APPENDIX- VI

THE ASSAM FINANCIAL CORPORATION

Established under the State Financial Corporations Act, 1951

Establishment

The Assam Financial Corporation was established by Notification No. FTC. 55/51/188 dated the 19th April 1954, issued by the Government of Assam in exercise of the powers conferred by Section 3 of the State Financial Corporations Act, 1951 (LXIII of 1951).

The jurisdiction of the Assam Financial Corporation has since been extended to the Union Territory of Tripura and Union Territory of Manipur, in accordance with the provisions of Section 46A of the State Financial Corporations Act, 1951.

Management of the business of the Corporation.

The business of the Corporation is managed and conducted by a Board of Directors consisting of representatives of the Government of Assam, Tripura Administration, Manipur Administration, Reserve Bank of India, Industrial Finance Corporation of India, Scheduled banks, co-operative banks, insurance companies, other share-holders etc.

Limit of Sanction & period of repayment

The activities of the Corporation are restricted to the grant of loans and advances only, ranging from Rs. 20,000 to Rs. 10 lacs, to industrial concerns in the State of Assam, the Union Territory of Tripura and the Union Territory of Manipur, recoverable in annual instalments within a period not exceeding 12 years. In case of public limited Companies and Registered Co-operative Societies, loans upto a maximum limit of Rs. 20 lacs may be considered by the Corporation.
Concerns eligible for financial accommodation.

Industrial concerns engaged or to be engaged in one or other of the following activities are eligible for Financial accommodation from the Corporation:

(i) manufacture of goods;
(ii) preservation of goods;
(iii) mining;
(iv) generation or distribution of electricity or any other form of power;
(v) processing of goods; this term includes any art of process for producing, preparing or marking an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation;
(vi) transport and hotel industry.

Loans to tea gardens.

The Corporation grants loans only to the economic tea gardens, or to those which have potentialities of becoming economic units, if financial assistance is forthcoming. The loans are granted exclusively for (i) construction/extension of factory and leaf house (ii) purchase of machinery and (iii) extension/replantation of the planted area. Necessary working capital has to be arranged by the gardens themselves against hypothecation of crop only, preferably with a commercial bank, without encumbering the gardens' title deeds.