

# OSFC to resume lending to MSMEs soon

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Following the signing of the tripartite agreement among the Orissa State Finance Corporation (OSFC), the Orissa government and the Small Industries Development Bank of India (SIDBI), OSFC has decided to resume lending to small-scale industries (SSIs) in the state.

The state-owned lender will soon hold discussions with SIDBI in this

regard and start lending to the SSIs in about a month's time, sources said.

"SIDBI has obtained its board approval to open a line of credit for OSFC and the board of OSFC has also approved the proposal to resume lending to the small scale sector," industries secretary Saurabh Garg told *Business Standard*.

OSFC, which has assisted more than 28,000 MSMEs in Orissa, helping in the generation of over 200,000 jobs in the state, hopes to advance around Rs 20 crore to the SSIs in the remaining months

of the current fiscal.

"We will be holding discussions with SIDBI pertaining to the Business Plan and Resource Forecast in next couple of days and hope to start lending by the end of this month," K N Khatai, managing director of OSFC, said. Sources said the line of credit would be made available from SIDBI after the discussions are over. Meanwhile, OSFC has started identifying potential borrowers to resume its lending activity.

The tripartite agreement signed in the

middle of November last year has enabled the state-owned lender to get re-finance from SIDBI, as OSFC was able to attain a positive net worth and capital adequacy ratio (CAR) of 6.25 per cent. Apart from getting a new line of credit, OSFC will be able to repay the outstanding loan of about Rs 140 crore to SIDBI.

The infusion of Rs 352 crore by the state government and the support provided by SIDBI in restructuring outstanding loans have gone a long way in turning around the health of OSFC.