



Assam Company India Limited

Member Duncan Macneill Group

52, Chowringhee Road, Kolkata – 700 071, India

Telephones 2283-8306/8309/8312, E-mail: assamco@vsnl.com Fax : 033-2283 8334, Website : www.assamco.com

30th December, 2011

The Secretary
National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051.

Fax No.(022) 2659 8237/ 8238
2659 8348/8347

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400 001.

Fax No.(022) 2272 3121/ 2037/
2272 -2041/2061/ 2039/3719

Dear Sir,

Sub.: Redemption of Foreign Currency Convertible Bonds

Please find enclosed a copy of a letter dated 30th December, 2011, addressed to the Foreign Currency Convertible Bondholders which is being circulated through the Trustees to the Issue, The Bank of New York, Mellon. The said covering letter to the Trustees dated 30th December, 2011 is also enclosed.

This is for your record and information.

Kindly acknowledge the receipt.

Thank you,

Yours faithfully,
For **ASSAM COMPANY INDIA LIMITED**

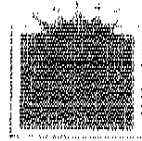
ROMIT MITRA
PRESIDENT - LEGAL & COMPANY SECRETARY

Encl.: 2 letters



ASSAM COMPANY INDIA LIMITED

(Member of Duncan MacNeill Group, U.K.)



28th December, 2011

**The Bank of New York Mellon
Global Corporate Trust
One Temasek Avenue
03-01 Millenia Tower
Singapore 039192**

Kind Attn: Ms. Manual A. Arias and Mr. Simon Koh,

Ref: Redemption of Foreign Currency Convertible Bonds ("FCCB") issued by Assam Company India Ltd. ("Company") as per conditions of the Trust Deed dated 23rd November, 2006 ("Trust Deed")

Sub: Request for extension of time for redemption of FCCB

We refer to our earlier letter dated 16th December, 2011 in connection with the above mentioned subject.

We regret that inspite of our best efforts, we would not be in a position to pay the proceeds of the Bonds by 31st December, 2011. The company further regrets to state that such exceptional circumstances have arisen due to the reasons, which of are of exterious natures and beyond the control of the company. The Company is making serious efforts to arrange the required funds for redemption of Bonds and in constant discussion with various financiers including Bankers for the same purpose.

We would like to thank you and all the Bondholders for being patient with the Company. We write to seek extension of time till the company is able to tie up the requisite funds and to allow the company sufficient time for concluding the financial arrangement. We request you to kindly circulate the appended letter to the Bondholders for their consideration.

We, once again, apologize for the inconvenience caused to you on account of the delay in redemption of the Bonds.

We once again thank you for the confidence posed on us in investing in FCCB issued by the Company.

Thanking you,

Yours faithfully,

For Assam Company India Limited

Aditya Kumar Jajodia
Aditya Kumar Jajodia
Managing Director

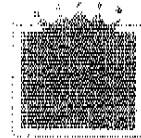
SBI VFSB Tower, Connaught Place, New Delhi-110 048, India. Tel: +91 11 4611 0101, Fax: +91 11 4611 0111
E-mail: chairmanoffice@assamco.com, infooffice@assamco.com

Registered Office: Grosvenor Tower Estate, P.O. Singapore, Assam



ASSAM COMPANY INDIA LIMITED

(Member : Duncan Macneil Group, (UK))



30th December, 2011

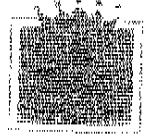
To
Bondholders

Reference: Terms and conditions of the Foreign Currency Convertible Bonds ("FCCBs") issued by Assam Company India Limited ("**Company**") stipulated under the Trust Deed dated 23rd November 2006 ("**Trust Deed**")

UPDATE TO THE BONDHOLDERS OF ASSAM COMPANY INDIA LIMITED

Dear Sirs,

1. We write further to our letter dated 12th December, 2011.
2. As you are aware, the Company is in the process of arranging the necessary financing to allow the Company to make the relevant redemption payments in respect of the FCCBs. The Company regrets to inform the Bondholders that in spite of its best efforts, it will not be in a position to make the redemption payments in respect of the Bonds by 31st December, 2011. The Company further regrets to state that such exceptional circumstances have arisen due to reasons which beyond the control of the company.
3. The Company is making serious and dedicated efforts to arrange the required funds for redemption of Bonds and is in constant discussion with various financiers including Bankers in respect of its borrowing requests.
4. We urge that the Bondholders allow the Company an extension and grace period to be able to redeem the FCCBs after duly arranging for the relevant financing to be in place to make the relevant redemption payments under the terms of the Trust Deed. The Company believes it will be in the best interests of the Bondholders that such extension be granted to the Company.
5. It is pertinent to point out that, the Company shall not be in a position to remit the redemption amount out of India to the Trustee without prior written approval having been obtained from the Reserve Bank of India ("**RBI**"). Any redemption payment from the Company made after the term of the Bonds has expired may be viewed as an elongation/rollover in the repayment on expiry of the original maturity of the FCCBs and would require the prior approval of the RBI under the extant Master Circular on External Commercial Borrowings and Trade Credits dated 1st July, 2011 issued by the RBI ("**ECB Regulations**"), which also governs the FCCBs. Also, Condition 11.8 of the Conditions makes it mandatory that Company obtain the requisite approval from RBI, if relevant, before making any payments of principal.



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6. In accordance with Condition 2.2 of the Terms and Conditions of the Bonds, the Company is willing to pay the interest (as stipulated under Condition 2.2) which accrues on account of the Company's failure to pay the redemption amounts to the Bondholders on the due date, in respect of such extended period which the Company may be allowed. It is submitted that the Bondholders' interest are being protected as they shall be paid their relevant redemption amounts along with the interest due thereon on account of the delay. Their interests under the Trust Deed shall stand protected and interest shall be paid to them by the Company on account of the said delay.
7. Further, the Company will do everything necessary to provide all critical comfort that the Bondholders may seek in this regard, including but not limited to providing relevant legal advice or opinion from legal experts in connection with the desired extension being sought by the Company.
8. In light of the above, the Bondholders are urged to favourably consider this request by the Company for an extension in the time period, within which the redemption payments may be made by the Company, in any event, no later than [28th February, 2012]¹. For the reasons cited above, it will be in the best interests of all concerned if this request is granted as it shall allow of the redemption of the FCCBs to take place in a time-bound and efficient manner.
9. We, once again, apologize for the inconvenience caused to the Bondholders on account of the delay in redemption of the Bonds.
10. All capitalized terms used in this letter but not defined shall have the meaning ascribed to them under the Trust Deed.

Yours sincerely,

For Assam Company India Limited


Aditya Kumar Jajodia
Managing Director

¹ Note to Draft: This is the date till which the Bank of Baroda facility is available to ACIL.