



Gujarat Industrial Investment Corporation Limited

GIIC AND ITS BUSINESS ACTIVITIES - "THREE DECADES OF EXCELLENCE"

Gujarat Industrial Investment Corporation Limited (GIIC) established in 1968, as a Gujarat State Government owned Public Limited Company to supplement the efforts of other Development Corporations, viz. Gujarat State Financial Corporation, has completed three decades of excellence in the industrialisation of Gujarat. In line with the Government policy at that time, the initial focus of GIIC was to promote small scale industries; but it gradually switched over to financing medium scale sector with the help of the refinance facility from the Central level Indian Financial institution, IDBI.

Operating in the era of industrial licensing, GIIC visualised and formulated the concept of promoting large projects in the **JOINT SECTOR**, where as an promoter it participated in the equity; leaving the management control and operations of the unit to the private co-promoter. It has been the pioneering institution to introduce this concept in India, which was then replicated by other State level development and financial institutions. It has helped GIIC not only to build up its own image; but emerge as one of the front-line financial and development corporations in the country.

Further GIIC also formulated the concept of **ASSOCIATE** Sector in project promotion to cover a wider spectrum of industries and industrial development.

With the liberalisation of economic policies since July 1991, and to give off competition, GIIC also entered into providing a foray of financial products like Securitised Corporate Loan against fixed assets, Bills Discounting (against purchase of raw materials except - volatile and hazardous in nature to meet the working capital requirements of clients), Leasing, Hire Purchase and Merchant Banking activities (GIIC is registered as category I Merchant Banker). The securitised Corporate Loan against securitisation of assets is indented to meet the working capital needs as well as short term financial requirements of finance for the on going expansion/diversification/modernisation programmes of assisted track record companies. Presently, therefore, our product range includes:

- * Terms Loans to Projects
- * Project Promotion
- * Financial Services
- * Merchant Banking (Category-I)

Thus it has promoted the concept, where clients have a range of products to meet their requirements.

Term Lending Activity:

Under this activity, GIIC extends financial assistance for promoting industries in Gujarat by providing Terms loans under the Normal Refinance Scheme, Equipment Refinance Scheme, Equipment Finance Scheme etc. for new units/expansion/modernisation.

Financial Services:

Under the financial services package, GIIC extends financial assistance by way of Securitised Corporate Loans against Mortgage of Assets, Bills Discounting (against purchase of raw materials to finance working capital requirements of clients), Leasing, Hire Purchase for meeting the short term financial requirements.

Project Promotion:

In the area of project promotion under JOINT/ASSOCIATE sector, GIIC has played a catalysing role in promoting large projects relevant to the State's economy. It participates in the Equity of such projects upto 26 percent; 25 percent to be brought in by the co-promoter and the balance 49 percent from Public; whereas in Associate Sector it participates in the equity upto 11 percent; 40 percent to be brought in by private sector partner and the balance 49 percent from Public. In both these cases the management of projects rests with the private promoter.

Towards New Dimensions:

In line with the policies of Government for development of infrastructure in the State, GIIC has also entered into financing the small/medium Infrastructure projects in power, ports and port related projects, roads and social infrastructure projects; which forms the basis of any economic development. In fact, Gujarat and GIIC have been amongst the first to be identified for an ADB assistance of US \$ 250 millions for development of Infrastructure Projects. As part of this programme, its technical skill for appraising the infrastructure projects has already been upgraded through intensive training programmes. In fact, GIIC has already started financing Infrastructure projects in Power, Ports and Road sectors, in consortium with other Institutions, even before the assistance has come from ADB.

Achievements:

GIIC now leads the way with "Three Decades of Excellence" playing the role both as a Development Banker and promoter of projects in Gujarat, relevant to the State's economy. As a Development Banker, GIIC has assisted more than 3800 small/medium/large industrial units in Gujarat, by sanctioning financial assistance of around Rs.2,200 crores and disbursing Rs.1,500 crores (as at 31st March 1998). These have resulted in an overall investment of over Rs.5,500 crores and employment opportunities for over 5,60,000 people (both direct and indirect).

In the area of project promotion, it has promoted 56 projects with an equity investment of about Rs.249 crores; generating investment to the tune of Rs.3,600 crores as well as employment opportunities (direct) to nearly 16,000 people.