



## **CHAIRMAN's MESSAGE**

Dear Shareholders,

I have great pleasure in extending you all a warm welcome on behalf of the Board of Directors and Officers & Staff of the Corporation to our 64th Annual General Meeting.

We believe that our active re-shaping of the portfolios is the best way to create value for our shareholders and to ensure a successful future for the customers and employees of the Corporation.

We made good progress on our strategy, delivering strong operating performance and cost efficiencies during FY: 2017-18 in key result areas of sanction, disbursement and recovery and we have been able to earn profit for the twelfth consecutive years. It is a matter of pride that AFC has provided financial assistance to total 7282 projects both in service and manufacturing sectors under its various schemes since inception involving total loan amount of ₹28111.21 lakhs sanctioned as on 31-03-2018. Today we feel very proud to inform you that AFC has so far provided direct & indirect employment opportunities to more than 150000 unemployed youths of the state. In the microfinance operation which was started from FY: 2009-10, the performance of the Corporation is highly encouraging. In this sector, AFC has sanctioned and disbursed total amount of ₹4012.26l akhs and ₹3192.26lakhs respectively as on 31-03-2018 under the prestigious "Chief Minister's Micro Finance Scheme" and "Kanaklata Micro Finance Scheme" and provided financial inclusion and livelihood support to more than 30,000 women beneficiaries of the state.

### **THE FUTURE**

In the current year and in the years to come, in order to ensure sustainable growth in sanction, disbursement and recovery portfolios, the Corporation is focusing towards providing excellent customer service by reviewing its lending and recovery policies and improving upon its various processes and procedures. For the continuation of its lending activities for industrial development and employment generation to contribute to socio-economic development of the state and with a view to ensure sustainable growth,

the AFC has made a long term strategic business plan and accordingly submitted proposals before the Government of Assam for continuous budgetary support. The Corporation has not received any budgetary support either in the form of equity or soft loan from the Govt. of Assam since FY: 2014-15. However, we are hopeful that the Government of Assam will be kind enough to provide us sufficient amount of operating fund in the form of loan and equity for sustainable and consistent growth of AFC and at the same time to contribute towards the growth of MSME sectors in the state. In addition to this in view of encouraging performance in the microfinance sector the Corporation has also moved to the Government of Assam to provide budgetary support along with adequate equity support as the Corporation has been operating with a low capital base.

The competition with the Commercial Banks and other financial Institutions will increase considerably with the creation of more banking institutions and consolidation among existing ones. Moreover, new customized/innovative financing schemes are being introduced by NBFC's and other financial institutions. Now, AFC need to divert from their traditional financing and need to look forward for niche market financing like ' Startup funding', ' Infrastructure financing' and other non fund based activities like ' Single Window Clearance Authority, ' Knowledge Sharing Centres'. Further, we will also explore the possibility of joint infrastructural development ventures for development of IT/ Bio-Tech Parks/Commercial Malls as part of new initiatives and diversification process. The State Government can help AFC a lot by allocating valuable vacant lands in the prime localities with in and around Guwahati city owned by various Government Departments/Governmental Agencies/ Registered Societies/ Trust etc for joint development. AFC would take care of all the financial ties ups for development of those properties and more resources and Infrastructure development projects.

## **PERFORMANCE**

It is my privilege to place before you the highlights of the Corporation's performance for the FY:2017-18. The Corporation has shown outstanding performance in the FY:2017-18 in its key portfolios as below:

- Overall sanction position increased by 36.18% from ₹2095.90 lakhs in FY:2016-17 to ₹2287.75 lakhs in FY:2017-18;
- Overall disbursement position increased by 30.45% from ₹1740.00 lakhs in FY:2016-17 to ₹2095.90 lakhs in FY:2017-18;
- Total recovery of loan increased to ₹2532.70 lakhs from ₹2149.40 lakhs in the previous year registering a growth of 17.83%;

## **MANAGEMENT:**

The Board of Directors are very knowledgeable and experienced and are capable of laying down clear and effective policy framework and focused explicitly on strengthening financial regulations and supervision improving governance with full transparency

and accountability. The Executive Team under the stewardship of learned Managing Directors have successfully faced the challenging environment.

I take this opportunity to extend my gratitude to my colleagues on the Board for their excellent guidance and look forward for their valuable guidance in the years to come.

### **EMPLOYEES:**

The employees at all levels have chiefly contributed to the Corporation's success story so far. The pedestal on which the Corporation now stands is built with the professional acumen, energy and dedication of the serving and past employees. The vision and inputs of the Executive Team has enormously contributed to the growth in current year.

I myself and on behalf of the Board take this opportunity to express our appreciation for the tremendous contribution of the employees in scripting the success story of the Corporation.

### **STATE ECONOMY**

Between 2011-12 and 2016-17, the Gross State Domestic Product (GSDP) of Assam expanded at a Compound Annual Growth Rate (CAGR) of 11.78 per cent. Net State Domestic Product (NSDP) expanded at a CAGR of 11.48 per cent between 2011-12 and 2016-17. As per advance estimate the state GDP growth is expected to rise to 15% in FY: 2017-18.

The sectoral analysis revealed that during 2016-17 the percentage contribution of Agriculture and allied sector to total GSDP of Assam at current price was 19.34%, industry sector 28.72%, service sector including taxes and subsidies 51.95%.

During 2011-12 to 2016-17(QE) the share of industry sector at current prices has slightly declined from 30.63% to 28.72% respectively. The slight decrease in agriculture and allied sector and industry has resulted increase in service sector as well as taxes and subsidies. During the period 2011-12 to 2016-17(QE) the share of service sector had increased from 43.97% to 45.51%.

### **OUR GOAL**

I feel that we are at a historic juncture in our existence and growth which requires careful planning and long range vision to ensure that the Corporation not only survives the difficult situation but also encashes this opportunity to evolve new models of business and revenue streams to achieve higher growth in the years to come.

We would continue to strive for achieving the intended targets by formulating newer customer centric policies, extending services in a time bound manner, concentrating on thrust areas like the MSME sector, identifying newer emerging business segments, judiciously managing the funds position and last but not the least, periodically reviewing the NPA's position.

Finally, we are re-wiring the organization have a 'Start up' culture and mindset. In addition to being familiar with technology, every employee needs to embrace experimentation, entrepreneurship and innovation.

#### **ACKNOWLEDGEMENT:**

On behalf of the Board of Directors, I would like to thank all our employees for their hard work over the last year as well as their willingness to embrace change. And I wish to thank our customers, shareholders and other stake holders for their trust and support they continue to give us.

I acknowledge the valued support, assistance and guidance received from Government of Assam.

I am grateful to SIDBI, RBI, LICI, COSIDICI, SBI, BOB, PNB and other State and National level financial institutions for their continued support and guidance.

I would like to appreciate the dynamic leaderships of the Managing Director, Management Team and Officers and Staff of the Corporation for their dedicated & sincere services and whole hearted efforts rendered for the betterment of the Corporation.

Best wishes for a happy, healthy, peaceful and prosperous life.

Thank you,

Place: Guwahati  
Date: 30-07-2018

Sd/-  
**(Vijay Kumar Gupta)**  
Chairman