SUMMARY

The discussion under this chapter has been split up into two parts, viz., Financial Performance and Physical Performance. Under Financial Performance, discussion has been made on indicators like Profitability, Fund Manageability, Debt-Serviceability and Overdues while, the indicators like Acceleration of Industrial Development, Health of the Assisted Units, Removal of Regional Disparities and Development and Promotional Activities have been used for assessing the Physical Performance of the OSFC.

Profitability has been tested from three angles such as: covering expenses, paying dividend and building up of reserves. It was revealed that OSFC's profit was all through sufficient to cover the expenses. But it was inadequate to pay the dividend in 17 out of 25 years. Naturally, it could not build up sufficient reserves. The annual average of transfers to reserves came to only Rs 4 lakhs, that being the second lowest among all the SFCs. Reserves as percentage of paid-up capital came to only 13.8 per cent for the OSFC which was the lowest among all the SFCs. So, on the whole, it did not fair well in the field of profitability.
The discussion on Fund Manageability shows that the OSFC has heavy dependence on borrowings, reserves and paid-up capital having very minor contribution to total sources of funds while repayment by borrowers also forming a low percentage to the sources of funds.

Debt-serviceability also shows that it has never reached the OSCR norm as fixed by the World Bank. Its OSCR has always remained below the average of all the SFCs, too.

The overdues of the OSFC as percentage of its loans outstanding has remained all along much above the average of all the SFCs, although at the end of 1981-82, it has shown some improvement. Hence, the OSFC's performance has not been satisfactory on this front.

No definite information was available about the output produced or employment generated which could help in assessing the level of industrialisation achieved through OSFC's financing activities. But whatever be the contribution of the OSFC towards industrialisation, of the State, an analysis of the health of its assisted units reveals that more than two-thirds of the total number have turned to be sick and on an average, only 25 units per annum are in the running condition. Sixty four per cent of the sick units
suffer from managerial deficiency. It means that proper attention is not paid to the managerial competence of the entrepreneurs while appraising loan applications. Hence, the appraisal standard and monitoring and follow-up machinery need considerable improvement so as to make a real impact on the industrialisation of the State.

There was a wide gap between the backward and 'other than backward' districts of the State in the matter of OSFC's financing. However, through constant efforts the gap is being gradually narrowed down in the recent years.

As regional development bank, the OSFC's developmental role so far has been very negligible. It has to gear up its developmental and promotional activities in the coming years in order to give Odisha a significant and rightful place in the industrial map of the country.

So, on the whole, the OSFC's activities as a regional development bank has been quite modest in the past and needs a great deal of improvement in the future.

NOTES
13. Ibid.
15. Quoted by the Development Banking Centre, p.17.
16. Ibid.
23. K.C. Mehra, p.11.
26. A Staff Reporter, "Concern over Growing Industrial Sickness"
27. OSFC, 24th Annual Report, 1980-81, p.34.
28. Ibid.