

ASSAM INDUSTRIAL DEVELOPMENT CORPORATION LIMITED
R. G. BARUAH ROAD, GUWAHATI- 781024

To,
The Members,
Assam Industrial Development Corporation Ltd.

Your Directors take the pleasure in presenting the forty ninth Annual Report on the performance of the Corporation for the year ended 31st March' 2014.

OPERATIONAL HIGHLIGHTS

REFINANCE SCHEME :-

The Corporation was recognized as a financial institution under IDBI's Act in the year 1976 mainly to extend term loan to medium and large scale enterprises under IDBI's Refinance Scheme. The Corporation offers financial assistance to entrepreneurs seeking to establish new venture or expand an existing enterprise in the State of Assam under Refinance Scheme since 1980-81. However, IDBI stopped the refinance scheme during the year 1992-93. The Corporation has assisted 78 Nos. of units involving a term loan disbursement of around Rs. 54.00 crores. The last unit was financed in the year 2003-04. The refinance reimbursement received from IDBI against Term Loan and seed capital are around Rs. 37.00 crores and Rs. 70.00 lakhs respectively.

A brief account of term loan, seed capital sanctioned and disbursed under the Refinance Scheme are given below :

Term Loan

<u>Sl. No.</u>	<u>No. of Units</u>	<u>(Rs. in lakhs)</u>	
		<u>Sanctioned</u>	<u>Disbursed</u>
1	78	5727.22	5443.38

Seed Capital

1	16	87.50	85.00 (15 units only)
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EQUITY PARTICIPATION SCHEME: -

Under the Industrial Policy of Government of Assam, the Corporation is providing Government Equity Participation to the Assisted Sector Units. The cumulative sanction and disbursement under equity participation Scheme of Government of Assam as on 31.3.2014 are Rs. 515.96 lakhs and Rs. 472.84 lakhs respectively.

During the year 2013-14, the Corporation has received Dividend from few Subsidiary and Assisted Sector Companies of the Corporation viz Assam Petrochemicals Ltd, Premier Cryogenics Ltd, Assam Air Products Pvt Ltd, GNRC Ltd etc

MONITORING & RECOVERY

1. Name of the unit taken over by the Corporation under Section 29 of the SFC's Act, 1951, during 2013-14: Date of taken over

Nil

2. Name of the unit sold during 2013-14 : Sale value
- a) M/S Baruah Publishing Co. Pvt. Ltd. (Plant & Machineries) Rs. 9,03,000.00
- b) M/S Gopinath Udyog Pvt. Ltd. Rs. 57,01,000.00
- c) M/S N. E. Caffeine Industries Pvt. Ltd. Rs. 44,00,000.00

3. Name of units offered OTS during 2013-14 One Time Settlement offered amount
- a) M/S Baroowa Brothers Pvt. Ltd. Rs. 1,66,00,185.00

4. The Corporation is taking effective steps for sale / recovery of outstanding dues from the following taken over units :

<u>Name of the Unit</u>	<u>Outstanding amount (excluding equity)</u>
1. M/S Paragon Offsets Pvt. Ltd.	Rs. 1,09,10,604.00
2. M/S Sonar Cachar Publication Pvt. Ltd.	Rs. 2,15,92,277.00
3. M/S N. E. Caffeine Industries Pvt. Ltd.	Rs. 2,48,68,773.00
4. M/S East India Publication Pvt. Ltd.	Rs. 23,33,152.00
5. M/S Brahmaputra Gases Pvt. Ltd.	Rs. 2,79,53,964.00
6. M/S Gopinath Udyog Pvt. Ltd.	Rs. 1,66,45,154.00
7. M/S Baruah Publishing Co. Pvt. Ltd.	Rs. 2,23,15,506.00

SUBSIDY

As disbursement agency under the State and Central subsidy scheme, the Corporation had made the following disbursement of Subsidy during the year under review :

(Rs. in lakhs)

Nature of Subsidy	No. of Units 2012-13	Amounts	No. of Units 2013-14	Amounts
State Capital Investment Subsidy	Nil		Nil	
State Incentives (U.S.)	19	34,717,564	26	33,144,089
Central Transport Subsidy	Nil		Nil	

Central Subsidy	Investment	Nil		Nil	
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FINANCIAL POSITION

Authorized Share Capital of the Corporation has been increased to Rs 150 (One hundred fifty) Crore during the year 2012-13.

The table below summarized the financial position of the Corporation under broad headings for the last three years upto 31st March, 2014.

(Rs. in lakhs)

Particulars	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
<u>Liabilities :</u>			
<u>Authorised Share Capital</u>	<u>10000.00</u>	<u>15000.00</u>	<u>15000.00</u>
a) Paid up capital			
i) Government	9309.24	9309.24	9309.24
ii) Share application	3232.96	3232.96	2921.29
b) Reserves & Surplus			
i) Free Reserves & surplus	(3925.73)	4671.72	(4196.62)
ii) Share premium account	-	-	-
iii) Capital reserves	-	-	-
iv) Others	-	-	-
v) Deposit from Government	4428.96	8020.07	11594.26
c) Borrowings			
i) From Government of Assam	3692.04	3692.04	3992.04
ii) From Financial Institutions	-	-	-
iii) Foreign currency loans	-	-	-
iv) Cash Credit	-	-	-
v) Other seed capital (IDBI)	-	-	-
vi) Interest accrued & due	-	-	-
d)			
i) Other long term liabilities	1851.76	1546.05	1905.07
ii) Other Current liabilities	314.78	490.39	410.63
iii) Provision for gratuity	-	-	95.22
e) Short term provision	100.88	30.00	30.00
Total ---	<u>19,004.89</u>	<u>21,649.03</u>	<u>26061.13</u>
<u>Assets :</u>			
f) Gross Block	4,584.82	4,603.54	4599.27
g) Less : Depreciation	<u>131.03</u>	<u>153.60</u>	<u>166.14</u>
h) Net Block	4,453.79	4,449.94	4433.13

i) Capital works in progress	21.64	-	96.80
j) Investments	2,314.16	2,275.11	2733.52
k) Current Assets loans and advance	12,215.30	14,923.98	18797.68
l) Deferred tax assets	-	-	-
m) Misc. exps. not written off	-	-	-
n) Accumulated loss	-	-	-
Total---	19,004.89	21,649.03	26,061.13
o) Working capital [k-d(ii)]	11,900.52	14,433.59	18,387.05
p) Capital employed (h)	4,453.79	4,449.94	4433.13
q) Net worth [a+b (i)]	8,616.47	7,870.49	8,033.91

SUBSIDIARY COMPANIES:

The Corporation has the following eight Subsidiary Companies as on 31st March, 2014:

1. Assam Petrochemicals Ltd.
2. Cachar Sugar Mills Ltd.
3. Assam Syntex Ltd.
4. Assam State Weaving & Manufacturing Company Ltd.
5. Industrial Paper (Assam) Ltd.
6. Assam State Fertilizers & Chemicals Ltd.
7. Fertichem Ltd.
8. Pragjyotish Fertilizers & Chemicals Ltd. (subsidiary of APL&ASFC)

Assam Petrochemicals Ltd.

Financial Performance

During the Financial Year 2013-14, the company posted turnover of Rs. 107.58 crore as compared to Rs. 90.29 crore in the last financial year, which is highest ever achieved by the company in its history. For the first time, APL has achieved turnover more than Rs. 100 crore. The sales turnover jumped by 19.14% over the last financial year. The year FY 2013-14 has reported Profit before prior period, exceptional and extraordinary items and tax at Rs. 11.12 crore as compared to Rs. 12.20 crore in the last financial year. Profit before Tax (PBT) earned by the company during the year increased by 146.46% from Rs. 4.67 crore to Rs. 11.51 crore. Similarly, the Profit after Tax (PAT) increased by 132% from Rs. 4.04 crore to Rs. 9.38 crore.

Sales & Marketing

The Company is marketing its products in North Indian States, West Bengal and North Eastern States and exporting to Nepal, Bhutan and Bangladesh. The company is giving importance to export its products for earning foreign exchange.

The company achieved highest sales turnover during the Financial Year 2013-14. The company sold 8028.124 MT Methanol during the year. The favourable market price had helped in achieving the sales turnover of Rs. 107 crore during the year.

Project & Development Activities

The company is implementing 500 TPD Methanol and 200 TPD Acetic Acid project adjacent to the existing plant at Namrup.

The Govt. of Assam accorded the much awaited Cabinet approval for implementation of the integrated 500 TPD Methanol-200 TPD Acetic Acid Project on 14th February, 2014.

Dividend

APL has paid 12.5% dividend on the paid up share capital of the company i.e. 1.25 per equity share for the year ended on 31st March, 2014.

Industrial Relations

APL has been continuously maintaining a peaceful and harmonious relationship between the management and the workers of the company. All the issues that were raised by the Workers' Union of the company were resolved in transparent manner through discussion. There was no incident of industrial unrest during the year 2013-14.

Cachar Sugar Mills Ltd.

As per Notification No. PE.8/2005/79, dated 27/04/2007, the Cachar Sugar Mills Ltd. has been declared as closed and the Government of Assam has released Rs. 1048.78 lakhs towards clearing Employees arrear salary including V.R.S. benefits. Cachar Sugar Mills Ltd. has already disbursed the same amount to the employees of Cachar Sugar Mills Ltd.

Internal Audit of the Company has been completed up to 2012--13. Statutory Audit has been completed upto 2009-10 and A.G. Audit upto 2003-04. The Statutory Auditor is appointed up to 2014. The Assets of the Company are now looked after by the Asset Management Cell under Task Force, Government of Assam.

Assam Syntex Ltd.

Accounts of Assam Syntex Ltd for the year 2011-12 and 2012-13 have been adopted in AGM on 05.01.2013 and 28.01.2014 respectively.

Formal winding up process is not yet started. The same can be initiated only on cleaning up of the Balance Sheet including disposal off assets and determination of contingent liabilities in respect of the Court cases.

Assam State Weaving & Manufacturing Company Ltd.

Account of Assam State Weaving & Manufacturing Company Ltd for the year 2012-13 has been adopted on 21.04.2014 and Statutory audit for 2013-14 is in process.

Formal winding up process is not yet started. The same can be initiated on cleaning up of the Balance Sheet including disposal of assets and determination of contingent liabilities in respect of the Court cases.

Industrial Paper (Assam) Ltd.

Industrial Paper (Assam) Ltd. was engaged in implementation of the Extensible Sack Kraft Paper Project. The project activities, however, have been suspended because of non-sanction of term loan by financial institutions. The unit has been declared as closed vide Government of Assam Notification No. PE.17/2005/103, dated 17th October, 2008. The fund for the closure has been received from Govt. of Assam. Employees were released under VRS. There is no liability in this regard. Updating of Annual Accounts is going on. Internal audit has been completed upto 2012-13. A.G. and Statutory audit has been completed upto 2001. The Assets of the unit is looked after by the Asset Management Cell of the Task Force, Government of Assam.

Assam State Fertilizers & Chemicals Ltd.

The company is planning to set up an Alum manufacturing plant on its own, considering the present market demand of alum required for new water supply projects in the State and requirement to different central PSU's. But the plant could not set up due to non approval by the Govt.

At present the company has taken a decision for modernization and expansion of the existing plant and necessary arrangement made for appointment of consultant for preparation of TEFR with the probable addition of products both organic and inorganic with modern technology. The company also submitted a fund proposal under A plan 2014-15 to the Govt. for ceiling of Rs. 35.00 lakhs for preparation of TEFR. However, the same has not yet been materialized due to non inclusion in the departmental priority list.

Accounts adopted in Annual General Meeting up-to 2005-06. Provisional Accounts approved by the Board up-to 2012-13, provisional accounts prepared upto 2013-14, accumulated loss as on 31.03.2014 is Rs. 839.48 lakhs.

Fertichem Ltd.

Accounts of Fertichem Ltd. for the year 2012-13 is adopted in AGM on 30-10-2013. Statutory Audit for the year 2013-14 has been completed. The Assets of the Company are now vested with the Government of Assam vide Notification No. FEA.106/2009/Pt/52, dated 21.09.2011.

Formal winding up process is not yet started. The same can be initiated on cleaning up of the Balance Sheet including disposal of assets and determination of contingent liabilities in respect of the Court cases.

Pragjyotish Fertilizers & Chemicals Ltd.

Due to fund constraint of the company, all the activities are on hold and the Board of the company has taken a decision to forward the matter to the Govt. for closure of the unit.

Accounts adopted in AGM upto 31st March, 2008. Statutory Audit has been completed upto 31st March, 2010. Annual Return submitted to the ROC upto 2012-13.

PROJECTS

During the year under review the following projects were promoted by the Corporation under State Sector and Joint Sector :

BAMBOO TECHNOLOGY PARK

A Bamboo Technology Park is under implementation at Chaygaon in Kamrup District in the Industrial Infrastructure Development (IID) Centre being developed by A.I.I.D.C. The project has been approved by Department of Industrial Policy & Promotion (DIPP) under the Industrial Infrastructure Up-gradation Scheme (IIUS) of the Govt. of India. The means of finance are as follows :

1. Central Grant under the IIUS	Rs. 52.63 crores
2. Industry contribution (5% mandatory contribution)	Rs. 3.90 crores
3. <u>Term Loan</u>	<u>Rs. 5.75 crores</u>
	Rs. 62.28 crores

As per the Guidelines of the IIUS Scheme, a Special Purpose Vehicle (SPV) has been created (u/s 25 of the Companies Act 1956) to carry out the business of developing, operating and maintaining the Infrastructure facilities being created in the Park. 6(six) SPV members including AIDC are taking part in the Project. The contribution of AIDC Ltd. is 26% of the total industry contribution (26% of Rs. 3.90 crores) i.e. Rs. 1.014 crores. The project is under implementation and is expected to be completed within March, 2015.

Cement Project

The Cement project i.e. M/S Calcom Cement India Ltd. (CCIL) is supported by AIDC as a co-promoter with 10% equity contribution towards the initial project cost of Rs. 410 crores having debt equity ratio of 2.5:1. The first phase of the project is being implemented in split locations – i.e. the Clinker unit (0.99 MTPA) at Umrangshu in Dima Hasao District and the Grinding unit (1.7 MTPA) at Lanka in Nagaon District. The revised project cost for the first phase has been estimated at Rs. 1050 crores.

The project is being implemented in phases up to a capacity of 4-5 million tonnes per annum. The first phase of the project is likely to be completed within December, 2014.

Initiatives of Personnel & Administration

- The Corporation has been focusing on the capacity building of the employees, through various training & development programme. Hence, during the Financial Year 2013-14, the corporation has trained 44 employees from various Departments through Training Programmes, Seminars and workshops within and outside State.
- As a part of Employees Engagement Initiative, the Corporation has organized/sponsored various events like Viswakarma Puja, New Year Celebration, get-together in Independence Day and Republic Day etc.
- Two members of Employees Union have been sponsored for attending training programme, outside the State in the year 2013-14.
- Issues raised by the Unions/Associations of the Corporation were resolved amicably through discussion. There was no incidence of any industrial unrest during the Financial

Year 2013-14. The Corporation has been maintaining a peaceful, harmonious and productive relationship with the Union/Associations of the Corporation.

CORPORATE GOVERNANCE DISCLOSURE

In accordance with the Guidelines on Corporate Governance issued by Department of Public Enterprises, Assam a report on compliance of Corporate Governance is enclosed as **Annexure II**.

CONSERVATION OF ENERGY:

Since the Corporation is not a manufacturing organization, the information relating to conservation of energy is not related to it.

TECHNOLOGY ABSORPTION:

As the Corporation is not a manufacturing organization there is no involvement of any technology in the Corporation.

FOREIGN EXCHANGE EARNED AND OUTGO

Foreign Exchange outgo Rs..... Nil
Foreign Exchange earned Rs.....Nil

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

There is no employee in respect of which information is required to be furnished under Section 217 (2A) of the Companies Act, read with Companies (Particular of Employees) Rules, 1975.

DIRECTORS

As on 31-3-2014 the Board of Directors of the Corporation consists as follows:

- | | |
|-----------------------------|---------------------|
| - Dr. Haren Das | : Chairman |
| - Shri R. T. Jindal, IAS | : Director |
| - Shri R. C. Joshi, IAS | : Director |
| - Shri Rajesh Prasad, IAS | : Managing Director |
| - Shri N. N. Borkakoty, IAS | : Director |
| - Shri A.K. Barooah | : Director |
| - Shri Bolin Bordoloi | : Director |
| - Shri Faiznur Ali | : Director |
| - Shri S. K. Prithany | : Director |
| - Shri Navajyoti Talukdar | : Director |

During the year 2013-14, Smti Emily Das Chowdhary, IAS has been relieved as Director from the Board of Directors of AIDC Ltd. and Shri N. N. Barkakoty, IAS has been appointed w.e.f. 27th Feb, 2014. Shri Pradyut Bhuyan has been relieved as Director from the Board of Directors of AIDC Ltd. and Shri Sajjan Kr. Prithany has been appointed as Director w.e.f. 20th Apr., 2013.

The Directors have placed on record their deep appreciation of the valuable guidance and contributions received from the outgoing Director.

AUDITORS

M/S Saurav Agarwal & Associates Chartered Accountants were appointed as the Statutory Auditors of the Corporation for the financial year 2013-14 by the Comptroller & Auditor General of India under the provisions of Section 619(2) of the Companies Act, 1956.

RIGHT TO INFORMATION ACT

Effective mechanisms have been developed and implemented for dealing with applications received from citizens of India under the Right to Information Act, 2005. Each RTI application is handled with prudence so that information held in Corporations domain can be shared with applications in true letter and spirit of the RTI Act.

DIRECTORS RESPONSIBILITY STATEMENT

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures,
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as 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 or loss of the company for that period,
3. That the Directors had taken proper and sufficient care for the maintenance of 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,
4. That the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors takes this opportunity to place on record its gratitude to the concerned State Govt., Joint Sector partners, other agencies and Auditors for their continued co-operation and assistance in the affairs of the Corporation. The Directors also record their appreciation of Banks, valued Entrepreneurs, and Shareholders for the co-operation received and the confidence reposed on the Corporation by them.

The Board further expresses its appreciation of the employees of the Corporation, whose sincere services resulted in the development of the Corporation.

For and on behalf of the Board of Directors

Sd/-

Date : 22/12/2014

Place : Guwahati

CHAIRMAN