

ANNUAL REPORT 2013



**ASSAM COMPANY
INDIA LIMITED**



Member
Duncan Macneill Group



Corporate Information



Board of Directors

Dr. K. K. Jajodia, Chairman
Mr. A. K. Jajodia, Managing Director
Mr. Amit Halder
Mr. Amit Kumar Ghosh

Chief Financial Officer

Mr. Sanjay Sharma

Registered Office

Greenwood Tea Estate
P.O. Dibrugarh
Assam - 786 001

Head Office

Assam Tea House
52, Chowringhee Road, Kolkata-700 071
Phone : 91-33-2283-8306/09/12
E-mail : assamco@vsnl.com
Website : www.assamco.com

Auditors

De Chakraborty & Sen
Chartered Accountants
Kolkata

Solicitors

Khaitan & Co.

Registrars & Share Transfer Agents

C.B. Management Services Pvt. Ltd.
P-22, Bondel Road
Kolkata-700 019
Phone : 91-33-4011 6700/11/18/23
E-mail: rta@cbmsl.com
Website: www.cbmsl.com

Bankers

Allahabad Bank
Bank of Baroda
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
Oriental Bank of Commerce
Central Bank of India
Indian Overseas Bank
Syndicate Bank
Union Bank of India

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NOTICE

Notice is hereby given that the Thirty-Seventh Annual General Meeting of the Members of Assam Company India Limited will be held at 11.00 A.M., on Friday, 27th June, 2014, at Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam, to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st December, 2013, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. K. K. Jajodia, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. De Chakraborty & Sen, Chartered Accountants, Auditors of the Company, having Firm Registration No. 303029E, allotted by The Institute of Chartered Accountants of India (ICAI), who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration.

Special Business :

4. To consider and if thought fit, to pass with or without modification, the following Resolution which will be proposed as an **Ordinary Resolution**:

"**RESOLVED THAT** Mr. Amit Kumar Ghosh, who was appointed as an Additional Director by the Board of Directors at its Meeting held on 26th February, 2014, with effect from 26th February, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 257 of the Companies Act, 1956, has been received from a Member, signifying his intention to propose Mr. Amit Kumar Ghosh as a candidate for the Office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** in supersession of earlier resolutions passed in this regard, pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/ monies so borrowed by the Board shall not at any time exceed the limit of Rs. 1,500 Crores (Rupees Fifteen Hundred Crores)".

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** in supersession of earlier resolutions passed in this regard, consent of the Company be and is hereby accorded pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to mortgage, hypothecate or charge all or any part of immovable or movable properties of the Company, wheresoever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any immovable properties of the Company, to or in favour of Bank(s), Financial Institution(s), Insurance Companies, Companies or any other entities for the due payment of the principal monies together with the interest payable by the Company in respect of such borrowings and to secure any debentures for an aggregate amount not exceeding Rs. 1,500 Crores (Rupees Fifteen Hundred Crores) at any point of time including the existing borrowings;



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and settle the terms and conditions with the concerned Banks/ Financial Institutions etc., finalize the agreement/contracts and documents for creating the aforesaid mortgages and/or charges and to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution."

Kolkata
26th February, 2014

BY ORDER OF THE BOARD
A.K. Jajodia
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. NO PHOTOCOPY/ SCANNED COPY OF A COMPLETED PROXY FORM WILL BE ACCEPTED.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
3. Those Members, who have not so far encashed their Dividend Warrants from the year ended 31st December, 2006, onwards may immediately approach the Company for revalidation of such Dividend Warrants. Please note that pursuant to Section 205A of the Companies Act, 1956, the Company is obliged to transfer any money lying in the Unpaid Dividend Accounts, which remain unpaid or unclaimed for a period of seven years from the date of the transfer in such Unpaid Dividend Accounts to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. In accordance with Section 205C of the said Act, no claim shall lie against the Fund or the Company in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of such claims.
4. As required under the provisions of Clause 49(IV)(G)(i) of the Listing Agreements, particulars relating to Dr. K. K. Jajodia, Director retiring and Mr. Amit Kumar Ghosh, whose appointments/re-appointments are being proposed at the forthcoming Annual General Meeting, are enclosed in the Annexure to this Notice.
5. As per the provisions of Section 109A of the Companies Act, 1956, Members are requested to file Nomination Forms in respect of their shareholding. Any Member wishing to avail of this facility should submit to the Company the prescribed Statutory Form 2B. For any assistance, Members should get in touch with the Company's Registrar and Share Transfer Agent (RTA).
6. Members are requested to notify immediately any change in their addresses to the Company's RTA.
7. A Member or his Proxy will be required to produce at the entrance to the Meeting Hall, the Attendance Slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated Attendance Slips will be accepted. However, Members who have received the Annual Report on E-mail can download and print the Attendance Slip themselves. These should be completed, signed and handed over at the entrance to the Meeting Hall. The validity of the Attendance Slip will, however, be subject to the Members continuing to hold Equity Shares as on the date of the Meeting.
8. Equity Shares of the Company fall under the category of compulsory demat trading by all Investors. Members are requested to consider dematerialisation of their shareholding so as to avoid inconvenience.
9. Securities and Exchange Board of India (SEBI) vide Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, has issued a circular on PAN requirement for transfer of shares in physical form. For securities market transactions and off-market / private transactions involving transfer of shares in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTA for registration of such transfer of shares.



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10. All documents referred in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. to 12 noon upto the date of the forthcoming Annual General Meeting.
11. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
12. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
13. In case of joint holders attending the Meeting, only such joint holder, who is higher in the order of names, will be entitled to vote.
14. Members are requested to quote their registered Folio Number/ DP ID, Client ID in all correspondence with the Company or its Registrars.
15. Members holding shares in physical form are requested to notify changes in their addresses, if any, quoting their Folio Numbers to the RTA of the Company.
16. Members holding shares under multiple folios are requested to submit their applications to RTA, for consolidation of folios into single folio.
17. The Register of Director's Shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the Members at the Annual General Meeting.
18. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Reports at the Meeting.
19. Members desiring any relevant information on the annual accounts of the Company are requested to write to the Company well in advance to ensure that such requests reach the Company at least 10 (ten) days before the Annual General Meeting, so as to enable the Company to keep the information ready.
20. The Register of Members and Share Transfer Books of the Company shall remain closed from 2nd June, 2014 to 27th June, 2014, both days inclusive.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE SPECIAL BUSINESS

Item No.4

Mr. Amit Kumar Ghosh, was appointed on 26th February, 2014, as an Additional Director of the Company to hold office till the date of the ensuing Annual General Meeting.

The Company has received Notice under Section 257 of the Companies Act, 1956, from a Member signifying the candidature of Mr. Amit Kumar Ghosh for the office of a Director of the Company.

The Board accordingly, recommends the Resolution set out in Item No. 4 of the Notice for approval of the Members.

None of the Directors other than Mr. Amit Kumar Ghosh, Manager or Key Managerial Personnel or any of the relatives of any of the Directors, Manager or Key Managerial Personnel of the Company is interested or deemed to be interested, financial or otherwise, in the proposed Resolution and the proposed Resolution does not relate to or affects any other Company.

Item No. 5 & 6

The Company is in the business of tea and oil & gas exploration, both of which are capital intensive. Hiring of rigs, seismic studies, well workovers, oil treatment/storage facility, geological / geophysical studies and other exploratory activities require deployment of substantial funds. The tea business also requires capital expenditure towards planting, re-planting, upgradation and modernisation of factory, garden utilities, irrigation facilities, labour housing and welfare and other infrastructure supports. In order to execute such



tasks, the Company may be required to borrow monies (apart from temporary loans obtained from the Company's Bankers in the Ordinary course of business) in excess of the aggregate of the paid up capital and free reserves.

In view of the growing operations and considering the long term objectives, the Company requires additional funds. It is therefore recommended to increase the borrowing limit of the Board of Directors including both funded and non funded facilities up to Rs. 1,500 Crores (Rupees Fifteen Hundred Crores) pursuant to Section 180(1)(c) of the Companies Act, 2013, as set out in the Resolution in Item No. 5 of the Notice.

The provisions of Section 180(1)(a) of the Companies Act, 2013, require the consent of the shareholders to secure such borrowings by mortgage, hypothecate/charge on any of the immovable and/or movable properties and/or the whole or any part of the undertaking(s) of your Company as set out in the Resolution in Item No. 6 of the Notice.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the resolutions as Special Resolutions.

None of the Directors, Manager or Key Managerial Personnel or any of the relatives of any of the Directors, Manager or Key Managerial Personnel of the Company is interested or deemed to be interested, financial or otherwise, in the proposed resolutions and the proposed resolution does not relates to or affects any other Company.

Kolkata
26th February, 2014

BY ORDER OF THE BOARD
A.K. Jajodia
Managing Director

Annexure to Annual General Meeting Notice

Information on Director seeking appointment / re-appointment at the ensuing Annual General Meeting (Pursuant to Clause 49(IV)(G)(i) of the Listing Agreements.)

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorship in other Public Companies	Membership of Committees of other Public Limited Companies (include only Audit Committee and Shareholders'/ Investors' Grievance Committee)	Other Information	Remarks
K.K. Jajodia	02.10.1933	01.10.1992	Business Management	Doctor of Philosophy, B.Com (Hons)	North-East Hydrocarbon Ltd. Assam Oil and Gas Limited	NIL	Promoter Director No. of Shares held : NIL	Retires by rotation at the forthcoming Annual General Meeting
Amit Kumar Ghosh	21.01.1951	26.02.2014	Business Management	Chartered Accountant, B.Com (Hons)	NIL	NIL	Independent Director No. of Shares held : NIL	Additional Director subject to retirement by rotation



IMPORTANT COMMUNICATION FOR MEMBERS

26th February, 2014

Dear Sir(s) / Madam,

The Ministry of Corporate Affairs (MCA) has issued a Circular on 21st April, 2011, stating that the service of documents by a company may be made through electronic mode. The Circular has been issued in pursuance of "Green Initiative in the Corporate Governance" taken by MCA.

Keeping in view the above Circular, it is proposed to send documents like Notice of the Annual General Meeting and Annual Reports and Postal Ballot papers etc., in electronic form. These documents will be sent to those Members, who have already provided their E-mail IDs, unless they exercise their option to receive them in physical form by visiting the following Website of our Registrar and Share Transfer Agent (RTA).

Those who are holding Shares in Dematerialized mode but have not provided their E-mail address, are requested to please provide the same to their respective Depository Participants immediately. Those who, however, intend to receive the above documents in physical form, are requested to please exercise their option immediately by visiting the following Web Page of our RTA : www.cbmsl.com/green.php

Members holding Shares in Physical mode are requested to visit the following Website and register their E-mail IDs and also exercise their option if you intend to receive the documents in physical form www.cbmsl.com/green.php

Thanking you,

Yours faithfully,

For ASSAM COMPANY INDIA LIMITED

A.K. JAJODIA

MANAGING DIRECTOR



Directors' Report



The Board presents the Thirty-Seventh Annual Report and Accounts for the year ended 31st December, 2013. The Financial Results are set out below:

	Year ended 31st December, 2013 ₹	Year ended 31st December, 2012 ₹
Income	2,48,18,21,506	2,71,77,41,816
Profit before Interest, Depreciation, Amortisation, Taxes and Exceptional Items	77,87,85,594	83,79,47,924
Interest and Finance Charges	61,29,26,436	49,35,95,543
Depreciation / Amortisation	5,80,91,424	7,15,54,037
Profit before Exceptional Items and Taxes	10,77,67,734	27,27,98,344
Exceptional Items	(45,42,706)	(1,59,05,226)
Profit before Tax	11,23,10,440	28,83,03,423
Provision for Tax	3,67,00,000	8,60,00,000
Profit after Tax	7,56,10,440	20,23,03,423
Balance brought forward from previous year	94,46,46,773	76,18,43,947
Available for Appropriation	1,02,02,57,213	96,41,47,370
The Board propose the following Appropriation:		
Proposed Dividend	—	1,54,88,048
Dividend Tax	—	25,12,549
Transferred to General Reserve	—	15,00,000
Balance Carried Forward	1,02,02,57,213	94,46,46,773
	1,02,02,57,213	96,41,47,370

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 ("the Act") and, based upon the representations from the Management, the Board states that:

- in preparing the Annual Accounts, applicable Accounting Standards have been followed and there are no material departures;
- the Directors have selected such accounting policies, applied them consistently and made judgements and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year;
- the Directors have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts of the Company on a "going concern" basis.

Dividend

With a view to conserve resources to meet capital expenses required in oil and tea business in near future, your Directors feel it prudent not to recommend any Dividend for the Financial Year 2013.

Management Discussion and Analysis Report

The annexed Management Discussion and Analysis Report forms a part of this Report and covers, amongst other matters, the performance of the Company during the Financial Year 2013 as well as the future outlook.

Subsidiary Companies

The Statement pursuant to Section 212 of the Companies Act, 1956, containing details of Subsidiary Companies forms part of this Report.

In accordance with the general Circular issued by the Ministry of Corporate Affairs, Government of India, the



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Balance Sheet, Statement of Profit and Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company.

Subject to prior arrangement, the Audited Annual Accounts of the Subsidiary Companies will be available for inspection by any Member at the Company's Registered Office on all working days (except Saturday) between 11.00 a.m. and 1.00 p.m. prior to the date of Annual General Meeting.

Directors

In terms of Section 256 of the Companies Act, 1956, Dr. K. K. Jajodia, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Sarvadaman Ray resigned from the Board with effect from 13th November, 2013. The Board wishes to place on record its appreciation of the valuable guidance and support given by him during his tenure as a Director of the Company.

At the Meeting of the Board of Directors of the Company held on 26th February, 2014, Mr. Amit Kumar Ghosh was appointed as a Non-Executive Independent Director. Mr. Ghosh retires at the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose Mr. Ghosh as a candidate for Directorship of the Company. Mr. Ghosh's period of office will be liable to retirement by rotation.

All the Directors have filed requisite forms and declarations as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003. The brief resume/ details relating to Directors who are to be appointed/ re-appointed are furnished in the Notice of the ensuing Annual General Meeting.

Cost Audit

The Central Government has made it mandatory for the Company to conduct a cost audit and accordingly, the Company has appointed M/s. BCD & Associates, Cost Accountants as its Cost Auditors.

Auditors

M/s. De Chakraborty & Sen, Chartered Accountants, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee has recommended their re-appointment as the Auditors of the Company.

Auditors' Observations

The remarks in the Auditors' Report are already explained in the Notes to the Accounts and as such, does not call for any further explanation or elucidation.

Report on Corporate Governance

In accordance with the Listing Agreements with the Stock Exchanges, the Report on Corporate Governance in accordance with Clause 49 of the Listing Agreements along with the Auditors' Certificate is annexed to and forms a part of this Report.

Particulars as per Section 217 of the Companies Act, 1956

The information relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo, pursuant to Section 217 (1) (e) of the Companies Act, 1956, is set out in Annexure "A" forming part of this Report.

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out in Annexure "B" forming part of this Report.

Acknowledgement

The Board sincerely thanks the Government of India, Ministry of Petroleum and Natural Gas, other Ministries, the Government of Assam, the Indian Tea Association, Tea Board, the Consortium and other Bankers, Customers, Shareholders, Vendors and other Stakeholders for their continued assistance and co-operation. The Board also takes this opportunity to acknowledge the industrial harmony at all the tea gardens and other locales and also thanks the employees and other workmen for their commitment and dedication.

Kolkata
26th February, 2014

On behalf of the Board of Directors
A. K. Jajodia – *Managing Director*
Amit Halder – *Director*
Amit Kumar Ghosh – *Director*



ANNEXURE – 'A' FORMING PART OF THE DIRECTORS' REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, FOR THE YEAR ENDED 31ST DECEMBER, 2013.

FORM "A"		Year ended 31st December, 2013	Year ended 31st December, 2012
CONSERVATION OF ENERGY			
A. Power & Fuel Consumption			
1. Electricity			
a. Purchased Units (KWH)		75,52,182	81,64,631
Total Amount (₹)		6,34,75,223	6,57,98,886
Rate per Unit (₹)		8.40	8.06
b. Through diesel generator Units (KWH)		35,17,547	40,78,222
Units per Litre of Diesel		3.01	3.58
Cost / Unit (₹)		17.32	12.48
2. Coal			
Quantity (Tonnes)		1,181,590	2,834.84
Total Cost (₹)		77,16,177	2,14,79,897
Average Rate (₹ / Tonne)		6,530	7,577
3. Furnace Oil			
Quantity in K. Litres (KL)		8.68	14.61
Total Cost (₹)		4,65,102	5,14,770
Average Rate (₹ / KL)		53,589	35,224
4. Gas			
Quantity (Scum)		70,45,291	64,06,392
Total Cost (₹)		7,57,18,682	6,23,64,826
Rate (₹ / Scum)		10.75	9.73
B. Consumption Per Unit of Production			
Production of Tea Kgs.		1,25,68,077	1,34,74,784
Electricity (KWH)		0.88	0.91
Furnace Oil (Litres)		0.62	0.61
Coal (Kgs.)		1.30	1.50
Gas (Scum)		0.56	0.48