

63rd
ANNUAL REPORT
2019-20



Odisha State Financial Corporation

Contents

Sl.	Particulars	Page
1.	Performance at a Glance, Bankers & Auditors	3
2.	Board of Directors	4
3.	Notice of Annual General Meeting	5
4.	Director's Report	6
5.	Annual Accounts & Financial Statement	12
6.	Management reply on the Report of Statutory Auditor	55
7.	SAR on Accounts by C & AG of India	60
8.	Compliance to SAR of the C & AG of India	61
9.	Statistical Annexures	62
10.	Connectivity Chart	75



PERFORMANCE AT A GLANCE

(₹ Crore)

PARTICULARS	2018-19	2019-20	AS ON 31.03.20
OPERATIONS			
1. Sanction	-	-	1317.60
2. Disbursement	-	-	1309.90
3. Recovery	15.27	3.09	2012.07
4. Outstanding	255.12	254.25	254.25
SHARE CAPITAL			
5. Paid Up	0.47	0.47	419.07
BONDS			
6. Issued	-	-	424.44
7. Repaid	-	-	424.34
8. Outstanding Prin. Transferred to Un-claimed liabilities			0.10
REFINANCE			
9. Aailed	-	-	691.56
10. Repaid	-	-	610.90
11. Outstanding (Prin)			80.66
12. 0% Funded Loan			17.95
13. Total :			98.61
{ Crystallised OTS amount }			15.00
{ Agreed for Waiver }			83.61
FINANCIAL SUMMARY			
14. Gross Income	12.17	4.57	
15. Total Expenditure	6.91	6.63	
16. Operating Profit / Loss	5.26	(2.05)	
17. Prior period adjustment	0.10	0.30	
18. Net Profit / (Loss)	5.16	(2.35)	
19. Reserve	1.03	-	

BANKERS AS ON 31.03.2020

Union Bank of India
Central Bank of India
Axis Bank Ltd.

AUDITORS

Batra Swain & Associates
Chartered Accountants
Plot No.L3/80, Housing Board Colony
Acharya Vihar, Bhubaneswar - 751013



THE MANAGEMENT

(As on 31.03.2020)

BOARD OF DIRECTORS

Shri Hemant Sharma, IAS

Principal Secretary to Government,
Government of Odisha,
MSME Department
Chairman

Shri Prasanna Kumar Jena, IAS

Managing Director

Shri Manmath Kumar Biswal, OAS(SSG)

Special Secretary to Government,
Government of Odisha,
MSME Department, Bhubaneswar

Shri P.K.Nanda

Special Secretary to Government,
Government of Odisha,
Finance Department, Bhubaneswar

Shri Prakash Kumar

Chief General Manager, SIDBI
Bhubaneswar

Shri Ashok Kumar Routray

Sr. Divisional Manager,
LIC of India, Cuttack Division, Cuttack.

Smt. Praveena Kala

Chief General Manager,
State Bank of India,
Local Head Office, Bhubaneswar

Prof.Dr.Asit Ranjan Mohanty

Professor (Finance),
Xavier Institute of Management,
Bhubaneswar

Shri Partha Sarathi Mishra, IAS

Additional Secretary to Government,
Government of Odisha,
Public Enterprise Department,
Bhubaneswar

EXECUTIVE COMMITTEE

Shri Prasanna Kumar Jena, IAS

Chairman

Prof.Dr.Asit Ranjan Mohanty

Member

Shri P.K.Nanda

Member

AUDIT COMMITTEE OF BOARD

Prof.Dr.Asit Ranjan Mohanty, XIMB

Chairman

Shri Prasanna Kumar Jena, IAS, MD

Member

Shri P.K.Nanda, FINANCE

Member

Shri Prakash Kumar, SIDBI

Member



ODISHA STATE FINANCIAL CORPORATION
O.M.P. SQUARE, CUTTACK-753003.
NOTICE

Notice is hereby given in pursuance of Regulation 45 of the Odisha State Financial Corporation General Regulation 2003 that the 63rd Annual General Meeting of the share holders of the corporation for the year 2019-20 will be held on **29.01.2021** at **11.30 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 31.03.2020 and Profit & Loss account of the Corporation for the year ending 31.03.2020 together with the Report of the Board of Directors on the working of the Corporation during the FY 2019-20.
2. Appointment of statutory auditors for the FY 2020-21.
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 15.01.2021 to 29.01.2021 (both days inclusive).

Cuttack,
Dt.29.12.2020

Sd/-
(P.K.Sahani)
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 21.01.2021.
2. Any proxy shall be executed in terms of Odisha State Financial Corporation (Voting rights) Rules, 2003 and shall be deposited at the Head office of the Corporation on or before 21.01.2021 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 63rd Annual Report on the functioning of the Corporation together with Audited statement of Accounts for the year ended on 31st March 2020.

SNAPSHOT OF ODISHA ECONOMY

The economic growth of the State is accelerating. As per the advanced estimate of 2019-20, the State's economy has registered a growth of 6.16% at constant price surpassing the projected all India growth i.e., 5%. Similarly, the per capita income of Odisha in 2019-20, is expected to reach ₹1,01,587 up from ₹95,164 in 2018-19 registering a growth of 6.75%. During the same period, the per capita net national income is estimated as ₹1,35,050 making an increase of 6.84% as compared to ₹1,26,406 during 2018-19.

Services sector is the largest contributor to Odisha's GVA with 40.51% followed by Industries sector with 39.60% and Agriculture & allied with 19.90% in 2019-20(AE). During the same period Agriculture & allied is expected to achieve growth at constant price (2011-12) of 7.61%, while Industries sector will attain growth of 4.88% and services sector with 6.84%. Whereas at National level the growth of Agriculture, Industry and Services sector will attain 2.80%, 2.49% & 6.86% respectively. As agriculture and industry sector is concerned, Odisha surpasses the all India growth whereas in services sector, the States's growth is at par with National figure. There is scope to further tap the service sectors' growth potential by providing supporting infrastructure. The expansion of services sector will also have immense potential to generate employment in formal sector.

VISION AND MISSION OF OSFC

Vision

- Meet the financial and developmental needs of the MSME sector in the State of Odisha to make it strong, vibrant, and competitive.

- Make OSFC, a Customer friendly institution.
- Provide efficient and cost effective services to the customer through application of modern technology and good governance.

Mission

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

OSFC: PRESENT STATUS

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 ushering an era of industrialization in the State. It has completed more than six 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, development of industries, dispersal of credit, entrepreneurship skill development and export earnings.

In the absence of fresh lending activity for last sixteen years and due to non availability of any funding support for business either from State Government or SIDBI, OSFC could not fulfill its mandate. As a result of which, although there is a reduction of NPAs in absolute term, but percent wise it went up on year to year basis due to non-creation of further standard assets through fresh financing. In the process all the loan portfolio has become NPA. In such a situation, recovery of dues has become gradually difficult since comparatively litigated and chronic contaminated cases have remained to be resolved.

At present, OSFC is mainly concentrating in recovery of its dues from the existing loan portfolio. One Time Settlement Scheme is in



operation to salvage the old loan portfolios so as to improve its liquidity base. Moreover, the Corporation is focusing on disposal of seized assets taken over u/s-29 of SFC's Act, 1951 to reduce the inventory of the Corporation. Continuous monitoring of Court cases is going on to improve its recovery base.

SANCTION & DISBURSEMENT

In view of constraint of funds, the Corporation could neither sanction nor disburse any loan during the year 2019-20. The cumulative sanction and disbursement as on 31.03.20 stood at ₹1317.60 Cr. and ₹1309.90 Cr respectively.

TRAINING SUPPORT FOR ENTREPRENEURSHIP DEVELOPMENT

The Corporation has successfully conducted all the 18 District level training on Entrepreneurship Development Program (EDP) allotted by Director of Industries, Odisha for the FY 2019-20 covering 540 beneficiaries in different locations at Cuttack, Bhubaneswar, Jagatsinghpur, Berhampur, Sambalpur and Jeypore.

RECOVERY

Corporation is focusing its operation mainly on recovery and has given prime importance to achieve the twin objectives of reduction of NPA as well as improving liquidity for resource mobilisation. Keeping an eye on the above, the Corporation has resorted to appropriate follow up and monitoring at the level of Branch/ Head Office for maximising recovery. Corporation has adhered to its relentless effort for collection of dues from borrowers so as to reduce NPA accounts.

During FY 2019-20, the Corporation could recover ₹3.09 Cr.. The main hurdles in accelerating recovery are attributed to the followings:

- All the loan portfolio has become NPA.
- Non-creation of new loan portfolios.
- Inordinate delay in vacation of restrain order from various courts.
- Difficulty in disposal of seized assets for want of prospective buyers.
- Major portion of loan portfolios are not backed by marketable security.

- Operational difficulties to enforce third party collateral security in view of Apex Court direction.
- Lack of showing interest by the borrowers to settle their dues under OTS-11 Policy.
- Change of status of the mortgaged property during consolidation operation and vesting of leasehold land to Government khata and also allied reasons.

Since the Corporation is suffering from cent percent NPAs in its loan portfolio, with a view to salvage such NPAs, the current Recovery Mix is more in favour of action under Section-29 and One Time Settlement (OTS), although the other tools of NPA management are being resorted to as per necessity. The Corporation approved 15 nos. of applications under OTS-11 scheme at a settlement amount of ₹8.83 Cr. against an outstanding of ₹179.79 Cr. during FY 2019-20.

POSITION OF SEIZURE & SALE

During FY 2019-20, Corporation took over possession of one unit u/s 29 of SFC Act 1951 involving loan outstanding of ₹17.81 Cr. (Principal - ₹0.57 Cr.). During the year, one DDAC meeting was held for sale of seized asset in which, out of 6 nos. of advertised cases, four nos of cases were decided for sale at an aggregate sale consideration of ₹0.04 Cr. (Principal- ₹0.11 Cr.). The Corporation could reduce the portfolio of unsold seized assets by 8 nos. involving an outstanding of ₹6.54 Cr. (Principal- ₹0.52 Cr.) by full materialization of the sale (5 nos) and through release to original borrower (3 nos.) on liquidation of loan. As such, the Corporation is having 384 nos. of seized and unsold units involving an outstanding of ₹605.96 Cr. (Principal- ₹28.19 Cr.) as on 31.03.2020.

COURT CASES

Although the Suit Section of the Legal Department of the Corporation is in place to focus on the litigated account, a sizeable amount continued to remain logged up due to fresh incidence of Legal tangle and non-disposal of old cases. The Corporation usually resort to recovery measures U/s 31 of SFCs Act after exhausting action U/s 29 for realisation of balance loan outstanding or where for some reasons or the other, it is not possible to take action U/s 29. The status of cases filed U/s 29 and related and U/s 31 is given in table below.



(₹ in Cr.)

Particulars	Outstanding			
	Section 29		Section 31	
	No.	Amount	No.	Amount
Pending at the beginning of the year.	133	34.01	580	454.52
Filed during the year.	0	0.00	1	0.53
Disposed of during the year .	2	10.06	0	0.00
Pending for disposal at the end of year.	131	23.95	581	455.05

PROFITABILITY**Net profit / loss**

The Corporation has been posted with a loss of ₹2.35 Cr. during this fiscal as against profit of ₹5.16 Cr for the last year.

Net worth

The Net-worth of the Corporation stood at (-)₹48.15 Cr. as on 31.03.20 as against (-)₹46.26 Cr. as on 31.03.19.

Capital Adequacy Ratio

The Capital Adequacy Ratio as on 31.03.2020 stood at (-)30.54% as against (-)26.72% as on 31.03.19.

FINANCIAL PERFORMANCE**Income & Expenditure**

The Gross income earned by the Corporation during 2019-20 was ₹4.57 Cr. comprising of interest on loans and advance of ₹1.95 Cr., other income of ₹1.75 Cr. in addition to Provision and Expenses written back amounting ₹0.88 Cr against gross income of ₹12.17 Cr. comprising of interest income ₹6.68 Cr., other income of ₹1.76 Cr. and Provision and Expenses written back amounting ₹3.73 Cr. in FY 2018-19

there by registering a decrease of 62.45%. The personnel and administrative expenses, which were ₹6.27 Cr. in 2018-19, has gone down to ₹5.68 Cr. during 2019-20, registering decrease by 9.41%. Total expenses has also decreased to ₹6.63 Cr. in 2019-20 from ₹6.91 Cr. in 2018-19 registering a decrease of 4.05%.

AUTHORISED AND PAID-UP SHARE CAPITAL

The authorized share capital of the Corporation stood at ₹500 Cr.. SIDBI has agreed for conversion of Loan in Lieu of Share Capital of ₹6.225 Cr. together with interest accrued thereon from 01.04.2008 till date of actual conversion to ordinary share capital. Similarly both SIDBI & IDBI Bank have also agreed to convert unpaid minimum guaranteed dividend of ₹25.48 Cr. to Share Capital (50% each). Pending approval of State Government u/s/4(3) of SFCs (Amendment) Act, 2000, the amount of ₹37.31 Cr. is treated as Share Deposits on account of SIDBI and IDBI Bank (including interest of ₹5.60 Cr. accrued on LISC outstanding from 01.04.2008 to 31.03.2020). The position of share capital and loan in lieu of share capital is indicated in table below.

Share capital	(₹ in Cr.)	
	As at 31.03.2020	As at 31.03.2019
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	37.31	36.84
Grand Total:	419.07	418.60



SOURCES & USES OF FUND

			₹ Cr.
Sources	2019-20	Uses	2019-20
Opening Cash/ Bank	22.61	Int. & Other Financial charges	0.78
Recovery	3.09	Admn.& Personnel Expense	5.68
Other Income	1.75	Other cash out go	2.20
Other Receipts	0.13	Closing balance	18.92
Total	27.58	Total	27.58

CLASSIFICATION OF ASSETS & PROVISIONING THEREOF

The entire existing loan portfolios of the Corporation are coming under doubtful and loss category as per the prudential norms of the Reserve Bank of India on Asset Classification. The Corporation has made provisioning of the total loan portfolio of ₹254.25 Cr.

MoU WITH STATE GOVERNMENT

In compliance to the Corporate Governance Manual, the MoU for the FY 2019-20 was executed with MSME Department of the State Government on 27.06.2019.

AUDIT COMMITTEE OF BOARD

During the year under reference, the Audit Committee met once i.e on 30.07.2019 and reviewed the Internal Audit Observations, Action Taken Report on Internal Audit Observations, Annual Accounts for FY 2018-19 with notes thereon and compliance thereof.

INTERNAL AUDIT

Books of accounts, financial and operational transactions of the Branches have been audited by the Internal Audit Department (IAD) of the Corporation during the year under reference. Procedural lapses, Operational lapses, Documentation lapses, Monitoring & Follow-up lapses were examined and brought to the attention of the management for necessary corrective measures. Internal control lapses in key functional areas were pointed out. The department has conducted verification of loan accounts settled under OTS-11 schemes on random basis and authenticated payments like Provident Fund, Terminal dues, Arrears etc., relating to staff. Special audit and other verifications were also carried out as and when required.

Position of Internal Audit conducted during (2019-20).

- No. of reports pending for submission at the beginning of the year - Nil
- No. of Audits completed during the year - 4
- No. of Audit reports submitted during the year - 4
- No. of Audit reports pending for submission at the end of the year - Nil

STATUTORY AUDIT

The Corporation appointed Batra Swain & Associates, Chartered Accountants, Bhubaneswar as Statutory Auditors in the Annual General Meeting held on 30.08.2019 to conduct the Audit of the Books of Accounts of the Corporation for FY 2019-20 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 2019-20.

ANNUAL GENERAL MEETING

The 62nd Annual General Meeting of shareholders was held on 30.08.2019 to adopt the audited Balance Sheet and Profit & Loss accounts of the Corporation for FY 2018-19.

A.G. AUDIT

Each year C & AG 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 with compliance thereof 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. In addition, C & AG has conducted the transaction audit of the Corporation for the FY 2017-18 and 2018-19 and submitted its inspection report on



22.07.2019. The compliance to the observations of all the outstanding paras have been complied and submitted to C & AG.

COMMITTEES

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

In addition to the above committees, three more 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 & COMMUNICATION

TECHNOLOGY

During the financial year no additional Hardware or Software has been acquired keeping in mind the financial constraint of the Corporation. However, the hardware and

software were properly maintained to run the day to day operation of the Corporation without any disruption.

HUMAN RESOURCE MANAGEMENT

During the year, 22 employees have retired from Corporation service on attaining the age of superannuation reducing the staff strength from 86 to 64 as on 31.03.2020. Out of 64 employees, 30 employees are posted at field offices and 29 employees are placed at Head Office of the Corporation and rest 5 employees are under deputation.

In order to enhance the health awareness of the employees of the corporation, one in-house workshop on Heart Disease and Health Care by Dr.Reddy's Foundation for Health Education, Cuttack was arranged in the Head office of the Corporation. 27 employees of the Corporation participated in the workshop.

Staff Accountability Policy is in force and the staffs are accountable for action/inaction leading to loss to the Corporation as well as non-adherence to the guidelines and procedures.

The details of manpower position as on 31.03.20 is as under.

Category	Position as on 01.04.2019	Employees retired/ resigned/ expired.	Employees under deputation service	Position as on 31.03.2020
A Class	12	9	1	3
B Class	56	11	4	45
C Class	18	2	0	16
Total	86	22	5	64

GRIEVANCE REDRESSAL CELL

In order to expedite speedy redressal of the grievance petitions/ representations received from the customers / entrepreneurs, a Grievance Cell at the Corporate Office is functioning. During the year, the cell has received 3 grievance petitions and disposed 4 cases including one case of the previous year leaving no case pending at the end of the year.

INTERNAL VIGILANCE CELL

Internal Vigilance Department acts as the coordinator/ facilitator in between State Vigilance Department and the Corporation. During the F.Y

2019-20, no fresh vigilance case has been registered by the State Vigilance and no such complaints/ irregularities have been noticed.

RIGHT TO INFORMATION CELL

The Corporation has appointed Public Information Officer, Asst. Public Information Officer and Appellate Authority at its Head Office as required under RTI Act, 2005. Besides, one Public Information Officer and one Appellate Authority each for the four Branch Offices have also been designated to enable the citizens to access the information available with the Organization. Necessary and relevant



information for public has also been placed in the website of the Corporation, which is being updated at regular intervals. The position of receipt

and disposal of the RTI applications and appeals during the year 2019-20 is given below:

		No. of Applications	No. of Appeals
1	Pending at the beginning of the year	2	0
2	Received during the year	33	1
3	Disposed during the year	34	1
4	Pending for disposal at the end of the year	1	0

CORPORATE GOVERNANCE

The Corporation is committed to uphold high level of ethical standard of Corporate Governance in all of its functional areas. The Board of the Corporation is constituted as per the provisions of SFCs (Amendment) Act. 2000. The Board of Directors meet regularly to provide effective leadership, guidance and monitors/ review performance of different policies and procedures. The Board has adopted calendar of review which enables thorough critical information to the Board periodically. Recovery strategy and status of NPAs etc. are periodically reviewed and appropriate policy directives are given by the Board.

Board of Directors:

The Corporation is managed by a Board of Directors constituted under Section-10 of the SFC's (Amendment) Act 2000. Shri Prasanna Kumar Jena, IAS is continuing as Managing Director since 17.07.2017. During the year, the following changes took place in the Board of Directors: Sri L.N.Gupta, IAS, Additional Chief Secretary, MSME Department who was continuing as Chairman, OSFC has been superannuated from Government service w.e.f. 03.07.2019. In his place, Shri Hemant Sharma, IAS, Commissioner-cum-Secretary, MSME Department was nominated as Director and Chairman, OSFC w.e.f. 20.11.2019. Shri Prakash Kumar, Chief General Manager, SIDBI, SITI, Bhubaneswar was nominated as Director in place of Shri Rishi Dwivedi, General Manager w.e.f. 23.07.2019. Smt. Praveena Kala, Chief General Manager, SBI, Local Head Office, Bhubaneswar has been nominated as Director in place of Shri B.Venu Gopal Reddy w.e.f. 17.04.2019. Shri Parthasarathi Mishra, IAS, Additional Secretary, Public Enterprises

Department has been nominated as Director in place of Shri A.K.Sethi, Additional Secretary vide MSME Department notification dt.10.12.2019.

Three nos. of Board of Director's meeting, 389th, 390th and 391st Board were held on 17.04.2019, 30.07.2019 and 31.01.2020 respectively during the FY 2019-20. No Executive Committee meeting could be held during FY 2019-20 due to lack of adequate business activities.

ACKNOWLEDGEMENT

The Board of Directors expresses its deep sense of gratitude to the Government of Odisha and all Stake holders 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 MSME Department, the Directorate of Industries, Small Industries Development Bank of India, Industrial Promotion and Investment Corporation of Odisha Ltd., Odisha Industrial Infrastructure Development Corporation, Odisha Small Industries Corporation Ltd., 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/ various Industry Associations/ Forums for their continued contribution to the growth of MSMEs in Odisha and rendering support to the Corporation.

The Board would like to place on record its appreciation for the dedicated services of its employees in overall performance of the Corporation at its difficult situation.

*Annual Accounts
&
Financial Statements*



Batra Swain & Associates

Chartered Accountants
Plot No.L3/80, Housing Board Colony
Acharya Vihar, Bhubaneswar - 751013

INDEPENDENT AUDITORS' REPORT

To

The Shareholders

Odisha State Financial Corporation,
Cuttack-753003

1. Report on the Financial Statements:

We have audited the accompanying standalone financial statements of **Odisha State Financial Corporation** ('the Corporation'), which comprise of the Balance Sheet as at 31st March 2020, Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information(Notes on Account).

2. Management's responsibility for the Financial Statements :

The Corporation's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting standards and principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per OSFC General Regulations 2003 framed as per Section 48 of SFC's Act, 1951 ('the Act') and as per the requirements of Small Industries Development Bank of India (SIDBI) directives. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the SFCs Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements whether due to fraud or error.

3. Auditor's responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit under the provisions of the Act and the Rules made there under.



We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India and provisions of Section 37 of the State Financial Corporation's Act, 1951 as amended by SFCs (Amendment) Act, 2000. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles laid down by SIDBI for SFCs and generally accepted in India, of the State of affairs of the Corporation as at 31st March, 2020, and its profit/loss and its cash flows for the year ended on that date.

5. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

Report on other legal and Regulatory requirements:

As required by Section 143 (3) of the Act, we report that:

- i) We have sought and obtained all the information and explanations which to the best to our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches.
- iii) The operations of the Corporation and transactions that have come to our notice have been conducted in accordance with the provisions of SFCs Act, 1951.
- iv) The income recognition, assets classification, provisioning, calculation of CRAR, assessment of capital adequacy ratio, various other ratios/items and disclosures in the notes on accounts have been done as per the guidelines and circulars issued by the SIDBI from time to time.
- v) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow statements dealt with by this Report are in agreement with the books of account and returns.
- vi) In our opinion the aforesaid financial statements comply with the Accounting Standards and guide lines issued by SIDBI for SFCs from time to time.



- vii) (a) According to the information and explanations given to us, no material discrepancies have been noticed/ reported by the management between the books records and the physical fixed assets.
- (b) The matter regarding physical possessions and title deeds of immovable properties are disclosed vide Note-6 Schedule R- Notes on Accounts. Since title of all immovable properties are not held in the name of the corporation and revaluation of fixed assets has not been undertaken to give a true and fair position, its impact on accounts, could not be ascertained/commented.
- viii) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the corporation has generally been regular in depositing undisputed statutory dues during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they became payable.
- ix) According to information and explanations given to us, the State Government has taken up the matter with SIDBI for recasting of the crystallized amount of OTS of Refinance and to settle the same at the amount already paid by the corporation without insisting for payment of any further amount. Further, it is made to understood that since the matter is under active consideration of State Govt. and as well as SIDBI to settle the issue, no inference has been drawn and accordingly its impact if any, on the accounts could not be ascertained.

FOR BATRA SWAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
F R N: 0322050E

Place: Bhubaneswar

Dated: 17th December 2020

Sd/-
(A N MAHAPATRA, FCA)
Membership No. 066784
PARTNER



ODISHA STATE FINANCIAL CORPORATION BALANCE SHEET AS ON 31st March 2020

Particulars	Schedule Ref.	As at 31st March 2020	As at 31st March 2019
CAPITAL AND LIABILITIES		₹	₹
CAPITAL	A	4190735300	4186066550
Loan pending conversion to Share Capital	B		-
Reserves and Surplus	C	267466790	267466790
Borrowings	D	1060262781	1060262781
Other Liabilities and Provisions	E	513535414	525673108
TOTAL		6032000285	6039469229
ASSETS			
Cash and Bank Balances	F	189218526	226050875
Investments (Net of Dimunition Reserve)	G	2	2
Loans and Advances(Net of provisioning for NPA)	H		-
Fixed Assets	I	210009878	211675235
Other Assets	J	893728743	886241162
Profit and Loss Appropriation Account		4739043136	4715501955
TOTAL		6032000285	6039469229

SIGNIFICANT ACCOUNTING POLICIES

NOTE ON ACCOUNTS

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

Q

R

As per our Report
of even date

For Batra Swain & Associates
Chartered Accountants
FRN.322050E

Sd/-
(Alok Dash)
HoD (FAD)
OSFC

Sd/-
(P.K. Sahani, OAS (SAG)
MANAGING DIRECTOR
OSFC

Sd/-
(M. K. Biswal)
DIRECTOR
OSFC

Sd/-
(S. K. Prusty)
DIRECTOR
OSFC

Sd/-
(A. N. Mahapatra, FCA)
Membership No.066784
PARTNER



ODISHA STATE FINANCIAL CORPORATION

BALANCE SHEET AS ON 31st March 2020

Particulars	Schedule Ref.	As at 31st March 2020	As at 31st March 2019
CAPITAL AND LIABILITIES		₹	₹
CAPITAL	A	4190735300	4186066550
Loan pending conversion to Share Capital	B		-
Reserves and Surplus	C	267466790	267466790
Borrowings	D	1060262781	1060262781
Other Liabilities and Provisions	E	513535414	525673108
TOTAL		6032000285	6039469229
ASSETS			
Cash and Bank Balances	F	189218526	226050875
Investments (Net of Dimunition Reserve)	G	2	2
Loans and Advances(Net of provisioning for NPA)	H		-
Fixed Assets	I	210009878	211675235
Other Assets	J	893728743	886241162
Profit and Loss Appropriation Account		4739043136	4715501955
TOTAL		6032000285	6039469229

SIGNIFICANT ACCOUNTING POLICIES

Q

NOTE ON ACCOUNTS

R

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

As per our Report
of even date

For Batra Swain & Associates
Chartered Accountants
FRN.322050E

Sd/-
(Alok Dash)
HoD (FAD)
OSFC

Sd/-
(P.K. Sahani, OAS (SAG)
MANAGING DIRECTOR
OSFC

Sd/-
(M. K. Biswal)
DIRECTOR
OSFC

Sd/-
(S. K. Prusty)
DIRECTOR
OSFC

Sd/-
(A. N. Mahapatra, FCA)
Membership No.066784
PARTNER



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2020			
Particulars	Schedule Ref.	As at 31st March 2020	As at 31st March 2019
INCOME (A)		₹	₹
Income from Operations (Interest)	N	19463404	66806647
Other Incomes	O	17507888	17649567
Provisions/ Expenses Written Back		8752810	37276685
Total Income (A)		45724102	121732899
EXPENDITURES (B)			
Other Financial Expenses	K	7834461	4700027
Personnel Expenses	L	53091189	58939925
Administrative Expenses	M	3714683	3785402
Depreciation	I	1639632	1722893
Total Expenditure (B)		66279965	69148247
Operating Profit (A - B)		(20555863)	52584652
Less Provision for NPA (Net)		-	
Profit Before Tax			52584652
Less: Provision for Taxation		-	
Profit after Tax			52584652
Less Net prior period Adjustments	P	2985318	954406
Profit/(Loss) Carried to P & L Appropriation A/C		(23541181)	51630246

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

As per our Report
of even date

For Batra Swain & Associates
Chartered Accountants
FRN.322050E

Sd/-
(Alok Dash)
HoD (FAD)
OSFC

Sd/-
(P.K. Sahani, OAS (SAG)
MANAGING DIRECTOR
OSFC

Sd/-
(M. K. Biswal)
DIRECTOR
OSFC

Sd/-
(S. K. Prusty)
DIRECTOR
OSFC

Sd/-
(A. N. Mahapatra, FCA)
Membership No.066784
PARTNER



ODISHA STATE FINANCIAL CORPORATION		
CASH FLOW STATEMENT		
PARTICULARS	For the Year ended on March 31ST, 2020 (CURRENT YEAR)	For the Year ended on March 31ST, 2019 (PREVIOUS YEAR)
(A) CASH FLOW FROM OPERATING ACTIVITIES	₹	₹
Profit / Loss before Tax	(20555863)	52584652
Add / Less: - Depreciation	1639632	1722893
Cash from Operations (i)	(18916231)	54307545
ADJUSTMENTS FOR OPERATING ASSETS / LIABILITIES & OTHER EXPENDITURES		
Increase/(Decrease) in Liabilities		0
Borrowings		
Other Liabilities	(12137694)	21102619
Decrease / (Increase) in Assets		
Loans and Advances		1060480
Other Assets	(7487581)	(9210171)
Other Expenditures		
Direct Taxes Paid		
Net Prior Period Adjustment	(2985318)	(954406)
Net Cash Used in Operating Liabilities/Assets & Expenditures (ii)	(22610593)	11998522
Net Cash (Used in)/ Flow from Operating Activities. (i) + (ii)	(41526824)	66306067
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets (Net Addition)		(104100)
Adjustment of depreciation for earlier year		
Redemption of Investment (Net)		
Sale of fixed Assets	25725	
Net Cash from investment activities		
C) OTHER CASH FLOWS (from financial activities)		
Increase/ (Decrease) in Share Capital/ Subordinated Debts	4668750	4668750
Increase/ (Decrease) in Reserve Fund		
Net Cash Flow from Other/ Financial Activities	4694475	
NET CASH FLOW/ NET CASH USED DURING THE YEAR	(36832349)	70870717
Net increase/ (decrease) in cash and Cash equivalents		0
Cash & Cash equivalents at beginning of the year	226050875	155180158
Cash & Cash equivalents at the end of the year	189218526	226050875

As per our Report of even date

For Batra Swain & Associates
Chartered Accountants
FRN.322050E

Sd/-
(Alok Dash)
HoD (FAD)
OSFC

Sd/-
(P.K. Sahani, OAS (SAG)
MANAGING DIRECTOR
OSFC

Sd/-
(M. K. Biswal)
DIRECTOR
OSFC

Sd/-
(S. K. Prusty)
DIRECTOR
OSFC

Sd/-
(A. N. Mahapatra, FCA)
Membership No.066784
PARTNER



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE A - SHARE CAPITAL

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
AUTHORISED 50000000 SHARES OF ₹100/- EACH	5000000000	5000000000
ISSUED	5000000000	5000000000
(A) 42100000 (42100000) ORDINARY SHARES OF ₹100/- EACH ISSUED U/S(4)(2) OF SFC's ACT, 1951	4210000000	4210000000
(B) 400000 SPECIAL SHARES OF ₹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 ₹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 ₹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	373104800	368436050
TOTAL:	4190735300	4186066550

* Out of Loan in Lieu of Share Capital outstanding of ₹ 622.50 lac, ₹622.00 lac has been converted to Ordinary Share Capital and Share allotments of ₹0.50 lac 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 7.50% pa 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 31.03.2020	56025000
	118275000
MGD (SIDBI Share)	127389900
	245664900
IDBI - MGD	127389900
TOTAL	373054800



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

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
STATE GOVERNMENT		
Loan in lieu of Share Capital	-	-
TOTAL:	0	0

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

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
(A) DISTRIBUTABLE PROFITS		
i) GENERAL RESERVES (U/S 35 of SFC's ACT)	148000	148000
i) SPL. RESERVE (U/S 36(1) OF I.T.ACT, 1961)	63206530	63206530
SUB TOTAL (A)	63354530	63354530
(B) NON DISTRIBUTABLE PROFITS		
i) SPECIAL RESERVE FUND (U/S 35-A OF SFC's ACT, 1951)	3436867	3436867
ii) REVALUATION RESERVE	200675393	200675393
SUB TOTAL (B)	204112260	204112260
TOTAL (A+B)	267466790	267466790

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE D- BORROWINGS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
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		
(i) Restructured Refinance		
(ii) New LOC under TRA		
ii. 0% Funded Loan		
iii. Interest Accrued & Due on Refinance		
iv. REFINANCE / LOC AGREED FOR OTS	150000000	150000000
v. REFINANCE / LOC / FUNDED LOAN & INTEREST AGREED FOR WAIVER	836087217	836087217
Sub Total	986087217	986087217
(B) INTEREST ACCRUED AND DUE (LISC)		
i. On Loan-in-lieu of Share Capital - SIDBI/IDBI	74175564	74175564
Sub Total	74175564	74175564
TOTAL	1060262781	1060262781



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE E - OTHER LIABILITIES AND PROVISIONS

	Particulars	As at 31.03.2020	As at 31.03.2019
		₹	₹
A	OTHER LIABILITIES		
I.	SUNDRY DEPOSITS	392474722	406688695
II.	EXCESS AMOUNT PAYABLE ON SALE OF MORTGAGED / HYPOTHECATED ASSETS	6521447	6625611
III.	DIVIDEND PAYABLE	539101	539101
IV.	UNCLAIMED LIABILITIES	1730000	1730000
	AMT. PAYABLE TO STATE AID FUND	283233	283233
V.	SHARE OF STATE GOVT. & OTHERS PAYABLE- LOANEE	1386495	1386495
VI.	AGENCY FUND		
(a)	St. Govt. Seed Money Fund	17189074	17189074
(b)	St. Govt. Soft Loan Fund	2276533	2276533
(c)	St. Govt. M.M. Assistance Fund	3748315	3748315
(d)	SIDBI Seed Capital Fund	2116215	2116215
(e)	SIDBI National Equity Fund	46159637	46159637
(f)	Orissa Venture Capital Scheme Fund	4690000	4690000
(g)	Orissa MSME Tech.Upgradation Fund	4800000	4800000
VII.	OTHER DEPOSITS- AGENCY	26452854	26140258
	SUB TOTAL - (A)	510367626	524373167
B.	PROVISIONS		
VIII.	CONTINGENT PROVISION AGAINST STANDARD ASSETS		
IX.	PROVISION AGAINST EXPENSES	3167788	1299941
	SUB TOTAL - (B)	3167788	1299941
	TOTAL (A + B)	513535414	525673108



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - F CASH AND BANK BALANCES

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
(A) CASH IN HAND	15610	849903
(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/ Savings Accounts	10852534	1245336
ii. Scheduled Banks In Fixed Deposit Accounts	128924005	151144839
iii. Scheduled Banks in Flexi Deposit Accounts	49424911	72808459
iv. Cash in transit		
(C) STAMPS IN HAND	1466	2338
TOTAL	189218526	226050875

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE G - INVESTMENTS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
(A) IN SHARES : UNQUOTED - AT COST		
1) M/S.BHASKAR TEXTILE MILLS LTD (400 Preference Shares of ₹100/-Each)	40000	40000
2) M/s.Orissa Industrial and Technical Consultancy Organisation Ltd. (87 Equity Shares of ₹1000/-Each)	87000	87000
Sub Total	127000	127000
(B) Less: Dimunition Reserve	126998	126998
Net value (A - B)	2	2
Total	2	2



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE H - LOANS AND ADVANCES

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
1. PRINCIPAL AMOUNT		
(A) Direct Operation		
i. Term Loan under various schemes	2433517664	2442427552
ii. Soft loan under Special Share Capital Schemes	19914668	19914668
iii. Bridge Loan	1790160	1790160
iv. Loan against Govt. Seed Money	655941	655941
v. Loan against IDBI Seed Capital	504996	504996
Sub Total :	2456383429	2465293317
(B) Loan Under Special Schemes		
i. Short Term Working Capital Loan	72248107	72248107
Sub Total :	72248107	72248107
Total (A + B)	2528631536	2537541424
2. Misc. Expenses on Loans & Advances	13887410	13730332
Total (1 + 2)	2542518946	2551271756
3. Less NPA Provision		2551271756
NET AMOUNT OF LOANS & ADVANCES	0	0

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE I - FIXED ASSETS AS ON 31.03.2020

TYPE OF ASSETS		COST (In Rupees)							DEPRECIATION (In Rupees)				WRITTEN DOWN VALUE	
	Rate of Depreciation	As on 31-03-2019	Additions during the Year	Sale/ Transfer during the year	Addition due to Revaluation	Less aid received from Govt. during the year	Net Addition during the year	As on 31-03-2020	Up to 31-03-2019	During the year	Addition during the year for prior year	Up to 31-03-2020	As on 31-03-2020	As on 31-03-2019
LAND		179123947						179123947					179123947	179123947
OFFICE BUILDING	4.87%	86626042						86626042	54775521	1551120		56326641	30299401	31850521
OTHER BUILDING	4.87%	3000000						3000000	2487799	24944		2512743	487257	512201
VEHICLE (Motor Cycle)	25.89%	9600195						9600195	9558003	10924		9568927	31268	42192
FURNITURE & FIXTURE	25.89%	3959532		25725				3933807	3933807			3933807		25725
OFFICE EQUIPMENTS	45.07%	5893686						5893686	5788567	47377		5835944	57742	105119
COMPUTER	63.16%	14855333						14855333	14851987	2113		14854100	1233	3346
ELECTRICAL INSTALLATION &	25.89%	799719						799719	787535	3154		790689	9030	12184
LIBRARY	100.00%	339791						339791	339791			339791		
CURRENT YEAR TOTAL		304198245		25725				304172520	92523010	1639632		94162642	210009878	211675235
PREVIOUS YEAR TOTAL		304198245	104100				104100	304198245	90800117	1722893		92523010	211675235	213294028

NOTE: 1. 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 J - OTHER ASSETS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
i Stationery & Stores	23722	29599
ii Loans/ Advance to Employees	838057	972867
iii Travelling Advance to Managing Director		
iv Deposit of Fees - under CPA	217615	217615
v Other Recoverable Dues		
(a) Rent of Premises receivable	2862506	2818215
(b) Advance to Advocates	1299615	1116815
vi Interest accrued but not due on deposits with bank	5784885	4021604
vii Agency Operation		
(a) State Govt. Seed Money Disbursed	14401853	14401853
(b) State Govt.M.M. Asst. Disbursed	2567995	2567995
(c) IDBI Seed Capital Disbursed	1000000	1000000
(d) SIDBI Seed Capital Disbursed	2123378	2123378
(e) SIDBI NEF Disbursed	29186747	29186747
(f) State Govt. Soft Loan Disbursed	817192	817192
(g) Service charges IDBI seed capital recoverable	153600	153600
(h) SIDBI MUN Soft Loan Fund Disbursed	134600	134600
(i) Agency commission accrued	327186	327186
viii (a) Funded Interest - SIDBI Refinance	179500000	179500000
(b) Payment of Refinance Interest under protest	301386698	301386698
ix Sale of Mort.Assets Settlement Account (Jt.Finance)		
(a) IPICOL	20793754	20793754
x Advance Taxes	2087558	3688488
xi Disputed payments-under protest	179069	179069
xii Deposits against Court Directives	95018606	86360434
xiii Security Deposit - Telephone	17000	17000
xiv Security Deposit - Electrical Installation	273070	273070
xv Advance payment of Loan to State Govt.	230884097	230884097
xvi Govt. assistance for EDP		
xvii VR employees exgratia expenses	1849940	3269286
TOTAL	893728743	886241162



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE K - FINANCIAL EXPENSES

Particulars	2019-20 (Current Year)	2018-19 (Previous Year)
	₹	₹
I Bank Charges & Commission	5480	8890
II Interest / Compensation Payment as per Court Directive	3152033	10000
III GST	8198	12387
iv Interest on Loan in Lieu of Share Capital	4668750	4668750
Total	7834461	4700027

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE L - PERSONNEL EXPENSES

	Particulars	2019-20 (Current Year)	2018-19 (Previous Year)
		₹	₹
i.	Salaries & Allowances		
(a)	Managing Director Salary		
(b)	Employees Salary	39528377	44989409
(c)	Consolidated wages	2530733	1427309
ii.	Employer's contribution to EPF	5190106	7604021
iii.	Medical aid to staff	202869	271500
iv.	Insurance Premium paid on GIS	51817	75416
v.	Contribution to Employees Group Gratuity Fund-LIC of India	1627295	1707233
vi.	Leave Encashment	10823997	12200449
vii.	Gratuity Payment	17811257	20397051
viii.	Contribution to Employees Group Leave Encashment Fund-LIC of India	4063	5369
ix.	Employer's contribution to Staff Welfare Fund		32497
x.	Ex-Gratia under-VRS	1419346	1414346
xi.	Salary in lieu of pension	3506472	4047261
	SUB-TOTAL	82696332	94171861
xii.	Less:		
i)	Claim settled by LIC of India towards Leave Encashment under GLES	10823997	12017311
ii)	Claim settled by LIC of India towards Gratuity under GGS	17811257	20954056
xiii.	Leave salary contribution received from other organisation a/c deputed employees	669882	1391395
xiv.	Gratuity contribution received from other organisation a/c/ deputed employees	300007	869174
	SUB-TOTAL	29605143	35231936
	TOTAL	53091189	58939925



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE M- ADMINISTRATIVE EXPENSES

Particulars		2019-20 (Current Year)	2018-19 (Previous Year)
		₹	₹
1	Travelling Expenses		
	i. Managing Director	71793	
	ii. Directors and Committee Members		
	iii. Employees and others	31245	86371
2	Directors and Committee Members Sitting Fee	3000	5000
3	Rent, Electricity & Water Charges	503202	855229
4	Computer Stationary	37620	31705
5	Printing & Stationary	67472	170878
6	Publicity & Advertisement	26080	60689
7	Repairs & Renewals	258189	44631
8	Computer Software	24235	
9	Audit Fees		
	(a) Statutory Audit	88500	88500
	(b) Tax Audit	17700	17700
10	AMC Fees & Expenses	145888	170018
11	Audit Expenses	11484	6073
12	Other Legal Expenses	97345	4887
13	Professional Fees & Expenses	28904	43745
14	Fees & Subscription		11650
15	Newspapers & Periodicals	1775	1635
16	Rates, Taxes & Insurance	240633	265796
17	Vehicle Repair & Maintenance	72246	68493
18	Telephone Expenses	129245	169290
19	Fuel & Lubricants Expenses	228400	234120
20	Postage Stamps & Telegrams	18422	34796
21	Conveyance Expenses	256550	365500
22	Vehicle hire Charges	7792	11355
23	Miscellaneous Expenses	1305675	953816
24	Fees paid to Advocates		22650
25	Meeting Expenses	35888	42245
26	Computer Servicing Expenses	5400	18630
	TOTAL:	3714683	3785402



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

	Particulars	2019-20 (Current Year)	2018-19 (Previous Year)
		₹	₹
i.	Interest on Term Loans	15412863	55913780
ii.	Interest on Soft Loans		32188
iii.	Interest on FITL	180149	
iv.	Penal Interest on Loan	1915576	8688456
v.	Interest on Standard Loan		12105
vi.	Interest on Short Term Loan		663851
vii.	Interest on Rephased Loan	187602	178331
viii.	Delayed Period Interest (OTS)	1767214	1317936
	Total	19463404	66806647

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

	Particulars	2019-20 (Current Year)	2018-19 (Previous Year)
		₹	₹
i.	Interest on Term & Flexi deposits with Bank	13248102	10767808
ii.	Interest on SB A/c	23882	24400
iii.	Sale of Forms	19200	
iv.	Sale of Project Profiles		1450
v.	Right to Information Fees	957	2119
vi.	Miscellaneous Income	175074	2085300
vii.	Other Income on regular basis	3856138	3976425
viii.	Interest on Staff Advances		
	(a) Interest on House Building Adv.	107216	609563
	(b) Interest on Vehicle Adv.		11283
	(c) Interest on Personal / Commercial Loan	1319	9719
ix.	Misc. Receipt - Recovery Administration	35000	69000
x.	Income from other Fee based activities	41000	92000
xi.	Sitting fees		500
	Total	17507888	17649567



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

SCHEDULE P - INCOME & EXPENDITURES FOR PREVIOUS YEAR

(A) - Prior Year Income		2019-20 (Current Year)	2018-19 (Previous Year)
i)	Interest on fixed deposit of earlier year received this year from the OSCB Ltd.		1076000
ii)	Amount received from Office of the Liquidator on account M/s Konarka Paper Industries Ltd.		225000
iii)	Amt. credited towards principal appropriated as Int. income on reconciliation		
	(A) Cuttack - Lalatendu Keshari Das		75778
	(B) Bhubaneswar- Hotel Basanti		847176
	TOTAL		2223954
(B) - Prior Year Expenditure			
(i)	Interest income reversal under OTS scheme	2983620	3178360
(ii)	Excess recovery of interest on House Bulding Loan earlier is now refunded	1698	
	TOTAL	2985318	3178360
	NET (B) - (A)	2985318	954406



SCHEDULE – 'Q'

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

Accounting convention

- 1.1 The accompanying Financial Statements are prepared on historical cost convention (other than revalued Land & Building) by following going concern concept and conforming to the prevailing statutory provisions, regulatory norms /guidelines 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 has been following Mercantile System of accounting with an exception relating to the Interest Income on Non Performing Assets (NPA) which is accounted for on actual receipt/ realization basis.

1.3 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions consider in the reporting amount of assets & liabilities (including contingent liabilities) as of the date of financial statement & the reported income and the expenses during the reporting period. Management believes that the estimates wherever use in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and the estimates each recognized in the period in which the results are known/ materialised.

2. INCOME RECOGNITION

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

2.2 Interest on Lending

The Corporation is charging Interest on the Loan accounts of assisted units (financed from FY-2010-11 onwards) on monthly compounding basis due for payment on 6th of every month.

2.3 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 realization.

3. CASH FLOW STATEMENTS

Cash & cash equivalents includes cash in hand, balances with other banks and stamp in hand.

4. 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.

5. 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.



6. LOANS & ADVANCES & APPROPRIATION OF RECEIPTS / RECOVERIES

- 6.1 The assets under loans and advances have been classified as per prudential norms set by SIDBI/RBI.
- 6.2 The Miscellaneous Expenses on loans and advances recoverable from the loanees are being shown under Loans & Advances.
- 6.3 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, in case of One Time Settlement (OTS), sale of Seized Assets U/s 29 of SFCs Act and rephasing / rescheduling cases appropriation are made in the following manner,

<u>One Time Settlement (OTS) Case</u>	<u>Sale of Assets U/s 29 of SFC/s Act cases</u>	<u>Rephasing/Re-scheduling cases</u>
1 st - Principal	1 st - Other charges	1 st Other charges
2 nd Other charges	2 nd - Principal	2 nd Interest & Penal Interest (on funded capital & unrepaid portion of loan)
		3 rd principal overdues of rephased/Funded capital/ unrepaid 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 unrepaid & portion of loan
		6 th Interest on FITL
		Last Funded Interest Term Loan (FITL)

7. SHARING OF SALE PROCEEDS ON JOINT FINANCING CASES:

- 7.1 Sharing of sale proceeds realized 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 financiers with mutual acceptance and consent.
- 7.2 In the case of Joint Finance Single documentation is done at OSFC level as per the mutual understanding with the Co-Financiers.

8. FIXED ASSETS:

- 8.1 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.
- 8.2 **Capitalization of Assets:**
The Corporation is following the practice of capitalization of assets at the time of put to use on the basis of cost of acquisition & other expenses directly related thereto.



9. DEPRECIATION:

In accordance with the guidelines set by SIDBI for SFCs, Corporation charges depreciation as per provisions of Companies Act. In absence of details of acquisition and details of components of Fixed Assets since inception, it is difficult to apply component approach and calculate depreciation as per Companies Act 2013 Depreciation on fixed assets is provided on written down value method at the minimum rates prescribed under part “C” of Schedule II Companies Act, 2013 as follows.

Rate of Depreciation

Building-	4.87%
Office Vehicle-Motorcycle	25.89%
Office Vehicle-Motor Car	31.23%
Furnitures & Fixtures-	25.89%
Office Equipments-	45.07%
Library-	100%
Computers-Hardware & Software	63.16%
Electrical Installation & Equipments	25.89%

- 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.

10. RETIREMENT BENEFITS TO EMPLOYEES: (AS 15)

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.

- a) 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.
- b) 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 are charged to the profit & loss account. Gratuity and leave encashment salary are paid to the retirees employees after receiving such amount from LIC of India.

11. ASSET CLASSIFICATION AND PROVISIONING

- (a) 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 SIDBI as under :



Provisions

- i. Standard Assets @0.25% of Loan Assistance to MSME, @0.40% of others @1% of CRE, @0.75% of CRE (Residential Housing sector) and Restructured Accounts (Non Infrastructure Sector @0.40%)
- ii. Sub-Standard Assets a) Secured Substandard – Up to 6 month @15%
6 month to 1Yr @25%
b) Unsecured Substandard - Up to 6 month @25%
6 month to 1Yr @40%
- iii. Doubtful Assets Doubtful upto 1 Year (Secured portion) @40%
Doubtful above 1 Year up to 3 years (Both Secured & unsecured portion) @100%
Doubtful more than 3 Years @100%
- iv. Loss Assets The entire loan (i.e. 100%)
- (b) As per the guidelines issued by SIDBI vide No.2928/SFCs (CELL) NPA dated.04.09.2015 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. FI No.06/2015-16 dt.04.09.2015 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.

12. 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 deposits	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%



13. 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.
- Unutilized Agency Funds are carried forward and benefits arising on such Fund is appropriated by the corporation as per the practice followed since institution of the Agency Fund operations under Agency arrangements.

14. PROVISIONS, CONTINGENT LIABILITIES / ASSETS (AS 29)

Contingent Liabilities are disclosed by way of notes. Contingent Assets are not recognized. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

15. 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.

As per our Report of even date

**For Batra Swain & Associates
Chartered Accountants
FRN.322050E**

**Sd/-
(Alok Dash)
HoD (FAD)
OSFC**

**Sd/-
(P.K. Sahani, OAS (SAG)
MANAGING DIRECTOR
OSFC**

**Sd/-
(M. K. Biswal)
DIRECTOR
OSFC**

**Sd/-
(S. K. Prusty)
DIRECTOR
OSFC**

**Sd/-
(A. N. Mahapatra, FCA)
Membership No.066784
PARTNER**



SCHEDULE 'R'
NOTES ON ACCOUNTS

1. SHARE CAPITAL:

- 1.1 Interest accrued on LISC and payable to SIDBI for the period from FY 2019-20 has been considered as conversion to share capital as agreed by SIDBI & included in share deposits pending allotment.
- 1.2 Approval of State Govt. u/s 4(3) of SFC (Amendment) Act 2000 for allotment of shares of ₹3731.05 lakh (₹3684.36 lakh) 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 31.3.2020 is ₹199.15 lakh. (₹199.15 lakh)

2. DIVIDEND PAYABLE :

- 2.1 No dividend for the year has been declared for non-availability of surplus due to accumulated loss as on 31.03.2020

3. LIABILITIES FOR RETIREMENT BENEFITS

- 3.1 For payment of Gratuity and Encashment of Leave Salary, the Corporation employees are covered under Group Gratuity Scheme & Group Leave Encashment Scheme of LIC of India.
- 3.2 Employees Provident Fund is governed under section 48 of SFC act 1951 and its own P.F. Regulations formulated with prior approval of State Government and RBI. The fund is managed by the Board of Administrators.
- 3.3 Gratuity liability as per amended provisions of Gratuity Act 1972 and Leave Salary Encashment liability as per Regulation 83(1) (d) of OSFC Staff Regulation 1975 as per actuarial valuation by LIC has been fully provided as on 31.3.20. The Fund position as on 31.3.20 under GGS is ₹426.62lakh and under GLES is ₹279.81lakh.

4. OTHER STAFF LIABILITIES

- 4.1 Arrear Salary on account of 6th Pay revision which has not been provided as the matter is pending with the Supreme Court of India.
- 4.2 Out of the ex-gratia payment of ₹7096732/- for the above purpose, made out of the Corporation fund ₹1849940/- has been treated as deferred revenue expenditure by spreading the entire expenditure over 5 years in terms of Sec.35DDA(1) of I.T. Act, 1961. Hence effect of this in profit & loss account is ₹1419346/- for FY 2019-20 (Previous year ₹1419346/-).

5. LOANS AND ADVANCES

- 5.1 Letters seeking confirmation of outstanding balances in Loan Accounts were sent by the Corporation to borrowers, except cases under litigation. Balance in respect of loanees 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 ₹4.13 Lakh (Pr. Yr. ₹3.64 Lakh) has been fully provided for.
- 5.2 The loans and advances have been shown net of funded interest term loan of ₹845.16 Lakh (last year ₹891.40 Lakh)
- 5.3 During the year 17 loan (43) accounts are settled under OTS and ₹111.22 lakh (₹372.79 lakh) has been realized. The Corporation waived/sacrificed Interest/penal interest amounting to ₹645.81 lakh (₹5834.61 lakh) and principal of ₹0.00 lakh (₹0.11 lakh) for settling these accounts under OTS. The interest sacrifice / waiver is made from Loan Memorandum A/c.
- 5.4 As on 31.3.2020, Interest dues of ₹5384.92 Crore (₹4734.63 Crore) is outstanding for recovery on loan accounts of NPA Loanees as per Loan Memorandum Account, which is not



recognized as income.

- 5.5 Interest income of ₹29.83 Lakh of earlier years reversed and appropriated towards Principal during the Financial Year under OTS Scheme

6. FIXED ASSETS

- 6.1 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, Cuttack Madhupatna, Barbil, Phulbani are under process for execution.

- 6.2 Land and Building shown under schedule 'I' 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.

6.3. INVESTMENTS

Investment shown in balance sheet are shown net off diminution reserve. Shares are held in physical form.

7. INCOME / PROVISIONS WRITTEN BACK

- 7.1 Out of provisions against NPA made up to 31.03.2019, ₹36.96 lakh is no more required due to recovery of Loans and hence written back to P & L Account..

- 7.2 During the year 17 nos of loan account has been fully repaid under OTS out of the NPA, resulting written back of provision of ₹50.56 lakh to P&L Account and loan dues.

8. INCOME TAX & SERVICE TAX

- 8.1 Income Tax scrutiny Assessment for the A.Y. 2015-16 has been completed on dt.9.7.18 (FY 2014-15).

- 8.2 No provision for Income Tax for the year has been made since the accumulated loss still continues, as the liability for the same does not arise.

9. CLASSIFICATION OF ASSETS & PROVISIONING

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

Asset Category	Outstanding Loans		Rate of Provisions		Provision (Loan)		Net Assets (Loan) Outstanding	
	As on 31.03.20	As on 31.03.19	Current Year	Previous year	As on 31.03.20	As on 31.03.19	As on 31.03.20	As on 31.03.19
Standard								
Direct Loan - Regular	-		0.25%	0.25%				
Direct Loan – Restructured A/c	-		0.40%	0.40%		-		
Personal Loan	0.00262	0.00377	0.40%	0.40%	0.00001	0.00002	0.00262	0.00377
Vehicle & Housing Loan	-		0.40%	0.40%		-		
	0.00262	0.00377	-	-	0.00001	0.00002		
NPA								
Sub Standard	-	-	25%	25%		-		
Doubtful – I	-	-	40%	40%		-		
Doubtful – II	4.74	4.74	100%	100%	4.74	4.74		
Doubtful – III	121.87	122.39	100%	100%	121.87	122.39		
Loss	127.64	127.99	100%	100%	127.64	127.99		-
Total (NPA)	254.25	255.12			254.25	255.12		-
Grand Total	254.25	255.12			254.25	255.12	0.00262	0.00377

- Standard assets as on 31.03.2020 includes ₹ 0.00262 Cr Personal Loan to Employees disclosed under Advance to Employees – Other Assets – Schedule J.



9.2 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.

9.3 Valuation of Industrial and collateral securities as per advise of SIDBI for classification of assets is under process. Pending finalization of valuation entire NPA is fully provided.

10. SEGMENT REPORTING (AS-17)

The Corporation operates as a single unit with single profit centre and has concentrated mainly on Recovery in the absence of fresh financing in MSME Sector of the State.

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

Since the Corporation has incurred loss in the past 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.

12. CONTINGENT LIABILITIES ENVISAGED BY THE CORPORATION
Estimates

14nos. of cases filed against the Corporation involving claims of ₹1400.99 lakh(15 nos. ₹1409.25 lakh)

13. 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 L.N. Gupta, IAS, Additional Chief Secretary to Govt., MSME Department & Chairman from dt.03.11.2016 to 02.07.2019
- (ii) Sri Hemant Sharma, IAS Principal Secretary to Govt., MSME Department & Chairman from 20.11.2019 & continue
- (iii) Sri Prasanna Kumar Jena, IAS Managing Director from 14.7.17 & continue.

Gross salary including perquisites / Honorarium - Nil

Outstanding Balance of loans as on 31.03.20
in respect of above persons - Nil

Interest on Loan granted to Key Managerial person - Nil

14. Disclosure Requirements in terms of chapter II of the
SEBI (Substantial Acquisition of Shares and Takeovers)
Regulations, 1997

- Nil

15. GENERAL

15.1 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.



15.2 Prior period expenses shown in the Profit & Loss Account is the net of credit of Prior period income of ₹0.00(₹2223954/-) Ref. Schedule-P

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

15.4 Figures have been rounded up to the nearest rupee.

15.5 Figures mentioned in the brackets with notes on accounts are relate to previous year .

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

16. DISCLOSURE REQUIREMENT AS PER SIDBI GUIDELINES

CAPITAL

CAPITALADEQUACY

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

1	CAPITAL BASE		Core Capital	Tier-II Capital	TOTAL Capital
	Ordinary Share Capital		41907.35	-	41907.35
	Loan pending conversion to Share Capital		-	-	-
	Free Reserve & Surplus		667.91	-	667.91
	Provision on Standard Assets		-	-	-
	Assets Revaluation Reserve (₹.2006.75 lakh discounted at 55%)		-	903.04	903.04
	Total		42575.26	903.04	43478.30
	Accumulated loss		47390.43	-	47390.43
	Net Capital Base		(-)4815.17	903.04	(-)3912.13
2	Risk Weight Adjusted Assets	Amt. as per balance Sheet (Book Value)	Risk weight % Amount	Risk Products	
(A) On Balance Sheet Items					
a)	Cash & Bank Balance				
	Cash / Stamp in Hand	0.18	0%	-	
	Bank Balance with Nationalised/Scheduled Banks and in transit.	602.77	20%	120.55	
	Short Term Deposits with Banks	1289.24	20%	257.85	
	Total:-	1892.19		378.40	
b)	Investments		100%	-	
c)	Loans and Advances(including other charges)	-	100%	-	
d)	Fixed Assets (Net)	2100.10	100%	2100.10	
e)	Other Assets				
	Staff Advance	8.38	20%	1.67	
	Others	8928.90	100%	8928.90	
f)	Intangibles	-			
	Total Assets	12929.57		11409.07	
(B) Off Balance Sheet Items					
i.	Guarantees	-	100%	-	
ii.	Claims against the Corporation	1400.99	100%	1400.99	
iii.	Other Items		100%		
	TOTAL B	1400.99		1400.99	
	GRAND TOTAL (A+B)	14330.56		12810.06	



RISK BAND – RISK BASED ASSETS

Risk band	Total Amount (including OBS)	Loss Reserves Intangibles	Net Amount	Risk Weighted Value
Zero Risk	0.18	-	0.18	-
20% Risk	1900.39	-	1900.39	380.07
100% Risk				
BS	11029.00	-	11029.00	11029.00
OBS	1400.99	-	1400.99	1400.99
TOTAL	12429.99	-	12429.99	12810.06

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

(i) CORE CRAR = $\frac{\text{Net Capital Base}}{\text{Net Risk Weighted Assets}}$ $\frac{(-)4815.17}{12810.06} = (-)37.59\%$ [Pr. Yr. (-)33.20%]

(ii) Supplementary CRAR = $\frac{903.04}{12810.06} = 7.04\%$ [Pr. Yr. 6.48%]

CRAR (i+ii) $\frac{(-)3912.13}{12810.06} = (-)30.54\%$ [Pr. Yr. (-)26.72%]

b) NET WORTH → (-) ₹48.15 Cr (Pr. Yr. (-)46.26 Cr.)

The amount of subordinate debt raised during the year

as Tier-II Capital → Nil [Nil]

	As on 31-03-20	Previous Year	(₹.in lakh)	
	Gross	Net	Gross	Net
Risk weighted assets	14330.56	12810.06	15753.31	13935.42

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	0.50	34271.995
SIDBI	3738935	3738.935	150000	150.00	3888935	3888.935	2456.649	6345.584
IDBI Bank	-	-	-	-	-	-	1273.899	1273.899
Insurance Companies	8060	8.060	--	--	8060	8.060	-	8.060
Scheduled Banks	6300	6.300	--	--	6300	6.300	-	6.300
Co-Op. Banks	1340	1.340	--	--	1340	1.340	-	1.340
General Public	175	0.175	--	--	175	0.175	-	0.175
Total:	37876305	37876.305	300000	300	38176305	38176.305	3731.048	41907.353

Asset quality and credit concentration

(d) Percentage of net NPAs to net Loans & Advances - NIL (NIL)

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

		As on 31.3.20	Previous Year
		Net % to total	Net % to total
		NPA Net	NPA Net
		Amt. NPAs	Amt. NPAs
i)	Sub-standard	Nil Nil	Nil Nil
ii)	Doubtful	Nil Nil	Nil Nil



(f)	Amount of provisions made during the year towards	<u>As on 31.3.20</u>	<u>Previous Year</u>
	Standard Assets-	(-)Nil	Nil
	NPA's	Nil	Nil
	Investments-	Nil	Nil
	Income Tax-	Nil	Nil

(g)	Movement of Net NPA's	<u>As on 31.3.20</u>	<u>Previous Year</u>
	Against Sub-Standard Assets-	Nil	Nil
	Against Doubtful Assets-	Nil	Nil
	Total:-	Nil	Nil

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

	<u>As on 31.03.20</u>			<u>Previous Year</u>		
	<u>Total Credit Exposure</u>	<u>% to Capital fund</u>	<u>%to total assets</u>	<u>Total Credit Exposure</u>	<u>% to Capital fund</u>	<u>%to total assets</u>
i) The largest single borrower	278.06	(-)5.77%	2.12%	278.06	(-)6.01%	2.16%
ii) The largest borrower group	828.63	(-)17.21%	6.33%	828.63	(-)17.91%	6.45%
iii) The 10 largest single borrower	1846.67	(-)38.35%	14.11%	1846.67	(-)39.92%	14.37%
iv) The 10 largest borrower groups	1460.81	(-)30.34%	11.32%	1459.07	(-)31.54%	11.35%

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

	<u>As on 31.3.20</u>			
<u>Largest Industrial Sectors Assets</u>	<u>Total Credit Exposure (₹ in Crore)</u>		<u>%Total Loan</u>	
1. Food manufacturing	25.20	(25.29)	9.91	(9.91)
2. Other Chemical & Chemical Prods.	19.12	(19.11)	7.52	(7.49)
3. Services				
Hotels	7.80	(7.80)	3.06	(3.05)
Transport	31.53	(31.60)	12.40	(12.38)
Other Services	17.43	(17.43)	6.85	(6.83)
4. Textiles	15.85	(15.87)	6.23	(6.22)
5. Basic Metals	14.68	(14.62)	5.77	(5.73)
6. Paper & Paper products	8.48	(8.48)	3.33	(3.32)
7. Other Industries	89.26	(89.91)	35.10	(35.24)



LIQUIDITY

j) Maturity pattern of Rupee

Assets & Liabilities – (₹ in Crore) Items	Less than or equal to 1 yr.	More than 1 yr up to 3 yrs.	More than 3 yr up to 5 yrs.	More than 5 yr up to 7 yrs.	More than 7 yr up to 10 yrs.	More than 10 yrs.	Total
Rupee Assets	6.03	89.37	0	0	0	507.80	603.20
Rupee Liabilities	15.00	51.35	0	0	0	536.85	603.20
Difference	(-)8.97	36.05	0	0	0	(-)29.05	0

- k) Maturity pattern of foreign currency assets and liabilities- Nil (there is no foreign currency assets and liabilities).

l) OPERATING RESULTS

a)	Interest Income as % to average working fund	$\frac{194.63}{13084.62} = 1.48\%$	(Pr.Yr. 5.20%)
b)	Non- Interest income as a % to average working funds:	$\frac{175.08}{13084.62} = 1.33\%$	(Pr.Yr. 1.37%)
c)	Operating profit as a % to average working funds	$\frac{(-) 205.55}{13084.62} = (-)1.57\%$	(Pr.Yr. 4.09%)
d)	Return on average assets	$\frac{(-) 235.41}{13084.62} = (-)1.80\%$	(Pr.Yr. 4.02%)
e)	Net Profit/(Loss) per employee	$\frac{(-) 235.41}{64} = (-)3.67$ lakh	(Pr.Yr. 5.87 lakh)

17. 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

As per our Report of even date

For Batra Swain & Associates
Chartered Accountants
FRN.322050E

Sd/-
(Alok Dash)
HoD (FAD)
OSFC

Sd/-
(P.K. Sahani, OAS (SAG)
MANAGING DIRECTOR
OSFC

Sd/-
(M. K. Biswal)
DIRECTOR
OSFC

Sd/-
(S. K. Prusty)
DIRECTOR
OSFC

Sd/-
(A. N. Mahapatra, FCA)
Membership No.066784
PARTNER



Annexure - I

PARTICULARS IN RESPECT OF LOANS AND ADVANCES FORMING PART OF SCHEDULE - H (₹ In lakh)			
As at 31.03.2019		PARTICULARS	As at 31.03.2020
	1	Particulars of Loans & Advances	
15483.43	(a)	Debts considered good in respect of which the Corporation is fully secured(out of this loan amounting ₹15080.00(15503.00) lakh also covered by personal guarantees)	15480.08
9169.50	(b)	Debts fully secured but under litigation	9083.75
24652.93		Total (a) + (b)	24563.83
	(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.	
397246.82	(e) (i)	Total amount of instalment whether of principal or interest of which default was made at any time during the year.	397246.82
1223.96	(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).	1223.96
	(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.	
44997.70	(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.	44997.70
734.52	(v)	Debts guaranteed by the State Govt. Schedule Banks or State Co-operative Banks.	734.52
	2	Classification of Loans and Advances according to the size of the industrial units.	
17925.81	(i)	Debts due from small scale industrial concerns	17925.81
7032.80	(ii)	Debts due from concerns other than those included under (i) above.	7032.80
	3	Classification of Loans and Advances according to the Constitution of the Industrial Units.	
8840.65	(a)	Proprietary	8836.98
1273.72	(b)	Partnership	1229.44
307.99	(c)	Co-operatives	307.99
13550.25	(d)	Private Limited Companies	13509.10
680.32	(e)	Public Limited Companies	680.32
-	(f)	Trusts	
24652.93		Total:	24563.83



SUB SCHEDULES FORMING PART OF SCHEDULE - E

SUB SCHEDULE - SUNDRY DEPOSITS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
Deposits towards Loan Administration Fees	114226	114226
Security Deposit by Security Service agencies	1902613	1765742
State Investment Subsidy (M & LI)	9359248	9359248
Govt. Assistance for EDP	1178332	
Security Deposit by Recovery Agency		50000
Advance Deposit towards OTS	45821519	30326812
Security Deposit & Down Payment	198675940	230432728
State Investment Subsidy (H & T Promoters)	753961	753961
State Investment Subsidy (SSI)	37628078	37628078
Misc. Deduction Salary	1905	
Suspense	16893	240185
Deputationist P F contribution received	68232	
LIC Deduction from Salary	15155	11620
Other Deduction - Terminal Dues	772806	772806
Advance against House Rent	447606	377606
Tax Deduction at Source - Others	2304	2912
Co-Operative Loan deduction -Salary	294744	251400
Co-Operative Thrift Deposits	28700	28700
Employees Union Fees Deduction - Salary	365	355
Association Fees ded.-Salary	450	400
Staff Welfare Fund	32497	32497
Professional Tax Deduction - Salary	29525	35900
Bank Loan Deduction Salary	50000	50000
Employee's Welfare Fund Deduction-Salary	2000	1580
P.F Advance (Recovered)	83341	72335
GST Recovered	91476	95462
Deposits by Loanee as per Court Directives	68033883	62434611
Emplyee's Provident Fund	295721	375449
Salary & Allowances Payable	1832016	7495718
Consolidated Wages Payable	249400	196405
EMD Refundable / Distributable	23578754	23578754
OSFC Foundation Day Celebration Fund	160086	181048
Excess VRS benefit refundable to Govt	20911	20911
TDS Salary	21000	
Stale Cheque	4229	800
Excess recovery refundable	446	446
Leave Encashment settlement	906360	
Total ----->	392474722	406688695



SUB SCHEDULES FORMING PART OF SCHEDULE E

SUB SCHEDULE - OTHER DEPOSITS AGENCY

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
State Govt. Seed Money Recovered-Agency	4745217	4711078
Int.on State Govt. Seed Money Recovered	6078681	5900052
State Govt. MM Asst. Recovered	188589	188589
Int.on State Govt. M.M. Asst.Recovered	238995	238353
Soft Loan from SIDBI - (MUN) Recovered	222093	222093
SIDBI NEF Recovered - Agency	5888104	5833276
Service Charges SIDBI NEF-Agency	8913837	8913837
Interest on State Govt. Soft Loan Recovered	96368	52010
State Govt. Soft Loan recovered	80970	80970
T o t a l	26452854	26140258



SUB SCHEDULES FORMING PART OF SCHEDULE- F CASH & BANK BALANCES

Balance with scheduled Banks in Current Accounts.

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
<u>At Head Office</u>		
Central Bank of India, OMP Square,Ctc.	2685	2167
Union Bank of India, College Square,Cuttack.(Withdrawal A/c)	10541991	200398
Total ----->	10544676	202565
(1) <u>Cuttack Branch</u>		
Union Bank of India (Deposit)	15119	14615
Union Bank of India (Withdrawal)	9747	4764
Union Bank of India (Deposit) - Balasore	1000	1000
Union Bank of India (Withdrawal) - Balasore	6424	9552
Total ----->	32290	29931
(2) <u>Paradeep Branch</u>		
Union Bank of India,Link Road, Ctc(Deposit)	1000	1000
Union Bank of India,Link Road, Ctc(Withdrawal)	7833	3794
Total ----->	8833	4794
(3) <u>Bhubaneswar Branch</u>		
Union Bank of India, Nayapalli (SB-Deposit)	1000	659900
Union Bank of India, Nayapalli (SB-Withdrawal)	3884	3866
Union Bank of India(Deposit A/c.)	25000	25001
Union Bank of India, Khurdha (Recovery Cell A/c)		1474
Union Bank of India, Puri (Recovery Cell A/c)	132191	127788
Union Bank of India (Deposit) - Berhampur	68526	125960
Union Bank of India (Withdrawal) - Berhampur	8565	1642
Union Bank of India, Phulbani (Recovery Cell A/c)	18606	57588
Total ----->	257772	1003219
(4) <u>Sambalpur Branch</u>		
Union Bank of India (Deposit)	1000	1000
Union Bank of India (Withdrawal)	2315	2453
Union Bank of India, Rourkela A/c	1000	1000
Union Bank of India, Rourkela A/c	4648	374
Total ----->	8963	4827
Grand Total----->	10852534	1245336



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

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
Head Office	12886	343968
Cuttack Branch	596	5453
Paradeep Branch	537	886
Bhubaneswar Branch	1104	6888
Balasore Branch		490588
Berhampur Branch		2113
Sambalpur Branch	487	7
Total----->	15610	849903

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

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
Head Office		
Bhubaneswar Branch	343	388
Cuttack Branch	564	70
Balasore Branch		885
Paradeep Branch	125	524
Berhampur Branch		325
Sambalpur Branch	434	146
T o t a l ----->	1466	2338



SUB SCHEDULES FORMING PART OF SCHEDULE- F
Details of Fixed Deposit with Bank

PARTICUALRS		As at 31.03.2020	As at 31.03.2019
Sl.No.	Name of the Bank	₹	₹
1	Union Bank of India, College Square, Cuttack.	58807533	55000000
2	Union Bank of India, Choudhury Bazar, Cuttack. (303/284391)	3871556	3619110
3	Union Bank of India, Choudhury Bazar, Cuttack. (303/284615)	1755367	1613762
4	AXIS Bank Ltd., Rourkela (For Bank Guarantee)	325289	300515
5	The Odisha State Co-operative Bank, Link Road Branch, Cuttack	44164260	70611452
6	Axis Bank Ltd., Link Road Branch, Cuttack	20000000	20000000
	TOTAL ----->	128924005	151144839

SUB SCHEDULES FORMING PART OF SCHEDULE- F

Details of Flexi Deposit with Bank			
Sl. No.	Name of the Bank	As at 31.03.2020	As at 31.03.2019
1	Union Bank Of India, College Square, Cuttack. (ESCROW A/c)	49141250	72541835
2	Union Bank Of India, Main Branch, Choudhury Bazar, Cuttack.	283661	266624
	Total	49424911	72808459



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

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
Pay Advance	267674	273799
Festival Advance	214446	224446
Office Expenses Advance	118371	182662
Personal Loan / Commercial Loan	26285	37694
Travelling Advance - Employees	211281	254266
Total ----->	838057	972867

Personal / Commercial Loan to Employees taken as Standard Assets for the purpose of provisioning as per SIDBI norms.



SUB SCHEDULES FORMING PART OF SCHEDULE J
SUB SCHEDULE - ADVANCE TAXES, DEPOSITS & OTHERS

ADVANCE TAXES	As at 31.03.2020	As at 31.03.2019
	₹	₹
Income Tax paid under protest	568243	568243
Income Tax Deducted at source	1519315	3120245
TOTAL	2087558	3688488

DETAILS OF DEPOSITS AGAINST COURT DIRECTIVES	As at 31.03.2020	As at 31.03.2019
	₹	₹
1. Hrisikesh Das (A/c Dibakar Iron & Steel Co (P) Ltd.) with SBI, I/A Berhampur-Rs725492 & Andhra Bank-Rs85037520	85763012	80249652
2. The Registrar, Delhi High Court (28.09.96) A/c. Bombay Amonia (P) Ltd. Vrs. Premier Cold Storage case No.50/95	195224	195224
3. The Registrar, Delhi High Court (6/8/97) A/c. Bombay Amonia (P) Ltd. F. A. No.354/96	104537	104537
4. The Registrar, Delhi High Court A/c. Blue Diamond Ice Factory (29/9/99)	395800	395800
6. The Civil Judge, Senior Division, Baripada A/c Hotel Ashirbad Execution Case No.-18/11	2500000	2500000
7. Union Bank of India, College Square, Cuttack A/c Orissa Polytex (P) Ltd.	1714507	1714507
8. M/s Automotives (P) Ltd. WPC No.24068/2017	835501	190689
9. M/s Orissa Ply & Partner	1010025	1010025
10. Third Additional Civil Judge Senior Division, Cuttack against Gita Devi Bajoria case No.RFA-148 of 2016	2500000	
TOTAL	95018606	86360434



Details of subscriber-wise Bonds issued, Redeemed, Off market transaction & Balance outstanding as on 31.03.2020

₹ In lakhs.									
SI No.	Name of the Institution	Balance as on 31.03.19	Issued during the year	Off- market transaction	Bond Holding	Redeemed/ Transferred to unclaimed liability during the year	Balance as on 31.03.20	Redemption accrued & Due as on 31.03.20	Premature Redemption during the year
				Buy	Sell				
1	2	3	4	5	6	7	8	9	10
1	Kalol Nagrik Sahakari Bank *	0.00	0.00	0.00	0.00	10.00	10.00	0.00	0.00
	Total:	0.00	0.00	0.00	0.00	10.00	10.00	0.00	0.00

* Transferred to unclaimed liabilities as there is no claimant despite repeated correspondence & advertisement in News Paper shown under Schedule-E (Other Liabilities)

SCHEDULES FORMING PART OF THE BALANCE SHEET PROVISIONS FOR NPA (NON PERFORMING ASSETS) SUB SCHEDULE - H

	Particulars	As at 31.03.2020	As at 31.03.2019
		₹	₹
	PROVISION FOR NPA		
i.	Balance as per last Balance Sheet	2551271756	2588556157
	SUB-TOTAL	2551271756	2588556157
ii.	Add: Provision during the year		
	SUB-TOTAL		
	(A) TOTAL (i) + (ii)	2551271756	2588556157
iii.	Less: Excess Provisioning written back	3696324	20275628
	Written off during the year		
	Provisions written back during the year against OTS cases	5056486	17008773
	Sub-Total	8752810	37284401
	TOTAL (i)+(ii)-(iii)	2542518946	2551271756



**STATE FUND ACCOUNT
BALANCE SHEET AS AT 31ST MARCH 2020**

LIABILITIES			ASSETS		
As at 31.03.2019	Particulars	As at 31.03.2020	As at 31.03.2019	Particulars	As at 31.03.2020
₹		₹	₹		₹
406623	STATE FUND	406623		BANK BALANCE	
69	DEPOSIT TOWARDS VALUATION OF PROPERTIES	69	318121	LOANS AND ADVANCES	318121
			982940	INT. ACCD. ON LOANS & ADVANCES	1000875
168	PROPERTIES RECEIVED	168	3857	LAW CHARGES ON LOANS UNDER LITIGATION	3857
351	SUSPENSE ACCOUNT	351	850	ADV. TO LEGAL ADVISOR	850
1183028	INCOME/EXPENDITURE ACCOUNT	1200963	1238	INSURANCE PREMIUM PAID ON MORTGAGED ASSETS	1238
			283233	AMOUNT RECEIVABLE FROM OSFC	283233
1590239	TOTAL	1608174	1590239	TOTAL	1608174

FOR ODISHA STATE FINANCIAL CORPORATION

Sd/-
Alok Dash
HoD (FAD)

Sd/-
P. K. Sahani, OAS(SAG)
MANAGING DIRECTOR

Sd/-
M.K. Biswal
DIRECTOR

Sd/-
S. K. Prusty
DIRECTOR



**STATE FUND ACCOUNT
INCOME AND EXPENDITURE ACCOUNT UP TO THE YEAR
ENDED 31ST MARCH 2020**

EXPENDITURE			INCOME		
2018-19	Particulars	2019-20	2018-19	Particulars	2019-20
₹		₹	₹		₹
1071	BANK CHARGES & COMMISSION	1071	1109980	INT. ON LOANS & ADV.	1127915
			6608	LESS REBATE	6608
	POSTAGE STAMP		1103372		1121307
1183028	EXCESS AMOUNT TRANSFERRED TO BALANCE SHEET	1200963	1250	PROCESSING CHARGE	1250
			78537	INTEREST ON DEPOSIT WITH BANK	78537
			940	INTEREST ON STATE FUND A/C	940
1184099	TOTAL	1202034	1184099	TOTAL	1202034

FOR ODISHA STATE FINANCIAL CORPORATION

Sd/-
Alok Dash
HoD (FAD)

Sd/-
P. K. Sahani, OAS(SAG)
MANAGING DIRECTOR

Sd/-
M.K. Biswal
DIRECTOR

Sd/-
S. K. Prusty
DIRECTOR



**MANAGEMENT REPLY TO THE AUDITOR'S REPORT
FOR THE YEAR ENDING 31st MARCH 2020.**

	AUDITOR'S REPORT	REPLY
1.	<p>Report on the Financial Statements:</p> <p>We have audited the accompanying standalone financial statements of Odisha State Financial Corporation (The Corporation), which comprise of the Balance Sheet as at 31st March 2020, Statement of profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (Notes on Account)</p>	No comment
2.	<p>Management's responsibility for the Financial Statements :</p> <p>The Corporation's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting standards and principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per OSFC General Regulations 2003 framed as per Section 48 of SFC's Act, 1951 ('the Act') and as per the requirements of Small Industries Development Bank of India (SIDBI) directives. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the SFCs Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements whether due to fraud or error.</p>	No comment



3.	<p>Auditor's responsibility :</p> <p>Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit under the provisions of the Act and the rules made there under.</p> <p>We conducted our audit and accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India and provisions of Section 37 of the State Financial Corporation's Act. 1951 as amended by SFCs (Amendment) Act 2000. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments. The auditor considers internal financial control relevant to the Corporation's preparation of the financial statement that given a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.</p>	No comment
4.	<p>Opinion:</p> <p>In our opinion and to the best of our information and according to the explanations given to us, the</p>	No comment



	<p>aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles laid down by SIDBI for SFCs and generally accepted in India, of the State of affairs of the Corporation as at 31st March, 2020, and its profit/loss and its cash flows for the year ended on that date.</p>	
5.	<p>Emphasis of Matters</p> <p>We draw attention to the following matters in the Notes to the financial statements:</p> <p>Report on other legal and Regulatory requirements:</p> <p>As required by Section 143 (3) of the Act, we report that :</p> <ul style="list-style-type: none">i. We have sought and obtained all the information and explanations which to the best to our knowledge and belief were necessary for the purpose of our audit.ii. In our opinion proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches.iii. The operations of the Corporation and transactions that have come to our notice have been conducted in accordance with the provisions of SFCs Act, 1951.iv. The income recognition , assets classification, provisioning calculation of CRAR assessment of capital adequacy ratio, various other ratios/items and disclosures in the notes on accounts have been done as per the guidelines and circulars issued by the SIDBI from time to time.v. The Balance Sheet, the Statements of Profit & Loss, and the Cash Flow Statements dealt with by this Report are in agreement with books of account and returns.	<p>No comment</p> <p>No comment</p> <p>No comment</p> <p>No comment</p> <p>No comment</p>



	<p>vi. In our opinion the aforesaid financial statements comply with the Accounting Standards and guidelines issued by SIDBI for SFCs from time to time.</p> <p>vii. (a) According to the information and explanations given to us, no material discrepancies have been noticed/reported by the management between the books records and the physical fixed assets.</p> <p>(b) The matter regarding physical possessions and title deeds of immovable properties are disclosed vide Note – 6- Schedule R- Notes on Accounts. Since title of all immovable properties are not held in the name of the Corporation and revaluation of fixed assets has not been undertaken to give a true and fair position, its impact on accounts, could not be ascertained/commented.</p> <p>viii. According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Corporation has generally been regular in depositing undisputed statutory dues during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they became payable.</p>	<p>No comment</p> <p>No comment</p> <p>The Corporation has taken steps for transfer of title in its favour. As regards Property at OMP Square, Cuttack-753003 The matter has been referred to concerned Tahasildar for transfer after the order is passed in favour of the Corporation. The Corporation is pursuing with the Tahasildar for early disposal. In respect of Property at Madhupatna, Cuttack. R.P case has been filed in the Court of Joint Commissioner after the order of concerned Tahasildar. The Corporation is pursuing the Case which is expected to be disposed off shortly.</p> <p>No comment</p>
--	---	---



	<p>ix. According to information and explanations given to us, the State Government has taken up the matter with SIDBI for recasting of the crystallized amount of OTS of Refinance and to settle the same at the amount already paid by the Corporation without insisting for payment of any further amount. Further, it is made to understood that since the matter is under active consideration of State Govt. And as well as SIDBI to settle the issue, no inference has been drawn and accordingly its impact if any, on the accounts could not be ascertained</p> <p style="text-align: center;">Sd/- Batra Swain & Associates CHARTERED ACCOUNTANTS Bhubaneswar</p>	<p>The State Government has taken a stand with a request to SIDBI for closure of the OTS account with payment of ₹27.00 Crore already made. Although meetings have been arranged with SIDBI at DC-cum-ACS, Odisha, level the same could not be held due to non attendance by SIDBI. The Corporation has again moved the State Government for settlement of the issues with SIDBI. Subsequently a meeting was held with CGM, SIDBI, Lucknow at Government level. The opinion of SIDBI on balance OTS amount has been sent to Govt. for necessary decision.</p> <p style="text-align: center;">Sd/- MANAGING DIRECTOR</p> <p style="text-align: center;">Sd/- HoD, FAD</p>
--	--	--



**Separate Audit Report of the Comptroller and Auditor General of India under
section 37 (6) of State Financial Corporation Act, 1951 on the accounts of Odisha
State Financial Corporation for the year ended 31 March 2019.**

The preparation of financial statements of Odisha State Financial Corporation for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the State Financial Corporation 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 the Auditors approved by Reserve Bank of India under section 37(I) of the State Financial Corporation 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 30 July 2019.

This Separate Audit Report contains the comments of the Comptroller and 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 31 March 2019 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 Corporations 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. Comments on Profitability

Profit and Loss Account

Expenditure (B)

Personnel Expenses (Schedule - I): Rs. 5.89 crore

The above does not include Rs. 0.78 Crore being the amount of arrear dearness allowance payable to employees of the Corporation for the period from July 2016 to March 2017. This has also resulted in understatement of personnel expenses and over statement of profit by Rs.0.78 crore each.

B. Other Comment:

The Corporation has not submitted the annual accounts for the year 2018-19 along with report of the Statutory Auditor to the Comptroller & Auditor General of India (submitted on 19.08.2019) at least one month before it was placed before the share holders in the Annual General Meeting (held on 30.08.2019) in violation of Section-37 (5) of the SFCs Act 1951.

For and on behalf of
Comptroller and Auditor General of India

Place: Bhubaneswar

Date: 23.10.2019

Sd/-

PRINCIPAL ACCOUNTANT GENERAL



**COMPLIANCE TO THE SAR OF THE C & AG OF INDIA ACCOUNT OF
OSFC FOR THE YEAR ENDING 31ST MARCH 2019**

OBSERVATION	REPLIES OF THE MANAGEMENT
<p>A. Comments on Profitability Profit and Loss Account Expenditure (B) Personnel Expenses (Schedule - I): ₹5.89 crore</p> <p>The above does not include ₹0.78 Crore being the amount of arrear dearness allowance payable to employees of the Corporation for the period from July 2016 to March 2019. This has also resulted in understatement of personnel expenses and over statement of profit by ₹0.78 crore each.</p>	<p>A. Comments on Profitability Profit & Loss Account Expenditure(B) Personnel Expenses(schedule – I): ₹5.89crore It is a fact that the Board of Director of the Corporation in their 388th meeting held on 20.9.18 approved the additional doses of D.A. from 245% to 264% and the Administrative Department (MSME Deptt.)approved the same on 08.07.19. Prior to receipt of the letter of approval from the Government, Accounts of the Corporation has been completed & handed over to Statutory Auditor for their report and the date for the 390th Board meeting was also fixed to be held on 30.07.19. There was no scope for re-opening of the Accounts to make provision of the above Expenditure. Further it may be mentioned that in past evenif OSFC Board approved the Additional doses of D.A., the Government has approved the same prospectively for which OSFC was not in a position to make Provision prior to approval from the Government.</p> <p>Moreover, the said DA has been paid during the FY-2019-20 and the required amount shall be provided /charged to the Accounts of the FY 2019-20 which will give a true and fair view. Hence this para may kindly be dropped.</p>
<p>B. Other Comment:</p> <p>The Corporation has not submitted the annual accounts for the year 2018-19 along with report of the Statutory Auditor to the Comptroller & Auditor General of India (submitted on 19.08.2019) at least one month before it was placed before the share holders in the Annual General Meeting (held on 30.08.2019) in violation of Section-37 (5) of the SFCs Act 1951.</p>	<p>B. Other Comments :</p> <p>The Accounts for the FY 2018-19 was authenticated by the Board of Directors in their 390th meeting held on 30.07.2019. The notice for holding the AGM was issued on 02.08.2019 so as to place the audited accounts along with Statutory Auditors Report there on before the AGM. After finalization of the minutes of the said Board, the accounts were handed over to C & AG on 19.8.2019 resulting delay in submission of Accounts as per the provision of section 37(5) of the SFC'Act. However steps will be taken to submit the Annual Accounts to the C & AG at least one month prior to holding of AGM in future.</p>

Statistical Annexures

OPERATIONAL HIGHLIGHTS OF THE CORPORATION DURING THE LAST TEN YEARS

ANNEXURE-1

(₹ lakh)

PARTICULARS	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	As on 31.03.20
OPERATIONS											
1. Sanction	333.58	411.35	265.46	20.00	-	43.00	-	-	-	-	131760.00
	(6)	(8)	(6)	(1)	-	(1)	-	-	-	-	(28231)
2. Disbursement	71.23	83.55	205.82	113.38	3.74	-	-	-	-	-	130990.09
	(3)	(4)	(6)	(2)	-	-	-	-	-	-	(28222)
3. Recovery	4202.86	3655.49	1934.31	1138.83	1533.49	608.43	470.86	1290.16	1527.43	308.92	201206.61
4. Outstanding	32614.55	30111.85	28753.48	27688.56	27204.12	26498.52	26198.33	25896.17	25512.72	25425.19	25425.19
	(9885)	(9332)	(8915)	(8751)	(8595)	(8467)	(8379)	(8314)	(8264)	(8251)	(8251)
SHARE CAPITAL											
5. Paid Up	3170.30	186.75	-	(-)-0.99	-	-	233.44	46.69	46.69	46.69	41907.35
BONDS											
6. Issued	-	-	-	-	-	-	-	-	-	-	42444.25
7. Repaid	80.00	-	-	-	-	-	-	-	-	-	42434.25
8. Outstanding (Principal)	-	10.00	-	-	-	-	-	-	-	-	-
9. Balance outstanding transferred to Unclaimed liabilities	10.00	-	-	-	-	-	-	-	-	-	10.00
REFINANCE (SIDBI)											
10. Availed	53.28	-	-	-	-	-	-	-	-	-	69156.34
11. Repaid	1500.00	752.06	1000.00	800.00	400.00	372.00	128.00	-	-	-	61090.47
12. Outstanding	10765.87	10765.87	-	-	-	-	-	-	-	-	8065.87
13. 0% Funded Loan	1795.00	1795.00	-	-	-	-	-	-	-	-	9860.87
14. Total	12580.87*	-	-	-	-	-	-	-	-	-	-
15. a) Crystallised OTS Amt. 4200.00	-	-	-	-	-	-	-	-	-	-	1500.00
b) Agreed for waiver	8360.87	-	-	-	-	-	-	-	-	-	8360.87
SUBSIDY											
16. Received (CIS & Interest Subsidy)	104.78	97.00	54.00	45.00	39.93	363.47	0.00	-	-	-	12482.02
17. Sanctioned (CIS)	1.64	10.14	7.34	34.19	-	1.62	0.00	-	-	-	12824.83
18. Disbursed (CIS & Interest Subsidy)	92.38	86.08	13.83	4.07	68.38	293.17	27.25	-	-	-	11988.00
19. Fund under Interest Subsidy refunded to DI, Odisha	-	-	-	-	-	-	58.87	-	-	-	-
FINANCIAL SUMMARY											
20. Gross Income	2547.46	2603.32	1981.69	1743.97	1420.09	1160.53	879.42	1501.62	1217.33	457.24	-
21. Total Expenditure	2433.69	2454.70	1484.55	1240.94	1224.00	995.10	847.91	739.52	891.48	862.80	-
22. Profit/Loss Before Tax	113.77	148.62	517.14	503.03	196.09	165.43	31.50	762.09	525.85	(-)-205.56	-
23. Less provision for NPA & Standard Assets	-	-	448.02	407.78	6208.63	-	-	-	-	-	-
24. Less Appropriation Income / net Prior period adjustment	52.68	96.05	9.31	44.07	1727.05	332.09	332.75	25.33	9.54	29.85	-
25. Reserves	12.22	10.51	11.96	10.23	-	-	-	147.35	103.26	-	-
26. Net Profit/Loss	61.09	52.57	59.81	51.18	(-)-7739.59	(-)-166.66	(-)-301.25	736.77	516.30	(-)-235.41	(-)-47390.43
STAFF STRENGTH (Number)	293	253	242	209	183	180	143	112	86	64	64

* Refinance outstanding of SIDBI of ₹125.61 Cr. has been settled under OTS at ₹42.00 Cr. Against this ₹27.00 Cr. has been paid as on 31.03.2020.



ANNEXURE - 2 : SCHEME WISE CLASSIFICATION OF ASSISTANCE

(₹ lakh)

Sl. No.	SCHEMES	SANCTION (EFFECTIVE)		DISBURSEMENT	
		Since Inception up to 31.3.20		Since Inception up to 31.3.20	
		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	63	1050.66	65	1016.00
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	(576)	1657.75	(576)	1657.75
xiv)	Loans Not Covered Above	11879	76166.77	11868	75433.15
	TOTAL	28231	131760.00	28222	130990.09

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

ANNEXURE - 3 : SECTOR-WISE CLASSIFICATION OF TERM LOAN SANCTION, DISBURSEMENT AS ON 31.03.20

(₹ lakh)

SECTOR	SANCTION (EFFECTIVE)		DISBURSEMENT	
	No.	Amt.	No.	Amt.
1. SRTOs	9139	26040.66	9139	26039.03
2. Small Scale	15740	67811.04	15732	67068.58
a) Tiny	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	3109	58751.40	3101	58008.94
3. Medium Scale	78	12276.90	78	12276.90
4. Others	3274	25631.40	3273	25605.58
TOTAL	28231	131760.00	28222	130990.09



**ANNEXURE - 4 : DISTRICTWISE ANALYSIS OF LOANS SANCTION,
DISBURSEMENT, RECOVERY & OUTSTANDING AS ON 31.03.20**

Sl. No.	Name of the District	SANCTION (EFFECTIVE)						(₹ lakh)	
		Small Scale		S.R.T.O		Others		Total	
		No	Amount	No	Amount	No	Amount	No	Amount
1	Cuttack	1927	10645.96	1665	3811.59	564	6952.99	4156	21410.54
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	1662	12632.88	744	1832.69	223	5025.17	2629	19490.74
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	Phulbani	160	569.85	206	506.81	149	542.73	515	1619.39
11	Boudh	89	151.97	101	248.96	35	121.91	225	522.84
12	Sambalpur	282	2697.99	358	889.85	96	2084.89	736	5672.73
13	Deogarh	43	188.32	22	87.64	15	11.43	80	287.39
14	Bargarh	277	831.45	115	514.58	22	290.73	414	1636.76
15	Jharsuguda	94	617.17	232	755.05	69	676.29	395	2048.51
16	Sundargarh	968	8408.17	522	1636.31	336	4757.95	1826	14802.43
17	Balasore	758	6402.55	457	1220.62	116	2450.23	1331	10073.40
18	Bhadrak	179	1154.65	252	818.43	57	311.66	488	2284.74
19	Mayurbhanj	837	2325.96	330	824.00	96	949.87	1263	4099.83
20	Bolangir	613	2178.39	367	946.21	88	923.92	1068	4048.52
21	Sonepur	87	41.26	55	19.26	7	5.00	149	65.52
22	Kalahandi	308	1094.31	231	661.64	197	347.54	736	2103.49
23	Nuapada	54	185.63	46	194.85	24	41.58	124	422.06
24	Dhenkanal	722	1368.24	310	646.34	98	509.43	1130	2524.01
25	Angul	220	591.62	112	527.14	27	199.23	359	1317.99
26	Keonjhar	312	1430.64	582	1969.49	68	968.89	962	4369.02
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	55	384.84	289	1608.44
	Total	15740	67811.04	9139	26040.66	3352	37908.30	28231	131760.00



**ANNEXURE - 4 : DISTRICTWISE ANALYSIS OF LOANS SANCTION,
DISBURSEMENT, RECOVERY & OUTSTANDING AS ON 31.03.20**

(₹ lakh)

		DISBURSEMENT								RECOVERY
Sl. No.	Name of the district	SSI		SRTO		Others		Total		Amount
		No	Amount	No	Amount	No	Amount	No	Amount	
1	Cuttack	1927	10613.68	1665	3810.81	564	6941.49	4156	21365.98	28708.64
2	Jagatsinghpur	1789	865.59	356	1543.02	101	837.91	2246	3246.52	3513.75
3	Jajpur	140	2652.76	402	1673.41	114	2990.92	656	7317.09	3668.43
4	Kendrapara	770	757.61	303	831.98	109	943.51	1182	2533.10	12150.81
5	Puri	659	1558.24	246	810.44	283	2693.01	1188	5061.69	9733.06
6	Khurda	1681	12332.50	744	1832.89	222	5025.17	2627	19190.36	32717.28
7	Nayagerh	1061	1506.22	169	485.37	36	178.29	1266	2169.88	1185.09
8	Ganjam	805	3363.90	648	1678.86	240	1589.82	1693	6632.58	7375.08
9	Gajapati	46	278.80	7	30.16	33	342.24	86	651.20	4142.38
10	Phulbani	160	569.85	206	506.48	149	542.73	515	1619.06	1500.81
11	Boudh	89	151.97	101	248.96	35	121.91	225	522.84	622.15
12	Sambalpur	282	2697.99	358	889.85	95	2074.89	735	5662.73	9258.64
13	Deogarh	43	188.32	22	87.64	15	11.43	80	287.39	3391.15
14	Bargarh	277	831.45	115	514.58	22	290.73	414	1636.76	1656.22
15	Jharsuguda	94	617.17	232	755.05	69	676.29	395	2048.51	2821.07
16	Sundargarh	966	8326.08	522	1636.31	336	4757.95	1824	14720.34	24009.13
17	Balasore	755	6333.95	457	1220.62	116	2450.23	1328	10004.80	16020.69
18	Bhadrak	179	1154.65	252	817.91	57	311.66	488	2284.22	1183.75
19	Mayurbhanj	837	2324.70	330	824.00	96	949.87	1263	4098.57	6218.18
20	Bolangir	613	2177.10	367	946.21	88	923.92	1068	4047.23	3653.35
21	Sonepur	87	41.26	55	19.26	7	5.00	149	65.52	2074.77
22	Kalahandi	308	1094.31	231	661.64	197	347.54	736	2103.49	2422.65
23	Nuapada	54	185.63	46	194.85	24	41.58	124	422.06	1448.36
24	Dhenkanal	722	1368.24	310	646.34	98	509.43	1130	2524.01	3763.28
25	Angul	220	591.12	112	527.14	27	199.23	359	1317.49	3075.75
26	Keonjhar	312	1430.64	582	1969.49	68	968.89	962	4369.02	6126.24
27	Koraput	460	1561.26	140	343.32	88	704.34	688	2608.92	3255.42
28	Malakangiri	113	115.69	13	35.07	2	29.16	128	179.92	1330.82
29	Nawarangpur	139	468.06	79	183.81	6	49.96	224	701.83	1550.17
30	Rayagada	164	909.84	69	313.76	54	373.38	287	1596.98	2369.09
	Total	15732	67068.58	9139	26039.03	3351	37882.48	28222	130990.09	200946.2*

* (I) Excludes personal loan to employees ₹22.75 lakh (II) Excludes interest on personal loan to employees ₹1.55 lakh (III) Interest accrued on standard loan ₹52.21 lakh (IV) (-) Unadjusted recovery ₹728.19 lakh (V) Excludes Head Office recovery ₹912.09 lakh of earlier years



**ANNEXURE - 4 : DISTRICTWISE ANALYSIS OF LOANS SANCTION,
DISBURSEMENT, RECOVERY & OUTSTANDING AS ON 31.03.20**

OUTSTANDING (PRINCIPAL)

(₹ 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	1147	2870.98	477	746.40	98	247.56	1722	3864.94
2	Jagatsinghpur	945	193.40	186	64.50	69	158.56	1200	416.46
3	Jajpur	132	564.53	109	362.63	116	455.67	357	1382.83
4	Kendrapara	312	75.48	157	253.67	67	95.14	536	424.29
5	Puri	40	143.01	60	87.42	271	219.07	371	449.50
6	Khurda	447	4266.85	111	313.54	86	551.63	644	5132.02
7	Nayagarh	268	682.96	71	17.93	14	50.95	353	751.84
8	Ganjam	184	1129.46	87	151.27	31	8.36	302	1289.09
9	Gajapati	6	418.18	2	25.07	4	29.04	12	472.29
10	Phulbani	19	273.21	61	132.07	8	38.28	88	443.56
11	Boudh	16	15.86	15	28.39	3	17.35	34	61.60
12	Sambalpur	83	646.92	36	63.28	23	7.28	142	717.48
13	Deogarh	7	171.75	7	40.42	5	2.02	19	214.19
14	Bargarh	32	248.81	11	33.99	3	3.15	46	285.95
15	Jharsuguda	20	96.51	4	39.43	2	0.88	26	136.82
16	Sundargarh	287	1873.46	61	127.88	8	116.49	356	2117.83
17	Balasore	251	2544.89	62	107.07	23	53.18	336	2705.14
18	Bhadrak	47	758.31	26	42.93	8	56.62	81	857.86
19	Mayurbhanj	115	614.32	40	47.00	6	19.36	161	680.68
20	Bolangir	216	601.49	43	66.01	45	38.54	304	706.04
21	Sonepur	40	9.72	9	12.46	2	0.69	51	22.87
22	Kalahandi	74	392.02	27	95.62	44	17.60	145	505.24
23	Nuapada	16	28.96	7	41.56	2	18.60	25	89.12
24	Dhenkanal	444	473.60	66	80.18	20	65.24	530	619.02
25	Angul	63	189.23	16	30.85	10	43.85	89	263.93
26	Keonjhar	20	111.57	61	112.19	16	101.56	97	325.32
27	Koraput	132	267.86	6	11.28	4	3.24	142	282.38
28	Malakangiri	16	13.56	1	3.59	1	2.56	18	19.71
29	Nawarangpur	24	62.64	3	6.93	2	3.57	29	73.14
30	Rayagada	32	97.62	2	7.93	1	4.38	35	109.93
	Total	5435	19837.16	1824	3153.49	992	2430.42	8251	25421.06*

* Excludes difference between G.L. and S.L. ₹4.13 lakh



ANNEXURE - 5 : BRANCH WISE COMPARATIVE POSITION OF SANCTION & DISBURSEMENT AS ON 31.03.20

(₹ lakh)

SI No.	Name of the Branch	Sanction Since inception		Disbursement Since inception	
		No.	Amount	No.	Amount
1	Bhubaneswar	8930	41494.37	8927	40935.26
2	Cuttack	9689	46079.53	9686	45964.09
3	Paradeep	4084	13098.69	4084	13096.71
4	Sambalpur	5528	31087.41	5525	30994.03
	GrandTotal	28231	131760.00	28222	130990.09

ANNEXURE - 6 : INDUSTRY -WISE CLASSIFICATION OF LOAN SANCTION, DISBURSEMENT & OUTSTANDING AS ON 31.03.20

(₹ lakh)

TYPE OF INDUSTRY	SANCTION Since Inception				DISBURSEMENT Since inception				Outstanding (Prin.)	
	SSI		Total		SSI		Total		Total	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
Food Manufacturing										
a) Sugar	12	81.06	14	110.55	12	81.01	14	110.33	15	9.75
b) Others	2955	14845.22	3197	14970.60	2955	14837.06	3198	14964.06	621	2510.01
Textiles										
a) Cotton	3927	1963.51	4659	1902.43	3927	1962.33	4659	1902.43	786	980.05
b) Jute	11	302.25	36	537.92	11	302.06	36	537.92	15	216.72
c) Others	54	707.54	67	699.80	54	707.11	67	699.80	181	388.52
Paper & Paper Products	195	1626.10	252	2201.10	195	1625.12	252	2201.10	84	848.04
Manufacture of Rubber Products	154	1467.65	198	1572.63	154	1466.76	198	1571.68	38	428.94
Basic Industrial Chemicals other than Fertilisers	105	1362.69	113	1525.66	105	1361.87	113	1525.66	8	149.16
Fertilisers	5	185.79	8	296.02	5	185.79	8	296.02	4	44.37
Other Chemicals & Chemical Products	535	5921.53	584	7198.44	535	5888.06	583	7048.44	180	1912.26
Cement	26	1463.47	56	1632.18	26	1462.59	56	1632.18	24	680.88
Basic Metal Industries										
a) Iron & Steel	178	3649.44	218	3579.70	178	3647.25	218	3579.70	87	1111.40
b) Non-Ferrous	134	3003.00	194	1605.78	134	3001.19	194	1605.78	44	356.61
Metal Products Except Machinery & Transport Equipment	744	2660.20	763	3531.62	744	2655.05	763	3526.80	175	983.16
Manufacture of Machinery Except Electrical Machinery	252	1043.48	321	1260.79	252	1042.85	321	1260.03	10	106.11
Manufacture of Transport Equipment	170	507.74	212	776.42	170	507.43	212	775.95	5	92.42
Services Sector										
a) Hotel			755	9342.30			753	9282.29	70	779.56
b) SRTOs			9139	26040.66			9139	26039.03	1824	3153.49
c) Others			658	4344.35			659	4366.24	922	1743.33
Other Industries	6283	27020.37	6787	48631.05	6275	26335.05	6779	48064.65	3158	8926.28
TOTAL	15740	67811.04	28231	131760.00	15732	67068.58	28222	130990.09	8251	25421.06

* Excludes difference between G.L. and S.L. ₹4.13 lakh.



**ANNEXURE - 7 : CONSTITUTION WISE DISTRIBUTION OF TERM LOANS
AS ON 31.03.20**

(₹ lakh)

CONSTITUTION	SANCTION Since Inception		DISBURSEMENT Since Inception	
	No.	Amt.	No.	Amt.
Public Limited Companies	140 (46)	7347.04 (2292.49)	140 (46)	7347.04 (2292.49)
Private Limited Companies	1467 (809)	50738.03 (30150.61)	1463 (807)	50093.50 (29580.63)
Co-operatives	101 (72)	705.92 (368.42)	101 (72)	705.92 (368.42)
Partnership	1565 (960)	16231.12 (7173.37)	1562 (957)	16171.70 (7084.27)
Proprietorship	24821 (13828)	54378.25 (27558.69)	24818 (13825)	54312.09 (27475.31)
Hindu Undivided Family	5 (1)	49.67 (0.51)	5 (1)	49.67 (0.51)
Others	132 (24)	2309.97 (266.95)	133 (24)	2310.17 (266.95)
TOTAL	28231 (15740)	131760.00 (67811.04)	28222 (15732)	130990.09 (67068.58)

Figures in Bracket indicates information relating to SSI units.

**ANNEXURE - 8 : BRANCH-WISE RECOVERY, OUTSTANDING & DEFAULT
AS ON 31.03.20**

(₹ lakh)

Sl. No	Name of the Branch	Recovery during FY 2019-20			Principal Outstanding		Default		
		Pri.	Int.	Total	No	Amount	Pri.	Int.	Total
1	Bhubaneswar	20.72	5.25	25.97	2028	9085.06	9084.97	213953.16	223038.13
2	Cuttack	28.26	172.80	201.06	3016	9316.89	9173.42	172664.68	181838.10
3	Paradeep	4.81	18.22	23.03	2093	2223.58	2145.06	20007.06	22152.12
4	Sambalpur	58.25	0.61	58.86	1114	4795.53	4717.54	131866.88	136584.42
Grand Total		112.04	196.88	308.92	8251	25421.06	25120.99	538491.78	563612.77

*Includes Agency Loan recovery of ₹3.13 Lakh

** Excludes different between G.L. & S.L. ₹4.13 lakh.



ANNEXURE - 9 : SOURCES AND USES OF FUNDS DURING LAST 3 YEARS

(₹ lakh)

A)	SOURCES OF FUND	2017-18	2018-19	2019-20
1)	Opening Cash & Bank Balance	920.82	1551.8	2260.51
2)	Increase in Share Capital/subordinated debts			
3)	CAPITAL RECEIPTS			
a)	Principal Loan Recovery	308.54	246.23	89.10
b)	SD&DP/OTS Adv. etc./Rephasement /P. written back	30.86	560.24	7.26
c)	Other charges on loan recovery	24.73	45.31	14.80
d)	Others-subsidy		-	-
	Sub-Total:-	364.13	851.78	111.16
4)	REVENUE RECEIPTS			
a)	Int. on loan recovery	916.54	668.07	194.63
b)	Other Income	127.96	176.50	175.08
	Sub-Total:-	1044.50	844.57	369.71
5)	Other Cash inflows			
a)	Agency loan Recovery	9.49	7.51	3.13
b)	Cash inflow	167.39	27.19	13.85
	Sub-Total	176.88	34.70	16.98
	Total (1 to 5)	2506.33	3282.85	2758.36

B)	USES OF FUND			
1)	Principal Repayment		-	-
a)	Restructure Refinance to SIDBI		-	-
b)	New Loan/ NEF		-	-
	Sub:-Total	-	-	-
2)	REVENUE PAYMENT			
a)	Financial Charges	48.85	47.00	78.34
b)	Administrative/Establishment Exp.	672.45	627.25	568.06
	Sub-Total	721.30	674.25	646.40
3)	CAPITAL EXPENDITURES			
a)	T.L. Disbursement		-	-
b)	Subsidy disbursement(refund to DI)		-	-
c)	Other charges loan a/c	33.24	25.00	16.37
e)	Other Cash Outgo /Agency loan repayment	199.99	323.09	203.40
	Sub-Total:-	233.23	348.09	219.77
4)	Closing Cash & Bank Balance	1551.80	2260.51	1892.19
	Total (1 to 4)	2506.33	3282.85	2758.36



**ANNEXURE - 10 : SUMMARY OF PROFIT & LOSS ACCOUNT
FOR THE LAST FIVE YEARS**

(₹ lakh)

Sl.No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	Interest Earned	301.43	370.98	916.54	668.07	194.63
2	Other Income	213.20	228.76	127.96	176.49	175.08
3	Interest waived and expenditure written back.	645.90	279.68	457.12	372.77	87.53
	Total Income	1160.53	879.42	1501.62	1217.33	457.24
4	Other Financial Expenses	0.17	51.15	48.85	47.00	78.34
5	Establishment Expenses Including P.F.contribution gratuity, Medical & Interest on P.F..Incentives Allowance to Staff, Pension & Leave Salary Contribution & others.	994.93	796.76	690.67	644.48	584.46
	Total Expenditure	995.10	847.91	739.52	691.48	662.80
6	Gross Profit	165.43	31.50	762.09	525.85	(205.56)
7	Net Prior period Adjustment	332.09	332.75	25.32	9.54	29.85
8	Less provision for NPA & standard assets	-	-	-	-	-
9	Net Profit / (Loss)	(166.66)	(301.25)	736.77	516.31	(235.41)
10	Transfer to Reserve	-	-	147.35	103.26	-

**ANNEXURE - 11 : STATEMENT SHOWING THE NUMBER OF SCHEDULED CASTE
AND SCHEDULED TRIBE EMPLOYEES OF THE CORPORATION**

Sl.No.	Category of Posts	Employees As On 31.03.19						Employees retired/ resigned/ Expired in 2019-20						Employees as on 31.03.20					
		Percentage of Total						Percentage of Total						Percentage of Total					
		Total	SC	ST	SC	ST	Total	Total	SC	ST	SC	ST	Total	Total	SC	ST	SC	ST	Total
1	CLASS A - Officers	12	-	-	-	-	9		-	-	-	-	3		-	-	-	-	
2	CLASS B - Assistants & Clerical Staff	56	-	1	-	1.79	11		-	-	-	-	45		-	1	-	-	2.22
3	CLASS C- Other Subordinate Staff	18	2	2	11.11	11.11	2		-	-	-	-	16		2	2	12.50	12.50	
4	Consolidated	1	-	-	-	-	-		-	-	-	-	1		-	-	-	-	
	TOTAL	87	2	3	2.30	3.45	22		-	-	-	-	65		2	3	3.08	4.62	

**ANNEXURE - 12 : STATEMENT INDICATING THE POSITION OF UNDERWRITING BY THE CORPORATION
ASON 31.03.20**

Sl.No.	Name of the Company	No. of share Held		Value			Outstanding	
		Ordinary Share	Preference Share	Nominal Per Share (₹)	Share Held (₹ lakh)	Paid up value per Share (₹)	Total (₹ lakh)	Total
1	Bhaskar Textiles Mills Ltd.	-	400	100.00	0.40	100.00	0.40	0.40
2	ORITCO (Equity Shares)	87	-	1000.00	0.87	1000.00	0.87	0.87
	TOTAL	87	400	-	1.27	-	1.27	1.27

ANNEXURE - 13 : PERFORMANCE OF THE CORPORATION DURING LAST 15 YEARS

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		
											Prin.	Int.	Total
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.			
2005-06	0	0	28207	1305.33	0	0.11	28207	1305.12	13266	511.52	45.52	23.86	69.38
2006-07	0	0	28207	1305.33	0	0	28207	1305.12	12595	477.08	48.24	27.91	76.15
2007-08	0	0	28207	1305.33	0	0	28207	1305.12	11918	434.54	29.90	17.08	46.98
2008-09	0	0	28207	1305.33	0	0	28207	1305.12	11386	403.70	27.33	19.24	46.57
2009-10	2	0.93	28209	1306.26	0	0	28207	1305.12	10507	370.71	19.05	21.10	40.15
2010-11	6	3.94	28215	1310.20	3	0.71	28210	1305.84	9885	325.38	24.35	17.68	42.03
2011-12	8	4.11	28223	1314.31	4	0.84	28214	1306.68	9332	301.11	21.74	14.64	36.38
2012-13	6	2.85	28229	1316.97	6	2.06	28220	1308.73	8915	287.53	6.77	12.57	19.34
2013-14	1	0.20	28230	1317.17	2	1.13	28222	1309.86	8751	276.42	5.67	5.72	11.39
2014-15	0	0.00	28230	1317.17	0	0.04	28222	1309.90	8595	271.99	3.37	11.96	15.33
2015-16	1	0.43	28231	1317.60	0	0.00	28222	1309.90	8467	264.93	3.02	3.06	6.08
2016-17	0	0.00	28231	1317.60	0	0.00	28222	1309.90	8379	261.94	0.95	3.76	4.71
2017-18	0	0.00	28231	1317.60	0	0.00	28222	1309.90	8314	258.92	3.68	9.22	12.90
2018-19	0	0.00	28231	1317.60	0	0.00	28222	1309.90	8264	255.09	8.55	6.72	15.27
2019-20	0	0.00	28231	1317.60	0	0.00	28222	1309.90	8251	254.21	1.12	1.97	3.09

ANNEXURE - 14 : POSITION OF SHARE CAPITAL

Year	Authorised share capital at the end of the year	STATE GOVT.					SIDBI					IDBI	Others	Total share capital (7+12+13)
		At the beginning of the year	During the year received	By way of conversion of loan / Refund	Sub Total (4 + 5)	Total share capital (3+6)	At the beginning of the year	During the year received	By way of conversion of loan	Total	Total share capital (8+11)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1990-91	10000.00	2822.08	635.00	32.94	667.94	3490.02	2222.07	635.00	32.945	667.945	2890.015		15.875	6395.885
1991-92	10000.00	3490.02	500.00	124.50	624.50	4114.52	2890.015	373.324	124.50	497.824	3387.839		15.875	7518.209
1992-93	10000.00	4114.52	-	124.50	124.50	4239.02	3387.839	3.096	124.50	127.60	3515.435		15.875	7770.305
1993-94	10000.00	4239.02	-	124.50	124.50	4363.52	3515.435	-	124.50	124.50	3639.935		15.875	8019.305
1994-95	10000.00	4363.52	240.00	124.50	364.50	4728.02	3639.935	-	124.50	124.50	3764.435		15.875	8508.305
1995-96	10000.00	4728.02	-	124.50	124.50	4852.52	3764.435	-	124.50	124.50	3888.935		15.875	8757.305
1996-97	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
1997-98	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
1998-99	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
1999-00	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2000-01	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2001-02	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2002-03	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2003-04	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2004-05	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2005-06	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2006-07	10000.00	4852.495	-	-	-	4852.495	3888.935	-	-	-	3888.935		15.875	8757.305
2007-08	10000.00	4852.495	-	27104.249	27104.249	31956.744	3888.935	-	-	-	3888.935		15.875	35861.554
2008-09	50000.00	31956.744	-	2316.25	2316.25	34272.994	3888.935	-	-	-	3888.935		15.875	38177.804
2009-10	50000.00	34272.994	-	-	-	34272.994	3888.935	-	-	-	3888.935		15.875	38177.804
2010-11	50000.00	34272.994	-	-	-	34272.994	3888.935	-	1896.399	1896.399	5785.334	1273.899	15.875	41348.102
2011-12	50000.00	34272.994	-	-	-	34272.994	5786.334	-	186.76	186.76	5972.084	1273.899	15.875	41534.862
2012-13	50000.00	34272.891	-	-	-	34272.891	5972.081	-	-	-	5972.081	1273.899	15.875	41534.862
2013-14	50000.00	34272.994	-	(-)0.999	-	34271.995	5972.084	-	-	-	5972.084	1273.899	15.875	41533.853
2014-15	50000.00	34271.995	-	-	-	34271.995	5972.084	-	-	-	5972.084	1273.899	15.875	41533.853
2015-16	50000.00	34271.995	-	-	-	34271.995	5972.084	-	-	-	5972.084	1273.899	15.875	41533.853
2016-17	50000.00	34271.995	-	-	-	34271.995	5972.084	233.44	-	-	6205.524	1273.899	15.875	41787.293
2017-18	50000.00	34271.995	-	-	-	34271.995	6205.524	46.585	-	-	6252.209	1273.899	15.875	41813.978
2018-19	50000.00	34271.995	-	-	-	34271.995	6252.209	46.585	-	-	6298.894	1273.899	15.875	41890.863
2019-20	50000.00	34271.995	-	-	-	34271.995	6298.894	46.587	-	-	6345.581	1273.899	15.875	41907.350



ODISHA STATE FINANCIAL CORPORATION

CONNECTIVITY CHART					
1	Shri Satyabrata Sahu, IAS	Chairman	MSME: 0674-2391384		
2	Shri Pradipta Kumar Sahani, OAS (SAG)	Managing Director	TEL: 0671-2443659	9337120370	mdosfc@osfcindia.com & osfcho@osfcindia.com
HEAD OFFICE					
	Odisha State Financial Corporation, OMP Square, Cuttack - 753003 Odisha	Website : www.osfcindia.com Email : osfcho@osfcindia.com			
DEPARTMENTS OF HEAD OFFICE					
1	Shri Alok Dash	Finance & Accounts, Credit and Recovery	0671-2440223	9437270692	fadhodosfc@yahoo.com
2	Shri Devi Prasad Mishra	Computer Services and Planning & MIS	0671-2970801	9238579931	csdhodosfc@yahoo.com
3	Shri Kanhu Charan Panigrahi	Human Resource, Board Division, Internal Vigilance	0671-2443590	9937764107	hrdhodosfc@yahoo.com
4	Shri Basant Kumar Jena	Internal Audit		8763496702	iadhodosfc@yahoo.com
5	Shri Laxmi Kanta Kar	Legal		7655828805	sdhodosfc@yahoo.com
BRANCH OFFICES					
1	BHUBANESWAR	Indradhanu Market Complex, Nayapalli, Bhubaneswar, PIN:751015	0674-2360852		bbsr@osfcindia.com
2	CUTTACK	Industrial Estate, Madhupatna, Cuttack, PIN:753010	0671-2342035	9861324270	ctc@osfcindia.com
3	PARADEEP	Industrial Estate, Madhupatna, Cuttack, PIN:753010	0671-2344107	9861324270	pdp@osfcindia.com
4	SAMBALPUR	Bareipalli, N.H-6, Sambalpur, PIN:768001	0663-2115185	9437360429	sbp@osfcindia.com

