

# OSFC signs MoU with SIDBI for small units

|| Statesman News Service

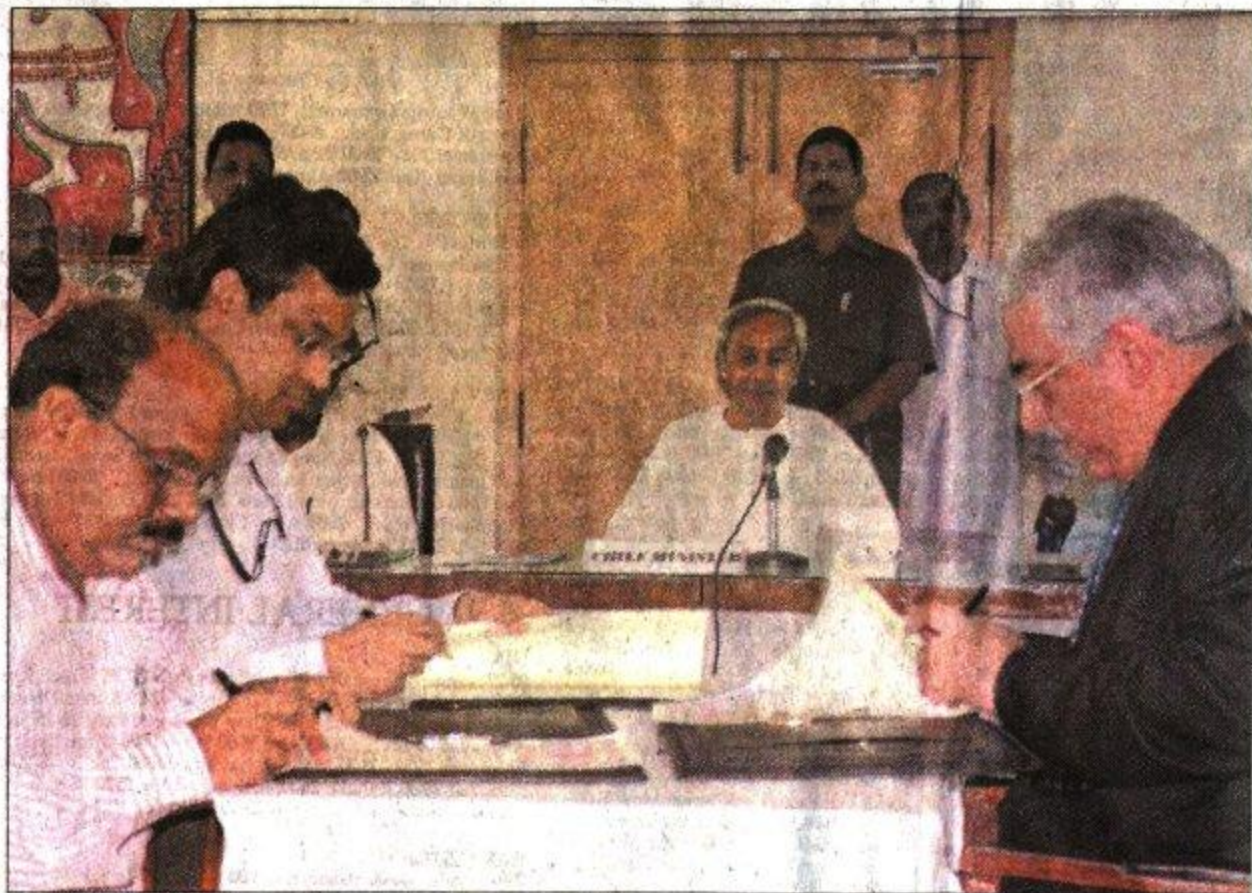
BHUBANESWAR, 16 NOV: A big stride towards financing the medium and small-scale industries sector was taken today, with the Orissa State Finance Corporation (OSFC) signing a MoU with Small Industries Department Bank of India (SIDBI).

The OSFC which was in the red and had stopped providing loan to industries since 2003, will now be eligible to avail refinance from SIDBI. For the last six years OSFC was not able to give out loans as it did not have the required capital adequacy. In fact the OSFC could attain the desired level of capital adequacy only after the state government pumped in Rs 352 crore.

The MoU will now open up a new line of credit and this in turn will help the medium, small and micro-enterprise in the state.

Mr RM Malla, CMD, SIDBI, Mr S Garg, secretary industries department and Mr KN Khatai, MD OSFC signed the MoU in the presence of chief minister, Mr Naveen Patnaik here today.

Mr Patnaik highlighted the steps taken by his government to provide support to small and medium sector. The mega projects coming up in the state have also been asked to develop downstream and ancillary enterprises which will provide employment opportunity to youths, he observed.



Mr RM Malla, CMD, SIDBI, Mr Saurabh Garg, industry secretary and Mr KN Khatai, MD, OSFC sign the agreements as chief minister Mr Naveen Patnaik looks on. In Bhubaneswar on Monday. || SNS

The CM pointed out that 5,000 new enterprises are being registered every year in the small and medium sector. The state government has

infused over Rs 352 crore in order to restructure OSFC, he added. SIDBI, on its part, has waived 50 per cent of the accrued interest, amounting to Rs

48 crore, and reduced the rate of interest from 11.70 percent to 7.5 percent per annum on outstanding principal amount, to help revive OSFC.