



North Eastern Development  
Finance Corporation Limited



ANNUAL REPORT  
2002 - 2003

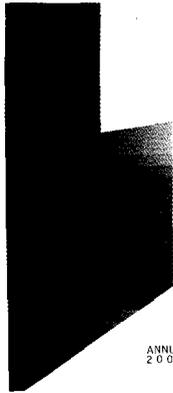


Opening a world of opportunities....  
Providing a colourful vista....  
NEDFi is in the center of it all,  
building an exciting environment.....

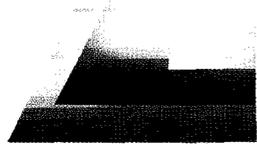


The Corporation is creating a home  
for investors in the North Eastern region.  
Providing them guidance and assistance on ground,  
and helping them succeed in their endeavours.

Making in the process NEDFi,  
a multi-dimensional organisation.



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North East is a good story. It has great investment potential and the region remains as yet untapped. We, at NEDFi, are opening the doors for entrepreneurs. We showcase the North East as an investment opportunity and guide them in.

We take the initiative and market the potential of the place, and steer them through until they set up their business. If the project is viable as seen by both the borrower and lender, we oversee their commercial evaluation, objectively appraise the venture and lend within prudential norms.

We recognise that entrepreneurs need help to make their projects successful. We extend our shoulder, and go the extra mile. For instance, NEDFi helps them to conform with the laws of the land or market their products. This is not just a single window approach. We combine grass root knowledge of the region with financial assistance as well as professional guidance. We actually provide end-to-end solutions.



NEDFi does all this in its role as a **development financial institution**. If the economy of the North East is to be put on the accelerator, it is essential to have a proactive role in making a success of the commercial/industrial units in the region. It is important not only to remove the irritants, but also enable entrepreneurs meet their needs with all other interacting agencies.

The **open-door single-window policy** has helped NEDFi scale new heights, in sanctions and disbursements. Significantly, this approach has helped market the region better. There is an increasing interest, among potential investors from the rest of the country.

NEDFi dedicates itself to being an investor friendly financial institution. The bottom line is clear. It is not enough that we are a good lender. We need to make a success of all our borrowers.

In this cause, if we need to push open more doors, we will.

FROM THE DESK OF THE CHAIRMAN AND MANAGING DIRECTOR

# We open the doors for new investment

NEDFi maintained the trend of improving performance. The financial year 2002-03 saw higher volume of business. Sanctions for the year were Rs.63.64 crore, and disbursements touched a new high at Rs.51.10 crore.

Overall recovery was 68 per cent, and under the prevailing circumstances, cannot be considered discouraging. It must be appreciated that this level of recovery was low when compared to the demand. The Corporation does not consider this as long term delinquency and believes the quality of assets would stand restored. The Corporation is confident of recovering and securing its assets, over the credit period of each loan.

Todate, NEDFi has sanctioned 427 projects for a cumulative amount of Rs.298.90 crore. Disbursements as at the end of the year reached a cumulative total of Rs.188.85 crore. Todate, NEDFi assisted projects have contributed to total investments on ground, aggregating to Rs.635.77 crore and have generated direct employment for nearly 18,000 men and women.



This is NEDFi

## Our Mission

NEDFi aims to be a dynamic and responsive organization to catalyze the economic growth of the North East. It will assist in the efficient formation of fixed assets by identifying, financing and nurturing eco-friendly and commercially viable industrial, infrastructure, agro-horticulture, fishery and animal-husbandry projects in the region.

The main objects to be pursued by NEDFi as per its Memorandum of Association are as follows:

To carry on and transact the business of providing credit and other facilities for promotion, expansion and modernisation of industrial enterprises and infrastructure projects in the North Eastern Region of India, also carry on and transact business of providing credit and other facilities for promotion of agri-horticulture plantation, medicinal plantation, sericulture plantation, aquaculture, poultry, dairy and animal husbandry development in order to initiate large involvement of rural population in the economic upsurge of the society and faster economic growth of different parts of the North Eastern region.

This is NEDFi

What we witnessed during the year under review was more than such numbers. There is greater excitement in the potential of the region. NEDFi has been able to market and create awareness amongst businessmen and industrialists. Indeed, the enthusiasm for North East amongst the investors outside the region is heartening.

There is now a climate of confidence amongst investors. The Corporation has passionately taken on itself the role of transforming the region's economy, business and reputation. North East region needs to be supported. Entrepreneurship needs to be nurtured.

We see a huge challenge in all this. We are not running just a financial institution. We have larger ambition. In partnership with the state and central administrations and the people of the region, we are converting potential into performance. North East needs development, and fortunately has a lot to offer.

The region is a minefield of resources. There is oil, natural gas, water, coal, limestone and other minerals and 38 per cent of the country's hydropower potential (35,000 MW). The land is fertile for both food and commercial crops. For instance, some of the best in tea and extracts of medicinal and aromatic plants come from the North East.



**Dr. C.P. Thakur**, Union Minister for Development of North East & SSI with **Sri J.P. Saikia**, Chairman and Managing Director, participating in a panoramic exhibition on Development Initiatives in the North East, held at Parliament House Annexe

Our operational region has a history and has made a presence in sectors like sericulture, dairy farming, leather, poultry and horticulture. Obviously, the downstream industries have further more to offer. With a vast canvas of clean environment and scenic splendour, tourism is another industry that needs to be marketed. On the whole, the North East region is still to be explored and to a large extent remains untapped.

NEDFi is rising to the challenges of transformation of this abundance. Precious resources, large educated population and the hunger to do well have not been addressed for a variety of reasons.

The Corporation believes it can create awareness, market the region, undertake pre-investment feasibility reports to examine viability of projects, create interest in entrepreneurs, finance the projects within prudential norms and hold hands with promoters through their commercial activities.

We realise that the region has geographical bottlenecks. We are hence taking the initiative with governmental agencies to improve connectivity within the region as well as with the rest of the country. We would not like infrastructure to be a limiting factor for future growth. We are collaborating with industry experts to provide electronic connectivity.

We are in the business of knowledge connectivity. We think for the region, we work with challenges, we solve problems. We have ideas, structures and systems that help entrepreneurship. At the same time we have checks and balances. They are not restrictions. They are to do with progress and not processes.

This is NEDFi

## Our focus area

NEDFi's charter allows it to extend financial assistance to:

1. Industrial projects
2. Infrastructure
3. Agri-horticulture plantation
4. Medicinal plantation
5. Sericulture plantation
6. Poultry
7. Dairy
8. Aquaculture
9. Animal husbandry projects

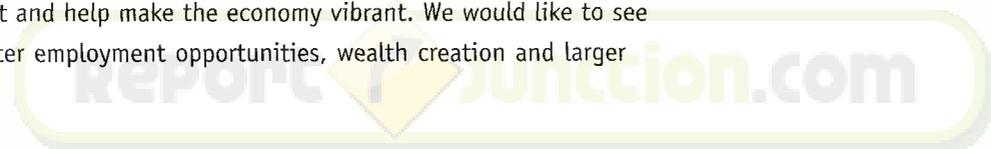
**BUSINESS MEET ON  
"INVESTMENT OPPORTUNITIES IN MIZORAM"  
ORGANISED BY  
THE EASTERN DEVELOPMENT FINANCE CORPORATION LTD. (NEDFi)  
Venue: Symbio Conference Centre, 30<sup>th</sup> January 2003.**



CMD, NEDFi addressing the participants at the business meet held at Aizawl in the presence of His Excellency the Governor of Mizoram, the Hon'ble Chief Minister and the Hon'ble Minister for Industries of Government of Mizoram

NEDFi is supported in all its endeavours by all the administrative and governmental agencies. The state governments have been pushing ahead to improve the infrastructure and associated facilities like law and order and public health.

My colleagues on the Board and the professional team within the Corporation believe that NEDFi is a catalyst and help make the economy vibrant. We would like to see capital formation, better employment opportunities, wealth creation and larger income streams.



We see problems and challenges as opportunities to provide answers, to find solutions and create platform for prosperity. We have the expertise to open doors for investment. It is also an opportunity for us to demonstrate our capabilities. We will ensure there are success stories, and follow through to experience a multiplier effect.

We realise that it is a long road, and that we have miles to go. With our focused vision, sincere commitment and professional attitude, we will quickly walk the talk. We are already at it. Opening the doors for investors.

This is NEDFi

### **Our financing criteria**

In order to be eligible for financing, projects must meet a number of

- The project must be located in the North East India.
- It must be financially and economically viable.
- It must be technically sound.
- It must benefit the local economy.
- It must be environmentally and socially sound

# We are different we make a difference

The team at NEDFi has often asked itself, what is unique about us? In what way are we different from other financial institutions? How do we distinguish ourselves?

From day one we have raised the bar. We seek and work with challenges. We at NEDFi will do anything that will make our clients do well. In simple terms

we help identify projects and market the potential of the North Eastern region.

we assist them in setting up viable units.

we guide them in commercial areas like licences, approvals, registrations with authorities etc.

we provide innovative solutions, including finding markets for their produce.

we create opportunities that help develop the region.

we monitor and contribute to their entrepreneurial success.

we help them discover their own potential.

we make winners of investors in the North East.

we also finance them.

We will help locate the gate to prosperity. If required we shall push the door and show the way.

We will do anything that will take the investors to their destination.

*This is NEDFi*

## **Our competitive advantage**

NEDFi does a hand holding exercise. We find solutions.  
The promoters are guided, counseled and helped to set up units.  
The endeavour has been to make the enterprises succeed.



NEDFi's unique venture, the NEDFi Haat

We are as it were, rewriting the economic credo of the North East. We would like to aggressively push ahead and open up the region, market its potential and recharge the economic activity in our entire operating area. In all the eight states.

For this to happen, we realise that we need to further intensify cooperation with all the business partners – both in the public and private sector.

NEDFi's mission is to discover, develop and market the capabilities of the region, its strengths and be the facilitator for investors. It is not just about money. It is a whole lot of other support functions that would enable the investors to draw comfort. We recognise that investors in the North East are working in a demanding area of business, and yet they need to do well.

Of course, there is a caveat to our financing them within prudential norms. The Corporation also makes it clear to all investors, that they shall reciprocate and repay principal along with agreed interest. They are made to understand that repayment by existing borrowers helps lend further for a new economic activity.

NEDFi is not just a lending institution. We have taken upon ourselves to be a guardian and pathfinder for the entrepreneurs of the region, helping them in identifying viable projects, selecting technical consultants and even helping them in registering their units with respective Directorate of Industries and Registrar of Companies.

Most of the promoters in the North East are first generation entrepreneurs and lack exposure. NEDFi soon realised that unlike their counterparts in other states of the country, entrepreneurs in the North East need more than the credit facilities extended by the banks/financial institutions of the region.

## Our quality policy

*This is NEDFi*

We are committed to achieve maximum customer satisfaction by providing timely and effective financial solutions to the entrepreneurs, continuously improving the effectiveness of the Quality Management System, and continuous employee development.



Sri Ch. Vidya Sagar Rao, Hon'ble Minister for C&I, Government of India addressing the seminar on 'Review of North East Industrial Policy'. Also present Sri Tarun Gogoi, Chief Minister of Assam, Sri B. Kalita, Hon'ble Minister for C&I, Government of Assam and Sri J.P. Saikia, CMD, NEDFi

In pursuit of this idea NEDFi for instance, regularly conducts seminars and workshops all over the North East involving entrepreneurs, government departments, NGOs and people's representatives of respective states. Through such seminars, entrepreneurs are familiarized with NEDFi's lending programmes, other sources of finance and modalities of assistance. Viable projects for that region/state are also discussed.

Some of the inputs of the financial year 2002-2003 would give a better picture. To create awareness among outside investors about the potentiality of investment in North East, NEDFi organized seminars to apprise the entrepreneurs about the possible areas for investment. Moreover, entrepreneurship development programmes are organized from time to time to supplement their knowledge base.

Similarly, NEDFi in association with the National Horticulture Board organized a 3-day National Workshop on commercialisation of patchouli in North East region. The workshop created an awareness of commercialisation of aromatic plants in the region, with special emphasis on patchouli.

It is important that industrialists and administrators appreciate each other's point of view, and work to meet expectations. NEDFi therefore organized an interactive meet with officers of the Department of Industries, Government of Assam. The open house discussion has improved the understanding between the government and the business community.

At an investors' meet, many successful industrialists from outside the region who have invested in the region shared their experiences with the prospective investors. The seminar called for development of infrastructure, single window operation for various formalities, more positive mindset of the government etc. and concluded that states should focus on what entrepreneurs require in the region. The Chief Minister of the state participated with his key officials.

NEDFi took the initiative and organised a two-day seminar on investment opportunities in Manipur. The Governor addressed the meet, and the participants included the Chief Minister and other senior ministers, senior bureaucrats, representatives of banks and financial institutions, and was attended by entrepreneurs and business houses from across the country.