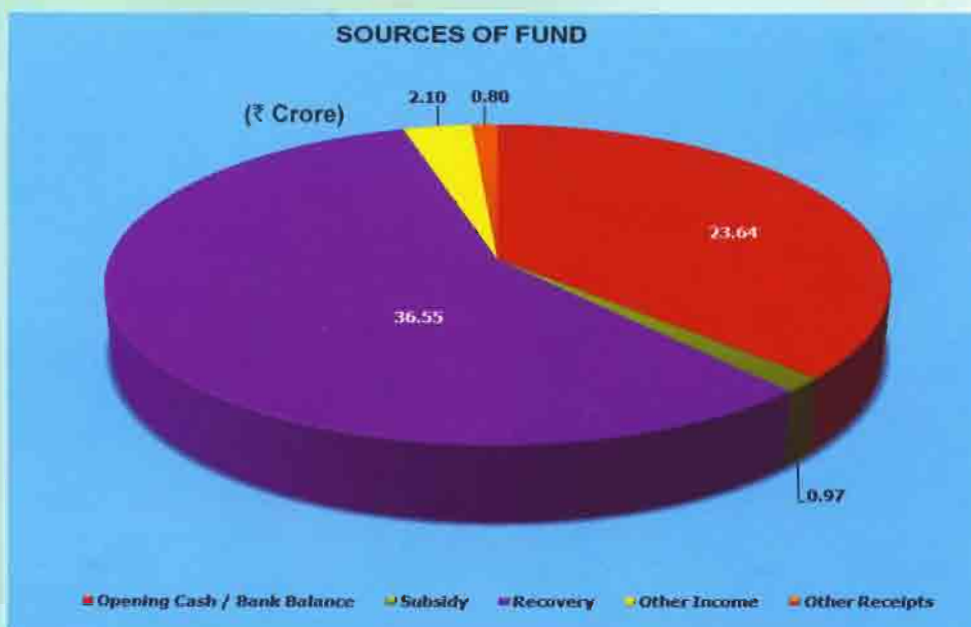


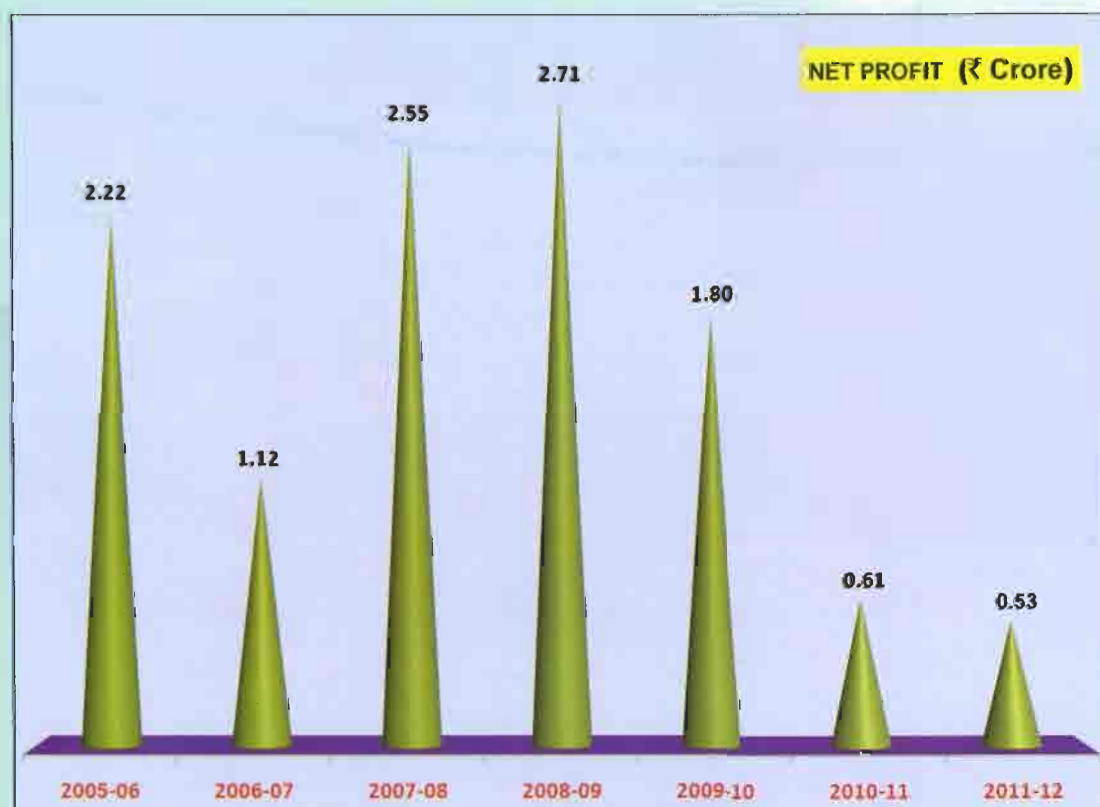
Seminar at Berhampur on Financing MSME on 5.11.2011



Business Review Meeting on 8.09.2011









Statement of Accounts



G. P. MISHRA & CO.
CHARTERED ACCOUNTANTS

D.N. COMPLEX, MOHANTY LANE, KESHARPUR, CUTTACK -753 001

Phone : (0671) 2518855

E-mail: gp_mishra@hotmail.com

To

**The Shareholders,
Orissa State Financial Corporation,
Cuttack-753 003**

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Orissa State Financial Corporation as at 31st March 2012 and the Profit and Loss Account annexed thereto for the year ended on that date in accordance with the provisions of section 37 of the State Financial Corporations Act, 1951 as amended by SFCs (Amendment) Act, 2000.
2. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

On the basis of our audit, subject to our observation/comments as mentioned in point no.8 below and Notes on Accounts as contained in Schedule-U, we report that:

4. We have obtained all the information and explanations both from Head Office and Branches which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
5. In our opinion, proper books of accounts have been kept by the Corporation so far as it appears from our examination of those books.
6. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.



G. P. MISHRA & CO.
CHARTERED ACCOUNTANTS

D.N. COMPLEX, MOHANTY LANE, KESHARPUR, CUTTACK -753 001

Phone : (0671) 2518855

E-mail: gp_mishra@hotmail.com

7. In our opinion, the Balance Sheet and Profit and Loss Account are in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India.
8. The following are our observations/comments:
 - i) With reference to Note No.8.1, fixed assets also include those assets where ownership is yet to be transferred to the Corporation.
 - ii) During the year, the Corporation has continued its internal audit system through its own Internal Audit Department.
9. In our opinion and to the best to our information and according to the explanations given to us, the said accounts of the Corporation read with the Schedules and above observations give the information required by the State Financial Corporation Act, 1951 as amended by the State Financial Corporation (Amendment) Act, 2000 and are properly drawn up in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of said Balance Sheet of the State of Affairs of the Corporation as at 31st March, 2012.
 - ii) In the case of Profit and Loss Account of the profit for the year ended on that date.
 - iii) The Cash Flow statement gives a true and fair view of the cash flows for the year ended on that date.

Cuttack
Dated :18th June, 2012

FOR G. P. MISHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
(G. P. MISHRA, FCA)
Membership No.053398
PROPRIETOR



ORISSA STATE FINANCIAL CORPORATION

BALANCE SHEET AS ON 31st March 2012

Particulars	Schedule Ref.	As on 31st March 2012	As on 31st March 2011
CAPITAL AND LIABILITIES		₹	₹
CAPITAL	A	4,153,485,200	4,134,810,200
Loan pending conversion to Share Capital	B	12	12
Reserves and Surplus	C	240,180,724	239,129,278
Borrowings	F	1,356,364,320	1,456,674,856
Other Liabilities and Provisions	G	737,815,178	723,292,879
TOTAL		6,487,845,434	6,553,907,225
ASSETS			
Cash and Bank Balances	H	254,665,673	236,445,373
Investments	I	3	3
Loans and Advances(Net of provisioning for NPA)	J	913,734,303	1,021,811,370
Fixed Assets	K	225,641,670	220,008,156
Other Assets	L	1,089,928,182	1,067,560,936
Dividend Deficit		0	545,108
Profit and Loss Appropriation Account		4,003,875,603	4,007,536,279
TOTAL		6,487,845,434	6,553,907,225

SIGNIFICANT ACCOUNTING POLICIES

T

NOTE ON ACCOUNTS

U

THE SCHEDULES REFERRED TO ABOVE FORM AN
INTEGRAL PART OF THE BALANCE SHEET

As per our Report of even date

Sd/-
(P.K.Samantray)
DGM, (FAD)
OSFC

Sd/-
(B.K. Sahoo)
J.G.M.
OSFC

Sd/-
(B.K. Bose)
MANAGING DIRECTOR
OSFC

Sd/-
(P.C. Pathy)
DIRECTOR
OSFC

Sd/-
(S. Acharya)
DIRECTOR
OSFC

For G.P.MISHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
(G.P. Mishra)
Membership No.053398
PROPRIETOR

Date - 18th June, 2012



ORISSA STATE FINANCIAL CORPORATION
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	Schedule Ref.	2011-12 (Current Year)	2010-11 (Previous Year)
INCOME (A)			
Income from Operations (Interest)	Q	143,818,947	159,475,823
Other Incomes	R	21,028,232	18,993,243
Net Provision for Loan Assets Added Back		95,485,319	76,276,989
Total Income (A)		260,332,498	254,746,055
EXPENDITURES (B)			
Interest Expended	M	86,687,070	96,542,353
Other Financial Expenses	N	831,251	969,305
Personnel Expenses	O	145,297,771	133,568,158
Administrative Expenses	P	8,600,663	8,946,646
Depreciation	K	4,050,425	3,342,825
Bad Debts Written off		3,593	-
Total Expenditure (B)		245,470,773	243,369,287
Profit / (Loss) before tax (A) - (B)		14,861,725	11,376,768
Less: Provision for Taxation		0	0
Profit after Tax		14,861,725	11,376,768
Less Net prior period Adjustments	S	9,604,495	5,267,890
Profit/(Loss) Carried to P & L Appropriation A/C		5,257,230	6,108,878

THE SCHEDULES REFERRED TO ABOVE FORM AN
INTEGRAL PART OF THE PROFIT AND LOSS ACCOUNT

As per our Report of even date

Sd/-
(P.K.Samantray)
DGM, (FAD)
OSFC

Sd/-
(B.K. Sahoo)
J.G.M.
OSFC

Sd/-
(B.K. Bose)
MANAGING DIRECTOR
OSFC

Sd/-
(P.C. Pathy)
DIRECTOR
OSFC

Sd/-
(S. Acharya)
DIRECTOR
OSFC

For G.P.MISHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
(G.P. Mishra)
Membership No.053398
PROPRIETOR

Date - 18th June, 2012



PROFIT AND LOSS APPROPRIATION ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS		2011-12 (Current Year) ₹	2010-11 (Previous Year) ₹
Balance as per last Balance Sheet - General Reserve/ (Accumulated Loss)		(4,007,536,279)	(3,757,643,581)
PROFIT / (LOSS) FOR THE YEAR AS PER PROFIT AND LOSS ACCOUNT		5,257,230	6,108,878
SPECIAL RESERVE (U/S 36(1) (viii) OF THE INCOME TAX ACT, 1961)		1,051,446	1,221,776
DIVIDEND CONVERTED TO SHARE DEPOSITS		0	254,779,800
DIVIDEND DEFICIT		545,108	0
PROFIT TRANSFERRED TO GENERAL RESERVE/ (ACCUMULATED LOSSES)		(4,003,875,603)	(4,007,536,279)

As per our Report of even date

Sd/-
(P.K.Samantray)
DGM, (FAD)
OSFC

Sd/-
(B.K. Sahoo)
J.G.M.
OSFC

Sd/-
(B.K. Bose)
MANAGING DIRECTOR
OSFC

Sd/-
(P.C. Pathi)
DIRECTOR
OSFC

Sd/-
(S. Acharya)
DIRECTOR
OSFC

For G.P.MISHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-
(G.P. Mishra)
Membership No.053398
PROPRIETOR

Date - 18th June, 2012



NOTES FORMING PART OF THE BALANCE SHEET

SCHEDULE A - SHARE CAPITAL

	As at 31.3.2012	As at 31.3.2011
AUTHORISED 50000000 SHARES OF RS.100/- EACH	5000000000	5000000000
ISSUED	5000000000	5000000000
(A) 42100000 (42100000) ORDINARY SHARES OF RS.100/- EACH ISSUED U/S(4)(2) OF SFC's ACT, 1951	4210000000	4210000000
(B) 400000 SPECIAL SHARES OF RS.100/- EACH ISSUED U/S 4-A OF SFC's ACT, 1951	40000000	40000000
	4250000000	4250000000
SUBSCRIBED & PAID UP		
(A) 37876305 (8457305) ORDINARY SHARES OF RS.100/- EACH FULLY ALLOTTED, U/S 6(1)OF THE SFC's ACT 1951 AMENDED BY SFC's (AMENDMENT) ACT, 2000. (6120 share surrendered for retirement in pursuant to Sec-6(1) of SFC's (Amendment) Act,2000)	3787630500	3787630500
(B) 300000(300000) SPECIAL SHARES OF RS.100/- EACH FULLY ALLOTTED U/S(4) (A) OF THE SFC's ACT,1951 AS AMENDED BY SFC's(AMENDMENT) ACT, 2000	30000000	30000000
(C) SHARE DEPOSITS PENDING ALLOTMENT	335854700	317179700
TOTAL:	4153485200	4134810200

* Out of share deposits of ₹2942049900 as on 31.03.10, shares amounting to ₹2941900000 has been allotted in favour of Govt. of Orissa and balance ₹149900 is pending for sanction and approval of State Govt. for allotment.

* SIDBI has already agreed for conversion of LISC Principal O/s and Interest Accrued at 7.5% p.a from 01/04/2008 to till the actual date of conversion to share capital.SIDBI & IDBI Bank have agreed for conversion of minimum guaranteed dividend payable to Share Capital on 50:50 basis. Approval of State Govt. u/s 4(3) of SFC's (Amendment) Act, 2000 for allotment of shares on such conversion is awaited. Pending concurrence of State Govt. amount on account of LISC(SIDBI) & MGD (SIDBI & IDBI Bank) has been treated as share deposits.

	Amount ₹
SIDBI-LISC (PRINCIPAL)	62250000
Interest from 01/04/2008 to 31.03.2012	18675000
	80925000
MGD (SIDBI Share)	127389900
	208314900
IDBI BANK - MGD	127389900
TOTAL	335704800



SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE B - LOAN PENDING CONVERSION TO SHARE CAPITAL

	As at 31.03.2012	As at 31.03.2011
	₹	₹
STATE GOVERNMENT Loan in lieu of Share Capital	12	12
TOTAL:	12	12

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE C - RESERVES, FUNDS & SURPLUS

		As at 31.03.2012	As at 31.03.2011
		₹	₹
(A)	DISTRIBUTABLE PROFITS		
1	GENERAL RESERVES (U/S 35 of SFC's ACT)	148000	148000
2	SPL. RESERVE (U/S 36(1) OF I.T.ACT,1961)	35925459	34874013
	SUB TOTAL (A)	36073459	35022013
(B)	NON DISTRIBUTABLE PROFITS		
i)	SPECIAL RESERVE FUND (U/S 35-A OF SFC's ACT,1951)	3431872	3431872
ii)	REVALUATION RESERVE	200675393	200675393
	SUB TOTAL (B)	204107265	204107265
	TOTAL (A+B)	240180724	239129278



SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE F - BORROWINGS

Category	As at 31.03.2012	As at 31.03.2011
	₹	₹
LONG-TERM BORROWINGS		
(A) REFINANCE(U/s 7(4) of SFC's Act,1951 AS AMENDED BY SFC's(AMENDMENT) ACT, 2000		
i. From Small Industries Development Bank of India		
(i) Restructured Refinance	1071465042	1146465042
(ii) New LOC under TRA	5122175	5328000
ii. 0% Funded Loan	179500000	216700000
iii. Interest Accrued & Due on Refinance	26101539	-
Sub Total	1282188756	1368493042
(B) INTEREST ACCRUED AND DUE (LISC)		
i. On Loan-in-lieu of Share Capital - SIDBI	74175564	88181814
Sub Total	74175564	88181814
TOTAL	1356364320	1456674856



SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE G - OTHER LIABILITIES AND CONTINGENT PROVISIONS

	CATEGORY	As at 31.03.2012	As at 31.03.2011
		₹	₹
A	OTHER LIABILITIES		
I.	SUNDRY DEPOSITS	529383854	547843881
II.	UNCLAIMED DIVIDEND	2340	2340
III.	EXCESS AMOUNT PAYABLE ON SALE OF MORTGAGED/ HYPOTHECATED ASSETS	7173132	7256782
IV.	STALE CHEQUES	93258	90358
V.	GRATUITY FUND	-	-
VI.	DIVIDEND PAYABLE	545108	545108
VII.	UNCLAIMED LIABILITIES	1700000	1750000
VIII.	INTEREST ACCRUED BUT NOT DUE ON BONDS	-	-
IX.	LIABILITY FOR OTHER EXPENSES	232486	621263
X.	EXCESS RECOVERY REFUNDABLE ON LOAN ACCOUNT	1090030	1090030
XI.	SHARE OF STATE GOVT. & OTHERS PAYABLE- LOANEE	1386495	1386495
XII.	AGENCY FUND		
	(a) St. Govt. Seed Money Fund	17241705	17328428
	(b) St. Govt. Soft Loan Fund	3304625	3304625
	(c) St. Govt. M.M. Assistance Fund	5108315	5108315
	(d) SIDBI Seed Capital Fund	2116215	2116215
	(e) SIDBI National Equity Fund	74944780	79188387
	(f) Orissa Venture Capital Scheme Fund	4690000	4690000
	(g) Orissa MSME Tech. Upgradation Fund	4800000	4800000
XIII.	OTHER DEPOSITS- AGENCY	44431721	43935594
XIV.	LIABILITY FOR CAPITAL EXPENDITURE	135337	135337
	SUB TOTAL - (A)	698379401	721193158
B.	PROVISIONS		
XV.	CONTINGENT PROVISION AGAINST STANDARD ASSETS	92000	188000
XVI.	PROVISION AGAINST EXPENSES	39343777	1911721
	SUB TOTAL - (B)	39435777	2099721
	TOTAL (A + B)	737815178	723292879



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - H CASH AND BANK BALANCES

		As at 31.03.2012	As at 31.03.2011
		₹	₹
(A)	CASH IN HAND	6669226	1871043
(B)	BALANCE WITH BANK U/S 33(2) OF THE SFC's ACT,1951. AS AMENDED BY SFC's (AMENDMENT) ACT, 2000		
i.	Scheduled Banks In Current Accounts	39780410	28972794
ii.	Scheduled Banks In Fixed Deposit Accounts	38364906	38364906
iii.	Scheduled Banks in Flexi Deposit Accounts	169739287	167212059
(C)	STAMPS IN HAND	16844	24571
(D)	Fund Remittance in Transit *	95000	-
	TOTAL	254665673	236445373

* Fund remitted by Keonjhar Branch received at HO on Dt.19.04.2012

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE I - INVESTMENTS

		As at 31.03.2012	As at 31.03.2011
		₹	₹
(A)	IN SHARES : UNQUOTED - AT COST		
1)	M/S.BHASKAR TEXTILE MILLS LTD (400 Preference Shares of Rs.100/-Each)	40000	40000
2)	M/s. Mamata Drinks & Ind.Ltd. (3370 Equity Shares of Rs. 100/- Each)	337000	337000
3)	M/s.Orissa Industrial and Technical Consultancy Organisation Ltd. (87 Equity Shares of Rs.1000/-Each)	87000	87000
	Sub Total	464000	464000
(B)	Less: Provision/ Depreciation Reserve	463997	463997
	Net value (A - B)	3	3
	Total	3	3



SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE J - LOANS AND ADVANCES

	As at 31.03.2012	As at 31.03.2011
	₹	₹
1. PRINCIPAL AMOUNT		
(A) Direct Operation		
i. Term Loan under various schemes	2885803370	3129011385
ii. Soft loan under Special Share Capital Schemes	21783472	22427289
iii. Bridge Loan	1850227	1850227
iv. Loan against Govt. Seed Money	655941	655941
v. Loan against IDBI Seed Capital	504996	504996
vi. New Term Loan under TRA	15478081	7123000
INTEREST ACCRUED ON STANDARD LOAN UNDER MERCANTILE SYSTEM	64644	89799
Sub Total :	2926140731	3161662637
(B) Loan Under Special Schemes		
i. Short Term Working Capital Loan	85021666	90483304
ii. Hire Purchase Loan	95297	2773549
iii. Commercial Loan to Employees	3996041	5356194
Sub Total :	89113004	98613047
Total (A + B)	3015253735	3260275684
2. Misc. Expenses on Loans & Advances	1788568	1180686
Total (1 + 2)	3017042303	3261456370
3. Less NPA Provision	2103308000	2239645000
NET AMOUNT OF LOANS & ADVANCES	913734303	1021811370



SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE K- FIXED ASSETS AS ON 31.03.2012

TYPE OF ASSETS	Rate of Deprecia- tion	COST (In Rupees)				DEPRECIATION (In Rupees)				WRITTEN DOWN VALUE		
		As on 31-03-2011	Additions during the Year	Sale/Transfer during the year	Addition due to Revaluation	As on 31-03-2012	Up to 31-03-2011	During the year	Addition during the year for prior year	Up to 31-03-2012	As on 31-03-2012	As on 31-03-2011 ₹
LAND		167810541	8889841			176700382	0	0	0	0	176700382	167810541
OFFICE BUILDING	5%	86515608	88452			86604060	38948863	2379547	0	41328410	45275650	47566745
OTHER BUILDING	5%	3000000	0			3000000	2233199	38340	0	2271539	728461	766801
VEHICLE	25.89%	9813364	83545			9896909	8971323	220464	0	9191787	705122	842041
FURNITURE & FIXTURE	18.10%	4208337	14265	30700		4191902	3439502	140083	0	3579585	612317	768835
OFFICE EQUIPMENTS	13.91%	5464642	231089			5695731	5232278	56335	0	5288613	407118	232364
COMPUTER	40%	14395967	385453			14781420	12411501	1208976	0	13620477	1160943	1984466
ELECTRICAL INSTALLATION & EQUIPMENTS	13.91%	753982	21509			775491	717619	6195	0	723814	51677	36363
LIBRARY	100%	339291	485	0		339776	339291	485	0	339776	0	0
CURRENT YEAR TOTAL		292301732	9714639	30700	0	301985671	72293576	4050425	0	76344001	225641670	220008156
PREVIOUS YEAR TOTAL		289362443	2961409	22120	0	292301732	68950751	3342825	0	72293576	220008156	220411692

NOTE: Land and Buildings located at Cuttack, Bhubaneswar & Sambalpur were valued at ₹2273.32 Lakh during the year 07-08 based on valuation certificates of registered valuers resulting in an increase of ₹2006.75 Lakh in the Gross block of fixed assets and the same is transferred to revaluation reserve during that year. Depreciation for the year was provided for on the revised values of building.



SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE L - OTHER ASSETS

		As at 31.03.2012	As at 31.03.2011
		₹	₹
i	Stationery & Stores	572614	690192
ii	Advance to Employees	6932559	9018901
iii	Travelling Advance to Managing Director		
iv	Deposit of Fees - under CPA	212615	212615
v	Other Recoverable Dues		
	(a) Deposit with State Govt. for land	-	1504541
	(b) Amount Recoverable from State Govt. against Deputationists	26251	26251
	(c) Rent of Premises receivable	151512	-
	(d) Advance to Advocates	1062580	1164930
	(e) Advance to Others	1649890	1679890
	(f) Advance for construction of Office building	93109	93109
	(g) Amount Receivable from Gratuity Fund & LIC	19555786	750000
	(h) EPF Administrators	3846306	-
vi	Interest accrued but not due on deposits with bank	5665500	2002495
vii	Agency Operation		
	(a) State Govt. Seed Money Disbursed	14454484	14541207
	(b) State Govt. M.M. Asst. Disbursed	3862995	3862995
	(c) IDBI Seed Capital Disbursed	1000000	1000000
	(d) SIDBI Seed Capital Disbursed	2123378	2123378
	(e) SIDBI NEF Disbursed	70843687	76276553
	(f) State Govt. Soft Loan Disbursed	1845284	1845284
	(g) Service charges IDBI seed capital recoverable	153600	153600
	(h) Service charges SIDBI seed capital recoverable	-	125249
	(i) SIDBI MUN Soft Loan Fund Disbursed	134600	134600
	(j) Agency commission accrued	253167	239217
viii	(a) Funded Interest - SIDBI Refinance	179500000	216700000
	(b) Payment of Refinance Interest under protest	301386698	264186698
	(c) Interest Accrued on LISC under consideration of waiver	55257534	55257534
ix	Sale of Mort. Assets Settlement Account (Jt. Finance)		
	(a) IPICOL	39227945	33861934
	(b) Banks (Joint Finance)	1669876	1669876
	(c) IDCO	198149	198149
x	Advance Taxes	4934064	4927739
xi	Disputed payments-under protest	10439703	10439703
xii	Deposits against Court Directives	43510378	43510378
xiii	Prepaid Expenses	18751	18751
xiv	Security Deposit - Telephone	18000	18000
xv	Security Deposit - Electrical Installation	273070	273070
xvi	Advance payment of Loan to State Govt.	319054097	319054097
TOTAL		1089928182	1067560936



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE M - INTEREST ON BONDS & OTHER BORROWINGS

		2011-12	2010-11
		₹	₹
1	Interest on Bonds	-	32767
2	Interest on SIDBI Refinance (Restructured)	81524136	91625289
3	Interest on New LOC from SIDBI	472039	111846
4	Interest on Deposits	22145	103701
5	Interest on Loan Covertion to Share Capital	4668750	4668750
	Total	86687070	96542353

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE N - FINANCIAL EXPENSES

	2011-12	2010-11
	₹	₹
I Bank Charges & Commission	16245	22357
II Interest Payment as per Court Directive	571243	394500
III Service Tax	243763	552448
	Total	831251
		969305



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE O- PERSONNEL EXPENSES

		2011-12	2010-11
		₹	₹
i.	Salaries & Allowances		
(a)	Managing Director		
	Salary	-	414766
	Business Support Service Exp	2630194	545488
(b)	Others	92282434	85832178
(c)	Honourium to Chairman	30000	210000
(d)	Consolidated wages	25694	35539
ii.	Employer's contribution to EPF	10458274	8811460
iii.	Medical aid to staff	951316	882427
iv.	Insurance Premium paid on GIS	173849	181307
v.	Leave Encashment	-	253089
vi.	Productivity Incentives	-	730000
vii.	Motivational benefit to Employees	697500	-
viii.	Contribution to Employees Group Gratuity Fund-LIC of India	22406857	34470364
ix.	Gratuity Payment	2067636	849690
x.	Contribution to Employees Group Leave Encashment Fund-LIC of India	17154880	123244
xi.	Leave Salary Contribution - Deputationists	-	41483
xii.	Pension Contribution - Deputationists	-	21317
xiii.	Employer's contribution to Staff Welfare Fund	33560	35258
xiv.	Ex-Gratia under-VRS	2694153	105549
xv.	HRD Expenses	91221	16852
xvi.	Employer's contribution to EPF - Deputationists	-	3147
xvii.	Ex-Gratia Payment - Deceased Employees	-	5000
	SUB - TOTAL	151697568	133568158
xviii.	LESS VRS Assistant from State Govt.	6399797	—
	TOTAL	145297771	133568158



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE P- ADMINISTRATIVE EXPENSES

		2011-12	2010-11
		₹	₹
1	Travelling Expenses		
	I. Managing Director	10166	43534
	ii. Directors and Committee Members	46455	35030
	iii. Employees and others	683423	686257
2	Directors and Committee Members Sitting Fee	31100	27500
3	Rent, Electricity & Water Charges	1718724	1685579
4	Computer Stationary	151668	310704
5	Printing & Stationary	406869	177234
6	Publicity & Advertisement	62321	34265
7	Business Promotion Expenses	3550	38610
8	Repairs & Renewals	159008	136819
9	Audit Fees		
	(a) Statutory Audit	87500	96515
	(b) Tax Audit	17500	19305
	(c) Other Audit	32472	—
10	AMC Fees & Expenses	225426	98929
11	Audit Expenses	30550	62582
12	Other Legal Expenses	30701	116179
13	Professional Fees & Expenses	111929	32010
14	Fees & Subscription	135752	74652
15	Newspapers & Periodicals	27517	30264
16	Rates, Taxes & Insurance	244504	272948
17	Vehicle Repair & Maintenance	183551	84772
18	Telephone Expenses	595730	626834
19	Fuel & Lubricants Expenses	558258	629318
20	Postage Stamps & Telegrams	203260	170152
21	Corporate Agency Insurance Commission	600	-
22	Conveyance Expenses	1228388	1250640
23	Vehicle hire Charges	243782	210166
24	Miscellaneous Expenses	1086973	1652036
25	Fees paid to Advocates	19243	35800
26	Telex & Fax	4870	6812
27	Meeting Expenses	168762	133105
28	Computer Servicing Expenses	40111	168095
29	Donation for Social Welfare	50000	-
	TOTAL:	8600663	8946646



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE Q - INTEREST INCOME (ON LOANS & ADVANCES)

		2011-12	2010-11
		₹	₹
I.	Interest on Term Loans	70325512	105336029
ii.	Interest on Soft Loans	330258	643297
iii.	Interest on FITL	389497	-
iv.	Penal Interest on Loan	54393652	37116465
v.	Interest on Standard Loan	4149397	4651611
vi.	Interest on H.P. Loan	11022	502765
vii.	Interest on Short Term Loan	10480	1039255
viii.	Interest on Commercial Loans to Employees	43315	23885
ix.	Service Charge on Soft Loan from SIDBI	9000	-
x.	Interest on Term Loan against NEF	104905	169376
xi.	Interest on Rephased Loan	1641096	1537875
xii.	Pre-Payment Premium	-	247370
xiii.	Delayed Period Interest (OTS)	9577796	5477569
xiv.	Interest on NEF Loan (OSFC Share)	2833017	2730326
	Total	143818947	159475823



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE R- OTHER INCOME

		2011-12	2010-11
		₹	₹
I.	Interest on Term & Flexi deposits with Bank	12211915	12931200
ii.	Sale of Forms	80326	109128
iii	Right to Information Fees	6505	6858
iv	Miscellaneous Income	2365743	1590988
v	Interest on Staff Advances		
	(a) Interest on House Building Adv.	2078855	3591899
	(b) Interest on Vehicle Adv.	10144	78760
vi.	Misc. Receipt - Recovery Administration	512000	90000
vii.	Agency Commission	13950	13977
viii.	Processing Charges	128000	427100
ix.	Service Charges	-	49491
x.	Bad Debt Recovery	3383141	-
xi.	Up Front Fees	58375	77900
xii.	Insurance Commission	8778	25942
xiii.	Committment Charge realised	150000	-
xiv.	Income from other fee based activities	20500	-
	Total	21028232	18993243



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
SCHEDULE S - INCOME & EXPENDITURES FOR PREVIOUS YEAR

(A) - Prior Year Income		2011-12	2010-11
i)	Amount received from Govt. on account of Employees on deputation to Govt. towards Leave Salary & Gratuity Contribution in earlier years but wrongly booked as liabilities, rectified in 2010-11	-	52026
ii)	Rent on Building for previous year received in 2011-12	55533	-
iii)	Amount wrongly booked as Travelling Expenses instead of Travelling Advance on 06.08.09 rectified in 2010-11	-	10000
iv)	Interest Accrued on Flexi Deposits/ Term Deposits with Bank upto 31.03.11 but received/ credited to A/c in 2011-12 (Union Bank)	196278	-
v)	Amount appropriated as deposit redemption in 2009-10 reversed during 2010-11	-	957859
vii)	Write back of expenditures excess provided in previous year	-	2068
viii)	Amount realised from M/s Konark Paper Industry towards Miscellaneous Income at Baripada Branch in 2010-11 but wrongly booked as other charges recovery on loan account rectified in 2011-12	80000	-
ix)	Amount realised in earlier years towards principal, reversed and appropriated in 2011-12 towards Interest on reconciliation of account at Bhubaneswar Branch (M/s Nirvik Printers)	20828	-
x)	Insurance Commission Accrued upto 2009-10 received in 2010-11 from ICICI Lombard Insurance Co.	-	28573
	TOTAL	352639	1050526
(B) - Prior Year Expenditure			
(i)	Excess amount deducted as Int. on Vehicle Advance during 2009-10 refunded in 2010-11	-	480
(ii)	CST & OST Registration surrendered and expired w.e.f 31.03.04 but the Regd. Fees deposited is treated as Expenditure during 2010-11	-	12500
(iii)	Arrear Salary relating to earlier years sanctioned for payment in March'2011	-	4147888
(iv)	Interest income reversal at Bhubaneswar Branch made in earlier years wrongly booked as FITL, rectified in 2011-12	1265398	-
(v)	Differential amount of Tax Audit Fees for 09-10 paid in 10-11	-	1654
(vi)	Advance to Advocate paid in earlier years at Rourkela Branch regularised as expenses in 2011-12	18360	-
(vii)	Arrear Salary & allowances and Employer Contribution to EPF of earlier years on revised 5th pay paid in August'2011	6800342	-
(viii)	Water Tax & Holding Tax dues upto FY2009-10 and FY 2010-11 paid in 2010-11 & 2011-12	4145	770916
(ix)	Medical Expenses reimbursement wrongly booked as Medical Advance in earlier years rectified in 2011-12 (A/c B. Malla, PS)	1954	-
(x)	Processing Charge received at Rourkela Branch in 2010-11 refunded in May'2011	100000	-
(xi)	Deduction made as Medical expenses recovery from the salary of Sri Anirudha Mallick in earlier year instead of as Medical Advance rectified in 2011-12	403	-
(xii)	Arrear Salary for Jan'11 to Mar'11 and Employer's contribution to PF thereon on a/c of 12% DA paid in Dec'11	1401147	-
(xiii)	Medical Aid relating to earlier years sanctioned and accounted by adjustment towards Medical Advance in 2011-12	365385	-
(xiv)	Reversal of Interest Income credited in 2008-09 on cancellation of sale of mortgaged assets as per Court Order	-	1236198
(xv)	Reversal of int. (GS & Company) wrongly appropriated as income in earlier years at Cuttack Branch out of OTS Advance	-	148780
	TOTAL	9957134	6318416
	NET (B) - (A)	9604495	5267890



SCHEDULE - T

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

1.1 The accompanying Financial Statements are prepared on historical cost convention (other than revalued Land & Building) by following going concern concept and confirming to the prevailing statutory provisions and practices, unless otherwise stated.

1.2 Method of Accounting:

In accordance with the norms prescribed by SIDBI for adoption of uniform Accounting policies and practices by SFC's, the Corporation follows the method of Accounting as under:

- a) Loan Portfolio
 - Performing Assets on accrual basis
 - Non-Performing Assets on realization basis
- b) All other items
 - On accrual basis

2. Income Recognition

2.1 Income are accrued except in the case of Non-Performing Assets where it is recognized upon realization as per prudential norms of RBI / SIDBI.

2.2 Accounting of Receipts

The Corporation follows the policy of crediting the cheques recovered on the loanee account only on realization except on 31st March . The cheque received on 31st March against NPA accounts are accounted on receipt basis of 31st March & subsequently realised. Effects in the subsidiary ledger of Loan Accounts are given from the date of realisation.

3. WRITING OFF LOANS

Bad debts are written off through the NPA provision Account. After adjustment of provision residual amount are charged to the Profit & Loss Account. In case of subsequent recovery of Bad debts already written off, recovered amount is recognized as other income in the year of receipt.

4. INVESTMENTS:

Investment in equity shares are considered as current investments and are valued at lower of cost / market value as per guidelines issued by SIDBI/ RBI. Investments are stated at purchase price less provisions for erosion in the value of investment made, in accordance with the guidelines prescribed by SIDBI.

5. Loans & Advances:

5.1 The assets under loans and advances have been classified as per prudential norms set by SIDBI/RBI.

5.2 The Miscellaneous Expenses on loans and advances recoverable from the loanees are being shown under Loans & Advances.

5.3 Amounts received from loanees are credited in the books of accounts and appropriated in the following order.



1st Other charges, 2nd Additional and Penal interest, 3rd Interest Accrued & due, Last Principal. However, incase of One Time Settlement(OTS), sale of Seized Assets U/s 29 of SFCs Act and rephasement / reschedulement cases appropriation are made in the following manner,

One Time Settlement (OTS) Case	Sale of Assets U/s 29 of SFC/s Act cases	Rephasement/Re-schedulement cases
Ist- Principal	Ist - Other charges	Ist Other charges
2 nd Other charges	2 nd - Principal	2 nd Interest & Penal Interest (on funded capital & unrephased portion of loan) 3 rd principal overdues of rephased/Funded capital/ unrephased portion of Loan (1 st due 1 st adjustment basis)
3 rd Additional& Penal Interest	3 rd Additional& Penal interest	4 th principal of rephased / Funded capital.
Last Interest Accrued & due	Last Interest Accrued & due	5 th Principal of unrephased & portion of loan 6 th Interest on FITL Last Funded Interest Term loan(FITL)

6. Sharing of Sale proceeds on joint financing cases:

- 6.1 Sharing of sale proceeds realised on sale of assets of joint financed cases u/s 29 of SFCs Act 1951 are made on prorata basis on loan outstanding/ principal outstanding of financers with mutual acceptance and consent.
- 6.2 In the case of Joint Finance Single documentation is done at OSFC level as per the mutual understanding with the Co-Financers.

7. Fixed Assets:

- 7.1 Fixed assets are recorded at their historical cost and are stated at historical cost less accumulated Depreciation or at their present replaceable value, wherever revalued.

7.2 Capitalisation of Assets:

The Corporation is following the practice of capitalisation of assets at the time of put to use on the basis of cost of acquisition & other expenses directly related thereto.

8. Depreciation:

Depreciation on fixed assets is provided on written down value method at the rates prescribed under Schedule – XIV of Companies Act, 1956 in accordance with the guidelines set by SIDBI for SFCs as follows.



Rate of Depreciation

Building-	5%
Office Vehicle-	25.89%
Furnitures & Fixtures-	18.10%
Office Equipments-	13.91%
Library-	100%
Computers-Hardware & Software	40%
Electrical Installation & Equipments	13.91%

- In case of additions to fixed assets during the year, depreciation is charged on pro-rata basis from the date of addition of the fixed assets and in case of sale / transfer / deletion of fixed assets the depreciations charged up to the date of the sale / transfer / deletion of the asset.

9. Retirement Benefits to Employees:

Provident Fund - The Corporation is having its own P.F. Regulations. Contribution to the Provident Fund are remitted to Board of Administrator, OSFC Employees Provident Fund and charged to P & L Account.

- Gratuity and leave encasement benefits to Employees are covered by OSFC Group Gratuity-cum-life Assurance Scheme and Group leave Encashment Scheme respectively adopted by the Corporation.
- Liability towards Gratuity and Leave encashment salary payable to employee are determined by Life Insurance Corporation of India under the Group Gratuity Scheme and Group leave encashment Scheme of LIC of India. Premium paid to LIC of India against such Schemes & payments made to employees towards gratuity & Leave Encashment salary to the extent not covered by the Group Gratuity Scheme & Group Leave Encashment scheme of LIC are charged to the profit & loss account.

10. ASSET CLASSIFICATION AND PROVISIONING

- Loan Assets are classified based on record of recovery as standard, sub-standard, doubtful and loss and accordingly provision is made as per guidelines issued from time to time to SFCs by IDBI /SIDBI as under :

Provisions

- Standard Assets @0.25% of Loan Assistance to SME, @0.40% of others and @1% of CRE.
- Sub-Standard Assets General @15%, unsecured portion @25%, exposure to Infrastructure lending against Escrow Account/ Infrastructure loan @20%
- Doubtful Assets 20% / 40% / 100% of loan assistance depending on the period for which the loan



/assistance has remained doubtful. (25% in case of assets remained doubtful for up to 1 years and 40% in case of assets remained doubtful beyond 1 years and up to 3 years and @100% in case of assets remained doubtful beyond 3 years).Unsecured Doubtful Loan 100%

- iv. Loss Assets The entire loan (i.e. 100%)
- (b) As per the guidelines issued by SIDBI vide No.592/SFCs (CELL) NPA dated.22/05/2001 provisions made against Standard Assets are not reckoned for arriving at net NPAs. Contingent Provisions against Standard Assets are shown under current liabilities & provisions and are eligible item for inclusion in Tire-II Capital.
- (c) As per the guide lines issued by SIDBI vide circular no. 204/DFIDD/SFCs Dt.08.04.02 treatment of provisions against NPA are provided for in the Profit & Loss Account of the year (above the line) and the current profit i.e. profit for the year determined accordingly

11. CAPITAL ADEQUACY STANDARDS/ Risk weight on Assets

Capital Adequacy Ratio has been calculated based on the standards and guidelines issued by SIDBI from time to time to SFCs. Risk weight attached to Assets are as under

Assets	Risk Weights
i) Cash Balance, Bank Balance with RBI	Nil
ii) Balance in Current Accounts with Scheduled Banks & fixed assets	20%
iii) Investments in Govt. Guaranteed Securities of Govt. Undertakings	20%
iv) Other Investments	100%
v) Loans and Advances	100%
vi) Fixed Assets	100%
vii) Other Assets	100%

12. Agency Functions:

- The funds received from State Government /SIDBI are classified as liabilities.
- The Loans given from these funds are shown separately from the loans given by the Corporation from its own funds under other Assets.
- Such loans are not eligible for NPA provisioning purposes
- Recoveries made against such loans are accounted for as liabilities refundable to the principal.



13. **Contingent Liabilities / Assets**

Contingent Liabilities are disclosed by way of notes. Contingent Assets are not recognized.

14. **Prior Period Adjustment**

Considering the nature of Business all prior period adjustment including those ascertained and determined during the year are accounted as prior period items.

For G.P.MISHRA & CO.
CHARTERED ACCOUNTANTS

Sd/-

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	(G.P. Mishra)
(P.K.Samantray)	(B.K. Sahoo)	(B.K. Bose)	(P.C. Pathy)	(S. Acharya)	Membership No.053398
DGM (FAD)	J.G.M.	MANAGINGDIRECTOR	DIRECTOR	DIRECTOR	PROPRIETOR
OSFC	OSFC	OSFC	OSFC	OSFC	

Date - 18th June, 2012



SCHEDULE 'U'

NOTES ON ACCOUNTS

1. SHARE CAPITAL:

- 1.1 During the year Interest Accrued on Loan in lieu of Share Capital from 01.04.2008 upto 31.03.2012 @7.5% p.a. amounting to ₹186.75 lakh has been treated as share deposits as earlier approved by SIDBI for conversion to share capital pending approval of State Govt. u/s 4(3) of SFC's Act for allotment
- 1.2 Approval of State Govt. u/s 4(3) of SFC (Amendment) Act, 2000 for allotment of ₹3358.55 lakh of shares is awaited.
- 1.3 Against Special Share Capital received U/s 4(A) of the SFCs Act.1951 for ₹300 lakh, the Corporation has disbursed Soft Loan of ₹411.73 lakh and the outstanding amount of such soft loan as on 31.3.2012 is ₹217.83 lakh. (₹224.27 lakh)
- 1.4 In exercising options U/s 6(1) of SFC's (Amendment) Act 2000, 6 nos of share holders holding 6120 nos of shares of ₹100/-/each had surrendered the share certificates for retirement at face value of ₹6.12 lakh. In view of the financial condition of the Corporation, the State Government has directed for retirement of such shares @ ₹ 1/- (Rupee one only) each, which is not acceptable to them. The Corporation has requested such share holders to continue to hold the shares till its revival / improvement in the financial health for retirement of the shares at face value.

2. RESERVE FUNDS AND SURPLUS :

- 2.1 In terms of Sec-36(1) (viii) fo the Income Tax Act,1961, Corporation has transferred ₹10.51 Lakh to Special Reserve calculated at 20% of the current year profit of ₹52.57 Lakh. (Pr. yr. ₹12.22 Lakh)

3. BONDS & BORROWINGS :

3.1 REFINANCE :

- 3.1.1 Pending request for waiver of Funded Loan the installments are being paid under protest. During the year Funded Loan of ₹3.72 Cr paid under protest. Total funded interest paid under protest upto 31.03.12 is ₹30.14 Cr.
- 3.1.2 During the year No Refinance has been released by SIDBI.
- 3.1.3 The Corporation discontinued payment of restructured principal and funded interest from Oct' 2011 and payment of Interest from Dec'2011 due to liquidity problems.
- 3.1.4 Overdue of SIDBI dues stands at ₹19.53 Cr. as on 31.03.12 (as principal ₹13.20 Cr, Interest ₹2.61 Cr Funded Interest Loan ₹3.72 Cr)
- 3.1.5 After review of the financial position of the Corporation both by the State Govt. and SIDBI and as suggested by SIDBI proposal for OTS of refinance outstanding has been submitted and it is in advance stage of finalisation. On successful OTS of refinance, the Corporation will be liability free with adjustment of Funded Interest towards OTS dues.



3.2 INTEREST ACCRUED & DUE ON LISC

As per advise of SIDBI request has been made to IDBI Bank for waiver of interest accrued and due of ₹7.42 Cr upto 31.01.2008 (i.e. the date from which LISC outstanding transferred from IDBI Bank to SIDBI u/s 4(H) of SFC's (Amendment) Act, 2000

3.3 BONDS

Bond Redemption accrued & due amounting to ₹16.25 Lakh (including Interest of ₹6.25 Lakh) payable to Kalol Nagarik Sahakari Bank Ltd. has been transferred to unclaimed liabilities and shown under other liabilities (Schedule-G) as there is no claimant.

3.4 DEPOSITS

Deposit Redemption Accrued & Due amounting to ₹0.75 Lakh treated as unclaimed liabilities & shown under other Liabilities (Schedule-G) as there is no claimant for the same.

4. DIVIDEND PAYABLE:

4.1 Dividend of ₹545108.00 is payable in respect of 'C' & 'D' Class Share holders for the year 1991-92 to 1999-2000. Dividend Deficit Account created contra against this is charged to Profit & Loss appropriation account.

4.2 Govt. of Odisha vide Finance Department memorandum No.52286/F/FR22/2011 Dt.12.12.11 and Letter No. FR-22/2011/53083(45)/F Dt.16.12.11 issued guidelines to declare minimum dividend of 20% on the equity or a minimum dividend payment of 20% of post tax profit whichever is higher by profit making PSUs. In view of huge accumulated loss the Corporation requested Government vide letter No.1269 Dt.13.03.2012 to exclude the Corporation from the purview of the dividend guidelines till it generates adequate profit after wiping out accumulated losses.

4.3 No dividend for the year has been declared for non-availability of surplus due to accumulated loss as on 31.03.2012

5. OTHER LIABILITIES:

5.1 Sundry deposit includes ₹661.00 Lakh (₹661.00 Lakh) towards sale proceed of assets jointly financed by Orissa State Financial Corporation, IPICOL & SBI. Sharing of the same among co-financer is under the process of reconciliation and confirmation.

5.2 During the year under OTS scheme approved by the State Government, the Corporation has settled Agency loans like State Government Seed money, Soft loan and Margin money assistance and sacrifices made thereon are as under.

5.2.1 Seed money

41(67) loan accounts are settled and ₹3.33 (6.33) Lakh has been realized. A sum of ₹14.41 (23.44) Lakh has been waived / sacrificed involving principal ₹0.87 (2.21) Lakh and interest ₹13.54 Lakh (₹21.23 Lakh).



5.2.2 Soft loan

1 loan accounts (2) are settled and ₹0.14 (₹0.10) Lakh has been realized. A sum of ₹0.02 Lakh (0.75 lakh) has been waived / sacrificed involving principal nil (₹0.09 Lakh) and interest ₹0.02 lakh (₹0.66 Lakh).

5.2.3 Margin money assistance

3 (6) loan accounts are settled and ₹2.00 (₹3.31 Lakh) has been realized. A sum of ₹4.89 (₹7.81 Lakh) has been waived / sacrificed involving principal nil and interest ₹4.89 (₹7.81 Lakh).

5.3 Interest sacrificed / waiver is made from loan memorandum account. Agency loan assets (Shown under Other assets Schedule - L) and Agency fund liabilities (Shown under Other liabilities Schedule – G) are reduced contra to the extent of principal sacrifices made under One Time Settlement (OTS).

5.4 Sundry Deposits includes ₹56.53 lakh on suspense head which is under process of reconciliation & adjustment thereon.

6. LIABILITIES FOR RETIREMENT BENEFITS

6.1 For payment of Gratuity and Leave Encashment Salary, the Corporation employees are covered under Group Gratuity Scheme & Group Leave Encashment Scheme of LIC of India.

6.2 Employees Provident Fund is governed under its own P.F. Regulations formulated with prior approval of State Government and RBI. The fund is managed by Board of Administrators.

6.3 Contribution to above funds are made on accrual basis by charging to Profit and Loss account. During the year, a sum of ₹170.12 Lakh has been paid to LIC and ₹379.19 lakh has been provided as payable to LIC towards additional amount of contribution towards past service liabilities as on 31.03.12 towards gratuity and leave encashment salary. After adjustment of amount of claim settled / to be settled on account of retired employees for the year by LIC amounting to ₹153.69 lakh towards gratuity and leave encashment, the net effect in the accounts for the year on this head is ₹395.62 lakh. Gratuity liability is created with enhanced maximum limit of ₹10 lakh as per Gratuity Act, 1972.

6.4 During the year 28 no. of employees have retired under VRS/VSS. State Govt. had provided VR assistance of ₹330.01 lakh for payment of VR benefit (directly to the beneficiaries ₹266.01 lakh and through the Corporation ₹64.00 lakh). VR assistance of ₹64.00 lakh provided through the Corporation has been adjusted against personal expenses. Hence there is no effect in accounts towards cost of VRS/VSS.

7. LOANS AND ADVANCES

7.1 Balance in respect of loanes accounts have been treated as confirmed where there is no dispute regarding the demand notices (which includes outstanding amount) sent by the Corporation. Continuing with the process of reconciliation and adjustment the



net difference between General Ledger and Sub Ledger amounting to ₹18.62 Lakh (Pr. Yr. ₹23.15 Lakh) has been fully provided for.

- 7.2 The loans and advances have been shown net of funded interest term loan of ₹2978.64 Lakh (last year ₹3255.18 Lakh)
- 7.3 During the year 493 loan (602) accounts are settled under OTS and ₹1800.93 lakh (₹3262.97 lakh) has been realised. The Corporation waived/sacrificed Interest/penal interest amounting to ₹9443.98 lakh (₹12724.01 lakh) and principal of ₹0.86 lakh (₹2.30 lakh) for settling these accounts under OTS out of which ₹0.82 lakh has been adjusted from provisions and balance 0.04 lakh written off as bad debts. The interest sacrifice / waiver is made from Loan Memorandum A/c.
- 7.4 As on 31.3.2012 Interest dues of ₹2415.73 (₹2347.09 Crore) is outstanding for recovery on loan accounts of NPA Loanees as per loan memorandum account, which is not recognized as income.
- 7.5 Interest income of ₹408.84 Lakh (Previous year ₹1457.70 Lakh) of earlier years reversed and appropriated towards Principal under OTS is adjusted against provisions written back and net effect amounting to ₹954.85 Lakh (Previous year ₹762.77 Lakh) is considered in Profit and Loss account.
- 7.6 During the year, the Corporation had advertised for sale of assets in respect of 75 nos of units (95 nos) u/s 29 of the SFC Act, 1951. Out of these, 42 nos.(50 nos) of units could be sold for a total amount of ₹570.00 lakh (Total dues from these units amounted to ₹4434.00 lakh including principal outstanding of ₹721.00 lakh) (Pr.yr. ₹800.00 lakh) Against this, sale in 42 cases (38 cases) could be materialised for ₹570.00 lakh (Principal balance dues against these cases stands at ₹721.00 lakh as on 31.03.12) (Pr. Yr. ₹594.00 lakh)
- 7.7 Corporation filed money suit U/S 31 of SFC Act, 1951 in respect of 816 nos of units involving ₹31099.00 lakh (833 nos ₹19837.71 lakh)
- 7.8 As on 31.03.12, 2318 nos. of units are identified as closed units involving credit exposure of ₹80.04 Crore (2578 nos. ₹99.62 Cr). Total overdue against these accounts is ₹763.73 Cr as Principal ₹84.49Cr and Interest ₹679.24 Cr (₹839.61 Cr as Principal ₹90.15 Cr. and Interest ₹749.46 Cr.)

8. FIXED ASSETS

- 8.1 Title ownership in respect of premises located at Bhubaneswar, Khurda, Balasore, Sambalpur and Rourkela are transferred in favour of the Corporation. Transfer of ownership formalities in respect of Cuttack OMP Square, Madhupatna, Phulbani and Bolangir are under process for execution.
- 8.2 Land and Building shown under schedule 'K' is inclusive of ₹32.50 lakh representing the cost of Hotel Alankar (P) Ltd., acquired by the Corporation but the possession thereof could not be taken due to dispute.



9. OTHER ASSET

- 9.1 Disputed payment under protest includes ₹81.68 lakh recovered by Commercial Tax Department, Govt. of Orissa by attachment of Bank accounts (64.20 lakh on account of Bimala Cement (P) Ltd., Rourkela and 17.48lakh on account of M/s Indo East Extraction (P) Ltd., Balasore). The matter is under subjudice and the amount is enjoyed by the Banks without any earning/ benefits on the amount retained with the Bank.
- 9.2 A sum of ₹2271703 was paid under protest to SBI on account of DRT case dispute in respect of M/s Hanuman Works (P) Ltd. and DRT case has been settled now and the loanee agreed to pay the amount under OTS of loan accounts by payment of crystalised amount in installments. On successful recovery of OTS amount the matter will be settled and satisfied.

10. INCOME TAX & SERVICE TAX

- 10.1 No provision for Income Tax for the year has been made, as the liability for the same does not arise.
- 10.2 Income Tax Assessment has been completed up to the Assessment Year 2009-2010. No Tax liabilities arose. Appeal has been preferred against expenditures disallowed by the Assessing Officer.
- 10.3 E filing of service tax return has been made upto the FY-2011-12.

11. CLASSIFICATION OF ASSETS & PROVISIONING THEREOF

- 11.1 The assets classification and provisioning thereof is made as follows: (Rs. in Crore)

Asset Category	Outstanding Loans		Rate of Provisions		Provision (Loan)		Net Assets (Loan) Outstanding	
	As on 31.03.12	As on 31.03.11	Current Year	Previous year	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
Standard								
Direct Loan	2.28	2.24	0.25%	0.25%	0.006	0.006		
Personal Loan	0.40	0.54	0.40%	2%	0.002	0.011		
Vehicle & Housing Loan	0.49	0.62	0.40%	0.40%	0.002	0.002		
	3.17	3.40			0.010	0.019	3.17	3.40
NPA								
Sub Standard	0.40	0.35	15%	10%	0.06	0.04	0.34	0.31
Doubtful – I	0.98	1.79	25%	20%	0.25	0.36	0.73	1.43
Doubtful – II	146.05	139.51	40%	30%	58.42	41.85	87.63	97.66
Doubtful – III	30.88	43.50	100%	100%	30.88	43.50	-	-
Loss	120.72	138.22	100%	100%	120.72	138.22	-	-
Total (NPA)	299.03	323.37			210.33	223.97	88.70	99.40
Grand Total	302.20	326.77			210.34	223.99	91.87	102.80

- Standard Assets as on 31.03.12 includes ₹0.47 Cr representing House Building Advance and ₹0.02 crore representing vehicle advance to employees disclosed under Advance to Employees – Other Assets – Schedule L.



- Loan outstanding and Net Assets as on 31.03.12 includes Principal + Other Charges.
- AS per RBI/ SIDBI norms, no netting is required for provision for standard assets.

11.2 In respect of consortium finance cases the classification of loans and advances is done based on the record of payment of borrower with the Corporation.

11.3 Valuation of Industrial and collateral securities as per advise of SIDBI for classification of assets is under process.

12. SEGMENT REPORTING (AS-17)

The Corporation operates as a single unit with single profit centre and has concentrated mainly on its term lending activity. It has started few non fund based activities like sale of the products of LIC & GIC of India also but the segment of non fund based activity has not been reported as the same are not reportable segment as per AS-17 issued by ICAI.

13. DEFERRED TAX ASSETS & LIABILITIES (AS-22)

Since the Corporation has the experience of past losses and considering the huge available carry forward losses and allowances/ prudence factor, there dose not seem to be any reasonable certainty that sufficient future taxable income will be available against which the deferred taxes assets could be realized therefore, no provision has been made towards deferred tax assets / liabilities in accordance with AS-22.

14. CONTINGENT LIABILITIES ENVISAGED BY THE CORPORATION

Estimates

- i. Arrear Salary and related expenses - ₹5.60 Crore (from 1.1.96 to 31.10. 01)
- ii. 108 nos. of cases filed against the Corporation involves claims of ₹66.83 Crore (121 cases ₹41.57 Crore)
- iii. Consultancy Fees of ₹5.00 lac payable to AXIS Bank Ltd.
- iv. VR benefits held up in respect of 10 voluntary retirees ₹0.24Cr (Pr.Yr.10 nos. ₹0.24 Cr) and interest for delay in refund of VR assistance to Government ₹0.05 Cr.

15. RELATED PARTIES DISCLOSURES

As required by the Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the disclosure of details pertaining to related party transactions are as follows :

The Key Management personnel of the Corporation during the year

- (i) Sri P.R. Das , Chairman upto 31.05.2011
- (ii) Sri T. Ramachandru, IAS, Chairman from July, 2011
- (iii) Sri Bijay Kumar Bose, Managing Director

Gross salary including perquisites / Honorarium

- | | | |
|--|-------------|-----------------------|
| (i) Sri P.R. Das , Chairman | ₹30000.00 | |
| (ii) Sri Bijay Kumar Bose, Managing Director | ₹2630194.00 | (Reimbursed to SIDBI) |

Outstanding Balance of loans as on 31.03.12

in respect of above persons	-	Nil
-----------------------------	---	-----

Interest on Loan granted to Key Managerial person	-	Nil
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16. **Disclosure Requirements in terms of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997** - Nil

17. **GENERAL**

17.1 **COMPUTERISATION**

Accounts of the Corporation are maintained and generated through Application Softwares of Financial Accounting System (FAS) and Loan Accounting System (LAS). Both the systems are in operation at Branch Office and Head Office. Transfers of Data are made through Internet / Captive Email account for integration / consolidation.

- 17.2 EDP System audit for the financial year 2011-12 has been completed and observations / comments of the EDP System Auditor is being complied with initiation of actions as per observations & advise of auditor.

- 17.3 The Corporation has no suppliers / vendors as such to be classified as required by Micro, Small and Medium Enterprises Developments Act 2006.

- 17.4 Figures have been rounded up to the nearest rupee.

- 17.5 Figures mentioned in the brackets relate to previous year

- 17.6 Previous year's figures have been regrouped / rearranged and reclassified, wherever considered necessary.

18. **DISCLOSURE REQUIREMENT AS PER SIDBI GUIDELINES VIDE CIRCULAR NO.355/SFC(CELL) DT.4.5.2001**
CAPITAL

CAPITAL ADEQUACY

STATEMENT OF CAPITAL FUNDS RISK ASSETS AND RISK ASSET RATIO **Rs.in Lakh**

1	CAPITAL BASE	Core Capital	Tier - II Capital	TOTAL Capital
	Ordinary Share Capital	41534.85	-	41534.85
	Loan pending conversion to Share Capital	-	-	-
	Free Reserve & Surplus	395.05	-	395.05
	Provision on Standard Assets	-	0.92	0.92
	Assets Revaluation Reserve (Rs.2006.75 lakh discounted at 55%)	-	903.04	903.04
	Total	41929.90	903.96	42833.86
	Accumulated loss	40038.76	-	40038.76
	Net Capital Base	1891.14	903.96	2795.10



2	Risk Weight Adjusted Assets	Amount as per balance Sheet (Book Value)	Risk weight % Amount	Risk Products
(A) On Balance Sheet Items				
a)	Cash & Bank Balance			
	Cash / Stamp in Hand	66.86	0%	0.00
	Bank Balance with Nationalised / Scheduled Banks and in transit.	398.75	20%	79.75
	Short Term Deposits with Banks	2081.04	20%	416.21
	Total :-	2546.65		495.96
b)	Investments	-	100%	-
c)	Loans and Advances (including other charges)	9137.34	100%	9137.34
d)	Fixed Assets (Net)	2256.42	100%	2256.42
e)	Other Assets			
	Staff Advance	69.33	20%	13.87
	Others	10829.95	100%	10829.95
f)	Intangibles	-		-
	Total Assets	24839.69	-	22733.54
(B) Off Balance Sheet Items				
i.	Guarantees	6683.40	100%	6683.40
ii.	Claims against the Corporation	-	100%	-
iii.	Contigent Liabilities	-	100%	-
iv.	Other Items			
	TOTAL B	6683.40		6683.40
	GRAND TOTAL (A+B)	31523.09		29416.94

RISK BAND – RISK BASED ASSETS

Risk band	Total Amount (including OBS)	Loss Reserves Intangibles	Net Amount	Risk Weighted Value
Zero Risk	66.86	0	66.86	0
20% Risk	2549.12	0	2549.12	509.83
100% Risk	28907.11	0	28907.11	28907.11
TOTAL	31523.09	0	31523.09	29416.94

a) CAPITAL TO RISK ASSETS RATIOS/ RISK BASED CAPITAL RATIOS

(i)	CORE CRAR = <u>Net Capital Base</u>	<u>1891.14</u>	= 6.43%	[Pr. Yr. 7.04%]
	Net Risk Weighted Assets	<u>29416.94</u>		
(ii)	Supplementary CRAR =	<u>903.96</u>	= 3.07%	[Pr. Yr. 3.85%]
		<u>29416.94</u>		
	CRAR (i+ii)	<u>2795.10</u>	= 9.50%	[Pr. Yr. 10.89%]
		<u>29416.94</u>		



b) NET WORTH

→ **₹18.91 Cr (Pr. Yr. 16.57 Cr.)**

The amount of subordinate debt raised during the year as Tier-II Capital → **Nil** [Nil]

	<u>As on 31-03-12</u>		<u>Previous Year</u> (₹ in lakh)	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Risk weighted assets	31523.09	29416.94	47871.05	23532.36

c) Share holding pattern as on the date of the balance sheet is as follows.

	Ordinary Paid up Share Capital		Special Share Capital		Sub Total		Share Deposits pending allotment	Total
	No	Amt.	No	Amt.	No	Amt.		
State Government	34121495	34121.495	150000	150.00	34271495	34271.495	1.499	34272.994
SIDBI	3738935	3738.935	150000	150.00	3888935	3888.935	2083.149	5972.084
IDBI Bank	-	-	-	-	-	-	1273.899	1273.899
Insurance Companies	8060	8.060	—	—	8060	8.060	-	8.060
Sheduled Banks	6300	6.300	—	—	6300	6.300	-	6.300
Co-Op.Banks	1340	1.340	—	—	1340	1.340	-	1.340

Asset quality and credit concentration

(d) Percentage of net NPAs to net Loans & Advances - **96.58% (96.69%)**

(e) Amount and % of net NPAs under the prescribed asset classification categories -

		<u>As on 31.3.12</u>		<u>Previous Year</u>	
		Net NPA	% to total Net NPAs	Net NPA	% to total Net NPAs
		<u>Amt.</u>		<u>Amt.</u>	
i)	Sub-standard	0.34	0.38%	0.31	0.31%
ii)	Doubtful	88.36	99.62%	99.09	99.69%
		88.70		99.40	

(f) Amount of provisions made during the year towards (Previous Year)

Standard Assets-	(-) 0.01 Cr	0.01 Cr.
NPAs	-	-
Investments-	Nil	Nil
Income Tax-	Nil	Nil

(g) Movement of

As on 31.3.12

Previous Year

Net NPAs

Against

Sub-Standard

Assets- Rs. 0.03 Cr.(Incre. by 9.68%) Rs. 1.67 Cr.

(Decre. by 84.34%)

Against

Doubtful Assets- Rs. 10.73 Cr.(Decre. by 10.83%)

Rs. 21.10 Cr. (Decre.by 17.56%)

Total :-

Rs. -10.70 Cr. (Decr. by 10.76%)

Rs. 22.77 Cr (Decre.by 18.64%)



(h) Credit exposure as % to capital funds and as % to total assets –

	As on 31.03.12			Previous Year		
	Total Credit Exposure	% to Capital fund	%to total assets	Total Capital exposure	% to total fund	%to total assets
i) The largest single borrower	278.06	14.70%	1.12%	283.09	17.08%	1.11%
ii) The largest borrower group	828.63	43.82%	3.33%	879.96	53.10%	3.45%
iii) The 10 largest single borrower	1911.75	101.09%	7.70%	1944.03	117.30%	7.63%
iv) The 10 largest borrower groups	2417.54	127.83%	9.73%	1993.71	120.30%	7.83%

(i) Credit exposure to the five largest Industrial sectors as % to total loan assets :

As on 31.3.12

Largest Industrial Sectors	Total Credit Exposure (₹ in Crore)	%Total Loan Assets
1. Food manufacturing	32.28	10.72%
2. Other Chemical & Chemical Prods.	24.42	8.10%
3. Services		
Hotels	10.81	3.59%
Transport	37.01	12.28%
Other Services	22.39	7.43%
4. Textiles	16.83	5.59%
5. Basic Metals	17.64	5.85%
6. Paper & Paper products	10.12	3.36%
7. Other Industries	129.67	43.05%

LIQUIDITY

k) Maturity pattern of Rupee

Assets & Liabilities - (Rupees in Crore)

Items	Less than or equal to	More than 1 yr upto 3 yrs.	More than 3 yrs upto 5 yrs	More than 5 yrs upto 7 yrs.	More than 7 yrs upto 10 yrs	More than 10 yrs	Total
Rupee Assets	21.64	52.58	151.61	-	-	422.95	648.78
Rupee Liabilities	39.60	100.18	69.63	-	-	439.37	648.78
Difference	(-)17.96	(-) 47.60	(-) 81.98	-	-	(-) 16.42	-

l) Maturity pattern of foreign

currency assets and liabilities - Nil (there is no foreign currency assets and liabilities).

OPERATING RESULTS

- a) Interest Income as % to average working fund $\frac{1438.19}{25151.70} = 5.72\%$ (Pr.Yr. 5.49%)
- b) Non- Interest income as a % to average working funds: $\frac{210.28}{25151.70} = 0.84\%$ (Pr.Yr. 0.87%)
- c) Operating profit as a % to average working funds $\frac{148.62}{25151.70} = 0.59\%$ (Pr.Yr. 0.41%)



d)	Return on average assets	:	$\frac{52.57}{25151.70} = 0.21\%$	(Pr.Yr. 0.22%)
e)	Net Profit per employee		$\frac{52.57}{253} = 0.21$ lakh	(Pr.Yr. 0.21lakh)

20. The disclosure requirements under the RBI guidelines Dt. 7.7.1999 on- Forward rate agreements and Interest rate swap

During the year the Corporation has not made any such transaction. Nil

Dated 18th June 2012

For G.P.MISHRA & CO.
ACCOUNTANTS

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(P.K.Samantray)	(B.K. Sahoo)	(B. K. Bose)	(P.C. Pathy)	(S. Acharya)	(G.P. Mishra)
DGM (FAD)	J.G.M.	MANAGING DIRECTOR	DIRECTOR	DIRECTOR	MembershipNo.053398
OSFC	OSFC	OSFC	OSFC	OSFC	PROPRIETOR

Dated : 18th June 2012



ORISSA STATE FINANCIAL CORPORATION

CASH FLOW STATEMENT

PARTICULARS	For the Year ended on March 31 st , 2012 (CURRENT YEAR)	For the Year ended on March 31 st , 2011 (PREVIOUS YEAR)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
	₹	₹
Profit before Tax	14,861,225	11,376,768
Add: - Depreciation	4,050,425	3,342,823
Cash from Operations (i)	18,912,150	14,719,593
ADJUSTMENTS FOR OPERATING ASSETS/ LIABILITIES & OTHER EXPENDITURES		
Increase/(Decrease) in Liabilities		
Bonds		(12,740,500)
Deposits	-	(1,175,859)
Borrowings	(100,310,536)	(223,506,979)
Other Liabilities	14,522,299	(284,946,483)
Decrease / (Increase) in Assets		
Loans and Advances	105,077,067	231,811,871
Other Assets	(22,367,246)	15,804,459
Dividend Deficit (Contra)	-	47
Other Expenditures		
Direct Taxes Paid	-	-
Net Prior Period Adjustment	(9,604,495)	(5,267,890)
Net Cash Used in Operating Liabilities/ Assets & Expenditures (ii)	(9,682,911)	(280,021,331)
Net Cash (Used in)/ Flow from Operating Activities. (i) + (ii)	9,229,239	(265,301,738)
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(9,714,639)	(2,961,409)
Adjustment of depreciation for earlier year		
Sale of fixed Assets	30,700	22,120
Net Cash from investment activities	(9,683,939)	(2,939,289)
C) OTHER CASH FLOWS (from financial activities)		
Increase in Share Capital/ Subordinated Debts	13,675,000	251,779,800
Adjustment of Reserve towards Int. Accrued upto 31.03.83	-	-
Net Cash Flow from Other/ Financial Activities	13,675,000	251,779,800
NET CASH FLOW/ NET CASH USED DURING THE YEAR (A+B+C)	18,220,300	(13,461,227)
Net increase/ (decrease) in cash and Cash equivalents	18,220,300	(13,461,227)
Cash & Cash equivalents at beginning of the year	236,445,373	249,906,600
Cash & Cash equivalents at the end of the year	254,665,673	236,445,373

Sd/- (P.K.Samantray) DGM (FAID) OSFC
 Sd/- (B.K. Sahoo) J.G.M. OSFC
 Sd/- (B.K. Bose) MANAGING DIRECTOR OSFC
 Sd/- (P.C. Pathi) DIRECTOR OSFC
 Sd/- (S. Acharya) DIRECTOR OSFC

For G.P.MISHRA & CO.
 ACCOUNTANTS
 Sd/-
 (G.P. Mishra)

Membership No.053398
 PROPRIETOR



PARTICULARS IN RESPECT OF LOANS AND ADVANCES FORMING PART OF SCHEDULE - J

ANNEXURE - 1

(Rs. In lakh)

As at 31.03.2011		PARTICULARS	As at 31.03.2012
	1	Particulars of Loans & Advances	
23633.78	(a)	Debts considered good in respect of which the Corporation is fully secured(out of this loan amounting Rs.17713.67 (22899.26) lakh also covered by personal guarantees)	18448.19
7982.85	(b)	Debts fully secured but under litigation	10813.22
31616.63		Total (a) + (b)	29261.41
-	(c)	Debts due by concerns in which one or more Directors of the Corporation is interested as Directors, Partners or Proprietors or Managing Agents or in case of Private Ltd.,Companies as members excluding nominee Directors u/s. 27 of SFCs Act.	-
-	(d)	Total amount of loans disbursed during the year to concerns in which one or more Directors of the Corporation is interested as Directors, Partners or Proprietors or Managing Agents or in case of Private Limited Companies as members including nominee Directors U/s.27 of SFCs Act.	-
22917.00	(e)	(i) Total amount of instalment whether of principal or interest of which default was made at any time during the year.	21360.83
240414.36		(ii) Total amount of instalment whether of principal or interest of which default was made at the end of the year (excluding cases U/s 31 and 29 of SFCs Act).	22239.67
-		(iii) Total amount of instalment whether of principal or interest overdue by concerns in which the Directors of the Corpn. Are interested excluding Nominee Directors U/s. 27 of SFCs Act.	-
19837.71		(iv) Total amount due from industrial concerns against whom legal action has been taken for recovery of the dues U/s 31 of the SFCs Act (incl. Trawlers) taken over by the Corporation U/s of the SFC Act.	31098.83
734.52		(v) Debts guaranteed by the State Govt. Schedule Banks or State Co-operative Banks.	734.52



As at 31.03.2011	PARTICULARS	As at 31.03.2012
	2 Classification of Loans and Advances according to the size of the industrial units.	
22400.38	(i) Debts due from small scale industrial concerns	20111.95
9216.25	(ii) Debts due from concerns other than those included under (i) above.	9149.46
31616.63	Total	29261.41
	3 Classification of Loans and Advances according to the Constitution of the Industrial Units.	
11993.59	(a) Proprietary	9797.26
1942.33	(b) Partnership	1796.65
-	(c) Hindu Undivided Family	-
309.77	(d) Co-operatives	309.77
16399.71	(e) Private Limited Companies	16386.50
971.23	(f) Public Limited Companies	971.23
-	(g) Trusts	-
31616.63	Total :	29261.41



SUB SCHEDULES FORMING PART OF SCHEDULE- H

CASH & BANK BALANCES

Balance with scheduled Banks in Current Accts.

	As at 31.03.2012	As at 31.03.2011
	₹	₹
<u>At Head Office</u>		
Central Bank of India, Mahatab Road,Ctc.	1817045	2620187
Union Bank, College Square,Cuttack.(Withdrawal A/c)	812055	910318
HDFC Bank, Bajrakabati, Cuttack	-	77519
Canara Bank, Main Br.,Cuttack.	-	226975
S.B.I. Link Road,Cuttack.	83194	1072015
S.B.I. Main Branch,Cuttack.	-	362942
Andhra Bank,Cuttack.	-	512241
I.O.B., P.K.Parija Road,Cuttack.	-	540451
Syndicate Bank,Ch.Bazar,Cuttack.	-	1281210
AXIS Bank, Cuttack	-	3955123
IDBI Bank Ltd.	-	497940
Allahabad Bank,Madhupatna, Cuttack	-	375999
IDBI Bank Ltd., Cuttack (TRA)	5778419	500000
Total----->	8490713	12932920
(1) <u>Cuttack Branch</u>		
Union Bank of India (Deposit)	7121819	-
Union Bank of India (Withdrawal)	4144	-
AXIS Bank, Cuttack (DEPOSIT)	-	10001
AXIS Bank, Cuttack (WITHDRAWAL)	-	13675
Total----->	7125963	23676
(2) <u>Paradeep Branch</u>		
Union Bank of India, Paradeep	1000	-
Union Bank of India, Kendrapada	100341	-
Union Bank of India,Link Road, Ctc(Deposit)	263110	344146
Union Bank of India,Link Road, Ctc(Withdrawal)	19060	16272
CBI, Chandikhol(Deposit)	224100	347400
Allahabad Bank (Deposit)-Kendrapara	-	358078
CBI, Paradeep	-	454605
Total----->	607611	1520501
(3) <u>Baripada Branch</u>		
Union Bank of India (SB Deposit A/c)	554003	1101000
Union Bank of India (SB Withdrawal A/c)	8555	1000
Union Bank (Deposit A/c)	-	305730
Union Bank (Withdrawal A/c)	-	30234
Canara Bank, Rairangapur	-	92914
Total----->	562558	1530878
(4) <u>Balasore Branch</u>		
AXIS Bank, (DEPOSIT)	-	238500
AXIS Bank, (WITHDRAWAL)	-	12334
Union Bank of India (Deposit)	824794	1000
Union Bank of India (Withdrawal)	15586	1000
CBI, Bhadrak (deposit A/c)	-	45950
Union Bank of India, Bhadrak	1000	-
Total----->	841380	298784
(5) <u>Berhampur Branch</u>		
AXIS Bank, (DEPOSIT)	-	2664801
AXIS Bank, (WITHDRAWAL)	-	17988
Union Bank of India (Deposit)	417001	-
Union Bank of India (Withdrawal)	11550	-
Total----->	428551	2682789
(6) <u>Keonjhar Branch</u>		
Union Bank of India, Keonjhar (Deposit A/c)	6496615	352221
Union Bank of India, Keonjhar (Withdrawal A/c)	15457	6149
Total----->	6512072	358370



(7)	<u>Jeypore Branch</u> I.O.B., Jeypur (Deposit A/c) I.O.B., Jeypur(Withdrawal A/c) Andhra Bank (Deposit A/c) Union Bank of India (Deposit) Union Bank of India (Withdrawal)	57000 - 820 823437 21741	57000 15872 5956 330975 5000
	Total ----->	902998	414803
(8)	<u>Bhawanipatna Branch</u> Union Bank of India (DEPOSIT) Union Bank of India (WITHDRAWAL)	1501000 18060	291515 7214
	Total ----->	1519060	298729
(9)	<u>Bolangir Branch</u> Union Bank of India (Deposit) Union Bank of India (Withdrawal) Andhra Bank,Bolangir(Deposit A/C) Andhra Bank,Bolangir(Withdrawal A/C)	908978 14216 - -	- - 111160 41629
	Total ----->	923194	152789
(10)	<u>Rourkela Branch</u> Union Bank of India (Deposit) Union Bank of India (Withdrawal) AXIS Bank, (DEPOSIT) AXIS Bank, (WITHDRAWAL)	4410710 22539 - -	- - 1601510 28938
	Total ----->	4433249	1630448
(11)	<u>Bhubaneswar Branch</u> Union Bank of India, Nayapalli (SB-Deposit) Union Bank of India, Nayapalli (SB-Withdrawal) Union Bank of India(Withdrawal A/c.) Union Bank of India(Deposit A/c.) Union Bank of India, Khurda	4260375 18335 - 25000 640931	3294995 916576 22423 36760 -
	Total ----->	4944641	4270754
(12)	<u>Puri Branch</u> Syndicate Bank (deposit a/c) Union Bank of India, Puri(Deposit) Union Bank of India, Puri(Withdrawal)	- 171000 35108	12068 527049 12285
	Total ----->	206108	551402
(14)	<u>Phulbani Branch</u> Union Bank of India (Deposit) Union Bank of India (Withdrawal) SBI (Deposit A/C) SBI (Withdrawal A/C)	147760 27545 - -	- - 49034 50048
	Total ----->	175305	99082
(15)	<u>Rayagada Branch</u> AXIS Bank (Deposit) AXIS Bank (Withdrawal)	- -	30000 26082
	Total ----->	0	56082
(16)	<u>Dhenkanal Branch</u> Union Bank of India (Deposit) Union Bank of India (Withdrawal) Union Bank of India, Angul IOB, Dhenkanal (Deposit) AXIS Bank, (DEPOSIT) AXIS Bank, (WITHDRAWAL)	453 54490 31294 - - -	- - - 848595 10001 50399
	Total ----->	86237	908995
(17)	<u>Sambalpur Branch</u> Union Bank of India, Baragarh FRC (Deposit A/c) Union Bank of India, Jharsuguda AXIS Bank, Sambalpur (Deposit) AXIS Bank, Sambalpur (Withdrawal) Union Bank Baragarh (Deposit A/c) Union Bank Baragarh (withdrawal A/c.) AXIS Bank, Baragarh (Deposit) Union Bank of India (Deposit) Union Bank of India (Withdrawal)	1000 6435 - - 22097 2623 - 1985310 3305	- 6526 1190501 10045 2623 22097 10000 - -
	Total ----->	2020770	1241792
	Grand Total----->	39780410	28972794



ORISSA STATE FINANCIAL CORPORATION
SUB SCHEDULES FORMING PART OF SCHEDULE- H

Details of Flexi Deposit with Bank			
Sl.No	Name of the Bank	As on 31.03.12	As on 31.03.11
1	Union Bank Of India, College Square, Cuttack. (ESCROW A/c)	137373589	138262189
2	Union Bank Of India, Main Branch, Cuttack.	32365698	28639870
3	Union Bank of India, Nayapalli, Bhubaneswar	-	310000
	Total	169739287	167212059

SUB SCHEDULES FORMING PART OF SCHEDULE - H
SUB SCHEDULE - CASH BALANCE

	As at 31.03.2012	As at 31.03.2011
	₹	₹
Head Office	2880757	486432
Cuttack Branch	8631	5909
Paradeep Branch	683057	266854
Bhubaneswar Branch	486367	225768
Puri Branch	292395	106093
Balasore Branch	567770	103196
Baripada Branch	63806	25391
Berhampur Branch	292321	25043
Bhawanipatna Branch	69531	180127
Bolangir Branch	93360	7263
Jeypore Branch	78008	15807
Keonjhar Branch	59254	86760
Phulbani Branch	82353	35868
Rourkela Branch	563229	15216
Rayagada Branch	-	42917
Sambalpur Branch	144245	217148
Dhenkanal Branch	304142	25251
Total----->	6669226	1871043



SUB SCHEDULES FORMING PART OF SCHEDULE- H
SUB SCHEDULE - STAMP IN HAND

	As at 31.03.2012	As at 31.03.2011
	₹	₹
Head Office	10824	20475
Bhubaneswar Branch	454	1288
Puri Branch	401	284
Balasore Branch	1229	275
Baripada Branch	306	40
Berhampur Branch	256	393
Bhawanipatna Branch	156	42
Bolangir Branch	665	122
Jeypore Branch	246	27
Keonjhar Branch	882	457
Phulbani Branch	113	209
Rourkela Branch	398	105
Rayagada Branch	-	59
Sambalpur Branch	500	462
Dhenkanal Branch	414	333
Total ----->	16844	24571

ORISSA STATE FINANCIAL CORPORATION
SUB SCHEDULES FORMING PART OF SCHEDULE- H
Details of Fixed Deposit with Bank

		As on 31.03.12	As on 31.03.11
Sl.No.	Name of the Bank	₹	₹
1	Union Bank of India, Choudhury Bazar, Cuttack.	1706491	1706491
2	Union Bank of India, Choudhury Bazar, Cuttack.	757856	757856
3	AXIS Bank Ltd., Rourkela (For Bank Guarantee)	157952	157952
4	Union Bank of India, College Square, Cuttack	35742607	35742607
	TOTAL ----->	38364906	38364906



SUB SCHEDULES FORMING PART OF SCHEDULE - G
SUB SCHEDULE - SUNDRY DEPOSITS

	As at 31.03.2012	As at 31.03.2011
	₹	₹
Suspense	5653062	5653218
Deposits towards Loan Administration Fees	15700	3200
Deposit Towards fees Payable - IED	10600	10600
Deposit for Rephasement	155250	272250
Security Deposit by Security Service agencies	1626214	1474212
State Investment Subsidy (M & LI)	4183000	483000
Interest Subsidy from State Govt. - SPL. Enterprenuer	908324	169855
Advance Deposit towards OTS	173019041	204382172
Security Deposit & Down Payment	244882810	229955813
Central Investment Subsidy (M.S.)	3176248	3176248
State Investment Subsidy (H & T Promoters)	753961	753961
State Investment Subsidy (SSI)	34542565	37864776
EPF Administrative A/c	-	458599
Govt. assistance for EDP under TASP	232430	332430
Central Investment Subsidy (SSI)	111139	111139
LIC Deduction from Salary	78187	91102
Other Deduction - Terminal Dues	726533	630261
Advance against House Rent	93474	93474
TDS Deposits	4430	-
Tax Deduction at Source - Others	59273	42433
Tax Deduction at Source from Salary	1595	14915
Co-Operative Loan deduction -Salary	771815	777205
Co-Operative Thrieff Deposits	79081	226736
Employees Union Fees Deduction - Salary	1115	1160
Association Fees ded.-Salary	1670	1460
Staff Welfare Fund	68798	35238
Professional Tax Deduction - Salary	122125	43425
Bank Loan Deduction Salary	414407	438725
Employee's Welfare Fund Deduction-Salary	5460	5850
P.F Advance (Recovered)	169889	91622
Interest on P.F. Advance Recovered	-	11492
Deposits by Loanee as per Court Directives	11290065	10556195
Emplyee's Provident Fund	1688747	1382741
Salary & Allowances Payable	4249146	8010674
Consolidated Wages Payable	2700	2700
EMD Refundable / Distributable	40285000	40285000
Total ----->	529383854	547843881



SUB SCHEDULES FORMING PART OF SCHEDULE G
SUB SCHEDULE - OTHER DEPOSITS AGENCY

	As at 31.03.2012	As at 31.03.2011
	₹	₹
State Govt. Seed Money Recovered-Agency	3455576	2793263
SIDBI NEF Recovered - Agency	24781441	24078504
Int.on State Govt. Seed Money Recovered	2612804	1934168
State Govt. MM Asst. Recovered	1045000	895000
Int.on State Govt. M.M. Asst.Recovered	261979	188447
Soft Loan from SIDBI - (MUN) Recovered	174093	179087
Penal Interest on Agency Loan	-	1751996
Service Charges SIDBI NEF-Agency	11389768	11467648
Interest on State Govt. Soft Loan Recovered	4566	4566
State Govt. Soft Loan recovered	706494	642915
Total ----->	44431721	43935594

SUB SCHEDULES FORMING PART OF SCHEDULE L
SUB SCHEDULE - ADVANCE TO EMPLOYEES

	As at 31.03.2012	As at 31.03.2011
	₹	₹
House Building Advance	1276636	1795129
Vehicle Advance	199000	-
Pay Advance	305910	314835
Festival Advance	506846	356346
Medical Advance	658756	1150446
Office Expenses Advance	217438	441762
Travelling Advance - Employees	315254	537880
Interest Accrued on HB Loan	3452719	4343667
Interest Accrued on Vehicle Adv	-	78836
Total ----->	6932559	9018901

1. House Building Advance and Vehicle Advance outstandings are taken as Standard Assets for the purpose of provisioning as per SIDBI norms.



SUB SCHEDULES FORMING PART OF SCHEDULE L

SUB SCHEDULE - ADVANCE TAXES, DEPOSITS & OTHERS

Amount in Rupees

ADVANCE TAXES	As at 31.03.2012	As at 31.03.2011
Income Tax paid under protest	568243	568243
Income Tax Deducted at source	2253546	2247221
Income Tax Refundable by I.T.Dept.	2112275	2112275
Total ----->	4934064	4927739

DETAILS OF DISPUTED PAYMENT UNDER PROTEST		
Bimala Cement (P)Ltd., Rourkela	6420000	6420000
Indo East Extraction (P)Ltd., Bls	1748000	1748000
Hanuman Works (P) Ltd.	2271703	2271703
TOTAL	10439703	10439703

DETAILS OF DEPOSITS AGAINST COURT DIRECTIVES		
1. Hrisikesh Das (A/c Dibakar Iron & Steel Co (P) Ltd.) with SBI, I/A Berhampur	41070310	41070310
2. The Register, Delhi High Court (28.09.96) A/c. Bombay Amonia (P) Ltd. Vrs. Premier Cold Storage case No.50/95	195224	195224
3. The Register, Delhi High Court (6/8/97) A/c. Bombay Amonia (P) Ltd. F. A. No.354/96	104537	104537
4. The Register, Delhi High Court A/c. Blue Diamond Ice Factory (29/9/99)	395800	395800
5. The Official Liquidator Orissa High Court (23/12/06) A/c. Coastal Synthetics, Balasore	30000	30000
6. Union Bank of India, College Square, A/c Blaze Electronics	-	-
7. Union Bank of India, College Square, Cuttack A/c Orissa Polytex (P) Ltd.	1714507	1714507
TOTAL	43510378	43510378

DIVIDEND DEFICIT ACCOUNT

Particulars	As at 31.03.12	As at 31.03.11
On A/c of	₹	₹
i. SIDBI	-	-
ii. Others	-	545108
Total ----->	0	545108



ORISSA STATE FINANCIAL CORPORATION

Details of subscriber-wise Bonds issued, Redeemed, Off-market transaction & Balance outstanding
as on 31.03.2012

Sl No.	Name of the Institution	Balance as on 31.03.11	Issued during the year	Off- market transaction		Bond Holding	Redeemed / Transferred to unclaimed liability during the year	Balance as on 31.03.12	Redemption accrued & Due as on 31.03.12	Premature Redemption during the year
				Buy	Sell					
1	2	3	4	5	6	7	8	9	10	11
1	Kalol Nagrik Sahakari Bank *	10.00	0.00	0.00	0.00	10.00	10.00	0.00	0.00	0.00
	Total :	10.00	0.00	0.00	0.00	10.00	10.00	0.00	0.00	0.00

* Transferred to unclaimed liabilities as there is no claimant despite repeated correspondence & Advertisement in News Paper. Shown under Schedule-G (Other Liabilities)



STATE FUND ACCOUNT
BALANCE SHEET AS AT 31ST MARCH 2012

LIABILITIES		ASSETS		
As at 31.03.2011	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2012
(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
406,623	406,623	283,719	BANK BALANCE	283,519
69	69	318,121	LOANS AND ADVANCES	318,121
		839,460	INT. ACCD. ON LOANS & ADVANCES	857,395
168	168	3,857	LAW CHARGES ON LOANS UNDER LITIGATION	3,857
351	351	850	ADV. TO LEGAL ADVISOR	850
1,040,034	1,057,769	1,238	INSURANCE PREMIUM PAID ON MORTGAGED ASSETS	1,238
1,447,245	1,464,980	1,447,245	TOTAL	1,464,980

FOR ORISSA STATE FINANCIAL CORPORATION FOR ORISSA STATE FINANCIAL CORPORATION FOR ORISSA STATE FINANCIAL CORPORATION

Sd/-
(P.K. Samantray)
DGM (FAD)

Sd/-
(B.K. Sahoo)
JOINT GENERAL MANAGER

Sd/-
(B.K. Bose)
MANAGING DIRECTOR

Sd/-
(P.C. Pathi)
DIRECTOR

Sd/-
(S. Acharya)
DIRECTOR

Date : 18th June 2012



STATE FUND ACCOUNT
INCOME AND EXPENDITURE ACCOUNT UP TO THE YEAR ENDED 31ST MARCH 2012

EXPENDITURE			INCOME		
2010-2011		2011-2012	2010-2011		2011-2012
(Rs.)		(Rs.)	(Rs.)		(Rs.)
584	BANK CHARGES & COMMISSION	784	966,499	INT. ON LOANS & ADV.	984,434
			<u>6,608</u>	LESS REBATE	<u>6,608</u>
	POSTAGE STAMP		959,891		977,826
1,040,034	EXCESS AMOUNT TRANSFERRED TO BALANCE SHEET	1,057,769	1,250	PROCESSING CHARGES	1,250
			78,537	INTEREST ON DEPOSIT WITH BANK	78,537
			940	INTEREST ON STATE FUND A/C	940
1,040,618	TOTAL	1,058,553	1,040,618	TOTAL	1,058,553

FOR ORISSA STATE FINANCIAL CORPORATION FOR ORISSA STATE FINANCIAL CORPORATION FOR ORISSA STATE FINANCIAL CORPORATION

Sd/-
(P.K. Samantray)
DGM (FAD)

Sd/-
(B.K. Sahoo)
JT GENERAL MANAGER

Sd/-
(B.K. Bose)
MANAGING DIRECTOR

Sd/-
(P.C. Pathi)
DIRECTOR

Sd/-
(S. Acharya)
DIRECTOR

Date : 18th June 2012



**DRAFT MANAGEMENT REPLY TO THE AUDITOR'S REPORT FOR THE YEAR
ENDING 31ST MARCH, 2012**

AUDITOR'S REPORT	REPLY
1. We have audited the attached Balance Sheet of Orissa State Financial Corporation as at 31 st March 2012 and the Profit and Loss Account annexed thereto for the year ended on that date in accordance with the provisions of section 37 of the State Financial Corporations Act, 1951 as amended by SFCs (Amendment) Act, 2000.	No comments
2. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.	No comments
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.	No comments
On the basis of our audit, subject to our observation/ comments as mentioned in point no.8 below and Notes on Accounts as contained in Schedule-V, we report that :	No comments No comments
4. We have obtained all the information and explanations both from Head Office and Branches which, to the best of our knowledge and belief, were necessary for the purposes of our audit.	No comments
5. In our opinion, proper books of accounts have been kept by the Corporation so far as it appears from our examination of those books.	No comments
6. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.	



7.	In our opinion, the Balance Sheet and Profit and Loss Account are in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India.	No comments
8.	The following are our observations/ comments:	
i)	With reference to Note No.8.1, fixed assets also include those assets where ownership is yet to be transferred to the Corporation in view of the restraint order from different courts. This is the statement of facts out of land & building located at 9 different places in 5 cases ownership title has already been transferred and vested on the Corporation in remaining cases execution of transfer of ownership is under process. This is adequately disclosed vide note 8.1 (Schedule-V).	This is the statement of facts out of land & building located at 9 different places in 5 cases ownership title has already been transferred and vested on the Corporation in remaining cases execution of transfer of ownership is under process. This is adequately disclosed vide note 8.1 (Schedule-V).
ii)	During the year, the Corporation has continued its internal audit system through its own Internal Audit Department.	No comments
9.	In our opinion and to the best to our information and according to the explanations given to us, the said accounts of the Corporation read with the Schedules and above observations give the information required by the State Financial Corporation Act, 1951 as amended by the State Financial Corporation (Amendment) Act, 2000 and are properly drawn up in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.	No comments
i)	In the case of said Balance Sheet of the State of Affairs of the Corporation as at 31 st March, 2012.	
ii)	In the case of Profit and Loss Account of the profit for the year ended on that date.	No comments
iii)	The Cash Flow statement gives a true and fair view of the cash flows for the year ended on that date.	No comments
<p style="text-align: center;">Sd/- G.P.MISHRA & CO. CHARTERED ACCOUNTANTS D.N. COMPLEX, MOHANTY LANE, KESHARPUR CUTTACK -753 001 Phone : (0671) 2518855 E-mail: gp_mishra@hotmail.com</p>		<p style="text-align: center;">Sd /- (B.K. Bose) MANAGING DIRECTOR</p> <p style="text-align: center;">Sd /- (B.K. Sahoo) JOINT GENERAL MANAGER</p>



**OFFICE OF THE ACCOUNTANT GENERAL (COMMERCIAL,
WORKS AND RECEIPT AUDIT) ORISSA, BHUBANESWAR**

No.CAD (T)/Accts./OSFC/2010-11/16/2011-12/ 419 Date : 23.12.2011

Separate Audit Report of the Comptroller and Auditor General of India under section 37(6) of the State Financial Corporation Act, 1951 on the accounts of Orissa State Financial Corporation for the year ended 31st March 2011.

The preparation of the financial statements of Orissa State Financial Corporation for the year ended 31st March 2011 in accordance with financial reporting framework prescribed under the State Financial Corporations Act, 1951 and the generally accepted accounting principles is the responsibility of the management of the Corporation. The Statutory Auditors appointed by the Shareholders out of the panel of Auditors approved by Reserve Bank of India under section 37 (I) of the State Financial Corporations Act, 1951 are responsible to express an opinion on these financial statements based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body-the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 13th July 2011.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum- performance aspects, etc., if any are reported through inspection reports/Comptroller and Auditor General of India's Audit Reports separately.

We, on behalf of the Comptroller & Auditor General of India, have conducted the audit of the financial statements of the above said Corporation for the year ended 31st March 2011 under Section 37(6) of the State Financial Corporation Act, 1951. This audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Corporation's personnel and a selective examination of some of the accounting records. Based on our audit, we would like to highlight the following significant matters under section 37(6) of the State Financial Corporation Act, 1951 which have come to our attention and which in our view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report issued by the Statutory Auditors.

A. Balance Sheet

Assets

Other Assets (Schedule M) -Rs.106.76 crore

(viii) (c) Interest accrued on LISC under consideration of waiver – Rs.5.53 crore.



1. The above represents outstanding interest on loan in lieu of share capital (LISC) from SIDBI up to 31st March 2008 under consideration of waiver. Since SIDBI refused (January 2011) to waive the same, provision should have been made for the doubtful assets. Non-provisioning has resulted in overstatement of other assets and profit for the year by Rs.5.53 cores each.

B. Profit & Loss Account

Expenditures

Personnel Expenses (Schedule P)- Rs. 13.36 crore, Contribution to Employees Group Gratuity Fund (LIC) –Rs. 3.45 crore.

2. It is understated by Rs. 2.40 crore due to short provision of the liability towards differential premium payable to Life Insurance Corporation of India on account of increase in gratuity limit to Rs.10.00 lakh during the year. This has also resulted in understatement of 'other liability and contingent provisions' and overstatement of profit for the year by Rs.2.40 Crore each.

C. General :

3. The Corporation has not submitted the Annual Accounts for the year 2010-11 along with the Report of the Statutory Auditor to the Comptroller and Auditor General of India (submitted on 22.7.2011) at least one month prior to their placement before the Shareholders in the Annual General Meeting (held on 29.07.2011) in violation of Sec.37(5) of the SFCs Act.1951.

Notes on Accounts (Schedule- V)

4. The disclosure made at Sl. No.6.3 of Notes forming part of Accounts that the limit of gratuity has been increased to Rs.3.50 lakh is deficient to the extent that the limit of gratuity has been increased to Rs.10 lakh in May 2010 as per the Gratuity Act. 1972

5. Income from Rent on Building :

Income from rent on building (Non-operating Revenue) has been accounted for on cash basis, which is not in conformity with the adopted Accounting Policy as disclosed at Sl. No. 2.1

**For and on behalf of
the Comptroller and Auditor General of India**

Place : Bhubaneswar

Date: 23.12.2011

Sd/-

(S.R. DHALL)

ACCOUNTANT GENERAL



ORISSA STATE FINANCIAL CORPORATION

Compliance to the observations in the separate Audit Report of the Comptroller and Auditor General of India under Section 37(6) of SFCs Act 1951 on the account of OSFC for the Financial Year ended 31st March 2011.

Letter No.CAD (T)/Accts/OSFC/2010-11/16/2011-12/417 dt.23.12.2011

1. Para 1,2 and 3 : No Comments
2. Observations :

Audit Observation	Compliance
<p>A) Balance Sheet AssetsOther Assets (Schedule M) -Rs.106.76 crore (viii) (c) Interest accrued on LISC under consideration of waiver – Rs.5.53 crore.</p> <p>1. The above represents outstanding interest on loan in lieu of share capital (LISC) from SIDBI up to 31st March, 2008 under consideration of waiver. Since SIDBI refused (January 2011) to waive the same, provision should have been made for the doubtful assets. Non provisioning has resulted in overstatement of other assets and profit for the year by Rs.5.53 cores each.</p>	<ul style="list-style-type: none">➤ Although SIDBI has expressed its inability to waive interest on LISC (Accrued & Outstanding up to 31.01.08), the Board of the Corporation has unanimously resolved to request SIDBI for the same. Similarly, the Share holders of the Corporation in their AGM held on 29.07.11 have also resolved to request SIDBI to waive the Interest on LISC in line with the waiver by State Government.➤ Accordingly, the Corporation and the State Government in Industries Department have requested SIDBI to reconsider the matter and waive the Interest.➤ Considering above, SIDBI has advised OSFC vide letter No.12547/DFID/OSFC dt. 3.11.11 to take up the matter with IDBI Bank Ltd. Accordingly, IDBI Bank has been requested to waive the Interest of Rs.7.42 crore outstanding on LISC up to 31.01.08.➤ OSFC has not charged Rs.5.53 crore to P & L Account on account of interest accrued on LISC for the period from 1996-97 to 31.1.08 and accounted it under contra as it is within the zone of consideration of waiver in view of the following developments.<ul style="list-style-type: none">• Loan in lieu of Share Capital (LISC) of Rs.2490.00 lakh was provided in the past through mutual consent of both the State Government and IDBI as Capital Support



	<p>pending amendment of SFCs Act on matching proportions.</p> <ul style="list-style-type: none">• Against this, conversions of Rs.1245.00 lakh to Share Capital was made on matching proportion with mutual agreement between State Government and IDBI and balance Rs.1245.00 lakh was outstanding prior to restructuring (State Government Rs.6.225 crore & IDBI RS.6.225 crore).• Under the Restructuring package approved by the State Cabinet, the State Government has converted principal LISC of Rs.6.225 crore to Share Capital by waiving interest accrued and lying outstanding thereon on such LISC. As per Cabinet decision, IDBI was requested to convert their portion LISC principal of Rs.6.225 crore to Share Capital by waiving Interest accrued & outstanding thereon.• In the meantime, as per provisions of SFCs (Amendment) Act, 2000 LISC outstanding of SFCs are transferred from IDBI to SIDBI in terms of Notification by Central Government U/s 4 (H) of SFCs (Amendment) Act, 2000 w.e.f. 31.1.08. At the time of such transfer, no decision has been taken either by Central Government or IDBI or SIDBI for treatment of Interest Outstanding on LISC as on 31.1.08.• On transfer of LISC to SIDBI, SIDBI has agreed for conversion LISC principal of Rs.6.225 crore and interest accrued from 1.4.08 till the actual date of conversion to equity share capital. (Interest from 1.2.08 to 31.3.08 paid by OSFC to SIDBI Rs.7.78 lakh).• Since State Government has already waived interest on LISC under the approved restructuring package and as IDBI/SIDBI has not raised any issue on Interest Outstanding portion at the time of transfer U/s 4 H of SFCs Act, the Corporation is hopeful that IDBI Bank may consider the waiver in line with the State Government in the greater interest of the Corporation and State. It may be noted that IDBI Bank has waived interest of Rs.21.05 crore on Refinance outstanding under negotiable settlement.• It is disclosed in the Accounts of 2011-12 (Note No.3.2 Sch.U)➤ More over, the interest accrual relates to the prior years (1996-97 to 31-01-2008)
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B) Profit & Loss Account Expenditures Personnel Expenses (Schedule P)- Rs.13.36 crore, Contribution to Employees Group Gratuity Fund (LIC) –Rs.3.45 crore.

2) It is understated by Rs.2.40 crore due to short provision of the liability towards differential premium payable to Life Insurance Corporation of India on account of increase in gratuity limit to Rs.10.00 lacs during the year. This has also resulted in understatement of other liability and contingent provisions and overstatement of profit for the year by Rs.2.40 Crore each.

C) General :

3. The Corporation has not submitted the annual accounts for the year 2010-11 along with the report of the statutory auditor to the Comptroller and Auditor General of India (submitted on 22.7.2011) at least one month prior to their placement before the Share Holders in the Annual General Meeting (held on 29.07.2011) in violation of Sec.37(5) of the SFCs Act.1951

2. The adverse comment by CAG is noted. It is a fact that the limit of Gratuity under payment of Gratuity Act, 1972 has been enhanced and it is desirable that the Corporation should have correctly reflected in the Books of Account for the year 2010-11 as this is a statutory obligation towards its employees by the Corporation. Liability on account of gratuity has been provided in the Accounts of FY 2011-12.

3. The accounts for the FY 2010-11 was authenticated by the Board of Directors in their 362nd meeting held on 13.7.2011 although notice for holding the AGM was issued on 7.7.2011 so as to place the Audited Accounts along with Statutory Auditors Report thereon before the AGM (held on 29.7.2011) well within 31st July 2011 i.e.; the limit of four months from the date of closure of the financial year. After finalisation of the Minutes of the Board the accounts were handed over to C & AG on 22.7.11 However, henceforth steps will be taken to submit the Annual Accounts with Reports of the Statutory Auditors to the C & AG at least one month prior to their placement to the AGM as per provision of Section 37(5) of the SFCs Act.

**Notes on Accounts (Schedule- V)**

4. The disclosure made at Sl. No.6.3 of Notes forming part of Accounts that the limit of gratuity has been increased to Rs.3.50 lacs is deficient to the extent that the limit of gratuity has been increased to Rs.10 lakhs in May 2010 as per the Gratuity Act. 1972

5. Income from Rent on Building :
Income from rent on building (Non operating revenue) has been accounted for on cash basis, which is not in conformity with the Adopted Accounting Policy as disclosed at Sl. No. 2.1

4. It is a fact that the maximum limit of Gratuity as per the payment of Gratuity Act 1972 has been increased w.e.f. May 2010. However, although provisions under the Gratuity Act should have been made automatically applicable to the employees of the Corporation, such enhanced limit has not been made applicable in the Corporation pending concurrence from the Govt. of Orissa as per the practice being followed by OSFC and under instruction from Govt. of Odisha. In the mean time, the State Government has already agreed in principle to make the enhanced maximum limit of Gratuity applicable. Although the Corporation has not adopted the same as yet in view of difficulty in meeting the immediate pay out of the accrued past liability has been properly disclosed in the of Account of FY 2011-12 along with requisite provision in the Books of Account irrespective of payment of premium. Already complied and accounted for in the Accounts of 2011-12.

Letter No.CAD(T)/Accounts/OSFC/2010-11/420 dtd.23.12.2011

In Para 16.1 of Schedule V Note on Accounts attached to the financial statement of the Corporation for the year 2010-11, it has been disclosed that the accounts of the Corporation are maintained and generated through Application Software of Financial Accounting Systems (FAS) and Loan Accounting System (LAS) operated at branch and Head Office. It was noticed in Audit that Internal Audit in respect of EDP System had not been undertaken for last four years. In the absence of Internal Audit, the reliability of data generated in the above mentioned systems was not ascertainable in audit. Necessary action may be taken on this matter before finalisation of the accounts for the year 2011-12.

EDP system Audit for the FY 2011-12 has been completed and complied with.

Sd/-
(B.K.Sahoo)
JGM (FAD), OSFC

Sd/-
MANAGING DIRECTOR
OSFC



OPERATIONAL HIGHLIGHTS OF THE CORPORATION DURING LAST TEN YEARS

ANNEXURE-1

₹ lakh

PARTICULARS OF ITEMS	2002-2003	2003-2004	2004-2005	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Ason 31.3.12
OPERATIONS											
1. Sanction	1525.30 (.180)	1086.10 (.83)	285.42 (.44)	-	-	-	-	93.00 (.2)	393.58 (.6)	411.35 (.8)	131431.54 28223
2. Disbursement	2906.04 (.345)	1046.57 (.68)	209.02 (.67)	11.97	-	-	-	-	71.23 (.3)	83.55 (.6)	130667.15 28216
3. Recovery	9204.21	7702.05	7306.10	10674.96	7614.57	6478.51	4657.46	4024.71	4202.86	3655.49	192394.38
4. Outstanding	61686.27 (.19633)	58579 (.15302)	55391.72 (.15040)	51152.51 (.13266)	46707.92 (.12595)	43454.12 (.11918)	40369.94 (.11386)	37070.85 10507	325372 9885	3011185 9332	30111.85 9332
SHARE CAPITAL											
5. Paid Up	-	-	-	-	-	27104.25	2316.25	-	3170.30	186.75	41534.85
6. Loan in Lieu of Share Capital (SIDBI)	-	-	-	-	-	-	-	-	-	-	-
BONDS											
7. Issued	-	-	-	-	-	-	-	-	-	-	42444.25
8. Repaid	1530.00	1746.00	10360.00	3539.00	13160.00	1963.50	2607.50	-	80.00	-	42434.25
9. Outstanding (Prin.)	33466.25	31720.25	21360.25	17821.25	4661.00	2697.50	90.00	90.00	-	-	-
10. Balance outstanding transferred to Unclaimed liabilities									10.00	10.00	10.00
REFINANCE (SIDBI)											
11. Availed	1368.38	-	-	-	-	-	-	-	-	-	69103.06
12. Repaid	1767.49	1518.00	1323.00	2461.19	2620.00	1500.00	1500.39	1500.00	1500.00	750.00	58388.41
13. Outstanding	25386.93	23868.90	22545.93	20084.74	17465.04	15965.04	14464.65	12964.65	11464.65	10714.65	10714.65
14. New LoC under TRA									53.28		53.28
15. Repaid									-	2.06	2.06
16-Outstanding									53.28	51.22	51.22
SUBSIDY											
17. Received	40.35	27.00	50.77	35.95	75.65	692.24	411.93	159.26	104.78	97.00	11400.90
18. Sanctioned	141.57	9.52	74.81	0	62.87	92.23	62.00	67.23	1.64	10.14	12781.68
19. Disbursed	22.81	44.40	3.80	49.51	49.33	465.61	370.25	92.10	92.38	86.08	11581.30
FINANCIAL SUMMARY											
20. Gross Income	5117.10	3577.92	2952.69	2623.24	2671.56	2742.87	2327.62	2347.05	2547.46	2603.32	-
21. Total Expenditure	4987.48	4045.51	3757.15	2401.36	2554.07	2485.85	2140.47	1959.27	2433.69	2454.70	-
22. Profit/Loss Before Tax	129.62	(-467.59)	(-804.46)	221.88	117.49	257.02	187.15	387.78	113.77	148.62	-
23. Appropriation Income / net Prior period adjustment	-	-	-	-	-	-	87.19	207.76	52.68	96.05	-
24. Reserves	-	-	-	-	-	102.06	54.37	36.00	12.22	10.51	-
25. Provision for Tax	-	-	-	-	5.31	1.88	2.48	-	-	-	-
26. Net Profit/Loss	129.62	(-467.59)	(-804.46)	221.88	112.18	255.14	271.86	180.02	61.09	52.57	-
STAFF STRENGTH (Number)	891	881	877	342	330	329	299	297	293	253	-

* Outstanding amount of ₹30111.85 lakh as on 31.03.2012 excludes vehicle, housing & personal loan to employees of ₹ 86.00 lakh and difference between general ledger & sub-ledger of rupees ₹23.15 lakhs



ANNEXURE-2: LOAN APPLICATION RECEIVED AND DISPOSED DURING LAST TWO YEARS

₹ lakh

Sl No.	Particulars of Application	FY 2010-11						FY 2011-12					
		Small Scale		SRTOs		Others		Total		Small Scale		SRTOs	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Pending at the beginning of the year	-	-	-	-	-	-	-	-	2	413.50	-	-
2	Received during the year	13	1312.96	-	-	-	-	13	1312.96	14	1643.74	2	20.50
A	Total (1+2)	13	1312.96	-	-	-	-	13	1312.96	16	2057.24	2	20.50
3	Sanction (Gross) during the year	6	393.58	-	-	-	-	6	393.58	6	390.85	2	20.50
4	Rejected withdrawn, closed or lapsed during the year	5	465.00	-	-	-	-	5	465.00	4	805.08	-	-
5	Amt. of loan reduced while sanctioning		40.88	-	-	-	-		40.88	-	108.65	-	-
6	Pending at the end of the year	2	413.50	-	-	-	-	2	413.50	6	752.66	-	-
B	Total (3+4+5+6)	13	1312.96	-	-	-	-	13	1312.96	16	2057.24	2	20.50
C	(6) as % of A	15	31.49	-	-	-	-	15	31.49	37	36.59	0	-
												33	36.22



SCHEMES WISE CLASSIFICATION OF ASSISTANCE
ANNEXURE:3 SANCTION (EFFECTIVE) DISBURSEMENT ₹ lakh

Sl.No.	SCHEMES	Since Inception up to 31.3.2012		Since Inception up to 31.3.2012	
		No.	Amt.	No.	Amt.
i)	Composite Loan	5349	246.47	5349	246.47
ii)	Single Window Scheme				
	- Term Loan	203	1206.07	203	1206.07
	- Working Capital	-	1188.94	-	1188.94
iii)	Modernisation	58	815.20	58	815.20
iv)	Rehabilitation	102	822.13	102	822.13
v)	Equipment Finance	6	67.01	6	67.01
vi)	Women Entrepreneur (Mahila Udyog Nidhi)	176	591.24	176	591.24
vii)	Ex-Servicemen(SEMFEX)	43	163.55	43	163.55
viii)	S R T O s	9139	26040.66	9139	26039.03
ix)	RTDM	26	683.52	26	683.52
x)	Cyclone Assistance	733	5073.25	733	5073.25
xi)	Factoring Service	349	15613.05	349	15613.05
xii)	Hire Purchase	163	1188.93	163	1188.93
xiii)	N.E.F		1657.75		1657.75
		.(576)		.(576)	
xiv)	Loans Not Covered Above	11876	76073.77	11869	75311.01
	TOTAL	28223	131431.54	28216	130667.15

N.B.: The number in bracket has already been accounted for in Sl. No.(XIV)



SECTOR-WISE CLASSIFICATION OF TERM LOAN SANCTION,
DISBURSEMENT UPTO 31.03.12

ANNEXURE:4

₹ lakh

SCHEME	SANCTION (EFFECTIVE)		DISBURSEMENT	
	No.	Amt.	No.	Amt.
1. SRTOs	9139	26040.66	9139	26039.03
2. Small Scale Sector	15733	67504.24	15728	66811.15
a) Tiny Sector	1311	3290.59	1311	3290.59
b) Anciliaries	1345	5325.60	1345	5325.60
c) Composite	9975	443.45	9975	443.45
d) Other SSI Units	3102	58444.60	3097	57751.51
3. Medium Scale	78	12276.90	78	12276.90
4. Others	3273	25609.74	3271	25540.07
TOTAL	28223	131431.54	28216	130667.15



**DISTRICTWISE ANALYSIS OF LOANS SANCTION,DISBURSED,RECOVERY
& OUTSTANDING AS ON 31ST MARCH - 2012 SANCTION (EFFECTIVE)**

ANNEXURE - 5

(₹ lakh)

Sl.No.	Name of the District	Small Scale		S.R.T.O		Others		Total	
		No	Amount	No	Amount	No	Amount	No	Amount
1	Cuttack	1926	10615.96	1665	3811.59	564	6952.99	4155	21380.54
2	Jagatsinghpur	1789	865.80	356	1543.02	101	837.91	2246	3246.73
3	Jajpur	140	2654.02	402	1673.41	114	2990.92	656	7318.35
4	Kendrapara	770	758.12	303	831.98	109	943.51	1182	2533.61
5	Puri	659	1558.24	246	810.44	283	2693.01	1188	5061.69
6	Khurda	1661	12616.38	744	1832.69	223	5025.17	2629	19474.24
7	Nayagarh	1061	1506.22	169	485.37	36	178.29	1266	2169.88
8	Ganjam	805	3617.98	648	1678.86	240	1589.82	1693	6886.66
9	Gajapati	46	278.80	7	30.16	33	342.24	86	651.20
10	Sambalpur	282	2697.99	358	889.85	96	2084.89	735	5672.73
11	Jharsuguda	94	617.17	232	755.05	69	676.29	395	2048.51
12	Bargarh	277	831.45	115	514.58	22	290.73	414	1636.76
13	Deogarh	43	188.32	22	87.64	15	11.43	80	287.39
14	Sundargarh	964	8175.87	522	1636.31	336	4757.95	1822	14570.13
15	Balasore	757	6374.55	457	1220.62	116	2450.23	1330	10045.40
16	Bhadrak	179	1154.65	252	818.43	57	311.66	488	2284.74
17	Bolangir	613	2178.39	367	946.21	88	923.92	1068	4048.52
18	Sonepur	87	41.26	55	19.26	7	5.00	149	65.52
19	Phulbani	160	569.85	206	506.81	149	542.73	515	1619.39
20	Boudh	89	151.97	101	248.96	35	121.91	225	522.84
21	Kalahandi	308	1094.31	231	661.64	197	347.54	736	2103.49
22	Nuapada	54	185.63	46	194.85	24	41.58	124	422.06
23	Dhenkanal	722	1368.24	310	646.34	98	509.43	1130	2524.01
24	Angul	220	591.62	112	527.14	27	199.23	359	1317.99
25	Keonjhar	312	1430.64	582	1969.49	68	968.89	962	4369.02
26	Mayurbhanj	837	2325.96	330	824.00	96	949.87	1263	4099.83
27	Koraput	461	1561.26	140	343.32	86	697.20	687	2601.78
28	Malakangiri	113	115.69	13	35.07	2	29.16	128	179.92
29	Nawarangpur	139	468.06	79	183.81	6	49.96	224	701.83
30	Rayagada	165	909.84	69	313.76	54	363.18	288	1586.78
	Total	15733	67504.24	9139	26040.66	3351	37886.64	28223	131431.54

**ANNEXURE-5 DISTRICTWISE ANALYSIS OF SANCTION, DISBURSEMENT, RECOVERY AND
OUTSTANDING ASON 31ST MARCH 2012**



Sl.No.	Name of the district	SSI		DISBURSEMENT		Others		Total		RECOVERY (₹ lakh)
		No	Amount	No	Amount	No	Amount	No	Amount	
1	Cuttack	1926	10609.18	1665	3810.81	563	6911.49	4154	21331.48	26994.44
2	Jagatsinghpur	1789	865.59	356	1543.02	101	837.91	2246	3246.52	3418.05
3	Jaipur	140	2652.76	402	1673.41	114	2990.92	656	7317.09	3466.50
4	Kendrapara	770	757.61	303	831.98	109	943.51	1182	2533.10	11909.89
5	Puri	659	1558.24	246	810.44	283	2693.01	1188	5061.69	9160.08
6	Khurda	1659	12267.77	744	1832.69	222	5011.32	2625	19111.78	30728.74
7	Nayagath	1061	1506.22	169	485.37	36	178.29	1266	2169.88	1057.18
8	Ganjam	805	3363.90	648	1678.86	240	1589.82	1693	6632.58	7099.59
9	Gajapati	46	278.80	7	30.16	33	342.24	86	651.20	4060.25
10	Sambalpur	282	2697.99	358	889.85	95	2074.89	735	5662.73	9063.03
11	Jharsuguda	94	617.17	232	755.05	69	676.29	395	2048.51	2772.70
12	Bargarh	277	831.45	115	514.58	22	290.73	414	1636.76	1613.61
13	Deogarh	43	188.32	22	87.64	15	11.43	80	287.39	3351.58
14	Sundargarh	964	8158.88	522	1636.31	336	4757.95	1822	14553.14	22801.79
15	Balasore	755	6333.95	457	1220.62	116	2450.23	1328	10004.80	15557.28
16	Bhadrak	179	1154.65	252	817.91	57	311.66	488	2284.22	1103.42
17	Bolangir	613	2177.10	367	946.21	88	923.92	1068	4047.23	3567.99
18	Sonepur	87	41.26	55	19.26	7	5.00	149	65.52	2049.20
19	Phulbani	160	569.85	206	506.48	149	542.73	515	1619.06	1448.66
20	Boudh	89	151.97	101	248.96	35	121.91	225	522.84	610.90
21	Kalahandi	308	1094.31	231	661.64	197	347.54	736	2103.49	2383.23
22	Nuapada	54	185.63	46	194.85	24	41.58	124	422.06	1427.81
23	Dhenkanal	722	1368.24	310	646.34	98	509.43	1130	2524.01	3659.12
24	Angul	220	591.12	112	527.14	27	199.23	359	1317.49	2925.93
25	Keonjhar	312	1430.64	582	1969.49	68	968.89	962	4369.02	5859.00
26	Mayurbhanj	837	2324.70	330	824.00	96	949.87	1263	4098.57	6030.50
27	Koraput	460	1540.26	140	343.32	87	692.88	687	2576.46	3039.81
28	Malakangiri	113	115.69	13	35.07	2	29.16	128	179.92	1275.61
29	Nawarangpur	139	468.06	79	183.81	6	49.96	224	701.83	1492.22
30	Rayagada	165	909.84	69	313.76	54	363.18	288	1586.78	2256.61
	Total	15728	66811.15	9139	26039.03	3349	37816.97	28216	130667.15	*192184.72

* (i) Excludes personal loan to employee ₹13.15 lakh (ii) excludes interest on personal loan to employee ₹0.24 lakh
(iii) Interest accrued on standard loan ₹52.21 lakh (iv) (-) on adjusted recovery ₹728.19 lakh
(v) Excludes Head Office Recovery of ₹872.25 lakh of earlier years.



**DISTRICTWISE ANALYSIS OF SANCTION,DISBURSEMENT,RECOVERY
AND OUTSTANDING AS ON 31ST MARCH-2012 OUTSTANDING (PRINCIPAL)**

ANNEXURE: 5

(₹ lakh)

Sl. No	Name of the District	SSI		S.R.T.O.		Others		Total	
		No	Amount	No	Amount	No	Amount	No	Amount
1	Cuttack	1042	3215.89	559	870.15	361	705.93	1962	4791.97
2	Jagatsinghpur	1056	111.96	219	73.13	62	157.31	1337	342.40
3	Jajpur	50	746.06	145	455.24	95	496.37	290	1697.67
4	Kendrapara	457	206.07	184	294.21	65	115.24	706	615.52
5	Puri	55	86.35	62	101.56	287	393.34	404	581.25
6	Khurda	379	4676.41	141	309.64	224	1018.79	744	6004.84
7	Nayagarh	277	711.28	76	23.11	16	57.14	369	791.53
8	Ganjam	74	1169.85	105	183.17	172	216.07	351	1569.09
9	Gajapati	12	433.62	7	29.24	5	62.92	24	525.78
10	Sambalpur	62	623.58	46	63.00	66	146.00	174	832.58
11	Deogarh	6	179.02	8	63.79	5	70.03	19	312.84
12	Sundargarh	143	2065.12	73	153.01	166	263.79	382	2481.92
13	Jharsuguda	19	50.97	4	62.00	2	47.34	25	160.31
14	Bargarh	31	263.26	12	14.83	2	85.45	45	363.54
15	Balasore	249	2500.10	81	166.09	60	268.00	390	2934.19
16	Bhadrak	42	757.21	33	56.45	10	152.34	85	966.00
17	Bolangir	261	693.08	55	84.49	40	210.63	356	988.20
18	Sonepur	45	5.84	11	14.92	2	0.56	58	21.32
19	Phulbani	18	281.42	67	150.21	35	50.31	120	481.94
20	Boudh	25	19.44	16	31.28	5	18.64	46	69.36
21	Kalahandi	91	250.28	33	115.11	32	11.60	156	376.99
22	Nuapada	17	31.51	8	37.87	1	18.92	26	88.30
23	Dhenkanal	439	440.78	74	90.00	55	132.64	568	663.42
24	Angul	67	201.57	17	31.30	15	59.35	99	292.22
25	Keonjhar	26	235.26	71	122.70	21	132.64	118	490.60
26	Mayurbhanj	122	658.11	45	57.64	29	176.57	196	892.32
27	Koraput	140	364.29	11	27.05	39	70.41	190	461.75
28	Malakangiri	18	21.14	1	3.72	1	3.59	20	28.45
29	Nawarangpur	28	93.89	3	7.17	2	5.00	33	106.06
30	Rayagada	29	114.59	5	8.65	5	56.25	39	179.49
	Grand total	5280	21207.95	2172	3700.73	1880	5203.17	9332	30111.85

**BRANCH WISE COMPARATIVE POSITION OF SANCTION & DISBURSEMENT****ANNEXURE-6****(₹ lakh)**

Sl.No.	Name of the Branch	Sanction		Disbursement	
		Since inception		Since inception	
		No.	Amount	No.	Amount
1	Balasore	1818	12330.14	1816	12289.02
2	Baripada	1263	4099.83	1263	4098.57
3	Berhampur	1779	7537.86	1779	7283.78
4	Bhawanipatna	860	2525.55	860	2525.55
5	Bhubaneswar	3894	21644.12	3891	21281.66
6	Bolangir	1217	4114.04	1217	4112.75
7	Cuttack	4155	21380.54	4154	21331.48
8	Dhenkanal	1489	3842.00	1489	3841.50
9	Jeypore	1039	3483.53	1039	3458.21
10	Keonjhar	962	4369.02	962	4369.02
11	Paradeep	4084	13098.69	4084	13096.71
12	Phulbani	740	2142.23	740	2141.90
13	Puri	1188	5061.69	1188	5061.69
14	Rayagada	288	1586.78	288	1586.78
15	Rourkela	2217	16618.64	2217	16601.65
16	Sambalpur	1230	7596.88	1229	7586.88
	G.Total:	28223	131431.54	28216	130667.15



INDUSTRY -WISE CLASSIFICATION OF LOAN SANCTION, DISBURSEMENT & OUTSTANDING AS ON 31.03.12

ANNEXURE-7

(₹ lakh)

TYPE OF INDUSTRY	SANCTION				DISBURSEMENT							
	Since Inception				Since inception				Outstanding (Prin.)			
	SSI		Total		SSI		Total		SSI		Total	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
Food Manufacturing	12	81.06	14	110.55	12	81.01	14	110.33	6	17.21	16	18.90
a)Sugar	2955	14845.22	3197	14970.60	2955	14837.06	3197	14959.56	691	2928.32	768	3208.77
b)Others												
Textiles												
a)Cotton	3927	1963.51	4659	1902.43	3927	1962.33	4659	1902.43	680	848.06	867	1079.87
b)Jute	11	302.25	36	537.92	11	302.06	36	537.92	6	98.28	17	232.68
c)Others	54	707.54	67	699.80	54	707.11	67	699.80	28	228.26	194	369.86
Paper & Paper Products	195	1626.10	252	2201.10	195	1625.12	252	2201.10	95	721.29	99	1011.95
Manufacture of												
Rubber Products	154	1467.65	198	1572.63	154	1466.76	198	1571.68	30	304.21	42	494.91
Basic Industrial Chemicals												
Other Than Fertilisers	105	1362.69	113	1525.66	105	1361.87	113	1525.66	5	179.22	10	188.58
Fertilisers	5	185.79	8	296.02	5	185.79	8	296.02	4	29.48	4	44.37
Other Chemicals &												
Chemical Products	534	5771.53	583	7048.44	534	5768.06	583	7048.44	101	2112.17	196	2209.30
a)Hotel			754	9320.64			752	9246.78			95	1081.40
b)SRTOs			9139	26040.96			9139	26039.03			2172	3700.76
c)Others			658	4344.35			659	4336.24			1002	2239.34
Elect.(Generation & supplies)												
Other Industries	6277	26863.57	6781	48473.95	6272	26197.62	6775	47811.72	3375	10938.35	3448	10366.53
TOTAL	14229	55176.91	26459	119045.05	14224	54494.79	26452	118286.71	5021	18404.85	8930	30111.85



CONSTITUTION WISE DISTRIBUTION OF TERM LOANS AS ON 31.3.12
ANNEXURE: 8 (₹ lakh)

CONSTITUTION	SANCTION		DISBURSEMENT	
	Since Inception		Since Inception	
	No.	Amt.	No.	Amt.
Public Limited Companies	140	7347.04	140	7347.04
	(46)	(2292.49)	.(46)	.(2292.49)
Private Limited Companies	1464	50551.53	1463	49929.10
	(806)	(29964.11)	.(805)	(29416.23)
Co-operatives	101	705.92	101	705.92
	.(72)	(368.42)	(72)	(368.42)
Partnership	1562	16138.82	1560	16073.99
	.(957)	.(7081.07)	.(956)	.(7026.76)
Proprietorship	24820	54350.25	24816	54273.12
	.(13827)	.(27530.69)	.(13824)	.(27439.79)
Hindu Undivided Family	5	49.67	5	49.67
	.(1)	.(0.51)	.(1)	.(0.51)
Others	131	2288.31	131	2288.31
	.(24)	.(266.95)	.(24)	.(266.95)
TOTAL	28223	131431.54	28214	130667.15
	.(15733)	.(67504.24)	.(15728)	.(66811.15)

Figures in Bracket indicates information relating to SSI units



BRANCH-WISE RECOVERY, OUTSTANDING & DEFAULT AS ON 31.03.12

ANNXURE - 9

(₹ lakh)

Sl. No.	Name of the Branch	Recovery during 2011-12				Principal O/s as on 31.03.12		Default as on 31.03.12		
		Pri.	Int.	Oths.	Total	No	Amount	Pri.	Int.	Total
1	Balasore	346.18	201.15	(-)16.41	530.92	475	3900.19	3563.16	33997.80	37560.96
2	Baripada	38.64	8.88	(-)4.37	43.15	196	892.32	750.54	6512.57	7263.11
3	Berhampur	137.19	65.32	1.51	204.02	375	2094.87	1857.11	16088.87	17945.98
4	Bhawaniapatna	17.90	9.50	11.82	39.22	182	465.29	395.03	3293.38	3688.41
5	Bhubaneswar	169.41	323.92	184.04	677.37	1113	6796.37	6178.72	57020.32	63199.04
6	Bolangir	135.44	35.38	(-)48.69	122.13	414	1009.52	996.32	7970.95	8967.27
7	Cuttack	432.25	382.50	(-)146.60	668.15	1962	4791.97	4600.51	37086.56	41687.07
8	Dhenkanal	141.50	55.97	0.20	197.67	667	955.66	860.86	6042.27	6903.13
9	Jepore	22.47	32.98	35.73	91.18	282	775.75	631.73	6345.91	6977.64
10	Keonjhar	31.93	46.65	96.49	175.07	118	490.60	476.87	2840.73	3317.60
11	Paradeep	123.30	43.63	12.93	179.86	2333	2655.59	2504.37	15669.18	18173.55
12	Phulbani	10.29	3.48	5.03	18.80	166	551.26	525.35	5264.87	5790.22
13	Puri	59.85	34.91	11.29	106.05	404	581.25	530.36	3398.71	3929.07
15	Rourkela	185.02	101.98	(-)24.02	262.98	382	2481.92	2208.29	22182.41	24390.70
16	Sambalpur	323.08	103.90	(-)104.77	322.21	263	1669.29	1530.41	17858.41	19388.82
Grand Total		2174.45	1450.15	14.18	*3638.78	9332	30111.85	27609.63	241572.94	269182.57

* Excludes H.O.Recovery of ₹16.71 lakh



ANNEXURE: 10

SOURCES AND USES OF FUNDS DURING LAST 3 YEARS

(₹ lakh)

Sl.No.	SOURCES	2009-10	2010-11	2011-12
1	Opening Cash and Bank Balance	3351.47	2499.07	2364.45
2	Increase in Paid up Capital (Pending allotment)	-	3171.80	
3	Borrowing from	-	-	
	i) a.IDBI	-	-	
	b.SIDBI	-	53.28	
	ii) RBI	-	-	
	iii)IRBI	-	-	
	iv) IDBI (Seed Loan)	-	-	
	v) State Govt.Int.Free Loan	-	-	
	vi) State Govt.Int.Bearing Loan	-	-	
	vii) Other Short Term Borrowing	-	-	
4	Bonds	-	-	
5	Deposits	-	-	
6	Subsidy and Other Incentives Received.	-	88.95	96.91
	i) CIS (Small Scale)	129.26	9.83	
	ii) CIS (MEDIUM AND LARGE)	20.00	6.00	
	iii) CIS (Interest Subsidy)	10.00	-	
	iv)Seed Loan(State Govt.)	-	-	
	v) Margin Money Assistance	-	-	
	vi) Agency fund from SIDBI	-	-	
7	Repayment by Borrowers	-	-	
	i) Principal	1701.77	3077.12	2190.73
	ii) Interest	2109.60	1539.98	1450.58
	iii) Interest accrued on standard loan	-	52.21	
	iv) Other Receipt from Borrowers	133.00	139.09	14.18
	v)Seed Loan - Principal	12.03	14.45	
	vi)Agency Loan	66.84	71.57	
	vii)Agency Interest /Service Charges	1.78	36.63	
	viii) Other Income	237.46	244.71	
8	Other cash inflow	-	406.56	79.50
9(a)	Other Receipts SDDP,OTS & Rephasement	117.60	(-)728.19	210.28
(b)	Prior period adjustment	185.03	-	
	TOTAL	8075.84	10683.06	6406.63



SOURCES AND USES OF FUNDS DURING LAST 3 YEARS

ANNEXURE: 10

(₹ lakh)

Sl.No	USES	2009-10	2010-11	2011-12
1	Disbursement of	-	-	
	i) Term Loan	-	71.23	83.55
	ii) Soft Loan	-	-	
	iii) Seed Loan (State Govt.)	-	-	
	iv) Seed Capital (IDBI)	-	-	
	v) CIS Medium & large	40.00	5.00	3.00
	vi) CIS (SSI Sector)	40.11	72.79	11.51
	vii) Interest Subsidy	12.00	14.54	71.57
	viii) MUN	-	-	
	ix) Loan in Lieu of Subsidy	-	-	
	x) N.E.F.	-	139.31	
	xi) Factoring Service	-	-	
	xii) Hire Purchase Loan	-	-	
	xiii) Margin Money Amt.	-	-	
2	Repayment of Loan to	-	-	
	i) (a).IDBI	-	-	
	(b).SIDBI	1500.00	1500.00	750.00
	ii) 0% Funded loan to SIDBI	-	744.00	372.00
	iii) RBI	-	-	
	iv) Seed Loan (State Govt.)	-	-	
	v) State Govt	-	-	
	vi) Other Short Term Borrowing	-	-	
	vii) NEF repayment to SIDBI			48.08
3	Repayment of Bonds	-	80.00	
4	Redemption of deposit	3.50	0.93	
5	i) Interest Dividend & other Charges Paid NEF Int.	1081.10	975.12	558.87
	ii) Interest Tax	-	-	
	iii) Administrative Expenses	844.01	1425.15	1538.98
	iv) Others	158.18	-	8.31
6	Other cash outflow	-	118.74	414.1
7	Other outgo of funds of borrower	-	-	
8	Conversion of loan against Share Capital & Guarrantee Dividend	2499.07	3171.80	
9	Closing Cash Balance	1897.87	2364.45	2546.66
	TOTAL	8075.84	10683.06	6406.63



SUMMARY OF PROFIT & LOSS ACCOUNT FOR THE LAST FIVE YEARS

ANNEXURE: 11

(₹ lakh)

Sl.No	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
1	Interest Earned	1694.60	2027.85	2109.59	1539.98	1438.19
2	Other Income	912.45	299.77	237.46	244.71	210.28
3	Provision Add Back	135.82	1181.73	-	762.77	954.85
	Total Income	2742.87	3509.35	2347.05	2547.46	2603.32
4	Interest Paid	1633.76	1275.41	1078.59	965.42	866.87
5	Other Financial Expenses	1.15	1.69	2.51	9.69	8.31
6	Establishment Expenses Including P.F.contribution gratuity, Medical & Interest on P.F..Incentives Allowance to Staff, Pension & Leave Salary Contribution	850.94	863.37	878.17	1458.58	1579.49
7	Other Expenses Including Bad Debts Written Off & Provisioning	-	-	-	-	0.03
	Total Expenditure	2485.85	2140.47	1959.27	2433.69	2454.70
8	Gross Profit	257.02	1368.88	387.78	113.77	148.62
9	Provision for Taxation	1.88	2.49	-	-	-
	Prior period Adjustment	-	-	-	52.68	96.05
10	Net Profit	255.14	1366.39		61.09	52.57
11	Appropriation Income	-	-		-	
12	Less prior period expenditue adjustment over income	-	1094.53	207.76	-	
13	Net Effect	255.14	271.86	180.02	61.09	52.57
14	TransferTo Reserve	102.06	54.37	36.00	12.22	10.51



**STATEMENT SHOWING THE NUMBER OF SCHEDULED CASTE AND
SCHEDULED TRIBE EMPLOYEES OF THE CORPORATION**

ANNEXURE: 12

Sl.No. Category of Posts	Employees As On 31.03.2011					Employees retrd/dismitted/resigned/ died taken VRS/VSS in 2011-2012					Employees As On 31.03.2012				
	Percentage of Total					% of Total					Percentage of Total				
	Total	SCs	STs	SCs	STs	Total	SC	ST	SC	ST	Total	SC	ST	SC	ST
1. CLASS A - Officers	100	1	-	1	-	18	-	-	-	-	82	1	0	1.22	0
2. CLASS B - Assistants & Clerical Staff	152	2	1	1.31	0.65	15	-	-	-	-	137	2	1	1.46	0.73
3. CLASS C- Other Subordinate Staff	40	2	2	5	5	6	-	-	-	-	34	2	2	5.88	5.88
4. Consolidated	1										1				
TOTAL	293	5	3	1.70	1.02	39	-	-	-	-	254	5	3	1.98	1.18



STATEMENT INDICATING THE POSITION OF UNDERWRITING BY THE CORPORATION ASON 31.3.2012

ANNEXURE: 13

Sl.No.	Name of the Company	No. of Share Held	Preference Share	Nominal Per Share (₹)	Value Share Held (Rs. in lakhs)	Outstanding Paid up Value Per Share (₹)	Total (₹ lakh)
		Ordinary Share					
1	Bhaskar Textiles Mills Ltd.	-	400	100.00	0.40	100.00	0.40
2	Mamata Drinks & Ind. Ltd.	3370	-	100.00	3.37	100.00	3.37
3	ORITCO(Equity Shares)	87	-	1000.00	0.87	1000.00	0.87
	TOTAL	3457	400	-	4.64	-	4.64



PERFORMANCE OF THE CORPORATION DURING LAST 15 YEARS

ANNEXURE: 14

(₹ lakh)

Year	Gross sanction during the year		Cumulative sanction (effective)		Disbursement during the year		Cumulative disbursement		Outstanding at the end of each year		Recovery during the year	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	Prin.	Int.
Till 1996-97	45522	1016.53	42210	877.39	1035	95.71	23823	793.47	16423	465.77	58.77	53.65
1997-98	666	113.81	42843	988.92	639	94.09	24462	887.55	16532	494.04	65.65	54.41
1998-99	620	105.33	43410	1079.62	562	82.73	25024	970.28	16865	515.03	61.76	48.36
1999-2000	1154	131.12	44493	1196.46	707	82.91	25731	1053.19	17017	539.17	58.80	42.61
2000-2001	1227	131.41	45613	1316.16	996	115.00	26742	1168.19	17605	611.78	42.39	56.24
2001-2002	1021	122.31	46600	1426.20	1000	95.19	27727	1263.38	19371	631.71	62.55	68.26
2002-2003	180	15.25	46742	1430.97	345	29.06	28072	1292.45	19633	616.86	41.08	50.96
2003-2004	83	10.86	46802	1431.46	68	10.47	28140	1302.91	15302	585.79	41.76	35.26
2004-2005	44	2.85	28219	1305.33	67	2.09	28207	1305.00	15038	552.97	45.41	27.65
2005-2006	0	0	28207	1305.33	0	0.11	28207	1305.12	13266	511.52	45.52	23.86
2006-2007	0	0	28207	1305.33	0	0	28207	1305.12	12595	477.08	48.24	27.91
2007-2008	0	0	28207	1305.33	0	0	28207	1305.12	11918	434.54	29.90	17.08
2008-2009	0	0	28207	1305.33	0	0	28207	1305.12	11386	403.70	27.33	19.24
2009-2010	2	0.93	28209	1306.26	0	0	28207	1305.12	10507	370.71	19.05	21.10
2010-2011	6	3.94	28215	1310.20	3	0.71	28210	1305.84	9885	325.38	24.35	17.68
2011-2012	8	411.35	28223	1721.55	6	83.55	28216	1389.39	9332	301.11	21.74	14.64
TOTAL:	-	-	28223	1314.31	-	-	28216	1306.68	9332	301.11	961.78	961.99
												1923.77

* Excludes Head Office Recovery of ₹ 0.17 lakh



ANNEXURE-15

DISTRICT WISE SANCTION & DISBURSEMENT OF CAPITAL INVESTMENT SUBSIDY (SSI SECTOR, M/L SECTOR & INTEREST SUBSIDY DURING THE FY 2011-12)

(₹ lakh)

Sl. No.	District	C.I.S. (SSI Sector)				C.I.S. (M/L Sector)				Int. Subsidy (SEP-03')			
		Sanction		Disbursement		Sanction		Disbursement		Sanction		Disbursement	
		No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.
1	Cuttack	1	3.67	-	-	-	-	-	-	-	-	7	4.65
2	Jagatsinghpur	-	-	-	-	-	-	-	-	-	-	-	-
3	Jajpur	-	-	-	-	-	-	-	-	-	-	-	-
4	Kendrapara	-	-	-	-	-	-	-	-	-	-	-	-
5	Puri	-	-	-	-	-	-	-	-	-	-	-	-
6	Khurda	-	-	1	10	-	-	-	-	-	-	-	-
7	Nayagarh	-	-	-	-	-	-	-	-	-	-	-	-
8	Ganjam	-	-	-	-	-	-	-	-	-	-	-	-
9	Gajapati	-	-	-	-	-	-	-	-	-	-	-	-
10	Sambalpur	-	-	-	-	-	-	-	-	-	-	-	-
11	Jharsuguda	-	-	1	0.78	-	-	-	-	-	-	-	-
12	Bargarh	-	-	-	-	-	-	-	-	-	-	-	-
13	Deogarh	-	-	-	-	-	-	-	-	-	-	-	-
14	Sundargarh	-	-	-	-	-	-	1	3.00	-	-	1	0.18
15	Balasore	-	-	-	-	-	-	-	-	-	-	-	-
16	Bhadrak	-	-	-	-	-	-	-	-	-	-	1	0.72
17	Bolangir	-	-	-	-	-	-	-	-	1	1.00	2	4.62
18	Sonepur	-	-	-	-	-	-	-	-	-	-	-	-
19	Phulbani	-	-	-	-	-	-	-	-	-	-	-	-
20	Boudh	-	-	-	-	-	-	-	-	-	-	-	-
21	Kalahandi	-	-	1	0.25	-	-	-	-	-	-	3	10.91
22	Nuapada	-	-	-	-	-	-	-	-	-	-	-	-
23	Dhenkanal	-	-	-	-	-	-	-	-	-	-	-	-
24	Angul	-	-	-	-	-	-	-	-	-	-	-	-
25	Keonjhar	-	-	1	0.42	-	-	-	-	-	-	-	-
26	Mavurbhanja	1	0.99	-	-	-	-	-	-	-	-	5	0.41
27	Koraput	-	-	-	-	-	-	-	-	-	-	-	-
28	Malkangiri	-	-	-	-	-	-	-	-	-	-	-	-
29	Nawarangpur	1	4.23	1	0.06	-	-	-	-	1	0.25	-	-
30	Rayagada	-	-	-	-	-	-	-	-	-	-	10	50.08
	TOTAL	3	8.89	5	11.51	-	-	1	3.00	2	1.25	29	71.57



ANNEXURE: 16

POSITION OF SHARE CAPITAL

(₹ lakh)

Year	STATE GOVT.						SIDBI					
	Authorised share capital at the end of the year.	At the beginning of the year.	Received	By way of conversion of loan.	Total	Share Capital (3+6)	At the beginning of the year.	Received	By way of conversion of loan.	Total	Share Capital (8+11)	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1988-89	8000.00	1602.08	550.00	35.00	585.00	2187.08	1477.07	675.00	35.00	710.00	2187.07	15.875
1989-90	-	2187.08	600.00	35.00	635.00	2822.08	2187.07	-	35.00	35.00	2222.07	15.875
1990-91	10000.00	2822.08	635.00	32.94	667.94	3490.02	2222.07	635.00	32.94	667.94	2890.01	15.875
1991-92	10000.00	3490.02	500.00	124.50	624.50	4114.52	2890.01	373.33	124.50	497.83	3387.84	15.875
1992-93	10000.00	4114.52	-	124.50	124.50	4239.02	3387.84	310.00	124.50	127.60	3515.435	15.875
1993-94	10000.00	4239.02	-	124.50	124.50	4363.52	3515.44	-	124.50	124.50	3639.935	15.875
1994-95	10000.00	4363.52	240.00	124.50	364.50	4728.02	3639.94	-	124.50	124.50	3764.435	15.875
1995-96	10000.00	4728.02	-	124.50	124.50	4852.52	3764.44	-	124.50	124.50	3888.935	15.875
1996-97	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
1997-98	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
1998-99	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
1999-2000	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2000-2001	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2001-2002	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2002-2003	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2003-2004	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2004-2005	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2005-2006	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2006-2007	10000.00	4852.495	-	-	-	4852.495	3888.94	-	-	-	3888.935	15.875
2007-2008	10000.00	4852.495	-	27104.249	27104.249	31956.744	3888.94	-	-	-	3888.935	15.875
2008-2009	50000.00	4852.495	-	2316.25	29420.499	34272.994	3888.94	-	-	-	3888.935	15.875
2009-2010	50000.00	4852.495	-	2316.25	29420.499	34272.994	3888.94	-	-	-	3888.935	15.875
2010-2011	50000.00	4852.495	-	-	29420.499	34272.994	3888.94	-	1896.39	1896.39	5785.334	15.875
2011-2012	50000.00	4852.495	-	-	29420.499	34272.994	3888.94	-	186.75	2083.14	5972.084	15.875

Share deposit pending allotment -State Government ₹1.49 lakh, SIDBI ₹2083.14 lakh, IDBI ₹1273.89 lakh.



POSITION OF LOAN IN LIEU OF SHARE CAPITAL

ANNEXURE: 17

(₹ lakh)

STATE GOVT.					SIDBI						
Year	At the Beginning of the year.	During the year	Total	Converted to Share Capital	Balance Oustand. ing	At the Beginning of the Year	During the Year	Total	Converted to Share Capital	Balance Oustand.	TOTAL LOAN
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1988-89	1347.94	-	1347.94	35.00	1312.94	1347.94	-	1347.94	35.00	1312.94	2625.88
1989-90	1312.94	-	1312.94	35.00	1277.94	1312.94	-	1312.94	35.00	1277.94	2555.88
1990-91	1277.94	-	1277.94	32.94	1245.00	1277.94	-	1277.94	32.94	1245.00	2490.00
1991-92	1245.00	-	1245.00	124.50	1120.50	1245.00	-	1245.00	124.50	1120.50	2241.00
1992-93	1120.50	-	1120.50	124.50	996.00	1120.50	-	1120.50	124.50	996.00	1992.00
1993-94	996.00	-	996.00	124.50	871.50	996.00	-	996.00	124.50	871.50	1743.00
1994-95	871.50	-	871.50	124.50	747.00	871.50	-	871.50	124.50	747.00	1494.00
1995-96	747.00	-	747.00	124.50	622.50	747.00	-	747.00	124.50	622.50	1245.00
1996-97	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
1997-98	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
1998-99	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
1999-2000	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
2000-2001	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
2001-2002	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
2002-2003	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
2003-2004	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
2004-2005	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
2005-2006	622.50	-	622.50	-	622.50	622.50	-	622.50	-	622.50	1245.00
2006-2007	622.50	24608.00	25230.50	-	25230.50	622.50	-	622.50	-	622.50	25853.00
2007-2008	622.50	1873.74	27104.24	27104.24	-	622.50	-	622.50	-	622.50	622.50
2008-2009	-	2316.25	29420.50	29420.50	-	622.50	-	622.50	-	622.50	622.50
2009-2010	-	-	29420.50	29420.50	-	622.50	-	622.50	-	622.50	622.50
2010-2011	-	-	-	-	-	622.50	-	622.50	622.50	-	-
2011-2012	-	-	-	-	-	622.50	-	622.50	622.50	-	-



CONNECTIVITY CHART

HEAD OFFICE

1.	EPABX	91-0671-2443072/ 2443236/ 2443923/ 2446996/ 2443337
2.	FAX	91-0671-2443644/ 2444193
3.	ADDRESS	Orissa State Financial Corporation, OMP Square, Cuttack-753003
4.	Email	osfcho@osfcindia.com

CHAIRMAN & MANAGING DIRECTOR

Sl. No	Name	Telephone Numbers		
		Office	Residence	Fax
1.	Shri T.Ramachandru, IAS CMD, IDCOL & Chairman, OSFC	0674-2530898 0671-2443629		0674-2530518
2.	Shri Bijay Kumar Bose, Managing Director, OSFC	0671-2443659	0671-2503644	0671-2443644
		Mobile - 9437072337 Email - mdosfc@osfcindia.com		

DEPARTMENTS OF HEAD OFFICE

Sl No	Name of the Department	Telephone Number
1.	Business Development & Risk Management Division	0671-2444192
2.	Credit Operation Division	0671-2440060
3.	Computer Services Department	0671-2440643
4.	Board Division	0671-2443072
5.	Finance & Accounts Department	0671-2440223
6.	Human Resource Department	0671-2443590
7.	Documentation Division	0671-2445155
8.	Suit Division	0671-2443325
9.	Planning & MIS Department	0671-2443613
10.	Administration & Premises Department	0671-2441223
11.	Recovery Department	0671-2442748
12.	Internal Audit Department	0671-2443072
13.	Internal Vigilance Department	0671-2443119



BRANCH OFFICES

Sl. No	Branch Name	Address	Telephone No.	Fax No.	E-mail
1.	Balasore	Padhuanpada, Proof Road, Balasore, PIN:756001	06782-262457	06782-262457	bls@osfcindia.com
2.	Baripada	Ward No.19, Baghra Road, Near Sanika Gas, Baripada, PIN:757001	06792-252254		bpd@osfcindia.com
3.	Berhampur	Station Road, Hill Patna, Berhampur, Pin:750005	0680-2233501	0680-2233501	bam@osfcindia.com
4.	Bhubaneswar	Indradhanu Market Complex, Nayapalli, Bhubaneswar, PIN:751015	0674-2556951 0674-2556952	0674-2556952	bbsr@osfcindia.com
5.	Bolangir	Palace Line, Bolangir PIN:767001	06652-232644	06652-232644	bgr@osfcindia.com
6.	Cuttack	I/E, Madhupatna, Cuttack, PIN:753010	0671-2342035		ctc@osfcindia.com
7.	Dhenkanal	Durga Bazar, Dhenkanal, PIN:759001	06762-224627	06762-224627	dkl@osfcindia.com
8.	Jeypore	Main Road, Jeypore Pin:764001	06854-233049	06854-233049	jpr@osfcindia.com
9.	Keonjhar	N.H.-6, Sirajudin Chhak, Keonjhar, PIN:751008	06766-258139	06766-258139	kjr@osfcindia.com
10.	Paradeep	I/E, Madhupatna, Cuttack, PIN:753010	0671-2344107		pdp@osfcindia.com
11.	Phulbani	Indl.Estate, Phulbani PIN:762001	06842-253679	06842-211649	plb@osfcindia.com
12.	Puri	Mochi Sahi, Near Head Post Office, Puri, PIN:752002	06752-223442	06752-223442	puri@osfcindia.com
13.	Rourkela	New Civil Township, Rourkela, PIN:769004	0661-2400720	0661-2400720	rkl@osfcindia.com
14.	Sambalpur	Bareipalli, N.H-6, Sambalpur, PIN:768150	0663-2115185	0663-2115185	sbp@osfcindia.com

FACILITATION-CUM-RECOVERY CENTER (FRC)

Sl No	Name of the FRC	Address	Telephone No.
1.	Angul	Sikhayak Pada, Angul, PIN-759122	06764-234715
2.	Bhadrak	Bonth Chhak, Bhadrak, PIN-756100	06784-240297
3.	Bhawanipatna	Manikeswari Chhak, Bhawanipatna, Kalahandi, PIN:766001	06670-230655
4.	Chandikhole	Sungua, Chandikhole, Jajpur, PIN-754024	06725-220010
5.	Khurda	Industrial Estate, Khurda, PIN-752055	06755-221244
6.	Paradeep	Atharabanki, Paradeep, Dist:Jagatsinghpur	06722-222267

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